

ULSTER BANK IRELAND DESIGNATED ACTIVITY COMPANY

PILLAR III DISCLOSURES

31 December 2021

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Basis of disclosure, Background and Capital and risk management

This Pillar III Disclosure for year ended 31 December 2021 is applicable to Ulster Bank Ireland Designated Activity Company ('UBIDAC'). UBIDAC is a company incorporated in the Republic of Ireland and is a wholly-owned subsidiary of NatWest Holdings Limited ('NatWest Holdings'). The ultimate holding company is NatWest Group plc ('NWG'). 'NatWest Group' comprises the ultimate holding company and its subsidiary and associated undertakings.

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

Basis of disclosure

At 31 December 2021, UBIDAC was a large subsidiary of a parent institution established in a third country. Reduced disclosure requirements apply to large subsidiaries included in equivalent disclosures of a third country parent undertaking, in accordance with Article 13 (3) of Regulation (EU) No 575/2013. UBIDAC is also required by its supervisors to publish an annual disclosure in accordance with the requirements for large subsidiaries.

UBIDAC Pillar III Disclosures for 2021 are reported as part of the large subsidiary disclosures within the NatWest Holdings Group Pillar III annual disclosure, which in turn feeds into the NWG Pillar III annual disclosure. Refer to www.investors.natwestgroup.com.

Appendix 2 in this document contains a mapping table to reference each article under the Capital Requirements Regulation (CRR) relevant to large subsidiaries, to the appropriate table in the UBIDAC, NatWest Holdings and NWG Pillar III document, or other published information as relevant. The UBIDAC disclosure tables within this document have been extracted from the NatWest Holdings Pillar III document and reported in Euro. Comparisons against prior periods have been included in the UBIDAC tables as appropriate.

This disclosure should be read in conjunction with the UBIDAC 2021 Annual Report and Accounts (ARA). Risk management is covered in detail within Note 22 of UBIDAC's ARA, including risk management framework, market risk, credit risk, liquidity and funding risk.

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

- This Pillar III disclosure document presents a regulatory rather than an accounting consolidation. Certain aspects of the business (e.g. special purpose vehicles) are included in financial but not regulatory reporting; therefore this disclosure document may not be comparable with other external disclosures by UBIDAC.
- This document relates to the position at 31 December 2021 and has been prepared in accordance with applicable legislation effective at this date. The comments relate to the business structure, governance and risk management approach at that date.
- The information has not been subject to external audit.

Background

The CRR and Capital Requirements Directive (CRD IV - was enacted in Irish law by S.I. No. 158 of 2014 and S.I. No. 159 of 2014). Pursuant to Article 431 of Regulation EU575/2013 of the CRR, UBIDAC must publicly disclose the information laid out according to Part 8, Title III, of the CRR. The CRR was amended by EU 2019/876 (CRR II) and further specified by the EBA implementing technical standard (EBA/ITS/2020/04).

The Basel framework is based around the following three Pillars:

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

Capital and risk management

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

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

UBIDAC plans and manages capital resources in accordance with the UBIDAC and NatWest Group Capital Management Policies. UBIDAC capital planning is a key part of the budgeting and planning process. The capital plan covers the strategic forecast period and is regularly reviewed and updated. UBIDAC Capital Management and the UBIDAC Asset and Liability Management Committee (ALCO) monitor the utilisation of capital by tracking the actual capital available on an on-going basis. In carrying out these policies, UBIDAC has regard to and has complied with the supervisory requirements of the ECB and the CBI.

The RWEAs by risk type for capital allocation are contained in the CR2 table below. The following tables show the capital resources and capital requirements of UBIDAC under Pillar III

Capital, liquidity and funding

EBA IFRS 9-FL: EBA Key metrics

The table below shows key metrics as required by the EBA relating to IFRS 9. Following the adoption of IFRS 9 from 1 January 2018, the CRR introduced transitional rules to phase in the full CET1 effect over a five-year period. The transition period has been further amended by the CRR COVID-19 Amendment Regulation, the effect of this is to fully mitigate the increases in Stage 1 and Stage 2 expected credit loss provisions arising in 2020, due to the COVID-19 pandemic. The revised transitional amendments will maintain a CET1 add-back of relevant ECL provisions until 31 December 2024.

	31 Dec 2021 €m	30 Sep 2021 €m	30 Jun 2021 €m	31 Mar 2021 €m	31 Dec 2020 €m
Available capital (amounts)					
1 Common equity tier 1	3,841	3,986	3,954	3,959	3,972
2 Common equity tier 1 capital as if IFRS 9 transitional arrangements had not been applied	3,695	3,756	3,715	3,707	3,709
3 Tier 1 capital	3,841	3,986	3,954	3,959	3,972
4 Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	3,695	3,756	3,715	3,707	3,709
5 Total capital	4,055	4,231	4,229	4,256	4,294
6 Total capital as if IFRS 9 transitional arrangements had not been applied	3,909	4,002	3,990	4,004	4,031
Risk weighed exposure amounts					
7 Total risk-weighted assets	13,815	14,982	15,446	14,214	14,134
8 Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	13,814	14,981	15,441	14,209	14,130
Risk-based capital ratios as a percentage of RWEA					
9 Common equity tier 1 ratio	27.8	26.6	25.6	27.9	28.1
10 Common equity tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	26.7	25.1	24.1	26.1	26.3
11 Tier 1 ratio	27.8	26.6	25.6	27.9	28.1
12 Tier 1 ratio as if IFRS 9 transitional arrangements had not been applied	26.7	25.1	24.1	26.1	26.3
13 Total capital ratio	29.4	28.2	27.4	29.9	30.4
14 Total capital ratio as if IFRS 9 transitional arrangements had not been applied	28.3	26.7	25.8	28.2	28.5
Leverage ratio					
15 CRR leverage ratio exposure measure (€m)	23,563	24,902	25,200	26,687	26,672
16 CRR leverage ratio (%)	16.3	16.0	15.7	14.8	14.9
17 CRR leverage ratio (%) as if IFRS 9 transitional arrangements had not been applied	15.8	15.2	14.9	14.0	14.0

Capital and leverage

- The CET1 ratio decreased to 27.8% from 28.1%.
- CET1 Capital has reduced by €131m, which is mainly due to a decrease in the IFRS 9 transitional arrangements on expected credit losses.
- Risk weighted assets decreased by €319 million primarily driven by the reduction in mortgages and business lending as repayments and amortisations exceed new lending during the period, in line with the announced phased withdrawal. The full impact of the reduced exposure is partially offset by a voluntary adjustment to the capital metrics as agreed with the Regulator.
- The leverage ratio increased from 14.9% to 16.3% driven by a decrease in the leverage exposure measure. This is driven by a reduction in balance sheet assets, including lending to customers, placements with group companies and debt securities.

(1) This data is also disclosed in NatWest Holdings Pillar III IFRS 9-FL. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.

(2) Due to exchange rates being used, small rounding variances may exist.

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

EU CC1: Composition of regulatory own funds

	31 Dec 2021 €m	31 Dec 2020 €m	
CET1 Capital: instruments and reserves			
1	Capital instruments and the related share premium accounts <i>of which: ordinary shares</i> <i>of which: share premium</i>	4,236 3,379 857	4,236 3,379 857
2	Retained earnings	(366)	261
3	Accumulated other comprehensive income (and other reserves)	3	99
EU-3a	Funds for general banking risk	—	—
4	Amount of qualifying items referred to in Article 484 (3) 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	3,873	4,596
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	—	—
8	Intangible assets (net of related tax liability) (negative amount)	—	—
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)	(13)	(48)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	—	(84)
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)	(96)	(272)
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)	—	—
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	<i>of which: qualifying holdings outside the financial sector (negative amount)</i>	—	—
EU-20c	<i>of which: securitisation positions (negative amount)</i>	—	—
EU-20d	<i>of which: free deliveries (negative amount)</i>	—	—
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	<i>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</i>	—	—
25	<i>of which: deferred tax assets arising from temporary differences</i>	—	—

For notes relating to this table refer to page 8.

EU CC1: Composition of regulatory own funds continued

	31 Dec 2021 €m	31 Dec 2020 €m
EU-25a	(2)	(431)
EU-25b	—	—
27	—	—
27a	79	211
28	(32)	(624)
29	3,841	3,972
Additional Tier 1 (AT1) capital: instruments		
30	—	—
31	—	—
32	—	—
33	—	—
EU-33a	—	—
EU-33b	—	—
34	—	—
35	—	—
36	—	—
Additional Tier 1 (AT1) capital: regulatory adjustments		
37	—	—
38	—	—
39	—	—
40	—	—
42	—	—
Eu-42a	—	—
43	—	—
44	—	—
45	3,841	3,972

For notes relating to this table refer to page 8.

EU CC1: Composition of regulatory own funds continued

	31 Dec 2021	31 Dec 2020	
	€m	€m	
Tier 2 (T2) capital: instruments and provisions			
46	Capital instruments and the related share premium accounts	60	251
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	86	—
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	68	71
51	Tier 2 (T2) capital before regulatory adjustments	214	322
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)	—	—
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)	—	—
56a	Actual or contingent obligations to purchase own AT1 instruments	—	—
56c	Amount to be deducted from or added to T2 capital with regard to additional filters and deductions required pre CRR	—	—
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	214	322
59	Total capital (TC = T1 + T2)	4,055	4,294
60	Total risk exposure amount	13,815	14,134
Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital	27.8%	28.1%
62	Tier 1 capital	27.8%	28.1%
63	Total capital	29.4%	30.4%
64	Institution CET1 overall capital requirements	7.5%	7.5%
65	of which: capital conservation buffer requirement	2.5%	2.5%
66	of which: countercyclical capital buffer requirement	—	—
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	0.5%	0.5%
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	—	—
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements ⁽²⁾	21.3%	21.6%

For notes relating to this table refer to page 8.

EU CC1: Composition of regulatory own funds continued

	31 Dec 2021 €m	31 Dec 2020 €m
Amounts below the threshold 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)	—	—
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)	—	1
Available caps on the inclusion of provisions in T2		
76		
Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	—	—
77		
Cap on inclusion of credit risk adjustments in T2 under standardised approach	16	14
78		
Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	235	362
79		
Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	68	71
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2013 and 1 January 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	16	32
85		
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	—	—

For information, UBIDAC's consolidated Pillar 2 requirement ('P2R') at 31 December 2021 was 3.5%. With effect from 1 March 2022, the rate will be 3.6%.

- (1) Other regulatory adjustments to CET1 consist of:
 - IFRS 9 transitional adjustment as summarised in EBA IFRS 9-FL
 - Adjustment to capital to reflect the ECB non-performing backstop rules, as set out in the addendum to the ECB Guidance to banks on non-performing loans: supervisory expectations for prudential provisioning of non-performing exposures.
- (2) Represents CET1 ratio less TSCR (Pillar 1 and 2A).
- (3) Due to exchange rates being used, small rounding variances may exist.
- (4) Appendix 2 details how these disclosures comply with the requirements of the CRR.

EU OV1: Overview of risk weighted exposure amounts

		a	b	c
		Risk-weighted exposure amounts (RWEAs)		Total own funds requirements
		31 Dec 2021 €m	31 Dec 2020 €m	Total own funds €m
1	Credit risk (excluding CCR)	12,620	12,892	1,009
2	Of which: the standardised approach	1,284	1,141	103
3	Of which: the foundation IRB (FIRB) approach	—	—	—
4	Of which: slotting approach	770	800	61
EU-4a	Of which: equities under the simple risk-weighted approach	—	—	—
5	Of which: the advanced IRB (AIRB) approach	10,566	10,951	845
6	Counterparty credit risk - CRR	135	130	11
7	Of which: the standardised approach	81	130	7
8	Of which: Internal model method (IMM)	—	—	—
EU-8a	Of which: exposures to a CPP	—	—	—
EU-8b	Of which: Credit valuation adjustment (CVA)	53	—	4
9	Of which: other CRR	1	—	—
15	Settlement Risk	—	—	—
16	Securitisation exposures in the non-trading (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)	20	69	2
21	Of which: the standardised approach	20	69	2
22	Of which: IMA	—	—	—
EU-22a	Large exposures	—	—	—
23	Operational risk	1,039	1,041	83
EU-23a	Of which: basic indicator approach	—	—	—
EU-23b	Of which: standardised approach	1,039	1,041	83
EU-23c	Of which: advanced measurement approach	—	—	—
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	1	2	—
29	Total	13,815	14,134	1,105

- (1) Due to exchange rates being used, small rounding variances may exist.
(2) Appendix 2 details how these disclosures comply with the requirements of the CRR.
(3) The standardised approach (STD) is used to calculate market risk and operational risk capital requirements.

EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		a	
		31 Dec 2021	31 Dec 2020
		€m	€m
1	Total assets as per published financial statements	27,927	31,205
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	—	—
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	—	—
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	(5,550)	(5,871)
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	—	—
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	—	—
7	Adjustment for eligible cash pooling transactions	—	—
8	Adjustments for derivative financial instruments	26	34
9	Adjustment for securities financing transactions (SFTs)	—	—
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	1,176	1,456
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	—	—
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	—	—
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	—	—
12	Other adjustments	(16)	(152)
13	Total exposure measure	23,563	26,672

(1) Due to exchange rates being used, small rounding variances may exist.

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

EU LR2 - LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures	
		a	b
		31 Dec 2021 €m	31 Dec 2020 €m
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	22,295	25,149
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	—	—
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	—	—
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	—	—
5	(General credit risk adjustments to on-balance sheet items)	—	—
6	(Asset amounts deducted in determining Tier 1 capital)	(30)	(193)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	22,265	24,956
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin) ⁽¹⁾	67	167
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	—	—
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions ⁽¹⁾	55	93
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	—	—
EU-9b	Exposure determined under Original Exposure Method	—	—
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	—	—
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	—	—
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	—	—
11	Adjusted effective notional amount of written credit derivatives	—	—
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	—	—
13	Total derivatives exposures	122	260
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	—	—
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	—	—
16	Counterparty credit risk exposure for SFT assets	—	—
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	—	—
17	Agent transaction exposures	—	—
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	—	—
18	Total securities financing transaction exposures	—	—
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	3,391	4,174
20	(Adjustments for conversion to credit equivalent amounts)	(2,215)	(2,718)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	—	—
22	Off-balance sheet exposures	1,176	1,456
Excluded exposures			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	—	—
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	—	—
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	—	—

For notes relating to this table refer to page 12.

EU LR2 - LRCom: Leverage ratio common disclosure continued

		CRR leverage ratio exposures	
		a	b
		31 Dec 2021	31 Dec 2020
		€m	€m
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	—	—
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	—	—
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	—	—
EU-22g	(Excluded excess collateral deposited at triparty agents)	—	—
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	—	—
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	—	—
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	—	—
EU-22k	(Total exempted exposures)	—	—
Capital and total exposure measure			
23	Tier 1 capital	3,841	3,972
24	Total exposure measure	23,563	26,672
Leverage ratio			
25	Leverage ratio (%)	16.3%	14.9%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	16.3%	14.9%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	13.2%	12.2%
26	Regulatory minimum leverage ratio requirement (%)	3.5%	3.5%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	—	—
EU-26b	of which: to be made up of CET1 capital	—	—
27	Leverage ratio buffer requirement (%)	—	—
EU-27a	Overall leverage ratio requirement (%)	3.5%	3.5%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Transitional	Transitional
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and receivables	—	—
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and receivables	—	—
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	23,563	26,672
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	29,113	32,543
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	16.3%	14.9%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	13.2%	12.2%

(1) Derivative comparatives were reported under the Mark to Market methodology in line with CRR. SA-CCR has been used in current year in line with revised CRR.

(2) Due to exchange rates being used, small rounding variances may exist.

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

EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		CRR leverage ratio exposures	
		a	
		31 Dec 2021	31 Dec 2020
		€m	€m
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	22,265	24,956
EU-2	Trading book exposures	—	—
EU-3	Banking book exposures, of which:	22,265	24,956
EU-4	Covered bonds	409	417
EU-5	Exposures treated as sovereigns	1,219	1,632
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	419	488
EU-7	Institutions	1,032	1,832
EU-8	Secured by mortgages of immovable properties	15,687	16,717
EU-9	Retail exposures	537	593
EU-10	Corporates	2,022	2,143
EU-11	Exposures in default	336	500
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	604	634

(1) This data is also disclosed in NatWest Holdings Pillar III LRSpl. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.

(2) Due to exchange rates being used, small rounding variances may exist.

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

EU CCyB1: Geographical distribution of credit exposures used in the countercyclical capital buffer

	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
	Exposure Value under the standardised approach	Exposure Value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m		
31 December 2021													
Breakdown by country													
Rol	728	20,531	—	—	—	21,259	860	—	—	860	10,749	96.43	—
UK	32	368	—	—	—	400	24	—	—	24	306	2.74	—
France	—	208	—	—	—	208	2	—	—	2	22	0.19	—
US	—	61	—	—	—	61	2	—	—	2	29	0.26	—
Norway	—	51	—	—	—	51	—	—	—	—	5	0.05	1.00
Other	—	121	—	—	—	121	4	—	—	4	36	0.33	—
Total	760	21,340	—	—	—	22,100	892	—	—	892	11,147	100.00	—
31 December 2020													
Breakdown by country													
Rol	785	22,697	—	—	—	23,482	879	—	—	879	10,991	96.20	—
UK	28	456	—	—	—	484	24	—	—	24	303	2.65	—
France	—	212	—	—	—	212	2	—	—	2	30	0.26	—
US	—	69	—	—	—	69	3	—	—	3	38	0.33	—
Norway	—	51	—	—	—	51	1	—	—	1	7	0.06	1.00
Other	—	146	—	—	—	146	5	—	—	5	56	0.50	—
Total	813	23,631	—	—	—	24,444	914	—	—	914	11,425	100.00	—

(1) Due to exchange rates being used, small rounding variances may exist.
(2) Appendix 2 details how these disclosures comply with the requirements of the CRR.

EU CCyB2: Amount of institution-specific countercyclical capital buffer

	a	
	31 Dec 2021	31 Dec 2020
	€m	€m
1 Total risk exposure amount	13,815	14,134
2 Institution specific countercyclical capital buffer rate	0.00%	0.00%
3 Institution specific countercyclical capital buffer requirement	—	—

- (1) This data is also disclosed in NatWest Holdings Pillar III CCyB2. Figures are translated into Euro as applicable, therefore UBIDAC disclosures differ from those of NatWest Holdings Pillar III.
(2) Due to exchange rates being used, small rounding variances may exist.
(3) Appendix 2 details how these disclosures comply with the requirements of the CRR.

EU LIQ1: Quantitative information of LCR

	a				b				c				d				e				f				g				h			
	Total unweighted value (average)								Total weighted value (average)																							
EU 1a Quarter ended	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021				
EU 1b Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12				
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m				
High-quality liquid assets																																
1 Total high-quality liquid assets (HQLA)	8,915	8,890	8,791	8,476	8,886	8,861	8,762	8,447																								
Cash - outflows																																
2 Retail deposits and deposits from small business customers	13,627	13,621	13,495	13,263	1,048	1,036	1,018	993																								
3 of which: Stable deposits	7,312	7,365	7,326	7,220	366	368	366	361																								
4 of which: Less stable deposits	5,691	5,583	5,459	5,308	682	668	652	632																								
5 Unsecured wholesale funding	6,921	6,734	6,639	6,646	2,926	2,868	2,857	2,919																								
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	1,740	1,692	1,645	1,594	435	423	411	398																								
7 Non-operational deposits (all counterparties)	5,181	5,042	4,994	5,052	2,491	2,445	2,446	2,521																								
8 Unsecured debt	—	—	—	—	—	—	—	—																								
9 Secured wholesale funding	—	—	—	—	—	—	—	—																								
10 Additional requirements	3,225	3,439	3,553	3,504	311	331	347	347																								
11 Outflows related to derivative exposures and other collateral requirements	2	1	1	1	2	1	1	1																								
12 Outflows related to loss of funding on debt products	—	—	—	—	—	—	—	—																								
13 Credit and liquidity facilities	3,223	3,438	3,552	3,503	309	330	346	346																								
14 Other contractual funding obligations	74	48	47	47	26	—	—	—																								
15 Other contingent funding obligations	374	377	380	378	19	19	19	19																								
16 Total cash outflows	24,220	24,219	24,114	23,838	4,330	4,254	4,241	4,278																								
Cash - inflows																																
17 Secured lending (e.g. reverse repos)	—	—	—	—	—	—	—	—																								
18 Inflows from fully performing exposures	684	605	487	474	615	538	421	410																								
19 Other cash inflows	135	145	161	181	31	32	35	40																								
EU-19a (Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)	—	—	—	—	—	—	—	—																								
EU-19b (Excess inflows from a related specialised credit institution)	—	—	—	—	—	—	—	—																								
20 Total cash inflows	819	750	648	655	646	570	456	450																								
EU-20a Fully exempt inflows	—	—	—	—	—	—	—	—																								
EU-20b Inflows subject to 90% cap	—	—	—	—	—	—	—	—																								
EU-20c Inflows subject to 75% cap	819	750	648	655	646	570	456	450																								
Total adjusted value																																
EU-21 Liquidity buffer	—	—	—	—	8,886	8,861	8,762	8,447																								
22 Total net cash outflows	—	—	—	—	3,684	3,684	3,785	3,828																								
23 Liquidity coverage ratio	—	—	—	—	244%	241%	232%	221%																								

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

Credit risk (including counterparty credit risk)

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

The table below shows credit risk and counterparty credit risk separately. It presents EAD pre and post CRM, RWEAs and MCR, split by regulatory approach and exposure class.

	31 December 2021				31 December 2020			
	EAD pre CRM €m	EAD post CRM €m	RWEAs €m	MCR €m	EAD pre CRM €m	EAD post CRM €m	RWEAs €m	MCR €m
Credit risk (non-counterparty)								
<i>IRB</i>								
Central governments or central banks	7,187	7,187	922	74	7,995	7,995	1,004	80
Institutions	347	347	75	6	456	456	120	10
Corporates	5,274	5,267	3,815	305	6,030	5,997	4,216	338
<i>Specialised Lending</i>	1,119	1,119	770	62	1,190	1,190	800	64
<i>SME</i>	900	900	765	61	903	902	818	66
<i>Other Corporate</i>	3,255	3,248	2,280	182	3,937	3,905	2,598	208
Retail	15,590	15,590	6,369	509	17,196	17,196	6,281	503
<i>Secured by real estate property SME</i>	—	—	—	—	—	—	—	—
<i>Secured by real estate property non SME</i>	14,545	14,545	5,623	450	16,043	16,043	5,646	452
<i>Qualifying Revolving</i>	331	331	174	14	345	345	144	11
<i>Other Retail SME</i>	553	553	409	32	603	603	334	27
<i>Other Retail non SME</i>	161	161	163	13	205	205	157	13
Equities	—	—	—	—	—	—	—	—
Securitisation	—	—	—	—	—	—	—	—
Non-credit obligation assets	461	461	156	12	409	409	130	10
Total IRB	28,859	28,852	11,337	906	32,086	32,053	11,751	941
<i>STD</i>								
Central governments or central banks	—	—	1	—	1	1	2	—
Regional governments or local authorities	—	—	—	—	1	1	1	—
Public sector entities	—	—	—	—	—	—	—	—
Multilateral Development Banks	—	—	—	—	—	—	—	—
International Organisations	—	—	—	—	—	—	—	—
Institutions	848	848	488	39	1,543	1,543	359	29
Corporates	662	662	710	57	597	597	575	46
Retail	13	13	10	1	12	12	7	1
Secured by mortgages on immovable property - residential	2	2	2	—	105	105	105	8
Secured by mortgages on immovable property - commercial	45	45	45	4	44	44	44	3
Exposures in default	20	20	24	2	33	33	42	3
Items associated with particularly high risk	—	—	—	—	—	—	—	—
Covered bonds	—	—	—	—	—	—	—	—
Collective investments undertakings (CIU)	—	—	—	—	—	—	—	—
Equity exposures	—	—	—	—	—	—	—	—
Other exposures	17	17	4	—	23	23	8	1
Total STD	1,607	1,607	1,284	103	2,359	2,359	1,143	91
Total	30,466	30,459	12,621	1,009	34,445	34,412	12,894	1,032

Credit risk (including counterparty credit risk)

