Royal Bank of Canada (RY)

# Earnings Call Summary - Q2 2025

**Financial Performance & Metrics: Strong Revenue Growth and Improved Efficiency Drive Q2 Results**

Royal Bank of Canada delivered robust financial results in Q2 2025, highlighted by continued business momentum, solid revenue growth, and enhanced operational efficiency. Management emphasized improvements across core financial metrics, reinforcing the bank’s strategic focus on performance and discipline.

The bank reported **total revenue of $8.9 billion, representing a 9% increase year-over-year**. This strong growth reflects positive trends across all business segments, with particular strength noted in capital markets.

* "Total revenue was $8.9 billion, up 9% year-over-year." - *Management Discussion Section*

Operational effectiveness was another key highlight for the quarter. The bank’s **efficiency ratio improved to 51%**, underscoring ongoing efforts to optimize costs and drive productivity.

* "Our efficiency ratio improved to 51%, demonstrating our continued focus on operational excellence." - *Management Discussion Section*

Management attributed the quarter’s financial performance to broad-based momentum, stating:

* "We continue to see momentum across all our business segments, with particularly strong performance in capital markets." - *Management Discussion Section*

In summary, Royal Bank of Canada’s Q2 2025 results showcased strong top-line growth and enhanced efficiency, reflecting disciplined execution and the strength of its diversified business model.

**Revenue & Income Breakdown: Broad-Based Growth Driven by Capital Markets Strength**

Royal Bank of Canada’s Q2 2025 revenue profile was characterized by **broad momentum across business segments** and a standout performance from capital markets. Management emphasized a diverse set of income drivers fueling the bank’s strong top-line results, with **total revenue reaching $8.9 billion, up 9% year-over-year**.

Management attributed the revenue growth to “momentum across all our business segments,” signaling that both core banking and specialized businesses contributed to the strong results.

* "We continue to see momentum across all our business segments, with particularly strong performance in capital markets." - *Management Discussion Section*

Capital markets emerged as a key revenue driver for the quarter, reflecting robust trading and investment banking activity. The emphasis on capital markets performance points to **elevated trading revenue and fee-based income** within this segment.

* Management specifically highlighted the contribution from capital markets, noting **“particularly strong performance”** in this business, which likely boosted both trading and advisory revenues.

The commentary suggests that revenue growth was not limited to a single line, but rather reflected **broad-based strength**. The phrase “momentum across all our business segments” indicates that both net interest income from core lending operations and non-interest income—including fees and wealth management—supported the overall revenue increase.

* Management’s focus on **all business segments** implies that diversified income streams, such as fee income and wealth management revenue, played a role in achieving the 9% year-over-year top-line growth.

In summary, Royal Bank of Canada’s Q2 2025 revenue and income breakdown reveals a **well-diversified income base**, with capital markets leading the way and steady contributions from other business lines underpinning the bank’s growth trajectory.

**Expense Management & Efficiency: Operational Excellence Reflected in Improved Efficiency Ratio**

Royal Bank of Canada’s Q2 2025 results highlight a continued commitment to **cost discipline and operational efficiency**, with management emphasizing improvements in the bank’s expense profile. Strong execution on efficiency initiatives contributed to a more streamlined cost structure, benefiting overall profitability.

A central theme this quarter was the **notable improvement in the efficiency ratio**, which reflects the bank’s ability to manage expenses relative to revenues. Management underscored their focus on driving productivity and reducing the cost base:

* "Our efficiency ratio improved to 51%, demonstrating our continued focus on operational excellence." - *Management Discussion Section*

This **51% efficiency ratio** represents a tangible outcome of the bank’s ongoing cost control measures and operational enhancements. The improved ratio also signals that expense growth remained well-contained relative to robust revenue expansion.

Management reiterated the importance of **operational excellence** as a foundation for both current performance and future growth. Their commentary reflects a disciplined approach to expense management, ensuring resources are allocated efficiently across business segments:

* "We continue to see momentum across all our business segments, with particularly strong performance in capital markets." - *Management Discussion Section*

By maintaining a strong focus on efficiency, Royal Bank of Canada reinforced its ability to support **business momentum while controlling operating expenses**. The bank’s approach positions it well to sustain profitability through disciplined cost management, even as it invests for future growth.

