

# Third Quarter 2025



## Royal Bank of Canada third quarter 2025 results

All amounts are in Canadian dollars and are based on financial statements presented in compliance with International Accounting Standard 34 *Interim Financial Reporting*, unless otherwise noted. Our Q3 2025 Report to Shareholders and Supplementary Financial Information are available at <http://www.rbc.com/investorrelations> and on <https://www.sedarplus.com/>.

|  |  |   |   |  |
|--|--|---|---|--|
| <b>Net income</b><br><b>\$5.4 Billion</b><br>Up 21% YoY                      | <b>Diluted EPS<sup>1</sup></b><br><b>\$3.75</b><br>Up 21% YoY          | <b>Total PCL<sup>1</sup></b><br><b>\$0.9 Billion</b><br><i>PCL on loans ratio<sup>1</sup></i><br>down 23 bps <sup>1</sup> QoQ | <b>ROE<sup>1,2</sup></b><br><b>17.3%</b><br>Up 180 bps YoY        | <b>CET1 ratio<sup>1</sup></b><br><b>13.2%</b><br>Above regulatory requirements |
| <b>Adjusted net income<sup>3</sup></b><br><b>\$5.5 Billion</b><br>Up 17% YoY | <b>Adjusted diluted EPS<sup>3</sup></b><br><b>\$3.84</b><br>Up 18% YoY | <b>Total ACL<sup>1</sup></b><br><b>\$7.7 Billion</b><br><i>ACL on loans ratio<sup>1</sup></i><br>remained flat QoQ            | <b>Adjusted ROE<sup>3</sup></b><br><b>17.7%</b><br>Up 130 bps YoY | <b>LCR<sup>1</sup></b><br><b>129%</b><br>Down from 131% last quarter           |

**TORONTO, August 27, 2025** — Royal Bank of Canada<sup>4</sup> (RY on TSX and NYSE) today reported record net income of \$5.4 billion for the quarter ended July 31, 2025, up \$928 million or 21% from the prior year. Diluted EPS was \$3.75, up 21% over the same period, reflecting growth across each of our business segments. Adjusted net income<sup>3</sup> and adjusted diluted EPS<sup>3</sup> of \$5.5 billion and \$3.84 were up 17% and 18%, respectively, from the prior year.

*“This quarter’s record results demonstrate RBC’s relentless, long-term focus on our clients and our commitment to delivering on the bold growth ambitions we laid out at our recent Investor Day. We saw strong growth across each of our business segments reflecting the strength of our diversified business model, solid capital position, investments in technology and talent, and disciplined approach to risk and expense management. Thanks to the incredible efforts of Team RBC, we’re creating value and driving premium performance through the cycle, as we work to stay ahead of our clients’ expectations in a rapidly changing economy and world.”*

**– Dave McKay, President and Chief Executive Officer of Royal Bank of Canada**

Record pre-provision, pre-tax earnings<sup>5</sup> of \$7.8 billion were up \$1.7 billion or 29% from last year, mainly due to higher revenue in Capital Markets driven by strength across Corporate & Investment Banking and Global Markets and higher net interest income in Personal Banking and Commercial Banking reflecting strong average volume growth and higher spreads in Personal Banking. Higher fee-based revenue in Wealth Management reflecting market appreciation and net sales also contributed to the increase. These factors were partially offset by higher variable compensation commensurate with increased results, and continued investments in talent and technology across our businesses.

Our consolidated results reflect an increase in total PCL of \$222 million from a year ago, mainly reflecting higher provisions in Capital Markets, Commercial Banking and Personal Banking, partly offset by releases in Wealth Management in the current quarter. The PCL on loans ratio of 35 bps increased 8 bps from the prior year.

Compared to last quarter, net income was up 23% reflecting growth across each of our business segments. Adjusted net income<sup>3</sup> was up 22% over the same period. Pre-provision, pre-tax earnings<sup>5</sup> were up \$0.8 billion or 12% as higher revenues more than offset expense growth. The PCL on loans ratio of 35 bps decreased 23 bps from the prior quarter as last quarter was driven by higher provisions on performing loans reflecting the potential impacts of trade disruptions (including tariffs). The PCL on impaired loans ratio<sup>1</sup> was 36 bps, up 1 bp from the prior quarter, while the PCL on performing loans ratio<sup>1</sup> was (1) bp, down 24 bps from the prior quarter.

Our capital position remains robust, with a CET1 ratio of 13.2%, supporting solid volume growth and \$3.1 billion of capital returned to our shareholders through common share dividends and share buybacks.

|  |   |  |  |  |
|--|---|--|--|--|
| <b>Q3 2025<br/>Compared to<br/>Q3 2024</b> | <b>Reported:</b>  |  | <b>Adjusted<sup>3</sup>:</b>   |  |
|  | <ul style="list-style-type: none"> <li>• Net income of \$5,414 million</li> <li>• Diluted EPS of \$3.75</li> <li>• ROE of 17.3%</li> <li>• CET1 ratio of 13.2%</li> </ul> | <ul style="list-style-type: none"> <li>↑ 21%</li> <li>↑ 21%</li> <li>↑ 180 bps</li> <li>↑ 20 bps</li> </ul>                                  | <ul style="list-style-type: none"> <li>• Net income of \$5,534 million</li> <li>• Diluted EPS of \$3.84</li> <li>• ROE of 17.7%</li> </ul> | <ul style="list-style-type: none"> <li>↑ 17%</li> <li>↑ 18%</li> <li>↑ 130 bps</li> </ul>  |
| <b>Q3 2025<br/>Compared to<br/>Q2 2025</b> | <ul style="list-style-type: none"> <li>• Net income of \$5,414 million</li> <li>• Diluted EPS of \$3.75</li> <li>• ROE of 17.3%</li> <li>• CET1 ratio of 13.2%</li> </ul> | <ul style="list-style-type: none"> <li>↑ 23%</li> <li>↑ 24%</li> <li>↑ 310 bps</li> <li>→ unchanged</li> </ul>                               | <ul style="list-style-type: none"> <li>• Net income of \$5,534 million</li> <li>• Diluted EPS of \$3.84</li> <li>• ROE of 17.7%</li> </ul> | <ul style="list-style-type: none"> <li>↑ 22%</li> <li>↑ 23%</li> <li>↑ 300 bps</li> </ul>  |
|  | <b>YTD 2025<br/>Compared to<br/>YTD 2024</b>  | <ul style="list-style-type: none"> <li>• Net income of \$14,935 million</li> <li>• Diluted EPS of \$10.31</li> <li>• ROE of 16.1%</li> </ul> | <ul style="list-style-type: none"> <li>↑ 24%</li> <li>↑ 24%</li> <li>↑ 170 bps</li> </ul>  | <ul style="list-style-type: none"> <li>• Net income of \$15,316 million</li> <li>• Diluted EPS of \$10.58</li> <li>• ROE of 16.5%</li> </ul> |

(1) See the Glossary section of this Q3 2025 Report to Shareholders for composition of these measures.

(2) Return on equity (ROE). This measure does not have a standardized meaning under generally accepted accounting principles (GAAP). For further information, refer to the Key performance and non-GAAP measures section of this Q3 2025 Report to Shareholders.

(3) These are non-GAAP measures or ratios. For further information, including a reconciliation, refer to the Key performance and non-GAAP measures section of this Q3 2025 Report to Shareholders.

(4) When we say “we”, “us”, “our”, “the bank” or “RBC”, we mean Royal Bank of Canada and its subsidiaries, as applicable.

(5) Pre-provision, pre-tax (PPPT) earnings is calculated as income (July 31, 2025: \$5,414 million; April 30, 2025: \$4,390 million; July 31, 2024: \$4,486 million) before income taxes (July 31, 2025: \$1,458 million; April 30, 2025: \$1,128 million; July 31, 2024: \$887 million) and PCL (July 31, 2025: \$881 million; April 30, 2025: \$1,424 million; July 31, 2024: \$659 million). This is a non-GAAP measure. PPPT earnings do not have a standardized meaning under GAAP and may not be comparable to similar measures disclosed by other financial institutions. We use PPPT earnings to assess our ability to generate sustained earnings growth outside of credit losses, which are impacted by the cyclical nature of a credit cycle. We believe that certain non-GAAP measures are more reflective of our ongoing operating results and provide readers with a better understanding of management’s perspective on our performance.

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## Management's Discussion and Analysis

Management's Discussion and Analysis (MD&A) is provided to enable a reader to assess our results of operations and financial condition for the three and nine month periods ended or as at July 31, 2025, compared to the corresponding periods in the prior fiscal year and the three month period ended April 30, 2025. This MD&A should be read in conjunction with our unaudited Interim Condensed Consolidated Financial Statements for the quarter ended July 31, 2025 (Condensed Financial Statements) and related notes and our 2024 Annual Report. This MD&A is dated August 26, 2025. All amounts are in Canadian dollars, unless otherwise specified, and are based on financial statements presented in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), unless otherwise noted.

Additional information about us, including our 2024 Annual Information Form, is available free of charge on our website at [rbc.com/investorrelations](http://rbc.com/investorrelations), on the Canadian Securities Administrators' website, SEDAR+, at [sedarplus.com](http://sedarplus.com) and on the EDGAR section of the United States (U.S.) Securities and Exchange Commission's (SEC) website at [sec.gov](http://sec.gov).

Information contained in or otherwise accessible through the websites mentioned herein does not form part of this report. All references in this report to websites are inactive textual references and are for your information only.

### Caution regarding forward-looking statements

From time to time, we make written or oral 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 any applicable Canadian securities legislation. We may make forward-looking statements in this Q3 2025 Report to Shareholders, in other filings with Canadian regulators or the SEC, in other reports to shareholders, and in other communications. In addition, our representatives may communicate forward-looking statements orally to analysts, investors, the media and others. Forward-looking statements in this document include, but are not limited to, statements relating to our financial performance objectives, priorities, vision and strategic goals, the economic, market, and regulatory review and outlook for Canadian, U.S., United Kingdom (U.K.), Euro area and global economies, the regulatory environment in which we operate and the risk environment including our credit risk, market risk, liquidity and funding risk, and include statements made by our President and Chief Executive Officer. The forward-looking statements contained in this document represent the views of management and are presented for the purpose of assisting the holders of our securities and financial analysts in understanding our financial position and results of operations as at and for the periods ended on the dates presented, as well as our financial performance objectives, vision, strategic goals and priorities and anticipated financial performance, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as "believe", "expect", "suggest", "seek", "foresee", "forecast", "schedule", "anticipate", "intend", "estimate", "goal", "commit", "target", "objective", "plan", "outlook", "timeline" and "project" and similar expressions of future or conditional verbs such as "will", "may", "might", "should", "could", "can", "would" or negative or grammatical variations thereof.

By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, both general and specific in nature, which give rise to the possibility that our predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that our assumptions may not be correct, that our financial performance, environmental & social or other objectives, vision and strategic goals will not be achieved, and that our actual results may differ materially from such predictions, forecasts, projections, expectations or conclusions.

We caution readers not to place undue reliance on our forward-looking statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond our control and the effects of which can be difficult to predict – include, but are not limited to: credit, market, liquidity and funding, insurance, operational, compliance (which could lead to us being subject to various legal and regulatory proceedings, the potential outcome of which could include regulatory restrictions, penalties and fines), strategic, reputation, legal and regulatory environment, competitive and systemic risks, risks associated with escalating trade tensions, including protectionist trade policies such as the imposition of tariffs, and other risks discussed in the risk sections of our 2024 Annual Report and the Risk management section of this Q3 2025 Report to Shareholders, including business and economic conditions in the geographic regions in which we operate, Canadian housing and household indebtedness, information technology, cyber and third-party risks, geopolitical uncertainty, environmental and social risk, digital disruption and innovation, privacy and data related risks, regulatory changes, culture and conduct risks, the effects of changes in government fiscal, monetary and other policies, tax risk and transparency, and our ability to anticipate and successfully manage risks arising from all of the foregoing factors. Additional factors that could cause actual results to differ materially from the expectations in such forward-looking statements can be found in the risk sections of our 2024 Annual Report and the Risk management section of this Q3 2025 Report to Shareholders, as may be updated by subsequent quarterly reports.

We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider the foregoing factors and other uncertainties and potential events, as well as the inherent uncertainty of forward-looking statements. Material economic assumptions underlying the forward-looking statements contained in this document are set out in the Economic, market and regulatory review and outlook section and for each business segment under the Strategic priorities and Outlook headings in our 2024 Annual Report, as updated by the Economic, market and regulatory review and outlook section of this Q3 2025 Report to Shareholders. Such sections may be updated by subsequent quarterly reports. Any forward-looking statements contained in this document represent the views of management only as of the date hereof, and except as required by law, we do not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by us or on our behalf.

Additional information about these and other factors can be found in the risk sections of our 2024 Annual Report and the Risk management section of this Q3 2025 Report to Shareholders, as may be updated by subsequent quarterly reports.

## Overview and outlook

## About Royal Bank of Canada

Royal Bank of Canada is a global financial institution with a purpose-driven, principles-led approach to delivering leading performance. Our success comes from the 101,000+ employees who leverage their imaginations and insights to bring our vision, values and strategy to life so we can help our clients thrive and communities prosper. As Canada's biggest bank and one of the largest in the world, based on market capitalization, we have a diversified business model with a focus on innovation and providing exceptional experiences to our more than 19 million clients in Canada, the U.S. and 27 other countries. Learn more at [rbc.com](https://www.rbc.com).

Effective the fourth quarter of 2024, the Personal & Commercial Banking segment became two standalone business segments: Personal Banking and Commercial Banking. With this change, RBC Direct Investing® moved from the previous Personal & Commercial Banking segment to the Wealth Management segment. Comparative results in this MD&A have been revised to conform to our new basis of segment presentation.

## Selected financial and other highlights (1)

|  | As at or for the three months ended |                  |                 | As at or for the nine months ended |                  |
|--|-------------------------------------|------------------|-----------------|------------------------------------|------------------|
|  | July 31<br>2025                     | April 30<br>2025 | July 31<br>2024 | July 31<br>2025                    | July 31<br>2024  |
| (Millions of Canadian dollars, except per share, number of and percentage amounts) |                                     |                  |                 |                                    |                  |
| Total revenue  | \$ 16,985                           | \$ 15,672        | \$ 14,631       | \$ 49,396                          | \$ 42,270        |
| Provision for credit losses (PCL)  | 881                                 | 1,424            | 659             | 3,355                              | 2,392            |
| Non-interest expense   | 9,232                               | 8,730            | 8,599           | 27,218                             | 25,231           |
| Income before income taxes   | 6,872                               | 5,518            | 5,373           | 18,823                             | 14,647           |
| <b>Net income</b>  | <b>\$ 5,414</b>                     | <b>\$ 4,390</b>  | <b>\$ 4,486</b> | <b>\$ 14,935</b>                   | <b>\$ 12,018</b> |
| <b>Net income – adjusted (2), (3)</b>  | <b>\$ 5,534</b>                     | <b>\$ 4,528</b>  | <b>\$ 4,727</b> | <b>\$ 15,316</b>                   | <b>\$ 12,991</b> |
| <b>Segments – net income</b>   |                                     |                  |                 |                                    |                  |
| Personal Banking (4)   | \$ 1,938                            | \$ 1,602         | \$ 1,586        | \$ 5,218                           | \$ 4,342         |
| Commercial Banking (4)   | 836                                 | 597              | 817             | 2,210                              | 2,044            |
| Wealth Management (4)  | 1,096                               | 929              | 949             | 3,005                              | 2,453            |
| Insurance  | 247                                 | 211              | 170             | 730                                | 567              |
| Capital Markets  | 1,328                               | 1,202            | 1,172           | 3,962                              | 3,588            |
| Corporate Support  | (31)                                | (151)            | (208)           | (190)                              | (976)            |
| <b>Net income</b>  | <b>\$ 5,414</b>                     | <b>\$ 4,390</b>  | <b>\$ 4,486</b> | <b>\$ 14,935</b>                   | <b>\$ 12,018</b> |
| <b>Selected information</b>  |                                     |                  |                 |                                    |                  |
| Earnings per share (EPS) – basic   | \$ 3.76                             | \$ 3.03          | \$ 3.09         | \$ 10.33                           | \$ 8.35          |
| – diluted  | 3.75                                | 3.02             | 3.09            | 10.31                              | 8.34             |
| – basic adjusted (2), (3)  | 3.84                                | 3.13             | 3.26            | 10.60                              | 9.04             |
| – diluted adjusted (2), (3)  | 3.84                                | 3.12             | 3.26            | 10.58                              | 9.03             |
| Return on common equity (ROE) (3)  | 17.3%                               | 14.2%            | 15.5%           | 16.1%                              | 14.4%            |
| ROE – adjusted (2), (3)  | 17.7%                               | 14.7%            | 16.4%           | 16.5%                              | 15.6%            |
| Average common equity (5)  | \$ 121,450                          | \$ 123,300       | \$ 112,100      | \$ 121,100                         | \$ 109,300       |
| Net interest margin (NIM) – on average earning assets, net (3)                     | 1.61%                               | 1.64%            | 1.58%           | 1.62%                              | 1.50%            |
| PCL on loans as a % of average net loans and acceptances                           | 0.35%                               | 0.58%            | 0.27%           | 0.45%                              | 0.35%            |
| PCL on performing loans as a % of average net loans and acceptances                | (0.01)%                             | 0.23%            | 0.01%           | 0.08%                              | 0.06%            |
| PCL on impaired loans as a % of average net loans and acceptances                  | 0.36%                               | 0.35%            | 0.26%           | 0.37%                              | 0.29%            |
| Gross impaired loans (GIL) as a % of loans and acceptances                         | 0.85%                               | 0.88%            | 0.58%           | 0.85%                              | 0.58%            |
| Liquidity coverage ratio (LCR) (3), (6)  | 129%                                | 131%             | 126%            | 129%                               | 126%             |
| Net stable funding ratio (NSFR) (3), (6)   | 114%                                | 116%             | 114%            | 114%                               | 114%             |
| <b>Capital, Leverage and Total loss absorbing capacity (TLAC) ratios (3), (7)</b>  |                                     |                  |                 |                                    |                  |
| Common Equity Tier 1 (CET1) ratio  | 13.2%                               | 13.2%            | 13.0%           | 13.2%                              | 13.0%            |
| Tier 1 capital ratio   | 14.8%                               | 14.7%            | 14.5%           | 14.8%                              | 14.5%            |
| Total capital ratio  | 16.6%                               | 16.5%            | 16.3%           | 16.6%                              | 16.3%            |
| Leverage ratio   | 4.5%                                | 4.3%             | 4.2%            | 4.5%                               | 4.2%             |
| TLAC ratio   | 30.9%                               | 31.0%            | 28.4%           | 30.9%                              | 28.4%            |
| TLAC leverage ratio  | 9.3%                                | 9.2%             | 8.3%            | 9.3%                               | 8.3%             |
| <b>Selected balance sheet and other information (8)</b>                            |                                     |                  |                 |                                    |                  |
| Total assets   | \$ 2,227,893                        | \$ 2,242,133     | \$ 2,076,107    | \$ 2,227,893                       | \$ 2,076,107     |
| Securities, net of applicable allowance  | 538,012                             | 492,497          | 431,185         | 538,012                            | 431,185          |
| Loans, net of allowance for loan losses  | 1,025,460                           | 1,007,306        | 971,797         | 1,025,460                          | 971,797          |
| Derivative related assets  | 155,023                             | 188,211          | 115,659         | 155,023                            | 115,659          |
| Deposits   | 1,481,477                           | 1,446,786        | 1,361,265       | 1,481,477                          | 1,361,265        |
| Common equity  | 124,065                             | 122,084          | 114,899         | 124,065                            | 114,899          |
| Total risk-weighted assets (RWA) (3), (7)  | 723,155                             | 703,920          | 661,177         | 723,155                            | 661,177          |
| Assets under management (AUM) (3)  | 1,469,800                           | 1,363,900        | 1,300,100       | 1,469,800                          | 1,300,100        |
| Assets under administration (AUA) (3), (9)   | 5,213,500                           | 5,019,700        | 4,716,100       | 5,213,500                          | 4,716,100        |
| <b>Common share information</b>  |                                     |                  |                 |                                    |                  |
| Shares outstanding (000s) – average basic  | 1,407,280                           | 1,411,362        | 1,414,194       | 1,410,854                          | 1,411,044        |
| – average diluted  | 1,409,680                           | 1,413,517        | 1,416,149       | 1,413,235                          | 1,412,644        |
| – end of period  | 1,405,044                           | 1,409,539        | 1,413,666       | 1,405,044                          | 1,413,666        |
| Dividends declared per common share  | \$ 1.54                             | \$ 1.48          | \$ 1.42         | \$ 4.50                            | \$ 4.18          |
| Dividend yield (3)   | 3.5%                                | 3.6%             | 3.9%            | 3.6%                               | 4.2%             |
| Dividend payout ratio (3)  | 41%                                 | 49%              | 46%             | 44%                                | 50%              |
| Common share price (RY on TSX) (10)  | \$ 177.79                           | \$ 165.47        | \$ 154.28       | \$ 177.79                          | \$ 154.28        |
| Market capitalization (TSX) (10)   | 249,803                             | 233,236          | 218,100         | 249,803                            | 218,100          |
| <b>Business information (number of)</b>  |                                     |                  |                 |                                    |                  |
| Employees (full-time equivalent) (FTE)   | 97,116                              | 94,369           | 96,165          | 97,116                             | 96,165           |
| Bank branches  | 1,271                               | 1,284            | 1,344           | 1,271                              | 1,344            |
| Automated teller machines (ATMs)   | 4,298                               | 4,331            | 4,426           | 4,298                              | 4,426            |
| Period average US\$ equivalent of C\$1.00 (11)                                     | 0.728                               | 0.704            | 0.730           | 0.710                              | 0.736            |
| Period-end US\$ equivalent of C\$1.00  | 0.722                               | 0.725            | 0.724           | 0.722                              | 0.724            |

(1) On March 28, 2024, we completed the acquisition of HSBC Bank Canada (HSBC Canada transaction). HSBC Bank Canada (HSBC Canada) results have been consolidated from the closing date, and are included in our Personal Banking, Commercial Banking, Wealth Management and Capital Markets segments. For further details, refer to the Key corporate events section of our 2024 Annual Report.

(2) These are non-GAAP measures or ratios. For further details, including a reconciliation, refer to the Key performance and non-GAAP measures section.

(3) See Glossary for composition of these measures.

(4) Amounts have been revised from those previously presented to conform to our new basis of segment presentation. For further details, refer to the About Royal Bank of Canada section.

(5) Average amounts are calculated using methods intended to approximate the average of the daily balances for the period.

(6) The LCR and NSFR are calculated in accordance with the Office of the Superintendent of Financial Institutions' (OSFI) Liquidity Adequacy Requirements (LAR) guideline. LCR is the average for the three months ended for each respective period. For further details, refer to the Liquidity and funding risk section.

(7) Capital ratios and RWA are calculated using OSFI's Capital Adequacy Requirements (CAR) guideline, the Leverage ratio is calculated using OSFI's Leverage Requirements (LR) guideline, and both the TLAC and TLAC leverage ratios are calculated using OSFI's TLAC guideline. Both the CAR guideline and LR guideline are based on the Basel III framework. For further details, refer to the Capital management section.

(8) Represents period-end spot balances.

(9) AUA includes \$15 billion and \$6 billion (April 30, 2025 – \$15 billion and \$6 billion; July 31, 2024 – \$15 billion and \$6 billion) of securitized residential mortgages and credit card loans, respectively.

(10) Based on TSX closing market price at period-end.

(11) Average amounts are calculated using month-end spot rates for the period.

## Economic, market and regulatory review and outlook – data as at August 26, 2025

The predictions and forecasts in this section are based on information and assumptions from sources we consider reliable. If this information or these assumptions are not accurate, actual economic outcomes may differ materially from the outlook presented in this section.

### Economic and market review and outlook

Economic growth is expected to remain positive across most advanced economies, including Canada, the Euro area, the U.K. and the U.S. The outlook remains highly dependent on the evolution of U.S. international trade policy. U.S. tariff rates have increased since April 2025 for most U.S. trade partners and are expected to slow U.S. economic growth. Tariffs imposed on U.S. imports from Canada remain low relative to other U.S. trade partners with most Canadian exports maintaining duty free access to the U.S. market through an exemption from tariffs for products compliant with the Canada-United States-Mexico Agreement (CUSMA). Our forecast assumes that existing tariffs remain in place broadly as-is until the fourth calendar quarter of 2025 before easing lower in 2026. Tariffs are expected to contribute to price increases, particularly in the U.S., while the removal of the consumer carbon tax from energy products is expected to keep headline consumer price growth relatively lower in Canada. We expect the U.S. Federal Reserve (Fed) to resume cutting interest rates in December of this calendar year as anticipated weaker economic growth and a rising unemployment rate offset concerns about the upward impact of tariffs on inflation. The Bank of Canada (BoC) reduced interest rates by more than other global central banks since June 2024 and we expect no further reductions for the remainder of calendar 2025. We expect the Bank of England (BOE) to reduce policy interest rates further by the end of calendar 2025 but do not expect further interest rate reductions from the European Central Bank (ECB).

#### Canada

Canadian GDP is expected to remain unchanged in the second calendar quarter of 2025 after rising 2.2%<sup>1</sup> in the first calendar quarter of 2025. We expect most Canadian exports to the United States will remain duty free under the exemption from tariffs for products compliant with the CUSMA; however, sector-specific tariffs, including those on steel and aluminum, the non-U.S. share of Canadian auto exports to the U.S. and China's tariffs on Canadian canola products, will continue to apply. Uncertainty about potential future trade policy changes is expected to slow business investment spending. Growth in the Canadian economy in calendar 2025 is expected to remain close to the slow pace seen in calendar 2024. The unemployment rate fell slightly to 6.9% in June and July 2025 after rising to 7.0% in May 2025 but is still up 0.5% from a year earlier. The unemployment rate is expected to rise slightly to 7.1% in the second half of calendar 2025 as weakening external demand and international trade uncertainty slows hiring demand. The end of the consumer carbon tax on energy products has lowered the headline inflation rate, but excluding those changes, core inflation measures are at the top of the BoC's 1% to 3% inflation target range. The BoC has held the overnight rate unchanged since a reduction to a 2.75% rate in January 2025. Interest rates are now at levels that the central bank views as neither restricting nor stimulating economic activity, and planned increases in government spending are reducing the need for additional interest rate reductions to counter expected weakening in economic growth due to tariffs. We do not expect the BoC to cut the overnight rate further for the remainder of calendar 2025.

#### U.S.

U.S. GDP grew by 3.0%<sup>1</sup> in the second calendar quarter of 2025 after contracting 0.5%<sup>1</sup> in the first calendar quarter of 2025. The decline in the first calendar quarter was primarily due to a significant increase in imports ahead of expected tariffs, with lower subsequent imports resulting in stronger GDP growth in the second calendar quarter. We expect slow GDP growth over the remainder of this calendar year as tariffs imposed by the U.S. administration affect costs and domestic production. The unemployment rate rose to 4.2% in July 2025, up slightly from 4.1% in June 2025, but unchanged from a year earlier. Job openings have declined and employment growth has slowed. We continue to expect the unemployment rate to rise modestly into calendar year 2026. Inflation data has shown limited tariff-related increases but we expect increased tariffs to raise prices more significantly over the second half of calendar year 2025. A weaker economic backdrop is expected to prompt a gradual reduction in interest rates by the Fed, with the next decrease in the target range for the federal funds rate expected in December 2025.

#### Euro area and the U.K.

Euro area GDP grew by 0.1% in the second calendar quarter of 2025 after rising 0.6% in the first calendar quarter of 2025. Unemployment rates remain very low across countries in the Euro area and are expected to be little changed through the rest of calendar 2025. Inflation in the Euro area has continued to ease but core inflation excluding energy components remains elevated. Increased government spending is expected to offset the negative impact of U.S. tariffs on Euro area GDP growth. The ECB is not expected to reduce interest rates further after lowering the deposit rate to 2.0% in June 2025. U.K. GDP increased 0.3% in the second calendar quarter of 2025 after increasing by 0.7% in the first calendar quarter of 2025. GDP growth in the U.K. is expected to be slow but positive for the remainder of calendar 2025. Inflationary trends have continued to remain steady and the unemployment rate has been increasing moderately. We expect those trends will persist in the remainder of calendar year 2025 and the BoE will continue to lower the Bank Rate until it reaches 3.75%, which is expected by the end of calendar 2025.

<sup>1</sup> Annualized rate

### **Financial markets**

Government bond yields have declined in the U.S. and are little changed in Canada, the Euro area and the U.K. over the last three months. Yield curves remain steeper than at the start of the calendar year for Canada, the U.S., U.K. and Euro area. Credit spreads have narrowed after widening earlier this year and the broad trade-weighted U.S. dollar index has depreciated since January 2025. Equity markets have fully recouped declines earlier in the calendar year. Oil prices rose temporarily in June 2025 but have since reverted lower.

### **Regulatory environment**

We continue to monitor and prepare for regulatory developments and changes in a manner that seeks to ensure compliance with new requirements while mitigating adverse business or financial impacts. Such impacts could result from new or amended laws or regulations and the expectations of those who enforce them. A high-level summary of the key regulatory changes that have the potential to increase or decrease our costs and the complexity of our operations is included in the Legal and regulatory environment risk section of our 2024 Annual Report and updates are listed below.

### **Global uncertainty**

In July 2025, the International Monetary Fund (IMF) projected global growth of 3.0% for 2025, up 0.2% from its April forecast<sup>2</sup>, reflecting pulled-forward demand and excess inventory in anticipation of higher tariffs and a lower average effective U.S. tariff rate than previously expected. Significant uncertainty continues to pose risks to the global economic outlook, driven by:

- Impacts from implemented and potential additional trade measures, including protectionist trade policies such as the imposition of tariffs, which could soften demand, increase inflationary pressures, lower investment, disrupt supply chains and further reduce near- and long-term growth;
- Failure to reach trade agreements, which could lead to a shift away from global economic integration and negatively impact productivity, growth and financial stability;
- Substantial projected fiscal deficits for countries, which could lead to upward pressure on long-term interest rates, financial market instability or faster-than-anticipated deceleration in growth, along with their associated impact on consumer and business confidence;
- Diverging monetary policies in response to inflationary pressures, which may drive asset repricing, impact foreign exchange rates and capital flows and heighten financial market volatility;
- Shifting global policy priorities, including prolonged uncertainty surrounding changes to U.S. trade, foreign relations, defense and immigration policies, which could disrupt global alliances and increase economic, market and other risks;
- Frontloading of global economic activities in anticipation of tariffs, which could amplify negative shocks if demand for higher inventory levels does not materialize or financial conditions tighten;
- Ongoing conflicts such as those between Russia and Ukraine and those in the Middle East and Asia, as well as increasing tensions between China and Taiwan;
- An aging demographic in advanced economies and the associated long-term impact on economic productivity and government fiscal capacity;
- Increased polarization and social unrest; and
- Extreme weather-related events.

Our diversified business model, as well as our product and geographic diversification, continue to help mitigate the risks posed by global uncertainty.

