Royal Bank of Canada

Pillar 3 Report

As at April 30, 2020

TABLE OF CONTENTS

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 Pillar 3 Report, our 2019 Annual Report, in other filings with Canadian regulators or the SEC, in other reports to shareholders, including our Q2 2020 Report to Shareholders, and in other communications. Forward-looking statements are typically identified by words such as "believe", "expect", "foresee", "forecast", "anticipate", "intend", "estimate", "goal", "plan" and "project" and similar expressions of future or conditional verbs such as "will", "may", "should", "could" or "would". By their very nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties, 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 and that our financial performance and management objectives, vision and strategic goals will not be achieved. We caution readers not to place undue reliance on these statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. Additional information about certain risk factors can be found in the Caution regarding forward-looking statements and risk sections of our 2019 Annual Report and the Risk management and Significant Developments: COVID-19 sections of our Q2 2020 Report to Shareholders. When relying on our forward-looking statements to make decisions with respect to us, investors and others should carefully consider these risk factors as well as other uncertainties and potential events. 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.

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 84,000+ employees who 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 more than 17 million clients in Canada, the U.S. and 34 other countries. Learn more at rbc.com.

Our business segments include Personal & Commercial Banking, Wealth Management, Insurance, Investor & Treasury Services, and Capital Markets. Our business segments are supported by Corporate Support, which consists of Technology & Operations and Functions. Technology & Operations provides the technological and operational foundation required to effectively deliver products and services to our clients, while Functions includes our finance, corporate treasury, human resources, risk management, internal audit and other functional groups.

Capital framework

Our consolidated regulatory capital requirements are determined by guidelines issued by the Office of the Superintendent of the Financial Institutions (OSFI), which are based on the Basel III framework adopted by the Basel Committee on Banking Supervision (BCBS).

The Basel III framework integrates three "Pillars" to establish a robust foundation for banking supervision and financial stability:

- Pillar 1 prescribes minimum capital requirements and addresses capital adequacy, including standards for calculating risk-weighted assets (RWA);
- Pillar 2 requires the establishment of internal assessment processes and supervisory review to evaluate the risk profile and capital adequacy of banks;
- Pillar 3 enhances the consistency and comparability of risk and capital profiles between banks and across jurisdictions for market participants through meaningful disclosures.

Under Basel III, banks use defined approaches to calculate their minimum regulatory capital required to support various risks and exposure types including credit risk, counterparty credit risk, market risk, operational risk, and securitizations exposures. Refer to the "Capital management" section of our 2019 Annual Report for further information on calculation approaches. Refer to the following sections in this report for further information on the respective approaches to:

- Credit Risk
- Counterparty Credit Risk
- Market Risk
- Operational Risk
- Securitization Exposures

Capital framework (continued)

In January 2015, the BCBS published the "*Revised Pillar 3 Disclosure Requirements*" (Revised Standards) to encourage market discipline through regulatory disclosure requirements. The Revised Standards require comprehensive disclosure of our risks and regulatory capital including our methodologies used in calculating capital requirements instituted under Pillar 1. Existing requirements in the areas of credit risk, counterparty credit risk and securitization activities were replaced by the Revised Standards. OSFI mandated the domestic implementation of the first phase of the Revised Standards for Canadian domestic systemically important banks (D-SIBs) for the reporting period ending October 31, 2018. This Pillar 3 report provides disclosures reflective of this first phase of the Revised Standards.

In March 2017, the BCBS issued its second phase of the Pillar 3 disclosure requirements entitled, "*Pillar 3 disclosure requirements – consolidated and enhanced framework*". The disclosure standard consolidates all existing Pillar 3 disclosure requirements of the Basel III framework, including the leverage and liquidity ratios disclosure templates.

In December 2018, the BCBS issued its third and final phase (phase three) of the Pillar 3 disclosure requirements, *Pillar 3 disclosure requirements – updated framework.* This phase incorporates revisions and additions to the Pillar 3 framework arising from the finalization of the Basel III reforms in December 2017, such as additional disclosure requirements comparing RWA as determined by banks' internal models against results based on the standardized approach, and new disclosure requirements on asset encumbrance and capital distribution constraints. The phase three requirements, together with the phase one and two disclosure requirements released in January 2015 and March 2017, respectively, complete the Pillar 3 framework. On March 27, 2020, OSFI announced that it would delay its implementation of the phase three BCBS Pillar 3 disclosure requirements to January 31, 2023. We expect OSFI to similarly defer BCBS phase two guidance to January 31, 2023.

Effective November 1, 2018, OSFI adopted the BCBS frameworks related to the Standardized Approach for measuring counterparty credit risk (SA-CCR), capital requirements for bank exposures to central counterparties (CCPs) and the revised securitization framework as incorporated in OSFI's Capital Adequacy Requirements (CAR) guideline.

On November 1, 2019, the impact of adoption of IFRS 16 *Leases*, and removal of allowed grandfathering and transitioning treatment for certain securitization and counterparty credit risk exposures was incorporated in our measurement of regulatory capital. In addition, we adopted, the Standardized Approach for consolidated regulatory reporting of operational risk as the use of the Advanced Measurement Approach was discontinued by OSFI. This Pillar 3 report reflects the CAR guideline requirements for all periods, including prior period comparatives.

To address the recent economic disruption caused by the COVID-19 pandemic, OSFI announced a series of regulatory capital modifications which are described in more detail in our Capital management section of our Q2 2020 Report to Shareholders. Announced changes included the reduction of the domestic stability buffer to 1% of total RWA while also providing transitional expected credit loss (ECL) modifications and risk-weight exclusions for certain exposures. In addition, OSFI has also allowed delaying for six months the past due treatment of all loan deferrals requested by clients. Our reported figures for Q2 2020 reflect this guidance as fully described in our Capital management section of our Q2 2020 Report to Shareholders.

Our Q2 2020 disclosure for KM1: Key Capital and Leverage metrics template has been updated to include disclosure of our capital ratios assuming transitional ECL modifications had not been applied, as required by OSFI.

Refer to the Capital Management section of our Q2 2020 Report to Shareholders for further information on upcoming regulatory reforms which were announced during the quarter.

Leverage framework

On October 30, 2014, OSFI issued its "Leverage Requirements (LR) Guideline", which reflected its adoption of the BCBS "Basel III leverage ratio framework and disclosure requirement" effective the first fiscal quarter of 2015. The LR guideline requires banks to disclose their leverage ratio and its underlying components. The leverage ratio is defined as the capital measure divided by the leverage exposure measure. The capital measure is defined as Tier 1 capital and the leverage exposure measure is the sum of (a) on-balance sheet exposures; (b) derivative exposures; (c) securities financing transaction (SFT) exposures and (d) off-balance sheet items.

Poorly managed leverage can lead to unwarranted corrective measures due to excessive exposure growth or capital reduction, causing detriment to the bank's balance sheet and overall shareholders wealth. Maintaining a prescribed minimum level of leverage helps neutralize leverage risk in the event of unexpected economic crises. OSFI requires maintenance of a minimum leverage ratio of 3% at all times.

On October 30, 2018, OSFI published its updated LR Guideline, effective November 1, 2018. The revisions aligned the LR guideline with OSFI's adoption of the BCBS *"Standardized approach for measuring counterparty credit risk exposures"* and *Revisions to the securitization framework"*. On November 1, 2019, the impact of adoption of IFRS 16 *Leases*, was incorporated into our leverage ratio.

In addition to the pre-existing 3% leverage ratio minimum requirement, the BCBS has introduced an additional leverage ratio buffer requirement for global systemically-important banks (G-SIB) as part of their Basel III reforms *"Basel III: Finalizing post-crisis reforms* (December 2017)*"*. The G-SIB leverage ratio must be met with Tier 1 capital and is set at 50% of a G-SIB's higher-loss absorbency risk-weighted requirement. On July 16, 2018 OSFI announced that all Canadian D-SIBs will be held to the 3.5% minimum leverage requirements including RBC which has been designated a G-SIB.

On November 20, 2018, OSFI updated its Leverage disclosure guidelines, which are based on BCBS phase two disclosure requirements, to reflect the revisions to the LR and CAR guidelines mentioned above. Refer to our Leverage disclosures included in this report, as required by OSFI.

To address the recent economic disruption caused by the COVID-19 pandemic, OSFI announced two leverage ratio modifications. The first leverage ratio modification required the exclusion of central bank reserves and sovereign-issued securities that qualify as high quality liquid assets from our total leverage exposure amount for a period of one year ending April 30, 2021. The second modification required the exclusion of loans issued under the Federal Reserve Payment Protection Program (PPP) lending facility from our total leverage exposure amount. Our reported leverage figures for Q2 2020 reflect this guidance as fully described in our Capital management section of our Q2 2020 Report to Shareholders.

Our Q2 2020 disclosure of LR2: Leverage ratio common disclosure template has been to be updated to disclose our leverage ratio assuming transitional ECL modification had not been applied, as required by OSFI.

TLAC framework

The Canadian Bail-in regime, including OSFI's Total Loss Absorbing Capacity (TLAC) Framework Guideline, came into effect on September 23, 2018. The purpose of the TLAC requirement is to address the sufficiency of a Canadian 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 other TLAC instruments (senior bail-in debt), which includes senior unsecured debt with an original term to maturity of greater than 400 days and remaining term to maturity of greater than 365 days. Under the Bail-in regime, bail-in debt, which would ordinarily rank equally to Other Liabilities in liquidation, is subject to conversion under statutory resolution powers whereas Other Liabilities are not subject to such conversion.

TLAC requirements establish two minimum standards; which are required to be met effective November 1, 2021: the risk-based TLAC ratio, which builds on the risk-based capital ratios described in the CAR guideline, and the TLAC leverage ratio, which builds on the leverage ratio described in OSFI's Leverage Requirements guideline. The risk-based TLAC ratio is defined as TLAC divided by Total risk-weighted assets (RWA) while the TLAC leverage ratio is defined as TLAC divided by the Leverage ratio exposure. OSFI requires systemically important banks to maintain a minimum TLAC ratio of 22.5% (inclusive of the revised domestic stability buffer of 1% in Q2 2020) and a TLAC leverage ratio of 6.75%. We began issuing TLAC eligible debt in Q4 2018 and our TLAC ratio is expected to increase through normal course refinancing of maturing debt through the effective date of the TLAC requirements.

In May 2018, OSFI published its TLAC Disclosure Guideline for Canadian D-SIBs. The disclosure requirements reflect the BCBS TLAC disclosure requirements as outlined in the BCBS March 2017 phase two requirements mentioned above. Refer to our TLAC disclosures included in this report, as required by OSFI.

To reflect the transitional ECL modification provided by OSFI during the quarter, as discussed in the Capital framework and Leverage framework sections above, our Q2 2020 disclosure of KM2: Key metrics – TLAC requirements also includes both our TLAC ratio and TLAC leverage ratio assuming the transitional ECL modification had not been applied, as required by OSFI.

DISCLOSURE MAP

Pillar 3 Requirement	Pillar 3 Requirement		2019 Annual Report section	Sub-section	2019 Annual Report Reference
Overview of key metrics, risk management and RWA	KM1				
	OVA	a) Business model and risk profile	Top and emerging risks	Top and emerging risks	47-48
			Risk management overview	Risk Management Principles	49
				Risk drivers	49
			Enterprise risk management	Risk governance	50
				Risk appetite	51
				Risk measurement	51-52
				Risk control	52-53
		b) Risk governance structure	Enterprise risk management	Risk governance	50
				Risk control	52-53
		c) Communication and enforcement of risk culture within the bank	Enterprise risk management	Conduct and risk culture	53-54
		d) Scope and main features of risk measurement systems	Enterprise risk management	Risk measurement	51-52
		e) Risk information reporting	Enterprise risk management	Risk control - *Reporting*	53
		f) Stress testing	Enterprise risk management	Risk measurement – *Stress testing*	51-52
			Market risk	Stress tests	66
			Systemic risk	Systemic risk	86-87
		g) Strategies and processes applied to manage, hedge and mitigate risks	Enterprise risk management	Risk appetite	51
				Risk measurement	51-52
				Risk control	52-53
			Credit risk	Overview	54-55
				Credit risk measurement	55
				Credit risk assessment	56-57
				Credit risk mitigation	57-58
				Credit risk approval	58
				Credit risk administration	58
			Market risk	Market risk controls – FVTPL positions	66
				Stress tests	66
				Market risk controls – Structural Interest Rate Risk (SIRR) positions	68
				SIRR measurement	68
				Non-trading foreign exchange rate risk	69
			Liquidity and funding risk	Overview	71
				Risk control	71-72
				Risk measurement	72
				Funding	74-76
				Liquidity coverage ratio	78-79
			Insurance risk	Insurance risk	82
			Operational risk	Overview	82
				Operational risk framework	82
			Regulatory compliance risk	Regulatory compliance risk	83-84
			Strategic risk	Strategic risk	84
			Reputation risk	Reputation risk	84
			Legal and regulatory environment risk	Legal and regulatory environment risk	85-86
			Competitive risk	Competitive risk	86
			Systemic risk	Systemic risk	86-87
			Consolidated Financial Statements	Note 8 – Derivative financial instruments and hedging activities - *Derivatives issued for trading purposes*	168
				Note 8 – Derivative financial instruments and hedging activities - *Derivatives issued for other than trading purposes*	168-169
				Note 8 – Derivative financial instruments and hedging activities - *Derivative-related credit risk*	170-171
	OV1				

DISCLOSURE MAP (continued)

Pillar 3 Requirement	Pillar 3 Requirement		2019 Annual Report section	Sub-section	2019 Annual Report Reference
Linkages between financial statements and regulatory exposures	LI1				
	LI2				
	LIA				
Credit risk	CRA	a) Translation of the business model into the components of the bank's credit risk profile	Credit risk	Overview	54-55
				Credit risk exposure	55-56
		b) Criteria and approach used for defining credit risk management policy and for setting credit risk limits	Enterprise risk management	Risk governance	50
				Risk appetite	51
				Risk measurement	51-52
				Risk control - *Authorities and limits*	53
			Credit risk	Overview	54-55
				Credit risk assessment	56-57
				Credit risk mitigation	57-58
				Credit risk approval	58
		c) Structure and organization of the credit risk management and control function	Enterprise risk management	Risk governance	50
				Risk control	52-53
		d) Interaction between the credit risk management, risk control, compliance and internal audit functions	Enterprise risk management	Risk governance	50
		e) Scope and content of the reporting on credit risk exposure to the executive management and to the board of directors	Enterprise risk management	Risk governance	50
				Risk control - *Reporting*	53
	CR1				
	CR2 [1]				
	CRB	a) The scope and definitions of "past due" and "impaired" exposures used for accounting purposes and the differences, if any, between the definition of past due and default for accounting and regulatory purposes	Consolidated Financial Statements	Note 2 – Summary of significant accounting policies, estimates and judgments - Allowance for credit losses - *Definition of default* *Credit impaired financial assets (Stage 3)*	131
				Note 5 – Loans and allowance for credit losses - *Loans past due but not impaired*	163
		b) The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this	Consolidated Financial Statements	Note 5 – Loans and allowance for credit losses - *Loans past due but not impaired*	163
		c) Description of methods used for determining accounting provisions for credit losses	Consolidated Financial Statements	Note 2 – Summary of significant accounting policies, estimates and judgments - Allowance for credit losses	129-132
		Description of the categorization of ECL accounting provisions (general and specific) for standardized approach exposures	n/a	n/a – For regulatory calculations under both the Standardized and IRB approaches, the IFRS 9 stage 3 allowances are considered to be specific allowances and the IFRS 9 stage 1 and stage 2 allowances are considered to be general allowances	
		d) The bank's own definition of a restructured exposure	Consolidated Financial Statements	Note 2 – Summary of significant accounting policies, estimates and judgments - Allowance for credit losses - *Modifications*	132

[1]Requirement for disclosure of this table is only semi-annual.

DISCLOSURE MAP (continued)

Pillar 3 Requirement	Pillar 3 Requirement		2019 Annual Report section	Sub-section	2019 Annual Report Reference
Credit risk (continued)	CRC	a) Core features of policies and processes for, and an indication of the extent to which the bank makes use of, on– and off–balance sheet netting	Credit risk	Credit risk assessment – *Counterparty credit risk*	56-57
			Consolidated Financial Statements	Note 8 – Derivative financial instruments and hedging activities - *Derivative-related credit risk*	170-171
				Note 31 – Offsetting financial assets and financial liabilities	207-208
		b) Core features of policies and processes for collateral evaluation and management	Credit risk	Credit risk mitigation - *Collateral*	57-58
		c) Information about market or credit risk concentrations under the credit risk mitigation instruments used	Credit risk	Credit risk mitigation	57-58
				Credit risk approval - *Credit risk limits*	58
			Consolidated Financial Statements	Note 8 – Derivative financial instruments and hedging activities	168-177
	CR3 [1]				
	CRD				
	CR4				
	CR5				
	CRE				
	CR6				
	CR7				
	CR8				
	CR9 [2]				
	CR10		n/a	n/a	n/a
Counterparty credit risk	CCRA	a) Risk management objectives and policies related to counterparty credit risk	Credit risk	Credit risk assessment – *Counterparty credit risk*	56-57
			Consolidated Financial Statements	Note 8 – Derivative financial instruments and hedging activities - *Derivative-related credit risk*	170-171
		b) The method used to assign the operating limits defined in terms of internal capital for counterparty credit exposures and for CCP exposures	Credit risk	Credit risk assessment – *Counterparty credit risk*	56-57
		c) Policies relating to guarantees and other risk mitigants and assessments concerning counterparty credit risk, including exposures towards CCPs	Credit risk	Credit risk assessment – *Counterparty credit risk*	56-57
			Consolidated Financial Statements	Note 8 – Derivative financial instruments and hedging activities - *Derivative-related credit risk*	170-171
			Consolidated Financial Statements	Note 31 – Offsetting financial assets and financial liabilities	207-208
		d) Policies with respect to wrong-way risk exposures	Credit risk	Credit risk assessment – *Wrong-way risk*	57
		e) The impact in terms of the amount of collateral that the bank would be required to provide given a credit rating downgrade	Liquidity and funding risk	Credit ratings	77
	CCR1				
	CCR2				
	CCR3				
	CCR4				
	CCR5 [1]				
	CCR6 [1]				
	CCR7		n/a	n/a	n/a
	CCR8	f) Exposures to central counterparties			

[1]Requirement for disclosure of this table is only semi-annual.
[2]Requirement for disclosure of this table is only annual.

DISCLOSURE MAP (continued)

Pillar 3 Requirement	Pillar 3 Requirement		2019 Annual Report section	Sub-section	2019 Annual Report Reference
Securitization	SECA	a) Objectives in relation to securitization activities	Off-balance sheet arrangements	Off-balance sheet arrangements	45-47
			Consolidated Financial Statements	Note 6 – Derecognition of financial assets	163-164
			Consolidated Financial Statements	Note 7 – Structured entities	164-167
		b) List of SPEs where RBC is sponsor / provides implicit support	Consolidated Financial Statements	Note 7 – Structured entities	164-167
		c) Accounting policies for securitization	Consolidated Financial Statements	Note 2 – Summary of significant accounting policies, estimates and judgments – *Basis of consolidation*	125-126
				Note 2 – Summary of significant accounting policies, estimates and judgments – *Derecognition of financial assets*	132
			Critical accounting policies and estimates	Consolidation of structured entities	100
		d) the names of external credit assessment institution (ECAIs) used for securitizations and the types of securitization exposure for which each agency is used	Capital Management (also refer to CRD in this document)	Regulatory capital approach for securitization exposures	97-98
		e) Use of Basel IAA for capital purposes	Credit risk	n/a	54-58
			Capital Management	Regulatory capital approach for securitization exposures	97-98
		f) Use of other internal assessment for capital purposes	Credit risk	Credit risk assessment	56-57
	SEC1	Securitization exposures in the banking book			
	SEC2	Securitization activities in the trading book			
	SEC3	Securitization exposures in the banking book and associated regulatory capital requirements - bank acting as originator or as sponsor			
	SEC4	Securitization exposures in the banking book and associated capital requirements - bank acting as investor			
Market risk	MRA	a) Processes implemented to identify, measure, monitor and control the bank's market risks	Market risk	Market risk controls – FVTPL positions	66
				Stress Tests	66
				Market risk measures – FVTPL positions	67-68
				Market risk measures for assets and liabilities of RBC Insurance	68
				Market risk controls – Structural Interest Rate Risk (SIRR) positions	68
				SIRR measurement	68
				Market risk measures – Structural Interest Rate Sensitivities	68-69
				Market risk measures for other material non-trading portfolios	69
		Policies for hedging risk and strategies/processes for monitoring the continuing effectiveness of hedges	Consolidated Financial Statements	Note 2 – Summary of significant accounting policies, estimates and judgements – *Hedge accounting*	133-134
		b) Description of the market risk governance structure established to implement the strategies and processes of the bank	Enterprise risk management	Risk governance	50
				Risk appetite	51
				Risk measurement	51-52
				Risk control	52-53
				Risk measurement – *Stress testing*	51-52
				Conduct and risk culture	53-54

DISCLOSURE MAP (continued)

Pillar 3 Requirement	Pillar 3 Requirement		2019 Annual Report section	Sub-section	2019 Annual Report Reference
Market risk (continued)	MRA (continued)	Description of the relationships and the communication mechanisms between the different parties involved in market risk management	Enterprise risk management	Risk governance	50
				Risk control	52-53
		c) Scope and nature of risk reporting and/or measurement systems	Enterprise risk management	Risk measurement	51-52
				Risk control	52-53
				Risk measurement – *Stress testing*	51-52
			Market risk	Market risk controls – FVTPL positions	66
				Stress Tests	66
				Market risk measures – FVTPL positions	67-68
				Market risk measures for assets and liabilities of RBC Insurance	68
				Market risk controls – Structural Interest Rate Risk (SIRR) positions	68
				SIRR measurement	68
				Market risk measures – Structural Interest Rate Sensitivities	68-69
				Market risk measures for other material non-trading portfolios	69
	MRB	c) General description of the models (VaR/stressed VaR)	Market risk	Market risk controls – FVTPL positions	66
		g) Description of stress testing applied to the modelling parameters	Market risk	Stress Tests	66
	MR1				
	MR2				
	MR3				
	MR4 [1]				
Leverage	LR1				
	LR2				
Total loss absorbing capacity	KM2				
	TLAC1				
	TLAC2				
	TLAC3				
Operational Risk		a) Details of the approach for operational risk capital assessment for which the bank qualifies	Operational risk	Operational risk capital	83
		b) Description of the advanced measurement approaches for operational risk (AMA)	Operational risk	Operational risk capital	83
		c) Description of the use of insurance for the purpose of mitigating operational risk	Operational risk	Operational risk capital	83
Interest rate risk in the banking book			Market risk	Market risk	66-71

[1]Requirement for disclosure of this table is only semi-annual.

