RBC EUROPE LIMITED
SEMI-ANNUAL PILLAR 3 DISCLOSURE
FOR THE HALF YEAR ENDED 30 APRIL 2016

To be read in conjunction with
PILLAR 3 DISCLOSURE
FOR THE YEAR ENDED 31 OCTOBER 2015
[http://www.rbc.com/aboutus/rbcel-index.html]

Table of Contents

List of Tables

1.0 Background

This semi-annual Pillar 3 disclosure is published in line with the EBA guidance EBA/GL/2014/14 (Guidance). As there have been no significant changes to the business of RBC Europe Limited, this disclosure provides only the updated numeric information suggested by the Guidance. The tables below should therefore be read in conjunction with the full annual disclosure which contains the data as of 31 October 2015[1]. Table numbering is in line with the 2015 annual disclosure.

RBC Europe Limited does not consider that it has any items prone to rapid changes and therefore the relevant section is a Nil return.

Where EBA guidance does not require interim disclosures no further details are provided. The headings are retained for ease of use.

2.0 Risk Governance

No update required.

[1] RBCEL's 2015 Pillar 3 disclosure can be found at http://www.rbc.com/aboutus/rbcel-index.html

3.0 Own Funds

3.1 Overview of Own Funds

Table 3: Full reconciliation of own funds items to interim financial statements

Per Financial Statement of changes in equity		
£'000		**30 April 2016**
Common shares		497,996
Other components of equity:		
Capital reserves	*36,619*	
Share premium	*803*	
Remeasurement of pension assets and liabilities	*4,907*	
Available-for-sale reserve	*16,764*	
Total other components of equity		59,093
Retained earnings		
Opening	*361,089*	
Net profit	-	
Audited retained earnings at 31 October		361,089
Total equity		**918,178**
Adjustments to CET1 due to prudential filters		
Value adjustments due to the requirements for prudent valuation		(6,720)
Deductions of CET1 Capital		
Other intangible assets	*(324)*	
Deferred tax liabilities associated to other intangible assets	*65*	
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	*(1,993)*	
Defined benefit pension assets	*(13,235)*	
Deferred tax liabilities associated to defined benefit pension assets	*2,647*	
Total CET1 deductions		(12,841)
Total Fully Loaded Tier 1 Capital		**898,617**
Tier 2 Capital		
Subordinated loans		**245,138**
Fully Loaded Own Funds		**1,143,756**

Per Audited Statement of changes in equity		
£'000		**31 October 2015**
Common shares		497,996
Other components of equity:		
Capital reserves	*36,619*	
Share premium	*803*	
Remeasurement of pension assets and liabilities	*4,907*	
Available-for-sale reserve	*16,764*	
Total other components of equity		59,093
Retained earnings		
Opening	*354,075*	
Net profit	*7,014*	
Audited retained earnings at 31 October		361,089
Total equity		**918,178**
Adjustments to CET1 due to prudential filters		
Value adjustments due to the requirements for prudent valuation		(3,196)
Deductions of CET1 Capital		
Other intangible assets	*(407)*	
Deferred tax liabilities associated to other intangible assets	*81*	
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	*(1,997)*	
Defined benefit pension assets	*(12,100)*	
Deferred tax liabilities associated to defined benefit pension assets	*2,421*	
Total CET1 deductions		(12,002)
Total Fully Loaded Tier 1 Capital		**902,980**
Tier 2 Capital		
Subordinated loans		**239,028**
Fully Loaded Own Funds		**1,142,008**

