Elavon European Holdings B.V.

Pillar 3 Disclosures

31 December 2021

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1 Introduction

The purpose of this document is to disclose information in accordance with the scope of application of the Capital Requirements Directive (CRD – Directive 2013/36/EU) requirements for Elavon European Holdings B.V. and its subsidiaries (the 'Group', 'Elavon' or 'EFS'), particularly covering capital, risk management, credit risk, market risk, operational risk, liquidity risk, leverage ratio and remuneration.

CRD in the context of this document describes the package of applicable legislation including the Capital Requirements Regulation (CRR – Regulation 575/2013/EU) as amended, the CRD as amended, EBA Guidelines and regulatory and technical standards. These disclosures have been prepared in accordance with the CRD requirements. Any references to legislation hereafter is to versions inclusive of any amendments.

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

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

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

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

Scope of Application and Equivalency

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

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

Article 13(3) of the CRR allows institutions to rely on equivalent disclosures made by its parent undertaking. Elavon makes use of equivalent disclosures made by its ultimate parent undertaking U.S. Bancorp. The U.S. Bancorp Annual Report and Pillar 3 disclosures can be found in the Investor Relations area of the website:https://ir.usbank.com/investor-relations/financial-information. A mapping table has been included in Appendix 1 and 2 which details how the Group has complied with the Pillar 3 requirements under Part Eight of the CRR. This mapping table also includes the location of equivalent U.S. Bancorp disclosures.

Other Relevant Financial Information

The Group's Pillar 3 document should be read in conjunction with the Elavon Financial Services DAC financial statements 31 December 2021. The financial statements are prepared on a statutory consolidated basis which differs to the prudential consolidation basis used under CRD for the Pillar 3 disclosures. The primary difference is the prudential consolidation requires the inclusion of the Bank's parent Elavon European Holdings B.V. and all of its subsidiaries. EFS's financial statements however account for the majority of the prudential consolidation's income, expenses and balance sheet. The financial statements are available from the Irish Company Registration Office Website, https://www.cro.ie/. Elavon European Holdings B.V. is not required to prepare statutory consolidated financial statements, however if it were these would align to the prudential consolidation. Certain financial information for Elavon European Holdings B.V. is available from the Netherlands Chamber of Commerce website: https://www.kvk.nl/english/.

Pillar 3 Disclosure Policy

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

Frequency

Under the CRR as amended, the frequency of disclosures is based on the size of institution in accordance Article 433. EFS meets the definition of a non-listed "[1]other institution" based on these requirements and as such is required to disclose on an annual basis the information outlined in Article 433c. Please refer to Appendix 2 for details on how these disclosures comply with the requirements.

Verification

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

Disclosure Locations

Copies of the Group's Pillar 3 Disclosures can be obtained from the EFS website at https://www.elavon.ie/legal.html.

Management Attestation

I confirm that the Group's Pillar 3 disclosures for December 2021 to the best of my knowledge are appropriate and are prepared in compliance with the requirements laid down in Part 8 of the CRR.

E-SIGNED by Stephen Groarke
on 2022-09-29 11:02:01 GMT

Signed: ________________

EU EFS Chief Financial Officer

[1] EFS DAC meets the conditions for classification as "other" (not a large or small and non-complex institution that is non-listed) and is permitted to avail of the disclosure derogation available in accordance with Article 433c of the CRR. The definitions applicable to this assessment are defined in the Capital Requirements Regulation (CRR) > PART ONE > TITLE I > Article 4 / (145) 'small and non-complex institution / (146) Large institution/ (148) non-listed institution.

1.1 KM1 – Key Metrics Template

This table shows key metrics and their components on a fully loaded basis[2] as of 31 December 2021. The Groups own funds, capital ratio and leverage ratio reflect the full impact of IFRS 9.

No comparatives are presented for Table 1 as this is the first period for which this table is reported under CRR II requirements.

Table 1: KM1 - Key metrics template		
In thousands (000s) of Euro		**2021**
	Available own funds (amounts)	
1	Common Equity Tier 1 (CET1) capital	895,793
2	Tier 1 capital	895,793
3	Total capital	895,793
	Risk-weighted exposure amounts	
4	Total risk exposure amount	2,008,885
	Capital ratios (as a percentage of risk-weighted exposure amount)	
5	Common Equity Tier 1 ratio (%)	44.59%
6	Tier 1 ratio (%)	44.59%
7	Total capital ratio (%)	44.59%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)	
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	5.20%
EU 7b	of which: to be made up of CET1 capital (percentage points)	2.93%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	3.90%
EU 7d	Total SREP own funds requirements (%)	13.20%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)	
8	Capital conservation buffer (%)	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	- %
9	Institution specific countercyclical capital buffer (%)	0.03%
EU 9a	Systemic risk buffer (%)	- %
10	Global Systemically Important Institution buffer (%)	- %
EU 10a	Other Systemically Important Institution buffer (%)	- %
11	Combined buffer requirement (%)	2.53%
EU 11a	Overall capital requirements (%)	15.73%
12	CET1 available after meeting the total SREP own funds requirements (%)	31.39%
	Leverage ratio	
13	Total exposure measure	10,477,530
14	Leverage ratio (%)	8.55%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)	
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	- %
EU 14b	of which: to be made up of CET1 capital (percentage points)	- %
EU 14c	Total SREP leverage ratio requirements (%)	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)	
EU 14d	Leverage ratio buffer requirement (%)	- %
EU 14e	Overall leverage ratio requirement (%)	3.00%
	Liquidity Coverage Ratio	
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	8,214,473
EU 16a	Cash outflows - Total weighted value	2,843,249
EU 16b	Cash inflows - Total weighted value	285,514
16	Total net cash outflows (adjusted value)	2,557,736
17	Liquidity coverage ratio (%)	321.16%
	Net Stable Funding Ratio	
18	Total available stable funding	5,439,942
19	Total required stable funding	1,971,319
20	NSFR ratio (%)	275.96%

[2] Elavon does not apply any transitional adjustments for the purpose of calculating its capital ratios.

2 Capital

The Group's regulatory capital comprises fully of Common Equity Tier 1 (CET1) capital. CET1 items consists of share capital, capital contribution, retained earnings, the foreign currency translation reserve and the pension re-measurement reserve. The deductions to capital comprise mainly of goodwill and other intangible assets in addition to losses incurred for the year.

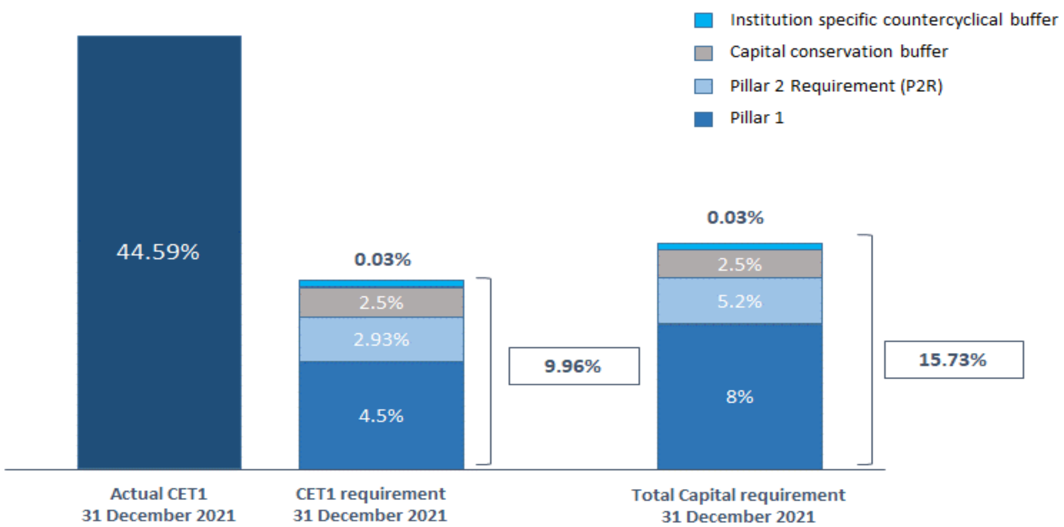
2.1 Capital Management

The Group maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Group's capital is monitored using, among other measures, the rules and ratios established by the CRR, which are used by the Central Bank of Ireland, in supervising the Group. During the past year, the Group has complied in full with all its externally imposed capital requirements.

The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements and that the Group maintains healthy capital ratios to support its business. The Group manages its capital structure and adjusts it appropriately considering changes in economic conditions and the risk characteristics of its activities. EFS maintains a robust capital management programme to ensure the Bank has the right activities in place, clear functional responsibilities, and governance structures for appropriate capital management through the cycle.

At the 31 December 2021, the Group was required to maintain a CET1 ratio in excess of 9.96%. This includes a Pillar 1 requirement of 4.5%, P2R of 2.93%, a capital conservation buffer for 2021 of 2.5% and an institution specific countercyclical buffer of 0.03%. The P2R set by the regulator as part of the Supervisory Review and Evaluation Process (SREP). The P2R own funds requirement is required to be held in the form of 56.25% of Common Equity Tier 1 (CET1) capital and 75% of Tier 1 capital, as a minimum.

Additionally, the Group was required to maintain a Total Capital ratio in excess of 15.73% at the 31 December 2021.



2.2 Regulatory Pillar 1 Capital

CET1 capital as of 31 December 2021 decreased by €24.4m during the year primarily due to; losses incurred of -€63.1m (€32.2m loss in Dec-20) partially offset by an increase in OCI reserves + €37.3m with the residual due to smaller movements in goodwill and intangible assets deductions.

The Group's 31 December 2021 capital ratio remains stable compared to the prior year's position decreasing marginally by -0.78% overall. A detailed analysis of yearly risk weighted asset movements is provided in Section 3 Risk Management.

2.3 EU CC1 - Composition of regulatory own funds

This table shows the components of regulatory capital presented on a fully loaded basis as of 31 December 2021.

