

ULSTER BANK IRELAND DESIGNATED ACTIVITY COMPANY

PILLAR III DISCLOSURES
YEAR-ENDED 31st DECEMBER 2019

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This Pillar III Disclosure for year ended 31 December 2019 is applicable to Ulster Bank Ireland Designated Activity Company ('UBIDAC'). UBIDAC is a company incorporated in the Republic of Ireland and is a wholly-owned subsidiary of NatWest Holdings Limited ('NatWest Holdings'). The ultimate holding company is The Royal Bank of Scotland Group plc ('RBSG'). 'RBS Group' comprises the ultimate holding company and its subsidiary and associated undertakings.

UBIDAC publishes its Pillar III disclosure in euros ('€' or 'Euro'). The abbreviation '€m' represents millions of euros.

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 III Disclosures for 2019 are reported as part of the significant subsidiary disclosures within the NatWest Holdings Pillar III annual disclosure, which in turn feeds into the RBSG Pillar III 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 UBIDAC, NatWest Holdings and RBSG Pillar III document or other published information as relevant. The UBIDAC disclosure tables within this document have been extracted from the NatWest Holdings Pillar III document and reported in Euro. Comparisons against prior periods have been included in the UBIDAC tables as appropriate.

This disclosure should be read in conjunction with the UBIDAC 2019 Annual Report and Accounts (ARA). Risk management is covered in detail within Note 23 of UBIDAC's ARA, including risk management framework, market risk, credit risk, liquidity and funding risk.

In reading this Pillar III disclosure document, the following points must be noted:

- This Pillar III disclosure document presents 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 this disclosure document may not be comparable with other external disclosures by UBIDAC.
- This document relates to the position at 31 December 2019 and has 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 CRR and Capital Requirements Directive (CRD IV - was enacted in Irish law by S.I. No. 158 of 2014 and S.I. No. 159 of 2014). Pursuant to Article 431 of Regulation EU575/2013 of the CRR, UBIDAC shall publically disclose the information laid according to Part 8, Title III, of the CRR, further specified by the EBA guidelines on disclosure requirements (EBA-GL-2016-11). The Basel framework is based around the following three Pillars:

- **Pillar I – 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 the RBS Group (inclusive of UBIDAC) uses the advanced internal ratings based (IRB) approach for calculating RWAs.
- **Pillar II – 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 I. The UBIDAC ICAAP, including the Pillar II add-on, is informed by the output of the Material Integrated Risk Assessment (MIRA) process. The ICAAP submission is followed by the Supervisory Review and Evaluation Process (SREP) review process lead by the Joint Supervisory Team (JST) of the Central Bank of Ireland (CBI) and the European Central Bank (ECB) under the Single Supervisory Mechanism (SSM). UBIDAC's minimum capital requirement, including Pillar II requirements, is prescribed within the follow up SREP letter from the ECB. UBIDAC ICAAP requirements are managed under the governance of the UBIDAC Executive Risk Committee. The risks considered to require Pillar II capital include concentration risk, interest rate risk, operational risk and pension risk. The Pillar II capital requirement is reviewed and approved, on a semi-annual basis, by the UBIDAC Board of Directors.
- **Pillar III – 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 the RBS Group and continues to expand to encourage market transparency and stability.

Capital and risk management

Capital management is subject to substantial review and governance across the RBS Group including the Risk Management Framework and capital management policies that are approved by Asset and Liability Management Committee and/or Board Risk Committee. The Board approves the Group's capital plans.

UBIDAC is governed by its own and RBSG capital management policies which are in place 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 management policy. UBIDAC capital planning is a key part of the budgeting and planning process. The RWAs by risk type for capital allocation are contained in Table 9 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 III.

Capital, liquidity and funding

Table 1: EBA IFRS 9-FL: EBA Key metrics
EBA IFRS 9-FL: EBA Key metrics – significant subsidiaries

The table below shows key metrics as required by the EBA relating to IFRS 9 for UBIDAC

		31 Dec 19	30 Sep 19	30 Jun 19	31 Mar 19	31 Dec 18
		€m	€m	€m	€m	€m
Available capital (amounts)						
1	Common equity tier 1	3,983	4,475	4,402	4,454	4,463
2	Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	3,983	4,475	4,402	4,454	4,463
3	Tier 1	3,983	4,475	4,402	4,454	4,463
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	3,983	4,475	4,402	4,454	4,463
5	Total capital	4,342	4,859	4,813	4,900	4,930
6	Total capital as if IFRS 9 transitional arrangements had not been applied	4,342	4,859	4,813	4,900	4,930
Risk weighed assets (amounts)						
7	Total risk-weighted assets	15,022	14,759	15,579	16,049	16,210
8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	15,022	14,759	15,579	16,049	16,210
Risk-based capital ratios as a percentage of RWAs						
9	Common equity tier 1 ratio	26.5	30.3	28.3	27.8	27.5
10	Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	26.5	30.3	28.3	27.8	27.5
11	Tier 1 ratio	26.5	30.3	28.3	27.8	27.5
12	Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	26.5	30.3	28.3	27.8	27.5
13	Total capital ratio	28.9	32.9	30.9	30.5	30.4
14	Total capital ratio as if IFRS 9 transitional arrangements had not been applied	28.9	32.9	30.9	30.5	30.4
Leverage ratio						
15	CRR leverage ratio exposure measure (€m)	31,607	31,178	31,262	30,483	30,443
16	CRR leverage ratio (%)	12.6	14.4	14.1	14.6	14.7
17	CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	12.6	14.4	14.1	14.6	14.7

Table 1 Note:

- (1) Table 1 data has been extracted from NatWest Holdings Pillar III Table EBA IFRS 9:FL. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Capital, liquidity and funding (continued)

Table 2: Capital and Leverage Ratios
CAP 1: CAP and LR: Capital and Leverage Ratios

Capital adequacy ratios - transitional (1)	31 Dec 19	31 Dec 18
	%	%
CET 1	26.5	27.5
Tier 1	26.5	27.5
Total	28.9	30.4
Capital - transitional	€m	€m
CET1	3,983	4,463
Tier 1	3,983	4,463
Total	4,342	4,930
RWAs	€m	€m
Credit risk (including counterparty risk)		
- credit	13,728	14,950
- counterparty	150	136
Market risk	90	53
Operational risk	1,054	1,070
	15,022	16,210
CRR leverage - transitional (2)	€m	€m
Tier 1 capital	3,983	4,463
Exposure	31,607	30,443
Leverage ratio (%)	12.6	14.7

Table 2 Note:

- (1) Table 2 data has been extracted from NatWest Holdings Pillar III Table CAP 1. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR
- (4) Capital and RWA analyses are based on CRR applicable in Ireland as promulgated by the Central Bank of Ireland (CBI transitional basis)

Key points – Capital and leverage

- The CET1 ratio decreased to 26.5% from 27.5% reflecting a €500 million dividend payment during the year and a decrease in credit risk RWAs.
- RWAs decreased by €1.2 billion primarily due to asset quality improvements and the sale of a mortgage loan portfolio.
- The leverage ratio decreased to 12.6% driven by the decrease in capital.

Capital, liquidity and funding (continued)

Table 3: Transitional Own Funds Disclosures
CAP 2: Capital Resources (CRR Own Funds Template)

	31 Dec 19	31 Dec 18
	€m	€m
CET1 Capital: instruments and reserves		
1 Capital instruments and the related share premium accounts	4,236	4,736
<i>of which: ordinary shares</i>	3,379	3,592
2 Retained earnings	190	81
3 Accumulated other comprehensive income (and other reserves)	39	1
4 Public sector capital injections grandfathered until 1 January 2018	-	-
5a Independently reviewed interim net profits net of any foreseeable charge or dividend	4	85
6 CET1 capital before regulatory adjustments	4,469	4,903
7 Additional value adjustments	-	-
8 Intangible assets (net of related tax liability)	(1)	(1)
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	(213)	(292)
11 Fair value reserves related to gains or losses on cash flow hedges	(41)	-
12 Negative amounts resulting from the calculation of expected loss amounts	(34)	(1)
14 Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	(2)
15 Defined-benefit pension fund assets	(197)	(144)
18 (-) Direct and indirect holdings by the institution of the CET1 instruments of financial sector institution does not have a significant investment in those entities (above the 10% threshold and net of eligible short positions)	-	-
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 <i>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</i>	-	-
25 <i>Of which: deferred tax assets arising from temporary differences</i>	-	-
25a Losses for the current financial period (negative amount)	-	-
26 Regulatory adjustments applied to CET1 in respect of amounts subject to pre-CRR treatment	-	-
26a <i>Regulatory adjustments relating to unrealised gains and losses pursuant to articles 467 and 468</i>	-	-
26b <i>Amount to be deducted from or added to CET1 capital with regard to additional filters and deductions required pre CRR</i>	-	-
27 Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-	-
28 Total regulatory adjustments to CET1	(486)	(440)
29 CET1 capital	3,983	4,463
AT1 capital: instruments		
30 Capital instruments and the related share premium accounts	-	-
31 <i>of which: classified as equity under applicable accounting standards</i>	-	-
32 <i>of which: classified as debt under applicable accounting standards</i>	-	-
33 <i>Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase out from AT1</i>	-	-
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 <i>of which: instruments issued by subsidiaries subject to phase out</i>	-	-
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)	3,983	4,463

Capital, liquidity and funding (continued)

Table 3: Transitional Own Funds Disclosures (continued)
CAP 2: Capital Resources (CRR Own Funds Template)

	31 Dec 19	31 Dec 18
	€m	€m
T2 capital: instruments and provisions		
46 Capital instruments and the related share premium accounts	359	467
47 Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	-	-
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	-	-
51 T2 capital before regulatory adjustments	359	467
T2 capital: regulatory adjustments		
54 (-) Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions)	-	-
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	-	-
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	-	-
58 T2 capital	359	467
59 Total capital (TC = T1 + T2)	4,342	4,930
60 Total risk-weighted assets	15,022	16,210
Capital ratios and buffers		
61 CET1 (as a percentage of risk exposure amount)	26.5%	27.5%
62 T1 (as a percentage of risk exposure amount)	26.5%	27.5%
63 Total capital (as a percentage of risk exposure amount)	28.9%	30.4%
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)	8.0%	6.4%
65 of which: capital conservation buffer requirement	2.5%	1.9%
66 of which: counter cyclical buffer requirement	1.0%	-
67 of which: systemic risk buffer requirement	-	-
67a of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	-	-
68 CET1 available to meet buffers	22.0%	23.0%
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)	1	4
75 Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability)	-	-
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	13
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	76	83
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	48	63
85 Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-

Table 3 Note:

- (1) Table 3 data has been extracted from NatWest Holdings Pillar III Table CAP 2. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Capital, liquidity and funding (continued)

Table 4: Overview of RWA and Capital Requirements
EU OV1: RWAs and MCR Summary

	RWA		Minimum Capital Requirements	Minimum Capital Requirements
	31 Dec 19	31 Dec 18	31 Dec 19	31 Dec 18
	€m	€m	€m	€m
Credit risk (excluding counterparty credit risk) (CCR)	13,725	14,940	1,099	1,195
Standardised approach (STD)	1,056	1,044	85	84
Internal rating-based (IRB) approach	12,669	13,896	1,014	1,111
Equity IRB under the Simple risk-weight or the internal models approach	-	-	-	-
Counterparty credit risk	150	136	12	11
Of which: Marked to market	149	103	12	8
Of which: Securities financing transactions	-	2	-	-
Of which: Internal model method (IMM)	-	31	-	3
Of which: Risk exposure amount for contributions to the default fund of a central counterparty	-	-	-	-
Of which: credit valuation adjustment (CVA)	1	-	-	-
Equity positions in banking book under market-based approach	-	-	-	-
Settlement risk	-	-	-	-
Securitisation exposures in banking book (After Cap)	-	-	-	-
IRB ratings-based approach (RBA)	-	-	-	-
Internal Assessment Approach (IAA)	-	-	-	-
Market risk	90	53	7	4
Standardised approach (STD)	90	53	7	4
Internal model approaches (IMA)	-	-	-	-
Large Exposures	-	-	-	-
Operational risk	1,054	1,070	84	86
Standardised Approach	1,054	1,070	84	86
Amounts below the thresholds for deduction (subject to 250% risk weight)	3	10	-	1
Floor adjustment	-	-	-	-
Total	15,022	16,210	1,202	1,297

Table 4 Note:

- (1) Table 4 data has been extracted from NatWest Holdings Pillar III Table OV1. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR
- (4) The standardised approach is used to calculate market risk capital requirements
- (5) The Standardised (STD) approach is used to calculate the operational risk capital requirement
- (6) There is approx. €490k CVA at 31 December 2018 but due to rounding does not appear on the table above

Capital, liquidity and funding (continued)

**Table 5: Leverage Exposures (CRR Delegated Act Transitional Basis)
CAP 3: Leverage Exposures**

	31 Dec 19	31 Dec 18
	€m	€m
<i>LRSum: Summary reconciliation of accounting assets and leverage ratio exposure</i>		
1 Total assets as per published financial statements	30,646	29,538
2 Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-	-
4 Adjustments for derivative financial instruments	104	58
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)	1,314	1,284
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	(457)	(437)
8 Total leverage ratio exposure	31,607	30,443
<i>LRCOm: Leverage ratio common disclosure</i>		
On-balance sheet exposures (excluding derivatives and SFTs)		
1 On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	30,469	28,717
2 Asset amounts deducted in determining Tier 1 capital	(485)	(437)
3 Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	29,984	28,280
Derivative exposures		
4 Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	192	149
5 Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	117	119
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
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	-	-
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
11 Total derivative exposures	309	268
Securities financing transaction exposures		
12 Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	-	611
13 (netted amounts of cash payables and cash receivable of gross SFT assets)	-	-
14 Counterparty credit risk exposures for SFT assets	-	-
16 Total securities financing transaction exposures	-	611
Other off-balance sheet exposures		
17 Off-balance sheet exposures at gross notional amount	3,816	3,899
18 Adjustments for conversion to credit equivalent amounts	(2,502)	(2,615)
19 Other off-balance sheet exposures	1,314	1,284
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	3,983	4,463
21 Total leverage ratio exposures	31,607	30,443
Leverage ratio	12.6%	14.7%
<i>LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)</i>		
	€m	€m
EU-1 Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	29,984	28,280
EU-2 Trading book exposures	-	-
EU-3 Banking book exposures, of which:	29,984	28,280
EU-4 Covered bonds	397	-
EU-5 Exposures treated as sovereigns	5,894	4,756
EU-6 Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	530	487
EU-7 Institutions	1,164	1,565
EU-8 Secured by mortgages of immovable properties	17,112	16,456
EU-9 Retail exposures	650	683
EU-10 Corporate	2,553	2,345
EU-11 Exposures in default	969	1,551
EU-12 Other exposures (e.g. equity, securitisations, and non-credit obligation assets)	715	437

Table 5 Note:

- (1) Table 5 data has been extracted from NatWest Holdings Pillar III Table CAP 3: LR. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR
- (4) The LRSpl for 2018 has been updated for a reallocation between EU-9 and EU-8 effected in 2019.