Table 4: Transitional own funds disclosure

Common Equity Tier 1 capital: instruments and reserves	30 April 2016 £'000	Prescribed residual amount	Final CRD IV
Capital instruments and the related share premium accounts	**498,799**	**-**	**498,799**
of which: Common shares	497,996	-	497,996
Retained earnings	361,089	-	361,089
Accumulated other comprehensive income (and any other reserves)	58,290	-	58,290
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**918,178**	**-**	**918,178**
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
Additional value adjustments	(6,720)	-	(6,720)
Goodwill and Other intangible assets (net of related tax liability)	(259)	-	(259)
Deferred tax assets that rely on future profitability excluding those arising from temporary difference	(1,993)	-	(1,993)
Defined-benefit pension fund assets (net of related tax liability)	(10,588)	-	(10,588)
Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	-	-	-
Regulatory adjustments relating to unrealised gains and losses			
Of which: Filter for unrealised gains on available-for-sale equities	-	-	-
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**(19,561)**	**-**	**(19,561)**
Common Equity Tier 1 (CET1) capital	**898,617**	**-**	**898,617**
Additional Tier 1 (AT1) capital	-	-	-
Tier 1 capital (T1 = CET1 + AT1)	**898,617**	**-**	**898,617**
Tier 2 (T2) capital: instruments and provisions			
Subordinated loans	245,138	-	245,138
Tier 2 (T2) capital	**245,138**	**-**	**245,138**
Total capital (TC = T1 + T2)	**1,143,756**	**-**	**1,143,756**
Total risk-weighted exposures	**4,548,199**		
Capital ratios and buffers			
Common Equity Tier 1 ratio	19.8%		
Tier 1 ratio	19.8%		
Total capital ratio	25.1%		
Institution specific buffer requirement	-		
of which: capital conservation buffer requirement	-		
of which: countercyclical buffer requirement	-		
of which: systemic risk buffer requirement	-		
of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	-		
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	13.8%		
Amounts below the thresholds for deduction (before risk-weighting)			
Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions	-		
Direct and indirect holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions	-		
Deferred tax assets arising from temporary difference	17,468		
Applicable caps on the inclusion of provisions in Tier 2			
Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-		
Cap on inclusion of credit risk adjustments in T2 under standardised approach	-		
Credit risk adjustments included in T2 in respect of exposures subject to internal rating-based approach (prior to the application of the cap)	-		
Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-		
Capital instruments subject to phase-out arrangements (applicable between 1 Jan 2014 and 1 Jan 2022)			
- Current cap on CET1 instruments subject to phase-out arrangements	-		
- Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-		
- Current cap on AT1 instruments subject to phase-out arrangements	-		
- Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-		
- Current cap on T2 instruments subject to phase-out arrangements	-		
- Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-		

Common Equity Tier 1 capital: instruments and reserves	31 October 2015 £'000	Prescribed residual amount	Final CRD IV
Capital instruments and the related share premium accounts	**498,799**	**-**	**498,799**
of which: Common shares	497,996	-	497,996
Retained earnings	361,089	-	361,089
Accumulated other comprehensive income (and any other reserves)	58,290	-	58,290
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**918,178**	**-**	**918,178**
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
Additional value adjustments	(3,196)	-	(3,196)
Goodwill and Other intangible assets (net of related tax liability)	(326)	-	(326)
Deferred tax assets that rely on future profitability excluding those arising from temporary difference	(1,997)	-	(1,997)
Defined-benefit pension fund assets (net of related tax liability)	(9,679)	-	(9,679)
Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	-	-	-
Regulatory adjustments relating to unrealised gains and losses			
Of which: Filter for unrealised gains on available-for-sale equities	-	-	-
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**(15,198)**	**-**	**(15,198)**
Common Equity Tier 1 (CET1) capital	**902,980**	**-**	**902,980**
Additional Tier 1 (AT1) capital	-	-	-
Tier 1 capital (T1 = CET1 + AT1)	**902,980**	**-**	**902,980**
Tier 2 (T2) capital: instruments and provisions			
Subordinated loans	239,028	-	239,028
Tier 2 (T2) capital	**239,028**	**-**	**239,028**
Total capital (TC = T1 + T2)	**1,142,008**	**-**	**1,142,008**
Total risk-weighted exposures	**4,374,181**		
Capital ratios and buffers			
Common Equity Tier 1 ratio	20.6%		
Tier 1 ratio	20.6%		
Total capital ratio	26.1%		
Institution specific buffer requirement	-		
of which: capital conservation buffer requirement	-		
of which: countercyclical buffer requirement	-		
of which: systemic risk buffer requirement	-		
of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	-		
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	14.6%		
Amounts below the thresholds for deduction (before risk-weighting)			
Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions	-		
Direct and indirect holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions	-		
Deferred tax assets arising from temporary difference	17,614		
Applicable caps on the inclusion of provisions in Tier 2			
Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-		
Cap on inclusion of credit risk adjustments in T2 under standardised approach	-		
Credit risk adjustments included in T2 in respect of exposures subject to internal rating-based approach (prior to the application of the cap)	-		
Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-		
Capital instruments subject to phase-out arrangements (applicable between 1 Jan 2014 and 1 Jan 2022)			
- Current cap on CET1 instruments subject to phase-out arrangements	-		
- Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-		
- Current cap on AT1 instruments subject to phase-out arrangements	-		
- Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-		
- Current cap on T2 instruments subject to phase-out arrangements	-		
- Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-		