Table 2: CC1 - Key metrics template Composition of regulatory own funds

In thousands (000s) of Euro		*2021 €m* Amounts Fully Loaded Approch Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation (EU CC2)
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	20	**21**
	of which: Ordinary Share Capital	*20*	
2	Retained earnings	481,527	**23**
3	Accumulated other comprehensive income (and other reserves)	903,219	**22, 24, 25**
EU-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**1,384,766**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	-1	
8	Intangible assets (net of related tax liability) (negative amount)	-425,813	**9**
9	Not applicable	-	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	
12	Negative amounts resulting from the calculation of expected loss amounts	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 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) (negative amount)	-	
20	Not applicable	-	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
EU-20c	of which: securitisation positions (negative amount)	-	
EU-20d	of which: free deliveries (negative amount)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38-(3) CRR are met) (negative amount)	-	
22	Amount exceeding the 17,65% threshold (negative amount)	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
24	Not applicable	-	
25	of which: deferred tax assets arising from temporary differences	-	
EU-25a	Losses for the current financial year (negative amount)	-63,160	**23**
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
26	Not applicable	-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments	-	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	-488,975	
29	**Common Equity Tier 1 (CET1) capital**	**895,793**	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	-	
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	-	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**-**	

Table 2: CC1 - Key metrics template Composition of regulatory own funds contd.			
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
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 (net of eligible short positions) (negative amount)	-	
41	Not applicable	-	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**-**	
44	**Additional Tier 1 (AT1) capital**	**-**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**895,793**	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	-	
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	-	
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR 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 rows 5 or 34) issued by subsidiaries and held by third parties	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Credit risk adjustments	-	
51	**Tier 2 (T2) capital before regulatory adjustments**	**-**	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54	Direct, indirect and synthetic 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 10% threshold and net of eligible short positions) (negative amount)	-	
54a	Not applicable	-	
55	Direct, indirect and synthetic 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) (negative amount)	-	
56	Not applicable	-	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
EU-56b	Other regulatory adjustments to T2 capital	-	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	-	
58	**Tier 2 (T2) capital**	-	
59	**Total capital (TC = T1 + T2)**	**895,793**	
60	**Total Risk exposure amount**	**2,008,885**	
Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital	44.59%	
62	Tier 1 capital	44.59%	
63	Total capital	44.59%	
64	Institution CET1 overall capital requirements	9.96%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical capital buffer requirement	0.03%	
67	of which: systemic risk buffer requirement	- %	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	-	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	2.93%	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**31.39%**	
National minima (if different from Basel III)			
69	Not applicable	-	
70	Not applicable	-	
71	Not applicable	-	
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities 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 17.65% thresholds and net of eligible short positions)	-	
74	Not applicable	-	
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	16,623	
Applicable caps on the inclusion of provisions in Tier 2			
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	12,746	
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	-	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
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	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

Row 3 in the above table comprises of Capital Contribution from US Bancorp ***Ref 22***, Foreign Currency Translation Reserve ***Ref 24*** and Pension Remeasurement Reserve ***Ref 25***.

2.4 EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

The table below shows that the balance sheet prepared for statutory and regulatory scope of consolidation are the same. Please note that the below table is based on a Elavon European Holdings B.V. On a consolidated basis the asset amounts shown are not a risk weighted exposure measure; they are based on an accounting measure and cannot be directly reconciled to other tables in these disclosures.

Table 3: CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements

In thousands (000s) of Euro		Balance sheet as in published financial statements *2021*	Source based on reference numbers/letters Key metrics template Composition of regulatory own funds (EU CC1)
Assets			
1	Cash and balances at central banks	8,636,834	
2	Due from banks	406,819	
3	Receivables from issuing banks	243,111	
4	Investment Services Receivables	18,924	
5	Merchant receivables	103,080	
6	Current tax asset	1,794	
7	Other assets	47,117	
8	Intangible assets including goodwill	432,204	
9	*of which deducted from Own Funds*	*425,813*	**8**
10	Property, plant and equipment	67,974	
11	Leasehold Asset	33,568	
12	Deferred tax asset	16,565	
Total Assets		**10,007,990**	
13	Due to Banks	26	
14	Corporate Trust Deposits	7,981,400	
15	Merchant Payables	524,789	
16	Current Tax Liability	2,762	
17	Deferred Tax Liability	38,435	
18	Provisions and commitments	122,508	
19	Leasehold Obligation	5,742	
20	Other Liabilities	10,720	
Total Liabilities		**8,686,382**	
21	Share capital	20	**1**
22	Capital contribution	929,763	**3**
23	Retained Earnings	418,369	**2**
24	Foreign currency translation reserve	-20,100	**3**
25	Pension re-measurement reserve	-6,444	**3**
Shareholders' equity		**1,321,608**	

Row 9 in the above tables shows deductible intangibles after deferred tax liability associated with other intangible assets have been reversed as not deductible.

3 Risk Management

Risk management is an integral part of the Group's business process. The Group has defined internal governance arrangements, which include an organisational structure with defined lines of responsibility and a Risk Management Framework (RMF) to support the Group to achieve their strategic objectives in a controlled manner. It does this through effective management (identification, assessment, management, monitoring and reporting) of the risks which the Group faces strategically and operationally; an Internal Control Framework designed to mitigate and manage the risks which are identified under the RMF to an acceptable level; and a Remuneration Policy and practices that are consistent with and promote sound and effective risk management.

In the case of risk management disclosures *EU OVA Institution risk management approach* and *EU OVB Disclosure on governance arrangements* EFS makes use of equivalent disclosures by U.S. Bancorp in accordance with Article 13 (3) of the CRR. A mapping table has been included in Appendix 1 and 2 which details how the Group has complied with the Pillar 3 requirements under Part Eight of the CRR. This mapping table also includes the location of equivalent U.S. Bancorp disclosures. In addition, further details on the Group's approach to risk management including governance, measurement and mitigation are contained in Note 26 of the Elavon Financial Services DAC financial statements 31 December 2021.

3.1 EU OV1 - Overview of risk weighted exposure amounts

The following template provides an overview of the total risk exposure amounts forming the denominator for Pillar 1 capital requirements calculated in accordance with Article 92 of the CRR.

Table 4 OV1 – Overview of total risk exposure amounts

In thousands (000s) of Euro		Total risk exposure amounts (TREA)		Capital Requirements	Capital Requirements
		2021	2020	2021	2020
1	Credit risk (excluding CCR)	1,019,046	865,855	81,524	69,268
2	Of which the standardised approach	1,019,046	865,855	81,524	69,268
3	Of which the Foundation IRB (F-IRB) approach	-	-	-	-
4	Of which slotting approach	-	-	-	-
EU 4a	Of which equities under the simple riskweighted approach	-	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	-	-	-	-
6	Counterparty credit risk - CCR	624	262	50	21
7	Of which the standardised approach	624	262	50	21
8	Of which internal model method (IMM)	-	-	-	-
EU 8a	Of which exposures to a CCP	-	-	-	-
EU 8b	Of which credit valuation adjustment - CVA	-	-	-	-
9	Of which other CCR	-	-	-	-
15	Settlement risk	-	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	-	-	-	-
17	Of which SEC-IRBA approach	-	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-	-
19	Of which SEC-SA approach	-	-	-	-
EU 19a	Of which 1250% / deduction	-	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	209,952	328,399	16,796	26,272
21	Of which the standardised approach	209,952	328,399	16,796	26,272
22	Of which IMA	-	-	-	-
EU 22a	Large exposures	-	-	-	-
23	Operational risk	779,262	849,225	62,341	67,938
EU 23a	Of which basic indicator approach	-	-	-	-
EU 23b	Of which standardised approach	779,262	849,225	62,341	67,938
EU 23c	Of which advanced measurement approach	-	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	16,623	11,917	1,330	953
29	**Total**	**2,008,885**	**2,043,741**	**160,711**	**163,499**

Table four shows an overall stable credit risk profile year on year for EFS. The RWA movements corresponds primarily to exposure changes based on business-as-usual on and off-balance balance sheet movements. Overall RWA requirements have decreased by approximately c.35m with additional commentary by risk type is provided in the following section.

EU OV1 Risk Weighted Asset (RWA) 2021 vs 2020 variance analysis

1. **Credit Risk + € 153m**

- Exposures in Default +122m, the increase in RWA is related to the commencement of the latest EBA Definition of Default guidelines EBA-GL-2016/07 which expanded the definition of counting days past due with a materiality threshold for credit obligations in accordance with Article 127 of the Capital Requirements Regulation. EFS acknowledges that the updated definition produces a conservative view of defaulted exposures, as few of the associated counterparties would be considered unlikely to pay, however, under the mechanical rules of the updated guidelines, these exposures are reported as defaulted for prudency and alignment with regulatory requirement

- Institutions +42m is primarily due to exposures to UK Banks which following the departure of the United Kingdom from the European Union must be risk weighted as corporates, attracting an increased risk weight[3].

- The above increases in RWA were partially offset by ~9m related to settlements in the Merchant Services business.

2. **Market Risk - € 118m**

- The main driver of the decrease relates to the application of a derogation available under Article 352(2) of the CRR which allows Elavon to exclude FX exposures related to goodwill and intangible assets from the Market Risk RWA calculation. Use of this derogation was approved by the Central Bank of Ireland in January 2021.

3. **Counterparty Credit Risk (CRR) + € 0.35m**

- The increase is consistent with the move from the mark to market to the standardised approach in terms of calculating derivative exposure under CRR II.

4. **Operational Risk - € 70m**

- Decrease consistent with 2021 Operational Risk calculation update which is based on rolling average of last three years of operating income. The reduction is driven by higher revenue in 2018 being replaced with lower 2021 revenue, lowering the rolling three-year average.

[3] Third country credit institutions can only be risk weighted as institutions where the European Commission decides that the country's prudential requirements are equivalent to those in the EU (CRR Article 107(3)).

3.2 Credit Risk

Credit Risk Overview

Credit Risk is the current or prospective risk to earnings and capital arising from a counterparties or obligor's failure to meet the terms of any contract with the institution or its failure to perform as agreed. This risk includes residual risk, the credit risk in securitisation[4] and cross-border (or transfer) risk. Counterparty Credit Risk is the risk that an individual customer relationship will be unable to fully meet their commitments in accordance with the agreed terms of a contract. Concentration risk is the risk of excessive credit concentration including to an individual, counterparty, group of connected counterparties, industry sector, a geographic region, country, a type of collateral or a type of credit facility with the potential to produce: (i) losses large enough to threaten the Bank's health or ability to maintain its core operations; or (ii) a material change in the Bank's risk profile.