### **U.S. legislation**

On July 4, 2025, the U.S. President signed the One Big Beautiful Bill Act (the Act) into law. Certain retaliatory tax measures that had been included in earlier versions of the Act were withdrawn before enactment. There has been no material tax impact for us. However, there is still some uncertainty as to whether future events may cause the U.S. to include similar retaliatory tax measures in new legislation or to use existing measures to penalize non-U.S. based companies. We will continue to monitor any updates and future developments.

For a discussion on risk factors resulting from these and other developments which may affect our business and financial results, refer to the risk sections of our 2024 Annual Report. For further details on our framework and activities to manage risks, refer to the Risk management and Capital management sections of this Q3 2025 Report to Shareholders.

<sup>2</sup> Given the complexity and fluidity of the economic environment, the IMF used a reference forecast in lieu of the usual baseline to project global growth in April 2025.

## Financial performance

### Overview

#### Q3 2025 vs. Q3 2024

Net income of \$5,414 million was up \$928 million or 21% from a year ago. Diluted EPS of \$3.75 was up \$0.66 or 21% and ROE of 17.3% was up from 15.5% a year ago. Our CET1 ratio of 13.2% was up 20 bps from a year ago.

Adjusted net income of \$5,534 million was up \$807 million or 17% from a year ago. Adjusted diluted EPS of \$3.84 was up \$0.58 or 18% and adjusted ROE of 17.7% was up from 16.4% a year ago.

Our earnings reflect higher results across all of our business segments. Prior period results included HSBC Canada transaction and integration costs which was treated as a specified item and reported in Corporate Support.

#### Q3 2025 vs. Q2 2025

Net income of \$5,414 million was up \$1,024 million or 23% from last quarter. Diluted EPS of \$3.75 was up \$0.73 or 24% and ROE of 17.3% was up from 14.2% in the prior quarter. Our CET1 ratio of 13.2% was unchanged from last quarter.

Adjusted net income of \$5,534 million was up \$1,006 million or 22% from last quarter. Adjusted diluted EPS of \$3.84 was up \$0.72 or 23% and adjusted ROE of 17.7% was up from 14.7% last quarter.

Our earnings reflect higher results across all of our business segments and in Corporate Support. Lower PCL on performing loans contributed to higher results.

#### Q3 2025 vs. Q3 2024 (Nine months ended)

Net income of \$14,935 million was up \$2,917 million or 24% from the same period last year. Diluted EPS of \$10.31 was up \$1.97 or 24% and ROE of 16.1% was up from 14.4% in the prior year.

Adjusted net income of \$15,316 million was up \$2,325 million or 18% from the same period last year. Adjusted diluted EPS of \$10.58 was up \$1.55 or 17% and adjusted ROE of 16.5% was up from 15.6% in the prior year.

Our earnings were up from the same period last year, primarily driven by higher results across all of our business segments. Results in the current period also reflect a lower impact from HSBC Canada transaction and integration costs which is treated as a specified item and reported in Corporate Support. Our earnings also reflect an increase due to the impact of foreign exchange translation.

For further details on our business segment results and CET1 ratio, refer to the Business segment results and Capital management sections, respectively.

#### Adjusted results

Adjusted results exclude specified items and the after-tax impact of amortization of acquisition-related intangibles. Adjusted results are non-GAAP measures. For further details, including a reconciliation, refer to the Key performance and non-GAAP measures section.

### Impact of foreign currency translation

The following table reflects the estimated impact of foreign currency translation on key income statement items:

| (Millions of Canadian dollars, except per share amounts) | For the three months ended |                        | For the nine months ended |                        |
|--|----------------------------|------------------------|---------------------------|------------------------|
|  | Q3 2025 vs.<br>Q3 2024     | Q3 2025 vs.<br>Q2 2025 | Q3 2025 vs.<br>Q3 2024    | Q3 2025 vs.<br>Q3 2024 |
| <i>Increase (decrease):</i>                              |                            |                        |                           |                        |
| Total revenue  | \$ 77                      | \$ (217)               | \$ 860                    |                        |
| PCL  | 6                          | (2)                    | 30                        |                        |
| Non-interest expense                                     | 54                         | (121)                  | 491                       |                        |
| Income taxes   | 2                          | (10)                   | 37                        |                        |
| Net income   | 15                         | (84)                   | 302                       |                        |
| <i>Impact on EPS</i>                                     |                            |                        |                           |                        |
| Basic  | \$ 0.01                    | \$ (0.06)              | \$ 0.21                   |                        |
| Diluted  | 0.01                       | (0.06)                 | 0.21                      |                        |

The relevant average exchange rates that impact our business are shown in the following table:

| (Average foreign currency equivalent of C\$1.00) (1) | For the three months ended |                  |                 | For the nine months ended |                 |
|--|----------------------------|------------------|-----------------|---------------------------|-----------------|
|  | July 31<br>2025            | April 30<br>2025 | July 31<br>2024 | July 31<br>2025           | July 31<br>2024 |
| U.S. dollar  | 0.728                      | 0.704            | 0.730           | 0.710                     | 0.736           |
| British pound  | 0.541                      | 0.544            | 0.572           | 0.547                     | 0.581           |
| Euro   | 0.632                      | 0.650            | 0.676           | 0.650                     | 0.681           |

(1) Average amounts are calculated using month-end spot rates for the period.

## Total revenue

| (Millions of Canadian dollars, except percentage amounts) | For the three months ended |                  |                  | For the nine months ended |                  |
|---|----------------------------|------------------|------------------|---------------------------|------------------|
|   | July 31<br>2025            | April 30<br>2025 | July 31<br>2024  | July 31<br>2025           | July 31<br>2024  |
| Interest and dividend income                              | \$ 26,110                  | \$ 24,970        | \$ 27,090        | \$ 77,535                 | \$ 78,453        |
| Interest expense  | 17,759                     | 16,914           | 19,763           | 53,180                    | 58,171           |
| <b>Net interest income</b>                                | <b>\$ 8,351</b>            | <b>\$ 8,056</b>  | <b>\$ 7,327</b>  | <b>\$ 24,355</b>          | <b>\$ 20,282</b> |
| <b>NIM</b>  | <b>1.61%</b>               | <b>1.64%</b>     | <b>1.58%</b>     | <b>1.62%</b>              | <b>1.50%</b>     |
| Insurance service result                                  | \$ 279                     | \$ 224           | \$ 214           | \$ 789                    | \$ 604           |
| Insurance investment result                               | 48                         | 78               | 28               | 208                       | 228              |
| Trading revenue   | 685                        | 641              | 507              | 2,521                     | 1,944            |
| Investment management and custodial fees                  | 2,642                      | 2,544            | 2,382            | 7,853                     | 6,824            |
| Mutual fund revenue                                       | 1,273                      | 1,211            | 1,151            | 3,720                     | 3,248            |
| Securities brokerage commissions                          | 444                        | 486              | 413              | 1,401                     | 1,232            |
| Service charges   | 598                        | 607              | 587              | 1,817                     | 1,698            |
| Underwriting and other advisory fees                      | 850                        | 615              | 676              | 2,139                     | 2,016            |
| Foreign exchange revenue, other than trading              | 311                        | 338              | 292              | 967                       | 841              |
| Card service revenue                                      | 339                        | 328              | 324              | 984                       | 941              |
| Credit fees   | 395                        | 370              | 405              | 1,200                     | 1,234            |
| Net gains on investment securities                        | 18                         | 45               | 28               | 118                       | 157              |
| Income (loss) from joint ventures and associates          | 25                         | 16               | (57)             | 60                        | (27)             |
| Other   | 727                        | 113              | 354              | 1,264                     | 1,048            |
| <b>Non-interest income</b>                                | <b>8,634</b>               | <b>7,616</b>     | <b>7,304</b>     | <b>25,041</b>             | <b>21,988</b>    |
| <b>Total revenue</b>                                      | <b>\$ 16,985</b>           | <b>\$ 15,672</b> | <b>\$ 14,631</b> | <b>\$ 49,396</b>          | <b>\$ 42,270</b> |
| <b>Additional trading information</b>                     |                            |                  |                  |                           |                  |
| Net interest income (1)                                   | \$ 659                     | \$ 614           | \$ 475           | \$ 1,637                  | \$ 1,222         |
| Non-interest income                                       | 685                        | 641              | 507              | 2,521                     | 1,944            |
| <b>Total trading revenue</b>                              | <b>\$ 1,344</b>            | <b>\$ 1,255</b>  | <b>\$ 982</b>    | <b>\$ 4,158</b>           | <b>\$ 3,166</b>  |

(1) Reflects net interest income arising from trading-related positions, including assets and liabilities that are classified or designated at fair value through profit or loss (FVTPL).

## Q3 2025 vs. Q3 2024

Total revenue increased \$2,354 million or 16% from a year ago, mainly due to higher net interest income and other revenue. Higher investment management and custodial fees, trading revenue, underwriting and other advisory fees and mutual fund revenue also contributed to the increase.

Net interest income increased \$1,024 million or 14%, mainly due to average volume growth in Personal Banking and Commercial Banking and higher spreads in Personal Banking. Higher equity trading revenue in North America and higher lending revenue, both in Capital Markets, also contributed to the increase.

NIM was up 3 bps from a year ago, mainly driven by favourable changes in product mix and the sustained impact of a higher interest rate environment in Personal Banking, partially offset by an increase in lower yielding assets in Global Markets.

Trading revenue increased \$178 million or 35%, primarily due to higher fixed income trading revenue across most regions.

Investment management and custodial fees increased \$260 million or 11%, primarily due to higher fee-based client assets reflecting market appreciation and net sales.

Mutual fund revenue increased \$122 million or 11%, primarily due to higher fee-based client assets reflecting market appreciation and net sales in Wealth Management, as well as higher average mutual fund balances driving higher distribution fees in Personal Banking.

Underwriting and other advisory fees increased \$174 million or 26%, primarily due to higher debt and equity origination and M&A activity across most regions.

Other revenue increased \$373 million, largely attributable to the impact of economic hedges, as well as changes in the fair value of the hedges related to our U.S. share-based compensation plans, which was largely offset in Non-interest expense. The prior year also included unfavourable changes in the fair value of certain instruments in our non-trading portfolios.

## Q3 2025 vs. Q2 2025

Total revenue increased \$1,313 million or 8% from last quarter, largely due to higher other revenue, net interest income and underwriting and other advisory fees. The impact of foreign exchange translation decreased revenue by \$217 million.

Net interest income increased \$295 million or 4%, primarily due to three more days in the current quarter, higher spreads in Personal Banking, Commercial Banking and Wealth Management, as well as average volume growth in Personal Banking. These factors were partially offset by the impact of foreign exchange translation.

Underwriting and other advisory fees increased \$235 million or 38%, primarily due to higher debt and equity origination across most regions.

Other revenue increased \$614 million, largely attributable to changes in the fair value of the hedges related to our U.S. share-based compensation plans, which was largely offset in Non-interest expense.

**Q3 2025 vs. Q3 2024 (Nine months ended)**

Total revenue increased \$7,126 million or 17% from the same period last year, largely due to higher net interest income and investment management and custodial fees. Higher trading revenue, mutual fund revenue and other revenue also contributed to the increase. The impact of foreign exchange translation increased revenue by \$860 million.

Net interest income increased \$4,073 million or 20%, mainly due to an increase in average loans and acceptances and deposits in Commercial Banking and Personal Banking, which includes the impact of five additional months of HSBC Canada results, and higher spreads in Personal Banking. The impact of foreign exchange translation and higher fixed income trading revenue in North America in Capital Markets also contributed to the increase.

Trading revenue increased \$577 million or 30%, largely due to higher equity trading revenue in Europe and the U.S. and higher foreign exchange trading revenue across all regions.

Investment management and custodial fees increased \$1,029 million or 15%, primarily due to higher fee-based client assets reflecting market appreciation and net sales.

Mutual fund revenue increased \$472 million or 15%, primarily due to higher fee-based client assets reflecting market appreciation and net sales in Wealth Management, as well as higher average mutual fund balances driving higher distribution fees in Personal Banking.

Other revenue increased \$216 million or 21%, mainly attributable to the impact of management of closing capital volatility related to the HSBC Canada transaction in the same period last year, which is treated as a specified item, and the impact of economic hedges. These factors were partially offset by changes in the fair value of the hedges related to our U.S. share-based compensation plans, which was largely offset in Non-interest expense.

**Provision for credit losses (1)**

|  | For the three months ended |                  |                     | For the nine months ended |                     |
|--|----------------------------|------------------|---------------------|---------------------------|---------------------|
|  | July 31<br>2025            | April 30<br>2025 | July 31<br>2024 (2) | July 31<br>2025           | July 31<br>2024 (2) |
| (Millions of Canadian dollars, except percentage amounts)                |                            |                  |                     |                           |                     |
| Personal Banking   | \$ 17                      | \$ 246           | \$ 32               | \$ 326                    | \$ 268              |
| Commercial Banking   | 4                          | 253              | 38                  | 287                       | 194                 |
| Wealth Management  | (40)                       | 35               | (16)                | 31                        | (62)                |
| Capital Markets  | (9)                        | 35               | (11)                | (35)                      | 18                  |
| Corporate Support and other (3)  | –                          | (1)              | (1)                 | (1)                       | 1                   |
| <b>PCL on performing loans</b>   | <b>(28)</b>                | <b>568</b>       | <b>42</b>           | <b>608</b>                | <b>419</b>          |
| Personal Banking   | \$ 431                     | \$ 410           | \$ 363              | \$ 1,268                  | \$ 1,057            |
| Commercial Banking   | 296                        | 286              | 178                 | 890                       | 481                 |
| Wealth Management  | (3)                        | 51               | 32                  | 93                        | 116                 |
| Capital Markets  | 188                        | 105              | 50                  | 498                       | 326                 |
| Corporate Support and other (3)  | 1                          | –                | –                   | 1                         | –                   |
| <b>PCL on impaired loans</b>   | <b>913</b>                 | <b>852</b>       | <b>623</b>          | <b>2,750</b>              | <b>1,980</b>        |
| <b>PCL – Loans</b>   | <b>885</b>                 | <b>1,420</b>     | <b>665</b>          | <b>3,358</b>              | <b>2,399</b>        |
| <b>PCL – Other (4)</b>   | <b>(4)</b>                 | <b>4</b>         | <b>(6)</b>          | <b>(3)</b>                | <b>(7)</b>          |
| <b>Total PCL</b>   | <b>\$ 881</b>              | <b>\$ 1,424</b>  | <b>\$ 659</b>       | <b>\$ 3,355</b>           | <b>\$ 2,392</b>     |
| PCL on loans is comprised of:  |                            |                  |                     |                           |                     |
| Retail   | \$ 7                       | \$ 300           | \$ 32               | \$ 411                    | \$ 276              |
| Wholesale  | (35)                       | 268              | 10                  | 197                       | 143                 |
| <b>PCL on performing loans</b>   | <b>(28)</b>                | <b>568</b>       | <b>42</b>           | <b>608</b>                | <b>419</b>          |
| Retail   | 474                        | 454              | 407                 | 1,413                     | 1,162               |
| Wholesale  | 439                        | 398              | 216                 | 1,337                     | 818                 |
| <b>PCL on impaired loans</b>   | <b>913</b>                 | <b>852</b>       | <b>623</b>          | <b>2,750</b>              | <b>1,980</b>        |
| <b>PCL – Loans</b>   | <b>\$ 885</b>              | <b>\$ 1,420</b>  | <b>\$ 665</b>       | <b>\$ 3,358</b>           | <b>\$ 2,399</b>     |
| <b>PCL on loans as a % of average net loans and acceptances</b>          | <b>0.35%</b>               | <b>0.58%</b>     | <b>0.27%</b>        | <b>0.45%</b>              | <b>0.35%</b>        |
| <b>PCL on impaired loans as a % of average net loans and acceptances</b> | <b>0.36%</b>               | <b>0.35%</b>     | <b>0.26%</b>        | <b>0.37%</b>              | <b>0.29%</b>        |

(1) Information on loans represents loans, acceptances and commitments.

(2) Amounts have been revised from those previously presented to conform to our new basis of segment presentation. For further details, refer to the About Royal Bank of Canada section.

(3) Includes PCL recorded in Corporate Support and Insurance.

(4) PCL – Other includes amounts related to debt securities measured at fair value through other comprehensive income (FVOCI) and amortized cost, accounts receivable, and financial and purchased guarantees.

**Q3 2025 vs. Q3 2024**

Total PCL increased \$222 million or 34% from a year ago, primarily due to higher provisions in Capital Markets, Commercial Banking and Personal Banking, partially offset by releases in Wealth Management in the current quarter, as compared to provisions taken in the same quarter last year. The PCL on loans ratio increased 8 bps.

PCL on performing loans was \$(28) million, compared to \$42 million a year ago, driven by favourable changes to our macroeconomic forecast, partially offset by unfavourable changes in credit quality and portfolio growth in the current quarter.

PCL on impaired loans increased \$290 million or 47%, primarily due to higher provisions in Capital Markets, Commercial Banking and Personal Banking.

**Q3 2025 vs. Q2 2025**

Total PCL decreased \$543 million or 38% from last quarter, primarily reflecting lower provisions in Commercial Banking, and Personal Banking, and releases in Wealth Management in the current quarter, as compared to provisions taken last quarter. The PCL on loans ratio decreased 23 bps.

PCL on performing loans was \$(28) million, compared to \$568 million last quarter, reflecting releases in the current quarter, driven by favourable changes to our macroeconomic forecast, partially offset by unfavourable changes in credit quality and portfolio growth, as compared to provisions taken last quarter, reflecting the potential impacts of trade disruptions (including tariffs).

PCL on impaired loans increased \$61 million or 7%, primarily due to higher provisions in Capital Markets, partially offset by recoveries in Wealth Management in the current quarter, as compared to provisions taken last quarter.

**Q3 2025 vs. Q3 2024 (Nine months ended)**

Total PCL increased \$963 million or 40% from the same period last year, primarily reflecting higher provisions in Commercial Banking, Personal Banking and Capital Markets. The PCL on loans ratio increased 10 bps.

PCL on performing loans increased \$189 million or 45%, primarily driven by unfavourable changes to our scenario weights and macroeconomic forecast, reflecting the potential impacts of trade disruptions (including tariffs). This was partially offset by the impact of the initial PCL on performing loans purchased in the HSBC Canada transaction in the prior year and lower unfavourable changes in credit quality as compared to the same period last year.

PCL on impaired loans increased \$770 million or 39%, due to higher provisions in Commercial Banking, Personal Banking and Capital Markets.

**Non-interest expense**

| (Millions of Canadian dollars, except percentage amounts) | For the three months ended |                  |                 | For the nine months ended |                  |
|---|----------------------------|------------------|-----------------|---------------------------|------------------|
|   | July 31<br>2025            | April 30<br>2025 | July 31<br>2024 | July 31<br>2025           | July 31<br>2024  |
| Salaries  | \$ 2,356                   | \$ 2,366         | \$ 2,310        | \$ 7,076                  | \$ 6,533         |
| Variable compensation                                     | 2,515                      | 2,338            | 2,246           | 7,422                     | 6,490            |
| Benefits and retention compensation                       | 669                        | 720              | 615             | 2,075                     | 1,826            |
| Share-based compensation                                  | 329                        | 54               | 235             | 761                       | 811              |
| Human resources   | 5,869                      | 5,478            | 5,406           | 17,334                    | 15,660           |
| Equipment   | 684                        | 704              | 629             | 2,069                     | 1,863            |
| Occupancy   | 410                        | 428              | 443             | 1,267                     | 1,291            |
| Communications  | 357                        | 378              | 342             | 1,062                     | 1,021            |
| Professional fees   | 528                        | 538              | 547             | 1,568                     | 1,868            |
| Amortization of other intangibles                         | 436                        | 457              | 426             | 1,328                     | 1,151            |
| Other   | 948                        | 747              | 806             | 2,590                     | 2,377            |
| <b>Non-interest expense</b>                               | <b>\$ 9,232</b>            | <b>\$ 8,730</b>  | <b>\$ 8,599</b> | <b>\$ 27,218</b>          | <b>\$ 25,231</b> |
| <b>Efficiency ratio</b> <sup>(1)</sup>                    | <b>54.4%</b>               | <b>55.7%</b>     | <b>58.8%</b>    | <b>55.1%</b>              | <b>59.7%</b>     |
| <b>Efficiency ratio – adjusted</b> <sup>(1), (2)</sup>    | <b>53.5%</b>               | <b>54.5%</b>     | <b>56.6%</b>    | <b>54.1%</b>              | <b>56.9%</b>     |

(1) See Glossary for composition of these measures.

(2) This is a non-GAAP ratio. For further details, including a reconciliation, refer to the Key performance and non-GAAP measures section.

**Q3 2025 vs. Q3 2024**

Non-interest expense increased \$633 million or 7% from a year ago, largely due to higher variable compensation commensurate with increased results, higher staff costs and ongoing technology investments. The change in the fair value of our U.S. share-based compensation plans, which was largely offset in Other revenue, also contributed to the increase. These factors were partially offset by HSBC Canada transaction and integration costs in the prior year, which was treated as a specified item, as well as the realization of synergies related to the HSBC Canada transaction.

Our efficiency ratio of 54.4% decreased 440 bps. Our adjusted efficiency ratio of 53.5% decreased 310 bps.

**Q3 2025 vs. Q2 2025**

Non-interest expense increased \$502 million or 6% from last quarter, primarily due to the change in the fair value of our U.S. share-based compensation plans, which was largely offset in Other revenue, and higher variable compensation commensurate with increased results. These factors were partially offset by the impact of foreign exchange translation.

Our efficiency ratio of 54.4% decreased 130 bps. Our adjusted efficiency ratio of 53.5% decreased 100 bps.

**Q3 2025 vs. Q3 2024 (Nine months ended)**

Non-interest expense increased \$1,987 million or 8% from the same period last year, largely due to higher staff costs, including severance, higher variable compensation commensurate with increased results, as well as the impact of foreign exchange translation. The impact of five additional months of HSBC Canada non-interest expenses and ongoing technology investments also contributed to the increase. These factors were partially offset by lower HSBC Canada transaction and integration costs, which is treated as a specified item, the realization of synergies related to the HSBC Canada transaction, the change in the fair value of our U.S. share-based compensation plans, which was largely offset in Other revenue, as well as the cost of the Federal Deposit Insurance Corporation (FDIC) special assessment in the prior year.

Our efficiency ratio of 55.1% decreased 460 bps. Our adjusted efficiency ratio of 54.1% decreased 280 bps.

Adjusted efficiency ratio is a non-GAAP ratio. For further details, including a reconciliation, refer to the Key performance and non-GAAP measures section.

## Income taxes

|   | For the three months ended |                  |                 | For the nine months ended |                 |
|---|----------------------------|------------------|-----------------|---------------------------|-----------------|
|   | July 31<br>2025            | April 30<br>2025 | July 31<br>2024 | July 31<br>2025           | July 31<br>2024 |
| (Millions of Canadian dollars, except percentage amounts) |                            |                  |                 |                           |                 |
| <b>Income taxes</b>                                       | \$ 1,458                   | \$ 1,128         | \$ 887          | \$ 3,888                  | \$ 2,629        |
| <b>Income before income taxes</b>                         | <b>6,872</b>               | 5,518            | 5,373           | <b>18,823</b>             | 14,647          |
| <b>Effective income tax rate</b>                          | <b>21.2%</b>               | 20.4%            | 16.5%           | <b>20.7%</b>              | 17.9%           |
| <b>Adjusted results</b> <sup>(1), (2)</sup>               |                            |                  |                 |                           |                 |
| Income taxes – adjusted                                   | \$ 1,491                   | \$ 1,174         | \$ 960          | \$ 4,009                  | \$ 2,910        |
| Income before income taxes – adjusted                     | <b>7,025</b>               | 5,702            | 5,687           | <b>19,325</b>             | 15,901          |
| Effective income tax rate – adjusted                      | <b>21.2%</b>               | 20.6%            | 16.9%           | <b>20.7%</b>              | 18.3%           |

(1) These are non-GAAP measures or ratios. For further details, including a reconciliation, refer to the Key performance and non-GAAP measures section.

(2) See Glossary for composition of these measures.

**Q3 2025 vs. Q3 2024**

Income tax expense increased \$571 million or 64% from a year ago, primarily due to higher income before income taxes. Adjusted income tax expense increased \$531 million or 55%.

The effective income tax rate of 21.2% increased 470 bps, primarily due to the impact of changes in earnings mix and Pillar Two legislation, which became effective for us beginning November 1, 2024. The adjusted effective income tax rate of 21.2% increased 430 bps. For further details on Pillar Two legislation, refer to Note 9 of our Condensed Financial Statements.

**Q3 2025 vs. Q2 2025**

Income tax expense increased \$330 million or 29% from last quarter, primarily due to higher income before income taxes, partially offset by the impact of changes in earnings mix. Adjusted income tax expense increased \$317 million or 27%.

The effective income tax rate of 21.2% increased 80 bps, primarily due to the net impact of tax adjustments. The adjusted effective income tax rate of 21.2% increased 60 bps.

**Q3 2025 vs. Q3 2024 (Nine months ended)**

Income tax expense increased \$1,259 million or 48% from the same period last year, primarily due to higher income before income taxes. Adjusted income tax expense increased \$1,099 million or 38%.

The effective income tax rate of 20.7% increased 280 bps, primarily due to the impact of changes in earnings mix and the Pillar Two legislation noted above. The adjusted effective income tax rate of 20.7% increased 240 bps.

Adjusted income tax expense and adjusted effective income tax rate are non-GAAP measures or ratios. For further details, including a reconciliation, refer to the Key performance and non-GAAP measures section.

## Business segment results

## How we measure and report our business segments

The key methodologies and assumptions used in our management reporting framework are periodically reviewed by management to ensure they remain valid. Effective the first quarter of 2025, we increased our capital attribution rates to our business segments to better align with our internal targets, which reduced the amount of unattributed capital retained in Corporate Support. For Insurance, the allocation of capital remains unchanged and continues to be based on fully diversified economic capital.

For further details on the key methodologies and assumptions used in our management reporting framework, refer to the How we measure and report our business segments section of our 2024 Annual Report.

## Key performance and non-GAAP measures

**Performance measures**

We measure and evaluate the performance of our consolidated operations and each business segment using a number of financial metrics, such as net income and ROE. Certain financial metrics, including ROE, do not have a standardized meaning under generally accepted accounting principles (GAAP) and may not be comparable to similar measures disclosed by other financial institutions.

**Return on common equity**

We use ROE, at both the consolidated and business segment levels, as a measure of return on total capital invested in our business. Management views the business segment ROE measure as a useful measure for supporting investment and resource allocation decisions because it adjusts for certain items that may affect comparability between business segments and certain competitors.

Our consolidated ROE calculation is based on net income available to common shareholders divided by total average common equity for the period. Business segment ROE calculations are based on net income available to common shareholders divided by average attributed capital for the period. For each segment, with the exception of Insurance, average attributed capital includes the capital and leverage required to underpin various risks and amounts invested in goodwill and intangibles and other regulatory deductions. For Insurance, the allocation of capital is based on fully diversified economic capital.

The attribution of capital involves the use of assumptions, judgments and methodologies that are regularly reviewed and revised by management as deemed necessary. Changes to such assumptions, judgments and methodologies can have a material effect on the business segment ROE information that we report. Other companies that disclose information on similar attributions and related return measures may use different assumptions, judgments and methodologies.

The following table provides a summary of our ROE calculations:

| (Millions of Canadian dollars, except percentage amounts) | For the three months ended |                        |                       |           |                     |                   |          |           | April 30<br>2025 | July 31<br>2024 |       |
|---|----------------------------|------------------------|-----------------------|-----------|---------------------|-------------------|----------|-----------|------------------|-----------------|-------|
|   | July 31<br>2025            |                        |                       |           |                     |                   |          | Total (3) |                  |                 | Total |
|   | Personal Banking (3)       | Commercial Banking (3) | Wealth Management (3) | Insurance | Capital Markets (3) | Corporate Support | Total    |           |                  |                 |       |
| Net income available to common shareholders               | \$ 1,911                   | \$ 816                 | \$ 1,071              | \$ 245    | \$ 1,289            | \$ (42)           | \$ 5,290 | \$ 4,274  | \$ 4,377         |                 |       |
| Total average common equity (1), (2)                      | 28,050                     | 19,800                 | 25,000                | 2,000     | 38,650              | 7,950             | 121,450  | 123,300   | 112,100          |                 |       |
| ROE   | 27.0%                      | 16.3%                  | 17.0%                 | 47.9%     | 13.2%               | n.m.              | 17.3%    | 14.2%     | 15.5%            |                 |       |

| (Millions of Canadian dollars, except percentage amounts) | For the nine months ended |                        |                       |           |                     |                   |           |           | July 31<br>2024 |
|---|---------------------------|------------------------|-----------------------|-----------|---------------------|-------------------|-----------|-----------|-----------------|
|   | July 31<br>2025           |                        |                       |           |                     |                   |           | Total     |                 |
|   | Personal Banking (3)      | Commercial Banking (3) | Wealth Management (3) | Insurance | Capital Markets (3) | Corporate Support | Total     |           |                 |
| Net income available to common shareholders               | \$ 5,132                  | \$ 2,152               | \$ 2,932              | \$ 724    | \$ 3,855            | \$ (220)          | \$ 14,575 | \$ 11,780 |                 |
| Total average common equity (1), (2)                      | 27,900                    | 19,600                 | 25,150                | 2,050     | 38,100              | 8,300             | 121,100   | 109,300   |                 |
| ROE   | 24.6%                     | 14.7%                  | 15.6%                 | 46.7%     | 13.5%               | n.m.              | 16.1%     | 14.4%     |                 |

(1) Total average common equity represents rounded figures.

(2) The amounts for the segments are referred to as attributed capital.

(3) Effective the first quarter of 2025, we increased our capital attribution rates. For further details, refer to the How we measure and report our business segments section.  
n.m. not meaningful

### Non-GAAP measures

Non-GAAP measures and ratios do not have a standardized meaning under GAAP and may not be comparable to similar measures disclosed by other financial institutions.

The following discussion describes the non-GAAP measures and ratios we use in evaluating our operating results.

### Adjusted results and ratios

We believe that adjusted results are more reflective of our ongoing operating results and provide readers with a better understanding of management's perspective on performance. Specified items discussed below can lead to variability that could obscure trends in underlying business performance and the amortization of acquisition-related intangibles can differ widely between organizations. Excluding the impact of specified items and amortization of acquisition-related intangibles may enhance comparability of our financial performance and enable readers to better assess trends in the underlying businesses.

Our results for the three months ended April 30, 2025 and July 31, 2024 and nine months ended July 31, 2025 and July 31, 2024 were adjusted for the following specified item:

- HSBC Canada transaction and integration costs. Effective the third quarter of 2025, we are no longer treating HSBC Canada transaction and integration costs as a specified item as integration activities are largely complete and any remaining costs are expected to be immaterial.

Our results for the nine months ended July 31, 2024 were also adjusted for the following specified item:

- Management of closing capital volatility related to the HSBC Canada transaction.