Capital, liquidity and funding (continued)

Table 6: Counter Cyclical Capital Buffer
CAP 5a: CAP: Counter cyclical capital buffer - geographical distribution of credit exposures

	UK	Rol	United States	Sweden	France	Norway	Other	Total
31 Dec 19	€m	€m	€m	€m	€m	€m	€m	€m
Total Risk Exposure (sum of General Credit, Trading and Securitisation)	504	24,716	47	78	185	52	87	25,669
Total Own Fund Requirements	27	981	2	2	2	1	4	1,019

	UK	Rol	United States	Sweden	Hong Kong	Norway	Other	Total
31 Dec 18	€m	€m	€m	€m	€m	€m	€m	€m
Total Risk Exposure (sum of General Credit, Trading and Securitisation)	422	24,547	60	26	-	-	73	25,128
Total Own Fund Requirements	22	1,097	2	1	-	-	4	1,127

Table 7: Counter Cyclical Capital Buffer
CAP 5b: CAP: Countercyclical capital buffer requirement

31 Dec 19	€m
Total risk exposure amount	15,022
Institution specific countercyclical buffer rate	1.00%
Institution specific countercyclical buffer requirement	149
31 Dec 18	€m
Total risk exposure amount	16,210
Institution specific countercyclical buffer rate	0.02%
Institution specific countercyclical buffer requirement	3

Table 6 and Table 7 Note:

- (1) Table 6 and Table 7 data has been extracted from NatWest Holdings Pillar III Consolidated Tables CAP 5a & 5b. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Capital, liquidity and funding (continued)

Table 8: Liquidity Coverage Ratio
LIQ1: Liquidity coverage ratio

Quarter ending on	Total unweighted value (average)				Total weighted value (average)			
	31 Dec 19	30 Sep 19	30 Jun 19	31 Mar 19	31 Dec 19	30 Sep 19	30 Jun 19	31 Mar 19
Number of data points used in the calculation	12 €m	12 €m	12 €m	12 €m	12 €m	12 €m	12 €m	12 €m
High quality liquid assets								
1 Total high-quality liquid assets (HQLA)	-	-	-	-	6,731	6,544	6,352	6,157
Cash outflows								
2 Retail deposits and deposits from small business customers	10,984	10,823	10,669	10,497	868	853	839	825
3 of which: stable deposits	6,356	6,282	6,212	6,132	318	314	311	307
4 of which: less stable deposits	4,628	4,541	4,457	4,365	550	539	528	518
5 Unsecured wholesale funding	6,532	6,386	6,189	5,953	2,881	2,775	2,633	2,516
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	2,197	2,422	2,535	2,421	549	605	634	605
7 Non-operational deposits (all counterparties)	4,335	3,964	3,654	3,532	2,332	2,170	1,999	1,911
8 Unsecured debt	-	-	-	-	-	-	-	-
9 Secured wholesale funding	-	-	-	-	-	-	-	-
10 Additional requirements	3,198	3,201	3,131	3,128	304	303	298	297
11 Outflows related to derivative exposures and other collateral requirements	5	5	6	6	5	5	6	6
12 Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13 Credit and liquidity facilities	3,193	3,196	3,125	3,122	299	298	292	291
14 Other contractual funding obligations	50	52	54	56	-	-	-	-
15 Other contingent funding obligations	428	420	406	394	21	21	20	20
16 Total cash outflows	-	-	-	-	4,074	3,952	3,790	3,658
Cash inflows								
17 Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
18 Inflows from fully performing exposures	323	324	326	327	257	257	258	253
19 Other cash inflows	264	277	283	300	59	63	64	68
EU-19a Difference between total weighted inflows and outflows	-	-	-	-	-	-	-	-
EU-19b Excess inflows from a related specialised credit institution	-	-	-	-	-	-	-	-
20 Total cash inflows	587	601	609	627	316	320	322	321
EU-20a Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c Inflows subject to 75% cap	587	601	609	627	316	320	322	321
Total adjusted value								
21 Liquidity buffer	-	-	-	-	6,731	6,544	6,352	6,157
22 Total net cash outflows	-	-	-	-	3,758	3,632	3,468	3,337
23 Liquidity coverage ratio (%)	-	-	-	-	179%	180%	183%	185%

Table 8 Note:

- (1) Table 8 data has been extracted from NatWest Holdings Pillar III Consolidated Table LIQ1. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Credit risk (including counterparty credit risk)

Table 9:
CR2: IRB and STD: EAD, RWAs and MCR by CRR exposure class

Credit risk	31 Dec 19				31 Dec 18			
	EAD pre CRM	EAD post CRM	RWAs	Minimum capital requirement (MCR)	EAD pre CRM	EAD post CRM	RWAs	Minimum capital requirement (MCR)
	€m	€m	€m	€m	€m	€m	€m	€m
IRB								
Central governments or central banks	6,445	6,445	705	56	5,254	5,254	525	42
Institutions	461	461	129	10	823	823	207	17
Corporates	6,395	6,287	4,053	324	5,690	5,568	3,639	291
Specialised Lending	1,317	1,317	917	73	1,227	1,227	883	71
SME	1,554	1,551	873	70	1,289	1,286	616	49
Other Corporate	3,524	3,419	2,263	181	3,174	3,055	2,140	171
Retail	17,755	17,755	7,641	612	18,074	18,074	9,317	745
Secured by real estate property SME	-	-	-	-	-	-	-	-
Secured by real estate property non SME	16,514	16,514	6,898	552	16,790	16,790	8,498	680
Qualifying Revolving	385	385	191	15	395	395	277	22
Other Retail SME	631	631	371	30	663	663	373	30
Other Retail non SME	225	225	181	15	226	226	169	14
Equities	-	-	-	-	-	-	-	-
Securitisation	-	-	-	-	-	-	-	-
Non-credit obligation assets	678	678	141	12	496	496	209	17
Total IRB	31,734	31,626	12,669	1,014	30,338	30,215	13,896	1,112
STD								
Central governments or central banks	-	-	1	-	-	-	1	-
Regional governments or local authorities	1	1	1	-	2	2	2	-
Public sector entities	-	-	-	-	-	-	-	-
Multilateral Development Banks	-	-	-	-	-	-	-	-
International Organisations	-	-	-	-	-	-	-	-
Institutions	860	860	175	14	822	822	164	13
Corporates	722	722	703	56	762	762	737	59
Retail	16	16	9	1	17	17	9	1
Secured by mortgages on immovable property - residential	96	96	96	8	97	97	97	8
Secured by mortgages on immovable property - commercial	39	39	39	3	9	9	9	1
Exposures in default	23	23	29	2	13	13	19	1
Items associated with particularly high risk	-	-	-	-	-	-	-	-
Covered bonds	-	-	-	-	-	-	-	-
Collective investments undertakings (CIU)	-	-	-	-	-	-	-	-
Equity exposures	1	1	2	-	4	4	9	1
Other exposures	20	20	4	-	36	36	7	1
Total STD	1,778	1,778	1,059	84	1,760	1,760	1,054	84
Total	33,512	33,404	13,728	1,098	32,098	31,975	14,950	1,196

Credit risk (including counterparty credit risk) (continued)

Table 9: (continued)

CR2: IRB and STD: EAD, RWAs and MCR by CRR exposure class

	31 Dec 19				31 Dec 18			
	EAD pre CRM	EAD post CRM	RWAs	Minimum capital requirement (MCR)	EAD pre CRM	EAD post CRM	RWAs	Minimum capital requirement (MCR)
	€m	€m	€m	€m	€m	€m	€m	€m
Counterparty credit risk								
<i>IRB</i>								
Central governments or central banks	-	-	-	-	-	-	-	-
Institutions	3	3	2	-	2	2	1	-
Corporates	32	32	22	2	52	52	40	3
Specialised Lending	20	20	14	1	39	39	30	2
SME	1	1	1	-	1	1	1	-
Other Corporate	11	11	7	1	12	12	8	1
Retail	-	-	-	-	-	-	-	-
Secured by real estate property SME	-	-	-	-	-	-	-	-
Secured by real estate property non SME	-	-	-	-	-	-	-	-
Qualifying Revolving	-	-	-	-	-	-	-	-
Other Retail SME	-	-	-	-	-	-	-	-
Other Retail non SME	-	-	-	-	-	-	-	-
Equities	-	-	-	-	-	-	-	-
Securitisation	-	-	-	-	-	-	-	-
Non-credit obligation assets	-	-	-	-	-	-	-	-
Total IRB	35	35	24	2	55	55	41	3
<i>STD</i>								
Central governments or central banks	-	-	-	-	-	-	-	-
Regional governments or local authorities	-	-	-	-	-	-	-	-
Public sector entities	-	-	-	-	-	-	-	-
Multilateral Development Banks	-	-	-	-	-	-	-	-
International Organisations	-	-	-	-	-	-	-	-
Institutions	257	257	126	10	199	199	95	8
Corporates	-	-	-	-	-	-	-	-
Retail	-	-	-	-	-	-	-	-
Secured by mortgages on immovable property								
- residential	-	-	-	-	-	-	-	-
Secured by mortgages on immovable property								
- commercial	-	-	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-	-	-
Items associated with particularly high risk	-	-	-	-	-	-	-	-
Covered bonds	-	-	-	-	-	-	-	-
Collective investments undertakings (CIU)	-	-	-	-	-	-	-	-
Equity exposures	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	-	-	-
Total STD	257	257	126	10	199	199	95	8
Total	292	292	150	12	253	253	136	11

Table 9 Note:

- (1) Table 9 data has been extracted from NatWest Holdings Pillar III Table CR2. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Credit risk (excluding counterparty credit risk)

Table 10: (2019)

EU CRB_B: IRB & STD: Credit Risk Exposure by Exposure Class

31 Dec 19	EAD pre CRM		EAD post CRM	
	Period end €m	Average €m	Period end €m	Average €m
<i>IRB</i>				
Central governments or central banks	6,445	6,487	6,445	6,486
Institutions	461	423	461	423
Corporates	6,395	5,986	6,287	5,907
Specialised Lending	1,317	1,259	1,317	1,259
SME	1,554	1,359	1,551	1,357
Other Corporate	3,524	3,368	3,419	3,291
Retail	17,755	17,919	17,755	17,919
Secured by real estate property SME	-	-	-	-
Secured by real estate property non SME	16,514	16,664	16,514	16,664
Qualifying Revolving	385	380	385	380
Other Retail SME	631	649	631	649
Other Retail non SME	225	226	225	226
Equities	-	-	-	-
Non-credit obligation assets	678	355	678	355
Total IRB	31,734	31,170	31,626	31,090
<i>STD</i>				
Central governments or central banks	-	-	-	-
Regional governments or local authorities	1	1	1	1
Public sector entities	-	-	-	-
Multilateral Development Banks	-	-	-	-
International Organisations	-	-	-	-
Institutions	860	816	860	816
Corporates	722	815	722	815
Retail	16	14	16	14
Secured by mortgages on immovable property - residential	96	75	96	75
Secured by mortgages on immovable property - commercial	39	31	39	31
Exposures in default	23	14	23	14
Items associated with particularly high risk	-	-	-	-
Covered bonds	-	-	-	-
Collective investments undertakings (CIU)	-	-	-	-
Equity exposures	1	3	1	3
Other exposures	20	35	20	35
Total STD	1,778	1,804	1,778	1,804
Total	33,512	32,974	33,404	32,894

Credit risk (excluding counterparty credit risk) (continued)

Table 10: (continued) (2018)

EU CRB_B: IRB & STD: Credit Risk Exposure by Exposure Class

31 Dec 18	EAD pre CRM		EAD post CRM	
	Period end €m	Average €m	Period end €m	Average €m
<i>IRB</i>				
Central governments or central banks	5,254	4,829	5,254	4,829
Institutions	823	649	823	649
Corporates	5,690	5,755	5,568	5,648
Specialised Lending	1,227	1,285	1,227	1,285
SME	1,289	1,339	1,286	1,335
Other Corporate	3,174	3,132	3,055	3,028
Retail	18,074	18,973	18,074	18,973
Secured by real estate property SME	-	-	-	-
Secured by real estate property non SME	16,789	17,656	16,789	17,656
Qualifying Revolving	396	398	396	398
Other Retail SME	664	689	664	689
Other Retail non SME	225	230	225	230
Equities	-	1	-	1
Non-credit obligation assets	496	333	496	333
Total IRB	30,338	30,540	30,216	30,433
<i>STD</i>				
Central governments or central banks	-	-	-	-
Regional governments or local authorities	2	2	2	2
Public sector entities	-	-	-	-
Multilateral Development Banks	-	-	-	-
International Organisations	-	-	-	-
Institutions	822	921	822	921
Corporates	762	695	762	694
Retail	17	15	17	15
Secured by mortgages on immovable property - residential	97	70	97	70
Secured by mortgages on immovable property - commercial	9	8	9	8
Exposures in default	13	18	13	17
Items associated with particularly high risk	-	-	-	-
Covered bonds	-	-	-	-
Collective investments undertakings (CIU)	-	-	-	-
Equity exposures	4	4	4	4
Other exposures	36	41	36	41
Total STD	1,760	1,774	1,760	1,772
Total	32,098	32,314	31,975	32,205

Table 10 Note:

- (1) Table 10 data has been extracted from NatWest Holdings Pillar III Table EU_CRB_B. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Credit risk (excluding counterparty credit risk) (continued)

Table 11: (2019)

EU CRB_C: IRB & STD: Credit Risk Exposure by Geographic Region

31 Dec 19	EAD Post CRM						Total €m
	UK	Ireland	Other Western Europe	US	Rest of World		
	€m	€m	€m	€m	€m		
<i>IRB</i>							
Central governments or central banks	-	3,712	2,214	-	519	6,445	
Institutions	-	26	242	187	6	461	
Corporates	476	5,416	343	45	7	6,287	
Specialised Lending	133	1,168	16	-	-	1,317	
SME	7	1,544	-	-	-	1,551	
Other Corporate	336	2,704	327	45	7	3,419	
Retail	20	17,732	1	1	1	17,755	
Secured by real estate property SME	-	-	-	-	-	-	
Secured by real estate property non SME	-	16,514	-	-	-	16,514	
Qualifying Revolving	7	375	1	1	1	385	
Other Retail SME	12	619	-	-	-	631	
Other Retail non SME	1	224	-	-	-	225	
Equities	-	-	-	-	-	-	
Non-credit obligation assets	-	678	-	-	-	678	
Total IRB	496	27,564	2,800	233	533	31,626	
<i>STD</i>							
Central governments or central banks	-	-	-	-	-	-	
Regional governments or local authorities	-	1	-	-	-	1	
Public sector entities	-	-	-	-	-	-	
Multilateral Development Banks	-	-	-	-	-	-	
International Organisations	-	-	-	-	-	-	
Institutions	860	-	-	-	-	860	
Corporates	11	710	-	1	-	722	
Retail	16	-	-	-	-	16	
Secured by mortgages on immovable property - residential	-	96	-	-	-	96	
Secured by mortgages on immovable property - commercial	-	39	-	-	-	39	
Exposures in default	13	10	-	-	-	23	
Items associated with particularly high risk	-	-	-	-	-	-	
Covered bonds	-	-	-	-	-	-	
Collective investments undertakings (CIU)	-	-	-	-	-	-	
Equity exposures	-	1	-	-	-	1	
Other exposures	-	20	-	-	-	20	
Total STD	900	877	-	1	-	1,778	
Total	1,396	28,441	2,800	234	533	33,404	