The nature of EFS's business model results in exposures to credit risk both directly through on balance sheet exposures and indirectly through contingent liability arising from the merchant processing business. The EFS asset side of the balance sheet is primarily comprised of cash placed with the Central Bank of Ireland and the Bank of England. These exposures do not give rise to credit risk under either the regulatory or the internal capital adequacy perspectives. Financial Institution ("FI") credit risk arises through treasury placements of cash balances and operational accounts. Further FI exposure arises through processing card transactions via the card schemes. These issuing bank exposures look through the card schemes to the counterparty bank owing funds to EFS and ultimately to EFS merchant customers. Corporate and retail on balance sheet exposure also arises through fees due from merchants and refunds paid out in advance of reimbursement from merchants. Card scheme rules expose EFS to contingent credit risk in the event of a chargeback against an EFS customer (merchant) and they default on this obligation. Although several risk management tools and processes are in place to minimise this risk (as evident by a low level of EFS or industry loss history) the risk cannot be fully extinguished, causing the Bank to hold capital against this contingent obligation. The Group has received a guarantee from U.S. Bancorp for contingent liabilities for chargeback/refund risk from carrier exposures and certain other large merchants.

EFS utilises the standardised approach in quantifying its capital requirements for credit risk including counterparty credit risk. The pillar 1 credit risk calculation is typically dependent on three criteria: 1) the categorisation of exposure; 2) the maturity of exposure; and 3) the external credit assessment institution ("ECAI") rating of credit quality. Where an ECAI is not available specifically for the counterparty, standardised risk weights are derived based on the categorisation and duration of exposure (unrated corporate exposures).

Under CRD, institutions are permitted to determine the risk weight of an exposure with reference to the credit assessments of External Credit Assessment Institutions ("ECAIs"). Where a counterparty is rated by an ECAI, the Group uses the credit assessment to assign the correct risk weight and calculate the required Risk Weighted Assets. The Group uses the following ECAIs to assess the credit risk of certain exposures under the Standardised Approach:

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

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

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

[4] Please note that reference to securitisation element of credit risk has been included for the purpose of the completeness of the definition. EFS does engage in any form of securitisation activity

3.3 Market Risk

Market Risk Overview

Market Risk is defined as arising from fluctuations in interest rates, foreign exchange rates, and security prices that may result in changes in the values of financial instruments, such as trading and available-for-sale securities, mortgage loans held for sale, mortgage servicing rights ("MSRs"), and derivatives that are accounted for on a fair-value basis. The Group's primary exposures to market risks are foreign exchange and Interest Rate risk in the Banking Book (IRRBB). The Board sets limits on the value of risk that may be accepted.

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

The primary driver for the Group's interest rate risk is its Global Corporate Trust ("GCT") deposit base, the Group manages the extent IRRBB by limiting maturity mismatches between assets and liabilities. The Board sets Risk appetite triggers for internal and external escalation.

The Group does not have a trading book and as such has limited exposure to market risk under the requirements of the CRR. In addition, interest rate risk in the banking book is not subject to the Pillar 1 market risk requirements for own funds.

Market Risk Pillar 1 capital is allocated under the standardised approach. The calculation requires an institution to calculate the net open position in each currency. The net short (liability) and long (asset) positions in each currency other than the reporting currency is then converted at the spot rates into the reporting currency. The higher of (a) the sum of the net short positions and (b) the sum of the total of the net long positions is the institution's overall net foreign-exchange position and is reported as the RWA. The own funds requirement for foreign exchange risk is the sum of an institutions overall net foreign-exchange position in the reporting currency, multiplied by 8%. Where a currency is on the EBA list of closely correlated currencies, a lower own-funds requirement of 4% applies to the matched position between two closely correlated currencies.

3.4 Operational Risk

Operational Risk Overview

The Bank defines Operational Risk as: the risk to current or projected financial condition and resilience arising from inadequate or failed internal processes or systems, people (including human errors or misconduct), or adverse external events, including the risk of loss resulting from breaches in data security. Operational risk can also include the risk of loss due to failures by third parties with which the Company does business. This definition includes legal risk, but excludes strategy and reputation risk, although these may be impacted by operational risk events.

The Group manages Operational Risk through its Risk Management Framework and Internal Control Framework, and supporting procedures, policies, and processes. Management has direct and primary responsibility and accountability for identifying, assessing, controlling, and monitoring operational risks embedded in their business activities. The Group maintains a system of controls with the objective of providing proper transaction authorisation and execution, safeguarding of assets from misuse or theft and ensuring the reliability of financial and other data. Management is responsible for ensuring that the controls are appropriate and are implemented as designed.

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

EFS adopts the standardised approach for the calculation of capital requirements for operational risk. Under this approach EFS' operating income is mapped to the relevant CRR business line and associated beta factor, mainly 18% for Payment Services and 15% for Investment Services. The Pillar 1 capital requirement for operational risk for each Business Line is calculated as the average income over the previous three years multiplied by the beta factor specified in the CRR assigned to that business line.

3.5 Liquidity Risk

Liquidity Risk Overview

Liquidity risk is defined at EFS as the risk that an institution's financial condition or overall safety and soundness is adversely affected by its inability (or perceived inability) to meet its cash flow obligations in a timely and complete manner in either normal or stressed conditions.

Maintaining adequate levels of liquidity depends on EFS's ability to efficiently meet both expected and unexpected cash flow needs without adversely affecting daily operations or the financial condition of the institution. Liquidity risk is inherent in EFS' day-to-day activities and arises from the profile of Global Corporate Trust (GCT) deposits as a stable source of funding and from the cash flows in the EMS business necessary for the settlement of merchant acquiring volumes. EFS has a minimal mismatch in its assets and liabilities due to the transactional nature of its business. The main sources of funding are capital and corporate trust deposits. Deposits account for the majority of liabilities but the funds are deployed in short term deposits reducing both liquidity and funding risks to very low levels. The relative strength of the EFS liquidity position is a function of the nature of EFS' business activities which are in part insulated from more traditional banking liquidity risk and is reflected in the LCR and NSFR results as illustrated in Table 1 KM1 – Key Metrics Template above on page 6 of these disclosures.

Treasury is responsible for liquidity risk of the Group acting upon day-to-day operations set forth by policies written and approved by the EFS Board and ALMC. Additionally, Treasury is responsible for the Bank's Liquidity Risk Management programme and its supporting artefacts, including the production of the Bank's annual ILAAP and the Contingency Funding Plan. EFS's liquidity risk is controlled by a limit structure that allows all levels of management to clearly understand and effectively manage the liquidity risk assumed in pursuit of the Bank's business objectives and in meeting its regulatory obligations.

4. Remuneration

4.1 EU REM A - Remuneration policy

Introduction

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

These disclosures provide information on the Bank's remuneration policies and practices, including the decision-making process and governance of remuneration, risk alignment for those staff whose professional activities are considered to have a material impact on EFS DAC's risk profile, and the key components of EFS DAC's fixed and variable remuneration arrangements. The applicable regulations, under which these disclosures are made, include the Capital Requirements Directive 2013/36/EU (as amended) ('CRD'), Capital Requirements Regulation (EU) 575/2013 (as amended) ('CRR'), Commission Delegated Regulation (EU) 2021/923 and the European Banking Authority Guidelines on sound remuneration policies under Directive 2013/36/EU ('EBA Remuneration Guidelines'). Additionally, these disclosures also satisfy EFS DAC's requirement under Article 96 of CRD to publish on its website a statement confirming its compliance with the remuneration requirements under Articles 92 to 95 and the requirement to disclose information about the Bank's remuneration processes and practices in accordance with Article 450 of CRR.

As EFS DAC is deemed a 'less significant' institution, the relevant disclosures are made in a manner that is appropriate to the size, nature, scale, and complexity of EFS DAC's activities.

Governance of EFS DAC's Remuneration Policy and Practices

EFS DAC's Remuneration Policy (the "Policy") and practices around remuneration are overseen by the EFS DAC Board of Directors (the "Board"), in its role as the ultimate decision-making body of the Bank, with involvement from the Bank's various control functions.

The Remuneration and Nominations Committee ("RemNomCo") has been delegated authority by the Board to oversee the Bank's remuneration framework, as well as consider senior management remuneration and, if required, to make recommendations to the Board in respect of the remuneration arrangements of the Executive Directors of the Bank. The RemNomCo met five times during 2021. The RemNomCo has three directors of the Board as members, two of whom are Independent Non-Executive Directors (including the Chair of the RemNomCo), one of whom is a Group Non-Executive Director.

The Board is ultimately responsible for the design, approval and oversight of the Policy, which was last reviewed and approved by the RemNomCo on 6th December 2021 and included updates to reflect changes introduced under CRD such as increasing deferral periods for material risk takers from three years to four years and clearly noting that the policy is gender neutral. In fulfilling this responsibility, the Board ensures that amongst its membership are non-executive members that have sufficient knowledge of remuneration policies and structures. Control functions are closely involved in reviewing the Policy and remuneration practices of EFS DAC. At least one member of the Board Risk Committee participates in the RemNomCo and vice versa, ensuring an overlap of membership.

Additionally, an annual central review of the implementation of the Policy, including its compliance with the regulation, group policies, procedures and internal rules, is also performed by the U.S. Bank and EFS Internal Audit function (Corporate Audit Services or "CAS").

External Consultants

An external consultant, Deloitte Ireland LLP, was engaged to review the Policy in 2020 with its final report issued in 2021. Deloitte Ireland LLP was additionally commissioned by the Bank's management team to provide advice on the application of the CRD remuneration rules so that EFS DAC could ensure internal processes and procedures were aligned.

Scope of the Bank's Remuneration Policy

The Policy and practices disclosed in this report apply to the Elavon European Holding B.V. consolidated group which includes all business lines across EFS DAC and its relevant subsidiaries and branches, including its branch in the UK.
For staff whose professional activities have a material impact on the risk profile of EFS DAC (i.e. material risk takers), the Policy establishes specific arrangements to ensure their remuneration is aligned with sound and effective risk management.

On an annual basis, EFS DAC conducts an assessment to identify all staff whose professional activities have or may have a material impact on its risk profile, and the roles are presented to the RemNomCo for its review and approval. Material risk takers will include, but are not limited to, all members of the EFS DAC Management Body, EFS DAC Senior Management and Pre-Approved Control Function ('PCF') role holders. The EFS DAC material risk taker assessment is based on various factors, including the qualitative and quantitative criteria outlined in CRD and the supporting regulatory technical standards (Commission Delegated Regulation (EU) 2021/923), in addition to internal criteria agreed with EFS DAC Senior Management and the RemNomCo. Material risk takers are determined based on the role and activities of the employee, taking into consideration the size, internal organisation, and nature, scale and complexity of the Bank.

