

Pillar 3 Report Q1 2019

RBC Investor Services Bank S.A.

REPORT DATE: 31 JANUARY 2019

ASSESSMENT DATE: 31 JANUARY 2019



**RBC Investor &
Treasury Services**

Disclaimer

RBC Investor & Treasury Services™ is a global brand name and is part of Royal Bank of Canada. RBC Investor & Treasury Services is a specialist provider of asset servicing, custody, payments and treasury services for financial and other institutional investors worldwide. 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 the UK, RBC Investor Services Trust operates through a branch authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

In Australia, RBC Investor Services Trust is authorized to carry on financial services business by the Australian Securities and Investments Commission under the AFSL (Australian Financial Services license) number 295018.

In Singapore, RBC Investor Services Trust Singapore Limited (RISTS) is licensed by the Monetary Authority of Singapore (MAS) as a licensed Trust Company under the Trust Companies Act and was approved by the MAS to act as a trustee of collective investment schemes authorized under S 286 of the Securities and Futures Act (SFA). RISTS is also a Capital Markets Services license Holder issued by the MAS under the SFA in connection with its activities of acting as a custodian.

In Hong Kong, RBC Investor Services Bank S.A. is a restricted license bank and is authorized to carry on certain banking business in Hong Kong by the Hong Kong Monetary Authority. RBC Investor Services Trust Hong Kong Limited is regulated by the Mandatory Provident Fund Schemes Authority as an approved trustee.

® / ™ Trademarks of Royal Bank of Canada. Used under license.

Table of contents

LIST OF ACRONYMS	3
EBA QUARTERLY TABLES AND TEMPLATES.....	4
NOTE TO READERS	5
INTRODUCTION	6
KEY FIGURES AS OF JANUARY 31, 2019	6
1 OWN FUNDS, CAPITAL ADEQUACY & GROUP SOLVENCY.....	8
1.1 REGULATORY CAPITAL ADEQUACY (PILLAR I)	8
1.2 REGULATORY CAPITAL AS OF JANUARY 31 ST , 2019.....	9
1.3 OVERVIEW OF RWAS.....	18
1.4 LEVERAGE RATIO	20
2 LIST OF TEMPLATES, FIGURES, TABLES AND GRAPHS.....	21
2.1 TEMPLATES	21
2.2 TABLES.....	21
2.3 GRAPHS.....	21

List of Acronyms

AIRB	Advanced Internal Rating Based
CCR	Counterparty Credit Risk
CET1	Common Equity Tier 1
CRD	Capital Requirements Directive
CSSF	Commission de Surveillance du Secteur Financier
CVA	Credit Valuation Adjustment
EAD	Exposure At Default
EBA	European Banking Authority
JST	Joint Supervisory Team
OCR	Overall Capital Ratio
P2G	Pillar 2 Guidance
P2R	Pillar 2 Requirement
PD	Probability of default
RWA	Risk-Weighted Assets
YoY	Year over Year
YTD	Year To Date

EBA quarterly tables and templates¹

Templates	Reference	Name	CRR Articles	Reference
4	EU OV1	Overview of RWAs	Article 438 (c)-(f)	Section 3.3.3
23	EU CR8	RWA flow statements of credit risk exposures under the IRB approach	Article 438 (d) & Article 92 (3)	Not applicable
30	EU CCR7	RWA flow statements of CCR exposures under the IMM	Article 92 (3)-(4) & Article 438 (d)	Not applicable
36	EU MR2-B	RWA flow statements of market risk exposures under the IMA	Article 455 (e)	Not applicable

¹ 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)

Note to Readers

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 a Subsidiaries in France, Ireland, Belgium, United Kingdom, 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 (CSSF abrogating 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 (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 is filed with the *Registre du Commerce et des Sociétés* in Luxembourg.

Introduction

The aim of the Pillar 3 Disclosure Report Q1 2019 is to give additional specific information on the risk management of RBC IS Bank as of January 31st, 2019. This report is in respect of the quarter ended 31st January 2019, including comparative information (where applicable) for the quarter ended and fiscal year end 31 October 2018.

RBCIS Bank applies the Title V (Considerations regarding the need to assess the disclosure of information more frequently than annually), paragraph 18 of the EBA Guidelines 2014/14 as amended by the EBA/GL/2016/11 version 2.

The guidelines request more frequent than annual Pillar 3 disclosure (interim Pillar 3) when any of the following criteria applies.

- The institution is one of the three largest institutions in its home Member-State;
- The institution's consolidated assets exceed EUR 30 billion;
- The institution's 4-year average of total assets exceeds 20% of the 4-year average of its home Member-State;
- The institution has consolidated exposures as per Article 429 of the CRR (Leverage ratio exposures) exceeding EUR 200 billion or the equivalent in foreign currency;
- The institution has been identified by competent authorities as a global systemically important institution (G-SII) or as other systemically important institution (O-SII).

