

Pillar III Disclosures
Year-ended 31st December 2016

**Ulster Bank Ireland Designated Activity
Company**



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Pillar 3 Disclosures 31st December 2016

This Pillar 3 Disclosure for 2016 is applicable to Ulster Bank Ireland Designated Activity Company ('UBIDAC'). UBIDAC is a company incorporated in the Republic of Ireland which as at 31st December 2016 forms part of Ulster Bank ('UBG') whose ultimate parent is The Royal Bank of Scotland plc ('RBS').

Note: implementing the recommendations of the Independent Commission on Banking ('ICB'), UBIDAC became a subsidiary of Nat West Bank Holdings Ltd on 2 Jan 2017 and is no longer a subsidiary of Ulster Bank Ltd.

Basis of disclosure

UBIDAC is a significant subsidiary of an EU parent institution. Reduced disclosure requirements apply to significant subsidiaries of EU banking parents in accordance with Article 13 (1) of Regulation (EU) No 575/2013. UBIDAC is required by its supervisors to publish an annual disclosure in accordance with the requirements for significant subsidiaries.

UBIDAC Pillar 3 Disclosures for 2016 are reported as part of the significant subsidiary disclosures within the RBS Pillar 3 Annual Disclosure. Refer to www.investors.rbs.com.

Appendix 2 in this document contains a mapping table to reference each article under the Capital Requirements Regulation (CRR) relevant to significant subsidiaries to the appropriate table in the RBS Pillar 3 document or other published information. The UBIDAC disclosure tables within this document have been extracted from the RBS Pillar 3 document and reported in Euro. A comparison against the UBIDAC 2015 disclosures has been shown.

This disclosure should be read in conjunction with the UBIDAC 2016 Financial Statements. The management of market risk, interest rate risk, currency and liquidity risk is outlined in Note 24 of UBIDAC's Financial Statements. Additional information on credit risk management is also provided in the UBIDAC 2016 Financial Statements.

In reading these disclosures, the following points must be noted:

- The disclosures represent a regulatory rather than an accounting consolidation. Certain aspects of the business (e.g. special purpose vehicles) are included in financial but not regulatory reporting; therefore these disclosures may not be comparable with other external disclosures by UBIDAC.
- The disclosures relate to the position at 31st December 2016 and have been prepared in accordance with applicable legislation effective at this date. The comments relate to the business structure, governance and risk management approach at that date.
- The information has not been subject to external audit.

Background

The Capital Requirements Regulation (CRR) and Capital Requirements Directive (CRD IV - which was enacted in Irish law by S.I. No. 158 of 2014 and S.I. No. 159 of 2014), requirements are being implemented on a phased basis from 1 January 2014, with full implementation from 1 January 2019. The capital resources disclosures for 2016 herein reflect the transition arrangements of the legislation together with the Central Bank of Ireland (CBI) guidance (Implementation of Competent Authority

Discretions and Options in CRD IV and CRR) on the application of transitional rules in Ireland. The Basel framework is based around the following three Pillars:

- **Pillar 1 – Minimum capital requirements:** defines rules for the calculation of credit, market and operational risk. Risk-weighted assets (RWAs) are required to be calculated for each of these three risks. For credit risk, the majority of RBS (inclusive of UBIDAC) uses the advanced internal ratings based (IRB) approach for calculating RWAs.
- **Pillar 2 – Supervisory review process:** requires banks to undertake an Internal Capital Adequacy Assessment Process (ICAAP) for risks either not adequately covered in, or excluded from, Pillar 1. The UBIDAC ICAAP, including the Pillar 2 add-on, is informed by the output of the Material Integrated Risk Assessment (MIRA) process. The ICAAP submission is followed by the SREP review process lead by the Joint Supervisory Team of the CBI and the European Central Bank (ECB) under the Single Supervisory Mechanism ('SSM'). UBIDAC's minimum capital requirement, including Pillar 2 requirements, is prescribed within the follow-up SREP letter from the ECB. UBIDAC ICAAP requirements are managed under the governance of the UB Executive Risk Committee. The risks considered to require Pillar 2 capital include Concentration Risk, Interest Rate Risk, Operational Risk and Pension Risk. The Pillar 2 capital requirement is reviewed and approved, on a semi-annual basis, by the UBIDAC Board of Directors.
- **Pillar 3 – Market discipline:** requires expanded disclosure to allow investors and other market participants to understand the risk profiles of individual banks. The level of risk disclosure reporting has increased within UBIDAC, as well as within RBS and continues to expand to encourage market transparency and stability.

Capital and risk management

UBIDAC is governed by its & RBS capital management policies which are to maintain a strong capital base, to expand it as appropriate and to utilise it efficiently throughout its activities in order to optimise the return to shareholders while maintaining a prudent relationship between the capital base and the underlying risks of the business. UBIDAC aims to maintain appropriate levels of capital, in excess of regulatory requirements, that ensure the capital position remains appropriate given the economic and competitive environment.

UBIDAC plans and manages capital resources in accordance with the UBIDAC Capital policy. UBIDAC capital planning is a key part of the budgeting and planning process. The Risk Weighted Assets ('RWA') by risk type for capital allocation are contained in Table 06 below. The capital plan covers a five year period and is regularly reviewed and updated. The UBIDAC Capital Management Unit ('CMU') and the UBIDAC Asset and Liability Management Committee ('ALCO') monitor the utilisation of capital by tracking the actual capital available on an on-going basis. In carrying out these policies, UBIDAC has regard to and has complied with the supervisory requirements of the ECB and the CBI. The following tables show the capital resources and capital requirements of UBIDAC under Pillar 3.

