Elavon European Holdings B.V.

Pillar III Disclosures

31 December 2017

Contents

Introduction

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

The CRD IV and the Capital Requirements Regulation (CRR) were published in the Official Journal of the EU on 27 June 2013 and came into effect on 1 January 2014. CRD IV in the context of this document describes the package CRR, CRD and regulatory and technical standards.

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

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

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

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

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

Scope of Application and Equivalency

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

Under the CRD IV the Group must comply with the Pillar 3 disclosure requirements on a consolidated basis with certain additional disclosures applying to the Bank (as a significant subsidiary), on an individual basis. Pillar 3 disclosures contained herein relate to Elavon European Holdings B.V., on a consolidated basis unless specified otherwise.

Article 13(3) of the CRR allows institutions to rely on equivalent disclosures made by its parent undertaking. Elavon makes use of equivalent disclosures made by its ultimate parent undertaking U.S. Bancorp. The U.S. Bancorp Pillar III disclosures can be found in the Investor Relations area of their website: http://phx.corporate-ir.net/phoenix.zhtml?c=117565&p=irol-basel.

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

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

Other Relevant Financial Information

The Group's Pillar 3 document should be read in conjunction with the Elavon Financial Services DAC financial statements 31 December 2017. The financial statements are prepared on a statutory consolidated basis which differs to the prudential consolidation basis used under CRD IV for the Pillar 3 disclosures. The primary difference is the prudential consolidation requires the inclusion of the Bank's parent Elavon European Holdings B.V. and all of its subsidiaries. EFS's financial statements however account for the majority of the prudential consolidation's income, expenses and balance sheet. The financial statements are available from the Irish Company Requisition Office Website, https://www.cro.ie/.

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

Pillar 3 Disclosure Policy

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

Frequency

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

Verification

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

Capital Management

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

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

Key capital ratios and key risk weighted assets

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

Regulatory Capital (Fully loaded)[1]		
In thousands of Euro	**Actual 2017**	**Actual 2016**
Common equity tier 1 (CET1) capital	924,696	891,546
Additional Tier 1 (AT1) capital	-	-
Tier 2 capital	-	-
Total Capital	**924,696**	**891,546**
Risk Weighted Assets	**3,781,920**	**1,499,685**
of which:		
Credit Risk	2,852,157	908,052
Market Risk	236,392	60,037
Operational Risk	690,018	534,596
CET1 Capital Ratio	**24.45%**	**59.45%**
Total Capital Ratio	**24.45%**	**59.45%**
Total Leverage Ratio	**6.46%**	**10.41**

Regulatory Capital

Regulatory capital consists of CET1, AT1 and Tier 2 capital. CET1 capital for the Group mainly consists of share capital, capital contributions, retained earnings/ (losses), foreign currency translation, less goodwill and other intangibles. The Group has not issued any AT1 or Tier 2 capital.

CET1 capital increased by c.€33m from 2016 primarily due to an increase in retained earnings.

The Group's capital ratio has decreased by 35% from 2016, primarily due to an increase in the level of its risk weighted assets. This increase primarily relates to the decision made by the Group to adopt the most capital intensive/prudent approach in response to a question and answer ('Q&A') published by the European Banking Authority ('EBA') regarding the capital treatment of chargeback/refund risk in advance of further agreement on approach with the Central Bank of Ireland (CBI).

During 2018, the CBI approved the use of a 20% credit conversion factor for the contingent liability relating to the chargeback/refund risk. This approach resulted in a substantially reduced capital impact.

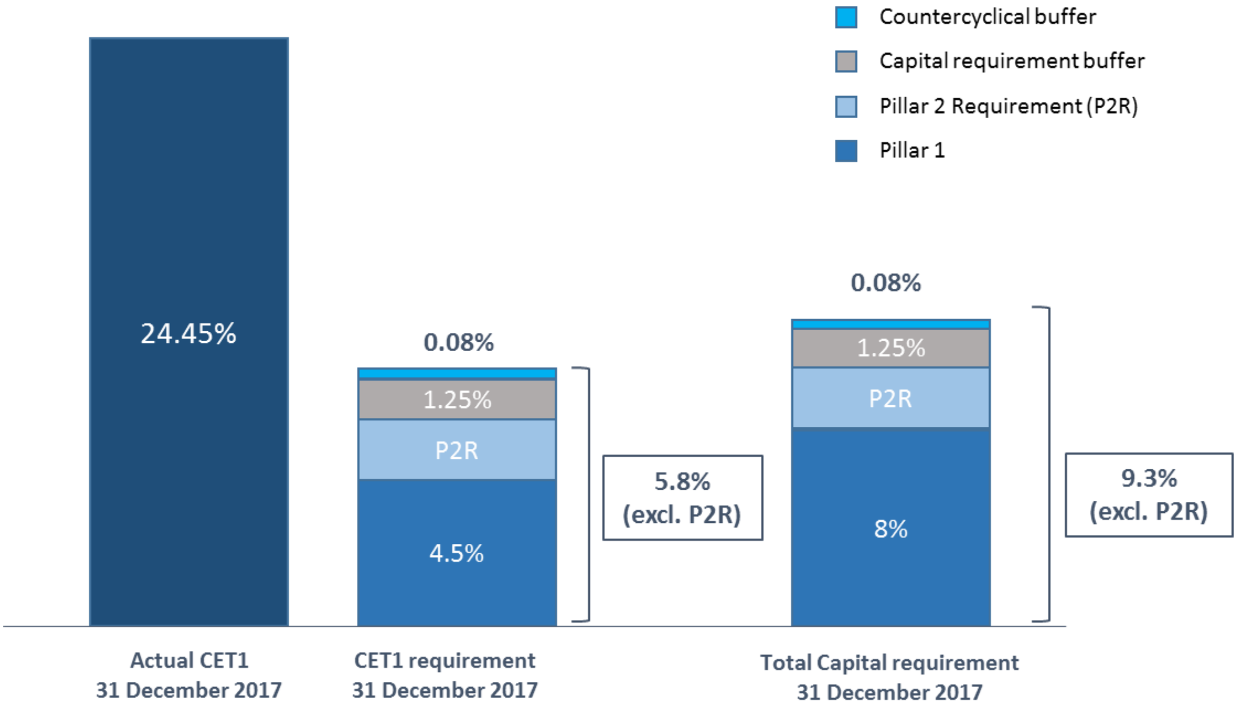
Leverage Ratio

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

The implications of the leverage ratio have been closely monitored prior to its move to a binding requirement on 1 January 2019. The Group expects to remain above the Basel Committee indicated minimum level leverage ratio of 3%.