3.4 Leverage Ratio

Table 7: Leverage ratio disclosure

As at 30 April 2016
£'000

Summary reconciliation of accounting assets and leverage ratio exposures

	Applicable Amounts
Total assets as per financial statements	29,298,463
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-
(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013 "CRR")	-
Adjustments for derivative financial instruments	813,428
Adjustments for securities financing transactions "SFTs"	288,640
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	1,950,554
(Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)	-
(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)	-
Other adjustments	475,987
Total leverage ratio exposure	**32,827,072**

Leverage ratio common disclosure

	CRR leverage ratio exposure
On-balance sheet exposures (excluding derivatives and SFTs)	
On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	10,700,101
(Asset amounts deducted in determining Tier 1 capital)	(12,841)
Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	**10,687,261**
Derivative exposures	
Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	432,201
Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	771,148
Exposure determined under Original Exposure Method	-
Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
(Exempted CCP leg of client-cleared trade exposures)	-
Adjusted effective notional amount of written credit derivatives	138,487
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(113,193)
Total derivative exposures	**1,228,643**
Securities financing transaction exposures	
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	19,134,722
(Netted amounts of cash payables and cash receivables of gross SFT assets)	(462,748)
Counterparty credit risk exposure for SFT assets	288,640
Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	-
Agent transaction exposures	-
(Exempted CCP leg of client-cleared SFT exposure)	-
Total securities financing transaction exposures	**18,960,614**
Other off-balance sheet exposures	
Off-balance sheet exposures at gross notional amount	3,861,263
(Adjustments for conversion to credit equivalent amounts)	(1,910,709)
Other off-balance sheet exposures	**1,950,554**
Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)	
(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
Capital and total exposures	
Tier 1 capital	**898,617**
Total leverage ratio exposures	**32,827,072**
Leverage ratio	**2.74%**
Choice on transitional arrangements and amount of derecognised fiduciary items	
Choice on transitional arrangements for the definition of the capital measure	-
Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	-

As at 31 October 2015
£'000

Summary reconciliation of accounting assets and leverage ratio exposures

	Applicable Amounts
Total assets as per published financial statements	27,789,316
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-
(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013 "CRR")	-
Adjustments for derivative financial instruments	816,924
Adjustments for securities financing transactions "SFTs"	582,106
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	637,530
(Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)	-
(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)	-
Other adjustments	586,481
Total leverage ratio exposure	**30,412,357**

Leverage ratio common disclosure

	CRR leverage ratio exposure
On-balance sheet exposures (excluding derivatives and SFTs)	
On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	12,439,871
(Asset amounts deducted in determining Tier 1 capital)	(12,002)
Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	**12,427,869**
Derivative exposures	
Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	210,408
Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	993,272
Exposure determined under Original Exposure Method	-
Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
(Exempted CCP leg of client-cleared trade exposures)	-
Adjusted effective notional amount of written credit derivatives	141,603
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(117,805)
Total derivative exposures	**1,227,478**
Securities financing transaction exposures	
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	16,457,224
(Netted amounts of cash payables and cash receivables of gross SFT assets)	(919,850)
Counterparty credit risk exposure for SFT assets	582,106
Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	-
Agent transaction exposures	-
(Exempted CCP leg of client-cleared SFT exposure)	-
Total securities financing transaction exposures	**16,119,480**
Other off-balance sheet exposures	
Off-balance sheet exposures at gross notional amount	3,187,648
(Adjustments for conversion to credit equivalent amounts)	(2,550,118)
Other off-balance sheet exposures	**637,530**
Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)	
(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No	-
(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
Capital and total exposures	
Tier 1 capital	**902,980**
Total leverage ratio exposures	**30,412,357**
Leverage ratio	**2.97%**
Choice on transitional arrangements and amount of derecognised fiduciary items	
Choice on transitional arrangements for the definition of the capital measure	-
Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	-