Credit risk (excluding counterparty credit risk) (continued)

Table 11: (continued) (2018)

EU CRB_C: IRB & STD: Credit Risk Exposure by Geographic Region

31 Dec 18	EAD Post CRM					Total
	UK	Ireland	Other Western Europe	US	Rest of World	
	€m	€m	€m	€m	€m	€m
IRB						
Central governments or central banks	-	2,791	1,997	-	466	5,254
Institutions	4	35	500	267	18	823
Corporates	343	5,073	86	58	8	5,568
Specialised Lending	94	1,118	15	-	-	1,227
SME	11	1,273	-	-	2	1,286
Other Corporate	238	2,682	71	58	6	3,055
Retail	21	18,050	1	1	1	18,074
Secured by real estate property SME	-	-	-	-	-	-
Secured by real estate property non SME	-	16,789	-	-	-	16,789
Qualifying Revolving	7	387	1	1	1	396
Other Retail SME	14	650	-	-	-	664
Other Retail non SME	1	224	-	-	-	225
Equities	-	-	-	-	-	-
Non-credit obligation assets	-	496	-	-	-	496
Total IRB	368	26,445	2,584	325	493	30,216
STD						
Central governments or central banks	-	-	-	-	-	-
Regional governments or local authorities	-	2	-	-	-	2
Public sector entities	-	-	-	-	-	-
Multilateral Development Banks	-	-	-	-	-	-
International Organisations	-	-	-	-	-	-
Institutions	822	-	-	-	-	822
Corporates	26	735	-	1	-	762
Retail	16	-	-	-	-	16
Secured by mortgages on immovable property - residential	-	97	-	-	-	97
Secured by mortgages on immovable property - commercial	-	9	-	-	-	9
Exposures in default	-	13	-	-	-	13
Items associated with particularly high risk	-	-	-	-	-	-
Covered bonds	-	-	-	-	-	-
Collective investments undertakings (CIU)	-	-	-	-	-	-
Equity exposures	-	4	-	-	-	4
Other exposures	-	36	-	-	-	36
Total STD	864	895	-	1	-	1,760
Total	1,231	27,340	2,584	326	493	31,975

Table 11 Note:

- (1) Table 11 data has been extracted from NatWest Holdings Pillar III Table EU_CRB_C. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Credit risk (excluding counterparty credit risk) (continued)

 Table 12: (2019)
 EU CRB_D: IRB & STD: Credit Risk Exposure by Industry Sector

31 Dec 19	EAD Post CRM																		Total €
	Sovereign			Financial institutions (FI)				Corporates						Personal		Other			
	Central banks €	Central governments €	Other sovereign €	Banks €	Non-bank FI €	SSPEs €	Property €	Natural resources €	Transport €	Manufacturing €	Retail and leisure €	Services €	TMT €	Mortgages €	Other personal €	Not allocated €			
<i>IRB</i>																			
Central governments or central banks	3,708	1,695	193	849	-	-	-	-	-	-	-	-	-	-	-	-	-	6,445	
Institutions	-	-	14	435	1	-	-	-	11	-	-	-	-	-	-	-	-	461	
Corporates	-	-	25	-	372	13	1,567	551	376	999	1,363	871	113	-	37	-	-	6,287	
Specialised Lending	-	-	-	-	1	-	1,039	257	17	1	-	1	-	-	1	-	-	1,317	
SME	-	-	-	-	17	-	213	11	42	362	507	377	22	-	-	-	-	1,551	
Other Corporate	-	-	25	-	354	13	315	283	317	636	856	493	91	-	36	-	-	3,419	
Retail	-	-	2	-	2	-	70	3	23	343	64	96	11	16,514	627	-	-	17,755	
Secured by real estate property SME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Secured by real estate property non SME	-	-	-	-	-	-	-	-	-	-	-	-	-	16,514	-	-	-	16,514	
Qualifying Revolving	-	-	-	-	-	-	-	-	-	-	-	-	-	-	385	-	-	385	
Other Retail SME	-	-	2	-	2	-	70	3	23	343	64	96	11	-	17	-	-	631	
Other Retail non SME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	225	-	-	225	
Equities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-credit obligation assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	678	678	
Total IRB	3,708	1,695	234	1,284	375	13	1,637	554	410	1,342	1,427	967	124	16,514	664	678	31,626		
<i>STD</i>																			
Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Regional governments or local authorities	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	
Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
International Organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Institutions	-	-	-	860	-	-	-	-	-	-	-	-	-	-	-	-	-	860	
Corporates	-	-	-	-	-	-	72	24	140	186	92	65	11	-	132	-	-	722	
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16	-	-	16	
Secured by mortgages on immovable property - residential	-	-	-	-	-	-	93	-	-	-	-	1	-	-	2	-	-	96	
Secured by mortgages on immovable property - commercial	-	-	-	-	-	-	33	-	-	1	-	1	-	-	4	-	-	39	
Exposures in default	-	-	-	-	-	-	1	-	-	17	2	1	-	-	2	-	-	23	
Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Collective investments undertakings (CIU)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity exposures	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	
Other exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20	20	
Total STD	-	-	1	860	1	-	199	24	140	204	94	68	11	-	156	20	1,778		
Total	3,708	1,695	235	2,144	376	13	1,836	578	550	1,546	1,521	1,035	135	16,514	820	698	33,404		

Credit risk (excluding counterparty credit risk) (continued)

Table 12: (continued) (2018)

EU CRB_D: IRB & STD: Credit Risk Exposure by Industry Sector

EU CRB_D Exposures industry analysis

31 Dec 18	EAD Post CRM																	Total €
	Sovereign			Financial institutions (FI)					Corporates					Personal		Other		
	Central banks €	Central governments €	Other sovereign €	Banks €	Non-bank FI €	SSPEs €	Property €	Natural resources €	Transport €	Manufacturing €	Retail and leisure €	Services €	TMT €	Mortgages €	Other personal €	Not allocated €		
IRB																		
Central governments or central banks	2,787	1,829	172	466	-	-	-	-	-	-	-	-	-	-	-	-	5,254	
Institutions	-	-	18	793	1	-	-	-	12	-	-	-	-	-	-	-	823	
Corporates	-	-	18	-	113	18	1,294	662	238	964	1,262	855	99	-	45	-	5,568	
Specialised Lending	-	-	-	-	1	-	896	297	18	-	-	12	-	-	1	-	1,227	
SME	-	-	-	-	15	-	75	44	54	374	397	316	11	-	1	-	1,286	
Other Corporate	-	-	18	-	97	18	323	321	166	590	865	526	88	-	43	-	3,055	
Retail	-	-	1	-	2	-	76	3	25	351	69	105	11	16,789	641	-	18,074	
Secured by real estate property SME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Secured by real estate property non SME	-	-	-	-	-	-	-	-	-	-	-	-	-	16,789	-	-	16,789	
Qualifying Revolving	-	-	-	-	-	-	-	-	-	-	-	-	-	-	396	-	396	
Other Retail SME	-	-	1	-	2	-	76	3	25	351	69	105	11	-	20	-	664	
Other Retail non SME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	225	-	225	
Equities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-credit obligation assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	496	496	
Total IRB	2,787	1,829	209	1,259	116	18	1,370	666	276	1,315	1,331	959	110	16,789	686	496	30,216	
STD																		
Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Regional governments or local authorities	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	2	
Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
International Organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Institutions	-	-	-	822	-	-	-	-	-	-	-	-	-	-	-	-	822	
Corporates	-	-	-	-	-	-	66	26	96	255	138	74	22	-	84	-	762	
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16	-	16	
Secured by mortgages on immovable property - residential	-	-	-	-	-	-	94	-	-	-	-	-	-	-	3	-	97	
Secured by mortgages on immovable property - commercial	-	-	-	-	-	-	5	-	-	1	-	-	-	-	2	-	9	
Exposures in default	-	-	-	-	-	-	-	-	1	6	2	1	-	-	4	-	13	
Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Collective investments undertakings (CIU)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Equity exposures	-	-	-	-	4	-	-	-	-	-	-	-	-	-	-	-	4	
Other exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36	36	
Total STD	-	-	2	822	4	-	165	26	96	261	140	75	23	-	109	36	1,760	
Total	2,787	1,829	211	2,081	120	18	1,535	692	372	1,576	1,471	1,035	133	16,789	795	532	31,975	

Table 12 Note:

- (1) Table 12 data has been extracted from NatWest Holdings Pillar III Table EU_CRB_D. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Credit risk (excluding counterparty credit risk) (continued)

Table 13: (2019)

EU CRB_E: IRB & STD: Credit Risk Exposure by Maturity Class

31 Dec 19	EAD Post CRM					Total €m
	On demand €m	<= 1 year €m	> 1 year <= 5 years €m	> 5 years €m	No stated maturity €m	
<i>IRB</i>						
Central governments or central banks	1,450	3,433	1,562	-	-	6,445
Institutions	212	19	216	14	-	461
Corporates	313	796	3,683	1,495	-	6,287
Specialised Lending	4	150	839	324	-	1,317
SME	125	143	662	621	-	1,551
Other Corporate	184	503	2,182	550	-	3,419
Retail	751	102	620	16,282	-	17,755
Secured by real estate property SME	-	-	-	-	-	-
Secured by real estate property non SME	-	65	428	16,021	-	16,514
Qualifying Revolving	385	-	-	-	-	385
Other Retail SME	366	20	58	187	-	631
Other Retail non SME	-	17	134	74	-	225
Equities	-	-	-	-	-	-
Non-credit obligation assets	-	-	678	-	-	678
Total IRB	2,726	4,350	6,759	17,791	-	31,626
<i>STD</i>						
Central governments or central banks	-	-	-	-	-	-
Regional governments or local authorities	-	-	1	-	-	1
Public sector entities	-	-	-	-	-	-
Multilateral Development Banks	-	-	-	-	-	-
International Organisations	-	-	-	-	-	-
Institutions	-	860	-	-	-	860
Corporates	49	571	91	11	-	722
Retail	16	-	-	-	-	16
Secured by mortgages on immovable property - residential	-	31	61	4	-	96
Secured by mortgages on immovable property - commercial	-	1	33	5	-	39
Exposures in default	-	23	-	-	-	23
Items associated with particularly high risk	-	-	-	-	-	-
Covered bonds	-	-	-	-	-	-
Collective investments undertakings (CIU)	-	-	-	-	-	-
Equity exposures	-	-	-	1	-	1
Other exposures	-	-	20	-	-	20
Total STD	65	1,486	206	21	-	1,778
Total	2,791	5,836	6,965	17,812	-	33,404

Credit risk (excluding counterparty credit risk) (continued)

Table 13: (continued) (2018)

EU CRB_E: IRB & STD: Credit Risk Exposure by Maturity Class

31 Dec 18	EAD Post CRM					Total €m
	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	
	€m	€m	€m	€m	€m	
<i>IRB</i>						
Central governments or central banks	251	3,449	1,554	-	-	5,254
Institutions	324	234	256	10	-	823
Corporates	336	442	3,184	1,606	-	5,568
Specialised Lending	6	59	780	381	-	1,227
SME	135	106	449	596	-	1,286
Other Corporate	195	277	1,954	629	-	3,055
Retail	777	103	628	16,567	-	18,074
Secured by real estate property SME	-	-	-	-	-	-
Secured by real estate property non SME	-	57	428	16,304	-	16,789
Qualifying Revolving	396	-	-	-	-	396
Other Retail SME	381	26	67	190	-	664
Other Retail non SME	-	20	132	73	-	225
Equities	-	-	-	-	-	-
Non-credit obligation assets	-	-	496	-	-	496
Total IRB	1,688	4,228	6,117	18,183	-	30,216
<i>STD</i>						
Central governments or central banks	-	-	-	-	-	-
Regional governments or local authorities	-	-	2	-	-	2
Public sector entities	-	-	-	-	-	-
Multilateral Development Banks	-	-	-	-	-	-
International Organisations	-	-	-	-	-	-
Institutions	-	822	-	-	-	822
Corporates	20	679	54	9	-	762
Retail	16	-	-	-	-	16
Secured by mortgages on immovable property - residential	-	-	93	4	-	97
Secured by mortgages on immovable property - commercial	-	-	6	3	-	9
Exposures in default	-	12	1	-	-	13
Items associated with particularly high risk	-	-	-	-	-	-
Covered bonds	-	-	-	-	-	-
Collective investments undertakings (CIU)	-	-	-	-	-	-
Equity exposures	-	-	-	4	-	4
Other exposures	-	-	36	-	-	36
Total STD	36	1,513	192	19	-	1,760
Total	1,724	5,741	6,309	18,202	-	31,975

Table 13 Note:

- (1) Table 13 data has been extracted from NatWest Holdings Pillar III Table EU_CRB_E. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Credit risk (excluding counterparty credit risk) (continued)

