



Investor Intelligence Report Royal Bank of Canada

"Voice of the Shareholder"

3Q 2023

Brendan Wood International
First Intelligence

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Brendan Wood & Partners

The Brendan Wood Shareholder Confidence Panel

BWI Panel
Institutional
&
Private Wealth Investors

Secondary Markets
Professionals
Research, Sales & Trading

GLOBAL PANEL
 2000+ Debriefs with Decision
 Makers
 >\$56 Trillion in Assets
 70% Sector Specialists
 30% Generalists
 Average 9 Yrs Professional
 Experience, 25% more than 15
 Years

+/- 600 Professionals, including...
 +/- 400 TopGuns

GLOBAL RESOURCES PANEL
 350+ Debriefs with Decision
 Makers
 >\$15 Trillion in Assets
 80% Sector Specialists
 20% Generalists
 Average 11 Yrs Professional
 Experience, 35% more than 15
 Years

+/- 100 Professionals, including...
 +/- 100 TopGuns

Geographic Breakdown of the BWI Panel 2023:

US	42%
Canada	21%
Europe/Middle East/Africa	32%
Pacific Rim	4%
Latin America	1%+

Global Resources Panel:

35%
34%
27%
3%
1%+

WHAT DO BRENDAN WOOD COMPANY SCORES MEAN?

METHODOLOGY

The core mission of BWI performance and quality metrics is to illustrate and explain the emerging investor “commitment to own” particular stocks.

Eleven critical performance metrics are used to determine the relative strength of investor commitment to a company as an investment target. To help investors rate companies in a sector on a relative basis “one metric at a time”, a visual technique is used. For example, the visual tool shows investors a consensus vertical hierarchy representing how each investment target company in a sector is rated by investors against a criterion such as “Quality of Strategy” ... AS AN INFLUENCE ON THE INVESTOR COMMITMENT TO OWN THE NAME. The investor is then asked to adjust the consensus rating hierarchy to match their own particular view of how each company scores against the “Quality of Strategy” criterion. They may agree or disagree with the consensus. The investor then makes their personal adjustments which are added to our cumulative data instantly. To make this task fast and accurate the visual scoring hierarchy is broken down into top decile, four quartiles and a bottom decile, therefore six potential levels of performance against each investment selection criterion. The quartile display is instantly recognizable by investors as indicating both absolute and relative bases of the influence of a company’s level of competitive performance against a critical investment selection criterion.

The above methodology forces the (dependent variable) absolute benchmark of “commitment to own” on each quality of a corporate investment target.

WHY A COMPANY SCORE MAY BE FIRST IN ITS SECTOR BUT RATE IN THE SECOND QUARTILE?

This means that the sector itself (all companies included) ranks in the second quartile or below of investor selection attractiveness against a particular criterion of investability.

ADVANTAGE OF BRENDAN WOOD INTERNATIONAL METHODOLOGY?

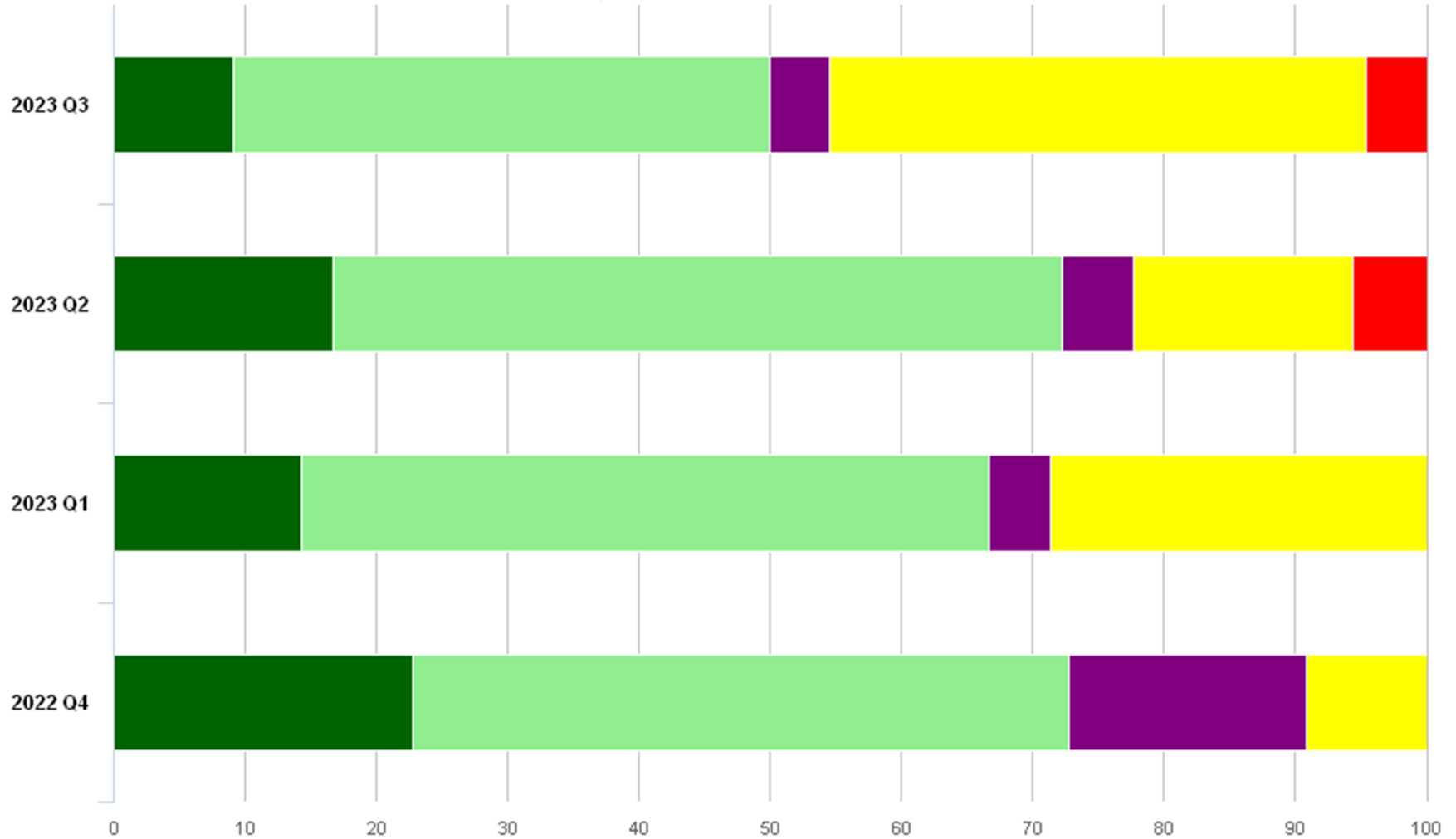
This process identifies the emerging competitiveness of individual sectors, sub-sectors and most importantly of companies as investment targets on both an absolute and relative ‘best in sector’ basis against investors’ selection criteria for the year ahead. Such calibrated data allows BW partners to help corporate management to accurately analyze their company’s attractiveness as a target for the year ahead as an individual story and relative to its comparables and sector. The isolation of performance against individual metrics enables management to identify and address the key metrics which drive the “commitment to own” their particular stock.

APPARENT CONDICTION BETWEEN QUARTERLY RESULTS AND ROLLING YEAR RESULTS?

Quarterly results = the results in the quarter. Rolling years results = the results for a full year of data.

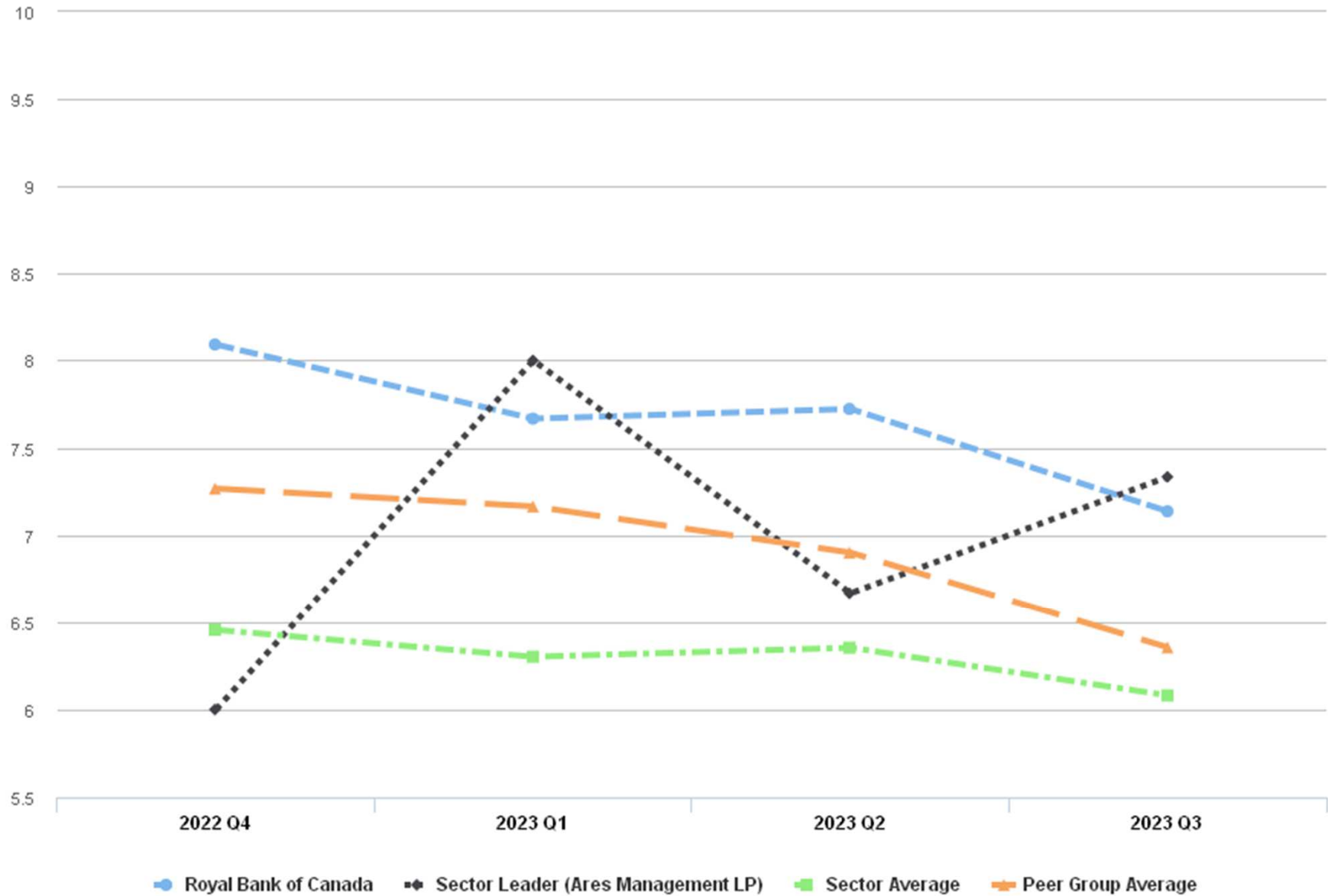
What is Your Commitment to Own This Stock in The Year Ahead?

Royal Bank of Canada



- 1. Do not Own, Serious Lack Confidence in the Company
- 2. Do not Own, Lack Confidence in the Company
- 3. Own it, Selling it due to Decreasing Confidence
- 4. Neutral, Benchmark it but DO NOT see company as a Target
- 5. Own it with Confidence BUT DOWNSIZING to re-weight portfolio
- 6. Own it or Intend to Own it
- 7. Own it with Increasing Confidence

What is Your Commitment to Own This Stock in The Year Ahead?



Shareholder Confidence Metrics

Royal Bank of Canada's Performance Vs Royal Bank of Canada Peer Group

Royal Bank of Canada Peer Group

Bank of America Corporation

Citigroup

Goldman Sachs

JP Morgan

Morgan Stanley

PNC Financial Services Group Inc

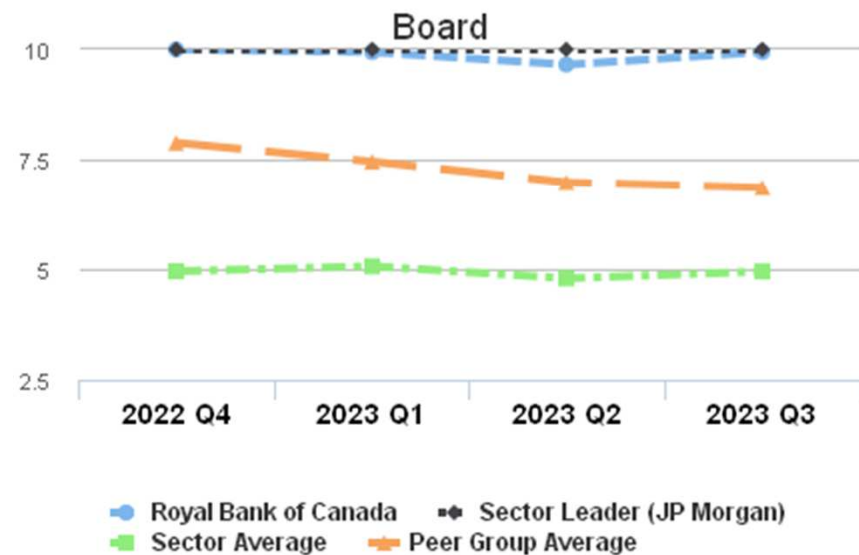
Royal Bank of Canada

US Bancorp

Wells Fargo & Co.

