



Elavon European Holdings B.V.

Pillar 3 Disclosures

31 December 2019

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Introduction

The purpose of this document is to disclose information in accordance with the scope of application of the Capital Requirements Directive IV (CRD IV) requirements for Elavon European Holdings B.V. and its subsidiaries (the 'Group' or 'Elavon'), particularly covering capital, risk management, credit risk, market risk, operational risk, liquidity risk, leverage ratio and remuneration.

The CRD IV and the Capital Requirements Regulation (CRR) were published in the Official Journal of the EU on 27 June 2013 and came into effect on 1 January 2014. CRD IV in the context of this document describes the package CRR, CRD and regulatory and technical standards. Since their publication, CRR and CRD IV have been subject to numerous amendments including by CRR2 and CRDV which were published in the Official Journal of the EU on 7 June 2019 and whilst most of those changes will start to apply from mid-2021 some are already applicable.

CRD IV is commonly referred to as containing the following three Pillars:

Pillar 1 contains mechanisms and requirements for the calculation by financial institutions of their minimum capital requirements for credit risk, market risk and operational risk.

Pillar 2 is intended to ensure that each financial institution has sound internal processes in place to assess the adequacy of its capital, based on a thorough evaluation of its risks. Supervisors are tasked with evaluating how well financial institutions are assessing their capital adequacy needs relative to their risks. Risks not fully addressed under Pillar 1 and any other risks identified are considered under this Pillar.

Pillar 3 is intended to complement Pillar 1 and Pillar 2. It requires that financial institutions disclose information on the scope of application of CRD IV requirements, particularly covering capital requirements / risk weighted assets (RWA) and resources, risk exposures and risk assessment processes.

For ease of reference, the requirements are referred to as 'Pillar 3' in this document. Pillar 3 contains both qualitative and quantitative disclosure requirements.

Scope of Application and Equivalency

The Group is required to comply with the Pillar 3 disclosure requirements as Elavon Financial Services DAC (the 'Bank' or 'EFS') is a regulated credit institution subject to the CRD IV requirements.

Under the CRD IV the Group must comply with the Pillar 3 disclosure requirements on a consolidated basis. Certain additional disclosures apply to large subsidiaries on an individual basis, however EFS does not meet the definition of a large subsidiary and as such is not required to provide disclosures on an individual basis. Pillar 3 disclosures contained herein relate to Elavon European Holdings B.V., on a consolidated basis unless specified otherwise.

Article 13(3) of the CRR allows institutions to rely on equivalent disclosures made by its parent undertaking. Elavon makes use of equivalent disclosures made by its ultimate parent undertaking U.S. Bancorp. The U.S. Bancorp Annual Report and Pillar 3 disclosures can be found in the Investor Relations area of the website: <https://ir.usbank.com/investor-relations/financial-information/basel-pillar-3-lcr-disclosures?c=117565&p=irol-basel>

A mapping table has been included in Appendix 1 which details how the Group has complied with the Pillar 3 requirements under Part Eight of the CRR. This mapping table also includes the location of equivalent US Bancorp disclosures.

Other Relevant Financial Information

The Group's Pillar 3 document should be read in conjunction with the Elavon Financial Services DAC financial statements 31 December 2019. The financial statements are prepared on a statutory consolidated basis which differs to the prudential consolidation basis used under CRD IV for the Pillar 3 disclosures. The primary difference is the prudential consolidation requires the inclusion of the Bank's parent Elavon European Holdings B.V. and all of its subsidiaries. EFS's financial statements however account for the majority of the prudential consolidation's income, expenses and balance sheet. The financial statements are available from the Irish Company Requisition Office Website, <https://www.cro.ie/>.

Elavon European Holdings B.V. is not required to prepare statutory consolidated financial statements, however if it were these would align to the prudential consolidation. Certain financial information for Elavon European Holdings B.V. is available from the Netherlands Chamber of Commerce website: <https://www.kvk.nl/english/>.

Pillar 3 Disclosure Policy

The Group's Pillar 3 disclosures have been prepared in accordance with CRD IV as implemented into Irish law and in accordance with the Group's Pillar 3 Disclosure Policy, the key elements of which are set out below.

Frequency

CRD IV requires the Group to disclose information at a minimum on an annual basis. To ensure the effective communication of the Group's business and risk profile, the Group also pays particular attention to the possible need to provide information more frequently than annually.

Verification

Information which is sourced from the Group's financial statements is subject to audit by the Group's external auditors and is subject to both internal and external review, along with appropriate governance. The Pillar 3 document is subject to a robust internal control and governance process in line with Group's Pillar 3 Disclosure Policy.

Capital Management

The Group maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee in Banking Supervision and implemented into law by the European Commission and by the Central Bank of Ireland, in supervising the Group. During the past year, the Group has complied in full with all its externally imposed capital requirements.

The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements and that the Group maintains healthy capital ratios in order to support its business. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities.

Key capital ratios and key risk weighted assets

The following tables outline the components of the Group's, capital, risk weighted assets and capital ratios under CRD IV on a regulatory basis.

Table 1 - Regulatory Capital (Fully loaded)^[1]		
<i>In thousands of Euro</i>	2019	2018
Common equity tier 1 (CET1) capital	951,984	966,661
Additional Tier 1 (AT1) capital	-	-
Tier 2 capital	-	-
Total Capital	951,984	966,661
Risk Weighted Assets	2,100,218	1,945,743
of which:		
Credit Risk	1,065,891	905,426
Market Risk	260,299	285,902
Operational Risk	774,028	747,755
Other	-	6,660
CET1 Capital Ratio	45.33%	49.68%
Total Capital Ratio	45.33%	49.68%
Total Leverage Ratio	9.85%	11.72%

[1] Capital ratios reflect audited profits following final approval of financial statements.

Regulatory Capital

The Group's regulatory capital comprises fully of Common Equity Tier 1 (CET1) capital. CET1 mainly consists of share capital, capital contribution, retained earnings and the foreign currency translation reserve. The majority of deductions to capital are driven by goodwill, other intangible assets and the IFRS9 ECL provisions. The Group has not issued any Additional Tier 1 (AT1) or Tier 2 capital.

CET1 capital decreased by €14.7m from 2018 primarily due to a distribution of capital to the Groups parent entity of €71.3m partially offset by profit for the year €40.3m, an increase in OCI reserves €9.5m and lower regulatory deductions €6.9m.

The Group's capital ratio has decreased by 4.35% from 2018, primarily due to the impacts on CET1 highlighted above and an increase in the level of its risk weighted assets. The increase in risk weighted assets during 2019 is driven by normal balance sheet

fluctuations and higher exposures arising from increased processing volumes in the merchant acquiring business.

Leverage Ratio

CRD IV introduced a leverage ratio to prevent an excessive build-up of leverage on an institution's balance sheet. The ratio is defined as Tier 1 capital (CET1 plus AT1 capital) divided by total exposures. Total exposures include on-balance sheet items, off-balance sheet items and regulatory adjustments.

The implications of the leverage ratio have been closely monitored prior to its move to a binding requirement. On 7 June 2019, amendments to the CRR (EU Regulation 2019/876) were published which introduce a 3% leverage ratio requirement applicable from 28 June 2021. The Group continues to operate well in excess of this requirement.

Capital Management (continued)

IFRS 9

The Group has not adopted the transitional arrangement for IFRS 9 and does not currently intend to reverse this decision. The Groups own funds, capital ratio and leverage ratio reflect the full impact of IFRS 9.

COVID -19

The recent coronavirus outbreak (COVID-19) is an emerging and potentially significant risk that the Group is monitoring closely.

The outbreak is expected to impact the economies or markets to which the Group or our customers are exposed, and is likely to impact on the Group's performance.

Given the Group's risk profile no additional disclosures are required at this point in time, however the Group will continue to monitor the situation to identify potential impacts and the need for additional disclosures.

Minimum Capital Requirements

Table 2 below summarises the Group's RWAs and minimum capital requirements by risk type (i.e. 8% minimum pillar 1 requirement).

The increase in risk weighted assets during 2019 is driven by normal balance sheet fluctuations.

