One hundred and fifty years ago, our Halifax founders expanded aggressively westward to support the ambitions of a young and growing country. In doing so, a powerful statement was made about the kind of company we set out to be: RBC moves ‘quick to the frontier’ to help clients thrive and communities prosper.

The same bold spirit has propelled us forward ever since; whether that’s by entering new markets and geographies, expanding our value proposition, or reimagining the role we play in our clients’ lives. RBC is here to build a better future for those we serve.

Progress towards this goal can be measured by the scale and strength of our franchise in Canada, the U.S. and across our global footprint; the engagement of our people; the meaningful value we create for our clients; the investments we make in the community; and the strong financial performance we delivered in 2019. In my conversations with the Board, this balanced approach defines what a performance scorecard means to RBC.
I’m particularly proud of our employee engagement levels. They reached new heights in 2019, surpassing external benchmarks of high-performing companies in North America.

In part, this is a reflection of our culture, which provides our people with opportunities to achieve their long-term career objectives. This includes helping our employees gain the skills to thrive in the workplace of the future. Equally important, RBCers believe in our Values, understand our Vision, and are motivated by our Purpose – to help clients thrive and communities prosper.

Strong engagement translates into employees going above and beyond to deliver for our clients. Across our five business segments, client satisfaction levels increased in 2019 – and in many cases, RBC is leading our Canadian and global peers. Thanks to our employees, we are developing deeper and more meaningful relationships with those we serve, and attracting new clients. Indeed, our aim is to add 2.5 million new clients by 2023. Our volume of business, revenue and market share growth speaks to the trust clients have placed in us, and the value we continue to create for them. It also tells us that the significant investments we’re making in talent, technology and our trusted global brand, are paying off.

We are proud of the contributions we make in the communities where we work and live – our long-term success depends on it. That begins with caring deeply about what matters most to our community stakeholders. In 2019, this included thousands of employees volunteering hundreds of thousands of hours to make life better in Canada, the U.S. and around the world. And since our inception, we have donated more than $1 billion to local communities and causes. Through our resources and talented people, RBC is casting light on important conversations about our collective future, and acting as a catalyst to move these conversations forward.

In the near term, we expect the world to remain in the midst of profound change and disruption, driven by a wide array of geopolitical, economic and technological forces as well as social and demographic trends.

TRANSFORMING THE EMPLOYEE EXPERIENCE

In a world where change is constant, having the right people in the right roles is key to how we create more value for our clients. We are building opportunities and experiences that not only attract top talent, but also inspire our people to grow and embark on exciting career paths across RBC.

Our culture is built on innovation and inclusion. Behind every technology and business agility project, there are diverse teams delivering advice, products and services, while developing new skills and advancing their careers. Our teams are working and thinking differently because we’re nurturing a growth mindset and providing unique learning opportunities so our people can thrive in the new world of work.

This year, 93% of our employees said they feel confident they can learn new skills to adapt as their job changes. This tells us we’re succeeding in delivering exceptional employee experiences that unlock the potential of our people. We know that our ability to harness diverse skills and perspectives is essential to driving engagement, and, ultimately, to building the bank of the future and achieving our Purpose of helping clients thrive and communities prosper.

The proof is in our culture

“Building a culture of diversity and inclusion where everyone can thrive and feel a sense of belonging is key to attracting the best talent. It’s also how we differentiate ourselves and earn our clients’ trust. Our team tapped into this strength as the sole advisor to BB&T in their merger of equals with SunTrust – the largest deal of its kind since the financial crisis.”

Vinnie Badinehal
Head, Financial Institutions Group, Capital Markets
As RBC navigates this evolving world, we will strive to build long-term sustainable client franchises in our core markets that are focused on delivering a premium return on equity, and support earnings growth and value creation for all our stakeholders.

To do so, we will leverage our scale, strong risk and capital management and diversified business mix to drive long-term growth.

We are proud to be recognized as the most valuable brand in Canada and a top 100 global brand, and will continue to find new and exciting ways to bring it to life to foster unique and powerful bonds with our clients and communities.

This includes partnering with other market-leading brands and developing capabilities to differentiate our offerings.

We will sustain our technological leadership by investing significantly in our digital and innovation strategies, enabling RBC to deliver even more insights and advice that create meaningful value for our clients. Our differentiated technology platform and strong data foundation are supporting business growth, operational efficiencies and leading-edge capabilities. RBC’s next-generation delivery platform, including a multi-cloud strategy, accelerates our ability to bring products and services to market quickly, scale across our businesses, and leverage world-class artificial intelligence (AI) and analytics to deliver superior business outcomes.

Our leaders and teams will keep looking for ways to make our business less complex to run, and faster to operate.

