



Elavon European Holdings B.V.

Pillar 3 Disclosures

31 December 2018

Contents

INTRODUCTION	5
CAPITAL MANAGEMENT	6
MINIMUM CAPITAL REQUIREMENTS	7
CAPITAL REQUIREMENTS AND BUFFERS	8
COUNTERCYCLICAL BUFFER	9
RISK MANAGEMENT	11
CREDIT RISK - STANDARDISED APPROACH	12
CREDIT RISK - STANDARDISED APPROACH - EXPOSURE CLASSES	13
CREDIT RISK MITIGATION (CRM) - OVERVIEW	15
CREDIT RISK MITIGATION (CRM) - STANDARDISED APPROACH	16
COUNTERPARTY CREDIT RISK (CCR) - STANDARDISED APPROACH	18
MARKET RISK	19
ASSET ENCUMBRANCE	20
REMUNERATION	22
APPENDIX 1 – CRR ROADMAP AND USE OF EQUIVALENCIES	26
APPENDIX 2 – SIGNIFICANT SUBSIDIARIES – ELAVON FINANCIAL SERVICES DAC (EFS)	32

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.

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 considered under Pillar 1 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 its subsidiary 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 with certain additional disclosures applying to the Bank (as a significant subsidiary), 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.

The disclosures applying to the Bank, on an individual basis are contained in Appendix 2.

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 2018. 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>	2018	2017
Common equity tier 1 (CET1) capital	966,661	924,696
Additional Tier 1 (AT1) capital	-	-
Tier 2 capital	-	-
Total Capital	966,661	924,696
Risk Weighted Assets	1,945,743	3,781,920
of which:		
Credit Risk	905,426	2,852,157
Market Risk	285,902	236,392
Operational Risk	747,755	690,018
Other	6,660	3,353
CET1 Capital Ratio	49.68%	24.45%
Total Capital Ratio	49.68%	24.45%
Total Leverage Ratio	11.72%	6.46%

[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 increased by €42m from 2017 primarily due to an increase in retained earnings.

The Group's capital ratio has increased by 25% from 2017, primarily due to a decrease in the level of its risk weighted assets. The reduction in risk weighted assets during 2018 is principally driven by the Central Bank of Ireland's approval of the use of a reduced credit conversion factor (20%) applied against the Group's contingent liabilities for chargeback/refund risk.

Leverage Ratio

CRD IV introduced a leverage ratio to prevent an excessive build-up of leverage on an institutions 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 derivatives.

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.

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.

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 reduction in credit risk weighted assets during 2018 is principally driven by the Central Bank of Ireland's approval of the use of a reduced credit conversion factor (20%) applied against the Group's contingent liabilities for chargeback/refund risk.

