

Pillar 3 Report

Semi-annual 2023

RBC Investor Services Bank S.A.

Assessment date: 30 April 2023

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Investor &
Treasury Services

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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°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, Switzerland and United Kingdom as well as through its subsidiaries in France, Belgium, Ireland 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 2023 semi-annual Pillar 3 disclosure report 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, 2023

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 23	31 Jan 23	31 Oct 22	31 Jul 22	30 Apr 22
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	1,052.7	1,102.2	1,105.0	1,100.8	1,099.3
2	Tier 1 capital	1,052.7	1,102.2	1,105.0	1,100.8	1,099.3
3	Total capital	1,523.1	1,578.8	1,629.5	1,608.2	1,590.5
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	3,498.0	4,444.2	4,992.3	6,404.3	6,903.5
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	30.10%	24.80%	22.14%	17.19%	15.92%
6	Tier 1 ratio (%)	30.10%	24.80%	22.14%	17.19%	15.92%
7	Total capital ratio (%)	43.54%	35.53%	32.64%	25.11%	23.04%
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 (%)	2.30%	2.30%	2.10%	2.10%	2.10%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.29%	1.29%	1.18%	1.18%	1.18%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.72%	1.73%	1.58%	1.58%	1.58%
EU 7d	Total SREP own funds requirements (%)	10.30%	10.30%	10.10%	10.10%	10.10%
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 (%)	0.24%	0.29%	0.25%	0.25%	0.25%
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 (%)	3.24%	3.29%	3.25%	3.25%	3.25%
EU 11a	Overall capital requirements (%)	13.54%	13.59%	13.35%	13.34%	13.35%
12	CET1 available after meeting the total SREP own funds requirements (%)	22.38%	17.08%	14.56%	9.62%	7.00%
Leverage ratio						
13	Total exposure measure	17,272.6	16,604.7	17,502.8	20,001.5	21,431.9
14	Leverage ratio (%)	6.34%	6.38%	6.31%	5.50%	5.13%
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)	13,269.9	12,582.0	12,928.2	8,384.7	7,452.9
EU 16a	Cash outflows - Total weighted value	8,035.0	8,712.9	8,373.5	7,653.3	7,815.6
EU 16b	Cash inflows - Total weighted value	705.7	970.9	1,115.4	829.0	1,410.5
16	Total net cash outflows (adjusted value)	7,329.4	7,742.0	7,258.2	6,824.2	6,405.1
17	Liquidity coverage ratio (%)	181.42%	165.52%	178.12%	122.86%	116.36%
Net Stable Funding Ratio						
	<i>NSFR ratio as per regulatory reporting periods</i>	<i>31 Mar 2023</i>	<i>31 Dec 2022</i>	<i>30 Sep 2022</i>	<i>30 Jun 2022</i>	<i>31 Mar 2022</i>
18	Total available stable funding	5,924.1	6,099.0	6,382.6	6,452.4	6,689.6
19	Total required stable funding	1,352.0	1,673.8	2,516.4	2,598.5	2,660.9
20	NSFR ratio (%)	438.18%	364.38%	253.64%	248.31%	251.40%