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

	31 December 2021				31 December 2020			
	EAD pre CRM €m	EAD post CRM €m	RWEAs €m	MCR €m	EAD pre CRM €m	EAD post CRM €m	RWEAs €m	MCR €m
Counterparty credit risk								
<i>IRB</i>								
Central governments or central banks	—	—	—	—	—	—	—	—
Institutions	308	2	—	—	—	—	—	—
Corporates	23	23	13	1	28	28	17	1
<i>Specialised Lending</i>	18	18	10	1	18	18	11	1
<i>SME</i>	1	1	1	—	1	1	1	—
<i>Other Corporate</i>	4	4	2	—	9	9	5	—
Retail	—	—	—	—	—	—	—	—
<i>Secured by real estate property SME</i>	—	—	—	—	—	—	—	—
<i>Secured by real estate property non SME</i>	—	—	—	—	—	—	—	—
<i>Qualifying Revolving</i>	—	—	—	—	—	—	—	—
<i>Other Retail SME</i>	—	—	—	—	—	—	—	—
<i>Other Retail non SME</i>	—	—	—	—	—	—	—	—
Equities	—	—	—	—	—	—	—	—
Securitisation	—	—	—	—	—	—	—	—
Non-credit obligation assets	—	—	—	—	—	—	—	—
Total IRB	331	25	13	1	28	28	17	1
<i>STD</i>								
Central governments or central banks	—	—	—	—	—	—	—	—
Regional governments or local authorities	—	—	—	—	—	—	—	—
Public sector entities	—	—	—	—	—	—	—	—
Multilateral Development Banks	—	—	—	—	—	—	—	—
International Organisations	—	—	—	—	—	—	—	—
Institutions	139	139	121	10	227	227	113	9
Corporates	—	—	—	—	—	—	—	—
Retail	—	—	—	—	—	—	—	—
Secured by mortgages on immovable property - residential	—	—	—	—	—	—	—	—
Secured by mortgages on immovable property - commercial	—	—	—	—	—	—	—	—
Exposures in default	—	—	—	—	—	—	—	—
Items associated with particularly high risk	—	—	—	—	—	—	—	—
Covered bonds	—	—	—	—	—	—	—	—
Collective investments undertakings (CIU)	—	—	—	—	—	—	—	—
Equity exposures	—	—	—	—	—	—	—	—
Other exposures	—	—	—	—	—	—	—	—
Total STD	139	139	121	10	227	227	113	9
Total	470	164	134	11	255	255	130	10

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

Credit risk (excluding counterparty credit risk)

EU CR1-A: Maturity of exposures

	a	b	c	d	e	f
	Net exposure value					
	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
	€m	€m	€m	€m	€m	€m
31 December 2021						
1 Loans and advances	370	657	1,066	5,450	—	7,543
2 Debt securities	—	498	1,989	—	—	2,487
3 Total	370	1,155	3,055	5,450	—	10,030

31 December 2020

1 Loans and advances	1,146	2,435	3,244	15,724	—	22,549
2 Debt securities	—	549	2,351	61	—	2,961
3 Total	1,146	2,984	5,595	15,785	—	25,510

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

(2) See 'assets of disposal group' note below

Assets of disposal group

As disclosed in UBIDAC Annual Report and Accounts, assets expected to be sold to AIB and PTSB in 2022 as part of the phased withdrawal announcement, that meet the requirements of IFRS 5, are classified on the balance sheet as 'Assets of disposal groups' at 31 December 2021. This results in a significant reduction in the loans and advances classifications on the table above (EU CR1-A), the following ten NPE tables (EU CR1 – EU CQ8) and the three COVID-19 tables (Template 1 – Template 3), as the regulation excludes held for sale assets from the loans and advances balances in these tables.

Credit risk (excluding counterparty credit risk)

The following ten tables (EU CR1 – EU CQ8) contain disclosures on non-performing (NPEs) and forborne exposures (FBEs) and foreclosed assets. The aim of these tables is to facilitate effective management of NPEs and achieve a sustainable reduction in NPEs in credit institutions' balance sheets. Four of the templates are mandatory for all credit institutions (EU CR1, EU CQ1, EU CQ3 & EU CQ7). The other NPE templates apply to significant credit institutions with a gross non-performing loan ratio of 5% or above. More detail of UBIDAC's non-performing loans is available in the report of the directors within UBIDAC's annual report and accounts.

EU CR1: Performing and non-performing exposures and related provisions

	a	b	c	d	e	f	g						m			n		o
	Gross carrying amount/nominal amount						Performing exposures – accumulated accumulated impairment and provisions						Non-performing exposures – accumulated accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Collateral and financial guarantees received		
	Performing exposures			Non-performing exposures			Of which:			Of which:			Total	Of which: stage 2	Of which: stage 3	Accumulated partial write-off	On performing exposures	On non- performing exposures
	Total	Of which: stage 1	Of which: stage 2	Total	Of which: stage 2	Of which: stage 3	Total	Of which: stage 1	Of which: stage 2	Total	Of which: stage 2	Of which: stage 3						
31 December 2021	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	
005 Cash balances at central banks and other demand deposits	5,367	5,367	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
010 Loans and advances	8,284	7,322	962	990	53	937	(83)	(11)	(72)	(466)	(4)	(462)	(4)	6,825	487			
020 Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
030 General governments	5	5	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
040 Credit institutions	801	801	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
050 Other financial corporations	1	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
060 Non-financial corporations	531	300	231	171	3	168	(47)	(2)	(45)	(71)	(1)	(70)	—	231	76			
070 Of which SMEs	250	142	108	96	1	95	(21)	(1)	(20)	(48)	(1)	(47)	—	87	39			
080 Households	6,946	6,215	731	819	50	769	(36)	(9)	(27)	(395)	(3)	(392)	(4)	6,594	411			
090 Debt securities	2,488	2,488	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
100 Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
110 General governments	1,203	1,203	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
120 Credit institutions	979	979	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
130 Other financial corporations	306	306	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
140 Non-financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
150 Off-balance-sheet exposures	3,363	3,063	300	27	—	27	(1)	—	(1)	—	—	—	—	292	3			
160 Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
170 General governments	5	5	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
180 Credit institutions	95	95	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
190 Other financial corporations	164	155	9	—	—	—	—	—	—	—	—	—	—	2	—			
200 Non-financial corporations	2,359	2,150	209	19	—	19	(1)	—	(1)	—	—	—	—	276	3			
210 Households	740	658	82	8	—	8	—	—	—	—	—	—	—	14	—			
220 Total	19,502	18,240	1,262	1,017	53	964	(84)	(11)	(73)	(466)	(4)	(462)	(4)	7,117	490			

EU CR1: Performing and non-performing exposures and related provisions continued

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received		
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	On performing exposures	On non-performing exposures
	Total	Of which: stage 1	Of which: stage 2	Total	Of which: stage 2	Of which: stage 3	Total	Of which: stage 1	Of which: stage 2	Total	Of which: stage 2	Of which: stage 3	€m	€m	€m
€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
31 December 2020															
005 Cash balances at central banks and other demand deposits	5,831	5,828	3	—	—	—	—	—	—	—	—	—	—	—	—
010 Loans and advances	20,882	17,331	3,551	1,499	122	1,377	(315)	(49)	(266)	(570)	(22)	(548)	(4)	16,973	896
020 Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
030 General governments	9	9	—	—	—	—	—	—	—	—	—	—	—	—	—
040 Credit institutions	1,481	1,481	—	—	—	—	—	—	—	—	—	—	—	—	—
050 Other financial corporations	109	67	42	1	—	1	(1)	—	(1)	(1)	—	(1)	—	18	—
060 Non-financial corporations	4,514	3,026	1,488	190	49	141	(160)	(14)	(146)	(87)	(14)	(73)	—	2,814	80
070 Of which SMEs	1,064	694	370	92	5	87	(64)	(4)	(60)	(55)	(4)	(51)	—	590	27
080 Households	14,769	12,748	2,021	1,308	73	1,235	(154)	(35)	(119)	(482)	(8)	(474)	(4)	14,141	816
090 Debt securities	2,952	2,901	51	—	—	—	—	—	—	—	—	—	—	—	—
100 Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
110 General governments	1,519	1,519	—	—	—	—	—	—	—	—	—	—	—	—	—
120 Credit institutions	1,122	1,122	—	—	—	—	—	—	—	—	—	—	—	—	—
130 Other financial corporations	311	260	51	—	—	—	—	—	—	—	—	—	—	—	—
140 Non-financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
150 Off-balance-sheet exposures	4,131	3,370	761	41	1	40	(8)	(1)	(7)	—	—	—	—	342	10
160 Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
170 General governments	123	123	—	—	—	—	—	—	—	—	—	—	—	—	—
180 Credit institutions	78	76	2	—	—	—	—	—	—	—	—	—	—	—	—
190 Other financial corporations	197	189	8	—	—	—	—	—	—	—	—	—	—	4	—
200 Non-financial corporations	2,900	2,224	676	33	—	33	(7)	(1)	(6)	—	—	—	—	323	10
210 Households	833	758	75	8	1	7	(1)	—	(1)	—	—	—	—	15	—
220 Total	33,796	29,430	4,366	1,540	123	1,417	(323)	(50)	(273)	(570)	(22)	(548)	(4)	17,315	906

(1) EBA/ITS/2020/04 was effective from 28 June 2021 and required this template to include cash balances at central banks, therefore the comparatives have been updated to align to this and now include these balances.

(2) See 'assets of disposal group' note on page 18 in relation to movement on loans and advances.

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

EU CQ1: Credit quality of forborne exposures

	a		b		c		d		e		f		g		h	
	Gross carrying amount/nominal amount of exposures with forbearance measures								Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				Collateral received and financial guarantees received on forborne exposures		Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures	
	Performing forborne	Non-performing forborne	Of which: defaulted	Of which: impaired	On performing forborne exposures	On non-performing forborne exposures	Collateral received and financial guarantees received on forborne exposures	Of which: collateral and financial guarantees received on non-performing exposures with forbearance measures	€m	€m	€m	€m	€m	€m		
31 December 2021	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m		
005 Cash balances at central banks and other demand deposits	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
010 Loans and advances	639	741	693	692	(41)	(327)	985	404								
020 <i>Central banks</i>	—	—	—	—	—	—	—	—								
030 <i>General governments</i>	—	—	—	—	—	—	—	—								
040 <i>Credit institutions</i>	—	—	—	—	—	—	—	—								
050 <i>Other financial corporations</i>	—	—	—	—	—	—	—	—								
060 <i>Non-financial corporations</i>	118	105	102	102	(27)	(31)	150	67								
070 <i>Households</i>	521	636	591	590	(14)	(296)	835	337								
080 Debt Securities	—	—	—	—	—	—	—	—								
090 Loan commitments given	55	4	4	4	—	—	5	2								
100 Total	694	745	697	696	(41)	(327)	990	406								
31 December 2020	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m			
005 Cash balances at central banks and other demand deposits	—	—	—	—	—	—	—	—								
010 Loans and advances	1,061	1,168	1,058	1,057	(80)	(433)	1,686	727								
020 <i>Central banks</i>	—	—	—	—	—	—	—	—								
030 <i>General governments</i>	—	—	—	—	—	—	—	—								
040 <i>Credit institutions</i>	—	—	—	—	—	—	—	—								
050 <i>Other financial corporations</i>	—	—	—	—	—	—	—	—								
060 <i>Non-financial corporations</i>	273	94	45	45	(41)	(39)	272	50								
070 <i>Households</i>	788	1,074	1,013	1,012	(39)	(394)	1,414	677								
080 Debt Securities	—	—	—	—	—	—	—	—								
090 Loan commitments given	7	4	3	3	—	—	7	1								
100 Total	1,068	1,172	1,061	1,060	(80)	(433)	1,693	728								

(1) EBA/ITS/2020/04 was effective from 28 June 2021 and required this template to include cash balances at central banks, therefore the comparatives have been updated to align to this and now include these balances.

(2) See 'assets of disposal group' note on page 18 in relation to movement on loans and advances.

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

EU CQ2: Quality of forbearance

	a
	Gross carrying amount of forbore exposures
	€m
31 December 2021	
010 Loans and advances that have been forborne more than twice	960
020 Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	737

31 December 2020	
010 Loans and advances that have been forborne more than twice	1,530
020 Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	1,113

- (1) See 'assets of disposal group' note on page 18 in relation to movement on loans and advances.
(2) Appendix 2 details how these disclosures comply with the requirements of the CRR.

EU CR2a: Changes in the stock of non-performing loans and advances and related net accumulated recoveries

	a	b
	Gross carrying amount	Related net accumulated recoveries
	€m	€m
31 December 2021		
010 Initial stock of non-performing loans and advances	1,499	—
020 Inflows to non-performing portfolios	435	—
030 Outflows from non-performing portfolios	(944)	—
040 <i>Outflow to performing portfolio</i>	(468)	—
050 <i>Outflow due to loan repayment, partial or total</i>	(253)	—
060 <i>Outflow due to collateral liquidations</i>	—	—
070 <i>Outflow due to taking possession of collateral</i>	—	—
080 <i>Outflow due to sale of instruments</i>	(123)	—
090 <i>Outflow due to risk transfers</i>	—	—
100 <i>Outflows due to write-offs</i>	(33)	—
110 <i>Outflow due to other situations</i>	—	—
120 <i>Outflow due to reclassification as held for sale</i>	(67)	—
130 Final stock of non-performing loans and advances	990	—

31 December 2020		
010 Initial stock of non-performing loans and advances	2,506	—
020 Inflows to non-performing portfolios	515	—
030 Outflows from non-performing portfolios	(1,522)	—
040 <i>Outflow to performing portfolio</i>	(616)	—
050 <i>Outflow due to loan repayment, partial or total</i>	(318)	—
060 <i>Outflow due to collateral liquidations</i>	—	—
070 <i>Outflow due to taking possession of collateral</i>	—	—
080 <i>Outflow due to sale of instruments</i>	(572)	—
090 <i>Outflow due to risk transfers</i>	—	—
100 <i>Outflows due to write-offs</i>	(16)	—
110 <i>Outflow due to other situations</i>	—	—
120 <i>Outflow due to reclassification as held for sale</i>	—	—
130 Final stock of non-performing loans and advances	1,499	—

- (1) See 'assets of disposal group' note on page 18 in relation to movement on loans and advances.
(2) Appendix 2 details how these disclosures comply with the requirements of the CRR.