EFS DAC has established the Policy in a way that is appropriate to the size, internal organization, and the nature, scale and complexity of its activities. The objective of the Policy is to ensure that the Board is encouraging a positive risk culture by aligning risk management practices with remuneration practices. The Policy operates within the parameters of the global compensation policy established by the Bank's sole shareholder, U.S. Bank, while complying with local reward regulatory requirements.

The Policy is designed to discourage excessive risk-taking and is designed to ensure that the Bank maintains a sound capital base. The Policy seeks to embed a culture that encourages strong risk alignment practices.

The Policy is in line with the business strategy, objectives, values, long-term interests of EFS DAC, and aims to help contribute to our environmental, social and governance activities whilst incorporating measures to avoid conflicts of interest.

The Policy is reviewed at least annually by the RemNomCo and individual control functions, including Risk Management and Compliance and Internal Audit, to ensure that it is operating as intended, is consistently applied and is compliant with regulatory obligations and does not adversely impact the firm's capital base.

All aspects of the Policy and internal governance procedures are gender-neutral, including the award and pay-out conditions for remuneration. EFS DAC monitors the development of the gender pay gap as relevant, on a country-by-country basis. The Bank additionally conducts an annual equal pay review and where material differences between the average pay of male and female staff exist, appropriate action will be taken where relevant or rationale will be documented to demonstrate that the difference does not result from a remuneration policy that is not gender neutral.

The Policy makes a clear distinction between criteria for setting fixed remuneration and variable remuneration, reflecting the specific nature of both as relevant for the Bank.
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Fixed Remuneration

EFS DAC's fixed remuneration is set to remunerate the professional services rendered by employees, in line with the level of education, the degree of seniority, the level of expertise and skills required, job experience, the relevant business sector and location.

Fixed pay will generally include non-performance related payments which EFS DAC is contractually obliged to make which are non-discretionary, fixed amounts and which cannot be withdrawn. This can include base salary, as well as role-based allowances, such as car and branch manager allowances. Fixed pay can additionally include payments which form part of routine employment packages such as pension and benefits.

Variable Remuneration

The Bank considers all performance-related awards to be variable remuneration, and any payment that is not classified as fixed remuneration is considered variable remuneration. In particular, EFS DAC considers all performance-related incentive awards (including the Sales Incentive Plans, Corporate Incentive Plans, Long Term Incentive Plans, etc.) to be variable remuneration.

Variable pay also includes severance payments (payable on or in connection with the termination of employment and assessed on a case-by-case basis) as well retention awards, guaranteed variable pay and buy-out awards.

The Policy is designed to ensure that severance packages do not reward failure or misconduct and will be awarded subject to our regulatory obligations including the provisions in the EBA Remuneration Guidelines (for example, severance payments will not be awarded in circumstances where there is a clear failure which allows for the immediate termination of a contract and dismissal of an employee). Severance payment amounts will be determined with reference to criteria which may include, but are not limited to, the length of service of the employee, the seniority of the individual, the reasons for the cessation of employment, potential litigation and the potential costs of legal fees and settlement costs relating to such litigation and are subject to an approvals process to ensure consistency with the principles and independent review.

Retention awards, if made, are exceptional and EFS DAC is required to substantiate the legitimate interest in making this award and ensure the pay out and ex-post risk alignment for variable pay for material risk takers is met.

Guaranteed variable pay is also made from time to time in exceptional circumstances and is paid in the context of hiring new staff, in line with regulatory requirements, and may consider the amounts of variable compensation being foregone by the individual at their previous employer. Remuneration packages relating to compensation or buy out from previous contracts of employment are structured to align with the long-term interests of EFS DAC, from a retention, deferral, performance and claw back perspective.

Variable remuneration can be awarded to employees as upfront cash and long-term incentive awards deferred over a period of three years, increasing to a minimum of four years for material risk takers. The percentage of variable remuneration awarded to employees as long-term incentive generally increases with seniority ensuring that an employee's remuneration is aligned with the Bank's and the shareholder's long-term interests, while all variable remuneration awarded to material risk takers as part of the 2021 year-end pay-for-performance process was awarded in the form of long-term incentive.

The total variable remuneration awarded does not limit the ability of EFS DAC to strengthen its capital base.

Control Functions

The term 'control functions' for the purpose of remuneration within EFS DAC is defined as those functions independent of the business line they control and includes, but is not limited to, employees in risk management, compliance and internal audit.

The Bank's control functions play an active part in the ongoing oversight and review of the Policy for business lines other than their own. In order to preserve the independence and appropriate authority of the control functions, the method of determining the remuneration of control function personnel cannot itself compromise their objectivity or be likely to do so.

To achieve this objective, and minimise any conflict of interest, variable remuneration awarded to control functions is determined independently from the business lines. Corporate incentive pools for control functions are based on the overall performance of U.S.Bank/EFS DAC and individual variable remuneration awards are based on individual performance against objectives relevant to the function.

The remuneration of the senior staff member responsible for heading the control functions is directly overseen by the RemNomCo.

Description of Ways in which Current and Future Risks are Taken into Account in the Remuneration Process

The key objective of the Policy is to ensure that the Bank is not exposed to excessive risk taken as a consequence of any misalignment of risk taking and variable remuneration.

To limit excessive risk taking, variable remuneration shall be performance-based, and risk adjusted. Risk alignment has been incorporated into (i) the performance and risk measurement processes; (ii) the award process; and (iii) the pay-out process. Within these three elements, risk alignment has been developed in accordance with the Bank's policies and process around risk management and corporate governance and cover the main parameters and rationale for variable components of compensation and related benefits.

(i) Performance and Risk Measurement Processes

EFS DAC's remuneration system requires objectives to be set for employees that align to the annual plan for the business line and EFS DAC/U.S. Bank's overall business strategy.

The performance criteria, which must be used to assess the employee's achievement of objectives during the accrual period, can be directly derived from these objectives. The performance assessment therefore links the individual's remuneration with the achievement of the business strategy.

Risk alignment during performance measurement is achieved through the use of a balanced scorecard for performance, which includes both qualitative and quantitative elements, to ensure that risk may be appropriately considered at a firm, business unit and individual level. Considerations for risk adjustment may differ according to the activity of the employee and the business line; however, they should be consistent with the need for appropriate risk alignment. For the purposes of determining variable remuneration at year-end, among the key risks which may be taken into account include, but are not limited to, operational risk, conduct risk, reputational risk, credit risk and liquidity risk.

To avoid excesses due to over-individualistic behaviour, performance-related incentive awards include parameters linked to the risks and performance of the business unit and EFS DAC, in addition to the risks and performance of the individual activities. Thus, the amount of variable remuneration a staff member is eligible for shall be determined by their individual performance, the performance of their business line and the performance of EFS DAC/U.S. Bank. The relative importance of each level of the performance criteria shall be determined beforehand and adequately balanced to consider the position or responsibilities held by the employee. This is to be achieved through the establishment of appropriate corporate incentive pools for variable remuneration which are then filtered down the organisation. Specifically, when corporate incentive pools are set, financial metrics, strategic progress, risk factors and environmental or macro impacts will be taken into account.

(ii) Award Process

The award process is the means by which each individual's variable remuneration is determined. The award process translates performance assessment into a variable remuneration component for each staff member. At a firm level, when assessing risk and performance, EFS DAC takes into account both current and future risks including, but not limited to, operational risk, conduct risk, reputational risk, credit risk and liquidity risk.

For material risk takers, shareholder approval is in place allowing a maximum ratio of 200% of fixed remuneration to be awarded as a variable remuneration. The Board put forward such a proposal to U.S. Bank, as the relevant shareholder, and this was approved, on 30th June 2014. EFS DAC is ultimately owned by US Bank National Association.

(iii) Pay-Out Process

The pay-out process is a mechanism for aligning risk to remuneration which includes a deferral of variable remuneration. The objective of the deferral is to reward material risk takers for the sustainability of their performance over the long term.

For material risk takers, the Policy is in place whereby variable remuneration can be paid partly upfront and a minimum of 40% deferred pro-rata over a four year period (with both upfront and deferred paid 50% in cash and 50% in Restricted Stock Units over shares in U.S. Bank). A minimum of 60% is deferred if total variable pay is EUR 500,000 or more. Additionally, both upfront and deferred remuneration paid in share-settled Restricted Stock Units is held for not less than 12 months. While EFS DAC currently defers 100% of the annual incentive compensation awarded to material risk takers, any other form of variable remuneration will be subject to the regulatory minimum, where applicable.

EFS DAC will reassess the performance of material risk takers at the end of each performance year and consider, if necessary, whether any risk adjustment should be made to a material risk taker's remuneration. The purpose of this risk adjustment is to provide a further mechanism for fully aligning remuneration with risk taking.

On an annual basis, and prior to the vest and release of deferred cash or deferred instruments, the U.S. Bank Incentive Review Committee (IRC) will meet to review whether any events could have posed, or have the potential to pose, a material adverse impact on the organisation or a business line, and whether the event is/was attributable to employee actions. The IRC will review the events and determine whether any event warrants the cancellation of any unvested award. Upon completion of diligence, and approval by the IRC, cancellation recommendations are presented for final approval to the RemNomCo and the U.S. Bank Compensation and Human Resources Committee of the Board of Directors.

Overview of Main Performance Criteria and Metrics for Institution, Business Lines, and Individuals

EFS DAC is committed to pay for performance. As a U.S. Bank Company, pay for performance includes U.S. Bank performance, line of business performance within EFS DAC, and individual performance.

EFS DAC has an established process in place to measure the performance of both business lines and individuals. This performance process places appropriate emphasis on financial results, effective risk management and core behavioral standards

The annual corporate incentive pool is calculated based on corporate performance and business line performance versus annual plan. As part of the calculation, Corporate Finance applies a standardized methodology for provision and credit adjustments to assess the impact of net charge offs, reserve build adjustments and other credit considerations. A qualitative assessment is additionally conducted to make final adjustments that are appropriate to ensure incentive funding outcomes align with holistic business performance and long term risks.

Individuals are measured and assessed on (i) business results and accomplishments ('the what') and (ii) evidence that core behaviours and values are demonstrated ('the how'). Individual year-end incentive awards will consider the overall performance of EFS DAC (and aligned with U.S. Bank), the performance of the business line and the individual.

Specific reviews of the risk performance of all material risk takers are formally undertaken annually both at a business line level and subject to review and challenge by the Incentive Risk Working Group chaired by the EFS DAC Chief Risk Officer. At this meeting, material risk taker performance is individually assessed from a risk perspective and individual risk adjustments may be applied if appropriate.