Adjusted ratios, including adjusted EPS (basic and diluted), adjusted ROE and adjusted efficiency ratio, which are derived from adjusted results, are useful to readers because they may enhance comparability in assessing profitability on a per-share basis, how efficiently profits are generated from average common equity and how efficiently costs are managed relative to revenues. Adjusted results and ratios can also help inform and support strategic choices and capital allocation decisions.

## Consolidated results, reported and adjusted

The following table provides a reconciliation of our reported results to our adjusted results and illustrates the calculation of adjusted measures presented. The adjusted results and ratios presented below are non-GAAP measures or ratios.

| (Millions of Canadian dollars,<br>except per share, number of and percentage amounts)                                | As at or for the three months ended |                  |                 | As at or for the nine months ended |                 |
|--|-------------------------------------|------------------|-----------------|------------------------------------|-----------------|
|  | July 31<br>2025                     | April 30<br>2025 | July 31<br>2024 | July 31<br>2025                    | July 31<br>2024 |
| Total revenue  | \$ 16,985                           | \$ 15,672        | \$ 14,631       | \$ 49,396                          | \$ 42,270       |
| PCL  | 881                                 | 1,424            | 659             | 3,355                              | 2,392           |
| Non-interest expense   | 9,232                               | 8,730            | 8,599           | 27,218                             | 25,231          |
| Income before income taxes   | 6,872                               | 5,518            | 5,373           | 18,823                             | 14,647          |
| Income taxes   | 1,458                               | 1,128            | 887             | 3,888                              | 2,629           |
| <b>Net income</b>  | \$ 5,414                            | \$ 4,390         | \$ 4,486        | \$ 14,935                          | \$ 12,018       |
| <b>Net income available to common shareholders</b>   | \$ 5,290                            | \$ 4,274         | \$ 4,377        | \$ 14,575                          | \$ 11,780       |
| Average number of common shares (thousands)  | 1,407,280                           | 1,411,362        | 1,414,194       | 1,410,854                          | 1,411,044       |
| Basic earnings per share (in dollars)  | \$ 3.76                             | \$ 3.03          | \$ 3.09         | \$ 10.33                           | \$ 8.35         |
| Average number of diluted common shares (thousands)  | 1,409,680                           | 1,413,517        | 1,416,149       | 1,413,235                          | 1,412,644       |
| Diluted earnings per share (in dollars)  | \$ 3.75                             | \$ 3.02          | \$ 3.09         | \$ 10.31                           | \$ 8.34         |
| ROE  | 17.3%                               | 14.2%            | 15.5%           | 16.1%                              | 14.4%           |
| Effective income tax rate  | 21.2%                               | 20.4%            | 16.5%           | 20.7%                              | 17.9%           |
| <b>Total adjusting items impacting net income (before-tax)</b>   | \$ 153                              | \$ 184           | \$ 314          | \$ 502                             | \$ 1,254        |
| Specified item: HSBC Canada transaction and integration costs (1), (2)   | –                                   | 31               | 160             | 43                                 | 783             |
| Specified item: Management of closing capital volatility related to the HSBC Canada transaction (1)                  | –                                   | –                | –               | –                                  | 131             |
| Amortization of acquisition-related intangibles (3)  | 153                                 | 153              | 154             | 459                                | 340             |
| <b>Total income taxes for adjusting items impacting net income</b>   | \$ 33                               | \$ 46            | \$ 73           | \$ 121                             | \$ 281          |
| Specified item: HSBC Canada transaction and integration costs (1)  | –                                   | 7                | 35              | 13                                 | 158             |
| Specified item: Management of closing capital volatility related to the HSBC Canada transaction (1)                  | –                                   | –                | –               | –                                  | 36              |
| Amortization of acquisition-related intangibles (3)  | 33                                  | 39               | 38              | 108                                | 87              |
| <b>Adjusted results</b>  |                                     |                  |                 |                                    |                 |
| Income before income taxes – adjusted  | \$ 7,025                            | \$ 5,702         | \$ 5,687        | \$ 19,325                          | \$ 15,901       |
| Income taxes – adjusted  | 1,491                               | 1,174            | 960             | 4,009                              | 2,910           |
| Net income – adjusted  | 5,534                               | 4,528            | 4,727           | 15,316                             | 12,991          |
| Net income available to common shareholders – adjusted (4)   | 5,410                               | 4,412            | 4,618           | 14,956                             | 12,753          |
| Average number of common shares (thousands)  | 1,407,280                           | 1,411,362        | 1,414,194       | 1,410,854                          | 1,411,044       |
| Basic earnings per share (in dollars) – adjusted   | \$ 3.84                             | \$ 3.13          | \$ 3.26         | \$ 10.60                           | \$ 9.04         |
| Average number of diluted common shares (thousands)  | 1,409,680                           | 1,413,517        | 1,416,149       | 1,413,235                          | 1,412,644       |
| Diluted earnings per share (in dollars) – adjusted   | \$ 3.84                             | \$ 3.12          | \$ 3.26         | \$ 10.58                           | \$ 9.03         |
| ROE – adjusted   | 17.7%                               | 14.7%            | 16.4%           | 16.5%                              | 15.6%           |
| Effective income tax rate – adjusted   | 21.2%                               | 20.6%            | 16.9%           | 20.7%                              | 18.3%           |
| <b>Adjusted efficiency ratio</b>   |                                     |                  |                 |                                    |                 |
| Total revenue  | \$ 16,985                           | \$ 15,672        | \$ 14,631       | \$ 49,396                          | \$ 42,270       |
| Add specified item: Management of closing capital volatility related to the HSBC Canada transaction (before-tax) (1) | –                                   | –                | –               | –                                  | 131             |
| <b>Total revenue – adjusted (4)</b>  | \$ 16,985                           | \$ 15,672        | \$ 14,631       | \$ 49,396                          | \$ 42,401       |
| Non-interest expense   | \$ 9,232                            | \$ 8,730         | \$ 8,599        | \$ 27,218                          | \$ 25,231       |
| Less specified item: HSBC Canada transaction and integration costs (before-tax) (1)                                  | –                                   | 31               | 160             | 43                                 | 783             |
| Less: Amortization of acquisition-related intangibles (before-tax) (3)   | 153                                 | 153              | 154             | 459                                | 340             |
| <b>Non-interest expense – adjusted (4)</b>   | \$ 9,079                            | \$ 8,546         | \$ 8,285        | \$ 26,716                          | \$ 24,108       |
| <b>Efficiency ratio</b>  | 54.4%                               | 55.7%            | 58.8%           | 55.1%                              | 59.7%           |
| <b>Efficiency ratio – adjusted</b>   | 53.5%                               | 54.5%            | 56.6%           | 54.1%                              | 56.9%           |

(1) These amounts have been recognized in Corporate Support.

(2) As at April 30, 2025, the cumulative HSBC Canada transaction and integration costs (before-tax) incurred were \$1.4 billion. Effective the third quarter of 2025, we are no longer treating HSBC Canada transaction and integration costs as a specified item as integration activities are largely complete and any remaining costs are expected to be immaterial.

(3) Represents the impact of amortization of acquisition-related intangibles (excluding amortization of software), and any goodwill impairment.

(4) See Glossary for composition of these measures.

## Personal Banking (1)

| (Millions of Canadian dollars,<br>except percentage amounts and as otherwise noted) | As at or for the three months ended |                  |                     | As at or for the nine months ended |                     |
|---|-------------------------------------|------------------|---------------------|------------------------------------|---------------------|
|   | July 31<br>2025                     | April 30<br>2025 | July 31<br>2024 (2) | July 31<br>2025                    | July 31<br>2024 (2) |
| Net interest income   | \$ 3,698                            | \$ 3,519         | \$ 3,253            | \$ 10,722                          | \$ 9,092            |
| Non-interest income   | 1,362                               | 1,286            | 1,237               | 3,954                              | 3,592               |
| <b>Total revenue</b>  | <b>5,060</b>                        | <b>4,805</b>     | <b>4,490</b>        | <b>14,676</b>                      | <b>12,684</b>       |
| PCL on performing assets  | 17                                  | 246              | 30                  | 326                                | 268                 |
| PCL on impaired assets  | 427                                 | 408              | 361                 | 1,260                              | 1,051               |
| <b>PCL</b>  | <b>444</b>                          | <b>654</b>       | <b>391</b>          | <b>1,586</b>                       | <b>1,319</b>        |
| <b>Non-interest expense</b>   | <b>1,958</b>                        | <b>1,952</b>     | <b>1,941</b>        | <b>5,925</b>                       | <b>5,452</b>        |
| <b>Income before income taxes</b>   | <b>2,658</b>                        | <b>2,199</b>     | <b>2,158</b>        | <b>7,165</b>                       | <b>5,913</b>        |
| <b>Net income</b>   | <b>\$ 1,938</b>                     | <b>\$ 1,602</b>  | <b>\$ 1,586</b>     | <b>\$ 5,218</b>                    | <b>\$ 4,342</b>     |
| <b>Revenue by business</b>  |                                     |                  |                     |                                    |                     |
| Personal Banking – Canada   | \$ 4,751                            | \$ 4,483         | \$ 4,210            | \$ 13,733                          | \$ 11,840           |
| Caribbean & U.S. Banking  | 309                                 | 322              | 280                 | 943                                | 844                 |
| <b>Selected balance sheet and other information</b>                                 |                                     |                  |                     |                                    |                     |
| ROE   | 27.0%                               | 23.1%            | 23.7%               | 24.6%                              | 25.1%               |
| NIM   | 2.68%                               | 2.66%            | 2.45%               | 2.64%                              | 2.41%               |
| Efficiency ratio  | 38.7%                               | 40.6%            | 43.2%               | 40.4%                              | 43.0%               |
| Operating leverage (3)  | 11.8%                               | 6.2%             | 2.5%                | 7.0%                               | 2.4%                |
| Average total earning assets, net   | \$ 547,400                          | \$ 541,800       | \$ 528,900          | \$ 543,100                         | \$ 504,900          |
| Average loans and acceptances, net  | 537,100                             | 531,500          | 519,400             | 532,900                            | 495,400             |
| Average deposits  | 437,300                             | 440,400          | 426,200             | 438,300                            | 395,600             |
| AUA (4)   | 272,700                             | 257,500          | 250,000             | 272,700                            | 250,000             |
| Average AUA   | 266,500                             | 260,700          | 244,900             | 263,000                            | 229,900             |
| PCL on impaired loans as a % of average net loans and acceptances                   | 0.32%                               | 0.32%            | 0.28%               | 0.32%                              | 0.29%               |
| <b>Other selected information – Personal Banking – Canada</b>                       |                                     |                  |                     |                                    |                     |
| Net income  | \$ 1,843                            | \$ 1,503         | \$ 1,495            | \$ 4,929                           | \$ 4,065            |
| NIM   | 2.61%                               | 2.59%            | 2.37%               | 2.57%                              | 2.32%               |
| Efficiency ratio  | 37.2%                               | 39.3%            | 41.8%               | 39.0%                              | 41.5%               |
| Operating leverage  | 12.5%                               | 5.6%             | 2.4%                | 7.0%                               | 2.2%                |

(1) On March 28, 2024, we completed the HSBC Canada transaction. HSBC Canada results have been consolidated from the closing date, which impacted results, balances and ratios for all reported periods. For further details, refer to the Key corporate events section of our 2024 Annual Report.

(2) Amounts have been revised from those previously presented to conform to our new basis of segment presentation. For further details, refer to the About Royal Bank of Canada section.

(3) See Glossary for composition of this measure.

(4) AUA represents period-end spot balances and includes securitized residential mortgages and credit card loans as at July 31, 2025 of \$15 billion and \$6 billion, respectively (April 30, 2025 – \$15 billion and \$6 billion; July 31, 2024 – \$15 billion and \$6 billion).

## Financial performance

### Q3 2025 vs. Q3 2024

Net income increased \$352 million or 22% from a year ago, largely driven by higher net interest income reflecting higher spreads and average volume growth of 3% in Personal Banking – Canada. Higher non-interest income also contributed to the increase.

Total revenue increased \$570 million or 13%.

Personal Banking – Canada revenue increased \$541 million or 13%, primarily due to higher net interest income reflecting higher spreads and average volume growth of 3% in loans and 2% in deposits. Higher average mutual fund balances driving higher distribution fees also contributed to the increase.

Caribbean & U.S. Banking revenue increased \$29 million or 10%, mainly due to higher net interest income reflecting average volume growth in loans and deposits. Higher foreign exchange and card service revenue also contributed to the increase.

NIM was up 23 bps, mainly due to favourable changes in product mix and the sustained impact of a higher interest rate environment.

PCL increased \$53 million or 14%, primarily reflecting higher provisions on impaired loans in our Canadian credit cards and personal portfolios, resulting in an increase of 4 bps in the PCL on impaired loans ratio.

Non-interest expense remained relatively flat, which included the realization of synergies related to the HSBC Canada transaction.

### Q3 2025 vs. Q2 2025

Net income increased \$336 million or 21% from last quarter, mainly due to lower PCL as last quarter reflected higher provisions on performing loans due to the potential impacts of trade disruptions (including tariffs). Higher net interest income reflecting the impact of three more days in the current quarter, average volume growth and higher spreads in Personal Banking – Canada also contributed to the increase.

NIM was up 2 bps, mainly due to favourable changes in product mix and the sustained impact of a higher interest rate environment, partially offset by competitive pricing pressures.

### Q3 2025 vs. Q3 2024 (Nine months ended)

Net income increased \$876 million or 20% from the same period last year, primarily driven by higher net interest income reflecting higher spreads and an increase in average loans and deposits of 9% in Personal Banking – Canada, partially offset by higher non-interest expenses. Net income for the current period includes the impact of five additional months of HSBC Canada results.

Total revenue increased \$1,992 million or 16%, primarily due to higher net interest income reflecting higher spreads and an increase of 11% in average deposits and 8% in average loans, which includes the impact of five additional months of HSBC Canada results. Higher average mutual fund balances driving higher distribution fees also contributed to the increase.

PCL increased \$267 million or 20%, largely due to higher provisions on impaired loans in our Canadian credit cards and personal portfolios, resulting in an increase of 3 bps in the PCL on impaired loans ratio.

Non-interest expense increased \$473 million or 9%, primarily due to higher staff-related costs, including severance, and the impact of five additional months of HSBC Canada non-interest expenses, net of realized synergies.

## Commercial Banking (1)

| (Millions of Canadian dollars,<br>except percentage amounts and as otherwise noted) | As at or for the three months ended |                  |                     | As at or for the nine months ended |                     |
|---|-------------------------------------|------------------|---------------------|------------------------------------|---------------------|
|   | July 31<br>2025                     | April 30<br>2025 | July 31<br>2024 (2) | July 31<br>2025                    | July 31<br>2024 (2) |
| Net interest income   | \$ 1,828                            | \$ 1,734         | \$ 1,687            | \$ 5,358                           | \$ 4,298            |
| Non-interest income   | 324                                 | 328              | 349                 | 983                                | 1,007               |
| <b>Total revenue</b>  | <b>2,152</b>                        | <b>2,062</b>     | <b>2,036</b>        | <b>6,341</b>                       | <b>5,305</b>        |
| PCL on performing assets  | 3                                   | 253              | 38                  | 287                                | 195                 |
| PCL on impaired assets  | 296                                 | 286              | 178                 | 890                                | 481                 |
| <b>PCL</b>  | <b>299</b>                          | <b>539</b>       | <b>216</b>          | <b>1,177</b>                       | <b>676</b>          |
| <b>Non-interest expense</b>   | <b>697</b>                          | <b>698</b>       | <b>691</b>          | <b>2,105</b>                       | <b>1,799</b>        |
| <b>Income before income taxes</b>   | <b>1,156</b>                        | <b>825</b>       | <b>1,129</b>        | <b>3,059</b>                       | <b>2,830</b>        |
| <b>Net income</b>   | <b>\$ 836</b>                       | <b>\$ 597</b>    | <b>\$ 817</b>       | <b>\$ 2,210</b>                    | <b>\$ 2,044</b>     |
| <b>Selected balance sheet and other information</b>                                 |                                     |                  |                     |                                    |                     |
| ROE   | 16.3%                               | 12.1%            | 18.2%               | 14.7%                              | 19.3%               |
| NIM   | 3.86%                               | 3.82%            | 4.06%               | 3.86%                              | 4.13%               |
| Efficiency ratio  | 32.4%                               | 33.9%            | 33.9%               | 33.2%                              | 33.9%               |
| Operating leverage  | 4.8%                                | 1.2%             | 5.1%                | 2.5%                               | 5.0%                |
| Average total earning assets, net   | \$ 187,900                          | \$ 186,000       | \$ 165,300          | \$ 185,700                         | \$ 139,000          |
| Average loans and acceptances, net  | 187,800                             | 186,000          | 177,500             | 185,700                            | 155,200             |
| Average deposits  | 308,000                             | 310,700          | 299,600             | 307,800                            | 275,100             |
| PCL on impaired loans as a % of average net loans and acceptances                   | 0.62%                               | 0.63%            | 0.40%               | 0.64%                              | 0.41%               |

(1) On March 28, 2024, we completed the HSBC Canada transaction. HSBC Canada results have been consolidated from the closing date, which impacted results, balances and ratios for all reported periods. For further details, refer to the Key corporate events section of our 2024 Annual Report.

(2) Amounts have been revised from those previously presented to conform to our new basis of segment presentation. For further details, refer to the About Royal Bank of Canada section.

## Financial performance

### Q3 2025 vs. Q3 2024

Net income increased \$19 million or 2% from a year ago as growth in total revenue was partially offset by higher PCL.

Total revenue increased \$116 million or 6%, primarily due to higher net interest income reflecting average volume growth of 6% in loans and acceptances and 3% in deposits. The increase in net interest income also includes the impact of the cessation of Bankers' Acceptance-based lending, which was largely offset in credit fees within non-interest income.

PCL increased \$83 million or 38%, primarily reflecting higher provisions on impaired loans in a few sectors, including the consumer discretionary and transportation sectors, resulting in an increase of 22 bps in the PCL on impaired loans ratio. This was partially offset by lower provisions on performing loans, primarily driven by favourable changes to our macroeconomic forecast.

Non-interest expense remained relatively flat, which included the realization of synergies related to the HSBC Canada transaction.

### Q3 2025 vs. Q2 2025

Net income increased \$239 million or 40% from last quarter, largely attributable to lower PCL as last quarter reflected higher provisions on performing loans due to the potential impacts of trade disruptions (including tariffs). Higher net interest income, primarily reflecting the impact of three more days in the current quarter, as well as higher spreads also contributed to the increase.

### Q3 2025 vs. Q3 2024 (Nine months ended)

Net income increased \$166 million or 8% from the same period last year, as growth in total revenue, was partially offset by higher PCL and non-interest expenses. Net income for the current period includes the impact of five additional months of HSBC Canada results.

Total revenue increased \$1,036 million or 20%, primarily due to higher net interest income, reflecting an increase of 20% in average loans and acceptances and 12% in average deposits, which includes the impact of five additional months of HSBC Canada results. The increase in net interest income also includes the impact of the cessation of Bankers' Acceptance-based lending, which was largely offset in credit fees within non-interest income.

PCL increased \$501 million or 74%, primarily due to higher provisions on impaired loans across most sectors, including the consumer discretionary and real estate and related sectors, resulting in an increase of 23 bps in the PCL on impaired loans ratio. Higher PCL on performing loans also contributed to the increase, primarily driven by unfavourable changes to our credit quality, scenario weights and macroeconomic forecast, partially offset by the impact of the initial PCL on performing loans purchased in the HSBC Canada transaction in the prior period.

Non-interest expense increased \$306 million or 17%, primarily due to higher staff-related costs and the impact of five additional months of HSBC Canada non-interest expenses, net of realized synergies.

## Wealth Management (1)

| (Millions of Canadian dollars, except number of, percentage amounts and as otherwise noted) | As at or for the three months ended |               |                  | As at or for the nine months ended |                  |
|---|-------------------------------------|---------------|------------------|------------------------------------|------------------|
|   | July 31 2025                        | April 30 2025 | July 31 2024 (2) | July 31 2025                       | July 31 2024 (2) |
| Net interest income   | \$ 1,321                            | \$ 1,301      | \$ 1,245         | \$ 4,016                           | \$ 3,697         |
| Non-interest income   | 4,192                               | 4,096         | 3,719            | 12,462                             | 10,743           |
| <b>Total revenue</b>  | <b>5,513</b>                        | <b>5,397</b>  | <b>4,964</b>     | <b>16,478</b>                      | <b>14,440</b>    |
| PCL on performing assets  | (40)                                | 35            | (16)             | 31                                 | (62)             |
| PCL on impaired assets  | (3)                                 | 51            | 32               | 93                                 | 116              |
| <b>PCL</b>  | <b>(43)</b>                         | <b>86</b>     | <b>16</b>        | <b>124</b>                         | <b>54</b>        |
| <b>Non-interest expense</b>   | <b>4,154</b>                        | <b>4,098</b>  | <b>3,762</b>     | <b>12,456</b>                      | <b>11,331</b>    |
| <b>Income before income taxes</b>   | <b>1,402</b>                        | <b>1,213</b>  | <b>1,186</b>     | <b>3,898</b>                       | <b>3,055</b>     |
| <b>Net income</b>   | <b>\$ 1,096</b>                     | <b>\$ 929</b> | <b>\$ 949</b>    | <b>\$ 3,005</b>                    | <b>\$ 2,453</b>  |
| <b>Revenue by business</b>  |                                     |               |                  |                                    |                  |
| Canadian Wealth Management  | \$ 1,734                            | \$ 1,685      | \$ 1,503         | \$ 5,112                           | \$ 4,223         |
| U.S. Wealth Management (including City National Bank (City National))                       | 2,368                               | 2,450         | 2,206            | 7,284                              | 6,575            |
| U.S. Wealth Management (including City National) (US\$ millions)                            | 1,724                               | 1,725         | 1,610            | 5,171                              | 4,841            |
| Global Asset Management   | 853                                 | 740           | 750              | 2,460                              | 2,180            |
| International Wealth Management   | 356                                 | 329           | 328              | 1,029                              | 945              |
| Investor Services   | 202                                 | 193           | 177              | 593                                | 517              |
| <b>Selected balance sheet and other information</b>   |                                     |               |                  |                                    |                  |
| ROE   | 17.0%                               | 14.6%         | 15.5%            | 15.6%                              | 13.9%            |
| NIM   | 3.27%                               | 3.28%         | 3.24%            | 3.30%                              | 3.25%            |
| Pre-tax margin (3)  | 25.4%                               | 22.5%         | 23.9%            | 23.7%                              | 21.2%            |
| Number of advisors (4)  | 6,218                               | 6,191         | 6,092            | 6,218                              | 6,092            |
| Average total earning assets, net   | \$ 160,400                          | \$ 162,800    | \$ 153,100       | \$ 162,900                         | \$ 152,100       |
| Average loans and acceptances, net  | 121,600                             | 123,400       | 115,900          | 122,300                            | 114,400          |
| Average deposits  | 167,000                             | 170,200       | 164,500          | 173,700                            | 162,000          |
| AUA (5)   | 4,916,400                           | 4,737,300     | 4,442,600        | 4,916,400                          | 4,442,600        |
| AUM (5)   | 1,460,500                           | 1,354,800     | 1,290,600        | 1,460,500                          | 1,290,600        |
| Average AUA   | 4,848,100                           | 4,862,100     | 4,396,700        | 4,829,000                          | 4,304,300        |
| Average AUM   | 1,430,300                           | 1,391,700     | 1,263,500        | 1,394,600                          | 1,195,200        |
| PCL on impaired loans as a % of average net loans and acceptances                           | (0.01)%                             | 0.16%         | 0.11%            | 0.10%                              | 0.14%            |

**Estimated impact of U.S. dollar, British pound and Euro translation on key income statement items**

(Millions of Canadian dollars, except percentage amounts)

|  | For the three months ended |                     | For the nine months ended |
|--|----------------------------|---------------------|---------------------------|
|  | Q3 2025 vs. Q3 2024        | Q3 2025 vs. Q2 2025 | Q3 2025 vs. Q3 2024       |
| <b>Increase (decrease):</b>                                      |                            |                     |                           |
| Total revenue  | \$ 35                      | \$ (88)             | \$ 375                    |
| PCL  | –                          | 1                   | 9                         |
| Non-interest expense   | 28                         | (70)                | 300                       |
| Net income   | 6                          | (15)                | 52                        |
| Percentage change in average U.S. dollar equivalent of C\$1.00   | –%                         | 3%                  | (4)%                      |
| Percentage change in average British pound equivalent of C\$1.00 | (5)%                       | (1)%                | (6)%                      |
| Percentage change in average Euro equivalent of C\$1.00          | (7)%                       | (3)%                | (5)%                      |

(1) On March 28, 2024, we completed the HSBC Canada transaction. HSBC Canada results have been consolidated from the closing date, which impacted results, balances and ratios for all reported periods. For further details, refer to the Key corporate events section of our 2024 Annual Report.

(2) Amounts have been revised from those previously presented to conform to our new basis of segment presentation. For further details, refer to the About Royal Bank of Canada section.

(3) Pre-tax margin is defined as Income before income taxes divided by Total revenue.

(4) Represents client-facing advisors across all of our Wealth Management businesses.

(5) Represents period-end spot balances.

**Financial performance**
**Q3 2025 vs. Q3 2024**

Net income increased \$147 million or 15% from a year ago, mainly due to higher fee-based client assets reflecting market appreciation and net sales, which also drove higher variable compensation.

Total revenue increased \$549 million or 11%.

Canadian Wealth Management revenue increased \$231 million or 15%, mainly due to higher fee-based client assets reflecting market appreciation and net sales. Higher net interest income reflecting average volume growth in deposits and higher spreads also contributed to the increase.

U.S. Wealth Management (including City National) revenue increased \$162 million or 7%. In U.S. dollars, revenue increased \$114 million or 7%, mainly due to higher fee-based client assets reflecting net sales and market appreciation. The prior year also included an impairment loss on our interest in an associated company and a loss on the sale of a non-core investment.

Global Asset Management revenue increased \$103 million or 14%, largely due to higher fee-based client assets reflecting market appreciation and net sales.

International Wealth Management revenue increased \$28 million or 9%, primarily due to the impact of foreign exchange translation.

Investor Services revenue increased \$25 million or 14%, largely due to higher transactional revenue driven by client activity and higher net interest income reflecting higher spreads and average volume growth in deposits.

PCL was \$(43) million compared to \$16 million last year, largely due to releases of provisions in the current quarter on performing loans in U.S. Wealth Management (including City National), driven by favourable changes in credit quality and our macroeconomic forecast.

Non-interest expense increased \$392 million or 10%, largely due to higher variable compensation commensurate with increased results, higher staff costs and ongoing technology investments.

### **Q3 2025 vs. Q2 2025**

Net income increased \$167 million or 18% from last quarter, mainly due to higher fee-based revenue driven by higher fee-based client assets reflecting market appreciation and net sales, as well as three more days in the quarter. The current quarter also reflected releases of provisions driven by performing loans in U.S. Wealth Management (including City National), as compared to provisions taken last quarter. Higher net interest income reflecting higher spreads and three more days in the quarter also contributed to the increase. These factors were partially offset by higher variable compensation.

### **Q3 2025 vs. Q3 2024 (Nine months ended)**

Net income increased \$552 million or 23% from the same period last year, mainly due to higher fee-based client assets reflecting market appreciation and net sales, which also drove higher variable compensation.

Total revenue increased \$2,038 million or 14%, mainly due to higher fee-based client assets reflecting market appreciation and net sales. The impact of foreign exchange translation and higher transactional revenue driven by client activity also contributed to the increase.

PCL increased \$70 million, primarily due to provisions taken on performing loans in the current period in U.S. Wealth Management (including City National), mainly driven by unfavourable changes to our scenario weights, partially offset by favourable changes to our macroeconomic forecast, as compared to releases in the same period last year. This was partially offset by lower provisions on impaired loans.

Non-interest expense increased \$1,125 million or 10%, primarily due to higher variable compensation commensurate with increased results, the impact of foreign exchange translation and higher staff costs. These factors were partially offset by the cost of the FDIC special assessment in the same period last year.

## Insurance

| (Millions of Canadian dollars, except percentage amounts and as otherwise noted) | As at or for the three months ended |                  |                 | As at or for the nine months ended |                 |
|--|-------------------------------------|------------------|-----------------|------------------------------------|-----------------|
|  | July 31<br>2025                     | April 30<br>2025 | July 31<br>2024 | July 31<br>2025                    | July 31<br>2024 |
| <b>Non-interest income</b>   |                                     |                  |                 |                                    |                 |
| Insurance service result   | \$ 279                              | \$ 224           | \$ 214          | \$ 789                             | \$ 604          |
| Insurance investment result  | 48                                  | 78               | 28              | 208                                | 228             |
| Other income   | 41                                  | 36               | 43              | 115                                | 114             |
| <b>Total revenue</b>   | <b>368</b>                          | <b>338</b>       | <b>285</b>      | <b>1,112</b>                       | <b>946</b>      |
| <b>PCL</b>   | <b>—</b>                            | <b>—</b>         | <b>1</b>        | <b>—</b>                           | <b>2</b>        |
| <b>Non-interest expense</b>  | <b>74</b>                           | <b>80</b>        | <b>70</b>       | <b>241</b>                         | <b>210</b>      |
| <b>Income before income taxes</b>  | <b>294</b>                          | <b>258</b>       | <b>214</b>      | <b>871</b>                         | <b>734</b>      |
| <b>Net income</b>  | <b>\$ 247</b>                       | <b>\$ 211</b>    | <b>\$ 170</b>   | <b>\$ 730</b>                      | <b>\$ 567</b>   |
| <b>Selected balances and other information</b>                                   |                                     |                  |                 |                                    |                 |
| ROE  | 47.9%                               | 42.0%            | 33.6%           | 46.7%                              | 36.5%           |
| Premiums and deposits (1)  | \$ 1,456                            | \$ 1,276         | \$ 1,546        | \$ 5,049                           | \$ 4,502        |
| Contractual service margin (CSM) (2)   | 1,928                               | 1,950            | 2,155           | 1,928                              | 2,155           |

(1) Premiums and deposits include premiums on risk-based individual and group insurance and annuity products as well as segregated fund deposits, consistent with insurance industry practices.

(2) Represents the CSM of insurance contract assets and liabilities net of reinsurance contract held assets and liabilities. For insurance contracts, the CSM represents the unearned profit (net inflows) for providing insurance coverage. For reinsurance contracts held, the CSM represents the net cost or net gain of purchasing reinsurance. The CSM is not applicable to contracts measured using the premium allocation approach.

### Financial performance

#### Q3 2025 vs. Q3 2024

Net income increased \$77 million or 45% from a year ago, primarily due to higher insurance service result driven by improved life insurance claims experience. Higher insurance investment result, largely due to lower capital funding costs, also contributed to the increase.

Total revenue increased \$83 million or 29%, primarily due to higher insurance service result and higher insurance investment result, as noted above.

Non-interest expense increased \$4 million or 6%.

#### Q3 2025 vs. Q2 2025

Net income increased \$36 million or 17% from last quarter, largely due to higher insurance service result driven by improved life insurance claims experience. This was partially offset by less favourable investment-related experience.