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

Key figures as of January 31, 2019

Table 0-1 – Key figures – Capital ratios

	2017	2018	Q1 2019
CET1 Capital ratio	22.44%	21.35%	26.73%
Tier 1 ratio	22.44%	21.35%	26.73%
Total Capital Ratio	22.44%	21.35%	26.73%

Graph 0-1 - Key figures – Leverage ratio

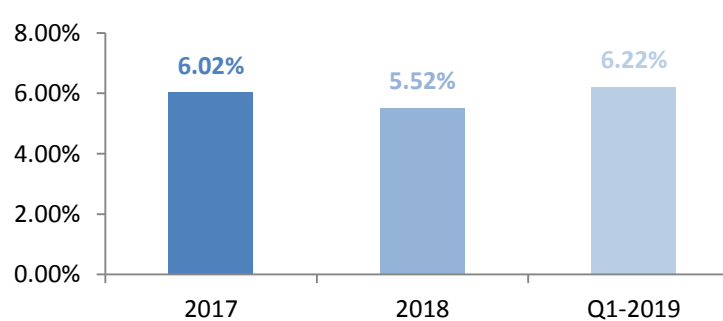
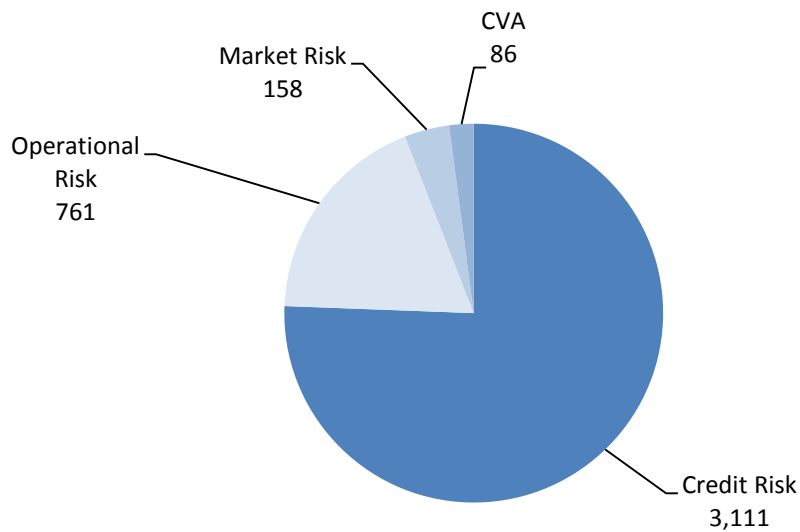


Table 0-2 – Regulatory Capital

	2017	2018	Q1 2019
CET1	1 000.8	1 050.9	1 100.3
Additional Tier 1	0.0	0.0	0.0
Tier 2	0.0	0.0	0.0
Total	1 000.8	1 050.9	1 100.3

Graph 0-2 – Distribution of RWA’s by type as of January 31st, 2019



1 Own Funds, Capital Adequacy & Group Solvency

1.1 Regulatory capital adequacy (Pillar I)

During the first quarter of 2019, the capital ratios and leverage ratios of RBCIS Bank and its related subsidiaries have complied with the prescribed regulatory requirements and internal minimum ratios contained in the Capital Management Policy.

As at January 31, 2019, the CET1/total capital ratio of the bank stands at **26.73%** (including 2018 year-end profit) compared to 21.35% as of October 31st, 2018.

Capital ratio increase between October 31st, 2018 and January 31st, 2019, is driven by the increase of regulatory capital (inclusion of Financial Year 2018 profit in Retained Earnings), concomitantly with the decrease of the the total RWA.

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

	RBC IS Bank Conso Oct 31st, 2018	RBC IS Bank Conso January 31st, 2019
Paid-up capital	554.1	554.1
Eligible Reserves / Retained Earnings	643.4	709.6
Deductions from capital	-154.6	-163.4
CET 1 / Total Regulatory Capital	1 042.8	1 100.3
Credit Risk	307.6	248.9
Operational Risk	60.9	60.9
Market Risk	13.5	12.6
CVA	8.7	6.8
Total Capital Requirement	390.7	329.2
Tier 1/ Total capital Ratio	21.35%	26.73%

1.2 Regulatory capital as of January 31st, 2019

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
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	480.7	26 (1) (c)	N/A
3	Accumulated other comprehensive income (and any other reserves)	192.4	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)	9.1	84, 479, 480	N/A
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	N/A	26 (2)	N/A
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	1,263.7		N/A
	Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	N/A	34, 105	N/A
8	Intangible assets (net of related tax liability) (negative amount)	-163.4	36 (1) (b), 37, 472 (4)	N/A
9	Empty set in the EU	N/A		N/A
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

		(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
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 securitized 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: securitization positions (negative amount)	N/A	36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258	N/A
20d	of which: free deliveries (negative amount)	N/A	36 (1) (k) (iii), 379 (3)	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
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)	-	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 unrealized 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)	N/A	36 (1) (j)	N/A
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-163.4		N/A
29	Common Equity Tier 1 (CET1) capital	1,100.3		N/A
	Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	N/A	51, 52	N/A
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

		(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
	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
36	Additional Tier 1 (AT1) capital before regulatory adjustments			N/A
	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
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

