



RBC EUROPE LIMITED
SEMI-ANNUAL PILLAR 3 DISCLOSURE
FOR THE HALF YEAR ENDED 30 APRIL 2019

To be read in conjunction with
PILLAR 3 DISCLOSURE
FOR THE YEAR ENDED 31 OCTOBER 2018
[\[http://www.rbc.com/aboutus/rbcel-index.html\]](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 2018. Table numbering is in line with the 2018 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 financial statements (Table 3 in 2018 Pillar 3)

Per Unaudited Statement of changes in equity	30 April 2019
£'000	
Common shares	497,996
Other components of equity:	
<i>Capital reserves</i>	36,619
<i>Share premium</i>	803
<i>Remeasurement of pension assets and liabilities</i>	7,497
<i>Fair Value through Other Comprehensive Income reserve</i>	35,015
<i>AT1 equity issuance</i>	141,953
Total other components of equity	221,887
Retained earnings	
<i>Opening</i>	587,423
<i>Net profit</i>	33,059
<i>less unverified profit</i>	(33,059)
Audited retained earnings at 30 April	587,423
Total equity	1,307,306
Adjustments to CET1 due to prudential filters	
<i>Value adjustments due to the requirements for prudent valuation</i>	(14,905)
Transitional adjustments due to IFRS9	692
Deductions of CET1 Capital	
<i>Other intangible assets</i>	-
<i>Deferred tax liabilities associated to other intangible assets</i>	-
<i>Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities</i>	-
<i>Defined benefit pension assets</i>	(19,634)
<i>Deferred tax liabilities associated to defined benefit pension assets</i>	5,125
<i>Deduction of holdings Common Equity Tier 1 instruments where an institution does not have a significant investment in a financial sector entity</i>	-
Total CET1 deductions	(14,510)
Total Fully Loaded Tier 1 Capital	1,278,583
Tier 2 Capital	
Subordinated loans	230,397
<i>Deduction of holdings Tier 2 instruments where an institution does not have a significant investment in a financial sector entity</i>	-
Total Tier 2 deductions	-
Total Fully Loaded Tier 2 Capital	230,397
Fully Loaded Own Funds	1,508,980

Per Audited Statement of changes in equity		
£'000		31 October 2018
Common shares		497,996
Other components of equity:		
<i>Capital reserves</i>	36,619	
<i>Share premium</i>	803	
<i>Remeasurement of pension assets and liabilities</i>	7,497	
<i>Fair Value through Other Comprehensive Income reserve</i>	35,015	
<i>AT1 equity issuance</i>	141,953	
Total other components of equity		221,887
Retained earnings		
<i>Opening</i>	493,712	
<i>Net profit</i>	93,711	
Audited retained earnings at 31 October		587,423
Total equity		1,307,306
Adjustments to CET1 due to prudential filters		
<i>Value adjustments due to the requirements for prudent valuation</i>		(11,931)
Transitional adjustments due to IFRS9		774
Deductions of CET1 Capital		
<i>Other intangible assets</i>	-	
<i>Deferred tax liabilities associated to other intangible assets</i>	-	
<i>Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities</i>	-	
<i>Defined benefit pension assets</i>	(19,400)	
<i>Deferred tax liabilities associated to defined benefit pension assets</i>	5,063	
<i>Deduction of holdings Common Equity Tier 1 instruments where an institution does not have a significant investment in a financial sector entity</i>	-	
Total CET1 deductions		(14,337)
Total Fully Loaded Tier 1 Capital		1,281,813
Tier 2 Capital		
Subordinated loans		235,091
<i>Deduction of holdings Tier 2 instruments where an institution does not have a significant investment in a financial sector entity</i>	-	
Total Tier 2 deductions		-
Total Fully Loaded Tier 2 Capital		235,091
Fully Loaded Own Funds		1,516,904

Table 2 Transitional own funds disclosure (Table 4 in 2018 Pillar 3)

