

Pillar 3 Report

Semi-annual 2022

RBC Investor Services Bank S.A.

Assessment date: 30 April 2022
Report date: 30 April 2022



Investor &
Treasury Services

Disclaimer

© Copyright Royal Bank of Canada 2022. RBC Investor & Treasury Services™ is a global brand name and is part of Royal Bank of Canada. RBC Investor & Treasury Services operates primarily through the following companies: Royal Bank of Canada, RBC Investor Services Trust and RBC Investor Services Bank S.A., and their branches and affiliates. In Luxembourg, RBC Investor Services Bank S.A. is authorized, supervised and regulated by the Commission de Surveillance du Secteur Financier (CSSF), and jointly supervised by the European Central Bank (ECB). In the United Kingdom (UK), RBC Investor & Treasury Services operates through RBC Investor Services Trust, London Branch and Royal Bank of Canada, London Branch, authorized and regulated by the Office of the Superintendent of Financial Institutions of Canada. Authorized by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available on request. RBC Investor & Treasury Services UK also operates through RBC Europe Limited, authorized by the Prudential Regulation Authority, and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Additionally, RBC Investor & Treasury Services' trustee and depositary services are provided through RBC Investor Services Bank S.A., London Branch, authorized by the CSSF and ECB, and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details about the extent of our regulation by the Financial Conduct Authority and the Prudential Regulation Authority are available on request. RBC Investor Services Bank S.A. maintains a representative office supervised by the Federal Reserve Bank of New York. RBC Investor Services Trust (Australian Branch) is licensed and regulated by the Australian Securities and Investment Commission, Australian Financial Services licence number 295018. Details about the extent of our regulation by the Australian Securities and Investment Commission are available on request. RBC Investor Services Trust Singapore Limited is licensed by the Monetary Authority of Singapore (MAS) as a Licensed Trust Company under the Trust Companies Act and approved by MAS to act as a trustee of collective investment schemes authorized under S286 of the Securities and Futures Act. RBC Investor Services Trust Singapore Limited is also a Capital Markets Services Licence Holder issued by MAS under the Securities and Futures Act in connection with its activities of acting as a custodian. RBC Offshore Fund Managers Limited is regulated by the Guernsey Financial Services Commission in the conduct of investment business. Registered company number 8494. RBC Fund Administration (CI) Limited is regulated by the Jersey Financial Services Commission in the conduct of fund services and trust company business in Jersey. Registered company number 52624. RBC Investor Services Bank S.A. is a restricted license bank authorized by the Hong Kong Monetary Authority to carry on certain banking business in Hong Kong. RBC Investor Services Trust Hong Kong Limited is regulated by the Mandatory Provident Fund Schemes Authority as an approved trustee. Royal Bank of Canada, Hong Kong Branch, is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission. This document is provided for general information and does not necessarily reflect individual circumstances. It does not constitute financial, tax, legal or accounting advice, and should not be relied upon in that regard. This document must not be reproduced, forwarded or otherwise made available to any third party outside the recipient's organization without the express written consent of RBC Investor & Treasury Services. Links to external websites are for convenience only. RBC Investor & Treasury Services does not review, endorse, approve, control or accept any responsibility for the content of those sites. Linking to external websites is at your own risk. ® / ™ Trademarks of Royal Bank of Canada. Used under licence.

References to applicable legislation

CRD V	Directive 2019/878/EU of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures
CRR	Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms
CRR II	Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012
CSSF Circular 12/552	CSSF circular 12/552 on Central Administration, Internal Governance and Risk Management as amended from time to time
CSSF Circular 14/583	CSSF circular 14/583 on the Entry into force of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012
CSSF Circular 17/673	CSSF circular 17/673 on the adoption of the EBA Guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013 (EBA/GL/2016/11)
CSSF Regulation n°18-03	the CSSF Regulation n°18-03 implementing certain discretions of Regulation (EU) No 575/2013 and implementing Guideline (EU) 2017/697 of the European Central Bank of 4 April 2017 on the exercise of options and discretions available in Union law by national competent authorities in relation to less significant institutions (ECB/2017/9)
LCR Delegated Act	Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions
LFS	The Law of 5 April 1993 on the financial sector, as amended
SSM Regulation	Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions
EBA/GL/2016/07	EBA guidelines 2016/07-Guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013

