

# Pillar 3 Report

## Semi-annual H1 2020

***RBC Investor Services Bank S.A.***

REPORT DATE: 30 APRIL 2020

ASSESSMENT DATE: 30 APRIL 2020

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## List of Acronyms

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AFS	Available For Sale
AIFMD	Alternative Investment Fund Management Directive
AIRB	Advanced Internal Rating Based
ALCO	Assets & Liabilities Committee
ALM	Asset-Liability Management
AML	Anti-Money Laundering
BCM	Business Continuity Management
BCP	Business Continuity Plan
BoD	Board of Directors
BPS	Basis points
BRRD	Banking Recovery and Resolution Directive
CBL	Central Bank of Luxembourg
CDS	Credit Default Swap
CEO	Chief Executive Officer
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
COO	Chief Operating Officer
CRD	Capital Requirements Directive
CRO	Chief Risk Officer
CSSF	Commission de Surveillance du Secteur Financier
CT	Corporate Treasury
CVA	Credit Valuation Adjustment
DRP	Disaster Recovery Planning
EAD	Exposure At Default
EBA	European Banking Authority
ECB	European Central Bank
EMIR	European Market Infrastructure Regulation
ERM	Enterprise Risk Management
EORM	Enterprise Operational Risk Management
ESRB	European Systemic Risk Board
EVE	Economic Value of Equity
ExCo	Executive Committee
FX	Foreign Exchange
GRM	Group Risk Management
GTCM	Global Trading Credit Management
GTI	Global Technology Infrastructure
HQLA	High Quality Liquid Asset
ICAAP	Internal Capital Adequacy Assessment Process
ICCM	Institutional Client and Credit Management
ILAAP	Internal Liquidity Adequacy Assessment Process
IRRBB	Interest Rate Risk in the Banking Book

JST	Joint Supervisory Team
KRI	Key Risk Indicator
LCP	Liquidity Contingency Plan
LCR	Liquidity Coverage Ratio
LCT	Liquidity Crisis Team
MTM	Mark To Market
NIBT	Net Interest Before Taxes
NIE	Non-Interest Expense
NII	Non-Interest Income
NPL	Non Performing Loan
NSFR	Net Stable Funding Ratio
OCR	Overall Capital Ratio
OSFI	Office of the Superintendent of Financial Institutions
P2G	Pillar 2 Guidance
P2R	Pillar 2 Requirement
P&L	Profit and Loss
PA&C	Positive Advice and Counsel
PD	Probability of default
RAF	Risk Appetite Framework
RAS	Risk Appetite Statement
REPE	Real Estate Private Equity
REPO	Repurchase Agreement
ROE	Return on Equity
RP	Recovery Plan
RPCC	Recovery Plan Crisis Committee
RPI	Recovery Plan Indicators
RSF	Required stable funding
RWA	Risk-Weighted Assets
SIRR	Structural Interest rate risk
SLA	Service Level Agreement
SREP	Supervisory Review and Evaluation Process
SSA	Sovereign supranational agency
SSM	Single Supervisory Mechanism
SWIFT	Society for Worldwide Interbank Financial
TMS	Treasury and Market Services
TSCR	Total SREP Capital Ratio
VaR	Value at Risk
YoY	Year over Year
YTD	Year To Date

## EBA tables and templates<sup>1</sup>

RBCIS Bank applies the Title VII (Disclosures to be provided more frequently than annually) of the EBA Guideline 2014/14 as amended by the EBA/GL/2016/11.

RBCIS Bank will have to release the following information more frequently than annually because the Bank's 4-year average of total assets exceeds 20% of the 4-year average of Luxembourg GDP.

Additionally, RBCIS Bank was designated as an Other Systematically Important Institution by the CSSF in its letter dated 17 October 2017. As a result, the Bank has to disclose its Capital structure & ratios and its leverage ratio on a quarterly/semi-annually basis.

Templates	Reference	Name	CRR Articles	Reference
1	EU OV1	Overview of RWAs	Article 438 (c)-(f)	Section 1.3
2	EU LR1	Reconciliation of accounting assets and leverage ratio exposures	Article CRR 451 (1)(b)	Section 1.4
3	EU LR2	Leverage ratio common disclosure	Article CRR 451 (1)(b)	Section 1.4
4	EU LR3	Split-up of on balance sheet exposures	Article CRR 451 (1)(b)	Section 1.4
5	EU CR1	Performing and non-performing exposures and related provisions	Article 442 (c)	Section 2.1.1
6	EU CR1-A	Credit quality of exposures by exposure classes and instruments	Article 442 (g)	Section 2.1.1
7	EU-CQ3	Credit quality of performing and non-performing exposures by past due date	Article 442 (c) and (d)	Section 2.2.2
8	EU-CR3	CRM techniques overview: Disclosure of the use of credit risk mitigation techniques	Article 453 (f)-(g)	Section 2.3.3
	EU CR2-A	Changes in the stock of general and specific credit risk adjustments	Article 442 (i)	Not applicable
9	EU CR4	Credit risk exposure and CRM effects	Article 453 (f)-(g)	Section 2.4.2
10	EU CR5	Standardized approach	Article 444 (e)	Section 2.4.3
11	EU CCR1	Analysis of CCR exposure by approach	Article 439 (e, (f), (i) & Article 92 (3)	Section 2.5.2

<sup>1</sup> In accordance with the publication EBA/GL/2016/11 Version 2, EBA/GL/2017/01, EBA/GL/2015/22 and BCBS Pillar 3 disclosure requirements – consolidated and enhanced framework (IRRBB section)

Templates	Reference	Name	CRR Articles	Reference
12	EU CCR2	CVA Capital charge	Article 439 (e)-(f)	Section 2.5.3
	EU CCR8	Exposures to CCPs	Article 439 (e)-(f)	Not applicable
13	EU CCR3	Standardized approach – CCR exposures by regulatory portfolio and risk	Article 444 (e)	Section 2.5.5
14	EU CCR5-A	Impact of netting and collateral held on exposures values	Article 439 (e)	Section 2.5.6
	EU CCR5-B	Composition of collateral for exposures to CCR	Article 439 (e)	Not applicable
15	EU MR1	Market risk under the standardized approach	Article 455	Section 3.2

## Note to Readers

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RBC Investor Services Bank S.A., hereafter referred to as the “Bank” or “RBCIS Bank”, is a banking group headquartered in Luxembourg, part of the RBC Investor & Treasury Services business segment of Royal Bank of Canada.

RBC Investor Services Bank S.A. is the principal Eurozone subsidiary of Royal Bank of Canada (“RBC”). RBCIS Bank is headquartered in Luxembourg and operates through branches in Ireland, United Kingdom, Italy and Switzerland as well as Subsidiaries in France, Ireland, Belgium, United Kingdom, Hong Kong, Malaysia and Singapore. RBCIS Bank is independently capitalized and is rated AA- by Standard & Poor’s.

As a European significant banking group incorporated in Luxembourg, RBCIS Bank is directly subject to the prudential supervision of the European Central Bank (ECB). This report meets the consolidated disclosure requirements, or Pillar 3 disclosures, enclosed in Part Eight of the Regulation (EU) No 575/2013, known as the Capital Requirements Regulation (CRR), the circular CSSF 14/583, the CSSF Regulation 18-03 (abrogating CSSF Regulation 14-01), which are the transpositions of the CRR into national law, thereby setting the regulatory prudential framework applicable to credit institutions, and the circular CSSF 17/673 on the adoption of the European Banking Authority (EBA) Guidelines on disclosure requirements under Part Eight of Regulation.