Common Equity Tier 1 capital: instruments and reserves	30 April 2019 £'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	587,423	-	587,423
Accumulated other comprehensive income (and any other reserves)	79,131	-	79,131
Common Equity Tier 1 (CET1) capital before regulatory adjustments	1,165,353	-	1,165,353
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
Additional value adjustments	(14,905)	-	(14,905)
Goodwill and Other intangible assets (net of related tax liability)	-	-	-
Defined-benefit pension fund assets (net of related tax liability)	(14,510)	-	(14,510)
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)	-	-	-
Transitional adjustments due to IFRS9	692	(692)	-
Total regulatory adjustments to Common Equity Tier 1 (CET1)	(28,723)	(692)	(29,415)
Common Equity Tier 1 (CET1) capital	1,136,630	(692)	1,135,938
Additional Tier 1 (AT1) capital	141,953	-	141,953
Tier 1 capital (T1 = CET1 + AT1)	1,278,583	(692)	1,277,891
Tier 2 (T2) capital: instruments and provisions			
Subordinated loans	230,397	-	230,397
Credit risk adjustments	-	-	-
Tier 2 (T2) capital before regulatory adjustment	230,397	-	230,397
Tier 2 (T2) capital	230,397	-	230,397
Total capital (TC = T1 + T2)	1,508,980	(692)	1,508,288
Total risk-weighted exposures	7,788,964		
Capital ratios and buffers			
Common Equity Tier 1 ratio	14.6%		
Tier 1 ratio	16.4%		
Total capital ratio	19.4%		
Institution specific buffer requirement	221,212		
of which: capital conservation buffer requirement	194,724		
of which: countercyclical buffer requirement	26,488		
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	10.1%		
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 2018 £'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	587,423	-	587,423
Accumulated other comprehensive income (and any other reserves)	79,131	-	79,131
Common Equity Tier 1 (CET1) capital before regulatory adjustments	1,165,353	-	1,165,353
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
Additional value adjustments	(11,931)	-	(11,931)
Goodwill and Other intangible assets (net of related tax liability)	-	-	-
Defined-benefit pension fund assets (net of related tax liability)	(14,337)	-	(14,337)
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)	-	-	-
Transitional adjustments due to IFRS9	774	(774)	-
Total regulatory adjustments to Common Equity Tier 1 (CET1)	(25,493)	(774)	(26,267)
Common Equity Tier 1 (CET1) capital	1,139,860	(774)	1,139,086
Additional Tier 1 (AT1) capital	141,953	-	141,953
Tier 1 capital (T1 = CET1 + AT1)	1,281,813	(774)	1,281,039
Tier 2 (T2) capital: instruments and provisions			
Subordinated loans	235,091	-	235,091
Credit risk adjustments	-	-	-
Tier 2 (T2) capital before regulatory adjustment	235,091	-	235,091
Tier 2 (T2) capital	235,091	-	235,091
Total capital (TC = T1 + T2)	1,516,904	(774)	1,516,130
Total risk-weighted exposures	7,977,954		
Capital ratios and buffers			
Common Equity Tier 1 ratio	14.3%		
Tier 1 ratio	16.1%		
Total capital ratio	19.0%		
Institution specific buffer requirement	162,981		
of which: capital conservation buffer requirement	149,587		
of which: countercyclical buffer requirement	13,394		
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	9.8%		
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	-		
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)	-		

Table 3: Transitional arrangements for IFRS9

	30 April 2019
	£'000
Available capital (amounts)	
Common Equity Tier 1 (CET1) capital	1,136,630
Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	1,135,938
Tier 1 capital	1,278,583
Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	1,277,891
Total capital	1,508,980
Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	1,508,288
Risk-weighted assets (amounts)	
Total risk-weighted assets	7,788,964
Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	7,787,661
Capital ratios	
Common Equity Tier 1 (as a percentage of risk exposure amount)	14.6%
Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.6%
Tier 1 (as a percentage of risk exposure amount)	16.4%
Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	16.4%
Total capital (as a percentage of risk exposure amount)	19.4%
Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	19.4%
Leverage ratio	
Leverage ratio total exposure measure	43,755,242
Leverage ratio	2.92%
Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	2.92%
31 October 2018	
£'000	
Available capital (amounts)	
Common Equity Tier 1 (CET1) capital	1,139,859
Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	1,139,086
Tier 1 capital	1,281,812
Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	1,281,039
Total capital	1,516,904
Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	1,516,130
Risk-weighted assets (amounts)	
Total risk-weighted assets	7,977,954
Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	7,976,988
Capital ratios	
Common Equity Tier 1 (as a percentage of risk exposure amount)	14.3%
Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.3%
Tier 1 (as a percentage of risk exposure amount)	16.1%
Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	16.1%
Total capital (as a percentage of risk exposure amount)	19.0%
Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	19.0%
Leverage ratio	
Leverage ratio total exposure measure	46,509,827
Leverage ratio	2.76%
Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	2.75%