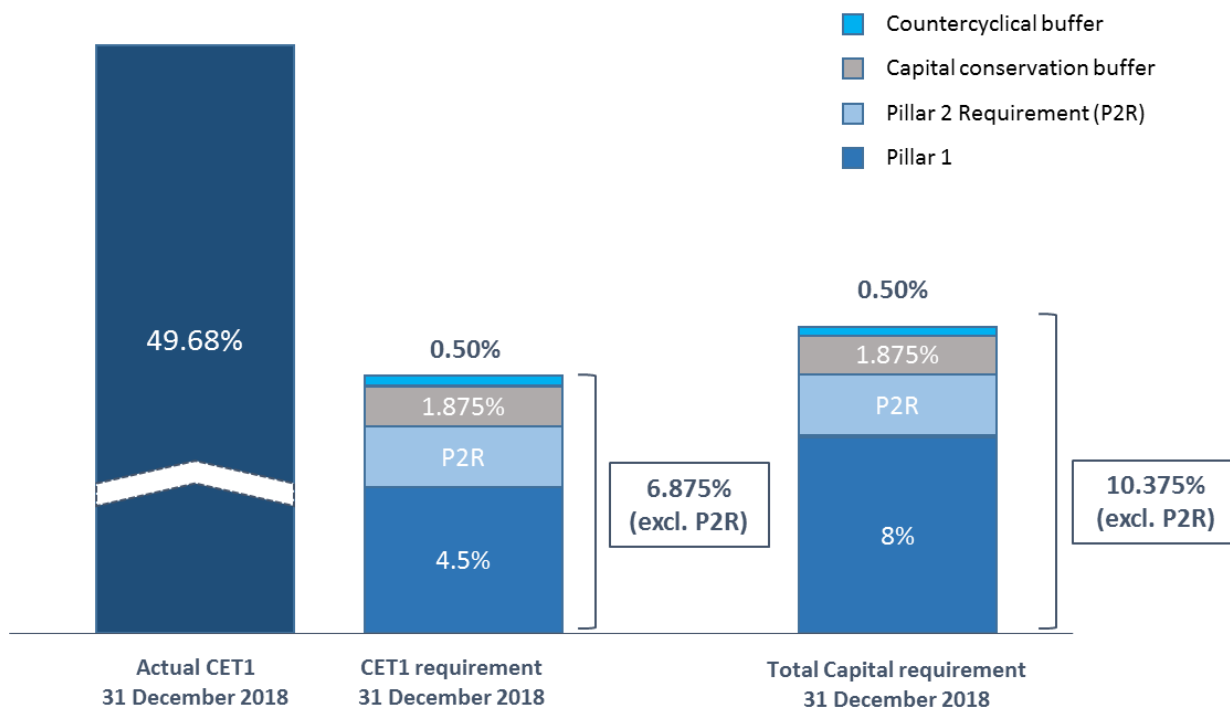
Table 2: EU OV1 – Overview of RWAs

In thousands of Euro

	2018		2017	
	RWA	Minimum capital requirements	RWA	Minimum capital requirements
1 Credit risk (excluding CCR)	896,241	71,699	2,842,800	227,424
2 Of which the standardised approach	896,241	71,699	2,842,800	227,424
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	226	18	300	24
7 Of which mark to market	226	18	300	24
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	-	-	-	-
Securitisation exposures in the banking book (after the cap)	-	-	-	-
14	-	-	-	-
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	285,902	22,872	236,392	18,911
20 Of which the standardised approach	285,902	22,872	236,392	18,911
21 Of which IMA	-	-	-	-
22 Large exposures	-	-	-	-
23 Operational risk	747,755	59,820	690,018	55,201
24 Of which basic indicator approach	-	-	-	-
25 Of which standardised approach	747,755	59,820	690,018	55,201
26 Of which advanced measurement approach	-	-	-	-
Amounts below the thresholds for deduction	-	-	-	-
27 (subject to 250% risk weight)	8,959	717	9,057	725
28 Floor adjustment	-	-	-	-
Other	6,660	533	3,353	268
29 Total	1,945,743	155,659	3,781,920	302,553

Capital Requirements and buffers

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



Capital requirements / buffers

At the 31 December 2018, the Group was required to maintain a CET1 ratio in excess of 6.875% excluding the Pillar 2 requirement (P2R). This includes a Pillar 1 requirement of 4.5%, a capital conservation buffer for 2017 of 1.875% (increasing to 2.5% from 1 January 2019) and a countercyclical buffer of 0.5%. 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 10.375% at the 31 December 2018 (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 €9.7m at 31 December 2018 (€3.0m at 31 December 2017) are outlined below.

Table 3 - 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			
Breakdown by country												
Czech Republic	1,529	-	-	-	-	-	97	-	-	97	0.18%	1.000%
Germany	67,321	-	-	-	-	-	5,346	-	-	5,346	9.83%	0.000%
United Kingdom	286,966	-	-	-	-	-	21,155	-	-	21,155	38.91%	1.000%
Hong Kong	253	-	-	-	-	-	20	-	-	20	0.04%	1.875%
Ireland	159,475	-	-	-	-	-	10,729	-	-	10,729	19.73%	0.000%
Iceland	1,481	-	-	-	-	-	119	-	-	119	0.22%	1.250%
Lithuania	63	-	-	-	-	-	4	-	-	4	0.01%	0.500%
Norway	20,953	-	-	-	-	-	1,576	-	-	1,576	2.90%	2.000%
Poland	40,005	-	-	-	-	-	3,033	-	-	3,033	5.58%	0.000%
Sweden	15,273	-	-	-	-	-	1,175	-	-	1,175	2.16%	2.000%
Slovakia	337	-	-	-	-	-	26	-	-	26	0.05%	1.250%
United States	26,620	-	-	-	-	-	1,460	-	-	1,460	2.69%	0.000%
Other	120,266	-	-	-	-	-	9,629	-	-	9,629	17.70%	0.000%
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 4 - Amount of institution specific countercyclical capital buffer

In thousands of Euro

	2018
Total risk exposure amount	1,945,743
Institution specific countercyclical buffer rate	0.4961%
Institution specific countercyclical buffer requirement	9,653

Table 5 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer (2017)*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			
Breakdown by country												
Czech Republic	1,329	-	-	-	-	-	106	-	-	106	0.06%	0.50%
Germany	197,452	-	-	-	-	-	15,569	-	-	15,569	8.80%	0.00%
United Kingdom	1,079,506	-	-	-	-	-	81,537	-	-	81,537	46.10%	0.00%
Hong Kong	209	-	-	-	-	-	17	-	-	17	0.01%	1.25%
Ireland	544,672	-	-	-	-	-	41,454	-	-	41,454	23.44%	0.00%
Iceland	3,965	-	-	-	-	-	321	-	-	321	0.18%	1.25%
Norway	66,542	-	-	-	-	-	5,303	-	-	5,303	3.00%	2.00%
Poland	117,889	-	-	-	-	-	9,177	-	-	9,177	5.19%	0.00%
Sweden	21,340	-	-	-	-	-	1,708	-	-	1,708	0.97%	2.00%
Slovakia	844	-	-	-	-	-	67	-	-	67	0.04%	0.50%
United States	28,413	-	-	-	-	-	1,617	-	-	1,617	0.91%	0.00%
Other	251,882	-	-	-	-	-	19,984	-	-	19,984	11.30%	0.00%
Total	2,314,043	-	-	-	-	-	176,860	-	-	176,860	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*In thousands of Euro***2017**

Total risk exposure amount	3,781,920
Institution specific countercyclical buffer rate	0.0822%
Institution specific countercyclical buffer requirement	3,108

Risk Management

The Group has defined internal governance arrangements, which include an organisational structure with defined lines of responsibility; a Risk Management Framework designed to identify, measure, control, monitor and report the risks to which it is or might be exposed; an Internal Controls Framework designed to support adequate internal control mechanisms; 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 2018.

Credit Risk

Credit Risk is the current or prospective risk to earnings and capital arising from an 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. 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.

Exposure to credit risk is managed at origination and through-the-cycle by analysis and regular review of counterparty's ability to meet its obligations to the Group; the criterion for acceptable underwriting is set out in policy. Additionally, the Group obtains 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 the provision and availability of current information to support the credit risk management of individual customer relationships as well as the overall portfolio. Credit risk is reported to senior management through the Credit Management Committee.