Capital Requirements and buffers

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



Capital requirements / buffers

At the 31 December 2017, the Group was required to maintain a CET1 ratio in excess of 5.8% excluding the Pillar 2 requirement (P2R). This includes a Pillar 1 requirement of 4.5%, a capital conservation buffer for 2017 of 1.25% (increasing to 1.875% from 1 January 2018) and a countercyclical buffer of 0.08%. The P2R set by the regulator as part of the Supervisory Review and Evaluation Process (SREP) is not disclosed in accordance with regulatory preference.

Additionally the Group was required to maintain a Total Capital ratio in excess of 9.3% at the 31 December 2017 (excluding the P2R).

Risk Management

The Group has defined internal governance arrangements, which include an organisational structure with defined lines of responsibility; a Risk Management Framework designed to identify, measure, control, monitor and report the risks to which it is or might be exposed; an Internal Controls Framework designed to support adequate internal control mechanisms; and a Remuneration Policy and practices that are consistent with and promote sound and effective risk management.

Further details on the Group's approach to risk management are contained in Note 27 of the Elavon Financial Services DAC financial statements 31 December 2017.

Credit Risk

Credit risk is the risk of loss resulting from a counterparty or obligor being unable to meet contractual obligations agreed with the Group in respect of financial transactions. Credit risk arises both on an on-balance sheet and off-balance sheet exposure basis. On-balance sheet credit risk primarily relates to exposures to Card Issuing Banks, Corporate Payment Systems Card facilities and Banks that the Group has deposited cash with. Off-balance sheet credit risk primarily relates to the contingent risks attached to Merchant Processing.

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

Exposure to credit risk is managed at origination and through-the-cycle by analysis and regular review of counterparty's ability to meet its obligations to the Group; the criterion for acceptable underwriting is set out in policy. Additionally, the Group obtains collateral and guarantees from customers where appropriate to reduce and manage credit risk. Delayed settlement is also utilised as a tool for mitigating chargeback risk for some customers.

Monitoring of credit risk is enabled through the provision and availability of current information to support the credit risk management of individual customer relationships as well as the overall portfolio. Credit risk is reported to senior management through the Credit Management Committee.

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

The Group uses the Standardised approach for the calculation of its credit risk capital requirements. The Standardised approach involves the application of prescribed regulatory risk weights to credit exposures to calculate the capital requirement.

Market Risk

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

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

Operational Risk

The Group defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Group manages operational risk through its Risk Management Framework and Internal Control Framework, and supporting procedures, policies and processes. Management have 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 are responsible for ensuring that the controls are appropriate and are implemented as designed.

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

Credit Risk - Standardised Approach

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

Use of External Credit Ratings

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

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

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

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

The Group uses a combination of the credit weightings assigned by the ECAIs and mapping guidelines issued by the Central Bank of Ireland to map the exposures to the appropriate credit quality assessment step. These guidelines are identical to those issued by the European Banking Authority ("EBA").

The ratings applied to the credit quality assessment steps are:

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

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

As at 31 December 2017, ECAIs were used by the Group in calculating its Pillar 1 minimum capital requirements for the following exposure classes:

- Institutions
- Corporates

Credit Risk - Standardised Approach - Exposure Classes

The table below presents the breakdown of credit risk exposures under the standardised approach by asset class and risk weight, corresponding to the riskiness attributed to the exposure. The exposures are disclosed after CCF and CRM techniques.

Table 1 EU CR5 – Standardised approach

In thousands of Euro

	Exposure classes	Risk weight													Total	Of which unrated
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	Deducted		
1	Central governments or central banks	8,839,444	-	-	-	-	-	-	-	-	1,440	-	3,623	-	8,844,507	8,844,507
2	Regional government or local authorities	-	-	-	-	4,655	-	-	-	-	-	-	-	-	4,655	4,655
3	Public sector entities	-	-	-	-	7,448	-	-	-	-	-	-	-	-	7,448	7,448
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	3,135,728	-	1,911	-	-	-	57	-	-	3,137,696	212,823
7	Corporates	-	-	-	-	7,803	-	27,597	-	-	1,929,093	1,954	-	-	1,966,448	1,750,591
8	Retail	-	-	-	-	-	-	-	-	276,443	-	-	-	-	276,443	276,443
9	Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	-	6,135	-	-	6,135	6,135
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other items	-	-	-	-	-	-	-	-	-	65,016	-	-	-	65,016	65,016
17	**Total**	**8,839,444**	**-**	**-**	**-**	**3,155,634**	**-**	**29,508**	**-**	**276,443**	**1,995,549**	**8,146**	**3,623**	**-**	**14,308,348**	**11,167,618**

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

Counterparty Credit Risk (CCR) - Standardised Approach

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

Table 2 EU CCR3 – Standardised approach - CCR exposures by regulatory portfolio and risk

In thousands of Euro

	Exposure classes	Risk weight										Total	Of which unrated
		2%	4%	10%	20%	50%	70%	75%	100%	150%	Others		
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	1,501	-	-	-	-	-	-	1,501	-
7	Corporates	-	-	-	-	-	-	-	-	-	-	-	-
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	**Total**	-	-	-	**1,501**	-	-	-	-	-	-	**1,501**	-

Market Risk

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

Foreign Exchange Risk

The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure which are monitored daily. The Asset & Liability Management Committee ('ALMC') has responsibility for monitoring compliance with the asset and liability management policies, including foreign exchange exposures.

The table below displays the components of own funds requirements under the standardised approach for market risk. The Group does not have a trading book and as such has limited exposure to market risk under the requirements of the CRD IV. In addition interest rate risk in the banking book is not subject to the market risk requirements for own funds. As such the Group's own funds requirement for market risk arises from open FX positions in the currency balance sheet. A change in method in calculation of market risk gave rise to a material movement from 31 December 2016 to 31 December 2017.