3.4 Leverage Ratio

Table 4: Leverage ratio disclosure (Table 8 in 2018 Pillar 3)

30 April 2019	
£'000	
Summary reconciliation of accounting assets and leverage ratio exposures	
	Applicable Amounts
Total assets	47,896,599
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	(784,769)
Adjustments for securities financing transactions "SFTs"	(4,905,902)
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	1,368,752
(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	180,562
Total leverage ratio exposure	43,755,242
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)	20,838,659
(Asset amounts deducted in determining Tier 1 capital)	(19,634)
Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	20,819,025
Derivative exposures	
Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	306,393
Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	1,198,688
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	2,408,929
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(2,379,276)
Total derivative exposures	1,534,736
Securities financing transaction exposures	
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	30,296,820
(Netted amounts of cash payables and cash receivables of gross SFT assets)	(10,979,650)
Counterparty credit risk exposure for SFT assets	715,558
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	20,032,729
Other off-balance sheet exposures	
Off-balance sheet exposures at gross notional amount	2,689,304
(Adjustments for conversion to credit equivalent amounts)	(1,320,551)
Total other off-balance sheet exposures	1,368,752
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	1,278,583
Total leverage ratio exposures	43,755,242
Leverage ratio	2.92%
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	-

31 October 2018

£'000

Summary reconciliation of accounting assets and leverage ratio exposures

	Applicable Amounts
Total assets as per published financial statements	48,518,274
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	(992,210)
Adjustments for securities financing transactions "SFTs"	(3,845,675)
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	3,335,682
(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	(506,244)
Total leverage ratio exposure	46,509,827

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)	20,613,069
(Asset amounts deducted in determining Tier 1 capital)	(12,387)
Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	20,600,682
Derivative exposures	
Replacement cost associated with <i>all</i> derivatives transactions (ie net of eligible cash variation margin)	499,031
Add-on amounts for PFE associated with <i>all</i> derivatives transactions (mark-to-market method)	1,008,029
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	1,497,335
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(1,477,884)
Total derivative exposures	1,526,511
Securities financing transaction exposures	
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	30,016,236
(Netted amounts of cash payables and cash receivables of gross SFT assets)	(9,533,882)
Counterparty credit risk exposure for SFT assets	709,424
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	21,191,778
Other off-balance sheet exposures	
Off-balance sheet exposures at gross notional amount	6,334,959
(Adjustments for conversion to credit equivalent amounts)	(3,144,103)
Total other off-balance sheet exposures	3,190,856
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	1,281,812
Total leverage ratio exposures	46,509,827
Leverage ratio	2.76%
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 5: Risk exposure amount by risk type and calculation approach adopted (Table 9 in 2018 Pillar 3)

As at 30 April 2019	Risk-weighted Exposure	CET1 Capital requirement @ 4.5%	Tier 1 Capital requirement @ 6%	Total Capital requirement @8%
<i>£'000</i>				
Risk-weighted exposure amounts for credit and counterparty credit				
<i>Calculated under the Standardised Approach</i>				
Central governments or central banks	4	-	-	-
Regional governments or local authorities	20,200	909	1,212	1,616
Public sector entities	127,294	5,728	7,638	10,184
Institutions	1,022,751	46,024	61,365	81,820
Corporates	3,169,841	142,643	190,190	253,587
Secured by mortgages on immovable property	219,121	9,860	13,147	17,530
Equity	48,290	2,173	2,897	3,863
Other items	6,976	314	419	558
	<u>4,614,477</u>	<u>207,651</u>	<u>276,868</u>	<u>369,158</u>
Risk exposure amount for contributions to the default fund of a CCP	40,109	1,805	2,407	3,209
	<u>4,654,586</u>	<u>209,456</u>	<u>279,275</u>	<u>372,367</u>
Risk-weighted exposure amount settlement/delivery risk in the Trading book	1,638	74	98	131
Risk-weighted exposure amount for position, foreign exchange and commodities risks				
<i>Calculated under the Standardised Approach</i>				
Interest Rate	2,252,600	101,367	135,156	180,208
Equity	29,075	1,308	1,745	2,326
Foreign Exchange	44,150	1,987	2,649	3,532
Commodities	7,263	327	436	581
	<u>2,333,088</u>	<u>104,989</u>	<u>139,985</u>	<u>186,647</u>
Risk-weighted exposure amount for operational risk				
<i>Calculated under the Basic Indicator Approach</i>				
	794,628	35,758	47,678	63,570
Risk-weighted exposure amount for credit valuation adjustment				
<i>Calculated under the Standardised Method</i>				
	5,025	226	302	402
Total	7,788,964	350,503	467,338	623,117
Surplus CET1 Capital over the minimum requirement		786,127		
Surplus Tier1 Capital over the minimum requirement			811,246	
Surplus Total Capital over the minimum requirement				885,863

