Royal Bank of Canada

C$284.16 As of Sun 8 Nov 2026, 12:00 UTC

TSX:RY	Financials	Country	Canada	PE (Fwd)	15.91	TSR 10Y CAGR	17.23%
Banks (Diversified)		Beta (5Y)	0.92	PE TTM	17.82	TSR TTM	41.96%

Div yield	2.32%	ROTE	20.72%
Mkt cap	C$393.4B	NIM	1.57%

SE Grade™	★☆☆
Value	☆☆☆
Quality	★★☆
Moat	★★★

Consensus	Reference
$306	*$248*
7.79%	(12.62%)

Buy 4|4|5|1|0



	4Q25	1Q26	2Q26	3Q26
Earnings per share				$
	3.76	4.03	3.85	**4.23**
	29.23%	13.84%	27.48%	12.80%
Revenue				$B
	17.21	17.96	17.45	**18.54**
	14.16%	7.29%	11.36%	9.14%
Next earnings				3 Dec

TTM	FYE 31 Oct	CAD	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026E	FY2027E	Trend	5Y	10Y	Peers
71.16	Revenue	$B	40.67	42.58	46.00	47.18	49.69	48.98	51.46	57.34	66.61	72.45	76.47		7.14%	6.19%	63
10.38	*Revenue growth*	%	4.83	4.69	8.05	2.56	5.32	(1.42)	5.06	11.43	16.15	8.77	5.55		5.32	5.06	63
1.57	*NIM*	%	1.66	1.64	1.66	1.58	1.39	1.48	1.50	1.54	1.62	1.57	1.55		1.50	1.60	50
53.49	*Effic. R.*	%	61.10	59.91	61.35	60.28	60.00	57.96	59.87	59.73	54.94	53.49	53.49		59.73	59.96	40
31.18	*Net margin*	%	27.36	28.45	27.37	23.66	31.76	31.74	27.92	27.74	29.83	31.21	31.72		29.83	27.83	70
17.82	P/E ratio (avg)	x	12.46	12.04	11.67	11.99	10.57	11.84	12.39	12.85	12.71	17.34	15.91		12.39	12.02	30
3.691	P/TBV	x	2.670	2.528	2.374	2.070	2.176	2.235	1.995	2.247	2.510	3.657	3.328		2.235	2.300	7
2.952	P/B	x	2.057	1.984	1.889	1.658	1.813	1.828	1.652	1.732	1.982	2.939	2.722		1.813	1.820	3
34.48	NII	$B	17.14	17.95	19.75	20.84	20.00	22.72	25.13	27.95	33.00	35.10	37.05		9.63%	7.98%	–
–	*NII grth*	%	3.68	4.74	10.01	5.50	(4.00)	13.57	10.62	11.24	18.06	6.37	5.55		11.24	10.01	93
20.72	*ROTE*	%	21.43	20.99	20.34	17.26	20.59	18.87	16.10	17.49	19.75	20.62	20.13		18.87	20.04	93
17.20	*Return on equity*	%	16.90	17.19	16.64	14.08	18.28	16.13	13.78	14.09	16.19	16.72	17.09		16.13	16.16	90
0.89	*Return on assets*	%	0.92	0.91	0.88	0.69	0.92	0.81	0.72	0.73	0.85	0.89	0.89		0.81	0.86	87
15.95	EPS	$	7.55	8.35	8.74	7.81	11.06	11.06	10.32	11.25	14.07	16.39	17.86		12.49%	8.48%	–
20.21	*EPS growth*	%	11.53	10.67	4.64	(10.59)	41.56	(0.03)	(6.68)	9.05	25.08	13.59	8.98		9.05	9.05	60
96.27	Bookvalue per sh	$	45.72	50.71	54.01	56.50	64.47	71.65	77.37	83.51	90.26	96.70	104.38		9.82%	8.58%	–
76.99	TBV/sh	$	35.22	39.80	42.97	45.26	53.73	58.59	64.08	64.35	71.27	77.70	85.38		9.51%	9.13%	–
6.58	Dividend per sh	$	3.48	3.77	4.07	4.29	4.32	4.96	5.34	5.60	6.04	6.84	7.58		7.08%	7.17%	–
2.32	*Div yield (avg)*	%	3.70	3.75	3.99	4.58	3.70	3.79	4.18	3.87	3.38	2.41	2.67		3.79	3.83	30
41.46	*Payout ratio*	%	46.05	45.08	46.51	54.84	39.06	44.85	51.74	49.78	42.93	42.14	42.79		44.85	46.28	47
1.384	Shares (diluted)	B	1.474	1.450	1.441	1.429	1.427	1.406	1.393	1.414	1.412	1.412	1.412		(0.24%)	(0.63%)	33
1.32	*Buyback yield*	%	1.32	1.62	0.68	0.83	0.14	1.45	0.96	(1.52)	0.15	–	–		0.15	0.83	33
5.81	*Eq/Assets*	%	6.14	5.99	5.85	5.34	5.79	5.64	5.74	5.86	5.98	5.81	5.81		5.79	5.85	50
2,499	Assets	$B	1,213	1,335	1,429	1,625	1,706	1,917	2,007	2,172	2,325	2,543	2,730		7.43%	7.82%	50
505.8	LT debt	$B	101.4	99.27	106.4	130.1	106.0	168.8	158.4	181.7	201.4	510.5	527.2		9.13%	5.32%	47