EU CQ3: Credit quality of performing and non-performing exposures by past due days

	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
	Total	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Total	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which: defaulted
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
31 December 2021												
005 Cash balances at central banks and other demand deposits	5,367	5,367	—	—	—	—	—	—	—	—	—	—
010 Loans and advances	8,284	8,246	38	990	447	75	56	76	157	61	118	937
020 Central banks	—	—	—	—	—	—	—	—	—	—	—	—
030 General governments	5	5	—	—	—	—	—	—	—	—	—	—
040 Credit institutions	801	801	—	—	—	—	—	—	—	—	—	—
050 Other financial corporations	1	1	—	—	—	—	—	—	—	—	—	—
060 Non-financial corporations	531	530	1	171	89	16	8	15	24	3	16	168
070 Of which SMEs	250	249	1	96	35	13	5	10	20	2	11	95
080 Households	6,946	6,909	37	819	358	59	48	61	133	58	102	769
090 Debt securities	2,488	2,488	—	—	—	—	—	—	—	—	—	—
100 Central banks	—	—	—	—	—	—	—	—	—	—	—	—
110 General governments	1,203	1,203	—	—	—	—	—	—	—	—	—	—
120 Credit institutions	979	979	—	—	—	—	—	—	—	—	—	—
130 Other financial corporations	306	306	—	—	—	—	—	—	—	—	—	—
140 Non-financial corporations	—	—	—	—	—	—	—	—	—	—	—	—
150 Off-balance-sheet exposures	3,363	—	—	27	—	—	—	—	—	—	—	27
160 Central banks	—	—	—	—	—	—	—	—	—	—	—	—
170 General governments	5	—	—	—	—	—	—	—	—	—	—	—
180 Credit institutions	95	—	—	—	—	—	—	—	—	—	—	—
190 Other financial corporations	164	—	—	—	—	—	—	—	—	—	—	—
200 Non-financial corporations	2,359	—	—	19	—	—	—	—	—	—	—	19
210 Households	740	—	—	8	—	—	—	—	—	—	—	8
220 Total	19,502	16,101	38	1,017	447	75	56	76	157	61	118	964

EU CQ3: Credit quality of performing and non-performing exposures by past due days continued

	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount/nominal amount											
	Performing exposures				Non-performing exposures							
	Total	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Total	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which: defaulted
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
31 December 2020												
005 Cash balances at central banks and other demand deposits	5,831	5,831	—	—	—	—	—	—	—	—	—	—
010 Loans and advances	20,882	20,730	152	1,499	746	99	103	130	220	75	126	1,378
020 <i>Central banks</i>	—	—	—	—	—	—	—	—	—	—	—	—
030 <i>General governments</i>	9	9	—	—	—	—	—	—	—	—	—	—
040 <i>Credit institutions</i>	1,481	1,481	—	—	—	—	—	—	—	—	—	—
050 <i>Other financial corporations</i>	109	109	—	1	—	—	—	—	1	—	—	1
060 <i>Non-financial corporations</i>	4,514	4,464	50	190	108	5	11	18	23	4	21	140
070 <i>Of which SMEs</i>	1,064	1,059	5	92	29	4	9	14	19	3	14	87
080 <i>Households</i>	14,769	14,667	102	1,308	638	94	92	112	196	71	105	1,237
090 Debt securities	2,952	2,952	—	—	—	—	—	—	—	—	—	—
100 <i>Central banks</i>	—	—	—	—	—	—	—	—	—	—	—	—
110 <i>General governments</i>	1,519	1,519	—	—	—	—	—	—	—	—	—	—
120 <i>Credit institutions</i>	1,122	1,122	—	—	—	—	—	—	—	—	—	—
130 <i>Other financial corporations</i>	311	311	—	—	—	—	—	—	—	—	—	—
140 <i>Non-financial corporations</i>	—	—	—	—	—	—	—	—	—	—	—	—
150 Off-balance-sheet exposures	4,131	—	—	41	—	—	—	—	—	—	—	40
160 <i>Central banks</i>	—	—	—	—	—	—	—	—	—	—	—	—
170 <i>General governments</i>	123	—	—	—	—	—	—	—	—	—	—	—
180 <i>Credit institutions</i>	78	—	—	—	—	—	—	—	—	—	—	—
190 <i>Other financial corporations</i>	197	—	—	—	—	—	—	—	—	—	—	—
200 <i>Non-financial corporations</i>	2,900	—	—	33	—	—	—	—	—	—	—	33
210 <i>Households</i>	833	—	—	8	—	—	—	—	—	—	—	7
220 Total	33,796	29,513	152	1,540	746	99	103	130	220	75	126	1,418

(1) EBA/ITS/2020/04 was effective from 28 June 2021 and required this template to include cash balances at central banks, therefore the comparatives have been updated to align to this and now include these balances.

(2) See 'assets of disposal group' note on page 18 in relation to movement on loans and advances.

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

EU CQ4: Quality of non-performing exposures by geography

	a	b	c	d	e	f	g
	Gross carrying/nominal amount €m	Of which: non-performing €m	Of which: defaulted €m	Of which: subject to impairment €m	Accumulated impairment €m	Provisions on off-balance-sheet commitments and financial guarantees given €m	Accumulated negative changes in fair value due to credit risk on non-performing exposures €m
31 December 2021							
010 On-balance-sheet exposures	11,762	990	937	11,762	(549)	—	—
020 UK	840	27	27	840	(15)	—	—
030 Rol	8,434	963	910	8,434	(533)	—	—
040 Other Western Europe	2,072	—	—	2,072	(1)	—	—
050 US	—	—	—	—	—	—	—
060 Rest of the World	416	—	—	416	—	—	—
070 Off-balance-sheet exposures	3,390	27	27	—	—	(1)	—
080 UK	405	1	1	—	—	—	—
090 Rol	2,891	26	26	—	—	(1)	—
100 Other Western Europe	33	—	—	—	—	—	—
110 US	61	—	—	—	—	—	—
120 Rest of the World	—	—	—	—	—	—	—
130 Total	15,152	1,017	964	11,762	(549)	(1)	—
31 December 2020							
010 On-balance-sheet exposures	25,333	1,499	1,378	25,333	(885)	—	—
020 UK	1,713	25	18	1,713	(15)	—	—
030 Rol	20,614	1,474	1,360	20,614	(870)	—	—
040 Other Western Europe	2,495	—	—	2,495	—	—	—
050 US	26	—	—	26	—	—	—
060 Rest of the World	485	—	—	485	—	—	—
070 Off-balance-sheet exposures	4,172	41	40	—	—	(8)	—
080 UK	510	4	4	—	—	—	—
090 Rol	3,571	37	36	—	—	(8)	—
100 Other Western Europe	34	—	—	—	—	—	—
110 US	53	—	—	—	—	—	—
120 Rest of the World	4	—	—	—	—	—	—
130 Total	29,505	1,540	1,418	25,333	(885)	(8)	—

(1) See 'assets of disposal group' note on page 18 in relation to movement on loans and advances.

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

EU CQ5: Credit quality of loans and advances to non-financial corporations by industry

	a	b	c	d	e	f
	Gross carrying amount	Of which: non-performing	Of which: defaulted	Of which: loans and advances subject to impairment	Accumulated impairment	Accumulated changes in negative fair value due to credit risk on non-performing exposures
	€m	€m	€m	€m	€m	€m
31 December 2021						
010 Agriculture, forestry and fishing	114	8	8	114	(6)	—
020 Mining and quarrying	—	—	—	—	—	—
030 Manufacturing	72	35	35	72	(22)	—
040 Electricity, gas, steam and air conditioning supply	—	—	—	—	—	—
050 Water supply	2	—	—	2	—	—
060 Construction	40	5	5	40	(5)	—
070 Wholesale and retail trade	108	18	18	108	(14)	—
080 Transport and storage	9	1	1	9	(1)	—
090 Accommodation and food service activities	204	74	73	204	(41)	—
100 Information and communication	9	1	1	9	(1)	—
110 Financial and insurance activities	—	—	—	—	—	—
120 Real estate activities	41	12	12	41	(9)	—
130 Professional, scientific and technical activities	22	3	2	22	(3)	—
140 Administrative and support service activities	14	2	2	14	(4)	—
150 Public administration and defense, compulsory social security	—	—	—	—	—	—
160 Education	7	4	4	7	(2)	—
170 Human health services and social work activities	19	3	3	19	(5)	—
180 Arts, entertainment and recreation	8	3	3	8	(2)	—
190 Other services	33	2	1	33	(3)	—
200 Total	702	171	168	702	(118)	—
31 December 2020						
010 Agriculture, forestry and fishing	355	7	7	355	(17)	—
020 Mining and quarrying	11	—	—	11	—	—
030 Manufacturing	386	43	43	386	(22)	—
040 Electricity, gas, steam and air conditioning supply	211	—	—	211	—	—
050 Water supply	61	—	—	61	—	—
060 Construction	305	13	6	305	(9)	—
070 Wholesale and retail trade	701	25	25	701	(35)	—
080 Transport and storage	216	7	7	216	(9)	—
090 Accommodation and food service activities	573	61	22	573	(85)	—
100 Information and communication	128	1	1	128	(3)	—
110 Financial and insurance activities	—	—	—	—	—	—
120 Real estate activities	938	15	13	938	(21)	—
130 Professional, scientific and technical activities	138	4	3	138	(7)	—
140 Administrative and support service activities	107	3	3	107	(6)	—
150 Public administration and defense, compulsory social security	25	—	—	25	—	—
160 Education	28	2	2	28	(2)	—
170 Human health services and social work activities	371	3	3	371	(19)	—
180 Arts, entertainment and recreation	86	2	2	86	(6)	—
190 Other services	64	4	3	64	(6)	—
200 Total	4,704	190	140	4,704	(247)	—

- (1) See 'assets of disposal group' note on page 18 in relation to movement on loans and advances.
(2) Appendix 2 details how these disclosures comply with the requirements of the CRR.

EU CQ6: Collateral valuation - loans and advances

	a	b	c	d	e		f		g		h		i		j		k		l		
	Loans and advances	Performing	Of which: past due 30 days ≤ 90 days	Non-performing	Unlikely to pay that are not past due or are past due > 90 days		Past due > 90 days		> 90 days ≤ 180 days	> 180 days ≤ 1 year	Of which: past due > 1 years ≤ 2 years		> 2 years ≤ 5 years	> 5 years ≤ 7 years	> 7 years						
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	
31 December 2021																					
010	Gross carrying amount	9,274	8,284	38	990	447	543	75	56	76	157	61	118								
020	Of which secured	7,822	6,915	34	907	420	487	72	51	65	137	54	108								
030	Of which secured with immovable property	7,724	6,857	34	867	412	455	67	50	58	129	53	98								
040	Of which instruments with LTV higher than 60% and lower or equal to 80%	1,736	1,579	—	157	76	81	—	—	—	—	—	—								
050	Of which instruments with LTV higher than 80% and lower or equal to 100%	579	456	—	123	47	76	—	—	—	—	—	—								
060	Of which instruments with LTV higher than 100%	111	58	—	53	13	40	—	—	—	—	—	—								
070	Accumulated impairment for secured assets	(475)	(70)	(2)	(405)	(129)	(276)	(33)	(27)	(36)	(83)	(32)	(65)								
080	Collateral																				
090	Of which value capped at the value of exposure	7,273	6,790	32	483	288	195	31	23	25	54	21	41								
100	Of which immovable property	7,266	6,785	32	481	287	194	30	23	25	54	21	41								
110	Of which value above the cap	14,921	13,509	63	1,412	579	833	78	77	89	254	111	224								
120	Of which immovable property	14,867	13,469	63	1,398	567	831	78	77	88	253	111	224								
130	Financial guarantees received	39	35	—	4	1	3	—	—	3	—	—	—								
140	Accumulated partial write-off	(4)	—	—	(4)	—	(4)	—	—	—	(4)	—	—								
31 December 2020																					
010	Gross carrying amount	22,381	20,882	152	1,499	746	753	99	103	130	220	75	126								
020	Of which secured	19,150	17,752	143	1,398	716	682	96	95	115	197	68	111								
030	Of which secured with immovable property	18,192	16,818	143	1,374	694	680	96	94	115	197	68	110								
040	Of which instruments with LTV higher than 60% and lower or equal to 80%	4,753	4,477	—	276	152	124	—	—	—	—	—	—								
050	Of which instruments with LTV higher than 80% and lower or equal to 100%	2,399	2,169	—	230	113	117	—	—	—	—	—	—								
060	Of which instruments with LTV higher than 100%	581	377	—	204	79	125	—	—	—	—	—	—								
070	Accumulated impairment for secured assets	(788)	(288)	(11)	(500)	(181)	(319)	(34)	(41)	(48)	(93)	(37)	(66)								
080	Collateral																				
090	Of which value capped at the value of exposure	17,818	16,923	132	895	533	362	61	54	67	102	31	47								
100	Of which immovable property	17,285	16,414	132	871	510	361	61	53	67	102	31	47								
110	Of which value above the cap	21,769	20,011	142	1,758	853	905	110	108	150	283	101	153								
120	Of which immovable property	21,616	19,869	142	1,747	843	904	110	108	150	283	101	152								
130	Financial guarantees received	51	50	—	1	1	—	—	—	—	—	—	—								
140	Accumulated partial write-off	(4)	—	—	(4)	—	(4)	—	—	—	(4)	—	—								

(1) See 'assets of disposal group' note on page 18 in relation to movement on loans and advances.