Capital resources and capital requirements

Table 01: Capital Ratios & Leverage

	Dec-16	Dec-15
Risk asset ratios	%/€	%/€
CET1 (%)	29.8	29.6
Tier 1 (%)	29.8	29.6
Total (%)	32.7	32.1
Leverage		
Exposure (€/bn)	31.9	32.3
Tier 1 capital (€/bn)	6.3	7.7
Leverage ratio (%)	19.6	24.0

Table 01 Note:

- (1) Table 01 data has been extracted from RBS Pillar 3 Table CAP 2, though the inclusion of Verified Profits has now been reflected. Figures translated into €Euro as applicable. UBI DAC disclosures therefore differ from those of RBS Pillar 3.
- (2) Capital and RWA analyses are based on CRR applicable in Ireland as promulgated by the Central Bank of Ireland (CBI transitional basis)
- (3) Refer to mapping table in Appendix 2, detailing how these disclosures meet compliance with the CRR

Table 02: Transitional Own Funds Disclosure**CET1 capital: instruments and reserves**

	Dec-16 €m	Dec-15 €m
1 Capital instruments and the related share premium accounts	4,775	4,774
of which: ordinary shares	3,592	3,592
2 Retained earnings	1,474	1,689
3 Accumulated other comprehensive income (and other reserves)	1	29
4 Public sector capital injections grandfathered until 1 January 2018		
5a Independently reviewed interim net profits net of any foreseeable charge or dividend	163	1,143
6 CET1 capital before regulatory adjustments	6,413	7,634
7 Additional value adjustments		
8 Intangible assets (net of related tax liability)		
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	(292)	(286)
11 Fair value reserves related to gains or losses on cash flow hedges		
12 Negative amounts resulting from the calculation of expected loss amounts	(193)	(30)
14 Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(4)	
15 Defined-benefit pension fund assets		
19 Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
22 Amount exceeding the 17.65% threshold (negative amount)		
23 Of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		
25 Of which: deferred tax assets arising from temporary differences		
25a Losses for the current financial period (negative amount)		
26 Regulatory adjustments applied to CET1 in respect of amounts subject to pre-CRR treatment	376	440
26a Regulatory adjustments relating to unrealised gains and losses pursuant to articles 467 and 468		
26b Amount to be deducted from or added to CET1 capital with regard to additional filters and deductions required pre CRR	376	440
27 Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	(39)	(10)
28 Total regulatory adjustments to CET1	(151)	114
29 CET1 capital	6,262	7,749

AT1 capital: instruments

30 Capital instruments and the related share premium accounts		
31 of which: classified as equity under applicable accounting standards		
32 of which: classified as debt under applicable accounting standards		
33 Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase out from AT1		
34 Qualifying tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5 CET1) issued by subsidiaries and held by third parties		
35 of which: instruments issued by subsidiaries subject to phase out		
36 AT1 capital before regulatory adjustments		
AT1 capital: regulatory adjustments		
40 Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions)		
41 (-) Actual or contingent obligations to purchase own AT1 instruments		
41b Residual amounts deducted from AT1 capital with regard to deduction from Tier 2 (T2) capital during the transitional period of which: Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities		
43 Total regulatory adjustments to AT1 capital		
44 AT1 capital		
45 Tier 1 capital (T1 = CET1 + AT1)	6,262	7,749

T2 capital: instruments and provisions

46 Capital instruments and the related share premium accounts	593	596
47 Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from T2	55	74
48 Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in CET1 or AT1) issued by subsidiaries and held by third parties		
49 of which: instruments issued by subsidiaries subject to phase out		
50 Credit risk adjustments		
10 T2 capital before regulatory adjustments	648	670
T2 capital: regulatory adjustments		
55 Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions)		
56a (-) Actual or contingent obligations to purchase own AT1 instruments		
56b Residual amounts deducted from T2 capital with regard to deduction from AT1 capital during the transitional period	(39)	(10)
56c Amount to be deducted from or added to T2 capital with regard to additional filters and deductions required pre CRR		
57 Total regulatory adjustments to T2 capital	(39)	(10)
58 T2 capital	609	660
59 Total capital (TC = T1 + T2)	6,872	8,409
60 Total risk-weighted assets	21,009	26,186

Table 02: Transitional Own Funds Disclosure (Cont'd)

Capital ratios and buffers		Dec-16	Dec-15
		%/€m	%/€m
61	CET1 (as a percentage of risk exposure amount)	29.8%	29.6%
62	T1 (as a percentage of risk exposure amount)	29.8%	29.6%
63	Total capital (as a percentage of risk exposure amount)	32.7%	32.1%
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1)(a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or)-SII buffer), expressed as a percentage of risk exposure amount)	5.1%	
65	<i>of which: capital conservation buffer requirement</i>	<i>0.6%</i>	
66	<i>of which: counter cyclical buffer requirement</i>	<i>0.0%</i>	
67	<i>of which: systemic risk buffer requirement</i>		
67a	<i>of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer</i>		
68	CET1 available to meet buffers	25.3%	25.1%
Amounts below the threshold deduction			
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions) significant investment in those entities (amount below 10% threshold and net of eligible short positions)	6	4
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability)	1	1
Available caps on the inclusion of provisions in T2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	13	12
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings based approach (prior to the application of the cap)		
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	107	138
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2013 and 1 January 2022)			
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements	96	112
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

Table 02 Note:

- (1) Table 02 data has been extracted from RBS Pillar 3 Table CAP 3, though the inclusion of Verified Profits has now been reflected. Figures translated into €Euro as applicable. UBI DAC disclosures therefore differ from those of RBS Pillar 3.
- (2) Refer to mapping table in Appendix 2, detailing how these disclosures meet compliance with the CRR

Table 03: Leverage exposures (CRR Delegated Act Transitional Basis)

