



**NatWest**  
Group

# **The Royal Bank of Scotland International Limited**

## **Q1 2023 Pillar 3**

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## Presentation of information

This document presents the interim Pillar 3 disclosures for The Royal Bank of Scotland International Limited (RBSI) as at 31 March 2023.

RBSI is incorporated in Jersey and is 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 the 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.co](https://www.natwestgroup.co)

## RBSI Limited - Key points

### CET1 ratio



The CET1 ratio increased by 300 basis points to 21.5%. The increase is primarily due to a £0.2 billion increase in CET1 capital and a £0.1 billion decrease in RWAs.

The CET1 capital increase is mainly driven by:

- the addition of H2 2022 audited profits of £0.2 billion.

### RWAs



Total RWAs are broadly in line with last quarter at £7.6 billion, during the period reflecting:

- a decrease in customer credit risk RWAs primarily due to customer lending volumes and risk parameter improvements; and
- FX movement decrease offset by intercompany and Nostro balance increase.

### Leverage ratio



The leverage ratio has increased 30 basis points from December 2022. Key drivers of the increase are a £0.2 billion increase in Tier 1 capital and a £1.4 billion increase in total exposure. Total exposure includes claims on central banks.

### LCR



The average LCR ratio of 121% remained unchanged from prior quarter, with limited movements witnessed across customer lending and deposits.

## UK KM1: Key metrics

The table below provides a summary of the main prudential regulation ratios and measures.

		RBSI				
		31 March	31 December	30 September	30 June	31 March
		2023	2022	2022	2022	2022
		£m	£m	£m	£m	£m
<b>Available own funds (amounts)</b>						
1	Common equity Tier 1 (CET1) capital	1,622	1,412	1,637	1,415	1,619
2	Tier 1 capital	1,922	1,712	1,937	1,715	1,919
3	Total capital	1,927	1,718	1,939	1,719	1,933
<b>Risk-weighted exposure amounts</b>						
4	Total risk-weighted exposure amount	7,561	7,639	8,137	8,300	7,492
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>						
5	Common equity tier 1 ratio (%)	21.5	18.5	20.1	17	21.6
6	Tier 1 ratio (%)	25.4	22.4	23.8	20.7	25.6
7	Total capital ratio (%)	25.5	22.5	23.8	20.7	25.8
<b>Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)</b>						
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
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>						
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)	6.2	3.2	4.9	1.8	6.4
<b>Leverage ratio (5)</b>						
13	Total exposure measure excluding claims on central banks (4)	44,278	42,859	43,933	45,757	42,188
14	Leverage ratio excluding claims on central banks (%) (4)	4.3	4.0	4.4	3.8	4.6
<b>Additional leverage ratio disclosure requirements (5)</b>						
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 (%)					
<b>Liquidity coverage ratio (6)</b>						
15	Total high-quality liquid assets (HQLA) (weighted value-average)	19,876	20,077	21,147	21,766	21,759
UK 16a	Cash outflows - Total weighted value	20,458	20,675	20,871	20,540	20,165
UK 16b	Cash inflows - Total weighted value	4,096	4,020	4,054	3,921	3,982
16	Total net cash outflows (adjusted value)	16,362	16,655	16,817	16,619	16,183
17	Liquidity coverage ratio (%) (6)	121	121	126	131	134
<b>Net stable funding ratio</b>						
18	Total available stable funding	16,757	16,479			
19	Total required stable funding	13,261	13,395			
20	NSFR ratio (%)	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.