Table 3 EU MR1 – Market risk under the standardised approach

	In thousands of Euro	a	b
		RWAs	**Capital Requirements**
	Outright products		
1	Interest rate risk (general and specific)	-	-
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	236,392	18,911
4	Commodity risk	-	-
	Options	-	-
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	**Securitisation (specific risk)**	-	-
9	**Total**	**236,392**	**18,911**

Liquidity Risk Management

Liquidity risk is the current or prospective risk to earnings and capital arising from the Group's inability to meet its liabilities when they come due. The Group manages its liquidity position to ensure that it has sufficient liquidity to meet local regulatory requirements and to deal with potentially severe liquidity events.

Liquidity Risk Governance

The governance approach is supported by a detailed set of liquidity related documentation as well as risk reporting infrastructure including a dedicated regulatory reporting team that ensure timely and accurate reporting to the Central Bank of Ireland.

Liquidity Risk Reporting and Measurement Systems

Within the Finance function, the regulatory reporting team have responsibility for the completion and submission of the following regulatory liquidity returns

- Additional Liquidity Monitoring Metrics ("ALMM")
- Net Stable Funding Ratio ("NSFR")
- Liquidity Coverage Ratio ("LCR")

The LCR, ALMM and NSFR utilise general ledger information, live source system data, and forward looking assumptions provided by business lines in order to meet these reporting requirements

Policies for managing liquidity

The Group has a number of policies in place to ensure that it effectively manages and monitors liquidity risk and has strategies in place to mitigate any emergent risk. These policies include:

Liquidity & Contingency Funding Policy

This policy sets forth how the Group and its legal entities maintain adequate liquidity in a normal operating environment and under adverse conditions.

Stress Testing Policy

This policy sets forth high level requirements around the Group's stress testing.

Internal Liquidity Adequacy Assessment Process

The ILAAP is a process to ensure that the Group:

- Adequately identifies, measures, aggregates and monitors the Group's liquidity risks.
- Holds adequate levels of high quality liquid assets ("HQLA") in relation to the Group's risk profile and ensure adequate funding for the Group.
- Uses sound risk management systems which are subject to review and improvement

The Board concludes that the approval of the ILAAP report constitutes an explicit confirmation that the Group has assessed its liquidity risks and satisfied itself that it maintains adequate liquidity resources (both in quantity and quality) to meet its obligations in both normal and stressed times in line with its expressed liquidity risk appetite.

Liquidity risk is the current or prospective risk to earnings and capital arising from the Group's inability to meet its liabilities when they come due. The Group will ensure that it maintains sufficient liquidity to meet its obligations. This will be done through, at a minimum, meeting its regulatory liquidity requirements.

The Group manages its risk appetite for liquidity risk through a number of statements. These statements currently include measurement of Maturity Mismatch Ratio and Liquidity Coverage Ratio.

The Group has a target set for each risk statement that aligns that statement to the Group's strategy. The Group has a trigger in place for each quantitative risk statement so that corrective action can be taken to prevent a limit breach. The Group has limits in place for each quantitative risk. Limits denote the maximum accepted tolerance for that risk and a breach should be deemed a breach of the Group's risk appetite.

Liquidity Risk Management - Liquidity Cover Ratio

The Liquidity Cover Ratio ("LCR") table below has been produced in line with the 2017 EBA Guidelines on LCR disclosure (EBA/GL/2017/01). The Group has availed of a derogation to provide only the information required in rows 21-23, further information is only required by larger institutions. All figures included in the table represent a 12 month rolling average for each quarter of 2017.

Table 4 - Liquidity Coverage Ratio		Total unweighted value (average)				Total weighted value (average)			
Quarter ending		31-Mar-17	30-Jun-17	30-Sep-17	31-Dec-17	31-Mar-17	30-Jun-17	30-Sep-17	31-Dec-17
Number of data points used in the calculation of averages		12	12	12	12	12	12	12	12
		€	€	€	€	€	€	€	€
									TOTAL ADJUSTED VALUE
21	LIQUIDITY BUFFER					3,197,110,679	3,668,647,295	4,444,590,332	5,358,914,839
22	TOTAL NET CASH OUTFLOWS					618,291,043	689,245,840	747,072,636	932,954,074
23	[1] LIQUIDITY COVERAGE RATIO (%)					512%	525%	617%	612%

[1] LCR = Total HQLA/total net cash outflows

Concentration of funding and liquidity sources

The Group's predominant source of funding is driven by the Corporate Trust business line. The Group does not rely on market access as a funding source but rather supports a transactional based banking model. Funding concentration risk and market access is deemed not applicable.

Derivative exposures and potential collateral calls

The Group executes a limited number of short dated FX forward contracts. The Group does not undertake transactions which require collateral exchange.

Currency mismatch in the LCR

The Group's balance sheet does not present currency mismatches. The Group's Merchant Services business is transactional in nature with inflows and outflows currency matched. All deposits are placed in the currency in which they are sourced, therefore no cross currency liquidity risk arises in such instances.

A description of the degree of centralisation of liquidity management and interaction between the group's units

The Group's Treasury function manage the Group's consolidated cash and liquidity in each operational currency. This ensures a coordinated approach to balance sheet management including monitoring and measurement of risk appetite limits.

Asset Encumbrance

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

The tables below reflect encumbered and unencumbered assets by carrying amount and fair value as well as any collateral received. The below figures are median values based on quarter end point-in-time (PiT) figures covering the year to 31 December 2017. The exposure value used is in line with implementing Regulation (EU) No 680/2014.