Concentration risk is managed and monitored under the EFS Risk Appetite Statement. For Credit risk there are several credit risk exposure groupings identified and monitored against the Group Risk Appetite

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. 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. Operational risk includes legal risks, but excludes strategic and reputational risk, although these may be impacted by operational risk events. The Group manages operational risk through its Risk Management Framework and Internal Control Framework, and supporting procedures, policies and processes. The First Line of Defence have direct and primary responsibility and accountability for identifying, assessing, controlling, and monitoring operational risks embedded in their business activities. The Second Line of Defence provides oversight and challenges the completeness and accuracy of the risk identification and assessment, and implantation of controls.

The First Line of Defence are responsible for establishing controls that mitigate the identified risks and ensuring that they are functioning as designed and operating effectively to mitigate identified risks.

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 2018, 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 presents the 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 Group's total exposure has decreased by €6bn due to reduced placements with Central Banks and a reduction in exposures to Institutions and Corporates principally driven by the Central Bank of Ireland's approval of the use of a reduced credit conversion factor (20%) applied against the Group's contingent liabilities for chargeback/refund risk.

Table 7 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).

Table 8 EU CR5 – Standardised approach (2017)

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	8,839,444	-	-	-	-	-	-	-	-	1,440	-	3,623	-	8,844,507	8,844,507
2 Regional government or local authorities	-	-	-	-	4,655	-	-	-	-	-	-	-	-	4,655	4,655
3 Public sector entities	-	-	-	-	7,448	-	-	-	-	-	-	-	-	7,448	7,448
4 Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Institutions	-	-	-	-	3,135,728	-	1,911	-	-	-	57	-	-	3,137,696	212,823
7 Corporates	-	-	-	-	7,803	-	27,597	-	-	1,929,093	1,954	-	-	1,966,447	1,750,591
8 Retail	-	-	-	-	-	-	-	-	276,443	-	-	-	-	276,443	276,443
9 Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Exposures in default	-	-	-	-	-	-	-	-	-	-	6,135	-	-	6,135	6,135
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16 Other items	-	-	-	-	-	-	-	-	-	65,016	-	-	-	65,016	65,016
17 Total	8,839,444	-	-	-	3,155,634	-	29,508	-	276,443	1,995,549	8,146	3,623	-	14,308,347	11,167,618

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 2018

<i>In thousands of Euro</i>	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	-	-	-	-	-	-
Institutions and corporates with a short-term	-	-	-	-	-	-
13 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.

Table 10 - EU CR3 – CRM techniques – Overview 2017

<i>In thousands of Euro</i>	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	8,844,507	8,844,507	-	-	-	-
2 Regional government or local authorities	4,655	4,655	-	-	-	-
3 Public sector entities	7,448	7,448	-	-	-	-
4 Multilateral development banks	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-
6 Institutions	1,126,122	1,126,122	-	-	-	-
7 Corporates	4,024,271	2,003,762	2,020,509	-	2,020,509	-
8 Retail	278,147	277,620	527	-	527	-
9 Secured by mortgages on immovable property	-	-	-	-	-	-
10 Exposures in default	14,207	14,207	-	-	-	-
11 Exposures associated with particularly high risk	-	-	-	-	-	-
12 Covered bonds	-	-	-	-	-	-
Institutions and corporates with a short-term	-	-	-	-	-	-
13 credit assessment	-	-	-	-	-	-
14 Collective investment undertakings	-	-	-	-	-	-
15 Equity	-	-	-	-	-	-
16 Other items	65,016	65,016	-	-	-	-
17 Total	14,364,373	12,343,337	2,021,036	-	2,021,036	-

* 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 CRA - Standardised approach - Credit risk exposure and CRM effects (2018)

Exposure classes	Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs	RWA density
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	-	-	-	-	-	-
Institutions and corporates with a short-term	-	-	-	-	-	-
13 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%

Table 12 - EU CRA - Standardised approach - Credit risk exposure and CRM effects (2017)

Exposure classes	Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs	RWA density
1 Central governments or central banks	8,844,507	-	8,844,507	-	10,497	0%
2 Regional government or local authorities	341	4,313	341	4,313	931	20%
3 Public sector entities	157	7,292	157	7,292	1,490	20%
4 Multilateral development banks	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-
6 Institutions	1,124,621	-	1,116,661	2,021,036	628,187	20%
7 Corporates	210,635	3,813,636	210,635	1,755,814	1,947,325	99%
8 Retail	6,865	271,282	6,865	269,578	189,209	68%
9 Secured by mortgages on immovable property	-	-	-	-	-	-
10 Exposures in default	6,135	8,072	6,135	-	9,203	150%
11 Exposures associated with particularly high risk	-	-	-	-	-	-
12 Covered bonds	-	-	-	-	-	-
13 Institutions and corporates with a short-term cre	-	-	-	-	-	-
14 Collective investment undertakings	-	-	-	-	-	-
15 Equity	-	-	-	-	-	-
16 Other items	65,016	-	65,016	-	65,016	100%
17 Total	10,258,277	4,104,595	10,250,317	4,058,033	2,851,858	20%

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 (2018)

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	-	-	-	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	-

Table 14 EU CCR3 – Standardised approach - CCR exposures by regulatory portfolio and risk (2017)

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	-	-	-	1,501	-	-	-	-	-	-	-	1,501	-
7 Corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Retail	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Other items	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Total	-	-	-	1,501	-	-	-	-	-	-	-	1,501	-

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. 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