4.0 Capital Requirements

Table 8: Risk exposure amount by risk type and calculation approach adopted

As at 30 April 2016	**Risk-weighted Exposure**	**CET1 Capital requirement @ 4.5%**	**Tier 1 Capital Requirement @ 6%**	**Total Capital requirement @8%**
£'000				
Risk-weighted exposure amounts for credit and counterparty credit				
Calculated under the Standardised Approach				
Central governments or central banks	21,285	958	1,277	1,703
Public sector entities	20	1	1	2
Institutions	225,848	10,163	13,551	18,068
Corporates	2,355,659	106,005	141,340	188,453
Secured by mortgages on immovable property	381,879	17,185	22,913	30,550
Equity	24,093	1,084	1,446	1,927
Other items	4,871	219	292	390
	3,013,655	*135,614*	*180,819*	*241,092*
Risk exposure amount for contributions to the default fund of a CCP	10,555	475	633	844
	3,024,210	***136,089***	***181,453***	***241,937***
Risk-weighted exposure amount settlement/delivery risk in the Trading book	**4,630**	**208**	**278**	**370**
Risk-weighted exposure amount for position, foreign exchange and commodities risks				
Calculated under the Standardised Approach				
Interest Rate	920,193	41,409	55,212	73,615
Equity	1,703	77	102	136
Foreign Exchange	34,420	1,549	2,065	2,754
Commodities	46,703	2,102	2,802	3,736
	1,003,019	**45,136**	**60,181**	**80,242**
Risk-weighted exposure amount for operational risk				
Calculated under the Basic Indicator Approach	**495,952**	22,318	29,757	**39,676**
Risk-weighted exposure amount for credit valuation adjustment				
Calculated under the Standardised Method	**20,388**	917	41	**1,631**
Total	**4,548,199**	**204,669**	**271,710**	**363,856**
Surplus CET1 Capital over the minimum requirement		**693,948**		
Surplus Tier1 Capital over the minimum requirement			**626,907**	
Surplus Total Capital over the minimum requirement				**779,900**

As at 31 October 2015	**Risk-weighted Exposure**	**CET1 Capital requirement @ 4.5%**	**Tier 1 Capital Requirement @ 6%**	**Total Capital requirement @8%**
£'000				
Risk-weighted exposure amounts for credit and counterparty credit				
Calculated under the Standardised Approach				
Central governments or central banks	23,272	1,047	1,396	1,862
Public sector entities	18	1	1	1
Institutions	490,549	22,075	29,433	39,244
Corporates	1,817,684	81,796	109,061	145,415
Secured by mortgages on immovable property	345,232	15,535	20,714	27,619
Equity	21,880	985	1,313	1,750
Other items	74	3	4	6
	2,698,709	*121,442*	*161,923*	*215,897*
Risk exposure amount for contributions to the default fund of a CCP	6,801	306	408	544
	2,705,510	***121,748***	***162,331***	***216,441***
Risk-weighted exposure amount settlement/delivery risk in the Trading book	**900**	**41**	**54**	**72**
Risk-weighted exposure amount for position, foreign exchange and commodities risks				
Calculated under the Standardised Approach				
Interest Rate	1,064,063	47,883	63,844	85,125
Equity	1,423	64	85	114
Foreign Exchange	24,850	1,118	1,491	1,988
Commodities	55,395	2,493	3,324	4,432
	1,145,731	**51,558**	**68,744**	**91,658**
Risk-weighted exposure amount for operational risk				
Calculated under the Basic Indicator Approach	**495,952**	22,318	29,757	**39,676**
Risk-weighted exposure amount for credit valuation adjustment				
Calculated under the Standardised Method	**26,088**	1,174	53	**2,087**
Total	**4,374,181**	**196,838**	**260,938**	**349,934**
Surplus CET1 Capital over the minimum requirement		**706,142**		
Surplus Tier1 Capital over the minimum requirement			**642,042**	
Surplus Total Capital over the minimum requirement				**792,074**

5.0 Credit Risk

5.1 Definition of Credit Risk

No update required.

5.2 Governance and Framework

No update required.

5.3 Credit Risk Profile

Table 9: Risk exposure amounts by banking and trading activities

As at 30 April 2016			
£'000	**Banking**	**Trading**	**Total**
Risk-weighted exposure amounts for credit and counterparty credit			
Calculated under the Standardised Approach			
Central governments or central banks	18,255	3,030	21,285
Public sector entities	-	20	20
Institutions	25,937	199,911	225,848
Corporates	1,673,353	682,306	2,355,659
Secured by mortgages on immovable property	381,879	-	381,879
Equity	24,093	-	24,093
Other items	4,871	-	4,871
	2,128,388	885,267	3,013,655
Risk exposure amount for contributions to the default fund of a CCP	-	10,555	10,555
	2,128,388	**895,822**	**3,024,210**
Risk-weighted exposure amount settlement/delivery risk in the Trading book	**-**	**4,630**	**4,630**
Total	**2,128,388**	**900,452**	**3,028,840**