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

Table 5 – Encumbered and unencumbered assets

	In thousands of Euro	**Carrying amount of encumbered assets 010**	**Fair value of encumbered assets 040**	**Carrying amount of unencumbered assets 060**	**Fair value of unencumbered assets 090**
010	**Assets of the reporting institution**	**103,563**		**8,276,817**	
030	Equity instruments	19,430		-	
040	Debt securities	-	-	-	-
120	Other assets	84,048		8,276,817	

Table 6 – Collateral Received

	In thousands of Euro	**Fair value of encumbered collateral received or own debt securities issued 010**	**Fair value of collateral received or own debt securities issued available for encumbrance 040**
130	**Collateral received by the reporting institution**		
140	Loans on demand	-	-
150	Equity instruments	-	-
160	Debt securities	-	-
220	Loans and advances other than loans on demand	-	-
230	Other collateral received	-	-
240	**Own debt securities issued other than own covered bonds or asset-backed securities (ABS)**	-	-
241	**Own covered bonds and asset-backed securities issued and not yet pledged**		-
250	**Total assets, collateral received and own debt securities issued**	**103,563**	

Table 7 – Sources of Encumbrance			
	In thousands of Euro	**Matching liabilities, contingent liabilities or securities lent**	**Assets, collateral received and own securities issued other than covered bonds and asset-backed securities encumbered**
		010	**030**
010	Carrying amount of selected financial liabilities	-	103,563

Information on importance of encumbrance

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

The Group's primary sources of encumbrance is funding placed with central banks to meet regulatory requirements which cannot be freely withdrawn. The Group is required to place cash with the Central Bank of Ireland, the National Bank of Poland, and the Bank of England to meet minimum reserve and cash ratio deposit requirements. During 2017, the median value of encumbered assets based on quarter PiT figures was €103.6m.

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

In 2017, the Group had c.€8.3bn of unencumbered 'Other assets', this is primarily made of c.€6.7bn of funds placed with central banks. The remaining balance is made up of items which would not be deemed available for encumbrance in the normal course of business including c.€1.1bn of loans and advances and c.€0.5bn of other assets including intangible assets, tax assets, tangible assets and derivative assets.

Remuneration

Introduction

These disclosures cover the remuneration policies and practices at the Elavon Financial Services B.V level. These practices are mirrored at an individual level and the information is in its entirety derived from Elavon Financial Services DAC (hereinafter referred to as “EFS DAC”, or the “Bank”). These disclosures provide information on the Banks 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, are the Capital Requirements Directive (CRD IV) and the European Banking Authority “Guidelines on Sound Remuneration Policies” Decision Making Process and Governance of Remuneration

The Remuneration Policy (the “Policy”) and practices around remuneration are governed by the EFS DAC’s Board of Directors (“the Board”), in its role as the ultimate decision making body of the Bank, and by the Bank’s various control functions. The Board is ultimately responsible for the design, the approval and the oversight of the Bank’s Remuneration Policy. In fulfilling this responsibility, the Board ensures that amongst its membership are non-executive members that have sufficient knowledge of remuneration policies and structures.

The Board Remuneration Committee (“RemCo”) has been delegated authority by the Board of Directors to oversee the Bank’s remuneration framework, as well as considering senior management remuneration and, if required, making recommendations to the Board in respect of the remuneration arrangements of the Executive Directors of the Bank. The RemCo met five times during 2017. RemCo has three Directors of the Board as members: two of whom are Independent Non-Executive Directors; one of whom is a Non-Executive Director.

EFS DAC applies its Remuneration Policy in a way that is appropriate to the size, internal organisation and the nature, scope and complexity of its activities. The Remuneration Policy applies to EFS DAC including its European branches. The objective of the Policy is to ensure that the Board is encouraging a positive risk culture by aligning risk management practices with remuneration practices. The Policy is designed to discourage excessive risk taking and is designed to ensure that the Bank maintains a sound capital base. The Policy seeks to embed a culture that encourages strong risk alignment practices. For staff (i.e. Identified Staff) whose professional activities have a material impact on the risk profile of EFS DAC, the Policy establishes specific arrangements to ensure their remuneration is aligned with sound and effective risk management. Identified Staff includes all members of the Management Body. The Policy is in line with the business strategy, objectives, values and long-term interests of EFS DAC, and incorporates measures to avoid conflicts of interest. The Policy has been established to ensure EFS DAC implements regulatory requirements with regard to remuneration. The Policy is subject to annual review by the RemCo and Internal Audit to ensure that it is operating as intended, is consistently applied and is compliant with regulatory obligations.

Fixed and Variable Remuneration Arrangements

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

The Bank considers all performance related awards to be variable remuneration and any payment not classified as fixed, is considered variable remuneration. Variable remuneration paid to Identified Staff is paid in accordance with the EBA “Guidelines on Sound Remuneration Policies” requiring a minimum of 40% to be deferred over a vesting period of three years, while 50% is awarded in Share Linked Instruments. All awards of variable remuneration paid in instruments are subject to a 12 month retention period.

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

The total variable remuneration does not limit the ability of EFS DAC to strengthen its capital base. Severance packages do not reward failure or misconduct; while remuneration packages relating to compensation or buy out from previous contracts of employment are structured to align with the long-term interests of EFS DAC, from a retention, deferral, performance and clawback perspective.

Control Functions

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

Risk Alignment

The key objective of the Policy is to ensure that the Bank is not exposed to excessive risk taking as a consequence of any misalignment of risk taking and variable compensation. To limit excessive risk taking, variable remuneration shall be performance-based and risk adjusted. Risk alignment includes; (i) the performance and risk measurement processes; (ii) the award process; and the pay-out process. These three elements of risk alignment have been developed in accordance with the Bank's policies and process around risk management and corporate governance, and cover the main parameters and rationale for variable components of compensation and related benefits. The Policy makes a clear distinction between criteria for setting fixed remuneration and variable remuneration, reflecting the specific nature of both as relevant for the Bank.

(i) The link between pay and performance

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

(ii) Award process

The award process is the means by which each individual's variable remuneration is determined. The award process translates performance assessment into variable remuneration component for each staff member. When assessing risk and performance, EFS DAC takes into account both current and future risks. Following shareholder approval, the variable component of remuneration may not exceed 200% of the fixed component for Identified Staff.

(iii) Pay-out process

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

Identified Staff roles[2]

As at 31 December 2017, there were 43 employees in Identified Staff roles in 2017 (as at 31 December 2016: 41 employees in ID Staff roles). Please refer to the quantitative disclosure on the following page which includes the different ratios between variable and fixed remuneration components of total remuneration implemented at the consolidated level, separate for Identified Staff, senior management and the relevant business area.