		(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
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	-		N/A
44	Additional Tier 1 (AT1) capital	-		N/A
45	Tier 1 capital (T1 CET1 + AT1)	1,100.3		N/A
	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
51	Tier 2 (T2) capital before regulatory adjustment			N/A
	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
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

		(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
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	Total regulatory adjustments to Tier 2 (T2) capital			N/A
58	Tier 2 (T2) capital			N/A
59	Total capital (TC T1 + T2)	1,100.3		N/A
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)	-		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.)	-	472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b)	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
	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.)	-	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.)	-	477, 477 (2) (b), 477 (2) (c), 477 (4) (b)	N/A
60	Total risk weighted assets	4,115.6		N/A
	Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	26.73%	92 (2) (a), 465	N/A
62	Tier 1 (as a percentage of total risk exposure amount)	26.73%	92 (2) (b), 465	N/A
63	Total capital (as a percentage of total risk exposure amount)	26.73%	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)	3.07%	CRD 128, 129, 140	N/A
65	of which: capital conservation buffer requirement	2.50%		N/A
66	of which: countercyclical buffer requirement	0.07%		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)	7.57%	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

		(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
	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)	1.1	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 standardized approach (prior to the application of the cap)	-	62	N/A
77	Cap on inclusion of credit risk adjustments in T2 under standardized 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
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

		(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
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 of January 31st, 2019 and October 31st, 2018. The capital requirements amounts have been obtained by applying 8% to the corresponding weighted risks.

Template 1 – EU OV1 - Overview of RWAs

EUR mm			RWA		Minimum capital requirements	
			Jan 31st, 2019	Oct 31st, 2018	Jan 31st, 2019	Oct 31st, 2018
	1	Credit risk (excluding counterparty credit risk) (CCR)	2 677.0	3 190.8	214.2	255.3
Art 438(c)(d)	2	Of which standardized approach (SA)	2 677.0	3 190.8	214.2	255.3
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	-	-	-	-
Article 107, Art.438(c)(d)	6	Counterparty credit risk	519.7	763.3	41.6	61.1
Art 438(c)(d)	7	Of which Marked to market	434.1	654.0	34.7	52.3
Art 438(c)(d)	8	Of which Original exposure	-	-	-	-
Art 438(c)(d)	9	Of which standardized 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	85.6	109.3	6.8	8.7
Art 438 (e)	13	Settlement risk	-	-	-	-
Art 449(o)(i)	14	Securitization exposures in banking book (after cap)	-	-	-	-
	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 standardized approach (SA)	-	-	-	-
Art 438 (e)	19	Market risk	157.7	168.3	12.6	13.5
	20	Of which standardized approach (SA)	157.7	168.3	12.6	13.5
	21	Of which internal model approaches (IMA)	-	-	-	-
Art 438 (e)	22	Large exposures	-	-	-	-
Art 438(f)	23	Operational risk	761.1	761.1	60.9	60.9
	24	Of which Basic Indicator Approach	-	-	-	-
	25	Of which Standardized Approach	761.1	761.1	60.9	60.9
	26	Of which Advanced Measurement Approach	-	-	-	-
Art 437(2), Art 48 and Art 60	27	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-	-
Article 500	28	Floor adjustment	-	-	-	-
	29	Total	4 115.6	4 883.5	329.2	390.7

As of January 31st, 2019, RBC IS Bank's total RWAs amounted to 4.2 billion compared to 4.8 billion as of October 31, 2018. As of January 31st, 2019, RWA are concentrated on Credit risk and Operational risk, representing respectively 76% and 18% of the total Bank RWA. Market risk and CVA represents respectively 4% and 2% of the total Bank RWA.

Decrease of total RWA by 768m€ in January 31st, 2019 compared to October 31st, 2018 is primarily due to the decrease of Credit risk RWA by 733.7 m€, reflecting lower counterparty credit risk and decreased 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%. RBCIS Bank internal minimum requirement is set at 3.5%.

As of January 31st, 2019, RBCIS Bank leverage ratio stands at 6.22%, well above the 3.5% internal minimum requirement.

Table 1-3 – Leverage ratio

EUR mm	RBC IS Bank Conso Oct 31st, 2018	RBC IS Bank Conso Jan 31st, 2019
Tier 1 capital, EURm	1 043	1 100
Leverage ratio exposure, EURm	18 883	17 693
Leverage ratio, percentage	5.52%	6.22%

RBC IS Bank's leverage ratio increased from 5.52% in October 2018 to 6.22% in January 2019, is primarily due to a decrease in the firm's on and off balance sheet leverage exposures, combined with an increase of firm's Tier 1 capital.

2 List of templates, figures, tables and graphs

2.1 Templates

Template 1 – EU OV1 - Overview of RWAs.....	18
---	----

2.2 Tables

Table 0-1 – Key figures – Capital ratios.....	6
Table 0-2 – Regulatory Capital.....	7
Table 1-1 – RBCIS Bank Eligible Capital and Capital Ratio	8
Table 1-2 – Transitional own funds requirements.....	9
Table 1-3 – Leverage ratio	20

2.3 Graphs

Graph 0-1 - Key figures – Leverage ratio	6
Graph 0-2 – Distribution of RWA's by type as of January 31 st , 2019.....	7