#### Q3 2025 vs. Q3 2024 (Nine months ended)

Net income increased \$163 million or 29% from the same period last year, primarily due to higher insurance service result driven by improved claims experience across the majority of our products and the impact of reinsurance contract recaptures.

Total revenue increased \$166 million or 18%, primarily due to higher insurance service result, as noted above.

Non-interest expense increased \$31 million or 15%, primarily due to higher staff-related costs reflecting the impact of severance.

## Capital Markets (1)

| (Millions of Canadian dollars,<br>except percentage amounts and as otherwise noted) | As at or for the three months ended |                  |                 | As at or for the nine months ended |                 |
|---|-------------------------------------|------------------|-----------------|------------------------------------|-----------------|
|   | July 31<br>2025                     | April 30<br>2025 | July 31<br>2024 | July 31<br>2025                    | July 31<br>2024 |
| Net interest income (2)   | \$ 1,287                            | \$ 1,275         | \$ 817          | \$ 3,480                           | \$ 2,242        |
| Non-interest income (2)   | 2,471                               | 2,026            | 2,187           | 7,335                              | 6,867           |
| <b>Total revenue (2)</b>  | <b>3,758</b>                        | <b>3,301</b>     | <b>3,004</b>    | <b>10,815</b>                      | <b>9,109</b>    |
| PCL on performing assets  | (7)                                 | 40               | (12)            | (30)                               | 16              |
| PCL on impaired assets  | 187                                 | 106              | 50              | 498                                | 326             |
| <b>PCL</b>  | <b>180</b>                          | <b>146</b>       | <b>38</b>       | <b>468</b>                         | <b>342</b>      |
| <b>Non-interest expense</b>   | <b>2,059</b>                        | <b>1,885</b>     | <b>1,755</b>    | <b>5,985</b>                       | <b>5,119</b>    |
| <b>Income before income taxes</b>   | <b>1,519</b>                        | <b>1,270</b>     | <b>1,211</b>    | <b>4,362</b>                       | <b>3,648</b>    |
| <b>Net income</b>   | <b>\$ 1,328</b>                     | <b>\$ 1,202</b>  | <b>\$ 1,172</b> | <b>\$ 3,962</b>                    | <b>\$ 3,588</b> |
| <b>Revenue by business</b>  |                                     |                  |                 |                                    |                 |
| Corporate & Investment Banking (3)  | \$ 1,761                            | \$ 1,589         | \$ 1,588        | \$ 5,065                           | \$ 4,676        |
| Global Markets  | 1,941                               | 1,769            | 1,414           | 5,789                              | 4,530           |
| Other (3)   | 56                                  | (57)             | 2               | (39)                               | (97)            |
| <b>Selected balance sheet and other information</b>                                 |                                     |                  |                 |                                    |                 |
| ROE   | 13.2%                               | 12.5%            | 14.1%           | 13.5%                              | 15.0%           |
| Average total assets  | \$ 1,328,800                        | \$ 1,295,000     | \$ 1,089,600    | \$ 1,317,100                       | \$ 1,146,200    |
| Average trading securities  | 196,100                             | 199,800          | 176,400         | 202,500                            | 186,600         |
| Average loans and acceptances, net  | 163,700                             | 160,900          | 152,200         | 161,400                            | 148,000         |
| Average deposits  | 403,400                             | 374,100          | 298,000         | 379,300                            | 294,900         |
| PCL on impaired loans as a % of average net loans and acceptances                   | 0.46%                               | 0.27%            | 0.13%           | 0.41%                              | 0.29%           |

### Estimated impact of U.S. dollar, British pound and Euro translation on key income statement items

(Millions of Canadian dollars, except percentage amounts)

|  | For the three months ended |                     | For the nine months ended |
|--|----------------------------|---------------------|---------------------------|
|  | Q3 2025 vs. Q3 2024        | Q3 2025 vs. Q2 2025 | Q3 2025 vs. Q3 2024       |
| <b>Increase (decrease):</b>                                      |                            |                     |                           |
| Total revenue  | \$ 41                      | \$ (96)             | \$ 414                    |
| PCL  | 6                          | (2)                 | 20                        |
| Non-interest expense   | 24                         | (38)                | 176                       |
| Net income   | 10                         | (47)                | 191                       |
| Percentage change in average U.S. dollar equivalent of C\$1.00   | –%                         | 3%                  | (4)%                      |
| Percentage change in average British pound equivalent of C\$1.00 | (5)%                       | (1)%                | (6)%                      |
| Percentage change in average Euro equivalent of C\$1.00          | (7)%                       | (3)%                | (5)%                      |

- (1) On March 28, 2024, we completed the HSBC Canada transaction. HSBC Canada results have been consolidated from the closing date, which impacted results, balances and ratios for all reported periods. For further details, refer to the Key corporate events section of our 2024 Annual Report.
- (2) The taxable equivalent basis (teb) adjustment for the three months ended July 31, 2025 was \$69 million (April 30, 2025 – \$9 million; July 31, 2024 – \$231 million) and for the nine months ended July 31, 2025 was \$104 million (July 31, 2024 – \$281 million). For further discussion, refer to the How we measure and report our business segments section of our 2024 Annual Report.
- (3) Comparative amounts have been revised from those previously presented.

### Financial performance

#### Q3 2025 vs. Q3 2024

Net income increased \$156 million or 13% from a year ago, primarily due to higher revenue in Global Markets and Corporate & Investment Banking. These factors were partially offset by higher PCL, higher compensation on increased results, as well as a higher effective income tax rate reflecting the impact of Pillar Two legislation and changes in earnings mix.

Total revenue increased \$754 million or 25%.

Corporate & Investment Banking revenue increased \$173 million or 11%, primarily due to higher debt and equity origination across most regions, higher lending revenue in the U.S. and Europe, as well as higher M&A activity across most regions. These factors were partially offset by lower municipal banking activity compared to a strong prior year.

Global Markets revenue increased \$527 million or 37%, largely due to higher fixed income trading revenue primarily in the U.S., higher equity trading revenue across most regions and higher foreign exchange trading revenue across all regions.

Other revenue improved \$54 million, largely reflecting lower residual funding and capital costs.

PCL increased \$142 million, primarily due to higher provisions on impaired loans on one account in the other services sector and one new impaired account in the financing products sector, resulting in an increase of 33 bps in the PCL on impaired loans ratio.

Non-interest expense increased \$304 million or 17%, largely driven by higher compensation on increased results and ongoing technology investments.

#### Q3 2025 vs. Q2 2025

Net income increased \$126 million or 10% from last quarter, mainly due to higher fixed income trading revenue primarily in the U.S. and higher debt and equity origination across most regions. These factors were partially offset by lower equity trading revenue across most regions and higher compensation on increased results.

**Q3 2025 vs. Q3 2024 (Nine months ended)**

Net income increased \$374 million or 10% from the same period last year, primarily driven by higher revenue in Global Markets and Corporate & Investment Banking, as well as the impact of foreign exchange translation. These factors were partially offset by higher compensation on increased results, a higher effective income tax rate reflecting the impact of Pillar Two legislation, ongoing technology investments and higher PCL.

Total revenue increased \$1,706 million or 19%, largely due to the impact of foreign exchange translation, higher equity trading revenue across most regions, higher foreign exchange and fixed income trading revenue across all regions and higher lending revenue primarily in Europe.

PCL increased \$126 million or 37%, primarily due to higher provisions on impaired loans in a few sectors, including the other services and financing products sectors, partially offset by lower provisions in the real estate and related sector, resulting in an increase of 12 bps in the PCL on impaired loans ratio. Releases of provisions on performing loans in the current period, as compared to provisions taken on performing loans in the same period last year, are mainly due to one account in the other services sector that migrated from performing to impaired in the current period, partially offset by unfavourable changes in credit quality.

Non-interest expense increased \$866 million or 17%, largely driven by higher compensation on increased results, the impact of foreign exchange translation and ongoing technology investments.

**Corporate Support**

| (Millions of Canadian dollars)               | For the three months ended |                  |                 | For the nine months ended |                 |
|--|----------------------------|------------------|-----------------|---------------------------|-----------------|
|  | July 31<br>2025            | April 30<br>2025 | July 31<br>2024 | July 31<br>2025           | July 31<br>2024 |
| Net interest income (loss) (1)               | \$ 217                     | \$ 227           | \$ 325          | \$ 779                    | \$ 953          |
| Non-interest income (loss) (1), (2)          | (83)                       | (458)            | (473)           | (805)                     | (1,167)         |
| <b>Total revenue</b> (1), (2)                | <b>134</b>                 | <b>(231)</b>     | <b>(148)</b>    | <b>(26)</b>               | <b>(214)</b>    |
| <b>PCL</b>                                   | <b>1</b>                   | <b>(1)</b>       | <b>(3)</b>      | <b>-</b>                  | <b>(1)</b>      |
| <b>Non-interest expense</b> (2)              | <b>290</b>                 | <b>17</b>        | <b>380</b>      | <b>506</b>                | <b>1,320</b>    |
| <b>Income (loss) before income taxes</b> (1) | <b>(157)</b>               | <b>(247)</b>     | <b>(525)</b>    | <b>(532)</b>              | <b>(1,533)</b>  |
| Income taxes (recoveries) (1)                | (126)                      | (96)             | (317)           | (342)                     | (557)           |
| <b>Net income (loss)</b>                     | <b>\$ (31)</b>             | <b>\$ (151)</b>  | <b>\$ (208)</b> | <b>\$ (190)</b>           | <b>\$ (976)</b> |

(1) Teb adjusted.

(2) Revenue for the three months ended July 31, 2025 included gains of \$260 million (April 30, 2025 and July 31, 2024 – losses of \$140 million and gains of \$166 million, respectively) on economic hedges of our U.S. Wealth Management (including City National) share-based compensation plans, and non-interest expense included \$234 million (April 30, 2025 and July 31, 2024 – \$(112) million and \$157 million, respectively) of share-based compensation expense driven by changes in the fair value of liabilities relating to our U.S. Wealth Management (including City National) share-based compensation plans. Revenue for the nine months ended July 31, 2025 included gains of \$232 million (July 31, 2024 – gains of \$452 million) on economic hedges of our U.S. Wealth Management (including City National) share-based compensation plans, and non-interest expense included \$230 million (July 31, 2024 – \$423 million) of share-based compensation expense driven by changes in the fair value of liabilities relating to our U.S. Wealth Management (including City National) share-based compensation plans.

Due to the nature of activities and consolidation adjustments reported in this segment, we believe that a comparative period analysis is not relevant.

Total revenue and Income taxes (recoveries) in Corporate Support include the deduction of the teb adjustment related to gross-up of income from the U.S. tax credit investment business and income from Canadian taxable corporate dividends received on or before December 31, 2023 that are recorded in Capital Markets. For further details on the elimination of the availability of the dividend received deduction for Canadian taxable corporate dividends after December 31, 2023, refer to the Legal and regulatory environment risk section in our 2024 Annual Report.

The teb amount for the three months ended July 31, 2025 was \$69 million, compared to \$9 million in the prior quarter and \$231 million in the same quarter last year.

The following identifies the material items, other than the teb impacts noted previously, affecting the reported results in each period.

**Q3 2025**

Net loss was \$31 million, primarily due to residual unallocated costs, including severance, partially offset by asset/liability management activities.

**Q2 2025**

Net loss was \$151 million, primarily due to residual unallocated items, including severance.

**Q3 2024**

Net loss was \$208 million, primarily due to the after-tax impact of the HSBC Canada transaction and integration costs of \$125 million, which is treated as a specified item. Unallocated costs also contributed to the net loss.

**Q3 2025 (Nine months ended)**

Net loss was \$190 million, primarily due to residual unallocated costs, including severance, partially offset by asset/liability management activities.

**Q3 2024 (Nine months ended)**

Net loss was \$976 million, primarily due to the after-tax impact of the HSBC Canada transaction and integration costs of \$625 million, which is treated as a specified item. Unallocated costs also contributed to the net loss.

For further details on specified items, refer to the Key performance and non-GAAP measures section.

## Quarterly results and trend analysis

Our quarterly results are impacted by a number of trends and recurring factors, which include seasonality of certain businesses, general economic and market conditions, and fluctuations in the Canadian dollar relative to other currencies. The following table summarizes our results for the last eight quarters (the period):

### Quarterly results (1)

| (Millions of Canadian dollars, except per share and percentage amounts) | 2025            |                 |                 |                 | 2024            |                 |                 | 2023            |  |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--|
|   | Q3 (2)          | Q2 (2)          | Q1 (2)          | Q4 (2)          | Q3 (2)          | Q2 (2)          | Q1              | Q4              |  |
| Personal Banking  | \$ 5,060        | \$ 4,805        | \$ 4,811        | \$ 4,658        | \$ 4,490        | \$ 4,163        | \$ 4,031        | \$ 4,009        |  |
| Commercial Banking  | 2,152           | 2,062           | 2,127           | 2,077           | 2,036           | 1,656           | 1,613           | 1,565           |  |
| Wealth Management   | 5,513           | 5,397           | 5,568           | 5,186           | 4,964           | 4,789           | 4,687           | 4,332           |  |
| Insurance   | 368             | 338             | 406             | 278             | 285             | 298             | 363             | 248             |  |
| Capital Markets (3)   | 3,758           | 3,301           | 3,756           | 2,903           | 3,004           | 3,154           | 2,951           | 2,564           |  |
| Corporate Support (3)   | 134             | (231)           | 71              | (28)            | (148)           | 94              | (160)           | (33)            |  |
| <b>Total revenue</b>  | <b>16,985</b>   | <b>15,672</b>   | <b>16,739</b>   | <b>15,074</b>   | <b>14,631</b>   | <b>14,154</b>   | <b>13,485</b>   | <b>12,685</b>   |  |
| <b>PCL</b>  | <b>881</b>      | <b>1,424</b>    | <b>1,050</b>    | <b>840</b>      | <b>659</b>      | <b>920</b>      | <b>813</b>      | <b>720</b>      |  |
| <b>Non-interest expense</b>   | <b>9,232</b>    | <b>8,730</b>    | <b>9,256</b>    | <b>9,019</b>    | <b>8,599</b>    | <b>8,308</b>    | <b>8,324</b>    | <b>8,059</b>    |  |
| <b>Income before income taxes</b>                                       | <b>6,872</b>    | <b>5,518</b>    | <b>6,433</b>    | <b>5,215</b>    | <b>5,373</b>    | <b>4,926</b>    | <b>4,348</b>    | <b>3,906</b>    |  |
| Income taxes  | 1,458           | 1,128           | 1,302           | 993             | 887             | 976             | 766             | (33)            |  |
| <b>Net income</b>   | <b>\$ 5,414</b> | <b>\$ 4,390</b> | <b>\$ 5,131</b> | <b>\$ 4,222</b> | <b>\$ 4,486</b> | <b>\$ 3,950</b> | <b>\$ 3,582</b> | <b>\$ 3,939</b> |  |
| EPS – basic   | \$ 3.76         | \$ 3.03         | \$ 3.54         | \$ 2.92         | \$ 3.09         | \$ 2.75         | \$ 2.50         | \$ 2.77         |  |
| – diluted   | 3.75            | 3.02            | 3.54            | 2.91            | 3.09            | 2.74            | 2.50            | 2.76            |  |
| Effective income tax rate   | 21.2%           | 20.4%           | 20.2%           | 19.0%           | 16.5%           | 19.8%           | 17.6%           | (0.8)%          |  |
| Period average US\$ equivalent of C\$1.00                               | \$ 0.728        | \$ 0.704        | \$ 0.699        | \$ 0.733        | \$ 0.730        | \$ 0.734        | \$ 0.745        | \$ 0.732        |  |

(1) Fluctuations in the Canadian dollar relative to other foreign currencies have affected our consolidated results over the period.

(2) On March 28, 2024, we completed the HSBC Canada transaction. HSBC Canada results have been consolidated from the closing date, and are included in our Personal Banking, Commercial Banking, Wealth Management and Capital Markets segments. For further details, refer to the Key corporate events section of our 2024 Annual Report.

(3) Teb adjusted. For further discussion, refer to the How we measure and report our business segments section of our 2024 Annual Report.

### Seasonality

Seasonal factors may impact our results in certain quarters. The first quarter has historically been stronger for our Capital Markets businesses. The second quarter has fewer days than the other quarters, which generally results in a decrease in net interest income and certain expense items. The third and fourth quarters include the summer months, which generally results in lower client activity and may negatively impact the results of our Capital Markets trading business.

### Trend analysis

Earnings over the period have been impacted by the factors noted below.

Personal Banking revenue has benefitted from volume growth in loans and deposits over the period. NIM has been favourably impacted by the higher interest rate environment, and more recently by favourable changes in product mix. HSBC Canada revenue has been included since the transaction closed on March 28, 2024.

Commercial Banking revenue has benefitted from volume growth in loans and deposits over the period. HSBC Canada revenue has been included since the transaction closed on March 28, 2024.

Wealth Management revenue has generally benefitted from growth in fee-based client assets, which is influenced by market conditions. The fourth quarter of 2023 reflected impairment losses on our interest in an associated company.

Insurance revenue reflects fluctuations in market conditions and insurance experience. New business gains are deferred through CSM and new business losses are reflected through insurance service result. In the first quarter of 2025, insurance revenue also reflected the impact of reinsurance contract recaptures.

Capital Markets revenue is influenced, to a large extent, by market conditions that impact client activity. Following muted activity in 2023, investment banking fee pools saw increasing activity through most of 2024. However, fee pool growth started to slow in the first half 2025 amidst macroeconomic uncertainty and market volatility, before showing signs of recovery in the third quarter. Sales & trading activity carried strong momentum in 2024, and macroeconomic uncertainty has continued to keep client volumes robust across the sales & trading business through 2025.

PCL is comprised of provisions taken on performing assets and provisions taken on impaired assets. PCL on performing assets fluctuated over the period as it is impacted by changes in credit quality, macroeconomic conditions, which drive our forecasts and influence our scenario weights, and exposures. Provisions on performing assets over the period have generally been reflective of unfavourable changes in credit quality. Throughout the period, we have generally seen improvements to our macroeconomic forecast, with the exception of the second quarter of 2025, where we saw unfavourable changes, driven by the potential impacts of trade disruptions (including tariffs). The second quarter of 2024 included initial PCL on performing loans purchased in the HSBC Canada transaction. PCL on impaired assets has generally trended upwards over the period.

Non-interest expense has been impacted by fluctuations in variable compensation over the period, commensurate with fluctuations in revenue and earnings. Changes in the fair value of our U.S. share-based compensation plans, which are largely offset in revenue, have also contributed to fluctuations over the period and are impacted by market conditions. While we continue to focus on efficiency management activities, expenses over the period also reflect investments in staff and

technology. Beginning in fiscal 2023, expenses have also included HSBC Canada transaction and integration costs. HSBC Canada non-interest expenses have been included since the transaction closed on March 28, 2024.

Our effective income tax rate has been impacted by varying levels of tax adjustments and changes in earnings mix. The fourth quarter of 2023 reflects the recognition of deferred tax assets relating to realized losses in City National associated with the intercompany sale of certain debt securities. Beginning in the first quarter of 2025, our effective income tax rate reflects the impact of Pillar Two legislation, which became effective for us beginning November 1, 2024.

## Financial condition

### Condensed balance sheets

| (Millions of Canadian dollars)   | As at               |                     |
|--|---------------------|---------------------|
|  | July 31<br>2025     | October 31<br>2024  |
| <b>Assets</b>  |                     |                     |
| Cash and due from banks  | \$ 34,927           | \$ 56,723           |
| Interest-bearing deposits with banks   | 72,824              | 66,020              |
| Securities, net of applicable allowance (1)                                  | 538,012             | 439,918             |
| Assets purchased under reverse repurchase agreements and securities borrowed | 265,832             | 350,803             |
| Loans  |                     |                     |
| Retail   | 644,791             | 626,978             |
| Wholesale  | 387,941             | 360,439             |
| Allowance for loan losses  | (7,272)             | (6,037)             |
| Other – Derivatives  | 155,023             | 150,612             |
| – Other  | 135,815             | 126,126             |
| <b>Total assets</b>  | <b>\$ 2,227,893</b> | <b>\$ 2,171,582</b> |
| <b>Liabilities</b>   |                     |                     |
| Deposits   | \$ 1,481,477        | \$ 1,409,531        |
| Other – Derivatives  | 158,862             | 163,763             |
| – Other  | 438,090             | 457,550             |
| Subordinated debentures  | 13,832              | 13,546              |
| <b>Total liabilities</b>   | <b>2,092,261</b>    | <b>2,044,390</b>    |
| <b>Equity attributable to shareholders</b>                                   | <b>135,563</b>      | <b>127,089</b>      |
| Non-controlling interests  | 69                  | 103                 |
| <b>Total equity</b>  | <b>135,632</b>      | <b>127,192</b>      |
| <b>Total liabilities and equity</b>  | <b>\$ 2,227,893</b> | <b>\$ 2,171,582</b> |

(1) Securities are comprised of trading and investment securities.

### Q3 2025 vs. Q4 2024

Total assets increased \$56 billion or 3% from October 31, 2024, net of foreign exchange translation of \$59 billion.

Cash and due from banks decreased \$22 billion or 38%, primarily due to lower deposits with central banks reflecting short-term cash management activities.

Interest-bearing deposits with banks increased \$7 billion or 10%, primarily due to higher deposits with central banks reflecting short-term cash management activities.

Securities, net of applicable allowance, increased \$98 billion or 22%, primarily due to higher government debt securities reflecting liquidity management activities and favourable market opportunities.

Assets purchased under reverse repurchase agreements (reverse repos) and securities borrowed decreased \$85 billion or 24%, primarily due to decreased client financing activity.

Loans (net of Allowance for loan losses) increased \$44 billion or 4%, primarily due to volume growth in wholesale loans and residential mortgages.

Derivative assets increased \$4 billion or 3% net of foreign exchange translation, primarily attributable to higher fair values on equity contracts, partially offset by lower fair values on foreign exchange and interest rate contracts.

Other assets increased \$10 billion or 8%, largely due to higher commodity trading receivables, cash collateral and margin deposits reflecting market conditions and client activity.

Total liabilities increased \$48 billion or 2%, net of foreign exchange translation of \$59 billion.

Deposits increased \$72 billion or 5%, mainly due to higher demand deposits driven by client activity and higher business and government term deposits driven by liquidity management activities.

Derivative liabilities decreased \$5 billion or 3% net of foreign exchange translation, primarily attributable to lower fair values on foreign exchange and interest rate contracts, partially offset by higher fair values on equity contracts.

Other liabilities decreased \$19 billion or 4%, mainly due to lower obligations related to repurchase agreements (repos) reflecting decreased client financing activity, partially offset by higher securities sold short and commodity liabilities.

Total equity increased \$8 billion or 7%, mainly reflecting earnings, net of dividends.

## Off-balance sheet arrangements

In the normal course of business, we engage in a variety of financial transactions that, for accounting purposes, are not recorded on our Consolidated Balance Sheets. Off-balance sheet transactions are generally undertaken for risk, capital and funding management purposes which benefit us and our clients. These include transactions with structured entities and may also include the purchase or issuance of guarantees. These transactions give rise to, among other risks, varying degrees of market, credit, liquidity and funding risks, which are discussed in the Risk management section of this Q3 2025 Report to Shareholders.

The following provides an update to our significant off-balance sheet transactions, which are described on pages 64 to 66 of our 2024 Annual Report.

### Involvement with unconsolidated structured entities

#### *Structured finance*

We provide senior financing to unaffiliated structured entities that are established by third parties to acquire loans. Subordinated financing is provided by either the collateral manager or third-party investors. Subordinated financing serves as the first loss tranche which absorbs losses prior to ourselves as the senior lender. These facilities tend to be longer in term than the collateralized loan obligation warehouse facilities and benefit from credit enhancement designed to cover a multiple of historical losses. As at July 31, 2025, our maximum exposure to loss associated with the outstanding senior financing facilities was \$12 billion (October 31, 2024 – \$8 billion). The increase in our maximum exposure to loss from last year was driven by an increase in client financing activities.

#### *Third-party securitization vehicles*

We hold interests in certain unconsolidated third-party securitization vehicles, which are structured entities. We, as well as other financial institutions, are obligated to provide funding to these entities up to our maximum commitment level and are exposed to credit losses on the underlying assets after various credit enhancements. As at July 31, 2025, our maximum exposure to loss in these entities was \$25 billion (October 31, 2024 – \$21 billion). The increase in our maximum exposure to loss compared to last year reflects an increase in client activity with third-party securitization vehicles.

## Risk management

### Credit risk

Credit risk is the risk of loss associated with an obligor's potential inability or unwillingness to fulfill its contractual obligations on a timely basis and may arise directly from the risk of default of a primary obligor (e.g., issuer, debtor, counterparty, borrower or policyholder), indirectly from a secondary obligor (e.g., guarantor or reinsurer), through off-balance sheet exposures, contingent credit risk, associated credit risk and/or transactional risk. Credit risk includes counterparty credit risk arising from both trading and non-trading activities.

Our Enterprise Credit Risk Management Framework (ECRMF) and supporting credit policies are designed to clearly define roles and responsibilities, acceptable practices, limits and key controls. There have been no material changes to our ECRMF as described in our 2024 Annual Report.

**Residential mortgages and home equity lines of credit (insured vs. uninsured) (1)**

Residential mortgages and home equity lines of credit are secured by residential properties. The following table presents a breakdown by geographic region.

| (Millions of Canadian dollars, except percentage amounts) | As at July 31, 2025   |            |                   |            |                                 |                  |
|---|-----------------------|------------|-------------------|------------|---------------------------------|------------------|
|   | Residential mortgages |            |                   |            | Home equity lines of credit (2) |                  |
|   | Insured (3)           |            | Uninsured         |            | Total                           | Total            |
| <b>Region (4)</b>   |                       |            |                   |            |                                 |                  |
| Canada  |                       |            |                   |            |                                 |                  |
| Atlantic provinces  | \$ 8,981              | 42%        | \$ 12,546         | 58%        | \$ 21,527                       | \$ 1,723         |
| Quebec  | 11,516                | 25         | 35,338            | 75         | 46,854                          | 3,439            |
| Ontario   | 31,162                | 14         | 196,503           | 86         | 227,665                         | 18,438           |
| Alberta   | 18,103                | 41         | 26,036            | 59         | 44,139                          | 4,562            |
| Saskatchewan and Manitoba                                 | 8,314                 | 40         | 12,702            | 60         | 21,016                          | 1,712            |
| B.C. and territories                                      | 12,125                | 14         | 77,501            | 86         | 89,626                          | 8,402            |
| <b>Total Canada (5)</b>                                   | <b>90,201</b>         | <b>20</b>  | <b>360,626</b>    | <b>80</b>  | <b>450,827</b>                  | <b>38,276</b>    |
| U.S.  | –                     | –          | 34,533            | 100        | 34,533                          | 2,170            |
| Other International                                       | –                     | –          | 3,338             | 100        | 3,338                           | 1,394            |
| <b>Total International</b>                                | <b>–</b>              | <b>–</b>   | <b>37,871</b>     | <b>100</b> | <b>37,871</b>                   | <b>3,564</b>     |
| <b>Total</b>  | <b>\$ 90,201</b>      | <b>18%</b> | <b>\$ 398,497</b> | <b>82%</b> | <b>\$ 488,698</b>               | <b>\$ 41,840</b> |

| (Millions of Canadian dollars, except percentage amounts) | As at April 30, 2025  |            |                   |            |                                 |                  |
|---|-----------------------|------------|-------------------|------------|---------------------------------|------------------|
|   | Residential mortgages |            |                   |            | Home equity lines of credit (2) |                  |
|   | Insured (3)           |            | Uninsured         |            | Total                           | Total            |
| <b>Region (4)</b>   |                       |            |                   |            |                                 |                  |
| Canada  |                       |            |                   |            |                                 |                  |
| Atlantic provinces  | \$ 8,741              | 42%        | \$ 12,150         | 58%        | \$ 20,891                       | \$ 1,692         |
| Quebec  | 11,416                | 25         | 34,419            | 75         | 45,835                          | 3,398            |
| Ontario   | 31,169                | 14         | 193,584           | 86         | 224,753                         | 18,292           |
| Alberta   | 18,302                | 42         | 25,312            | 58         | 43,614                          | 4,473            |
| Saskatchewan and Manitoba                                 | 8,302                 | 40         | 12,423            | 60         | 20,725                          | 1,707            |
| B.C. and territories                                      | 12,190                | 14         | 76,890            | 86         | 89,080                          | 8,271            |
| <b>Total Canada (5)</b>                                   | <b>90,120</b>         | <b>20</b>  | <b>354,778</b>    | <b>80</b>  | <b>444,898</b>                  | <b>37,833</b>    |
| U.S.  | –                     | –          | 33,658            | 100        | 33,658                          | 2,203            |
| Other International                                       | –                     | –          | 3,278             | 100        | 3,278                           | 1,451            |
| <b>Total International</b>                                | <b>–</b>              | <b>–</b>   | <b>36,936</b>     | <b>100</b> | <b>36,936</b>                   | <b>3,654</b>     |
| <b>Total</b>  | <b>\$ 90,120</b>      | <b>19%</b> | <b>\$ 391,714</b> | <b>81%</b> | <b>\$ 481,834</b>               | <b>\$ 41,487</b> |

- (1) Disclosure is provided in accordance with the requirements of OSFI's Guideline B-20 (Residential Mortgage Underwriting Practices and Procedures).
- (2) Includes \$41,823 million and \$17 million of uninsured and insured home equity lines of credit, respectively (April 30, 2025 – \$41,470 million and \$17 million, respectively), reported within the personal loan category. The amounts in U.S. and Other International include term loans collateralized by residential properties.
- (3) Insured residential mortgages are mortgages whereby our exposure to default is mitigated by insurance through the Canadian Mortgage and Housing Corporation or other private mortgage default insurers.
- (4) Region is based upon the address of the property mortgaged. The Atlantic provinces are comprised of Newfoundland and Labrador, Prince Edward Island, Nova Scotia and New Brunswick; B.C. and territories are comprised of British Columbia, Nunavut, Northwest Territories and Yukon.
- (5) Total consolidated residential mortgages in Canada of \$451 billion (April 30, 2025 – \$445 billion) includes \$12 billion (April 30, 2025 – \$12 billion) of mortgages with commercial clients in Commercial Banking, of which \$9 billion (April 30, 2025 – \$9 billion) are insured, and \$18 billion (April 30, 2025 – \$17 billion) of residential mortgages in Capital Markets, of which \$18 billion (April 30, 2025 – \$17 billion) are held for securitization purposes. All of the residential mortgages held for securitization purposes are insured (April 30, 2025 – all insured).