EBA/GL/2017/01	on LCR disclosure to complement the disclosure of liquidity risk management under Article 435 of Regulation (EU) No 575/2013
EBA/GL/2018/02	EBA Guidelines 2018/02 -GUIDELINES ON THE MANAGEMENT OF INTEREST RATE RISK ARISING FROM NON-TRADING BOOK ACTIVITIES
EBA/GL/2018/10	EBA guidelines on disclosure of non-performing and forborne exposures
EBA/RTS/2014/05	EBA final draft RTS on additional liquidity outflows corresponding to collateral needs resulting from the impact of an adverse market scenario on the institution's derivatives transactions, financing transactions and other contracts for liquidity reporting under Article 423(3) of Regulation (EU) No 575/2013 (Capital Requirements Regulation CRR)
EBA/ITS/2020/04	Final draft implementing technical standards on public disclosures by institutions of the information referred to in titles II and III of Part Eight of Regulation (EU) n°575/2013

Note to Readers

RBC Investor Services Bank S.A., hereafter referred to as the “Bank” or “RBCIS Bank” or the “Company”, 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, Italy, Switzerland and United Kingdom as well as through its subsidiaries in France, Belgium, Ireland, Singapore and Malaysia. 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 ECB.

The quantitative tables included in this document are expressed in millions of euros (EUR mm) 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 are filed with the Luxembourg Business Register (*Registre du Commerce et des Sociétés*).

Key metrics

The aim of the semiannual Pillar 3 disclosure report 2022 is to give key capital and liquidity metrics information to the stakeholders on the RBCIS Bank's risk management.

Key figures as of April 30, 2022

The template below presents the main capital and liquidity metrics for RBCIS Bank consolidated over one year period.

Template 1 - EU KM1: Key metrics template

		30 Apr 22	31 Jan 22	31 Oct 21	31 Jul 21	30 Apr 21
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	1,099.3	1,074.8	1,055.7	1,207.9	1,175.1
2	Tier 1 capital	1,099.3	1,074.8	1,055.7	1,207.9	1,175.1
3	Total capital	1,590.4	1,535.8	1,503.9	1,644.6	1,606.0
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	6,903.5	6,502.6	5,849.6	5,657.9	5,060.6
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	15.92%	16.53%	18.05%	21.35%	23.22%
6	Tier 1 ratio (%)	15.92%	16.53%	18.05%	21.35%	23.22%
7	Total capital ratio (%)	23.04%	23.62%	25.71%	29.07%	31.73%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.10%	2.00%	2.00%	2.00%	2.00%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.18%	1.13%	1.13%	1.13%	1.13%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.57%	1.50%	1.50%	1.50%	1.50%
EU 7d	Total SREP own funds requirements (%)	10.10%	10.00%	10.00%	10.00%	10.00%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.16%	0.23%	0.21%	0.20%	0.28%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%

10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer	0.50%	0.50%	0.50%	0.50%	0.50%
11	Combined buffer requirement (%)	3.16%	3.23%	3.21%	3.20%	3.28%
EU 11a	Overall capital requirements (%)	13.26%	13.23%	13.21%	13.20%	13.28%
12	CET1 available after meeting the total SREP own funds requirements (%)	788.6	782.2	792.5	953.3	947.4
Leverage ratio						
13	Total exposure measure	21,431.9	20,491.4	21,939.7	21,934.8	20,550.9
14	Leverage ratio (%)	5.13%	5.25%	4.81%	5.51%	5.72%
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14e	Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	7,452.9	7,508.0	9,945.6	10,130.2	9,231.4
EU 16a	Cash outflows - Total weighted value	7,815.6	8,026.9	8,295.7	8,116.6	7,290.2
EU 16b	Cash inflows - Total weighted value	1,410.5	1,787.0	759.4	695.0	967.0
16	Total net cash outflows (adjusted value)	6,405.1	6,239.9	7,536.2	7,421.6	6,323.2
17	Liquidity coverage ratio (%)	116.36%	120.32%	131.97%	136.50%	145.99%
Net Stable Funding Ratio						
	<i>NSFR ratio as per regulatory reporting periods</i>	<i>31 Mar 2022</i>	<i>31 Dec 2021</i>	<i>30 Sep 2021</i>	<i>30 Jun 2021</i>	<i>31 Mar 2021</i>
18	Total available stable funding	6,691.6	6,925.6	7,864.4	7,143.5	7,052.3
19	Total required stable funding	2,662.4	2,680.2	3,387.3	3,244.3	3,540.4
20	NSFR ratio (%)	251.34%	258.40%	232.17%	220.18%	199.19%