		2018		2017	
		RWAs	Capital Requirements	RWAs	Capital Requirements
<i>In thousands of Euro</i>					
Outright products					
1	Interest rate risk (general and specific)	-	-	-	-
2	Equity risk (general and specific)	-	-	-	-
3	Foreign exchange risk	285,902	22,872	236,392	18,911
4	Commodity risk	-	-	-	-
Options					
5	Simplified approach	-	-	-	-
6	Delta-plus method	-	-	-	-
7	Scenario approach	-	-	-	-
8	Securitisation (specific risk)	-	-	-	-
9	Total	285,902	22,872	236,392	18,911

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 bank 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 2018. 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 (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
Assets of the reporting institution	90,551		8,256,478	
Equity instruments	-		-	
Debt securities	-	-	-	-
Other assets	90,551		8,256,478	

Table 17 – Encumbered and unencumbered assets (2017)

<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
Assets of the reporting institution	103,563		8,276,817	
Equity instruments	19,430		-	
Debt securities	-	-	-	-
Other assets	84,048		8,276,817	

Table 18 – Collateral Received

<i>In thousands of Euro</i>	2018		2017	
	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
Collateral received by the reporting institution	-	-	-	-
Equity instruments	-	-	-	-
Loans on demand	-	-	-	-
Equity instruments	-	-	-	-
Debt securities	-	-	-	-
Loans and advances other than loans on demand	-	-	-	-
Other collateral received	-	-	-	-
Own debt securities issued other than own covered bonds or asset-backed securities (ABS)	-	-	-	-
Own covered bonds and asset-backed securities issued and not yet pledged				
Total assets, collateral received and own debt securities issued	90,551		103,563	

Table 19 – Sources of Encumbrance

<i>In thousands of Euro</i>	2018		2017	
	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own securities issued other than covered bonds and asset-backed securities	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own securities issued other than covered bonds and asset-backed securities
Carrying amount of selected financial liabilities	-	90,551	-	103,563

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 sources of encumbrance is funding placed with central banks to meet regulatory requirements 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 median value of encumbered assets based on quarter PiT figures was €90.5m (€103.6m during 2017).

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

In 2018, the Group had €8.3bn of unencumbered "Other assets", this is primarily made of €6.6bn 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 €1.2bn of loans and advances and €0.4bn of other assets including intangible assets, tax assets, tangible assets and derivative assets.

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 2018.

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 five times during 2018. 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 and 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 2018, there were 42 Identified Staff in total including midyear leavers (as at 31 December 2017: 43 employees in ID Staff roles). 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

Regulatory Technical Standard on Identified Staff (Implemented through Regulation 604/2014).

Elavon Remuneration Quantitative Public Disclosures as at 31 Dec 2018 restated (8)

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) €7,262,074 (b) €4,826,221 (c) 42	60% 40%	(a) €2,829,366 (b) €2,246,599 (c) 16	56% 44%	(a) €3,718,752 (b) €2,349,353 (c) 20	61% 39%	(a) €3,543,321 (b) €2,476,868 (c) 22	59% 41%
(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) €2,672,198 (b) None (c) €2,154,023 (d) None		(a) €1,262,697 (b) None (c) €983,902 (d) None		(a) €1,403,468 (b) None (c) €945,885 (d) None		(a) €1,268,730 (b) None (c) €1,208,138 (d) None	
(iii) the amounts of outstanding deferred remuneration, split into vested and unvested portions;	(a) Vested (b) Unvested	(a) €2,588,215 (b) €4,293,934		(a) €1,180,898 (b) €2,046,104		(a) €1,358,144 (b) €2,236,545		(a) €1,230,071 (b) €2,057,389	
(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	€433,859. 4 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 €338,859. Highest award €212,598							
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 2018) throughout table
- 2) Table contains fixed and variable remuneration awarded for 2018 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.
- 8) New joiners, leavers and INEDs were included in the restated quantitative disclosure as well as minor additions were made to the qualitative disclosure.

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 2018
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 2018 • 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 2018 • 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 2018 • 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	2018 US Bancorp Annual Report (Audited): • MD&A-Balance Sheet Analysis (pg. 29 - 38) • MD&A-Corporate Risk Profile (pg. 38 - 59) • Note 1-Significant Accounting Policies (pg. 81 - 87) • Note 4-Investment Securities (pg. 89 - 90) • Note 5-Loans and Allowance for Credit Losses (pg. 91 - 97) • Note 7-Accounting For Transfers and Servicing of Financial Assets and Variable Interest Entities (pg. 98 - 99) • 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) US Bancorp Website • Corporate Governance http://phx.corporate-ir.net/phoenix.zhtml?c=117565&p=iro-l-govboard	
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		

CRR Article	High Level Summary	Applicable	Location of US Bancorp Equivalency	Location of Group Disclosures not covered by Equivalency
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	
435(2)	Information on governance arrangements, including information on Board composition and recruitment and risk committees:	Yes	US Bancorp Website: http://phx.corporate-ir.net/phoenix.zhtml?c=117565&p=irol-govhighlights	
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 2018 • 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 - 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 - 2018 Annual Report (Audited): • Note 23-U.S. Bancorp (Parent Company) Consolidated Balance Sheet (pg. 135 - 137)	
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 - FFIEC 101 (Unaudited): • USB Schedule A Advanced Risk-Based Capital	
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 - 2018 Annual Report (Audited): • MD&A Capital Management (pg. 58-59) • Note 13-Long-Term Debt (pg. 103) • Note 14-Shareholders' Equity (pg.104 - 108) • Note 15-Earnings per Share (pg. 109)	Note: Elavon has only issued one CET1 instrument, being share capital issued to its parent company, the ultimate parent company being US Bancorp. Elavon has not issued any AT1 or Tier 2 capital.
437(1)(c)	The full terms and conditions of all Common equity tier 1, Additional tier 1 and Tier 2 instruments	Yes		
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		
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 - 2018 Annual Report (Audited): • MD&A Capital Management (pg. 58 - 59) • MD&A Non-GAAP Financial Measures (pg. 66-67) • Note 14-Shareholders' Equity (pg. 104-108) US Bancorp - Basel Pillar 3 Disclosures (Unaudited): • Internal Capital Adequacy Assessment Process (pg. 2 - 3)	

