



RBC ROYAL BANK (CAYMAN) LIMITED

Basel II Pillar 3 (Semi-Annual) Disclosures

October 31, 2025

RBC Royal Bank (Cayman) Limited

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CAP – DETAILS ON THE BANK’S CAPITAL, INCLUDING SPECIFIC CAPITAL INSTRUMENTS

Scope

RBC Royal Bank (Cayman) Limited is ultimately owned by Royal Bank of Canada (RBC), a publicly traded chartered bank. In June 2008, RBC acquired RBTT Financial Group (RBTT) creating RBC Financial (Caribbean) Limited (RBCFCL) with headquarters in Port of Spain, Trinidad. The Bank was incorporated locally on September 21, 2011, to become RBC Royal Bank (Cayman) Limited, a subsidiary of RBCFCL. The bank has no subsidiaries and therefore, consolidation differences for accounting and regulatory purposes does not apply.

Capital Structure

The Bank’s accounting capital is comprised mainly of issued ordinary shares at par \$1.00, share premium and retained earnings less any dividends paid. As recorded in the company’s financial statements as of October 31, 2025 the Bank’s total equity is \$240 million (audited financial statements as of October 31, 2024 was \$249 million).

The following table shows the Bank’s total eligible capital in respective Tiers as outlined in the guidelines on minimum capital requirements:

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CAP – DETAILS ON THE BANK’S CAPITAL, INCLUDING SPECIFIC CAPITAL INSTRUMENTS (Continued)

		USD \$'000s
A. Tier 1 Capital		
Paid up capital		16,486
Share premium		98,407
Retained earnings		83,885
Eligible innovative instruments		-
Minority interest		-
Other Tier 1 Capital		-
Total Tier 1 Capital		198,778
B. Deductions from Tier 1 Capital		
Goodwill		-
Intangible assets		-
50/50 pro rata basis deduction		-
Other Tier 1 Deductions		-
Total Deductions from Tier 1 Capital		-
Total Tier 1 Capital		198,778
C. Tier 2 Capital		
Perpetual cumulative preference shares		-
Perpetual cumulative subordinated debt		-
Excess on innovative instruments		-
General provisions		4,552
Other upper tier 2 instruments		41,715
Total Upper Tier 2 Instruments		46,267
Term subordinated debt		-
Other lower tier 2 instruments		-
Total Lower Tier 2 Instruments		-
Total Tier 2 Instruments		46,267
D. Deductions from Tier 2 Capital		
50/50 pro rata basis deduction		-
Other Tier 2 Deductions		-
Total Deductions from Tier 2 Capital		-
Net Tier 2 Capital		46,267
Total Net Tier 1 and Net Tier 2 Capital		245,045
E. Tier 3 capital		
Fully paid, unsecured subordinated debt		-
Available Capital Base		245,045

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CAP – DETAILS ON THE BANK’S CAPITAL, INCLUDING SPECIFIC CAPITAL INSTRUMENTS (Continued)

Capital Adequacy

RBCFCL has in place a comprehensive Capital Management Framework (CMF) that provides a high-level overview of how RBCFCL and its subsidiaries, manage its capital in a coordinated and consistent manner across its organizational structure in order to ensure capital adequacy and ongoing compliance with all regulatory requirements and self-imposed internal targets. This framework is reinforced by key supporting policies and processes, which provide further detail surrounding the Annual Capital Plan process, the management of capital adequacy, subsidiary capital management and all capital-related transactions.

RBC Cayman adheres to an annual stress testing program to evaluate the subsidiary’s capital position under severe but plausible scenarios, to assist with capital adequacy and contingency planning. RBC Cayman is considered adequately capitalized as at October 2025. Refer to the table below.

Corporate Treasury - Caribbean in conjunction with Finance prepares the Annual Capital Plan for its regulated subsidiaries such as RBC Cayman; incorporating financial goals, including the capital ratio targets within which the Group’s capital management is conducted. This is done in alignment with the Group Operating / Business Plan.