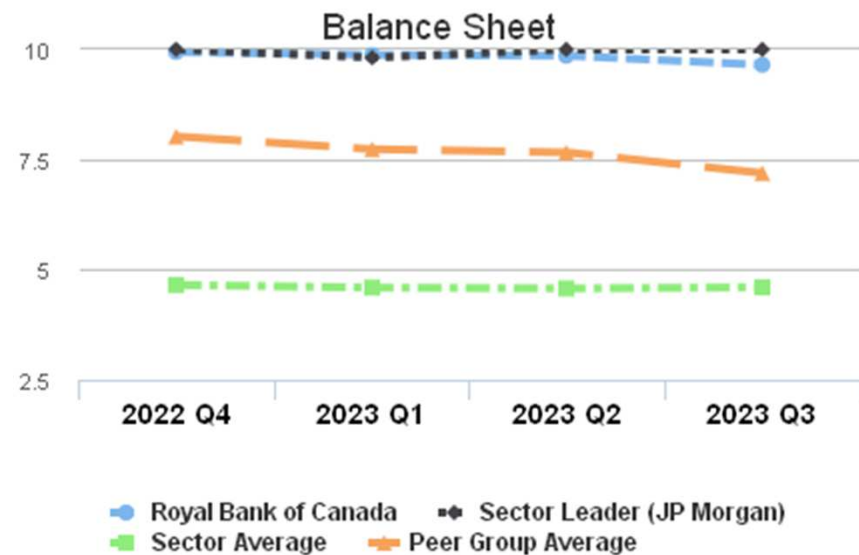
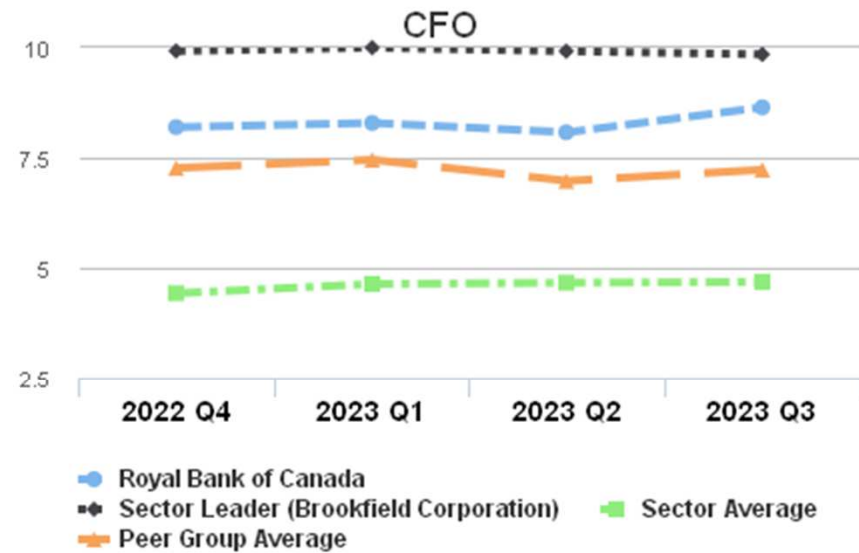
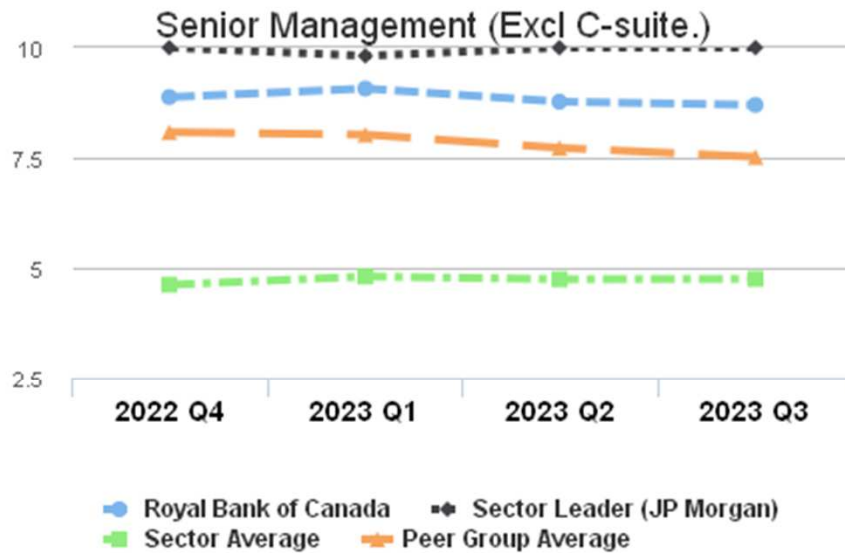
Shareholder Confidence Metrics Forecast for the Year Ahead

Quarter over Quarter Results



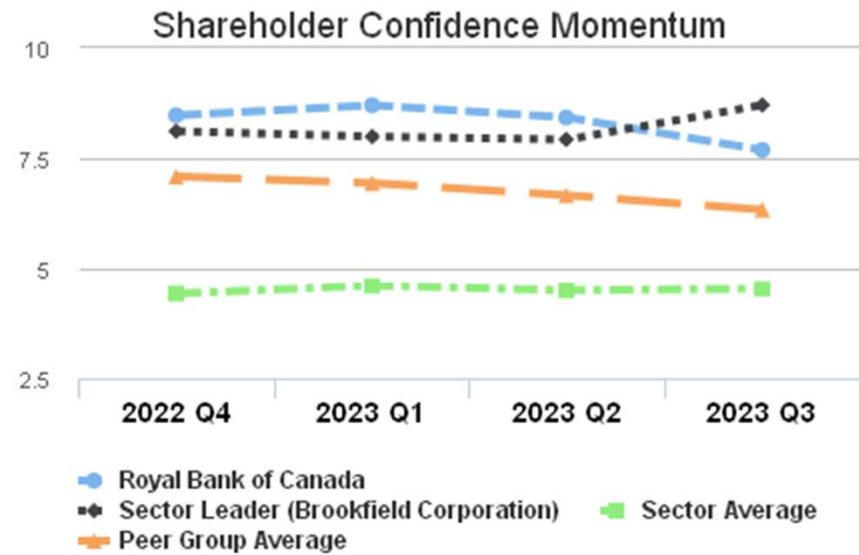
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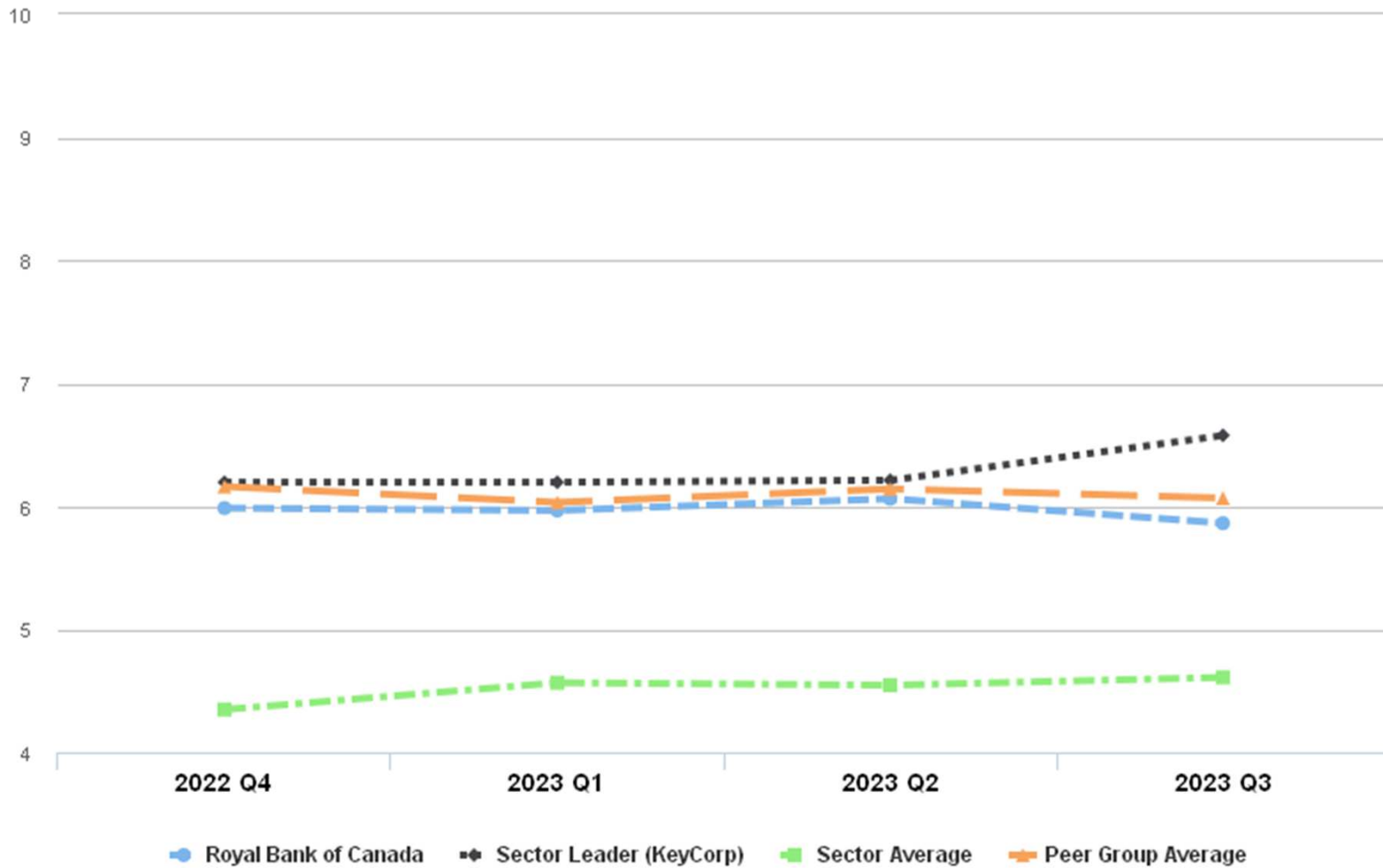
Quarter over Quarter Results



Shareholder Confidence Metrics Forecast for the Year Ahead

Quarter over Quarter Results

Price Appreciation Potential



Typical Investor Verbatim

Positive Momentum Verbatim

"Royal Bank of Canada's IR, Asim Imran, does well. He gets the questions answered."

"Royal Bank of Canada's Neil McLaughlin could be the CFO or CEO at any other bank, and it would be an upgrade. Their bench is better than the leadership at most banks; that's how they do it. They nurture their people, hire the best, and train them well. You have to do that to maintain their quality; the other banks don't put that kind of effort into it."

"Once the housing market has corrected, I have no problem with the long-term growth of the Royal Bank of Canada."

"Royal Bank's IR Asim Imran is really good, perhaps the best."

"All the banks bring the leaders of the various business segments to investor meetings. The quality of the people at Royal Bank stands out positively versus peers. They have a high calibre of people. They can run and talk about their division and the bank more broadly. They're very consistent and methodical in their execution versus some of the other banks."

"I have more confidence in Royal Bank's CEO, David McKay, than Brookfield Corporation's CEO, Bruce Flatt. David McKay is more candid than most. He's a straight shooter; he admits when there are mistakes. Some CEOs, like Bruce Flatt, always say everything is amazing."

"One of my favourite IRs is Asim Imran at Royal Bank of Canada. John McCartney at the Bank of Nova Scotia is also very responsive."

Typical Investor Verbatim

Positive Momentum Verbatim

"The Bank of America and Wells Fargo are expected to face difficulties soon. However, JP Morgan and Royal Bank of Canada have a better chance of survival due to their large size and the significant low-cost deposit growth they received during the flight to safety in March."

"The Canadian market would provide the Royal Bank of Canada with additional power to continue growing in this current environment. Although we dislike banks due to high-interest rates, we like the Royal Bank of Canada's strategy."

"When it comes to the Royal Bank of Canada, if there are opportunities in the US, they should take advantage of them in this market. There are a lot of dislocations, so I think it's a good time to build it further out. With all the dislocations and Credit Suisse, there are many areas to explore in the capital market side, and they can make significant progress organically."

"The Royal Bank of Canada has a very strong balance sheet. Investors seem less concerned about the Canadian banks that have US operations. If you can invest in a US franchise that has been undervalued due to concerns over its deposit franchise uncertainty rather than investing in a franchise that offers greater value, this could be a profitable move."

Typical Investor Verbatim

Neutral Momentum Verbatim

"Royal Bank and Brookfield depend more on the environment, although Brookfield is a contrarian. However, Intact is dependent on catastrophe losses. The economy doesn't impact them that much, but catastrophes do."

"Royal Bank is already big in Canada, and they are getting HSBC. I think they have to keep going at it in the US. They need to fix the issues with cost overruns at the all-bank level; that's the one thing that people are not happy about with Royal. I'd prefer they grow in the US rather than in Canada because they are already a big player in Canada, and we don't want them to be too exposed to Canadian corporations."

"Royal Bank of Canada has closed HSBC, and they still have some years to work that through. There isn't much to do in the near term."

"I have exposure to Royal Bank of Canada's team once a year. I do not have any issues with their strategy, which has helped them become a leading player in the market. However, despite the positive earnings trajectory, their management team has struggled during this cycle."

"Intact is a reliable company that is less volatile than banks. Therefore, it is expected to recover and grow smoothly. On the other hand, banks like the Royal Bank of Canada will have to make provisions as the economy starts to pick up. However, most of these provisions will only be reduced and won't have real charges. As a result, banks' earnings will increase as the economy improves. Once the trough of these provisions is over, the banks will recover faster than the speed at which they declined."

Typical Investor Verbatim

Neutral Momentum Verbatim

"I would like to see the Royal Bank of Canada do more on the US Wealth side of their business."

"When it comes to the Royal Bank of Canada, if there is a chance to interact multiple times with smaller US banks, and if there is a great opportunity, as a shareholder, we would be okay with it. The next 12-18 months will focus on integrating HSBC Canada. If this integration goes well, and depending on where the rates are next year, the bank can be in good shape with regard to US wholesale funding. Despite the acquisition of HSBC Canada, the bank still has a decent capital buffer. However, it is unlikely that they will make any deals in the US in the next 12 months as they already have a lot on their plate."

"I usually meet with the Royal Bank of Canada's CFO, Nadine Ahn. Due to the pandemic, scheduling management meetings through Zoom has become more convenient. Even after the pandemic, it still seems to be the preferred mode of communication. Before the pandemic, it was more challenging to schedule face-to-face meetings. Within the banking industry, it has become increasingly common for CEOs and CFOs to hold separate meetings."

"RBC should add wealth management in the US to be more competitive. The high-ROE business diversifies away from a more traditional line."

"It is more difficult for RBC to execute an acquisition in the US. The capital requirements are increasing. There is a lot of uncertainty from a regulatory perspective as well. The multiples have come down which makes it more appealing from a financial transaction perspective, but there is a lot more behind the scenes that we are not aware of in terms of regulatory costs, compliance, and stuff like that."

Typical Investor Verbatim

Negative Momentum Verbatim

"Every bank is quite uncertain right now because of the credit environment. I don't have much confidence in Royal Bank, and it's not because of a problem with them- it's just a problem with banks."

"Royal Bank of Canada is losing some momentum because it's a challenging environment for banks."

"Royal Bank of Canada is going to take a big restructuring charge in Q4, and that's not good for investors. Their margins are under pressure because the cost of funding is up. Credit losses will impact them like everybody else, including their California-based businesses."

"Royal Bank of Canada is not distinguishing itself enough. It would be tough for a typical Canadian investor to see Royal buy some of these regional banks in the US. Although such an acquisition makes sense from a medium- to long-term view, these days, with so much uncertainty, the stock will probably take a hit if they announce such an acquisition."

"With higher interest rates, Canadian banks will get hit with mortgage defaults. I don't have much confidence in Royal Bank's short-term growth potential."

"Royal Bank of Canada might be the best of the banks, but it's still a bank. There's a lot of economic uncertainty right now, a lot of pressure on margins, higher capital requirements, and all that impacts them."

"Regarding the Royal Bank of Canada, you don't want to deploy more capital in US banking right now. Investors I talked to don't want to see Canadian banks become significant US banking acquirers."

Typical Investor Verbatim

Negative Momentum Verbatim

"Royal Bank of Canada is dealing with cost issues. They can't fire employees quickly because they're making an acquisition. PCL will likely start moving higher, and the capital markets business will probably struggle."

"When it comes to Royal Bank, the cost of run issues have been flagging them for so long that they must do something. Hopefully, they can deliver on the cost side of things."

"I have more confidence in the short-term earnings of Arch Capital than I do in the Royal Bank of Canada or JP Morgan."

"Regarding the Royal Bank of Canada, estimates are too high, and it's not the time to buy it. I don't disagree with the long-term growth, and I would rather own it than all the other Canadian banks; it's just not the right time."

"The Royal Bank of Canada is overrated due to its size advantage as the biggest bank. Although the CEO, David McKay, is good, the business is not performing as well as it should be, considering the franchise he has. Over the last 20 years, National Bank has outperformed RBC."

"The credit provision is going to be normalized, which means that for the next few quarters, the banks will have to readjust their operating leverage and incur some charges. This will make the next few months tough for the banks. However, the next 12 months could be a good time to buy bank stocks as things are expected to worsen."

Typical Investor Verbatim

Negative Momentum Verbatim

"Royal Bank of Canada has addressed the expenses in the past couple of quarters and has them under control. However, the US market is where they suffered losses last quarter due to funding spreads. The regional banking crisis earlier this year caused their costs to increase faster than their lending rates, resulting in difficulties for RBC and other banks. It may take a few more quarters to resolve this issue. It's the US market for RBC where the visibility is lacking. In Canada, everyone will look towards next year and into 2025, when many of these five-year variable mortgages come due for residential owners. They will have to renew at much higher interest rates, and what will that do to the economy? The latter point is going to impact all the Canadian banks, but as Royal has the US business, the visibility there in the short term isn't what it used to be."