CRR Article	High Level Summary	Applicable	Location of US Bancorp Equivalency	Location of Group Disclosures not covered by Equivalency
438(b)	Result of ICAAP on demand from authorities.	N/A		N/A - Has not been requested by the competent authority
438(c)	Capital requirements for each Standardised approach credit risk exposure class.	Yes	US Bancorp - FFIEC 101 (Unaudited): • USB Schedule B Summary Risk-Weighted Asset Information for Banks Approved to Use Advanced Internal Ratings-Based and Advanced Measurement Approaches for Regulatory Capital Purposes. US Bancorp - Basel Pillar 3 Disclosures (Unaudited): Table 4 Risk Weighted Assets	Elavon Pillar 3 Disclosures 2018 • Minimum Capital Requirements pg. 7
438(d)	Capital requirements amounts for credit risk for each internal Ratings Based Approach exposure class.	N/A		N/A - Elavon does not use the IRB approach.
438(e)	Capital requirements for market risk or settlement risk.	Yes		Elavon Pillar 3 Disclosures 2018 • 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 2018 • 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 - 2018 Annual Report (Audited): • MD&A Use of Derivatives to Manage Interest Rate and Other Risks (pg. 52 - 53) • Note 1-Significant Accounting Policies (pg. 80 - 87) • 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 - Basel Pillar 3 Disclosures (Unaudited): • Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions, and Eligible Margin Loans (pg. 11)	
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 - Basel Pillar 3 Disclosures (Unaudited): • Table 8-General Disclosure for Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions, and Eligible Margin Loans (pg. 12)	
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		N/A - Elavon does not use credit derivatives.
439(h)	Notional amounts of credit derivative transactions	N/A	US Bancorp - 2018 Annual Report (Audited): • Note 19-Derivative Instruments (pg. 118-122) US Bancorp - 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(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 - Basel Pillar 3 Disclosures (Unaudited): • Table 12--Credit Exposure by Geography (pgs. 18-19) • Capital Conservation Buffer (pg. 4)	Elavon Pillar 3 Disclosures 2018 • Countercyclical Buffer pgs. 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 - 2018 Annual Report (Audited): • MD&A--Balance Sheet Analysis (pg. 29-38) • MD&A--Corporate Risk Profile (pg. 38-59) • Note 1--Significant Accounting Policies (pg. 80-87) • Note 4--Investment Securities (pg. 89-90) • Note 5--Loans and Allowance for Credit Losses (pg. 91-97) • Note 22--Guarantees and Contingent Liabilities (pg. 131-135) US Bancorp - Pillar 3 Disclosures (Unaudited): • Credit Risk: General Disclosures (pg. 16-25)	
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	<p>US Bancorp 2018 Annual Report (Audited):</p> <ul style="list-style-type: none"> Note 5-Loans and Allowance for Credit Losses (pg. 91-97) Consolidated Daily Average Balance Sheet and Related Yields and Rates (pg. 142-143) <p>FR Y-9C (Unaudited):</p> <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) <p>Basel Pillar 3 Disclosures (Unaudited):</p> <ul style="list-style-type: none"> Table 8-General Disclosure for Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions, and Eligible Margin Loans (pg. 12) Table 14-Credit Risk and Maturity by Exposure Type (pg. 20-21) 	
442(d)	Disclosure of pre-CRM EAD by geography and exposure class.	Yes	<p>US Bancorp - Basel Pillar 3 Disclosures (Unaudited):</p> <ul style="list-style-type: none"> Table 12-Credit Exposure by Geography (pg. 18-19) Table 13-Municipal Securities by Geography (pg. 20) 	
442(e)	Disclosure of pre-CRM EAD by industry and exposure class.	Yes	<p>US Bancorp - FR Y-9C (Unaudited):</p> <ul style="list-style-type: none"> Schedule HC-B - Securities (pg. 16-18) Schedule HC-L - Derivatives and Off-Balance-Sheet Items (pg. 29-32) <p>US Bancorp - Basel Pillar 3 Disclosures (Unaudited):</p> <ul style="list-style-type: none"> Table 11-Credit Exposure by Industry (pg. 17) 	
442(f)	Disclosure of pre-CRM EAD by residual maturity and exposure class.	Yes	<p>US Bancorp - FR Y-9C (Unaudited):</p> <ul style="list-style-type: none"> Schedule HC-B - Securities (pg. 16-18) Schedule HC-L - Derivatives and Off-Balance-Sheet Items (pg. 29-32) <p>US Bancorp - Basel Pillar 3 Disclosures (Unaudited):</p> <ul style="list-style-type: none"> Table 14-Credit Risk and Maturity by Exposure Type (pg. 20-21) 	
442(g)	Breakdown of impaired, past due, specific and general credit risk adjustments, and impairment charges for the period, by industry.	Yes	<p>US Bancorp - 2018 Annual Report (Audited):</p> <ul style="list-style-type: none"> Analysis and Determination of the Allowance for Credit Losses (pg. 48) Table 18-Summary of Allowance for Credit Losses (pg. 49) <p>US Bancorp - Basel Pillar 3 Disclosures (Unaudited):</p> <ul style="list-style-type: none"> Table 15-Past Due and Nonperforming Loan Portfolio By Industry (pg. 21-22) Table 17-Elements of the Allowance for Credit Losses (pg. 24) 	
442(h)	Impaired, past due exposures, by geographical area, and amounts of specific and general impairment for each geography.	Yes	<p>US Bancorp - Basel Pillar 3 Disclosures (Unaudited):</p> <ul style="list-style-type: none"> Table 16-Past Due and Nonperforming Loans by Geography (pg. 23) <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	<p>US Bancorp - 2018 Annual Report (Audited):</p> <ul style="list-style-type: none"> Table 18-Summary of Allowance for Credit Losses (pg. 49) 	
Article 443: Unencumbered assets				
443	Disclosures on unencumbered assets.	Yes		<p>Elavon Pillar 3 Disclosures 2018</p> <ul style="list-style-type: none"> Asset Encumbrance (pgs. 20-21)