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

EU CQ7: Collateral obtained by taking possession and execution processes

	a	b
	Collateral obtained by taking possession	
	Value at initial recognition	Accumulated negative changes
	€m	€m
31 December 2021		
010 Property, plant and equipment (PP&E)	—	—
020 Other than Property Plant and Equipment	—	—
030 <i>Residential immovable property</i>	—	—
040 <i>Commercial immovable property</i>	—	—
050 <i>Movable property (auto, shipping, etc.)</i>	—	—
060 <i>Equity and debt instruments</i>	—	—
070 <i>Other collateral</i>	—	—
080 Total	—	—
31 December 2020		
010 Property, plant and equipment (PP&E)	—	—
020 Other than Property Plant and Equipment	—	—
030 <i>Residential immovable property</i>	—	—
040 <i>Commercial Immovable property</i>	—	—
050 <i>Movable property (auto, shipping, etc.)</i>	—	—
060 <i>Equity and debt instruments</i>	—	—
070 <i>Other collateral</i>	—	—
080 Total	—	—

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

EU CQ8: Collateral obtained by taking possession and execution processes – vintage breakdown

	a	b	c	d	e	f	g	h	i	j	k	l
	Debt balance reduction		Total collateral obtained by taking possession									
	Gross carrying amount	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
31 December 2021												
010 Collateral obtained by taking possession classified as PP&E	—	—	—	—	—	—	—	—	—	—	—	—
020 Collateral obtained by taking possession other than that classified as PP&E	—	—	—	—	—	—	—	—	—	—	—	—
030 Residential immovable property	—	—	—	—	—	—	—	—	—	—	—	—
040 Commercial immovable property	—	—	—	—	—	—	—	—	—	—	—	—
050 Movable property (auto, shipping, etc.)	—	—	—	—	—	—	—	—	—	—	—	—
060 Equity and debt instruments	—	—	—	—	—	—	—	—	—	—	—	—
070 Other collateral	—	—	—	—	—	—	—	—	—	—	—	—
080 Total	—	—	—	—	—	—	—	—	—	—	—	—
31 December 2020												
010 Collateral obtained by taking possession classified as PP&E	—	—	—	—	—	—	—	—	—	—	—	—
020 Collateral obtained by taking possession other than that classified as PP&E	—	—	—	—	—	—	—	—	—	—	—	—
030 Residential immovable property	—	—	—	—	—	—	—	—	—	—	—	—
040 Commercial immovable property	—	—	—	—	—	—	—	—	—	—	—	—
050 Movable property (auto, shipping, etc.)	—	—	—	—	—	—	—	—	—	—	—	—
060 Equity and debt instruments	—	—	—	—	—	—	—	—	—	—	—	—
070 Other collateral	—	—	—	—	—	—	—	—	—	—	—	—
080 Total	—	—	—	—	—	—	—	—	—	—	—	—

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

Credit risk (excluding counterparty credit risk) continued

The following tables (COVID-19 – Template 1 – COVID-19 – Template 3) provide additional detail relating to the impacts of COVID-19, introduced by the EBA in June 2020.

COVID-19 – Template 1: Information on loans and advances subject to legislative and non-legislative moratoria

	Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount Inflows to non-performing exposures
	Performing				Non performing			Performing				Non performing			
	Of which: exposures with forbearance measures		Of which: Instruments with significant increase in credit risk Since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures		Of which: Unlikely to pay that are not past-due <= 90 days	Of which: exposures with forbearance measures		Of which: Instruments with significant increase in credit risk Since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures		Of which: Unlikely to pay that are not past-due <= 90 days	
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	
31 December 2021															
1 Loans and advances subject to moratorium	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2 of which: Households	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3 of which: Collateralised by residual immovable property	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4 of which: Non-financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5 of which: Small and Medium-sized Enterprises	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6 of which: Collateralised by commercial immovable property	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
30 June 2021															
1 Loans and advances subject to moratorium	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2 of which: Households	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3 of which: Collateralised by residual immovable property	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4 of which: Non-financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5 of which: Small and Medium-sized Enterprises	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6 of which: Collateralised by commercial immovable property	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

(1) This data has been prepared in accordance with EBA/GL/2020/07 guidelines on disclosure of exposures subject to measures applied in response to the COVID-19 crisis.

COVID-19 – Template 2: Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

	Number of obligors	€m	Of which: legislative moratoria €m	Gross carrying amount					
				Of which: expired €m	Residual maturity of moratoria				
					<= 3 months €m	> 3 months <= 6 months €m	> 6 months <= 9 months €m	> 9 months <= 12 months €m	> 1 year €m
31 December 2021									
1 Loans and advances for which moratorium was offered	9,318	1,327							
2 Loans and advances subject to moratorium (granted)	8,474	1,242	-	1,242	-	-	-	-	-
3 of which: Households		1,193	-	1,193	-	-	-	-	-
4 of which: Collateralised by residential immovable property		1,178	-	1,178	-	-	-	-	-
5 of which: Non-financial corporations		49	-	49	-	-	-	-	-
6 of which: Small and Medium-sized Enterprises		36	-	36	-	-	-	-	-
7 of which: Collateralised by commercial immovable property		23	-	23	-	-	-	-	-
30 June 2021									
1 Loans and advances for which moratorium was offered	16,607	2,916							
2 Loans and advances subject to moratorium (granted)	15,161	2,744	-	2,744	-	-	-	-	-
3 of which: Households		2,048	-	2,048	-	-	-	-	-
4 of which: Collateralised by residential immovable property		1,974	-	1,974	-	-	-	-	-
5 of which: Non-financial corporations		693	-	693	-	-	-	-	-
6 of which: Small and Medium-sized Enterprises		288	-	288	-	-	-	-	-
7 of which: Collateralised by commercial immovable property		480	-	480	-	-	-	-	-

(1) This data has been prepared in accordance with EBA/GL/2020/07 guidelines on disclosure of exposures subject to measures applied in response to the COVID-19 crisis.

(2) See 'assets of disposal group' note on page 18 in relation to movement on loans and advances.

Credit risk (excluding counterparty credit risk) continued

COVID-19 – Template 3: Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

	Gross carrying amount		Maximum amount of the guarantee that can be considered		Gross carrying amount	
	€m	of which: forborne €m	Public guarantees received		non-performing exposures	Inflows to €m
31 December 2021						
1 Newly originated loans and advances subject to public guarantee schemes	5	-		4		-
2 of which: Households	1					-
3 of which: Collateralised by residential immovable property	-					-
4 of which: Non-financial corporations	4	-		3		-
5 of which: Small and Medium-sized Enterprises	2					-
6 of which: Collateralised by commercial immovable property	-					-
30 June 2021						
1 Newly originated loans and advances subject to public guarantee schemes	13	-		10		-
2 of which: Households	1					-
3 of which: Collateralised by residential immovable property	-					-
4 of which: Non-financial corporations	12	-		9		-
5 of which: Small and Medium-sized Enterprises	10					-
6 of which: Collateralised by commercial immovable property	2					-

(1) This data has been prepared in accordance with EBA/GL/2020/07 guidelines on disclosure of exposures subject to measures applied in response to the COVID-19 crisis.

(2) See 'assets of disposal group' note on page 18 in relation to movement on loans and advances.

Risk profile by credit risk mitigation techniques

Recognition of credit risk mitigation in the calculation of RWEA

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

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

Credit risk mitigation

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

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

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

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

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

Wholesale lending

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

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

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

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

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

Counterparty credit risk

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

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

Personal lending

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

EU CR3: CRM techniques overview – disclosure of the use of credit risk mitigation techniques

	a	b	c	d	e	
	Secured carrying amount					
	Unsecured carrying amount	Total	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives	
31 December 2021						
1	Loans and advances	7,946	16,862	16,318	120	—
2	Debt securities	2,488	—	—	—	—
3	Total	10,434	16,862	16,318	120	—
4	<i>Of which non-performing exposures</i>	<i>30</i>	<i>547</i>	<i>529</i>	<i>4</i>	<i>—</i>
EU-5	<i>Of which defaulted</i>	<i>28</i>	<i>465</i>	<i>448</i>	<i>4</i>	<i>—</i>
31 December 2020						
1	Loans and advances	8,964	18,363	17,819	50	—
2	Debt securities	2,952	—	—	—	—
3	Total	11,916	18,363	17,819	50	—
4	<i>Of which non-performing exposures</i>	<i>31</i>	<i>898</i>	<i>895</i>	<i>1</i>	<i>—</i>
EU-5	<i>Of which defaulted</i>	<i>29</i>	<i>813</i>	<i>810</i>	<i>—</i>	<i>—</i>

(1) Due to exchange rates being used, small rounding variances may exist.

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

EU CR3_a: IRB: Credit risk mitigation – incorporation within IRB parameters

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

EU CR10: Specialised lending and equity exposures under the simple risk-weighted approach

EU CR10.1

Specialised lending: Project finance (Slotting approach)

		a	b	c	d	e	f
		On-balance sheet exposure €m	Off-balance sheet exposure €m	Risk weight %	Exposure value €m	Risk weighted exposure amount €m	Expected loss amount €m
31 December 2021							
Regulatory categories	Remaining maturity						
Strong	Less than 2.5 years	7	2	50%	8	3	—
Strong	Equal to or more than 2.5 years	192	20	70%	207	127	1
Good	Less than 2.5 years	—	—	70%	—	—	—
Good	Equal to or more than 2.5 years	6	—	90%	6	5	—
Satisfactory	Less than 2.5 years	—	—	115%	—	—	—
Satisfactory	Equal to or more than 2.5 years	1	2	115%	3	4	—
Weak	Less than 2.5 years	—	—	250%	—	—	—
Weak	Equal to or more than 2.5 years	—	—	250%	—	—	—
Default	Less than 2.5 years	—	—	—	—	—	—
Default	Equal to or more than 2.5 years	—	—	—	—	—	—
Total	Less than 2.5 years	7	2		8	3	—
	Equal to or more than 2.5 years	199	22		216	136	1
31 December 2020							
Regulatory categories	Remaining maturity						
Strong	Less than 2.5 years	5	3	50%	7	3	—
Strong	Equal to or more than 2.5 years	219	21	70%	255	137	1
Good	Less than 2.5 years	—	—	70%	—	—	—
Good	Equal to or more than 2.5 years	1	3	90%	2	2	—
Satisfactory	Less than 2.5 years	—	—	115%	—	—	—
Satisfactory	Equal to or more than 2.5 years	1	2	115%	3	4	—
Weak	Less than 2.5 years	—	—	250%	—	—	—
Weak	Equal to or more than 2.5 years	2	1	250%	3	5	—
Default	Less than 2.5 years	—	—	—	—	—	—
Default	Equal to or more than 2.5 years	—	—	—	—	—	—
Total	Less than 2.5 years	5	3		7	3	—
	Equal to or more than 2.5 years	223	27		263	148	1

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

EU CR10: Specialised lending and equity exposures under the simple risk-weighted approach continued