Table 14: (2019)
EU CR1_A: IRB & STD: Credit Risk Exposure by Exposure Class

31 Dec 19	Gross carrying values of		Specific credit risk adjustment	Write Offs (YTD)	Net carrying value
	Defaulted exposures	Non-defaulted exposures			
	€m	€m	€m	€m	€m
<i>IRB</i>					
Central governments or central banks	-	6,454	2	-	6,452
Institutions	-	472	-	-	472
Corporates	157	7,157	139	16	7,175
Specialised Lending	11	1,328	12	-	1,327
SME	87	1,548	73	5	1,562
Other Corporate	59	4,281	54	11	4,286
Retail	1,479	16,030	760	81	16,749
Secured by real estate property SME	-	-	-	-	-
Secured by real estate property non SME	1,440	14,860	731	68	15,569
Qualifying Revolving	12	532	5	9	539
Other Retail SME	17	426	14	2	429
Other Retail non SME	10	212	10	2	212
Equities	-	-	-	-	-
Non-credit obligation assets	-	678	-	-	678
Total IRB	1,636	30,791	901	97	31,526
Of which: Loans	1,600	23,693	894	92	24,399
Of which: Debt Securities	-	3,250	1	-	3,249
Of which: Other Assets	-	657	-	-	657
Of which: Off-balance sheet exposures	36	3,191	6	5	3,221
<i>STD</i>					
Central governments or central banks	-	-	-	-	-
Regional governments or local authorities	-	1	-	-	1
Public sector entities	-	-	-	-	-
Multilateral Development Banks	-	-	-	-	-
International Organisations	-	-	-	-	-
Institutions	-	902	-	-	902
Corporates	32	1,113	10	-	1,135
Retail	4	15	-	-	19
Secured by mortgages on immovable property - residential	-	108	-	-	108
Secured by mortgages on immovable property - commercial	-	51	-	-	51
Exposures in default	36	-	7	-	29
Items associated with particularly high risk	-	1	-	-	1
Covered bonds	-	-	-	-	-
Collective investments undertakings (CIU)	-	-	-	-	-
Equity exposures	-	1	-	-	1
Other exposures	-	21	-	-	21
Total STD	36	2,213	10	-	2,239
Of which: Loans	31	1,609	10	-	1,630
Of which: Debt Securities	-	-	-	-	-
Of which: Other Assets	-	21	-	-	21
Of which: Off-balance sheet exposures	5	583	-	-	588
Total	1,672	33,004	911	97	33,765
Of which: Loans	1,631	25,302	904	92	26,029
Of which: Debt Securities	-	3,250	1	-	3,249
Of which: Other Assets	-	678	-	-	678
Of which: Off-balance sheet exposures	41	3,774	6	5	3,809

Credit risk (excluding counterparty credit risk) (continued)

Table 14: (continued) (2018)
EU CR1_A: IRB & STD: Credit Risk Exposure by Exposure Class

31 Dec 18	Gross carrying values of		Specific credit risk adjustment	Write Offs (YTD)	Net carrying value
	Defaulted exposures	Non-defaulted exposures			
	€m	€m	€m	€m	€m
IRB					
Central governments or central banks	-	5,268	1	-	5,266
Institutions	-	982	-	-	982
Corporates	168	6,364	153	31	6,378
Specialised Lending	17	1,285	11	2	1,290
SME	100	1,260	80	15	1,280
Other Corporate	51	3,820	63	14	3,808
Retail	1,989	15,803	713	369	17,078
Secured by real estate property SME	-	-	-	-	-
Secured by real estate property non SME	1,933	14,623	672	357	15,884
Qualifying Revolving	13	536	13	1	536
Other Retail SME	18	445	14	-	450
Other Retail non SME	24	198	14	1	208
Equities	-	-	-	-	0
Non-credit obligation assets	-	496	-	-	496
Total IRB	2,157	28,913	868	400	30,202
Of which: Loans	2,129	22,229	859	400	23,499
Of which: Debt Securities	-	2,947	1	-	2,946
Of which: Other Assets	-	396	-	-	395
Of which: Off-balance sheet exposures	28	3,341	8	-	3,361
STD					
Central governments or central banks	-	12	-	-	12
Regional governments or local authorities	-	2	-	-	2
Public sector entities	-	-	-	-	-
Multilateral Development Banks	-	-	-	-	-
International Organisations	-	-	-	-	-
Institutions	-	822	-	-	822
Corporates	19	1,017	14	19	1,022
Retail	5	16	-	1	21
Secured by mortgages on immovable property - residential	-	121	-	-	120
Secured by mortgages on immovable property - commercial	-	9	-	1	9
Exposures in default	25	-	9	21	15
Items associated with particularly high risk	-	-	-	-	-
Covered bonds	-	-	-	-	-
Collective investments undertakings (CIU)	-	-	-	-	-
Equity exposures	-	4	-	-	4
Other exposures	-	36	-	-	36
Total STD	25	2,037	15	21	2,047
Of which: Loans	22	1,470	15	21	1,478
Of which: Debt Securities	-	-	-	-	-
Of which: Other Assets	-	40	-	-	40
Of which: Off-balance sheet exposures	3	527	-	-	530
Total	2,181	30,950	883	421	32,249
Of which: Loans	2,151	23,700	874	421	24,977
Of which: Debt Securities	-	2,947	1	-	2,946
Of which: Other Assets	-	435	-	-	435
Of which: Off-balance sheet exposures	30	3,869	8	-	3,891

Table 14 Note:

- (1) Table 14 data has been extracted from NatWest Holdings Pillar III Table EU_CR1_A. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR
- (4) The breakdown of the standardised exposures in default is reported by the exposure class that corresponded to the exposure before default. The reported values for December 2018 have been restated for comparison

The following tables (Table 15 - Table 24) contain disclosures on non-performing (NPEs) and forborne exposures (FBEs) and foreclosed assets in accordance with EBA guidelines issued in 2018. The aim of the newly introduced tables is to facilitate effective management of NPEs and achieve a sustainable reduction in NPEs in credit institutions' balance sheets. Four of the templates are mandatory for all credit institutions (Templates 1, 3, 4 & 9). The other NPE templates apply to significant credit institutions with a gross non-performing loan ratio of 5% or above. More details of UBIDAC's non-performing loan ratio is available in the report of the directors within UBIDAC's annual report and accounts.

Previously reported templates EU CR1-B – 'Credit quality of exposures by industry or counterparty types' and EU CR1-C – 'Credit quality of exposures by geography' have been replaced with the new 'Template 6: Credit quality of loans and advances by industry' and Template 5 – 'Quality of non-performing exposures by geography'. Template 9 – 'Collateral obtained by taking possession and execution processes' and Template 10 – 'Collateral obtained by taking possession and execution processes – vintage breakdown' are not disclosed, as UBIDAC would not have any reportable balances in accordance with the applicable accounting standards.

Credit risk (excluding counterparty credit risk) (continued)

Table 15

Template 1: Credit quality of forborne exposures

31 Dec 19	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures
	Performing forborne	Non-performing forborne	Of which: defaulted	Of which: impaired	On performing forborne exposures	On non-performing forborne exposures		
	€m	€m	€m	€m	€m	€m		
Loans and advances	805	2,069	1,992	1,992	(21)	(645)	2,151	1,409
<i>Central banks</i>	-	-	-	-	-	-	-	-
<i>General governments</i>	-	-	-	-	-	-	-	-
<i>Credit institutions</i>	-	-	-	-	-	-	-	-
<i>Other financial corporations</i>	-	-	-	-	-	-	-	-
<i>Non-financial corporations</i>	121	49	44	44	(6)	(22)	107	19
<i>Households</i>	684	2,020	1,948	1,948	(15)	(623)	2,044	1,390
Debt Securities	-	-	-	-	-	-	-	-
Loan commitments given	10	1	1	1	-	-	5	1
Total	815	2,070	1,993	1,993	(21)	(645)	2,156	1,410

Table 15 Note:

- (1) Table 15 data has been extracted from NatWest Holdings Pillar III Table Template 1. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
 (2) Due to exchange rates being used, small rounding variances may exist
 (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Table 16

Template 2: Quality of forbearance

31 Dec 19	Gross carrying amount of forborne exposures
	€m
Loans and advances that have been forborne more than twice	2,179
Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	1,894

Table 16 Note:

- (1) Table 16 data has been prepared in accordance with EBA/GL/2018/10 guidelines on disclosure of non-performing and forborne exposures
 (2) Appendix 2 details how these disclosures comply with the requirements of the CRR

Credit risk (excluding counterparty credit risk) (continued)

Table 17

Template 3: Credit quality of performing and non-performing exposures by past due days

	Gross carrying amount/nominal amount											
	Performing exposures	Of which: Not past due or past due ≤ 30 days	Of which: Past due > 30 days ≤ 90 days	Non-performing exposures	Of which: Unlikely to pay that are not past due or are past due ≤ 90 days	Of which: Past due > 90 days ≤ 180 days	Of which: Past due > 180 days ≤ 1 year	Of which: Past due > 1 year ≤ 2 years	Of which: Past due > 2 years ≤ 5 years	Of which: Past due > 5 years ≤ 7 years	Of which: Past due > 7 years	Of which: defaulted
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Loans and advances	24,519	24,402	117	2,506	1,105	188	215	263	405	146	184	2,394
Central banks	3,684	3,684	-	-	-	-	-	-	-	-	-	-
General governments	48	48	-	-	-	-	-	-	-	-	-	-
Credit institutions	1,074	1,074	-	-	-	-	-	-	-	-	-	-
Other financial corporations	69	62	7	1	-	-	-	1	-	-	-	1
Non-financial corporations	5,054	5,031	23	139	53	4	17	13	21	11	20	133
Of which SMEs	1,653	1,651	2	80	15	4	14	7	18	9	13	80
Households	14,590	14,503	87	2,366	1,052	184	198	249	384	135	164	2,260
Debt securities	3,250	3,250	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	1,887	1,887	-	-	-	-	-	-	-	-	-	-
Credit institutions	1,078	1,078	-	-	-	-	-	-	-	-	-	-
Other financial corporations	285	285	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	3,772	-	-	41	-	-	-	-	-	-	-	40
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	182	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	59	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	106	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	2,588	-	-	33	-	-	-	-	-	-	-	33
Households	837	-	-	8	-	-	-	-	-	-	-	7
Total	31,541	27,652	117	2,547	1,105	188	215	263	405	146	184	2,434

Table 17 Note:

- (1) Table 17 data has been extracted from NatWest Holdings Pillar III Table Template 3. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Credit risk (excluding counterparty credit risk) (continued)

Table 18

Template 4: Performing and non-performing exposures and related provisions

	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received	On performing exposures	On non-performing exposures	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						
	Total	Of which: stage 1	Of which: stage 2	Total	Of which: stage 2	Of which: stage 3	Total	Of which: stage 1	Of which: stage 2	Total	Of which: stage 2	Of which: stage 3				Accumulated partial write-off
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m				€m
Loans and advances	24,519	22,699	1,820	2,506	111	2,394	(89)	(33)	(56)	(818)	(5)	(813)	-	17,083	1,646	
Central banks	3,684	3,684	-	-	-	-	(1)	(1)	-	-	-	-	-	-	-	
General governments	48	48	-	-	-	-	-	-	-	-	-	-	-	-	-	
Credit institutions	1,074	1,074	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other financial corporations	69	62	7	1	-	1	-	-	-	(1)	-	(1)	-	38	-	
Non-financial corporations	5,054	4,550	504	139	5	133	(34)	(16)	(18)	(75)	-	(75)	-	3,072	39	
Of which SMEs	1,653	1,493	160	80	1	79	(17)	(6)	(11)	(47)	-	(47)	-	928	24	
Households	14,590	13,281	1,309	2,366	106	2,260	(54)	(16)	(38)	(742)	(5)	(737)	-	13,973	1,607	
Debt securities	3,250	3,250	-	-	-	-	(1)	(1)	-	-	-	-	-	-	-	
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
General governments	1,887	1,887	-	-	-	-	-	-	-	-	-	-	-	-	-	
Credit institutions	1,078	1,078	-	-	-	-	(1)	(1)	-	-	-	-	-	-	-	
Other financial corporations	285	285	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Off-balance-sheet exposures	3,772	3,547	225	41	-	40	(2)	(1)	(1)	(1)	-	(1)	-	420	8	
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
General governments	182	182	-	-	-	-	-	-	-	-	-	-	-	-	-	
Credit institutions	59	59	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other financial corporations	106	104	2	-	-	-	-	-	-	-	-	-	-	4	-	
Non-financial corporations	2,588	2,412	176	33	-	32	(2)	(1)	(1)	(1)	-	(1)	-	401	8	
Households	837	790	47	8	-	8	-	-	-	-	-	-	-	15	-	
Total	31,541	29,496	2,045	2,547	111	2,434	(92)	(35)	(57)	(819)	(5)	(814)	-	17,503	1,654	

Table 18 Note:

- (1) Table 18 data has been extracted from NatWest Holdings Pillar III Table Template 4. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Credit risk (excluding counterparty credit risk) (continued)

Table 19

Template 5: Quality of non-performing exposures by geography

31 Dec 19	Gross carrying/nominal amount	Of which: non-performing	Of which: defaulted	Of which: subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	€m	€m	€m	€m	€m	€m	€m
On-balance-sheet exposures	30,275	2,506	2,394	30,275	(908)	-	-
UK	1,178	30	20	1,178	(16)	-	-
RoI	25,568	2,476	2,374	25,568	(891)	-	-
Other Western Europe	2,785	-	-	2,785	(1)	-	-
US	217	-	-	217	-	-	-
Rest of the World	527	-	-	527	-	-	-
Off-balance-sheet exposures	3,813	41	40	-	-	(3)	-
UK	528	3	3	-	-	-	-
RoI	3,206	38	37	-	-	(3)	-
Other Western Europe	44	-	-	-	-	-	-
US	34	-	-	-	-	-	-
Rest of the World	1	-	-	-	-	-	-
Total	34,088	2,547	2,434	30,275	(908)	(3)	-

Table 19 Note:

- (1) Table 19 data has been extracted from NatWest Holdings Pillar III Table Template 5. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Table 20

Template 6: Credit quality of loans and advances by industry (NFCs)

31 Dec 19	Gross carrying amount	Of which: non-performing	Of which: defaulted	Of which: loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	€m	€m	€m	€m	€m	€m
Agriculture, forestry and fishing	350	9	8	350	(9)	-
Mining and quarrying	9	-	-	9	-	-
Manufacturing	493	52	48	493	(15)	-
Electricity, gas, steam and air conditioning supply	241	-	-	241	(1)	-
Water supply	140	-	-	140	-	-
Construction	269	11	11	269	(12)	-
Wholesale and retail trade	823	17	17	823	(18)	-
Transport and storage	270	2	2	270	(4)	-
Accommodation and food service activities	587	12	12	587	(14)	-
Information and communication	104	1	1	104	(1)	-
Financial and insurance activities	-	-	-	-	-	-
Real estate activities	1,007	19	18	1,007	(18)	-
Professional, scientific and technical activities	192	4	4	192	(5)	-
Administrative and support service activities	122	2	2	122	(1)	-
Public administration and defense, compulsory social security	-	-	-	-	-	-
Education	29	2	2	29	-	-
Human health services and social work activities	372	3	3	372	(5)	-
Arts, entertainment and recreation	133	2	2	133	(2)	-
Other services	52	3	3	52	(4)	-
Total	5,193	139	133	5,193	(109)	-

Table 20 Note:

- (1) Table 20 data has been extracted from NatWest Holdings Pillar III Table Template 6. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Credit risk (excluding counterparty credit risk) (continued)

