



NatWest
Group

**The Royal Bank of Scotland International
Limited
Q3 2023 Pillar 3**

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Forward-looking statements

This document may contain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, such as statements that include, without limitation, the words 'expect', 'estimate', 'project', 'anticipate', 'commit', 'believe', 'should', 'intend', 'will', 'plan', 'could', 'probability', 'risk', 'Value-at-Risk (VaR)', 'target', 'goal', 'objective', 'may', 'endeavour', 'outlook', 'optimistic', 'prospects' and similar expressions or variations on these expressions. These statements concern or may affect future matters, such as RBSI Limited's future economic results, business plans and strategies. In particular, this document may include forward-looking statements relating to RBSI Limited in respect of, but not limited to: its economic and political risks (including due to high inflation, supply chain disruption and the Russian invasion of Ukraine), the constantly evolving oversight and regulatory environment (including its regulatory capital position and related requirements); its risk exposure to operational risk (including its conduct risk, cyber, data and IT risk, financial crime risk, key person risk); its reputational risk in relation to the NatWest Group's recent creation of its Commercial & Institutional franchise of which RBSI Limited forms part (including its ESG and climate-related targets); its counterparty and borrower risk (including its impairment losses and credit exposures under certain specified scenarios); its access to sources of liquidity and funding. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, the outcome of legal, regulatory and governmental actions and investigations, the level and extent of future impairments and write-downs, legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, interest and exchange rate fluctuations, general economic and political conditions, the impact of climate related risks and the transitioning to a net zero economy. These and other factors, risks and uncertainties that may impact any forward-looking statement or RBSI Limited's actual results are discussed in RBSI Limited's 2022 Annual Report and Accounts (ARA), RBSI Limited Interim Results for H1 2023, and other public filings. The forward-looking statements contained in this document speak only as of the date of this document and RBSI Limited does not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

Presentation of information

This document presents the consolidated Pillar 3 disclosures for The Royal Bank of Scotland International Limited (RBSI) at 30 September 2023.

RBSI is incorporated in Jersey and is a subsidiary of NatWest Group plc. NatWest Group plc is the 'ultimate holding company'. The term NatWest Group refers to NatWest Group plc and its subsidiary and associated undertakings.

Based on the criteria set out in the UK CRR, NatWest Group primarily defines its large subsidiaries in scope of PRA Pillar 3 disclosures as those designated as an Other Systemically Important Institution (O-SII) by the PRA or those with total assets equal to or greater than €30 billion.

RBSI being a large, non-listed subsidiary of NatWest Group is subject to a reduced number of disclosures as set out in the PRA Rulebook.

The disclosures for RBSI are calculated in accordance with the regulatory capital requirements in Jersey. RBSI does not take advantage of the IFRS 9 transitional capital rules in respect to ECL provisions therefore the disclosure table IFRS 9-FL is not included in this document.



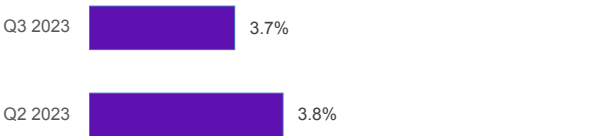
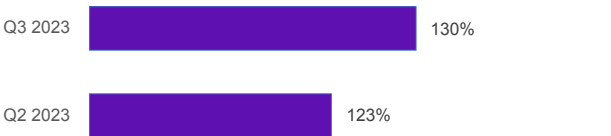

Row and column references are based on those prescribed in the PRA templates.

In this report, in line with regulatory framework, the term credit risk excludes counterparty credit risk, unless specifically indicated otherwise.

The Pillar 3 disclosures are presented in pounds sterling ('£') and have not been subject to external audit. For definitions of terms, refer to the Glossary available on natwestgroup.com.

Annex I: Key metrics and overview of risk-weighted assets

RBSI Limited - Key points

<p>CET1 ratio</p>  <table border="1"> <thead> <tr> <th>Quarter</th> <th>CET1 Ratio</th> </tr> </thead> <tbody> <tr> <td>Q3 2023</td> <td>17.9%</td> </tr> <tr> <td>Q2 2023</td> <td>17.9%</td> </tr> </tbody> </table>	Quarter	CET1 Ratio	Q3 2023	17.9%	Q2 2023	17.9%	<p>The CET1 ratio remained stable at 17.9%. It reflects a decrease in both CET1 capital and in RWAs.</p>
Quarter	CET1 Ratio						
Q3 2023	17.9%						
Q2 2023	17.9%						
<p>RWAs</p>  <table border="1"> <thead> <tr> <th>Quarter</th> <th>RWAs (£bn)</th> </tr> </thead> <tbody> <tr> <td>Q3 2023</td> <td>£7.3bn</td> </tr> <tr> <td>Q2 2023</td> <td>£7.6bn</td> </tr> </tbody> </table>	Quarter	RWAs (£bn)	Q3 2023	£7.3bn	Q2 2023	£7.6bn	<p>Total RWAs have decreased from Q2 2023 by £0.3 billion. The decrease was driven by Customer repayments (£0.2bn) and a decrease in Group Placements (£0.1bn).</p>
Quarter	RWAs (£bn)						
Q3 2023	£7.3bn						
Q2 2023	£7.6bn						
<p>Leverage ratio</p>  <table border="1"> <thead> <tr> <th>Quarter</th> <th>Leverage Ratio</th> </tr> </thead> <tbody> <tr> <td>Q3 2023</td> <td>3.7%</td> </tr> <tr> <td>Q2 2023</td> <td>3.8%</td> </tr> </tbody> </table>	Quarter	Leverage Ratio	Q3 2023	3.7%	Q2 2023	3.8%	<p>The leverage ratio has decreased to 3.7% for Q3 2023. Key driver of the decrease was £0.4 billion increase in the total exposure. Total exposure included claims on central banks.</p>
Quarter	Leverage Ratio						
Q3 2023	3.7%						
Q2 2023	3.8%						
<p>LCR</p>  <table border="1"> <thead> <tr> <th>Quarter</th> <th>LCR Ratio</th> </tr> </thead> <tbody> <tr> <td>Q3 2023</td> <td>130%</td> </tr> <tr> <td>Q2 2023</td> <td>123%</td> </tr> </tbody> </table>	Quarter	LCR Ratio	Q3 2023	130%	Q2 2023	123%	<p>The average LCR ratio increased to 130% for Q3 2023, driven by higher levels of customer lending and higher levels of term/notice deposits and wholesale funding.</p>
Quarter	LCR Ratio						
Q3 2023	130%						
Q2 2023	123%						
<p>NSFR</p>  <table border="1"> <thead> <tr> <th>Quarter</th> <th>NSFR Ratio</th> </tr> </thead> <tbody> <tr> <td>Q3 2023</td> <td>141%</td> </tr> <tr> <td>Q2 2023</td> <td>131%</td> </tr> </tbody> </table>	Quarter	NSFR Ratio	Q3 2023	141%	Q2 2023	131%	<p>The average NSFR ratio increased to 141%, primarily driven by lower levels of customer lending.</p>
Quarter	NSFR Ratio						
Q3 2023	141%						
Q2 2023	131%						