[2] Identified Staff are defined as staff whose professional activities have a material impact on the risk profile of EFS and must be identified using the quantitative criteria set out in the EBA Regulatory Technical Standard on Identified Staff (Implemented through Regulation 604/2014).

Elavon Remuneration Quantitative Public Disclosures as at 31 Dec 2017

Information Required	Split out by	Total ID Staff	Total ID Staff Ratio	Of Which Senior Mgmt (3)	Senior Mgmt Ratio	Payment Services	Payment Services Ratio	Shared Services & Exec	Shared Services & Exec Ratio
(i) the amounts of remuneration for the financial year, split into fixed and variable remuneration, and the number of beneficiaries;	(a) Fixed Remuneration (b) Variable Remuneration (c) Number of Beneficiaries	(a) €7,541,034 (b) €5,881,908 (c) 43	56.18% 43.82%	(a) €2,740,149 (b) €2,474,569 (c) 13	52.55% 47.45%	(a) €4,524,455 (b) €3,515,264 (c) 24	56.28% 43.72%	(a) €3,016,579 (b) €2,366,643 (c) 19	56.04% 43.96%
(ii) the amounts and forms of variable remuneration, split into cash, shares, share-linked instruments and other types;	(a) Cash (b) Shares (c) Share Linked Instruments (d) Other Types	(a) €3,154,558 (b) None (c) €2,727,349 (d) None		(a) €1,393,649 (b) None (c) €1,080,920 (d) None		(a) €1,962,598 (b) None (c) €1,552,667 (d) None		(a) €1,191,960 (b) None (c) €1,174,683 (d) None	
(iii) the amounts of outstanding deferred remuneration, split into vested and unvested portions;	(a) Vested (b) Unvested	(a) €1,374,191 (b) €3,126,584		(a) €837,789 (b) €1,646,700		(a) €844,834 (b) €1,799,123		(a) €529,357 (b) €1,327,461	
(iv) the amounts of deferred remuneration awarded during the financial year, paid out and reduced through performance adjustments;		0		0		0		0	
(v) new sign-on and severance payments made during the financial year, and the number of beneficiaries of such payments;	Total amount of sign-on and severance payments made during year	€407,158, 5 persons							
(vi) the amounts of severance payments awarded during the financial year, number of beneficiaries and highest such award to a single person;	Highest Serverance Payment awarded during financial year	2 persons, total €274,506. Highest award; €245,750							

the number of individuals being remunerated EUR 1 million or more per financial year, for remuneration between EUR 1 million and EUR 5 million broken down into pay bands of EUR 500 000 and for remuneration of EUR 5 million and above broken down into pay bands of EUR 1 million;	None

Footnotes

1) Link to the euro exchange rate used (date Dec 2017) throughout table

2) Table contains fixed and variable remuneration awarded for 2017 performance

3) Senior Mgmt has been internally defined as a member of the EFS Management Committee ('ManCo'). All ManCo members are also in ID Staff roles.

4) Identified Staff are defined as staff whose professional activities have a material impact on the risk profile of EFS and must be identified using the qualitative and quantitative criteria set out in the EBA Regulatory Technical Standard on Identified Staff (implemented through Regulation 604/2014) ("the RTS on Identified Staff").

Appendix 1 – CRR Roadmap and use of Equivalencies

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

CRR Article	High Level Summary	Applicable	Location of US Bancorp Equivalency	Location of Group Disclosures not covered by Equivalency
General Principles				
Article 431: Scope of disclosure requirements				
431(1)	Institutions shall publish Pillar 3 disclosures	Yes		**Elavon Pillar 3 Disclosures 2017**
431(2)	Firms with permission to use specific operational risk methodologies must disclose operational risk information.	N/A		**N/A -** Elavon does not apply any of these methodologies.
431(3)	Institutions shall have a policy to comply with disclosure requirements and have policies for assessing the appropriateness of their disclosures, including their verification and frequency. Institutions shall also have policies for assessing whether their disclosures convey their risk profile comprehensively to market participants.	Yes		**Elavon Pillar 3 Disclosures 2017** • Introduction (pg. 5)
431(4)	Explanation of ratings decision upon request	N/A		**N/A -** Elavon has not been requested to provide an explanation on rating decisions.
Article 432: Non-material, proprietary or confidential information				
432(1)	Institutions may omit certain disclosures provided that they are not regarded as material	Yes		**N/A -** Elavon currently does not make use of materiality, proprietary of confidentiality for not disclosure
432(2)	Institutions may omit certain disclosures that are proprietary or confidential if certain conditions are met	Yes		
432(3)	Where 432 (2) applies this must be stated in the disclosures, and more general information must be disclosed.	Yes		
432(4)	Paragraphs 1, 2 and 3 are without prejudice to the scope of liability for failure to disclose material information	Yes		
Article 433: Frequency of disclosure				
433	Disclosures must be published once a year at a minimum and more frequently if necessary and must be published in conjunction with the financial statements	Yes		**Elavon Pillar 3 Disclosures 2017** • Introduction (pg. 5)
Article 434: Means of disclosures				
434(1)	Disclosures should be provided in one medium or location with clear cross references if necessary.	Yes		**Elavon Pillar 3 Disclosures 2017** • Elavon provides its disclosures in a separate Pillar III document. • References to equivalent disclosures by US Bancorp are also provided.
434(2)	Disclosure made for accounting requirements can be used for Pillar 3 Disclosure purposed if appropriate	Yes		
TECHNICAL CRITERIA ON TRANSPARENCY AND DISCLOSURE				
Article 435: Risk management objectives and policies				
435(1)	Disclose information as follows:	Yes	**2017 US Bancorp Annual Report (Audited):** • MD&A-Balance Sheet Analysis (pg. 29 - 38) • MD&A-Corporate Risk Profile (pg. 38 - 60) • Note 1-Significant Accounting Policies (pg. 81 - 89) • Note 4-Investment Securities (pg. 90 - 91) • Note 5-Loans and Allowance for Credit Losses (pg. 92 - 100) • Note 7-Accounting For Transfers and Servicing of Financial Assets and Variable Interest Entities (pg. 100 - 101) • Note 19-Derivative Instruments (pg. 118 - 123) • Note 21-Fair Values of Assets and Liabilities (pg. 125 - 133) • Note 22-Guarantees and Contingent Liabilities(pg. 133 - 137) **US Bancorp Website** • Corporate Governance http://phx.corporate-ir.net/phoenix.zhtml?c=117565&p=irol-govboard	
435(1)(a)	The strategies and processes to manage risks	Yes		
435(1)(b)	Structure and organisation of risk management function	Yes		
435(1)(c)	Risk reporting and measurement systems	Yes		
435(1)(d)	Hedging and mitigating risk – policies and processes	Yes		
435(1)(e)	A declaration of adequacy of risk management arrangements approved by the Board	Yes		
435(1)(f)	Concise risk statement approved by the Board	Yes		
435 (1)	Guidelines on LCR disclosure to complement the disclosure of liquidity risk management under Article 435 of Regulation (EU) No 575/2013	Yes		**Elavon Pillar 3 Disclosures 2017** •Liquidity Risk Management (pg. 13)