Internal Capital Adequacy Assessment Process (ICAAP) is a regulatory prescribed process and forms one of its tools of ‘Supervisory Review’ as required by Pillar II of the Basel II framework. Through development of the ICAAP, Banks are required to demonstrate to Boards of Directors and to regulators that they have a thorough process for assessing adequacy of Capital relative to their risks, and also have sufficient capital resources to cover all material risks beyond the core minimum requirements, i.e. they maintain a safety cushion to accommodate a range of unexpected but plausible contingencies.

Core risks include credit, market and operational risks as defined and measured in accordance with prescribed regulatory guidance. Also considered within the scope of adequacy assessments are a broader range of risks. The ICAAP evaluates the Bank’s capital position in relation to its risk appetite, risk profile, business strategies, operating environment and sensitivity to a number of contingencies defined in stress tests.

Risk appetite and business strategy decisions determine the types and magnitude of risks faced by the institution. This in turn dictates the potential for unexpected losses and the institution’s overall requirements for capital. For RBC Cayman, the Capital Adequacy assessment is a function of capital required versus available, as measured by regulatory and internal requirements. Regulatory capital requirements of the entity are subject to Basel II Pillar 1 stipulations as required by CIMA.

The following table shows the risk weighted assets for credit, market and operational risk along with the minimum capital requirement for each. Also shown is the Total and Tier 1 capital adequacy ratio.

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CAP – DETAILS ON THE BANK’S CAPITAL, INCLUDING SPECIFIC CAPITAL INSTRUMENTS (Continued)

USD (in \$000s)	RWA	Minimum Capital Requirements (13%)
	October 31, 2025	October 31, 2025
Credit risk (excluding counterparty credit risk) (CCR)	740,766	96,300
Securitisation exposures	-	-
Counterparty credit risk	-	-
<i>Of which: current exposure method</i>	-	-
<i>Of which: standardized method</i>	-	-
Market risk	112	15
<i>Of which: Equity risk</i>	-	-
Operational risk	96,192	12,505
<i>Of which: Basic Indicator Approach</i>	-	-
<i>Of which: Standardised Approach</i>	96,192	12,505
<i>Of which: Alternative Standardised</i>	-	-
Total	837,070	108,819

Total Tier 1 Capital Ratio **23.75%**

Total Capital Ratio **29.27%**

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CR1 – CREDIT QUALITY OF ASSETS

		a	b	c	d
USD (in \$000s)		Gross carrying values of:			
		Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Net values (a+b+c)
1	Loans	3,438	1,057,957	(6,157)	1,055,238
2	Debt Securities	-	79,584	(1)	79,583
3	Off-balance sheet exposures	-	98,737	-	98,737
4	Total	3,438	1,236,278	(6,158)	1,233,558

A loan is considered impaired and in default when the borrower is 90 days or more past due on any material obligation to the Bank and/or the Bank considers the borrower unlikely to make their payments in full without recourse action. For certain credit card balances, default occurs when payments are 180 days past due. For these balances, the use of a period in excess of 90 days past due is reasonable and supported by the performance experienced on historical credit card portfolios. The definition of default used is applied consistently from period to period and to all financial instruments unless it can be demonstrated that circumstances have changed such that another definition of default is more appropriate.

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CR2 – CHANGES IN STOCK OF DEFAULTED LOANS AND DEBT SECURITIES

	USD (in \$000s)	May 2025 to October 2025
1	Defaulted loans and debt securities at end of the previous reporting period	3,978
2	Loans and debt securities that have defaulted since the last reporting period	1,254
3	Returned to non-defaulted status	(102)
4	Amounts written off	(40)
5	Other changes	(1,652)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	3,438

New defaults occurring over the period consist of 15 loan facilities. These are anchored with our special loans team for the appropriate collection and recovery efforts.