The quantitative tables included in this document are expressed in millions of euros (EURm) unless otherwise stated. Also, these tables may sometimes show small differences due to the use of concealed decimals. These differences do not affect the true and fair view of this document.

Through this report, references are made to the annual financial statements which is filed with the *Registre du Commerce et des Sociétés* in Luxembourg.



## Introduction

The aim of the Pillar 3 Disclosure Report H1 2020 is to give additional specific information on the risk management of RBCIS Bank as of April 30, 2020. This report is in respect of the semi-annual period ended April 30, 2020, including comparative information (where applicable) for the prior semi-annual period and quarter end January 31, 2020 or fiscal year end October 31, 2019.

All tables, diagrams, quantitative information and commentary in this report are unaudited unless otherwise noted.

## Key figures as of April 30, 2020

Table 0-1 - Key figures – Capital ratios

	2018	2019	H1 2020
CET1 Capital ratio	21.35%	25.20%	25.68%
Tier 1 ratio	21.35%	25.20%	25.68%
Total Capital Ratio	21.35%	25.20%	25.68%

Graph 0-1 - Key figures – Leverage ratio

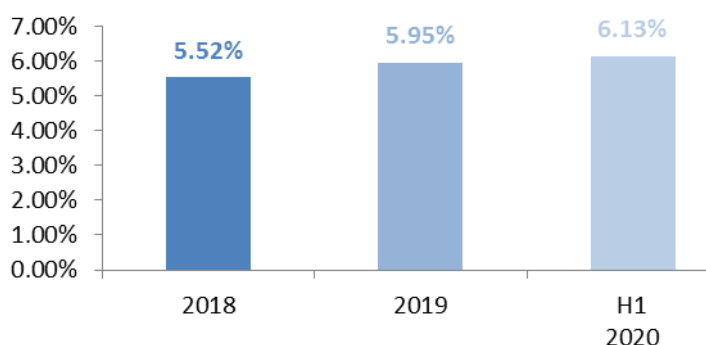
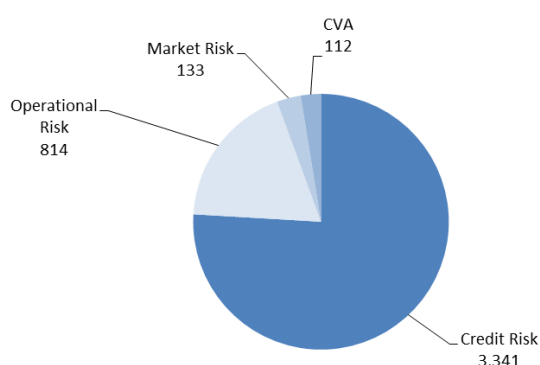


Table 0-2 - Regulatory Capital

EURm	2018	2019	H1 2020
CET1	1,042.9	1,112.5	1,130.0
Additional Tier 1	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
<b>Total</b>	<b>1,042.9</b>	<b>1,112.5</b>	<b>1,130.0</b>

Graph 0-2 - Distribution of RWA's by type



## 1 Own Funds, Capital Adequacy & Group Solvency

### 1.1 Regulatory capital adequacy (Pillar I)

During the half year of 2020, the capital ratios and leverage ratios of RBCIS Bank and its related subsidiaries have complied with the prescribed regulatory requirements.

As at April 30, 2020, the CET1/Total capital ratio of the bank stands at **25.68%** (including 2019 year-end profit) compared to 25.20% as of October 31, 2019.

The Capital ratio increase between October 31, 2019 and April 30, 2020, is mainly driven by the increase of regulatory capital with the inclusion of 2019 profit.

Table 1-1 - RBCIS Bank Eligible Capital and Capital Ratio

EURm	RBCIS Bank Conso Apr 30, 2020	RBCIS Bank Conso Oct 31, 2019
Paid-up capital	554.1	554.1
Eligible Reserves / Retained Earnings	728.9	710.6
Deductions from capital	-150.5	-152.2
Prudential valuation - Additional Value Adjustment	-2.4	0.0
<b>CET 1 / Total Regulatory Capital</b>	<b>1,130.0</b>	<b>1,112.5</b>
Credit Risk	267.3	269.0
Operational Risk	65.1	65.1
Market Risk	10.7	9.2
CVA	8.9	9.9
<b>Total Capital Requirement</b>	<b>352.0</b>	<b>353.1</b>
<b>CET 1/ Total Capital ratio</b>	<b>25.68%</b>	<b>25.20%</b>

## 1.2 Regulatory capital as of April 30, 2020

The following table details the transitional own funds disclosure in accordance with the Annex VI of the Regulation (EU) No 1423/2013:

Table 1-2 - Transitional own funds requirements

		(a) Amount At Disclosure Date	(b) Regulation (eu) No 575/2013 Article Reference	(c) Amounts Subject to Pre-Regulation (eu) no 575/2013 Treatment or Prescribed Residual Amount of Regulation
	% or EURm			
	Common Equity Tier 1 capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	581.5	26 (1), 27, 28, 29, EBA list 26(3)	N/A
	of which: Instrument type 1	N/A	EBA list 26(3)	N/A
	of which: Instrument type 2	N/A	EBA list 26(3)	N/A
	of which: Instrument type 3	N/A	EBA list 26(3)	N/A
2	Retained earnings	514.9	26 (1) (c)	N/A
3	Accumulated other comprehensive income (and any other reserves)	186.5	26 (1)	N/A
3a	Funds for general banking risk	N/A	26 (1) (f)	N/A
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	N/A	486 (2)	N/A
	Public sector capital injections grandfathered until 1 January 2018	N/A	483 (2)	N/A
5	Minority interests (amount allowed in consolidated CET1)	0.0	84, 479, 480	N/A
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	N/A	26 (2)	N/A
<b>6</b>	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>1,283.0</b>		<b>N/A</b>
	Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	-2.4	34, 105	N/A
8	Intangible assets (net of related tax liability) (negative amount)	-150.5	36 (1) (b), 37, 472 (4)	N/A
9	Empty set in the EU	N/A		N/A

		(a) Amount At Disclosure Date	(b) Regulation (eu) No 575/2013 Article Reference	(c) Amounts Subject to Pre-Regulation (eu) no 575/2013 Treatment or Prescribed Residual Amount of Regulation
	% or EURm			
10	Deferred tax assets that rely on future profitability excluding those arising from temporary difference (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	N/A	36 (1) (c), 38, 472 (5)	N/A
11	Fair value reserves related to gains or losses on cash flow hedges		33 (a)	N/A
12	Negative amounts resulting from the calculation of expected loss amounts	N/A	36 (1) (d), 40, 159, 472 (6)	N/A
13	Any increase in equity that results from securitised assets (negative amount)	N/A	32 (1)	N/A
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	N/A	33 (1) (b) (c)	N/A
15	Defined-benefit pension fund assets (negative amount)	N/A	36 (1) (e), 41, 472 (7)	N/A
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	N/A	36 (1) (f), 42, 472 (8)	N/A
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	N/A	36 (1) (g), 44, 472 (9)	N/A
18	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)	N/A	36 (1) (h), 43, 45, 46, 49 (2) (3), 79, 472 (10)	N/A
19	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)	N/A	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79, 470, 472 (11)	N/A
20	Empty set in the EU	N/A		N/A
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	N/A	36 (1) (k)	N/A
20b	of which: qualifying holdings outside the financial sector (negative amount)	N/A	36 (1) (k) (i), 89 to 91	N/A
20c	of which: securitisation positions (negative amount)	N/A	36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258	N/A