LRSum: Summary reconciliation of accounting assets and leverage ratio exposure		Dec-16	Dec-15
		%/€m	%/€m
		€m	€m
1	Total assets as per published financial statements	30,695	31,019
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation		(238)
4	Adjustment for derivative financial instruments	147	200
5	Adjustments for securities financing transactions (SFTs)		
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	1,287	1,390
EU-6a	Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013		
7	Other adjustments	(212)	(50)
8	Total leverage ratio exposure	31,916	32,321
LRCom: Leverage ratio common disclosure			
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	29,310	29,886
2	Asset amounts deducted in determining Tier 1 capital	(212)	(50)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	29,098	29,836
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	898	760
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	274	335
7	Deductions of receivable assets for cash variation margin provided in derivatives transactions		
8	Exempted CCP leg of client-cleared trade exposures		
9	Adjusted effective notional amount of written credit derivatives		
11	Total derivative exposures	1,172	1,095
Securities financing transaction exposures			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	360	
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)		
14	Counterparty credit risk exposures for SFT assets	360	
16	Total securities financing transaction exposures		
Other off-balance sheet exposures			
17	Off-balance sheet exposures at gross notional amount	4,483	5,755
18	Adjustments for conversion to credit equivalent amounts	(3,197)	(4,365)
19	Other off-balance sheet exposures	1,287	1,390
EU-19a	Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off-balance sheet)		
Capital and total exposures			
20	Tier 1 capital	6,262	7,749
21	Total leverage ratio exposure	31,916	32,321
Leverage ratio (%)		19.6	24.0
LRSpI: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)		Dec-16	Dec-15
		€m	€m
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	29,098	29,836
EU-2	Trading book exposures		
EU-3	Banking book exposures, of which:	29,098	29,836
EU-4	Covered bonds		
EU-5	Exposures treated as sovereigns	4,287	3,426
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	424	467
EU-7	Institutions	2,230	1,656
EU-8	Secured by mortgages of immovable properties	2,165	1,977
EU-9	Retail exposures	15,522	13,615
EU-10	Corporate	2,301	2,131
EU-11	Exposures in default	2,089	5,974
EU-12	Other exposures (e.g. equity, securitisations, and non-credit obligation assets)	81	588

Table 03 Note:

- (1) Table 03 data has been extracted from RBS Pillar 3 Table CAP 4: LR, though the inclusion of Verified Profits has now been reflected. Figures translated into €Euro as applicable. UBI DAC disclosures therefore differ from those of RBS Pillar 3.
- (2) Total leverage ratio has reduced to 19.6% from 24.0% due to changes in Tier 1 capital and reduction in balance sheet size
- (3) Refer to mapping table in Appendix 2, detailing how these disclosures meet compliance with the CRR %/€m

Table 04: Counter Cyclical Buffer

CAP 6a: CAP: Countercyclical capital buffer <i>(geographical distribution of credit exposures)</i>	UK	RoI	United States	Sweden	Hong Kong	Norway	Other	Total
Total Risk Exposure (sum of General Credit, Trading and Securitisation)	644	25,819	45	1	0	0	84	26,594
Total Own Fund Requirements	50	1,384	3	0	0	0	5	1,442

CAP 6b: CAP: Countercyclical capital buffer requirement	Dec-16 €m/%
Total risk exposure amount	21,009
Institution specific countercyclical buffer rate	0.00006%
Institution specific countercyclical buffer requirement	0.0

Table 04 Note:

(1) Table 04 data has been extracted from RBS Pillar 3 Consolidated Tables CAP 6a & 6b and translated into €Euro as applicable

(2) Refer to mapping table in Appendix 2, detailing how these disclosures meet compliance with the CRR

Table 05: Overview of RWA & Capital Requirements

Template EU OV1: Overview of RWA	Dec-16 €m	Dec-15 €m
Credit risk (excluding counterparty credit risk)	18,969	24,129
Of which Standardised approach	982	1,303
Of which Internal rating-based (IRB) approach	17,987	22,799
Of which Equity IRB under the Simple risk-weight or the internal models approach	0	26
Counterparty credit risk	589	470
Of which Marked to market	11	18
Of which Securities financing transactions		
CCR of which Internal model method	578	451
Settlement risk		
Securitisation exposures in banking book		
Of which IRB ratings-based approach		
Of which Internal Assessment Approach (IAA)		
Market risk	14	10
Of which Standardised approach	14	10
Of which Internal model approaches		
Operational risk	1,419	1,563
Of which Standardised Approach	1,419	1,563
Amounts below the thresholds for deduction (subject to 250% risk weight)	18	15
Total	21,009	26,186

Template EU OV1: Overview of RWA	Dec-16 €m	Dec-15 €m
Credit risk (excluding counterparty credit risk)	1,518	1,930
Of which Standardised approach	79	104
Of which Internal rating-based (IRB) approach	1,439	1,823
Of which Equity IRB under the Simple risk-weight or the internal models approach	0	3
Counterparty credit risk	47	38
Of which Marked to market	1	1
Of which Securities financing transactions		
CCR of which Internal model method	46	35
Settlement risk		
Securitisation exposures in banking book		
Of which IRB ratings-based approach		
Of which Internal Assessment Approach (IAA)		
Market risk	1	1
Of which Standardised approach	1	1
Of which Internal model approaches		
Operational risk	114	125
Of which Standardised Approach	114	125
Amounts below the thresholds for deduction (subject to 250% risk weight)	1	1
Total	1,681	2,095

Table 05 Note:

- (1) Table 05 data has been extracted from RBS Pillar 3 Table OV1 and translated into €Euro as applicable
- (2) The standardised approach is used to calculate market risk capital requirements
- (3) The Standardised (TSA) approach is used to calculate the operational risk capital requirement
- (4) Refer to mapping table in Appendix 2, detailing how these disclosures meet compliance with the CRR