OVERVIEW OF KEY METRICS, RISK MANAGEMENT AND RWA

KM1: Key Capital and Leverage metrics (at consolidated group level)

	(Millions of Canadian dollars)[1]	a April 30 2020	b January 31 2020	c April 30 2019	d Q o Q Change (a-b)
	Available capital (amounts)				
1	Common Equity Tier 1 (CET1)	65,198	63,054	60,314	2,144
1a	Common Equity Tier 1 with transitional arrangements for ECL provisioning not applied	63,960			
2	Tier 1	70,854	68,709	65,992	2,145
2a	Tier 1 with transitional arrangements for ECL provisioning not applied	69,616			
3	Total capital	81,469	78,220	75,491	3,249
3a	Total capital with transitional arrangements for ECL provisioning not applied	81,469			
	Risk-weighted assets (amounts)				
4	Total risk-weighted assets (RWA)	558,412	523,725	510,463	34,687
	Risk-based capital ratios as a percentage of RWA				
5	Common Equity Tier 1 ratio	11.7%	12.0%	11.8%	(0.3)%
5a	Common Equity Tier 1 ratio with transitional arrangements for ECL provisioning not applied	11.5%			
6	Tier 1 ratio	12.7%	13.1%	12.9%	(0.4)%
6a	Tier 1 ratio with transitional arrangements for ECL provisioning not applied	12.5%			
7	Total capital ratio	14.6%	14.9%	14.8%	(0.3)%
7a	Total capital ratio with transitional arrangements for ECL provisioning not applied	14.6%			
	Additional CET1 buffer requirements as a percentage of RWA				
8	Capital conservation buffer requirement	2.5%	2.5%	2.5%	-
9	Countercyclical buffer requirement[2]	0.0%	0.0%	0.0%	-
10	Bank G-SIB and/or D-SIB additional requirements	1.0%	1.0%	1.0%	-
11	Total of bank CET1 specific buffer requirements (row 8 + row 9 + row 10)	3.5%	3.5%	3.5%	-
12	CET1 available after meeting the bank's minimum capital requirements (row 5 - 8%)[3]	3.7%	4.0%	3.8%	(0.3)%
	Basel III leverage ratio				
13	Total Basel III leverage ratio exposure measure	1,577,722	1,629,884	1,521,197	(52,162)
14	Basel III leverage ratio (row 2 / row 13)	4.5%	4.2%	4.3%	0.3%
14a	Basel III leverage ratio (row 2a / row 13) with transitional arrangements for ECL provisioning not applied	4.4%			

[1] This table incorporates the impact of expected credit loss (ECL) accounting on regulatory capital including transitional ECL provisioning modification granted by OSFI on Mar. 27, 2020.

[2] Bank specific countercyclical buffer requirement for Q2 2020 was not material (Q1 2020 – 2bps; Q2 2019 – 2bps), the amount which is determined based on our private sector exposures in jurisdictions identified by BCBS.This reflects recent jurisdictional decreases in the required countercyclical buffer requirement.

[3] 8% reflects minimum capital requirements which includes D-SIB/G-SIB surcharge, and excludes the OSFI Domestic Stability Buffer of 1% effective Q2 2020 (2% in Q1 2020). Refer to our Q2 2020 and Q1 2020 Report to Shareholders.

Our CET1 ratio was 11.7%, down 30 bps from last quarter, mainly reflecting higher RWA, driven by drawdowns on credit facilities, net credit downgrades and balance sheet growth. The unfavourable impact of fair value OCI adjustments, and the impact of higher PCL net of related capital modifications for expected loss provisioning, also contributed to the decrease. These factors were partially offset by internal capital generation, the impact of higher discount rates in determining our pension and other post-employment benefit obligations and the capital modifications associated with the reduction in market risk.

Our Tier 1 capital ratio of 12.7% was down 40 bps, reflecting the factors noted above under the CET1 ratio.

Our Total capital ratio of 14.6% was down 30 bps, reflecting the factors noted above under the CET1 ratio. Total capital ratio was also positively impacted by the inclusion of excess provisions, net of capital modifications applied.

RWA increased by $35 billion, mainly driven by the impact of foreign exchange translation, drawdowns on credit facilities and the impact of net credit downgrades. Business growth in wholesale and personal lending also contributed to the increase. These factors were partially offset by the impact of market risk model and methodology updates. The impact of foreign exchange translation on RWA is largely mitigated with economic hedges in our CET1 ratio.

Our Leverage ratio of 4.5% was up 30 bps from last quarter, as the impact of regulatory modifications from central bank reserves and sovereign-issued securities qualifying as HQLA and internal capital generation were partially offset by higher leverage exposures, the unfavourable impact of fair value OCI adjustments and the impact of higher PCL net of capital relief for expected loss provisioning. The increase in leverage exposures was primarily attributable to growth in cash and interest-bearing deposits as well as corporate lending driven by increased drawdowns on credit facilities.

OVA: Bank risk management approach

The table below presents an overview of Pillar 3 disclosure requirements that have been met within our 2019 Annual Report and incorporated by reference into this Pillar 3 report. Our 2019 Annual Report is available free of charge on our website at http://www.rbc.com/investorrelations

Pillar 3 disclosures requirement		RBC 2019 Annual Report section	Sub-section
a)	Business model and risk profile	Top and emerging risks	Top and emerging risks
		Risk management overview	Risk Management Principles
			Risk drivers
		Enterprise risk management	Risk governance
			Risk appetite
			Risk measurement
			Risk control
b)	Risk governance structure	Enterprise risk management	Risk governance
			Risk control
c)	Communication and enforcement of risk culture within the bank	Enterprise risk management	Conduct and risk culture
d)	Scope and main features of risk measurement systems	Enterprise risk management	Risk measurement
e)	Risk information reporting	Enterprise risk management	Risk control - *Reporting*
f)	Stress testing	Enterprise risk management	Risk measurement - *Stress testing*
		Market risk	Stress tests
		Systemic risk	Systemic risk
g)	Strategies and processes applied to manage, hedge and mitigate risks	Enterprise risk management	Risk appetite
			Risk measurement
			Risk control
		Credit risk	Overview
			Credit risk measurement
			Credit risk assessment
			Credit risk mitigation
			Credit risk approval
			Credit risk administration
		Market risk	Market risk controls - FVTPL positions
			Stress tests
			Market risk controls - Structural Interest Rate Risk (SIRR) positions
			SIRR measurement
			Non-trading foreign exchange rate risk
		Liquidity and funding risk	Overview
			Risk control
			Risk measurement
			Funding
			Liquidity coverage ratio
		Insurance risk	Insurance risk
		Operational risk	Overview
			Operational risk framework
		Regulatory compliance risk	Regulatory compliance risk
		Strategic risk	Strategic risk
		Reputation risk	Reputation risk
		Legal and regulatory environment risk	Legal and regulatory environment risk
		Competitive risk	Competitive risk
		Systemic risk	Systemic risk
		Consolidated Financial Statements	Note 8 - Derivative financial instruments and hedging activities - *Derivatives issued for trading purposes*
			Note 8 - Derivative financial instruments and hedging activities - *Derivatives issued for other-than-trading purposes*
			Note 8 - Derivative financial instruments and hedging activities - *Derivative-related credit risk*

OV1: Overview of risk weighted assets (RWA)

The following table presents an overview of our RWA and the related minimum capital requirements by risk type.

		a	b	c	d	e
		RWA			Minimum capital requirement[1]	RWA
	(Millions of Canadian dollars)	April 30 2020	January 31 2020	April 30 2019	April 30 2020	Change (a-b)
1	**Credit risk (excluding counterparty credit risk)**	**379,252**	**350,825**	**338,099**	**30,339**	**28,427**
2	Of which Standardized approach (SA)	97,112	88,045	80,102	7,769	9,067
3	Of which Internal rating-based (IRB) approach	282,140	262,780	257,997	22,570	19,360
4	**Counterparty credit risk (CCR)**	**51,471**	**46,493**	**49,656**	**4,118**	**4,978**
4a	Of which other CCR	9,459	11,184	11,075	757	(1,725)
4b	Credit valuation adjustment (CVA)	16,156	12,703	13,855	1,292	3,453
5	Of which Standardised approach for counterparty credit risk (SA-CCR)[2]	25,856	22,606	24,726	2,069	3,250
6	Of which Internal model method (IMM)	-	-	-	-	-
7	Equity positions in banking book under market-based approach	2,455	2,436	2,406	196	19
8	Equity investments in funds – look-through approach	-	-	-	-	-
9	Equity investments in funds – mandate-based approach	2,826	2,702	2,293	226	124
10	Equity investments in funds – fall-back approach	19	24	141	2	(5)
11	Settlement risk	41	409	283	3	(368)
12	**Securitisation exposures in banking book**	**12,716**	**11,448**	**9,472**	**1,017**	**1,268**
12a	Of which transitional grandfathering adjustment	-	-	(6,888)	-	-
13	Of which IRB ratings-based approach (SEC-IRBA)	355	391	431	28	(36)
14	Of which External ratings-based approach (SEC-ERBA)[3]	9,563	8,384	12,464	765	1,179
15	Of which Standardized approach (SEC-SA)[3]	2,798	2,673	3,465	224	125
16	**Market risk**	**26,900**	**28,415**	**31,453**	**2,152**	**(1,515)**
17	Of which Standardized approach (SA)	12,221	12,010	13,334	978	211
18	Of which Internal model approaches (IMA)	14,679	16,405	18,119	1,174	(1,726)
19	**Operational risk**	**67,945**	**67,243**	**64,487**	**5,436**	**702**
20	Of which Basic Indicator Approach	-	-	-	-	-
21	Of which Standardized Approach	67,945	67,243	5,370	5,436	702
22	Of which Advanced Measurement Approach[4] (AMA)	-	-	59,117	-	-
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	14,787	13,730	12,173	1,182	1,057
24	Floor adjustment	-	-	-	-	-
25	**Total (1+4+7+8+9+10+11+12+16+19+23+24)**	**558,412**	**523,725**	**510,463**	**44,671**	**34,687**

[1] The minimum capital requirements for each category can be calculated by multiplying the total RWA by 8% as per OSFI CAR guidelines.

[2] Includes RWA associated with CCP exposures, which EAD is calculated based on SA-CCR.

[3] Prior to the implementation of the revised securitization framework in 2019, the methodology SEC-ERBA was referred to as the IRB ratings based approach. Under the current framework, SEC-SA includes exposures that are risk weighted at 1250%, and SEC-ERBA includes exposures that are under Internal assessment approach (IAA).

[4] Effective November 1, 2019, OSFI discontinued the AMA approach.

During the quarter, Total RWA increased by $35 billion, driven by the following:

Credit risk
RWA increased $28.5 billion ($19.5 billion before foreign exchange), mainly reflecting higher RWA, driven by drawdowns on credit facilities, net credit downgrades and balance sheet growth.

Counterparty credit risk
RWA increased by $5 billion ($3 billion before foreign exchange), mainly due to market movement and client downgrades.

Securitization exposures in banking book
RWA increased by $1.3 billion, mainly driven by growth in our conduit business.

Market risk
RWA decreased $1.5 billion, mainly driven by OSFI's temporary reduction of SVaR capital multiplier partially offset by recent market volatility which increased VaR.

Operational risk
RWA remained relatively flat.

Amounts subject to threshold deductions
RWA increased $1.0 billion, mainly driven by increases in our equity investment of our insurance subsidiaries and deferred tax assets.

RWA: Risk-Weighted Assets by Regulatory Approach

TOTAL CAPITAL RISK-WEIGHTED ASSETS [1]	Q2/2020						Q2/2020	Risk-weighted assets All-in Basis			
	Risk-weighted assets All-in Basis						Capital requirements				
(Millions of Canadian dollars, except percentage and per share amounts)	Exposure [2]	Average of risk weights [3]	Standardized approach	IRB approach	Other	Total [4]	Total [4]	Q1/2020 Total [4]	Q4/2019 Total [4]	Q3/2019 Total [4]	Q2/2019 Total [4]
Credit risk [5]											
Lending-related and other											
Residential mortgages	289,607	8%	9,346	14,157	-	23,503	1,880	22,658	23,629	23,000	22,451
Other retail (Personal, Credit cards and Small business treated as retail)	290,336	21%	6,919	52,708	-	59,627	4,770	59,483	59,443	59,534	58,488
Business (Corporate, Commercial, Medium-sized enterprises											
and Non-bank financial institutions)	396,102	59%	50,939	182,106	-	233,045	18,644	214,990	215,342	216,760	212,750
Sovereign (Government)	265,803	5%	2,070	12,172	-	14,242	1,139	10,979	9,400	9,605	10,301
Bank	32,454	21%	1,804	5,027	-	6,831	546	5,882	7,648	7,286	8,364
Total lending-related and other	1,274,302	26%	71,078	266,170	-	337,248	26,978	313,992	315,462	316,185	312,354
Trading - related											
Repo-style transactions [6]	887,600	1%	59	8,824	47	8,930	714	10,560	10,469	9,065	9,188
Derivatives - including CVA	102,014	40%	1,966	22,102	16,618	40,686	3,255	34,137	33,617	35,421	37,247
Total trading-related	989,614	5%	2,025	30,926	16,665	49,616	3,969	44,697	44,086	44,486	46,435
Total lending-related and other and trading-related	2,263,916	17%	73,103	297,096	16,665	386,864	30,947	358,689	359,548	360,671	358,789
Banking book equities [7]	3,506	143%	-	5,001	-	5,001	400	4,870	4,583	4,623	4,566
Securitization exposures	67,185	19%	6,147	6,569	-	12,716	1,017	11,448	7,794	7,586	9,472
Regulatory scaling factor [8]	n.a.	n.a.	n.a.	18,126	-	18,126	1,450	16,963	17,089	16,816	16,827
Other assets	33,776	121%	n.a.	n.a.	40,860	40,860	3,269	36,097	28,821	26,281	24,869
Total credit risk	**2,368,383**	20%	**79,250**	**326,792**	**57,525**	**463,567**	**37,083**	**428,067**	**417,835**	**415,977**	**414,523**
Market risk [9, 10]											
Interest rate			2,006	4,207	-	6,213	497	6,642	7,264	8,263	10,395
Equity			2,084	887	-	2,971	238	3,847	3,381	3,091	3,000
Foreign exchange			2,118	285	-	2,403	192	2,566	1,756	1,922	1,563
Commodities			195	60	-	255	20	239	296	223	332
Specific risk			5,818	1,895	-	7,713	617	8,358	8,885	8,666	8,088
Incremental risk charge [11, 12]			-	7,345	-	7,345	588	6,763	7,335	7,260	8,075
Total market risk			**12,221**	**14,679**	**-**	**26,900**	**2,152**	**28,415**	**28,917**	**29,425**	**31,453**
Operational risk			**67,945**	**-**	**n.a.**	**67,945**	**5,436**	**67,243**	**66,104**	**65,262**	**64,487**
Total risk-weighted assets (RWA)	**2,368,383**		**159,416**	**341,471**	**57,525**	**558,412**	**44,671**	**523,725**	**512,856**	**510,664**	**510,463**

[1] Calculated using guidelines issued by OSFI under the Basel III All-in framework.

[2] Total exposure represents exposure at default (EAD) which is the expected gross exposure upon the default of an obligor. This amount excludes any allowance against impaired loans or partial write-offs and does not reflect the impact of credit risk mitigation. Exposures acquired through the Federal Reserve Paycheck Protection Program lending facility have been excluded, as required by OSFI.

[3] Represents the average of counterparty risk weights within a particular category.

[4] The minimum capital requirements for each category can be calculated by multiplying the total RWA by 8% as per OSFI CAR guidelines.

[5] For credit risk, a majority of our portfolios use the Internal Ratings Based (IRB) Approach and the remainder use the Standardized Approach.

[6] Effective Q4 2019, exposures in which we act as an agent to a repo-style transaction and provide a guarantee to our customer have been reclassified to repo-style transactions to reflect all counterparty credit risk exposures and align with disclosures in this document.

[7] CAR guidelines define banking book equities based on the economic substance of the transaction rather than the legal form or accounting treatment associated with the financial instrument. As such, differences exist in the identification of equity securities held in the banking book and those reported in the financial statements. Banking book equities are financial instruments held for investment purposes and are not part of our trading book, consisting of publicly-traded and private equities, partnership units, venture capital and derivative instruments tied to equity interests.
As at Q2/20, the amount of publicly-traded equity exposures was $1,446 million and private equity exposures amounted to $2,060 million. Total exposure represents EAD, which is the expected gross exposure upon the default of an obligor.
Under OSFI guidelines, the Simple Risk Weight method under the Market-based Approach is being used to calculate RWA for direct equity exposures ($2,436 million). The calculation of RWA for Equity Investments in Funds ($1,070 million) uses the Mandate-based and Fall-Back Approaches.

[8] The scaling factor represents a calibration adjustment of 6% as prescribed by OSFI under the Basel III framework and is applied to RWA amounts for credit risk assessed under the IRB Approach.

[9] For market risk RWA measurement, we use an internal models approach where we have obtained regulatory approval, and a standardized approach for products yet to be approved. For standardized approach, we use internally validated models.

[10] Regulatory capital for our correlation trading portfolios is determined through the standardized approach as prescribed by OSFI. Therefore, we do not have a Comprehensive Risk Charge for these portfolios. Our securitization and resecuritization positions in our trading book also have capital requirements under the standardized approach. The changes in value due to market and credit risk in the securitization and resecuritization in the trading book are managed through the daily mark-to-market process. Furthermore, we employ market risk measures such as sensitivities to changes in option-adjusted spreads and underlying asset prices as well as value-at-risk (VaR) and stress testing measures.

[11] The incremental risk charge (IRC) was $501 million as at Q2/20. The average was $584 million, high was $816 million and low was $451 million for Q2/20. The IRC is measured over a one-year horizon at a 99.9% confidence level. We utilize a technique known as the Monte Carlo simulation process to generate a statistically relevant number of loss scenarios due to ratings migration and default in order to establish the losses at that confidence level. We also make certain assumptions about position liquidity (the length of time to close out a position) within the model that range from a floor of three months to maximum of one year. The determination of liquidity is based on issuer type and credit rating. Credit rating migration and default probabilities (PD) are based on historical data.

[12] The models are subject to the same internal independent vetting and validation procedures used for all regulatory capital models. Important assumptions are re-reviewed at least annually. Due to the long time horizon and high confidence level of the risk measure, we do not perform back-testing as we do for the VaR measure.

LINKAGES BETWEEN FINANCIAL STATEMENTS AND REGULATORY EXPOSURES

LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

The following table provides the differences between carrying values presented in our financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and our regulatory exposures. It further breaks down the amounts in our financial statements into regulatory risk categories.

As at April 30, 2020

	a	b	c	d	e	f	g
			Carrying values of items:[1]				
(Millions of Canadian dollars)	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and due from banks	98,777	98,776	98,776	-	-	-	-
Interest-bearing deposits with banks	48,398	48,398	48,398	-	-	-	-
Securities							
Trading	135,778	125,088	2,085	-	65	122,938	-
Investment, net of applicable allowance	134,163	131,638	120,130	-	11,508	-	-
	269,941	256,726	122,215	-	11,573	122,938	-
Assets purchased under reverse repurchase agreements and securities borrowed	325,534	325,534	-	325,534	-	-	-
Loans							
Retail	435,409	435,076	428,380	-	-	-	6,696
Wholesale	243,269	240,962	221,043	715	8,138	5,330	5,736
	678,678	676,038	649,423	715	8,138	5,330	12,432
Allowance for loan losses	(5,230)	(5,230)	-	-	-	-	(5,230)
	673,448	670,808	649,423	715	8,138	5,330	7,202
Segregated fund net assets	1,743	-	-	-	-	-	-
Other							
Customers' liability under acceptances	19,438	19,438	19,438	-	-	-	-
Derivatives[2]	140,807	142,353	-	142,353	-	136,582	-
Premises and equipment, net	8,394	8,391	8,391	-	-	-	-
Goodwill	11,591	11,591	-	-	-	-	11,591
Other intangibles	4,736	4,629	-	-	-	-	4,629
Other assets	72,875	75,361	35,614	34,163	11	3,371	2,202
	257,841	261,763	63,443	176,516	11	139,953	18,422
Total assets[2]	**1,675,682**	**1,662,005**	**982,255**	**502,765**	**19,722**	**268,221**	**25,624**
Liabilities and equity							
Deposits							
Personal	328,386	328,386	-	-	-	-	328,386
Business and government	632,725	633,327	-	-	-	-	633,327
Bank	48,336	48,336	-	-	-	-	48,336
	1,009,447	1,010,049	-	-	-	-	1,010,049
Segregated fund net liabilities	1,743	-	-	-	-	-	-
Other							
Acceptances	19,548	19,548	-	-	-	-	19,548
Obligations related to securities sold short	40,347	40,347	-	-	-	-	40,347
Obligations related to assets sold under repurchase agreements and securities loaned	278,605	278,605	-	278,605	-	-	-
Derivatives[2]	144,710	144,710	-	144,710	-	139,346	-
Insurance claims and policy benefit liabilities	11,383	-	-	-	-	-	-
Other liabilities	75,085	73,964	-	-	-	-	73,964
	569,678	557,174	-	423,315	-	139,346	133,859
Subordinated debentures	9,774	9,774	-	-	-	-	9,774
Total liabilities[2]	1,590,642	1,576,997	-	423,315	-	139,346	1,153,682
Equity attributable to shareholders							
Preferred shares	5,699	5,699	-	-	-	-	5,699
Common shares	17,517	17,517	-	-	-	-	17,517
Retained earnings	57,466	57,496	-	-	-	-	57,496
Other components of equity	4,253	4,191	-	-	-	-	4,191
	84,935	84,903	-	-	-	-	84,903
Non-controlling interests	105	105	-	-	-	-	105
Total equity	85,040	85,008	-	-	-	-	85,008
Total liabilities and equity[2]	**1,675,682**	**1,662,005**	**-**	**423,315**	**-**	**139,346**	**1,238,690**

[1] Column c to g reflect a further breakout of column b by providing the respective CAR guideline frameworks utilized and recent OSFI Covid-19 guidance.

[2] Derivative assets and liabilities are subject to both counterparty credit risk and market risk framework – hence column b will not equal to the sum of column c to g.

LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

The following table provides the key differences between the exposure amounts for regulatory purposes and the accounting carrying values as presented in our financial statements that are within the scope of regulatory consolidation.

As at April 30, 2020

		a	b	c	d	e
			Items subject to:			
	(Millions of Canadian dollars)	Total	Credit risk framework	Securitization framework	Counterparty credit risk framework	Market risk framework
1	**Asset carrying value amount under scope of regulatory consolidation (as per template LI1)[1]**	**1,636,381**	**982,255**	**19,722**	**502,765**	**268,221**
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)[1]	423,315	-	-	423,315	139,346
3	Total net amount under regulatory scope of consolidation	1,213,066	982,255	19,722	79,450	128,875
4	Off-balance sheet amounts[2]	1,283,456	326,997	46,295	910,164	-
5	Differences due to Fair Value adjustment	(595)	(595)	-	-	2,764
6	Differences due to different netting rules, other than those already included in row 2	919	919	-	-	-
7	Differences due to consideration of provisions	217	217	-	-	-
8	Differences due to prudential filters[3]	2,851	-	-	-	-
9	Difference due to accounting and risk treatment of securitizations and other items	-	1,683	1,168	-	-
10	**Exposure amounts considered for regulatory purposes**	**2,499,914**	**1,311,476**	**67,185**	**989,614**	**131,639**

[1] Amount reflects Table LI1 columns (c), (d), (e) and (f) from the previous page. Derivative assets and liabilities are subject to both counterparty credit risk and market risk framework – hence column a will not equal to the sum of column b to e.

[2] Off-balance sheet amounts reflect the application of credit conversion factors.

[3] Amount includes exposure related to the Federal Reserve Paycheck Protection Program which are excluded from risk-weighting as per OSFI Covid-19 guidance.