		(a) Amount At Disclosure Date	(b) Regulation (eu) No 575/2013 Article Reference	(c) Amounts Subject to Pre-Regulation (eu) no 575/2013 Treatment or Prescribed Residual Amount of Regulation
	% or EURm			
20d	of which: free deliveries (negative amount)	N/A	36 (1) (k) (iii), 379 (3)	N/A
21	Deferred tax assets arising from temporary difference (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	N/A	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	N/A
22	Amount exceeding the 15% threshold (negative amount)	N/A	48 (1)	N/A
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	N/A	36 (1) (i), 48 (1) (b), 470, 472 (11)	N/A
24	Empty set in the EU	N/A		N/A
25	of which: deferred tax assets arising from temporary difference	N/A	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	N/A
25a	Losses for the current financial year (negative amount)	0.0	36 (1) (a), 472 (3)	N/A
25b	Foreseeable tax charges relating to CET1 items (negative amount)	N/A	36 (1) (l)	N/A
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	N/A		N/A
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	N/A		N/A
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre-CRR	N/A	481	N/A
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-0.1	36 (1) (j)	N/A
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-152.9		N/A
<b>29</b>	<b>Common Equity Tier 1 (CET1) capital</b>	<b>1,130.0</b>		<b>N/A</b>
	Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	N/A	51, 52	N/A

		(a) Amount At Disclosure Date	(b) Regulation (eu) No 575/2013 Article Reference	(c) Amounts Subject to Pre-Regulation (eu) no 575/2013 Treatment or Prescribed Residual Amount of Regulation
	% or EURm			
31	of which: classified as equity under applicable accounting standards	N/A		N/A
32	of which: classified as liabilities under applicable accounting standards	N/A		N/A
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	N/A	486 (3)	N/A
	Public sector capital injections grandfathered until 1 January 2018	N/A	483 (3)	N/A
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interest not included in row 5) issued by subsidiaries and held by third parties	N/A	85,86,480	N/A
35	of which: instruments issued by subsidiaries subject to phase-out	N/A	486 (3)	N/A
<b>36</b>	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>0.0</b>		<b>N/A</b>
	Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	N/A	52 (1) (b), 56 (a), 57, 475 (2)	N/A
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to artificially inflate the own funds of the institution (negative amount)	N/A	56 (b), 58, 475 (3)	N/A
39	Direct, indirect and synthetic holdings of the AT1 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)	N/A	56 (c), 59, 60, 79, 475 (4)	N/A
40	Direct, indirect and synthetic holdings of the AT1 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)	N/A	56 (d), 59, 79, 475 (4)	N/A
41	Regulatory adjustments applied to Additional Tier 1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No 585/2013 (i.e. CRR residual amounts)	N/A		N/A

% or EURm		(a) Amount At Disclosure Date	(b) Regulation (eu) No 575/2013 Article Reference	(c) Amounts Subject to Pre-Regulation (eu) no 575/2013 Treatment or Prescribed Residual Amount of Regulation
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	N/A	472, 473(3)(a), 472(4), 472(6), 472(8)(a), 472(9), 472(10)(a), 472(11)(a)	N/A
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	N/A	477, 477(3), 477(4)(a)	N/A
41c	Amounts to be deducted from added to Additional Tier 1 capital with regard to additional filters and deductions required pre-CRR	N/A	467, 468, 481	N/A
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	N/A	56(e)	N/A
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	0.0		N/A
44	Additional Tier 1 (AT1) capital	0.0		N/A
<b>45</b>	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>1,130.0</b>		<b>N/A</b>
	Tier 2 (T2) capital: instruments and provisions			
46	Capital instruments and the related share premium accounts	N/A	62, 63	N/A
47	Amount of qualifying items referred to in Article 484(5) and the related share premium accounts subject to phase out from T2	N/A	486(4)	N/A
	Public sector capital injections grandfathered until 1 January 2018	N/A	483(4)	N/A
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interest and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third party	N/A	87, 88, 480	N/A
49	of which: instruments issued by subsidiaries subject to phase-out	N/A	486(4)	N/A
50	Credit risk adjustments	N/A	62(c) & (d)	N/A
<b>51</b>	<b>Tier 2 (T2) capital before regulatory adjustment</b>	<b>0.0</b>		<b>N/A</b>
	Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	N/A	63(b)(i), 66(a), 67, 477(2)	N/A

% or EURm		(a) Amount At Disclosure Date	(b) Regulation (eu) No 575/2013 Article Reference	(c) Amounts Subject to Pre-Regulation (eu) no 575/2013 Treatment or Prescribed Residual Amount of Regulation
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institutions designed to artificially inflate the own funds of the institution (negative amount)	N/A	66 (b), 68, 477 (3)	N/A
54	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)	N/A	66 (c), 69, 70, 79, 477 (4)	N/A
54a	Of which new holdings not subject to transitional arrangements	N/A		N/A
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements	N/A		N/A
55	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amounts)	N/A	66 (d), 69, 79, 477 (4)	N/A
56	Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	N/A		N/A
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	N/A	472, 472(3)(a), 472(4), 472(6), 472(8), 472(9), 472(10)(a), 472(11)(a)	N/A
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	N/A	475, 475(2)(a), 475(3), 475(4)(a)	N/A
56c	Amounts to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre-CRR	N/A	467, 468, 481	N/A
57	<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	<b>0.0</b>		<b>N/A</b>



% or EURm		(a) Amount At Disclosure Date	(b) Regulation (eu) No 575/2013 Article Reference	(c) Amounts Subject to Pre Regulation (eu) no 575/2013 Treatment or Prescribed Residual Amount of Regulation
<b>58</b>	<b>Tier 2 (T2) capital</b>	<b>0.0</b>		<b>N/A</b>
<b>59</b>	<b>Total capital (TC = T1 + T2)</b>	<b>1,130.0</b>		<b>N/A</b>
59a	Risk-weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amount)	0.0		N/A
	Of which:... items not deducted from CET1 (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc.)	0.0	472, 472 (5), 472 (8)(b), 472 (10)(b), 472 (11)(b)	N/A
	Of which:...items not deducted from AT1 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.)	0.0	475, 475 (2) (b), 475 (2)©, 475 (4)(b)	N/A
	Items not deducted from T2 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities, etc.)	0.0	477, 477 (2) (b), 477 (2)(c), 477 (4)(b)	N/A
<b>60</b>	<b>Total risk-weighted assets</b>	<b>4,400.6</b>		<b>N/A</b>
	Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	25.68%	92 (2) (a), 465	N/A
62	Tier 1 (as a percentage of total risk exposure amount)	25.68%	92 (2) (b), 465	N/A
63	Total capital (as a percentage of total risk exposure amount)	25.68%	92 (2) (c)	N/A
64	Institution-specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements plus a systemic risk buffer, plus systemically important institution buffer expressed as a percentage of total risk exposure amount) 1)	3.17%	CRD 128, 129, 140	N/A

		(a) Amount At Disclosure Date	(b) Regulation (eu) No 575/2013 Article Reference	(c) Amounts Subject to Pre-Regulation (eu) no 575/2013 Treatment or Prescribed Residual Amount of Regulation
	% or EURm			
65	of which: capital conservation buffer requirement	2.50%		N/A
66	of which: countercyclical buffer requirement	0.17%		N/A
67	of which: systemic risk buffer requirement			N/A
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.50%	CRD 131	N/A
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount) 2)	7.67%	CRD 128	N/A
69	[non-relevant in EU regulation]	-		N/A
70	[non-relevant in EU regulation]	-		N/A
71	[non-relevant in EU regulation]	-		N/A
	Amounts below the thresholds for deduction (before risk-weighting)	-		
72	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)	-	36 (1) (h), 45, 46, 472 (10), 56 (c), 59, 60, 475 (4), 66 (c), 69, 70, 477 (4)	N/A
73	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)	-	36 (1) (i), 45, 48, 470, 472 (11)	N/A
74	Empty set in the EU	-		N/A
75	Deferred tax assets arising from temporary difference (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	5.0	36 (1) (c), 38, 48, 470, 472 (5)	N/A
	Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	62	N/A
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	62	N/A
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	62	N/A