Table 06: Exposure, RWA & Capital Requirements

	UBI DAC - 2016				UBI DAC - 2015			
	EAD (Pre CRM)	EAD (Post CRM)	Risk Weighted Assets	Capital Requirement	EAD (Pre CRM)	EAD (Post CRM)	Risk Weighted Assets	Capital Requirement
	€m	€m	€m	€m	€m	€m	€m	€m
Credit risk								
IRB approach								
Central governments and banks	4,735	4,735	484	39	4,542	4,542	494	39
Institutions	725	725	188	15	1,370	1,370	340	27
Corporates	5,969	5,868	5,035	403	8,423	8,268	4,883	391
Of which: Specialised lending	1,282	1,282	980	78	1,371	1,371	810	65
Of which: SME	1,314	1,307	866	69	2,718	2,709	1,242	99
Other corporate	3,373	3,280	3,189	255	4,335	4,186	2,833	226
Retail	19,678	19,678	12,280	982	20,725	20,725	17,080	1,366
Secured by real estate property - SME								
Secured by real estate property - non-SME	18,313	18,313	11,359	909	19,131	19,131	15,748	1,260
Qualifying revolving	422	422	251	20	426	426	294	23
Other retail - SME	710	710	507	41	951	951	872	69
Other retail - non-SME	234	234	163	13	218	218	168	14
Equities	0	0	0	0	7	7	26	3
Securitisations								
Non-credit obligation assets								
Total IRB	31,108	31,007	17,987	1,439	35,066	34,910	22,825	1,826
STD approach								
Central governments and central banks	1	1	3	0	10	10		
Regional governments and local authorities	2	2	2	0	1	1	1	
Multilateral development banks								
Institutions	1,811	1,811	366	29	1,113	1,113	222	18
Corporates	343	343	341	27	385	385	385	31
Retail	17	17	10	1	16	16	10	1
immovable property - residential								
immovable property - commercial	5	5	8	1	1	1	1	
Exposures in default	18	18	27	2	12	12	19	1
Covered bonds								
Collective investments undertakings								
Equity exposures	6	6	16	1	7	7	20	1
Other exposures	548	548	230	18	681	681	659	53
Total STD	2,750	2,750	1,000	80	2,227	2,227	1,318	106
Total IRB and STD	33,858	33,757	18,987	1,519	37,293	37,135	24,143	1,932
Counterparty risk								
IRB approach								
Central governments and banks						4		
Institutions		16	11	1		26	16	1
Corporates:		111	80	6		133	94	8
of which: specialised lending		88	61	5		98	64	5
of which: SME		3	4	0		4	4	
Other Corporate		20	15	1		30	26	3
Securitisations positions								
Total IRB		127	91	7		163	110	10
STD approach								
Government and multilateral institutions								
Institutions		1,022	498	40		722	358	29
Corporates		0	0	0				
Retail								
Past due items								
Total STD		1,022	498	40		722	358	29
Total IRB and STD		1,149	589	47		885	470	38

Table 06 Note:

- (1) Table 06 data has been extracted from RBS Pillar 3 Table CR2 and translated into €Euro as applicable
(2) Refer to mapping table in Appendix 2, detailing how these disclosures meet compliance with the CRR

Table 07: Market Risk RWA & Capital Requirement

Risk Weighted Assets	Dec-16	Dec-15
	€m	€m
STD	14	10
Interest rate position risk	5	5
Option position risk		
Foreign exchange position risk	9	4
Specific interest rate risk of securitisation positions		
Internal models approach		
VaR		
SVaR		
Incremental risk charge		
Total	14	10
Of which: RNIV		

Minimum Capital Requirement	Dec-16	Dec-15
	€m	€m
STD	1	1
Interest rate position risk		1
Option position risk		
Foreign exchange position risk	1	
Specific interest rate risk of securitisation positions		
Internal models approach		
VaR		
SVaR		
Incremental risk charge		
Total	1	1
Of which: RNIV		

Table 07 Note:

- (1) RBS disclose this Market Risk information on a consolidated basis in Table MR-1, the figures for UBI DAC above have been taken from this consolidation and converted into euro
- (2) Refer to mapping table in Appendix 2, detailing how these disclosures meet compliance with the CRR

Table 08: Exposure Analysis - by Geography

CRB-C: Geographical Analysis

UBI DAC: Excluding Intra-group	EAD Post CRM (€m's)					Total
	UK	Ireland	Other Western Europe	US	Rest of World	
2016 - €m's	657	28,451	2,120	112	420	31,760
2015 - €m's	1,151	30,936	2,805	345	513	35,750

Table 08 Note:

- (1) Table 08 data has been extracted from RBS Pillar 3 Table CRB_C and translated into €Euro as applicable
- (2) Refer to mapping table in Appendix 2, detailing how these disclosures meet compliance with the CRR

Table 09: Exposure Analysis - by Maturity

CRB-E: Maturity Analysis

UBI DAC: Excluding Intra-group

	EAD Post CRM (€m's)					Total
	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	
2016 - €m's	1,623	5,037	5,074	20,027		31,760
2015 - €m's	1,611	6,673	6,112	21,354		35,750

Table 09 Note:

- (1) Table 09 data has been extracted from RBS Pillar 3 Table CRB_E and translated into € as applicable
 (2) Refer to mapping table in Appendix 2, detailing how these disclosures meet compliance with the CRR

Table 10: Information on Forborne Exposures

	2016 €m	2015 €m
Performing exposures with forbearance measures	1,318	1,732
Non-performing exposures with forbearance measures	4,041	5,800
<i>of which: Impaired Non-performing exposures with forbearance measures</i>	3,445	4,245
Gross carrying amount of exposures with forbearance measures	5,359	7,532