As at 31 October 2015			
£'000	**Banking**	**Trading**	**Total**
Risk-weighted exposure amounts for credit and counterparty credit			
Calculated under the Standardised Approach			
Central governments or central banks	14,671	8,601	23,272
Public sector entities	-	18	18
Institutions	20,740	469,809	490,549
Corporates	1,181,471	636,213	1,817,684
Secured by mortgages on immovable property	345,232	-	345,232
Equity	21,880	-	21,880
Other items	74	-	74
	1,584,068	1,114,641	2,698,709
Risk exposure amount for contributions to the default fund of a CCP	-	6,801	6,801
	1,584,068	**1,121,442**	**2,705,510**
Risk-weighted exposure amount settlement/delivery risk in the Trading book	**-**	**900**	**900**
Total	**1,584,068**	**1,122,342**	**2,706,410**

5.3.1 Banking Book Credit Risk

Table 10: Gross credit exposures within the banking book

As at 30 April 2016

£'000

Exposure amounts for credit risk in the banking book	Original Exposure	Final Exposure	Risk-weighted Exposure
On balance sheet exposures			
Central governments or central banks	1,503,571	1,503,571	18,255
Institutions	84,935	84,935	16,996
Corporates	2,295,348	846,245	844,483
Secured by mortgages on immovable property	845,474	830,353	375,057
Equity	24,093	24,093	24,093
Other items	4,871	4,871	4,871
	4,758,292	3,294,068	1,283,755
Off balance sheet exposures *			
Central governments or central banks	64,403	32,202	-
Institutions	88,002	44,703	8,941
Corporates	3,668,274	1,063,941	828,871
Secured by mortgages on immovable property	40,584	19,493	6,822
	3,861,263	1,160,339	844,634
Total	**8,619,555**	**4,454,407**	**2,128,389**
Small and medium enterprises included in Corporates	***160,364***	***133,021***	***125,563***

* Final Exposure includes adjustments for CCFs and CRM

As at 31 October 2015

£'000

Exposure amounts for credit risk in the banking book	Original Exposure	Final Exposure	Risk-weighted Exposure
On balance sheet exposures			
Central governments or central banks	1,975,267	1,975,267	14,671
Institutions	77,288	77,288	16,052
Corporates	1,591,117	591,159	591,159
Secured by mortgages on immovable property	933,200	904,521	338,636
Equity	21,880	21,880	21,880
Other items	75	75	75
	4,598,827	3,570,190	982,473
Off balance sheet exposures			
Central governments or central banks	58,903	29,451	-
Institutions	46,888	23,444	4,689
Corporates	3,045,605	739,995	590,313
Secured by mortgages on immovable property	36,252	17,632	6,595
	3,187,648	810,522	601,597
Total	**7,786,475**	**4,380,712**	**1,584,070**
Small and medium enterprises included in Corporates	***177,362***	***117,075***	***100,657***

Table 19: Reconciliation of provision for credit losses

No specific adjustments were proposed as at 30 April 2016 (2015: nil).

5.3.2 Counterparty Credit Risk

Table 20: Trading credit risk

As at 30 April 2016

£'000

Counterparty credit risk exposure by products	Original Exposure	Final Exposure	Risk-weighted Exposure
Calculated under the Standardised Approach			
Exchange traded derivatives	898,263	658,154	73,887
OTC derivatives	565,375	84,558	28,873
SFTs	1,584,589	1,584,589	782,507
Total	**3,048,227**	**2,327,301**	**885,267**

As at 31 October 2015

£'000

Counterparty credit risk exposure by products	Original Exposure	Final Exposure	Risk-weighted Exposure
Calculated under the Standardised Approach			
Exchange traded derivatives	1,073,612	950,051	121,617
OTC derivatives	465,632	177,410	40,601
SFTs	2,586,808	2,586,808	952,423
Total	**4,126,052**	**3,714,269**	**1,114,641**

Table 21: Counterparty credit risk by exposure class

As at 30 April 2016

£'000

Exposure amounts for counterparty credit risk in trading book	Original Exposure	Final Exposure	Risk-weighted Exposure
Calculated under the Standardised Approach			
Central governments or central banks	192,764	192,764	3,030
Public sector entities	99	99	20
Institutions	2,094,184	1,382,763	199,911
Corporates	761,180	751,675	682,306
Total	**3,048,227**	**2,327,301**	**885,267**
Small and medium enterprises, included in Corporates	-	-	-