		(a) Amount At Disclosure Date	(b) Regulation (eu) No 575/2013 Article Reference	(c) Amounts Subject to Pre-Regulation (eu) no 575/2013 Treatment or Prescribed Residual Amount of Regulation
	% or EURm			
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	62	N/A
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	- Current cap on CET1 instruments subject to phase-out arrangements	-	484 (3), 486 (2) & (5)	N/A
81	- Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	484 (3), 486 (2) & (5)	N/A
82	- Current cap on AT1 instruments subject to phase-out arrangements	-	484 (4), 486 (3) & (5)	N/A
83	- Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	484 (4), 486 (3) & (5)	N/A
84	- Current cap on T2 instruments subject to phase-out arrangements	-	484 (5), 486 (4) & (5)	N/A
85	- Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	484 (5), 486 (4) & (5)	N/A

### 1.3 Overview of RWAs

The table below provides an overview of total Risk Weighted Assets and capital requirements as at April 30, 2020 and January 31, 2020. The capital requirements amounts have been obtained by applying 8% to the corresponding weighted risks.

Template 1 - EU OV1 - Overview of RWAs

EURm			RWA		Minimum capital requirements
			Apr 30, 2020	Jan 31, 2020	Apr 30, 2020
	<b>1</b>	<b>Credit risk (excluding counterparty credit risk) (CCR)</b>	<b>2,934.1</b>	<b>3,360.4</b>	<b>234.7</b>
Art 438(c)(d)	2	Of which standardised approach (SA)	2,934.1	3,360.4	234.7
Art 438(c)(d)	3	Of which the advanced IRB (AIRB) approach	-	-	-
Art 438(c)(d)	4	Of which the foundation IRB (FIRB) approach	-	-	-
Art 438(d)	5	Of which equity IRB under the simple risk-weighted approach or the IMA	-	-	-
<b>Article 107, Art.438(c)(d)</b>	<b>6</b>	<b>Counterparty credit risk</b>	<b>519.1</b>	<b>495.0</b>	<b>41.5</b>
Art 438(c)(d)	7	Of which Marked to market	407.3	386.6	32.6
Art 438(c)(d)	8	Of which Original exposure	-	-	-
Art 438(c)(d)	9	Of which standardised approach for counterparty credit risk	-	-	-
Art 438(c)(d)	10	Of which internal model method (IMM)	-	-	-
Art 438(c)(d)	11	Of which risk exposure amount for contributions to the default fund of a CCP	-	-	-
Art 438(c)(d)	12	Of which CVA	111.9	108.4	8.9
<b>Art 438(e)</b>	<b>13</b>	<b>Settlement risk</b>	-	-	-
<b>Art 449(o)(i)</b>	<b>14</b>	<b>Securitisation exposures in banking book (after cap)</b>	-	-	-
	15	Of which IRB ratings-based approach (RBA)	-	-	-
	16	Of which IRB Supervisory Formula Approach (SFA)	-	-	-
	17	Of which Internal assessment approach (IAA)	-	-	-
	18	Of which standardised approach (SA)	-	-	-
<b>Art 438(e)</b>	<b>19</b>	<b>Market risk</b>	<b>133.4</b>	<b>112.6</b>	<b>10.7</b>
	20	Of which standardised approach (SA)	133.4	112.6	10.7
	21	Of which internal model approaches (IMA)	-	-	-
<b>Art 438(e)</b>	<b>22</b>	<b>Large exposures</b>	-	-	-
<b>Art 438(f)</b>	<b>23</b>	<b>Operational risk</b>	<b>813.9</b>	<b>813.9</b>	<b>65.1</b>
	24	Of which Basic Indicator Approach	-	-	-
	25	Of which Standardised Approach	813.9	813.9	65.1
	26	Of which Advanced Measurement Approach	-	-	-
<b>Art 437(2), Art 48 and Art 60</b>	<b>27</b>	<b>Amounts below the thresholds for deduction (subject to 250% risk weight)</b>	-	-	-
<b>Article 500</b>	<b>28</b>	<b>Floor adjustment</b>	-	-	-
	<b>29</b>	<b>Total</b>	<b>4,400.6</b>	<b>4,781.9</b>	<b>352.0</b>

As at April 30, 2020, RBC IS Bank total RWAs amounted to EUR 4.4 billion compared to EUR 4.8 billion as at January 31, 2020. RWA's are concentrated on Credit risk and Operational risk, representing respectively 76% and 18% of the total Bank RWA. Market risk and CVA represents both 3% of the total Bank RWA.

The decrease of total risk weighted exposures by EUR 381 million in April 30, 2020 compared to January 31, 2020 is primarily due to the decrease of Credit risk RWA by EUR 426 million, reflecting lower credit risk and lower exposures.

RBCIS Bank uses the standardized approach for calculating its capital requirements with respect to credit, market and operational risk, and to publish its Capital Ratios.

## 1.4 Leverage ratio

The leverage ratio (LR) is introduced by the Basel Committee to serve as a simple, transparent and non-risk-based ratio to complete the existing risk-based capital requirements. The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage and having to exceed a minimum of 3%.

As at April 30, 2020, RBCIS Bank leverage ratio stands at 6.13%, well above the 3% minimum requirement.

Table 1-3 - Leverage ratio

EURm	RBCIS Bank Conso Apr 30, 2020	RBCIS Bank Conso Oct 31, 2019
Tier 1 capital	1,130.0	1,112.5
Leverage ratio exposure	18,431.9	18,694.8
<b>Leverage ratio</b>	<b>6.13%</b>	<b>5.95%</b>

RBC IS Bank's leverage ratio increased from 5.95% in October 2019 to 6.13% in April 2020, primarily due to a slight decrease in the Bank On and Off-balance sheet leverage exposures, combined with an increase of the Bank Tier 1 capital.

The following table discloses the breakdown of the total exposure measure as well as a reconciliation with the relevant information disclosed in published financial statements, as required by Article CRR 451 (1)(b).

Template 2 - EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

	EURm	Applicable amount
1	Total assets as per published financial statements	18,086.8
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	214.9
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	-

5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with Article 429a(1)(i) of Regulation (EU) (EU) No 575/2013 (CRR))	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	
7	Adjustment for eligible cash pooling transactions	
8	Adjustments for derivative financial instruments	-
9	Adjustment for securities financing transactions (SFTs)	-
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	412.1
11	(Adjustment for prudent valuation adjustments and general provisions which have reduced Tier 1 capital)	-2.4
EU-11a	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with Article 429a(1)(c) of CRR)	-
EU-11b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with Article 429a(1)(j) of CRR)	-
12	Other adjustments	-279.6
<b>13</b>	<b>Leverage ratio total exposure measure</b>	<b>18,431.9</b>

The following table discloses the breakdown of the total exposure measure for Leverage ratio.