Overview of How Amounts of Individual Variable Remuneration are Linked to Institution-Wide, Business Unit and Individual Performance

Performance is evaluated in terms of accomplishing measurable business results with achieving other assigned departmental and personal goals (including non-financial goals). Thus, the amount of incentive award an employee is eligible for shall be determined by their individual performance, the performance of their business line/corporate function and the performance of U.S. Bank/EFS DAC.

The annual corporate incentive pool funding is calculated based on corporate performance and business unit performance versus annual plan, with final adjustments applied on a discretionary basis to ensure incentive funding outcomes align with holistic business performance, taking into account both financial and non-financial performance.

All variable remuneration awards are discretionary. Every employee is expected to act in a manner that does not expose EFS DAC and/or U.S. Bank to undue levels of risk, financial loss or damage to reputation. Thus, in making any award, the Bank will consider the risks associated with the employee's position and duties, the employee's performance relative to those risks, and the Bank's overall risk exposure and experience, and adjust any award for these or any other risk factors or experience, including but not limited to regulatory matters requiring attention and audit issues.

The Bank may also downwardly adjust an employee's variable remuneration for failure to satisfactorily complete mandatory compliance training such as anti-money laundering.

Material risk takers are also subject to a formal risk assessment process, allowing for the adjustment of incentive awards to account for risk outcomes.

Information on the Criteria Used to Determine Balance Between Different Types of Instruments Awarded

Variable remuneration paid to material risk takers is paid in accordance with all relevant regulations and guidelines. While EFS DAC currently defers 100% of the annual incentive compensation awarded to material risk takers, any other form of variable remuneration will be subject to the regulatory minimum, where applicable.

All awards of variable remuneration paid in instruments are subject to a 12-month retention period. Share-linked instruments are deemed to be an appropriate form of variable remuneration given that EFS DAC is not a publicly listed financial institution, and adequately reflects the credit quality of the Bank as a going concern.

The deferral schedule implemented appropriately aligns the remuneration with EFS DAC's activities, business cycle and risk profile and the activities of the relevant material risk taker, so that a sufficient part of the variable remuneration can be adjusted for risk outcomes over time through ex-post risk adjustments. Deferred awards vest pro-rata over the relevant deferral period.

Overview of the Bank's Policy on Deferral, Pay-out in Instrument, Retention Periods, and Vesting of Variable Remuneration

For the 2021 performance year, all material risk takers received 100% of their year-end incentive awards as a long-term incentive award deferred over a pro-rata vesting period of four years, with a minimum of 50% awarded in Restricted Stock Units.

All awards of variable remuneration paid in Restricted Stock Units were subject to a 12-month retention period post vest apart from those material risk takers who met the requirements of Article 94(3)(b) of CRD. Restricted Stock Units are deemed to be an appropriate form of variable remuneration given that EFS DAC is not a publicly listed financial institution, and adequately reflects the credit quality of the Bank as a going concern. Restricted Stock Units awarded to material risk takers do not carry dividends or dividend equivalents during the deferral period, as required under relevant regulations.

The Bank applies proportionality in order to disapply the rule relating to the 12-month retention period that is required to be applied on deferred instruments awarded to material risk takers as laid out in Article 94(3)(b) of the CRD – further detail is set out in the accompanying quantitative disclosures. For the avoidance of doubt, variable remuneration awarded to those material risk takers meeting the variable remuneration thresholds under Article 94(3)(b) is still deferred over a four-year period with a minimum of 50% awarded as Restricted Stock Units.

For material risk takers, up to 100% of the total variable remuneration can be subject to malus or claw back arrangements, irrespective of the method of payment used. EFS DAC ensures, to the extent possible, that material risk takers do not use personal hedging strategies or remuneration and liability related insurance to undermine the risk alignment effects embedded in their respective remuneration arrangements.

Clawback can apply to all variable remuneration for a minimum period of five years from the date of grant.

As part of the acceptance of variable remuneration awards, material risk takers of the Bank agree that malus and clawback can be applied. Malus and clawback can be applied in the following situations:

- where an employee has participated in, or was responsible for, conduct that resulted in significant losses.
- where EFS DAC and/or the relevant business unit subsequently suffers a significant downturn in its financial performance (e.g., specific business indicators).
- where there have been significant decreases in EFS DAC's or business units' economic or regulatory capital base.

4.2 EU REM 1 – Remuneration awarded for the financial year

Template EU REM1 - Remuneration awarded for the financial year			a+b	c	d
In thousands (000s) of Euro			Total Management Body (Supervisory Function & Management Function)	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	10	9	21
2		Total fixed remuneration	1,199	3,102	4,783
3		Of which: cash-based	1,110	2,923	4,431
4		(Not applicable in the EU)	-	-	-
EU-4a		Of which: shares or equivalent ownership interests	-	-	-
5		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-
EU-5x		Of which: other instruments	-	-	-
6		(Not applicable in the EU)	-	-	-
7		Of which: other forms	89	178	351
8		(Not applicable in the EU)	-	-	-
9	Variable remuneration	Number of identified staff	10	9	21
10		Total variable remuneration	782	1,798	1,959
11		Of which: cash-based	385	889	964
12		Of which: deferred	385	783	929
EU-13a		Of which: shares or equivalent ownership interests	397	908	994
EU-14a		Of which: deferred	397	805	960
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-
EU-14b		Of which: deferred	-	-	-
EU-14x		Of which: other instruments	-	-	-
EU-14y		Of which: deferred	-	-	-
15		Of which: other forms	-	-	-
16		Of which: deferred	-	-	-
17	**Total remuneration (2 + 10)**		**1,981**	**4,899**	**6,741**

Notes:

1) All non Euro values converted using the European Commission FX rate for December 2021.

2) Fixed Remuneration includes base salary, Director fees, allowances (inclusive of role based allowances), pension and benefits.

3) Variable remuneration includes immediately vested cash and restricted stock units, deferred cash and deferred restricted stock units awarded for the 2021 performance year.

4) In line with point b of Article 94(3) of CRD V, EFS DAC avails of the opportunity of derogation from the requirements set out in Article 94(1) (l) and (m) and in the second paragraph (o) for MRTs whose annual variable remuneration did not exceed EUR50,000 and does not represent more than one third of their total annual remuneration. Specifically, for the 2021 performance year, 2 MRTs whose total remuneration was EUR375,544 with total variable remuneration of EUR83,975 benefitted from the disaplication of the 12 month retention period being applied to the vest of equity linked instruments.

4.3 EU REM 2 – Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

Table 6 EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)		a+b	c	d
In thousands (000s) of Euro		Management Body	Other senior management	Other identified staff
	Guaranteed variable remuneration awards			
1	Guaranteed variable remuneration awards - Number of identified staff	-	-	-
2	Guaranteed variable remuneration awards -Total amount	-	-	-
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-
	Severance payments awarded in previous periods, that have been paid out during the financial year			
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	-	-
	Severance payments awarded during the financial year			
6	Severance payments awarded during the financial year - Number of identified staff	-	-	-
7	Severance payments awarded during the financial year - Total amount	-	-	-
8	Of which paid during the financial year	-	-	-
9	Of which deferred	-	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-
11	Of which highest payment that has been awarded to a single person	-	-	-

There were no instances of special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff) for EFS in 2021.

4.4 EU REM 3 - Deferred remuneration

Template EU REM 3 - Deferred remuneration		a	b	c	d	e	f	EU - g	EU - h
In thousands (000s) of Euro		Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function	-	-	-	-	-	-	-	-
2	Cash-based	-	-	-	-	-	-	-	-
3	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
4	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
5	Other instruments	-	-	-	-	-	-	-	-
6	Other forms	-	-	-	-	-	-	-	-
7	MB Management function	1,319	392	927	-	-	72	392	242
8	Cash-based	616	162	455	-	-	-	162	-
9	Shares or equivalent ownership interests	703	230	473	-	-	72	230	242
10	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
11	Other instruments	-	-	-	-	-	-	-	-
12	Other forms	-	-	-	-	-	-	-	-
13	Other senior management	1,994	413	1,581	-	-	95	413	289
14	Cash-based	1,001	230	771	-	-	-	230	-
15	Shares or equivalent ownership interests	993	183	810	-	-	95	183	289
16	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
17	Other instruments	-	-	-	-	-	-	-	-
18	Other forms	-	-	-	-	-	-	-	-
19	Other identified staff	1,990	623	1,367	-	-	97	623	426
20	Cash-based	1,062	352	710	-	-	-	352	-
21	Shares or equivalent ownership interests	928	271	657	-	-	97	271	426
22	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
23	Other instruments	-	-	-	-	-	-	-	-
24	Other forms	-	-	-	-	-	-	-	-
25	**Total amount**	**5,302**	**1,427**	**3,875**	**-**	**-**	**264**	**1,427**	**957**

Notes:

1) All non Euro values converted using the European Commission FX rate for December 2021.

2) Deferred remuneration in the form of shares or equivalent ownership interests are valued utilising the 31 December 2021 U.S. Bank Fair Market Value ('FMV'). The FMV is determined by the closing price of U.S. Bank common stock share price.

3) Total amount of adjustment during the financial year due to ex post implicit adjustments calculated by (i) difference in share price between 1 January 2021 to 5 March 2021 for shares vesting in 2021; (ii) difference in price between 5 March 2021 to 31 December 2021 for shares granted in 2021; and (iii) the difference in price between 1 January 2021 and 31 December 2021 for shares that remained outstanding for the full financial year.

4.5 EU REM 4 - Remuneration of 1 million EUR or more per year

Table 8 EU REM4 - Remuneration of 1 million EUR or more per year		a
In thousands (000s) of Euro		Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	1
2	1 500 000 to below 2 000 000	0
3	2 000 000 to below 2 500 000	0
4	2 500 000 to below 3 000 000	0
5	3 000 000 to below 3 500 000	0
6	3 500 000 to below 4 000 000	0
7	4 000 000 to below 4 500 000	0
8	4 500 000 to below 5 000 000	0
9	5 000 000 to below 6 000 000	0
10	6 000 000 to below 7 000 000	0
11	7 000 000 to below 8 000 000	0
x	To be extended as appropriate, if further payment bands are needed.	0

5. Forward Looking

The residual effects of COVID-19 on merchant services revenues have persisted into the first quarter of 2022. The recovery in merchant services revenue is expected to be closely linked to the lifting of COVID-19 restrictions, noting that different sectors and jurisdictions may recover with different trajectories depending on national decisions and whether sector specific restrictions may persist, such as in travel related areas. The developments in Eastern Europe which have led to the Russia Ukraine conflict have provided an emerging risk driver for the Group. While the Group does not have a direct presence in either location, several factors lead to requirement for heightened focus on risk management and monitoring, namely, the proximity of Poland to this potential conflict, the impact on European fuel prices, and the potential confidence impacts on the European market. This provides a potential increasing headwind to 2022 recovery.

