RBC EUROPE LIMITED

SEMI-ANNUAL PILLAR 3 DISCLOSURE

FOR THE HALF YEAR ENDED 30 APRIL 2017

To be read in conjunction with

PILLAR 3 DISCLOSURE

FOR THE YEAR ENDED 3 OCTOBER 2016
[http://www.rbc.com/aboutus/rbcel-index.html]

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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 2016. Table numbering is in line with the 2016 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.

2.0 Risk Governance

No update required.

3.0 Own Funds

Table 1: Full reconciliation of own funds items to audited financial statements (Table 3 in 2016 Pillar 3)

Per Unaudited Statement of changes in equity		
£'000		**30 April 2017**
Common shares		497,996
Other components of equity:		
Capital reserves	*36,619*	
Share premium	*803*	
Remeasurement of pension assets and liabilities	*(9,695)*	
Available-for-sale reserve	*19,714*	
Total other components of equity		47,441
Retained earnings		
Opening	*413,640*	
Net profit		
Audited retained earnings at 31 October		413,640
Total equity		**959,077**
Adjustments to CET1 due to prudential filters		
Value adjustments due to the requirements for prudent valuation		(6,800)
Deductions of CET1 Capital		
Other intangible assets	*(121)*	
Deduction of holdings Common Equity Tier 1 instruments where an institutic	*(8,623)*	
Total CET1 deductions		(8,744)
Total Fully Loaded Tier 1 Capital		**943,533**
Tier 2 Capital		
Subordinated loans		262,368
Collective provision gross of tax		3,814
Deduction of holdings Tier 2 instruments where an intuition does not have a s	(14,262)	
Total Tier 2 deductions		(14,262)
Total Fully Loaded Tier 2 Capital		**251,921**
Fully Loaded Own Funds		**1,195,453**

Per Audited Statement of changes in equity		
£'000		**31 October 2016**
Common shares		497,996
Other components of equity:		
Capital reserves	*36,619*	
Share premium	*803*	
Remeasurement of pension assets and liabilities	*(6,614)*	
Available-for-sale reserve	*20,485*	
Total other components of equity		51,293
Retained earnings		
Opening	*361,089*	
Net profit	*52,551*	
Audited retained earnings at 31 October		413,640
Total equity		**962,929**
Adjustments to CET1 due to prudential filters		
Value adjustments due to the requirements for prudent valuation		(6,467)
Deductions of CET1 Capital		
Other intangible assets	*(242)*	
Deferred tax liabilities associated to other intangible assets	*58*	
Deduction of holdings Common Equity Tier 1 instruments where an insitution does not have a signficant investment in a financial sector entity	*(2,715)*	
Total CET1 deductions		(2,899)
Total Fully Loaded Tier 1 Capital		**953,563**
Tier 2 Capital		
Subordinated loans		285,927
Collective provision gross of tax		3,814
Deduction of holdings Tier 2 instruments where an institution does not have a signficant invesmtent in a financial sector entity	(7,016)	
Total Tier 2 deductions		(7,016)
Total Fully Loaded Tier 2 Capital		**282,725**
Fully Loaded Own Funds		**1,236,288**

Table 2 Transitional own funds disclosure (Table 4 in 2016 Pillar 3)