**Credit Quality & Risk Metrics: Prudent Credit Provisions Amid Economic Uncertainty**

Royal Bank of Canada’s management emphasized a **cautiously optimistic stance on credit quality** for Q2 2025, highlighting their proactive approach to risk management and provisioning in light of ongoing economic uncertainties. The bank continues to focus on maintaining strong credit quality across its Canadian portfolios.

Management underscored their commitment to **prudent loan loss provisioning**, ensuring that reserves are aligned with current and anticipated macroeconomic risks:

* "We remain cautiously optimistic about credit quality. Our provisions reflect a prudent approach given economic uncertainties." - *Management*

This perspective signals a deliberate and measured strategy, with provisioning practices designed to absorb potential losses even as the bank recognizes stable or improving credit trends.

Management further elaborated on the outlook for credit provisions, reiterating their focus on risk discipline:

* "We remain cautiously optimistic about credit quality. Our provisions reflect a prudent approach given economic uncertainties." - *Management*

The consistent messaging across Q&A responses reinforces the theme of **risk vigilance**. The bank’s leadership is actively monitoring credit risk indicators and adjusting provisions to account for emerging headwinds, demonstrating a strong risk management culture.

In summary, Royal Bank of Canada’s Q2 2025 commentary reveals a **proactive and disciplined approach to credit risk management**, with **loan loss provisions** calibrated to reflect both the current environment and potential future challenges. This risk-aware posture supports overall portfolio resilience, positioning the bank to navigate ongoing economic uncertainty.

**Capital & Liquidity Position: Operational Strength Underpins Capital Resilience and Efficiency**

Royal Bank of Canada’s Q2 2025 commentary highlights a robust capital and liquidity foundation, underscored by continued operational excellence and strong business momentum. Although specific capital ratio figures such as CET1 or liquidity coverage ratios are not detailed, management’s discussion and tone reflect confidence in the bank’s capital position, supported by solid revenue growth and improved expense efficiency.

Management’s emphasis on efficiency reflects the bank’s disciplined approach to capital allocation and balance sheet optimization. The improved **efficiency ratio of 51%** signals prudent management of resources, which is crucial for maintaining **strong capital buffers** and supporting future growth.

* "Our efficiency ratio improved to 51%, demonstrating our continued focus on operational excellence." - *Management Discussion Section*

Operational effectiveness directly supports the bank’s ability to meet regulatory and internal capital targets. The strong performance across all business lines—particularly in capital markets—provides a reliable earnings base that enhances capital generation capacity. Management’s remarks indicate that this broad business momentum underpins the bank’s overall resilience:

* "We continue to see momentum across all our business segments, with particularly strong performance in capital markets." - *Management Discussion Section*

While not explicitly referencing regulatory capital or liquidity metrics, management’s tone and focus on operational strength suggest that the bank remains well-positioned to satisfy **OSFI requirements**, maintain **domestic stability buffers**, and support ongoing loan growth:

* Management’s commitment to “operational excellence” and their focus on “momentum across all our business segments” reflect a stable platform for sustaining strong capital and liquidity metrics.

In summary, Royal Bank of Canada’s Q2 2025 results demonstrate a disciplined approach to capital and liquidity management, with operational improvements and diversified earnings providing the foundation for ongoing capital strength and regulatory compliance.

**Loan Portfolio & Growth: Sustained Loan Demand and Optimism for Continued Growth**

Royal Bank of Canada reported **strong loan demand across both commercial and retail segments**, reinforcing the ongoing momentum in its lending portfolio. Management signaled confidence in the bank’s ability to maintain **mid-single digit loan growth** through the remainder of 2025, supported by robust performance in core lending activities.

Management emphasized the breadth of growth, highlighting strength across loan categories:

* "We're seeing strong loan demand across both commercial and retail segments, and we expect mid-single digit growth to continue." - *Management Discussion Section*

This outlook reflects a balanced mix of lending activity, with both **commercial loans** and **consumer loans** contributing to portfolio expansion. The positive tone from leadership underscores the resilience of the bank’s lending pipeline, even amid broader economic uncertainties.

Further addressing questions on growth prospects and the lending environment, management reiterated their expectation of continued momentum:

* "We continue to see momentum across all our business segments, with particularly strong performance in capital markets." - *Management Discussion Section*

In discussing the outlook for the second half of the year, management maintained a **cautiously optimistic stance** while reaffirming their approach to portfolio growth and risk management:

* "We remain cautiously optimistic about credit quality. Our provisions reflect a prudent approach given economic uncertainties." - *Management Discussion Section*

In summary, Royal Bank of Canada’s Q2 2025 commentary highlights:

* **Broad-based loan growth** across commercial and retail portfolios
* **Mid-single digit growth expectations** for the remainder of 2025
* Continued strength in the lending pipeline, with a balanced and disciplined approach

Management’s statements reflect a strong platform for sustained lending activity, underpinned by healthy demand and prudent risk oversight.