"I have confidence in the Royal Bank of Canada's balance sheet. However, they are spending a lot of money on HSBC Canada."

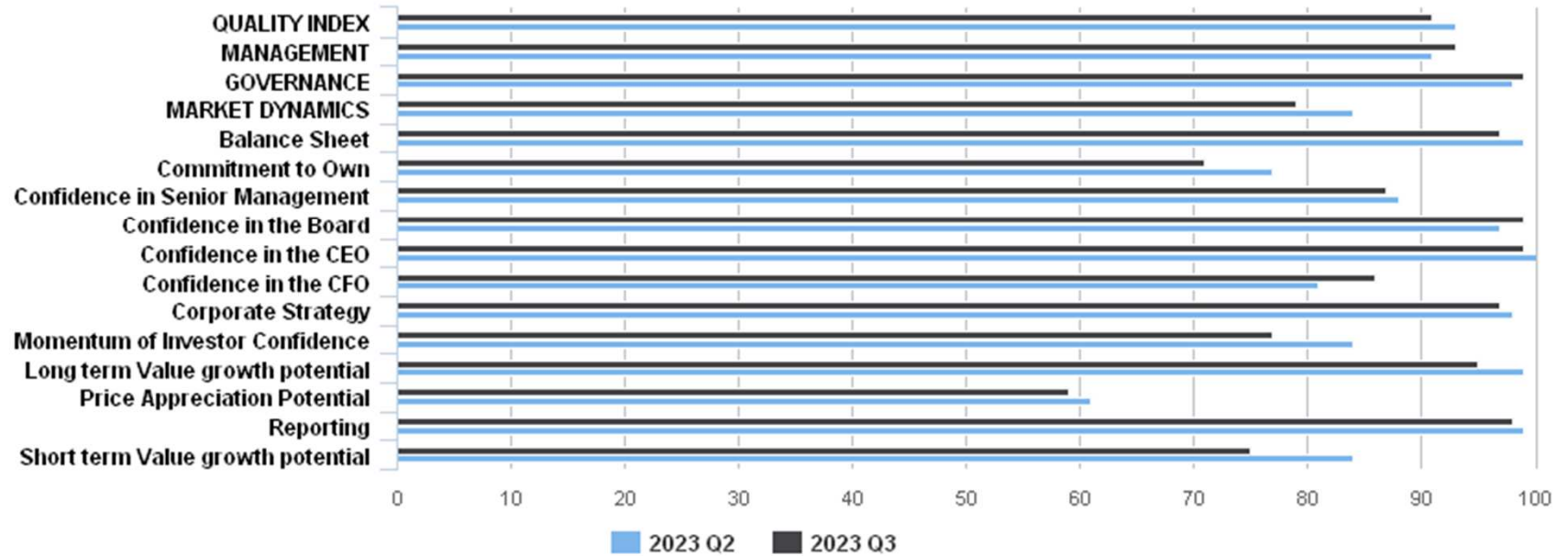
"There is a lot of uncertainty for RBC regarding the regulatory environment and the capital environment. My confidence in their ability to grow long-term is not as strong as other companies."

"The Royal Bank of Canada is facing several challenges, including high costs. Additionally, their strategy in the US has been flipped. It shows City National isn't as good a franchise as we thought because they lost money last quarter."

Quarter over Quarter Results

Forecast for the Year Ahead

Royal Bank of Canada



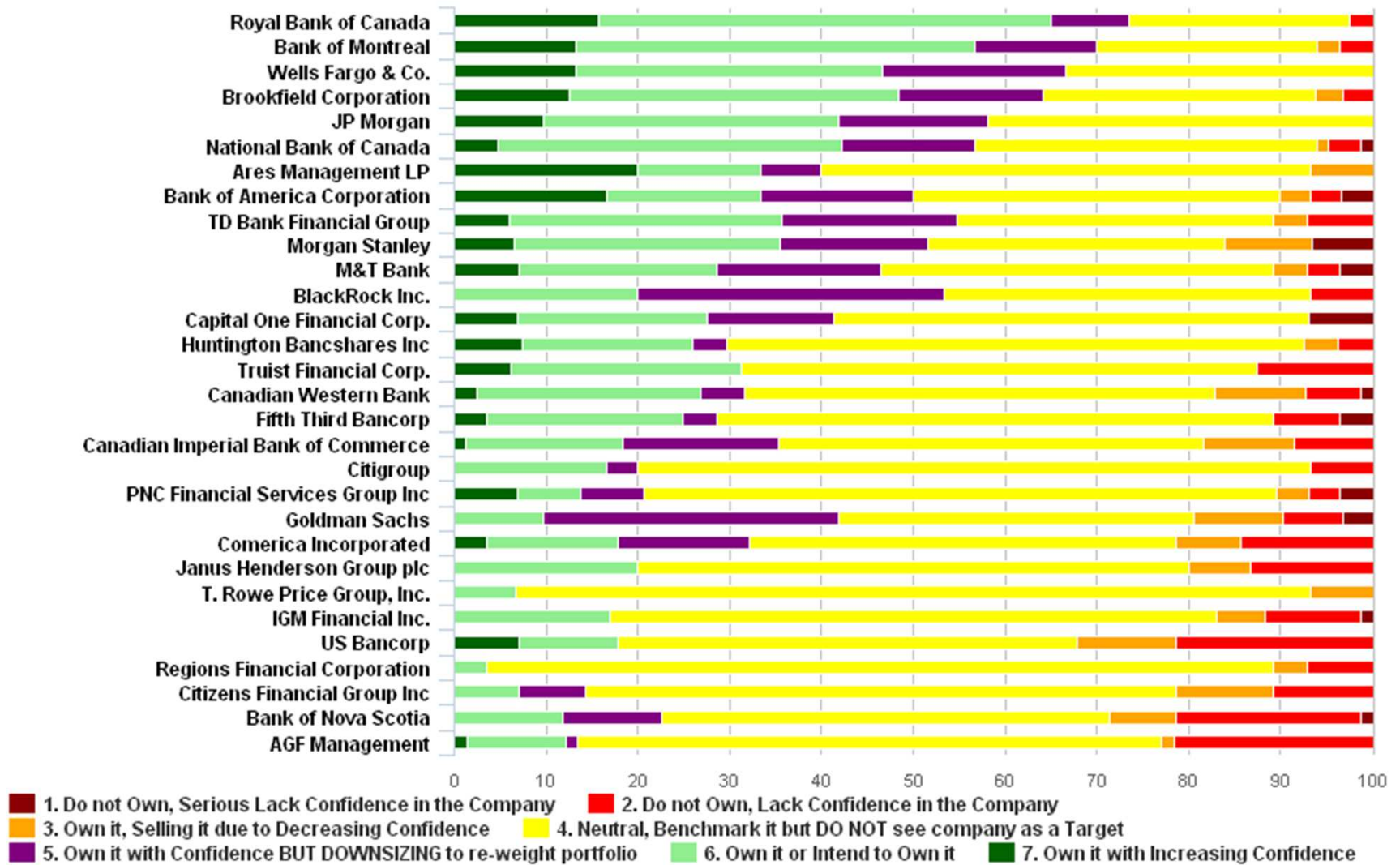
Rolling Year Data*

*Rolling Year Data = Accumulation of the rolling 12 month intelligence from the
BWI Shareholder Confidence Panel

What is Your Commitment to Own This Stock in The Year Ahead?

Rolling Year Data

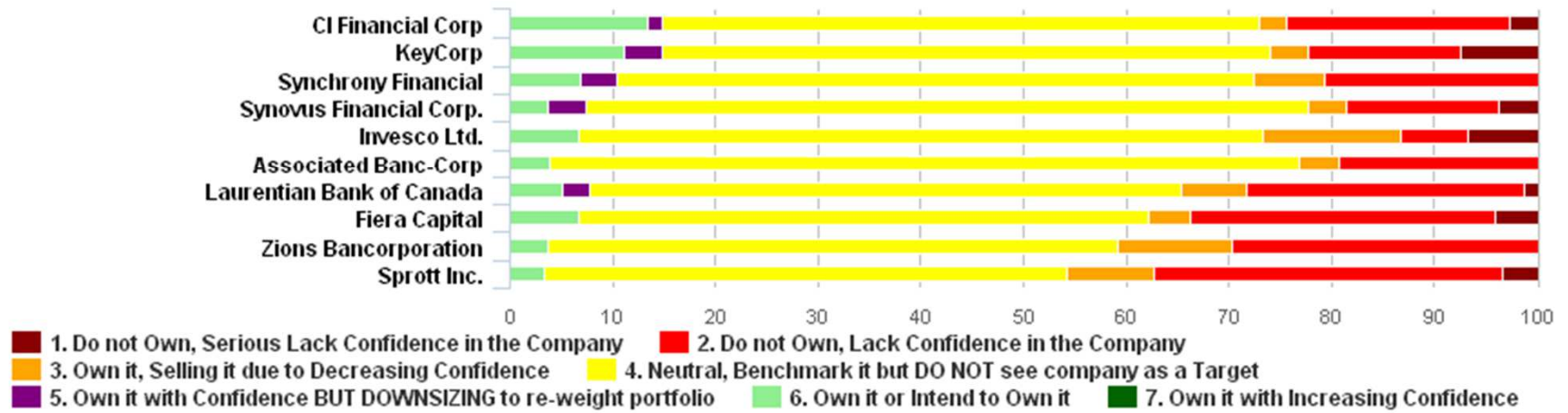
Buyers/Sellers by Sector



What is Your Commitment to Own This Stock in The Year Ahead?

Rolling Year Data

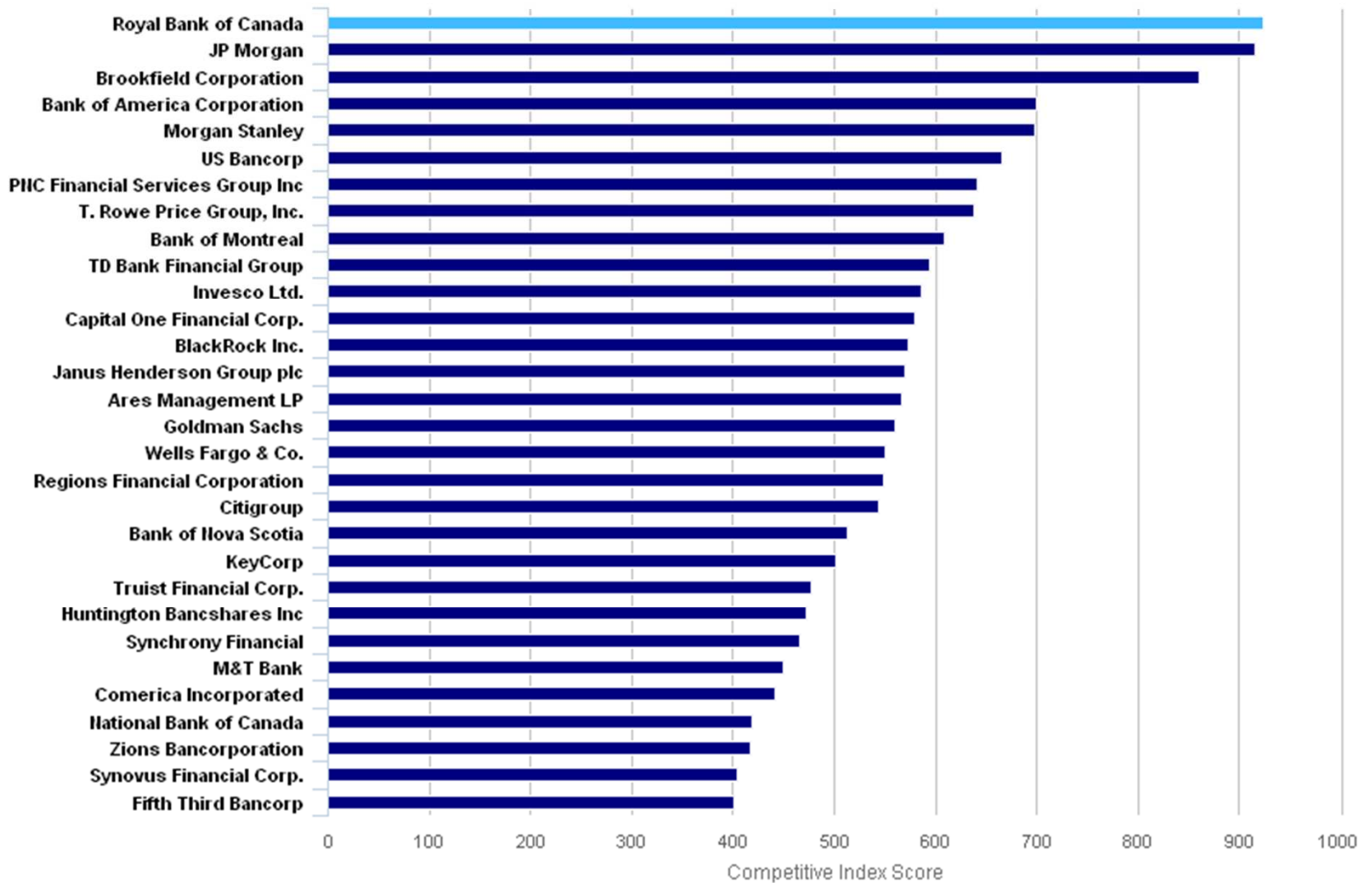
Buyers/Sellers by Sector



Shareholder Confidence Competitive Index

Rolling Year Data

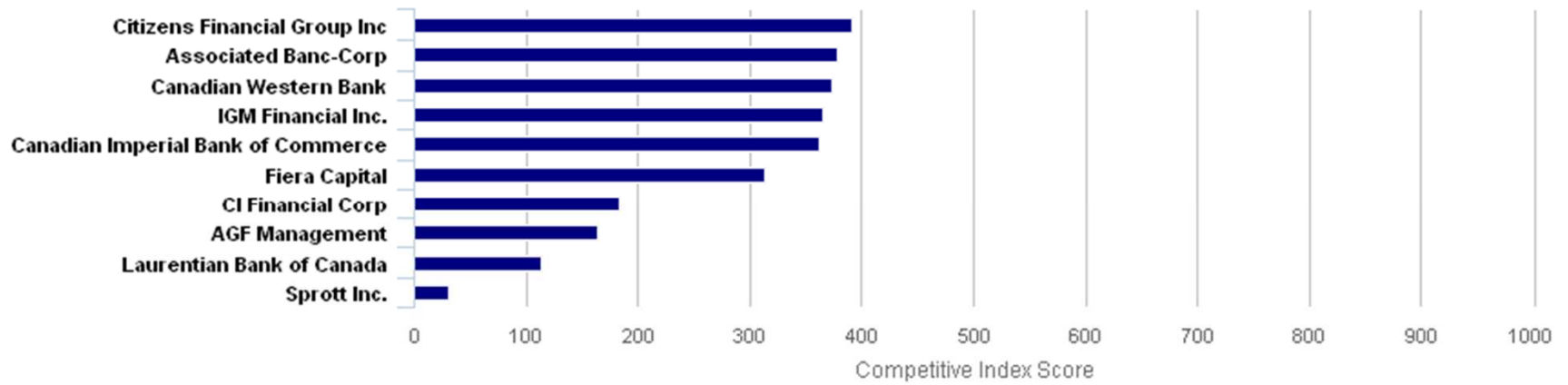
Global Investors - Investment Quality Index



