

Royal Bank of Canada

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Ratings

Royal Bank of Canada

	Rating	Outlook
Fitch	AA-	Stable
Moody's	Aa1	Stable
S&P	AA-	Stable

The Toronto-based Royal Bank of Canada (RBC) is Canada's largest bank in terms of total assets (Q1/2026, 01 November 2025 to 31 January 2026: CAD 2.3tn) and is one of the global systemically important institutions (G-SIBs; additional capital buffer: 1%). As a universal bank, RBC offers a wide range of financial products and services to its more than 17m customers with more than 97,000 employees in 27 countries. RBC reports in five operating segments: "Personal Banking" (Q1/2026: 33.8% of net income, excluding "Corporate Support"), "Capital Markets" (25.4%), "Wealth Management" (22.3%), "Commercial Banking" (14.9%) and "Insurance" (3.7%). RBC says it has a leading market position in all key product categories of Canada's retail and corporate banking business. RBC's loan portfolio is focused on Canada (74.0%), followed by the US (19.3%) and international markets (6.7%). The loan portfolio is mainly composed of the categories "Residential Mortgages" (46.7%), "Wholesale" (38.3%) and "Personal Loans" (10.9%). Within Canada, the Ontario region accounts for more than 46% of the bank's residential lending volume. The Bank's funding mix consists mainly of deposits (65.8%), but is specifically supplemented by placements on the capital market. The bank's long-term wholesale-funding largely consists of senior unsecured exposures (67%) and covered bonds (20%). From a [sustainability](#) point of view, RBC is involved in green financing for wind power and energy efficiency projects, among other things. RBC's fiscal year ends on 31 October.

Homepage

www.rbc.com

Balance Sheet

(EURm)	2024Y	2025Y	2026Q1
Net Loans to Customers	648,619	644,921	654,591
Total Securities	622,151	648,791	645,106
Total Deposits	900,055	913,199	918,200
Tier 1 Common Capital	58,780	61,093	62,311
Total Assets	1,435,254	1,438,425	1,453,537
Total Risk-weighted Assets	444,328	451,773	455,903

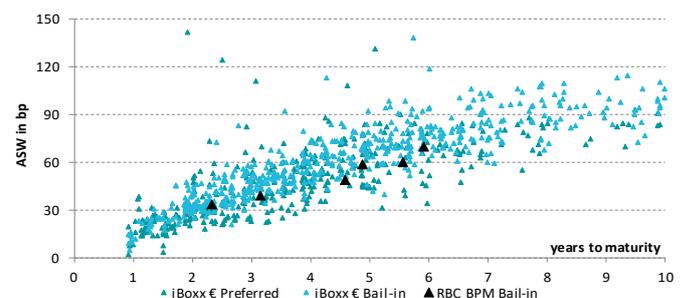
Income Statement

(EURm)	2024Y	2025Y	2026Q1
Net Interest Income	18,896	21,219	5,303
Net Fee & Commission Inc.	15,719	16,694	4,286
Net Trading Income	2,460	2,923	1,011
Operating Expense	22,261	23,479	5,844
Credit Commit. Impairment	2,195	2,801	677
Pre-tax Profit	13,426	16,494	4,576

Redemption Profile



Senior Unsecured Bonds (EUR BMK)



Company Ratios

	2024Y	2025Y	2026Q1		2024Y	2025Y	2026Q1
Net Interest Margin	1.40	1.45	1.45	Liquidity Coverage Ratio	-	-	-
ROAE	13.43	15.24	16.59	IFRS Tier 1 Leverage Ratio	4.49	4.67	4.68
Cost-to-Income	57.43	54.82	52.68	NPL/Loans at Amortised Cost	-	-	-
Core Tier 1 Ratio	13.23	13.52	13.67	Reserves/Loans at Amort. Cost	0.62	0.68	0.71

As of: 10 March 2026; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Floor Research

Strengths / Opportunities

- Credit quality
- Market position in Canada
- Risk management

Risks / Weaknesses

- Debt level of private households in Canada
- Dependency on wholesale funding
- Volatility in capital market-related income sources

Covered Bonds

Mortgage cover pool with a volume of the equivalent of EUR 50.4bn

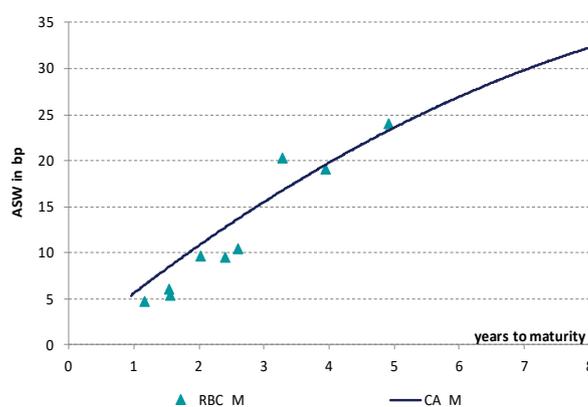
RBC's mortgage-backed cover pool has a total volume of cover assets of CAD 81.3bn as of the reporting date of 30 January 2026, which corresponds to the equivalent of approx. EUR 50.4bn. This compares to outstanding covered bonds of CAD 60.4bn (approx. EUR 37.4bn), resulting in a notional overcollateralisation ratio of 34.6%. In the composition of the benchmark index iBoxx EUR Covered, the institution is represented by nine issues with a total volume of EUR 12.0bn. Four other EUR benchmark issues no longer fall under the criteria of the index due to the remaining maturity of less than one year. In addition to EUR-denominated covered bonds, the bank also has outstanding covered bonds in the currencies AUD, CAD, CHF, GBP and USD.

Programme data

30 January 2026	Mortgage
Covered bonds outstanding	CAD 81.3bn (EUR 50.4bn)
Cover pool volume	CAD 60.4bn (EUR 37.4bn)
Current OC (nominal / legal)	34.6% / 3.0%
Type	100% Residential
Main country	100% Canada
Main region	51.7% Ontario
Number of loans / exposures	302,193
Share of 10 largest exposures	0.0%
Fixed interest (Cover Pool / CBs)	60.1% / 65.4%
WAL (Cover Pool / CBs)	1.8y / 2.6y
NPL	0.3%
CB Rating (Fitch / Moody's / S&P)	AAA / Aaa / -

Source: Issuer, rating agencies, Bloomberg, NORD/LB Floor Research

Spread overview (BMK) – Canada



Loans in the cover pool with exclusively residential use

The mortgage cover pool of RBC contains exclusively primary cover assets. The share of residential use of the financed properties amounts to 100%. Of the cover assets, 77.0% relate to loans financing owner-occupied residential property. As of 30 January 2026, the cover pool comprises more than 300,000 loans. Geographically, the mortgage financings are located exclusively in Canada. In terms of regional distribution, the province of Ontario dominates with 51.7%, followed by British Columbia (23.6%) and Québec (10.1%). The average loan size amounts to around CAD 270,000 (approx. EUR 167,000). The average indexed LTV, which incorporates property-price movements, stands at 49.8%.

Rating and regulatory treatment

The rating agencies Moody's and Fitch derive the top ratings (Aaa and AAA) for RBC's covered bonds. The Moody's Collateral Score, which is regularly used to assess the quality of cover assets, is at a low level of 4%, even by international standards, which indicates high credit quality. For covered bonds, a risk weight of 20% according to CRR is also decisive due to the rating characteristics. In our opinion, the respective EUR benchmarks can be used as Level 2A assets in the context of LCR management and are also suitable as collateral in transactions with the ECB.

Appendix

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