Template 3 - EU LR2 - LRCOM: Leverage ratio common disclosure

EURm		CRR leverage ratio exposures
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	17,415.3
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-
5	(General credit risk adjustments to on-balance sheet items)	-
6	(Asset amounts deducted in determining Tier 1 capital)	-150.5
7	<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 to 6)</b>	<b>17,264.8</b>
<b>Derivative exposures</b>		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	250.5
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	504.5
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-
EU-9b	Exposure determined under Original Exposure Method	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original exposure method)	-

11	Adjusted effective notional amount of written credit derivatives	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
<b>13</b>	<b>Total derivatives exposures (sum of lines 8 to EU-12)</b>	<b>755.0</b>
<b>Securities financing transaction (SFT) exposures</b>		
14	Gross SFT assets (with no recognition of netting), after a adjustment for sales accounting transactions	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
16	Counterparty credit risk exposure for SFT assets	-
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of CRR	-
17	Agent transaction exposures	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-
<b>18</b>	<b>Total securities financing transaction exposures (sum of lines 14 to EU-17a)</b>	<b>-</b>
<b>Other off-balance sheet exposures</b>		
19	Off-balance sheet exposures at gross notional amount	2,040.9
20	(Adjustments for conversion to credit equivalent amounts)	-1,628.8
21	(General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-
<b>22</b>	<b>Off-balance sheet exposures (sum of lines 19 to 21)</b>	<b>412.1</b>
<b>Excluded exposures</b>		
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with Article 429a(1)(c) of CRR)	-
EU-22b	(Exposures exempted in accordance with Article 429a (1) (j) of CRR (on and off balance sheet))	-
EU-22c	(Excluded exposures of public development banks - Public sector investments)	-
EU-22d	(Excluded promotional loans of public development banks: - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-
EU-22g	(Excluded excess collateral deposited at tri party agents)	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with Article 429a(o) of the CRR)	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with Article 429a(1)(p) of the CRR)	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-
<b>EU-22k</b>	<b>(Total excluded exposures)</b>	<b>-</b>
<b>Capital and total exposure measure</b>		
<b>23</b>	<b>Tier 1 capital</b>	<b>1,130.0</b>
<b>24</b>	<b>Leverage ratio total exposure measure</b>	<b>18,431.9</b>
<b>Leverage ratio</b>		

<b>25</b>	<b>Leverage ratio</b>	<b>6.13%</b>
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments)	6.13%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	6.13%
26	Regulatory minimum leverage ratio requirement	3.00%
EU-26a	Additional leverage ratio requirements (%)	0.00%
27	Applicable leverage buffer	0.00%
<b>Choice on transitional arrangements and relevant exposures</b>		
<b>EU-27</b>	<b>Choice on transitional arrangements for the definition of the capital measure</b>	-
<b>Disclosure of mean values</b>		
28	Mean of daily values of gross SFT assets, after an adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	-
29	Quarter-end value of gross SFT assets, after an adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	18,431.9
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	18,431.9
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.13%
<b>31a</b>	<b>Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)</b>	<b>6.13%</b>

**Template 4 - EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)**

EURm		CRR leverage ratio exposures
<b>EU-1</b>	<b>Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:</b>	<b>17,415.3</b>
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	17,415.3
EU-4	Covered bonds	1,244.7
EU-5	Exposures treated as sovereigns	8,338.6
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	-
EU-7	Institutions	6,611.2
EU-8	Secured by mortgages of immovable properties	-
EU-9	Retail exposures	-
EU-10	Corporate	834.0
EU-11	Exposures in default	0.2
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	386.6



Total Leverage ratio exposure is driven by assets exposure and (un)committed balances (adjustment for Off-balance sheet items (i.e. conversion to credit equivalent amounts of Off-balance sheet exposures)).

As at April 2020, the Leverage Ratio stands at 6.13%. The T1 Capital amounts to EUR 1,130 million and total Leverage ratio exposures is at EUR 18,431.9 million.

The total on-balance sheet exposures (after deduction of assets included in the calculation of Tier 1 capital) represent EUR 17,264.8 million (94% of Total Exposure), the total derivatives exposures (including add-ons for Potential Future Exposure) amount to EUR 755 million (4% of Total Exposure) and off-balance sheet exposures (converted to Credit Equivalent Amounts) reach EUR 412.1 million (2% of Total Exposure).

## 2 Credit Risk

### 2.1 Credit risk exposure

#### 2.1.1 Credit quality of exposures

The table below provides detail breakdown of performing and non-performing exposures and related provisions in accordance with Article 442 c of EU EBA/GL/2018/10.

Template 5 - EU CR1 – Performing and non-performing exposures and related provisions

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received		
		Performing exposures		Non-performing exposures			Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures	
			of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3		of which: stage 1	of which: stage 2		of which: stage 2				of which: stage 3
<b>010</b>	<b>Loans and advances</b>	<b>15,583.9</b>	-		-	-	-	<b>-1.4</b>	<b>-1.4</b>	-	-	-	-	-	-	-
020	Central banks	8,278.9	-		-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	-	-		-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	6,448.5	-		-	-	-	0.0	0.0	-	-	-	-	-	-	-
050	Other financial corporations	856.5	-		-	-	-	-1.4	-1.4	-	-	-	-	-	-	-
060	Non-financial corporations	-	-		-	-	-	-	-	-	-	-	-	-	-	-
070	Of which: SMEs	-	-		-	-	-	-	-	-	-	-	-	-	-	-
080	Households	-	-		-	-	-	-	-	-	-	-	-	-	-	-

Template 5 – EU CR1 – Performing and non-performing exposures and related provisions (continued)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write off	Collaterals and financial guarantees received		
		Performing exposures		Non-performing exposures			Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures	
			of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3		of which: stage 1	of which: stage 2		of which: stage 2				of which: stage 3
<b>090</b>	<b>Debt Securities</b>	<b>1,502.2</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	47.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	1,455.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>150</b>	<b>Off-balance sheet exposures</b>	<b>1,150.1</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Credit institutions	18.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190	Other financial corporations	1,131.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
200	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
210	Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>220</b>	<b>Total</b>	<b>18,236.2</b>	-	-	-	-	-	<b>-1.4</b>	<b>-1.4</b>	-	-	-	-	-	-	-

Template 6 - EU CR1-A – Performing and non-performing exposures and related provisions

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)
		Defaulted exposures	Non-Defaulted exposures					
1	Central governments or central banks							
2	Institutions							
3	Corporates							
4	Of Which: Specialized Lending							
5	Of Which: SME							
6	Retail							
7	Secured by real estate property							
8	SME							
9	Non-SME							
10	Qualifying Revolving							
11	Other Retail							
12	SME							
13	Non-SME							
14	Equity							
15	<b>Total IRB approach</b>							
16	Central governments or central banks	-	8,278.9	-	-	-	-	8,278.9
17	Regional governments or local authorities	-	47.0	-	-	-	-	47.0
18	Public sector entities	-	-	-	-	-	-	-
19	Multilateral Development Banks	-	-	-	-	-	-	-
20	International Organizations	-	-	-	-	-	-	-
21	Institutions	-	7,922.0	-	-	-	-	7,922.0
22	Corporates	-	1,988.3	-	-	-	-	1,988.3
23	of which: SME	-	-	-	-	-	-	-

Template 6 – EU CR1-A – Performing and non-performing exposures and related provisions (continued)