Strength in our second home market

Growth in the U.S. remains a key pillar of our strategy. We generated 23%(1) of our revenue in the U.S. in 2019, and will continue building our businesses and leveraging synergies across our teams. We’re seizing the right opportunities to gain market share, attract top talent and expand our footprint in new and existing markets. From every transaction and trade, to our advice and technology, our teams work across geographies and business lines to deliver results for clients and drive shareholder value.

13,000+ employees across our businesses in the U.S.

Expanded

City National’s presence in Los Angeles, New York, Washington, and opened in Miami

10th

largest investment bank(2) in the U.S. with 35 offices in 23 states

1,900+

advisors in U.S. Wealth Management across 42 states

(1) Excludes Corporate Support.
(2) Dealogic, based on global investment bank fees, YTD at October 31, 2019.

LEADING PARTNERSHIPS

We believe in the power of partnerships to help us bring new value-added products and services to market faster.

It’s why we partnered our best-in-class RBC Rewards® program with iconic brands like Expedia, WestJet, Petro-Canada, Indigo and many more – to provide our clients with a unique rewards program that gives them more of what they actually want and unparalleled flexibility. They can even pay bills with their points – a first in Canada. With rewards like this and strong partners, we’ve maintained a leadership position in premium travel with both our Avion flagship card and WestJet co-brand card.

Our value proposition extends even further. This year, we teamed up with Microsoft to launch RBC Go Digital, bringing together our cutting-edge financing solutions with Microsoft’s technology to help our commercial clients accelerate their digital transformation and journey towards achieving their business goals.

And, to bring more choice and expertise to the Canadian Exchange-Traded Fund (ETF) market, we introduced RBC iShares. This strategic alliance between RBC Global Asset Management and BlackRock Canada connects our clients to the largest and broadest ETF lineup in Canada with over $60 billion in assets across 150 ETFs.

It’s a win-win. By partnering with industry leaders and retailers, we’re increasing engagement and enhancing our day-to-day relevance to expand our reach and deliver a differentiated experience for our clients. This will continue to be a fundamental part of our growth story as we build the bank of the future.
And we will attract and grow the best talent, placing our diverse and inclusive culture at the centre of what we do and how we do things.

Our people will always be what differentiates RBC in the marketplace.

Our willingness to reimagine – and disrupt – the way we operate will ensure RBC remains relevant in our clients’ lives. The RBC story tells us we are at our best when we are at our boldest. It’s in our DNA.

The dividend of bold decisions
Consider one way we are challenging our business model to build the bank of the future. We don’t just digitize existing products, we co-create new services and experiences. Importantly, these efforts extend beyond what you expect from a bank.

RBC Ventures is a great example. It supports innovation and the development of technologies by co-investing and partnering to develop new products and services – such as searching for a home, managing household chores, or assisting with mobility needs. By doing so, we play a more integral role in people’s lives which, in turn, broadens our value proposition.

To date, 17 ventures are making life easier for our clients. For instance, Ownr has helped nearly 12,000 Canadians start small businesses, and in 2019, we went further to empower small businesses by introducing Dipp, a digital platform that helps owners acquire new customers and grow their revenues.

Bold to the future
Acting boldly in an age of change and disruption is central to our ongoing success.

The same could be said for the countries we operate in, including our home market, Canada, where the majority of our employees and shareholders reside. This nation is certainly not immune to many of the world’s challenges and opportunities.

I’ve spoken publicly on a number of them throughout the year which, I believe, is one of my responsibilities as the CEO of one of the largest Canadian employers. Let me highlight three areas of focus that require bold leadership from both the public and private sector.

IMPACT THROUGH INCLUSION

Diversity and inclusion is more than just a value at RBC; it’s critical to our success as an organization and in our communities. That’s why we have a bold vision that applies inside and outside of RBC – to unleash the full potential of diversity, and drive innovation and growth more broadly.

This translates into taking steps that drive meaningful change: joining the Equality Fund in Canada to bring our expertise in sustainable finance to fund projects that advance gender equality, supporting key legal initiatives that bolster LGBT+ rights globally, and working with organizations like the Toronto Region Immigrant Employment Council to mentor newcomers. It’s about speaking up for and about inclusion.

We mirror these initiatives internally through leadership programs for women and minorities, inclusive behaviour training programs, employee resource groups that boost inclusion, and with measurable goals to further diversify our talent pipeline.

Active engagement is vital to creating an inclusive and respectful work environment. This year, 92%[1] of our employees said they feel they are treated with respect, and 90%[1] said that management supports diversity in the workplace: recognizing, respecting and leveraging differences. We all benefit when we build and protect a culture where everyone can contribute, and has the opportunity to reach their full potential.

