

RBC Finance BV Group Pillar 3 Limited Disclosures – 31 October 2012

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 2012.

Analysis of Credit risk exposures

The gross banking book exposures (before credit risk mitigation) and the average for the year ended 31 October 2012 are summarised below:

Breakdown under the Standardised Approach by exposure classes	2012		2011	
	Average* Gross Exposure	Total Gross Exposure	Average* Gross Exposure	Total Gross Exposure
Central governments or central banks	1,291	2,406	129	172
Institutions	4,709	4,529	4,427	4,532
Corporates	1,792	1,791	1,686	1,973
Retail	505	549	301	396
Secured on real estate property	533	628	2	2
Short term claims on institutions and corporates	19	19	17	18
Other items	394	419	374	377
Total	7,807	10,342	6,936	7,470

* 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:

Breakdown under the Standardised Approach by exposure classes				Total Exposure
	Financial Services	Retail	Other	
Central governments or central banks	2,242	-	164	2,406
Institutions	4,529	-	-	4,529
Corporates	244	-	1,548	1,791
Retail	-	549	-	549
Secured on real estate property	-	628	-	628
Short term claims on institutions and corporates	6	-	13	19
Collective investment undertakings	-	-	-	-
Other items	192	-	227	419
Total	7,213	1,177	1,951	10,342

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	£mm Total
Breakdown under the Standardised Approach by exposure classes				
Central governments or central banks	2,379	27	-	2,406
Institutions	4,368	161	-	4,529
Corporates	402	1,210	179	1,791
Retail	322	227	-	549
Secured on real estate property	38	585	6	628
Short term claims on institutions and corporates	19	-	-	19
Other items	234	-	185	419
Total	7,761	2,210	371	10,342

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 3(a) of the RBCEL Annual Financial statements.

None of the BV Group's banking book exposures as at 31 October 2012 is considered past due or impaired (2011: GBP 7.15m).

During the year ended 31 October 2012, BV Group has written off an exposure of GBP 7.15m to a counterparty in the Financial Services sector (2011: Nil).