Common Equity Tier 1 capital: instruments and reserves	**30 April 2017 £'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	413,640	-	413,640
Accumulated other comprehensive income (and any other reserves)	46,638	-	46,638
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**959,077**	**-**	**959,077**
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
Additional value adjustments	(6,800)	-	(6,800)
Goodwill and Other intangible assets (net of related tax liability)	(121)	-	(121)
Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	(8,623)		(8,623)
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**(15,544)**	**-**	**(15,544)**
Common Equity Tier 1 (CET1) capital	**943,533**	**-**	**943,533**
Additional Tier 1 (AT1) capital	-	-	-
Tier 1 capital (T1 = CET1 + AT1)	**943,533**	**-**	**943,533**
Tier 2 (T2) capital: instruments and provisions			
Subordinated loans	262,368	-	262,368
Credit risk adjustments	-		-
Tier 2 (T2) capital before regulatory adjustment	**262,368**	**-**	**262,368**
Tier 2 (T2) capital: regulatory adjustments			
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)	(14,262)		(14,262)
Total regulatory adjustments to Tier 2 (T2) capital	**(14,262)**		**(14,262)**
Tier 2 (T2) capital	**248,107**	**-**	**248,107**
Total capital (TC = T1 + T2)	**1,191,639**	**-**	**1,191,639**
Total risk-weighted exposures	**6,876,193**		
Capital ratios and buffers			
Common Equity Tier 1 ratio	13.7%		
Tier 1 ratio	13.7%		
Total capital ratio	17.3%		
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)	7.7%		
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	-		
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 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	413,640	-	413,640
Accumulated other comprehensive income (and any other reserves)	50,490	-	50,490
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**962,929**	-	**962,929**
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
Additional value adjustments	(6,467)	-	(6,467)
Goodwill and Other intangible assets (net of related tax liability)	(184)	-	(184)
Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	(2,715)	-	(2,715)
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**(9,366)**	-	**(9,366)**
Common Equity Tier 1 (CET1) capital	**953,563**	-	**953,563**
Additional Tier 1 (AT1) capital	-	-	-
Tier 1 capital (T1 = CET1 + AT1)	**953,563**	-	**953,563**
Tier 2 (T2) capital: instruments and provisions			
Subordinated loans	285,927	-	285,927
Credit risk adjustments	3,814	-	3,814
Tier 2 (T2) capital before regulatory adjustment	**289,741**	-	**289,741**
Tier 2 (T2) capital: regulatory adjustments			
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)	(7,016)	-	(7,016)
Of which new holdings not subject to transitional arrangements	(7,016)	-	(7,016)
Total regulatory adjustments to Tier 2 (T2) capital	**(7,016)**	-	**(7,016)**
Tier 2 (T2) capital	**282,725**	-	**282,725**
Total capital (TC = T1 + T2)	**1,236,288**	-	**1,236,288**
Total risk-weighted exposures	**5,609,747**		
Capital ratios and buffers			
Common Equity Tier 1 ratio	17.0%		
Tier 1 ratio	17.0%		
Total capital ratio	22.0%		
Institution specific buffer requirement	35,313		
of which: capital conservation buffer requirement	35,061		
of which: countercyclical buffer requirement	252		
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)	11.0%		
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	15,306		
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 3: Leverage ratio disclosure (Table 7 in 2016 Pillar 3)

As at 30 April 2017
£'000

Summary reconciliation of accounting assets and leverage ratio exposures

	Applicable Amounts
Total assets as per financial statements	37,982,663
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	(706,906)
Adjustments for securities financing transactions "SFTs"	926,848
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	2,892,830
(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	230,080
Total leverage ratio exposure	**41,325,515**

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)	14,151,482
(Asset amounts deducted in determining Tier 1 capital)	(8,782)
Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	**14,142,700**
Derivative exposures	
Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	213,158
Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	723,679
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	78,476
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(42,726)
Total derivative exposures	**972,587**
Securities financing transaction exposures	
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	23,151,419
(Netted amounts of cash payables and cash receivables of gross SFT assets)	(760,868)
Counterparty credit risk exposure for SFT assets	926,848
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	**23,317,399**
Other off-balance sheet exposures	
Off-balance sheet exposures at gross notional amount	5,815,240
(Adjustments for conversion to credit equivalent amounts)	(2,922,410)
Other off-balance sheet exposures	**2,892,830**
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	**943,533**
Total leverage ratio exposures	**41,325,515**
Leverage ratio	**2.28%**
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	-

Description of the processes used to manage the risk of excessive leverage	Leverage ratio is reported to and monitored by ALCO on a monthly basis. Internal limits have been set up for each business line in accordance with the Company's risk appetite. Finance monitors the leverage usage against the limits on a daily basis.
Description of the factors that had an impact on the leverage Ratio during the period to which the disclosed leverage Ratio refers	As at 30 April 2017, the leverage exposure is mainly driven by securities financing transactions (56%), loans and advances (9%), settlement balances (8%), trading securities (8%) and cash (6%).