LIA: Explanations of differences between accounting and regulatory exposure amounts

Our consolidated balance sheet ("accounting balance sheet") is prepared in compliance with IFRS as issued by the International Accounting Standards Board. We leverage our accounting balance sheet to apply the required regulatory requirements prescribed by OSFI to determine our regulatory capital consolidated balance sheet.

In Template LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories, we identify the differences between our IFRS consolidated accounting balance sheet (column a in LI1) and our regulatory capital consolidated balance sheet (column b in LI1). Our regulatory capital consolidated balance sheet, on which capital adequacy requirements are determined, reflects all of our consolidated subsidiaries except for our insurance subsidiaries as prescribed by OSFI's CAR guidelines.

In Template LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements, we quantify measurement differences other than regulatory consolidation.

Our banking book regulatory carrying values reflect our IFRS accounting balance sheet values except for our fair valued loans and debt securities carried at fair value through other comprehensive income (FVOCI), which under the Credit risk framework, are measured at amortized cost. Off-balance sheet regulatory asset values reflect prescribed conversion factors and undrawn amounts.

Regulatory carrying values for our Counterparty credit risk related to our derivative assets and liabilities, assets purchased under reverse repurchase agreements and securities borrowed and obligations related to assets sold under repurchase agreements and securities loaned are determined using OSFI's CAR guidelines Chapter 4 Settlement and Counterparty risk framework. On November 1, 2018, OSFI adopted the BCBS Standardized Approach for measuring Counterparty credit risk for derivative regulatory exposures and we have adopted this methodology for our derivative regulatory exposures. The main differences between the accounting and regulatory amounts for Counterparty credit risk relate to regulatory inclusion of potential future exposure amounts and differences in allowed IFRS and regulatory netting rules, and also application of financial collateral in the calculation of regulatory exposure amount.

The regulatory carrying value of exposures subject to the securitization framework includes our on-balance sheet third party securitization holdings as well as our securitized credit card exposures which meet the risk transference requirements under the CAR guidelines Chapter 7 but are not considered securitized for the purposes of our IFRS accounting balance sheet. Our regulatory carrying values are determined based on the BCBS revised securitization framework adopted by OSFI on November 1, 2018.

Our trading book regulatory carrying values are determined as prescribed under the CAR guidelines Chapter 9. We employ OSFI's prudent valuation guidance requirements, as stated in CAR Chapter 9 section 9.8 to our trading book. Refer to our 2019 Annual Report - Risk Management section which provides further insight into how we measure our market risk and the linkage of market risk to selected balance sheet items.

CREDIT RISK

CRA: General qualitative information about credit risk

The table below presents an overview of Pillar 3 disclosure requirements that have been met within our 2019 Annual Report and incorporated by reference into this Pillar 3 report. Our 2019 Annual Report is available free of charge on our website at http://www.rbc.com/investorrelations

Pillar 3 disclosures requirement		RBC 2019 Annual Report section	Sub-section
a)	Translation of the business model into the components of the bank's credit risk profile	Credit risk	Overview
			Credit risk exposure
b)	Criteria and approach used for defining credit risk management policy and for setting credit risk limits	Enterprise risk management	Risk governance
			Risk appetite
			Risk measurement
			Risk control - *Authorities and limits*
		Credit risk	Overview
			Credit risk assessment
			Credit risk mitigation
			Credit risk approval
c)	Structure and organization of the credit risk management and control function	Enterprise risk management	Risk governance
			Risk control
d)	Interaction between the credit risk management, risk control, compliance and internal audit functions	Enterprise risk management	Risk governance
e)	Scope and content of the reporting on credit risk exposure to the executive management and to the board of directors	Enterprise risk management	Risk governance
			Risk control - *Reporting*

CR1: Credit quality of assets

The following table presents a comprehensive view of the credit quality of our on- and off-balance sheet assets. The format reflects OSFI's new disclosure requirements for CR 1 effective Q4 2019.

As at April 30, 2020

		a	b	c	d	e	f	g
		Gross carrying values of		Allowances/ impairments[2]	Of which ECL accounting provisions on SA exposures		Of which ECL accounting provisions on IRB exposures	Net values (a+b-c)
	(Millions of Canadian dollars)	Defaulted exposures[1]	Non-defaulted exposures		Allocated in regulatory category of Specific[3]	Allocated in regulatory category of General[3]		
1	Loans	3,533	645,890	5,230	145	943	4,142	644,193
2	Debt Securities	-	120,525	52	-	15	37	120,473
3	Off-Balance Sheet exposures[4]	722	241,400	592	-	7	585	241,530
4	**Total**	**4,255**	**1,007,815**	**5,874**	**145**	**965**	**4,764**	**1,006,196**

[1] Definition of default as per the CAR guidelines and recent OSFI Covid-19 guidance.

[2] Reflects Stage 1, 2 and 3 allowances under IFRS 9.

[3] Regulatory category of specific allowance reflects IFRS 9 Stage 3 allowances. Regulatory category of general allowances reflects Stage 1 & 2 allowances.

[4] Off balance sheet amounts are before the application of credit conversion factors and reflect guarantees given and irrevocable loan commitments. Revocable loan commitments are excluded as per BCBS requirements.

As at January 31, 2020

		a	b	c	d	e	f	g
		Gross carrying values of		Allowances/ impairments[2]	Of which ECL accounting provisions on SA exposures		Of which ECL accounting provisions on IRB exposures	Net values (a+b-c)
	(Millions of Canadian dollars)	Defaulted exposures[1]	Non-defaulted exposures		Allocated in regulatory category of Specific[3]	Allocated in regulatory category of General[3]		
1	Loans	2,840	609,613	3,139	129	517	2,493	609,314
2	Debt Securities	-	109,891	19	-	5	14	109,872
3	Off-Balance Sheet exposures[4]	587	250,916	316	-	2	314	251,187
4	**Total**	**3,427**	**970,420**	**3,474**	**129**	**524**	**2,821**	**970,373**

[1] Definition of default as per the CAR guidelines.

[2] Reflects Stage 1, 2 and 3 allowances under IFRS 9.

[3] Regulatory category of specific allowance reflects IFRS 9 Stage 3 allowances. Regulatory category of general allowances reflects Stage 1 & 2 allowances.

[4] Off balance sheet amounts are before the application of credit conversion factors and reflect guarantees given and irrevocable loan commitments. Revocable loan commitments are excluded as per BCBS requirements.

CR2: Changes in stock of defaulted loans and debt securities

The following table presents our defaulted exposure balances, the flows between non-defaulted and defaulted exposure categories and reductions in the defaulted exposure balances due to write-offs.

For the six months ended April 30, 2020

	(Millions of Canadian dollars)	a
1	**Defaulted loans and debt securities at the end of October 31, 2019**	**2,856**
2	Loans and debt securities that have defaulted since the last reporting period	1,849
3	Returned to non-defaulted status	(1,122)
4	Amounts written off	(822)
5	Other changes	772
6	**Defaulted loans and debt securities at the end of April 30, 2020**	**3,533**

For the six months ended October 31, 2019

	(Millions of Canadian dollars)	a
1	**Defaulted loans and debt securities at the end April 30, 2019**	**2,886**
2	Loans and debt securities that have defaulted since the last reporting period	1,038
3	Returned to non-defaulted status	(138)
4	Amounts written off	(898)
5	Other changes	(32)
6	**Defaulted loans and debt securities at the end October 31, 2019**	**2,856**

CRB: Additional disclosure related to the credit quality of assets

The table below presents an overview of Pillar 3 disclosure requirements that have been met within our 2019 Annual Report and incorporated by reference into this Pillar 3 report. Our 2019 Annual Report is available free of charge on our website at http://www.rbc.com/investorrelations

	Pillar 3 disclosures requirement	RBC 2019 Annual Report section	Sub-section
a)	Definitions of past due and impaired exposures	Consolidated Financial Statements	Note 2 - Summary of significant accounting policies, estimates and judgments Allowance for credit losses - Definition of default Credit impaired financial assets (Stage 3) Note 5 – Loans and allowances for credit losses Loans past due but not impaired
b)	Extent of past due exposures	Consolidated Financial Statements	Note 5 – Loans and allowances for credit losses Loans past due but not impaired
c)	Description of methods used for determining accounting provisions for credit losses	Consolidated Financial Statements	Note 2 - Summary of significant accounting policies, estimates and judgments Allowance for credit losses
	Description of the categorization of ECL accounting provisions (general and specific) for standardized approach exposures	n/a	n/a - For regulatory calculations under both the Standardized and IRB approaches, the IFRS 9 stage 3 allowances are considered to be specific allowances and the IFRS 9 stage 1 and stage 2 allowances are considered to be general allowances
d)	Definition of a restructured exposure	Consolidated Financial Statements	Note 2 - Summary of significant accounting policies, estimates and judgments Allowance for credit losses - Modifications

CRB: Additional disclosure related to the credit quality of assets (continued)

(e) Breakdown of exposures by geographical areas, industry and residual maturity

The following table provides a breakdown of our credit risk exposures by industry, geographical areas and residual maturity. Our classification below reflects the Basel regulatory defined exposure classes. Amounts shown below reflect Exposures at default (EAD), which is the amount expected to be owed by an obligor at the time of default.

As at April 30, 2020

	a	b	c	d	e
	Credit Risk[1,2]			Counterparty Credit Risk[5]	
	On-balance sheet amount	Off-balance sheet amount[3]		Repo-style Transaction	Derivatives
(Millions of Canadian dollars)		Undrawn	Other[4]		
Retail					
Residential secured[6]	325,460	85,590			
Qualifying revolving	24,858	67,389			
Other retail	63,277	13,201	70		
Total Retail	**413,595**	**166,180**	**70**		
Wholesale					
Agriculture	9,559	1,748	48	-	139
Automotive	13,157	5,715	319	-	974
Banking	37,659	1,867	573	44,094	20,910
Consumer Discretionary	18,965	7,735	733	-	593
Consumer Staples	7,006	6,595	545	-	1,317
Oil & Gas	9,402	10,939	1,688	-	1,555
Financial Services	33,012	21,753	2,933	111,292	21,192
Financing Products	3,728	870	545	311	753
Forest Products	1,589	660	102	-	68
Governments	231,575	8,190	1,513	32,585	7,610
Industrial Products	9,685	8,221	660	-	898
Information Technology	8,080	5,217	251	-	2,127
Investments	17,668	2,787	392	11	453
Mining & Metals	3,046	3,370	868	-	340
Public Works & Infrastructure	2,091	1,462	421	-	226
Real Estate & Related	68,921	12,961	1,355	-	1,256
Other Services	27,911	10,765	996	28	2,019
Telecommunication & Media	7,790	6,934	87	-	1,798
Transportation	8,306	5,296	1,833	-	2,613
Utilities	12,155	17,538	4,504	-	5,274
Other Sectors	1,759	258	3	32	15,341
Total Wholesale	**533,064**	**140,881**	**20,369**	**188,353**	**87,456**
Total Exposure[1]	**946,659**	**307,061**	**20,439**	**188,353**	**87,456**
By Geography[7]					
Canada	632,572	239,475	10,407	77,920	38,589
United States	214,250	49,738	8,947	45,774	20,857
Europe	61,136	15,622	950	54,699	22,350
Other International	38,701	2,226	135	9,960	5,660
Total Exposure[1,7]	**946,659**	**307,061**	**20,439**	**188,353**	**87,456**
By Maturity					
Unconditionally cancellable	382,998	165,747	63	-	-
Within 1 year	264,385	55,928	10,891	188,353	43,282
1 to 5 year	247,848	80,186	8,069	-	24,259
Over 5 years	51,428	5,200	1,416	-	19,915
Total Exposure[1]	**946,659**	**307,061**	**20,439**	**188,353**	**87,456**

[1] Excludes securitization, banking book equities and other assets not subject to standardized or IRB approach. Also excludes exposures acquired through the Federal Reserve Paycheck Protection Program (PPP) lending facility.

[2] EAD for Standardized exposures are reported net of Stage 3 allowances and EAD for IRB exposures are reported gross of all allowances for credit loss and partial write-off as per regulatory definitions.

[3] EAD for Undrawn credit commitments and other off-balance sheet amounts are reported after the application of credit conversion factors.

[4] Includes other off-balance sheet exposures such as letters of credit & guarantees.

[5] Counterparty credit risk EAD reflects exposure amount after netting. Collateral is included in EAD for repo-style transactions to the extent allowed by regulatory guidelines. Exchange traded derivatives are included in Other Sectors.

[6] Includes residential mortgages and home equity lines of credit.

[7] Geographic profile is based on the country of residence of the borrower.

CRB: Additional disclosure related to the credit quality of assets (continued)

As at January 31, 2020

(Millions of Canadian dollars)	a	b	c	d	e
	Credit Risk[1,2]			Counterparty Credit Risk[5]	
	On-balance sheet amount	Off-balance sheet amount[3] Undrawn	Off-balance sheet amount[3] Other[4]	Repo-style Transaction	Derivatives
Retail					
Residential secured[6]	319,702	83,450			
Qualifying revolving	26,763	64,893			
Other retail	62,431	12,853	69		
Total Retail	**408,896**	**161,196**	**69**		
Wholesale					
Agriculture	9,309	1,755	49	-	85
Automotive	9,948	6,742	288	-	971
Banking	36,104	1,963	586	46,870	20,707
Consumer Discretionary	15,243	8,815	566	-	563
Consumer Staples	5,509	6,992	516	-	1,110
Oil & Gas	7,701	10,522	1,422	-	1,516
Financial Services	28,729	20,529	2,861	121,807	19,355
Financing Products	2,886	845	518	165	715
Forest Products	1,592	677	107	-	35
Governments	140,065	5,614	1,390	9,768	6,216
Industrial Products	7,778	7,751	621	-	634
Information Technology	6,609	5,462	244	22	1,966
Investments	17,032	2,785	406	11	287
Mining & Metals	1,871	3,809	859	-	294
Public Works & Infrastructure	1,581	1,904	367	-	211
Real Estate & Related	64,739	13,048	1,329	-	970
Other Services	25,501	11,814	988	8	1,592
Telecommunication & Media	5,071	9,060	95	-	2,250
Transportation	5,878	5,652	1,991	-	1,919
Utilities	8,696	16,840	4,128	-	4,064
Other Sectors	1,506	317	2	27	19,927
Total Wholesale	**403,348**	**142,896**	**19,333**	**178,678**	**85,387**
Total Exposure[1]	**812,244**	**304,092**	**19,402**	**178,678**	**85,387**
By Geography[7]					
Canada	559,439	232,987	10,027	67,920	41,801
United States	165,668	52,967	8,099	53,249	17,428
Europe	49,760	15,496	1,140	45,730	21,250
Other International	37,377	2,642	136	11,779	4,908
Total Exposure[1,7]	**812,244**	**304,092**	**19,402**	**178,678**	**85,387**
By Maturity					
Unconditionally cancellable	384,597	160,035	63	-	-
Within 1 year	170,803	49,601	10,629	178,678	46,565
1 to 5 year	206,861	89,582	7,404	-	22,544
Over 5 years	49,983	4,874	1,306	-	16,278
Total Exposure[1]	**812,244**	**304,092**	**19,402**	**178,678**	**85,387**

[1] Excludes securitization, banking book equities and other assets not subject to standardized or IRB approach.

[2] EAD for Standardized exposures are reported net of Stage 3 allowances and EAD for IRB exposures are reported gross of all allowances for credit loss and partial write-off as per regulatory definitions.

[3] EAD for Undrawn credit commitments and other off-balance sheet amounts are reported after the application of credit conversion factors.

[4] Includes other off-balance sheet exposures such as letters of credit & guarantees.

[5] Counterparty credit risk EAD reflects exposure amount after netting. Collateral is included in EAD for repo-style transactions to the extent allowed by regulatory guidelines.

[6] Includes residential mortgages and home equity lines of credit.

[7] Geographic profile is based on the country of residence of the borrower.

CRB: Additional disclosure related to the credit quality of assets (continued)

(f) Amounts of impaired exposures (according to the definition used by the bank for accounting purposes) and related allowances and write-offs, broken down by geographical areas and industry

The following tables provide a breakdown of impaired exposures by geographical areas and industry.

As at April 30, 2020

Impaired exposures by geography[1] and portfolio (Millions of Canadian dollars)	Gross impaired exposures	Allowance[2]	Net impaired exposures
Canada			
Retail	832	216	616
Wholesale	625	207	418
Securities	-	-	-
Total - Canada	**1,457**	**423**	**1,034**
United States			
Retail	31	2	29
Wholesale	1,311	279	1,032
Securities	-	-	-
Total - United States	**1,342**	**281**	**1,061**
Other International			
Retail	211	117	94
Wholesale	519	251	268
Securities	162	-	162
Total - Other International	**892**	**368**	**524**
Total			
Retail	1,074	335	739
Wholesale	2,455	737	1,718
Securities	162	-	162
Total impaired exposures	**3,691**	**1,072**	**2,619**

[1] Geographic information is based on residence of borrower.

[2] Allowance reflects only Stage 3 IFRS 9 allowances and includes allowances on acquired credit-impaired loans and securities.

As at January 31, 2020

Impaired exposures by geography[1] and portfolio (Millions of Canadian dollars)	Gross impaired exposures	Allowance[2]	Net impaired exposures
Canada			
Retail	816	200	616
Wholesale	709	153	556
Securities	-	-	-
Total - Canada	**1,525**	**353**	**1,172**
United States			
Retail	31	2	29
Wholesale	793	159	634
Securities	-	-	-
Total - United States	**824**	**161**	**663**
Other International			
Retail	235	129	106
Wholesale	352	172	180
Securities	155	(9)	164
Total - Other International	**742**	**292**	**450**
Total			
Retail	1,082	331	751
Wholesale	1,854	484	1,370
Securities	155	(9)	164
Total impaired exposures	**3,091**	**806**	**2,285**

[1] Geographic information is based on residence of borrower.

[2] Allowance reflects only Stage 3 IFRS 9 allowances and includes allowances on acquired credit-impaired loans and securities.

CRB: Additional disclosure related to the credit quality of assets (continued)

Net write-offs by geography[1] and portfolio (Millions of Canadian dollars)	For the three months ended April 30, 2020	For the three months ended January 31, 2020
Canada		
Retail	275	268
Wholesale	8	13
Total Canada	**283**	**281**
United States[2]		
Retail	2	(3)
Wholesale	60	26
Total United States	**62**	**23**
Other International		
Retail	1	1
Wholesale[2]	(1)	2
Total Other International	**-**	**3**
Total		
Retail	278	266
Wholesale	67	41
Total net write-offs	**345**	**307**

[1] Geographic information is based on residence of borrower.

[2] Includes acquired credit-impaired loans related to the acquisition of City National.

CRB: Additional disclosure related to the credit quality of assets (continued)

As at April 30, 2020

Impaired exposures by portfolio and sector (Millions of Canadian dollars)	Gross impaired exposures	Allowance[1]	Net impaired exposures
Retail			
Residential mortgages	671	147	524
Personal	331	158	173
Small business	73	30	43
Total Retail	**1,075**	**335**	**740**
Wholesale			
Agriculture	79	14	65
Automotive	119	18	101
Banking	7	-	7
Consumer Discretionary	398	82	316
Consumer Staples	102	16	86
Oil and Gas	664	281	383
Financial Services	86	24	62
Financial Products	-	-	-
Forest Products	13	6	7
Governments	7	1	6
Industrial Products	142	92	50
Information Technology	4	1	3
Investments	23	7	16
Mining and Metals	31	8	23
Public Works and Infrastructure	5	17	(12)
Real Estate and Related	360	56	304
Other Services	204	89	115
Telecommunication and Media	4	-	4
Transportation	8	3	5
Utilities	153	3	150
Other	45	19	26
Total Wholesale	**2,454**	**737**	**1,717**
Total impaired loans and acceptances	**3,529**	**1,072**	**2,457**
Securities	162	-	162
Total impaired exposures	**3,691**	**1,072**	**2,619**

[1] Allowance reflects only Stage 3 IFRS 9 allowances and includes allowances on acquired credit-impaired loans and securities.

CRB: Additional disclosure related to the credit quality of assets (continued)

As at January 31, 2020

Impaired exposures by portfolio and sector (Millions of Canadian dollars)	Gross impaired exposures	Allowance[1]	Net impaired exposures
Retail			
Residential mortgages	700	155	545
Personal	320	150	170
Small business	62	26	36
Total Retail	**1,082**	**331**	**751**
Wholesale			
Agriculture	71	11	60
Automotive	38	7	31
Banking	8	-	8
Consumer Discretionary	204	36	168
Consumer Staples	95	13	82
Oil and Gas	345	123	222
Financial Services	82	23	59
Financial Products	-	-	-
Forest Products	42	4	38
Governments	2	1	1
Industrial Products	93	86	7
Information Technology	3	3	-
Investments	23	4	19
Mining and Metals	1	1	-
Public Works and Infrastructure	6	16	(10)
Real Estate and Related	398	56	342
Other Services	175	66	109
Telecommunication and Media	1	-	1
Transportation	13	9	4
Utilities	209	10	199
Other	45	15	30
Total Wholesale	**1,854**	**484**	**1,370**
Total impaired loans and acceptances	**2,936**	**815**	**2,121**
Securities	155	(9)	164
Total impaired exposures	**3,091**	**806**	**2,285**

[1] Allowance reflects only Stage 3 IFRS 9 allowances and includes allowances on acquired credit-impaired loans and securities.

CRB: Additional disclosure related to the credit quality of assets (continued)

(g) Ageing analysis of accounting past-due exposures

The following table provides the ageing of our retail and wholesale past due exposures. Loans under payment deferral programs resulting from COVID-19 have been re-aged to current and will not be aged further while they are participating in the program. Amounts presented may include loans past due as a result of administrative processes, such as mortgage loans on which payments are restrained pending payout due to sale or refinancing. Past due loans arising from administrative processes are not representative of the borrowers' ability to meet their payment obligations.

As at April 30, 2020

(Millions of Canadian dollars)	1 to 29 days	30 to 89 days	90 days and greater	Total
Retail	2,539	1,353	218	4,110
Wholesale	3,778	1,078	8	4,864
Total	**6,317**	**2,431**	**226**	**8,974**

As at January 31, 2020

(Millions of Canadian dollars)	1 to 29 days	30 to 89 days	90 days and greater	Total
Retail	3,749	1,423	202	5,374
Wholesale	2,521	516	5	3,042
Total	**6,270**	**1,939**	**207**	**8,416**

(h) Breakdown of restructured exposures between impaired and not impaired exposures

The following table provides a breakdown of restructured exposures between impaired and not impaired.