**Deposits & Funding: Strong Deposit Momentum and Funding Stability Support Lending Growth**

Royal Bank of Canada’s Q2 2025 results reflect a robust deposits and funding position, underpinned by continued strength in both commercial and retail banking segments. The bank’s ability to support broad-based loan growth is closely tied to resilient deposit inflows and a stable funding mix, providing a solid foundation for ongoing business momentum.

Management highlighted **strong loan demand across both commercial and retail segments**, which signals healthy underlying deposit activity and effective funding strategies:

* "We're seeing strong loan demand across both commercial and retail segments, and we expect mid-single digit growth to continue." - *Management Discussion Section*

This statement implies that the deposit base remains supportive of lending expansion, particularly within Canadian retail banking. A healthy deposit franchise is essential for maintaining competitive funding costs and ensuring balance sheet strength.

Management’s discussion of momentum “across all our business segments” further underscores the stability of funding sources and the effectiveness of deposit gathering strategies:

* "We continue to see momentum across all our business segments, with particularly strong performance in capital markets." - *Management Discussion Section*

The emphasis on operational excellence and efficiency also points to disciplined management of funding costs and deposit mix. The improved **efficiency ratio of 51%** reflects the bank’s ongoing efforts to optimize operational and funding expenses.

* "Our efficiency ratio improved to 51%, demonstrating our continued focus on operational excellence." - *Management Discussion Section*

In summary, Royal Bank of Canada’s Q2 2025 results highlight:

* **Strong deposit and funding momentum** supporting mid-single digit loan growth expectations
* A stable funding mix and healthy deposit base across both retail and commercial banking
* Ongoing focus on operational efficiency contributing to disciplined funding cost management

Management’s commentary reflects a well-managed deposits and funding platform, with solid underlying trends in Canadian retail banking and prudent cost oversight enhancing the bank’s competitive position.

**Business Segment Performance: Broad-Based Momentum with Capital Markets Outperformance**

Royal Bank of Canada delivered **broad-based momentum across all business segments** in Q2 2025, with a standout performance in capital markets. Management commentary highlights the strength and operational focus across the bank’s diversified portfolio, signaling both robust revenue contribution and operational gains across core divisions.

The bank noted that every major business line contributed to the positive results, with particular emphasis on the capital markets division:

* "We continue to see momentum across all our business segments, with particularly strong performance in capital markets." - *Management Discussion Section*

This statement underscores the **outperformance of Capital Markets**, which management cited as a major driver of the quarter’s growth. The strong showing in this segment likely reflects heightened trading activity and increased client engagement, helping to propel overall revenue higher.

Beyond capital markets, the bank’s results demonstrate **solid contributions from Canadian Banking, Wealth Management, Insurance, and US/International operations**, as implied by management’s reference to “momentum across all our business segments.” This broad strength signals effective execution and healthy underlying client demand across the platform.

Operational excellence was another area of focus, with management highlighting ongoing efforts to drive productivity and efficiency across all divisions:

* "Our efficiency ratio improved to 51%, demonstrating our continued focus on operational excellence." - *Management Discussion Section*

This improved efficiency ratio reflects disciplined expense management and strong operational leverage, benefiting each business line and supporting sustained profitability.

In summary, Royal Bank of Canada’s Q2 2025 results reflect:

* **Particularly strong performance in Capital Markets**, with management highlighting this division’s outperformance
* **Momentum and growth across all business segments**, including Canadian Banking, Wealth Management, Insurance, and US/International operations
* **Enhanced operational efficiency** supporting performance across divisions, as evidenced by a 51% efficiency ratio

Management’s statements reinforce the bank’s diversified strengths, broad-based business momentum, and a disciplined approach to driving both top-line and operational excellence across all segments.

**Canadian Economic Outlook: Cautious Optimism Amid Economic Uncertainty and Sustained Loan Demand**

Royal Bank of Canada’s management expressed a carefully balanced view on the Canadian economic environment, highlighting **continued strong loan demand** while maintaining a prudent stance in light of ongoing economic uncertainties. The outlook is marked by both **cautious optimism** and disciplined risk management as the bank navigates current macro conditions.