As at 31 October 2018

	Risk-weighted Exposure	CET1 Capital requirement @ 4.5%	Tier 1 Capital requirement @ 6%	Total Capital requirement @8%
<i>£'000</i>				
Risk-weighted exposure amounts for credit and counterparty credit				
<i>Calculated under the Standardised Approach</i>				
Central governments or central banks	36,396	1,638	2,184	2,912
Regional governments or local authorities	20,100	905	1,206	1,608
Public sector entities	94,521	4,253	5,671	7,562
Multilateral Development Banks	-	-	-	-
Institutions	754,509	33,953	45,271	60,361
Corporates	3,461,068	155,748	207,664	276,885
Secured by mortgages on immovable property	230,681	10,381	13,841	18,454
Equity	46,238	2,081	2,774	3,699
Other items	12,097	544	726	968
	<u>4,655,610</u>	<u>209,502</u>	<u>279,337</u>	<u>372,449</u>
Risk exposure amount for contributions to the default fund of a CCP	35,672	1,605	2,140	2,854
	<u>4,691,282</u>	<u>211,108</u>	<u>281,477</u>	<u>375,303</u>
Risk-weighted exposure amount settlement/delivery risk in the Trading book	1,789	81	107	143
Risk-weighted exposure amount for position, foreign exchange and commodities risks				
<i>Calculated under the Standardised Approach</i>				
Interest Rate	2,266,363	101,986	135,982	181,309
Equity	48,957	2,203	2,937	3,917
Foreign Exchange	163,545	7,360	9,813	13,084
Commodities	4,819	217	289	385
	<u>2,483,684</u>	<u>111,766</u>	<u>149,021</u>	<u>198,695</u>
Risk-weighted exposure amount for operational risk	794,628	35,758	47,678	63,570
<i>Calculated under the Basic Indicator Approach</i>				
Risk-weighted exposure amount for credit valuation adjustment	6,571	296	394	526
<i>Calculated under the Standardised Method</i>				
Total	7,977,954	359,008	478,677	638,236
Surplus CET1 Capital over the minimum requirement		780,851		
Surplus Tier1 Capital over the minimum requirement			803,135	
Surplus Total Capital over the minimum requirement				878,667

5.0 Credit Risk

Table 6: Risk exposure amounts by banking and trading activities (Table 10 in 2018 Pillar 3)