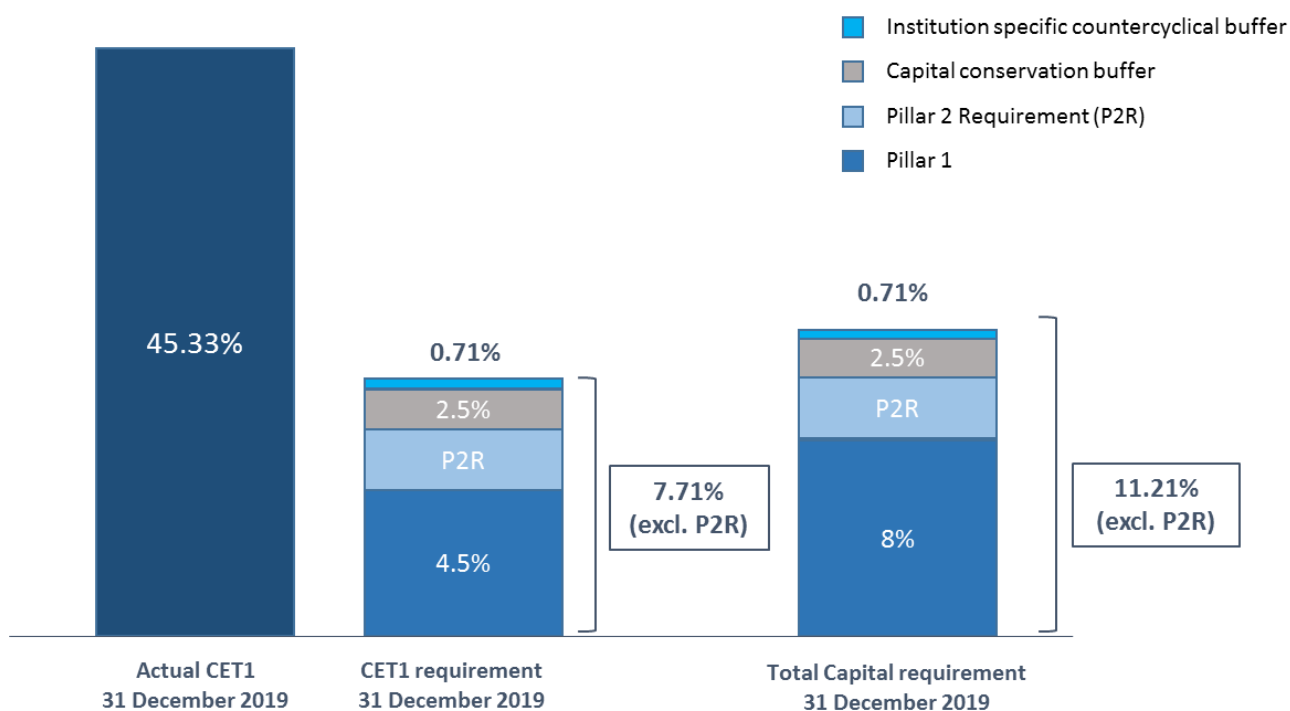
Table 2: EU OV1 – Overview of RWAs

In thousands of Euro

	2019		2018	
	RWA	Minimum capital requirements	RWA	Minimum capital requirements
1 Credit risk (excluding CCR)	1,056,588	84,527	896,241	71,699
2 Of which the standardised approach	1,056,588	84,527	896,241	71,699
3 Of which the foundation IRB (FIRB) approach	-	-	-	-
4 Of which the advanced IRB (AIRB) approach	-	-	-	-
5 Of which equity IRB under the simple risk-weighted approach or the IMA	-	-	-	-
6 CCR	116	9	226	18
7 Of which mark to market	116	9	226	18
8 Of which original exposure	-	-	-	-
9 Of which the standardised approach	-	-	-	-
10 Of which internal model method (IMM)	-	-	-	-
11 Of which risk exposure amount for contributions to the default fund of a CCP	-	-	-	-
12 Of which CVA	-	-	-	-
13 Settlement risk	-	-	-	-
14 Securitisation exposures in the banking book (after the cap)	-	-	-	-
15 Of which IRB approach	-	-	-	-
16 Of which IRB supervisory formula approach (SFA)	-	-	-	-
17 Of which internal assessment approach (IAA)	-	-	-	-
18 Of which standardised approach	-	-	-	-
19 Market risk	260,299	20,824	285,902	22,872
20 Of which the standardised approach	260,299	20,824	285,902	22,872
21 Of which IMA	-	-	-	-
22 Large exposures	-	-	-	-
23 Operational risk	774,028	61,922	747,755	59,820
24 Of which basic indicator approach	-	-	-	-
25 Of which standardised approach	774,028	61,922	747,755	59,820
26 Of which advanced measurement approach	-	-	-	-
27 Amounts below the thresholds for deduction (subject to 250% risk weight)	9,187	735	8,959	717
28 Floor adjustment	-	-	-	-
Other	-	-	6,660	533
29 Total	2,100,218	168,017	1,945,743	155,659

Capital Requirements and buffers

The capital requirements and buffers for the Group are outlined below:



Capital requirements / buffers

At the 31 December 2019, the Group was required to maintain a CET1 ratio in excess of 7.71% excluding the Pillar 2 requirement (P2R). This includes a Pillar 1 requirement of 4.5%, a capital conservation buffer for 2019 of 2.5% and an institution specific countercyclical buffer of 0.71%. The P2R set by the regulator as part of the Supervisory Review and Evaluation Process (SREP) is not disclosed in accordance with regulatory preference.

Additionally the Group was required to maintain a Total Capital ratio in excess of 11.21% at the 31 December 2019 (excluding the P2R).

Countercyclical Buffer

CRD IV provides for a countercyclical buffer that could require banks to hold additional CET 1 capital of up to 2.5%. This requirement is expected to be imposed by the designated authority of a country where credit growth is deemed to be excessive and leading to the build-up of system-wide risk. The geographical distribution of exposures to the countries and the overall additional capital requirement of €14.8m at 31 December 2019 (€9.7m at 31 December 2018) are outlined below. The increase in requirement is primarily driven by an increase in UK exposures and the introduction of a 1% countercyclical buffer in Ireland.

Table 3 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer 2019

<i>In thousands of Euro</i>												
Breakdown by country	General credit exposures		Trading book exposure		Securitisation exposure		Own funds requirements			Total	Own funds requirement weights	Countercyclical capital buffer rate
	Exposure value for SA	Exposure value IRB	Sum of long and short position of trading book	Value of trading book exposure for internal models	Exposure value for SA	Exposure value for IRB	Of which: General credit exposures	Of which: Trading book exposures	Of which: Securitisation exposures			
	010	020	030	040	050	060	070	080	090	100	110	120
010 Breakdown by country												
United Kingdom	368,564	-	-	-	-	-	27,134	-	-	27,134	41.52%	1.00%
Ireland	169,271	-	-	-	-	-	12,798	-	-	12,798	19.58%	1.00%
Norway	18,809	-	-	-	-	-	1,340	-	-	1,340	2.05%	2.50%
Sweden	8,532	-	-	-	-	-	602	-	-	602	0.92%	2.50%
Denmark	7,937	-	-	-	-	-	665	-	-	665	1.02%	1.00%
Czech Republic	2,118	-	-	-	-	-	136	-	-	136	0.21%	1.50%
Iceland	1,213	-	-	-	-	-	97	-	-	97	0.15%	1.75%
Slovakia	1,118	-	-	-	-	-	86	-	-	86	0.13%	1.50%
Hong Kong	337	-	-	-	-	-	27	-	-	27	0.04%	2.00%
Lithuania	218	-	-	-	-	-	13	-	-	13	0.02%	1.00%
Bulgaria	102	-	-	-	-	-	6	-	-	6	0.01%	0.50%
France	7,196	-	-	-	-	-	542	-	-	542	0.83%	0.25%
Germany	90,535	-	-	-	-	-	7,024	-	-	7,024	10.75%	0.00%
Poland	57,491	-	-	-	-	-	4,364	-	-	4,364	6.68%	0.00%
Spain	23,705	-	-	-	-	-	1,798	-	-	1,798	2.75%	0.00%
United States	8,487	-	-	-	-	-	681	-	-	681	1.04%	0.00%
Other	104,154	-	-	-	-	-	8,044	-	-	8,044	12.31%	
020 Total	869,787	-	-	-	-	-	65,357	-	-	65,357	100.00%	

*Relevant credit exposures exclude exposures to central governments or local authorities, public sector entities, multilateral development banks, international organisations and institutions.

Table 4 - Amount of institution specific countercyclical capital buffer 2019

<i>In thousands of Euro</i>		010
010	Total risk exposure amount	2,100,218
020	Institution-specific countercyclical capital buffer rate	0.7063%
030	Institution specific countercyclical buffer requirement	14,833

Table 5 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer 2018

In thousands of Euro

Breakdown by country	General credit exposures		Trading book exposure		Securitisation exposure		Own funds requirements			Total	Own funds requirement weights	Countercyclical capital buffer rate
	Exposure value for SA	Exposure value IRB	Sum of long and short position of trading book	Value of trading book exposure for internal models	Exposure value for SA	Exposure value for IRB	Of which: General credit exposures	Of which: Trading book exposures	Of which: Securitisation exposures			
	010	020	030	040	050	060	070	080	090			
010 Breakdown by country												
Czech Republic	1,529	-	-	-	-	-	97	-	-	97	0.18%	1.00%
Germany	67,321	-	-	-	-	-	5,346	-	-	5,346	9.83%	0.00%
United Kingdom	286,966	-	-	-	-	-	21,155	-	-	21,155	38.91%	1.00%
Hong Kong	253	-	-	-	-	-	20	-	-	20	0.04%	1.88%
Ireland	159,475	-	-	-	-	-	10,729	-	-	10,729	19.73%	0.00%
Iceland	1,481	-	-	-	-	-	119	-	-	119	0.22%	1.25%
Lithuania	63	-	-	-	-	-	4	-	-	4	0.01%	0.50%
Norway	20,953	-	-	-	-	-	1,576	-	-	1,576	2.90%	2.00%
Poland	40,005	-	-	-	-	-	3,033	-	-	3,033	5.58%	0.00%
Sweden	15,273	-	-	-	-	-	1,175	-	-	1,175	2.16%	2.00%
Slovakia	337	-	-	-	-	-	26	-	-	26	0.05%	1.25%
United States	26,620	-	-	-	-	-	1,460	-	-	1,460	2.69%	0.00%
Other	120,266	-	-	-	-	-	9,629	-	-	9,629	17.70%	0.00%
020 Total	740,542	-	-	-	-	-	54,369	-	-	54,369	100.00%	

*Relevant credit exposures exclude exposures to central governments or local authorities, public sector entities, multilateral development banks, international organisations and institutions.

Table 6 - Amount of institution specific countercyclical capital buffer 2018

In thousands of Euro

	010
010 Total risk exposure amount	1,945,743
020 Institution-specific countercyclical capital buffer rate	0.4961%
030 Institution specific countercyclical buffer requirement	9,653

Risk Management

The Group has defined internal governance arrangements, which include an organisational structure with defined lines of responsibility; a Risk Management Framework to support the Group to achieve their strategic objectives in a controlled manner by facilitating effective risk management; an Internal Controls Framework designed to mitigate and manage the risks which are identified under the Risk Management Framework to an acceptable level; and a Remuneration Policy and practices that are consistent with and promote sound and effective risk management.

Further details on the Group's approach to risk management are contained in Note 27 of the Elavon Financial Services DAC financial statements 31 December 2019.

Credit Risk

Credit Risk is the current or prospective risk to earnings and capital arising from a counterparty's or obligor's failure to meet the terms of any contract with the institution or its failure to perform as agreed. This risk includes residual risk, the credit risk in securitisation and cross-border (or transfer) risk.

Counterparty Credit Risk is the risk that an individual customer relationship will be unable to fully meet their commitments in accordance with the agreed terms of a contract.

Concentration risk is the risk of excessive credit concentration including to an individual, counterparty, group of connected counterparties, industry sector, a geographic region, country, a type of collateral or a type of credit facility with the potential to produce: (i) losses large enough to threaten the Bank's health or ability to maintain its core operations; or (ii) a material change in the Bank's risk profile.

Credit risk arises both on an on-balance sheet and off-balance sheet exposure basis. On-balance sheet credit risk primarily relates to exposures to Card Issuing Banks, Corporate Payment Systems Card facilities and Banks that the Group has deposited cash with. Off-balance sheet credit risk primarily relates to the contingent risks attached to Merchant Processing.

The Board-approved Risk Appetite Statement and associated policies set out risk tolerance and parameters for exposures to a customer or a group of connected customers. The core values and principles governing the management of credit risk are contained in the Group's credit policies and provide a common and consistent approach to the management of credit risk.

