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CANADA'S BEST INVESTMENT BANK RBC CAPITAL MARKETS

CANADA INVESTMENT BANK

Until the coronavirus crisis, it was a familiar year for **RBC Capital Markets** in the awards period. As usual, the bank faced strong individual competitors in almost every business, product or sector in which it operates, but no firm rivals it across the board.

The portfolio effect of its leading or close-to-leading positions across its businesses and outperformance in those areas where market volumes were down make it, once again, Canada's best investment bank.

Those factors are also why Trevor Gardner, head of Canadian investment banking, considers the franchise's scope to be its biggest asset. "The best strength of the platform is the breadth of the platform," he tells Euromoney.

In M&A advisory, RBC's competitors were once again the global banks. But it ranked second overall in completed deals with any Canadian involvement for the period. It was by far the leading Canadian bank, with a market share some 10 percentage points above its closest domestic rival and nearly twice as many deals.

Momentum for the year ahead also looked excellent, with the bank up from seventh place to second in all announced deals in the period.

The bank's roster for the period included some of the highest profile deals. Its advisory work for Blackstone on the C\$6.2 billion (\$4.6 billion) acquisition of Toronto-listed Dream Global Reit in December 2019 combined RBC's private equity and

real estate expertise.

Equity capital markets in Canada are highly competitive, but RBC was back to the top of the rankings after placing third the previous year.

Gardner's pick of the IPOs the bank worked on is the \$2.9 billion New York and Toronto listing of GFL Environmental, where the bank shared active bookrunner duties with JPMorgan and Goldman Sachs, and was the sole lead in Canada.

The deal was the largest IPO in Canadian history when the offerings of common stock and tangible equity units (TEUs) are combined – and had the challenges to match that record, not least the fact that it priced on March 2, when markets were already starting to sell off.

Despite that, pricing came in just \$1 below the initial range on the common and at the mid-point for the TEUs.

Gardner says RBC's involvement in the deal was testament to several strengths at the bank. It again demonstrated the credibility of its private equity franchise, but it also highlighted how its big capital markets

desk in the US means the bank can play a valuable role in acting as a sense-check on feedback from US investors, even when its principal role is to lead distribution in Canada.

DCM is an area where the bank has the most obvious and consistent lead, and the period under review was no different to normal. The bank's 15% rise in apportioned volume beat the market increase of 11%, and it doubled its market share lead over its closest rival from three percentage points to six.

The bank was on most of the domestic deals that mattered and brought foreign issuers such as Volkswagen and NAB to the Canadian dollar market. It led some environment, social and governance firsts, such as Sun Life's C\$750 million sustainability bond in August 2019, the first from a life insurer globally.

And it helped borrowers in the midst of the Covid-19 crisis, including reopening the corporate market with a C\$700 million 30-year for the 407 toll road, as well as bringing the largest-ever single tranche Canadian dollar deal, a C\$1.5 billion seven-year for communications company Rogers.

Some of RBC's peers have ventured abroad – TD Bank in the US and Scotiabank in Latin America – but none has the geographic scope of RBC.

"Our stock in trade is being better equipped to help with access across multiple markets," says Gardner.

He adds that when the crisis hit, this drove demand for the bank's insights.

"When Canadian clients wanted to know what was happening in other geographies, we were in a unique position to help them," he says. "We have a strong presence in the US and Europe that meant we could say: 'This is what is happening in your sector in these markets'."



Trevor Gardner, RBC Capital Markets' scope is its biggest asset