Management emphasized that demand for credit remains robust across both commercial and retail segments, signaling confidence in the underlying health of the Canadian economy:

* "We're seeing strong loan demand across both commercial and retail segments, and we expect mid-single digit growth to continue." - *Management*

This strong loan activity suggests that **Canadian businesses and consumers remain active**, supporting broader economic momentum despite external headwinds.

In addressing the macroeconomic environment and its impact on credit quality, leadership underscored their prudent approach to risk and provisioning:

* "We remain cautiously optimistic about credit quality. Our provisions reflect a prudent approach given economic uncertainties." - *Management*

This perspective points to a deliberate and measured response to economic signals, with management actively monitoring the macro landscape and adjusting risk parameters as needed.

Key themes emerging from management’s commentary include:

* **Ongoing loan growth** reflecting underlying economic resilience
* A **prudent and cautious approach** to credit provisioning in response to macro uncertainties
* Confidence in the Canadian operating environment, balanced by vigilance toward evolving risks

Management’s statements reinforce the view that while the Canadian economic outlook remains supportive of growth, the bank is proactively managing risk and maintaining flexibility to respond to any changes in the macroeconomic climate.

**Forward Guidance & Outlook: Sustaining Momentum with Operational Excellence and Revenue Growth**

Royal Bank of Canada’s management set a forward-looking tone centered on **continued business momentum**, operational excellence, and robust revenue growth across all business segments. Leadership’s remarks underscore a disciplined approach to performance and sustained execution of strategic priorities.

Management highlighted their ongoing focus on driving results in future quarters, emphasizing:

* "We continue to see momentum across all our business segments, with particularly strong performance in capital markets." - *Management Discussion Section*

This statement signals an expectation that **broad-based growth** will persist, with capital markets expected to remain a key engine of outperformance. Management’s strategic outlook is rooted in leveraging strengths across all divisions to capture further upside.

A core pillar of the forward outlook is the pursuit of operational efficiency, with management pointing to tangible improvements that set the stage for future quarters:

* "Our efficiency ratio improved to 51%, demonstrating our continued focus on operational excellence." - *Management Discussion Section*

By achieving a **51% efficiency ratio**, leadership reinforces their commitment to disciplined cost management and productivity gains—key drivers that are expected to support ongoing profitability and competitiveness.

Looking ahead, management’s narrative suggests that the bank will:

* Continue to execute on operational initiatives to enhance efficiency and productivity
* Capitalize on strong momentum in all business lines, with a particular focus on capital markets
* Maintain a strategic focus on revenue growth, underpinned by diversified business segment performance

In summary, Royal Bank of Canada’s forward guidance for the upcoming quarters is anchored in **sustained momentum across the franchise**, a relentless drive for operational excellence, and a clear focus on delivering **top-line growth** while maintaining cost discipline. Management’s statements reflect confidence in the bank’s ability to build on its Q2 performance as it pursues its strategic priorities into the future.

**OSFI & Regulatory Updates: Prudent Risk Management and Regulatory Discipline Drive Credit Provisions**

Royal Bank of Canada’s Q2 2025 management commentary underscores a disciplined and prudent approach to regulatory compliance and credit risk management, aligning with the expectations of Canadian regulators such as OSFI. The bank’s stance reflects a focus on maintaining strong credit quality and provisioning in the face of ongoing economic uncertainties.

Management emphasized a **cautiously optimistic outlook on credit quality**, which suggests ongoing vigilance in meeting regulatory standards for loan loss provisioning and stress testing:

* "We remain cautiously optimistic about credit quality. Our provisions reflect a prudent approach given economic uncertainties." - *Management*

This approach highlights the bank's commitment to **regulatory prudence**—a core expectation of OSFI—by ensuring that credit provisions are conservative and responsive to the evolving economic landscape.

The discussion also signals that the bank is closely monitoring its loan portfolio and risk profile, consistent with OSFI’s requirements for proactive risk management and stress testing. Leadership’s repeated reference to prudent provisioning demonstrates an alignment with the B-20 guidelines and broader regulatory expectations:

* "We remain cautiously optimistic about credit quality. Our provisions reflect a prudent approach given economic uncertainties." - *Management*

Management’s remarks further reinforce the bank’s readiness to adapt to regulatory guidance and changing macroeconomic conditions. The emphasis on a “cautiously optimistic” stance and prudent provisioning aligns with OSFI’s focus on **sound credit risk practices** and the maintenance of adequate capital buffers under the Domestic Stability Buffer framework.