Credit risk approval is undertaken by professionals operating within an approved and defined delegated authority matrix. Exposures are approved according to a system of tiered individual authorities which reflect credit competence, proven judgement and experience. All exposures above certain levels require approval by the Credit Management Committee. Credit limits are approved in accordance with the Group's written risk policies and guidelines.

Exposure to credit risk is managed at origination and through-the-cycle by analysis and regular review of a counterparty's

ability to meet its obligations to the Group; the criterion for acceptable underwriting is set out in the relevant Credit Risk policies.

Additionally, the Group obtain collateral and guarantees from customers where appropriate to reduce and manage credit risk.

Delayed settlement is also utilised as a tool for mitigating chargeback risk for some customers. Monitoring of credit risk is enabled through exposure monitoring and current business and financial information to support the credit risk management of individual exposures in addition to portfolio level management. Credit risk oversight reporting is provided to senior management through the Credit Management Committee. The Group uses the Standardised approach for the calculation of its credit risk capital requirements. The Standardised approach involves the application of prescribed regulatory risk weights to credit exposures to calculate the capital requirement.

Market Risk

Market risk is defined as the current or prospective risk to earnings and capital arising from adverse movements in interest rates, foreign currency exchange, credit spreads, equity prices and risk related factors such as market volatilities. The Group's primary exposures to market risks are foreign exchange and Interest Rate risk in the Banking Book (IRRBB). The Board sets limits on the value of risk that may be accepted.

The Group uses the Standardised approach for its assessment of Pillar 1 capital requirements for market risk, using the prescribed regulatory calculation method.

Operational Risk

The Group defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Group manages Operational Risk through its Risk Management Framework and Internal Control Framework, and supporting procedures, policies and processes. Management has direct and primary responsibility and accountability for identifying, assessing, controlling, and monitoring operational risks embedded in their business activities.

The Group maintains a system of controls with the objective of providing proper transaction authorisation and execution, safeguarding of assets from misuse or theft, and ensuring the reliability of financial and other data. Management is responsible for ensuring that the controls are appropriate and are implemented as designed.

Risk Management (Continued)

Information technology, information security and cyber-security are contained within the overall operational risk framework, with an embedded programme of work to identify, assess and enhance the control environment to address new and emerging threat vectors. Programmes are in place to protect the integrity and availability of systems and mitigate the impacts of potential cyber-attacks.

The Group uses the Standardised approach for its assessment of capital requirements for operational risk, using the prescribed regulatory calculation method.

Credit Risk - Standardised Approach

This section analyses the exposures which are rated under the Standardised Approach, where risk ratings are assigned on the basis of external credit ratings.

Use of External Credit Ratings

Under CRD IV, institutions are permitted to determine the risk weight of an exposure with reference to the credit assessments of External Credit Assessment Institutions ("ECAIs").

Where a counterparty is rated by an ECAI, the Group uses the credit assessment to assign the correct risk weight and calculate the required Risk Weighted Assets. The Group uses the following ECAIs to assess the credit risk of certain exposures under the Standardised Approach:

- Moody's Investors Service ("Moody's"); and
- Standard & Poor's Rating Services ("S&P")

There were no changes to the ECAIs used by the Group during the year.

The Group uses a combination of the credit weightings assigned by the ECAIs and mapping tables issued by the European Banking Authority ("EBA") to map the exposures to the appropriate credit quality assessment step.

The ratings applied to the credit quality assessment steps are:

Credit Quality Step	S&P	Moody's
Credit quality step 1	AAA to AA	Aaa to Aa3
Credit quality step 2	A+ to A-	A1 to A3
Credit quality step 3	BBB+ to BBB-	Baa1 to Baa3
Credit quality step 4	BB+ to BB-	Ba1 to Ba3
Credit quality step 5	B+ to B-	B1 to B3
Credit quality step 6	CCC+ and below	Caa1 and below

Where there are no available credit assessments to map to a credit quality assessment step, the Group assigns risk weights to these exposures in accordance with the CRD IV requirements for unrated exposures.

As at 31 December 2019, ECAIs were used by the Group in calculating its Pillar 1 minimum capital requirements for the following exposure classes:

- Institutions
- Corporates

Credit Risk - Standardised Approach - Exposure Classes

The tables below present a breakdown of credit risk exposures under the standardised approach by asset class and risk weight, corresponding to the riskiness attributed to the exposure. The exposures are disclosed after CCF and CRM techniques. The table below excludes the Groups derivative exposures which are included in the counterparty credit risk section.

The Group's total exposure has increased by €1.4bn primarily due to higher placements with Central Banks €1.2bn and other normal balance sheet fluctuations.

Table 7 EU CR5 – Standardised approach (2019)

In thousands of Euro

Exposure classes	Risk weight												Deducted	Total	Of which unrated
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%			
1 Central governments or central banks	7,587,148	-	-	-	-	-	-	-	-	751	-	3,675	-	7,591,574	7,591,574
2 Regional government or local authorities	-	-	-	-	1,089	-	-	-	-	-	-	-	-	1,089	1,089
3 Public sector entities	-	-	-	-	4,054	-	-	-	-	-	-	-	-	4,054	4,054
4 Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Institutions	-	-	-	-	1,186,564	-	1,087	-	-	-	-	-	-	1,187,651	151,203
7 Corporates	-	-	-	-	2,466	-	5,083	-	-	626,330	4,720	-	-	638,599	619,696
8 Retail	-	-	-	-	-	-	-	-	106,655	-	-	-	-	106,655	106,655
9 Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Exposures in default	-	-	-	-	-	-	-	-	-	-	8,598	-	-	8,598	8,598
11 Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Equity	-	-	-	-	-	-	-	-	-	2,005	-	-	-	2,005	2,005
16 Other items	-	-	-	-	-	-	-	-	-	113,928	-	-	-	113,928	113,928
17 Total	7,587,148	-	-	-	1,194,173	-	6,170	-	106,655	743,014	13,318	3,675	-	9,654,153	8,598,802

Of which Unrated: All exposures are unrated with the exception of 'Central governments or central banks' and certain 'Institution' and 'Corporate' exposures. Although 'Central governments or central banks' exposures have ECAI ratings, these are not used to assign risk weights as the CRR specifies a 0% risk weight (with the exception of certain tax assets).

Table 8 EU CR5 – Standardised approach (2018)

In thousands of Euro

Exposure classes	Risk weight												Deducted	Total	Of which unrated
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%			
1 Central governments or central banks	6,404,756	-	-	-	-	-	-	-	-	335	-	3,584	-	6,408,675	6,408,675
2 Regional government or local authorities	-	-	-	-	1,500	-	-	-	-	-	-	-	-	1,500	1,500
3 Public sector entities	-	-	-	-	3,554	-	-	-	-	-	-	-	-	3,554	3,554
4 Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Institutions	-	-	-	-	1,074,218	-	866	-	-	-	-	-	-	1,075,084	163,143
7 Corporates	-	-	-	-	2,753	-	21,202	-	-	516,933	2,871	-	-	543,759	513,241
8 Retail	-	-	-	-	-	-	-	-	92,206	-	-	-	-	92,206	92,206
9 Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Exposures in default	-	-	-	-	-	-	-	-	-	-	-	17,380	-	17,380	17,380
11 Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	2,000	-	2,000	2,000
12 Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Collective investment undertakings	-	-	-	-	21,914	-	-	-	-	-	-	-	-	21,914	21,914
15 Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16 Other items	-	-	-	-	-	-	-	-	-	63,282	-	-	-	63,282	63,282
17 Total	6,404,756	-	-	-	1,103,939	-	22,068	-	92,206	580,550	22,251	3,584	-	8,229,354	7,286,895

Of which Unrated: All exposures are unrated with the exception of 'Central governments or central banks' and certain 'Institution' and 'Corporate' exposures. Although 'Central governments or central banks' exposures have ECAI ratings, these are not used to assign risk weights as the CRR specifies a 0% risk weight (with the exception of certain tax assets).

Credit Risk Mitigation (CRM) - Overview

Credit risk mitigation for regulatory capital requirements calculation

Tables 9 and 10 show the volume of unsecured and secured exposures. Secured exposures are limited to those exposures against which eligible collateral/guarantees which meets CRR definitions is held and has been used in the calculation of the Group's capital requirements.

The Group has received a guarantee from U.S. Bancorp for contingent liabilities for chargeback/refund risk from carrier exposures. This guarantee meets the CRR criteria for eligible credit risk mitigation and is presented in the below table.

Table 9 - EU CR3 – CRM techniques – Overview 2019

In thousands of Euro

	Total	Exposures unsecured - carrying amount	Exposures secured - carrying amount	of which: secured by collateral	secured by financial guarantees	secured by credit derivatives
1 Central governments or central banks	7,591,574	7,591,574	-	-	-	-
2 Regional government or local authorities	3,863	3,863	-	-	-	-
3 Public sector entities	16,402	16,402	-	-	-	-
4 Multilateral development banks	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-
6 Institutions	722,651	722,651	-	-	-	-
7 Corporates	4,846,062	2,518,887	2,327,175	-	2,327,175	-
8 Retail	481,564	480,832	732	-	732	-
9 Secured by mortgages on immovable property	-	-	-	-	-	-
10 Exposures in default	24,492	24,492	-	-	-	-
11 Exposures associated with particularly high risk	-	-	-	-	-	-
12 Covered bonds	-	-	-	-	-	-
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14 Collective investment undertakings	-	-	-	-	-	-
15 Equity	2,005	2,005	-	-	-	-
16 Other items	113,928	113,928	-	-	-	-
17 Total	13,802,541	11,474,634	2,327,906	-	2,327,906	-

* Exposures are included at carrying amount (net of allowances and impairments) and include off balance sheet exposures pre CCF and CRM. The Groups derivative exposures which are subject to the counterparty credit risk framework are also included in this table.