Climate Related and Environmental (ESG) is an important factor in the Group's long terms strategy. The Group recognises that climate change and environmental degradation are sources of structural change that will affect economic activity, the financial system and may potentially pose a threat to the financial position and strategy of the Bank. The ESG agenda has evolved and expanded from Corporate Social Responsibility and encapsulates a broad set of objectives and activities across a range of themes, including Climate Change, and is an area of growing focus of the Bank. During 2022 the Group are committed to developing a more granular climate strategy which will form a key focus of the 2022 Strategic Planning and Risk Management cycle for the Group.

In the longer term, it is considered that the Group's business mix, sound strategies and prudent business model put the Group in a strong position for the years ahead. The Group has invested in personnel and infrastructure to ensure it is well positioned into the future when economic activity improves in each jurisdiction. In particular, this should allow the Group to respond appropriately and effectively to the anticipated impacts of increased banking regulation, European legislation changes, political or further economic uncertainty and technological advances.

Appendix

Article 13(3) of the CRR allows institutions to rely on equivalent disclosures made by its parent undertaking. Elavon makes use of equivalent disclosures made by its ultimate parent undertaking U.S. Bancorp as set out in Appendix 1 and 2 below.

Appendix 1 - CRR Roadmap and use of Equivalence

Article	CRR Article Summary	Applicable Yes / No	Use of Equivalency Yes / No	Location of EFS Disclosure Not Covered by Equivalency	Comment/ Location of Group Disclosures not covered by Equivalency
General Principles					
Article 431: Scope of disclosure requirements					
431 (1)	Institutions shall publicly disclose the information referred to in Titles II, and III in accordance with the provisions laid down in this Title, subject to the exceptions referred to in Article 432.	Yes	No	N/A	Elavon Pillar 3 2021 disclosures.
431 (2)	Institutions that have been granted permission by the competent authorities under Part Three for the instruments and methodologies referred to in Title III of this Part shall publicly disclose the information laid down therein.	No	No	N/A	**N/A -** Elavon does not apply any of these methodologies.
431 (3)	The management body or senior management shall adopt a formal policy to comply with the disclosure requirements laid down in this Part, and put in place and maintain internal processes, systems and controls to verify that the institutions' disclosures are appropriate and in compliance with the requirements laid down in this Part......	Yes	No	N/A	Elavon Pillar 3 Disclosures 2021.
431 (4)	All quantitative disclosures shall be accompanied by a qualitative narrative and any other supplementary information that may be necessary in order for the users of that information to understand the quantitative disclosures, noting in particular any significant change in any given disclosure compared to the information contained in the previous disclosures.	Yes	No	N/A	Elavon Pillar 3 Disclosures 2021
431 (5)	Institutions shall, if requested, explain their rating decisions to SMEs and other corporate applicants for loans, providing an explanation in writing when asked. The administrative costs of that explanation shall be proportionate to the size of the loan.	No	No	N/A	N/A - Elavon has not been requested to provide an explanation on rating decisions.
Article 432: Non-material, proprietary or confidential information					
432 (1)	With the exception of the disclosures laid down in point (c) of Article 435(2) and in Articles 437 and 450, institutions may omit one or more of the disclosures listed in Titles II and III where the information provided by those disclosures is not regarded as material....	Yes	No	N/A	N/A - Elavon has not elected to make a non-disclosure on materiality grounds.
432 (2)	Institutions may also omit one or more items of information referred to in Titles II and III where those items include information that is regarded as proprietary or confidential in accordance with this paragraph, except for the disclosures laid down in Articles 437 and 450....	Yes	No	N/A	N/A - Elavon has not elected to make a non-disclosure on confidentiality grounds.
432 (3)	In the exceptional cases referred to in paragraph 2, the institution concerned shall state in its disclosures the fact that the specific items of information are not being disclosed and the reason for not disclosing those items and publish more general information about the subject matter of the disclosure requirement, except where that subject matter is proprietary or confidential.	Yes	No	N/A	N/A - Elavon has not elected to make a non-disclosure on confidentiality grounds.
Article 433: Frequency of disclosure					
433	Institutions shall publish the disclosures required under Titles II and III in the manner set out in Articles 433a, 433b and 433c.....	Yes	No	N/A	Elavon Pillar 3 Disclosures 2021.
433 a	1.Large institutions shall disclose the information outlined below with the following frequency...	No	No	N/A	N/A Elavon is not a large Institution.
433 b	1.Small and non-complex institutions shall disclose the information outlined below with the following frequency…	No	No	N/A	N/A Elavon is not a small or non-complex Institution.

Article	CRR Article Summary	Applicable Yes / No	Use of Equivalency Yes / No	Location of EFS Disclosure Not Covered by Equivalency	Comment/ Location of Group Disclosures not covered by Equivalency
433 c (1)	1.Institutions that are not subject to Article 433a or 433b shall disclose the information outlined below with the following frequency….	No	No	N/A	EFS DAC is a not a Large Institution nor listed - all information is required on an annual basis. Please refer to Appendix item 2 Frequency of Disclosures for more information on requirements.
433 c (2)	2.By way of derogation from paragraph 1 of this Article, other institutions that are non-listed institutions shall disclose the following information on an annual basis: (a)points (a), (e) and (f) of Article 435(1); (b)points (a), (b) and (c) of Article 435(2); (c)point (a) of Article 437; (d)points (c) and (d) of Article 438; (e)the key metrics referred to in Article 447; (f)points (a) to (d), (h) to (k) of Article 450(1).	Yes	No	N/A	
Article 434: Means of disclosures					
434 (1)	1.Institutions shall disclose all the information required under Titles II and III in electronic format and in a single medium or location. The single medium or location shall be a standalone document that provides a readily accessible source of prudential information for users of that information, or a distinctive section included in or appended to the institutions' financial statements or financial reports containing the required disclosures and being easily identifiable to those users.	Yes	No	N/A	**Elavon Pillar 3 Disclosures 2021** • Elavon provides its disclosures in a separate Pillar 3 document. • References to equivalent disclosures by U.S. Bancorp are also provided. N/A
434 (2)	2. Equivalent disclosures made by institutions under accounting, listing or other requirements may be deemed to constitute compliance with this Part. If disclosures are not included in the financial statements, institutions shall unambiguously indicate in the financial statements where they can be found.	Yes	No	N/A	
434 (2) a	EBA shall develop draft implementing technical standards specifying uniform disclosure formats, and associated instructions in accordance with which the disclosures required under Titles II and III shall be made….	No	No	N/A	N/A reference to EBA requirements on technical standards.
TECHNICAL CRITERIA ON TRANSPARENCY AND DISCLOSURE					
Article 435: Risk management objectives and policies					
Article 435(1)(a)	Strategies and processes to manage risk.	Yes	Yes	**U.S. Bancorp - 2021 Annual Report (Audited):** • MD&A - Balance Sheet Analysis (pg. 28 - 36) • MD&A - Corporate Risk Profile (pg. 35 - 55) N/A N/A	N/A These sub sections are not required for non-listed Other Institution
Article 435(1)(b)	Structure and organisation of risk management function	No	Yes		
Article 435(1)(c)	Risk reporting and measurement systems	No	Yes		
Article 435(1)(d)	Policies for hedging and mitigating risk.	No	No	N/A	
Article 435(1)(e)	Management Body declaration.	Yes	Yes	**U.S. Bancorp - 2021 Annual Report (Audited):** • MD&A - Balance Sheet Analysis (pg. 28 - 36) • MD&A - Corporate Risk Profile (pg. 35 - 55) <https://ir.usbank.com/investor-relations/corporate-governance>	
Article 435(1)(f)	Risk statement approved by the Management Body including: (i) key ratios, risk profile + tolerance and (ii) intragroup & related party transactions.	Yes	Yes		
Article 435(2)(a)	Number of directorships by Management Body members.	Yes	Yes		
Article 435(2)(b)	Recruitment policy for Management Body members (knowledge, skills and experience).	Yes	Yes		
Article 435(2)(c)	Diversity policy of the Management Body.	Yes	Yes		

Article	CRR Article Summary	Applicable Yes / No	Use of Equivalency Yes / No	Location of EFS Disclosure Not Covered by Equivalency	Comment/ Location of Group Disclosures not covered by Equivalency
Article 435(2)(d)	Disclosure of existence of the Risk Committee and number of times it has met in the year.	No	No	N/A	These sub sections are not required for non-listed Other Institution
Article 435(2)(e)	Description of information flow on risk to the Management Body.	No	No		These sub sections are not required for non-listed Other Institution
Article 436: Scope of application					
Article 436(a)	Name of the institution.	No	No	N/A	**Elavon Pillar 3 Disclosures 2021** • Introduction (pg. 5)
Article 436(b)	Reconciliation between accounting and regulatory financials.	No	No	**N/A**	All subsidiaries are consolidated for accounting and prudential purposes. There exist no differences in terms of accounting treatment between the BV Financials or equivalents regulatory financials. This Article is not required for non-listed Other Institutions.
Article 436(c)	Breakdown of assets and liabilities, broken down by type of risk (per Part One of Title II [Cap Req] CRR)	No	No	N/A	This Article is not required for non-listed Other Institutions.
Article 436(d)	Main sources of differences in carrying value and the exposure amount.	No	No	N/A	This Article is not required for non-listed Other Institutions.
Article 436(e)	Prudential valuation adjustments for both trading and non-trading books.	No	No	N/A	This Article is not required for non-listed Other Institutions.
Article 436(f)	Practical or legal impediments to prompt transfer of own funds.	No	No	N/A	This Article is not required for non-listed Other Institutions.
Article 436(g)	Own Funds outside the prudential consolidation.	No	No	N/A	This Article is not required for non-listed Other Institutions.
Article 436(h)	Use of derogation under Articles 7 and/or 9 of CRR.	No	No	N/A	This Article is not required for non-listed Other Institutions.
Article 437: Own funds					
Article 437(a)	Full reconciliation of capital and deductions to the audited financial statements.	Yes	No	N/A	Table CC2 2021 EFS Pillar disclosures page 8
Article 437(b)	Main features of capital instruments issued.	No	No	N/A	This Article section is not required for non-listed Other Institutions.
Article 437(c)	Terms and conditions of capital.	No	No		
Article 437(d)	Prudential filters, deductions and items not deducted.	No	No		
Article 437(e)	Description of restrictions on capital (prudential filters and deductions).	No	No	N/A	
Article 437(f)	Comprehensive explanation of capital ratios (basis for calculation).	No	No	N/A	
Article 438: Capital requirements					
Article 438(a)	Summary of ICAAP.	No	No	N/A	This Article section is not required for non-listed Other Institutions.
Article 438(b)	Additional Own Funds from SREP.	No	No	N/A	This Article section is not required for non-listed Other Institutions.
Article 438(c)	Results of ICAAP (upon demand from Competent Authority).	No	No	N/A	As there has been no demand from the relevant competent authority this Article sub-section is not applicable.