As at 31 October 2016 **£'000**

Summary reconciliation of accounting assets and leverage ratio exposures

	Applicable Amounts
Total assets as per published financial statements	34,426,634
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	(373,260)
Adjustments for securities financing transactions "SFTs"	815,882
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	2,609,783
(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	1,023,634
Total leverage ratio exposure	**38,502,673**

Leverage ratio common disclosure

	CRR leverage ratio exposures
On-balance sheet exposures (excluding derivatives and SFTs)	
On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	13,970,331
(Asset amounts deducted in determining Tier 1 capital)	(7,580)
Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	**13,962,751**
Derivative exposures	
Replacement cost associated with *all* derivatives transactions (ie net of eligible cash variation margin)	347,046
Add-on amounts for PFE associated with *all* derivatives transactions (mark-to-market method)	869,974
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	68,203
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(39,596)
Total derivative exposures	**1,245,627**
Securities financing transaction exposures	
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	20,342,595
(Netted amounts of cash payables and cash receivables of gross SFT assets)	(410,166)
Counterparty credit risk exposure for SFT assets	646,129
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	**20,578,558**
Other off-balance sheet exposures	
Off-balance sheet exposures at gross notional amount	5,386,124
(Adjustments for conversion to credit equivalent amounts)	(2,670,387)
Other off-balance sheet exposures	**2,715,737**
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	**953,563**
Total leverage ratio exposures	**38,502,673**
Leverage ratio	
Leverage ratio	**2.48%**
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	-

Description of the processes used to manage the risk of excessive leverage	Leverage ratio is reported to and monitored by ALCO on a monthly basis. Internal limits have been set up for each business line in accordance with the Company's risk appetite. GRM monitors the leverage usage against the limits on a weekly basis.
Description of the factors that had an impact on the leverage Ratio during the period to which the disclosed leverage Ratio refers	As at 31 October 2016, the leverage exposure is mainly driven by securities financing transactions (53%), loans and advances (9%), settlement balances (9%), cash (8%) and trading securities (6%).

4.0 Capital Requirements

Table 4 Risk exposure amount by risk type and calculation approach adopted (Table 8 in 2016 Pillar 3)

As at 30 April 2017	30 April 2017 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	23,205	1,044	1,392	1,856
Public sector entities	639	29	38	51
Multilateral Development Banks	-	-	-	-
Institutions	593,155	26,692	35,589	47,452
Corporates	3,003,480	135,157	180,209	240,278
Secured by mortgages on immovable property	306,536	13,794	18,392	24,523
Equity	18,005	810	1,080	1,440
Other items	8,874	399	532	710
	3,953,893	*177,925*	*237,234*	*316,311*
Risk exposure amount for contributions to the default fund of a CCP	58,916	2,651	3,535	4,713
	4,012,809	***180,576***	***240,769***	***321,025***
Risk-weighted exposure amount settlement/delivery risk in the Trading book	**272**	**12**	**16**	**22**
Risk-weighted exposure amount for position, foreign exchange and commodities risks				
Calculated under the Standardised Approach				
Interest Rate	2,046,670	92,100	122,800	163,734
Equity	5,426	244	326	434
Foreign Exchange	98,375	4,427	5,903	7,870
Commodities	112,994	5,085	6,780	9,039
	2,263,464	**101,856**	**135,808**	**181,077**
Risk-weighted exposure amount for operational risk				
Calculated under the Basic Indicator Approach	**587,427**	26,434	35,246	**46,994**
Risk-weighted exposure amount for credit valuation adjustment				
Calculated under the Standardised Method	**12,221**	550	25	**978**
Total	**6,876,193**	**309,429**	**411,863**	**550,095**
Surplus CET1 Capital over the minimum requirement		**634,104**		
Surplus Tier1 Capital over the minimum requirement			**531,670**	
Surplus Total Capital over the minimum requirement				**641,544**