CRR Article	High Level Summary	Applicable	Location of US Bancorp Equivalency	Location of Group Disclosures not covered by Equivalency	
Article 444: Use of ECAIs					
444(a)	Names of the ECAIs used in the calculation of Standardised approach risk-weighted assets and reasons for any changes.	Yes		Elavon Pillar 3 Disclosures 2018 • Use of External Credit Ratings (pg. 12)	
444(b)	Exposure classes associated with each ECAI.	Yes			
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 2018 • Standardised Credit Risk Exposure Classes (pgs. 13-14) • Counterparty Credit Risk (pgs. 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 2018 • Market Risk (pg. 19)	
Article 446: Operational risk					
446	Scope of approaches used to calculate operational risk.	Yes	US Bancorp - 2018 Annual Report (Audited) • MD&A-Operational Risk Management (pg. 51) US Bancorp - Basel Pillar 3 Disclosures (Unaudited) • Operational Risk (pg. 15)		
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 - 2018 Annual Report (Audited) • MD&A-Interest Rate Risk Management, Net Interest Income Simulation Analysis, and Market Value of Equity Modelling (pg. 52)		
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 2018 • Public Remuneration Disclosure (Pgs. 22-24)	
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 - Basel Pillar 3 Disclosures (Unaudited) • Table 3- Supplementary Leverage Ratio (pg. 5)		
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 - 2018 Annual Report (Audited): • MD&A-Corporate Risk Profile (pg. 38-59) • Note 1-Significant Accounting Policies (pg. 80-87) • Note 4-Investment Securities(pg. 89-90) • Note 5-Loans and Allowance for Credit Losses (pg. 91-97) • Note 19-Derivative Instruments (pg. 118-122) • Note 20-Netting Arrangements for		
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

CRR Article	High Level Summary	Applicable	Location of US Bancorp Equivalency	Location of Group Disclosures not covered by Equivalency
453(g)	Exposures covered by guarantees or credit derivatives.	Yes	Certain Financial Instruments (pg. 123-125) • Note 21-Fair Values of Assets and Liabilities (pg. 125-131) US Bancorp - Basel Pillar 3 Disclosures (Unaudited) • Credit Risk Mitigation (pg. 10)	Elavon Pillar 3 Disclosures 2018 • Credit Risk Mitigation (CRM) – Standardised approach (Pgs. 15-17)
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
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 2018 • IFRS 9 pg. 6

Appendix 2 – Significant subsidiaries – Elavon Financial Services DAC (EFS)

The Group is required to comply with the Pillar 3 disclosures requirements under Part Eight of the CRR on a consolidated basis. Additionally, it is required to provide certain disclosures for significant subsidiaries, to the extent they are not covered within equivalent disclosures by US Bancorp. EFS is a significant subsidiary and must therefore provide these disclosures.

Given that EFS accounts for the vast majority of the Groups prudential consolidation’s income, expenses and balance sheet, the disclosures at EFS level are very similar to those provided at the Group level.

The following table summarises the specific disclosure requirements contained in the CRR for significant subsidiaries as applicable to Elavon Financial Services DAC on an individual basis and where these may be found.