	As at April 30, 2020		As at January 31, 2020	
(Millions of Canadian dollars)	Not Impaired	Impaired	Not Impaired	Impaired
Retail	60,429	1	-	-
Wholesale	15,855	169	3	110

CRC: Qualitative disclosure requirements related to credit risk mitigation techniques

The table below presents an overview of Pillar 3 disclosure requirements that have been met within our 2019 Annual Report and incorporated by reference into this Pillar 3 report. Our 2019 Annual Report is available free of charge on our website at http://www.rbc.com/investorrelations

<table>
<tr><th colspan="2">Pillar 3 disclosures requirement</th><th>RBC 2019 Annual Report section</th><th>Sub-section</th></tr>
<tr><td rowspan="3">a)</td><td rowspan="3">Core features of policies and processes for, and an indication of the extent to which the bank makes use of, on- and off-balance sheet netting</td><td>Credit risk</td><td>Credit risk assessment – Counterparty credit risk</td></tr>
<tr><td rowspan="2">Consolidated Financial Statements</td><td>Note 8 - Derivative financial instruments and hedging activities – Derivative-related credit risk</td></tr>
<tr><td>Note 31 - Offsetting financial assets and financial liabilities</td></tr>
<tr><td>b)</td><td>Core features of policies and processes for collateral evaluation and management</td><td>Credit risk</td><td>Credit risk mitigation - Collateral</td></tr>
<tr><td rowspan="3">c)</td><td rowspan="3">Information about market or credit risk concentrations under the credit risk mitigation instruments used</td><td rowspan="2">Credit risk</td><td>Credit risk mitigation</td></tr>
<tr><td>Credit risk approval – Credit risk limits</td></tr>
<tr><td>Consolidated Financial Statements</td><td>Note 8 - Derivative financial instruments and hedging activities</td></tr>
</table>

CR3: Credit risk mitigation techniques – overview

We utilize allowed regulatory credit mitigation techniques to reduce capital requirements associated with our balance sheet exposures. The following table presents a detailed breakdown of our unsecured and secured loan and debt securities exposures. Secured exposures are mitigated by way of additional collateral or guarantees being requested of the borrower. We sometimes also utilize credit derivatives to mitigate our on-balance sheet exposures

As at April 30, 2020

		a	b	c	d	e	f	g
	(Millions of Canadian dollars)	Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount[1]	Exposures secured by financial guarantees[2]	Exposures secured by financial guarantees, of which: secured amount[3]	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1	Loans[4]	171,776	362,809	361,155	109,608	104,808	-	-
2	Debt securities	101,678	18,795	18,795	-	-	-	-
3	**Total**	**273,454**	**381,604**	**379,950**	**109,608**	**104,808**	**-**	**-**
4	Of which defaulted[5]	717	1,807	1,807	353	347	-	-

[1] Column c is a subset of column b.

[2] Credit mitigation allocation for multi-secured exposures is made by way of order of priority of available mitigation to be utilized: financial guarantees portion first followed by collateral for any remaining balance.

[3] Column e is a subset of column d.

[4] Securitized mortgages that do not qualify as securitized under IFRS or regulatory capital requirements are recognized as collateralized in column b and column c.

[5] Defaulted exposures are net of Stage 3 allowances.

As at October 31, 2019

		a	b	c	d	e	f	g
	(Millions of Canadian dollars)	Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount[1]	Exposures secured by financial guarantees[2]	Exposures secured by financial guarantees, of which: secured amount[3]	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1	Loans[4]	154,461	333,925	331,819	105,997	73,186	-	-
2	Debt securities	67,465	17,487	17,487	-	-	-	-
3	**Total**	**221,926**	**351,412**	**349,306**	**105,997**	**73,186**	**-**	**-**
4	Of which defaulted[5]	724	1,705	1,705	272	272	-	-

[1] Column c is a subset of column b.

[2] Credit mitigation allocation for multi-secured exposures is made by way of order of priority of available mitigation to be utilized: financial guarantees portion first followed by collateral for any remaining balance.

[3] Column e is a subset of column d.

[4] Securitized mortgages that do not qualify as securitized under IFRS or regulatory capital requirements are recognized as collateralized in column b and column c.

[5] Defaulted exposures are net of Stage 3 allowances.

CRD: Qualitative disclosures on banks' use of external credit ratings under the standardized approach for credit risk

As detailed in section CR4, certain of our portfolios' RWA amounts are calculated as per OSFI's CAR Guideline Standardized Approach requirements. OSFI's Standardized Approach methodology allows for the reliance on the external credit ratings of counterparties, issued by independent rating agencies, for the determination of RWA. Five external rating agencies ratings, namely, Standard & Poor's (S&P), Moody's Investors Service, Fitch Rating Services, DBRS and Kroll Bond Rating Agency, Inc. have been approved by OSFI. Currently, external ratings are used to determine the RWA amounts associated with our wholesale exposures under the asset classes of corporate, sovereign, public sector entities, multilateral development banks, banks and securities firms. As well, external ratings are used for determining the risk weighting for certain of our securitizations exposures.

External ratings utilized from the above-mentioned rating agencies are either an issuer rating or an issue-specific rating. We rely on an issue-specific rating if it is available for the purposes of determining RWA for the exposures we hold. We utilize the issuer rating only for our exposures which rank pari-passu with senior claims of the issuer.

Our supervisor, OSFI, specifies in its CAR guideline the required standard mapping of long term external ratings of the above rating agencies to an equivalent risk weight. We rely on OSFI's mapping to determine the appropriate risk buckets for our Standardized Approach portfolios under the guideline. OSFI's current mapping of external rating agencies rating is reflected in the table below:

Long-term rating					
Standardized Risk Weight Category	**S&P**	**Moody's**	**Fitch**	**DBRS**	**Kroll**
Long Term					
(AAA to AA-)	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA (low)	AAA to AA-
(A+ to A-)	A+ to A-	A1 to A3	A+ to A-	A(high) to A(low)	A+ to A-
(BBB+ to BBB-)	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	BBB(high) to BBB(low)	BBB+ to BBB-
(BB+ to BB-)	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	BB(high) to BB(low)	BB+ to BB-
(B+ to B-)	B+ to B-	B1 to B3	B+ to B-	B(high) to B(low)	B+ to B-
(Below B-)	Below B-	Below B3	Below B-	CCC or lower	Below B-

We understand that OSFI annually reviews the list of acceptable rating agencies and will reflect any changes in allowed rating agencies in its update to the CAR guidelines.

CR4: Standardized approach – credit risk exposure and credit risk mitigation (CRM) effects

The following table provides the effect of CRM on the calculation of capital requirements under the standardized approach. It presents on-balance sheet and off-balance sheet exposures before and after credit conversion factors (CCF) and CRM as well as associated RWA and RWA density by asset classes. As noted in CRD, the external ratings of the counterparty is relied on to determine the prescribed regulatory risk weight to be assigned.

As at April 30, 2020

		a	b	c	d	e	f
	(Millions of Canadian dollars, except as otherwise noted)	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	Asset Classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks[1]	23,407	385	41,189	5	145	0.4%
2	Non-central government public sector entities	12,045	30	12,056	14	1,903	15.8%
3	Multilateral development banks	252	-	252	-	-	-
4	Banks	3,236	429	3,236	193	964	28.1%
5	Securities firms[1]	3,049	1,560	4,162	686	1,378	28.4%
6	Corporates[1]	50,721	28,860	44,090	6,439	49,716	98.0%
7	Regulatory retail portfolios	8,229	5,373	8,229	427	6,840	79.0%
8	Secured by residential property[1]	41,659	-	22,795	-	8,791	38.6%
9	Secured by commercial real estate	-	-	-	-	-	-
10	Equity	-	-	-	-	-	-
11	Past-due loans	475	1	474	-	686	144.7%
12	Higher-risk categories	345	184	345	92	656	150.0%
13	Other assets	27,397	-	27,397	-	26,033	95.0%
14	**Total**	**170,815**	**36,822**	**164,225**	**7,856**	**97,112**	**56.4%**

[1] When CRM is available in the form of an eligible guarantee, the portion that is covered by the guarantee will attract the risk weight of the protection provider and will be reflected in the protection provider's asset class in column c and d. Exposures acquired through the Federal Reserve Paycheck Protection Program lending facility have been excluded, as required by OSFI.

As at January 31, 2020

		a	b	c	d	e	f
	(Millions of Canadian dollars, except as otherwise noted)	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	Asset Classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks[1]	21,718	373	39,647	9	38	0.1%
2	Non-central government public sector entities	10,596	31	10,618	14	1,652	15.5%
3	Multilateral development banks	299	-	299	-	-	-
4	Banks	3,261	428	3,261	170	841	24.5%
5	Securities firms[1]	2,179	1,545	3,284	708	1,206	30.2%
6	Corporates[1]	46,394	27,546	40,200	6,730	46,134	98.0%
7	Regulatory retail portfolios	8,159	4,897	8,159	374	6,750	79.1%
8	Secured by residential property[1]	39,773	-	20,765	-	8,036	38.7%
9	Secured by commercial real estate	-	-	-	-	-	-
10	Equity	-	-	-	-	-	-
11	Past-due loans	484	1	482	1	693	143.5%
12	Higher-risk categories	319	329	319	173	738	150.0%
13	Other assets	21,276	-	21,276	-	21,957	103.2%
14	**Total**	**154,458**	**35,150**	**148,310**	**8,179**	**88,045**	**56.3%**

[1] When CRM is available in the form of an eligible guarantee, the portion that is covered by the guarantee will attract the risk weight of the protection provider and will be reflected in the protection provider's asset class in column c and d.

CR5: Standardized approach – exposures by asset classes and risk weights

The following table presents the breakdown of credit risk exposures under the standardized approach by asset classes and risk weight.

As at April 30, 2020

		a	b	c	d	e	f	g	h	i	j
	Risk weight / Asset Classes (Millions of Canadian dollars)	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1	Sovereigns and their central banks	41,047	-	-	-	-	-	145	-	-	41,193
2	Non-central government public sector entities	2,837	-	9,160	-	4	-	69	-	-	12,070
3	Multilateral development banks	252	-	-	-	-	-	-	-	-	252
4	Banks	-	-	3,054	-	42	-	332	-	-	3,429
5	Securities firms	-	-	3,808	-	848	-	192	-	-	4,848
6	Corporates	-	-	70	1,158	10	-	49,292	-	-	50,529
7	Regulatory retail portfolios	-	-	-	-	-	7,261	1,395	-	-	8,656
8	Secured by residential property	-	-	-	20,765	-	2,030	-	-	-	22,795
9	Secured by commercial real estate	-	-	-	-	-	-	-	-	-	-
10	Equity	-	-	-	-	-	-	-	-	-	-
11	Past-due loans	1	-	-	-	-	-	51	423	-	475
12	Higher-risk categories	-	-	-	-	-	-	-	437	-	437
13	Other assets	4,524	-	-	-	-	-	22,598	-	275	27,397
14	**Total**	**48,661**	**-**	**16,092**	**21,923**	**904**	**9,291**	**74,074**	**860**	**275**	**172,081**

As at January 31, 2020

		a	b	c	d	e	f	g	h	i	j
	Asset Classes (Millions of Canadian dollars) / Risk weight	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1	Sovereigns and their central banks	39,582	-	-	-	71	-	2	-	-	39,656
2	Non-central government public sector entities	2,745	-	7,792	-	3	-	92	-	-	10,632
3	Multilateral development banks	299	-	-	-	-	-	-	-	-	299
4	Banks	-	-	3,229	-	14	-	188	-	-	3,431
5	Securities firms	-	-	2,946	-	858	-	188	-	-	3,992
6	Corporates	-	-	33	1,168	26	-	45,704	-	-	46,930
7	Regulatory retail portfolios	-	-	-	-	-	7,135	1,398	-	-	8,533
8	Secured by residential property	-	-	-	18,845	-	1,920	-	-	-	20,765
9	Secured by commercial real estate	-	-	-	-	-	-	-	-	-	-
10	Equity	-	-	-	-	-	-	-	-	-	-
11	Past-due loans	1	-	-	-	-	-	63	419	-	483
12	Higher-risk categories	-	-	-	-	-	-	-	492	-	492
13	Other assets	2,546	-	-	-	-	-	18,450	-	281	21,276
14	**Total**	**45,173**	**-**	**14,000**	**20,013**	**972**	**9,055**	**66,085**	**911**	**281**	**156,489**

CRE: Qualitative disclosures related to internal risk-based (IRB) models

In measuring credit risk to determine regulatory capital, two principal approaches applied are: the Internal Ratings Based (IRB) approach and the Standardized approach. The majority of our credit risk exposures are reported under the IRB approach, as approved by OSFI. The remainder of our portfolios are reported under the Standardized approach. The Standardized approach uses risk weights prescribed by OSFI to calculate RWA for credit risk exposures.

Under the IRB approach, we determine our own estimates for Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). They are the key credit parameters that form the basis of our credit risk measures. Internal ratings for borrower facilities and their corresponding estimates are used for credit approval, risk management, internal capital allocations, and corporate governance functions. In addition, the IRB parameter estimates are critical inputs for enterprise and regulatory stress-testing.

In accordance with the IRB approach for credit risk, models are designed for wholesale and retail portfolios. For Wholesale portfolios, a PD is estimated for each internal borrower grade and LGD and EAD parameters are estimated for each credit facility. For Retail portfolios, borrowers are risk rated using internal credit scoring models. Credit scores are one of the key drivers for segmentation of the portfolios into pools. Retail PD, EAD and LGD parameters are estimated at the pool level. All IRB approach regulatory capital models for wholesale and retail credit risk are subject to approval by the Office of the Superintendent of Financial Institutions (OSFI).

Credit parameter estimates are based on our internal historical default and loan loss experience and are augmented by external data where appropriate. We employ a two-dimensional risk rating system for the majority of our credit portfolios. The first dimension is oriented to the risk of borrower default and quantified through the PD assigned to the borrower. The second dimension captures transaction-specific factors such as collateral, product type, and seniority, and is quantified by LGD and EAD estimates that apply at the credit facility level.

PD is an estimated percentage that represents the likelihood of default of an obligor within a given time period for a specific rating grade or for a particular pool of exposure. Each wholesale obligor is assigned a Borrower Risk Rating (BRR), reflecting an assessment of the credit quality of the obligor and each BRR has a PD calibrated against it. The assignment of BRRs is based on the evaluation of the obligor's business risk and financial risk and is based on fundamental credit analysis, as well as data-driven modelling. PD estimates are designed to be a long-run average of our experience across the economic cycle with margins of conservatism related to the likely range of errors. The BRR differentiates the riskiness of obligors and represents our evaluation of the obligors' ability and willingness to meet their contractual obligations on time over a three-year time horizon.

EAD is an amount expected to be owed by an obligor at the time of default. EAD is estimated based on the current exposure to the obligor and the possible future changes in that exposure driven by factors such as the nature of the credit commitment. Rates are estimated to reflect an economic downturn, with added conservatism to reflect data and statistical uncertainties identified in the modelling process.

LGD is an estimated percentage of EAD that is not expected to be recovered during the collection and recovery process. Each credit facility is assigned an LGD rate reflective of the extent of losses anticipated in the event the obligor defaults. Factors used in estimating LGD include seniority of debt, collateral security, and the industry sector in which the obligor operates. Estimated LGD rates draw primarily on internal loss experience and appropriate external data is used to supplement the estimation process when necessary. LGD rates are estimated to reflect conditions that might be expected to prevail in an economic downturn, with additional conservatism added to reflect data limitations and statistical uncertainties identified in the estimation process.

Estimates of PD, LGD and EAD are updated and then validated and back-tested by an independent validation team within the bank on an annual basis. In addition, quarterly monitoring and back-testing procedures are performed.

CRE: Qualitative disclosures related to internal risk-based (IRB) models (continued)

EAD Covered by the Various Approaches

The following table outlines the percentage of our EAD covered by the IRB and Standardized approaches for each of our portfolios. The Foundation Internal Ratings Based (FIRB) approach is currently not applied.

As at April 30, 2020

EAD (in %)	EAD covered by the various approaches		
	Standardized Approach[1,2]	IRB Approach[2]	Other
Retail			
Residential secured	14%	86%	-
Qualifying revolving	-	100%	-
Other retail	4%	96%	-
Wholesale	-	-	-
Corporate	15%	85%	-
Sovereign	13%	87%	-
Bank	4%	96%	-
Securitization	35%	65%	-
Trading	1%	99%	-
Equity	-	100%	-
Other assets not subject to Standardized or IRB Approaches	-	-	100%
Total	8%	90%	2%

[1] Standardized Approach includes assumptions and waivers granted by OSFI based on an OSFI approved rollout plan.

[2] Effective Q2 2020, we have updated the table to include counterparty credit risk and securitization exposures in order to better align with OSFI's 80% IRB threshold requirement.

As at January 31, 2020

EAD (in %)	EAD covered by the various approaches		
	Standardized Approach[1]	IRB Approach	Other
Retail			
Residential secured	14%	86%	-
Qualifying revolving	-	100%	-
Other retail	4%	96%	-
Wholesale	-	-	-
Corporate	15%	85%	-
Sovereign	19%	81%	-
Bank	6%	94%	-
Equity	-	100%	-
Other assets not subject to Standardized or IRB Approaches	-	-	100%
Total	**11%**	**87%**	**2%**

[1] Standardized Approach includes assumptions and waivers granted by OSFI based on an OSFI approved rollout plan.

CRE: Qualitative disclosures related to internal risk-based (IRB) models (continued)

Parameters Governance

The techniques used to develop models are in accordance with banking industry standards and regulatory requirements. We calibrate our models to ensure that variations of default rates through an economic cycle are included in the underlying data. We also build conservatism into our model development process to reflect statistical uncertainties.

Our models have Model Development Owners (MDO) who are accountable for the development and performance of models within the framework set by our policies, standards and procedures. MDOs are responsible for collecting, defining and documenting model requirements, collecting and reviewing data, testing and evaluating, designing model performance monitoring, and documenting.

Our models are required to be independently reviewed and comprehensively evaluated by the Enterprise Model Risk Management (EMRM) team. EMRM is responsible for the review and challenge of the methodology underpinning the estimation of the parameters. EMRM issues a report at the end of each validation exercise that documents the scope, approach and findings of the review. The parameters reviewed by EMRM are presented to the Credit Models Governance Committee and approved by RBC's senior risk management committee.

Back-testing of Parameters and Model Performance

The IRB credit risk parameters are estimated, at a minimum, annually and more frequently if deemed necessary. In order to ensure that any material events are identified in a timely fashion, we engage in regular monitoring of realized results against established estimates. In cases where the actual results exceed predefined thresholds, a review of the results will be conducted and documented which may lead to a re-calibration of the parameters. Any recommended changes to the parameters would be approved by the Credit Models Governance Committee.

CR6: IRB – Credit risk exposures by portfolio and PD range

The following table provides the key parameters used for the calculation of capital requirements for credit risk exposures under the IRB approach, broken down by asset class and PD range. Our Q1 2020 figures reflect our normal course of updating retail and wholesale IRB parameters as approved by OSFI.

As at April 30, 2020

			a	b	c	d	e	f	g	h	i	j	k	l
	(Millions of Canadian dollars, except as otherwise noted)	PD scale[1]	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF (%)	EAD post CRM and post-CCF	Average PD (%)	Number of obligors[2]	Average LGD (%)	Average maturity (in years)	RWA	RWA density (%)	EL	Provisions[3]
	Asset Classes													
1	**Sovereigns**													
		0.00 to < 0.15	212,623	29,826	54.83	312,949	0.02	1,561	23.19	1.18	12,487	4.0	13	
		0.15 to < 0.25	344	354	62.31	511	0.21	176	38.37	2.24	193	38.0	-	
		0.25 to < 0.50	121	110	52.93	180	0.41	74	26.08	1.27	61	34.0	-	
		0.50 to < 0.75	101	7	50.62	105	0.72	139	26.24	3.44	59	57.0	-	
		0.75 to < 2.50	173	48	37.47	190	1.55	182	26.83	3.51	143	75.0	1	
		2.50 to < 10.00	46	12	49.35	52	3.11	13	40.95	2.46	65	124.0	1	
		10.00 to < 100.00	-	-	65.00	-	19.93	6	41.07	1.71	-	211.0	-	
		100.00 (default)	-	-	-	-	100.00	3	45.00	2.50	-	596.0	-	
	Total Sovereigns		**213,408**	**30,357**	**54.88**	**313,987**	**0.02**	**2,154**	**23.22**	**1.18**	**13,008**	**4.0**	**15**	**-**
2	**Banks**													
		0.00 to < 0.15	21,906	3,528	45.02	31,390	0.05	186	32.06	2.00	5,637	18.0	6	
		0.15 to < 0.25	438	527	39.91	983	0.18	57	41.99	1.75	459	47.0	1	
		0.25 to < 0.50	218	87	61.41	277	0.41	14	47.55	2.04	216	78.0	1	
		0.50 to < 0.75	195	255	36.59	290	0.72	23	38.96	1.21	194	67.0	1	
		0.75 to < 2.50	188	224	47.23	297	1.50	37	38.61	1.52	259	87.0	2	
		2.50 to < 10.00	319	85	32.84	347	4.57	23	63.60	2.72	775	223.0	10	
		10.00 to < 100.00	2	21	36.25	10	20.69	13	44.50	1.01	26	257.0	1	
		100.00 (default)	-	-	-	-	100.00	2	45.50	1.05	3	603.0	-	
	Total Banks		**23,266**	**4,727**	**44.14**	**33,594**	**0.13**	**355**	**32.92**	**1.99**	**7,569**	**23.0**	**22**	**-**
3	**Corporates**													
		0.00 to < 0.15	31,712	105,056	51.99	86,453	0.09	11,832	39.89	2.33	23,449	27.1	32	
		0.15 to < 0.25	34,887	56,471	51.09	62,516	0.19	13,016	41.42	2.61	27,863	44.6	51	
		0.25 to < 0.50	24,320	21,008	49.96	33,645	0.41	9,816	37.39	2.42	18,325	54.5	52	
		0.50 to < 0.75	29,172	21,569	49.93	38,280	0.72	10,038	35.17	2.83	25,909	67.7	96	
		0.75 to < 2.50	47,888	31,501	49.45	58,656	1.56	24,077	33.46	2.37	44,191	75.3	306	
		2.50 to < 10.00	29,495	26,333	50.02	38,464	4.10	18,781	33.65	2.61	39,672	103.1	529	
		10.00 to < 100.00	3,189	2,187	56.69	3,786	16.98	2,846	31.18	2.44	5,545	146.5	205	
		100.00 (default)	2,317	774	36.69	2,456	100.00	1,298	32.55	2.22	5,732	233.4	541	
	Total Corporates		**202,981**	**264,901**	**50.99**	**324,255**	**1.91**	**91,704**	**37.31**	**2.49**	**190,686**	**58.8**	**1,811**	**794**
4	**Total Wholesale**		**439,655**	**299,985**	**51.28**	**671,836**	**0.94**	**94,213**	**30.51**	**1.85**	**211,263**	**31.0**	**1,848**	**794**

[1] Refer to "Internal ratings map" under the Credit Risk Assessment section in our 2019 Annual Report MD&A.

[2] Number of obligors is defined as the number of borrowers in each PD band. For Retail exposures, a borrower can appear in multiple PD bands if the borrower has more than one type of product with the bank. Wholesale obligors are reflected as unique borrowers. For example, sovereign obligors include central banks or agencies, public sector entities and multilateral development banks which are each reflected as unique borrowers in the sovereign asset class.

[3] Provisions reflect only IFRS 9 Stage 3 allowances under the IRB portfolio.