As at 31 October 2015

£'000

Exposure amounts for counterparty credit risk in trading book	Original Exposure	Final Exposure	Risk-weighted Exposure
Calculated under the Standardised Approach			
Central governments or central banks	265,013	265,013	8,601
Public sector entities	92	92	18
Institutions	2,946,594	2,553,813	469,809
Corporates	914,353	895,351	636,213
Total	**4,126,052**	**3,714,269**	**1,114,641**
Small and medium enterprises, included in Corporates	-	-	-

Table 22: Exposures amounts subjected to the use of the ECAIs

As at 30 April 2016

£'000	Original Exposure	Final Exposure	Risk-weighted Exposures
Exposure amounts subject to the use of the ECAIs			
Central governments or central banks	257,119	224,917	2,982
Public sector entities	-	-	-
Institutions	1,430,905	795,989	162,919
Corporates	3,198,149	960,756	654,554
Total	**4,886,173**	**1,981,662**	**820,454**

As at 31 October 2015

£'000	Original Exposure	Final Exposure	Risk-weighted Exposures
Exposure amounts subject to the use of the ECAIs			
Central governments or central banks	322,001	292,550	7,018
Public sector entities	92	92	18
Institutions	1,888,974	1,543,006	354,006
Corporates	2,055,592	474,000	320,369
Total	**4,266,659**	**2,309,648**	**681,411**

6.0 Market Risk

6.1 Definition of Market Risk

6.2 Governance and Framework

6.3 Risk Profile

Table 33: Market risk by risk type

As at 30 April 2016	**Risk-weighted Exposure**	**Capital Requirement**
£'000		
Interest rate risk	920,193	73,615
Equity risk	1,703	136
Large exposure excess	-	-
Foreign-exchange risk	34,420	2,754
Commodities risk	46,703	3,736
	1,003,019	**80,241**

As at 31 October 2015	**Risk-weighted Exposure**	**Capital Requirement**
£'000		
Interest rate risk	1,064,063	85,125
Equity risk	1,423	114
Large exposure excess	-	-
Foreign-exchange risk	24,850	1,988
Commodities risk	55,395	4,432
	1,145,731	**91,659**

6.4 Securitisations

6.4.1 Definitions

Table 34: Exposures by underlying exposure type

As at 30 April 2016
£'000

Exposure Type	Exposure	Risk-weighted Exposure	Capital Requirement
Traditional securitisation			
Residential mortgages	34,961	18,025	1,442
Credit card receivables	4,979	996	80
Consumer loans	5,210	55,936	4,474
Other assets	1,465	732	59
	46,615	**75,689**	**6,055**

As at 31 October 2015
£'000

Exposure Type	Exposure	Risk-weighted Exposure	Capital Requirement
Traditional securitisation			
Residential mortgages	82,849	48,073	3,846
Credit card receivables	19,670	3,934	315
Consumer loans	38,856	128,909	10,313
Other assets	8,659	2,966	237
	150,034	**183,882**	**14,711**

Table 35: Securitisation exposures by seniority

As at 30 April 2016
£'000

Tranche	Exposure	Risk-weighted Exposure	Capital Requirement
Senior	21,190	5,027	402
Mezzanine	23,513	46,757	3,741
First loss	1,912	23,905	1,912
	46,615	**75,689**	**6,055**

As at 31 October 2015
£'000

Tranche	Exposure	Risk-weighted Exposure	Capital Requirement
Senior	37,395	35,260	2,821
Mezzanine	112,117	144,285	11,543
First loss	522	4,337	347
	150,034	**183,882**	**14,711**

7.0 Operational Risk

No update required.

8.0 Non-trading Book Equity Exposures

Table 37: Non-trading book equity exposures

£'000	**30 April 2016 Unlisted**	**31 October 2015 Unlisted**
As at beginning of period		
Cost	925	925
Accumulated unrealised gains	20,955	22,904
	21,880	23,829
Realised gains/(losses)	-	-
Unrealised gains/(losses)	2,607	(1,949)
As at end of period	**24,487**	**21,880**
Accumulated unrealised gains	23,562	20,955
Less: Deferred tax @20%	(4,712)	(4,191)
AFS reserve	**18,850**	**16,764**

9.0 Interest Rate Risk in the Banking Book

No update required.