

## RBC Finance BV Group Pillar 3 Limited Disclosures – 31 October 2011

This document forms part of the Pillar 3 Limited Disclosures for RBC BV Group and provides further analysis of RBC BV Group's exposure to credit risk as at 31 October 2011.

### Analysis of Credit risk exposures

The gross banking book exposures (before credit risk mitigation) and the average for the year ended 31 October 2011 are summarised below:

<b>Breakdown under the Standardised Approach by exposure classes</b>	<b>Average* Gross Exposure</b>	<b>£mm Total Gross Exposure</b>
Central governments or central banks	129	172
Institutions	4,427	4,532
Corporates	1,686	1,973
Retail	301	396
Secured on real estate property	2	2
Short term claims on institutions and corporates	17	18
Other items	374	377
<b>Total</b>	<b>6,936</b>	<b>7,470</b>

\* Average Gross exposures are based on two preceding half-yearly observations.

The geographical distribution of the above exposures was materially in Europe.

The distribution of the exposures by industry and exposure classes is as follows:

<b>Breakdown under the Standardised Approach by exposure classes</b>	<b>Finan- cial services</b>	<b>Real Estate and related</b>	<b>Mining and Metal</b>	<b>Energy</b>	<b>Retail</b>	<b>Other</b>	<b>£mm Total Gross Expo- sure</b>
Central Govt or central banks						172	172
Institutions	4,532						4,532
Corporates	1,390	93	69	59		362	1,973
Retail					160	236	396
Secured on real estate property					2		2
Short term claims on institutions and corporates	18						18
Other items	25					352	377
<b>Total</b>	<b>5,964</b>	<b>93</b>	<b>69</b>	<b>59</b>	<b>162</b>	<b>1,123</b>	<b>7,470</b>

The distribution of the exposures by residual maturity is as follows:

	One year or less or undated	Over one year not exceeding five years	Over five years	<i>£mm</i> Total
<b>Breakdown under the Standardised Approach by exposure classes</b>				
Central governments or central banks	82	90		172
Institutions	4,432	99		4,532
Corporates	870	905	198	1,973
Retail	385	12		396
Secured on real estate property	2			2
Short term claims on institutions and corporates	18			18
Other items	352		25	377
<b>Total</b>	<b>6,142</b>	<b>1,106</b>	<b>223</b>	<b>7,470</b>

### Impaired and past due exposures

A financial asset (loan and receivable) is defined as past due when a counterparty has failed to make a payment when contractually due.

Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after initial recognition of the financial assets, the estimated cash flows of the investment have been impacted.

Details of the criteria used by the Group to determine objective evidence of an impairment loss can be found in notes 2(l) of the RBCEL Annual Financial statements.

None of the BV Group's banking book exposures as at 31 October 2011 is considered past due.

Total impaired exposures as of 31 October 2011 amounted to GBP 7.15mn (2010: GBP 7.20mn, movement being due to currency fluctuations). This related to an exposure to a counterparty in the Financial Services sector. A provision of GBP 7.15mn was carried for this exposure as at 31 October 2011 (2010: GBP 7.20mn).