Article	CRR Article Summary	Applicable Yes / No	Use of Equivalency Yes / No	Location of EFS Disclosure Not Covered by Equivalency	Comment/ Location of Group Disclosures not covered by Equivalency
Article 438(d)	RWEA and Capital Requirement (per Art 92 CRR), broken down by risk category. Includes explanation on results from applying capital floors and NOT deducting items from own funds.	Yes	No	N/A	Table EU OVI EFS 2021 Pillar 3 disclosures page 9
Article 438(e)	On and off-balance sheet exposures and RWAs for both specialised lending and equity exposures. The expected losses of specialised lending also added.	No	No	N/A	N/A as EFS does not engage in specialised lending.
Article 438(f)	Holdings in insurance undertakings.	No	No	N/A	N/A as EFS does not hold instruments in insurance or re-insurance undertakings.
Article 438(g)	Financial conglomerates.	No	No	N/A	N/A as EFS is not a financial conglomerate.
Article 438(h)	Internal models.	No	No	N/A	N/A as EFS does not use internal models.
Article 439: Exposure to counterparty credit risk					
Article 439 (a-m)	Description of the methodology used to assign internal capita and various information on CRR approach	No	No	N/A	This Article is not required for non-listed Other Institutions.
Article 440: Capital buffers					
Article 440 (a)	The geographical distribution of the exposure amounts, and risk-weighted exposure amounts of its credit exposures	No	No	N/A	This Article is not required for non-listed Other Institutions.
Article 440 (b)	The amount of their institution-specific countercyclical capital buffer.	No	No	N/A	This Article is not required for non-listed Other Institutions.
Article 441: Indicators of global systemic importance					
Article 441	Disclosure of the indicators of global systemic importance.	No	No	N/A	EFS is not a G-SII and therefore, not applicable.
Article 442: Credit risk adjustments					
Article 442 (a)	The scope and definitions that they use for accounting purposes of 'past due' and 'impaired'	No	No	N/A	This Article is not required for non-listed Other Institutions.
Article 442 (b)	Description of the approaches and methods adopted for determining specific and general credit risk adjustments	No	No	N/A	
Article 442 (c)	Information on the amount and quality of performing, non-performing and forborne exposures for loans, debt securities and off-balance-sheet exposures,	No	No	N/A	
Article 442 (d)	Ageing analysis of accounting past due exposures	No	No	N/A	
Article 442 (e)	The gross carrying amounts of both defaulted and non-defaulted exposures, the accumulated specific and general credit risk adjustments, the accumulated write-offs taken against those exposures….	No	No	N/A	
Article 442 (f)	Changes in the gross amount of defaulted on- and off-balance-sheet exposures, including, as a minimum, information on the opening and closing balances of those exposures	No	No	N/A	
Article 442 (g)	Breakdown of loans and debt securities by residual maturity.	No	No	N/A	
Article 443: Unencumbered assets					
Article 443	Encumbered and Unencumbered Assets	No	No	N/A	This Article is not required for non-listed Other Institutions.
Article 444: Use of ECAIs					
Article 444 (a)	The names of the nominated ECAIs and ECAs and the reasons for any changes in those nominations	No	No	N/A	This Article is not required for non-listed Other Institutions.
Article 444 (b)	The exposure classes for which each ECAI or ECA is used	No	No	N/A	
Article 444 (c)	Description of the process used to transfer the issuer and issue credit ratings onto items not included in the trading book	No	No	N/A	
Article 444 (d)	The association of the external rating of each nominated ECAI or ECA with the risk weights that correspond to the credit quality steps as set out in Chapter 2 of Title II of Part Three	No	No	N/A	
Article 444 (e)	The exposure values and the exposure values after credit risk mitigation associated with each credit quality step as set out in Chapter 2 of Title II of Part Three	No	No	N/A	

Article	CRR Article Summary	Applicable Yes / No	Use of Equivalency Yes / No	Location of EFS Disclosure Not Covered by Equivalency	Comment/ Location of Group Disclosures not covered by Equivalency
Article 445	Disclosure of position risk, large exposures exceeding limits, FX, settlement and commodities risk.	No	No	N/A	This Article is not required for non-listed Other Institutions.
Article 446: Operational risk					
Article 446 (a)	approaches for the assessment of own funds requirements for operational risk	No	No	N/A	This Article is not required for non-listed Other Institutions.
Article 446 (b)	Description of the methodology set out in Article 312(2), which shall include a discussion of the relevant internal and external factors being considered in the institution's advanced measurement approach	No	No	N/A	
Article 446 (c)	if applicable e scope and coverage of the different methodologies used	No	No	N/A	
Article 447 Disclosure of key metrics					
Article 447 (a)	The composition of their own funds in accordance with Article 92	Yes	No	N/A	Table 1 KM1 EFS 2021 Pillar 3 disclosures page 5
Article 447 (b)	The total risk exposure amount as calculated in accordance with Article 92(3)	Yes	No	N/A	
Article 447 (c)	If applicable, the amount and composition of additional own funds which the institutions are required to hold in accordance with point (a) of Article 104(1) of Directive 2013/36/EU	Yes	No	N/A	
Article 447 (d)	The combined buffer requirement which the institutions are required to hold in accordance with Chapter 4 of Title VII of Directive 2013/36/EU	Yes	No	N/A	
Article 447 (e)	The leverage ratio and the total exposure measure as calculated in accordance with Article 429	Yes	No	N/A	
Article 447 (f)	Information in relation to their liquidity coverage ratio as calculated in accordance with the delegated act referred to in Article 460(1)	Yes	No	N/A	
Article 447 (g)	Information in relation to their net stable funding requirement as calculated in accordance with Title IV of Part Six:	Yes	No	N/A	
Article 447 (h)	Own funds and eligible liabilities ratios and their components, numerator and denominator, as calculated in accordance with Articles 92a and 92b and broken down at the level of each resolution group, where applicable	No	No	N/A	EFS DAC is not required to disclose its MREL per Article 437a.
Article 448 Exposure to interest rate risk on positions not included in the trading book					
Article 448 (a)	Disclose the changes in the economic value of equity calculated under the six supervisory shock scenarios referred to in Article 98(5) of Directive 2013/36/EU for the current and previous disclosure periods	No	No	N/A	This Article is not required for non-listed Other Institutions.
Article 448 (b)	Disclose the changes in the net interest income calculated under the two supervisory shock scenarios referred to in Article 98(5) of Directive 2013/36/EU for the current and previous disclosure periods	No	No	N/A	
Article 448 (c)	Description of how institutions define, measure, mitigate and control the interest rate risk of their non-trading book activities for the purposes of the competent authorities' review in accordance with Article 84 of Directive 2013/36/EU	No	No	N/A	
Article 448 (d)	Explanation of the significance of the risk measures disclosed under points (a) and (b) of this paragraph and of any significant variations of those risk measures since the previous disclosure reference date	No	No	N/A	
Article 448 (e)	Description of how institutions define, measure, mitigate and control the interest rate risk of their non-trading book activities for the purposes of the competent authorities' review in accordance with Article 84 of Directive 2013/36/EU	No	No	N/A	
Article 448 (f)	Description of the overall risk management and mitigation strategies for those risks	No	No	N/A	
Article 448 (g)	average and longest repricing maturity assigned to non-maturity deposits	No	No	N/A	
Article 448 2	By way of derogation from paragraph 1 of this Article, the requirements set out in points (c) and (e)(i) to (e)(iv) of paragraph 1 of this Article shall not apply to institutions that use the standardised methodology or the simplified standardised methodology referred to in Article 84(1) of Directive 2013/36/EU	No	No	N/A	
Article 449 Exposure to securitisation positions					
Article 449 (a-j)	Exposure to securitisation positions	No	No	N/A	This Article is not required for non-listed Other Institutions. N/A
Article 449a Disclosure of environmental, social and governance risks (ESG risks)					
Article 449a	ESG Disclosure	No	No	N/A	EFS is not a large institution and therefore, this Article does not apply.
Article 450: Remuneration policy					
Article 450	Remuneration disclosures	Yes	No		Elavon Pillar 3 Disclosures 2021 • Public Remuneration Disclosure #4. Remuneration