*Being part of the team that advises RBC in its support of initiatives that protect LGBT+ rights has been a highlight of my career. I’ve seen firsthand how the company ‘walks the talk’ as we take a stand in key causes that align with our values. I’ve had the opportunity to bring my passion for the legal world to projects that have a positive impact in our communities.*

Lisa Ford
Senior Counsel, RBC Law Group

Climate change is one of the most pressing issues of our age. It’s a primary concern of our employees, clients, many shareholders and the public, including the youngest generations who are, in many regards, leading the conversation.

There is general agreement on the reality of a warming climate and the various causes of climate change. But talking about the way forward has done more to divide than unite our efforts to mitigate carbon emissions.

**Coming together starts with a common vision – one that is economically beneficial and politically acceptable to Canadians. RBC will elevate its efforts to convene leaders, and act as a catalyst for meaningful change.**

This year, RBC announced a business target of $100 billion in sustainable financing by 2025. These funds will support investments in sustainable companies and projects that today are widely recognized as contributing to the low-carbon, sustainable economy of the future. We’re also committed to advancing the way we assess climate-related risks, provide climate-related disclosures and support our clients in this pursuit.

In doing so, we must be pragmatic. Fossil fuels will continue to be the primary source of energy to warm our homes, cook our meals, and travel to and from work over the next decade. Moreover, global energy demand will continue to rise which is, in part, the result of a growing population. Canada needs to meet this demand by selling our oil and gas overseas, where we can derive a premium for our goods and, in turn, generate public monies to invest further in clean energy and, more broadly, social programs. Indeed, our oil and gas sector already stands out as an investor in clean tech – let’s build on its momentum so that the industry plays a central role in the transition to a low-carbon economy in Canada and around the world.

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**TAKING ACTION TOWARDS A SUSTAINABLE FUTURE**

We believe capital can be a force for positive change, and we know we have an essential role to play in supporting the move to a sustainable future.

Sustainable finance also represents a growth opportunity for our business and our clients – this is clearly demonstrated by our new business target: $100 billion in sustainable finance by 2025. It’s also why we established a Sustainable Finance team within Capital Markets – to support the growing number of corporate and institutional clients globally who view Environmental, Social and Governance factors as important considerations in their corporate strategy and investment process.

We are committed to an enterprise climate strategy aimed at accelerating clean growth and supporting our clients in the low-carbon transition through five key actions:

> Supporting clients in the low-carbon transition with RBC products, services and advice
> Advancing RBC’s capabilities in climate risk management and publishing annual disclosures aligned to the Task Force on Climate-related Financial Disclosures
> Achieving net-zero carbon emissions in global operations annually
> Speaking up for smart climate solutions
> Using technology to address complex environmental challenges

For more information, see the RBC Climate Blueprint available at [https://www.rbc.com/community-social-impact/reporting-performance/](https://www.rbc.com/community-social-impact/reporting-performance/)
CEO MESSAGE

DIFFERENTIATED ADVICE AND INSIGHTS

Our size and scale set us apart, but it’s more than that. We’ve combined our trusted brand with a differentiated technology platform and data scale to simplify and enhance our clients’ banking experience.

Whether it’s expanding personalized services like MyAdvisor®, which reached more than 1.4 million clients this year, or better serving our more than four million mobile users(1) with tailored experiences – we’re unlocking extraordinary insights and advice to bring our clients’ biggest ambitions to life.

We’re also developing world-class AI capabilities to boost our clients’ financial confidence because we know every dollar counts. With the introduction of NOMI Budgets, we helped our clients set more than 730,000 budgets, and NOMI Find & Save® has helped our active clients save an average of $197 per month.

For our business clients, real-time data and insights are game changers. Sorting through mountains of information about customer preferences and industry trends is the new normal. So we launched RBC Insight Edge, a Canadian first, which provides our advisors with actionable insights to help our 27,000+ retail business clients make more informed decisions to grow their businesses.

Likewise, we scaled RBC Elements™ for our Capital Markets clients. Our research and data science team have redefined what’s possible when it comes to data analytics to produce differentiated research. To date, they’ve delivered more than 70 unique reports to clients globally.

By investing in new capabilities, technologies and business models, we’re bringing the physical and digital worlds together to provide our clients with best-in-class digital experiences at the speed they expect. Because we’re not just thinking about what isn’t, but what could – and can – be.

A technological revolution sweeping the world presents Canada with huge opportunities. We are well positioned, for instance, to be a global hub of data innovation. But some high profile data events have undermined consumer confidence in the way some organizations handle the data economy. Trust will underpin our digital economy.