As at 31 October 2016

£'000	Risk-weighted Exposure	CET1 Capital requirement @ 4.5%	Tier 1 Capital requirement @ 6%	Total Capital requirement @8%
Risk-weighted exposure amounts for credit and counterparty credit				
Calculated under the Standardised Approach				
Central governments or central banks	44,097	1,984	2,646	3,528
Public sector entities	245	11	15	20
Institutions	390,852	17,588	23,451	31,268
Corporates	2,657,386	119,582	159,443	212,591
Secured by mortgages on immovable property	339,380	15,272	20,363	27,150
Equity	25,316	1,139	1,519	2,025
Other items	5,751	259	345	460
	3,463,026	*155,836*	*207,782*	*277,042*
Risk exposure amount for contributions to the default fund of a CCP	52,616	2,368	3,157	4,209
	3,515,642	***158,204***	***210,939***	***281,251***
Risk-weighted exposure amount settlement/delivery risk in the Trading book	**136**	**6**	**8**	**11**
Risk-weighted exposure amount for position, foreign exchange and commodities risks				
Calculated under the Standardised Approach				
Interest Rate	1,336,751	60,154	80,205	106,940
Equity	1,387	62	83	111
Foreign Exchange	32,133	1,446	1,928	2,571
Commodities	121,100	5,450	7,266	9,688
	1,491,371	**67,112**	**89,482**	**119,310**
Risk-weighted exposure amount for operational risk				
Calculated under the Basic Indicator Approach	**587,427**	26,434	35,246	**46,994**
Risk-weighted exposure amount for credit valuation adjustment				
Calculated under the Standardised Method	**15,171**	683	31	**1,214**
Total	**5,609,747**	**252,439**	**335,705**	**448,780**
Surplus CET1 Capital over the minimum requirement		**701,124**		
Surplus Tier1 Capital over the minimum requirement			**617,858**	
Surplus Total Capital over the minimum requirement				**787,508**

5.0 Credit Risk

Table 5: Risk exposure amounts by banking and trading activities (Table 9 in 2016 Pillar 3)

As at 30 April 2017 *£'000*	**Banking**	**Trading**	**Total**
Risk-weighted exposure amounts for credit and counterparty credit			
Calculated under the Standardised Approach			
Central governments or central banks	17,717	5,488	23,205
Public sector entities	-	639	639
Multilateral Development Banks	-	-	-
Institutions	8,708	584,446	593,155
Corporates	2,131,004	872,475	3,003,480
Secured by mortgages on immovable property	306,536	-	306,536
Equity	18,005	-	18,005
Other items	8,874	-	8,874
	2,490,845	1,463,049	3,953,893
Risk exposure amount for contributions to the default fund of a CCP	-	58,916	58,916
	2,490,845	**1,521,964**	**4,012,809**
Risk-weighted exposure amount settlement/delivery risk in the Trading book	**-**	**272**	**272**
Total	**2,490,845**	**1,522,236**	**4,013,081**

As at 31 October 2016 *£'000*	**Banking**	**Trading**	**Total**
Risk-weighted exposure amounts for credit and counterparty credit			
Calculated under the Standardised Approach			
Central governments or central banks	20,477	23,620	44,097
Public sector entities	-	245	245
Institutions	14,557	376,295	390,852
Corporates	1,941,019	716,367	2,657,386
Secured by mortgages on immovable property	339,380	-	339,380
Equity	25,316	-	25,316
Other items	5,751	-	5,751
	2,346,499	1,116,527	3,463,026
Risk exposure amount for contributions to the default fund of a CCP	-	52,616	52,616
	2,346,499	**1,169,144**	**3,515,642**
Risk-weighted exposure amount settlement/delivery risk in the Trading book	**-**	**136**	**136**
Total	**2,346,499**	**1,169,279**	**3,515,778**