Table 10 Note:

- (1) Table 10 data is prepared in accordance with 'EBA Final Draft ITS On Supervisory reporting on forbearance and non-performing exposures under article 99(4) of Regulation (EU) No 575/2013'
 (2) UBIDAC Financial Statements include disclosures for retail forbearance only. While forbearance can occur on either wholesale or retail loans, levels of wholesale forbearance in UBIDAC are not deemed material for disclosure in the Financial Statements.
 (3) Refer to mapping table in Appendix 2, detailing how these disclosures meet compliance with the CRR

Appendix 1: Capital Instruments Template

	Capital instruments main features template	£1.3m perpetual floating rate tier two capital	€38m 11.375% perpetual tier two capital	£20m 11.75% perpetual tier two capital
1	Issuer	Ulster Bank Ireland DAC	Ulster Bank Ireland DAC	Ulster Bank Ireland DAC
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	IE0004325282	IE0004325399	IE0004325514
3	Governing law(s) of the instrument	Irish	Irish	Irish
	Regulatory treatment			
4	Transitional CRR rules	Tier 2	Tier 2	Tier 2
5	Post-transitional CRR rules	Ineligible	Ineligible	Ineligible
6	Eligible at solo/(sub-) consolidated/ solo&(sub-) consolidated	Solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Tier 2	Tier 2	Tier 2
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	GBP 1m	GBP 27.2m	GBP 20m
9	Nominal amount of instrument	1,316,000	38,092,142	20,000,000
9a	Outstanding Nominal amount of instrument	GBP 1m	EUR 38m	GBP 20m
9b	Nominal amount of instrument (Original)	GBP 1m	EUR 38m	GBP 20m
9c	Issue price	100 per cent	100 per cent	100 per cent
9d	Redemption price	N/A	N/A	N/A
10	Accounting classification	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	07-Sep-98	07-Sep-98	07-Sep-98
12	Perpetual or dated	Perpetual	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A	N/A
	Coupons / dividends			
17	Fixed or floating dividend/coupon	Floating	Fixed	Fixed
18	Coupon rate and any related index	6 month Sterling LIBOR plus 2.55 per cent	11.375 per cent.	11.75 per cent.
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Partially discretionary	Partially discretionary	Partially discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Partially discretionary	Partially discretionary	Partially discretionary
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write down features (contractual)	No	No	No
	Write down features (statutory)	Statutory regime expected to be available	Statutory regime expected to be available	Statutory regime expected to be available
31	If write-down, write-down trigger(s)	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A

	Capital instruments main features template	£1.3m perpetual floating rate tier two capital	€38m 11.375% perpetual tier two capital	£20m 11.75% perpetual tier two capital
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to Senior Creditors	Subordinate to Senior Creditors	Subordinate to Senior Creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	No Waiver of Set-Off Rights	No Waiver of Set-Off Rights	No Waiver of Set-Off Rights

Appendix 2: CRR Disclosure Requirements Reference Table

The table below outlines how UBIDAC Pillar 3 Disclosures comply with the requirements of the Capital Requirements Regulation (CRR). It includes references to where UBIDAC disclosures are located in the RBS Pillar 3 Disclosure Document and if not within the RBS Pillar 3 Report, the relevant publication is specifically referred to.
(Note: Tables 01 – 09 in this UBIDAC Pillar 3 document have been extracted from the RBS Pillar 3 document and reported in Euro).

Article / CRR Ref	High-level Requirement	Annual Report & Accounts		Pillar 3 Document		Other
		Royal Bank of Scotland	Ulster Bank Ireland DAC	RBS (Tables)	UBI DAC (Tables)	
Own Funds						
437 (1)	Requirements regarding capital resources table.			CAP 3 pg 9 - 14 CAP 5 pg 20 - 21	Table 02 pg 5 - 6 (CAP3)	
437 (2)	EBA to publish implementation standards for points above				Disclosed within appendix 1 pg 13 - 14	Refer to www.investors.rbs.com
Capital requirements						
438 (a)	Summary of institution's approach to assessing adequacy of internal capital levels.	Within each risk type management section & pg 178 - 186	> Note 24 pg 67 > Note 37, pg 108			
438 (b)	Result of ICAAP on demand from authorities.	N/A				
438 (c)	Capital requirement amounts for credit risk for each Standardised approach exposure class.			CR 2 pg 31 - 34	Table 06 pg 10 (CR2)	
438 (d)	Capital requirements amounts for credit risk for each Internal Ratings Based Approach exposure class.			CR 2 pg 31 - 34 OV1 pg 15 - 16 CR10-B pg 83	Table 06 pg 10 (CR2)	
438 (e)	Capital requirements amounts for market risk or settlement risk, or large exposures where they exceed limits.			OV1 pg 15 - 17	Table 07 pg 11 (MR1)	
438 (f)	Capital requirement amounts for operational risk, separately for the basic indicator approach, the Standardised approach, and the advanced measurement approaches as applicable.			OV1 pg 15 - 17	Table 05 pg 9 (OV1)	
438 (endnote)	Requirement to disclose specialised lending exposures and equity exposures in the banking book falling under the simple risk weight approach.			CR10A pg 82 CR10B pg 83		
Capital buffers						
440 (1) (a)	Geographical distribution of relevant credit exposures.			CAP 6a pg 22	Table 04 (CAP 6a)	
440 (1) (b)	Amount of the institution specific countercyclical capital buffer.			CAP 6b pg 22	Table 04 (CAP 6b)	
440 (2)	EBA will issue technical implementation standards related to 440 (1).					RBS / UB follows the current standards

Appendix 2: CRR Disclosure Requirements Reference Table (cont'd)