CR6: IRB – Credit risk exposures by portfolio and PD range (continued)

As at April 30, 2020

			a	b	c	d	e	f	g	h	i	j	k	l
	(Millions of Canadian dollars, except as otherwise noted)	PD scale[1]	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF (%)	EAD post CRM and post-CCF	Average PD (%)	Number of obligors[2]	Average LGD (%)	Average maturity (in years)	RWA	RWA density (%)	EL	Provisions[3]
	Asset Classes													
5	**Retail insured exposure secured by real estate[4]**													
		0.00 to < 0.15	25,683			1,951	0.14	156,701	16.67		106	5.0	-	
		0.15 to < 0.25	-			-	-	-	-		-	-	-	
		0.25 to < 0.50	41,864			1,260	0.32	188,106	14.26		108	9.0	1	
		0.50 to < 0.75	332			-	-	-	-		-	-	-	
		0.75 to < 2.50	8,474			272	1.24	41,253	13.99		57	21.0	-	
		2.50 to < 10.00	4,453			9	4.26	23,692	10.48		3	33.0	-	
		10.00 to < 100.00	783			-	29.92	2,863	10.48		-	28.0	-	
		100.00 (default)	265			-	-	1,589	-		-	-	-	
	Total Retail insured exposure secured by real estate		**81,853**			**3,493**	**0.30**	**414,204**	**15.58**		**274**	**8.0**	**2**	**2**
6	**Uninsured residential mortgages**													
		0.00 to < 0.15	146,343	484	100.00	146,827	0.13	519,649	17.71		7,862	5.0	33	
		0.15 to < 0.25	39	26	100.00	66	0.22	104	72.24		22	33.0	-	
		0.25 to < 0.50	59	420	100.00	478	0.33	1,513	13.68		43	9.0	-	
		0.50 to < 0.75	-	-	-	-	-	-	-		-	-	-	
		0.75 to < 2.50	14,571	444	100.00	15,015	0.91	51,086	18.31		3,431	23.0	25	
		2.50 to < 10.00	4,327	33	100.00	4,360	4.12	19,447	18.08		2,468	57.0	33	
		10.00 to < 100.00	844	1	100.00	846	22.06	3,808	17.60		823	97.0	33	
		100.00 (default)	238	-	-	238	100.00	2,729	17.63		85	36.0	38	
	Total Uninsured residential mortgages		**166,421**	**1,408**	**100.00**	**167,829**	**0.55**	**598,336**	**17.79**		**14,733**	**9.0**	**163**	**40**

[1] Refer to "Internal ratings map" under the Credit Risk Assessment section in our 2019 Annual Report MD&A.

[2] Number of obligors is defined as the number of borrowers in each PD band. For Retail exposures, a borrower can appear in multiple PD bands if the borrower has more than one type of product with the bank. Wholesale obligors are reflected as unique borrowers. For example, sovereign obligors include central banks or agencies, public sector entities and multilateral development banks which are each reflected as unique borrowers in the sovereign asset class.

[3] Provisions reflect only IFRS 9 Stage 3 allowances under the IRB portfolio.

[4] Retail insured exposures secured by real estate includes residential mortgages, qualifying revolving retail and other retail. Residential mortgages reflect 98% of this category. Exposures are insured with government and/or private insurance providers.

CR6: IRB – Credit risk exposures by portfolio and PD range (continued)

As at April 30, 2020

			a	b	c	d	e	f	g	h	i	j	k	l
	(Millions of Canadian dollars, except as otherwise noted)	PD scale[1]	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF (%)	EAD post CRM and post-CCF	Average PD (%)	Number of obligors[2]	Average LGD (%)	Average maturity (in years)	RWA	RWA density (%)	EL	Provisions[3]
	Asset Classes													
7	**HELOCs**													
		0.00 to < 0.15	33,157	90,532	91.50	115,990	0.08	752,008	24.68		6,185	5.0	23	
		0.15 to < 0.25	-	-	-	-	-	-	-		-	-	-	
		0.25 to < 0.50	-	-	-	-	-	-	-		-	-	-	
		0.50 to < 0.75	2,699	1,171	93.84	3,798	0.71	41,803	25.21		1,010	27.0	7	
		0.75 to < 2.50	-	-	-	-	-	-	-		-	-	-	
		2.50 to < 10.00	1,173	241	98.21	1,410	4.54	16,380	25.07		1,122	80.0	16	
		10.00 to < 100.00	180	10	117.64	193	34.84	1,443	25.31		288	149.0	17	
		100.00 (default)	127	2	-	127	100.00	979	25.81		74	58.0	33	
	Total HELOCs		**37,335**	**91,957**	**91.54**	**121,517**	**0.31**	**812,613**	**24.70**		**8,679**	**7.0**	**96**	**33**
8	**Qualifying revolving retail**													
		0.00 to < 0.15	2,985	28,610	77.54	25,170	0.11	4,635,813	93.98		1,688	7.0	27	
		0.15 to < 0.25	9,313	38,165	84.10	41,411	0.18	3,722,506	88.06		3,829	9.0	67	
		0.25 to < 0.50	413	4,320	99.47	4,711	0.39	3,473,835	86.25		787	17.0	16	
		0.50 to < 0.75	15	80	96.80	93	0.60	5,244	97.92		25	27.0	1	
		0.75 to < 2.50	7,189	8,054	83.69	13,930	1.30	2,793,270	90.30		6,123	44.0	163	
		2.50 to < 10.00	4,226	2,204	83.74	6,072	3.79	1,698,569	89.67		5,685	94.0	204	
		10.00 to < 100.00	645	242	59.05	788	29.16	428,047	91.24		2,088	265.0	209	
		100.00 (default)	72	3	-	72	100.00	45,576	87.36		192	265.0	49	
	Total Qualifying revolving retail		**24,858**	**81,678**	**82.50**	**92,247**	**0.91**	**16,802,860**	**90.06**		**20,417**	**22.0**	**735**	**49**
9	**Other retail**													
		0.00 to < 0.15	26,056	2,869	86.00	28,520	-	285,429	33.00		2,629	9.0	10	
		0.15 to < 0.25	2,311	5,327	85.00	6,851	-	128,772	82.00		2,396	35.0	11	
		0.25 to < 0.50	8,215	2,189	100.00	10,413	-	593,294	71.00		4,489	43.0	25	
		0.50 to < 0.75	153	21	91.00	172	1.00	6,219	61.00		89	52.0	1	
		0.75 to < 2.50	11,910	2,837	95.00	14,596	1.00	637,988	63.00		10,843	74.0	125	
		2.50 to < 10.00	3,652	994	88.00	4,528	4.00	269,953	70.00		4,841	107.0	133	
		10.00 to < 100.00	705	62	100.00	767	36.00	32,116	75.00		1,320	172.0	223	
		100.00 (default)	114	1	-	114	100.00	3,087	64.00		167	146.0	62	
	Total Other retail		**53,117**	**14,299**	**90.00**	**65,961**	**1.00**	**1,956,858**	**54.00**		**26,774**	**41.0**	**590**	**60**
10	**Total retail**		**363,584**	**189,342**	**91.90**	**451,047**	**0.62**	**20,584,871**	**39.71**	**-**	**70,877**	**16.0**	**1,586**	**184**
	Total		**803,239**	**489,327**	**67.00**	**1,122,883**	**0.81**	**20,679,084**	**34.21**	**1.85**	**282,140**	**25.0**	**3,434**	**978**

[1] Refer to “Internal ratings map” under the Credit Risk Assessment section in our 2019 Annual Report MD&A.

[2] Number of obligors is defined as the number of borrowers in each PD band. For Retail exposures, a borrower can appear in multiple PD bands if the borrower has more than one type of product with the bank. Wholesale obligors are reflected as unique borrowers. For example, sovereign obligors include central banks or agencies, public sector entities and multilateral development banks which are each reflected as unique borrowers in the sovereign asset class.

[3] Provisions reflect only IFRS 9 Stage 3 allowances under the IRB portfolio.

CR6: IRB – Credit risk exposures by portfolio and PD range (continued)

As at January 31, 2020

			a	b	c	d	e	f	g	h	i	j	k	l
	(Millions of Canadian dollars, except as otherwise noted)	PD scale[1]	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF (%)	EAD post CRM and post-CCF	Average PD (%)	Number of obligors[2]	Average LGD (%)	Average maturity (in years)	RWA	RWA density (%)	EL	Provisions[3]
	Asset Classes													
1	**Sovereigns**													
		0.00 to < 0.15	121,798	25,401	52.72	215,813	0.02	1,540	18.70	1.14	9,389	4.0	9	
		0.15 to < 0.25	301	510	68.35	578	0.18	190	39.15	2.25	210	36.0	-	
		0.25 to < 0.50	119	52	51.13	145	0.41	66	24.28	1.38	45	31.0	-	
		0.50 to < 0.75	97	7	53.40	100	0.72	127	26.27	3.45	57	57.0	-	
		0.75 to < 2.50	170	51	38.85	189	1.52	187	24.40	3.55	125	66.0	1	
		2.50 to < 10.00	27	17	43.15	35	3.31	21	40.82	2.55	44	128.0	-	
		10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	
		100.00 (default)	-	-	-	-	-	-	-	-	-	-	-	
	Total Sovereigns		**122,512**	**26,038**	**52.99**	**216,860**	**0.02**	**2,131**	**18.77**	**1.15**	**9,870**	**5.0**	**10**	**-**
2	**Banks**													
		0.00 to < 0.15	21,642	3,962	44.81	30,228	0.06	206	30.80	2.03	5,094	17.0	5	
		0.15 to < 0.25	733	367	40.40	1,488	0.18	50	41.24	1.52	632	42.0	1	
		0.25 to < 0.50	113	99	46.05	162	0.41	13	48.86	2.30	132	82.0	-	
		0.50 to < 0.75	199	286	38.10	311	0.72	29	40.12	1.13	210	68.0	1	
		0.75 to < 2.50	108	292	47.57	249	1.54	37	41.49	1.64	244	98.0	2	
		2.50 to < 10.00	106	109	35.71	145	7.68	17	45.18	1.71	285	197.0	5	
		10.00 to < 100.00	10	27	36.21	20	17.61	12	44.74	1.01	50	246.0	2	
		100.00 (default)	-	-	-	-	100.00	2	45.67	1.07	2	605.0	-	
	Total Banks		**22,911**	**5,142**	**44.07**	**32,603**	**0.13**	**366**	**31.61**	**2.00**	**6,649**	**20.0**	**16**	**-**
3	**Corporates**													
		0.00 to < 0.15	25,381	103,796	51.99	78,916	0.09	11,717	39.64	2.36	21,278	27.0	28	
		0.15 to < 0.25	25,224	58,735	51.05	53,741	0.19	12,849	40.90	2.73	24,049	44.8	42	
		0.25 to < 0.50	22,327	22,339	49.92	32,903	0.41	9,638	36.47	2.49	17,651	53.7	50	
		0.50 to < 0.75	25,538	24,022	47.55	35,228	0.71	10,067	34.13	2.76	22,754	64.6	86	
		0.75 to < 2.50	47,141	34,708	49.42	59,995	1.56	24,074	33.88	2.47	46,575	77.6	316	
		2.50 to < 10.00	23,474	27,618	49.35	33,511	3.77	19,177	34.39	2.69	34,432	102.8	434	
		10.00 to < 100.00	2,087	1,087	57.13	2,376	17.08	2,753	35.14	2.12	3,815	160.6	147	
		100.00 (default)	1,613	650	27.15	1,769	100.00	1,247	36.07	2.34	4,958	280.3	409	
	Total Corporates		**172,785**	**272,954**	**50.91**	**298,439**	**1.65**	**91,522**	**37.02**	**2.55**	**175,512**	**58.8**	**1,512**	**598**
4	**Total Wholesale**		**318,208**	**304,134**	**50.97**	**547,902**	**0.91**	**94,019**	**29.47**	**1.96**	**192,031**	**35.0**	**1,538**	**598**

[1] Refer to “Internal ratings map” under the Credit Risk Assessment section in our 2019 Annual Report MD&A.
[2] Number of obligors is defined as the number of borrowers in each PD band. For Retail exposures, a borrower can appear in multiple PD bands if the borrower has more than one type of product with the bank. Wholesale obligors are reflected as unique borrowers. For example, sovereign obligors include central banks or agencies, public sector entities and multilateral development banks which are each reflected as unique borrowers in the sovereign asset class.
[3] Provisions reflect only IFRS 9 Stage 3 allowances under the IRB portfolio.

CR6: IRB – Credit risk exposures by portfolio and PD range (continued)

As at January 31, 2020

			a	b	c	d	e	f	g	h	i	j	k	l
	(Millions of Canadian dollars, except as otherwise noted)	PD scale[1]	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF (%)	EAD post CRM and post-CCF	Average PD (%)	Number of obligors[2]	Average LGD (%)	Average maturity (in years)	RWA	RWA density (%)	EL	Provisions[3]
	Asset Classes													
5	**Retail insured exposure secured by real estate[4]**													
		0.00 to < 0.15	22,437			1,588	0.14	140,236	16.54		85	5.0	-	
		0.15 to < 0.25	-			-	-	-	-		-	-	-	
		0.25 to < 0.50	41,792			1,238	0.32	188,486	14.18		106	9.0	1	
		0.50 to < 0.75	306			-	-	-	-		-	-	-	
		0.75 to < 2.50	8,439			254	1.26	41,141	13.90		54	21.0	-	
		2.50 to < 10.00	4,156			8	4.24	22,179	10.49		3	33.0	-	
		10.00 to < 100.00	957			-	35.56	4,094	10.48		-	29.0	-	
		100.00 (default)	272			-	-	1,588	-		-	-	-	
	Total Retail insured exposure secured by real estate		**78,359**			**3,088**	**0.32**	**397,724**	**15.36**		**248**	**8.0**	**1**	**-**
6	**Uninsured residential mortgages**													
		0.00 to < 0.15	145,550	279	100.00	145,829	0.13	528,111	17.71		7,804	5.0	33	
		0.15 to < 0.25	42	24	100.00	65	0.22	101	72.24		21	33.0	-	
		0.25 to < 0.50	57	170	100.00	227	0.34	757	17.36		27	12.0	-	
		0.50 to < 0.75	-	-	-	-	-	-	-		-	-	-	
		0.75 to < 2.50	14,885	215	100.00	15,100	0.91	52,569	18.43		3,469	23.0	25	
		2.50 to < 10.00	4,058	19	100.00	4,077	4.06	18,892	18.07		2,288	56.0	30	
		10.00 to < 100.00	992	1	100.00	992	25.11	4,558	17.58		983	99.0	44	
		100.00 (default)	238	-	-	238	100.00	2,730	17.70		84	35.0	38	
	Total Uninsured residential mortgages		**165,823**	**708**	**100.00**	**166,530**	**0.59**	**607,718**	**17.80**		**14,676**	**9.0**	**171**	**40**

[1] Refer to "Internal ratings map" under the Credit Risk Assessment section in our 2019 Annual Report MD&A.

[2] Number of obligors is defined as the number of borrowers in each PD band. For Retail exposures, a borrower can appear in multiple PD bands if the borrower has more than one type of product with the bank. Wholesale obligors are reflected as unique borrowers. For example, sovereign obligors include central banks or agencies, public sector entities and multilateral development banks which are each reflected as unique borrowers in the sovereign asset class.

[3] Provisions reflect only IFRS 9 Stage 3 allowances under the IRB portfolio.

[4] Retail insured exposures secured by real estate includes residential mortgages, qualifying revolving retail and other retail. Residential mortgages reflect 98% of this category. Exposures are insured with government and/or private insurance providers.

CR6: IRB – Credit risk exposures by portfolio and PD range (continued)

As at January 31, 2020

			a	b	c	d	e	f	g	h	i	j	k	l
	(Millions of Canadian dollars, except as otherwise noted)	PD scale[1]	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF (%)	EAD post CRM and post-CCF	Average PD (%)	Number of obligors[2]	Average LGD (%)	Average maturity (in years)	RWA	RWA density (%)	EL	Provisions[3]
	Asset Classes													
7	**HELOCs**													
		0.00 to < 0.15	33,243	89,020	91.50	114,693	0.08	745,277	24.72		6,125	5.0	23	
		0.15 to < 0.25	-	-	-	-	-	-	-		-	-	-	
		0.25 to < 0.50	-	-	-	-	-	-	-		-	-	-	
		0.50 to < 0.75	2,802	1,155	94.03	3,888	0.71	42,612	25.18		1,033	27.0	7	
		0.75 to < 2.50	-	-	-	-	-	-	-		-	-	-	
		2.50 to < 10.00	1,142	195	99.76	1,337	4.29	15,741	25.12		1,037	78.0	14	
		10.00 to < 100.00	195	8	129.28	206	34.97	1,659	24.95		304	147.0	18	
		100.00 (default)	123	1	-	123	100.00	936	25.68		70	57.0	32	
	Total HELOCs		**37,505**	**90,379**	**91.55**	**120,247**	**0.31**	**806,225**	**24.74**		**8,569**	**7.0**	**94**	**32**
8	**Qualifying revolving retail**													
		0.00 to < 0.15	3,925	27,066	77.17	24,813	0.11	4,602,921	93.99		1,664	7.0	27	
		0.15 to < 0.25	9,596	37,253	84.08	40,920	0.18	3,713,004	88.05		3,783	9.0	66	
		0.25 to < 0.50	448	4,235	99.63	4,668	0.39	3,449,219	86.27		780	17.0	16	
		0.50 to < 0.75	16	79	96.66	93	0.60	5,233	97.92		25	27.0	1	
		0.75 to < 2.50	7,644	7,755	83.96	14,156	1.30	2,841,672	90.29		6,220	44.0	165	
		2.50 to < 10.00	4,339	2,038	85.03	6,071	3.79	1,739,639	89.61		5,676	93.0	204	
		10.00 to < 100.00	724	213	66.44	865	29.86	540,827	90.75		2,298	266.0	234	
		100.00 (default)	71	2	-	71	100.00	41,039	87.22		191	269.0	47	
	Total Qualifying revolving retail		**26,763**	**78,642**	**82.52**	**91,656**	**0.94**	**16,933,554**	**90.05**		**20,636**	**23.0**	**759**	**47**
9	**Other retail**													
		0.00 to < 0.15	25,142	2,985	86.06	27,711	0.12	303,726	34.53		2,647	10.0	10	
		0.15 to < 0.25	2,137	5,071	85.26	6,461	0.20	126,985	81.73		2,258	35.0	11	
		0.25 to < 0.50	8,276	2,083	100.75	10,375	0.34	592,256	70.97		4,455	43.0	25	
		0.50 to < 0.75	178	54	92.34	229	0.62	9,305	65.68		128	56.0	1	
		0.75 to < 2.50	12,244	2,722	94.93	14,828	1.34	646,052	62.79		10,932	74.0	126	
		2.50 to < 10.00	3,549	979	87.88	4,410	4.15	275,202	69.82		4,680	106.0	127	
		10.00 to < 100.00	783	62	100.75	845	34.43	33,796	71.99		1,389	164.0	230	
		100.00 (default)	96	1	-	96	100.00	2,731	63.24		131	136.0	52	
	Total Other retail		**52,405**	**13,957**	**89.91**	**64,953**	**1.31**	**1,990,053**	**54.53**		**26,620**	**41.0**	**580**	**52**
10	**Total retail**		**360,855**	**183,686**	**87.59**	**446,474**	**0.69**	**20,735,274**	**39.83**	**-**	**70,749**	**16.0**	**1,605**	**171**
	Total		**679,063**	**487,820**	**64.76**	**994,376**	**0.81**	**20,829,293**	**34.12**	**1.96**	**262,780**	**26.0**	**3,143**	**769**

[1] Refer to “Internal ratings map” under the Credit Risk Assessment section in our 2019 Annual Report MD&A.
[2] Number of obligors is defined as the number of borrowers in each PD band. For Retail exposures, a borrower can appear in multiple PD bands if the borrower has more than one type of product with the bank. Wholesale obligors are reflected as unique borrowers. For example, sovereign obligors include central banks or agencies, public sector entities and multilateral development banks which are each reflected as unique borrowers in the sovereign asset class.
[3] Provisions reflect only IFRS 9 Stage 3 allowances under the IRB portfolio.

CR7: IRB – Effect on RWA of credit derivatives used as CRM techniques

The following table provides the effect of credit derivatives used as mitigation techniques in determining RWA amounts.

As at April 30, 2020

		a	b
	(Millions of Canadian dollars)	Pre-credit derivatives RWA	Actual RWA
2	Sovereign - AIRB	-	-
4	Banks - AIRB	-	-
6	Corporate - AIRB	-	-
8	Specialised lending - AIRB	-	-
9	Retail - qualifying revolving (QRRE)	-	-
10	Retail - residential mortgage exposures	-	-
11	Retail - SME	-	-
12	Other retail exposures	-	-
14	Equity - AIRB	-	-
16	Purchased receivables - AIRB	-	-
17	**Total**	**-**	**-**

As at January 31, 2020

		a	b
	(Millions of Canadian dollars)	Pre-credit derivatives RWA	Actual RWA
2	Sovereign - AIRB	-	-
4	Banks - AIRB	-	-
6	Corporate - AIRB	-	-
8	Specialised lending - AIRB	-	-
9	Retail - qualifying revolving (QRRE)	-	-
10	Retail - residential mortgage exposures	-	-
11	Retail - SME	-	-
12	Other retail exposures	-	-
14	Equity - AIRB	-	-
16	Purchased receivables - AIRB	-	-
17	**Total**	**-**	**-**

CR8: RWA flow statements of credit risk exposures

The following table presents the changes in Standardized and IRB RWA amounts over the reporting period for the key drivers of credit risk.

		RWA amounts[1]	
	(Millions of Canadian dollars)	As at April 30, 2020	As at January 31, 2020
1	**RWA as at end of previous reporting period**	**381,574**	**374,864**
2	Asset size[2]	14,470	6,294
3	Asset quality[3]	7,978	403
4	Model updates[4]	-	(6,849)
5	Methodology and policy[5]	-	7,416
6	Acquisitions and disposals	-	-
7	Foreign exchange movements	8,958	659
8	Other	(884)	(1,213)
9	**RWA as at end of reporting period**	**412,096**	**381,574**

[1] RWA flow amounts include both IRB and Standardized Approach figures reflecting our approved roll-out plan for transition to IRB.

[2] Organic changes in portfolio size and composition (including new business and maturing loans).

[3] Quality of book changes caused by experience such as underlying customer behaviour or demographics and credit mitigation.

[4] Updates to the model to reflect recent experience, model implementation, change in model scope or any change to address model malfunctions including changes through model calibrations/realignments.

[5] Methodology changes to the calculations driven by regulatory policy changes.

COUNTERPARTY CREDIT RISK

CCRA: Qualitative disclosure related to counterparty credit risk

The table below presents an overview of Pillar 3 disclosure requirements that have been met within our 2019 Annual Report and incorporated by reference into this Pillar 3 report. Our 2019 Annual Report is available free of charge on our website at http://www.rbc.com/investorrelations

Pillar 3 disclosures requirement		RBC 2019 Annual Report section	Sub-section
a)	Risk management objectives and policies related to counterparty credit risk	Credit Risk	Credit risk assessment – *Counterparty credit risk*
		Consolidated Financial Statements	Note 8 - Derivative financial instruments and hedging activities – *Derivative-related credit risk*
b)	The method used to assign the operating limits defined in terms of internal capital for counterparty credit exposures and for CCP exposures	Credit Risk	Credit risk assessment – *Counterparty credit risk*
c)	Policies relating to guarantees and other risk mitigants and assessments concerning counterparty credit risk, including exposures towards CCPs	Credit Risk	Credit risk assessment – *Counterparty credit risk*
		Consolidated Financial Statements	Note 8 - Derivative financial instruments and hedging activities – *Derivative-related credit risk*
			Note 31 - Offsetting financial assets and financial liabilities
d)	Policies with respect to wrong-way risk exposures	Credit Risk	Credit risk assessment – *Wrong-way risk*
e)	The impact in terms of the amount of collateral that the bank would be required to provide given a credit rating downgrade	Liquidity and funding risk	Credit ratings

CCR1: Analysis of counterparty credit risk (CCR) exposure by approach

The following table provides a comprehensive view of the methods used to calculate counterparty credit risk exposures and the main parameters used within each method, if applicable. Refer to CCR 8 for our central counterparty clearing house exposures. Figures below reflect both house and client trades.