Shareholder Confidence Competitive Index

Rolling Year Data

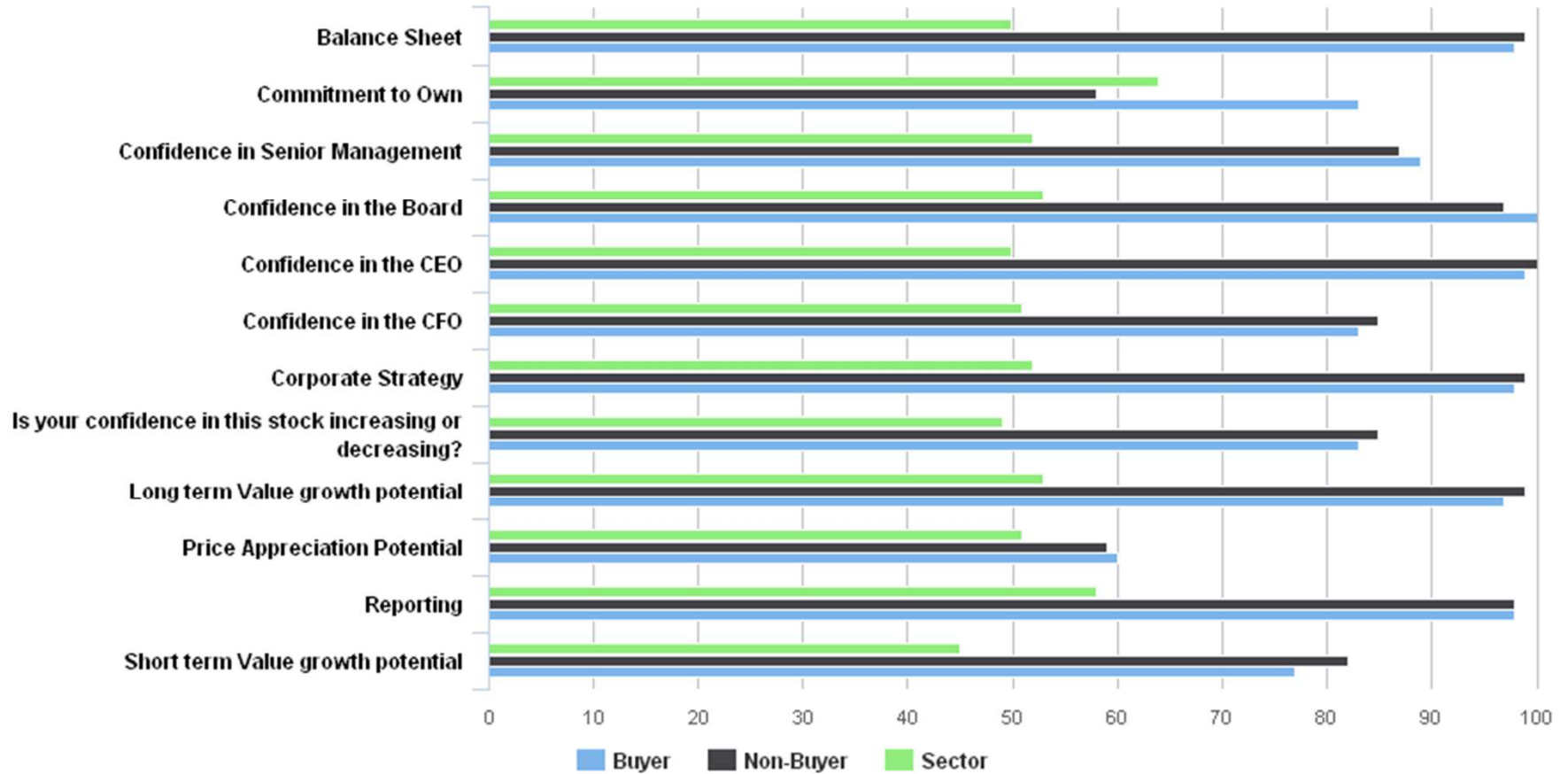
Global Investors - Investment Quality Index



Investment Target: Buyer Ratings Vs Non-Buyer Ratings Forecast for the Year Ahead

Rolling Year Data

Royal Bank of Canada



Shareholder Confidence Ratings by Categories Forecast for the Year Ahead

Rolling Year Data

Company Name	Strategy	Management - CEO, CFO, Senior Management, Board	Market Dynamics - Commitment to Own, Momentum, Price Appreciation Potential, Balance Sheet, Short and Long Term Growth	Governance - Reporting & Disclosure, Board, CFO
JP Morgan	1st	2nd	3rd	1st=
Royal Bank of Canada	2nd	3rd	1st	1st=
Brookfield Corporation	3rd=	1st	2nd	3rd
Morgan Stanley	3rd=	5th	6th	7th
Ares Management LP	5th	18th=	11th	17th=
Bank of America Corporati	6th=	7th=	4th	5th
Wells Fargo & Co.	6th=	18th=	10th	24th
Capital One Financial Cor	8th	14th	7th=	17th=
Bank of Montreal	9th=	9th=	9th	8th
PNC Financial Services Gr	9th=	4th	12th	9th=
T. Rowe Price Group, Inc.	9th=	7th=	19th=	6th
Goldman Sachs	12th=	16th	13th=	19th=
Huntington Bancshares Inc	12th=	25th=	16th=	28th=
Janus Henderson Group plc	12th=	11th=	19th=	11th=
Regions Financial Corpora	12th=	18th=	13th=	16th
TD Bank Financial Group	12th=	21st	5th	21st=
M&T Bank	17th	28th=	23rd=	28th=
US Bancorp	18th	6th	7th=	4th
BlackRock Inc.	19th=	9th=	22nd	9th=
Citigroup	19th=	13th	21st	14th
KeyCorp	21st	25th=	16th=	21st=
Bank of Nova Scotia	22nd	22nd	16th=	27th
National Bank of Canada	23rd	30th=	25th	30th

Shareholder Confidence Ratings by Categories Forecast for the Year Ahead

Rolling Year Data

Company Name	Strategy	Management - CEO, CFO, Senior Management, Board	Market Dynamics - Commitment to Own, Momentum, Price Appreciation Potential, Balance Sheet, Short and Long Term Growth	Governance - Reporting & Disclosure, Board, CFO
Canadian Imperial Bank of	24th=	32nd	34th	32nd=
Citizens Financial Group	24th=	23rd	30th=	31st
Comerica Incorporated	24th=	25th=	23rd=	26th
Fifth Third Bancorp	24th=	30th=	27th=	25th
IGM Financial Inc.	24th=	35th	30th=	32nd=
Zions Bancorporation	24th=	28th=	33rd	23rd
Associated Banc-Corp	30th=	33rd	26th	32nd=
Invesco Ltd.	30th=	11th=	13th=	13th
Synovus Financial Corp.	30th=	24th	35th	19th=
Truist Financial Corp.	30th=	15th	27th=	15th
Canadian Western Bank	34th=	34th	27th=	35th
Synchrony Financial	34th=	17th	32nd	11th=
Fiera Capital	36th	36th	36th	36th
AGF Management	37th	38th=	38th	39th
CI Financial Corp	38th	37th	37th	37th
Sprott Inc.	39th	40th	40th	40th
Laurentian Bank of Canada	40th	38th=	39th	38th

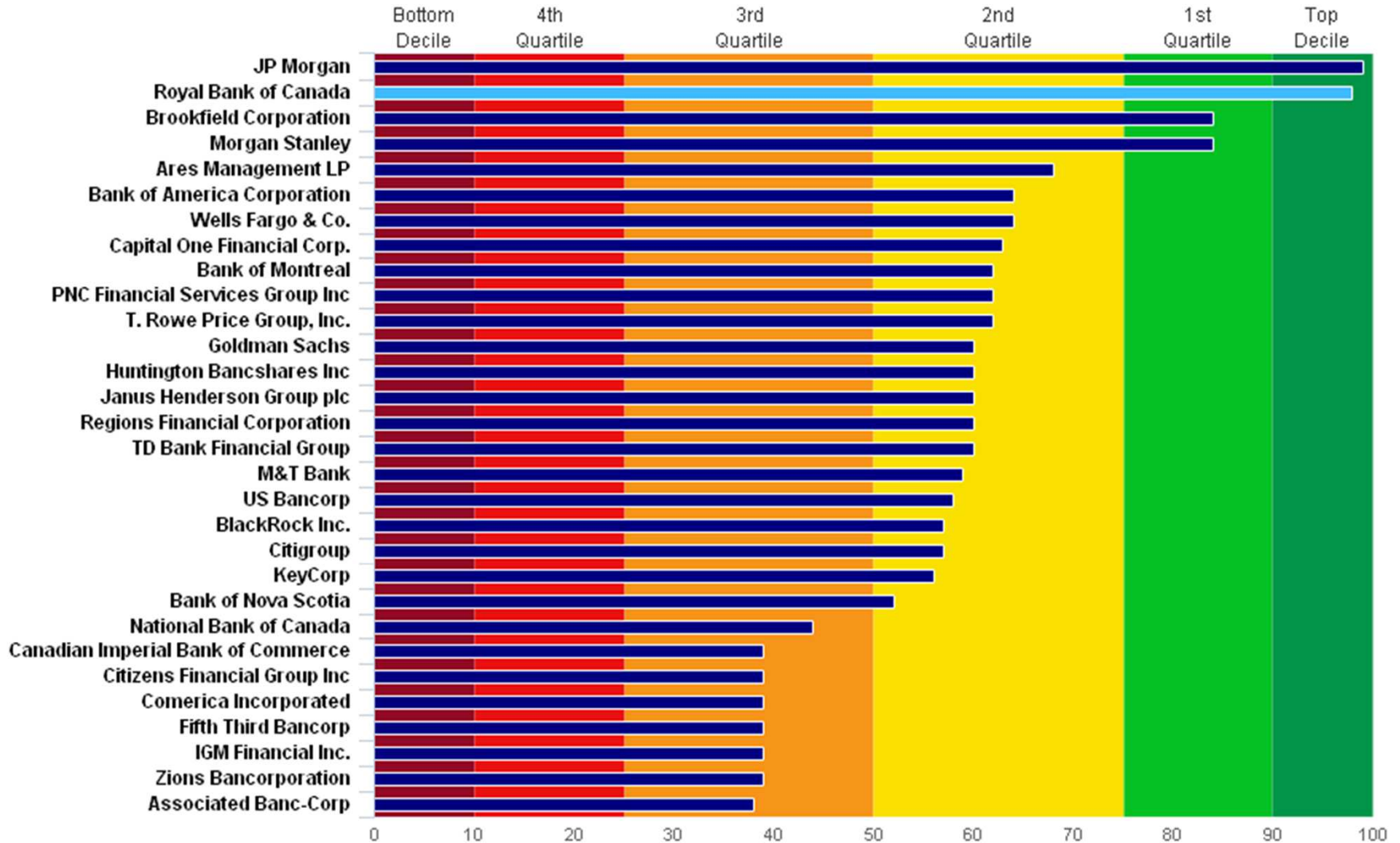
Advance Proxy Poll - Strategy Forecast for the Year Ahead

Rolling Year Data

What is Your Vote or Recommended Vote* to Retain/Replace the Existing Strategy?

(*Applies to cases where compliance/administration executes the proxy.)

(TD: Very Strong Vote to Retain, Q1: Strong Vote to Retain, Q2: Vote to Retain, Q3: Vote to Replace, Q4: Strong Vote to Replace, BD: Very Strong Vote to Replace)



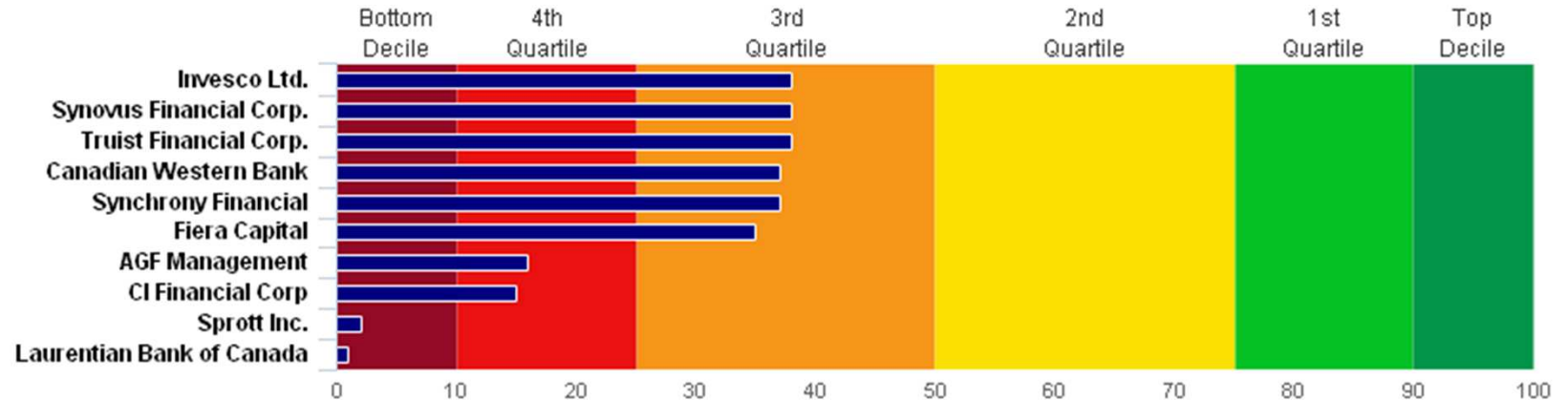
Advance Proxy Poll - Strategy Forecast for the Year Ahead