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)
		Defaulted exposures	Non-Defaulted exposures					
24	Retail	-	-	-	-	-	-	-
25	of which: SME	-	-	-	-	-	-	-
26	Secured by mortgages on immovable property	-	-	-	-	-	-	-
27	of which: SME	-	-	-	-	-	-	-
28	Exposures in default	-	-	-	-	-	-	-
29	Items associated with particularly high risk	-	-	-	-	-	-	-
30	Covered bonds	-	-	-	-	-	-	-
31	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-
32	Collective investments undertakings (CIU)	-	-	-	-	-	-	-
33	Equity exposures	-	-	-	-	-	-	-
34	Other exposures	-	-	-	-	-	-	-
35	<b>Total SA approach</b>	-	<b>18,236.2</b>	-	-	-	-	<b>18,236.2</b>
36	<b>Total</b>	-	<b>18,236.2</b>	-	-	-	-	<b>18,236.2</b>
37	Total - Of which: Loans	-	15,583.9	-	-	-	-	15,583.9
38	Total - Of which: Debt Securities	-	1,502.2	-	-	-	-	1,502.2
39	Total - Of which: Off-BS	-	1,150.1	-	-	-	-	1,150.1

## 2.2 Forbearance, impairment, past due and provisions

### 2.2.1 Definitions

RBC has adopted IFRS 9 Financial Instruments, resulting in Accounting Policies foreseeing an allowance for credit losses (ACL) being established for all financial instruments, except for financial assets classified or designated as FVTPL<sup>2</sup> and equity securities designated as FVOCI<sup>3</sup>, which are not subject to impairment assessment. Assets subject to impairment assessment include certain loans, debt securities, interest-bearing deposits with banks, accounts and accrued interest receivable. IFRS 9 models and methodologies have been developed and implemented that allow for both the 'accounting driven' Allowance for Credit Loss view (i.e., combination of 12 month and lifetime losses after consideration of IFRS 9 staging, weighted across a range of forward looking macroeconomic scenarios), as well as 'risk driven' expected credit loss view (i.e. forward looking losses for a given period, that are scenario specific and not weighed / staged).

The Bank considers a Credit Exposure being past due when the contractual payment of either principal or interest is not received by the Bank within agreed payment schedule. The past due exposures are assessed for impairment purposes. An exposure is considered impaired when management determines that it will not be able to collect all amounts due according to the original contractual terms or the equivalent value. When a financial asset is considered to be credit-impaired, a loss allowance is recognized equal to credit losses expected over the remaining lifetime of the asset.

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<sup>2</sup> Fair value through profit or loss

<sup>3</sup> Fair value through other comprehensive income

## 2.2.2 Ageing of accounting past due and not impaired exposures

The table below provides an ageing analysis of the accounting balances with past-due exposures regardless of their impairment status.

Template 7 - CQ3 Credit quality of performing and non-performing exposures by past due date

	a	b	c	d	e	f	g	h	i	j	k	l
Gross carrying amount / Nominal amount												
	Performing exposures			Non-performing exposures								
		Not past due or Past due <= 30 days	Past due > 30 days <= 90 days		Unlikely to pay that are not past-due or past-due <= 90 days	Past due > 90 days <= 180 days	Past due > 180 days <= 1 year	Past due > 1 year <= 2 years	Past due > 2 year <= 5 years	Past due > 5 year <= 7 years	Past due > 7 years	Of which defaulted
<b>10</b>	<b>Loans and advances</b>	<b>15,583.9</b>	<b>15,583.9</b>	-	-	-	-	-	-	-	-	-
20	Central banks	8,278.9	8,278.9	-	-	-	-	-	-	-	-	-
30	General governments	-	-	-	-	-	-	-	-	-	-	-
40	Credit institutions	6,448.5	6,448.5	-	-	-	-	-	-	-	-	-
50	Other financial corporations	856.5	856.5	-	-	-	-	-	-	-	-	-
60	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-
70	Of which SMEs	-	-	-	-	-	-	-	-	-	-	-
80	Households	-	-	-	-	-	-	-	-	-	-	-
<b>90</b>	<b>Debt Securities</b>	<b>1,502.2</b>	<b>1,502.2</b>	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-
110	General governments	47.0	47.0	-	-	-	-	-	-	-	-	-
120	Credit institutions	1,455.2	1,455.2	-	-	-	-	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-

Template 7 - Q3 Credit quality of performing and non-performing exposures by past due date (continued)

	a	b	c	d	e	f	g	h	i	j	k	l
Gross carrying amount / Nominal amount												
Performing exposures			Non-performing exposures									
	Not past due or Past due <= 30 days	Past due > 30 days <= 90 days		Unlikely to pay that are not past-due or past-due <= 90 days	Past due > 90 days <= 180 days	Past due > 180 days <= 1 year	Past due > 1 year <= 2 years	Past due > 2 year <= 5 years	Past due > 5 year <= 7 years	Past due > 7 years	Of which defaulted	
<b>150 Off-balance sheet exposures</b>	<b>1,150.1</b>			-								-
160 Central banks	-			-								-
170 General governments	-			-								-
180 Credit institutions	18.3			-								-
190 Other financial corporations	1,131.8			-								-
200 Non-financial corporations	-			-								-
210 Households	-			-								-
<b>220 Total</b>	<b>18,236.2</b>	<b>17,086.1</b>	-	-	-	-	-	-	-	-	-	-

2.2.3 Forborne exposure and non-performing loans

There is no non-performing exposure are reporting as of April 30, 2020 in accordance with Regulation EBA/GL/2018/10..



## 2.2.4 Changes in the stock of specific credit risk adjustments

There are no changes in stock reported as at April 30, 2020.

## 2.2.5 Changes in the stock of defaulted and impaired loans and debt securities

One defaulted exposure (amounting to EUR 0.2 mm, 0.001% of the total) has been reported as at April 30, 2020. The Bank does not book any credit risk adjustment which qualify as general credit risk adjustment.

## 2.3 Credit risk mitigation

### 2.3.1 Description of the main types of credit risk mitigants (CRM)

RBCIS Bank uses the following Credit Risk Mitigants to manage its credit risk – but only part of those are actually used for risk exposure quantification.

#### Collateral / guarantees

In relation to Loans, RBCIS Bank holds financial asset collateral (cash and securities deposited with RBCIS are subject to a pledge). Some of the HQLA assets (related to Assets and Liabilities Management) are also subject to underlying guarantee (e.g. State guarantee).

RBCIS Bank does not hold pledges of real estate (residential mortgages, commercial mortgages) nor pledges of commercial assets (e.g. transfer of receivables). The Bank does not have other forms of guarantees neither (e.g. personal guarantees, first demand guarantees and support commitments.).

#### Netting agreements

The Bank has legally enforceable netting agreement for On-balance sheet exposures (authorized and non-authorized overdrafts where assets are under custody with RBCIS Bank) and Off-balance sheet exposures (derivatives).

### 2.3.2 Basel III treatment

RBCIS Bank has adopted the Financial Collateral Comprehensive Approach to take advantage of any sort of collateralization. Collateral is eligible only if it meets the CRR575/2013 conditions. RBCIS Bank considers the following 4 mitigation techniques: Financial collateralized transactions, on-balance sheet netting, guarantees and OTC netting.

### 2.3.3 Overview of credit risk mitigation techniques

In the application of Article 453 (f) and (g), this table provides an overview of the exposure value covered by Basel III-eligible CRM (after regulatory haircuts) and includes all collateral and financial guarantees used as credit risk mitigation for all secured exposures.

Exposures unsecured (column a) represent the carrying amount of credit risk exposures (net of credit risk adjustments) that do not benefit from a credit risk mitigation technique, regardless of whether this technique

is recognized in the CRR. Exposures secured (column b) represent the carrying amount of exposures that have at least one CRM mechanism (collateral, financial guarantees) associated with them.