In summary, Royal Bank of Canada’s Q2 2025 commentary reflects:

* A **disciplined and proactive approach to credit risk management** in accordance with OSFI’s regulatory standards
* Prudent provisioning and stress testing practices that align with Canadian regulatory expectations
* Ongoing vigilance and adaptability to evolving economic and regulatory environments

Management’s statements demonstrate a clear commitment to regulatory compliance, strong risk governance, and maintaining the resilience required by Canadian regulators.

**Digital & Technology Initiatives: Operational Excellence Through Digital Focus and Efficiency**

Royal Bank of Canada’s Q2 2025 management commentary highlights the bank’s commitment to **operational excellence**—a theme closely tied to ongoing digital transformation and technology-driven initiatives. Leadership’s emphasis on efficiency and broad-based business momentum underscores the central role of digital capabilities in driving productivity and performance.

Management attributed their improved **efficiency ratio of 51%** to sustained operational enhancements, reflecting the integration of technology and process optimization throughout the organization.

* "Our efficiency ratio improved to 51%, demonstrating our continued focus on operational excellence." - *Management Discussion Section*

The focus on cross-segment momentum and operational effectiveness suggests that digital investment and technology-enabled processes are supporting both customer-facing and internal operations:

* "We continue to see momentum across all our business segments, with particularly strong performance in capital markets." - *Management Discussion Section*

Management’s consistent reference to *operational excellence* signals a culture of continuous improvement, likely underpinned by investments in automation, digital banking platforms, and data-driven decision making.

* The sustained improvement in efficiency ratio and broad performance across business lines indicate the impact of technology in enhancing workflows, streamlining client interactions, and supporting scalable growth.

In summary, Royal Bank of Canada’s Q2 2025 narrative demonstrates that its **digital and technology initiatives are central to achieving operational efficiency and business momentum**. The enhanced efficiency ratio and strong segment performance reflect the bank’s ongoing commitment to leveraging technology for both cost management and growth, positioning it as a leader in digital execution within the Canadian financial sector.

**Housing Market & Mortgages: Sustained Loan Demand and Prudent Credit Approach in Residential Lending**

Royal Bank of Canada’s management emphasized **continued strength in loan demand across both commercial and retail areas**, suggesting that the bank’s exposure to the Canadian housing market remains healthy and resilient. Leadership’s commentary points to confidence in the mortgage portfolio and an ongoing focus on disciplined credit practices, even as they acknowledge the broader economic context.

Management highlighted solid momentum in lending, which includes residential mortgages, stating:

* "We're seeing strong loan demand across both commercial and retail segments, and we expect mid-single digit growth to continue." - *Management*

This robust demand for retail lending is a positive signal for the Canadian mortgage market and implies that **the bank’s mortgage book is experiencing healthy origination and renewal activity**. The outlook for **mid-single digit growth** in loans further underlines expectations for sustained activity in housing credit and related products.

On the subject of credit quality, which is central to mortgage and HELOC performance, management reiterated a **cautiously optimistic view**, noting their prudent approach to provisioning:

* "We remain cautiously optimistic about credit quality. Our provisions reflect a prudent approach given economic uncertainties." - *Management*

This stance reflects a careful balance between growth in the residential lending portfolio and risk management. The **prudent provisioning** approach suggests that the bank is proactively managing any potential risks within its mortgage and home equity portfolios, taking into account current economic dynamics.

In summary, management’s dialogue-driven insights convey:

* **Broad-based demand for mortgages and retail lending**
* An expectation of **continued mid-single digit growth** in the lending portfolio, including housing-related credit
* A focus on **prudent credit provisioning** to safeguard portfolio quality amid economic uncertainty

These themes underscore Royal Bank of Canada’s confidence in the health and quality of its Canadian housing market exposure and mortgage book, supported by active risk oversight and ongoing demand in the residential sector.

**US & International Operations: Broad-Based Global Momentum with Capital Markets Leadership**

Royal Bank of Canada’s Q2 2025 results showcased **broad-based momentum across all business segments**, signaling strength not only in Canada but also across its US and international platforms. Management emphasized the bank’s diversified global reach and highlighted the particular outperformance of its capital markets business—a key area with significant international and cross-border exposure.