Article	CRR Article Summary	Applicable Yes / No	Use of Equivalency Yes / No	Location of EFS Disclosure Not Covered by Equivalency	Comment/ Location of Group Disclosures not covered by Equivalency
Article 451: Leverage					
Article 451 1 a-e	Leverage ratio, and breakdown of total exposure measure, including reconciliation to financial statements, and derecognised fiduciary items. Description of the processes used to manage the risk of excessive leverage, and factors that impacted the leverage ratio during the year.	No	No	N/A	Article 451 is not required to be disclosed by non-listed Other Institutions.
Article 451 2	Public development Institution to disclose the leverage ratio without the adjustment to the total exposure measure determined in accordance with point (d) of the first subparagraph of Article 429a(1).	No	No	N/A	
Article 451 3	Large institutions shall disclose the leverage ratio and the breakdown of the total exposure measure referred to in Article 429(4) based on averages calculated in accordance with the implementing act referred to in Article 430(7).	No	No	N/A	
Article 451a Disclosure of Liquidity Requirements					
Article 451	Institutions that are subject to Part Six shall disclose information on their liquidity coverage ratio, net stable funding ratio and liquidity risk management in accordance with this Article.	No	No	N/A	Article 451a is not required to be disclosed by non-listed Other Institutions.
QUALIFYING REQUIREMENTS FOR THE USE OF PARTICULAR INSTRUMENTS OR METHODOLOGIES					
Article 452 Use of the IRB Approach to credit risk					
Article 452	Article 452 Use of the IRB Approach to credit risk	No	No	N/A	N/A - Elavon does not use IRB Approach to credit risk
Article 453: Use of credit risk mitigation techniques					
Article 453 (a)	Article 453 Use of credit risk mitigation techniques	No	No	N/A	N/A Article 453 is not required to be disclosed by non-listed Other Institutions.
Article 453 (b)	Use of on and off-balance sheet netting.	No	No	N/A	
Article 453 (c)	Description of types of collateral used by the institution.	No	No	N/A	
Article 453 (d)	Main types of guarantors and credit derivative counterparty, creditworthiness	No	No	N/A	
Article 453 (e)	Market or credit risk concentrations within risk mitigation exposures	No	No	N/A	
Article 453 (f)	Standardised or Foundation IRB Approach, exposure value covered by eligible collateral.	No	No	N/A	
Article 453 (g)	Disclose the corresponding conversion factor and the credit risk mitigation associated with the exposure and the incidence of credit risk mitigation techniques with and without substitution effect	No	No	N/A	
Article 453 (h)	Where applicable disclose risk-weighted exposure amounts under the Standardised Approach, the on- and off-balance-sheet exposure value by exposure class before and after the application of conversion factors and any associated credit risk mitigation	No	No	N/A	
Article 453 (g)	Where applicable risk-weighted exposure amounts under the Standardised Approach, the risk-weighted exposure amount and the ratio between that risk-weighted exposure amount and the exposure value after applying the corresponding conversion factor and the credit risk mitigation associated with the exposure; the disclosure set out in this point shall be made separately for each exposure class	No	No	N/A	
Article 453 (h)	Where applicable risk-weighted exposure amounts under the Standardised Approach, the on- and off-balance-sheet exposure value by exposure class before and after the application of conversion factors and any associated credit risk mitigation;	No	No	N/A	
Article 453 (i)	Where applicable risk-weighted exposure amounts under the Standardised Approach, the risk-weighted exposure amount and the ratio between that risk-weighted exposure amount and the exposure value after applying the corresponding conversion factor and the credit risk mitigation associated with the exposure; the disclosure set out in this point shall be made separately for each exposure class;	No	No	N/A	
Article 453 (j)	Where applicable risk-weighted exposure amounts under the Standardised Approach, the risk-weighted exposure amount and the ratio between that risk-weighted exposure amount and the exposure value after applying the corresponding conversion factor and the credit risk mitigation associated with the exposure; the disclosure set out in this point shall be made separately for each exposure class;	No	No	N/A	
Article 454 Use of the Advanced Measurement Approaches to operational risk					
Article 454	Use of the Advanced Measurement Approaches to operational risk	No	No	N/A	N/A - Elavon does not use Advanced Measurement Approaches to operational risk
Article 455: Use of Internal Market Risk Models					
Article 455	Use of Internal Risk Models	No	No	N/A	**N/A -** Elavon does not use internal models for market risk

Appendix 2 - Index of Annex's required for OTHER INSTITUTIONS (NOT LISTED) in accordance with CRR 433c

ANNEX NUMBER	NAME OF ANNEX	RELEVANT ARTICLE IN THE ITS	RELEVANT ARTICLE IN CRR	TEMPLATE	FREQUENCY OTHER INSTITUTIONS (NOT LISTED)	Disclosed in Equivalent Source Y/N	Disclosed in Pillar 3 Y/N	Location in P3 or Equivalent Disclosure
Annex I	Disclosure of key metrics and overview of risk-weighted exposure amounts	2.1	Points (a) to (g) of Article 447 and point (b) of Article 438	EU KM1 - Overview of risk weighted exposure amounts	Annual	**No**	Yes	2021 EFS Pillar 3 Disclosure page 6
Annex I	Disclosure of key metrics and overview of risk-weighted exposure amounts	2.2	Point (d) of Article 438	EU OV1 - Overview of risk weighted exposure amounts	Annual	**No**	Yes	2021 EFS Pillar 3 Disclosure page 10
Annex I	Disclosure of key metrics and overview of risk-weighted exposure amounts	2.3	Points (a) and (c) of Article 438	EU OVC - ICAAP information	Annual	**No**	No	N/A – ICAAP Pillar 3 disclosure not requested by NA
Annex III	Disclosure of risk management policies and objectives	3	Article 435 (1)	EU OVA - Institution risk management approach	Annual	**Yes**	No	U.S. Bancorp - 2021 Annual Report (Audited): • MD&A - Balance Sheet Analysis (pg. 28 - 36) • MD&A - Corporate Risk Profile (pg. 35 - 55)
Annex III	Disclosure of risk management policies and objectives	3	Article 435 (2)	EU OVB - Disclosure on governance arrangements	Annual	**Yes**	No	**<U.S. Bancorp Website:** https://ir.usbank.com/investor-relations/corporate-governance
Annex VII	Disclosure of own funds	5 (a)	Points (a), (d), (e) and (f) of Article 437	EU CC1 - Composition of regulatory own funds	Annual	**No**	Yes	2021 EFS Pillar 3 Disclosure page 8
Annex VII	Disclosure of own funds	5 (a)	Point (a) of Article 437	EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements	Annual	**No**	Yes	2021 EFS Pillar 3 Disclosure page 9
Annex XIII	Disclosure of liquidity requirements	8 (a)	Articles 435(1) and 451a(4)	EU LIQA - Liquidity risk management	Annual	**Yes**	No	U.S. Bancorp - 2021 Annual Report (Audited): • MD&A - Corporate Risk Profile (pg. 52 - 55)
Annex XV	Disclosure of credit risk quality	9.1(a)	Points (a), (b), (d) and (f) of Article 435(1)	EU CRA: General qualitative information about credit risk	Annual	**Yes**	No	U.S. Bancorp - 2021 Annual Report (Audited): • MD&A - Corporate Risk Profile (pg. 36 - 48)
Annex XXIX	Disclosure of the use of standardised approach and internal model for market risk	16.2(a)	Points (a) to (d) of Article 435 (1)	EU MRA: Qualitative disclosure requirements related to market risk	Annual	**Yes**	No	U.S. Bancorp - 2021 Annual Report (Audited): • MD&A - Corporate Risk Profile (pg. 51)
Annex XXXI	Disclosure of operational risk	17	Articles 435(1), 446 and 454	EU ORA - Qualitative information on operational risk	Annual	**Yes**	No	U.S. Bancorp - 2021 Annual Report (Audited): • MD&A - Corporate Risk Profile (pg. 48)
Annex XXXIII	Disclosure of remuneration policy	18 (a)	Points (a), (b), (c), (d), (e), (f), (j) and (k) of Article 450(1) and Article 450(2)	EU REMA - Remuneration policy	Annual	**No**	Yes	#4.1 EU REM A - Remuneration policy
Annex XXXIII	Disclosure of remuneration policy	18 (b)	Point (h)(i)-(ii) of Article 450(1)	EU REM1 - Remuneration awarded for the financial year	Annual	**No**	Yes	#4.2 EU REM1 – Remuneration awarded for the financial year
Annex XXXIII	Disclosure of remuneration policy	18 (c)	Point (h)(v) to (vii) of Article 450(1)	EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)	Annual	**No**	Yes	#4.3 EU REM 2 – Special payments to staff whose professional activities have a material impact on institutions' risk profile
Annex XXXIII	Disclosure of remuneration policy	18 (d)	Point (h)(iii) and (iv) of Article 450(1)	EU REM3 - Deferred remuneration	Annual	**No**	Yes	#4.4 EU REM 3 - Deferred remuneration

ANNEX NUMBER	NAME OF ANNEX	RELEVANT ARTICLE IN THE ITS	RELEVANT ARTICLE IN CRR	TEMPLATE	FREQUENCY OTHER INSTITUTIONS (NOT LISTED)	Disclosed in Equivalent Source Y/N	Disclosed in Pillar 3 Y/N	Location in P3 or Equivalent Disclosure
Annex XXXIII	Disclosure of remuneration policy	18 (e)	Point (i) of Article 450(1)	EU REM4 - Remuneration of 1 million EUR or more per year	Annual	**No**	Yes	#4.5 EU REM 4 - Remuneration of 1 million EUR or more per year

Appendix 3 - CRD Requirements

CRD Article	High Level Summary	Applicable Y/N	Additional Disclosure Location Details
88 (1)	Governance arrangements	Y	Elavon website in corporate governance section. .
89 (1) & (4)	Country-by-country reporting	Y	Available in https://www.elavon.ie/legal.html
90	Public Disclosures on Return on Assets (RoA)	N	Not disclosed for 2021, as Elavon was in a loss-making position for this reporting period.
91	Management Body	Y	Disclosed separately in EFS DAC 2021 Financial Statements.
92,94	Remuneration Policy and Variable Elements of Remuneration.	Y	Remuneration policy in place and separate disclosure in Pillar 3
96	Maintenance of a website on corporate governance and remuneration	N	Website is currently in place; therefore, no disclosure is required.

Appendix 4 - Glossary

Term	Term
“ALMC”	Asset & Liability Committee
“CAS”	Corporate Audit Services
“CBI”	Central Bank of Ireland
“CCR”	Counterparty Credit Risk
“CET 1”	Common Equity Tier 1
“CCF”	Credit conversion factor
“CRD”	Capital Requirements Directive
“CRO”	Chief Risk Officer
“CRR”	Capital Requirements Regulation
“ECAI”	External credit assessment institution
“EMS”	Elavon Merchant Services
“ExCo”	Executive Committee
“EFS”	Elavon Financial Services DAC
“EAD”	Exposure at Default
“EU”	European Union
“ESG	Environment Social Governance
“GCT”	Global Corporate Trust
“MRTs”	Material Risk Takers
“IRB”	Internal Rating Based
“IFRS”	International Financial Reporting Standards
“Moodys”	Moody’s Investors Service
“PCF”	Pre-approved Control Function
“S&P”	Standard & Poor’s Rating Services
“SREP”	Supervisory Review and Evaluation Process
“RemNomCo”	Remuneration and Nominations Committee
“RWA”	Risk Weighted Assets
“The Board”	Elavon Financial Services DAC Board “the Parent” Elavon European Holdings BV
“USB”	U.S. Bancorp