Table 21

Template 7: Collateral valuation - loans and advances

31 Dec 19	Loans and advances	Performing	Of which: past due > 30 days ≤ 90 days	Non-performing	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days	Of which: past due > 90 days ≤ 180 days	Of which: past due > 180 days ≤ 1 year	Of which: past due > 1 years ≤ 2 years	Of which: past due > 2 years ≤ 5 years	Of which: past due > 5 years ≤ 7 years	Of which: past due > 7 years
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Gross carrying amount	27,025	24,519	117	2,506	1,105	1,401	188	215	263	405	146	184
Of which secured	21,915	19,520	91	2,395	1,072	1,323	184	206	246	377	135	175
Of which secured with immovable property	18,805	16,443	85	2,362	1,055	1,307	185	206	246	377	134	159
Of which instruments with LTV higher than 60% and lower or equal to 80%	6,682	6,103	-	579	283	296	-	-	-	-	-	-
Of which instruments with LTV higher than 80% and lower or equal to 100%	2,589	2,093	-	496	208	288	-	-	-	-	-	-
Of which instruments with LTV higher than 100%	875	434	-	441	126	315	-	-	-	-	-	-
Accumulated impairment for secured assets	(830)	(85)	(5)	(745)	(179)	(566)	(73)	(86)	(108)	(157)	(58)	(84)
Collateral												
Of which value capped at the value of exposure	18,411	16,765	84	1,646	889	757	112	119	138	218	78	92
Of which immovable property	17,776	16,142	79	1,634	877	757	112	119	138	218	78	92
Of which value above the cap	22,336	19,754	116	2,582	1,171	1,411	195	188	254	419	160	195
Of which immovable property	22,124	19,548	115	2,576	1,169	1,407	194	188	254	418	160	193
Financial guarantees received	30	30	-	-	-	-	-	-	-	-	-	-
Accumulated partial write-off	-	-	-	-	-	-	-	-	-	-	-	-

Table 21 Note:

(1) Table 21 data has been prepared in accordance with EBA/GL/2018/10 guidelines on disclosure of non-performing and forborne exposures

(2) Appendix 2 details how these disclosures comply with the requirements of the CRR

Credit risk (excluding counterparty credit risk) (continued)

Table 22

Template 8: Changes in the stock of non-performing loans and advances

31 Dec 19	Gross carrying amount €m	Related net accumulated recoveries €m
Initial stock of non-performing loans and advances	2,797	-
Inflows to non-performing portfolios	921	-
Outflows from non-performing portfolios	(1,212)	-
<i>Outflow to performing portfolio</i>	(519)	-
<i>Outflow due to loan repayment, partial or total</i>	(377)	-
<i>Outflow due to collateral liquidations</i>	-	-
<i>Outflow due to taking possession of collateral</i>	-	-
<i>Outflow due to sale of instruments</i>	(184)	-
<i>Outflow due to risk transfers</i>	-	-
<i>Outflows due to write-offs</i>	(97)	-
<i>Outflow due to other situations</i>	(35)	-
<i>Outflow due to reclassification as held for sale</i>	-	-
Final stock of non-performing loans and advances	2,506	-

Table 22 Note:

- (1) Table 22 data has been prepared in accordance with EBA/GL/2018/10 guidelines on disclosure of non-performing and forbore exposures
 (2) Appendix 2 details how these disclosures comply with the requirements of the CRR

Table 23

Template 9: Collateral obtained by taking possession and execution processes

31 Dec 19	Collateral obtained by taking	
	Value at initial recognition	Accumulated negative changes
Property, plant and equipment (PP&E)	-	-
Other than PP&E	-	-
<i>Residential immovable property</i>	-	-
<i>Commercial Immovable property</i>	-	-
<i>Movable property (auto, shipping, etc.)</i>	-	-
<i>Equity and debt instruments</i>	-	-
<i>Other</i>	-	-
Total	-	-

Table 23 Note:

- (1) Table 23 data has been extracted from NatWest Holdings Pillar III Table Template 9. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
 (2) The above template is nil as UBIDAC would not have any reportable balances in accordance with the applicable accounting standards.
 (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Credit risk (excluding counterparty credit risk) (continued)

Table 24

Template 10: Collateral obtained by taking possession and execution processes – vintage breakdown

31 Dec 19	Debt balance reduction		Total collateral obtained by taking possession									
	Gross carrying amount	Accumulated negative changes	Value at initial recognition		Foreclosed ≤ 2 years		Foreclosed > 2 years ≤ 5 years		Foreclosed > 5 years		Of which non-current assets held-for-sale	
			initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
Property, plant and equipment (PP&E)	-	-	-	-	-	-	-	-	-	-	-	-
Other than PP&E												
Residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-
Commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-
Movable property (auto, shipping, etc.)	-	-	-	-	-	-	-	-	-	-	-	-
Equity and debt instruments	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

Table 24 Note:

- (1) Table 24 data has been prepared in accordance with EBA/GL/2018/10 guidelines on disclosure of non-performing and forborne exposures
- (2) The above template is nil as UBIDAC would not have any reportable balances in accordance with the applicable accounting standards.
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Risk profile by credit risk mitigation techniques

Recognition of credit risk mitigation in the calculation of RWAs

Credit risk mitigation ('CRM') is defined as the use of collateral or guarantees to reduce potential loss if a customer fails to settle all or part of its obligations to UBIDAC. The application of CRM depends on which approach (standardised or IRB) is used to calculate RWA related to a credit exposure. Recognition of CRM under the standardised approach is carried out in accordance with regulatory requirements and entails the reduction of exposure at default ('EAD') (netting and financial collateral) or the adjustment of risk-weights (in the case of real estate), third-party guarantees and/or credit derivatives. Under the IRB approach, a wider scope of collateral can be recognised. Table EU CR3_a indicates how different risk mitigants are incorporated into IRB risk parameters.

EU CRC: IRB and STD: Qualitative disclosures relating to credit risk mitigation

Credit risk mitigation

UBIDAC uses a number of credit risk mitigation approaches. These differ for Wholesale and Personal customers. Risk mitigation techniques, as set out in credit policies, are used in the management of credit portfolios across UBIDAC, typically to mitigate credit concentrations in relation to an individual customer, a borrower group or a collection of related borrowers. Where possible, customer credit balances are netted against obligations. Mitigation tools can include structuring a security interest in a physical or financial asset, the use of credit derivatives including credit default swaps, credit-linked debt instruments and securitisation structures, and the use of guarantees and similar instruments (for example, credit insurance) from related and third parties. When seeking to mitigate risk, at a minimum UBIDAC considers the following:

- The suitability of the proposed risk mitigation, particularly if restrictions apply.
- The means by which legal certainty is to be established, including required documentation, supportive legal opinions and the steps needed to establish legal rights.
- The acceptability of the methodologies to be used for initial and subsequent valuation of collateral, the frequency of valuations and the advance rates given.
- The actions which can be taken if the value of collateral or other mitigants is less than needed.
- The risk that the value of mitigants and counterparty credit quality may deteriorate simultaneously.
- The need to manage concentration risks arising from collateral types.
- The need to ensure that any risk mitigation remains legally effective and enforceable.

The business and credit teams are supported by specialist in-house documentation teams. UBIDAC uses industry standard loan and security documentation wherever possible. However, when non-standard documentation is used, external lawyers are employed to review the documentation on a case-by-case basis. Mitigants (including any associated insurance) are monitored throughout the life of the transaction to ensure they perform as anticipated.

UBIDAC may also obtain security against the underlying loan via the use of guarantees, which can be either limited or unlimited, making the guarantor liable for only a portion or all of the debt. Any guarantees may also be collateralised or uncollateralised.

UBIDAC does not transact any credit derivative business and therefore does not have any counterparty risk in this regard.

Credit risk (excluding counterparty credit risk) (continued)

Risk profile by credit risk mitigation techniques (continued)

Wholesale lending

UBIDAC mitigates credit risk relating to Wholesale customers through the use of netting, collateral and market standard documentation, depending on the nature of the counterparty and its assets. The most common types of mitigation are:

- Commercial real estate.
- Other physical assets – including stock, plant, equipment, machinery, vehicles, ships and aircraft. Such assets are suitable collateral only if UBIDAC can identify, locate, and segregate them from other assets on which it does not have a claim. UBIDAC values physical assets in a variety of ways, depending on the type of asset and may rely on balance sheet valuations in certain cases.
- Receivables – these are amounts owed to UBIDAC's counterparties by their own customers. Their valuation takes into account the quality of the counterparty's receivable management processes and excludes any that are past due.
- Financial collateral – refer to the counterparty credit risk section below.

All collateral is assessed, case by case, independently of the provider to ensure that it is suitable security for the proposed loan. UBIDAC monitors the value of the collateral and if there is a shortfall, will review the position which may lead to requests for additional collateral. The key sector where UBIDAC provides asset-backed lending is commercial real estate. The valuation approach is as follows:

- UBIDAC has a panel of chartered surveying firms that cover the spectrum of geographic locations and property sectors in which UBIDAC takes collateral
- Suitable valuers for particular assets are contracted through a service agreement to ensure consistency of quality and advice
- Valuations are commissioned when an asset is taken as security; a material increase in a facility is requested; a material deterioration in credit profile arises; or a default event is anticipated or has occurred.

Counterparty credit risk

UBIDAC mitigates counterparty credit risk arising from derivative and repurchase transactions through the use of market standard netting documentation and through collateralisation in the case of repurchase agreements (for example, International Swaps and Derivatives Association master agreements and Global Master Repurchase Agreements). Amounts owed by UBIDAC to the counterparty are netted against amounts the counterparty owes UBIDAC in accordance with relevant regulatory and internal policies and subject to receipt of a legal opinion confirming the netting agreement is enforceable. Netting does not have a material capital impact due to the low volume of activity. UBIDAC has no exposure in jurisdictions where netting is not enforceable. Financial collateral may consist of either cash or securities. Additional collateral may be called should the net value of the obligations to UBIDAC rise or should the value of the collateral itself fall. The agreements are subject to daily collateral calls with collateral valued using internal valuation methodologies. UBIDAC currently has no financial collateral agreements operational, reflecting no Interbank activity and an European Market Infrastructure Regulation (EMIR) exemption for Intragroup exposures. UBIDAC restricts counterparty credit exposures by setting limits that take into account the potential adverse movement of an exposure after adjusting for the impact of netting and collateral (where applicable). For further information on credit risk mitigation, refer to Table 24: EU CR3_a.

UBIDAC is no longer active in the customer derivative market and a small portfolio of legacy transactions are in run off. All trading books were closed in 2018. All Treasury related derivatives are transacted for hedging purposes on an intragroup basis, with no activity with third party banks.

Personal lending

UBIDAC takes collateral in the form of residential property to mitigate the credit risk arising from mortgages. UBIDAC values residential property during the loan underwriting process by appraising properties individually and values them collectively on an ongoing basis using statistically valid models. UBIDAC updates residential property values quarterly using the Central Statistics Office Residential Property Price Index in the Republic of Ireland ('ROI'). For a small number of residential properties located outside ROI, UBIDAC uses the most recognised relevant local index.

Credit risk (excluding counterparty credit risk) (continued)

Table 25: (2019)
EU CR3 IRB: Mitigation Techniques by Exposure Class

31 Dec 19	Unsecured net carrying value €m	Net carrying values secured by				Total secured €m	Total €m
		Collateral €m	Guarantees €m	Credit derivatives €m			
IRB							
Central governments or central banks	6,452	-	-	-	-	-	6,452
Institutions	472	-	-	-	-	-	472
Corporates	3,216	3,900	59	-	3,959	-	7,175
Specialised Lending	68	1,254	5	-	1,259	-	1,327
SME	353	1,181	28	-	1,209	-	1,562
Other Corporate	2,795	1,465	26	-	1,491	-	4,286
Retail	1,180	15,569	-	-	15,569	-	16,749
Secured by real estate property SME	-	-	-	-	-	-	-
Secured by real estate property non SME	-	15,569	-	-	15,569	-	15,569
Qualifying Revolving	539	-	-	-	-	-	539
Other Retail SME	429	-	-	-	-	-	429
Other Retail non SME	212	-	-	-	-	-	212
Equities	-	-	-	-	-	-	-
Non-credit obligation assets	678	-	-	-	-	-	678
Total IRB	11,998	19,469	59	-	19,528	-	31,526
Of which: Loans	5,808	18,544	47	-	18,591	-	24,399
Of which: Debt Securities	3,249	-	-	-	-	-	3,249
Of which: Other Assets	657	-	-	-	-	-	657
Of which: Off-balance sheet exposures	2,284	925	12	-	937	-	3,221
Of which defaulted	27	807	-	-	807	-	834
STD							
Central governments or central banks	-	-	-	-	-	-	-
Regional governments or local authorities	1	-	-	-	-	-	1
Public sector entities	-	-	-	-	-	-	-
Multilateral Development Banks	-	-	-	-	-	-	-
International Organisations	-	-	-	-	-	-	-
Institutions	902	-	-	-	-	-	902
Corporates	1,109	-	-	-	-	-	1,109
Retail	16	-	-	-	-	-	16
Secured by mortgages on immovable property - residential	-	108	-	-	-	108	108
Secured by mortgages on immovable property - commercial	-	51	-	-	-	51	51
Exposures in default	29	-	-	-	-	-	29
Items associated with particularly high risk	1	-	-	-	-	-	1
Covered bonds	-	-	-	-	-	-	-
Collective investments undertakings (CIU)	-	-	-	-	-	-	-
Equity exposures	1	-	-	-	-	-	1
Other exposures	21	-	-	-	-	-	21
Total STD	2,080	159	-	-	159	-	2,239
Of which: Loans	1,520	110	-	-	110	-	1,630
Of which: Debt Securities	-	-	-	-	-	-	-
Of which: Other Assets	21	-	-	-	-	-	21
Of which: Off-balance sheet exposures	539	49	-	-	49	-	588
Of which defaulted	30	-	-	-	-	-	30
Total	14,078	19,628	59	-	19,687	-	33,765
Total Loans	7,328	18,654	47	-	18,701	-	26,029
Total Debt Securities	3,249	-	-	-	-	-	3,249
Total Other Assets	678	-	-	-	-	-	678
Total Off-balance sheet exposures	2,823	974	12	-	986	-	3,809
Of which defaulted	57	807	-	-	807	-	864

Credit risk (excluding counterparty credit risk) (continued)

Table 25: (continued) (2018)