Article / CRR Ref	High-level Requirement	Annual Report & Accounts		Pillar 3 Document		Other
		Royal Bank of Scotland	Ulster Bank Ireland DAC	RBS (Tables)	UBI DAC (Tables)	
Credit risk adjustments						
442 (a)	Disclosure of bank's definitions of past due and impaired.	Impairment, pg 212; Past Due glossary, pg 474	Impaired Note 10, pg 50 Past Due, pg 25			
442 (b)	Approaches for calculating credit risk adjustments.	Capital & risk mgt, impairment pg 212	Note 24, pg 62, 78-94			
442 (c)	Disclosure of EAD by exposure class.			CRB_B pg 42 - 43	Table 06 pg 10 (CR2)	
442 (d)	Disclosures of EAD by geography and exposure class.			CRB_C pg 44 - 45	Table 08 (CRB_C)	
442 (e)	Disclosures of EAD by industry and exposure class.			CRB_D pg 46 - 47	Table 06 pg 10 (CR2)	
442 (f)	Disclosures of EAD by residual maturity and exposure class.			CRB_E pg 48 - 49	Table 09 pg 11 (CRB_E)	
442 (g)	Breakdown of impaired, past due, specific and general credit adjustments, and impairment charges for the period, by exposure class or counterparty type.	Past Due - Annual Report [p246-253]	Note 10, pg 50-52	CR1-A pg 50		
442 (g) (i)	Impaired exposures and past due exposures, provided separately					
442 (g) (ii)	Specific and general credit risk adjustments					
442 (g) (iii)	charges for specific and general credit risk adjustments during the reporting period					
442 (h)	Impaired, past due exposures, by geographical area, and amounts of specific and general impairment for each geography.	Annual Report p252	Note 10, pg 50-52	CR1-B pg 51		
442 (i) 442 (i) (i) 442 (i) (ii) 442 (i) (iii) 442 (i) (iv) 442 (i) (v)	Reconciliation of changes in specific and general credit risk adjustments.	Annual Report page 253	Note 10, pg 50-52			
442 (endnote)	Specific credit risk adjustments recorded to income statement are disclosed separately.	Annual Report page 252	Note 10, pg 50-52			
Remuneration disclosures						
450	Remuneration	Governance-Directors' remuneration report (covers all parts of RBS, incl sig subs) pg 88-111			Disclosed within appendix 3	
Leverage						
451 (1) (a)	Leverage ratio, and breakdown of total exposure measure, including reconciliation to financial statements, and derecognised fiduciary items.			CAP1 pg 6 CAP4 pg 18 - 19	Table 03 pg 7 (CAP4)	
451 (1) (b)				CAP4 pg 18 - 19	Table 03 pg 7 (CAP4)	
451 (1) (c)						
451 (1) (d)	Description of the risk management approach to mitigate excessive leverage, and factors that impacted the leverage ratio during the year.	Annual Report, pg 176				
451 (1) (e)	Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers				Notes to Table 03 (CAP4)	
451 (2)	EBA to publish implementation standards for points above.					RBS / UB follows the current standards

Appendix 2: CRR Disclosure Requirements Reference Table (cont'd)

Article / CRR Ref	High-level Requirement	Annual Report & Accounts		Pillar 3 Document		Other
		Royal Bank of Scotland	Ulster Bank Ireland DAC	RBS (Tables)	UBI DAC (Tables)	
Use of credit risk mitigation techniques						
453 (a)	Use of on- and off-balance sheet netting.			> Accounting policies, pg 23 > Note 9, pg 39/42	EU CR3 pg 52 - 53	
453 (b)	How collateral valuation is managed.					
453 (c)	Description of types of collateral used by RBS/UBI DAC	Capital and Risk Mgt - Risk Mitigation pg 211 - 246 pg 23	Note 23, pg 61-62 Note 24, pg 81		Total credit risk exposures and RWAs (including counterparty credit risk) pg. 24	
453 (d)	Guarantor and credit derivative counterparty, creditworthiness.					
453 (e)	Market or credit risk concentrations within risk mitigation exposures.	Annual report Capital & risk mgt: CR Fin assets; Country risk pg 23	Note 24, pg 87-90			
453 (f)	Standardised or Foundation IRB approach, exposure value covered by eligible collateral.				EU CR4 pg 54	
453 (g)	Exposures covered by guarantees or credit derivatives.				EU CR3 pg 52 - 53	

Appendix 3: Ulster Bank Ireland DAC (UBIDAC) Remuneration Disclosure

UBID Performance and Remuneration Committee (UBID RemCo)

The UBID RemCo was established in October 2014 in accordance with Article 95 of Directive 2013/36/EU (CRD IV) as implemented in the Republic of Ireland by way of Statutory Instrument 158, paragraph 83. Disclosures in this document are made in accordance with Article 450 of the Capital Requirements Regulation (EU) No 575/2013.

The Chair and members of the UBID RemCo are all non-executive directors of UBID. The Committee met 10 times in 2016.

Specific responsibilities of the UBID RemCo are to:

- Review and adopt the RBS Remuneration Policy Principles for the UBID business on an annual basis, reviewing the effectiveness of its implementation and ensuring it meets regulatory requirements applicable to UBID.
- Oversee the remuneration of senior officers in the risk management and compliance functions, the executive directors and any other employees deemed to be Senior Material Risk Takers (MRTs) within UBID.
- Oversee the remuneration framework for other MRTs within UBID.
- Oversee the annual bonus pool for UBID.
- Retain oversight of pay considerations across the broader UBID employee population.
- Review any UBID compensation disclosure communications and any submissions to regulators in relation to compensation.