EU CR10.2

Specialised lending: Income-producing real estate and high volatility commercial real estate (Slotting approach)

		a	b	c	d	e	f
		On-balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
		€m	€m	%	€m	€m	€m
31 December 2021							
Regulatory categories	Remaining maturity						
Strong	Less than 2.5 years	376	44	50%	414	207	—
Strong	Equal to or more than 2.5 years	217	1	70%	218	188	1
Good	Less than 2.5 years	111	8	70%	119	83	—
Good	Equal to or more than 2.5 years	119	6	90%	124	139	1
Satisfactory	Less than 2.5 years	3	—	115%	3	4	—
Satisfactory	Equal to or more than 2.5 years	6	—	115%	7	8	—
Weak	Less than 2.5 years	—	—	250%	—	—	—
Weak	Equal to or more than 2.5 years	1	—	250%	1	2	—
Default	Less than 2.5 years	2	—	—	2	—	1
Default	Equal to or more than 2.5 years	1	2	—	1	—	1
Total	Less than 2.5 years	492	52		538	294	1
	Equal to or more than 2.5 years	344	9		351	337	3
31 December 2020							
Regulatory categories	Remaining maturity						
Strong	Less than 2.5 years	166	44	50%	204	102	—
Strong	Equal to or more than 2.5 years	454	5	70%	459	321	2
Good	Less than 2.5 years	95	8	70%	103	72	1
Good	Equal to or more than 2.5 years	112	18	90%	125	113	1
Satisfactory	Less than 2.5 years	6	—	115%	6	7	—
Satisfactory	Equal to or more than 2.5 years	29	1	115%	30	34	1
Weak	Less than 2.5 years	—	—	250%	—	1	—
Weak	Equal to or more than 2.5 years	4	—	250%	4	11	—
Default	Less than 2.5 years	2	—	—	2	—	1
Default	Equal to or more than 2.5 years	1	2	—	1	—	1
Total	Less than 2.5 years	269	52		315	182	2
	Equal to or more than 2.5 years	600	26		619	479	5

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

EU CR10: Specialised lending and equity exposures under the simple risk-weighted approach continued

EU CR10.3

Specialised lending: Object finance (Slotting approach)

		a	b	c	d	e	f
		On-balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
		€m	€m	%	€m	€m	€m
31 December 2021							
Regulatory categories	Remaining maturity						
Strong	Less than 2.5 years	—	—	50%	—	—	—
Strong	Equal to or more than 2.5 years	—	—	70%	—	—	—
Good	Less than 2.5 years	—	—	70%	—	—	—
Good	Equal to or more than 2.5 years	—	—	90%	—	—	—
Satisfactory	Less than 2.5 years	—	—	115%	—	—	—
Satisfactory	Equal to or more than 2.5 years	—	—	115%	—	—	—
Weak	Less than 2.5 years	—	—	250%	—	—	—
Weak	Equal to or more than 2.5 years	—	—	250%	—	—	—
Default	Less than 2.5 years	—	—	—	—	—	—
Default	Equal to or more than 2.5 years	—	—	—	—	—	—
Total	Less than 2.5 years	—	—	—	—	—	—
	Equal to or more than 2.5 years	—	—	—	—	—	—
31 December 2020							
Regulatory categories	Remaining maturity						
Strong	Less than 2.5 years	—	—	50%	—	—	—
Strong	Equal to or more than 2.5 years	—	—	70%	—	—	—
Good	Less than 2.5 years	—	—	70%	—	—	—
Good	Equal to or more than 2.5 years	—	—	90%	—	—	—
Satisfactory	Less than 2.5 years	—	—	115%	—	—	—
Satisfactory	Equal to or more than 2.5 years	—	—	115%	—	—	—
Weak	Less than 2.5 years	—	—	250%	—	—	—
Weak	Equal to or more than 2.5 years	—	—	250%	—	—	—
Default	Less than 2.5 years	—	—	—	—	—	—
Default	Equal to or more than 2.5 years	—	—	—	—	—	—
Total	Less than 2.5 years	—	—	—	—	—	—
	Equal to or more than 2.5 years	—	—	—	—	—	—

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

EU CR10: Specialised lending and equity exposures under the simple risk-weighted approach continued

EU CR10.4

Specialised lending: Commodities finance (Slotting approach)

		a	b	c	d	e	f
		On-balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
		€m	€m	%	€m	€m	€m
31 December 2021							
Regulatory categories	Remaining maturity						
Strong	Less than 2.5 years	—	—	50%	—	—	—
Strong	Equal to or more than 2.5 years	—	—	70%	—	—	—
Good	Less than 2.5 years	—	—	70%	—	—	—
Good	Equal to or more than 2.5 years	—	—	90%	—	—	—
Satisfactory	Less than 2.5 years	—	—	115%	—	—	—
Satisfactory	Equal to or more than 2.5 years	—	—	115%	—	—	—
Weak	Less than 2.5 years	—	—	250%	—	—	—
Weak	Equal to or more than 2.5 years	—	—	250%	—	—	—
Default	Less than 2.5 years	—	—	—	—	—	—
Default	Equal to or more than 2.5 years	—	—	—	—	—	—
Total	Less than 2.5 years	—	—	—	—	—	—
	Equal to or more than 2.5 years	—	—	—	—	—	—

31 December 2020

Regulatory categories	Remaining maturity						
Strong	Less than 2.5 years	—	—	50%	—	—	—
Strong	Equal to or more than 2.5 years	—	—	70%	—	—	—
Good	Less than 2.5 years	—	—	70%	—	—	—
Good	Equal to or more than 2.5 years	—	—	90%	—	—	—
Satisfactory	Less than 2.5 years	—	—	115%	—	—	—
Satisfactory	Equal to or more than 2.5 years	—	—	115%	—	—	—
Weak	Less than 2.5 years	—	—	250%	—	—	—
Weak	Equal to or more than 2.5 years	—	—	250%	—	—	—
Default	Less than 2.5 years	—	—	—	—	—	—
Default	Equal to or more than 2.5 years	—	—	—	—	—	—
Total	Less than 2.5 years	—	—	—	—	—	—
	Equal to or more than 2.5 years	—	—	—	—	—	—

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

EU CR10.5 - Equity exposures under the simple risk-weighted approach

	On-balance sheet exposure	Off-balance sheet exposure	Risk Weight	Exposure value	Risk weighted exposure amount	Expected loss amount
	€m	€m	%	€m	€m	€m
31 December 2021						
Private equity exposures	—	—	190%	—	—	—
Exchange-traded equity exposures	—	—	290%	—	—	—
Other equity exposures	—	—	370%	—	—	—
Total	—	—	—	—	—	—

31 December 2020

Private equity exposures	—	—	190%	—	—	—
Exchange-traded equity exposures	—	—	290%	—	—	—
Other equity exposures	—	—	370%	—	—	—
Total	—	—	—	—	—	—

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

EU CR4: Standardised approach – credit risk exposure and CRM effects

	a		b		c		d		e		f	
	Exposures before CCF and CRM		Exposures post CCF and CRM		RWEA and RWEA density							
	On-balance sheet exposures	Off-balance sheet exposures	On-balance sheet exposures	Off-balance sheet exposures	RWEA	RWEA density						
	€m	€m	€m	€m	€m			€m		%		
31 December 2021												
1	Central governments or central banks	—	—	—	—	—	—	1	250%			
2	Regional governments or local authorities	—	—	—	—	—	—	—	100%			
3	Public sector entities	—	—	—	—	—	—	—				
4	Multilateral Development Banks	—	—	—	—	—	—	—				
5	International Organisations	—	—	—	—	—	—	—				
6	Institutions	813	92	812	35	488	58%					
7	Corporates	550	453	551	112	712	108%					
8	Retail	13	124	13	—	9	69%					
9	Secured by mortgages on immovable property	46	3	46	1	47	100%					
10	Exposures in default	12	5	21	—	23	114%					
11	Exposures associated with particularly high risk	—	1	—	—	—	150%					
12	Covered bonds	—	—	—	—	—						
13	Institutions and corporates with a short-term credit assessment	—	—	—	—	—						
14	Collective investments undertakings	—	—	—	—	—						
15	Equity	—	—	—	—	—	100%					
16	Other Items	16	—	17	—	4	24%					
17	Total	1,450	678	1,460	148	1,284	80%					

31 December 2020

1	Central governments or central banks	1	—	1	—	2	250%					
2	Regional governments or local authorities	1	—	1	—	1	100%					
3	Public sector entities	—	—	—	—	—						
4	Multilateral Development Banks	—	—	—	—	—						
5	International Organisations	—	—	—	—	—						
6	Institutions	1,516	75	1,544	—	359	23%					
7	Corporates	493	599	493	104	575	96%					
8	Retail	12	—	12	—	7	57%					
9	Secured by mortgages on immovable property	142	14	142	7	149	100%					
10	Exposures in default	28	9	33	—	42	130%					
11	Exposures associated with particularly high risk	—	1	—	—	—	150%					
12	Covered bonds	—	—	—	—	—						
13	Institutions and corporates with a short-term credit assessment	—	—	—	—	—						
14	Collective investments undertakings	—	—	—	—	—						
15	Equity	—	—	—	—	—						
16	Other Items	23	—	23	—	8	34%					
17	Total	2,216	698	2,249	111	1,143	49%					

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

Market risk

EU MR1 - Market risk under the standardised approach

	31 December 2021	31 December 2020
	RWEAs	RWEAs
	€m	€m
Outright products		
1 Interest rate risk (general and specific)	—	—
2 Equity risk (general and specific)	—	—
3 Foreign exchange risk	20	69
4 Commodity risk	—	—
Options		
5 Simplified approach	—	—
6 Delta-plus approach	—	—
7 Scenario approach	—	—
8 Securitisation (specific risk)	—	—
9 Total	20	69

(1) Due to exchange rates being used, small rounding variances may exist

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

Appendix 1: Capital instruments

EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments

	a	a	a	a	a	a	a	a
	€100m floating rate loan: capital repayable 2022	€430m floating rate loan: capital repayable 2022	€38m 11.375% perpetual tier two capital	€20m 11.75% perpetual tier two capital	€1.3m perpetual floating rate tier two capital	Ordinary Share Capital	€600m Bail in Debt: repayable 2026	
1 Issuer	Ulster Bank Ireland DAC	Ulster Bank Ireland DAC	Ulster Bank Ireland DAC	Ulster Bank Ireland DAC	Ulster Bank Ireland DAC	Ulster Bank Ireland DAC	Ulster Bank Ireland DAC	
2 Unique identifier	N/A	N/A	IE0004325399	IE0004325514	IE0004325282	N/A	N/A	
2a Public or private placement	Private	Private	Public	Public	Public	Private	Private	
3 Governing law(s) of the instrument	English law (subordination clauses governed by Irish law)	Irish	Irish	Irish	Irish	Irish	English law (set-off, write-down and conversion governed by Irish law)	
3a Contractual recognition of write down and conversion powers of resolution authorities	No	No	No	No	No	No	Yes	
Regulatory treatment								
4 Current treatment taking into account, where applicable, transitional CRR rules	Tier 2	Tier 2	Grandfathered	Grandfathered	Grandfathered	CET1	N/A	
5 Post-transitional CRR rules	Tier 2	Tier 2	Ineligible	Ineligible	Ineligible	CET1	N/A	
6 Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo	Solo	Solo	Solo	Solo	Solo	Solo	
7 Instrument type	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Ordinary Shares	Senior Non-Preferred Liabilities	
8 Amount recognised in regulatory capital or eligible liabilities (at most recent reporting date)	EUR 6m	EUR 54m	EUR 55m	EUR 29m	EUR 2m	EUR 4,236m	EUR 600m	
9 Nominal amount of instrument	EUR 100,000,000	EUR 430,000,000	EUR 31,154,111.15	GBP 11,453,000	GBP 1,148,000	N/A	EUR 600,000,000	
EU-9a Issue price	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent	N/A	100 per cent	
EU-9b Redemption price	Par	Par	Par	Par	Par	N/A	Par	
10 Accounting classification	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Shareholders Equity	Liability - amortised cost	
11 Original date of issuance	4/25/2007	8/21/2007	9/7/1998	9/7/1998	9/7/1998	N/A	12/17/2019	
12 Perpetual or dated	Dated	Dated	Perpetual	Perpetual	Perpetual	Perpetual	Dated	
13 Original maturity date	4/25/2022	8/19/2022	No maturity	No maturity	No maturity	No maturity	3/2/2026	
14 Issuer call subject to prior supervisory approval	No	Yes	No	No	No	N/A	Yes	
15 Optional call date, contingent call dates and redemption amount	No	Yes - Interest Payment Date falling after July 2017, Redemption Price: Par	N/A	N/A	N/A	N/A	Yes - repay on 2nd March 2025, Redemption Price: Par	
16 Subsequent call dates, if applicable	N/A	Interest Payment Date falling after July 2017 or any Interest Payment Date (quarterly payment dates) thereafter	N/A	N/A	N/A	N/A	No	
Coupons / dividends								
17 Fixed or floating dividend/coupon	Floating	Floating	Fixed	Fixed	Floating	N/A	Fixed to floating	
18 Coupon rate and any related index	Three month EURIBOR plus 0.35 per cent.	Three month EURIBOR plus 0.35 per cent.	11.375 per cent.	11.75 per cent.	6 month Sterling LIBOR plus 2.55 per cent.	N/A	Fixed (0.6737% p.a) but after 2nd March 2025 with a Floating 3-month EURIBOR with a margin of 0.9202% p.a	
19 Existence of a dividend stopper	No	No	No	No	No	N/A	No	

EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments continued

		€100m floating rate loan capital repayable 2022	€430m floating rate loan capital repayable 2022	€38m 11.375% perpetual tier two capital	€20m 11.75% perpetual tier two capital	€1.3m perpetual floating rate tier two capital	Ordinary Share Capital	€600m Bail in Debt repayable 2026
EU-20a	Fully discretionary, partially discretionary or mandatory (timing)	Mandatory	Mandatory	Partially discretionary	Partially discretionary	Partially discretionary	N/A	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (amount)	Mandatory	Mandatory	Partially discretionary	Partially discretionary	Partially discretionary	N/A	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No	N/A	Yes, no longer eligible as bail in debt for resolution requirements
22	Noncumulative or cumulative	Cumulative	Cumulative	Non-cumulative	Non-cumulative	Non-cumulative	N/A	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A	Notification from relevant resolution authority (SRB/BoE) in writing that instruments will be written down/converted
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A	Fully or Partially
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	N/A	1
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A	N/A	Mandatory
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A	N/A	Common Equity Tier 1
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A	N/A	UBIDAC
30	Write-down features	No	No	No	No	No	N/A	Yes
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A	Notification from relevant resolution authority (SRB/BoE) in writing that instruments will be written down/converted
32	If write-down, full or partial	N/A	N/A	N/A	N/A	N/A	N/A	Fully or Partially
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A	N/A	Permanent
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	N/A	N/A	N/A	N/A	N/A	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 2	Rank 2	Rank 2	Rank 2	Rank 2	Rank 1	Rank 2
35	Position in subordination hierarchy in liquidation (type immediately senior to instrument)	Subordinated to all unsecured claims	Subordinated to all unsecured claims	Subordinated to all unsecured claims	Subordinated to all unsecured claims	Subordinated to all unsecured claims	Immediately subordinate to Tier 2 instruments	Subordinated to all unsecured claims
36	Non-compliant transitioned features	No	No	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A	https://www.ulsterbank.ie/content/dam/Ulster/documents/group/ub-roi-perpetual-bonds.pdf	https://www.ulsterbank.ie/content/dam/Ulster/documents/group/ub-roi-perpetual-bonds.pdf	https://www.ulsterbank.ie/content/dam/Ulster/documents/group/ub-roi-perpetual-bonds.pdf	N/A	N/A

Appendix 2: CRR disclosure requirements reference table

The table below outlines how UBIDAC Pillar III disclosures comply with the requirements of the CRR. It includes references to where UBIDAC disclosures are located in the NatWest Holdings Group (NWH Group) 2021 Pillar III disclosure document and if not within the NWH Group Pillar III Report, the relevant publication is specifically referred to. (NWH Group comprises NatWest Holdings Limited and its subsidiaries).

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

CRR ref	High-level summary	NWH Group Compliance reference	UBIDAC Compliance reference
Scope of disclosure requirements			
431 (1)	Requirement to publish Pillar III disclosures.	NWH Group publishes Pillar III disclosures as required.	Pillar III - Basis of disclosure - pg 3
CRR 437: Own funds			
437 (1)	Requirement to disclose following information regarding own funds:		
437 (1) (a)	Reconciliation of regulatory values for Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and filters and deductions to statutory balance sheet;	Pillar III - LI1 & CC1	Pillar III - EU CC1 - pg 5
437 (1) (b)	Description of the main features of Capital Instruments issued by institution;	Pillar III Capital Instruments Common Disclosure template available on NatWest Group Investor Relations website www.investors.natwestgroup.com	Pillar III - Appendix 1 - EU CCA - pg 42
437 (1) (c)	Full terms and conditions of Capital Instruments issued by institution;	Pillar III Capital Instruments Common Disclosure template available on NatWest Group Investor Relations website www.investors.natwestgroup.com	Pillar III - Appendix 1 - EU CCA - pg 42
437 (1) (d)	Disclosure of the nature and amounts of the following:	Pillar III - CC1	Pillar III - EU CC1 - pg 5
437 (1) (d) (i)	each prudential filter applied;		
437 (1) (d) (ii)	each capital deduction applied;		
437 (1) (d) (iii)	items not deducted from capital;		
437 (1) (e)	a description of all restrictions applied to the calculation of own funds in accordance with this Regulation and the instruments, prudential filters and deductions to which those restrictions apply;	Pillar III - CC1	Pillar III - EU CC1 - pg 5
437 (1) (f)	where institutions disclose capital ratios calculated using elements of own funds determined on a different basis.	N/A	N/A
437 (2)	EBA shall develop draft implementing technical standards to specify uniform templates for disclosure.	EBA published technical standards introducing Common Disclosure Templates for Own Funds; available on Pillar III - CC1.	EBA published technical standards introducing Common Disclosure Templates for Own Funds, available on Pillar III - EU CC1 - pg 5

Appendix 2: CRR disclosure requirements reference table continued

CRR ref	High-level summary	NWH Group Compliance reference	UBIDAC Compliance reference
CRR 438: Capital requirements			
438	See sub paragraphs below.		
438 (a)	Summary of institution's approach to assessing adequacy of capital levels.	Pillar III - Presentation of Information & NWH Group ARA: Risk and capital management - Risk management framework.	ARA - Note 22 - Risk Management - Stress testing commencing pg 59, Model risk commencing pg 94 & Note 32 - Capital resources - unaudited commencing pg 102
438 (b)	Additional own funds requirement	KM1	Pillar III - EBA IFRS 9 - FL pg 4 & EU CC1 - pg 5
438 (c)	Result of ICAAP on demand from authorities.	N/A	N/A
438 (d)	Risk weighted exposure amounts and own fund requirements by risk category	Pillar III - CR2, OV1, CR10-B & CR8	Pillar III - CR2 - pg 16 & EU OV1 - pg 9 & EU CR10 - pg 36
438 (e)	On and off balance sheet exposures, risk weighted exposures and expected loss for each category of specialised lending	Pillar III - CR10	Pillar III - EU CR10 - pg36
438 (f)	Exposure value and risk weighted exposure amount of own funds instruments held in insurance undertakings	N/A	N/A
438 (g)	Supplementary own funds requirement and capital adequacy ratio for insurance undertakings	N/A	N/A
438 (h)	Variations in risk weighted exposure amounts from the use of internal models	Pillar III - CR8	Pillar III - CR2 - pg 16 & EU OV1 - pg 9 & EU CR10 - pg 36
CRR 440: Capital buffers			
440	See sub paragraphs below.		
440 (a)	Geographical distribution of relevant credit exposures.	Pillar III - CCyB1	Pillar III - EU CCyB1 - pg 14
440 (b)	Amount of the institution specific countercyclical capital buffer.	Pillar III - CCyB1	Pillar III - EU CCyB2 - pg 15

Appendix 2: CRR disclosure requirements reference table continued

CRR ref	High-level summary	NWH Group Compliance reference	UBIDAC Compliance reference
CRR 442: Credit risk adjustments			
442	See sub paragraphs below.		
442 (a)	Disclosure of bank's definitions of past due and impaired.	NWH Group ARA: Risk and capital management and Notes on the consolidated accounts - 13 Loan impairment provisions.	ARA - Note 12 - Loan impairment provisions pg 51 & Note 22 – Risk management - Credit risk commencing pg 61
442 (b)	Approaches for calculating credit risk adjustments.	NWH Group ARA: Accounting policies: 12 Impairment: expected credit loss.	ARA - Note 1 – Accounting policies; I) Impairment: expected credit losses (ECL) - pg 28
442 (c)	Information on performing, non-performing and forborne exposures	Pillar III - Template 1, Template 4, Template 5 & Template 6	Pillar III - EU CR1 - pg 19, EU CQ1 - pg 21, EU CQ4 - pg 25, EU CQ5 - pg 26 & EU CQ7 - pg 28
442 (d)	Aging analysis of past due exposures	Pillar III - Template 3	Pillar III - EU CQ3 – pg 23
442 (e)	Breakdown of carrying amounts and credit risk adjustments by geography and industry type	Pillar III - Template 1, Template 4, Template 5 & Template 6	Pillar III - EU CR1 - pg 19, EU CQ1 - pg 21, EU CQ4 - pg 25, EU CQ5 - pg 26 & EU CQ7 - pg 28
442 (f)	Changes in gross amount	Pillar III -CR2_B	Pillar III - EU CR2a – pg 22
442 (g)	Breakdown of loans and debt securities by residual maturity	Pillar III - CRB_E	Pillar III - EU CR1-A - pg 18
CRR 450: Remuneration policy			
450	Remuneration	Pillar III - Remuneration disclosures	Pillar III - Appendix 3
CRR 451: Leverage			
451 (1)	See sub paragraphs below.		
451 (1) (a)	Leverage ratio, and breakdown of total exposure measure,	Pillar III - LRSum	Pillar III - EU LR1 - LRSum - pg 10, EU LR2 - LRCom - pg 11 & EU LR3 - LRSPL - pg 13
451 (1) (b)	including reconciliation to financial statements, and	Pillar III - LRSum	Pillar III - EU LR1 - LRSum - pg 10, EU LR2 - LRCom - pg 11 & EU LR3 - LRSPL - pg 13
451 (1) (c)	Adjusted exposures and leverage ratio where applicable	Pillar III - LRCom	Pillar III - EU LR1 - LRSum - pg 10, EU LR2 - LRCom - pg 11 & EU LR3 - LRSPL - pg 13
451 (1) (d)	Description of the risk management approach to mitigate excessive leverage.	NWH Group ARA: Risk and capital management – Capital Management.	ARA - Note 22 – Risk management - Capital sufficiency pg 60 & Capital management pg 87
451 (1) (e)	Factors that impacted the leverage ratio during the year.	Pillar III - Capital, liquidity and funding – Key points.	Pillar III - Key metrics - Capital and leverage - pg 4 &
451 (2)	Public development credit institutions disclose unadjusted exposure	N/A	N/A
451 (3)	Large institutions disclose leverage ratio and further breakdown of exposure	NatWest Group follows the current standards.	Pillar III - EU LR1 - LRSum - pg 10, EU LR2 - LRCom - pg 11 & EU LR3 - LRSPL - pg 13

Appendix 2: CRR disclosure requirements reference table continued

CRR ref	High-level summary	NWH Group Compliance reference	UBIDAC Compliance reference
CRR 451a: Liquidity			
451a (1)	Disclose liquidity coverage ratio, net stable funding ratio and liquidity risk management	Pillar III - Capital, liquidity and funding.	Pillar III - LIQ1 & NWH Group Pillar III - KM1
451a (2)	Disclose average balances for each quarter over preceeding 12 month period	Pillar III - LIQ1, KM1	Pillar III - LIQ1
451a (3)	Provide further details in relation to net stable funding ratio	Pillar III - LIQ1	NWH Group Pillar III - LIQ1
451a (4)	Disclose details around monitoring of liquidity risk	Pillar III - Capital, liquidity and funding, LIQ1	ARA - Report of directors - pg 12 & Note 22 - Risk management - capital, liquidity and funding risk - pg 87
CRR 453: Use of credit risk mitigation techniques			
453	See sub paragraphs below.		
453 (a)	Use of on and off-balance sheet netting.	Pillar III - CRC: IRB and STD: Qualitative disclosures relating to credit risk mitigation. Pillar III - Wholesale IRB models - Exposure at default models. Pillar III - LI2	Pillar III - EU CRC: IRB & STD: Qualitative disclosures relating to credit risk mitigation – pg 33 Pillar III - EU CRC: IRB & STD: Qualitative disclosures relating to wholesale lending and counterparty credit risk – pg 33
453 (b)	How collateral valuation is managed.	Pillar III - CRC: IRB and STD: Qualitative disclosures relating to credit risk mitigation.	Pillar III - EU CRC: IRB & STD: Qualitative disclosures relating to credit risk mitigation – pg 33
453 (c)	Description of types of collateral used by NWH Group.	Pillar III - CRC: IRB and STD: Qualitative disclosures relating to credit risk mitigation.	Pillar III - EU CRC: IRB & STD: Qualitative disclosures relating to credit risk mitigation – pg 33
453 (d)	Guarantor and credit derivative counterparty, creditworthiness.	Pillar III - Recognition of credit risk mitigation in the calculation of RWAs.	Pillar III - EU CRC: IRB & STD: Qualitative disclosures relating to credit risk mitigation – pg 33 ARA - Note 22 – Risk management - Mitigation commencing pg 59
453 (e)	Market or credit risk concentrations within risk mitigation exposures.	Pillar III - CRC: IRB and STD: Qualitative disclosures relating to credit risk mitigation.	Pillar III - EU CRC: IRB & STD: Qualitative disclosures relating to credit risk mitigation – pg 33 ARA - Note 22 – Risk management - Mitigation commencing pg 59 & pg 78
453 (f)	Standardised or Foundation IRB approach, exposure value covered by eligible collateral.	Pillar III - CR3.	Pillar III - EU CR3 – pg 35
453 (g)	Credit risk mitigation with and without substitution	Pillar III - CR4.	Pillar III - EU CR4 – pg 40
453 (h)	Standardised approach exposures by exposure class before and after risk mitigation	Pillar III - CR4.	Pillar III - EU CR4 – pg 40
453 (i)	Standardised approach risk weighted exposure amounts by exposure class	Pillar III - CR4.	Pillar III - EU CR4 – pg 40
453 (j)	IRB approach risk weighted exposure amounts by exposure class	Pillar III - CR7	Pillar III - EU CR2 – pg 16 NWH Group Pillar III - CR7

Appendix 3: Ulster Bank Ireland DAC (UBIDAC) remuneration disclosure

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

Remuneration policy for all colleagues

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

The remuneration policy supports the business strategy of UBIDAC, which is now an orderly and phased withdrawal from the Irish market. It aims to reward the delivery of good performance provided this is achieved in a manner consistent with our values and within acceptable risk parameters.