Template 8 - EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation

	Unsecured carrying amount	Secured carrying amount	Of which secured by financial guarantees		
			Of which secured by collateral		Of which secured by credit derivatives
	a	b	c	d	e
<b>1</b> Loans and advances	15,583.9	-	-	-	-
<b>2</b> Debt securities	1,502.2	-	-	-	-
<b>3</b> Total	<b>17,086.1</b>	-	-	-	-
<b>4</b> Of which non-performing exposures	-	-	-	-	-
<b>5</b> Of which defaulted	-	-	-	-	-

## 2.4 Standardized approach

RBCIS Bank uses the standardized approach to calculate its regulatory capital requirements.

### 2.4.1 External credit assessment institutions

The standardized approach provides weighted risk figures based on external ratings given by External Credit Assessment Institutions (ECAI's) as indicated in the CRR. In order to apply the standardized approach for risk weighted exposure, RBCIS Bank uses external ratings assigned by the following rating agencies: Standard & Poor's, Fitch and Moody's.

The "second best approach" is used for the selection of the external ratings for the regulatory capital calculation. If no external rating is available, the CRR regulation provides specific risk weights to be applied.

Table 2-1 - Mapping of ECAIs' credit assessments to credit quality steps

Credit Quality Step	Fitch's assessments	Moody's assessments	S&P's assessments
1	AAA to AA-	Aaa to Aa3	AAA to AA-
2	A+ to A-	A1 to A3	A+ to A-
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-
4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-
5	B+ to B-	B1 to B3	B+ to B-
6	CCC+ and below	Caa1 and below	CCC+ and below

#### **2.4.2 Standardized approach – Credit risk exposure and Credit Risk Mitigation effects**

The following table shows credit risk exposure before credit conversion factor (CCF) and credit risk mitigation (CRM) and the exposure-at-default (EAD) after CCF and CRM broken down by exposure classes and a split in on- and off-balance sheet exposures, under the standardized approach.

Exposures subject to the counterparty credit risk (CCR) and securitization risk framework are excluded from this template.

Template 9 - EU CR4: Standardized approach – credit risk exposure and Credit Risk Mitigation effects – April 30, 2020

EURm		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Asset classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Central governments or central banks	8,338.6	5.0	8,338.6	5.0	14.8	0.18%
2	Regional government or local authorities	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	6,611.2	223.0	6,608.1	0.0	1,373.7	20.79%
7	Corporates	834.0	1,817.9	814.8	278.7	1,094.4	100.09%
8	Retail	-	-	-	-	-	-
9	Secured by mortgages on immovable property	-	-	-	-	-	-
10	Exposures in default	0.2	-	0.2	-	0.3	150.00%
11	Exposures associated with particularly high risk	-	-	-	-	-	-
12	Covered bonds	1,244.7	-	1,244.7	-	124.5	10.00%
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-
15	Equity	-	-	-	-	-	-
16	Other items	386.6	0.0	386.6	0.0	326.5	84.45%
<b>17</b>	<b>Total</b>	<b>17,415.3</b>	<b>2,045.9</b>	<b>17,393.0</b>	<b>283.6</b>	<b>2,934.1</b>	<b>16.60%</b>

RBCIS Bank invests in dealing with well rated counterparties, occurring an average risk weight close to 0% for the “Central governments or central banks” category, and close to 20% (20.8% as at April 30, 2020) for the “Institutions” category. Investment funds are classified under the “Corporate” category. A “Non-Rated” 100% risk weight is applied for investment funds counterparties, no external credit assessment being provided by ECAI for Funds counterparties.

### 2.4.3 Standardized approach – exposures by asset classes and risk weights

In the application of Article 444 (e), the following table shows the exposure-at-default post conversion factor and risk mitigation broken down by exposure classes and risk weighted, under the standardized approach.

Exposures subject to the counterparty credit risk and securitization risk framework are excluded from this template.

Template 10 - EU CR5 – Standardized approach – exposures by asset classes and risk weights – April 30, 2020

EURm		Risk Weights									
		0%	2%	4%	10%	20%	35%	50%	70%	75%	
1	Central governments or central banks	8,336.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	
3	Public sector entities	-	-	-	-	-	-	-	-	-	
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	
5	International organisations	-	-	-	-	-	-	-	-	-	
6	Institutions	-	-	-	-	6,460.4	-	132.5	-	-	
7	Corporates	-	-	-	-	-	-	-	-	-	
8	Retail	-	-	-	-	-	-	-	-	-	
9	Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	
10	Exposures in default	-	-	-	-	-	-	-	-	-	
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	
12	Covered bonds	-	-	-	1,244.7	-	-	-	-	-	
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	
14	Collective investment undertakings	-	-	-	-	-	-	-	-	-	
15	Equity	-	-	-	-	-	-	-	-	-	
16	Other items	-	-	-	-	75.2	-	-	-	-	
17	<b>Total</b>	<b>8,336.3</b>	<b>0.0</b>	<b>0.0</b>	<b>1,244.7</b>	<b>6,535.6</b>	<b>0.0</b>	<b>132.5</b>	<b>0.0</b>	<b>0.0</b>	
									<b>Risk Weights</b>	<b>Total</b>	<b>Of which</b>

EURm		100%	150%	250%	370%	1250%	Others	Deducted		
1	Central governments or central banks	2.3	0.0	5.0	0.0	0.0	0.0	0.0	8,343.6	2.3
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-
6	Institutions	14.8	0.4	-	-	0.0	-	-	6,608.1	0.0
7	Corporates	1,091.5	1.9	-	-	-	-	-	1,093.5	1,091.5
8	Retail	-	-	-	-	-	-	-	-	-
9	Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	0.2	-	-	-	-	-	0.2	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-	-	1,244.7	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-	-	-	-
15	Equity	-	-	-	-	-	-	-	-	-
16	Other items	311.4	-	-	-	-	-	-	386.6	246.0
17	<b>Total</b>	<b>1,420.1</b>	<b>2.5</b>	<b>5.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>17,676.7</b>	<b>1,339.9</b>

## 2.5 Counterparty credit risk

### 2.5.1 Management of counterparty risk

The following exposures are part of this sub-section:

- Foreign exchange operations (FX spots, FX Outright Forwards and FX Swaps of maximum 1 Year and on a list of selected currencies). Accumulated client positions are offset in the market to minimize market risk. The overnight limits are hence set at very low levels as there is no Risk appetite to keep open positions overnight. Please refer to Market Risk section for further details.

The Bank does not use any other derivatives (no repos / reverse repos, no IRS, ...) and hence there are no other sources of Counterparty Credit Risk in terms of derivatives.

### Counterparty Credit Risk Mitigation

Master netting agreement or similar arrangement (collectively, netting agreements) with counterparties are used to mitigate counterparty credit risk as a result of markets exposure and permit the Bank to offset receivables and payables with such counterparties. A netting agreement is a contract with a counterparty that permits net settlement of multiple transactions with that counterparty, including upon the exercise of termination rights by a non-defaulting party. Upon exercise of such termination rights, all transactions governed by the netting agreement are terminated and a net settlement amount is calculated.

All counterparties that trade term exposures are expected to sign a master agreement containing netting provisions and clauses that seek to minimize credit exposures. The Bank's policy requires all netting arrangements to be legally documented. ISDA (International Swaps and Derivative Association) Master Agreement and CSA ('Credit Support Annex') are RBCIS Bank's preferred manner for documenting OTC derivatives.

### Wrong way Risk

RBCIS Bank has limited exposure to wrong-way risk, i.e. the risk that exposure to a counterparty or obligor is adversely correlated with the credit quality of that counterparty.