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CR4 – STANDARDISED APPROACH – CREDIT RISK EXPOSURE AND CRM EFFECTS

USD (in \$000s)		October 31, 2025					
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA Density
1	Sovereigns and their central banks	683,495	-	683,495	-	-	0.00%
2	Non-central government public sector entities	17,631	-	17,631	-	-	0.00%
3	Multilateral development banks	13,122	-	13,122	-	-	0.00%
4	Banks	90,993	-	90,993	-	18,199	20.00%
5	Securities firms	-	-	-	-	-	0.00%
6	Corporates	263,570	74,069	263,570	74,069	285,542	84.57%
7	Regulatory retail portfolios	45,575	24,668	45,575	24,668	50,509	71.91%
8	Secured by residential property	384,486	-	384,486	-	288,364	75.00%
9	Secured by commercial real estate	83,720	-	83,720	-	83,720	100.00%
10	Past-due exposures	4,071	-	4,071	-	2,243	55.09%
11	Higher-risk categories	12,189	-	12,189	-	12,189	100.00%
12	Other assets	-	-	-	-	-	0.00%
13	Total	1,598,851	98,737	1,598,851	98,737	740,766	43.64%

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CR5 – STANDARDISED APPROACH – EXPOSURES BY ASSET CLASSES AND RISK WEIGHTS

Asset Classes USD (in \$000s)	Risk Weight	October 31, 2025									Total credit exposure amount (post CCF and post- CRM)
		0%	10%	20%	35%	50%	75%	100%	150%	Others	
1 Sovereigns and their central banks		683,495	-	-	-	-	-	-	-	-	683,495
2 Non-central government public sector entities		17,631	-	-	-	-	-	-	-	-	17,631
3 Multilateral development banks		13,122	-	-	-	-	-	-	-	-	13,122
4 Banks		-	-	90,993	-	-	-	-	-	-	90,993
5 Securities firms		-	-	-	-	-	-	-	-	-	-
6 Corporates		7,517	-	37,678	-	28,874	-	263,570	-	-	337,639
7 Regulatory retail portfolios		-	-	24,668	-	-	-	45,575	-	-	70,243
8 Secured by residential property		-	-	-	-	-	384,486	-	-	-	384,486
9 Secured by commercial real estate		-	-	-	-	-	-	83,720	-	-	83,720
10 Past-due exposures		-	-	-	-	-	-	4,071	-	-	4,071
11 Higher-risk categories		-	-	-	-	-	-	12,189	-	-	12,189
12 Other assets		-	-	-	-	-	-	-	-	-	-
13 Total		721,764	-	153,339	-	28,874	384,486	409,125	-	-	1,697,588

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CCR1 – ANALYSIS OF COUNTERPARTY CREDIT RISK EXPOSURE BY APPROACH

Counterparty credit risk is the risk that a party with whom the bank has entered into a financial or non-financial contract will fail to fulfill its contractual agreement and default on its obligation. It incorporates not only the contract's current value, but also considers how that value can move as market conditions change. Counterparty credit risk usually arises from trading-related derivative and repo-style transactions.

The Bank does not engage in these types of trading activities at this time.

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**CCR3 – STANDARDISED APPROACH OF CCR EXPOSURES BY REGULATORY
PORTFOLIO AND RISK WEIGHTS**

Refer to Table CCR1. The Bank does not currently engage in trading related activities that give rise to significant counterparty credit risk.

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CCR5 – COMPOSITION OF COLLATERAL FOR CCR EXPOSURE

Refer to Table CCR1. The Bank does not currently engage in trading related activities that give rise to significant counterparty credit risk.

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CCR6 – CREDIT DERIVATIVE EXPOSURES

Refer to Table CCR1. The Bank does not currently engage in trading related activities that give rise to significant counterparty credit risk.

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LIQ2 – NET STABLE FUNDING RATIO (NSFR)

The available stable funding of the entity is driven primarily from capital (100% stable) and operational deposits from personal, non-personal and sovereigns. The majority of the assets requiring stable funding (50%) are primarily <1year loans to personal, non-personal and sovereigns. The entity has more operational deposits than less-than-1year loans compared to the required funding resulting in an elevated NSFR result.