**Residential mortgages portfolio by amortization period (1)**

The following table provides a summary of the percentage of residential mortgages that fall within the remaining amortization periods based upon current customer payment amounts, which incorporate payments larger than the minimum contractual amount and/or higher frequency of payments.

| Amortization period   | As at        |                              |             |               |                              |             |
|-----------------------|--------------|------------------------------|-------------|---------------|------------------------------|-------------|
|                       | July 31 2025 |                              |             | April 30 2025 |                              |             |
|                       | Canada (2)   | U.S. and other International | Total       | Canada (2)    | U.S. and other International | Total       |
| ≤ 25 years            | 75%          | 36%                          | 72%         | 76%           | 34%                          | 73%         |
| > 25 years ≤ 30 years | 25           | 64                           | 28          | 24            | 66                           | 27          |
| <b>Total</b>          | <b>100%</b>  | <b>100%</b>                  | <b>100%</b> | <b>100%</b>   | <b>100%</b>                  | <b>100%</b> |

- (1) Disclosure is provided in accordance with the requirements of OSFI's Guideline B-20 (Residential Mortgage Underwriting Practices and Procedures).
- (2) Our policy is to originate mortgages with amortization periods of 30 years or less. We do not originate mortgage products with a structure that would result in negative amortization, as payments on variable rate mortgages automatically increase to ensure accrued interest is covered.

**Average loan-to-value (LTV) ratios (1)**

The following table provides a summary of our average LTV ratios for newly originated and acquired uninsured residential mortgages and RBC Homeline Plan® products by geographic region, as well as the respective LTV ratios for our total Canadian Banking residential mortgage portfolio outstanding.

|   | For the three months ended |                                |                           |                                | For the nine months ended |                                |
|---|----------------------------|--------------------------------|---------------------------|--------------------------------|---------------------------|--------------------------------|
|   | July 31 2025               |                                | April 30 2025             |                                | July 31 2025              |                                |
|   | Uninsured                  |                                | Uninsured                 |                                | Uninsured                 |                                |
|   | Residential mortgages (2)  | RBC Homeline Plan products (3) | Residential mortgages (2) | RBC Homeline Plan products (3) | Residential mortgages (2) | RBC Homeline Plan products (3) |
| <b>Average of newly originated and acquired for the period, by region (4)</b> |                            |                                |                           |                                |                           |                                |
| Atlantic provinces  | 71%                        | 70%                            | 70%                       | 70%                            | 70%                       | 70%                            |
| Quebec  | 71                         | 71                             | 70                        | 70                             | 70                        | 70                             |
| Ontario   | 71                         | 66                             | 70                        | 65                             | 70                        | 65                             |
| Alberta   | 72                         | 70                             | 72                        | 71                             | 72                        | 70                             |
| Saskatchewan and Manitoba   | 73                         | 73                             | 72                        | 73                             | 72                        | 73                             |
| B.C. and territories  | 67                         | 64                             | 67                        | 62                             | 67                        | 63                             |
| U.S.  | 73                         | n.m.                           | 71                        | n.m.                           | 72                        | n.m.                           |
| Other International   | 72                         | n.m.                           | 69                        | n.m.                           | 71                        | n.m.                           |
| <b>Average of newly originated and acquired for the period (5), (6)</b>       | <b>70%</b>                 | <b>67%</b>                     | <b>70%</b>                | <b>66%</b>                     | <b>70%</b>                | <b>67%</b>                     |
| <b>Total Canadian Banking residential mortgages portfolio (7)</b>             | <b>58%</b>                 | <b>49%</b>                     | <b>58%</b>                | <b>48%</b>                     | <b>58%</b>                | <b>49%</b>                     |

(1) Disclosure is provided in accordance with the requirements of OSFI's Guideline B-20 (Residential Mortgage Underwriting Practices and Procedures).

(2) Residential mortgages exclude residential mortgages within the RBC Homeline Plan products.

(3) RBC Homeline Plan products are comprised of both residential mortgages and home equity lines of credit.

(4) Region is based upon the address of the property mortgaged. The Atlantic provinces are comprised of Newfoundland and Labrador, Prince Edward Island, Nova Scotia and New Brunswick; B.C. and territories are comprised of British Columbia, Nunavut, Northwest Territories and Yukon.

(5) The average LTV ratios for newly originated and acquired uninsured residential mortgages and RBC Homeline Plan products are calculated on a weighted basis by mortgage amounts at origination.

(6) For newly originated mortgages and RBC Homeline Plan products, LTV is calculated based on the total facility amount for the residential mortgage and RBC Homeline Plan product divided by the value of the related residential property.

(7) Weighted by mortgage balances and adjusted for property values based on the Teranet-National Bank House Price Index<sup>®</sup>.  
n.m. not meaningful

**Net International wholesale exposure by region, asset type and client type (1), (2)**

The following table provides a breakdown of our credit risk exposure by region, asset type and client type.

| (Millions of Canadian dollars)        | As at             |                  |                         |                 |                  |                  |                  |                   |                   |
|---------------------------------------|-------------------|------------------|-------------------------|-----------------|------------------|------------------|------------------|-------------------|-------------------|
|                                       | July 31 2025      |                  |                         |                 |                  |                  |                  |                   | April 30 2025     |
|                                       | Asset type        |                  |                         |                 | Client type      |                  |                  |                   | Total             |
|                                       | Loans Outstanding | Securities (3)   | Repo-style transactions | Derivatives     | Financials       | Sovereign        | Corporate        |                   |                   |
| Europe (excluding U.K.)               | \$ 18,722         | \$ 25,356        | \$ 7,453                | \$ 3,358        | \$ 29,893        | \$ 8,164         | \$ 16,832        | \$ 54,889         | \$ 56,727         |
| U.K.                                  | 14,339            | 33,966           | 4,802                   | 2,137           | 18,722           | 24,822           | 11,700           | 55,244            | 50,959            |
| Caribbean                             | 6,435             | 10,912           | 3,099                   | 2,353           | 9,861            | 4,936            | 8,002            | 22,799            | 21,131            |
| Asia-Pacific                          | 6,767             | 27,904           | 5,334                   | 1,943           | 20,196           | 16,775           | 4,977            | 41,948            | 50,184            |
| Other (4)                             | 2,643             | 1,554            | 2,767                   | 190             | 2,407            | 2,062            | 2,685            | 7,154             | 6,296             |
| <b>Net International exposure (5)</b> | <b>\$ 48,906</b>  | <b>\$ 99,692</b> | <b>\$ 23,455</b>        | <b>\$ 9,981</b> | <b>\$ 81,079</b> | <b>\$ 56,759</b> | <b>\$ 44,196</b> | <b>\$ 182,034</b> | <b>\$ 185,297</b> |

(1) Geographic profile is based on country of risk, which reflects our assessment of the geographic risk associated with a given exposure. Typically, this is the residence of the borrower.

(2) Exposures are calculated on a fair value basis and net of collateral, which includes \$437 billion against repo-style transactions (April 30, 2025 – \$439 billion) and \$18 billion against derivatives (April 30, 2025 – \$21 billion).

(3) Securities include \$25 billion of trading securities (April 30, 2025 – \$23 billion), \$26 billion of deposits (April 30, 2025 – \$35 billion), and \$49 billion of investment securities (April 30, 2025 – \$48 billion).

(4) Includes exposures in the Middle East, Africa and Latin America.

(5) Excludes \$7,992 million (April 30, 2025 – \$6,566 million) of exposures to supranational agencies.

## Credit quality performance

The following credit quality performance tables and analysis provide information on loans, which represents loans, acceptances and commitments, and other financial assets:

### Gross impaired loans

| (Millions of Canadian dollars, except percentage amounts)              | As at and for the three months ended |                  |                    |
|--|--------------------------------------|------------------|--------------------|
|  | July 31<br>2025                      | April 30<br>2025 | October 31<br>2024 |
| Personal Banking   | \$ 1,966                             | \$ 1,848         | \$ 1,652           |
| Commercial Banking   | 3,228                                | 3,414            | 2,372              |
| Wealth Management  | 543                                  | 552              | 508                |
| Capital Markets  | 3,014                                | 3,125            | 1,335              |
| <b>Total GIL</b>   | <b>\$ 8,751</b>                      | <b>\$ 8,939</b>  | <b>\$ 5,867</b>    |
| Impaired loans, beginning balance                                      | \$ 8,939                             | \$ 7,876         | \$ 5,685           |
| Classified as impaired during the period (new impaired) <sup>(1)</sup> | 1,936                                | 2,745            | 1,343              |
| Net repayments <sup>(1)</sup>  | (500)                                | (339)            | (354)              |
| Amounts written off  | (743)                                | (786)            | (721)              |
| Other <sup>(2)</sup>   | (881)                                | (557)            | (86)               |
| Impaired loans, balance at end of period                               | \$ 8,751                             | \$ 8,939         | \$ 5,867           |
| <b>GIL as a % of related loans and acceptances</b>                     |                                      |                  |                    |
| Total GIL as a % of related loans and acceptances                      | 0.85%                                | 0.88%            | 0.59%              |
| Personal Banking   | 0.36%                                | 0.34%            | 0.31%              |
| Personal Banking – Canada  | 0.32%                                | 0.30%            | 0.26%              |
| Commercial Banking   | 1.68%                                | 1.80%            | 1.29%              |
| Wealth Management  | 0.44%                                | 0.45%            | 0.42%              |
| Capital Markets  | 1.79%                                | 1.93%            | 0.88%              |

(1) Certain GIL movements for Personal Banking – Canada and Commercial Banking are generally allocated to new impaired, as Net repayments and certain Other movements are not reasonably determinable.

(2) Includes return to performing status during the period, recoveries of loans and advances previously written off, sold, amounts related to foreclosed properties held as investment properties and interests in joint ventures for certain co-lending arrangements, foreign exchange translation and other movements.

### Q3 2025 vs. Q2 2025

Total GIL decreased \$188 million or 2% from last quarter and the total GIL ratio of 85 bps decreased 3 bps, primarily due to lower impaired loans in Commercial Banking and Capital Markets, partially offset by higher impaired loans in Personal Banking.

GIL in Personal Banking increased \$118 million or 6%, primarily due to higher impaired loans in our Canadian residential mortgages portfolio.

GIL in Commercial Banking decreased \$186 million or 5%, primarily due to lower impaired loans in a few sectors, including the consumer discretionary, real estate and related and forest products sectors, partially offset by higher impaired loans in the agriculture sector.

GIL in Wealth Management decreased \$9 million or 2%, primarily due to lower impaired loans in U.S. Wealth Management (including City National) in a few sectors, including the automotive and other services sectors, partially offset by higher impaired loans in the real estate and related sector and in our retail portfolios.

GIL in Capital Markets decreased \$111 million or 4%, primarily due to lower impaired loans in a few sectors, including the real estate and related sector, partially offset by higher impaired loans in the financing products sector.

**Allowance for credit losses (ACL)**

| (Millions of Canadian dollars)           | As at           |                  |                    |
|--|-----------------|------------------|--------------------|
|  | July 31<br>2025 | April 30<br>2025 | October 31<br>2024 |
| Personal Banking                         | \$ 3,666        | \$ 3,628         | \$ 3,273           |
| Commercial Banking                       | 2,276           | 2,228            | 1,626              |
| Wealth Management                        | 513             | 577              | 466                |
| Capital Markets                          | 1,186           | 1,047            | 986                |
| Corporate Support and other              | 1               | 1                | 1                  |
| <b>ACL on loans</b>                      | <b>7,642</b>    | <b>7,481</b>     | <b>6,352</b>       |
| <b>ACL on other financial assets (1)</b> | <b>15</b>       | <b>19</b>        | <b>12</b>          |
| <b>Total ACL</b>                         | <b>\$ 7,657</b> | <b>\$ 7,500</b>  | <b>\$ 6,364</b>    |
| ACL on loans is comprised of:            |                 |                  |                    |
| Retail                                   | \$ 3,424        | \$ 3,414         | \$ 3,011           |
| Wholesale                                | 2,020           | 2,050            | 1,825              |
| <b>ACL on performing loans</b>           | <b>\$ 5,444</b> | <b>\$ 5,464</b>  | <b>\$ 4,836</b>    |
| <b>ACL on impaired loans</b>             | <b>2,198</b>    | <b>2,017</b>     | <b>1,516</b>       |

(1) ACL on other financial assets mainly represents allowances on debt securities measured at FVOCI and amortized cost, accounts receivable and financial guarantees.

**Q3 2025 vs. Q2 2025**

Total ACL increased \$157 million or 2% from last quarter, reflecting an increase in ACL on loans.

ACL on performing loans decreased \$20 million, primarily due to favourable changes to our macroeconomic forecast, partially offset by unfavourable changes in credit quality and portfolio growth.

ACL on impaired loans increased \$181 million or 9%, primarily due to higher ACL in Capital Markets and Commercial Banking.

For further details, refer to Note 5 of our Condensed Financial Statements.

**Market risk**

Market risk is defined to be the impact of market factors and prices upon our financial condition. This includes potential financial gains or losses due to changes in market-determined variables such as interest rates, credit spreads, equity prices, commodity prices, foreign exchange rates and implied volatilities. There have been no material changes to our Market Risk Management Framework from the framework described in our 2024 Annual Report. Using that framework, we continuously seek to ensure that our market risk exposure is consistent with risk appetite constraints set by the Board of Directors.

Market risk controls include limits on probabilistic measures of potential loss in trading positions, such as Value-at-Risk (VaR) and stress testing. Market risk controls are also in place to manage Interest Rate Risk in the Banking Book (IRRBB). To monitor and control IRRBB, we assess two primary metrics, Net Interest Income (NII) risk and Economic Value of Equity (EVE) risk, under a range of market shocks, scenarios, and time horizons. There has been no material change to the VaR or IRRBB measurement methodology, controls, or limits from those described in our 2024 Annual Report. For further details on our approach to the management of market risk, refer to the Market risk section of our 2024 Annual Report.

## Market risk measures – FVTPL positions

### VaR and Trading VaR

The following table presents our Market risk VaR and Trading VaR figures:

| (Millions of Canadian dollars) | July 31, 2025 |                            |              |              | April 30, 2025 |                            | July 31, 2024 |                            |
|--------------------------------|---------------|----------------------------|--------------|--------------|----------------|----------------------------|---------------|----------------------------|
|                                | As at         | For the three months ended |              |              | As at          | For the three months ended | As at         | For the three months ended |
|                                |               | Average                    | High         | Low          |                | Average                    |               | Average                    |
| Equity                         | \$ 17         | \$ 17                      | \$ 30        | \$ 12        | \$ 25          | \$ 15                      | \$ 17         | \$ 15                      |
| Foreign exchange               | 7             | 4                          | 13           | 2            | 3              | 3                          | 8             | 6                          |
| Commodities                    | 7             | 6                          | 10           | 3            | 5              | 7                          | 6             | 7                          |
| Interest rate (1)              | 20            | 24                         | 27           | 20           | 22             | 19                         | 35            | 29                         |
| Credit specific (2)            | 7             | 8                          | 10           | 6            | 8              | 7                          | 8             | 8                          |
| Diversification (3)            | (31)          | (31)                       | n.m.         | n.m.         | (29)           | (27)                       | (45)          | (35)                       |
| <b>Trading VaR</b>             | <b>\$ 27</b>  | <b>\$ 28</b>               | <b>\$ 34</b> | <b>\$ 21</b> | <b>\$ 34</b>   | <b>\$ 24</b>               | <b>\$ 29</b>  | <b>\$ 30</b>               |
| <b>Total VaR</b>               | <b>\$ 43</b>  | <b>\$ 43</b>               | <b>\$ 56</b> | <b>\$ 34</b> | <b>\$ 51</b>   | <b>\$ 33</b>               | <b>\$ 33</b>  | <b>\$ 38</b>               |

| (Millions of Canadian dollars) | July 31, 2025 |                           |              |              | July 31, 2024 |                           |
|--------------------------------|---------------|---------------------------|--------------|--------------|---------------|---------------------------|
|                                | As at         | For the nine months ended |              |              | As at         | For the nine months ended |
|                                |               | Average                   | High         | Low          |               | Average                   |
| Equity                         | \$ 17         | \$ 16                     | \$ 30        | \$ 11        | \$ 17         | \$ 11                     |
| Foreign exchange               | 7             | 4                         | 13           | 2            | 8             | 5                         |
| Commodities                    | 7             | 7                         | 11           | 3            | 6             | 6                         |
| Interest rate (1)              | 20            | 22                        | 28           | 17           | 35            | 30                        |
| Credit specific (2)            | 7             | 8                         | 10           | 6            | 8             | 7                         |
| Diversification (3)            | (31)          | (32)                      | n.m.         | n.m.         | (45)          | (30)                      |
| <b>Trading VaR</b>             | <b>\$ 27</b>  | <b>\$ 25</b>              | <b>\$ 35</b> | <b>\$ 19</b> | <b>\$ 29</b>  | <b>\$ 29</b>              |
| <b>Total VaR</b>               | <b>\$ 43</b>  | <b>\$ 36</b>              | <b>\$ 56</b> | <b>\$ 22</b> | <b>\$ 33</b>  | <b>\$ 82</b>              |

(1) General credit spread risk and funding spread risk associated with uncollateralized derivatives are included under interest rate VaR.

(2) Credit specific risk captures issuer-specific credit spread volatility.

(3) Trading VaR is less than the sum of the individual risk factor VaR results due to risk factor diversification.

n.m. not meaningful

### Q3 2025 vs. Q3 2024

Average Trading VaR of \$28 million remained relatively stable from a year ago.

Average total VaR of \$43 million increased \$5 million, primarily driven by exposure changes in our equity portfolio due to the impact of heightened market volatility.

### Q3 2025 vs. Q2 2025

Average Trading VaR of \$28 million increased \$4 million from last quarter, primarily driven by exposure changes in our fixed income portfolio.

Average total VaR of \$43 million increased \$10 million, primarily driven by exposure changes in our equity portfolio due to the impact of heightened market volatility and exposure changes in our fixed income portfolio.

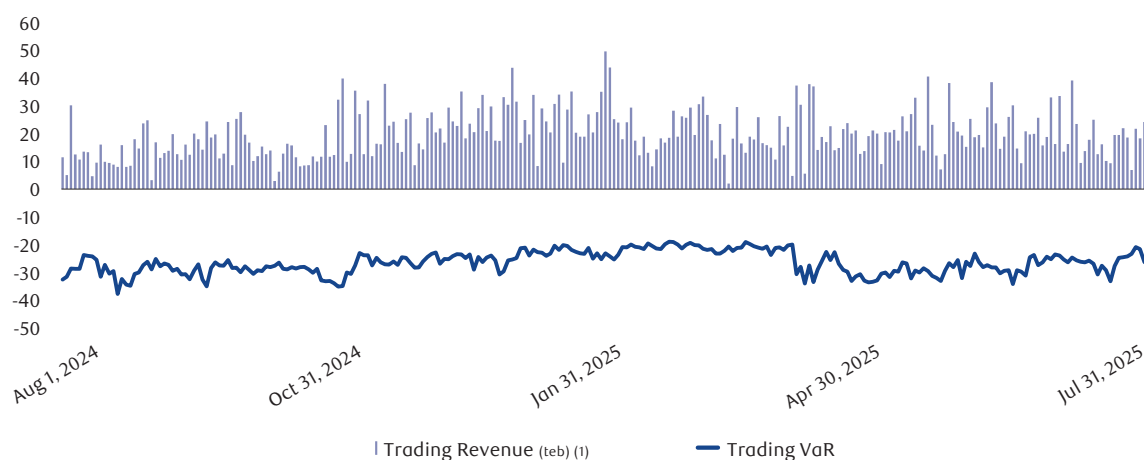
### Q3 2025 vs. Q3 2024 (Nine months ended)

Average Trading VaR of \$25 million decreased \$4 million from the same period last year, primarily driven by exposure changes in our fixed income portfolio, partially offset by exposure changes in our equity portfolio.

Average total VaR of \$36 million decreased \$46 million, primarily driven by the impact of management of closing capital volatility related to the HSBC Canada transaction in the same period last year.

The following chart displays a bar graph of our daily trading profit and loss and a line graph of our daily market risk VaR. We incurred no net trading losses in the three months ended July 31, 2025 and April 30, 2025.

Trading revenue (teb), (1) and Trading VaR (millions of Canadian dollars)



(1) Trading revenue (teb) in the chart above excludes the impact of loan underwriting commitments.

### Market risk measures for assets and liabilities of RBC Insurance®

We offer a range of insurance products to clients and hold investments to meet future obligations to policyholders. The investments which support actuarial liabilities are predominantly fixed income assets measured at FVTPL. Consequently, changes in the fair values of these assets are largely offset by changes in the discount rates used in the measurement of insurance and reinsurance contract assets and liabilities, and the impacts of both are reflected in Insurance investment result in the Consolidated Statements of Income. As at July 31, 2025, we held assets in support of \$21 billion of insurance contract liabilities net of insurance contract assets and reinsurance contracts held balances (April 30, 2025 – \$21 billion).

### Market risk measures – IRRBB sensitivities

The following table shows the potential before-tax impact of an immediate and sustained 100 bps increase or decrease in interest rates on projected EVE and 12-month NII, assuming no subsequent hedging. Interest rate risk measures are based on current on- and off-balance sheet positions which can change over time in response to business activity and management actions.

| (Millions of Canadian dollars) | July 31 2025               |                                  |            |                            |                                  |        | April 30 2025 |              | July 31 2024 |              |
|--------------------------------|----------------------------|----------------------------------|------------|----------------------------|----------------------------------|--------|---------------|--------------|--------------|--------------|
|                                | EVE risk                   |                                  |            | NII risk (1)               |                                  |        | EVE risk      | NII risk (1) | EVE risk     | NII risk (1) |
|                                | Canadian dollar impact (2) | U.S. dollar and other impact (2) | Total      | Canadian dollar impact (2) | U.S. dollar and other impact (2) | Total  |               |              |              |              |
| <b>Before-tax impact of:</b>   |                            |                                  |            |                            |                                  |        |               |              |              |              |
| 100 bps increase in rates      | \$ (2,201)                 | \$ (305)                         | \$ (2,506) | \$ 156                     | \$ 118                           | \$ 274 | \$ (2,436)    | \$ 387       | \$ (1,822)   | \$ 325       |
| 100 bps decrease in rates      | 1,895                      | (95)                             | 1,800      | (283)                      | (106)                            | (389)  | 1,891         | (521)        | 1,399        | (425)        |

(1) Represents the 12-month NII exposure to an instantaneous and sustained shift in interest rates.

(2) Effective the third quarter of 2025, EVE and NII risk for currencies other than the Canadian and U.S. dollar are presented within the U.S. dollar and other impact category. Previously, the impact of other currencies was presented in the Canadian dollar impact category.

As at July 31, 2025, an immediate and sustained -100 bps shock would have had a negative impact to our NII of \$389 million, down from \$521 million last quarter. An immediate and sustained +100 bps shock as at July 31, 2025 would have had a negative impact to the bank's EVE of \$2,506 million, up from \$2,436 million last quarter. Quarter-over-quarter EVE sensitivity remained relatively stable, while the quarter-over-quarter change in NII sensitivity reflects an increase in fixed rate asset positions. During the third quarter of 2025, NII and EVE risks remained within approved limits.

## Linkage of market risk to selected balance sheet items

The following tables provide the linkages between selected balance sheet items with positions included in our trading market risk and non-trading market risk disclosures, which illustrates how we manage market risk for our assets and liabilities through different risk measures:

| (Millions of Canadian dollars)   | As at July 31, 2025  |                     |                     |  |
|--|----------------------|---------------------|---------------------|--|
|  | Balance sheet amount | Market risk measure |                     | Non-traded risk primary risk sensitivity |
|  |                      | Traded risk (1)     | Non-traded risk (2) |  |
| <b>Assets subject to market risk</b>   |                      |                     |                     |  |
| Cash and due from banks  | \$ 34,927            | \$ –                | \$ 34,927           | Interest rate                            |
| Interest-bearing deposits with banks   | 72,824               | 4                   | 72,820              | Interest rate                            |
| Securities   |                      |                     |                     |  |
| Trading  | 204,154              | 175,282             | 28,872              | Interest rate, credit spread             |
| Investment, net of applicable allowance  | 333,858              | –                   | 333,858             | Interest rate, credit spread, equity     |
| Assets purchased under reverse repurchase agreements and securities borrowed         | 265,832              | 230,313             | 35,519              | Interest rate                            |
| Loans  |                      |                     |                     |  |
| Retail   | 644,791              | –                   | 644,791             | Interest rate                            |
| Wholesale  | 387,941              | 3,089               | 384,852             | Interest rate                            |
| Allowance for loan losses  | (7,272)              | –                   | (7,272)             | Interest rate                            |
| Other  |                      |                     |                     |  |
| Derivatives  | 155,023              | 150,750             | 4,273               | Interest rate, foreign exchange          |
| Other assets   | 128,101              | 55,078              | 73,023              | Interest rate                            |
| <b>Assets not subject to market risk (3)</b>   | 7,714                |                     |                     |  |
| <b>Total assets</b>  | <b>\$ 2,227,893</b>  | <b>\$ 614,516</b>   | <b>\$ 1,605,663</b> |  |
| <b>Liabilities subject to market risk</b>  |                      |                     |                     |  |
| Deposits   | \$ 1,481,477         | \$ 71,477           | \$ 1,410,000        | Interest rate                            |
| Other  |                      |                     |                     |  |
| Obligations related to securities sold short   | 47,072               | 46,783              | 289                 | Interest rate, equity                    |
| Obligations related to assets sold under repurchase agreements and securities loaned | 266,287              | 243,914             | 22,373              | Interest rate                            |
| Derivatives  | 158,862              | 155,498             | 3,364               | Interest rate, foreign exchange          |
| Other liabilities  | 101,347              | 48,017              | 53,330              | Interest rate                            |
| Subordinated debentures  | 13,832               | –                   | 13,832              | Interest rate                            |
| <b>Liabilities not subject to market risk (4)</b>                                    | 23,384               |                     |                     |  |
| <b>Total liabilities</b>   | <b>\$ 2,092,261</b>  | <b>\$ 565,689</b>   | <b>\$ 1,503,188</b> |  |
| <b>Total equity</b>  | <b>135,632</b>       |                     |                     |  |
| <b>Total liabilities and equity</b>  | <b>\$ 2,227,893</b>  |                     |                     |  |

(1) Traded risk includes positions that are classified or designated as FVTPL and positions whose revaluation gains and losses are reported in revenue within our trading portfolios. Market risk measures of VaR and stress tests are used as risk controls for traded risk.

(2) Non-traded risk includes positions used in the management of IRRBB and other non-trading portfolios. Other material non-trading portfolios include positions from RBC Insurance and investment securities, net of applicable allowance, not included in IRRBB.

(3) Assets not subject to market risk include physical and other assets.

(4) Liabilities not subject to market risk include payroll related and other liabilities.

| (Millions of Canadian dollars)   | As at April 30, 2025 |                     |                     |  |
|--|----------------------|---------------------|---------------------|--|
|  | Balance sheet amount | Market risk measure |                     | Non-traded risk primary risk sensitivity |
|  |                      | Traded risk (1)     | Non-traded risk (2) |  |
| <b>Assets subject to market risk</b>   |                      |                     |                     |  |
| Cash and due from banks  | \$ 48,621            | \$ –                | \$ 48,621           | Interest rate                            |
| Interest-bearing deposits with banks   | 65,970               | 3                   | 65,967              | Interest rate                            |
| Securities   |                      |                     |                     |  |
| Trading  | 189,137              | 161,056             | 28,081              | Interest rate, credit spread             |
| Investment, net of applicable allowance  | 303,360              | –                   | 303,360             | Interest rate, credit spread, equity     |
| Assets purchased under reverse repurchase agreements and securities borrowed         | 301,927              | 245,257             | 56,670              | Interest rate                            |
| Loans  |                      |                     |                     |  |
| Retail   | 635,280              | –                   | 635,280             | Interest rate                            |
| Wholesale  | 379,151              | 4,986               | 374,165             | Interest rate                            |
| Allowance for loan losses  | (7,125)              | –                   | (7,125)             | Interest rate                            |
| Other  |                      |                     |                     |  |
| Derivatives  | 188,211              | 184,763             | 3,448               | Interest rate, foreign exchange          |
| Other assets   | 130,074              | 57,406              | 72,668              | Interest rate                            |
| <b>Assets not subject to market risk (3)</b>   | 7,527                |                     |                     |  |
| <b>Total assets</b>  | <b>\$ 2,242,133</b>  | <b>\$ 653,471</b>   | <b>\$ 1,581,135</b> |  |
| <b>Liabilities subject to market risk</b>  |                      |                     |                     |  |
| Deposits   | \$ 1,446,786         | \$ 64,294           | \$ 1,382,492        | Interest rate                            |
| Other  |                      |                     |                     |  |
| Obligations related to securities sold short   | 46,823               | 46,569              | 254                 | Interest rate, equity                    |
| Obligations related to assets sold under repurchase agreements and securities loaned | 281,326              | 250,836             | 30,490              | Interest rate                            |
| Derivatives  | 194,344              | 191,041             | 3,303               | Interest rate, foreign exchange          |
| Other liabilities  | 103,030              | 48,746              | 54,284              | Interest rate                            |
| Subordinated debentures  | 13,745               | –                   | 13,745              | Interest rate                            |
| <b>Liabilities not subject to market risk (4)</b>                                    | 23,549               |                     |                     |  |
| <b>Total liabilities</b>   | <b>\$ 2,109,603</b>  | <b>\$ 601,486</b>   | <b>\$ 1,484,568</b> |  |
| <b>Total equity</b>  | <b>132,530</b>       |                     |                     |  |
| <b>Total liabilities and equity</b>  | <b>\$ 2,242,133</b>  |                     |                     |  |

(1) Traded risk includes positions that are classified or designated as FVTPL and positions whose revaluation gains and losses are reported in revenue within our trading portfolios. Market risk measures of VaR and stress tests are used as risk controls for traded risk.

(2) Non-traded risk includes positions used in the management of IRRBB and other non-trading portfolios. Other material non-trading portfolios include positions from RBC Insurance and investment securities, net of applicable allowance, not included in IRRBB.

(3) Assets not subject to market risk include physical and other assets.

(4) Liabilities not subject to market risk include payroll related and other liabilities.

## Liquidity and funding risk

Liquidity and funding risk (liquidity risk) is the risk that we may be unable to generate sufficient cash or its equivalents in a timely and cost-effective manner to meet our commitments. Liquidity risk arises from mismatches in the timing and value of on-balance sheet and off-balance sheet cash flows.

Our liquidity risk management activities are conducted in accordance with internal frameworks and policies, including the Enterprise Risk Management Framework (ERMF), the Enterprise Risk Appetite Framework (ERAF), the Enterprise Liquidity Risk Management Framework (LRMF), the Enterprise Liquidity Risk Policy and the Enterprise Pledging Policy. Collectively, our frameworks and policies establish liquidity and funding management requirements that are appropriate for the execution of our strategy and ensuring liquidity risk remains within our risk appetite. There have been no material changes to our internal frameworks and policies from those described in our 2024 Annual Report.