CRR Article Ref		Applicable	Location of US Bancorp Equivalency	Location of Bank Disclosures not covered by Equivalency
Article 437: Own funds		Yes	Covered under US Bancorp equivalent disclosures see appendix 1.	
Article 438: Capital requirements		Yes	Covered under US Bancorp equivalent disclosures see appendix 1.	
438(a)	Summary of institution’s approach to assessing adequacy of capital levels.	Yes	Covered under US Bancorp equivalent disclosures see appendix 1.	
438(b)	Result of ICAAP on demand from authorities.	N/A		N/A - Has not been requested by the competent authority
438(c)	Capital requirements for each Standardised approach credit risk exposure class.	Yes	Covered under US Bancorp equivalent disclosures see appendix 1.	Elavon Pillar 3 Disclosures 2018 • Elavon Financial Services DAC - Minimum Capital Requirements pg. 32
438(d)	Capital requirements amounts for credit risk for each internal Ratings Based Approach exposure class.	N/A		N/A - Elavon does not use the IRB approach.
438(e)	Capital requirements for market risk or settlement risk.	Yes		Elavon Pillar 3 Disclosures 2018 • Elavon Financial Services DAC - Minimum Capital Requirements pg. 32
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 2018 • Elavon Financial Services DAC - Minimum Capital Requirements pg. 32
Article 440: Capital buffers		Yes	Covered under US Bancorp equivalent disclosures see appendix 1.	
440(1)(a)	Geographical distribution of relevant credit exposures for calculation of countercyclical capital buffer.	Yes	US Bancorp - Basel Pillar 3 Disclosures (Unaudited): • Table 12--Credit Exposure by Geography (pgs. 18-19) • Capital Conservation Buffer (pg. 4)	Elavon Pillar 3 Disclosures 2018 • Elavon Financial Services DAC - Minimum Capital Requirements pgs. 33-34
440(1)(b)	Amount of the institution specific countercyclical capital buffer	Yes		
Article 442: Credit risk adjustments		Yes	Covered under US Bancorp equivalent disclosures see appendix 1.	
Article 450: Remuneration policy		Yes		The Remuneration disclosures for Elavon Financial Services DAC are identical to those provided in relation to the Group and as such can be found on pgs. 22-24..
Article 451: Leverage		Yes	Covered under US Bancorp equivalent disclosures see appendix 1.	
Article 453: Use of credit risk mitigation techniques		Yes	Covered under US Bancorp equivalent disclosures see appendix 1.	
453(a)	Use of on and off-balance sheet netting.	Yes	Covered under US Bancorp equivalent disclosures see appendix 1.	
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 Financial Services DAC - Minimum Capital Requirements

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

The fall in credit risk weighted assets during 2018 is principally driven by the Central Bank of Ireland's approval of the use of a reduced credit conversion factor (20%) applied against the EFS's contingent liabilities for chargeback/refund risk.

Table 1: EU OV1 – Overview of RWAs

In thousands of Euro

	2018		2017	
	RWA	Minimum capital requirements	RWA	Minimum capital requirements
1 Credit risk (excluding CCR)	877,659	70,213	2,827,326	226,186
2 Of which the standardised approach	877,659	70,213	2,827,326	226,186
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	226	18	300	24
7 Of which mark to market	226	18	300	24
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	-	-	-	-
Securitisation exposures in the banking book (after 14 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	248,440	19,875	207,236	16,579
20 Of which the standardised approach	248,440	19,875	207,236	16,579
21 Of which IMA	-	-	-	-
22 Large exposures	-	-	-	-
23 Operational risk	656,650	52,532	608,210	48,657
24 Of which basic indicator approach	-	-	-	-
25 Of which standardised approach	656,650	52,532	608,210	48,657
26 Of which advanced measurement approach	-	-	-	-
Amounts below the thresholds for deduction	-	-	-	-
27 (subject to 250% risk weight)	8,482	679	8,541	683
28 Floor adjustment	-	-	-	-
Other	6,660	533	3,353	268
29 Total	1,798,117	143,850	3,654,966	292,397

Elavon Financial Services DAC - 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 €9.1m at 31 December 2018 (€3.0m at 31 December 2017) are outlined below.

Table 2 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer (2018)

In thousands of Euro

	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
Breakdown by country												
Czech Republic	1,529	-	-	-	-	-	97	-	-	97	0.18%	1.000%
Germany	67,321	-	-	-	-	-	5,346	-	-	5,346	10.06%	0.000%
United Kingdom	287,711	-	-	-	-	-	21,213	-	-	21,213	39.92%	1.000%
Hong Kong	253	-	-	-	-	-	20	-	-	20	0.04%	1.875%
Ireland	135,051	-	-	-	-	-	10,178	-	-	10,178	19.16%	0.000%
Iceland	1,481	-	-	-	-	-	119	-	-	119	0.22%	1.250%
Lithuania	63	-	-	-	-	-	4	-	-	4	0.01%	0.500%
Norway	20,953	-	-	-	-	-	1,576	-	-	1,576	2.97%	2.000%
Poland	40,005	-	-	-	-	-	3,033	-	-	3,033	5.71%	0.000%
Sweden	15,273	-	-	-	-	-	1,175	-	-	1,175	2.21%	2.000%
Slovakia	337	-	-	-	-	-	26	-	-	26	0.05%	1.250%
United States	26,046	-	-	-	-	-	1,396	-	-	1,396	2.63%	0.000%
Other	112,590	-	-	-	-	-	8,951	-	-	8,951	16.84%	0.000%
Total	708,613	-	-	-	-	-	53,134	-	-	53,134	100.00%	

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

Table 3 - Amount of institution specific countercyclical capital buffer

In thousands of Euro

	2018
Total risk exposure amount	1,798,117
Institution specific countercyclical buffer rate	0.5087%
Institution specific countercyclical buffer requirement	9,148

Table 4 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer (2017)

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			
Breakdown by country												
Czech Republic	1,329	-	-	-	-	-	106	-	-	106	0.06%	0.50%
Germany	197,452	-	-	-	-	-	15,569	-	-	15,569	8.84%	0.00%
United Kingdom	1,079,243	-	-	-	-	-	81,516	-	-	81,516	46.26%	0.00%
Hong Kong	209	-	-	-	-	-	17	-	-	17	0.01%	1.25%
Ireland	542,948	-	-	-	-	-	41,316	-	-	41,316	23.45%	0.00%
Iceland	3,965	-	-	-	-	-	321	-	-	321	0.18%	1.25%
Norway	66,542	-	-	-	-	-	5,303	-	-	5,303	3.01%	2.00%
Poland	117,889	-	-	-	-	-	9,177	-	-	9,177	5.21%	0.00%
Sweden	21,340	-	-	-	-	-	1,708	-	-	1,708	0.97%	2.00%
Slovakia	844	-	-	-	-	-	67	-	-	67	0.04%	0.50%
United States	28,306	-	-	-	-	-	1,608	-	-	1,608	0.91%	0.00%
Other	246,406	-	-	-	-	-	19,510	-	-	19,510	11.06%	0.00%
Total	2,306,473	-	-	-	-	-	176,218	-	-	176,218	100.00%	