Some of the activities undertaken by the UBID RemCo during 2016 included a review of staff retention issues and management's actions to address the issues, an extensive review of market benchmarking data, an update of performance assessment and 2016/2017 pay arrangements, a review and removal of Incentive schemes and removal of variable pay for clerical staff. The UBID RemCo adopted the RBS Remuneration Policy Principles and continue to operate within approved Terms of Reference which closely reflect legal entity responsibilities and applicable regulatory requirements.

Remuneration policy and structure

As a fully owned subsidiary of The Royal Bank of Scotland Group plc (RBS), the UBID Remuneration Policy is fully aligned to RBS's Remuneration Policy Principles, and is compliant with CRD IV and UK regulatory requirements, evidenced by our remuneration arrangements. RBS will be submitting a new directors' remuneration policy to shareholders for approval at its Annual General Meeting in 2017. Subject to shareholder approval being received, any changes which impact the UBID remuneration policy will be disclosed in the UBID Remuneration Disclosure for 2017.

The Remuneration Policy is aligned to the business strategy, objectives, values, risk appetite and long-term interests of UBID, and in turn that of RBS and its shareholders. Our chosen performance metrics reflect the aims of delivering sustained performance against our objectives. The policy explicitly aligns remuneration with effective risk management. A range of measures are considered to assess risk performance, specifically the overall Risk Profile, Credit, Regulatory Risk & Conduct Risk, Operational Risk, Enterprise Risk and Market Risk.

There is a clear distinction between the criteria for setting basic fixed remuneration and variable remuneration. Fixed pay is set to ensure that it reflects relevant professional experience and organisational responsibility, all considered in the wider context of the business. Performance related remuneration is typically based on a balanced scorecard approach which measures individual and business performance against both financial and non-financial measures. The variable remuneration component is designed to reflect sustainable and risk adjusted performance against financial and strategic measures. Performance is normally assessed against a combination of short-term and long-term targets.

Deferral of annual bonus awards is applied over a minimum three year period during which time unvested awards remain at risk of forfeiture (malus). For awards made in 2015 and onwards, any vested variable pay awarded to MRTs will be subject to clawback for seven years from the date of award. For awards made in respect of the 2016 performance year onwards, this period can be extended to ten years for any employees within the scope of the UK Senior Managers Regime where there are outstanding internal or regulatory investigations at the end of the normal seven-year clawback period.

UBID does not allow variable pay that would have otherwise been subject to deferral to be taken in pension form. Our Staff Dealing rules prohibit the use of any personal hedging strategies in respect of unvested employee share awards, and this is confirmed in participant award documentation. UBID does not pay variable remuneration through vehicles or methods that facilitate the non-compliance with the requirements in CRD IV or EU Regulation No 575/2013.

UBID recognises that remuneration structures for the 2016 performance year need to comply with the remuneration requirements of CRD IV, including the cap which limits the maximum ratio of variable to fixed remuneration. UBID is operating within the 1:1 ratio, consistent with the practice applicable across RBS, as no shareholder approval has been sought for a higher ratio.

The following table illustrates how each element supports the Remuneration Policy and how the arrangements are compliant with the requirements in CRD IV.

Fixed pay elements

To provide a level of competitive remuneration for performing the role with less reliance on variable pay in order to discourage excessive risk-taking and with partial delivery in RBS shares to align with long-term shareholder value.

Element of pay	Purpose and link to strategy	Operation	Maximum potential value
Base salary	To aid recruitment and retention of high performing individuals whilst paying no more than is necessary. To provide a competitive level of fixed cash remuneration, reflecting the skills and experience required, and to discourage excessive risk-taking.	Paid monthly and reviewed annually.	Determined annually and benchmarked against peer companies.
Role-based allowance	To provide fixed pay that reflects the skills and experience required for the role.	Allowances are provided to certain employees in key roles in line with market practice and qualify as fixed remuneration for regulatory requirements. They are delivered in cash and/or shares depending on the level of the allowance and the seniority of the recipient. Shares are subject to an appropriate retention period, not less than six months.	The value is usually based on a percentage of salary and based on the role performed.
Benefits	To provide a range of flexible and market competitive benefits to further aid recruitment and retention of key individuals.	A set level of funding is provided and employees can select from a range of benefits including: <ul style="list-style-type: none"> • Private medical insurance • Life assurance • Ill health income protection 	Set level of funding for benefits which is subject to review.
Pension	To encourage planning for retirement and long-term savings.	Provision of a monthly cash pension allowance based on a percentage of salary. Opportunity to participate in a defined contribution pension scheme.	Pension allowance usually set as a percentage of salary.

Variable pay awarded in respect of the 2016 performance year

Variable pay is intended to incentivise superior long-term performance and promote the success of UBID and in turn RBS, with rewards aligned with shareholders and adjusted for risk, based on the achievement of stretching performance measures.