### Liquidity reserve

Our liquidity reserve consists only of available unencumbered liquid assets. Although unused wholesale funding capacity could be another potential source of liquidity, it is excluded in the determination of the liquidity reserve.

|  | As at July 31, 2025      |   |                     |                          |                            |
|--|--------------------------|---|---------------------|--------------------------|----------------------------|
|  | Bank-owned liquid assets | Securities received as collateral from securities financing and derivative transactions | Total liquid assets | Encumbered liquid assets | Unencumbered liquid assets |
| (Millions of Canadian dollars)   |                          |   |                     |                          |                            |
| Cash and deposits with banks   | \$ 107,751               | \$ –  | \$ 107,751          | \$ 3,105                 | \$ 104,646                 |
| Securities issued or guaranteed by sovereigns, central banks or multilateral development banks (1) | 424,857                  | 306,283   | 731,140             | 396,906                  | 334,234                    |
| Other securities   | 165,105                  | 141,220   | 306,325             | 189,563                  | 116,762                    |
| Other liquid assets (2)  | 43,193                   | –   | 43,193              | 36,673                   | 6,520                      |
| <b>Total liquid assets</b>   | <b>\$ 740,906</b>        | <b>\$ 447,503</b>   | <b>\$ 1,188,409</b> | <b>\$ 626,247</b>        | <b>\$ 562,162</b>          |

|  | As at April 30, 2025     |   |                     |                          |                            |
|--|--------------------------|---|---------------------|--------------------------|----------------------------|
|  | Bank-owned liquid assets | Securities received as collateral from securities financing and derivative transactions | Total liquid assets | Encumbered liquid assets | Unencumbered liquid assets |
| (Millions of Canadian dollars)   |                          |   |                     |                          |                            |
| Cash and deposits with banks   | \$ 114,591               | \$ –  | \$ 114,591          | \$ 3,201                 | \$ 111,390                 |
| Securities issued or guaranteed by sovereigns, central banks or multilateral development banks (1) | 388,341                  | 347,516   | 735,857             | 415,596                  | 320,261                    |
| Other securities   | 155,750                  | 131,500   | 287,250             | 176,402                  | 110,848                    |
| Other liquid assets (2)  | 46,605                   | –   | 46,605              | 39,201                   | 7,404                      |
| <b>Total liquid assets</b>   | <b>\$ 705,287</b>        | <b>\$ 479,016</b>   | <b>\$ 1,184,303</b> | <b>\$ 634,400</b>        | <b>\$ 549,903</b>          |

|   | As at             |                   |
|---|-------------------|-------------------|
|   | July 31 2025      | April 30 2025     |
| (Millions of Canadian dollars)          |                   |                   |
| Royal Bank of Canada                    | \$ 257,850        | \$ 251,435        |
| Foreign branches                        | 87,553            | 91,270            |
| Subsidiaries                            | 216,759           | 207,198           |
| <b>Total unencumbered liquid assets</b> | <b>\$ 562,162</b> | <b>\$ 549,903</b> |

(1) Includes liquid securities issued by provincial governments and U.S. government-sponsored entities working under U.S. Federal government's conservatorship (e.g., Federal National Mortgage Association and Federal Home Loan Mortgage Corporation).

(2) Encumbered liquid assets amount represents cash collateral and margin deposit amounts pledged related to over-the-counter and exchange-traded derivative transactions.

The liquidity reserve is typically most affected by routine flows of retail and commercial client banking activities, where liquid asset portfolios reflect changes in deposit and loan balances, as well as business strategies and client flows related to the activities in Capital Markets. Corporate Treasury also affects liquidity reserves through the management of funding issuances, which could result in timing differences between when debt is issued and funds are deployed into business activities.

### Q3 2025 vs. Q2 2025

Total unencumbered liquid assets increased \$12 billion or 2% from last quarter, primarily due to an increase in on-balance sheet securities reflecting growth in deposits and funding, partially offset by a decrease in cash and deposits with banks.

## Asset encumbrance

The table below provides a summary of our on- and off-balance sheet amounts for cash, securities and other assets, distinguishing between those that are encumbered, and those available for sale or use as collateral in secured funding transactions. Other assets, such as mortgages and credit card receivables, can also be monetized, albeit over longer timeframes than those required for marketable securities. As at July 31, 2025, our unencumbered assets available as collateral comprised 25% of total assets (April 30, 2025 – 24%).

|   | As at July 31, 2025 |   |                     |                       |                  |                             |                     |
|---|---------------------|---|---------------------|-----------------------|------------------|-----------------------------|---------------------|
|   | Total Assets        |   |                     | Encumbered            |                  | Unencumbered                |                     |
|   | Bank-owned assets   | Securities received as collateral from securities financing and derivative transactions | Total               | Pledged as collateral | Other (1)        | Available as collateral (2) | Other (3)           |
| (Millions of Canadian dollars)          |                     |   |                     |                       |                  |                             |                     |
| Cash and deposits with banks            | \$ 107,751          | \$ –  | \$ 107,751          | \$ –                  | \$ 3,105         | \$ 104,646                  | \$ –                |
| Securities (4)                          | 548,454             | 504,926   | 1,053,380           | 612,660               | 29,766           | 407,724                     | 3,230               |
| Loans, net of allowance for loan losses |                     |   |                     |                       |                  |                             |                     |
| Mortgage securities                     | 57,498              | –   | 57,498              | 27,391                | –                | 30,107                      | –                   |
| Mortgage loans                          | 430,434             | –   | 430,434             | 62,285                | –                | 42,583                      | 325,566             |
| Other loans                             | 537,528             | –   | 537,528             | 6,313                 | –                | 27,738                      | 503,477             |
| Derivatives                             | 155,023             | –   | 155,023             | –                     | –                | –                           | 155,023             |
| Others (5)                              | 135,815             | –   | 135,815             | 36,673                | –                | 6,520                       | 92,622              |
| <b>Total</b>                            | <b>\$ 1,972,503</b> | <b>\$ 504,926</b>   | <b>\$ 2,477,429</b> | <b>\$ 745,322</b>     | <b>\$ 32,871</b> | <b>\$ 619,318</b>           | <b>\$ 1,079,918</b> |

|   | As at April 30, 2025 |   |                     |                       |                  |                             |                     |
|---|----------------------|---|---------------------|-----------------------|------------------|-----------------------------|---------------------|
|   | Total Assets         |   |                     | Encumbered            |                  | Unencumbered                |                     |
|   | Bank-owned assets    | Securities received as collateral from securities financing and derivative transactions | Total               | Pledged as collateral | Other (1)        | Available as collateral (2) | Other (3)           |
| (Millions of Canadian dollars)          |                      |   |                     |                       |                  |                             |                     |
| Cash and deposits with banks            | \$ 114,591           | \$ –  | \$ 114,591          | \$ –                  | \$ 3,201         | \$ 111,390                  | \$ –                |
| Securities (4)                          | 502,202              | 537,701   | 1,039,903           | 619,082               | 31,324           | 385,806                     | 3,691               |
| Loans, net of allowance for loan losses |                      |   |                     |                       |                  |                             |                     |
| Mortgage securities                     | 55,735               | –   | 55,735              | 26,769                | –                | 28,966                      | –                   |
| Mortgage loans                          | 425,368              | –   | 425,368             | 68,993                | –                | 38,928                      | 317,447             |
| Other loans                             | 526,203              | –   | 526,203             | 6,282                 | –                | 25,885                      | 494,036             |
| Derivatives                             | 188,211              | –   | 188,211             | –                     | –                | –                           | 188,211             |
| Others (5)                              | 137,601              | –   | 137,601             | 39,201                | –                | 7,404                       | 90,996              |
| <b>Total</b>                            | <b>\$ 1,949,911</b>  | <b>\$ 537,701</b>   | <b>\$ 2,487,612</b> | <b>\$ 760,327</b>     | <b>\$ 34,525</b> | <b>\$ 598,379</b>           | <b>\$ 1,094,381</b> |

(1) Includes assets restricted from use to generate secured funding due to legal or other constraints.

(2) Represents assets that are immediately available for use as collateral, including National Housing Act Mortgage-Backed Securities (NHA MBS), our unencumbered mortgage loans that qualify as eligible collateral at Federal Home Loan Banks (FHLB), as well as loans that qualify as eligible collateral for discount window facility available to us and lodged at the Federal Reserve Bank of New York (FRBNY).

(3) Other unencumbered assets are not subject to any restrictions on their use to secure funding or as collateral but would not be considered immediately available.

(4) Includes bank-owned liquid assets and securities received as collateral from off-balance sheet securities financing, derivative transactions, and margin lending. Includes \$30 billion (April 30, 2025 – \$31 billion) of collateral received through reverse repurchase transactions that cannot be rehypothecated in its current legal form.

(5) The Pledged as collateral amount represents cash collateral and margin deposit amounts pledged related to OTC and exchange-traded derivative transactions.

## Q3 2025 vs. Q2 2025

Total unencumbered assets available as collateral increased \$21 billion or 3% from last quarter, primarily due to an increase in on-balance sheet securities.

## Funding

### Funding strategy

Maintaining a diversified funding base is a key strategy for managing our liquidity risk profile.

Core funding, comprising capital, longer-term wholesale liabilities and a diversified pool of personal as well as the stable portion of our commercial and institutional deposits, is the foundation of our structural liquidity position.

Wholesale funding activities are well-diversified by geography, investor segment, instrument, currency, structure and maturity. We maintain an ongoing presence in different funding markets, which allows us to continuously monitor market developments and trends, identify opportunities and risks and take appropriate and timely actions.

We continuously evaluate opportunities to expand into new markets and untapped investor segments since diversification expands our wholesale funding flexibility, minimizes funding concentration and dependency and generally reduces financing costs.

We regularly assess our funding concentration and have implemented limits on certain funding sources to support diversification of our funding base.

### Deposit and funding profile

As at July 31, 2025, relationship-based deposits, which are the primary source of funding for retail and commercial lending, were \$987 billion or 54% of our total funding (April 30, 2025 – \$982 billion or 55%). The remaining portion is comprised of short- and long-term wholesale funding.

Funding for highly liquid assets consists primarily of short-term wholesale funding that reflects the monetization period of those assets. Long-term wholesale funding is used mostly to fund less liquid wholesale assets and to support liquid asset buffers.

Senior long-term debt issued by the bank on or after September 23, 2018, that has an original term greater than 400 days and is marketable, subject to certain exceptions, is subject to the Canadian Bank Recapitalization (Bail-in) regime. Under the Bail-in regime, in circumstances when the Superintendent of Financial Institutions has determined that a bank may no longer be viable, the Governor in Council may, upon a recommendation of the Minister of Finance that he or she is of the opinion that it is in the public interest to do so, grant an order directing the Canada Deposit Insurance Corporation (CDIC) to convert all or a portion of certain shares and liabilities of that bank into common shares. As at July 31, 2025, the notional value of issued and outstanding long-term debt subject to conversion under the Bail-in regime was \$123 billion (April 30, 2025 – \$119 billion).

For further details on our wholesale funding, refer to the Composition of wholesale funding tables below.

### Long-term debt issuance

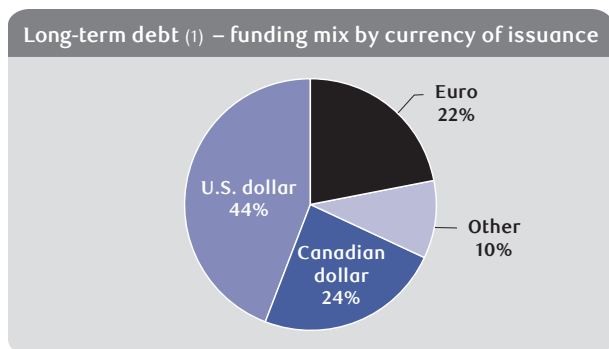
We operate long-term debt issuance registered programs. Each long-term debt program allows issuances in multiple currencies. The following table summarizes our registered programs and their authorized limits by geography:

#### Programs by geography

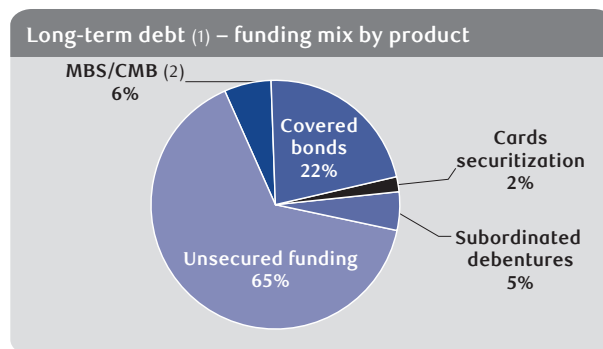
| Canada                                  | U.S.                                  | Europe  |
|---|---------------------------------------|---|
| • Canadian Shelf Program – \$25 billion | • U.S. Shelf Program – US\$75 billion | • European Debt Issuance Program – US\$75 billion |
|   |                                       | • Global Covered Bond Program – €75 billion       |

We also raise long-term funding using Canadian Senior Notes, Kangaroo Bonds (issued in the Australian domestic market by foreign firms) and Yankee Certificates of Deposit (issued in the U.S. domestic market by foreign firms).

As presented in the following charts, our current long-term debt profile is well-diversified by both currency and product.



(1) Includes unsecured and secured long-term funding and subordinated debentures with an original term to maturity greater than 1 year



(1) Includes unsecured and secured long-term funding and subordinated debentures with an original term to maturity greater than 1 year

(2) Mortgage-backed securities and Canada Mortgage Bonds

The following table shows the composition of wholesale funding based on remaining term to maturity:

### Composition of wholesale funding (1)

| (Millions of Canadian dollars)                   | As at July 31, 2025 |                  |                  |                  |                            |                   |                     |                   |
|--|---------------------|------------------|------------------|------------------|----------------------------|-------------------|---------------------|-------------------|
|  | Less than 1 month   | 1 to 3 months    | 3 to 6 months    | 6 to 12 months   | Less than 1 year sub-total | 1 year to 2 years | 2 years and greater | Total             |
| Deposits from banks (2)                          | \$ 4,171            | \$ 1,184         | \$ 496           | \$ 299           | \$ 6,150                   | \$ –              | \$ –                | \$ 6,150          |
| Certificates of deposit and commercial paper (3) | 5,265               | 30,802           | 34,811           | 36,077           | 106,955                    | –                 | –                   | 106,955           |
| Asset-backed commercial paper (4)                | 4,780               | 7,013            | 6,590            | 1,330            | 19,713                     | –                 | –                   | 19,713            |
| Senior unsecured medium-term notes (5)           | 122                 | 4,366            | 7,197            | 25,490           | 37,175                     | 25,901            | 62,694              | 125,770           |
| Senior unsecured structured notes (6)            | 3,917               | 1,563            | 1,525            | 3,643            | 10,648                     | 2,617             | 14,398              | 27,663            |
| Mortgage securitization                          | –                   | 154              | 509              | 742              | 1,405                      | 2,835             | 11,974              | 16,214            |
| Covered bonds/asset-backed securities (7)        | –                   | 3,503            | 3,230            | 8,184            | 14,917                     | 23,925            | 23,583              | 62,425            |
| Subordinated liabilities                         | –                   | –                | 2,078            | –                | 2,078                      | –                 | 11,825              | 13,903            |
| Other (8)  | 4,475               | 218              | 238              | 655              | 5,586                      | 22,024            | 197                 | 27,807            |
| <b>Total</b>                                     | <b>\$ 22,730</b>    | <b>\$ 48,803</b> | <b>\$ 56,674</b> | <b>\$ 76,420</b> | <b>\$ 204,627</b>          | <b>\$ 77,302</b>  | <b>\$ 124,671</b>   | <b>\$ 406,600</b> |
| Of which:  |                     |                  |                  |                  |                            |                   |                     |                   |
| – Secured  | \$ 9,153            | \$ 10,686        | \$ 10,329        | \$ 10,256        | \$ 40,424                  | \$ 26,760         | \$ 35,557           | \$ 102,741        |
| – Unsecured                                      | 13,577              | 38,117           | 46,345           | 66,164           | 164,203                    | 50,542            | 89,114              | 303,859           |

| (Millions of Canadian dollars)                   | As at April 30, 2025 |                  |                  |                  |                            |                   |                     |                   |
|--|----------------------|------------------|------------------|------------------|----------------------------|-------------------|---------------------|-------------------|
|  | Less than 1 month    | 1 to 3 months    | 3 to 6 months    | 6 to 12 months   | Less than 1 year sub-total | 1 year to 2 years | 2 years and greater | Total             |
| Deposits from banks (2)                          | \$ 2,932             | \$ 15            | \$ 883           | \$ 487           | \$ 4,317                   | \$ –              | \$ –                | \$ 4,317          |
| Certificates of deposit and commercial paper (3) | 11,187               | 17,706           | 29,680           | 34,647           | 93,220                     | –                 | –                   | 93,220            |
| Asset-backed commercial paper (4)                | 5,199                | 6,119            | 6,029            | 893              | 18,240                     | –                 | –                   | 18,240            |
| Senior unsecured medium-term notes (5)           | 3,442                | 5,108            | 4,489            | 15,189           | 28,228                     | 31,538            | 61,012              | 120,778           |
| Senior unsecured structured notes (6)            | 1,057                | 1,497            | 1,721            | 4,097            | 8,372                      | 5,631             | 11,135              | 25,138            |
| Mortgage securitization                          | –                    | 442              | 154              | 709              | 1,305                      | 2,046             | 12,937              | 16,288            |
| Covered bonds/asset-backed securities (7)        | 1,326                | 2,665            | 3,467            | 6,339            | 13,797                     | 27,626            | 24,475              | 65,898            |
| Subordinated liabilities                         | –                    | 1,249            | –                | 2,068            | 3,317                      | –                 | 10,437              | 13,754            |
| Other (8)  | 4,799                | 2,583            | 895              | 578              | 8,855                      | 20,646            | 202                 | 29,703            |
| <b>Total</b>                                     | <b>\$ 29,942</b>     | <b>\$ 37,384</b> | <b>\$ 47,318</b> | <b>\$ 65,007</b> | <b>\$ 179,651</b>          | <b>\$ 87,487</b>  | <b>\$ 120,198</b>   | <b>\$ 387,336</b> |
| Of which:  |                      |                  |                  |                  |                            |                   |                     |                   |
| – Secured  | \$ 11,224            | \$ 10,621        | \$ 10,339        | \$ 7,941         | \$ 40,125                  | \$ 29,672         | \$ 37,412           | \$ 107,209        |
| – Unsecured                                      | 18,718               | 26,763           | 36,979           | 57,066           | 139,526                    | 57,815            | 82,786              | 280,127           |

(1) Excludes bankers' acceptances and repos.

(2) Excludes deposits associated with services we provide to banks (e.g., custody, cash management).

(3) Includes bearer deposit notes (unsecured).

(4) Only includes consolidated liabilities, including our collateralized commercial paper program.

(5) Includes deposit notes and floating rate notes (unsecured).

(6) Includes notes where the payout is tied to movements in foreign exchange, commodities and equities.

(7) Includes covered bonds collateralized with residential mortgages and securities backed by credit card receivables.

(8) Includes tender option bonds (secured) of \$4,389 million (April 30, 2025 – \$4,715 million), other long-term structured deposits (unsecured) of \$23,221 million (April 30, 2025 – \$22,718 million), FHLB advances (secured) of \$nil (April 30, 2025 – \$2,068 million) and wholesale guaranteed interest certificates of \$197 million (April 30, 2025 – \$202 million).

## Credit ratings

Our ability to access unsecured funding markets and to engage in certain collateralized business activities on a cost-effective basis are largely dependent on maintaining competitive credit ratings. Credit ratings and outlooks provided by rating agencies reflect their views and methodologies. Ratings are subject to change, based on a number of factors including, but not limited to, our financial strength, competitive position, liquidity and other factors not completely within our control.

The following table presents our major credit ratings:

### Credit ratings (1)

|                                    | As at August 26, 2025 |                                  |                           |         |
|------------------------------------|-----------------------|----------------------------------|---------------------------|---------|
|                                    | Short-term debt       | Legacy senior long-term debt (2) | Senior long-term debt (3) | Outlook |
| Moody's <sup>‡</sup> (4)           | P-1                   | Aa1                              | A1                        | stable  |
| Standard & Poor's <sup>‡</sup> (5) | A-1+                  | AA-                              | A                         | stable  |
| Fitch Ratings <sup>‡</sup> (6)     | F1+                   | AA                               | AA-                       | stable  |
| DBRS <sup>‡</sup> (7)              | R-1 (high)            | AA (high)                        | AA                        | stable  |

(1) Credit ratings are not recommendations to purchase, sell or hold a financial obligation in as much as they do not comment on market price or suitability for a particular investor. Ratings are determined by the rating agencies based on criteria established from time to time by them and are subject to revision or withdrawal at any time by the rating organization.

(2) Includes senior long-term debt issued prior to September 23, 2018 and senior long-term debt issued on or after September 23, 2018 which is excluded from the Bail-in regime.

(3) Includes senior long-term debt issued on or after September 23, 2018 which is subject to conversion under the Bail-in regime.

(4) On October 8, 2024, Moody's affirmed our ratings with stable outlook.

(5) On June 25, 2024, Standard & Poor's affirmed our ratings with a stable outlook.

(6) On June 3, 2025, Fitch Ratings affirmed our ratings with a stable outlook.

(7) On May 9, 2025, DBRS affirmed our ratings with a stable outlook.

## Additional contractual obligations for rating downgrades

We are required to deliver collateral to certain counterparties in the event of a downgrade from our current credit rating. The following table shows the additional collateral obligations required at the reporting date in the event of a one-, two- or three-notch downgrade. These additional collateral obligations are incremental requirements for each successive downgrade and do not represent the cumulative impact of multiple downgrades. The amounts reported change periodically due to several factors, including the transfer of trading activity to centrally cleared financial market infrastructures and exchanges, the expiration of transactions with downgrade triggers, the imposition of internal limitations on new agreements to exclude downgrade triggers, as well as normal course mark-to-market. There is no outstanding senior debt issued in the market that contains rating triggers that would lead to early prepayment of principal.

| (Millions of Canadian dollars)                         | As at               |                     |                       |                     |                     |                       |
|--|---------------------|---------------------|-----------------------|---------------------|---------------------|-----------------------|
|  | July 31 2025        |                     |                       | April 30 2025       |                     |                       |
|  | One-notch downgrade | Two-notch downgrade | Three-notch downgrade | One-notch downgrade | Two-notch downgrade | Three-notch downgrade |
| Contractual derivatives funding or margin requirements | \$ 295              | \$ 110              | \$ 209                | \$ 264              | \$ 98               | \$ 195                |
| Other contractual funding or margin requirements (1)   | 36                  | 43                  | 19                    | 43                  | 23                  | 36                    |

(1) Includes Guaranteed Investment Certificates (GICs) issued by our municipal markets business out of New York.

## Liquidity Coverage Ratio (LCR)

The LCR is a Basel III metric that measures the sufficiency of high-quality liquid assets (HQLA) available to meet liquidity needs over a 30-day period in an acute stress scenario. The Basel Committee on Banking Supervision (BCBS) and OSFI regulatory minimum coverage level for LCR is 100%.

OSFI requires Canadian banks to disclose the LCR using the standard Basel disclosure template and calculated using the average of daily LCR positions during the quarter.

### Liquidity coverage ratio common disclosure template <sup>(1)</sup>

|   | For the three months ended                         |                                   |
|---|--|-----------------------------------|
|   | July 31<br>2025                                    |                                   |
|   | Total unweighted<br>value (average) <sup>(2)</sup> | Total weighted<br>value (average) |
| <i>(Millions of Canadian dollars, except percentage amounts)</i>  |  |                                   |
| <b>High-quality liquid assets</b>   |  |                                   |
| Total high-quality liquid assets (HQLA)   |  | \$ 462,083                        |
| <b>Cash outflows</b>  |  |                                   |
| <b>Retail deposits and deposits from small business customers, of which:</b>                                  | \$ 407,402   | \$ 37,659                         |
| <i>Stable deposits</i> <sup>(3)</sup>   | 133,815  | 4,014                             |
| <i>Less stable deposits</i>   | 273,587  | 33,645                            |
| <b>Unsecured wholesale funding, of which:</b>   | 515,849  | 239,313                           |
| <i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i> <sup>(4)</sup> | 184,293  | 43,194                            |
| <i>Non-operational deposits</i>   | 313,956  | 178,519                           |
| <i>Unsecured debt</i>   | 17,600   | 17,600                            |
| <b>Secured wholesale funding</b>  |  | 46,345                            |
| <b>Additional requirements, of which:</b>   | 435,480  | 93,303                            |
| <i>Outflows related to derivative exposures and other collateral requirements</i>                             | 92,708   | 27,209                            |
| <i>Outflows related to loss of funding on debt products</i>   | 11,431   | 11,431                            |
| <i>Credit and liquidity facilities</i>  | 331,341  | 54,663                            |
| <b>Other contractual funding obligations</b> <sup>(5)</sup>   | 25,790   | 25,790                            |
| <b>Other contingent funding obligations</b> <sup>(6)</sup>  | 891,378  | 14,981                            |
| <b>Total cash outflows</b>  |  | \$ 457,391                        |
| <b>Cash inflows</b>   |  |                                   |
| Secured lending (e.g., reverse repos)   | \$ 366,002   | \$ 61,678                         |
| Inflows from fully performing exposures   | 18,994   | 9,896                             |
| Other cash inflows  | 27,101   | 27,101                            |
| <b>Total cash inflows</b>   |  | \$ 98,675                         |
|   |  | Total<br>adjusted value           |
| Total HQLA  |  | \$ 462,083                        |
| Total net cash outflows   |  | 358,716                           |
| <b>Liquidity coverage ratio</b>   |  | 129%                              |

|  | April 30<br>2025        |            |
|--|-------------------------|------------|
|  | Total<br>adjusted value |            |
|  |                         |            |
| <i>(Millions of Canadian dollars, except percentage amounts)</i> |                         |            |
| Total HQLA   |                         | \$ 446,512 |
| Total net cash outflows  |                         | 340,008    |
| <b>Liquidity coverage ratio</b>                                  |                         | 131%       |

- (1) The LCR is calculated in accordance with OSFI's LAR guideline, which, in turn, reflects liquidity-related requirements issued by the BCBS. The LCR for the quarter ended July 31, 2025 is calculated as an average of 64 daily positions.
- (2) With the exception of other contingent funding obligations, unweighted inflow and outflow amounts are items maturing or callable in 30 days or less. Other contingent funding obligations also include debt securities with remaining maturity greater than 30 days.
- (3) As defined by the BCBS, stable deposits from retail and small business customers are deposits that are insured and are either held in transactional accounts or the bank has an established relationship with the client making the withdrawal unlikely.
- (4) Operational deposits from customers other than retail and small and medium-sized enterprises, are deposits which clients need to keep with the bank in order to facilitate their access and ability to use payment and settlement systems primarily for clearing, custody and cash management activities.
- (5) Other contractual funding obligations primarily include outflows from unsettled securities trades and outflows from obligations related to securities sold short.
- (6) Other contingent funding obligations include outflows related to other off-balance sheet facilities that carry low LCR runoff factors (0% – 5%).

We manage our LCR position within a target range that reflects our liquidity risk tolerance, business mix, asset composition and funding capabilities. The range is subject to periodic review, considering changes to internal requirements and external developments.

We maintain HQLA in major currencies with dependable market depth and breadth. Our treasury management practices are designed to ensure that the levels of HQLA are actively managed to meet target LCR objectives. Our Level 1 assets, as calculated according to OSFI LAR and the BCBS LCR requirements, represent 87% of total HQLA. These assets consist of cash, placements with central banks and highly rated securities issued or guaranteed by governments, central banks and supranational entities.

LCR captures cash flows from on- and off-balance sheet activities that are either expected or could potentially occur within 30 days in an acute stress scenario. Cash outflows result from the application of withdrawal and non-renewal factors to demand and term deposits, differentiated by client type (wholesale, retail and small- and medium-sized enterprises). Cash outflows also arise from business activities that create contingent funding and collateral requirements, such as repo funding, derivatives, short sales of securities and the extension of credit and liquidity commitments to clients. Cash inflows arise primarily from maturing secured loans, interbank loans and non-HQLA securities.

LCR does not reflect any market funding capacity that we believe would be available in a stress situation. All maturing wholesale debt is assigned 100% outflow in the LCR calculation.

### **Q3 2025 vs. Q2 2025**

The average LCR for the quarter ended July 31, 2025 was 129%, which translates into a surplus of approximately \$103 billion, compared to 131% and a surplus of approximately \$107 billion in the prior quarter. Average LCR decreased from the prior quarter, primarily due to loan growth, partially offset by lower funding requirements on securities and securities financing transactions and growth in deposits and funding.

### **Net Stable Funding Ratio (NSFR)**

NSFR is a Basel III metric that measures the sufficiency of available stable funding relative to the amount of required stable funding. The BCBS and OSFI regulatory minimum coverage level for NSFR is 100%.

Available stable funding is defined as the portion of capital and liabilities expected to be reliable over the one-year time horizon considered by the NSFR. Required stable funding is a function of the liquidity characteristics and residual maturities of various bank assets and off-balance sheet exposures.

OSFI requires Canadian Domestic Systemically Important Banks (D-SIBs) to disclose the NSFR using the standard Basel disclosure template. Amounts presented in this disclosure template are determined in accordance with the requirements of OSFI's LAR guideline and are not necessarily aligned with the classification requirements prescribed under IFRS.