As at 30 April 2019			
£'000			
	Banking	Trading	Total
Risk-weighted exposure amounts for credit and counterparty credit			
<i>Calculated under the Standardised Approach</i>			
Central governments or central banks	-	4	4
Regional governments or local authorities	20,200	-	20,200
Public sector entities	115,028	12,266	127,294
Institutions	153,185	869,567	1,022,751
Corporates	2,076,610	1,093,232	3,169,841
Secured by mortgages on immovable property	219,121	-	219,121
Equity	48,931	-	48,931
Other items	6,335	-	6,335
	<u>2,639,409</u>	<u>1,975,068</u>	<u>4,614,477</u>
Risk exposure amount for contributions to the default fund of a CCP	-	40,109	40,109
	<u>2,639,409</u>	<u>2,015,177</u>	<u>4,654,586</u>
Risk-weighted exposure amount settlement/delivery risk in the Trading book	-	<u>1,638</u>	<u>1,638</u>
Total	<u>2,639,409</u>	<u>2,016,814</u>	<u>4,656,224</u>
As at 31 October 2018			
£'000			
	Banking	Trading	Total
Risk-weighted exposure amounts for credit and counterparty credit			
<i>Calculated under the Standardised Approach</i>			
Central governments or central banks	33,300	3,096	36,396
Regional governments or local authorities	20,100	-	20,100
Public sector entities	92,576	1,945	94,521
Institutions	138,073	616,437	754,509
Corporates	2,179,874	1,281,194	3,461,068
Secured by mortgages on immovable property	230,681	-	230,681
Equity	46,238	-	46,238
Other items	12,097	-	12,097
	<u>2,752,938</u>	<u>1,902,672</u>	<u>4,655,610</u>
Risk exposure amount for contributions to the default fund of a CCP	-	35,672	35,672
	<u>2,752,938</u>	<u>1,938,344</u>	<u>4,691,282</u>
Risk-weighted exposure amount settlement/delivery risk in the Trading book	-	<u>1,789</u>	<u>1,789</u>
Total	<u>2,752,938</u>	<u>1,940,134</u>	<u>4,693,071</u>

Table 7: Gross credit exposures within the banking book (Table 11 in 2018 Pillar 3)

As at 30 April 2019

£'000

Exposure amounts for credit risk in the banking book

	Gross Exposure	Credit Risk Provisions	Final Exposure	Risk-weighted Exposure
<u>On balance sheet exposures</u>				
Central governments or central banks	4,135,219	-	4,135,219	-
Regional governments or local authorities	101,000	-	101,000	20,200
Public sector entities	275,622	-	275,622	115,028
Institutions	492,960	-	492,960	102,630
Corporates	3,816,884	(1,150)	1,740,010	1,434,100
Secured by mortgages on immovable property	532,858	-	517,704	207,354
Equity	48,931	-	48,931	48,931
Other items	6,340	-	6,340	6,335
	10,084,731	(1,150)	7,992,703	1,934,578
<u>Off balance sheet exposures</u>				
Central governments or central banks	-	-	-	-
Public sector entities	-	-	-	-
Multilateral Development Banks	-	-	-	-
Institutions	29,505	-	16,660	50,554
Corporates	2,600,443	(254)	755,976	642,510
Secured by mortgages on immovable property	59,288	-	15,383	11,767
Equity	-	-	-	-
Other items	-	-	-	-
	2,689,235	(254)	788,019	704,831
Total	12,773,967	(1,404)	8,780,722	2,639,409
Small and medium enterprises included in Corporates	-	-	-	-

As at 31 October 2018

£'000

Exposure amounts for credit risk in the banking book

	Gross Exposure	Credit Risk Provisions	Final Exposure	Risk-weighted Exposure
<u>On balance sheet exposures</u>				
Central governments or central banks	4,566,851	-	4,566,851	33,300
Regional governments or local authorities	100,000	-	100,000	20,100
Public sector entities	197,843	-	197,843	92,576
Multilateral Development Banks	425,000	-	425,000	-
Institutions	228,773	-	228,773	46,115
Corporates	3,355,773	(751)	1,393,742	1,242,353
Secured by mortgages on immovable property	592,803	-	574,475	218,209
Equity	46,238	-	46,238	46,238
Other items	4,955	-	4,955	12,097
	9,518,237	(751)	7,537,878	1,710,988
<u>Off balance sheet exposures</u>				
Central governments or central banks	107,300	-	53,700	-
Regional governments or local authorities	-	-	-	-
Public sector entities	-	-	-	-
Multilateral Development Banks	-	-	-	-
Institutions	25,102	-	18,180	91,958
Corporates	6,205,341	(226)	1,191,907	937,521
Secured by mortgages on immovable property	61,567	-	17,396	12,472
Equity	-	-	-	-
Other items	-	-	-	-
	6,399,310	(226)	1,281,183	1,041,950
Total	15,917,546	(978)	8,819,061	2,752,938
Small and medium enterprises included in Corporates	-	-	-	-

Table 8: Reconciliation of provision for credit losses (Table 20 in 2018 Pillar 3)

	30 April 2019 (Under IFRS 9) £'000	31 October 2018 (Under IFRS 9) £'000
Provisions brought forward	4,543	5,084
Provisions raised during the period	3,498	1,495
Net write-offs	-	(2,142)
Exchange rate and other	-	106
Provisions as at period end	<u>8,041</u>	<u>4,543</u>

No specific adjustments were proposed as at 30 April 2019 (2018: nil).