Regarding the specific Wrong-Way Risk<sup>4</sup>, the Bank never enters into contracts with underlying instruments linked to the counterparty (i.e. derivative contracts based on the counterparty's own securities, reverse rep transactions with counterparty's securities used as collateral...).

Regarding the General (or Systemic) Wrong-Way Risk<sup>5</sup>, it is limited given the nature of the Bank's exposures where for instance client driven FX exposures are covered in the market, with RBCIS Bank not taking any active positions.

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<sup>4</sup> when an exposure to a particular counterparty is positively and highly correlated with the probability of default of the counterparty due to the nature of our transactions with them.

<sup>5</sup> when there is a positive correlation between the probability of default of counterparties and general macroeconomic or market factors. This typically occurs with derivatives (e.g. the size of the exposure increases) or with collateralized transactions (the value of the collateral declines).

## 2.5.2 Analysis of CCR exposures by model approach

In the application of Article 439 (f) in the CRR, the following table shows the methods used for calculating the regulatory requirements for CCR exposure. Exposures cleared through a central counterparty (CCP) are excluded.

As displayed, the Bank uses the mark-to-market method to measure the exposure of instruments subject to capital requirements for CCR.

Template 11 - EU CCR1: Analysis of CCR exposure by approach – April 30, 2020

		a	b	c	d	e	f	g
EURm		Notional	Replacement cost/ Current market value	Potential future credit exposure	EEPE	Multiplier	EAD post- CRM	RWA
1	Mark to market		456.6	975.7	-	-	755.0	407.3
2	Original exposure	-					-	-
3	Standardised approach		-			-	-	-
4	Internal Model Method (for derivatives and SFTs)				-	-	-	-
5	Of which securities financing transactions				-	-	-	-
6	Of which derivatives and long settlement transactions				-	-	-	-
7	Of which from contractual cross-product netting				-	-	-	-
8	Financial collateral simple method (for SFTs)					-	-	-
9	Financial collateral comprehensive method (for SFTs)						-	-
10	VaR for SFTs						-	-
11	<b>Total</b>							<b>407.3</b>

As at 30 April 2020, the final exposure arising from derivative transactions amounted to EUR 1,432.3 million, exposure post netting is EUR 755 million.



### 2.5.3 CVA capital charge

In the application of Article 439 (f) in the CRR, the following table provides the exposure value and risk exposure amount of transactions subject to capital requirements for credit valuation adjustment. RBCIS OTC derivatives exposures are subject to credit valuation adjustment. RBCIS Bank uses the standardized approach to calculate CVA capital charge.

Template 12 - EU CCR2 – Credit valuation adjustment (CVA) capital charge – April 30, 2020

		a	b
EURm		Exposure value	RWA
1	Total portfolios subject to the Advanced CVA capital charge	-	-
2	(i) VaR component (including the 3×multiplier)		-
3	(ii) Stressed VaR component (including the 3×multiplier)		-
4	All portfolios subject to the Standardised CVA capital charge	755.0	111.9
EU4	Based on Original Exposure Method	-	-
5	<b>Total subject to the CVA capital charge</b>	<b>755.0</b>	<b>111.9</b>

### 2.5.4 Exposures to CCP

RBCIS Bank is not exposed to Central Counterparty Risk.

### 2.5.5 Standardized approach - CCR exposures by exposure class and risk weight

In the application of Article 444 (e) in the CRR, the following table provides the counterparty credit risk exposures under the standardized approach broken down by risk weights and regulatory exposure classes. “Unrated” includes all exposures for which a credit assessment by a nominated ECAI is not available, and which receive the standard risk weight according to their exposure classes as described in the CRR.

Template 13 - EU CCR3: Standardized approach – CCR exposures by regulatory portfolio and risk – April 30, 2020

EURm	Exposure Classes	Risk Weight					
		0%	2%	4%	10%	20%	50%
1	Central governments or central banks	-	-	-	-	-	-
2	Regional governments or local authorities	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral Development Banks	-	-	-	-	-	-
5	International Organisations	-	-	-	-	-	-
6	Institutions	-	-	-	-	419.1	24.8
7	Corporates	-	-	-	-	-	-
8	Retail	-	-	-	-	-	-
9	Institutions and corporates with a short term credit assessment	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-
11	<b>Total</b>	-	-	-	-	<b>419.1</b>	<b>24.8</b>

EURm	Exposure Classes	Risk Weight					Total	Of Which unrated
		70%	75%	100%	150%	Others		
1	Central governments or central banks	-	-	-	-	-	-	-
2	Regional governments or local authorities	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-
4	Multilateral Development Banks	-	-	-	-	-	-	-
5	International Organisations	-	-	-	-	-	-	-
6	Institutions	-	-	1.8	-	-	445.7	-
7	Corporates	-	-	309.3	0.0	-	309.3	309.3
8	Retail	-	-	-	-	-	-	-
9	Institutions and corporates with a short term credit assessment	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-
11	<b>Total</b>	-	-	<b>311.1</b>	<b>0.0</b>	-	<b>755.0</b>	<b>309.3</b>

Investments funds are falling into the corporate category. Most of nominated ECAIs do not rate investments funds counterparties.

## 2.5.6 Impact of netting and collateral held on exposure value for derivatives and SFTs

In the application of Article 439 (e) in the CRR, the following table present information on counterparty credit risk exposure and the impact of netting and collateral held as well as the composition of collateral used in both derivatives transactions and securities financing transactions (SFT).

RBCIS Bank is solely exposed to derivatives transactions and consequently does not hold securities financing transactions.

The table below provides the gross positive fair values before any credit risk mitigation, the impact of legally enforceable master netting agreement as well as further reduction of the CCR exposure due to eligible collateral received.

Template 14 - EU CCR5-A – Impact of netting and collateral held on exposure values – April 30, 2020

		a	b	c	d	e
EURm		Gross positive fair value or net carrying amount	Netting benefits	Netted current credit exposure	Collateral held	Net credit exposure
1	Derivatives	456.6	677.4	755.0	-	755.0
2	Securities Financing Transactions	-	-	-	-	-
3	Cross-product netting	-	-	-	-	-
4	<b>Total</b>	<b>456.6</b>	<b>677.4</b>	<b>755.0</b>	<b>-</b>	<b>755.0</b>

## 3 Market Risk

### 3.1 Definition of Risk

Market Risk is the risk of losses in positions arising from movements in market conditions impacting the price. This includes potential gains or losses due to changes in market determined variables such as interest rates, credit spreads, equity prices, commodity prices, foreign exchange rates and implied volatilities.

Market risk can be exacerbated by thinly-traded or illiquid markets. For an overview of Market Risk sub-risks, please refer to the RBC Enterprise Market Risk Framework.

### 3.2 Assessment of the regulatory capital requirement

RBCIS applies the standardized approach to calculate its regulatory capital requirement for general interest rate risk within trading activities and foreign exchange risk.

The template below presents the Bank regulatory capital required broken down by risk type as at April 30, 2020.

Template 15 - EU MR1: Market risk under standardized approach

	a	b
EURm	RWA	Capital requirements
<b>Outright products</b>	<b>133.4</b>	<b>10.7</b>
Interest rate risk (general and specific)	85.5	6.8
Equity risk (general and specific)	-	-
Foreign exchange risk	47.8	3.8
Commodity risk	-	-
<b>Options</b>	-	-
Simplified approach	-	-
Delta-plus method	-	-
Scenario approach	-	-
<b>Securitisation (specific risk)</b>	-	-
<b>Total</b>	<b>133.4</b>	<b>10.7</b>

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