Table 6: Gross credit exposures within the banking book (Table 10 in 2016 Pillar 3)

As at 30 April 2017
£'000

Exposure amounts for credit risk in the banking book	**Gross Exposure**	**Final Exposure**	**Risk-weighted Exposure**
On balance sheet exposures			
Central governments or central banks	2,499,678	2,499,678	17,717
Public sector entities	-	-	-
Multilateral Development Banks	163,335	163,335	-
Institutions	27,809	27,809	5,786
Corporates	2,937,060	1,616,845	1,298,910
Secured by mortgages on immovable property	763,660	733,043	300,072
Equity	18,005	18,005	18,005
Other items	8,874	8,874	8,874
	6,418,421	5,067,589	1,649,364
Off balance sheet exposures			
Central governments or central banks	69,485	34,743	-
Public sector entities			
Multilateral Development Banks	-	-	-
Institutions	14,613	14,613	2,923
Corporates	5,709,510	1,097,220	832,094
Secured by mortgages on immovable property	21,631	9,204	6,464
Equity	-	-	-
Other items	-	-	-
	5,815,240	1,155,779	841,481
Total	**12,233,661**	**6,223,368**	**2,490,845**
Small and medium enterprises included in Corporates	-	-	-

As at 31 October 2016
£'000

Exposure amounts for credit risk in the banking book	**Gross Exposure**	**Final Exposure**	**Risk-weighted Exposure**
On balance sheet exposures			
Central governments or central banks	2,919,053	2,919,053	20,477
Institutions	35,487	35,487	7,107
Corporates	2,491,329	1,049,735	1,051,396
Secured by mortgages on immovable property	872,785	850,917	333,389
Equity	25,316	25,316	25,316
Other items	5,751	5,751	5,751
	6,349,721	4,886,259	1,443,436
Off balance sheet exposures			
Central governments or central banks	74,037	37,019	-
Institutions	59,065	37,246	7,449
Corporates	5,216,325	1,150,823	889,623
Secured by mortgages on immovable property	36,698	16,744	5,991
	5,386,124	1,241,832	903,062
Total	**11,735,846**	**6,128,091**	**2,346,499**
Small and medium enterprises included in Corporates	***91,648***	***69,908***	***60,852***

Table 7: Reconciliation of provision for credit losses (Table 19 in 2016 Pillar 3)

Collectively assessed

	30 April 2017	31 October 2016
	£'000	£'000
Provisions brought forward	3,814	-
Provisions raised during the year	89	3,814
Provisions as at year end	**3,903**	3,814

No specific adjustments were proposed as at 30 April 2017 (2016: nil).

Table 8: Trading credit risk (Table 20 in 2016 Pillar 3)

As at 30 April 2017
£'000

Counterparty credit risk exposure by products	**Gross Exposure**	**Final Exposure**	**Risk-weighted Exposure**
Calculated under the Standardised Approach			
Exchange traded derivatives	1,102,692	815,104	110,452
OTC derivatives	210,153	34,146	15,717
SFTs	3,267,372	3,267,372	1,336,880
Total	**4,580,217**	**4,116,622**	**1,463,049**

As at 31 October 2016
£'000

Counterparty credit risk exposure by products	**Gross Exposure**	**Final Exposure**	**Risk-weighted Exposure**
Calculated under the Standardised Approach			
Exchange traded derivatives	1,316,325	1,101,208	157,293
OTC derivatives	250,268	46,572	16,576
SFTs	2,162,397	2,162,397	942,659
Total	**3,728,990**	**3,310,176**	**1,116,527**