CRR Article	High Level Summary	Applicable	Location of US Bancorp Equivalency	Location of Group Disclosures not covered by Equivalency
435(2)	Information on governance arrangements, including information on Board composition and recruitment and risk committees:	Yes	**US Bancorp Website:** http://phx.corporate-ir.net/phoenix.zhtml?c=117565&p=irol-govhighlights	
435(2)(a)	Number of directorships held by Board members	Yes		
435(2)(b)	Recruitment policy for selection of Board members, their actual knowledge, skills and expertise.	Yes		
435(2)(c)	Policy on diversity of Board membership and results against targets.	Yes		
435(2)(d)	Disclosure of whether a dedicated risk committee is in place, and number of meeting in the year.	Yes	See above.	
435(2)(e)	Description of information flow on risk to Board.	Yes		
Article 436: Scope of application				
436(a)	Name of institution	Yes		**Elavon Pillar 3 Disclosures 2017** • Introduction (pg. 5)
436(b)	Difference in basis of consolidation for accounting and prudential purposes, describing entities that are: (i) Fully consolidated (ii) Proportionally consolidated (iii) Deducted from own funds (iv) Neither consolidated nor deducted	Yes	Not applicable. The Company does not have differences in the basis of consolidation for accounting and regulatory purposes.	
436(c)	Impediments to transfer of own funds between parent and subsidiaries	Yes	**US Bancorp - 2017 Annual Report (Audited):** • Note 23-U.S. Bancorp (Parent Company) Consolidated Balance Sheet (pg. 138)	
436(d)	Capital shortfalls in any subsidiaries outside the scope of consolidation	N/A		**N/A -** Elavon does not have any subsidiaries not included in the consolidation.
436(e)	Making use of articles on derogations from a) prudential requirements or b) liquidity requirements for individual subsidiaries/entities.	N/A		**N/A -** Elavon does not make use of these provisions.
Article 437: Own funds				
437(1)(a)	A full reconciliation of Common equity tier 1 items, Additional tier 1 items, Tier 2 items and filters and deductions applied pursuant to Articles 32 to 35, 36, 56, 66 and 79 to own funds of the institution and the balance sheet in the audited financial statements of the institution	Yes	**US Bancorp - FFIEC 101 (Unaudited):** • USB Schedule A Advanced Risk-Based Capital	
437(1)(b)	A description of the main features of the Common equity tier 1 and Additional tier 1 instruments and Tier 2 instruments issued by the institution.	Yes	**US Bancorp - 2017 Annual Report (Audited):** • MD&A Capital Management (pg. 58-60) • Note 13-Long-Term Debt (pg. 105) • Note 14-Shareholders' Equity (pg.105-109) • Note 15-Earnings per Share (pg. 110)	**Note:** Elavon has only issued one CET1 instrument, being share capital issued to its parent company, the ultimate parent company being US Bancorp. Elavon has not issued any AT1 or Tier 2 capital.
437(1)(c)	The full terms and conditions of all Common equity tier 1, Additional tier 1 and Tier 2 instruments	Yes		
437(1)(d)	Disclosure of the nature and amounts of the following: - Each prudential filter applied - Each capital deduction applied - Items not deducted from capital	Yes	**US Bancorp - FFIEC 101 (Unaudited):** • USB Schedule A Advanced Risk-Based Capital	
437(1)(e)	A description of all restrictions applied to the calculation of own funds in accordance with this Regulation and the instruments, prudential filters and deductions to which those restrictions apply	Yes		
437(1)(f)	Where institutions disclose capital ratios calculated using elements of own funds determined on a different basis.	N/A		**N/A** - Elavon does not disclose information on a different basis.
Article 438: Capital requirements				
438(a)	Summary of institution's approach to assessing adequacy of capital levels.	Yes	**US Bancorp - 2017 Annual Report (Audited):** • MD&A Capital Management (pg. 58-60) • MD&A Non-GAAP Financial Measures (pg. 66-67) • Note 14-Shareholders' Equity (pg. 105-109) **US Bancorp - Basel Pillar 3 Disclosures (Unaudited):** • Internal Capital Adequacy Assessment Process (pg. 2)	
438(b)	Result of ICAAP on demand from authorities.	N/A		**N/A -** Has not been requested by the competent authority
438(c)	Capital requirements for each Standardised approach credit risk exposure class.	Yes	**FR Y-9C – Part II Risk Weighted Assets**	
438(d)	Capital requirements amounts for credit risk for each internal Ratings Based Approach exposure class.	N/A	**FFIEC 101 (Unaudited):** • USB Schedule B Summary Risk-Weighted Asset Information for Banks Approved to	**N/A -** Elavon does not use the IRB approach.