In \$'000s	October 31, 2025				
	No Maturity	< 6 Months	6 Months to 1 Year	> 1 Year	Weighted Value
Available stable funding (ASF) item					
1 Capital	-	-	-	295,007	295,007
2 Regulatory capital				295,007	295,007
3 Other capital instruments					
4 Retail deposits and deposits from small business customers:	-	233,441	29,651	24	236,807
5 Stable deposits					
6 Less stable deposits		233,441	29,651	24	236,807
7 Wholesale funding:	-	956,433	73,003	-	495,674
8 Operational deposits		956,433	73,003		495,674
9 Other wholesale funding					
10 Liabilities with matching interdependent assets					
11 Other liabilities:					
12 NSFR derivative liabilities					
13 All other liabilities and equity not included in the above categories					
14 Total Available Stabe Funding (ASF)					1,027,488
Required stable funding (RSF) item					
15 Total NSFR high-quality liquid assets (HQLA)					23,026
16 Deposits held at other financial institutions for operational purposes		31,501			15,751
17 Performing loans and securities:	-	279,969	51,915	-	165,943
18 Performing loans to financial institutions secured by Level 1 HQLA					
19 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions					
20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:		279,969	51,915		165,943
21 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk					
22 Performing residential mortgages, of which:					
23 With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk					
24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities					
25 Assets with matching interdependent liabilities					
26 Other assets:	-	-	-	-	-
27 Physical traded commodities, including gold					
28 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs					
29 NSFR derivative assets					
30 NSFR derivative liabilities before deduction of variation margin posted					
31 All other assets not included in the above categories					
32 Off-balance sheet items		829,038			12,079
33 Total RSF					216,799
34 Net Stabe Funding Ratio (%)					474%

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SEC1 – SCRUTISATION EXPOSURES IN THE BANKING BOOK

The Bank does not currently participate in securitization activities.

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SEC2 – SECURITISATION EXPOSURES IN THE TRADING BOOK

The Bank does not currently participate in securitization activities.

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**SEC3 – SECURITISATION EXPOSURES IN THE BANKING BOOK AND ASSOCIATED
REGULATORY CAPITAL REQUIREMENTS – BANK ACTING AS ORGINATOR OR AS
SPONSOR**

The Bank does not currently participate in securitization activities.

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**SEC4 – SECURITISATION EXPOSURES IN THE BANKING BOOK AND ASSOCIATED
CAPITAL REQUIREMENTS – BANK ACTING AS INVESTOR**

The Bank does not currently participate in securitization activities.

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MR1 – MARKET RISK UNDER STANDARDISED APPROACH

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility or market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

The bank does not hold financial assets and liabilities sensitive to changes in market variables aside from foreign exchange and interest rates. As such, the Bank is not deemed to have significant other price risk exposures and the Bank does not engage in market trading activities.

The following table shows the component of RWA under the standardised approach allocable to market risk:

	USD (in \$000s)	October 31, 2025
	Outright products	
1	Interest rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Foreign exchange risk	112
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	Securitisation	-
9	Total	112

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ENC – ASSET ENCUMBRANCE

The Bank's assets are not encumbered and are available to be liquidated, sold, transferred or assigned. Although unencumbered, given that the Bank adheres to minimum liquidity and capital regulatory requirements, some of the Bank's assets are managed within those established minimum rules.

Financial Statement Line Items USD (in \$000s)	Encumbered Assets	Unencumbered Assets	Total
Assets			
Cash and cash equivalents	-	446,833	446,833
Loans and advances to customers	-	1,056,147	1,056,147
Investment securities	-	79,584	79,584
Due from affiliated companies	-	6,292	6,292
Premises and equipment	-	9,256	9,256
Other assets	-	12,394	12,394
Total Assets	-	1,610,506	1,610,506