Table 9: Counterparty credit risk by exposure class (Table 21 in 2016 Pillar 3)

As at 30 April 2017
£'000

Exposure amounts for counterparty credit risk in trading book	**Gross Exposure**	**Final Exposure**	**Risk-weighted Exposure**
Calculated under the Standardised Approach			
Central governments or central banks	437,333	437,333	5,488
Public sector entities	3,195	3,195	639
Institutions	2,975,124	2,562,846	584,446
Corporates	1,164,565	1,113,247	872,475
Total	**4,580,217**	**4,116,622**	**1,463,049**
Small and medium enterprises, included in Corporates	-	-	-

As at 31 October 2016
£'000

Exposure amounts for counterparty credit risk in trading book	**Gross Exposure**	**Final Exposure**	**Risk-weighted Exposure**
Calculated under the Standardised Approach			
Central governments or central banks	350,219	350,219	23,620
Public sector entities	1,225	1,225	245
Institutions	2,491,354	2,131,942	376,295
Corporates	886,193	826,791	716,367
Total	**3,728,990**	**3,310,176**	**1,116,527**
Small and medium enterprises, included in Corporates	-	-	-

Table 10: Exposures amounts subjected to the use of the ECAIs (Table 31 in 2016 Pillar 3)

As at 30 April 2017

£'000	**Gross Exposure**	**Final Exposure**	**Risk-weighted Exposures**
Exposure amounts subject to the use of the ECAIs			
Central governments or central banks	369,998	369,998	-
Public sector entities	-	-	-
Multilateral Development Banks	163,335	163,335	-
Institutions	997,876	611,186	231,679
Corporates	5,265,869	1,530,211	902,853
Total	**6,797,078**	**2,674,730**	**1,134,532**

As at 31 October 2016

£'000	**Gross Exposure**	**Final Exposure**	**Risk-weighted Exposures**
Exposure amounts subject to the use of the ECAIs			
Central governments or central banks	402,853	365,835	2,218
Public sector entities	-	-	-
Institutions	1,026,143	718,426	200,866
Corporates	4,353,539	913,708	639,472
Total	**5,782,535**	**1,997,969**	**842,555**

6.0 Market Risk

Table 11: Market risk by risk type (Table 33 in 2016 Pillar 3)

As at 30 April 2017	**Risk-weighted Exposure**	**Capital Requirement**
£'000		
Interest rate risk	2,046,670	163,734
of which: Securitisation position risk	*13,174*	*1,054*
Equity risk	5,426	434
Large exposure excess	-	-
Foreign-exchange risk	98,375	7,870
Settlement risk	-	-
Commodities risk	112,994	9,039
	2,263,464	**181,077**

As at 31 October 2016	Risk-weighted Exposure	Capital Requirement
£'000		
Interest rate risk	1,336,751	106,940
of which: Securitisation position risk	*27,360*	*2,189*
Equity risk	1,387	111
Foreign-exchange risk	32,133	2,571
Settlement risk	-	-
Commodities risk	121,100	9,688
	1,491,371	**119,310**

6.1 Securitisations

Table 12: Exposures by underlying exposure type (Table 34 in 2016 Pillar 3)

As at 30 April 2017 *£'000* **Exposure Type**	**Exposure**	**Risk-weighted Exposure**	**Capital Requirement**
Traditional securitisation			
Residential mortgages	21,597	4,319	346
Credit card receivables	200,805	49,708	3,977
Loans to corporates or SMEs	-	-	-
Consumer loans	143,617	79,591	6,367
Other assets	66,133	13,227	1,058
	432,153	**146,846**	**11,748**