CRR Article	High Level Summary	Applicable	Location of US Bancorp Equivalency	Location of Group Disclosures not covered by Equivalency
438(e)	Capital requirements for market risk or settlement risk.	Yes	Use Advanced Internal Ratings-Based and Advanced Measurement Approaches for Regulatory Capital Purposes.	
438(f)	Capital requirements for operational risk, separately for the Basic Indicator Approach, the Standardised Approach, and the Advanced Measurement Approaches as applicable.	Yes		
Article 439: Exposure to counterparty credit risk				
439(a)	Description of process to assign internal capital and credit limits to CCR exposures.	Yes	**US Bancorp - 2017 Annual Report (Audited):** • MD&A Use of Derivatives to Manage Interest Rate and Other Risks (pg. 53-54) • Note 1-Significant Accounting Policies (pg. 81-89) • Note 19-Derivative Instruments (pg. 118-123) • Note 20-Netting Arrangements for Certain Financial Instruments (pg. 123-125) • Note 21-Fair Values of Assets and Liabilities(pg. 125-133) **US Bancorp - Basel Pillar 3 Disclosures (Unaudited):** • Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions, and Eligible Margin Loans (pg. 11-12)	
439(b)	Discussion of policies for securing collateral and establishing credit reserves.	Yes		
439(c)	Discussion of management of wrong-way risk exposures.	Yes		
439(d)	Disclosure of collateral to be provided (outflows) in the event of a ratings downgrade.	Yes		
439(e)	Derivation of net derivative credit exposure.	Yes	**US Bancorp - Basel Pillar 3 Disclosures (Unaudited):** • Table 8-General Disclosure for Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions, and Eligible Margin Loans (pg. 12)	
439(f)	Exposure values for mark-to-market, original exposure, Standardised and internal model methods	Yes		
439(g)	Notional value of credit derivative hedges and current credit exposure by type of exposure.	Yes		
439(h)	Notional amounts of credit derivative transactions	Yes	**US Bancorp - 2017 Annual Report (Audited):** • Note 19-Derivative Instruments (pg. 118-123) **US Bancorp - FR Y-9C (Unaudited):** • Schedule HC-L - Derivatives and Off-Balance-Sheet Items (pg. 29-32)	
439(i)	Estimate of alpha, if applicable.	N/A		**N/A**
Article 440: Capital buffers				
440(1)(a)	Geographical distribution of relevant credit exposures for calculation of countercyclical capital buffer.	Yes	**US Bancorp - Basel Pillar 3 Disclosures (Unaudited):** • Table 12--Credit Exposure by Geography (pgs. 18-19) • Capital Conservation Buffer (pg. 4)	
440(1)(b)	Amount of the institution specific countercyclical capital buffer	Yes		
Article 441: Indicators of global systemic importance				
441(1)	Disclosure of the indicators of global systemic importance.	N/A		**N/A -** Elavon is not a GSII
Article 442: Credit risk adjustments				
442(a)	Disclosure of bank's definitions of past due and impaired.	Yes	**US Bancorp - 2017 Annual Report (Audited):** • MD&A--Balance Sheet Analysis (pg. 29-38) • MD&A--Corporate Risk Profile (pg. 38-60) • Note 1--Significant Accounting Policies (pg. 81-89) • Note 4--Investment Securities (pg. 90-91) • Note 5--Loans and Allowance for Credit Losses (pg. 92-100) • Note 22--Guarantees and Contingent Liabilities (pg. 133-137) **US Bancorp - Pillar 3 Disclosures (Unaudited):** • Credit Risk: General Disclosures (pg. 16-25)	
442(b)	Approaches for calculating specific and general credit risk adjustments.	Yes		
442(c)	Disclosure of pre-CRM EAD by exposure class.	Yes	**US Bancorp 2017 Annual Report (Audited):** • Note 5-Loans and Allowance for Credit Losses (pg. 92-100) • Consolidated Daily Average Balance Sheet and Related Yields and Rates (pg. 144-145) **FR Y-9C (Unaudited):** • Schedule HC-B - Securities (pg. 16-18a) • Schedule HC-L - Derivatives and Off-	

CRR Article	High Level Summary	Applicable	Location of US Bancorp Equivalency	Location of Group Disclosures not covered by Equivalency
			Balance-Sheet Items (pg. 29-32) **Basel Pillar 3 Disclosures (Unaudited):** • Table 8-General Disclosure for Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions, and Eligible Margin Loans (pg. 12) • Table 14-Credit Risk and Maturity by Exposure Type (pg. 20-21)	
442(d)	Disclosure of pre-CRM EAD by geography and exposure class.	Yes	**US Bancorp - Basel Pillar 3 Disclosures (Unaudited):** • Table 12-Credit Exposure by Geography (pg. 18-19) • Table 13-Municipal Securities by Geography (pg. 20)	
442(e)	Disclosure of pre-CRM EAD by industry and exposure class.	Yes	**US Bancorp - FR Y-9C (Unaudited):** • Schedule HC-B - Securities (pg. 16-18a) • Schedule HC-L - Derivatives and Off-Balance-Sheet Items (pg. 29-32) **US Bancorp - Basel Pillar 3 Disclosures (Unaudited):** • Table 11-Credit Exposure by Industry (pg. 17)	
442(f)	Disclosure of pre-CRM EAD by residual maturity and exposure class.	Yes	**US Bancorp - FR Y-9C (Unaudited):** • Schedule HC-B - Securities (pg. 16-18a) • Schedule HC-L - Derivatives and Off-Balance-Sheet Items (pg. 29-32) **US Bancorp - Basel Pillar 3 Disclosures (Unaudited):** • Table 14-Credit Risk and Maturity by Exposure Type (pg. 20-21)	
442(g)	Breakdown of impaired, past due, specific and general credit risk adjustments, and impairment charges for the period, by industry.	Yes	**US Bancorp - 2017 Annual Report (Audited):** • Analysis and Determination of the Allowance for Credit Losses (pg. 48-51) • Table 18-Summary of Allowance for Credit Losses (pg. 50) **US Bancorp - Basel Pillar 3 Disclosures (Unaudited):** Table 15-Past Due and Nonperforming Loan Portfolio By Industry (pg. 22-23) Table 17-Elements of the Allowance for Credit Losses (pg. 25)	
442(h)	Impaired, past due exposures, by geographical area, and amounts of specific and general impairment for each geography.	Yes	**US Bancorp - Basel Pillar 3 Disclosures (Unaudited):** Table 16-Past Due and Nonperforming Loans by Geography (pg. 24) Allowance by geography is not practical or meaningful to disclose since management does not use this information to allocate general or specific allowance components.	
442(i)	Reconciliation of changes in specific and general credit risk adjustments.	Yes	**US Bancorp - 2017 Annual Report(Audited):** • Table 18-Summary of Allowance for Credit Losses (pg. 50)	
Article 443: Unencumbered assets				
443	Disclosures on unencumbered assets.	Yes		**Elavon Pillar 3 Disclosures 2017** • Asset Encumbrance (pg. 16)
Article 444: Use of ECAIs				
444(a)	Names of the ECAIs used in the calculation of Standardised approach risk-weighted assets and reasons for any changes.	Yes		**Elavon Pillar 3 Disclosures 2017** • Use of External Credit Ratings (pg. 9)
444(b)	Exposure classes associated with each ECAI.	Yes		
444(c)	Description of the process used to transfer credit assessments to non-trading book items.	Yes		
444(d)	Mapping of external rating to CQS.	Yes		
444(e)	Exposure value pre and post-credit risk mitigation, by CQS.	Yes		**Elavon Pillar 3 Disclosures 2017** • Standardised Credit Risk Exposure Classes (pg. 10) • Counterparty Credit Risk (pg. 11)
Article 445: Exposure to market risk				
445	Disclosure of position risk, large exposures exceeding limits, FX, settlement and commodities risk.	Yes		**Elavon Pillar 3 Disclosures 2017** • Market Risk (pg. 12)
Article 446: Operational risk				