As at April 30, 2020

		a	b	c	d	e	f
	(Millions of Canadian dollars, except as otherwise noted)	Replacement Cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM[1]	RWA[2]
1	SA-CCR (for derivatives)[1,2]	20,710	28,781		1.4	68,789	25,393
1a	Current Exposure Method (CEM - for derivatives)						
2	Internal Model Method (for derivatives and SFTs)						
3	Simple Approach for credit risk mitigation (for SFTs)						
4	Comprehensive Approach for credit risk mitigation (for SFTs)					186,012	9,413
5	VaR for SFTs						
6	**Total**						**34,806**

[1] Effective Q1 2020, specific wrong way risk is reflected as per OSFI SA-CCR guideline requirement.

[2] RWA includes a calibration adjustment of 1.06% as prescribed by OSFI under the Basel III framework.

As at January 31, 2020

		a	b	c	d	e	f
	(Millions of Canadian dollars, except as otherwise noted)	Replacement Cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM[1]	RWA[2]
1	SA-CCR (for derivatives)[1,2]	14,340	31,261		1.4	63,629	22,121
1a	Current Exposure Method (CEM - for derivatives)						
2	Internal Model Method (for derivatives and SFTs)						
3	Simple Approach for credit risk mitigation (for SFTs)						
4	Comprehensive Approach for credit risk mitigation (for SFTs)					174,971	11,109
5	VaR for SFTs						
6	**Total**						**33,230**

[1] Effective Q1 2020, specific wrong way risk is reflected as per OSFI SA-CCR guideline requirement.

[2] RWA includes a calibration adjustment of 1.06% as prescribed by OSFI under the Basel III framework.

CCR2: Credit valuation adjustment (CVA) capital charge

The following table presents a breakdown of the CVA capital charge by advanced and standardized approaches.

As at April 30, 2020

		a	b
	(Millions of Canadian dollars)	EAD post-CRM[1]	RWA[1]
	Total portfolios subject to the Advanced CVA capital charge		
1	(i) VaR component (including the 3x multiplier)		
2	(ii) Stressed VaR component (including the 3x multiplier)		
3	All portfolios subject to the Standardized CVA capital Charge	69,288	16,156
4	**Total subject to the CVA capital charge**	**69,288**	**16,156**

[1] Effective Q1 2019, OSFI has allowed a 0.7 scalar to be applied to the exposure amount determined under SA-CCR for the purpose of determining CVA.

As at January 31, 2020

		a	b
	(Millions of Canadian dollars)	EAD post-CRM[1]	RWA[1]
	Total portfolios subject to the Advanced CVA capital charge		
1	(i) VaR component (including the 3x multiplier)		
2	(ii) Stressed VaR component (including the 3x multiplier)		
3	All portfolios subject to the Standardized CVA capital Charge	63,841	12,703
4	**Total subject to the CVA capital charge**	**63,841**	**12,703**

[1] Effective Q1 2019, OSFI has allowed a 0.7 scalar to be applied to the exposure amount determined under SA-CCR for the purpose of determining CVA.

CCR3: Standardized approach – CCR exposures by regulatory portfolio and risk weights

The following table presents a breakdown of counterparty credit risk exposures calculated according to the standardized approach by portfolio and risk weight.

As at April 30, 2020

	a	b	c	d	e	f	g	h	i
Risk weight / Regulatory portfolio (Millions of Canadian dollars)	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure
Sovereigns	-	-	-	-	-	5	-	-	5
Non-central government public sector entities (PSEs)	-	-	-	-	-	-	-	-	-
Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-	-
Banks	-	-	14	-	-	73	-	-	87
Securities firms	-	-	13	-	-	17	-	-	30
Corporates	-	-	268	-	-	1,871	-	-	2,139
Regulatory retail portfolios	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**295**	**-**	**-**	**1,966**	**-**	**-**	**2,261**

As at January 31, 2020

	a	b	c	d	e	f	g	h	i
Risk weight / Regulatory portfolio (Millions of Canadian dollars)	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure
Sovereigns	-	-	-	-	-	14	-	-	14
Non-central government public sector entities (PSEs)	-	-	-	-	-	-	-	-	-
Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-	-
Banks	-	-	17	-	-	35	-	-	52
Securities firms	-	-	15	-	-	27	-	-	42
Corporates	-	-	504	-	-	1,316	-	-	1,820
Regulatory retail portfolios	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**536**	**-**	**-**	**1,392**	**-**	**-**	**1,928**

CCR4: IRB – CCR exposures by portfolio and PD scale

The following table presents a detailed view of CCR exposures subject to IRB approach by asset classes and PD scale.

As at April 30, 2020

		a	b	c	d	e	f	g
(Millions of Canadian dollars, except as otherwise noted)	PD scale[1]	EAD post-CRM	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (in years)	RWA	RWA density (%)
Asset classes								
Sovereigns	0.00 to < 0.15	48,554	0.04	347	10.55	1.20	1,889	4
	0.15 to < 0.25	324	0.21	22	43.78	1.15	108	33
	0.25 to < 0.50	35	0.41	11	44.76	1.02	18	50
	0.50 to < 0.75	22	0.72	6	38.32	3.50	22	99
	0.75 to < 2.50	4	1.62	3	45.00	1.00	5	108
	2.50 to < 10.00	20	2.74	4	41.90	2.15	24	119
	10.00 to < 100.00	-	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-	-
Total sovereigns		**48,959**	**5.74**	**393**	**224.31**	**10.02**	**2,066**	**413**
Banks								
	0.00 to < 0.15	91,350	0.09	215	13.46	0.30	5,813	6
	0.15 to < 0.25	17,320	0.17	100	10.18	0.17	1,389	8
	0.25 to < 0.50	2,648	0.41	26	10.49	0.24	381	14
	0.50 to < 0.75	1,299	0.72	21	1.94	0.03	39	3
	0.75 to < 2.50	310	1.17	22	7.02	0.36	53	17
	2.50 to < 10.00	136	3.07	9	45.00	1.24	164	121
	10.00 to < 100.00	-	29.24	1	45.00	1.00	-	279
	100.00 (default)	-	-	-	-	-	-	-
Total banks		**113,063**	**34.87**	**394**	**133.09**	**3.34**	**7,839**	**448**
Corporates								
	0.00 to < 0.15	68,608	0.07	5,889	35.71	0.65	9,420	14
	0.15 to < 0.25	12,126	0.19	1,684	34.34	1.41	3,918	32
	0.25 to < 0.50	2,788	0.41	508	45.32	2.23	1,949	70
	0.50 to < 0.75	2,579	0.72	326	44.04	2.00	2,105	82
	0.75 to < 2.50	1,578	1.48	436	39.00	2.67	1,566	99
	2.50 to < 10.00	2,621	3.97	471	37.51	1.68	3,052	116
	10.00 to < 100.00	98	14.79	25	39.88	3.81	213	218
	100.00 (default)	119	200.00	15	66.16	4.23	653	548
Total corporates		**90,517**	**122.24**	**9,354**	**321.08**	**17.31**	**22,876**	**25**
Total		**252,539**	**60.54**	**10,141**	**218.16**	**9.64**	**32,781**	**13**

[1] Refer to “Internal ratings map” in the Credit risk assessment section in our 2019 Annual Report MD&A.

CCR4: IRB – CCR exposures by portfolio and PD scale (continued)

As at January 31, 2020

(Millions of Canadian dollars, except as otherwise noted)	PD scale[1]	a EAD post-CRM	b Average PD (%)	c Number of obligors	d Average LGD (%)	e Average maturity (in years)	f RWA	g RWA density (%)
Asset classes								
Sovereigns	0.00 to < 0.15	23,150	0.05	338	17.35	1.74	1,489	6
	0.15 to < 0.25	206	0.19	23	44.04	1.19	66	32
	0.25 to < 0.50	88	0.41	10	45.00	1.00	44	50
	0.50 to < 0.75	29	0.72	4	36.88	2.65	24	82
	0.75 to < 2.50	4	1.52	3	45.00	1.00	4	103
	2.50 to < 10.00	10	2.71	2	40.07	2.89	12	122
	10.00 to < 100.00	-	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-	-
Total sovereigns		**23,487**	**0.05**	**380**	**17.72**	**1.74**	**1,639**	**7**
Banks								
	0.00 to < 0.15	102,308	0.08	223	13.00	0.28	6,247	6
	0.15 to < 0.25	13,863	0.18	98	14.35	0.24	1,592	11
	0.25 to < 0.50	1,980	0.41	30	16.10	0.23	410	21
	0.50 to < 0.75	1,325	0.72	27	4.52	0.09	94	7
	0.75 to < 2.50	274	1.28	19	14.86	0.24	82	30
	2.50 to < 10.00	79	4.07	8	45.00	1.16	107	135
	10.00 to < 100.00	-	15.12	1	45.00	1.00	-	251
	100.00 (default)	-	-	-	-	-	-	-
Total banks		**119,829**	**0.11**	**406**	**13.14**	**0.28**	**8,532**	**7**
Corporates								
	0.00 to < 0.15	71,484	0.07	5,874	35.11	0.59	9,714	14
	0.15 to < 0.25	12,907	0.18	1,704	36.70	1.19	4,107	32
	0.25 to < 0.50	2,858	0.41	490	39.39	1.69	1,672	59
	0.50 to < 0.75	2,059	0.72	309	42.08	1.43	1,482	72
	0.75 to < 2.50	2,209	1.43	431	41.17	2.42	2,271	103
	2.50 to < 10.00	1,712	3.59	421	37.56	1.71	1,934	113
	10.00 to < 100.00	92	14.28	18	42.74	4.01	216	234
	100.00 (default)	34	100.00	8	36.35	1.03	164	482
Total corporates		**93,355**	**0.26**	**9,255**	**35.81**	**0.79**	**21,560**	**23**
Total		**236,671**	**0.16**	**10,041**	**22.54**	**0.63**	**31,731**	**13**

[1] Refer to "Internal ratings map" in the Credit risk assessment section in our 2019 Annual Report MD&A.

CCR5: Composition of collateral for CCR exposure

The following table presents a breakdown of collateral posted or received to support or reduce the CCR exposures related to derivative transactions or securities financing transactions (SFTs), including transactions cleared through a central counterparty clearing house (CCP).

As at April 30, 2020

	a	b	c	d	e	f
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
(Millions of Canadian dollars)	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - domestic currency	16	3,385	8	4,453	73,269	60,971
Cash - other currencies	4,804	21,642	12,259	26,199	258,140	311,523
Domestic sovereign debt	110	1,464	-	2,817	133,491	143,179
Other sovereign debt	3,913	4,446	4,319	1,834	237,209	197,702
Government agency debt	90	179	281	2,798	71,938	89,689
Corporate bonds	226	710	604	10	29,840	29,434
Equity securities	-	-	-	638	92,958	125,835
Other collateral	-	30	-	-	27,325	3,729
Total	**9,159**	**31,856**	**17,471**	**38,749**	**924,170**	**962,062**

As at October 31, 2019

	a	b	c	d	e	f
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
(Millions of Canadian dollars)	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - domestic currency	14	2,587	14	2,200	34,028	41,209
Cash - other currencies	1,505	17,393	4,061	17,279	270,812	345,589
Domestic sovereign debt	-	984	-	1,325	111,176	117,149
Other sovereign debt	2,561	2,864	3,310	1,395	259,714	220,348
Government agency debt	68	166	206	1,537	78,257	90,398
Corporate bonds	259	307	-	-	29,826	27,861
Equity securities	-	-	-	563	105,071	132,654
Other collateral	-	17	-	-	31,799	5,318
Total	**4,407**	**24,318**	**7,591**	**24,299**	**920,683**	**980,526**

CCR6: Credit derivatives exposures

The following table presents credit derivatives bought or sold by notional and fair values.

As at April 30, 2020

	a	b
(Millions of Canadian dollars)	Protection bought	Protection sold
Notionals		
Single-name credit default swaps	4,719	12,115
Index credit default swaps	21,075	7,561
Total return swaps	-	-
Credit options	-	-
Other credit derivatives	-	-
Total notionals	**25,794**	**19,676**
Fair values		
Positive fair value (asset)	138	610
Negative fair value (liability)	537	210

As at October 31, 2019

	a	b
(Millions of Canadian dollars)	Protection bought	Protection sold
Notionals		
Single-name credit default swaps	3,383	4,560
Index credit default swaps	9,763	3,148
Total return swaps	-	-
Credit options	-	-
Other credit derivatives	-	-
Total notionals	**13,146**	**7,708**
Fair values		
Positive fair value (asset)	1	168
Negative fair value (liability)	277	5

CCR7: RWA flow statements of CCR exposures under the Internal Model Method (IMM)

We currently do not apply the IMM to our counterparty credit risk exposures.

CCR8: Exposures to central counterparties

The following table presents a comprehensive view of our exposures to central counterparty clearing houses (CCPs), including due to operations, margins and contributions to default funds, and related RWA.

As at April 30, 2020

		a	b
	(Millions of Canadian dollars)	EAD (post-CRM)	RWA
1	**Exposures to QCCPs (total)**	**35,567**	**509**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	21,007	475
3	(i) OTC derivatives	3,499	125
4	(ii) Exchange-traded derivatives	15,167	303
5	(iii) Securities financing transactions	2,341	47
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	5,734	
8	Non-segregated initial margin	2,180	-
9	Pre-funded default fund contributions	1,544	34
10	Unfunded default fund contributions[1]	5,102	-
11	**Exposures to non-QCCPs (total)**		
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which		
13	(i) OTC derivatives		
14	(ii) Exchange-traded derivatives		
15	(iii) Securities financing transactions		
16	(iv) Netting sets where cross-product netting has been approved		
17	Segregated initial margin		
18	Non-segregated initial margin		
19	Pre-funded default fund contributions		
20	Unfunded default fund contributions		

[1] Unfunded default fund contributions are risk weighted at 0%.

CCR8: Exposures to central counterparties (continued)

As at January 31, 2020

	(Millions of Canadian dollars)	a EAD (post-CRM)	b RWA
1	**Exposures to QCCPs (total)**	**35,556**	**560**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	25,464	532
3	(i) OTC derivatives	2,031	63
4	(ii) Exchange-traded derivatives	19,726	395
5	(iii) Securities financing transactions	3,707	74
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	2,196	
8	Non-segregated initial margin	2,208	-
9	Pre-funded default fund contributions	969	28
10	Unfunded default fund contributions[1]	4,719	-
11	**Exposures to non-QCCPs (total)**		
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which		
13	(i) OTC derivatives		
14	(ii) Exchange-traded derivatives		
15	(iii) Securities financing transactions		
16	(iv) Netting sets where cross-product netting has been approved		
17	Segregated initial margin		
18	Non-segregated initial margin		
19	Pre-funded default fund contributions		
20	Unfunded default fund contributions		

[1] Unfunded default fund contributions are risk weighted at 0%.

SECURITIZATION

SECA: Qualitative disclosure requirements related to securitization exposures

The table below presents an overview of Pillar 3 disclosure requirements that have been met within our 2019 Annual Report and incorporated by reference into this Pillar 3 report. Our 2019 Annual Report is available free of charge on our website at http://www.rbc.com/investorrelations

<table>
<tr><th colspan="2">Pillar 3 disclosures requirement</th><th>RBC 2019 Annual Report section</th><th>Sub-section</th></tr>
<tr><td rowspan="3">a)</td><td rowspan="3">Objectives in relation to securitization activities</td><td>Off-balance sheet arrangements</td><td>Off-balance sheet arrangements</td></tr>
<tr><td>Consolidated Financial Statements</td><td>Note 6 - Derecognition of financial assets</td></tr>
<tr><td>Consolidated Financial Statements</td><td>Note 7 - Structured entities</td></tr>
<tr><td>b)</td><td>List of SPEs where RBC is sponsor / provides implicit support</td><td>Consolidated Financial Statements</td><td>Note 7 - Structured entities</td></tr>
<tr><td rowspan="2">c)</td><td rowspan="2">Accounting policies for securitization</td><td>Consolidated Financial Statements</td><td>Note 2 - Summary of significant accounting policies, estimates and judgments
- Basis of consolidation
- Derecognition of financial assets</td></tr>
<tr><td>Critical accounting policies and estimates</td><td>Consolidation of structured entities</td></tr>
<tr><td>d)</td><td>The names of external credit assessment institution (ECAIs) used for securitizations and the types of securitization exposure for which each agency is used</td><td>Capital Management (also refer to CRD in this document)</td><td>Regulatory capital approach for securitization exposures</td></tr>
<tr><td rowspan="2">e)</td><td rowspan="2">Use of Basel IAA for capital purposes</td><td>Credit risk</td><td>n/a</td></tr>
<tr><td>Capital Management</td><td>Regulatory capital approach for securitization exposures</td></tr>
<tr><td>f)</td><td>Use of other internal assessment for capital purposes</td><td>Credit risk</td><td>Credit risk assessment</td></tr>
</table>

SEC1: IRB – Securitization exposures in the banking book

The following table presents the breakdown of our balance sheet banking book carrying values by our role and type.

As at April 30, 2020

		a	b	c	e	f	g	i	j	k
		Bank acts as originator[1]			Bank acts as sponsor[2]			Bank acts as investor[3]		
(Millions of Canadian dollars)		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	**Retail (total) - of which**	**1,182**	**-**	**1,182**	**39,848**	**-**	**39,848**	**424**	**-**	**424**
2	residential mortgage	-	-	-	1,575	-	1,575	-	-	-
3	credit card	1,167	-	1,167	8,421	-	8,421	112	-	112
4	other retail exposures	15	-	15	29,852	-	29,852	312	-	312
4a	of which student loans	-	-	-	4,407	-	4,407	112	-	112
4b	of which auto loans and leases	-	-	-	19,525	-	19,525	200	-	200
4c	of which consumer loans	-	-	-	5,920	-	5,920	-	-	-
4d	of which other retail	15	-	15	-	-	-	-	-	-
5	re-securitization	-	-	-	-	-	-	-	-	-
6	**Wholesale (total) – of which**	**-**	**-**	**-**	**14,585**	**-**	**14,585**	**11,146**	**-**	**11,146**
7	loans to corporates	-	-	-	2,895	-	2,895	9,524	-	9,524
8	commercial mortgage	-	-	-	-	-	-	649	-	649
9	lease and receivables	-	-	-	77	-	77	-	-	-
10	other wholesale	-	-	-	11,613	-	11,613	973	-	973
10a	of which dealer floor plan receivable	-	-	-	2,124	-	2,124	-	-	-
10b	of which equipment receivable	-	-	-	4,231	-	4,231	-	-	-
10c	of which trade receivable	-	-	-	-	-	-	-	-	-
10d	of which other wholesale	-	-	-	5,258	-	5,258	973	-	973
11	re-securitization	-	-	-	-	-	-	-	-	-

[1] Bank acts as originator reflects securitization activities in which we securitize our own assets (e.g. Golden credit card securitization).

[2] Bank acts as sponsor reflects securitization activities in which RBC works with its client to originate securitization transactions. RBC provides the liquidity and credit enhancement facilities to the SPE.

[3] Bank acts as investor reflects purchases of securitization assets from the market.

SEC1: IRB – Securitization exposures in the banking book (continued)

As at January 31, 2020

		a	b	c	e	f	g	i	j	k
		Bank acts as originator[1]			Bank acts as sponsor[2]			Bank acts as investor[3]		
(Millions of Canadian dollars)		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	**Retail (total) - of which**	**1,280**	**-**	**1,280**	**35,803**	**-**	**35,803**	**595**	**-**	**595**
2	residential mortgage	-	-	-	1,448	-	1,448	-	-	-
3	credit card	1,265	-	1,265	8,100	-	8,100	241	-	241
4	other retail exposures	15	-	15	26,255	-	26,255	354	-	354
4a	of which student loans	-	-	-	3,804	-	3,804	110	-	110
4b	of which auto loans and leases	-	-	-	16,936	-	16,936	244	-	244
4c	of which consumer loans	-	-	-	5,513	-	5,513	-	-	-
4d	of which other retail	15	-	15	2	-	2	-	-	-
5	re-securitization	-	-	-	-	-	-	-	-	-
6	**Wholesale (total) – of which**	**-**	**-**	**-**	**13,770**	**-**	**13,770**	**9,590**	**-**	**9,590**
7	loans to corporates	-	-	-	2,568	-	2,568	7,916	-	7,916
8	commercial mortgage	-	-	-	-	-	-	644	-	644
9	lease and receivables	-	-	-	-	-	-	-	-	-
10	other wholesale	-	-	-	11,202	-	11,202	1,030	-	1,030
10a	of which dealer floor plan receivable	-	-	-	2,075	-	2,075	-	-	-
10b	of which equipment receivable	-	-	-	4,078	-	4,078	-	-	-
10c	of which trade receivable	-	-	-	-	-	-	-	-	-
10d	of which other wholesale	-	-	-	5,049	-	5,049	1,030	-	1,030
11	re-securitization	-	-	-	-	-	-	-	-	-

[1] Bank acts as originator reflects securitization activities in which we securitize our own assets (e.g. Golden credit card securitization).

[2] Bank acts as sponsor reflects securitization activities in which RBC works with its client to originate securitization transactions. RBC provides the liquidity and credit enhancement facilities to the SPE.

[3] Bank acts as investor reflects purchases of securitization assets from the market.

SEC2: IRB – Securitization exposures in the trading book

The following table presents the breakdown of our balance sheet trading book carrying values by our role and type.

As at April 30, 2020

		a	b	c	e	f	g	i	j	k
		Bank acts as originator[1]			Bank acts as sponsor[2]			Bank acts as investor[3]		
	(Millions of Canadian dollars)	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	**Retail (total) - of which**	**-**	**-**	**-**	**-**	**-**	**-**	**347**	**-**	**347**
2	residential mortgages	-	-	-	-	-	-	127	-	127
3	credit cards	-	-	-	-	-	-	11	-	11
4	other retail exposures	-	-	-	-	-	-	209	-	209
4a	of which student loans	-	-	-	-	-	-	58	-	58
4b	of which auto loans and leases	-	-	-	-	-	-	137	-	137
4c	of which consumer loans	-	-	-	-	-	-	5	-	5
4d	of which other retail	-	-	-	-	-	-	9	-	9
5	re-securitization	-	-	-	-	-	-	-	-	-
6	**Wholesale (total) - of which**	**-**	**-**	**-**	**-**	**-**	**-**	**6,281**	**-**	**6,281**
7	loans to corporates	-	-	-	-	-	-	228	-	228
8	commercial mortgages	-	-	-	-	-	-	5,021	-	5,021
9	leases and receivables	-	-	-	-	-	-	-	-	-
10	other wholesale exposures	-	-	-	-	-	-	1,032	-	1,032
10a	of which dealer floor plan receivables	-	-	-	-	-	-	7	-	7
10b	of which equipment receivables	-	-	-	-	-	-	5	-	5
10c	of which trade receivables	-	-	-	-	-	-	-	-	-
10d	of which other wholesale	-	-	-	-	-	-	1,020	-	1,020
11	re-securitization	-	-	-	-	-	-	-	-	-

[1] Bank acts as originator reflects securitization activities in which we securitize our own assets.