EU CR3 IRB: Mitigation Techniques by Exposure Class

31 Dec 18	Unsecured net carrying value €m	Net carrying values secured by				Total secured €m	Total €m
		Collateral €m	Guarantees €m	Credit derivatives €m			
IRB							
Central governments or central banks	5,266	-	-	-	-	-	5,266
Institutions	978	4	-	-	-	4	982
Corporates	2,699	3,620	59	-	-	3,679	6,378
Specialised Lending	200	1,086	4	-	-	1,090	1,290
SME	198	1,047	35	-	-	1,082	1,280
Other Corporate	2,301	1,487	20	-	-	1,508	3,808
Retail	1,194	15,884	-	-	-	15,884	17,078
Secured by real estate property SME	-	-	-	-	-	-	-
Secured by real estate property non SME	-	15,884	-	-	-	15,884	15,884
Qualifying Revolving	536	-	-	-	-	-	536
Other Retail SME	450	-	-	-	-	-	450
Other Retail non SME	208	-	-	-	-	-	208
Equities	-	-	-	-	-	-	0
Non-credit obligation assets	496	-	-	-	-	-	496
Total IRB	10,634	19,508	59	-	-	19,567	30,202
Of which: Loans	4,927	18,525	48	-	-	18,573	23,499
Of which: Debt Securities	2,946	-	-	-	-	-	2,946
Of which: Other Assets	395	-	-	-	-	-	395
Of which: Off-balance sheet exposures	2,367	983	12	-	-	995	3,361
Of which defaulted	56	1,400	-	-	-	1,400	1,456
STD							
Central governments or central banks	12	-	-	-	-	-	12
Regional governments or local authorities	2	-	-	-	-	-	2
Public sector entities	-	-	-	-	-	-	-
Multilateral Development Banks	-	-	-	-	-	-	-
International Organisations	-	-	-	-	-	-	-
Institutions	822	-	-	-	-	-	822
Corporates	1,009	2	-	-	-	2	1,011
Retail	16	-	-	-	-	-	16
Secured by mortgages on immovable property - residential	-	120	-	-	-	120	120
Secured by mortgages on immovable property - commercial	-	9	-	-	-	9	9
Exposures in default	15	-	-	-	-	-	15
Items associated with particularly high risk	-	-	-	-	-	-	-
Covered bonds	-	-	-	-	-	-	-
Collective investments undertakings (CIU)	-	-	-	-	-	-	-
Equity exposures	4	-	-	-	-	-	4
Other exposures	36	-	-	-	-	-	36
Total STD	1,916	131	-	-	-	131	2,047
Of which: Loans	1,393	84	-	-	-	84	1,478
Of which: Debt Securities	-	-	-	-	-	-	-
Of which: Other Assets	40	-	-	-	-	-	40
Of which: Off-balance sheet exposures	483	47	-	-	-	47	530
Of which defaulted	15	-	-	-	-	-	15
Total	12,550	19,639	59	-	-	19,698	32,249
Total Loans	6,320	18,609	48	-	-	18,657	24,977
Total Debt Securities	2,946	-	-	-	-	-	2,946
Total Other Assets	435	-	-	-	-	-	435
Total Off-balance sheet exposures	2,849	1,030	12	-	-	1,042	3,891
Of which defaulted	71	1,400	-	-	-	1,400	1,472

Table 25 Note:

- (1) Table 25 data has been extracted from NatWest Holdings Pillar III Table EU CR3. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Credit risk (excluding counterparty credit risk) (continued)

Table 26: EU CR3_a: IRB: Credit Risk Mitigation – Incorporation Within IRB Parameters

	LGD	PD	EAD
Real estate	✓		
Other physical collateral	✓		
Third party guarantees	✓		
Credit derivatives	✓		
Parental guarantees (connected parties)		✓	
Financial collateral - non trading book	✓		
Netting (on and off balance sheet)			✓
Receivables	✓		
Life policies	✓		
Credit insurance	✓		

 Table 27: (2019 & 2018)
 EU CR10_A IRB: Specialised Lending

31 Dec 19		On-balance sheet amount	Off-balance sheet amount	Risk Weight	Exposure amount	RWA	Expected losses
Regulatory categories	Remaining maturity	€m	€m	%	€m	€m	€m
1 - Strong	Less than 2.5 years	218	35	50	248	124	-
	Equal to or more than 2.5 years	619	104	70	718	503	3
2 - Good	Less than 2.5 years	139	34	70	164	115	1
	Equal to or more than 2.5 years	131	12	90	142	128	1
3 - Satisfactory	Less than 2.5 years	3	-	115	3	4	-
	Equal to or more than 2.5 years	22	5	115	27	31	1
4 - Weak	Less than 2.5 years	-	-	250	-	1	-
	Equal to or more than 2.5 years	4	-	250	5	12	-
5 - Default	Less than 2.5 years	3	-	-	3	-	1
	Equal to or more than 2.5 years	-	2	-	1	-	-
Total	Less than 2.5 years	363	69		418	244	2
	Equal to or more than 2.5 years	776	123		893	674	5

31 Dec 18		On-balance sheet amount	Off-balance sheet amount	Risk Weight	Exposure amount	RWA	Expected losses
Regulatory categories	Remaining maturity	€m	€m	%	€m	€m	€m
1 - Strong	Less than 2.5 years	271	82	50	308	154	-
	Equal to or more than 2.5 years	480	51	70	514	360	2
2 - Good	Less than 2.5 years	59	49	70	100	70	-
	Equal to or more than 2.5 years	234	10	90	244	220	2
3 - Satisfactory	Less than 2.5 years	7	1	115	8	9	-
	Equal to or more than 2.5 years	18	1	115	19	21	1
4 - Weak	Less than 2.5 years	5	-	250	5	13	-
	Equal to or more than 2.5 years	9	7	250	15	37	2
5 - Default	Less than 2.5 years	8	-	-	8	-	3
	Equal to or more than 2.5 years	1	2	-	2	-	1
Total	Less than 2.5 years	350	132		428	245	3
	Equal to or more than 2.5 years	742	72		793	638	8

Table 27 Note:

- (1) Table 27 data has been extracted from NatWest Holdings Pillar III Table EU_CR10_A. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Credit risk (excluding counterparty credit risk) (continued)

Table 28: (2019 & 2018)
EU CR10_B IRB: Equities

31 Dec 19	On-balance sheet amount €m	Off-balance sheet amount €m	Risk Weight %	Exposure amount €m	RWA €m	Capital requirements €m
Exchange-traded equity exposures	-	-	-	-	-	-
Private equity exposures	-	-	-	-	-	-
Other equity exposures	-	-	370	-	-	-
Total	-	-		-	-	-

31 Dec 18	On-balance sheet amount €m	Off-balance sheet amount €m	Risk Weight %	Exposure amount €m	RWA €m	Expected losses €m
Exchange-traded equity exposures	-	-	-	-	-	-
Private equity exposures	-	-	-	-	-	-
Other equity exposures	-	-	370	-	-	-
Total	-	-		-	-	-

Table 28 Note:

- (1) Table 28 data has been extracted from NatWest Holdings Pillar III Table EU_CR10_B. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Credit risk (excluding counterparty credit risk) (continued)

Table 29: (2019 & 2018)
EU CR4 STD: Exposures and CRM Effects

31 Dec 19	Exposures pre CCF and CRM		Exposures post CCF and CRM		RWA	RWA density
	On-balance	Off-balance	On-balance	Off-balance		
	sheet amount	sheet amount	sheet amount	sheet amount		
	€m	€m	€m	€m	€m	%
Central governments or central banks	-	-	-	-	1	250
Regional governments or local authorities	1	-	1	-	1	100
Public sector entities	-	-	-	-	-	-
Multilateral Development Banks	-	-	-	-	-	-
International Organisations	-	-	-	-	-	-
Institutions	851	51	861	-	176	20
Corporates	628	482	628	94	703	97
Retail	16	-	16	-	9	57
Secured by mortgages on immovable property - residential	83	24	83	12	96	100
Secured by mortgages on immovable property - commercial	27	25	27	12	39	100
Exposures in default	25	5	23	-	29	126
Items associated with particularly high risk	-	1	-	-	-	150
Covered bonds	-	-	-	-	-	-
Collective investments undertakings (CIU)	-	-	-	-	-	-
Equity exposures	1	-	1	-	2	250
Other exposures	20	-	20	-	4	20
Total STD Approach	1,652	588	1,660	118	1,060	60

31 Dec 18	Exposures pre CCF and CRM		Exposures post CCF and CRM		RWA	RWA density
	On-balance	Off-balance	On-balance	Off-balance		
	sheet amount	sheet amount	sheet amount	sheet amount		
	€m	€m	€m	€m	€m	%
Central governments or central banks	-	11	-	-	1	250
Regional governments or local authorities	2	-	2	-	2	100
Public sector entities	-	-	-	-	-	-
Multilateral Development Banks	-	-	-	-	-	-
International Organisations	-	-	-	-	-	-
Institutions	822	-	822	-	164	20
Corporates	542	469	537	225	737	97
Retail	16	-	16	-	9	57
Secured by mortgages on immovable property - residential	74	47	74	23	97	100
Secured by mortgages on immovable property - commercial	9	-	9	-	9	100
Exposures in default	13	3	11	1	19	150
Items associated with particularly high risk	-	-	-	-	-	-
Covered bonds	-	-	-	-	-	-
Collective investments undertakings (CIU)	-	-	-	-	-	-
Equity exposures	4	-	4	-	9	250
Other exposures	36	-	36	-	7	20
Total STD Approach	1,517	530	1,511	249	1,054	60

Table 29 Note:

- (1) Table 29 data has been extracted from NatWest Holdings Pillar III Table EU CR4. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Market risk

Table 30: Market Risk RWA & Capital Requirement
EU MR1: MR IMA and STD: RWAs and MCR

	31 Dec 19		31 Dec 18	
	RWA	MCR	RWA	MCR
	€m	€m	€m	€m
STD	90	7	53	4
Interest rate position risk	-	-	-	-
Equity position risk	-	-	-	-
Option position risk	-	-	-	-
Commodity position risk	-	-	-	-
Foreign exchange position risk	90	7	53	4
Specific interest rate risk	-	-	-	-
Securitisation positions	-	-	-	-
<i>Internal model approach</i>	-	-	-	-
VaR	-	-	-	-
SVaR	-	-	-	-
Incremental risk charge	-	-	-	-
Other (RNIV)	-	-	-	-
<i>of which: VaR-based RNIV</i>	-	-	-	-
<i>of which: SVaR-based RNIV</i>	-	-	-	-
<i>of which: Stress RNIV</i>	-	-	-	-
Total	90	7	53	4

Table 30 Note:

- (1) Table 30 data has been extracted from NatWest Holdings Pillar III Table EU MR1 Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
- (2) Due to exchange rates being used, small rounding variances may exist
- (3) Appendix 2 details how these disclosures comply with the requirements of the CRR

Appendix 1: Capital Instruments Template

Capital instruments main features template	€100m floating rate loan capital repayable 2022	€430m floating rate loan capital repayable 2022	€38m 11.375% perpetual tier two capital	€20m 11.75% perpetual tier two capital	£1.3m perpetual floating rate tier two capital	Ordinary Share Capital
1 Issuer	Ulster Bank Ireland DAC	Ulster Bank Ireland DAC	Ulster Bank Ireland DAC	Ulster Bank Ireland DAC	Ulster Bank Ireland DAC	Ulster Bank Ireland DAC
2 Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A	IE0004325399	IE0004325514	IE0004325282	n/a
3 Governing law(s) of the instrument	English (subordination and set-off provisions governed by the laws of the Republic of Ireland)	Irish	Irish	Irish	Irish	Irish
Regulatory treatment						
4 Transitional CRR rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	CET1
5 Post-transitional CRR rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	CET1
6 Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo	Solo	Solo	Solo	Solo	Solo
7 Instrument type (OSC & SP) (types to be specified by each jurisdiction)	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Ordinary Shares
8 Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	EUR 46m	EUR 226m	EUR 55m	EUR 29m	EUR 2m	EUR 4,236m
9 Nominal amount of instrument	EUR 100000000	EUR 430000000	EUR 31154111.15	GBP 11453000	GBP 1148000	N/A
9a Issue price	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent	N/A
9b Redemption price	Par	Par	N/A	N/A	N/A	N/A
10 Accounting classification	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Shareholders Equity
11 Original date of issuance	25-Apr-07	21-Aug-07	07-Sep-98	07-Sep-98	07-Sep-98	N/A
12 Perpetual or dated	Dated	Perpetual	Perpetual	Perpetual	Perpetual	PERPETUAL
13 Original maturity date	25-Apr-22	19-Aug-22	No maturity	No maturity	No maturity	No maturity
14 Issuer call subject to prior supervisory approval	No	Yes	No	No	No	N/A
15 Optional call date, contingent call dates and redemption amount	N/A	Interest Payment Date falling after July 2017, Redemption Price: Par	N/A	N/A	N/A	N/A
16 Subsequent call dates, if applicable	N/A	Interest Payment Date falling in July 2017 or any Interest Payment Date (quarterly payment dates) thereafter.	N/A	N/A	N/A	N/A
Coupons / dividends						
17 Fixed or floating dividend/coupon	Floating	Floating	Fixed	Fixed	Floating	N/A
18 Coupon rate and any related index	Three month EURIBOR plus 0.35 per cent.	Three month EURIBOR plus 0.35 per cent.	11.375 per cent.	11.75 per cent.	6 month Sterling LIBOR plus 2.55 per cent	N/A
19 Existence of a dividend stopper	No	No	No	No	No	N/A
20a Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Partially discretionary	Partially discretionary	Partially discretionary	N/A
20b Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Partially discretionary	Partially discretionary	Partially discretionary	N/A
21 Existence of step up or other incentive to redeem	No	No	No	No	No	N/A
22 Noncumulative or cumulative	Non-cumulative	Non-cumulative	Cumulative	Cumulative	Cumulative	Non cumulative
23 Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24 If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A
25 If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A
26 If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	N/A
27 If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A	N/A
28 If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A	N/A
29 If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A	N/A
30 Write-down features	No	No	No	No	No	N/A
31 If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A
32 If write-down, full or partial	N/A	N/A	N/A	N/A	N/A	N/A
33 If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A	N/A
34 If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A	N/A
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to all unsubordinated creditors	Subordinated to all unsubordinated creditors	Subordinated to all unsubordinated creditors	Subordinated to all unsubordinated creditors	Subordinated to all unsubordinated creditors	Immediately subordinate to Tier 2 instruments
36 Non-compliant transitioned features	No	No	No	No	No	No
37 If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A

Appendix 2: CRR Disclosure Requirements Reference Table

The table below outlines how UBIDAC Pillar III disclosures comply with the requirements of the CRR. It includes references to where UBIDAC disclosures are located in the NatWest Holdings Group (NWH Group) 2019 Pillar III disclosure document and if not within the NWH Group Pillar III Report, the relevant publication is specifically referred to. (NWH Group comprises NatWest Holdings Ltd and its subsidiaries).

(Note: The tables in this 2019 UBIDAC Pillar III document have been extracted from the 2019 NWH Group Pillar III document and reported in Euro).

