



NatWest
Group

**The Royal Bank of Scotland International
Limited
Q3 2024 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 RBS International Limited’s future economic results, business plans and strategies. In particular, this document may include forward-looking statements relating to RBS International Limited in respect of, but not limited to: its economic and political risks (including as a result of weak economic activity and interest rates, supply chain disruption and geopolitical developments); changes in interest rates; fluctuations in currency exchange rates; 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 strategic risks (including as part of NatWest Group’s Commercial & Institutional business segment, and as a result of NatWest Group’s climate and sustainability-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 RBS International Limited’s actual results are discussed in RBS International Limited’s 2023 Annual Report and Accounts (ARA), RBS International Limited’s Interim Results for H1 2024, and other public filings. The forward-looking statements contained in this document speak only as of the date of this document and RBS International 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 2024.

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.

Within 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 and Acronyms document available on investors.natwestgroup.com/reportsarchive/ 2023.

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

RBSI Limited - Key points

CET1 ratio

17.8%

(Q2 2024 – 17.6%)

The CET1 ratio remained relatively stable at 17.8%

RWAs

£7.3bn

(Q2 2024 - £7.4bn)

Total RWAs have decreased by £0.1 billion from Q2 2024 mainly reflecting a reduction in RWA related to Intercompany, Nostro and Sovereign balances, partially offset by an increase in market risk RWA.

Leverage ratio

4.0%

(Q2 2024 – 3.9%)

The leverage ratio reported in RBSI includes claims on central banks. The leverage ratio increased by 10 basis points this quarter. The key driver of the movement was a decrease in total exposure primarily due to a decrease in Intergroup balances and in claims on central banks.

LCR average

142%

(Q2 2024 - 143%)

The average LCR ratio of 142% remained broadly in line with prior quarter, with higher lending being offset by higher funding volumes.

NSFR average

149%

(Q2 2024 - 152%)

The average NSFR ratio of 149% trended marginally lower than prior quarter, primarily due to increased lending.

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.

	30 September 2024	30 June 2024	31 March 2024	31 December 2024	30 September 2023
	£m	£m	£m	£m	£m
Available own funds (amounts)					
1 Common equity tier 1 (CET1) capital	1,296	1,300	1,331	1,347	1,304
2 Tier 1 capital	1,596	1,600	1,631	1,647	1,604
3 Total capital	1,600	1,603	1,635	1,651	1,611
Risk-weighted exposure amounts					
4 Total risk-weighted exposure amount	7,294	7,368	7,414	7,715	7,304
Capital ratios (as a percentage of risk-weighted exposure amount)					
5 Common equity tier 1 ratio (%)	17.8	17.6	18.0	17.5	17.9
6 Tier 1 ratio (%)	21.9	21.7	22.0	21.4	22.0
7 Total capital ratio (%)	21.9	21.8	22.1	21.4	22.1
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
UK 7a Additional CET1 SREP requirements (%)	5.0	5.0	5.0	6.8	6.8
UK 7b Additional AT1 SREP requirements (%)	—	-	-	-	-
UK 7c Additional Tier 2 SREP requirements (%)	1.0	1.0	1.0	1.2	1.2
UK 7d Total SREP own funds requirements (%)	16.0	16.0	16.0	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 (%)	16.0	16.0	16.0	18.0	18.0
12 CET1 available after meeting the total SREP own funds requirements (%) (3)	4.3	4.1	4.5	2.2	2.6
Leverage ratio					
13 Total exposure measure including claims on central banks (4)	39,756	41,332	42,278	41,322	43,799
14 Leverage ratio including claims on central banks (%) (4)	4.0	3.9	3.9	4.0	3.7
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)	21,308	21,483	21,138	21,049	20,718
UK 16a Cash outflows - Total weighted value	18,228	18,334	18,524	19,070	19,586
UK 16b Cash inflows - Total weighted value	3,233	3,357	3,306	3,515	3,691
16 Total net cash outflows (adjusted value)	14,995	14,977	15,218	15,555	15,895
17 Liquidity coverage ratio (%) (6)	142	143	139	135	130
Net stable funding ratio					
18 Total available stable funding	17,034	17,206	17,093	17,008	16,963
19 Total required stable funding	11,406	11,336	11,431	11,702	12,005
20 NSFR ratio (%) (7)	149	152	150	145	141

- (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 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.