Ottawa’s introduction of a Data Charter is an important step forward in helping provide a framework. But, at the end of the day, it’s actions not words that will instill public trust. Leaders in the public and private sectors must work together to define societal norms around personal data usage.

RBC has a clear approach to how we think about data.

Transparency is key. People need to know how the data is used. It’s also vital that consumers understand what they receive for sharing their data. And organizations must help people exercise control of what personal information is shared and used.

Additionally, RBC has made significant investments in cutting-edge technology to protect our customers and our business every day.

We’ve nearly doubled our investment in cyber security technology over the last five years. We lead and convene industry initiatives. A federal government advisory committee on AI is co-chaired by an RBC executive who oversees Borealis AI™, our research institute. RBC also collaborates with a wide range of stakeholders on industry-wide strategies including training, commercial acceleration and applied research and development.

The world of work is also changing in profound and permanent ways. Even as many jobs transform, or disappear, millions more are expected to be created. Digital literacy will be essential for workers at all career stages in the new skills economy. There is also an increasing need for human skills – the ability to communicate and collaborate; to think creatively and critically. At RBC, we are helping all employees develop the skills to prepare them for the future of work. But there’s more we can do.

Safeguarding trust

Protecting our clients’ privacy and upholding their trust is core to our Purpose. We’ve built a team of over 500 cybersecurity specialists to enhance our capabilities and keep pace with the fast-changing landscape. At Borealis AI™, we’re researching and developing artificial intelligence tools to stay ahead of the curve. And we’ve invested $5 million to support the Rogers Cybersecure Catalyst, a centre for education in cybersecurity at Ryerson University, to help address the cyber skills gap in Canada.

(1) Represents 90-day active customers in Canadian Banking Only.
Our current system – educators and employers alike – does not adequately teach or train youth and workers to develop the portfolio of skills that help people thrive in the workplace.

We need to rethink the way we teach and prepare all workers, including the next generation.

Work-integrated learning programs, such as co-ops, can help break down this barrier. Research suggests university co-op graduates achieved higher earnings and employment rates than their non-co-op peers.

RBC has developed a number of programs to help youth get work experience, develop skills and grow their professional network. This summer, we welcomed more than 1,600 students to RBC from nearly 100 colleges and universities from across Canada and the U.S. And we established a partnership with Riipen to increase access to, and deliver, experiential learning for post-secondary students. This initiative is part of our 10-year, $500-million commitment to empowering youth for the jobs of tomorrow through RBC Future Launch®.

History shows that Canada has the courage and conviction to overcome challenges and seize opportunity. RBC is convinced history will repeat itself, thanks to an incredible mix of people, ideas and resources. Let’s harness these advantages to advance our ambitions.

And let’s do it in a way that stays true to our national character. That means engaging on key issues such as supplying the world’s energy needs while still moving towards a low-carbon economy. It means deploying our competitive strengths in the digital economy while protecting personal privacy. And it means rethinking how we prepare the next generation of workers for jobs that don’t yet exist today.

You can count on RBC to forge new paths to innovate and reimagine our business. Indeed, we are on a path that very few can achieve: a journey to transform our bank for the benefit of our shareholders, employees, clients and communities.

We are excited about the horizon ahead of us.

Dave McKay
President and Chief Executive Officer

PREPARING THE NEXT GENERATION

There are seven million young people in Canada between the ages of 15 and 29(1). We believe that we have a collective opportunity – and a responsibility – to help them prepare for the future of work. Young people deserve to succeed, and that’s why we created RBC Future Launch®. It’s important to get this right; Canada’s future prosperity is counting on it.

1.9 million youth across Canada reached through RBC Future Launch®
77% of youth surveyed reported feeling better prepared for the future(2)

Empowering youth to pursue impactful careers means equipping them with skills, networks, work experience and access to mental well-being support and services so they can face a changing workforce with confidence. We are building tools and engineering opportunities through RBC Upskill®, RBC Career Launch®, Ten Thousand Coffees, and Riipen, and supporting initiatives like WE Are Social Entrepreneurs and Boys & Girls Clubs of Canada, to accelerate their readiness for the changing world of work. We’ve also expanded our national network of charitable partners, allowing us to reach more youth across Canada. And they’re telling us our investments are making a difference so we’re going to keep building on these efforts and leading the conversation.

Banking for students by students

“Banking with RBC is more than managing money. Our goal is to empower young people to learn about money management and to confidently take on their financial future,” said Erica Nielsen, Vice-President, Payments and Banking. That’s why we launched a customized, easy-to-use banking experience geared specifically to students within the RBC Mobile app.

Banking for students by students

(1) Statistics Canada, 2018 Demographic Estimates Program.
(2) Based on a sample of 14,000 survey responses from Future Launch program participants.