CRR ref	High-level summary	NWH Group Compliance reference	UBIDAC Compliance reference
Scope of disclosure requirements			
431 (1)	Requirement to publish Pillar III disclosures.	NWH Group publishes Pillar III disclosures as required.	UBIDAC is subject to reduced disclosures as it is a significant subsidiary of an EU parent institution
CRR 437: Own funds			
437 (1)	Requirement to disclose following information regarding own funds:		
437 (1) (a)	Reconciliation of regulatory values for Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and filters and deductions to statutory balance sheet;	Pillar III - EU LI1 & CAP 2	Pillar III - Table 3: CAP 2 - pg 6
437 (1) (b)	Description of the main features of Capital Instruments issued by institution;	Pillar III Capital Instruments Common Disclosure template available on RBS Investor Relations website www.investors.rbs.com	Pillar III - Appendix 1 - pg 38
437 (1) (c)	Full terms and conditions of Capital Instruments issued by institution;	Pillar III Capital Instruments Common Disclosure template available on RBS Investor Relations website www.investors.rbs.com	Pillar III - Appendix 1 - pg 38
437 (1) (d)	Disclosure of the nature and amounts of the following:	Pillar III - CAP 2	Pillar III - Table 3: CAP 2 - pg 6
437 (1) (d) (i)	each prudential filter applied;		
437 (1) (d) (ii)	each capital deduction applied;		
437 (1) (d) (iii)	items not deducted from capital;		
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;	Pillar III - CAP 2	Pillar III - Table 3: CAP 2 - pg 6
437 (1) (f)	where institutions disclose capital ratios calculated using elements of own funds determined on a different basis.	N/A	N/A
437 (2)	EBA shall develop draft implementing technical standards to specify uniform templates for disclosure.	EBA published technical standards introducing Common Disclosure Templates for Own Funds; available on Pillar III - CAP 2.	EBA published technical standards introducing Common Disclosure Templates for Own Funds; available on Pillar III - Table 3: CAP 2 - pg 6

Appendix 2: CRR Disclosure Requirements Reference Table (continued)

CRR ref	High-level summary	NWH Group Compliance reference	UBIDAC Compliance reference
CRR 438: Capital requirements			
438	See sub paragraphs below.		
438 (a)	Summary of institution's approach to assessing adequacy of capital levels.	Pillar III - Presentation of Information & NWH Group ARA: Capital and risk management - Risk management framework.	ARA - Note 23 - Capital adequacy risk commencing pg 64 & Note 33 - Capital resources - unaudited commencing pg 103
438 (b)	Result of ICAAP on demand from authorities.	N/A	N/A
438 (c)	Capital requirement amounts for credit risk for each Standardised approach exposure class.	Pillar III - CR2	Pillar III - Table 9: CR2 – pg 12 & Table 10: EU CRB_B – pg 14
438 (d)	Capital requirements amounts for credit risk for each Internal Ratings Based Approach exposure class.	Pillar III - CR2, EU OV1 & CR10-B & EU CR8	Pillar III - Table 9: CR2 – pg 12 & Table 4: EU OV1 – pg 8 & Table 28: EU CR10_B - pg 35
438 (d) (i)			
438 (d) (ii)			
438 (d) (iii)			
438 (d) (iv)			
438 (e)	Capital requirements amounts for market risk or settlement risk, or large exposures where they exceed limits.	Pillar III - EU OV1 & EU MR1	Pillar III - Table 4: EU OV 1 – pg 8 & Table 30: EU MR1 – pg 37
438 (f)	Capital requirement amounts for operational risk, separately for the basic indicator approach, the Standardised approach, and the advanced measurement approaches as applicable.	NWH Group uses Standardised approach; Pillar III EU OV1 includes operational risk capital requirements.	Pillar III - Table 4: EU OV 1 – pg 8
438 (endnote)	Requirement to disclose specialised lending exposures and equity exposures in the banking book falling under the simple risk weight approach.	Pillar III - EU CR10	Pillar III - Table 27: EU CR10_A – pg 34 & Table 28: EU CR10_B – pg 35
CRR 440: Capital buffers			
440 (1)	See sub paragraphs below.	N/A	
440 (1) (a)	Geographical distribution of relevant credit exposures.	Pillar III - CAP 5a	Pillar III - Table 6: CAP 5a – pg 10
440 (1) (b)	Amount of the institution specific countercyclical capital buffer.	Pillar III - CAP 5b	Pillar III - Table 7: CAP 5b – pg 10
440 (2)	EBA will issue technical implementation standards related to 440 (1).	NWH Group follows the current standards.	UBIDAC follows the current standards.

Appendix 2: CRR Disclosure Requirements Reference Table (continued)

CRR ref	High-level summary	NWH Group Compliance reference	UBIDAC Compliance reference
CRR 442: Credit risk adjustments			
442	See sub paragraphs below.		
442 (a)	Disclosure of bank's definitions of past due and impaired.	NWH Group ARA: Capital and Risk Management and Notes on the consolidated accounts - 12 Loan impairment provisions.	' & Note 23 – Risk management commencing pg 74
442 (b)	Approaches for calculating credit risk adjustments.	NWH Group ARA: Accounting policies: 14 Impairment: expected credit loss.	ARA - Note 1 – Accounting policies; I) Impairment: expected credit losses - pg 26
442 (c)	Disclosure of EAD by exposure class.	Pillar III - EU CRB_B	Pillar III - Table 10: EU CRB_B – pg 14
442 (d)	Disclosures of EAD by geography and exposure class.	Pillar III - EU CRB_C	Pillar III - Table 11: EU CRB_C – pg 16
442 (e)	Disclosures of EAD by industry and exposure class.	Pillar III - EU CRB_D	Pillar III - Table 12: EU CRB_D – pg 18
442 (f)	Disclosures of EAD by residual maturity and exposure class.	Pillar III - EU CRB_E	Pillar III - Table 13: EU CRB_E – pg 20
442 (g)	Breakdown of impaired, past due, specific and general credit adjustments, and impairment charges for the period, by exposure class or counterparty type.	Pillar III - EU CR1_A, NPL templates: Template1, Template 3, Template 4	Pillar III - Table 14: EU CR1_A – pg 22 Table 15: Template 1 - pg 24 Table 17: Template 3 - pg 25 Table 18: Template 4 - pg 26
442 (g) (i)			ARA - Note 23 – Credit risk management commencing pg 71
442 (g) (ii)			
442 (g) (iii)			
442 (h)	Impaired, past due exposures, by geographical area, and amounts of specific and general impairment for each geography.	NWH Group ARA: Capital and risk management - Segmental loans and impairment metrics. Pillar III - NPL template: Template 5	Pillar III - Table 19: Template 5 – pg 27
442 (i)	Reconciliation of changes in specific and general credit risk adjustments.	Pillar III - EU CR2-A	ARA - Note 23 – Risk management – flow statements commencing pg 88
442 (i) (i-iv)			
442 Endnote	Specific credit risk adjustments recorded to income statement are disclosed separately.	Pillar III - EU CR2-A	ARA - Note 12 - Loan impairment provisions pg 52
CRR 450: Remuneration policy			
450	Remuneration	RBS Group ARA: Governance - Directors' remuneration report and Other remuneration disclosures and as set out in the NWH Group Pillar III document on page 93. Further detail on compliance with CRD IV and remuneration from rbs.com/rbs/about/board-and-governance.html	Disclosed within UBIDAC Pillar III - Appendix 3
CRR 451: Leverage			
451 (1)	See sub paragraphs below.		
451 (1) (a)	Leverage ratio, and breakdown of total exposure measure,	Pillar III - CAP 3	Pillar III - Table 5: CAP 3 - pg 9
451 (1) (b)	including reconciliation to financial statements, and	Pillar III - CAP 3	Pillar III - Table 5: CAP 3 - pg 9
451 (1) (c)	derecognised fiduciary items.	N/A	N/A
451 (1) (d)	Description of the risk management approach to mitigate excessive leverage.	NWH Group ARA: Capital and risk management – Capital Management.	ARA - Note 23 – Risk management framework commencing pg 61 & pg 66
451 (1) (e)	Factors that impacted the leverage ratio during the year.	Pillar III - Capital, liquidity and funding – Key points.	Pillar III - Key points - Capital and leverage - pg 5 Pillar III - Table 8: LIQ1 – pg 11 ARA - Note 23 – Risk management pg 66
451 (2)	EBA to publish implementation standards for points above.	NWH Group follows the current standards.	UBIDAC follows the current standards.

Appendix 2: CRR Disclosure Requirements Reference Table (continued)

CRR ref	High-level summary	NWH Group Compliance reference	UBIDAC Compliance reference
CRR 453: Use of credit risk mitigation techniques			
453	See sub paragraphs below.		
453 (a)	Use of on and off-balance sheet netting.	Pillar III - EU CRC: IRB and STD: Qualitative disclosures relating to credit risk mitigation. Pillar III - Wholesale IRB models - Exposure at default models. Pillar III - EU LI2	Pillar III - EU CRC: IRB & STD: Qualitative disclosures relating to credit risk mitigation – pg 30 Pillar III - EU CRC: IRB & STD: Qualitative disclosures relating to wholesale lending and counterparty credit risk – pg 31
453 (b)	How collateral valuation is managed.	Pillar III - EU CRC: IRB and STD: Qualitative disclosures relating to credit risk mitigation.	Pillar III - EU CRC: IRB & STD: Qualitative disclosures relating to credit risk mitigation – pg 30
453 (c)	Description of types of collateral used by NWH Group.	Pillar III - EU CRC: IRB and STD: Qualitative disclosures relating to credit risk mitigation.	Pillar III - EU CRC: IRB & STD: Qualitative disclosures relating to credit risk mitigation – pg 30
453 (d)	Guarantor and credit derivative counterparty, creditworthiness.	Pillar III - Recognition of credit risk mitigation in the calculation of RWAs.	Pillar III - EU CRC: IRB & STD: Qualitative disclosures relating to credit risk mitigation – pg 30 ARA - Note 23 – Risk mitigation commencing pg 72
453 (e)	Market or credit risk concentrations within risk mitigation exposures.	Pillar III - EU CRC: IRB and STD: Qualitative disclosures relating to credit risk mitigation.	Pillar III - EU CRC: IRB & STD: Qualitative disclosures relating to credit risk mitigation – pg 30 ARA - Note 23 – Risk management - Risk Mitigation pg 72-75 & 95
453 (f)	Standardised or Foundation IRB approach, exposure value covered by eligible collateral.	Pillar III - EU_CR4.	Pillar III - Table 25: EU CR3 – pg 32; Table 29: EU CR4 – pg 36
453 (g)	Exposures covered by guarantees, credit derivatives or collateral.	Pillar III - EU_CR3	Pillar III - Table 25: EU CR3 – pg 32; Table 29: EU CR4 – pg 36 ARA - Note 23 – Risk management - Risk mitigation pg 72-75

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

This section contains a number of disclosures which are required in accordance with Article 450 of the Capital Requirements Regulation, the Basel Committee on Banking Supervision Pillar 3 disclosure requirements and the EBA guidelines on sound remuneration policies.

UBIDAC Performance and Remuneration Committee (UBIDAC RemCo)

The UBIDAC 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.

The Chair and members of the UBIDAC RemCo are all independent non-executive directors of UBIDAC. The Committee met 8 times in 2019.

Specific responsibilities of the UBIDAC RemCo are to:

- Review, provide input to and adopt The Royal Bank of Scotland Group plc (RBSG) Remuneration Policy for the UBIDAC business on an annual basis, with due consideration of applicable regulatory, legislative and relevant requirements, ensuring that the Remuneration Policy adopted by UBIDAC meets those requirements.
- Review and recommend or where appropriate ratify performance measures, performance assessment and the remuneration arrangements for Executive Directors, UBIDAC Executive Committee members, Pre-Approved Control Functions (PCF) and Material Risk Takers (MRTs).
- Oversee remuneration arrangements for the broader UBIDAC employee population.
- Review the annual bonus pool proposals for UBIDAC to ensure they are appropriately performance and risk adjusted, are congruent with UBIDAC's financial performance and meet capital adequacy and liquidity requirements.
- Review any UBIDAC compensation disclosure communications and any submissions to regulators in relation to compensation.

Activities undertaken by the UBIDAC RemCo during 2019 included review of senior role appointments and a review of 2019/2020 performance assessment and pay arrangements.

Remuneration policy for all employees

As a fully owned subsidiary of RBSG, the UBIDAC remuneration policy is aligned to RBSG's remuneration policy principles, and is compliant with CRD IV and regulatory requirements. The UBIDAC remuneration policy was reviewed and updated to reflect local requirements while continuing to align to the RBSG remuneration policy.

The remuneration policy supports the business strategy and is designed to promote the long-term success of UBIDAC. It aims to reward employees for delivering good performance provided this is achieved in a manner consistent with our values and within acceptable risk parameters. The remuneration policy applies the same principles to all employees, including MRTs. The key elements of the policy are set out below.

Base salary

The purpose is to provide a market-facing level of fixed cash remuneration.

Operation

Base salaries are reviewed annually and should reflect the talents, skills and competencies that the individual brings to the business.

Role-based allowance

The purpose is to provide fixed pay that reflects the skills and experience required for the role.

Operation

Role-based allowances are fixed allowances which form an element of the employee's overall fixed remuneration for regulatory purposes and are based on the role the individual performs.

They are delivered in cash through payroll 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.

Benefits and pension

The purpose is to provide a range of flexible and competitive benefits.

Operation

Employee benefits or a cash equivalent are provided from a flexible benefits account.

Pension funding forms part of fixed remuneration and RBSG and UBIDAC do not as a rule award discretionary pension benefits.

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

Annual bonus

The purpose is to support a culture where employees recognise the importance of serving customers well and are rewarded for superior performance.

Operation

The annual bonus pool is based on a balanced scorecard of measures including Customer, People, Financial & Business Delivery, and Risk & Control measures. Allocation from the pool depends on performance of the business area and the individual.

Individual performance assessment is supported by a structured performance management framework. This is designed to assess performance against longer term business requirements across a range of financial and non-financial metrics as well as an evaluation of adherence to internal controls and risk management. A balanced scorecard is used to align with the business strategy. Each individual will have defined measures of success appropriate to their role.

Risk and conduct performance is also taken into account. Control functions are assessed independently of the business units that they oversee, with the objectives and remuneration being set according to the priorities of the control area, not the targets of the businesses they support.

Independent control functions have dual solid reporting lines into both the UBIDAC Chief Executive Officer and the RBS Group Control Function Head. The Head of Internal Audit reports to the Chair of the UBIDAC Audit Committee with oversight provided by the NatWest Holdings Chief Audit Executive.

For awards made in respect of the 2019 performance year, immediate awards paid through payroll continue to be limited to a maximum of €2,281 (equivalent to £2,000). In line with regulatory requirements, a significant proportion of annual bonus awards for more senior employees is deferred and includes partial delivery in shares.

The deferral period varies from three years for standard MRTs, rising to five years for individuals identified as Risk Manager MRTs and seven years for Senior Managers under the UK Senior Managers Regime. The deferral periods apply across the RBS Group. All awards are subject to malus and clawback provisions. For MRTs, a minimum of 50% of any annual bonus is delivered in shares and a twelve month retention period will apply post vesting in line with regulatory requirements.