Table 10 - EU CR3 – CRM techniques – Overview 2018

In thousands of Euro

	Total	Exposures unsecured - carrying amount	Exposures secured - carrying amount	of which: secured by collateral	secured by financial guarantees	secured by credit derivatives
1 Central governments or central banks	6,408,675	6,408,675	-	-	-	-
2 Regional government or local authorities	6,015	6,015	-	-	-	-
3 Public sector entities	14,924	14,924	-	-	-	-
4 Multilateral development banks	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-
6 Institutions	706,870	706,870	-	-	-	-
7 Corporates	3,816,122	1,954,639	1,861,483	-	1,861,483	-
8 Retail	458,630	414,645	43,985	-	43,985	-
9 Secured by mortgages on immovable property	-	-	-	-	-	-
10 Exposures in default	39,080	39,080	-	-	-	-
11 Exposures associated with particularly high risk	2,000	2,000	-	-	-	-
12 Covered bonds	-	-	-	-	-	-
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14 Collective investment undertakings	21,914	21,914	-	-	-	-
15 Equity	-	-	-	-	-	-
16 Other items	63,282	63,282	-	-	-	-
17 Total	11,537,512	9,632,044	1,905,468	-	1,905,468	-

* Exposures are included at carrying amount (net of allowances and impairments) and include off balance sheet exposures pre CCF and CRM. The Groups derivative exposures which are subject to the counterparty credit risk framework are also included in this table.

Credit Risk Mitigation (CRM) - Standardised Approach

Tables 11 and 12 present Standardised exposures on two different basis (before Credit Conversion Factors (CCF) and Credit Risk Mitigation (CRM) and after CCF and CRM).

The table below excludes the Groups derivative exposures which are included in the counterparty credit risk section.

Table 11 - EU CR4 - Standardised approach - Credit risk exposure and CRM effects (2019)							
<i>In thousands of Euro</i>							
Exposure classes	Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density		RWA density
	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs		
1 Central governments or central banks	7,591,574	-	7,591,574	-	9,939		0%
2 Regional government or local authorities	396	3,467	396	693	218		20%
3 Public sector entities	966	15,436	966	3,087	811		20%
4 Multilateral development banks	-	-	-	-	-		-
5 International organisations	-	-	-	-	-		-
6 Institutions	722,070	-	722,070	465,581	237,972		20%
7 Corporates	177,107	4,668,954	177,107	461,493	616,017		96%
8 Retail	14,022	467,542	14,022	92,634	72,105		68%
9 Secured by mortgages on immovable property	-	-	-	-	-		-
10 Exposures in default	8,598	15,895	8,598	-	12,896		150%
11 Exposures associated with particularly high risk	-	-	-	-	-		-
12 Covered bonds	-	-	-	-	-		-
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-		-
14 Collective investment undertakings	-	-	-	-	-		-
15 Equity	2,005	-	2,005	-	2,005		100%
16 Other items	113,928	-	113,928	-	113,928		100%
17 Total	8,630,666	5,171,294	8,630,666	1,023,488	1,065,891		11%

Table 12 - EU CR4 - Standardised approach - Credit risk exposure and CRM effects (2018)							
<i>In thousands of Euro</i>							
Exposure classes	Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density		RWA density
	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs		
1 Central governments or central banks	6,408,675	-	6,408,675	-	9,295		0%
2 Regional government or local authorities	371	5,644	371	1,129	300		20%
3 Public sector entities	712	14,212	712	2,842	711		20%
4 Multilateral development banks	-	-	-	-	-		-
5 International organisations	-	-	-	-	-		-
6 Institutions	705,738	-	693,991	381,093	215,277		20%
7 Corporates	195,551	3,620,571	195,551	348,208	520,224		96%
8 Retail	12,343	446,287	12,343	79,863	62,657		68%
9 Secured by mortgages on immovable property	-	-	-	-	-		-
10 Exposures in default	17,380	21,700	17,380	-	26,071		150%
11 Exposures associated with particularly high risk	2,000	-	2,000	-	3,000		150%
12 Covered bonds	-	-	-	-	-		-
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-		-
14 Collective investment undertakings	21,914	-	21,914	-	4,383		20%
15 Equity	-	-	-	-	-		-
16 Other items	63,282	-	63,282	-	63,282		100%
17 Total	7,427,966	4,108,414	7,416,219	813,135	905,200		11%

Counterparty Credit Risk (CCR) - Standardised Approach

Counterparty credit risk exposure (“CCR”) arises from the Group’s FX forward contract derivatives exposures with its ultimate parent undertaking U.S. Bancorp. CCR is the risk that the counterparty to a transaction may default before completing the satisfactory settlement of the transaction. The Group calculates its’ CCR exposure using the mark to market approach taking into account a master netting agreement with U.S. Bancorp. The table below provides a breakdown of CCR exposures by portfolio (type of counterparties) and by risk weight (riskiness attributed according to the standardised approach).

Table 13 EU CCR3 – Standardised approach - CCR exposures by regulatory portfolio and risk (2019)

In thousands of Euro

Exposure classes	Risk weight										Total	Of which unrated	
	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others			
1 Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Institutions	-	-	-	581	-	-	-	-	-	-	-	581	-
7 Corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Retail	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Other items	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Total	-	-	-	581	-	-	-	-	-	-	-	581	-

Table 14 EU CCR3 – Standardised approach - CCR exposures by regulatory portfolio and risk (2018)

In thousands of Euro

Exposure classes	Risk weight										Total	Of which unrated	
	0	0	0	0	0	0	0	0	0	Others			
1 Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Institutions	-	-	-	1,131	-	-	-	-	-	-	-	1,131	-
7 Corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Retail	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Other items	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Total	-	-	-	1,131	-	-	-	-	-	-	-	1,131	-

Market Risk

Market risk is defined as the current or prospective risk to earnings and capital arising from adverse movements in interest rates, foreign currency exchange, credit spreads, equity prices and risk related factors such as market volatilities. The Group's primary exposures to market risks are foreign exchange and Interest Rate risk in the Banking Book (IRRBB). The Board sets limits on the value of risk that may be accepted.

Foreign Exchange Risk

The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure which are monitored daily. The

Asset & Liability Management Committee ('ALMC') has responsibility for monitoring compliance with the asset and liability management policies, including foreign exchange exposures.

The table below displays the components of own funds requirements under the standardised approach for market risk. The Group does not have a trading book and as such has limited exposure to market risk under the requirements of the CRD IV. In addition, interest rate risk in the banking book is not subject to the market risk requirements for own funds. As such the Group's own funds requirement for market risk arises from open FX positions in the currency balance sheet.

Table 15 EU MR1 – Market risk under the standardised approach

<i>In thousands of Euro</i>		2019		2018	
		RWAs	Capital Requirements	RWAs	Capital Requirements
Outright products					
1	Interest rate risk (general and specific)	-	-	-	-
2	Equity risk (general and specific)	-	-	-	-
3	Foreign exchange risk	260,299	20,824	285,902	22,872
4	Commodity risk	-	-	-	-
Options					
5	Simplified approach	-	-	-	-
6	Delta-plus method	-	-	-	-
7	Scenario approach	-	-	-	-
8	Securitisation (specific risk)	-	-	-	-
9	Total	260,299	20,824	285,902	22,872

Asset Encumbrance

The EBA considers an asset to be encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralise or credit enhance any transaction from which it cannot be freely withdrawn. The Group's funding model does not rely on encumbrance to secure, collateralise or credit enhance any of its liabilities. However, in line with the EBA technical standards on asset encumbrance reporting, the Group considers assets pledged which cannot be freely withdrawn such as mandatory minimum reserves at central banks to be encumbered.

The tables below reflect encumbered and unencumbered assets by carrying amount and fair value as well as any collateral received. The below figures are median values based on quarter end point-in-time (PiT) figures covering the year to 31 December 2019. The exposure value used is in line with implementing Regulation (EU) No 680/2014.

Line referencing for Annex I of Commission Regulation (EU) No.2017/2295 is also provided. Rows/columns that are not applicable to the Group and certain rows with nil balances have been omitted.

Table 16 – Encumbered and unencumbered assets (2019)

<i>In thousands of Euro</i>	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
	010	040	060	090
10 Assets of the reporting institution	251,799		8,150,991	
30 Equity instruments	-		5	
40 Debt securities	-	-	-	-
120 Other assets	251,799		8,150,986	

Table 17 – Encumbered and unencumbered assets (2018)

<i>In thousands of Euro</i>	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
	010	040	060	090
10 Assets of the reporting institution	90,551		8,256,478	
30 Equity instruments	-		-	
40 Debt securities	-	-	-	-
120 Other assets	90,551		8,256,478	

Table 18 – Collateral Received

<i>In thousands of Euro</i>	2019		2018	
	Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance	Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance
	010	040	010	040
130 Collateral received by the reporting institution	-	-	-	-
140 Loans on demand	-	-	-	-
150 Equity instruments	-	-	-	-
160 Debt securities	-	-	-	-
220 Loans and advances other than loans on demand	-	-	-	-
230 Other collateral received	-	-	-	-
Own debt securities issued other than own covered bonds or asset-backed	-	-	-	-
240 securities (ABS)				
Own covered bonds and asset-backed				
241 securities issued and not yet pledged				
Total assets, collateral received and own				
250 debt securities issued	251,799		90,551	

Table 19 – Sources of Encumbrance

In thousands of Euro

	2019		2018	
	Matching liabilities, contingent liabilities or securities lent 010	Assets, collateral received and own securities issued other than covered bonds and asset-backed securities encumbered 030	Matching liabilities, contingent liabilities or securities lent 010	Assets, collateral received and own securities issued other than covered bonds and asset-backed securities encumbered 030
10 Carrying amount of selected financial liabilities	-	251,799	-	90,551

Information on importance of encumbrance

The Group's funding model does not rely on encumbrance to secure, collateralise or credit enhance any of its liabilities. In addition, the Group does not pledge or transfer asset which would result in assets being encumbered.

The Group's primary source of encumbrance is funding placed with central banks to meet regulatory requirements and to access the Faster Payments settlement system, which cannot be freely withdrawn. The Group is required to place cash with the Central Bank of Ireland, the National Bank of Poland, and the Bank of England to meet minimum reserve and cash ratio deposit requirements. During 2018 the Group joined the Faster Payments settlement system and is required to maintain placements with the Bank of England to access this system. During 2019, the median value of encumbered assets based on quarter PiT figures was €251.8m (€90.5m during 2018). The increase largely reflects additional placements to access the Faster Payments settlement system.

All encumbrance is derived from the Bank with no encumbrance resulting from any other entities within the Group.

During 2019, the median value of unencumbered "Other assets" was €8.15bn, this was primarily made of €6.5bn of funds placed with central banks. The remaining balance is made up of items which would not be deemed available for encumbrance in the normal course of business including €1.1bn of loans and advances and €0.5bn of other assets including intangible assets, tax assets, tangible assets and derivative assets.