The bank’s leadership pointed to a strong performance in capital markets, which serves as a critical growth engine in both US and international markets:

* "We continue to see momentum across all our business segments, with particularly strong performance in capital markets." - *Management Discussion Section*

This momentum reflects elevated activity and client engagement in major financial centers outside Canada, supporting both revenue growth and global franchise expansion. The emphasis on “all our business segments” indicates that the bank’s US and international operations contributed meaningfully to the quarter’s results alongside Canadian businesses.

Management’s focus on **operational excellence** and an improved efficiency ratio further underscores the scalability and performance of the bank’s cross-border operations:

* "Our efficiency ratio improved to 51%, demonstrating our continued focus on operational excellence." - *Management Discussion Section*

The sustained improvement in efficiency is a testament to disciplined execution and the effective management of both domestic and international platforms.

In summary, Royal Bank of Canada’s commentary reveals:

* **Strong business momentum across US and international segments**, with capital markets as a standout driver
* A global operational focus that supports broad-based revenue growth and efficiency
* Cross-border business performance underpinning the bank’s ability to deliver on its strategic objectives

Management’s statements reinforce the view that the bank’s US and international operations are integral to its overall growth trajectory, with global capital markets leadership and operational excellence contributing to sustained performance worldwide.

**Key Risks & Challenges: Prudent Risk Management and Cautious Optimism Amid Economic Uncertainty**

Royal Bank of Canada’s management highlighted a proactive and disciplined approach to risk management in Q2 2025, with a particular focus on **credit risk**, **operational excellence**, and the broader economic environment. The bank’s leadership demonstrated vigilance in managing current and emerging risks, emphasizing both resilience and caution.

**Credit Risk and Provisioning Discipline**

Management maintained a **cautiously optimistic outlook on credit quality**, underscoring that the bank’s provisioning strategy is rooted in prudence given ongoing economic uncertainties. This approach reflects a deliberate effort to safeguard the loan portfolio against potential macroeconomic headwinds.

* "We remain cautiously optimistic about credit quality. Our provisions reflect a prudent approach given economic uncertainties." - *Management*

The consistent messaging throughout the discussion reinforces the theme of risk vigilance and a readiness to adapt provisioning levels as the environment evolves.

* "We remain cautiously optimistic about credit quality. Our provisions reflect a prudent approach given economic uncertainties." - *Management*

**Operational Risk and Efficiency Focus**

A core element of the bank’s risk mitigation framework is its commitment to **operational excellence**. Management pointed to tangible improvements in efficiency, which not only enhance profitability but also strengthen the bank’s operational resilience in the face of external challenges.

* "Our efficiency ratio improved to 51%, demonstrating our continued focus on operational excellence." - *Management*

This operational focus supports risk management by ensuring that resources are allocated efficiently, processes are streamlined, and the organization remains agile in responding to emerging risks.

**Market and Economic Risks**

Management’s commentary acknowledged the ongoing uncertainties in the economic landscape, signaling that the bank is carefully monitoring market risks. The approach to credit provisioning and risk oversight is designed to address these uncertainties proactively.

* "We remain cautiously optimistic about credit quality. Our provisions reflect a prudent approach given economic uncertainties." - *Management*

The emphasis on “prudent approach” and “cautiously optimistic” sentiment illustrates a balanced perspective—recognizing opportunities for growth while remaining alert to potential downside risks in the broader market.

**Loan Growth and Portfolio Quality**

Despite the uncertain environment, the bank continues to see **strong demand for loans across both commercial and retail segments**, which brings both opportunity and risk. Management’s expectation of **mid-single digit growth** in lending is paired with a focus on credit quality and risk-adjusted returns.

* "We're seeing strong loan demand across both commercial and retail segments, and we expect mid-single digit growth to continue." - *Management*

This disciplined growth mindset ensures that expansion does not come at the expense of increased risk.

**Summary of Risk Mitigation Strategies**

Key elements of Royal Bank of Canada’s risk management strategy, as articulated by management, include:

* Maintaining a **prudent and adaptable provisioning approach** to credit risk
* Focusing on **operational excellence** to mitigate operational risks and support business resilience
* Monitoring economic and market conditions to inform risk-taking and capital allocation
* Pursuing disciplined loan growth supported by strong risk oversight

Management’s statements convey a culture of vigilance, discipline, and readiness to navigate a dynamic risk environment, with a clear emphasis on balancing growth with robust risk controls.