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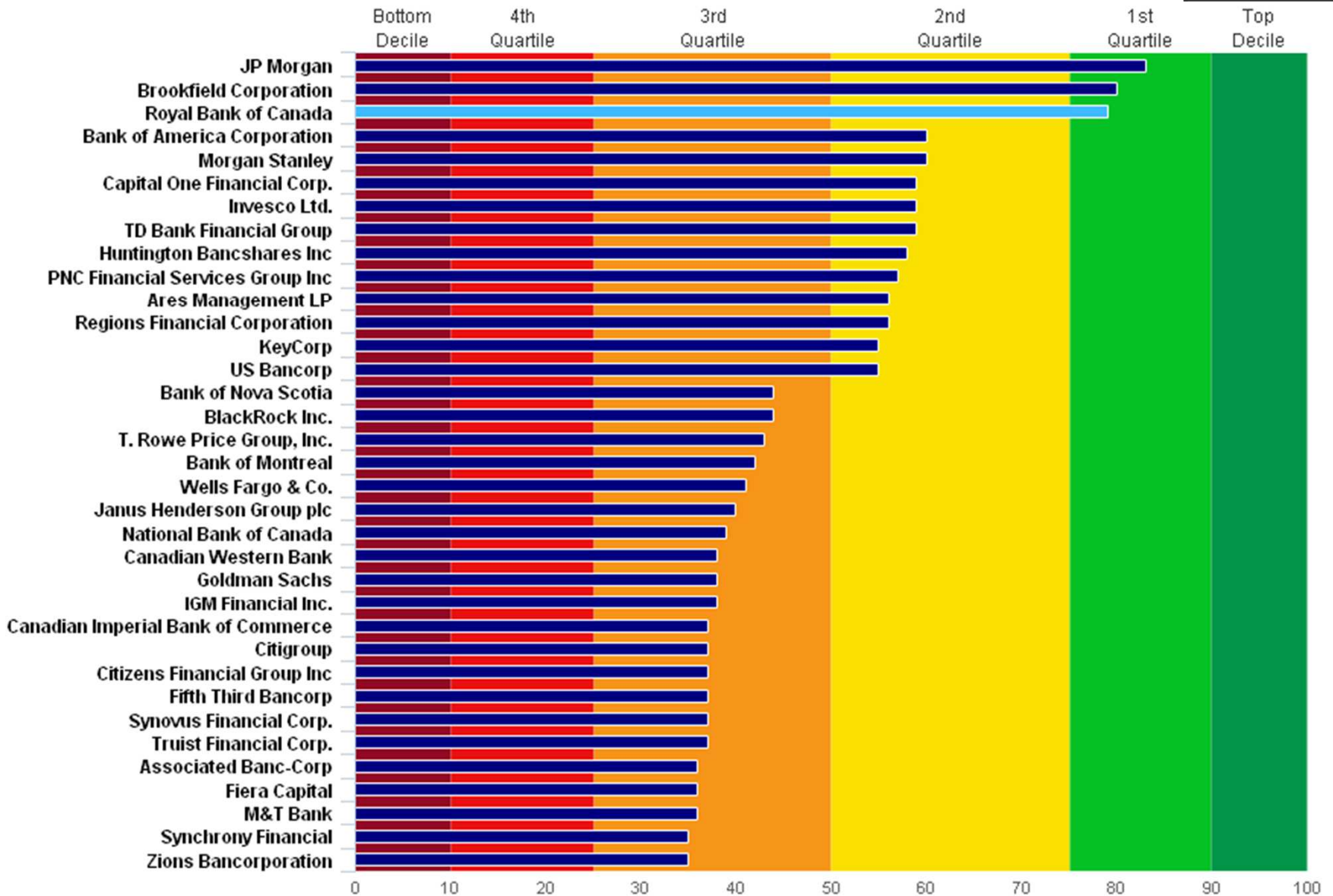
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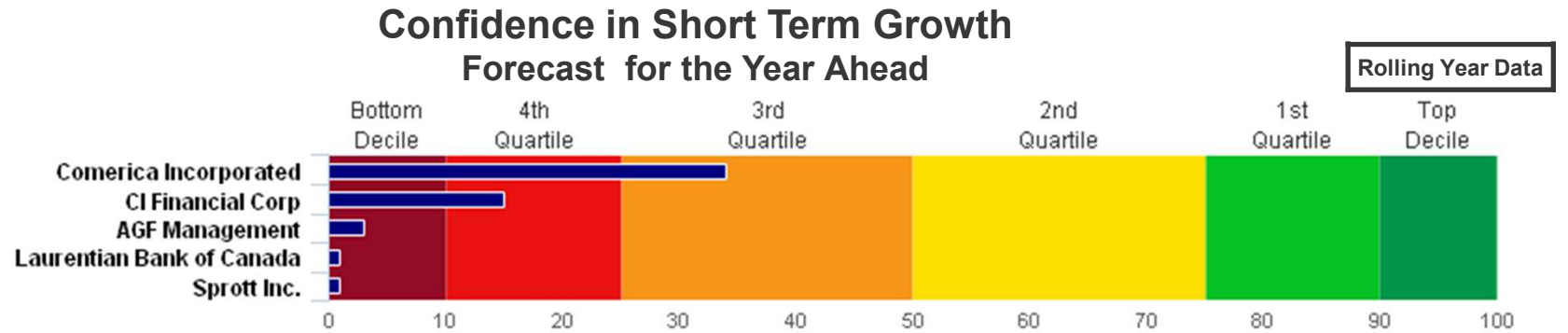
(TD: Very Strong Vote to Retain, Q1: Strong Vote to Retain, Q2: Vote to Retain, Q3: Vote to Replace, Q4: Strong Vote to Replace, BD: Very Strong Vote to Replace)



Confidence in Short Term Growth Forecast for the Year Ahead

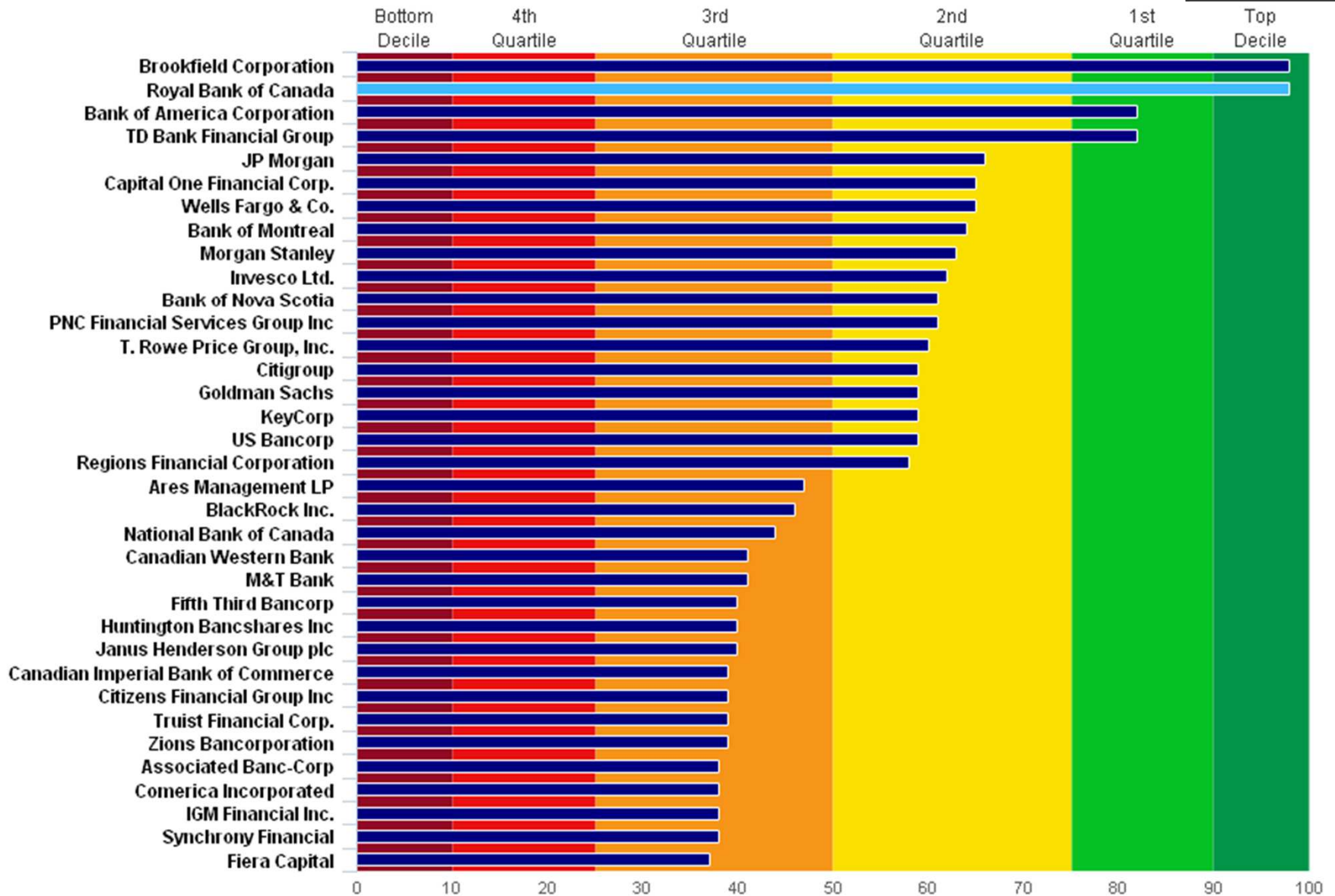
Rolling Year Data





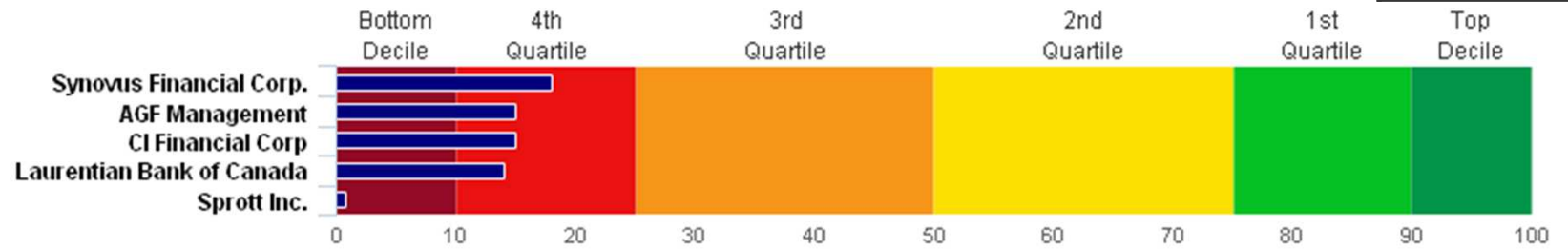
Confidence in Long Term Growth Forecast for the Year Ahead

Rolling Year Data



Confidence in Long Term Growth Forecast for the Year Ahead

Rolling Year Data



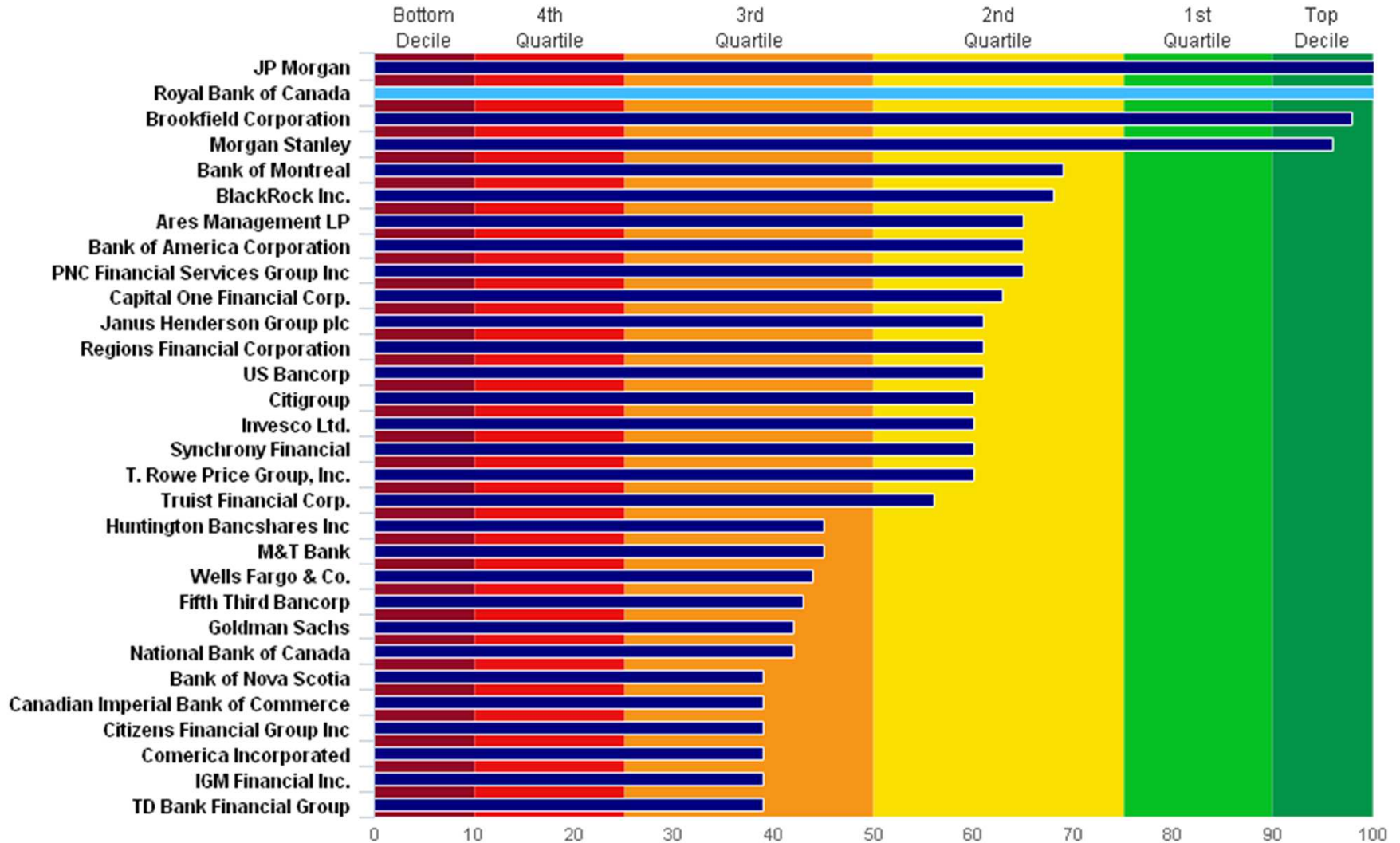
Advance Proxy Poll - CEO Forecast for the Year Ahead

Rolling Year Data

What is Your Vote or Recommended Vote* to Retain/Replace the Existing CEO?

(*Applies to cases where compliance/administration executes the proxy.)

(>80 Very Strong Vote to Retain, 70-80 Strong Vote to Retain, 60-70 Neutral, 50-60 Strong Vote to Replace, <50 Very Strong Vote to Replace)



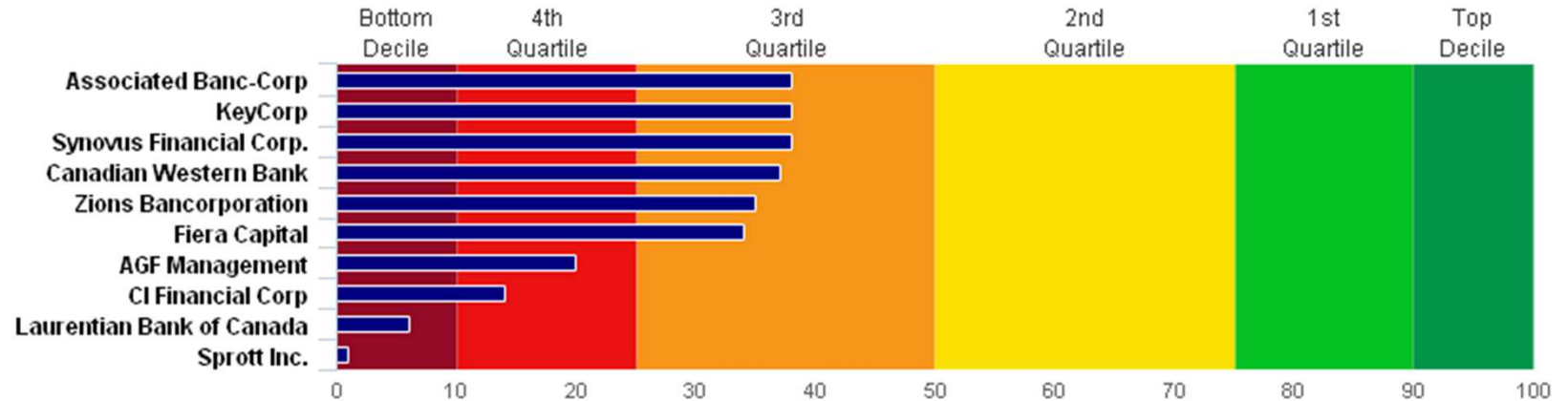
Advance Proxy Poll - CEO Forecast for the Year Ahead