Leverage Ratio

Tables 20 and 21 illustrate the leverage ratio calculated in accordance with the CRR and a breakdown of the Group's leverage ratio exposure as at 31 December 2019 on fully loaded basis.

Note: As the Group has not previously provided this disclosure comparatives are not provided.

Table 20– LRCom: Leverage ratio common disclosure 2019

<i>In thousands of Euro</i>	
On-balance sheet exposures (excluding derivatives and SFTs)	
1 On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	8,817,079
2 (Asset amounts deducted in determining Tier 1 capital)	(186,413)
3 Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	8,630,666
Derivative exposures	
4 Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	373
5 Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	208
11 Total derivative exposures (sum of lines 4 to 10)	581
Other off-balance sheet exposures	
17 Off-balance sheet exposures at gross notional amount	5,171,293
18 (Adjustments for conversion to credit equivalent amounts)	(4,142,420)
19 Other off-balance sheet exposures (sum of lines 17 to 18)	1,028,873
Capital and total exposures	
20 Tier 1 capital	951,984
21 Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	9,660,121
Leverage ratio	
22 Leverage ratio	9.85%
Choice on transitional arrangements and amount of derecognised fiduciary items	
EU-23 Choice on transitional arrangements for the definition of the capital measure	Fully phased in

Table 21 – LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) 2019

<i>In thousands of Euro</i>	
EU-1 Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	8,817,079
EU-3 Banking book exposures, of which:	8,817,079
EU-5 Exposures treated as sovereigns	7,591,574
EU-6 Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	1,362
EU-7 Institutions	722,070
EU-9 Retail exposures	14,022
EU-10 Corporate	177,107
EU-11 Exposures in default	8,598
EU-12 Other exposures (eg equity, securitisations, and other non-credit obligation assets)	302,346

LRQua: Disclosure on qualitative items

The leverage ratio as implemented under CRDIV is a measure of a bank's debt to equity mix. Its purpose is to contain the build-up of excessive leverage in the banking system and provide an extra layer of protection against model risk.

The ratio is defined as Tier 1 capital (CET1 plus AT1 capital) divided by total exposures. Total exposures include on-balance sheet items, off-balance sheet items and regulatory adjustments.

The implications of the leverage ratio have been closely monitored prior to its move to a binding requirement. On 7 June 2019, amendments to the CRR (EU Regulation 2019/876) were published which introduce a 3% leverage ratio requirement applicable from 28 June 2021. The Group continues to operate well in excess of this requirement.

The Groups leverage ratio decrease to 9.85% at December 2019 from 11.72% at December 2018. The decrease of 1.87% is primarily due to an increase in on balance sheet exposures of €1.4bn and a decrease in CET1 capital of €14.7m. The increase in on balance sheet exposure is driven by higher placements with Central Banks of €1.2bn and other normal balance sheet fluctuations.

The Group ensures the avoidance of excessive leverage through its financial and capital planning process and ICAAP stress testing. The leverage ratio is monitored at the Asset & Liability Management Committee ("ALMC") on a monthly basis. In addition the Group includes the leverage ratio as recovery plan indicator with escalation required should the leverage ratio fall below certain thresholds.

Performing and Non-Performing exposures

Credit quality of performing and non-performing exposures by past due days

The table below presents the gross carrying amount of performing and non-performing exposures according to the scope of regulatory consolidation. As the Group has not previously provided this disclosure comparatives are not provided.

Table 22 - Credit quality of performing and non-performing exposures by past due days 2019

In thousands of Euro

	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
	a	b	c	d	e	f	g	h	i	j	k	l
	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted	
Cash balances at central banks and other demand deposits	7,736,083	7,736,083	-	-	-	-	-	-	-	-	-	-
1 Loans and advances	768,194	761,746	6,448	8,648	7,539	586	523	-	-	-	-	8,648
2 Central banks	-	-	-	-	-	-	-	-	-	-	-	-
3 General governments	1,364	1,248	116	-	-	-	-	-	-	-	-	-
4 Credit institutions	598,500	598,486	14	14	-	14	-	-	-	-	-	14
5 Other financial corporations	78,088	77,240	848	1,078	245	347	486	-	-	-	-	1,078
6 Non-financial corporations	90,242	84,772	5,470	7,556	7,294	225	37	-	-	-	-	7,556
7 Of which SMEs	12,670	12,357	313	-	-	-	-	-	-	-	-	0
8 Households	-	-	-	-	-	-	-	-	-	-	-	-
15 Off-balance-sheet exposures	5,155,398			15,895								15,895
16 Central banks	-			-								-
17 General governments	18,902			-								-
18 Credit institutions	332			-								-
19 Other financial corporations	176,510			-								-
20 Non-financial corporations	4,959,654			15,895								15,895
21 Households	-			-								-
22 Total	13,659,675	8,497,829	6,448	24,543	7,539	586	523	-	-	-	-	24,542

Performing and non-performing exposures and related provisions

The table below presents gross carrying amount of performing and non-performing exposures and the related accumulated impairment, provisions, accumulated change in fair value due to credit risk, accumulated partial write-off, and collateral and financial guarantees received, according to the scope of regulatory consolidation. As the Group has not previously provided this disclosure comparatives are not provided.

Table 23 - Performing and non-performing exposures and related provisions 2019

In thousands of Euro

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	
	Performing exposures		Non-performing exposures				Performing exposures – accumulated impairment and provisions		Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					On performing exposures	On non-performing exposures
	Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3	Of which stage 1	Of which stage 2	Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3	Of which stage 1	Of which stage 2			
Cash balances at central banks and other demand deposits	7,736,083	7,736,083	-	-	-	-	-	-	-	-	-	-	-	-	-
1 Loans and advances	768,194	761,746	6,448	8,647	372	1,109	(537)	(213)	(323)	(83)	(1)	(72)	-	9,914	4,760
2 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 General governments	1,364	1,248	116	-	-	-	(2)	(0)	(1)	-	-	-	-	-	-
4 Credit institutions	598,500	598,486	14	14	-	14	(0)	(0)	(0)	(0)	-	(0)	-	-	-
5 Other financial corporations	78,088	77,240	848	1,077	40	833	(7)	(3)	(4)	(15)	(0)	(15)	-	418	-
6 Non-financial corporations	90,242	84,772	5,470	7,556	332	262	(528)	(210)	(318)	(68)	(1)	(57)	-	9,496	4,760
7 Of which SMEs	12,670	12,357	313	0	-	0	(20)	(5)	(14)	(0)	-	(0)	-	601	-
8 Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Off-balance-sheet exposures	5,155,399			15,895										2,348,478	11,219
16 Central banks															
17 General governments	18,902														
18 Credit institutions	332														
19 Other financial corporations	176,510													490	
20 Non-financial corporations	4,959,654			15,895										2,347,987	11,219
21 Households															
22 Total	13,659,675	8,497,829	6,448	24,542	372	1,109	(537)	(213)	(323)	(83)	(1)	(72)	-	2,358,391	15,979

Remuneration

Introduction

These disclosures cover the remuneration policies and practices at the Elavon European Holding B.V level. These practices are mirrored at an individual level and the information in its entirety derived from Elavon Financial Services DAC (hereinafter referred to as “EFS DAC”, or the “Bank”).

These disclosures provide information on the Bank’s remuneration policies and practices, including the decision making process and governance of remuneration, risk alignment for those staff whose professional activities are considered to have a material impact on EFS DAC’s risk profile and the key components of EFS DAC’s fixed and variable remuneration arrangements. The applicable regulations, under which these disclosures are made, include the Capital Requirements Directive (CRD IV-Directive 2013/36/EU), Capital Requirements Regulation (CRR-Regulation (EU) 575/2013, Regulation (EU) 604/2014 and the European Banking Authority “Guidelines on Sound Remuneration Policies” Decision Making Process and Governance of Remuneration.

The Remuneration Policy (the “Policy”) and practices around remuneration are governed by the EFS DAC’s Board of Directors (the “Board”), in its role as the ultimate decision making body of the Bank, and by the Bank’s various control functions. The Board is ultimately responsible for the design, the approval and the oversight of the Bank’s Remuneration Policy. In fulfilling this responsibility, the Board ensures that amongst its membership are non-executive members that have sufficient knowledge of remuneration policies and structures. No material changes were made to the Remuneration Policy in 2019.

The Board Remuneration Committee (“RemCo”) has been delegated authority by the Board of Directors to oversee the Bank’s remuneration framework, as well as considering senior management remuneration and, if required, making recommendations to the Board in respect of the remuneration arrangements of the Executive Directors of the Bank. RemCo met six times during 2019. RemCo has three directors of the Board as members, two of whom are Independent Non-Executive Directors, one of whom is a Group Non-Executive Director.

EFS DAC applies the Policy in a way that is appropriate to the size, internal organisation and the nature, scope and complexity of its activities. The Policy applies to EFS DAC including its European branches. The objective of the Policy is to ensure that the Board is encouraging a positive risk culture by aligning risk management practices with remuneration practices. The Policy is designed to discourage excessive risk taking and is designed to ensure that the Bank

maintains a sound capital base. The Policy seeks to embed a culture that encourages strong risk alignment practices. For staff (i.e. Identified Staff) whose professional activities have a material impact on the risk profile of EFS DAC, the Policy establishes specific arrangements to ensure their remuneration is aligned with sound and effective risk management. On an annual basis a self-assessment to identify all staff whose professional activities have or may have a material impact on its risk profile is conducted, and the roles are presented to RemCo for their review and approval. Identified Staff includes all members of the Management Body EFS Management Committee (‘ManCo’). The Self-Assessment is based on various factors, including the qualitative and quantitative criteria outlined in Regulation (EU) 604/2014.

The Policy is in line with the business strategy, objectives, values and long-term interests of EFS DAC, and incorporates measures to avoid conflicts of interest. The Policy is subject to annual review by RemCo and Internal Audit to ensure that it is operating as intended, is consistently applied and is compliant with regulatory obligations. No external consultants were used in the determination of the Bank’s Remuneration Policy..

Fixed and Variable Remuneration Arrangements

EFS DAC’s fixed remuneration is set so as to remunerate the professional services rendered, in line with the level of education, the degree of seniority, the level of expertise and skills required, job experience and the relevant business sector. The Bank considers base salary a fixed element of remuneration. Other elements also considered as fixed pay are any non-performance related payments which EFS are contractually obliged to make which are non-discretionary, fixed amounts and which cannot be withdrawn.