## Net Stable Funding Ratio common disclosure template (1)

| (Millions of Canadian dollars, except percentage amounts)   | As at July 31, 2025                       |            |                      |           |                |
|---|---|------------|----------------------|-----------|----------------|
|   | Unweighted value by residual maturity (2) |            |                      |           | Weighted value |
|   | No maturity                               | < 6 months | 6 months to < 1 year | ≥ 1 year  |                |
| <b>Available Stable Funding (ASF) Item</b>  |   |            |                      |           |                |
| <b>Capital:</b>   | \$ 136,935                                | \$ –       | \$ –                 | \$ 12,693 | \$ 149,628     |
| Regulatory Capital  | 136,935                                   | –          | –                    | 12,693    | 149,628        |
| Other Capital Instruments   | –   | –          | –                    | –         | –              |
| <b>Retail deposits and deposits from small business customers:</b>  | 338,392                                   | 134,181    | 56,379               | 65,179    | 544,310        |
| Stable deposits (3)   | 104,512                                   | 56,689     | 29,076               | 27,743    | 208,505        |
| Less stable deposits  | 233,880                                   | 77,492     | 27,303               | 37,436    | 335,805        |
| <b>Wholesale funding:</b>   | 380,471                                   | 460,778    | 84,751               | 165,650   | 418,392        |
| Operational deposits (4)  | 191,571                                   | –          | –                    | –         | 95,785         |
| Other wholesale funding   | 188,900                                   | 460,778    | 84,751               | 165,650   | 322,607        |
| <b>Liabilities with matching interdependent assets (5)</b>  | –   | 1,556      | 1,319                | 22,541    | –              |
| <b>Other liabilities:</b>   | 54,106                                    |            | 252,624              |           | 22,677         |
| NSFR derivative liabilities   |   |            | 44,273               |           |                |
| All other liabilities and equity not included in the above categories   | 54,106                                    | 185,382    | 585                  | 22,384    | 22,677         |
| <b>Total ASF</b>  |   |            |                      |           | \$ 1,135,007   |
| <b>Required Stable Funding (RSF) Item</b>   |   |            |                      |           |                |
| <b>Total NSFR high-quality liquid assets (HQLA)</b>   |   |            |                      |           | \$ 39,598      |
| <b>Deposits held at other financial institutions for operational purposes</b>   | –   | 2,241      | –                    | –         | 1,120          |
| <b>Performing loans and securities:</b>   | 299,858                                   | 283,256    | 144,636              | 547,068   | 809,212        |
| Performing loans to financial institutions secured by Level 1 HQLA  | –   | 74,564     | 14,975               | 76        | 11,418         |
| Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions                               | 7,202                                     | 103,165    | 25,562               | 24,813    | 56,262         |
| Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which: | 200,661                                   | 56,178     | 38,505               | 187,284   | 376,728        |
| With a risk weight of less than or equal to 35% under the Basel II standardized approach for credit risk  | –   | 789        | 563                  | 5,721     | 4,394          |
| Performing residential mortgages, of which:   | 40,850                                    | 45,288     | 64,431               | 311,125   | 298,833        |
| With a risk weight of less than or equal to 35% under the Basel II standardized approach for credit risk  | 40,850                                    | 45,252     | 64,385               | 310,052   | 297,880        |
| Securities that are not in default and do not qualify as HQLA, including exchange-traded equities   | 51,145                                    | 4,061      | 1,163                | 23,770    | 65,971         |
| <b>Assets with matching interdependent liabilities (5)</b>  | –   | 1,556      | 1,319                | 22,541    | –              |
| <b>Other assets:</b>  | 6,520                                     |            | 374,610              |           | 111,691        |
| Physical traded commodities, including gold   | 6,520                                     |            |                      |           | 5,542          |
| Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs   |   |            | 29,509               |           | 25,083         |
| NSFR derivative assets  |   |            | 41,461               |           | –              |
| NSFR derivative liabilities before deduction of variation margin posted   |   |            | 90,083               |           | 4,504          |
| All other assets not included in the above categories   | –   | 144,847    | 95                   | 68,615    | 76,562         |
| <b>Off-balance sheet items</b>  | –   |            | 935,968              |           | 36,089         |
| <b>Total RSF</b>  |   |            |                      |           | \$ 997,710     |
| <b>Net Stable Funding Ratio (%)</b>   |   |            |                      |           | 114%           |

As at April 30, 2025

| (Millions of Canadian dollars, except percentage amounts) | Weighted value |
|---|----------------|
| <b>Total ASF</b>  | \$ 1,131,910   |
| <b>Total RSF</b>  | 977,531        |
| <b>Net Stable Funding Ratio (%)</b>                       | 116%           |

(1) The NSFR is calculated in accordance with OSFI's LAR guideline, which, in turn, reflects liquidity-related requirements issued by the BCBS.

(2) Totals for the following rows encompass the residual maturity categories of less than 6 months, 6 months to less than 1 year, and greater than or equal to 1 year in accordance with the requirements of the common disclosure template prescribed by OSFI: Other liabilities, NSFR derivative liabilities, Other assets, Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties (CCPs), NSFR derivative assets, NSFR derivative liabilities before deduction of variation margin posted and Off-balance sheet items.

(3) As defined by the BCBS, stable deposits from retail and small business customers are deposits that are insured and are either held in transactional accounts or the bank has an established relationship with the client making the withdrawal unlikely.

(4) Operational deposits from customers other than retail and small- and medium-sized enterprises, are deposits which clients need to keep with the bank in order to facilitate their access and ability to use payment and settlement systems primarily for clearing, custody and cash management activities.

(5) Interdependent assets and liabilities represent NHA MBS liabilities, including liabilities arising from transactions involving the Canada Mortgage Bond program and their corresponding encumbered mortgages.

Available stable funding is comprised primarily of a diversified pool of personal and commercial deposits, capital and long-term wholesale liabilities. Required stable funding is driven mainly by the bank's mortgage and loan portfolio, secured loans to financial institutions and to a lesser extent by other less liquid assets. NSFR does not reflect any unused market funding capacity that we believe would be available.

Volume and composition of available stable funding is actively managed to optimize our structural funding position and meet NSFR objectives. Our NSFR is managed in accordance with our comprehensive LRMF.

### Q3 2025 vs. Q2 2025

The NSFR as at July 31, 2025 was 114%, which translates into a surplus of approximately \$137 billion, compared to 116% and a surplus of approximately \$154 billion in the prior quarter. NSFR decreased compared to the previous quarter, primarily due to loan growth and higher funding requirements on securities and securities financing transactions.

### Contractual maturities of financial assets, financial liabilities and off-balance sheet items

The following tables provide remaining contractual maturity profiles of all our assets, liabilities, and off-balance sheet items at their carrying value (e.g., amortized cost or fair value) and maturity profiles of assets and liabilities of insurance contracts and reinsurance contracts held at their carrying value based on the estimated timing of when the settlement of the amounts are expected to occur at the balance sheet date. Off-balance sheet items are allocated based on the expiry date of the contract.

Details of contractual maturities and commitments to extend funds are a source of information for the management of liquidity risk. Among other purposes, these details form a basis for modelling a behavioural balance sheet with effective maturities to calculate liquidity risk measures. For further details, refer to the Risk measurement and internal liquidity section within the Liquidity and funding risk section of our 2024 Annual Report.

| (Millions of Canadian dollars)   | As at July 31, 2025 |                   |                   |                  |                   |                   |                    |                     |                           |                     |
|--|---------------------|-------------------|-------------------|------------------|-------------------|-------------------|--------------------|---------------------|---------------------------|---------------------|
|  | Less than 1 month   | 1 to 3 months     | 3 to 6 months     | 6 to 9 months    | 9 to 12 months    | 1 year to 2 years | 2 years to 5 years | 5 years and greater | With no specific maturity | Total               |
| <b>Assets</b>  |                     |                   |                   |                  |                   |                   |                    |                     |                           |                     |
| Cash and deposits with banks   | \$ 105,327          | \$ 10             | \$ –              | \$ –             | \$ 5              | \$ –              | \$ –               | \$ –                | \$ 2,409                  | \$ 107,751          |
| Securities   |                     |                   |                   |                  |                   |                   |                    |                     |                           |                     |
| Trading (1)  | 94,918              | 2,494             | 587               | 953              | 430               | 309               | 380                | 13,324              | 90,759                    | 204,154             |
| Investment, net of applicable allowance  | 4,315               | 13,717            | 17,671            | 18,424           | 16,386            | 74,863            | 79,602             | 107,525             | 1,355                     | 333,858             |
| Assets purchased under reverse repurchase agreements and securities borrowed (2)         | 112,515             | 65,156            | 27,439            | 14,789           | 22,480            | 206               | –                  | –                   | 23,247                    | 265,832             |
| Loans, net of applicable allowance   | 20,554              | 38,752            | 45,398            | 50,323           | 68,822            | 297,697           | 298,236            | 82,572              | 123,106                   | 1,025,460           |
| Other  |                     |                   |                   |                  |                   |                   |                    |                     |                           |                     |
| Customers' liability under acceptances   | 13                  | –                 | –                 | –                | –                 | –                 | 5                  | –                   | –                         | 18                  |
| Derivatives  | 13,668              | 17,076            | 15,375            | 9,212            | 7,257             | 17,584            | 31,641             | 43,210              | –                         | 155,023             |
| Other financial assets   | 48,030              | 4,622             | 2,513             | 495              | 583               | 381               | 746                | 1,582               | 4,086                     | 63,038              |
| Total financial assets   | 399,340             | 141,827           | 108,983           | 94,196           | 115,963           | 391,040           | 410,610            | 248,213             | 244,962                   | 2,155,134           |
| Other non-financial assets   | 14,483              | 2,150             | 2,659             | 396              | 318               | 2,823             | 3,553              | 9,424               | 36,953                    | 72,759              |
| <b>Total assets</b>  | <b>\$ 413,823</b>   | <b>\$ 143,977</b> | <b>\$ 111,642</b> | <b>\$ 94,592</b> | <b>\$ 116,281</b> | <b>\$ 393,863</b> | <b>\$ 414,163</b>  | <b>\$ 257,637</b>   | <b>\$ 281,915</b>         | <b>\$ 2,227,893</b> |
| <b>Liabilities and equity</b>  |                     |                   |                   |                  |                   |                   |                    |                     |                           |                     |
| Deposits (3)   |                     |                   |                   |                  |                   |                   |                    |                     |                           |                     |
| Unsecured borrowing  | \$ 105,718          | \$ 94,516         | \$ 100,688        | \$ 74,142        | \$ 80,032         | \$ 55,295         | \$ 85,399          | \$ 57,716           | \$ 716,358                | \$ 1,369,864        |
| Secured borrowing  | 5,111               | 9,563             | 8,930             | 1,977            | 1,322             | 9,043             | 12,498             | 8,450               | –                         | 56,894              |
| Covered bonds  | –                   | 2,368             | 3,231             | 3,134            | 5,001             | 21,322            | 15,576             | 4,087               | –                         | 54,719              |
| Other  |                     |                   |                   |                  |                   |                   |                    |                     |                           |                     |
| Acceptances  | 13                  | –                 | –                 | –                | –                 | –                 | 5                  | –                   | –                         | 18                  |
| Obligations related to securities sold short   | 39,695              | 1,848             | 1,456             | 757              | 2,336             | 980               | –                  | –                   | –                         | 47,072              |
| Obligations related to assets sold under repurchase agreements and securities loaned (2) | 132,293             | 92,575            | 14,419            | 3,154            | –                 | 1,641             | –                  | –                   | 22,205                    | 266,287             |
| Derivatives  | 13,261              | 18,489            | 16,920            | 9,858            | 7,905             | 18,728            | 31,655             | 42,046              | –                         | 158,862             |
| Other financial liabilities  | 44,381              | 3,371             | 2,930             | 1,913            | 1,534             | 1,198             | 2,577              | 19,566              | 2,068                     | 79,538              |
| Subordinated debentures  | –                   | –                 | 2,050             | –                | –                 | –                 | –                  | 11,782              | –                         | 13,832              |
| Total financial liabilities  | 340,472             | 222,730           | 150,624           | 94,935           | 98,130            | 108,207           | 147,710            | 143,647             | 740,631                   | 2,047,086           |
| Other non-financial liabilities  | 1,190               | 1,088             | 4,624             | 252              | 397               | 1,803             | 1,821              | 22,549              | 11,451                    | 45,175              |
| Equity   | –                   | –                 | –                 | –                | –                 | –                 | –                  | –                   | 135,632                   | 135,632             |
| <b>Total liabilities and equity</b>  | <b>\$ 341,662</b>   | <b>\$ 223,818</b> | <b>\$ 155,248</b> | <b>\$ 95,187</b> | <b>\$ 98,527</b>  | <b>\$ 110,010</b> | <b>\$ 149,531</b>  | <b>\$ 166,196</b>   | <b>\$ 887,714</b>         | <b>\$ 2,227,893</b> |
| <b>Off-balance sheet items</b>   |                     |                   |                   |                  |                   |                   |                    |                     |                           |                     |
| Financial guarantees   | \$ 726              | \$ 2,781          | \$ 4,643          | \$ 4,547         | \$ 4,433          | \$ 2,273          | \$ 6,453           | \$ 1,864            | \$ 24                     | \$ 27,744           |
| Commitments to extend credit   | 3,738               | 10,773            | 13,820            | 18,795           | 23,273            | 70,948            | 228,039            | 28,747              | 3,745                     | 401,878             |
| Other credit-related commitments   | 66,666              | 1,685             | 2,700             | 2,309            | 3,374             | 774               | 727                | 123                 | 74,648                    | 153,006             |
| Other commitments  | 6                   | 336               | 18                | 16               | 17                | 64                | 162                | 225                 | 967                       | 1,811               |
| <b>Total off-balance sheet items</b>   | <b>\$ 71,136</b>    | <b>\$ 15,575</b>  | <b>\$ 21,181</b>  | <b>\$ 25,667</b> | <b>\$ 31,097</b>  | <b>\$ 74,059</b>  | <b>\$ 235,381</b>  | <b>\$ 30,959</b>    | <b>\$ 79,384</b>          | <b>\$ 584,439</b>   |

(1) With the exception of debt securities within the Insurance segment, trading debt securities classified as FVTPL have been included in the less than 1 month category as there is no expectation to hold these assets to their contractual maturity.

(2) Open reverse repo and repo contracts, which have no set maturity date and are typically short-term, have been included in the with no specific maturity category.

(3) A major portion of relationship-based deposits are repayable on demand or at short notice on a contractual basis while, in practice, these customer balances form a core base for our operations and liquidity needs, as explained in the preceding Deposit and funding profile section.

| As at April 30, 2025   |                   |                   |                   |                   |                  |                   |                    |                     |                           |                     |
|--|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|--------------------|---------------------|---------------------------|---------------------|
| (Millions of Canadian dollars)   | Less than 1 month | 1 to 3 months     | 3 to 6 months     | 6 to 9 months     | 9 to 12 months   | 1 year to 2 years | 2 years to 5 years | 5 years and greater | With no specific maturity | Total               |
| <b>Assets</b>  |                   |                   |                   |                   |                  |                   |                    |                     |                           |                     |
| Cash and deposits with banks   | \$ 112,201        | \$ 12             | \$ –              | \$ –              | \$ 5             | \$ –              | \$ –               | \$ –                | \$ 2,373                  | \$ 114,591          |
| Securities   |                   |                   |                   |                   |                  |                   |                    |                     |                           |                     |
| Trading (1)  | 88,695            | 2,454             | 1,371             | 104               | 496              | 239               | 547                | 13,533              | 81,698                    | 189,137             |
| Investment, net of applicable allowance  | 7,828             | 7,930             | 15,708            | 17,701            | 14,894           | 58,797            | 70,507             | 108,649             | 1,346                     | 303,360             |
| Assets purchased under reverse repurchase agreements and securities borrowed (2)         | 133,553           | 52,321            | 59,562            | 14,113            | 21,286           | 179               | –                  | –                   | 20,913                    | 301,927             |
| Loans, net of applicable allowance (3)   | 28,716            | 31,650            | 47,567            | 49,167            | 52,370           | 291,986           | 301,643            | 82,969              | 121,238                   | 1,007,306           |
| Other  |                   |                   |                   |                   |                  |                   |                    |                     |                           |                     |
| Customers' liability under acceptances   | 20                | 2                 | –                 | –                 | –                | –                 | 6                  | –                   | –                         | 28                  |
| Derivatives  | 18,188            | 19,391            | 12,977            | 14,693            | 9,326            | 24,134            | 40,824             | 48,678              | –                         | 188,211             |
| Other financial assets   | 51,448            | 3,918             | 2,432             | 605               | 828              | 163               | 704                | 1,726               | 3,585                     | 65,409              |
| <b>Total financial assets</b>  | <b>440,649</b>    | <b>117,678</b>    | <b>139,617</b>    | <b>96,383</b>     | <b>99,205</b>    | <b>375,498</b>    | <b>414,231</b>     | <b>255,555</b>      | <b>231,153</b>            | <b>2,169,969</b>    |
| Other non-financial assets   | 14,192            | 2,228             | 1,530             | 328               | 258              | 2,640             | 3,336              | 9,486               | 38,166                    | 72,164              |
| <b>Total assets</b>  | <b>\$ 454,841</b> | <b>\$ 119,906</b> | <b>\$ 141,147</b> | <b>\$ 96,711</b>  | <b>\$ 99,463</b> | <b>\$ 378,138</b> | <b>\$ 417,567</b>  | <b>\$ 265,041</b>   | <b>\$ 269,319</b>         | <b>\$ 2,242,133</b> |
| <b>Liabilities and equity</b>  |                   |                   |                   |                   |                  |                   |                    |                     |                           |                     |
| <b>Deposits (4)</b>  |                   |                   |                   |                   |                  |                   |                    |                     |                           |                     |
| Unsecured borrowing  | \$ 101,249        | \$ 76,791         | \$ 95,030         | \$ 87,050         | \$ 66,447        | \$ 54,824         | \$ 86,394          | \$ 54,846           | \$ 710,263                | \$ 1,332,894        |
| Secured borrowing  | 5,461             | 8,084             | 8,606             | 2,505             | 843              | 7,326             | 13,002             | 9,727               | –                         | 55,554              |
| Covered bonds  | 1,326             | 2,662             | 2,328             | 3,223             | 3,084            | 25,022            | 16,603             | 4,090               | –                         | 58,338              |
| Other  |                   |                   |                   |                   |                  |                   |                    |                     |                           |                     |
| Acceptances  | 20                | 2                 | –                 | –                 | –                | –                 | 6                  | –                   | –                         | 28                  |
| Obligations related to securities sold short   | 38,529            | 3,317             | 2,404             | 1,209             | 712              | 652               | –                  | –                   | –                         | 46,823              |
| Obligations related to assets sold under repurchase agreements and securities loaned (2) | 189,556           | 49,147            | 19,483            | 1,497             | –                | 938               | –                  | –                   | 20,705                    | 281,326             |
| Derivatives  | 20,333            | 24,626            | 14,766            | 14,073            | 9,946            | 24,856            | 40,030             | 45,714              | –                         | 194,344             |
| Other financial liabilities  | 46,110            | 5,010             | 3,295             | 1,780             | 1,666            | 1,457             | 2,560              | 19,640              | 1,041                     | 82,559              |
| Subordinated debentures  | –                 | –                 | –                 | 2,032             | –                | –                 | –                  | 11,713              | –                         | 13,745              |
| <b>Total financial liabilities</b>   | <b>402,584</b>    | <b>169,639</b>    | <b>145,912</b>    | <b>113,369</b>    | <b>82,698</b>    | <b>115,075</b>    | <b>158,595</b>     | <b>145,730</b>      | <b>732,009</b>            | <b>2,065,611</b>    |
| Other non-financial liabilities  | 1,359             | 1,125             | 229               | 3,833             | 405              | 1,604             | 1,703              | 22,565              | 11,169                    | 43,992              |
| Equity   | –                 | –                 | –                 | –                 | –                | –                 | –                  | –                   | 132,530                   | 132,530             |
| <b>Total liabilities and equity</b>  | <b>\$ 403,943</b> | <b>\$ 170,764</b> | <b>\$ 146,141</b> | <b>\$ 117,202</b> | <b>\$ 83,103</b> | <b>\$ 116,679</b> | <b>\$ 160,298</b>  | <b>\$ 168,295</b>   | <b>\$ 875,708</b>         | <b>\$ 2,242,133</b> |
| <b>Off-balance sheet items</b>   |                   |                   |                   |                   |                  |                   |                    |                     |                           |                     |
| Financial guarantees   | \$ 981            | \$ 3,006          | \$ 3,956          | \$ 4,608          | \$ 4,778         | \$ 2,368          | \$ 5,738           | \$ 2,097            | \$ 24                     | \$ 27,556           |
| Commitments to extend credit   | 6,015             | 10,823            | 13,744            | 14,860            | 22,156           | 63,567            | 221,716            | 24,777              | 4,240                     | 381,898             |
| Other credit-related commitments   | 69,646            | 2,055             | 2,620             | 2,759             | 2,186            | 417               | 1,205              | 122                 | 74,438                    | 155,448             |
| Other commitments  | 6                 | 11                | 17                | 18                | 17               | 64                | 163                | 231                 | 948                       | 1,475               |
| <b>Total off-balance sheet items</b>   | <b>\$ 76,648</b>  | <b>\$ 15,895</b>  | <b>\$ 20,337</b>  | <b>\$ 22,245</b>  | <b>\$ 29,137</b> | <b>\$ 66,416</b>  | <b>\$ 228,822</b>  | <b>\$ 27,227</b>    | <b>\$ 79,650</b>          | <b>\$ 566,377</b>   |

- (1) With the exception of debt securities within the Insurance segment, trading debt securities classified as FVTPL have been included in the less than 1 month category as there is no expectation to hold these assets to their contractual maturity.
- (2) Open reverse repo and repo contracts, which have no set maturity date and are typically short-term, have been included in the with no specific maturity category.
- (3) Comparative amounts have been revised from those previously presented.
- (4) A major portion of relationship-based deposits are repayable on demand or at short notice on a contractual basis while, in practice, these customer balances form a core base for our operations and liquidity needs, as explained in the preceding Deposit and funding profile section.

## Capital management

We continue to manage our capital in accordance with our Capital Management Framework as described in our 2024 Annual Report. In addition, we continue to monitor for new regulatory capital developments, including OSFI guidance, in order to comply with these requirements as disclosed in the Capital management section in our 2024 Annual Report, and as updated below.

OSFI expects Canadian banks to meet the Basel III targets for CET1, Tier 1 and Total capital ratios as per CAR guidelines. Under Basel III, banks select from two main approaches, the Standardized Approach (SA) or the Internal Ratings Based (IRB) Approach, to calculate their minimum regulatory capital required to support credit, market and operational risks. We apply the IRB approach to credit risk to determine minimum regulatory capital requirements for the majority of our portfolios. Certain credit risk portfolios are subject to the SA, primarily in Wealth Management including our City National wholesale portfolio, our Caribbean Banking operations and certain non-mortgage retail portfolios acquired through the HSBC Canada transaction. For consolidated regulatory reporting of market risk capital and operational risk capital, we use the revised SA as noted in our 2024 Annual Report.

The Financial Stability Board (FSB) has re-designated us as a Global Systemically Important Bank (G-SIB). This designation requires us to maintain a higher loss absorbency requirement (common equity as a percentage of RWA) of 1% consistent with the D-SIB requirement. In addition to the Basel III targets, OSFI established a Domestic Stability Buffer (DSB) applicable to all Canadian D-SIBs to further ensure the financial stability of the Canadian financial system. The current OSFI requirement for the DSB is set at 3.5% of total RWA as reaffirmed by OSFI on June 26, 2025.

Under OSFI's Total Loss Absorbing Capacity (TLAC) guideline, D-SIBs are required to maintain a risk-based TLAC ratio which builds on the risk-based capital ratios described in the CAR guideline, and a TLAC leverage ratio which builds on the leverage ratio described in OSFI's LR guideline. The TLAC requirement is intended to address the sufficiency of a D-SIB's loss

absorbing capacity in supporting its recapitalization in the event of its failure. TLAC is defined as the aggregate of Tier 1 capital, Tier 2 capital and external TLAC instruments, which allow conversion in whole or in part into common shares under the CDIC Act and meet all of the eligibility criteria under the TLAC guideline.

On February 12, 2025, OSFI announced an indefinite delay to increases in the capital floor factor prescribed in its CAR guideline and maintained the current 67.5% of RWA (as calculated using only the SA for credit, market and operational risk). OSFI committed to providing at least two years notice to affected banks prior to resuming increases in the capital floor.

Our methodology for allocating capital to our business segments is based on the Basel III regulatory capital requirements, with the exception of Insurance. Effective the first quarter of 2025, we increased our capital attribution rates to our business segments. For further details, refer to the How we measure and report our business segments section.

For further details, refer to the Capital management section of our 2024 Annual Report.

The following table provides a summary of OSFI's current regulatory target ratios under Basel III and Pillar 2 requirements. We are in compliance with all current capital, leverage and TLAC requirements imposed by OSFI:

| Basel III capital, leverage and TLAC ratios | OSFI regulatory target requirements for large banks under Basel III |                 |                                   |                                      |   | Domestic Stability Buffer <sup>(3)</sup> | Minimum including Capital Buffers, D-SIB/G-SIB surcharge and Domestic Stability Buffer as at July 31, 2025 <sup>(4)</sup> | RBC capital, leverage and TLAC ratios as at July 31, 2025 |
|---|---|-----------------|-----------------------------------|--------------------------------------|---|--|---|---|
|   | Minimum   | Capital Buffers | Minimum including Capital Buffers | D-SIB/G-SIB surcharge <sup>(1)</sup> | Minimum including Capital Buffers and D-SIB/G-SIB surcharge <sup>(1), (2)</sup> |  |   |   |
| Common Equity Tier 1                        | 4.5%  | 2.6%            | 7.1%                              | 1.0%                                 | 8.1%  | 3.5%                                     | 11.6%   | 13.2%   |
| Tier 1 capital                              | 6.0%  | 2.6%            | 8.6%                              | 1.0%                                 | 9.6%  | 3.5%                                     | 13.1%   | 14.8%   |
| Total capital                               | 8.0%  | 2.6%            | 10.6%                             | 1.0%                                 | 11.6%   | 3.5%                                     | 15.1%   | 16.6%   |
| Leverage ratio                              | 3.0%  | n.a.            | 3.0%                              | 0.5%                                 | 3.5%  | n.a.                                     | 3.5%  | 4.5%  |
| TLAC ratio                                  | 21.6%   | n.a.            | 21.6%                             | n.a.                                 | 21.6%   | 3.5%                                     | 25.1%   | 30.9%   |
| TLAC leverage ratio                         | 7.25%   | n.a.            | 7.25%                             | n.a.                                 | 7.25%   | n.a.                                     | 7.25%   | 9.3%  |

- (1) A capital surcharge, equal to the higher of our D-SIB surcharge and the BCBS's G-SIB surcharge, is applicable to risk-weighted capital. For leverage ratio, only 50% of our D-SIB surcharge for capital is the required surcharge.
- (2) The capital buffers include the capital conservation buffer of 2.5% and the countercyclical capital buffer (CCyB) as prescribed by OSFI. The CCyB, calculated in accordance with OSFI's CAR guidelines, was 0.08% as at July 31, 2025 (April 30, 2025 – 0.09%; October 31, 2024 – 0.08%).
- (3) The DSB can range from 0% to 4% of total RWA and is currently set at 3.5%.
- (4) Minimum target requirements reflect CCyB requirements as at July 31, 2025 which are subject to change based on exposures held at the reporting date.
- n.a. not applicable

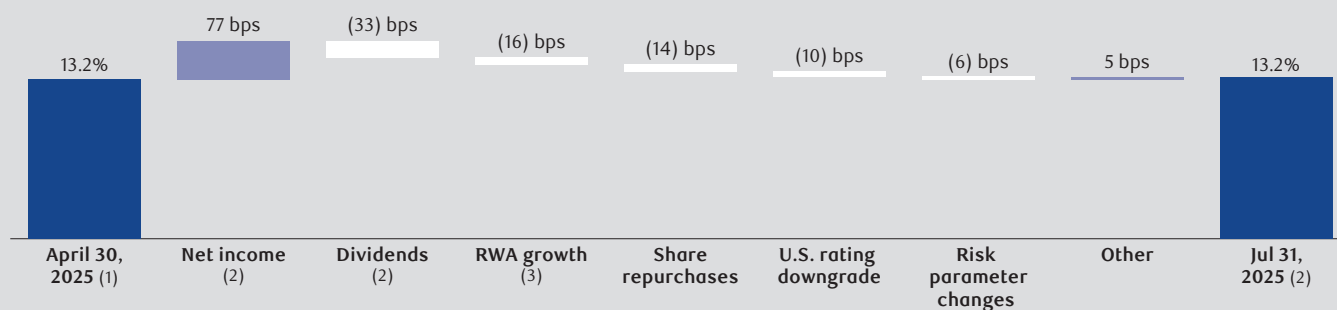
The following table provides details on our regulatory capital, TLAC available, RWA, and on ratios for capital, leverage and TLAC. Our capital position remains strong and our capital, leverage and TLAC ratios remain well above OSFI regulatory targets.

|  | As at             |                   |                   |
|--|-------------------|-------------------|-------------------|
|  | July 31 2025      | April 30 2025     | October 31 2024   |
| (Millions of Canadian dollars, except percentage amounts and as otherwise noted) |                   |                   |                   |
| <b>Capital <sup>(1)</sup></b>  |                   |                   |                   |
| CET1 capital   | \$ 95,654         | \$ 92,829         | \$ 88,936         |
| Tier 1 capital   | 107,155           | 103,194           | 97,952            |
| Total capital  | 119,848           | 116,237           | 110,487           |
| <b>RWA used in calculation of capital ratios <sup>(1)</sup></b>                  |                   |                   |                   |
| Credit risk  | \$ 589,582        | \$ 570,953        | \$ 548,809        |
| Market risk  | 37,936            | 39,287            | 33,930            |
| Operational risk   | 95,637            | 93,680            | 89,543            |
| <b>Total RWA</b>   | <b>\$ 723,155</b> | <b>\$ 703,920</b> | <b>\$ 672,282</b> |
| <b>Capital ratios and Leverage ratio <sup>(1)</sup></b>                          |                   |                   |                   |
| CET1 ratio   | 13.2%             | 13.2%             | 13.2%             |
| Tier 1 capital ratio   | 14.8%             | 14.7%             | 14.6%             |
| Total capital ratio  | 16.6%             | 16.5%             | 16.4%             |
| Leverage ratio   | 4.5%              | 4.3%              | 4.2%              |
| Leverage ratio exposure  | \$ 2,404,301      | \$ 2,379,092      | \$ 2,344,228      |
| <b>TLAC available and ratios <sup>(2)</sup></b>                                  |                   |                   |                   |
| TLAC available   | \$ 223,343        | \$ 217,931        | \$ 196,659        |
| TLAC ratio   | 30.9%             | 31.0%             | 29.3%             |
| TLAC leverage ratio  | 9.3%              | 9.2%              | 8.4%              |

- (1) Capital, RWA and capital ratios are calculated using OSFI's CAR guideline and the Leverage ratio is calculated using OSFI's LR guideline. Both the CAR guideline and LR guideline are based on the Basel III framework.
- (2) TLAC available and TLAC ratios are calculated using OSFI's TLAC guideline. The TLAC standard is applied at the resolution entity level which for us is deemed to be Royal Bank of Canada and its subsidiaries. A resolution entity and its subsidiaries are collectively called a resolution group. The TLAC ratio and TLAC leverage ratio are calculated using the TLAC available as a percentage of total RWA and leverage exposure, respectively.

## Q3 2025 vs. Q2 2025

## Continuity of CET1 ratio (Basel III)



(1) Represents rounded figures.

(2) Represents net internal capital generation of \$3.1 billion or 44 bps consisting of Net income available to shareholders less common and preferred share dividends and distributions on other equity instruments.

(3) Excludes the impact of foreign exchange translation (included in Other), U.S. rating downgrade and risk parameter changes.

Our CET1 ratio of 13.2% was unchanged from last quarter, reflecting net internal capital generation that was offset by RWA growth, share repurchases, the impact of a U.S. rating downgrade and risk parameter changes.

Total RWA increased by \$19 billion, mainly due to business growth, the impact of a U.S. rating downgrade, risk parameter changes and foreign exchange translation. Business growth primarily reflects higher corporate lending, loan underwriting commitments and residential mortgages, partially offset by a reduction in market risk. In our CET1 ratio, the impact of foreign exchange translation on RWA is largely mitigated with economic hedges.

Our Tier 1 capital ratio of 14.8% was up 10 bps and our Total capital ratio of 16.6% was up 10 bps, mainly reflecting net issuance of Additional Tier 1 instruments.

Our Leverage ratio of 4.5% was up 20 bps from last quarter, primarily due to net internal capital generation and net issuance of Additional Tier 1 instruments, partially offset by share repurchases and growth in leverage exposures.

Total leverage exposures increased by \$25 billion, primarily due to growth in securities and retail and wholesale loans, partially offset by lower repo-style transactions.