Rolling Year Data

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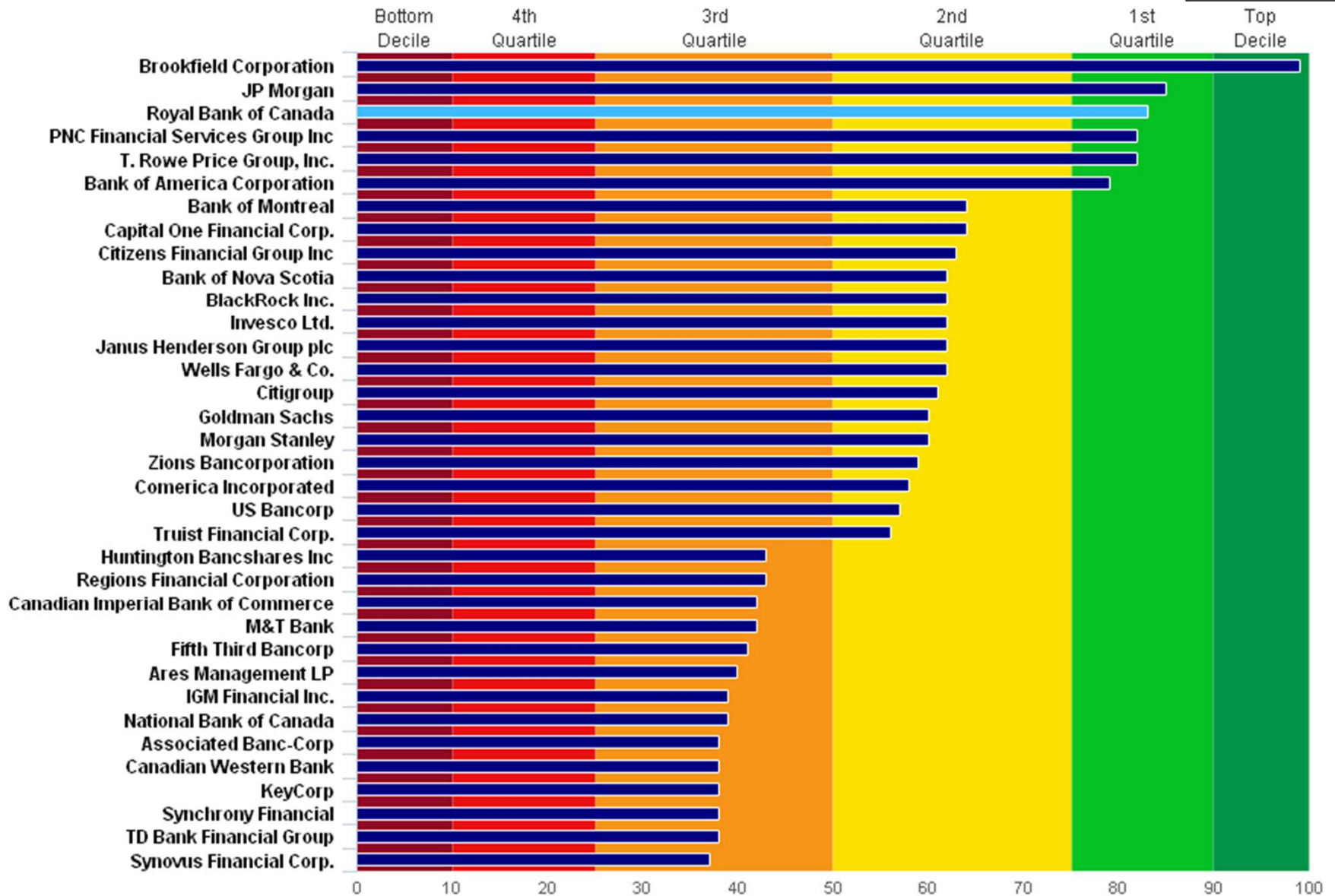
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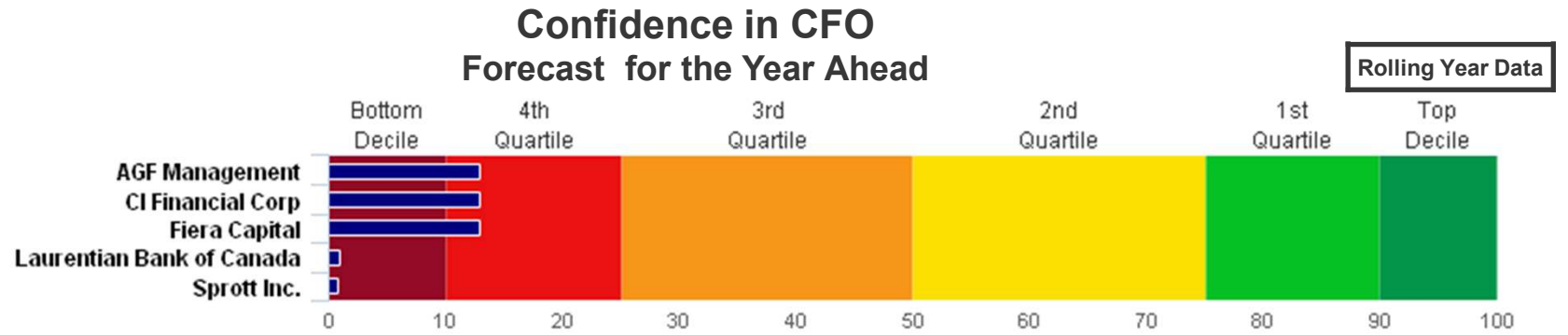
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Confidence in CFO Forecast for the Year Ahead

Rolling Year Data





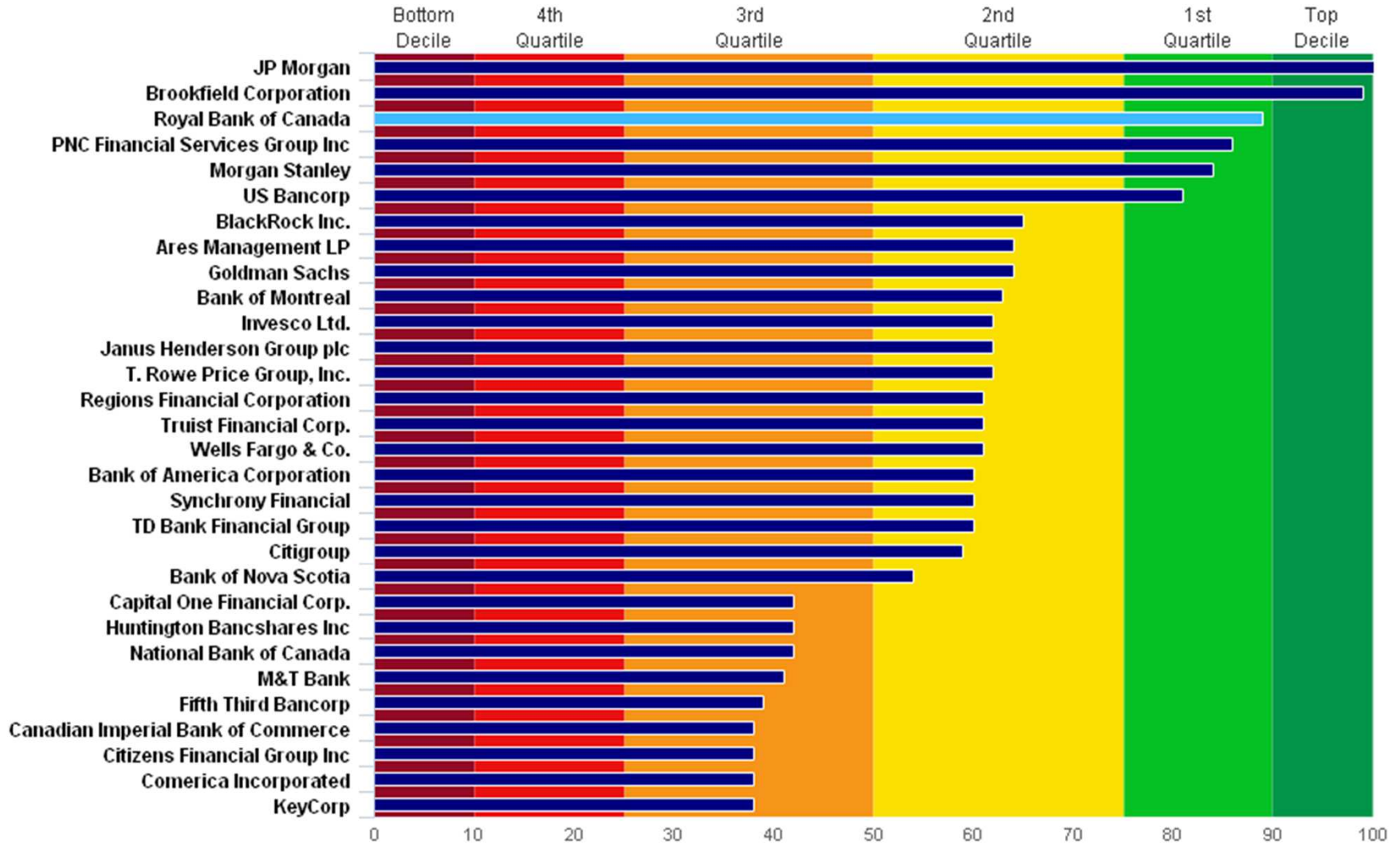
Advance Proxy Poll - Senior Management Forecast for the Year Ahead

Rolling Year Data

What is Your Vote or Recommended Vote* to Retain/Replace the Existing Senior Management?

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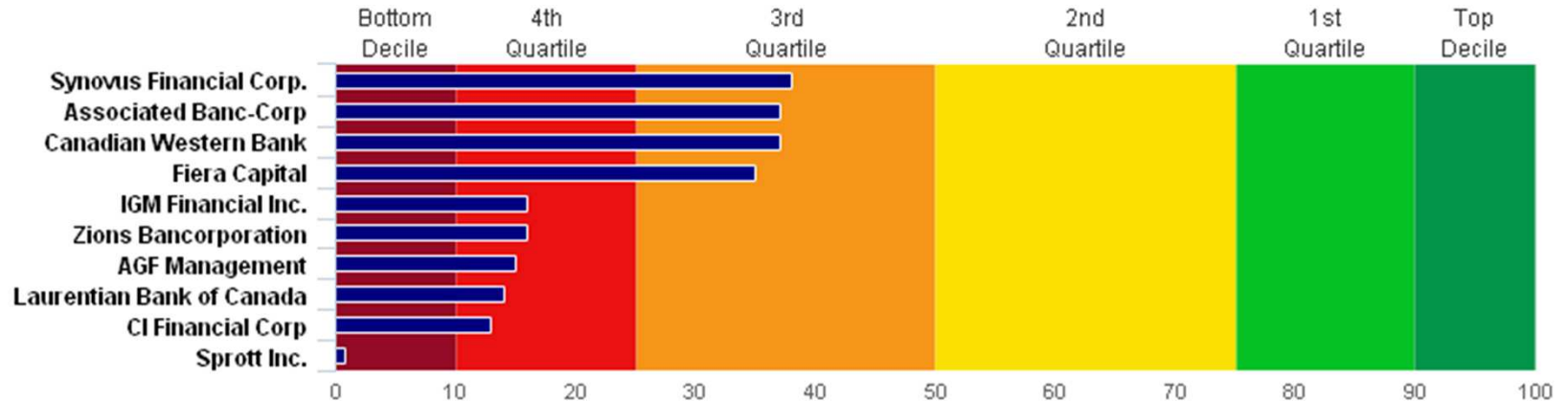
Advance Proxy Poll - Senior Management Forecast for the Year Ahead

Rolling Year Data

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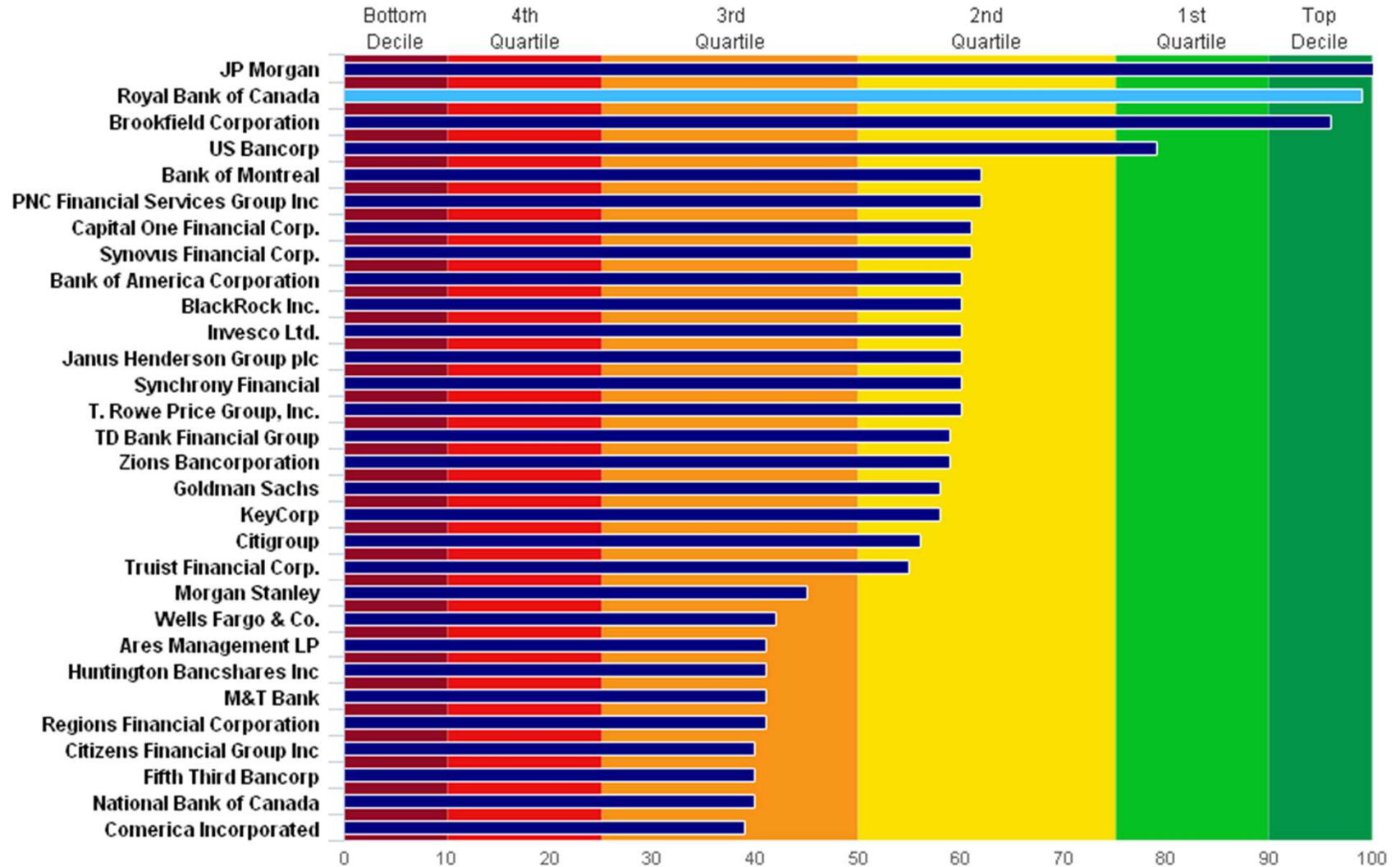
Advance Proxy Poll - Board Forecast for the Year Ahead

Rolling Year Data

What is Your Vote or Recommended Vote* to Retain/Replace the Existing Board?

(*Applies to cases where compliance/administration executes the proxy.)