The Bank considers all performance related awards to be variable remuneration and any payment not classified as fixed, is considered variable remuneration. Variable remuneration paid to Identified Staff is paid in accordance with the EBA “Guidelines on Sound Remuneration Policies” requiring a minimum of 40% to be deferred over a vesting period of three years, while 50% is awarded in share linked instruments. All awards of variable remuneration paid in instruments are subject to a 12-month retention period. Share linked instruments are deemed to be an appropriate form of variable remuneration given that EFS DAC is not a publicly listed financial institution, and adequately reflects the credit quality of the Bank as a going concern.

Variable remuneration is awarded after the end of the accrual period. The accrual period will be at least one year and in the case of long term incentives is a

minimum of 3 years. After the relevant accrual period, EFS DAC will determine the individual Identified Staff member's variable remuneration by translating the performance criteria and risk adjustments into actual remuneration awards. During this award process, EFS DAC will adjust remuneration for potential adverse developments in the future (ex-ante risk adjustment). All variable remuneration will be paid partly upfront and partly deferred, and in an appropriate balance between equity, equity-linked instruments and cash. Prior to paying out the deferred part of cash or the vesting of the deferred instruments, a reassessment of the performance and, if necessary, an ex-post risk adjustment will be applied to align variable remuneration to additional risks that may have been identified or materialised after the award.

The total variable remuneration awarded does not limit the ability of EFS DAC to strengthen its capital base. Severance packages do not reward failure or misconduct; while remuneration packages relating to compensation or buy out from previous contracts of employment are structured to align with the long-term interests of EFS DAC, from a retention, deferral, performance and clawback perspective. Up to 100% of the total variable remuneration will be subject to malus or clawback arrangements, irrespective of the method of payment used. EFS DAC ensures, to the extent possible, that Identified Staff members do not use personal hedging strategies or remuneration and liability related insurance to undermine the risk alignment effects embedded in their respective remuneration arrangements..

Control Functions

The term 'Control functions' for the purpose of Remuneration are defined as personnel in risk management, compliance, internal audit, legal, credit risk, finance and HR. The Bank's control functions play an active part in the ongoing oversight and review of the Policy for business areas other than their own. In order that the independence and appropriate authority of the control functions can preserve its influence on incentive remuneration, the method of determining the remuneration of the control function personnel cannot itself compromise their objectivity or be likely to do so. To achieve this objective control function, variable remuneration is based on a specific Corporate Scorecard for Control Functions (Support Business Lines) and the performance comprises of the following three components: (i) US Bancorp/EFS DAC; (ii) combination of all business lines and; (iii) individual performance. The remuneration of the senior staff responsible for heading the control functions is directly overseen by the Remuneration Committee.

Risk Alignment

The key objective of the Policy is to ensure that the Bank is not exposed to excessive risk taking as a

consequence of any misalignment of risk taking and variable compensation. To limit excessive risk taking, variable remuneration shall be performance-based and risk adjusted. Risk alignment includes; (i) the performance and risk measurement processes; (ii) the award process; and (iii) the pay-out process. These three elements of risk alignment have been developed in accordance with the Bank's policies and process around risk management and corporate governance, and cover the main parameters and rationale for variable components of compensation and related benefits. The Policy makes a clear distinction between criteria for setting fixed remuneration and variable remuneration, reflecting the specific nature of both as relevant for the Bank.

(i) The link between pay and performance

EFS DAC is committed to pay for performance. Performance includes overall US Bank performance, line of business performance within EFS DAC, and individual performance. It is evaluated in terms of accomplishing measurable business results with achieving other assigned departmental and personal goals. Thus, the amount of variable remuneration a staff member is eligible for shall be determined by their individual performance, the performance of their business line and the performance of US Bancorp/EFS DAC. In addition, Corporate Scorecards are issued by US Bancorp to all business lines each year. These scorecards are used to illustrate to business lines the components which, based on the performance of those components, derive their 'award pool' annually.

(ii) Award process

The award process is the means by which each individual's variable remuneration is determined. The award process translates performance assessment into variable remuneration component for each staff member. When assessing risk and performance, EFS DAC takes into account both current and future risks. Shareholder approval is in place allowing a maximum ratio of 200% of fixed remuneration as a variable component for Identified Staff. The EFS Board put forward such a proposal to US Bancorp, and was approved, on 30th June 2014. EFS DAC is ultimately owned by US Bank National Association.

(iii) Pay-out process

The pay-out process is a mechanism for aligning risk to remuneration which includes a deferral policy in place whereby variable remuneration is partly paid upfront and a minimum of 40% deferred over a three-year period (with both upfront and deferred paid 50% in cash and 50% in share linked instruments). Additionally, both upfront and deferred remuneration paid in share linked instruments (or Restricted Stock Units) are held for not less than 12 months. The objective of the deferral is to reward Identified Staff for the sustainability of their performance over the long-term.

Identified Staff roles¹

Throughout 2019 there were 48 Identified Staff in total. As at 31 December 2019, there were 40 employees active in Identified Staff roles (42 employees in Identified Staff roles throughout 2018). Please refer to the quantitative disclosure on the following page which includes the different ratios between variable and fixed remuneration components of total remuneration implemented at the consolidated level, separated for Identified Staff, senior management and the relevant business area.

¹ Identified Staff are defined as staff whose professional activities have a material impact on the risk profile of EFS and must be identified using the quantitative criteria set out in the EBA

Elavon Remuneration Quantitative Public Disclosures as at 31 Dec 2019

Information Required	Split out by	Total ID Staff	Total ID Staff Ratio	Of Which Senior Mgmt & NED's (3)	Senior Mgmt & NED's Ratio	Payment Services (6)	Payment Services Ratio	Shared Services & Exec (7)	Shared Services & Exec Ratio
(i) the amounts of remuneration for the financial year, split into fixed and variable remuneration, and the number of beneficiaries;	(a) Fixed Remuneration (b) Variable Remuneration (c) Number of Beneficiaries	(a) €9,500,152 (b) €4,944,326 (c) 48	66% 34%	(a) €3,908,126 (b) €2,280,392 (c) 20	63% 37%	(a) €3,993,339 (b) €2,071,347 (c) 20	66% 34%	(a) €5,506,813 (b) €2,872,979 (c) 28	66% 34%
(ii) the amounts and forms of variable remuneration, split into cash, shares, share-linked instruments and other types;	(a) Cash (b) Shares (c) Share Linked Instruments (d) Other Types	(a) €2,627,769 (b) None (c) €2,316,557 (d) None		(a) €1,164,104 (b) None (c) €1,116,288 (d) None		(a) €1,067,233 (b) None (c) €1,004,114 (d) None		(a) €1,560,536 (b) None (c) €1,312,443 (d) None	
(iii) the amounts of outstanding deferred remuneration, split into vested and unvested portions;	(a) Vested (b) Unvested	(a) €2,665,716 (b) €4,573,777		(a) €1,366,535 (b) €2,391,220		(a) €1,230,769 (b) €2,261,947		(a) €1,434,947 (b) €2,311,830	
(iv) the amounts of deferred remuneration awarded during the financial year, paid out and reduced through performance adjustments;		None		None		None		None	
(v) new sign-on and severance payments (5) made during the financial year, and the number of beneficiaries of such payments;	Total amount of sign-on and severance payments made during year	326,332 EUR, 5 persons							
(vi) the amounts of severance payments awarded during the financial year, number of beneficiaries and highest such award to a single person;	Highest Severance Payment awarded during financial year	2 persons, total 191,332 EUR. Highest award 113,345 EUR							
the number of individuals being remunerated EUR 1 million or more per financial year, for remuneration between EUR 1 million and EUR 5 million broken down into pay bands of EUR 500 000 and for remuneration of EUR 5 million and above broken down into pay bands of EUR 1 million;	None								

Footnotes

- 1) Link to the euro exchange rate used (date Dec 2019) throughout table
- 2) Table contains fixed and variable remuneration awarded for 2019 performance
- 3) Senior Mgmt has been internally defined as a member of the EFS Management Committee ("ManCo"). All ManCo members are also in ID Staff roles. This category also includes NEDs remuneration.
- 4) Identified Staff are defined as staff whose professional activities have a material impact on the risk profile of EFS and must be identified using the qualitative and quantitative criteria set out in the EBA Regulatory Technical Standard on Identified Staff (implemented through Regulation 604/2014) ("the RTS on Identified Staff").
- 5) Severance payments represent redundancy remuneration for loss of office and were paid in full in the financial year with no payments deferred. Severance payments are calculated by reference to a generic formula, and are not taken into account for the purposes of the calculation of the variable to fixed pay ratio
- 6) Payment Services includes Elavon Financial Services ("EFS") and Elavon Merchant Services ("EMS") senior management and other Payment Services ID Staff roles
- 7) Shared Services & Executive includes Corporate Trust senior management and other Corporate Trust ID Staff roles. This category also includes shared services, supporting all business lines.

Appendix 1 – CRR Roadmap and use of Equivalencies

Article 13(3) of the CRR allows institutions to rely on equivalent disclosures made by its parent undertaking. Elavon makes use of equivalent disclosures made by its ultimate parent undertaking U.S. Bancorp as set out in the below table.