Peers (US$278.5B)	Cap (US$)	PE
The Toronto-Dominion…	199.9B	18.58x
Bank of Montreal	118.8B	19.68x
The Bank of Nova Scotia	111.6B	16.92x
HSBC Holdings plc	300.3B	11.33x

Capital	TTM	5Y	10Y
Tang eq %	4.29	4.33	4.31
LT debt %	20.24	8.37	8.19
Cash %	2.45	2.94	2.34
Sh yield %	3.64	3.84	5.02

Owners		
Insiders/Inst	%	0.01	47.31
Short interest	%		1.02
SBC / revenue	%		–

Record	10Y
Profitable years	10/10
Revenue growth years	8/9
EPS growth years	6/9
Dividend streak yrs	15
ROE range %	14–18
$1 test x	2.1
Incr. ROIC %	–

Royal Bank's third quarter was carried by capital markets and commercial lending. Revenue rose 9.1% to C$18.54B and diluted EPS rose 12.8% to C$4.23. Origination and M&A lifted investment banking across most regions. Higher volumes and margins grew Commercial Banking net interest income. Variable pay tied to those revenues drove more than half of expense growth. The franchise is earning well, but SE fair value of C$249 is 12.5% below the price, so the shares already discount that strength.

Management held its full-year targets. All-bank net interest income excluding trading is on track for mid-single-digit growth, and year-to-date expense growth sits within mid-single-digit guidance. The bank expects positive operating leverage for the year, including 1%-2% in Canadian banking. It sees Canadian margins relatively stable as mortgage and deposit competition offsets structural tailwinds. Asked why NII growth lags peers, management cited a purchase price accounting headwind. Revenue growth slowed from the prior quarter, and the consensus years also show slower growth ahead.

Analysts look for FY2026 EPS growth of 13.6% on revenue growth of 8.8%. They see EPS growth easing to 9.0% in FY2027. That deceleration matches the slowing quarterly revenue and the mid-single-digit guidance, so the forward path points to a cooling pace. The bank has beaten the estimate in 7 of the last 8 quarters. Even so, the price assumes results keep running ahead of a base case that already embeds solid growth, which leaves little room for a miss.

Cost discipline has improved: the efficiency ratio moved from 58.0% in FY2022 to 54.9% in FY2025, better over three years. Return on tangible equity of 20.7% is steady against its median. ROE of 17.2% is also steady, and the screened ROE sits above the peer median. Return on assets of 0.9% is steady as well. That thin asset return, together with share count growth, is what holds Quality back. The returns are high for a lender, but they are not rising.

The multiples are stretched against history. P/B of 2.95x is 62% above its 10-year median of 1.82x, and P/TBV of 3.69x is 60% above its 10-year median of 2.30x. The trailing P/E of 17.8x also sits well above its long-run median. SE fair value, rated high confidence, is 12.5% below the price, while the analyst target is 7.8% above it. For the price to hold, earnings must keep beating the model's base case. A first missed EPS estimate would show that they are not.

The SE Score is 1 of 3. Quality earns two stars on a three-year median ROE of 14% against a 5.4% cost of equity, held back by a modest return on assets and equity-to-assets. Moat earns three stars: ROE has topped 12% in each of ten years, and every C$1 retained has created C$2.12 of market value. Value earns no stars, with the price above SE fair value and P/B well above its own history. That price position lowered the two-star business tier by one notch.

Q3 2026

Royal Bank of Canada is a diversified financial services company operating worldwide. It offers personal banking, including lending, credit cards and mutual funds; commercial banking; wealth and asset management for individual and institutional clients; life, health, property and reinsurance solutions; and capital markets services to corporations, institutional clients, asset managers, private equity firms and governments.

Profit by segment	Profit	Trend	Revenue	Rel margin
Personal Banking	37.07%		29.84%	1.24×
Capital Markets	22.34%		21.68%	1.03×
Wealth Management	20.87%		33.63%	0.62×

Revenue by region	Share	Trend
Canada	62.85%	
United States	25.82%	
Other International	11.33%	

Reinvestment returns	10Y median	Trend
Retention rate	45.54%	
Return on capital	16.16%	
Spread over hurdle	10.73%	

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