(>80 Very Strong Vote to Retain, 70-80 Strong Vote to Retain, 60-70 Neutral, 50-60 Strong Vote to Replace, <50 Very Strong Vote to Replace)



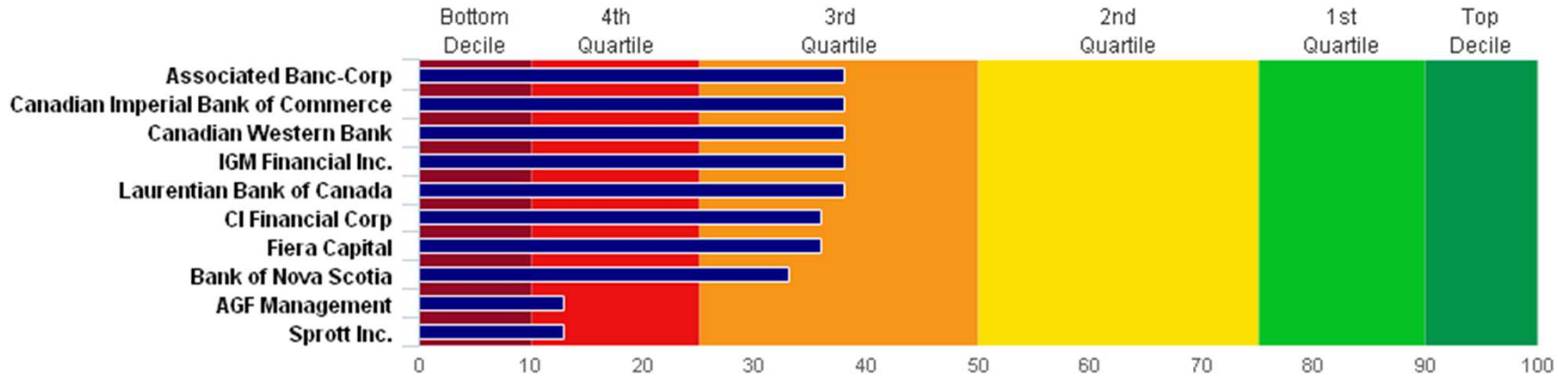
Advance Proxy Poll - Board Forecast for the Year Ahead

Rolling Year Data

What is Your Vote or Recommended Vote* to Retain/Replace the Existing Board?

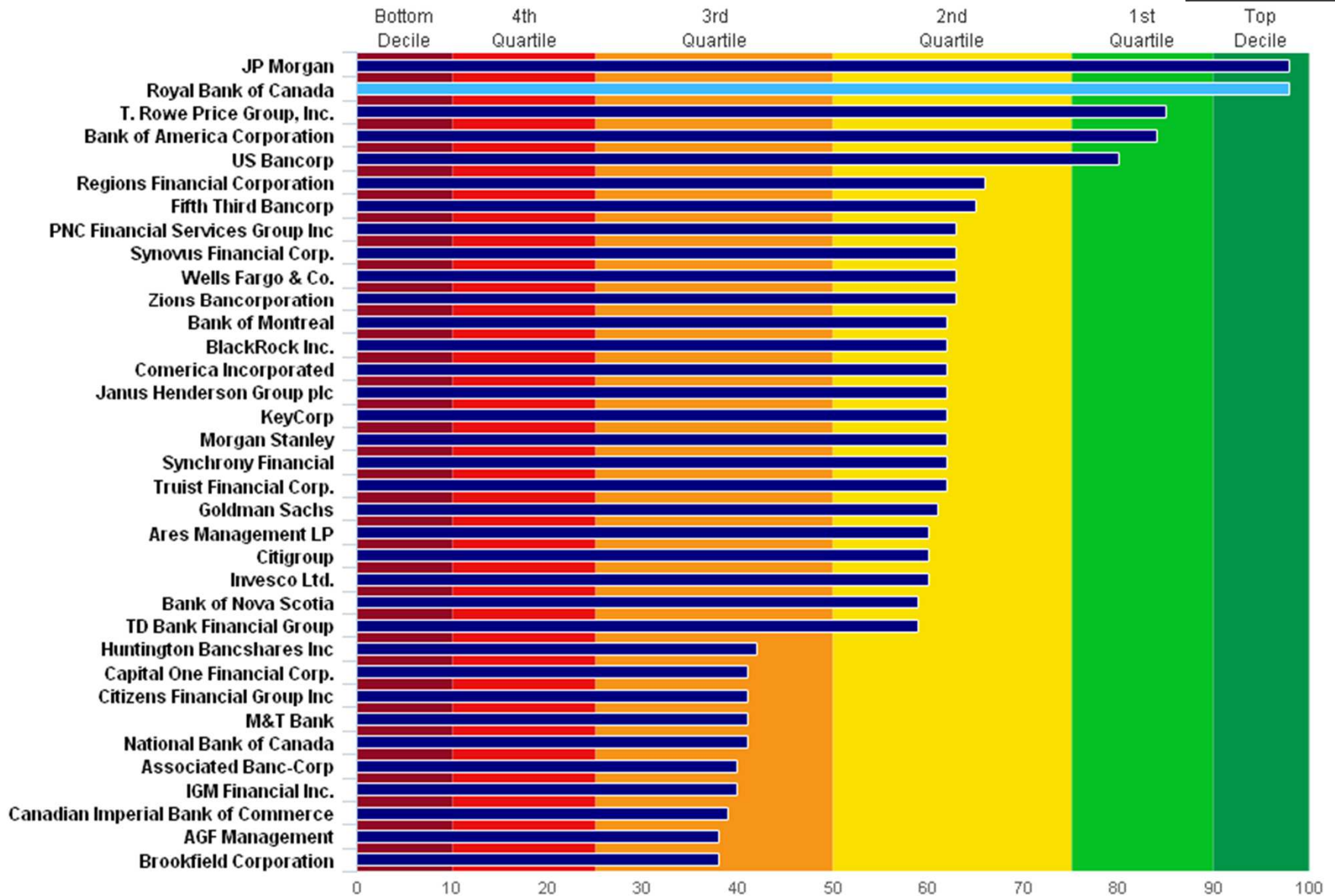
(*Applies to cases where compliance/administration executes the proxy.)

(>80 Very Strong Vote to Retain, 70-80 Strong Vote to Retain, 60-70 Neutral, 50-60 Strong Vote to Replace, <50 Very Strong Vote to Replace)



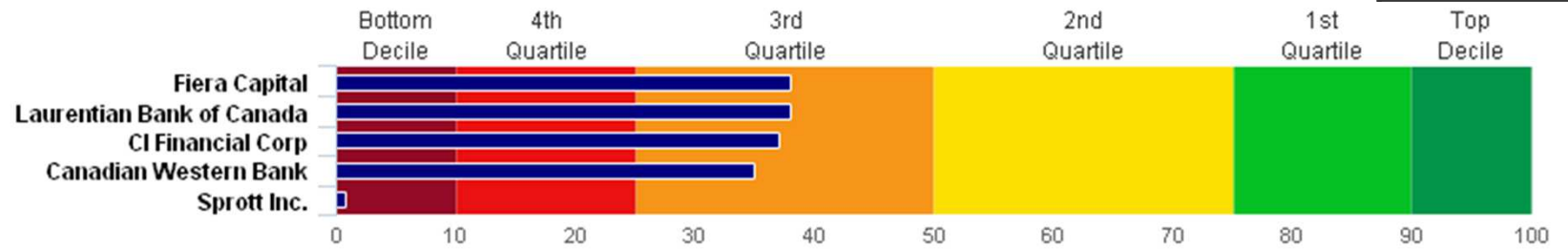
Confidence in Reporting Forecast for the Year Ahead

Rolling Year Data



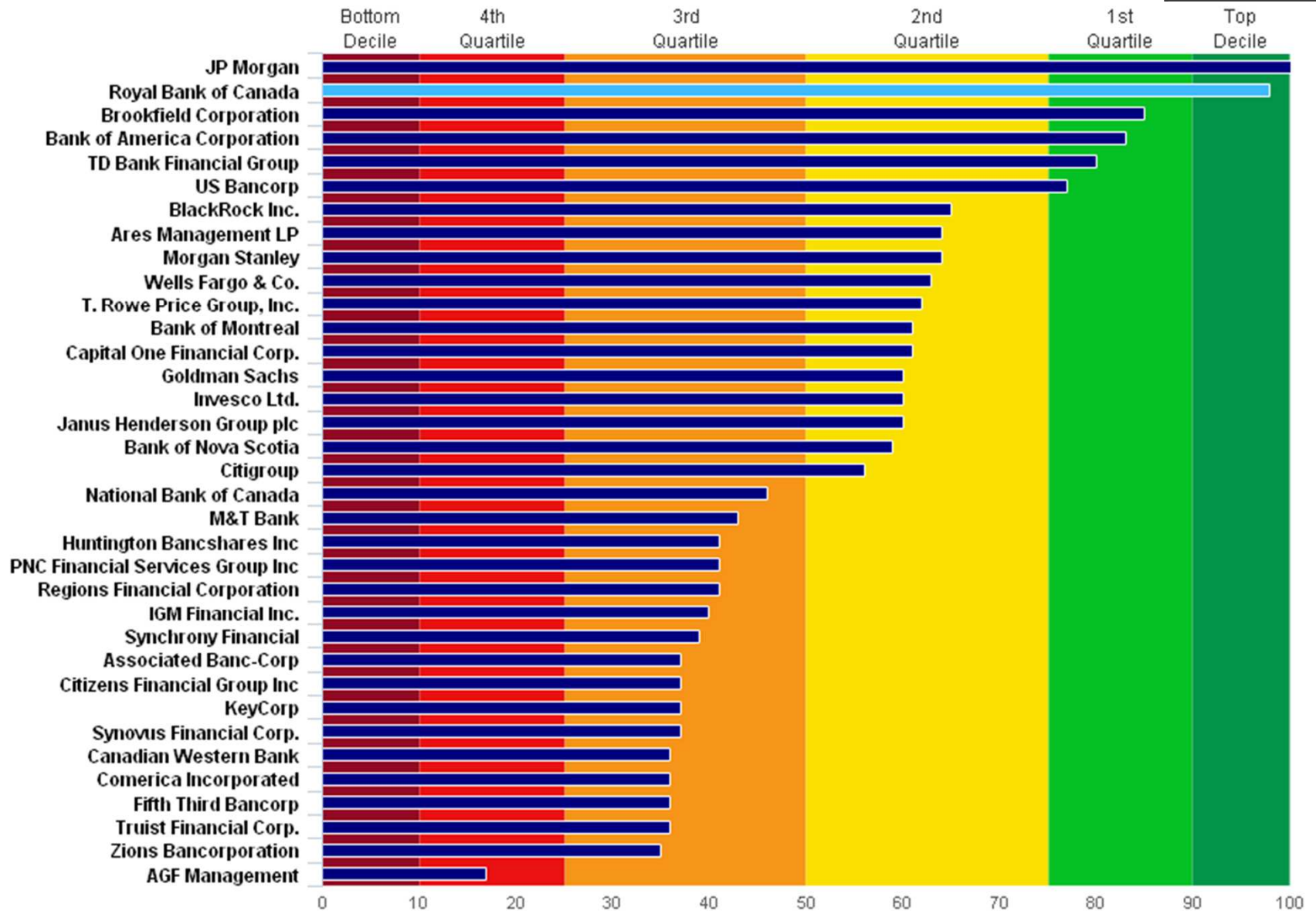
Confidence in Reporting Forecast for the Year Ahead

Rolling Year Data



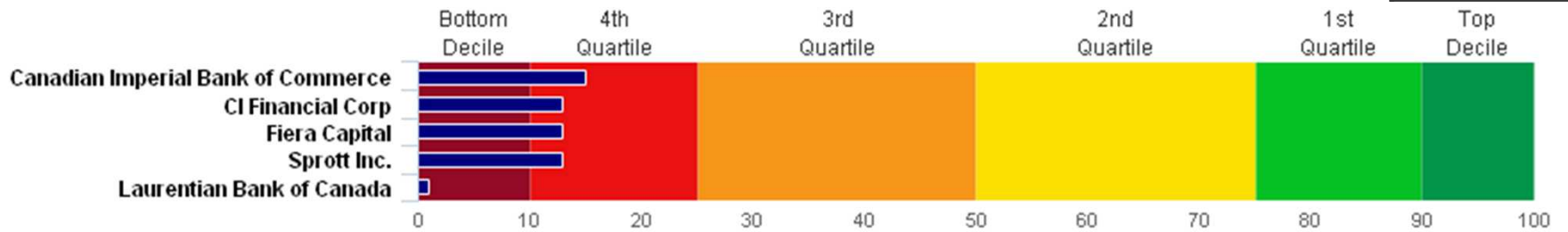
Confidence in Strength of Balance Sheet Forecast for the Year Ahead

Rolling Year Data



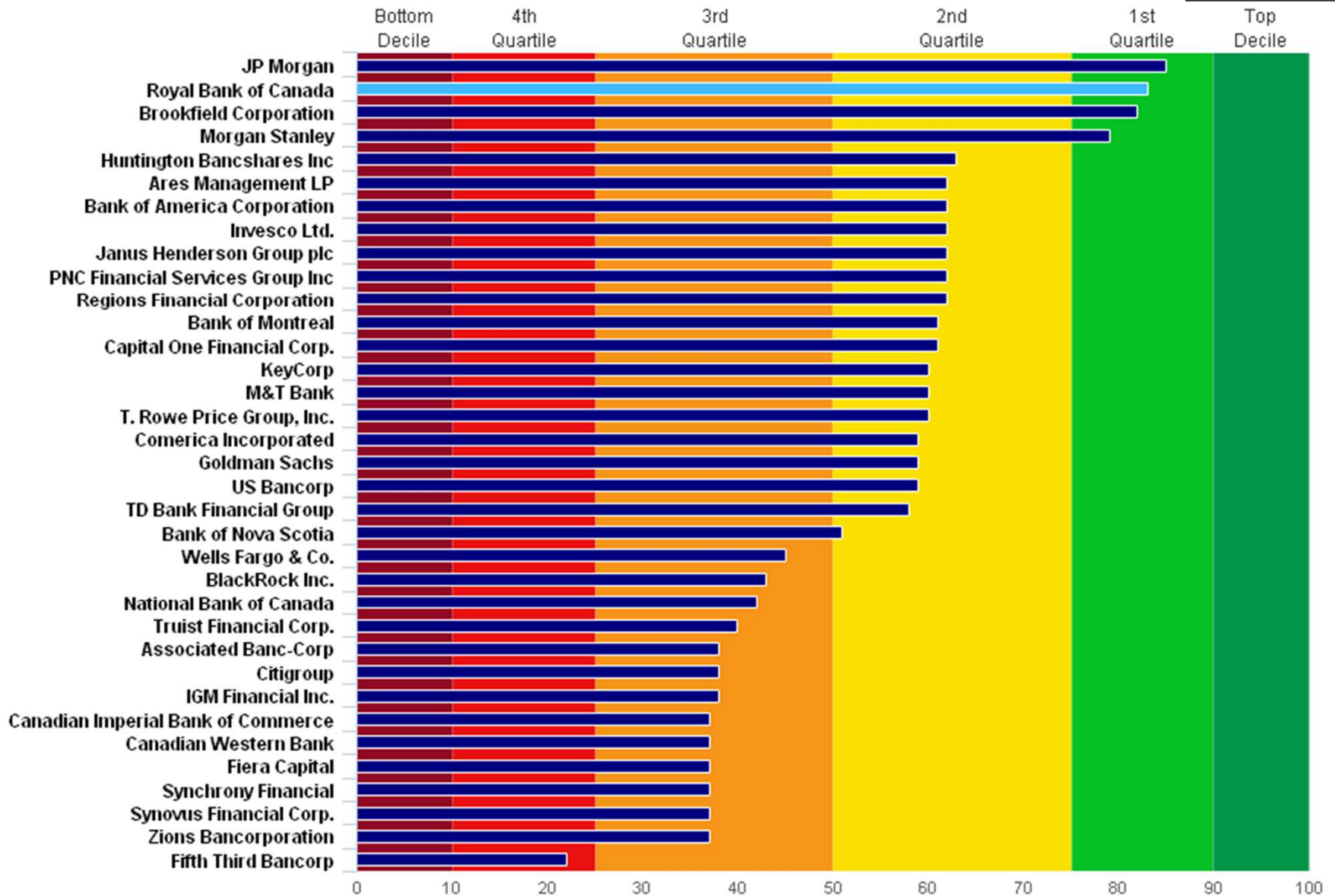
Confidence in Strength of Balance Sheet Forecast for the Year Ahead