CRR Article	High Level Summary	Applicable	Location of US Bancorp Equivalency	Location of Group Disclosures not covered by Equivalency
General Principles				
Article 431: Scope of disclosure requirements				
431(1)	Institutions shall publish Pillar 3 disclosures	Yes		Elavon Pillar 3 Disclosures 2019
431(2)	Firms with permission to use specific operational risk methodologies must disclose operational risk information.	N/A		N/A - Elavon does not apply any of these methodologies.
431(3)	Institutions shall have a policy to comply with disclosure requirements and have policies for assessing the appropriateness of their disclosures, including their verification and frequency. Institutions shall also have policies for assessing whether their disclosures convey their risk profile comprehensively to market participants.	Yes		Elavon Pillar 3 Disclosures 2019 • Introduction (pg. 5)
431(4)	Explanation of ratings decision upon request	N/A		N/A - Elavon has not been requested to provide an explanation on rating decisions.
Article 432: Non-material, proprietary or confidential information				
432(1)	Institutions may omit certain disclosures provided that they are not regarded as material	Yes		In limited circumstances Elavon omits disclosures where they are clearly immaterial. These are clearly marked in this table.
432(2)	Institutions may omit certain disclosures that are proprietary or confidential if certain conditions are met	Yes		N/A - Elavon currently does not make use of proprietary of confidentiality for non-disclosure
432(3)	Where 432 (2) applies this must be stated in the disclosures, and more general information must be disclosed.	Yes		
432(4)	Paragraphs 1, 2 and 3 are without prejudice to the scope of liability for failure to disclose material information	Yes		
Article 433: Frequency of disclosure				
433	Disclosures must be published once a year at a minimum and more frequently if necessary and must be published in conjunction with the financial statements	Yes		Elavon Pillar 3 Disclosures 2019 • Introduction (pg. 5)
Article 434: Means of disclosures				
434(1)	Disclosures should be provided in one medium or location with clear cross references if necessary.	Yes		Elavon Pillar 3 Disclosures 2019 • Elavon provides its disclosures in a separate Pillar 3 document. • References to equivalent disclosures by US Bancorp are also provided.
434(2)	Disclosure made for accounting requirements can be used for Pillar 3 Disclosure purposed if appropriate	Yes		
TECHNICAL CRITERIA ON TRANSPARENCY AND DISCLOSURE				
Article 435: Risk management objectives and policies				
435(1)	Disclose information as follows:	Yes	US Bancorp - 2019 Annual Report (Audited): • MD&A - Balance Sheet Analysis (pg. 28 - 36) • MD&A - Corporate Risk Profile (pg. 36 - 56) • Note 1 - Significant Accounting Policies (pg. 77 - 84) • Note 4 - Investment Securities (pg. 85 - 87) • Note 5 - Loans and Allowance for Credit Losses (pg. 88 - 94) • Note 7 - Accounting for Transfers and Servicing of Financial Assets and Variable Interest Entities (pg. 96 - 97) • Note 19 - Derivative Instruments (pg. 118 - 122) • Note 21 - Fair Values of Assets and Liabilities (pg. 125 - 131) • Note 22 - Guarantees and Contingent Liabilities (pg. 131 - 135)	
435(1)(a)	The strategies and processes to manage risks	Yes		
435(1)(b)	Structure and organisation of risk management function	Yes		
435(1)(c)	Risk reporting and measurement systems	Yes		
435(1)(d)	Hedging and mitigating risk – policies and processes	Yes		
435(1)(e)	A declaration of adequacy of risk management arrangements approved by the Board	Yes		
435(1)(f)	Concise risk statement approved by the Board	Yes		
435 (1)	Guidelines on LCR disclosure to complement the disclosure of liquidity risk management under Article 435 of Regulation (EU) No 575/2013	Yes	US Bancorp Website: https://ir.usbank.com/investor-relations/financial-information/basel-pillar-3-lcr-disclosures	

CRR Article	High Level Summary	Applicable	Location of US Bancorp Equivalency	Location of Group Disclosures not covered by Equivalency
435(2)	Information on governance arrangements, including information on Board composition and recruitment and risk committees:	Yes	US Bancorp Website: https://ir.usbank.com/investor-relations/corporate-governance	
435(2)(a)	Number of directorships held by Board members	Yes		
435(2)(b)	Recruitment policy for selection of Board members, their actual knowledge, skills and expertise.	Yes		
435(2)(c)	Policy on diversity of Board membership and results against targets.	Yes		
435(2)(d)	Disclosure of whether a dedicated risk committee is in place, and number of meeting in the year.	Yes		
435(2)(e)	Description of information flow on risk to Board.	Yes		
Article 436: Scope of application				
436(a)	Name of institution	Yes		Elavon Pillar 3 Disclosures 2019 • Introduction (pg. 5)
436(b)	Difference in basis of consolidation for accounting and prudential purposes, describing entities that are: (i) Fully consolidated (ii) Proportionally consolidated (iii) Deducted from own funds (iv) Neither consolidated nor deducted	Yes	US Bancorp - 2019 Basel Pillar 3 Disclosures (Unaudited): • Appendix A	Not disclosed due to immateriality. All subsidiaries are consolidated for accounting and prudential purposes. The Group has one investment in an associate which is equity accounted in the financial statements but cost accounted for prudential purposes. The difference in valuation is immaterial.
436(c)	Impediments to transfer of own funds between parent and subsidiaries	Yes	US Bancorp - 2019 Annual Report (Audited): • Note 24 - U.S. Bancorp (Parent Company) Consolidated Balance Sheet (pg. 138-139)	
436(d)	Capital shortfalls in any subsidiaries outside the scope of consolidation	N/A		N/A - Elavon does not have any subsidiaries not included in the consolidation.
436(e)	Making use of articles on derogations from a) prudential requirements or b) liquidity requirements for individual subsidiaries/entities.	N/A		N/A - Elavon does not make use of these provisions.
Article 437: Own funds				
437(1)(a)	A full reconciliation of Common equity tier 1 items, Additional tier 1 items, Tier 2 items and filters and deductions applied pursuant to Articles 32 to 35, 36, 56, 66 and 79 to own funds of the institution and the balance sheet in the audited financial statements of the institution	Yes	US Bancorp - 2019 FR Y-9C (Unaudited): • Schedule HC-R Part I Regulatory Capital Components and Ratios	
437(1)(b)	A description of the main features of the Common equity tier 1 and Additional tier 1 instruments and Tier 2 instruments issued by the institution.	Yes	US Bancorp - 2019 Annual Report (Audited): • MD&A Capital Management (pg. 55-56) • Note 13 - Long-Term Debt (pg. 102) • Note 14 - Shareholders' Equity (pg. 103-108) • Note 15 - Earnings per Share (pg. 108)	Note: Elavon has only issued one CET1 instrument, being share capital issued to its parent company, the ultimate parent company being US Bancorp.
437(1)(c)	The full terms and conditions of all Common equity tier 1, Additional tier 1 and Tier 2 instruments	Yes		Elavon has not issued any AT1 or Tier 2 capital.
437(1)(d)	Disclosure of the nature and amounts of the following: - Each prudential filter applied - Each capital deduction applied - Items not deducted from capital	Yes		US Bancorp - 2019 FR Y-9C (Unaudited): • Schedule HC-R Part I Regulatory Capital Components and Ratios US Bancorp - 2019 Annual Report (Audited): • Consolidated Balance Sheet (pg. 138-139)
437(1)(e)	A description of all restrictions applied to the calculation of own funds in accordance with this Regulation and the instruments, prudential filters and deductions to which those restrictions apply	Yes		
437(1)(f)	Where institutions disclose capital ratios calculated using elements of own funds determined on a different basis.	N/A		N/A - Elavon does not disclose information on a different basis.
Article 438: Capital requirements				
438(a)	Summary of institution's approach to assessing adequacy of capital levels.	Yes	US Bancorp - 2019 Annual Report (Audited): • MD&A Capital Management (pg. 55-56) • MD&A Non-GAAP Financial Measures (pg. 62-63) • Note 14 - Shareholders' Equity (pg. 103-108) US Bank - 2019 Basel Pillar 3 Disclosures (Unaudited): • Internal Capital Adequacy Assessment Process (pg. 4-5)	
438(b)	Result of ICAAP on demand from authorities.	N/A		N/A - Has not been requested by the competent authority

CRR Article	High Level Summary	Applicable	Location of US Bancorp Equivalency	Location of Group Disclosures not covered by Equivalency
438(c)	Capital requirements for each Standardised approach credit risk exposure class.	Yes	US Bancorp - 2019 FR Y9-C: • Schedule HC-R Part II. Risk Weighted Assets	Elavon Pillar 3 Disclosures 2019 • Minimum Capital Requirements(pg. 7)
438(d)	Capital requirements amounts for credit risk for each internal Ratings Based Approach exposure class.	N/A	US Bancorp - 2019 Basel Pillar 3 Disclosures (Unaudited): • Table 4 Risk Weighted Assets	N/A - Elavon does not use the IRB approach.
438(e)	Capital requirements for market risk or settlement risk.	Yes		Elavon Pillar 3 Disclosures 2019 • Minimum Capital Requirements (pg. 7)
438(f)	Capital requirements for operational risk, separately for the Basic Indicator Approach, the Standardised Approach, and the Advanced Measurement Approaches as applicable.	Yes		Elavon Pillar 3 Disclosures 2019 • Minimum Capital Requirements (pg. 7)
Article 439: Exposure to counterparty credit risk				
439(a)	Description of process to assign internal capital and credit limits to CCR exposures.	Yes	US Bancorp - 2019 Annual Report (Audited): • MD&A Use of Derivatives to Manage Interest Rate and Other Risks (pg. 50-51) • Note 1 - Significant Accounting Policies (pg. 77-84) • Note 19 - Derivative Instruments (pg. 118-122) • Note 20 - Netting Arrangements for Certain Financial Instruments (pg. 123-125) • Note 21 - Fair Values of Assets and Liabilities (pg. 125-131) US Bancorp - 2019 Basel Pillar 3 Disclosures (Unaudited): • Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions, and Eligible Margin Loans (pg. 8-9)	
439(b)	Discussion of policies for securing collateral and establishing credit reserves.	N/A		N/A - Elavon does not take collateral.
439(c)	Discussion of management of wrong-way risk exposures.	N/A		N/A - Elavon has no wrong way risk exposures.
439(d)	Disclosure of collateral to be provided (outflows) in the event of a ratings downgrade.	N/A		N/A - Elavon does not provide collateral.
439(e)	Derivation of net derivative credit exposure.	Yes	US Bancorp - 2019 Basel Pillar 3 Disclosures (Unaudited): • Table 5 - General Disclosure for Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions, and Eligible Margin Loans (pg. 9)	
439(f)	Exposure values for mark-to-market, original exposure, Standardised and internal model methods	Yes		
439(g)	Notional value of credit derivative hedges and current credit exposure by type of exposure.	N/A	US Bancorp - 2019 Annual Report (Audited): • Note 19 - Derivative Instruments (pgs. 118-122) US Bancorp - 2019 FR Y-9C (Unaudited): • Schedule HC-L - Derivatives and Off-Balance-Sheet Items (pg. 28-31)	N/A - Elavon does not use credit derivatives.
439(h)	Notional amounts of credit derivative transactions	N/A		N/A - Elavon does not use credit derivatives.
439(i)	Estimate of alpha, if applicable.	N/A		N/A
Article 440: Capital buffers				
440(1)(a)	Geographical distribution of relevant credit exposures for calculation of countercyclical capital buffer.	Yes	US Bancorp - 2019 FR Y-9C (Unaudited): • Schedule HC-R Part I Regulatory Capital Components and Ratios US Bancorp - 2019 Basel Pillar 3 Disclosures (Unaudited): • Capital Conservation Buffer (pg. 5) • Table 9 - Credit Exposure by Geography (pg. 13-14)	Elavon Pillar 3 Disclosures 2019 • Countercyclical Buffer (pg. 9-10)
440(1)(b)	Amount of the institution specific countercyclical capital buffer	Yes		
Article 441: Indicators of global systemic importance				
441(1)	Disclosure of the indicators of global systemic importance.	N/A		N/A - Elavon is not a GSII
Article 442: Credit risk adjustments				
442(a)	Disclosure of bank's definitions of past due and impaired.	Yes	US Bancorp - 2019 Annual Report (Audited): • MD&A - Balance Sheet Analysis (pg. 28-36) • MD&A - Corporate Risk Profile (pg. 36-56) • Note 1 - Significant Accounting Policies (pg. 77-84) • Note 4 - Investment Securities (pg. 85-87) • Note 5 - Loans and Allowance for Credit Losses (pg. 88-94) • Note 22 - Guarantees and Contingent Liabilities (pg. 131-135) US Bancorp - 2019 Pillar 3 Disclosures (Unaudited): • Credit Risk: General Disclosures (pg. 11-19)	
442(b)	Approaches for calculating specific and general credit risk adjustments.	Yes		