Our TLAC ratio of 30.9% was down 10 bps, mainly reflecting higher RWA, partially offset by net internal capital generation and a favourable impact from a net increase in eligible external TLAC instruments.

Our TLAC leverage ratio of 9.3% was up 10 bps, reflecting the factors noted above under the Leverage ratio, as well as a favourable impact from a net increase in eligible external TLAC instruments.

External TLAC instruments include long-term debt subject to conversion under the Bail-in regime. For further details, refer to Deposit and funding profile in the Liquidity and funding risk section.

**Selected capital management activity**

The following table provides our selected capital management activity:

|  | For the three months ended<br>July 31, 2025 |                            |         | For the nine months ended<br>July 31, 2025 |         |
|--|---|----------------------------|---------|--|---------|
|  | Issuance or<br>redemption date              | Number of<br>shares (000s) | Amount  | Number of<br>shares (000s)                 | Amount  |
| (Millions of Canadian dollars, except number of shares)          |   |                            |         |  |         |
| <b>Tier 1 capital</b>  |   |                            |         |  |         |
| Common shares activity   |   |                            |         |  |         |
| Issued in connection with share-based compensation plans (1)     |   | 227                        | \$ 22   | 601  | \$ 58   |
| Purchased for cancellation (2)                                   |   | (5,445)                    | (81)    | (10,400)                                   | (155)   |
| Issuance of limited recourse capital notes (LRCNs)               |   |                            |         |  |         |
| Series 5 (2), (3), (4)   | November 1, 2024                            | –                          | –       | 1,000                                      | 1,396   |
| Redemption of preferred shares, Series BD (2), (3)               | May 24, 2025                                | (24,000)                   | (600)   | (24,000)                                   | (600)   |
| Issuance of limited recourse capital notes (LRCNs)               |   |                            |         |  |         |
| Series 6 (2), (3), (4)   | June 11, 2025                               | 1,250                      | 1,708   | 1,250                                      | 1,708   |
| <b>Tier 2 capital</b>  |   |                            |         |  |         |
| Redemption of December 23, 2029 subordinated debentures (2), (3) |   |                            |         |  |         |
|  | December 23, 2024                           |                            | –       |  | (1,500) |
| Issuance of February 4, 2035 subordinated debentures (2), (3)    |   |                            |         |  |         |
|  | January 29, 2025                            |                            | –       |  | 1,500   |
| Redemption of June 30, 2030 subordinated debentures (2), (3)     |   |                            |         |  |         |
|  | June 30, 2025                               |                            | (1,250) |  | (1,250) |
| Issuance of July 3, 2035 subordinated debentures (2), (3)        |   |                            |         |  |         |
|  | July 3, 2025                                |                            | 1,250   |  | 1,250   |
| Issuance of July 17, 2035 subordinated debentures (2), (3)       |   |                            |         |  |         |
|  | July 17, 2025                               |                            | 241     |  | 241     |

(1) Amounts include cash received for stock options exercised during the period and fair value adjustments to stock options.

(2) For further details, refer to Note 10 of our Condensed Financial Statements.

(3) Non-Viability Contingent Capital (NVCC) instruments.

(4) For the LRCNs, the number of shares represents the number of notes issued.

On June 10, 2024, we announced a normal course issuer bid (NCIB) to purchase up to 30 million of our common shares. This NCIB was completed on June 11, 2025, with 8,957 thousand common shares repurchased and cancelled at a total cost of approximately \$1,510 million.

On June 10, 2025, we announced an NCIB to purchase up to 35 million of our common shares, commencing on June 12, 2025 and continuing until June 11, 2026, or such earlier date as we complete the repurchase of all shares permitted under the bid. Since the inception of this NCIB, the total number of common shares repurchased and cancelled is approximately 2,331 thousand, at a cost of approximately \$411 million.

For the three months ended July 31, 2025, the total number of common shares repurchased and cancelled under our NCIB programs was approximately 5,445 thousand. The total cost of the shares repurchased was \$955 million.

We determine the amount and timing of purchases under the NCIB, subject to prior consultation with OSFI. Purchases may be made through the TSX, the NYSE and other designated exchanges and alternative Canadian trading systems. The price paid for repurchased shares is the prevailing market price at the time of acquisition.

On November 1, 2024, we issued US\$1,000 million of LRCN Series 5 at a price of US\$1,000 per note. The LRCN Series 5 bear interest at a fixed rate of 6.350% per annum until November 24, 2034. Thereafter, the interest rate on the LRCN Series 5 will reset every five years at a rate per annum equal to the prevailing 5-Year U.S. Treasury Rate plus 2.257% until their maturity on November 24, 2084.

On December 23, 2024, we redeemed all \$1,500 million of our outstanding NVCC 2.88% subordinated debentures due December 23, 2029 for 100% of their principal amount plus accrued interest to, but excluding, the redemption date.

On January 29, 2025, we issued \$1,500 million of NVCC subordinated debentures. The notes bear interest at a fixed rate of 4.279% per annum until February 4, 2030, and at the Daily Compounded Canadian Overnight Repo Rate Average (CORRA) plus 1.45% thereafter until their maturity on February 4, 2035.

On May 24, 2025, we redeemed all 24 million of our issued and outstanding Non-Cumulative 5-Year Rate Reset First Preferred Shares Series BD at a price of \$25 per share.

On June 11, 2025, we issued US\$1,250 million of LRCN Series 6 at a price of US\$1,000 per note. The LRCN Series 6 bear interest at a fixed rate of 6.750% per annum until August 24, 2030. Thereafter, the interest rate on the LRCN Series 6 will reset every five years at a rate per annum equal to the prevailing 5-Year U.S. Treasury Rate plus 2.815% until their maturity on August 24, 2085.

On June 30, 2025, we redeemed all \$1,250 million of our outstanding NVCC 2.088% subordinated debentures due June 30, 2030 for 100% of their principal amount plus accrued interest to, but excluding, the redemption date.

On July 3, 2025, we issued \$1,250 million of NVCC subordinated debentures. The notes bear interest at a fixed rate of 4.214% per annum until July 3, 2030, and at the Daily Compounded CORRA plus 1.51% thereafter until their maturity on July 3, 2035.

On July 17, 2025, we issued ¥26,000 million of NVCC subordinated debentures. The notes bear interest at a fixed rate of 1.963% per annum until July 17, 2030, and at the 5-year Tokyo Overnight Average Rate mid-swap rate plus 1.02% thereafter until their maturity on July 17, 2035.

Selected share data <sup>(1)</sup>

|  | As at July 31, 2025     |           |                              |
|--|-------------------------|-----------|------------------------------|
|  | Number of shares (000s) | Amount    | Dividends declared per share |
| (Millions of Canadian dollars, except number of shares and as otherwise noted)             |                         |           |                              |
| Common shares issued   | 1,405,281               | \$ 20,916 | \$ 1.54                      |
| Treasury shares – common shares <sup>(2)</sup>   | (237)                   | (43)      |                              |
| Common shares outstanding  | 1,405,044               | \$ 20,873 |                              |
| Stock options and awards   |                         |           |                              |
| Outstanding  | 7,685                   |           |                              |
| Exercisable  | 3,717                   |           |                              |
| First preferred shares issued  |                         |           |                              |
| Non-cumulative Series BF <sup>(3), (4)</sup>   | 12,000                  | \$ 300    | \$ 0.19                      |
| Non-cumulative Series BH <sup>(4)</sup>  | 6,000                   | 150       | 0.31                         |
| Non-cumulative Series BI <sup>(4)</sup>  | 6,000                   | 150       | 0.31                         |
| Non-cumulative Series BO <sup>(3), (4)</sup>   | 14,000                  | 350       | 0.37                         |
| Non-cumulative Series BT <sup>(3), (4), (5)</sup>  | 750                     | 750       | 4.20%                        |
| Non-cumulative Series BU <sup>(3), (4), (5)</sup>  | 750                     | 750       | 7.41%                        |
| Non-cumulative Series BW <sup>(3), (4), (5)</sup>  | 600                     | 600       | 6.70%                        |
| Other equity instruments issued  |                         |           |                              |
| Limited recourse capital notes Series 1 <sup>(3), (4), (6), (7)</sup>                      | 1,750                   | 1,750     | 4.50%                        |
| Limited recourse capital notes Series 2 <sup>(3), (4), (6), (7)</sup>                      | 1,250                   | 1,250     | 4.00%                        |
| Limited recourse capital notes Series 3 <sup>(3), (4), (6), (7)</sup>                      | 1,000                   | 1,000     | 3.65%                        |
| Limited recourse capital notes Series 4 <sup>(3), (4), (6), (7)</sup>                      | 1,000                   | 1,370     | 7.50%                        |
| Limited recourse capital notes Series 5 <sup>(3), (4), (6), (7)</sup>                      | 1,000                   | 1,396     | 6.35%                        |
| Limited recourse capital notes Series 6 <sup>(3), (4), (6), (7)</sup>                      | 1,250                   | 1,708     | 6.75%                        |
| Preferred shares and other equity instruments issued                                       | 47,350                  | 11,524    |                              |
| Treasury instruments – preferred shares and other equity instruments <sup>(2)</sup>        | (20)                    | (26)      |                              |
| Preferred shares and other equity instruments outstanding                                  | 47,330                  | \$ 11,498 |                              |
| Dividends on common shares   |                         | \$ 2,165  |                              |
| Dividends on preferred shares and distributions on other equity instruments <sup>(8)</sup> |                         | 125       |                              |

- (1) For further details about our capital management activity, refer to Note 10 of our Condensed Financial Statements.
- (2) Positive amounts represent a short position and negative amounts represent a long position.
- (3) Dividend rate will reset every five years.
- (4) NVCC instruments.
- (5) The dividends declared per share represent the per annum dividend rate applicable to the shares issued as at the reporting date.
- (6) For LRCN Series, the number of shares represent the number of notes issued and the dividends declared per share represent the annual interest rate percentage applicable to the notes issued as at the reporting date.
- (7) In connection with the issuance of LRCN Series 1, on July 28, 2020, we issued \$1,750 million of First Preferred Shares Series BQ (Series BQ); in connection with the issuance of LRCN Series 2, on November 2, 2020, we issued \$1,250 million of First Preferred Shares Series BR (Series BR); in connection with the issuance of LRCN Series 3, on June 8, 2021, we issued \$1,000 million of First Preferred Shares Series BS (Series BS); in connection with the issuance of LRCN Series 4 on April 24, 2024, we issued US\$1,000 million of First Preferred Shares Series BV (Series BV); in connection with the issuance of LRCN Series 5 on November 1, 2024, we issued US\$1,000 million of First Preferred Shares Series BX (Series BX); and in connection with the issuance of LRCN Series 6 on June 11, 2025, we issued US\$1,250 million of First Preferred Shares Series BY (Series BY). The Series BQ, BR and BS preferred shares were issued at a price of \$1,000 per share and the Series BV, BX and BY preferred shares were issued at a price of US\$1,000 per share. The Series BQ, BR, BS, BV, BX and BY preferred shares were issued to a consolidated trust to be held as trust assets in connection with the LRCN series. For further details, refer to Note 19 of our audited 2024 Annual Consolidated Financial Statements.
- (8) Excludes distributions to non-controlling interests.

As at August 22, 2025, the number of outstanding common shares was 1,404,990,158, net of treasury shares held of 307,575, and the number of stock options and awards was 7,667,677.

NVCC provisions require the conversion of the capital instrument into a variable number of common shares in the event that OSFI deems a bank to be non-viable or a federal or provincial government in Canada publicly announces that a bank has accepted or agreed to accept a capital injection. If a NVCC trigger event were to occur, our NVCC capital instruments as at July 31, 2025, which were the preferred shares Series BF, BH, BI, BO, BT, BU, BW, LRCN Series 1, LRCN Series 2, LRCN Series 3, LRCN Series 4, LRCN Series 5, LRCN Series 6 and subordinated debentures due on January 27, 2026, January 28, 2033, November 3, 2031, May 3, 2032, February 1, 2033, April 3, 2034, August 8, 2034, February 4, 2035, July 3, 2035 and July 17, 2035 would be converted into common shares pursuant to an automatic conversion formula with a conversion price based on the greater of: (i) a contractual floor price of \$5.00 (subject to adjustment in certain circumstances), and (ii) the current market price of our common shares at the time of the trigger event (10-day weighted average). Based on a floor price of \$5.00 and including an estimate for accrued dividends and interest, these NVCC capital instruments would convert into a maximum of approximately 6.5 billion common shares, in aggregate, which would represent a dilution impact of 82.2% based on the number of common shares outstanding as at July 31, 2025.

## Accounting and control matters

### Summary of accounting policies and estimates

Our Condensed Financial Statements are presented in compliance with International Accounting Standard 34 *Interim Financial Reporting*. Our material accounting policies are described in Note 2 of our audited 2024 Annual Consolidated Financial Statements.

### Future changes in accounting policies and disclosures

Future changes in accounting policies and disclosures that are not yet effective for us are described in Note 2 of our audited 2024 Annual Consolidated Financial Statements.

### Controls and procedures

#### Disclosure controls and procedures

As of July 31, 2025, management evaluated, under the supervision of and with the participation of the President and Chief Executive Officer and the Chief Financial Officer, the effectiveness of our disclosure controls and procedures as defined under rules adopted by the Canadian securities regulatory authorities and the U.S. SEC. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures were effective as of July 31, 2025.

#### Internal control over financial reporting

No changes were made in our internal control over financial reporting during the quarter ended July 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### Related party transactions

In the ordinary course of business, we provide normal banking services and operational services, and enter into other transactions with associated and other related corporations, including our joint venture entities, on terms similar to those offered to non-related parties. We grant loans to directors, officers and other employees at rates normally accorded to preferred clients. In addition, we offer deferred share and other plans to non-employee directors, executives and certain other key employees. For further information, refer to Notes 12 and 25 of our audited 2024 Annual Consolidated Financial Statements.

## Glossary

### Adjusted results

For further details, including a reconciliation, refer to the Key performance and non-GAAP measures section.

- *Adjusted effective income tax rate* – calculated as effective income tax rate excluding the impact of specified items and amortization of acquisition-related intangibles.
- *Adjusted income before income taxes* – calculated as income before income taxes excluding the impact of specified items and amortization of acquisition-related intangibles.
- *Adjusted income taxes* – calculated as income taxes excluding the impact of specified items and amortization of acquisition-related intangibles.
- *Adjusted net income* – calculated as net income excluding the impact of specified items and amortization of acquisition-related intangibles.
- *Adjusted net income available to common shareholders* – calculated as net income available to common shareholders excluding the impact of specified items and amortization of acquisition-related intangibles.
- *Adjusted non-interest expense* – calculated as non-interest expense excluding the impact of specified items and amortization of acquisition-related intangibles.
- *Adjusted total revenue* – calculated as total revenue excluding the impact of specified items.

### Acceptances

A bill of exchange or negotiable instrument drawn by the borrower for payment at maturity and accepted by a bank. The acceptance constitutes a guarantee of payment by the bank and can be traded in the money market. The bank earns a “stamping fee” for providing this guarantee.

### Allowance for credit losses (ACL)

The amount deemed adequate by management to absorb expected credit losses as at the balance sheet date. The allowance is established for all financial assets subject to impairment assessment, including certain loans, debt securities, customers' liability under acceptances, financial guarantees, and undrawn loan commitments. The allowance is changed by the amount of provision for credit losses recorded, which is charged to income, and decreased by the amount of write-offs net of recoveries in the period.

### ACL on loans ratio

ACL on loans ratio is calculated as ACL on loans as a percentage of total loans and acceptances.

### Asset-backed securities (ABS)

Securities created through the securitization of a pool of assets, for example auto loans or credit card loans.

### Assets under administration (AUA)

Assets administered by us, which are beneficially owned by clients, unless otherwise noted. Services provided in respect of assets under administration are of an administrative nature, including safekeeping, collecting investment income, settling purchase and sale transactions, and record keeping.

### Assets under management (AUM)

Assets managed by us, which are beneficially owned by clients, unless otherwise noted. Services provided in respect of assets under management include the selection of investments and the provision of investment advice. We have assets under management that are also administered by us and included in assets under administration.

### Attributed capital

Attributed capital to our business segments is based on the Basel III regulatory capital and leverage requirements other than for our insurance segment for which we attribute capital based only on economic capital.

### Auction rate securities (ARS)

Debt securities whose interest rates are regularly reset through an auction process.

### Average earning assets, net

Average earning assets include interest-bearing deposits with other banks, securities, net of applicable allowance, assets purchased under reverse repurchase agreements and securities borrowed, loans, net of allowance, cash collateral and margin deposits. Insurance assets, and all other assets not specified are excluded. The averages are based on the daily balances for the period.

### Basis point (bp)

One one-hundredth of a percentage point (.01%).

### Collateral

Assets pledged as security for a loan or other obligation. Collateral can take many forms, such as cash, highly rated securities, property, inventory, equipment and receivables.

### Collateralized debt obligation (CDO)

Securities with multiple tranches that are issued by structured entities and collateralized by debt obligations including bonds and loans. Each tranche offers a varying degree of risk and return so as to meet investor demand.

### Commercial mortgage-backed securities (CMBS)

Securities created through the securitization of commercial mortgages.

### Commitments to extend credit

Utilized amount of credit facilities available to clients either in the form of loans, bankers' acceptances and other on-balance sheet financing, or through off-balance sheet products such as guarantees and letters of credit.

### Common Equity Tier 1 (CET1) capital

A regulatory Basel III capital measure comprised mainly of common shareholders' equity less regulatory deductions and adjustments for goodwill and intangibles, defined benefit pension fund assets, shortfall in allowances and other specified items. The CET1 capital is calculated in accordance with OSFI's CAR guideline. For more details, refer to the Capital management section.

### Common Equity Tier 1 capital ratio

A risk-based capital measure calculated as CET1 capital divided by risk-weighted assets. The CET1 ratio is calculated in accordance with OSFI's CAR guideline.

### Contractual service margin (CSM)

For insurance contracts, the CSM represents the unearned profit (net inflows) for providing insurance coverage. For reinsurance contracts held, the CSM represents the net cost or net gain of purchasing reinsurance.

### Covered bonds

Full recourse on-balance sheet obligations issued by banks and credit institutions that are fully collateralized by assets over which investors enjoy a priority claim in the event of an issuer's insolvency.

### Credit default swaps (CDS)

A derivative contract that provides the purchaser with a one-time payment should the referenced entity/entities default (or a similar triggering event occur).

### Derivative

A contract between two parties, which requires little or no initial investment and where payments between the parties are dependent upon the movements in price of an underlying instrument, index or financial rate. Examples of derivatives include swaps, options, forward rate agreements and futures. The notional amount of the derivative is the contract amount used as a reference point to calculate the payments to be exchanged between the two parties, and the notional amount itself is generally not exchanged by the parties.

### Dividend payout ratio

Common dividends as a percentage of net income available to common shareholders.

### Dividend yield

Dividends per common share divided by the average of the high and low share price in the relevant period.

### Earnings per share (EPS), basic

Calculated as net income available to common shareholders divided by the average number of shares outstanding. Adjusted EPS, basic is calculated in the same manner, using adjusted net income available to common shareholders.

### Earnings per share (EPS), diluted

Calculated as net income available to common shareholders divided by the average number of shares outstanding adjusted for the dilutive effects of stock options and other convertible securities. Adjusted EPS, diluted is calculated in the same manner, using adjusted net income available to common shareholders.

### Efficiency ratio

Non-interest expense as a percentage of total revenue. Adjusted efficiency ratio is calculated in the same manner, using adjusted non-interest expense and adjusted total revenue.

### Expected credit losses

The difference between the contractual cash flows due to us in accordance with the relevant contractual terms and the cash flows that we expect to receive, discounted to the balance sheet date.

### Fair value

Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Funding valuation adjustment**

Funding valuation adjustments are calculated to incorporate cost and benefit of funding in the valuation of uncollateralized and under-collateralized OTC derivatives. Future expected cash flows of these derivatives are discounted to reflect the cost and benefit of funding the derivatives by using a funding curve, implied volatilities and correlations as inputs.

**Guarantees and standby letters of credit**

These primarily represent irrevocable assurances that a bank will make payments in the event that its client cannot meet its financial obligations to third parties. Certain other guarantees, such as bid and performance bonds, represent non-financial undertakings.

**Hedge**

A risk management technique used to mitigate exposure from market, interest rate or foreign currency exchange risk arising from normal banking operations. The elimination or reduction of such exposure is accomplished by establishing offsetting positions. For example, assets denominated in foreign currencies can be offset with liabilities in the same currencies or through the use of foreign exchange hedging instruments such as futures, options or foreign exchange contracts.

**Hedge funds**

A type of investment fund, marketed to accredited high net worth investors, that is subject to limited regulation and restrictions on its investments compared to retail mutual funds, and that often utilize aggressive strategies such as selling short, leverage, program trading, swaps, arbitrage and derivatives.

**High-quality liquid assets (HQLA)**

HQLA are cash or assets that can be converted into cash quickly through sales (or by being pledged as collateral) with no significant loss of value.

**Impaired loans**

Loans are classified as impaired when there has been a deterioration of credit quality to the extent that management no longer has reasonable assurance of timely collection of the full amount of principal and interest in accordance with the contractual terms of the loan agreement. Credit card balances are not classified as impaired as they are directly written off after payments are 180 days past due.

**Insurance contracts**

Contracts under which we accept significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. Insurance contracts also include reinsurance contracts issued by us to compensate another company for claims arising from underlying insurance contracts issued by that other company.

**Insurance investment result**

Calculated as Net investment income from the Insurance segment, Insurance finance income (expense) from insurance contracts and Reinsurance finance income (expense) from reinsurance contracts held. Net investment income primarily comprises interest and dividend income and net gains (losses) on financial instruments and derivatives relating to the Insurance segment. Insurance and reinsurance finance income (expense) represents the net effect of and changes in the time value of money and financial risks on insurance contracts and reinsurance contracts held, respectively.

**Insurance service result**

Calculated as Insurance revenue less Insurance service expense from insurance contracts and Net income (expense) from reinsurance contracts held. Insurance revenue represents the revenue recognized in the period as we provide insurance services for the groups of insurance contracts. Insurance service expense represents the costs incurred in providing insurance services in the period, which includes incurred claims and other directly attributable expenses, allocation of acquisition costs, changes relating to past or current services and changes in loss components of onerous groups of contracts. Net income (expense) from reinsurance contracts held represents the amounts recovered from the reinsurers less the allocation of premiums paid on reinsurance contracts held.

**International Financial Reporting Standards (IFRS)**

IFRS are principles-based standards, interpretations and the framework adopted by the International Accounting Standards Board.

**Leverage ratio**

A Basel III regulatory measure, the ratio divides Tier 1 capital by the leverage exposure measure. The leverage ratio is a non-risk based measure and is calculated in accordance with OSFI's LR guideline.

**Leverage ratio exposure**

The leverage ratio exposure is calculated in accordance with OSFI's LR guideline and is defined as the sum of total assets plus off-balance sheet items after certain adjustments.

**Liquidity Coverage Ratio (LCR)**

The LCR is a Basel III standard that aims to ensure that an institution has an adequate stock of unencumbered HQLA that consists of cash or assets that can be converted into cash at little or no loss of value in private markets, to meet its liquidity needs for a 30 calendar day liquidity stress scenario. The LCR is calculated in accordance with OSFI's LAR guideline.

**Loan-to-value (LTV) ratio**

Calculated based on the total facility amount for the residential mortgage and RBC Homeline Plan product divided by the value of the related residential property.

**Master netting agreement**

An agreement between us and a counterparty designed to reduce the credit risk of multiple derivative transactions through the creation of a legal right of offset of exposure in the event of a default.

**Net interest income**

The difference between what is earned on assets such as loans and securities and what is paid on liabilities such as deposits and subordinated debentures.

**Net interest margin (NIM) on average earning assets, net**

Calculated as net interest income divided by average earning assets, net.

**Net Stable Funding Ratio (NSFR)**

The NSFR is a Basel III standard that requires institutions to maintain a stable funding profile defined as available amount of stable funding (ASF) in relation to the composition of their assets and off-balance sheet activities defined as required amount of stable funding (RSF). The ratio should be at least equal to 100% on an ongoing basis. The NSFR is calculated in accordance with OSFI's LAR guideline.

**Normal course issuer bid (NCIB)**

A program for the repurchase of our own shares for cancellation through a stock exchange that is subject to the various rules of the relevant stock exchange and securities commission.

**Notional amount**

The contract amount used as a reference point to calculate payments for derivatives.

**Off-balance sheet financial instruments**

A variety of arrangements offered to clients, which include credit derivatives, written put options, backstop liquidity facilities, stable value products, financial standby letters of credit, performance guarantees, credit enhancements, mortgage loans sold with recourse, commitments to extend credit, securities lending, documentary and commercial letters of credit, sponsor member guarantees, securities lending indemnifications and indemnifications.

**Office of the Superintendent of Financial Institutions Canada (OSFI)**

The primary regulator of federally chartered financial institutions and federally administered pension plans in Canada. OSFI's mission is to safeguard policyholders, depositors and pension plan members from undue loss.

**Operating leverage**

The difference between our revenue growth rate and non-interest expense growth rate.

**Options**

A contract or a provision of a contract that gives one party (the option holder) the right, but not the obligation, to perform a specified transaction with another party (the option issuer or option writer) according to specified terms.

**Provision for credit losses (PCL)**

The amount charged to income necessary to bring the allowance for credit losses to a level determined appropriate by management. This includes provisions on performing and impaired financial assets.

**PCL on loans ratio**

PCL on loans ratio is calculated using PCL on loans as a percentage of average net loans and acceptances.

**PCL on impaired loans ratio**

PCL on impaired loans ratio is calculated as PCL on impaired loans as a percentage of average net loans and acceptances.

**PCL on performing loans ratio**

PCL on performing loans ratio is calculated as PCL on performing loans as a percentage of average net loans and acceptances.

**RBC Homeline Plan products**

This is comprised of residential mortgages and secured personal loans whereby the borrower pledges real estate as collateral.

**Reinsurance contracts held**

Contracts under which we transfer significant insurance risk to a reinsurer that compensates us for claims relating to underlying insurance contracts issued by us and are accounted for separately from the underlying insurance contracts to which they relate.

**Repurchase agreements**

These involve the sale of securities for cash and the simultaneous repurchase of the securities for value at a later date. These transactions normally do not constitute economic sales and therefore are treated as collateralized financing transactions.

**Return on common equity (ROE)**

Net income available to common shareholders, expressed as a percentage of average common equity. ROE is based on actual balances of average common equity before rounding. Adjusted ROE is calculated in the same manner, using adjusted net income available to common shareholders.

**Reverse repurchase agreements**

These involve the purchase of securities for cash and the simultaneous sale of the securities for value at a later date. These transactions normally do not constitute economic sales and therefore are treated as collateralized financing transactions.

**Risk-weighted assets (RWA)**

Assets adjusted by a regulatory risk-weight factor to reflect the riskiness of on- and off-balance sheet exposures. Certain assets are not risk-weighted, but deducted from capital. The calculation is defined by OSFI's CAR guideline. For more details, refer to the Capital management section.

**Securities lending**

Transactions in which the owner of securities agrees to lend it under the terms of a prearranged contract to a borrower for a fee. Collateral for the loan consists of either high quality securities or cash and collateral value must be at least equal to the market value of the loaned securities. Borrowers pay a negotiated fee for loans collateralized by securities, whereas for cash collateral lenders pay borrowers interest at a negotiated rate and reinvest the cash collateral to earn a return. An intermediary such as a bank often acts as agent lender for the owner of the security in return for a share of the revenue earned by the owner from lending securities. Most often, agent lenders indemnify the owner against the risk of the borrower's failure to redeliver the loaned securities – counterparty credit risk if a borrower defaults and market risk if the value of the non-cash collateral declines. The agent lender does not indemnify against the investment risk of re-investing cash collateral which is borne by the owner.

**Securities sold short**

A transaction in which the seller sells securities and then borrows the securities in order to deliver them to the purchaser upon settlement. At a later date, the seller buys identical securities in the market to replace the borrowed securities.

**Securitization**

The process by which various financial assets are packaged into newly issued securities backed by these assets.

**Standardized Approach (SA) for credit risk**

Risk weights prescribed by OSFI are used to calculate RWA for the credit risk exposures. Credit assessments by OSFI-recognized external credit rating agencies of Standard & Poor's Financial Services LLP; Moody's Investor Service, Inc.; Fitch Ratings, Inc.; and DBRS Limited are used to risk-weight our Sovereign and Bank exposures based on the standards and guidelines issued by OSFI.

**Structured entities**

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding who controls the entity, such as when the activities that significantly affect the entity's returns are directed by means of contractual arrangements. Structured entities often have restricted activities, narrow and well defined objectives, insufficient equity to finance their activities, and financing in the form of multiple contractually-linked instruments.

**Taxable equivalent basis (teb)**

Income from certain specified tax advantaged sources (U.S. tax credit investment business as well as eligible Canadian taxable corporate dividends received on or before December 31, 2023) is increased to a level that would make it comparable to income from taxable sources. There is an offsetting adjustment in the tax provision, thereby generating the same after-tax net income.

**Tier 1 capital and Tier 1 capital ratio**

Tier 1 capital comprises predominantly of CET1 capital, with additional Tier 1 items such as preferred shares, limited recourse capital notes and non-controlling interests in subsidiaries Tier 1 instruments. The Tier 1 capital ratio is calculated in accordance with OSFI's CAR guideline by dividing Tier 1 capital by risk-weighted assets.

**Tier 2 capital**

Tier 2 capital consists mainly of subordinated debentures that meet certain criteria, certain loan loss allowances and non-controlling interests in subsidiaries' Tier 2 instruments.

**Total loss absorbing capacity (TLAC)**

The aggregate of Tier 1 capital, Tier 2 capital, and external TLAC instruments which allow conversion in whole or in part into common shares under the Canada Deposit Insurance Corporation Act and meet all of the eligibility criteria under the guideline.

**TLAC ratio**

The risk-based TLAC ratio is defined as TLAC divided by total risk-weighted assets. The TLAC ratio is calculated in accordance with OSFI's TLAC guideline.

**TLAC leverage ratio**

The TLAC leverage ratio is defined as TLAC divided by the leverage ratio exposure. The TLAC leverage ratio is calculated in accordance with OSFI's TLAC guideline.

**Total capital and total capital ratio**

Total capital is defined as the total of Tier 1 and Tier 2 capital. The total capital ratio is calculated in accordance with OSFI's CAR guideline by dividing total capital by risk-weighted assets.

**Tranche**

A security class created whereby the risks and returns associated with a pool of assets are packaged into several classes of securities offering different risk and return profiles from those of the underlying asset pool. Tranches are typically rated by ratings agencies, and reflect both the credit quality of underlying collateral as well as the level of protection based on the tranches' relative subordination.

**Unattributed capital**

Unattributed capital represents common equity in excess of common equity attributed to our business segments and is reported in the Corporate Support segment.

**Value-at-Risk (VaR)**

A generally accepted risk-measurement concept that uses statistical models based on historical information to estimate within a given level of confidence the maximum loss in market value we would experience in our financial portfolio from an adverse one-day movement in market rates and prices.