Annex I: Key metrics and overview of risk-weighted assets

UK KM1: Key metrics

The table below provides a summary of the main prudential regulation ratios and measures. The metrics for RBSI are calculated in accordance with Jersey regulatory rules.

	30 September 2023 £m	30 June 2023 £m	31 March 2023 £m	31 December 2022 £m	30 September 2022 £m
Available own funds (amounts)					
1 Common equity tier 1 (CET1) capital	1,304	1,359	1,622	1,412	1,637
2 Tier 1 capital	1,604	1,659	1,922	1,712	1,937
3 Total capital	1,611	1,665	1,927	1,718	1,939
Risk-weighted exposure amounts					
4 Total risk-weighted exposure amount	7,304	7,597	7,561	7,639	8,137
Capital ratios (as a percentage of risk-weighted exposure amount)					
5 Common equity tier 1 ratio (%)	17.9	17.9	21.5	18.5	20.1
6 Tier 1 ratio (%)	22.0	21.8	25.4	22.4	23.8
7 Total capital ratio (%)	22.1	21.9	25.5	22.5	23.8
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
UK 7a Additional CET1 SREP requirements (%)	6.8	6.8	6.8	6.8	6.8
UK 7b Additional AT1 SREP requirements (%)	—	—	—	—	—
UK 7c Additional Tier 2 SREP requirements (%)	1.2	1.2	1.2	1.2	1.2
UK 7d Total SREP own funds requirements (%)	18.0	18.0	18.0	18.0	18.0
Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8 Capital conservation buffer (%)					
9 Institution specific countercyclical capital buffer (%) (1)					
10 Global Systemically Important Institution buffer (%) (2)					
UK 10a Other Systemically Important Institution buffer (%) (1)					
11 Combined buffer requirement (%)					
UK 11a Overall capital requirements (%)	18.0	18.0	18.0	18.0	18.0
12 CET1 available after meeting the total SREP own funds requirements (%) (3)	2.6	2.6	6.2	3.2	4.9
Leverage ratio					
13 Total exposure measure excluding claims on central banks (4)	43,799	43,434	44,278	42,859	43,933
14 Leverage ratio excluding claims on central banks (%) (4)	3.7	3.8	4.3	4.0	4.4
Additional leverage ratio disclosure requirements (5)					
UK 14a Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)					
UK 14b Leverage ratio including claims on central banks (%)					
UK 14c Average leverage ratio excluding claims on central banks (%)					
UK 14d Average leverage ratio including claims on central banks (%)					
UK 14e Countercyclical leverage ratio buffer (%)					
Liquidity coverage ratio (6)					
15 Total high-quality liquid assets (HQLA) (weighted value-average)	20,718	19,901	19,876	20,077	21,147
UK 16a Cash outflows - Total weighted value	19,586	20,207	20,458	20,675	20,871
UK 16b Cash inflows - Total weighted value	3,691	4,013	4,096	4,020	4,054
16 Total net cash outflows (adjusted value)	15,895	16,194	16,362	16,655	16,817
17 Liquidity coverage ratio (%)	130	123	121	121	126
Net stable funding ratio (7)					
18 Total available stable funding	16,963	16,826	16,757	16,479	
19 Total required stable funding	12,005	12,850	13,261	13,395	
20 NSFR ratio (%)	141	131	126	123	

- (1) Row 8, row 9 and row 10a are not applicable under Jersey regulatory rules. The Jersey regulator intends to introduce changes to its capital framework in 2023 which will bring the regime broadly into line with international standards.
- (2) NatWest Group entities are not subject to a G-SII buffer.
- (3) Represents the CET1 ratio less CET1 currently used to meet SREP requirements (Pillar 1 & 2A).
- (4) The leverage metrics for RBSI are calculated in accordance with Jersey regulatory rules which do not permit the exclusion of claims on central banks.
- (5) RBSI is not an LREQ firm therefore not subject to the additional leverage ratio disclosure requirements.
- (6) The liquidity coverage ratio (LCR) uses the simple average of the preceding 12 monthly periods ending on the quarterly reporting date as specified in the table.
- (7) The net stable funding ratio (NSFR) is calculated as the average of the preceding four quarters reflecting PRA's guidance with came into effect last year. The prior period's ratios have not been restated.