CRR Article	High Level Summary	Applicable	Location of US Bancorp Equivalency	Location of Group Disclosures not covered by Equivalency
442(c)	Disclosure of pre-CRM EAD by exposure class.	Yes	US Bancorp - 2019 Annual Report (Audited): <ul style="list-style-type: none"> Note 5 - Loans and Allowance for Credit Losses (pg. 88-94) Consolidated Daily Average Balance Sheet and Related Yields and Rates (pg. 144-145) US Bancorp - 2019 FR Y-9C (Unaudited): <ul style="list-style-type: none"> Schedule HC-B - Securities (pg. 16-18) Schedule HC-L - Derivatives and Off-Balance-Sheet Items (pg. 28-31) US Bancorp - 2019 Basel Pillar 3 Disclosures (Unaudited): <ul style="list-style-type: none"> Table 5 - General Disclosure for Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions, and Eligible Margin Loans (pg. 9) Table 11 - Credit Risk and Maturity by Exposure Type (pg. 15-16) 	
442(d)	Disclosure of pre-CRM EAD by geography and exposure class.	Yes	US Bancorp - 2019 Basel Pillar 3 Disclosures (Unaudited): <ul style="list-style-type: none"> Table 9 - Credit Exposure by Geography (pg. 13-14) Table 10 - Municipal Securities by Geography (pg. 15) 	
442(e)	Disclosure of pre-CRM EAD by industry and exposure class.	Yes	US Bancorp - 2019 FR Y-9C (Unaudited): <ul style="list-style-type: none"> Schedule HC-B - Securities Schedule HC-L - Derivatives and Off-Balance-Sheet Items US Bancorp - 2019 Basel Pillar 3 Disclosures (Unaudited): <ul style="list-style-type: none"> Table 8 - Credit Exposure by Industry (pg. 12) 	
442(f)	Disclosure of pre-CRM EAD by residual maturity and exposure class.	Yes	US Bancorp - 2019 FR Y-9C (Unaudited): <ul style="list-style-type: none"> Schedule HC-B - Securities (pg. 16-18) Schedule HC-L - Derivatives and Off-Balance-Sheet Items (pg. 28-31) US Bancorp - 2019 Basel Pillar 3 Disclosures (Unaudited): <ul style="list-style-type: none"> Table 11 - Credit Risk and Maturity by Exposure Type (pg. 15-16) 	
442(g)	Breakdown of impaired, past due, specific and general credit risk adjustments, and impairment charges for the period, by industry.	Yes	US Bancorp - 2019 Annual Report (Audited): <ul style="list-style-type: none"> Analysis and Determination of the Allowance for Credit Losses (pg. 45-48) Table 18 - Summary of Allowance for Credit Losses (pg. 46) US Bancorp - 2019 Basel Pillar 3 Disclosures (Unaudited): <ul style="list-style-type: none"> Table 12 - Past Due and Nonperforming Loan Portfolio by Industry (pg. 16-17) Table 14 - Elements of the Allowance for Credit Losses (pg. 19) 	
442(h)	Impaired, past due exposures, by geographical area, and amounts of specific and general impairment for each geography.	Yes	US Bancorp - 2019 Basel Pillar 3 Disclosures (Unaudited): <ul style="list-style-type: none"> Table 16 - Past Due and Nonperforming Loans by Geography (pg. 18) <p>Allowance by geography is not practical or meaningful to disclose since management does not use this information to allocate general or specific allowance components.</p>	
442(i)	Reconciliation of changes in specific and general credit risk adjustments.	Yes	US Bancorp - 2019 Annual Report (Audited): <ul style="list-style-type: none"> Table 18 - Summary of Allowance for Credit Losses (pg. 46) 	
Article 443: Unencumbered assets				
443	Disclosures on unencumbered assets.	Yes		Elavon Pillar 3 Disclosures 2019 <ul style="list-style-type: none"> Asset Encumbrance (pg. 20-21)
Article 444: Use of ECAs				
444(a)	Names of the ECAs used in the calculation of Standardised approach risk-weighted assets and reasons for any changes.	Yes		Elavon Pillar 3 Disclosures 2019 <ul style="list-style-type: none"> Use of External Credit Ratings (pg. 13)
444(b)	Exposure classes associated with each ECAI.	Yes		

CRR Article	High Level Summary	Applicable	Location of US Bancorp Equivalency	Location of Group Disclosures not covered by Equivalency
444(c)	Description of the process used to transfer credit assessments to non-trading book items.	Yes		
444(d)	Mapping of external rating to CQS.	Yes		
444(e)	Exposure value pre and post-credit risk mitigation, by CQS.	Yes		Elavon Pillar 3 Disclosures 2019 • Standardised Credit Risk Exposure Classes (pg. 14-15) • Counterparty Credit Risk (pg. 18)
Article 445: Exposure to market risk				
445	Disclosure of position risk, large exposures exceeding limits, FX, settlement and commodities risk.	Yes		Elavon Pillar 3 Disclosures 2019 • Market Risk (pg. 19)
Article 446: Operational risk				
446	Scope of approaches used to calculate operational risk.	Yes		Elavon Pillar 3 Disclosures 2019 • Operational Risk (pg. 11)
Article 447: Exposures in equities not included in the trading book				
447	Exposures in equities not included in the trading book	N/A		N/A - Elavon does not have any exposure to equities
Article 448: Exposure to interest rate risk on positions not included in the trading book				
448(a)	Nature of the interest rate risk and the key assumptions, and frequency of measurement of the interest rate risk.	Yes	US Bancorp - 2019 Annual Report (Audited) • MD&A - Interest Rate Risk Management, Net Interest Income Simulation Analysis, and Market Value of Equity Modelling (pg. 49-50)	
448(b)	Variation in earnings, economic value or other relevant measure used by the bank for upward and downward rate shocks according to the banks method for measuring the interest rate risk, broken down by currency.	Yes		
Article 449: Exposure to securitisation positions				
449	Exposure to securitisation positions	N/A		N/A - Elavon does not have any exposure to securitisation positions
Article 450: Remuneration policy				
450(1)	Remuneration disclosures	Yes		Elavon Pillar 3 Disclosures 2019 • Public Remuneration Disclosure (Pg. 25-28)
Article 451: Leverage				
451	Leverage ratio, and breakdown of total exposure measure, including reconciliation to financial statements, and derecognised fiduciary items. Description of the processes used to manage the risk of excessive leverage, and factors that impacted the leverage ratio during the year.	Yes	US Bancorp - 2019 Basel Pillar 3 Disclosures (Unaudited) • Table 3- Supplementary Leverage Ratio (pg. 6)	Elavon Pillar 3 Disclosures 2019 • Leverage Ratio (pg. 22)
QUALIFYING REQUIREMENTS FOR THE USE OF PARTICULAR INSTRUMENTS OR METHODOLOGIES				
Article 452: Use of the IRB Approach to credit risk				
452(a)	Use of the IRB Approach to credit risk	N/A		N/A - Elavon does not use IRB Approach to credit risk
Article 453: Use of credit risk mitigation techniques				
453(a)	Use of on and off-balance sheet netting.	Yes	US Bancorp - 2019 Annual Report (Audited): • MD&A - Corporate Risk Profile (pg. 36-56) • Note 1 - Significant Accounting Policies (pg. 77-84) • Note 4 - Investment Securities (pg. 85-87) • Note 5 - Loans and Allowance for Credit Losses (pg. 88-94) • Note 19 - Derivative Instruments (pg. 118-122) • Note 20 - Netting Arrangements for Certain Financial Instruments (pg. 123-125) • Note 21 - Fair Values of Assets and Liabilities (pg. 125-131) US Bancorp - 2019 Basel Pillar 3 Disclosures (Unaudited) • Credit Risk Mitigation (pg. 7)	
453(b)	How collateral valuation is managed.	N/A		N/A – Elavon does not receive any collateral
453(c)	Description of types of collateral used by the institution.	N/A		N/A – Elavon does not receive any collateral
453(d)	Main types of guarantor and credit derivative counterparty, creditworthiness	Yes		
453(e)	Market or credit risk concentrations within risk mitigation exposures.	Yes		
453(f)	Standardised or Foundation IRB Approach, exposure value covered by eligible collateral.	N/A		N/A – Elavon does not receive any CRR eligible collateral
453(g)	Exposures covered by guarantees or credit derivatives.	Yes		Elavon Pillar 3 Disclosures 2019 • Credit Risk Mitigation (CRM) – Standardised approach (Pg. 16-17)
Article 454: Use of the Advanced Measurement Approaches to operational risk				
454	Use of the Advanced Measurement Approaches to operational risk	N/A		N/A - Elavon does not use Advanced Measurement Approaches to operational risk

CRR Article	High Level Summary	Applicable	Location of US Bancorp Equivalency	Location of Group Disclosures not covered by Equivalency
Article 455: Use of Internal Market Risk Models				
455	Use of Internal Market Risk Models	N/A		N/A - Elavon does not use internal models for market risk
Article 473a: Use of Internal Market Risk Models				
473a	Introduction of IFRS 9	Yes		Elavon Pillar 3 Disclosures 2019 • IFRS 9 (Pg. 7)