Rolling Year Data



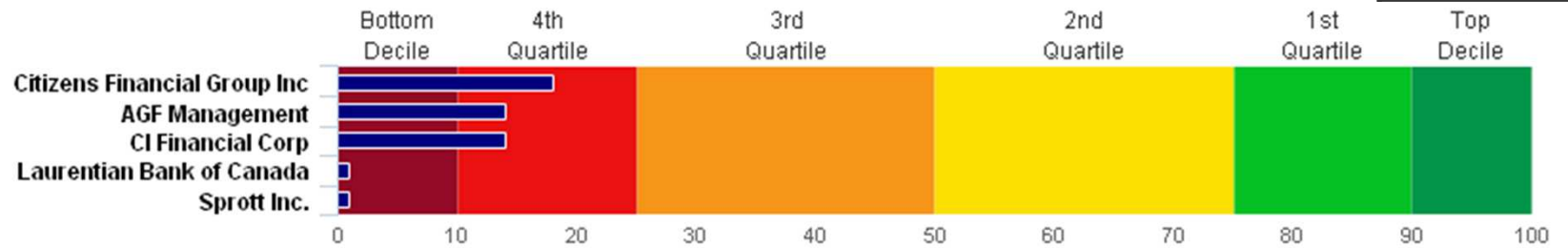
Momentum of Investor Confidence Forecast for the Year Ahead

Rolling Year Data



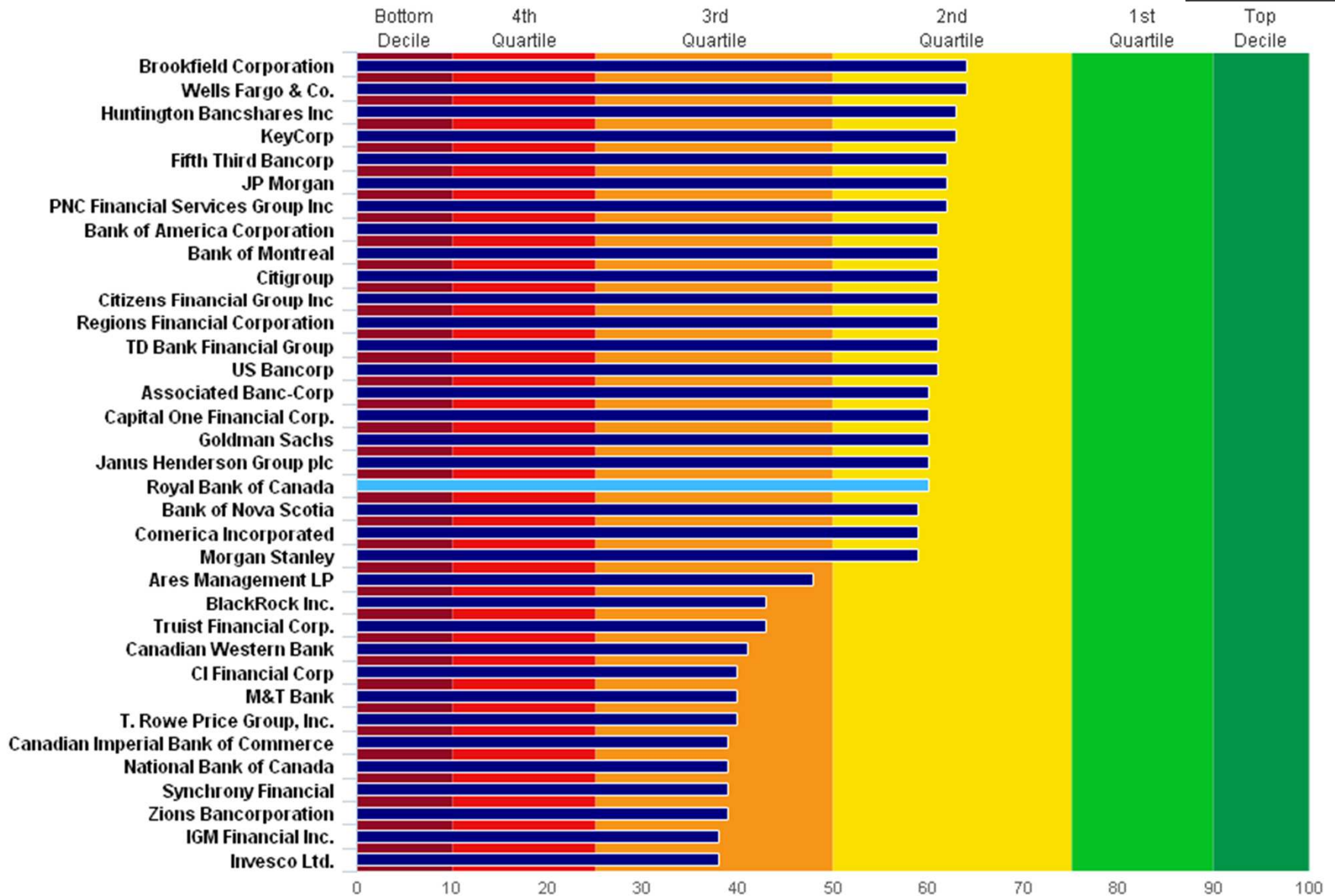
Momentum of Investor Confidence Forecast for the Year Ahead

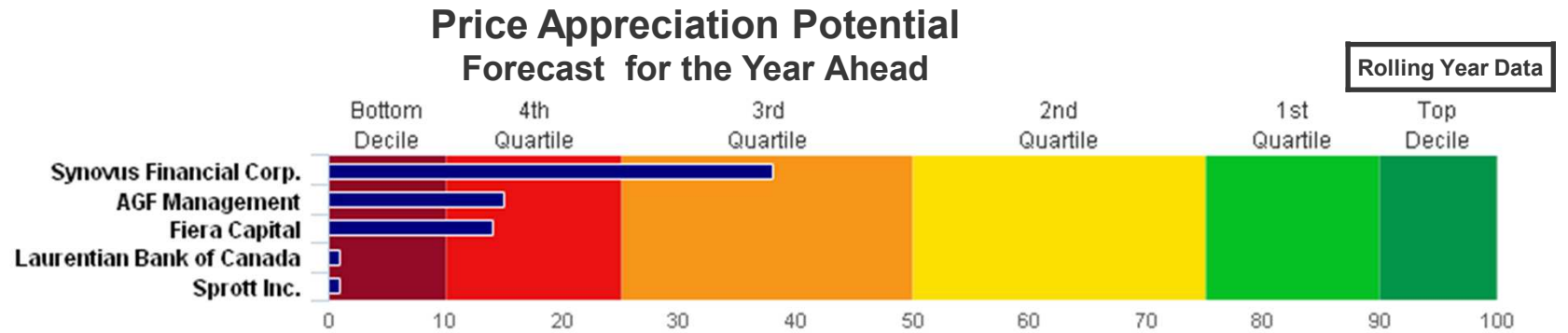
Rolling Year Data



Price Appreciation Potential Forecast for the Year Ahead

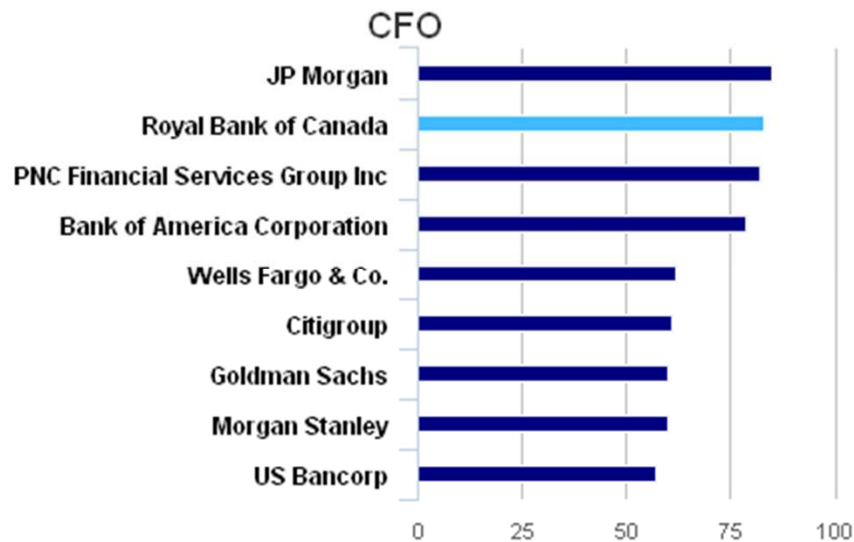
Rolling Year Data





Royal Bank of Canada vs. Comparables Forecast for the Year Ahead

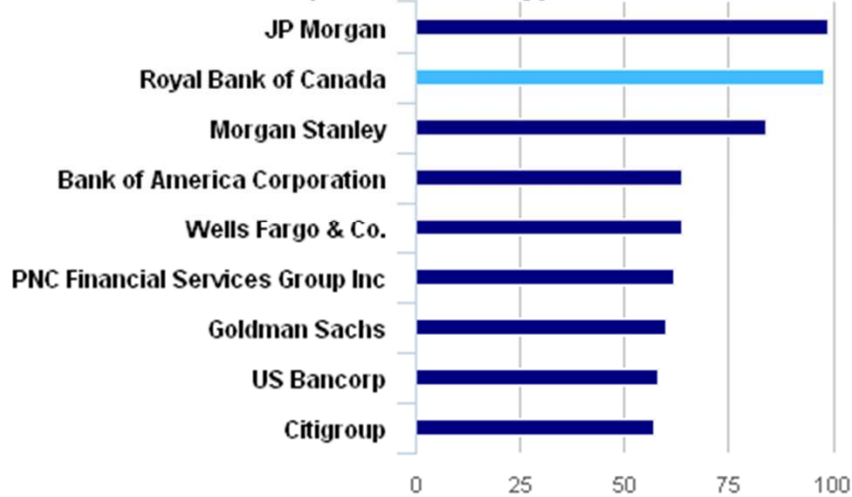
Rolling Year Data



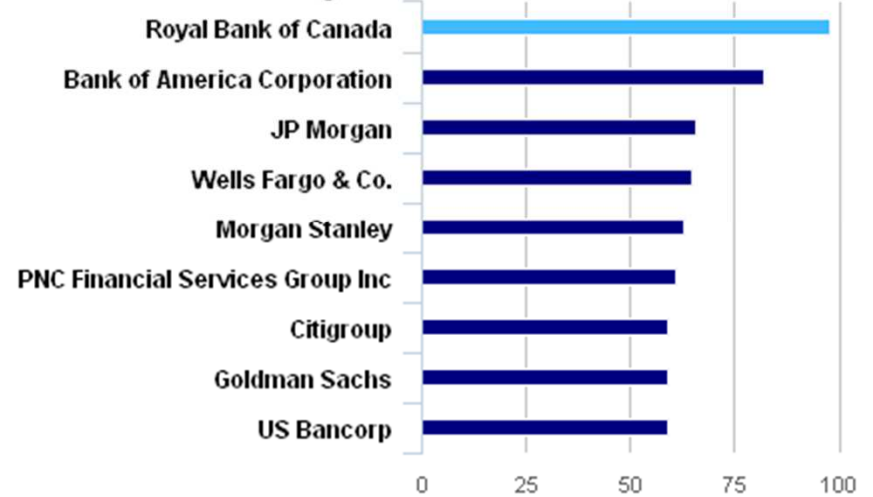
Royal Bank of Canada vs. Comparables Forecast for the Year Ahead

Rolling Year Data

Corporate Strategy



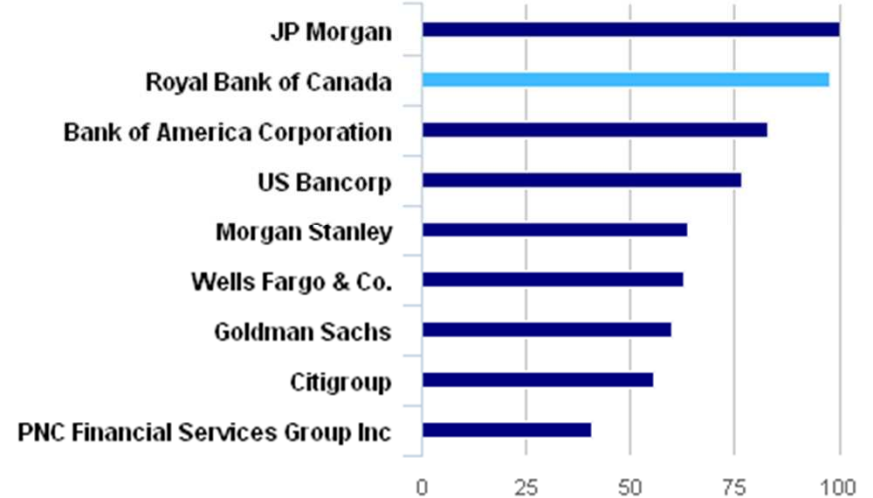
Long Term Growth



Short Term Growth



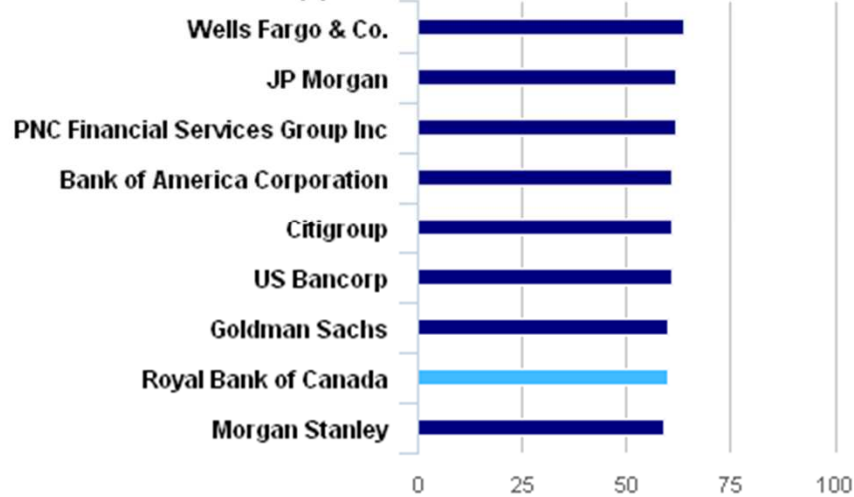
Balance Sheet



Royal Bank of Canada vs. Comparables Forecast for the Year Ahead

Rolling Year Data

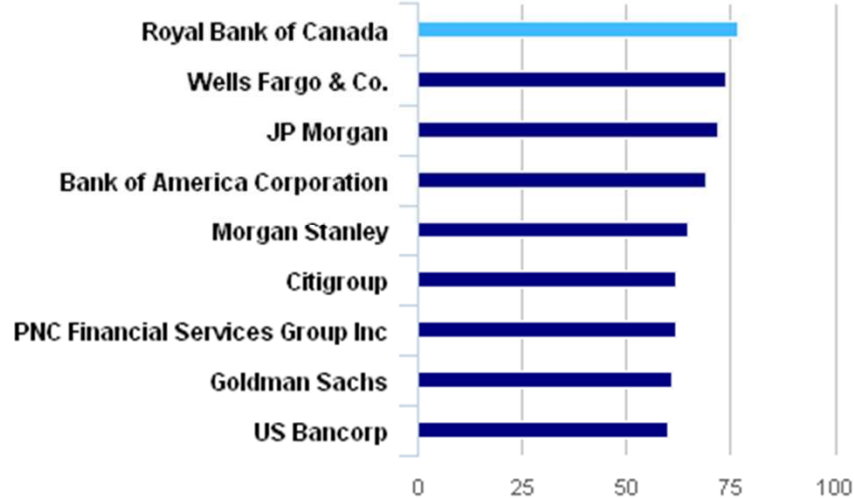
Price Appreciation Potential



Momentum



Commitment to Own



Reporting & Disclosure