As at 30 April 2017	**30 April 2017** **Risk-weighted Exposure**	**CET1 Capital requirement @ 4.5%**
£'000		
Risk-weighted exposure amounts for credit and counterparty credit		
Calculated under the Standardised Approach		
Central governments or central banks	23,205	1,044
Public sector entities	639	29
Multilateral Development Banks	-	-
Institutions	593,155	26,692
Corporates	3,003,480	135,157
Secured by mortgages on immovable property	306,536	13,794
Equity	18,005	810
Other items	8,874	399
	3,953,893	*177,925*

Risk exposure amount for contributions to the default fund of a CCP	58,916	2,651
	4,012,809	***180,576***
Risk-weighted exposure amount settlement/delivery risk in the Trading book	**272**	**12**
Risk-weighted exposure amount for position, foreign exchange and commodities risks		
Calculated under the Standardised Approach		
Interest Rate	2,046,670	92,100
Equity	5,426	244
Foreign Exchange	98,375	4,427
Commodities	112,994	5,085
	2,263,464	**101,856**
Risk-weighted exposure amount for operational risk		
Calculated under the Basic Indicator Approach	**587,427**	26,434
Risk-weighted exposure amount for credit valuation adjustment		
Calculated under the Standardised Method	**12,221**	550
Total	**6,876,193**	**309,429**
Surplus CET1 Capital over the minimum requirement		**634,104**
Surplus Tier1 Capital over the minimum requirement		
Surplus Total Capital over the minimum requirement		

check	943,533
	943,533
	TRUE

£'000	**2017**	**2016**
Risk-weighted exposure amounts for credit and counterparty credit		
Banking book credit risk	2,490,845	1,583,555
Counterparty credit risk	1,463,049	1,114,642
Risk exposure amount for contributions to the default fund of a CCP	58,916	6,801
	4,012,809	**2,704,997**
Risk-weighted exposure amount settlement/delivery risk in the Trading book	**272**	**900**
Risk-weighted exposure amount for position, foreign exchange and commodities risks		
Interest rate	2,046,670	1,064,063
Equity	5,426	1,423
Foreign exchange risk	98,375	24,850
Commodities	112,994	55,395
	2,263,464	**1,145,731**
Risk-weighted exposure amount for operational risk	**587,427**	**495,952**
Risk-weighted exposure amount for credit valuation adjustment	**12,221**	**26,092**
Total	**6,876,193**	**4,373,671**

As at 31 October 2016
£'000

Exposure Type	**Exposure**	**Risk-weighted Exposure**	**Capital Requirement**
Traditional securitisation			
Residential mortgages	23,404	4,681	374
Credit card receivables	100	20	2
Consumer loans	-	-	-
Other assets	2,538	22,659	1,813
	26,042	**27,360**	**2,189**

Table 13: Securitisation exposures by seniority (Table 35 in 2016 Pillar 3)

As at 30 April 2017
£'000

Tranche	**Exposure**	**Risk-weighted Exposure**	**Capital Requirement**
Senior	142,969	71,484	5,719
Mezzanine	288,535	67,255	5,380
First loss	649	8,107	649
	432,153	**146,846**	**11,748**

As at 31 October 2016
£'000

Tranche	**Exposure**	**Risk-weighted Exposure**	**Capital Requirement**
Senior	26,042	27,360	2,189
Mezzanine	-	-	-
First loss	-	-	-
	26,042	**27,360**	**2,189**

7.0 Operational Risk

No update required.

8.0 Non-trading Book Equity Exposures

Table 14: Non-trading book equity exposures (Table 37 in 2016 Pillar 3)

£'000	**30 April 2017 Unlisted**	**31 October 2016 Unlisted**
As at 1 November		
Cost	925	925
Accumulated unrealised gains	27,106	20,955
	28,031	21,880
Realised gains/(losses)	-	-
Unrealised gains/(losses)	(1,403)	6,151
Total	**26,628**	**28,031**
Accumulated unrealised gains	25,553	27,106
Less: Deferred tax	(6,215)	(6,621)
AFS reserve	**19,338**	**20,485**

9.0 Interest Rate Risk in the Banking Book

No update required.