Element of pay	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics and period
Annual bonus	To support a culture where good performance against a full range of measures will be rewarded	<p>The annual bonus pool is based on a balanced scorecard of measures including customer, financial, risk and people measures.</p> <p>Allocation from the pool depends on performance of the franchise and the individual.</p> <p>Under the deferral arrangements a significant proportion of annual bonus awards for our more senior employees are deferred over a minimum three year period.</p> <p>Immediate cash awards are limited to a maximum of €2,449.</p> <p>Awards are subject to malus and clawback.</p> <p>For MRTs, a minimum of 50% of any annual bonus is delivered in the form of RBS shares and subject to an additional six month retention period post vesting.</p>	The maximum level of award is subject to any limit on the ratio of variable to fixed pay as required by regulators. This currently limits variable pay to the level of fixed pay (i.e. base salary, role-based allowance, benefits and pension).	The process considers a balanced scorecard of performance assessments. The assessments are made across financial, customer and people measures. Risk and conduct assessments are then conducted to ensure that performance achieved without the appropriate risk and conduct controls is not inappropriately rewarded.
Long-term incentive	<p>To support a culture where good performance against a full range of measures will be rewarded. To incentivise the delivery of stretching targets in line with the Strategic Plan. The selection of performance metrics will be closely aligned with Key Performance Indicators .</p> <p>Performance is assessed against a range of financial and non-financial measures to encourage superior long-term value creation for shareholders.</p>	<p>Long-term incentive awards are paid in shares (or in other instruments if required by regulators) and subject to a combination of time and performance-based vesting requirements.</p> <p>A minimum three year performance period will apply. The award will vest over a five year period.</p> <p>On vesting, shares for MRTs will be subject to an additional six month retention period.</p> <p>Delivery in shares with the ability to apply malus adjustments and clawback further supports longer-term alignment with shareholders.</p>		<p>Any award made will be subject to performance conditions measured over a minimum three year period.</p> <p>The vesting level of the award could vary between 0% and 100% dependent on the achievement of performance conditions.</p> <p>Typical measures may fall under the following categories:</p> <ul style="list-style-type: none"> • Financial & Business Delivery • Shareholder Value • Safe and Secure Bank • Customers and People <p>An underpin provides discretion to reduce vesting amounts in light of underlying financial results, or conduct and risk management effectiveness.</p>

Remuneration of the Management Body

The quantitative disclosures below are made in accordance with Article 450 of the Capital Requirements Regulation (EU) No 575/2013 in relation to 8 individuals who were members of the UBID management body during the year.

Form of remuneration	Board Executives (1)	Non-Executive Directors (2)
Number of beneficiaries	2	6
	€m	€m
Fixed (salary, allowances, pensions and benefits)	0.90	0.66
<i>Variable remuneration for 2016 performance</i>		
Variable remuneration (cash) (3)	0.00	-
Deferred remuneration (bonds)	0.06	-
Deferred remuneration (shares)	0.36	-
Long-term incentive awards	0.50	-
<i>Aggregate remuneration</i>	1.83	0.66

(1) For executive directors, the amounts shown represent all remuneration received in carrying out duties in respect of UBID.

(2) Non-executive directors including the Chairman receive fees only and do not receive any other form of fixed or variable remuneration.

(3) Values are rounded in the tables which can display a figure of €0.0m but the actual amount of variable remuneration in cash above was €4,897

Outstanding deferred remuneration paid in 2016 in respect of prior performance years

Category of deferred remuneration	Board Executives €m
Unvested from prior year	0.69
Awarded during the financial year	0.47
Paid out	0.45
Reduced from prior years	0.00
Unvested at year end	0.71

Remuneration of MRTs

The quantitative disclosures below are made in relation to 69 employees who have been identified as MRTs (including individuals who are part of the UBID management body). The EBA has issued criteria for identifying MRT roles i.e. staff whose professional activities have a material influence over UBID's performance or risk profile. The criteria for identifying MRTs are both Qualitative (based on the nature of the role) and Quantitative (i.e. those who exceed the stipulated total remuneration threshold based on the previous year's total remuneration). All MRTs have been identified by reference to UBID.

1. Aggregate remuneration expenditure

During the year, there were 69 individuals identified as MRTs. Aggregate remuneration expenditure in respect of 2016 was as follows:

	Commercial	Retail	Support & Control Functions
Number of beneficiaries	10	15	44
	€m	€m	€m
Aggregate Remuneration	2.61	3.28	11.54

2. Amounts and form of fixed and variable remuneration

Fixed remuneration for 2016

Consisted of salaries, allowances, pensions and benefits.

	Senior management	Others
Number of beneficiaries	9	60
	€m	€m
Total fixed remuneration	2.81	10.54

Variable remuneration for 2016 performance

Consisted of deferred awards payable over a three year period. Cash awards were limited to a maximum of €2,449 per employee.

Form of remuneration	Senior management	Others
Number of beneficiaries	9	48
	€m	€m
Variable remuneration (cash)	0.02	0.12
Deferred remuneration (bonds)	0.24	0.97
Deferred remuneration (shares)	0.82	0.71

Long-term incentives awarded for 2016 performance

Long-term incentive awards vest subject to the extent to which performance conditions are met and can result in zero payment.

	Senior management	Others
Number of beneficiaries	5	2
	€m	€m
Long-term incentive awards	0.89	0.31

In accordance with Article 94(1) (g) of CRD IV, the variable component of total remuneration for MRTs at UBID shall not exceed 100% of the fixed component. Based on the information disclosed above, the average ratio between fixed and variable remuneration for 2016 is approximately 1:0.3

3. Outstanding deferred remuneration paid in 2016

The table below includes deferred remuneration awarded or paid out in 2016 in respect of prior performance years. Deferred remuneration reduced during the year relates to long-term incentives lapsed when performance conditions are not met, long-term incentives and deferred awards forfeited on leaving and malus adjustment of prior year deferred awards and long-term incentives.

Category of deferred remuneration	Senior management €m	Others €m
Unvested from prior year	1.95	3.58
Awarded during the financial year	1.21	2.32
Paid out	1.22	2.27
Reduced from prior years	0.04	0.74
Unvested at year end	1.90	2.88

4. Sign-on and severance payments

UBID does not operate 'Sign-on awards'. Guaranteed variable remuneration may be used for new hires in compensation for awards foregone in their previous company. No severance payments were made outside of contractual payments or standard policy entitlements related to termination of employment such as pay in lieu of notice and benefits.

Total remuneration by band for all employees earning >€1 million	Number of employees 2015	Number of employees 2016
€1.0m - €1.5m	1	0
€1.5m - €2.0m	1	0
More than €2.0m	0	0
Total	2	0

Notes:

(1) Total remuneration in the table above includes fixed pay, pension and benefit funding and variable pay (including actual value of LTI vesting in 2016) after the application of malus.