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

Table 5 - Amount of institution specific countercyclical capital buffer

In thousands of Euro

	2017
Total risk exposure amount	3,654,966
Institution specific countercyclical buffer rate	0.0825%
Institution specific countercyclical buffer requirement	3,014

Elavon Financial Services DAC - Credit Risk Mitigation (CRM)

Credit risk mitigation for regulatory capital requirements calculation

Tables 6 and 7 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 EFS's capital requirements.

EFS 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 6 - EU CR3 – CRM techniques – Overview 2018

<i>In thousands of Euro</i>	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	6,407,696	6,407,696	-	-	-	-
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	686,229	686,229	-	-	-	-
7 Corporates	3,809,406	1,947,923	1,861,483	-	1,861,483	-
8 Retail	458,608	414,623	43,985	-	43,985	-
9 Secured by mortgages on immovable property	-	-	-	-	-	-
10 Exposures in default	36,968	36,968	-	-	-	-
11 Exposures associated with particularly high risk	2,000	2,000	-	-	-	-
12 Covered bonds	-	-	-	-	-	-
Institutions and corporates with a short-term	-	-	-	-	-	-
13 credit assessment	-	-	-	-	-	-
14 Collective investment undertakings	-	-	-	-	-	-
15 Equity	-	-	-	-	-	-
16 Other items	62,117	62,117	-	-	-	-
17 Total	11,483,963	9,578,495	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.

Table 7 - EU CR3 – CRM techniques – Overview 2017

<i>In thousands of Euro</i>	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	8,842,887	8,842,887	-	-	-	-
2 Regional government or local authorities	4,655	4,655	-	-	-	-
3 Public sector entities	7,448	7,448	-	-	-	-
4 Multilateral development banks	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-
6 Institutions	1,091,584	1,091,584	-	-	-	-
7 Corporates	4,018,922	1,998,413	2,020,509	-	2,020,509	-
8 Retail	278,117	277,590	527	-	527	-
9 Secured by mortgages on immovable property	-	-	-	-	-	-
10 Exposures in default	13,298	13,298	-	-	-	-
11 Exposures associated with particularly high risk	-	-	-	-	-	-
12 Covered bonds	-	-	-	-	-	-
Institutions and corporates with a short-term	-	-	-	-	-	-
13 credit assessment	-	-	-	-	-	-
14 Collective investment undertakings	-	-	-	-	-	-
15 Equity	-	-	-	-	-	-
16 Other items	63,734	63,734	-	-	-	-
17 Total	14,320,645	12,299,609	2,021,036	-	2,021,036	-

* 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.

Elavon Financial Services DAC - Credit Risk Mitigation (CRM)

Table 8 presents 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 EFS's derivative exposures which are included in the counterparty credit risk section.

Table 8 - 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			
	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs	RWA density		
1 Central governments or central banks	6,407,696	-	6,407,696	-	8,619		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	685,098	-	679,301	381,093	212,339		20%	
7 Corporates	188,835	3,620,571	188,835	348,208	513,508		96%	
8 Retail	12,321	446,287	12,321	79,863	62,645		68%	
9 Secured by mortgages on immovable property	-	-	-	-	-		-	
10 Exposures in default	15,269	21,699	15,269	-	22,903		150%	
11 Exposures associated with particularly high risk	2,000	-	2,000	-	3,000		150%	
12 Covered bonds	-	-	-	-	-		-	
Institutions and corporates with a short-term	-	-	-	-	-		-	
13 credit assessment	-	-	-	-	-		-	
14 Collective investment undertakings	-	-	-	-	-		-	
15 Equity	-	-	-	-	-		-	
16 Other items	62,117	-	62,117	-	62,117		100%	
17 Total	7,374,419	4,108,413	7,368,622	813,135	886,142		11%	

Table 9 - EU CR4 - Standardised approach - Credit risk exposure and CRM effects (2017)

Exposure classes	Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs	RWA density
1 Central governments or central banks	8,842,887	-	8,842,887	-	8,657	0%
2 Regional government or local authorities	341	4,313	341	4,313	931	20%
3 Public sector entities	157	7,292	157	7,292	1,490	20%
4 Multilateral development banks	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-
6 Institutions	1,090,083	-	1,085,978	2,021,036	622,051	20%
7 Corporates	205,256	3,813,666	205,256	1,755,844	1,941,976	99%
8 Retail	6,865	271,252	6,865	269,548	189,190	68%
9 Secured by mortgages on immovable property	-	-	-	-	-	-
10 Exposures in default	5,226	8,072	5,226	-	7,839	150%
11 Exposures associated with particularly high risk	-	-	-	-	-	-
12 Covered bonds	-	-	-	-	-	-
13 Institutions and corporates with a short-term cre	-	-	-	-	-	-
14 Collective investment undertakings	-	-	-	-	-	-
15 Equity	-	-	-	-	-	-
16 Other items	63,734	-	63,734	-	63,734	100%
17 Total	10,214,549	4,104,595	10,210,444	4,058,033	2,835,868	20%