[2] Bank acts as sponsor reflects securitization activities in which RBC works with its client to originate securitization transactions. RBC provides the liquidity and credit enhancement facilities to the SPE.

[3] Bank acts as investor reflects purchases of securitization assets from the market.

SEC2: IRB – Securitization exposures in the trading book (continued)

As at January 31, 2020

	(Millions of Canadian dollars)	a	b	c	e	f	g	i	j	k
		Bank acts as originator[1]			Bank acts as sponsor[2]			Bank acts as investor[3]		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	**Retail (total) - of which**	**-**	**-**	**-**	**-**	**-**	**-**	**890**	**-**	**890**
2	residential mortgages	-	-	-	-	-	-	536	-	536
3	credit cards	-	-	-	-	-	-	24	-	24
4	other retail exposures	-	-	-	-	-	-	330	-	330
4a	of which student loans	-	-	-	-	-	-	50	-	50
4b	of which auto loans and leases	-	-	-	-	-	-	270	-	270
4c	of which consumer loans	-	-	-	-	-	-	1	-	1
4d	of which other retail	-	-	-	-	-	-	9	-	9
5	re-securitization	-	-	-	-	-	-	-	-	-
6	**Wholesale (total) - of which**	**-**	**-**	**-**	**-**	**-**	**-**	**6,277**	**-**	**6,277**
7	loans to corporates	-	-	-	-	-	-	305	-	305
8	commercial mortgages	-	-	-	-	-	-	4,657	-	4,657
9	leases and receivables	-	-	-	-	-	-	-	-	-
10	other wholesale exposures	-	-	-	-	-	-	1,315	-	1,315
10a	of which dealer floor plan receivables	-	-	-	-	-	-	18	-	18
10b	of which equipment receivables	-	-	-	-	-	-	11	-	11
10c	of which trade receivables	-	-	-	-	-	-	-	-	-
10d	of which other wholesale	-	-	-	-	-	-	1,286	-	1,286
11	re-securitization	-	-	-	-	-	-	-	-	-

[1] Bank acts as originator reflects securitization activities in which we securitize our own assets.

[2] Bank acts as sponsor reflects securitization activities in which RBC works with its client to originate securitization transactions. RBC provides the liquidity and credit enhancement facilities to the SPE.

[3] Bank acts as investor reflects purchases of securitization assets from the market.

SEC3: Securitization exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor

The following table presents a breakdown of securitization exposures in the banking book by risk weight and by regulatory approach when we act as originator or sponsor, and the associated capital requirements.

As at April 30, 2020

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Exposure values (by RW bands)					Exposure values (by regulatory approach)				RWA[3] (by regulatory approach)				Capital charge after cap (by regulatory approach)			
(Millions of Canadian dollars)		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC – IRBA[1,4]	SEC – ERBA[1,2]	SEC – SA[1]	1250%	SEC – IRBA[1,4]	SEC – ERBA[1,2]	SEC – SA[1]	1250%	SEC – IRBA[1,4]	SEC – ERBA[1,2]	SEC – SA[1]	1250%
1	**Total exposures**	**48,567**	**5,101**	**941**	**995**	**12**	**1,170**	**45,873**	**8,561**	**12**	**355**	**6,617**	**2,653**	**145**	**28**	**529**	**212**	**12**
2	Traditional securitization	48,567	5,101	941	995	12	1,170	45,873	8,561	12	355	6,617	2,653	145	28	529	212	12
3	Of which securitization	48,567	5,101	941	995	12	1,170	45,873	8,561	12	355	6,617	2,653	145	28	529	212	12
4	Of which retail underlying	37,746	2,591	360	322	12	1,170	35,442	4,406	12	355	4,777	692	145	28	382	55	12
5	Of which wholesale	10,821	2,510	581	673	-	-	10,431	4,155	-	-	1,840	1,961	-	-	147	157	-
6	Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Of which securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Of which retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[1] OSFI adopted BCBS Revised Securitization Framework in Q1 2019. Effective Q1 2020, transitional grandfathering is no longer allowed.

[2] As per disclosure requirements Internal assessment approach (IAA) exposures have been included with securitization external rating based approach.

[3] Under the revised securitization framework, OSFI has removed the 1.06% IRB scalar for securitization exposures not risk weighted at 1250%.

[4] SEC-IRBA exposures reflect exposures where we have underlying IRB approval currently.

As at January 31, 2020

(Millions of Canadian dollars)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Exposure values (by RW bands)					Exposure values (by regulatory approach)				RWA[3] (by regulatory approach)				Capital charge after cap (by regulatory approach)			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC – IRBA[1,4]	SEC – ERBA[1,2]	SEC – SA[1]	1250%	SEC – IRBA[1,4]	SEC – ERBA[1,2]	SEC – SA[1]	1250%	SEC – IRBA[1,4]	SEC – ERBA[1,2]	SEC – SA[1]	1250%
1	**Total exposures**	**45,574**	**3,167**	**1,132**	**968**	**12**	**1,269**	**41,626**	**7,946**	**12**	**391**	**5,678**	**2,518**	**155**	**31**	**454**	**202**	**12**
2	Traditional securitization	45,574	3,167	1,132	968	12	1,269	41,626	7,946	12	391	5,678	2,518	155	31	454	202	12
3	Of which securitization	45,574	3,167	1,132	968	12	1,269	41,626	7,946	12	391	5,678	2,518	155	31	454	202	12
4	Of which retail underlying	34,957	1,417	352	345	12	1,269	31,617	4,185	12	391	4,250	546	155	31	340	44	12
5	Of which wholesale	10,617	1,750	780	623	-	-	10,009	3,761	-	-	1,428	1,972	-	-	114	158	-
6	Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Of which securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Of which retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[1] OSFI adopted BCBS Revised Securitization Framework in Q1 2019. Effective Q1 2020, transitional grandfathering is no longer allowed.

[2] As per disclosure requirements Internal assessment approach (IAA) exposures have been included with securitization external rating based approach.

[3] Under the revised securitization framework, OSFI has removed the 1.06% IRB scalar for securitization exposures not risk weighted at 1250%.

[4] SEC-IRBA exposures reflect exposures where we have underlying IRB approval currently.

SEC4: Securitization exposures in the banking book and associated capital requirements – bank acting as investor

The following table presents a breakdown of securitization exposures in the banking book by risk weight and by regulatory approach when we act as investor, and the associated capital requirements.

As at April 30, 2020

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Exposure values (by RW bands)					Exposure values (by regulatory approach)				RWA[3] (by regulatory approach)				Capital charge after cap (by regulatory approach)			
(Millions of Canadian dollars)		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC – IRBA[1,4]	SEC – ERBA[1,2]	SEC – SA[1]	1250%	SEC – IRBA[1,4]	SEC – ERBA[1,2]	SEC – SA[1]	1250%	SEC – IRBA[1,4]	SEC – ERBA[1,2]	SEC – SA[1]	1250%
1	**Total exposures**	**10,251**	**616**	**91**	**611**	**-**	**-**	**11,569**	**-**	**-**	**-**	**2,946**	**-**	**-**	**-**	**235**	**-**	**-**
2	Traditional securitization	10,251	616	91	611	-	-	11,569	-	-	-	2,946	-	-	-	235	-	-
3	Of which securitization	10,251	616	91	611	-	-	11,569	-	-	-	2,946	-	-	-	235	-	-
4	Of which retail underlying	123	288	10	2	-	-	423	-	-	-	117	-	-	-	9	-	-
5	Of which wholesale	10,128	328	81	609	-	-	11,146	-	-	-	2,829	-	-	-	226	-	-
6	Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Of which securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Of which retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[1] OSFI adopted BCBS Revised Securitization Framework in Q1 2019.Effective Q1 2020, transitional grandfathering is no longer allowed.

[2] As per disclosure requirements Internal assessment approach (IAA) exposures have been included with securitization external rating based approach.

[3] Under the revised securitization framework, OSFI has removed the 1.06% IRB scalar for securitization exposures not risk weighted at 1,250%.

[4] SEC-IRBA exposures reflect exposures where we have underlying IRB approval currently.

As at January 31, 2020

(Millions of Canadian dollars)		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
		Exposure values (by RW bands)					Exposure values (by regulatory approach)				RWA[3] (by regulatory approach)				Capital charge after cap (by regulatory approach)			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC – IRBA[1,4]	SEC – ERBA[1,2]	SEC – SA[1]	1250%	SEC – IRBA[1,4]	SEC – ERBA[1,2]	SEC – SA[1]	1250%	SEC – IRBA[1,4]	SEC – ERBA[1,2]	SEC – SA[1]	1250%
1	**Total exposures**	**8,780**	**663**	**125**	**617**	**-**	**-**	**10,185**	**-**	**-**	**-**	**2,706**	**-**	**-**	**-**	**216**	**-**	**-**
2	Traditional securitization	8,780	663	125	617	-	-	10,185	-	-	-	2,706	-	-	-	216	-	-
3	Of which securitization	8,780	663	125	617	-	-	10,185	-	-	-	2,706	-	-	-	216	-	-
4	Of which retail underlying	122	463	9	2	-	-	595	-	-	-	177	-	-	-	14	-	-
5	Of which wholesale	8,658	200	116	615	-	-	9,590	-	-	-	2,529	-	-	-	202	-	-
6	Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Of which securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Of which retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Of which re-securitization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

[1] OSFI adopted BCBS Revised Securitization Framework in Q1 2019.Effective Q1 2020, transitional grandfathering is no longer allowed.

[2] As per disclosure requirements Internal assessment approach (IAA) exposures have been included with securitization external rating based approach.

[3] Under the revised securitization framework, OSFI has removed the 1.06% IRB scalar for securitization exposures not risk weighted at 1,250%.

[4] SEC-IRBA exposures reflect exposures where we have underlying IRB approval currently.

MARKET RISK

MRA: Qualitative disclosure requirements related to market risk

Market risk management strategies and processes

Market risk arises from our trading and non-trading portfolios. The primary objective of trading is to generate an optimal return on our capital while ensuring that risks remain within our risk appetite. Trading activities involve market making, facilitating client transactions and hedging risks generated from these activities.

Market risk also arises from our non-trading portfolio as a result of: managing interest rate risk from client-originating banking products (such as loans and deposits) and related hedge transactions, corporate treasury portfolio used for asset-liability management and liquidity management, exposures designated as FVOCI, and exposures from our insurance operations.

To ensure that market risk remains within our risk appetite, we hedge our market risk exposures where appropriate. We use cash and derivative financial instruments, as permitted by regulatory and jurisdictional requirements, to manage the market risk related to our trading and non-trading activities.

The table below presents an overview of Pillar 3 disclosure requirements that have been met within our 2019 Annual Report and incorporated by reference into this Pillar 3 report. Our 2019 Annual Report is available free of charge on our website at http://www.rbc.com/investorrelations

<table>
<tr><th colspan="2">Pillar 3 disclosures requirement</th><th>RBC 2019 Annual Report section</th><th>Sub-Section</th></tr>
<tr><td rowspan="9">a)</td><td rowspan="8">Processes implemented to identify, measure, monitor and control the bank’s market risks</td><td rowspan="8">Market Risk</td><td>Market risk controls – FVTPL positions</td></tr>
<tr><td>Stress Tests</td></tr>
<tr><td>Market risk measures – FVTPL positions</td></tr>
<tr><td>Market risk measures for assets and liabilities of RBC Insurance</td></tr>
<tr><td>Market risk controls – Structural Interest Rate Risk (SIRR) positions</td></tr>
<tr><td>SIRR measurement</td></tr>
<tr><td>Market risk measures – Structural Interest Rate Sensitivities</td></tr>
<tr><td>Market risk measures for other material non-trading portfolios</td></tr>
<tr><td>Policies for hedging risk and strategies/processes for monitoring the continuing effectiveness of hedges</td><td>Consolidated Financial Statements</td><td>Note 2 - Summary of significant accounting policies, estimates and judgements – Hedge accounting</td></tr>
</table>

MRA: Qualitative disclosure requirements related to market risk (continued)

Market risk management structure and organization

The Enterprise Market Risk Management Framework is the governance and control framework for the management of market risk within the bank. The market risk management structure is designed to ensure strong corporate governance over all market risk in the context of each business considering operating environment, industry best practices, and regulatory requirements. Drivers of market risk are considered in the bank's policies, practices and standards which are continuously updated given dynamic market, and regulatory conditions.

The table below presents an overview of Pillar 3 disclosure requirements that have been met within our 2019 Annual Report and incorporated by reference into this Pillar 3 report. Our 2019 Annual Report is available free of charge on our website at http://www.rbc.com/investorrelations

	Pillar 3 disclosures requirement	RBC 2019 Annual Report section	Sub-Section
b)	Description of the market risk governance structure established to implement the strategies and processes of the bank	Enterprise Risk Management	Risk governance
			Risk appetite
			Risk measurement
			Risk control
			Risk measurement - Stress testing
			Conduct and risk culture
	Description of the relationships and the communication mechanisms between the different parties involved in market risk management	Enterprise Risk Management	Risk governance
			Risk control

Scope and nature of risk reporting and/or measurement systems

The table below presents an overview of Pillar 3 disclosure requirements that have been met within our 2019 Annual Report and incorporated by reference into this Pillar 3 report. Our 2019 Annual Report is available free of charge on our website at http://www.rbc.com/investorrelations

	Pillar 3 disclosures requirement	RBC 2019 Annual Report section	Sub-Section
c)	Scope and nature of risk reporting and/or measurement systems	Enterprise Risk Management	Risk measurement
			Risk control
			Risk measurement – Stress testing
		Market Risk	Market risk controls – FVTPL positions
			Stress Tests
			Market risk measures – FVTPL positions
			Market risk measures for assets and liabilities of RBC Insurance
			Market risk controls – Structural Interest Rate Risk (SIRR) positions
			SIRR measurement
			Market risk measures – Structural Interest Rate Sensitivities
			Market risk measures for other material non-trading portfolios

MRB: Qualitative disclosures for banks using the Internal Models Approach (IMA)

Internal models used for measuring Market Risk

Measure	Description	Percentage of market risk regulatory capital[1]
Regulatory Value at Risk (VaR)	VaR is a statistical measure of potential loss for a financial portfolio computed at a given level of confidence and over a defined holding period. We measure VaR at the 99th percentile confidence level and for regulatory capital measurement we take the more conservative of the one-day holding period scaled up to a ten-day holding period or the direct ten-day holding period. The measure is computed daily, using a full-revaluation approach to generate potential profit or loss values arising from historically observed daily market movements. The historical period used to compute VaR is comprised of the recent two years of equally weighted market data, and is rolled forward at least monthly. A mix of absolute and relative returns are used in generating the historical market changes.	17%
Stressed VaR (SVaR)	SVaR is calculated daily in a similar manner as VaR, but based on a ten-day holding period directly and using a one year period of heightened volatility. We currently use the historical period from September 2008 to August 2009, given the market volatility during that time in relation to the risks within our portfolio. This historical period is assessed quarterly to ensure that it continues to reflect the one year period of greatest potential loss for our portfolio.	10%
Incremental Risk Charge (IRC)	IRC captures the risk of losses under default or rating changes for issuers of traded instruments. IRC is measured over a one-year horizon at a 99.9% confidence level, and captures different liquidity horizons for instruments and concentrations in issuers under a constant level of risk assumption.	27%

[1] As at April 30, 2020.

VaR and SVaR

The VaR and SVaR models are used for computing regulatory capital for trading book positions across the enterprise, where we have obtained approval from our regulator. We model a general market risk measure, a debt specific risk measure, and an equity total risk measure; along with a total correlated risk measure which combines the above distributions. For portions of our portfolio for which we do not have regulatory approval for models based capital, we use the Standardized Approach to compute regulatory capital.

For management purposes, VaR and SVaR are both computed with one-day holding periods and are applied to all positions that impact the bank's revenue across the trading book and non-trading book. A sensitivity-ladder interpolation approach is applied for some positions instead of full-revaluation, and inactive non-trading book positions are refreshed monthly.

MRB: Qualitative disclosures for banks using the Internal Models Approach (continued)

The table below presents an overview of Pillar 3 disclosure requirements that have been met within our 2019 Annual Report and incorporated by reference into this Pillar 3 report. Our 2019 Annual Report is available free of charge on our website at http://www.rbc.com/investorrelations

Pillar 3 disclosures requirement		RBC 2019 Annual Report section	Sub-Section
c)	General description of the models (VaR/stressed VaR)	Market Risk	Market Risk Controls – FVTPL positions
g)	Description of stress testing applied to the modelling parameters	Market Risk	Stress Tests

The VaR and SVaR models are governed by a model risk governance framework, which requires that models are validated on a regular basis by a model validation group that is independent of the model developers. The VaR and SVaR models are also subject to ongoing model performance monitoring. The VaR model is back tested by comparing marked-to-market revenue to the computed VaR on a daily basis, in order to ensure that actual outcomes in trading revenue do not exceed the VaR projections beyond the expectations of the applied confidence interval. Backtesting is also performed using a hypothetical profit and loss calculation which allows for comparisons to the total correlated VaR, the general market risk VaR, and asset class VaR measures separately.

While the majority of market risks are reflected in our VaR models, there is the potential for certain risks to be inadequately captured. This can occur due to infrastructure limitations, lack of historical market data or missing risk factors within our VaR models. These Risks Not in VaR (RNIV) are identified through backtesting and other model monitoring processes, and are incorporated into the VaR models, where possible. An assessment of residual RNIV materiality is reviewed and monitored against thresholds regularly.

Incremental Risk Charge

Our IRC model is applied to debt instruments, credit products, and credit derivatives within our trading portfolios. A probability modelling technique known as the Monte Carlo simulation process is used to generate a statistically relevant number of loss scenarios due to issuer ratings migration and default in order to establish the losses at that confidence level. These scenarios are determined using a transition probability matrix which is calibrated using recent 20 years of historical issuer ratings migration and default observations. Correlations between issuer regions and sectors are calibrated using five years of historical equity time series data. For the Monte Carlo process, each position is assigned a liquidity horizon (the length of time to close out a position) of three months, six months, or one year, depending on its issuer type, credit rating, and maturity profile.

The IRC model is also subject to the same independent vetting, validation procedures and model risk governance framework as the VaR and SVaR models. Model performance monitoring includes reviews and stress testing of model assumptions, which includes stress testing the historical correlation and liquidity assumptions. Due to the long time horizon and high confidence level of the risk measure, we do not perform back-testing of the IRC model as we do for the VaR measure.

MR1: Market risk under standardized approach

The following table presents the components of the capital requirement under the standardized approach for market risk.

		RWA	
	(Millions of Canadian dollars)	As at April 30, 2020	As at January 31, 2020
	Outright products		
1	Interest rate risk (general and specific)	3,953	4,427
2	Equity risk (general and specific)	388	264
3	Foreign exchange risk	1,963	1,711
4	Commodity risk	149	160
	Options		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	4,388	3,792
8	**Securitization**	1,380	1,656
9	**Total**	**12,221**	**12,010**

MR2: RWA flow statements of market risk exposures under the Internal Models Approach (IMA)

The following table presents variations in the Market RWA determined under the Internal Models Approach.

As at April 30, 2020

		a	b	c	d	e	f
	(Millions of Canadian dollars)	VaR	Stressed VaR	IRC	CRM	Other	Total RWA
1	**RWA at previous quarter end**	**1,833**	**7,808**	**6,764**	**-**	**-**	**16,405**
2	Movement in risk levels[1]	(597)	914	375	-	-	692
3	Model updates/changes[2]	3,528	(662)	(79)	-	-	2,787
4	Methodology and policy[3]	(188)	(5,302)	-	-	-	(5,490)
5	Acquisitions and disposals	-	-	-	-	-	-
6	Foreign exchange movements[4]	-	-	285	-	-	285
7	Other	-	-	-	-	-	-
8	**RWA at end of Reporting Period**	**4,576**	**2,758**	**7,345**	**-**	**-**	**14,679**

[1] Change in risk due to position changes.

[2] Updates to the model to reflect recent market volatility, model implementation, change in model scope or any change to address model malfunctions including changes through model calibrations/realignments.

[3] Methodology changes to the calculations driven by regulatory policy changes. Please note that these changes may be temporary.

[4] Foreign exchange movements for VaR and Stressed VaR are embedded within movement in risk levels.

As at January 31, 2020

		a	b	c	d	e	f
	(Millions of Canadian dollars)	VaR	Stressed VaR	IRC	CRM	Other	Total RWA
1	**RWA at previous quarter end**	**1,749**	**7,667**	**7,335**	**-**	**-**	**16,751**
2	Movement in risk levels[1]	480	871	(930)	-	-	421
3	Model updates/changes[2]	(396)	(730)	402	-	-	(724)
4	Methodology and policy[3]	-	-	-	-	-	-
5	Acquisitions and disposals	-	-	-	-	-	-
6	Foreign exchange movements[4]	-	-	(43)	-	-	(43)
7	Other	-	-	-	-	-	-
8	**RWA at end of Reporting Period**	**1,833**	**7,808**	**6,764**	**-**	**-**	**16,405**

[1] Change in risk due to position changes.

[2] Updates to the model to reflect recent market volatility, model implementation, change in model scope or any change to address model malfunctions including changes through model calibrations/realignments.

[3] Methodology changes to the calculations driven by regulatory policy changes. Please note that these changes may be temporary.

[4] Foreign exchange movements for VaR and Stressed VaR are embedded within movement in risk levels.

MR3: IMA values for trading portfolios

The following table presents minimum, maximum, average and period-end regulatory 10 day VaR, regulatory 10 day stressed VaR, incremental risk charge and comprehensive risk capital charge. These measures are based on the scope of the global trading book with internal models approach (IMA) approval from OSFI for calculating regulatory market risk capital.