Table 9: Trading credit risk (Table 21 in 2018 Pillar 3)

As at 30 April 2019

£'000

Counterparty credit risk exposure by products	Gross Exposure	Final Exposure	Risk- weighted Exposure
<i>Calculated under the Standardised Approach</i>			
Exchange traded derivatives	1,258,641	825,925	123,478
OTC derivatives	537,214	30,781	5,999
SFTs	<u>3,561,909</u>	<u>3,561,909</u>	<u>1,845,591</u>
Total	<u>5,357,764</u>	<u>4,418,614</u>	<u>1,975,068</u>

As at 31 October 2018

£'000

Counterparty credit risk exposure by products	Gross Exposure	Final Exposure	Risk- weighted Exposure
<i>Calculated under the Standardised Approach</i>			
Exchange traded derivatives	1,181,319	971,849	186,557
OTC derivatives	568,364	26,812	6,096
SFTs	<u>3,098,157</u>	<u>3,098,157</u>	<u>1,710,018</u>
Total	<u>4,847,840</u>	<u>4,096,818</u>	<u>1,902,672</u>

Table 10: Counterparty credit risk by exposure class (Table 22 in 2018 Pillar 3)**As at 30 April 2019**

£'000

Exposure amounts for counterparty credit risk in trading book

	Gross Exposure	Final Exposure	Risk- weighted Exposure
<i><u>Calculated under the Standardised Approach</u></i>			
Central governments or central banks	60,501	60,501	4
International Organisation	6,556	6,556	-
Public sector entities	61,330	61,330	12,266
Institutions	3,923,219	3,004,594	869,567
Corporates	1,306,159	1,285,633	1,093,232
Total	<u>5,357,764</u>	<u>4,418,614</u>	<u>1,975,068</u>
Small and medium enterprises, included in Corporates	-	-	-

As at 31 October 2018

£'000

Exposure amounts for counterparty credit risk in trading book

	Gross Exposure	Final Exposure	Risk- weighted Exposure
<i><u>Calculated under the Standardised Approach</u></i>			
Central governments or central banks	228,847	228,847	3,096
International organisations	26,017	26,017	-
Public sector entities	9,727	9,727	1,945
Institutions	3,138,598	2,413,081	616,437
Corporates	1,444,651	1,419,146	1,281,194
Total	<u>4,847,840</u>	<u>4,096,818</u>	<u>1,902,672</u>
Small and medium enterprises, included in Corporates	-	-	-

Table 11: Exposures amounts subjected to the use of the ECAIs (Table 32 in 2018 Pillar 3)

As at 30 April 2019

£'000	Gross Exposure	Final Exposure	Risk-weighted Exposures
Exposure amounts subject to the use of the ECAIs			
Central governments or central banks	298,700	298,700	-
Regional governments or local authorities	101,000	101,000	20,200
Public sector entities	273,500	273,500	114,604
Multilateral Development Banks	674,917	674,917	-
Institutions	2,707,900	1,831,846	621,607
Corporates	<u>1,735,267</u>	<u>1,048,319</u>	<u>583,283</u>
Total	<u>5,791,284</u>	<u>4,228,282</u>	<u>1,339,693</u>

As at 31 October 2018

£'000	Gross Exposure	Final Exposure	Risk-weighted Exposures
Exposure amounts subject to the use of the ECAIs			
Central governments or central banks	184,609	131,009	-
Regional governments or local authorities	100,000	100,000	20,100
Public sector entities	196,900	196,900	92,387
Multilateral Development Banks	425,000	425,000	-
Institutions	1,875,534	1,172,236	393,548
Corporates	<u>5,062,767</u>	<u>1,195,259</u>	<u>780,851</u>
Total	<u>7,844,810</u>	<u>3,220,405</u>	<u>1,286,886</u>

6.0 Market Risk

Table 12: Market risk by risk type (Table 34 in 2018 Pillar 3)