During 2020, UBIDAC will consider its approach to new remuneration requirements proposed under the fifth iteration of the Capital Requirements Directive.

Employee share plans

The purpose is to provide an efficient way for employees to hold shares in RBSG, which helps to encourage long-term thinking and provides a direct involvement in UBIDAC's and RBSG's performance.

Operation

Employees in certain jurisdictions, including the Republic of Ireland, are offered the opportunity to acquire shares in RBSG through employee share plans. Any shares held are not subject to performance conditions.

Criteria for identifying MRTs

The European Banking Authority has issued criteria for identifying MRT roles, which captures those staff whose activities have a material influence over UBIDAC's performance or risk profile. The criteria are both qualitative (based on the nature of the role) and quantitative (for example those who exceed the stipulated total remuneration threshold).

The qualitative criteria can be summarised as: staff within the management body; senior management; other staff with key functional or managerial responsibilities; and staff who individually, or as part of a Committee, have authority to approve new business products or to commit to credit risk exposures and market risk transactions above certain levels. The quantitative criteria include individuals earning €500,000 or more in the previous year. In addition to the qualitative and quantitative criteria, UBIDAC has applied its own minimum standards to identify roles that are considered to have a material influence over its risk profile.

Personal hedging strategies

In accordance with regulatory requirements and internal dealing rules that apply to employees, the conditions attached to discretionary share-based awards prohibit the use of any personal hedging strategies to lessen the impact of a reduction in value of such awards. These conditions are explicitly acknowledged and accepted by employees when any share-based awards are granted.

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

Risk in the remuneration process

RBSG and UBIDAC's approach to remuneration and related policies promotes effective risk management through a clear distinction between fixed remuneration, which reflects the role undertaken by an individual, and variable remuneration, which is directly linked and reflective of performance and can be risk-adjusted. Fixed pay is set at an appropriate level to avoid incentives that are not aligned with sound risk management, and at a level which would allow us to pay zero variable pay.

Focus on risk is achieved through clear risk input into objectives, performance reviews, the determination of variable pay pools, and incentive plan design as well as the application of malus and clawback. The Committee is supported by the UBIDAC Risk Committee and the UBIDAC and RBSG Risk functions.

A robust process is used to assess risk performance. A range of measures are considered, specifically capital, liquidity and funding risk, credit risk, market risk, pension risk, compliance & conduct risk, financial crime, operational risk, business risk and reputational risk. Consideration is also given to overall risk culture. UBIDAC's remuneration arrangements are in accordance with regulatory requirements and the steps we take to ensure appropriate and thorough risk adjustment are also fully disclosed and discussed with the PRA and the FCA.

Variable pay determination

For the 2019 performance year, RBSG and UBIDAC operated a robust multi-step process, which is control function led, to assess performance and the appropriate bonus pool by business area and function. At multiple points throughout the process, reference is made to Group-wide business performance (from both affordability and appropriateness perspectives) and the need to distinguish between go-forward and resolution activities.

The process considers a balanced scorecard of performance assessments at the level of each business area or function, across financial, customer and people measures. Risk and conduct assessments at the same level are then undertaken to ensure that performance achieved without appropriate consideration of risk, risk culture and conduct controls, is not inappropriately rewarded.

UBIDAC Board Risk Committee considers the Risk Performance Assessment and provides input to the Group Board Risk Committee (BRC) which reviews any material risk and conduct events and, if appropriate, an underpin may be applied to the individual business and function bonus pools or to the overall bonus pool. BRC may recommend a reduction of a bonus pool if it considers that risk and conduct performance is unacceptable or that the impact of poor risk management has yet to be fully reflected in the respective inputs.

Following further review against overall performance and conduct, the RBSG Chief Executive will make a final recommendation to the RBS Group Performance and Remuneration Committee (RBS Group RemCo), informed by all the previous steps in the process and her strategic view of the business. The RBS Group RemCo will then make an independent decision on the final bonus pool taking all of these earlier steps into account. UBIDAC RemCo has oversight of the UBIDAC bonus pool determination process and provides input to the RBS Group RemCo.

Remuneration and culture

RBSG and UBIDAC continue to assess conduct and its impact on remuneration as part of the annual Group-wide bonus pool process and also via the accountability review framework. We have continued to simplify our approach to reward and removed incentives for employees where this could drive unintended behaviours.

Accountability review process and malus/clawback

The accountability review process was introduced in 2012 to identify any material risk management, control and general policy breach failures, and to ensure accountability for those events. This allows UBIDAC and RBSG to respond to instances where new information would change the variable pay decisions made in previous years and/or the decisions to be made in the current year.

Potential outcomes under the accountability review process are:

- Malus - to reduce (to zero if appropriate) the amount of any unvested variable pay awards prior to payment;
- Clawback - to recover awards that have already vested; and
- In-year bonus reductions - to adjust variable pay that would have otherwise been awarded for the current year.

As part of the acceptance of variable pay awards, MRTs must agree to terms that state that malus and clawback may be applied. Any variable pay awarded to MRTs in respect of the 2014 performance year onwards is subject to clawback for seven years from the date of grant.

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

Circumstances in which malus, clawback or in-year bonus reduction may apply include:

- conduct which results in significant financial losses for UBIDAC;
- the individual failing to meet appropriate standards of fitness and propriety;
- an individual's misbehaviour or material error;
- UBIDAC or the individual's business unit suffering a material failure of risk management; and
- for malus and in-year bonus reduction only, circumstances where there has been a material downturn in financial performance.

The above list of circumstances is not exhaustive and UBIDAC may consider any further circumstances that it deems appropriate.

During 2019 a number of issues and events were considered under the accountability review framework. A range of actions were considered including reduction (to zero where appropriate) of unvested awards through malus and suspension of awards pending further investigation.

Remuneration of MRTs

The quantitative disclosures below are made in accordance with Article 450 of the EU Capital Requirements Regulation in relation to 80 employees who have been identified as MRTs for UBIDAC.

1. Number of MRTs by business area

Number of beneficiaries	Senior mgmt	Other MRTs	Total
Executive Directors	2	-	2
Independent Non-Executive Directors ¹	-	6	6
Personal Banking	1	12	13
Commercial	1	13	14
Corporate Functions	5	10	15
Control Functions	3	27	30
Total	12	68	80

2. Aggregate remuneration expenditure

Aggregate remuneration expenditure in respect of 2019 performance was as follows:

Aggregate remuneration	Senior mgmt	Other MRTs	Total
Number of beneficiaries ²	12	67	79
	€m	€m	€m
Executive Directors	1.89	-	1.89
Independent Non-Executive Directors	-	0.66	0.66
Personal Banking	0.52	1.91	2.43
Commercial	0.47	2.47	2.95
Corporate Functions	2.27	2.32	4.59
Control Functions	1.51	5.01	6.52
Total³	6.68	12.37	19.05

¹ Excludes 1 individual not receiving remuneration for the INED role

² Excludes 1 individual in a RBS Group role

³ Numbers in tables may not add up exactly due to rounding

Appendix 3: Ulster Bank Ireland DAC (UBIDAC) Remuneration Disclosure (continued)
3. Amounts and form of fixed and variable remuneration

Fixed remuneration consisted of salaries, allowances, pension and benefit funding.

Fixed remuneration	Senior	Other	Total
	mgmt	MRTs	
Number of beneficiaries	12	67	79
	€m	€m	€m
Executive Directors	1.19	-	1.19
Independent Non-Executive Directors	-	0.66	0.66
Personal Banking	0.35	1.74	2.10
Commercial	0.32	2.25	2.58
Corporate Functions	1.57	2.00	3.57
Control Functions	1.18	4.36	5.53
Total⁴	4.62	11.01	15.63

Variable remuneration awarded for 2019 performance

Variable remuneration consisted of annual bonus, deferred over a three to seven year period in accordance with regulatory requirements. Under the UBIDAC bonus deferral structure, immediate awards paid through payroll are limited to €2,281 (equivalent to £2,000) per employee.

Long-term incentive awards vest subject to the extent to which performance conditions are met and can result in zero payment. There were no recipients of LTI awards within UBIDAC for performance year 2019.

Annual bonus	Senior	Other	Total
	mgmt	MRTs	
Number of beneficiaries	11	48	59
	€m	€m	€m
Executive Directors			
Cash remuneration	-	-	-
Deferred bonds	0.11	-	0.11
Deferred shares	0.58	-	0.58
	0.70	-	0.70
Independent Non-Executive Directors			
	-	-	-
Personal Banking			
Cash remuneration	-	0.02	0.02
Deferred bonds	0.07	0.14	0.21
Deferred shares	0.10	-	0.10
	0.17	0.16	0.33
Commercial			
Cash remuneration	-	0.02	0.03
Deferred bonds	0.07	0.20	0.26
Deferred shares	0.08	-	0.08
	0.15	0.22	0.37
Corporate Functions			
Cash remuneration	0.01	0.02	0.03
Deferred bonds	0.22	0.29	0.51
Deferred shares	0.47	0.01	0.48
	0.70	0.32	1.02
Control Functions			
Cash remuneration	0.01	0.05	0.05
Deferred bonds	0.13	0.58	0.71
Deferred shares	0.20	0.03	0.23
	0.34	0.65	0.99
Total⁴	2.06	1.36	3.41

⁴ Numbers in tables may not add up exactly due to rounding

Appendix 3: Ulster Bank Ireland DAC (UBIDAC) Remuneration Disclosure (continued)
4. Outstanding deferred remuneration through 2019

The table below includes deferred remuneration awarded or paid out in 2019 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 adjustments of prior year deferred awards and long-term incentives.

Category of deferred remuneration	Senior mgmt €m	Other MRTs €m	Total €m
Unvested from prior year	2.87	0.77	3.64
Awarded during year	2.00	1.39	3.39
Paid out (Retained)	0.12	-	0.12
Paid out (Released)	1.58	1.52	3.10
Reduced from prior years	0.25	-	0.25
Unvested at year end ⁵	2.92	0.63	3.55

5. Guaranteed Awards (including 'Sign-on' awards) and Severance Payments

UBIDAC does not offer 'Sign-on awards'. Guaranteed awards may only be granted to new hires in exceptional circumstances in compensation for awards foregone in their previous company and are limited to the first year of service. No new hire guarantees were made in respect of the 2019 performance year.

Severance payments and / or arrangements can be made to employees who leave UBIDAC in certain situations, including redundancy. Such payments are calculated by a pre-determined formula set out within the relevant social plans, policies, agreements or local laws. Where local laws permit, there is a cap on the maximum amount that can be awarded.

No severance payments were made during the year in excess of contractual payments, local policies, standards or statutory amounts. Severance payments made do not reward failure or misconduct in line with regulatory requirements.

Where required, remuneration is constrained within the limit of variable to fixed remuneration in accordance with EBA guidelines.

6. Ratio between fixed and variable remuneration

The variable component of total remuneration for MRTs at UBIDAC shall not exceed 100% of the fixed component. The average ratio between fixed and variable remuneration for 2019 is approximately 1 to 0.26. The majority of MRTs are based in Ireland.

Ratio of fixed to variable	Senior mgmt	Other MRTs	Total
	ratio	ratio	ratio
Number of beneficiaries	11	48	59
Executive Directors	1 to 0.59	-	1 to 0.59
Independent Non-Executive Directors	-	-	-
Personal Banking	1 to 0.48	1 to 0.11	1 to 0.19
Commercial	1 to 0.46	1 to 0.12	1 to 0.17
Corporate Functions	1 to 0.50	1 to 0.18	1 to 0.32
Control Functions	1 to 0.28	1 to 0.18	1 to 0.21
Consolidated	1 to 0.46	1 to 0.16	1 to 0.26

7. Discount Rate

Under CRD IV regulations, a notional discount is available which allows variable pay to be awarded at a level that would otherwise exceed the 1:1 ratio, provided that at least 25% of variable pay is delivered 'in instruments' (shares) and deferred over five years or more. The discount rate was not used for remuneration awarded in respect of the 2019 performance year.

Total remuneration by band for all employees earning >€1 million

€ million	Number of employees 2019
€1.0 - €1.5	2
€1.5 - €2.0	-
More than €2.0	-
Total	2

Notes:

- (1) Total remuneration in the table above includes fixed pay, pension and benefit funding and variable pay.
- (2) Executive directors, Senior Management and other MRTs are included.
- (3) The table is based on an average exchange rate where applicable of €1.1407806 to £1 as at 31 December 2019.

⁵ Numbers in tables may not add up exactly due to rounding

Appendix 4: List of acronyms

ALCO	Asset and Liability Management Committee	MCR	Minimum capital requirements
AT1	Additional Tier 1	MDB	Multilateral Development Banks
ARA	Annual Report and Accounts	MIRA	Material Integrated Risk Assessment
BRC	Board risk committee	MRT	Material Risk Takers
CBI	Central Bank of Ireland	NatWest Holdings	NatWest Holdings Limited
CCP	Central counterparty	NWH Group	NatWest Holdings Group
CET1	Common Equity Tier 1	NFC	Non Financial Corporation
CCF	Credit conversion factors	NPE	Non performing exposures
CCR	Counterparty Credit Risk	PCF	Pre-Approved Control Functions
CIU	Collective investments undertakings	PD	Probability of default
CMU	Capital Management Unit	PFE	Potential future exposure
CRD	Capital Requirements Directive	PP&E	Property, plant and equipment
CRM	Credit risk mitigation	PRA	Prudential Regulation Authority
CRR	Capital Requirements Regulation	PSE	Public Sector Entities
CVA	Credit valuation adjustment	RBA	Ratings based approach
EAD	Exposure at default	RBS Group	The Royal Bank of Scotland Group plc and its subsidiaries
EBA	European Banking Authority	RBSG	The Royal Bank of Scotland Group plc
ECB	European Central Bank	RemCo	Remuneration committee
EMIR	European Market Infrastructure Regulation	RNIV	Risks not in VaR
EU	European Union	RoI	Republic of Ireland
FBE	Forborne exposures	RWAs	Risk-weighted assets
FCA	Financial Conduct Authority	SFTs	Securities financing transactions
FI	Financial institution	SME	Small and medium-sized enterprise
HQLA	High quality liquid assets	SREP	Supervisory Review and Evaluation Process
ICAAP	Internal capital adequacy assessment process	SSM	Single Supervisory Mechanism
IAA	Internal Assessment Approach	STD	Standardised
IFRS	International Financial Reporting Standard	SVaR	Stressed value-at-risk
IMA	Internal model approach	T2	Tier 2
IMM	Internal model method	UBIDAC	Ulster Bank Ireland Designated Activity Company
INED	Independent non-executive director	UK	United Kingdom
IRB	Internal ratings based	US	United States of America
JST	Joint Supervisory Team	VaR	Value-at-risk
LGD	Loss given default	YTD	Year to date
LR	Leverage Ratio		
LTI	Long term incentive		
LTV	Loan to value		