As at April 30, 2020

(Millions of Canadian dollars)		Value	
VaR (10 day 99%)[1]		As at April 30, 2020	As at January 31, 2020
1	Maximum value	174	64
2	Average value	73	47
3	Minimum value	41	33
4	Period end	158	35
Stressed VaR (10 day 99%)[1]			
5	Maximum value	276	327
6	Average value	199	203
7	Minimum value	130	136
8	Period end	180	148
Incremental Risk Charge (99.9%)			
9	Maximum value	816	610
10	Average value	584	539
11	Minimum value	451	451
12	Period end	501	516
Comprehensive Risk capital charge (99.9%)			
13	Maximum value	-	-
14	Average value	-	-
15	Minimum value	-	-
16	Period end	-	-
17	Floor (standardized measurement method)	-	-

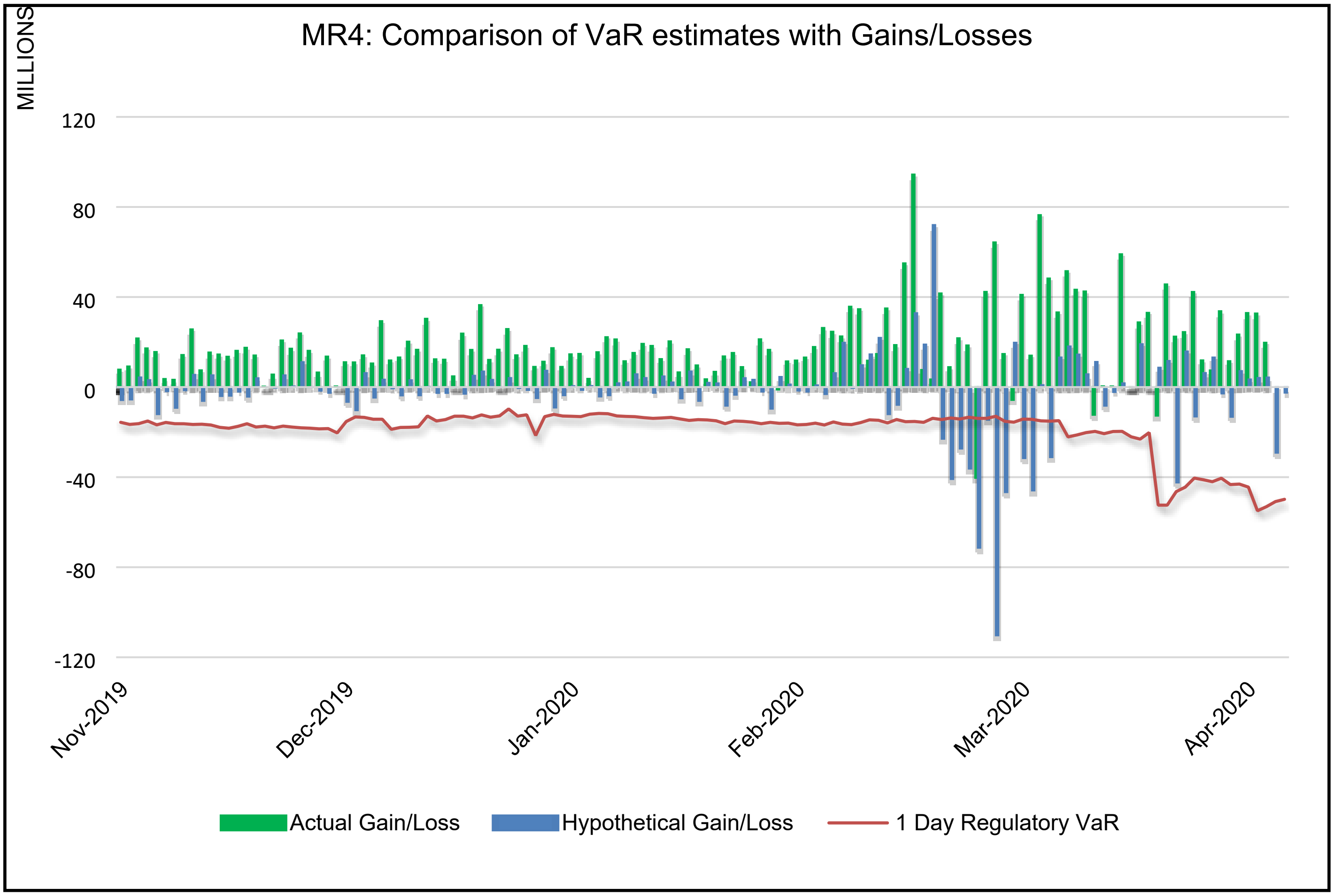
[1] The portfolio included in regulatory VaR and SVaR represents a subset of the portfolio captured in management VaR and SVaR reported in the Market Risk section of the 2019 Annual Report.

Average VaR of $73 million increased $26 million due to the recent volatility driven by COVID-19.

Average IRC of $584 million increased $45 million due to higher fixed income inventories.

MR4: Comparison of VaR estimates with gains/losses

The following graph compares the results of the 1 day regulatory VaR model with both hypothetical and actual trading gains and losses, for all trading portfolios included in Internal Models Approach (IMA) based market risk capital.



Actual Gain/Loss reported in this graph is the gain or loss which occurred as a result of all portfolio changes impacting income over the holding period and therefore includes reserves and intraday trading but excludes commissions and fees. Hypothetical Gain/Loss is the gain or loss which would have occurred if end of day positions remained unchanged.

Refer to table MRB for further details into our backtesting program and a list of the key models used at the group-wide level with explanations as to the extent they represent the models used at the group-wide level.

During the six month period ending April 30, 2020, the bank experienced one backtesting exception of Total Risk VaR against Actual Gain/Loss.

During the six month period ending April 30, 2020, the bank experienced ten Hypothetical Gain/Loss breaches, all experienced during heightened market volatility in March.

LEVERAGE

LR1: Summary comparison of accounting assets vs leverage ratio exposure measure

The following table presents a reconciliation of our total assets per our published financial statements to our leverage ratio exposure measure

LEVERAGE RATIO [1] Summary comparison of accounting assets vs. leverage ratio exposure measure (Millions of Canadian dollars)		Q2/2020	Q1/2020	Q4/2019	Q3/2019	Q2/2019
1	**Total consolidated assets as per published financial statements**	**$1,675,682**	**1,476,304**	**1,428,935**	**1,406,893**	**1,378,876**
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(15,223)	(15,705)	(14,749)	(14,448)	(13,876)
3	Adjustment for securitized exposures that meet the operational requirements for the recognition of risk transfer [2]	(5,529)	(6,503)	(6,831)	(7,070)	(7,070)
4	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-	-	-	-
5	Adjustments for derivative financial instruments	(50,686)	(6,427)	(20,391)	(18,922)	2,499
6	Adjustment for securities financing transactions (SFT) (i.e. repo assets and similar secured lending)	15,872	12,661	13,233	(3,522)	(7,277)
7	Adjustments for off-balance sheet items (i.e., credit equivalent amounts of off-balance sheet exposures)	199,426	200,011	201,314	199,483	199,563
8	Other adjustments [3]	(241,820)	(30,457)	(31,051)	(33,045)	(31,518)
9	**Leverage Ratio Exposure**	**$1,577,722**	**1,629,884**	**1,570,460**	**1,529,369**	**1,521,197**

[1] From Q1 2019 and onwards, based on OSFI's Leverage Requirements Guideline issued in October 2018.

[2] OSFI's October 2018 Leverage Requirements Guideline allows for the exclusion of securitized exposures that meet the operational requirements for risk transference.

[3] Includes OSFI permitted exclusion of central bank reserves and sovereign-issued securities that qualify as high quality liquid assets and exposures related to the Federal Reserve Payment Protection Program (PPP) lending facility.

LR2: Leverage ratio common disclosure template

The following table presents a detailed breakdown of the components of our leverage ratio. Maintaining a prescribed minimum level of leverage helps neutralizes leverage risk in the event of unexpected economic crises. OSFI requires maintenance of a minimum leverage ratio of 3% at all times.

	LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE [1] (Millions of Canadian dollars, except percentages)	Q2/2020	Q1/2020	Q4/2019	Q3/2019	Q2/2019
	On-balance sheet exposures					
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures, but including collateral)	985,261	1,035,249	997,866	976,170	962,689
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework (IFRS)	-	-	-	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(25,142)	(15,041)	(15,233)	(17,122)	(14,409)
4	(Asset amounts deducted in determining Basel III Tier 1 capital)	(14,513)	(15,363)	(15,664)	(15,641)	(16,723)
5	**Total on-balance sheet exposure (excluding derivatives and SFTs) (sum of lines 1 and 4)**	**945,606**	**1,004,845**	**966,969**	**943,407**	**931,557**
	Derivatives exposures					
6	Replacement cost associated with all derivatives transactions (i.e., net of eligible cash variation margin)	37,488	27,969	28,057	27,095	24,791
7	Add-on amounts for potential future exposure (PFE) associated with all derivatives transactions	52,294	59,270	52,663	52,475	57,405
8	(Exempted central counterparty (CCP)-leg of client-cleared trade exposures)	-	-	-	-	-
9	Adjusted effective notional amount of written credit derivatives	340	316	449	282	5,115
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-	-	-
11	**Total derivative exposures (sum of lines 6 to 10)**	**90,122**	**87,555**	**81,169**	**79,852**	**87,311**
	Securities financing transaction exposures					
12	Gross SFT assets recognized for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions	378,910	378,787	378,609	381,796	346,107
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(52,213)	(53,975)	(70,834)	(87,496)	(54,006)
14	Counterparty credit risk (CCR) exposure for SFTs	15,872	12,661	13,233	12,327	10,665
15	Agent transaction exposures	-	-	-	-	-
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	**342,569**	**337,473**	**321,008**	**306,627**	**302,766**
	Other off-balance sheet exposures					
17	Off-balance sheet exposures at gross notional amount	573,779	566,404	567,383	557,567	551,914
18	(Adjustments for conversion to credit equivalent amounts)	(374,354)	(366,393)	(366,069)	(358,084)	(352,351)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**199,425**	**200,011**	**201,314**	**199,483**	**199,563**
	Capital and Total Exposures					
20	**Tier 1 capital**	**70,854**	**68,709**	**67,861**	**66,615**	**65,992**
20a	**Tier 1 capital with transitional arrangements for ECL provisioning not applied**	**69,616**				
21	**Total Exposures (sum of lines 3,11,16 and 19)**	**1,577,722**	**1,629,884**	**1,570,460**	**1,529,369**	**1,521,197**
	Leverage ratio					
22	**Basel III leverage ratio**	**4.5%**	**4.2%**	**4.3%**	**4.4%**	**4.3%**
22a	**Basel III leverage ratio with transitional arrangements for ECL provisioning not applied**	**4.4%**				

[1] From Q1 2019 onwards, Leverage ratio based on OSFI's Leverage Requirements Guideline issued October 2018.

Our Leverage ratio of 4.5% was up 30 bps from last quarter, as the impact of regulatory modifications from central bank reserves and sovereign-issued securities qualifying as HQLA and internal capital generation were partially offset by higher leverage exposures, the unfavourable impact of fair value OCI adjustments, and the impact of higher PCL net of capital relief for expected loss provisioning.

The increase in leverage exposures was primarily attributable to growth in cash and interest-bearing deposits as well as corporate lending driven by increased drawdowns on credit facilities.

TOTAL LOSS ABSORBING CAPACITY (TLAC) DISCLOSURE REQUIREMENTS

KM2: Key metrics – TLAC requirements (at resolution group level)

The following summary table provides information about our total loss-absorbing capacity (TLAC) available, and TLAC requirements applied, at the resolution group level under a Single Point of Entry. TLAC requirements establish two minimum standards, which are required to be met effective November 1, 2021: the risk-based TLAC ratio, which builds on the risk-based capital ratios described in the CAR guideline, and the TLAC leverage ratio, which builds on the leverage ratio described in OSFI's Leverage Requirements guideline. The risk-based TLAC ratio is defined as TLAC divided by total risk-weighted assets (RWA) while the TLAC leverage ratio is defined as TLAC divided by the Leverage ratio exposure. OSFI has provided notification requiring systemically important banks to maintain a minimum TLAC ratio of 22.5% (inclusive of the revised domestic stability buffer of 1% in Q2 2020) and a TLAC leverage ratio of 6.75%. Our TLAC ratio is expected to increase through normal course refinancing of maturing debt through the effective date of the TLAC requirements.

		a	b	c	d	e	f
(Millions of Canadian dollars, except as otherwise noted)		April 30 2020	January 31 2020	October 31 2019	July 31 2019	April 30 2019	Change (a) - (b)
Resolution group[1,2]							
1	Total loss-absorbing capacity (TLAC) available	110,077	103,019	98,034	91,324	83,985	7,058
1a	Total loss-absorbing capacity (TLAC) available with transitional arrangements for ECL provisioning not applied	110,077					N/A
2	Total RWA at the level of the resolution group	558,412	523,725	512,856	510,664	510,463	34,687
3	TLAC ratio: TLAC as a percentage of RWA (row 1/row 2) (%)	19.7%	19.7%	19.1%	17.9%	16.5%	-
3a	TLAC ratio: TLAC as a percentage of RWA (row 1a / row 2) (%) available with transitional arrangements for ECL provisioning not applied	19.7%					N/A
4	Leverage ratio exposure measure at the level of the resolution group	1,577,722	1,629,884	1,570,460	1,529,369	1,521,197	(52,162)
5	TLAC Leverage Ratio: TLAC as a percentage of leverage ratio exposure measure (row 1/row 4) (%)	7.0%	6.3%	6.2%	6.0%	5.5%	0.7%
5a	TLAC Leverage Ratio: TLAC as a percentage of leverage ratio exposure measure (row 1a/row 4) (%) with transitional arrangements for ECL provisioning not applied	7.0%					N/A
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	Yes	Yes	Yes	Yes	Yes	-
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	No	No	-
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with Excluded Liabilities and that is recognized as external TLAC, divided by funding issued that ranks pari passu with Excluded Liabilities and that would recognized as external TLAC if no cap was applied (%)	N/A	N/A	N/A	N/A	N/A	-

[1] OSFI's TLAC ratio disclosure requirement became effective Q1 2019.

[2] Lines 1, 3 and 5 incorporate expected credit loss (ECL) transitional modification provided by OSFI as announced on March 27, 2020. Lines 1a, 3a and 5a represent TLAC available with transitional arrangements for ECL provisioning not applied.

Our TLAC ratio of 19.7% was flat QoQ , reflecting a $7 billion increase in available TLAC. The TLAC leverage ratio of 7% was up 70 bps, reflecting the increase in available TLAC and lower leverage exposures as noted in LR2 .

TLAC1: TLAC composition (at resolution group level)

The following table presents details of the composition of our TLAC.

As at April 30, 2020

(Millions of Canadian dollars, except as otherwise noted)		Amount
	Regulatory capital elements of TLAC and adjustments	
1	Common Equity Tier 1 capital (CET1)	65,198
2	Additional Tier 1 capital (AT1) before TLAC adjustments	5,656
3	AT1 ineligible as TLAC as issued out of subsidiaries to third parties	-
4	Other adjustments	-
5	AT1 instruments eligible under the TLAC framework	5,656
6	Tier 2 capital (T2) before TLAC adjustments	10,615
7	Amortised portion of T2 instruments where remaining maturity > 1 year	44
8	T2 capital ineligible as TLAC as issued out of subsidiaries to third parties	-
9	Other adjustments	-
10	T2 instruments eligible under the TLAC framework	10,659
11	TLAC arising from regulatory capital	81,512
	Non-regulatory capital elements of TLAC	
12	External TLAC instruments issued directly by the bank and subordinated to excluded liabilities	-
13	External TLAC instruments issued directly by the bank which are not subordinated to excluded liabilities but meet all other TLAC term sheet requirements	28,654
14	Of which: amount eligible as TLAC after application of the caps	28,654
15	External TLAC instruments issued by funding vehicles prior to January 1, 2022	-
16	Eligible ex ante commitments to recapitalise a G-SIB in resolution	-
17	TLAC arising from non-regulatory capital instruments before adjustments	28,654
	Non-regulatory capital elements of TLAC: adjustments	
18	TLAC before deductions	110,166
19	Deductions of exposures between MPE resolution groups that correspond to items eligible for TLAC (not applicable to SPE G-SIBs and D-SIBs)	-
20	Deduction of investments in own other TLAC liabilities	(89)
21	Other adjustments to TLAC	-
22	TLAC available after deductions	110,077
	Risk-weighted assets and leverage exposure measure for TLAC purposes	
23	Total risk-weighted assets adjusted as permitted under the TLAC regime	558,412
24	Leverage exposure measure	1,577,722
	TLAC ratios and buffers	
25	TLAC Ratio (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime, row 22 / row 23)	19.7%
26	TLAC Leverage Ratio (as a percentage of leverage exposure)	7.0%
27	CET1 (as a percentage of risk-weighted assets) available after meeting the resolution group's minimum capital and TLAC requirements	N/A
28	Institution-specific buffer (capital conservation buffer plus countercyclical buffer plus higher loss absorbency, expressed as a percentage of risk-weighted assets)	3.5%
29	Of which: capital conservation buffer	2.5%
30	Of which: bank specific countercyclical buffer	0.0%
31	Of which: higher loss absorbency	1.0%

TLAC1: TLAC composition (at resolution group level) (continued)

As at January 31, 2020

(Millions of Canadian dollars, except as otherwise noted)		Amount
	Regulatory capital elements of TLAC and adjustments	
1	Common Equity Tier 1 capital (CET1)	63,054
2	Additional Tier 1 capital (AT1) before TLAC adjustments	5,655
3	AT1 ineligible as TLAC as issued out of subsidiaries to third parties	-
4	Other adjustments	-
5	AT1 instruments eligible under the TLAC framework	5,655
6	Tier 2 capital (T2) before TLAC adjustments	9,511
7	Amortised portion of T2 instruments where remaining maturity > 1 year	44
8	T2 capital ineligible as TLAC as issued out of subsidiaries to third parties	-
9	Other adjustments	-
10	T2 instruments eligible under the TLAC framework	9,555
11	TLAC arising from regulatory capital	78,263
	Non-regulatory capital elements of TLAC	
12	External TLAC instruments issued directly by the bank and subordinated to excluded liabilities	-
13	External TLAC instruments issued directly by the bank which are not subordinated to excluded liabilities but meet all other TLAC term sheet requirements	24,934
14	Of which: amount eligible as TLAC after application of the caps	24,934
15	External TLAC instruments issued by funding vehicles prior to January 1, 2022	-
16	Eligible ex ante commitments to recapitalise a G-SIB in resolution	-
17	TLAC arising from non-regulatory capital instruments before adjustments	24,934
	Non-regulatory capital elements of TLAC: adjustments	
18	TLAC before deductions	103,197
19	Deductions of exposures between MPE resolution groups that correspond to items eligible for TLAC (not applicable to SPE G-SIBs and D-SIBs)	-
20	Deduction of investments in own other TLAC liabilities	(203)
21	Other adjustments to TLAC	-
22	TLAC available after deductions	102,994
	Risk-weighted assets and leverage exposure measure for TLAC purposes	
23	Total risk-weighted assets adjusted as permitted under the TLAC regime	523,725
24	Leverage exposure measure	1,629,884
	TLAC ratios and buffers	
25	TLAC Ratio (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime, row 22 / row 23)	19.7%
26	TLAC Leverage Ratio (as a percentage of leverage exposure)	6.3%
27	CET1 (as a percentage of risk-weighted assets) available after meeting the resolution group's minimum capital and TLAC requirements	N/A
28	Institution-specific buffer (capital conservation buffer plus countercyclical buffer plus higher loss absorbency, expressed as a percentage of risk-weighted assets)	3.5%
29	Of which: capital conservation buffer	2.5%
30	Of which: bank specific countercyclical buffer	0.0%
31	Of which: higher loss absorbency	1.0%

TLAC2: Material subgroup entity – creditor ranking at legal entity level (G-SIBs only)

TLAC 2 is a G-SIB disclosure requirement to provide the ranking of the liability structure of all our material subsidiaries in foreign jurisdictions as defined by the FSB TLAC term sheet. RBC US Group Holdings LLC ("RBC IHC") is a material subsidiary entity for which TLAC 2 disclosure would be required. However, RBC IHC has been granted an extension to comply with TLAC rules by the Board of Governors of the Federal Reserve System until January 1, 2021. As such, OSFI has granted us an exemption for TLAC 2 disclosure until January 1, 2021. OSFI does require us to disclose TLAC 2 for any other material subsidiary identified, however, at this time RBC IHC is our only material subsidiary.

TLAC3: Resolution entity – creditor ranking at legal entity level

The following table provides information regarding the ranking of our unsecured liabilities structure at the resolution entity level.

As at April 30, 2020

	(Millions of Canadian dollars, except as otherwise noted)	Creditor ranking					
		1	2	3	4	5	Sum
		(most junior)					
1	Description of creditor ranking	Common shares	Preferred shares	Subordinated Debt	Bail-in Debt[1]	Other Liabilities excluding Bail-in Debt and Subordinated Debt [2]	
2	Total capital and liabilities net of credit risk mitigation	17,592	5,698	9,435	31,074	-	63,799
3	Subset of row 2 that are excluded liabilities	75	-	6	1,702	-	1,783
4	Total capital and liabilities less excluded liabilities (row 2 minus row 3)	17,517	5,698	9,429	29,372	-	62,016
5	Subset of row 4 that are *potentially* eligible as TLAC	17,517	5,675	9,158	29,372	-	61,722
6	Subset of row 5 with 1 year ≤ residual maturity < 2 years			-	3,062	-	3,062
7	Subset of row 5 with 2 years ≤ residual maturity < 5 years			110	21,234	-	21,344
8	Subset of row 5 with 5 years ≤ residual maturity < 10 years			8,582	3,044	-	11,626
9	Subset of row 5 with residual maturity ≥ 10 years, but excluding perpetual securities			466	2,032	-	2,498
10	Subset of row 5 that is perpetual securities	17,517	5,675	-	-	-	23,192

[1] Under the Bail-in Regime, Bail-in Debt which would ordinarily rank equally to Other Liabilities in liquidation, is subject to conversion under statutory resolution powers whereas Other Liabilities are not subject to such conversion.

[2] Completion of this column is not required by OSFI at this time.

TLAC3: Resolution entity – creditor ranking at legal entity level (continued)

As at January 31, 2020

		Creditor ranking					
		1	2	3	4	5	Sum
(Millions of Canadian dollars, except as otherwise noted)		(most junior)					
1	Description of creditor ranking	Common shares	Preferred shares	Subordinated Debt	Bail-in Debt[1]	Other Liabilities excluding Bail-in Debt and Subordinated Debt [2]	
2	Total capital and liabilities net of credit risk mitigation	17,576	5,698	9,307	26,684	-	59,265
3	Subset of row 2 that are excluded liabilities	71	-	123	1,735	-	1,929
4	Total capital and liabilities less excluded liabilities (row 2 minus row 3)	17,505	5,698	9,184	24,949	-	57,336
5	Subset of row 4 that are *potentially* eligible as TLAC	17,505	5,675	8,926	24,949	-	57,055
6	Subset of row 5 with 1 year ≤ residual maturity < 2 years			-	861	-	861
7	Subset of row 5 with 2 years ≤ residual maturity < 5 years			110	20,165	-	20,275
8	Subset of row 5 with 5 years ≤ residual maturity < 10 years			8,362	2,962	-	11,324
9	Subset of row 5 with residual maturity ≥ 10 years, but excluding perpetual securities			454	961	-	1,415
10	Subset of row 5 that is perpetual securities	17,505	5,675	-	-	-	23,180

[1] Under the Bail-in Regime, Bail-in Debt which would ordinarily rank equally to Other Liabilities in liquidation, is subject to conversion under statutory resolution powers whereas Other Liabilities are not subject to such conversion.

[2] Completion of this column is not required by OSFI at this time.

OPERATIONAL RISK

The table below presents an overview of Pillar 3 disclosure requirements that have been met within our 2019 Annual Report and incorporated by reference into this Pillar 3 report. Our 2019 Annual Report is available free of charge on our website at http://www.rbc.com/investorrelations

Pillar 3 disclosures requirement		RBC 2019 Annual Report section	Sub-section
a)	Details of the approach for operational risk capital assessment for which the bank qualifies	Operational risk	Operational risk capital
b)	Description of the advanced measurement approaches for operational risk (AMA)	Operational risk	Operational risk capital
c)	Description of the use of insurance for the purpose of mitigating operational risk	Operational risk	Operational risk capital

INTEREST RATE RISK IN THE BANKING BOOK

The table below presents an overview of Pillar 3 disclosure requirements that have been met within our 2019 Annual Report and incorporated by reference into this Pillar 3 report. Our 2019 Annual Report is available free of charge on our website at http://www.rbc.com/investorrelations

Pillar 3 disclosures requirement	RBC 2019 Annual Report section	Sub-section
Interest rate risk in the banking book	Market Risk	Market Risk