CRR Article	High Level Summary	Applicable	Location of US Bancorp Equivalency	Location of Group Disclosures not covered by Equivalency
446	Scope of approaches used to calculate operational risk.	Yes	**US Bancorp - 2017 Annual Report (Audited)** • MD&A-Operational Risk Management (pg. 52) **US Bancorp - Basel Pillar 3 Disclosures (Unaudited)** • Operational Risk (pg. 15)	
Article 447: Exposures in equities not included in the trading book				
447	Exposures in equities not included in the trading book	N/A		**N/A** - Elavon does not have any exposure to equities
Article 448: Exposure to interest rate risk on positions not included in the trading book				
448(a)	Nature of the interest rate risk and the key assumptions, and frequency of measurement of the interest rate risk.	Yes	**US Bancorp - 2017 Annual Report (Audited)** • MD&A-Interest Rate Risk Management, Net Interest Income Simulation Analysis, and Market Value of Equity Modelling (pg. 52-53)	
448(b)	Variation in earnings, economic value or other relevant measure used by the bank for upward and downward rate shocks according to the banks method for measuring the interest rate risk, broken down by currency.	Yes		
Article 449: Exposure to securitisation positions				
449	Exposure to securitisation positions	N/A		**N/A** - Elavon does not have any exposure to securitisation positions
Article 450: Remuneration policy				
450(1)	Remuneration disclosures	Yes		**Elavon Pillar 3 Disclosures 2017** • Public Remuneration Disclosure (Pg. 18-20)
Article 451: Leverage				
451	Leverage ratio, and breakdown of total exposure measure, including reconciliation to financial statements, and derecognised fiduciary items. Description of the processes used to manage the risk of excessive leverage, and factors that impacted the leverage ratio during the year.	Yes	**US Bancorp - Basel Pillar 3 Disclosures (Unaudited)** • Table 3- Supplementary Leverage Ratio (pg. 5)	
QUALIFYING REQUIREMENTS FOR THE USE OF PARTICULAR INSTRUMENTS OR METHODOLOGIES				
Article 452: Use of the IRB Approach to credit risk				
452(a)	Use of the IRB Approach to credit risk	N/A		**N/A** - Elavon does not use IRB Approach to credit risk
Article 453: Use of credit risk mitigation techniques				
453(a)	Use of on and off-balance sheet netting.	Yes	**US Bancorp - 2017 Annual Report (Audited):** • MD&A-Corporate Risk Profile (pg. 38-60) • Note 1-Significant Accounting Policies (pg. 81-89) • Note 4-Investment Securities(pg. 90-91) • Note 5-Loans and Allowance for Credit Losses (pg. 92-100) • Note 19-Derivative Instruments (pg. 118-123) • Note 20-Netting Arrangements for Certain Financial Instruments (pg. 123-125) • Note 21-Fair Values of Assets and Liabilities (pg. 125-133) **US Bancorp - Basel Pillar 3 Disclosures (Unaudited)** • Credit Risk Mitigation (pg. 10)	
453(b)	How collateral valuation is managed.	N/A		**N/A –** Elavon does receive any collateral
453(c)	Description of types of collateral used by the institution.	N/A		**N/A –** Elavon does receive any collateral
453(d)	Main types of guarantor and credit derivative counterparty, creditworthiness	Yes		
453(e)	Market or credit risk concentrations within risk mitigation exposures.	Yes		
453(f)	Standardised or Foundation IRB Approach, exposure value covered by eligible collateral.	N/A		**N/A –** Elavon does receive any collateral
453(g)	Exposures covered by guarantees or credit derivatives.	Yes		
Article 454: Use of the Advanced Measurement Approaches to operational risk				
454	Use of the Advanced Measurement Approaches to operational risk	N/A		**N/A** - Elavon does not use Advanced Measurement Approaches to operational risk
Article 455: Use of Internal Market Risk Models				
455	Use of Internal Market Risk Models	N/A		**N/A** - Elavon does not use internal models for market risk

Appendix 2 – Significant subsidiaries – Elavon Financial Services DAC

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

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

CRR Article Ref	Applicable	Location of US Bancorp Equivalency	Location of Bank Disclosures not covered by Equivalency
Article 437: Own funds	Yes	Covered under US Bancorp equivalent disclosures see appendix 1.	
Article 438: Capital requirements	Yes	Covered under US Bancorp equivalent disclosures see appendix 1.	
Article 440: Capital buffers	Yes	Covered under US Bancorp equivalent disclosures see appendix 1.	
Article 442: Credit risk adjustments	Yes	Covered under US Bancorp equivalent disclosures see appendix 1.	
Article 450: Remuneration policy	Yes		The Remuneration disclosures for Elavon Financial Services DAC are identical to those provided in relation to the Group and as such can be found on pages 18-20.
Article 451: Leverage	Yes	Covered under US Bancorp equivalent disclosures see appendix 1.	
Article 453: Use of credit risk mitigation techniques	Yes	Covered under US Bancorp equivalent disclosures see appendix 1.	