As at 30 April 2019

£'000	Risk-weighted Exposure	Capital Requirement
Interest rate risk	2,252,600	180,208
<i>of which: Securitisation position risk</i>	5,776	462
Equity risk	29,075	2,326
Foreign-exchange risk	44,150	3,532
Settlement risk	-	-
Commodities risk	<u>7,263</u>	<u>581</u>
	<u>2,333,088</u>	<u>186,647</u>

As at 31 October 2018

£'000	Risk-weighted Exposure	Capital Requirement
Interest rate risk	2,266,363	181,309
<i>of which: Securitisation position risk</i>	4,622	370
Equity risk	48,957	3,917
Foreign-exchange risk	163,545	13,084
Settlement risk	-	-
Commodities risk	<u>4,819</u>	<u>385</u>
	<u>2,483,684</u>	<u>198,695</u>

6.1 Securitisations

Table 13: Exposures by underlying exposure type (Table 35 in 2018 Pillar 3)

As at 30 April 2019

£'000

Exposure Type	Exposure	Risk-weighted Exposure	Capital Requirement
<i>Traditional securitisation</i>			
Residential mortgages	6,008	1,202	96
Credit card receivables	-	-	-
Consumer loans	-	-	-
Other assets	22,873	4,575	366
	28,881	5,776	462

As at 31 October 2018

£'000

Exposure Type	Exposure	Risk-weighted Exposure	Capital Requirement
<i>Traditional securitisation</i>			
Residential mortgages	-	-	-
Credit card receivables	-	-	-
Consumer loans	-	-	-
Other assets	23,110	4,622	370
	23,110	4,622	370

Table 14: Securitisation exposures by seniority (Table 36 in 2018 Pillar 3)

As at 30 April 2019			
<i>£'000</i>			
Tranche	Exposure	Risk-weighted Exposure	Capital Requirement
Senior	22,873	4,575	366
Mezzanine	6,008	1,202	96
First loss	-	-	-
	<u>28,881</u>	<u>5,776</u>	<u>462</u>

As at 31 October 2018			
<i>£'000</i>			
Tranche	Exposure	Risk-weighted Exposure	Capital Requirement
Senior	21,338	4,268	341
Mezzanine	1,773	355	28
First loss	-	-	-
	<u>23,110</u>	<u>4,622</u>	<u>370</u>

7.0 Operational Risk

No update required.

8.0 Non-trading Book Equity Exposures

Table 15: Non-trading book equity exposures (Table 38 in 2018 Pillar 3)

<i>£'000</i>	30 April 2019 Unlisted	31 October 2018 Unlisted
Cost	925	925
Accumulated unrealised gains	<u>45,313</u>	<u>44,532</u>
	46,238	45,457
Realised gains/(losses)	-	-
Unrealised gains/(losses)	<u>2,052</u>	<u>781</u>
Total	<u>48,290</u>	<u>46,238</u>
Accumulated unrealised gains	47,365	45,313
Less: Deferred tax	<u>(11,377)</u>	<u>(10,884)</u>
AFS reserve	<u>35,988</u>	<u>34,429</u>

9.0 Interest Rate Risk in the Banking Book

No update required.

10.0 Liquidity Risk

No update required.

11.0 Remuneration

No update required.

12.0 Appendices

12.1 Appendix 1: Board Membership

Update to Executive Directors- CFO.

Director	Role	Biography
Peter Dixon (Residency: UK)	Chief Financial Officer, Europe	<p>Peter is the CFO, Europe and is based in London. Peter joined RBC from Nomura where he was Controller and Head of Regulatory Reporting for the EMEA region. Prior to joining Nomura in November 2017 Peter had spent 14 years at the Toronto Dominion Bank Group (TD), most recently in London as Chief Financial Officer for the UK and European businesses of TD Securities and Wealth including the online brokerage TD Direct Investing. As well as spending eight years with TD Securities in London during his career at TD Peter was CFO for TD Securities in the US & Caribbean based in New York and also spent 3 years as CFO for TD's business in Dublin, Ireland.</p> <p>Peter is a qualified Chartered Accountant who trained at PWC and has extensive experience in Financial Services having also held roles at Merrill Lynch and Abn Amro before joining TD Bank.</p>