The remuneration policy applies the same principles to everyone, including Material Risk Takers (MRTs). The main elements of the policy are set out below.

Base salary

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

Operation

We review base salaries annually to ensure they reflect the talents, skills and competencies individuals bring to the business.

Role-based allowance

Certain MRT roles receive role-based allowances. The purpose is to provide fixed pay that reflects the skills and experience required for the role.

Operation

Role-based allowances are fixed allowances which form an element of overall fixed remuneration for regulatory purposes. They are based on the role the individual performs and are delivered through payroll.

Benefits and pension

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

Operation

Benefits or a cash equivalent are provided from a range of flexible benefits. Pension funding forms part of fixed remuneration and NatWest Group and UBIDAC do not provide discretionary pension benefits.

Annual bonus

The purpose is to support a culture where individuals recognise the importance of supporting customers and colleagues now and helping them prepare for the future. Individuals are rewarded for superior performance. Many colleagues receive fixed pay only.

Operation

The annual bonus pool is based on a business balanced scorecard of measures including financial and business delivery, customer, people and culture, climate, and risk and control measures. Allocation from the pool depends on the performance of the business area and the individual.

We use a structured performance management framework to support individual performance assessment. This is designed to assess performance against longer-term, strategic, business requirements across a range of financial and non-financial metrics. It also evaluates adherence to internal controls and risk management. We use a balanced scorecard to align with the business strategy. Each individual has defined goals and measures of success for their role.

We also take risk and conduct performance into account. Control functions are assessed independently of the business units that they oversee. Goals and remuneration are set according to the priorities of the control area, not the targets of the businesses they support.

Independent control functions (excluding Audit) have dual solid reporting lines into both the UBIDAC CEO and the NatWest Group Control Function Head. The UBIDAC Chief Risk Officer (CRO) and Director of Compliance also report to the Chair of the UBIDAC Board Risk Committee. The UBIDAC Chief Auditor reports to the Chair of the UBIDAC Audit Committee with oversight provided by the NatWest Holdings Chief Audit Executive.

Awards may be granted up to a maximum of 100% of fixed pay. For awards made in respect of the 2021 performance year, immediate awards paid through payroll continue to be limited to a maximum of €2,326 (equivalent to £2,000). In line with regulatory requirements, 40% of awards under €581,492 (equivalent to £500,000) will be deferred over four or five years.

This rises to 60% for awards over €581,492. For MRTs, a minimum of 50% of any variable pay is delivered in shares and a 12-month retention period applies to the shares after vesting.

The deferral period is four years for standard MRTs and Risk Manager MRTs who meet the 'non-higher paid' condition. It rises to five years for Risk Manager MRTs, members of the Board and senior management. All awards are subject to malus and clawback provisions.

Company share plans

The purpose is to provide an easy way for individuals to hold shares in NatWest Group plc, which helps to encourage long-term thinking and provides a direct involvement in UBIDAC's and NatWest Group's performance.

Operation

Colleagues in certain jurisdictions are offered the opportunity to contribute from salary and acquire shares in NatWest Group plc through company share plans. Any shares held are not subject to performance conditions. Share Plans were not offered to colleagues in Ireland this year.

Criteria for identifying MRTs

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

The qualitative criteria can be summarised as: staff within the management body; senior management; other staff with key functional or managerial responsibilities; and staff who individually, or as part of a Committee, have authority to approve new business products or to commit to credit risk exposures and market risk transactions above certain levels.

The quantitative criteria are: individuals earning €495,079, (equivalent to £440,000) or more in the previous year and individuals in the top 0.3% of earners for the previous year. In addition to the qualitative and quantitative criteria, UBIDAC has applied its own minimum standards to identify roles that are considered to have a material influence over its risk profile.

Personal hedging strategies

The conditions attached to discretionary share-based awards prohibit the use of any personal hedging strategies to lessen the impact of a reduction in the value of such awards. Recipients explicitly acknowledge and accept these conditions when any share-based awards are granted.

Risk in the remuneration process

NatWest Group's and UBIDAC's approach to remuneration promotes effective risk management through having a clear distinction between fixed remuneration (which reflects the role undertaken by an individual) and variable remuneration (which is directly linked to performance and can be risk-adjusted). Fixed pay is set at an appropriate level to discourage excessive risk-taking, and at a level which would allow NatWest Group and UBIDAC to pay zero variable pay.

We achieve focus on risk through its inclusion in performance goals, performance reviews, the determination of variable pay pools, incentive plan design and the application of malus and clawback. UBIDAC Performance and Remuneration Committee ('UBIDAC RemCo') is supported in this by the UBIDAC Board Risk Committee ('UBIDAC BRC') and the UBIDAC and NatWest Risk functions, as well as independent oversight by the Internal Audit function.

We use a robust process to assess risk performance. We consider a range of measures, specifically: capital; liquidity and funding risk; credit risk; market risk; pension risk; compliance and conduct risk; financial crime; climate risk; operational risk; business risk and reputational risk. We also consider our overall risk culture.

Remuneration arrangements are in line with regulatory requirements and we fully disclose and discuss the steps taken to ensure appropriate and thorough risk adjustment with the PRA and the FCA.

Variable pay determination

For the 2021 performance year, NatWest Group and UBIDAC operated a robust, control function led, multi-step process to assess performance and determine the appropriate bonus pool by business area and function. At multiple points throughout the process, we made reference to Group-wide business performance (from both affordability and appropriateness perspectives) and the need to distinguish between 'go-forward' and 'resolution' activities.

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

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

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

Remuneration and culture

NatWest Group and UBIDAC continue to assess conduct and its impact on remuneration as part of the annual Group-wide bonus pool process and also via the accountability review framework.

Accountability review process and malus/clawback

We introduced the accountability review process in 2012 to identify any material risk management, control and policy breach failures, and to ensure accountability for those events.

This allows UBIDAC and NatWest Group to respond to instances where new information would change the variable pay decisions made in previous years and/or the decisions to be made in the current year. Potential outcomes under the accountability review process are:

- malus - to reduce (to zero if appropriate) the amount of any unvested variable pay awards prior to payment;

- clawback - to recover awards that have already vested; and
- in-year bonus reductions - to adjust variable pay that would have otherwise been awarded for the current year.

As part of the acceptance of variable pay awards, colleagues must agree to terms that state that malus and clawback may be applied. Any variable pay awarded to MRTs is subject to clawback for seven years from the date of grant. Awards to other colleagues (non-MRTs) are subject to clawback for 12 months from each vesting date.

The circumstances in which malus, clawback or in-year bonus reduction may be applied include:

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

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

During 2021 a number of issues and events were considered under the accountability review framework. No adjustments were made as part of accountability reviews undertaken in 2021.

Remuneration of MRTs

The quantitative disclosures below are made in accordance with Article 450 of the EU Capital Requirements Regulation, the Basel Committee on Banking Supervision Pillar 3 disclosure requirements and the EBA guidelines on sound remuneration policies. In line with regulations, we identify MRTs at consolidated, sub-consolidated and solo regulated subsidiary entity levels.

We have identified 103 employees as MRTs for UBIDAC. 30 NatWest Group individuals have been identified as an MRT in relation to UBIDAC, however they do not receive any remuneration in relation to their MRT status or associated work for UBIDAC, and remuneration for their core role is not paid by UBIDAC. Therefore, no remuneration is included for these individuals in the following tables.

UBIDAC Performance and Remuneration Committee (UBIDAC RemCo)

The UBIDAC RemCo was established in October 2014 in accordance with Article 95 of Directive 2019/878/EU (CRD V) as implemented in Ireland by way of Statutory Instrument 710, paragraph 83. The key areas of focus for the UBIDAC RemCo include:

- reviewing and approving performance measures, performance assessment and the remuneration arrangements for key employees;
- providing input on the proposed bonus pool for UBIDAC, and ensuring such proposals are adjusted for performance and risk and meet capital adequacy requirements of UBIDAC; and
- inputting to and subsequently adopting the NatWest Group Remuneration Policy Principles, with due consideration of applicable regulatory, legislative and relevant requirements.

The UBIDAC RemCo must be able to act independently and the independent non-executive directors serving on the committee are supported by the necessary management information in order to carry out their duties. The UBIDAC RemCo met 13 times during the financial year.

Total remuneration awarded to MRTs for the financial year

	UBIDAC INEDs	UBIDAC EDs	Other senior mngt.	Other MRTs	Other senior management and other MRTs split by business area				Total
					Corporate Functions	Control Functions	Commercial Banking	Personal Banking	
Fixed remuneration									
Total number of MRTs	7	2	14	50					73
Other senior management - split by business area					5	6	2	1	14
Other MRTs - split by business area					5	27	11	7	50
	€m	€m	€m	€m	€m	€m	€m	€m	€m
Total fixed remuneration of MRTs	0.80	1.21	4.13	8.86	2.15	6.71	2.67	1.45	15.00
Cash-based	0.80	1.21	4.13	8.86	2.15	6.71	2.67	1.45	15.00
Share-based	-	-	-	-	-	-	-	-	-
Other instruments or forms	-	-	-	-	-	-	-	-	-
Variable remuneration									
Total number of MRTs	-	2	12	46					60
Other senior management - split by business area					4	6	1	1	12
Other MRTs - split by business area					4	25	11	6	46
	€m	€m	€m	€m	€m	€m	€m	€m	€m
Total variable remuneration of MRTs	-	0.88	1.16	1.34	0.37	1.40	0.37	0.37	3.38
Cash-based	-	0.44	0.64	1.20	0.27	0.98	0.32	0.28	2.28
Of which: deferred cash	-	0.24	0.21	0.05	0.04	0.17	0.02	0.03	0.50
Share-based (annual bonus)	-	0.44	0.52	0.14	0.10	0.42	0.05	0.09	1.10
Of which: deferred shares	-	0.24	0.21	0.05	0.04	0.17	0.02	0.03	0.50
Share-based (LTI awards)	-	-	-	-	-	-	-	-	-
Of which: deferred shares	-	-	-	-	-	-	-	-	-
Other instruments or forms	-	-	-	-	-	-	-	-	-
Total remuneration of MRTs	0.80	2.09	5.29	10.20	2.52	8.11	3.04	1.82	18.38

(1) Fixed remuneration consists of salaries, allowances, pension and benefit funding.

(2) Variable remuneration consists of a combination of annual bonus and long-term incentive awards, deferred over a four to five year period in accordance with regulatory requirements. Under the UBIDAC bonus deferral structure, immediate awards are limited to €2,326 (equivalent to £2,000) per person, with a further payment of cash and shares within Year 0.

(3) Long-term incentive awards vest subject to the extent to which performance conditions were met and can result in zero payment. There were no recipients of LTI awards within UBIDAC for performance year 2021.

(4) Under CRD V regulations, a notional discount is available which allows variable pay to be awarded at a level that would otherwise exceed the 1:1 ratio, provided that variable pay is delivered 'in instruments' (shares) and deferred over five years or more. The discount rate was not used for remuneration awarded in respect of the 2021 performance year.

Appendix 3: Ulster Bank Ireland DAC (UBIDAC) remuneration disclosure

Derogations

The regulations allow some flexibility not to apply certain requirements that would normally apply to MRTs where an individual's annual variable remuneration does not exceed €50,000 (or £44,000) and does not represent more than one third of the individual's total annual remuneration (derogations permitted under point (b) of Article 94(3) of CRD V). We have used this flexibility to disapply MRT rules relating to deferral and delivery of awards in shares for 44 MRTs in respect of performance year 2021. Total remuneration for these individuals in 2021 was €9.28m (of which €8.11m was fixed pay and €1.18m was variable pay).

Ratio between fixed and variable remuneration

The variable component of total remuneration for MRTs at UBIDAC shall not exceed 100% of the fixed component. The average ratio of fixed to variable remuneration for 2021 was approximately 1:0.23. The majority of MRTs were based in Ireland.

Outstanding deferred remuneration

The table below includes deferred remuneration awarded or paid out in 2021 relating to prior performance years.

Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods €m	Of which: due to vest In the financial year €m	Of which: vesting in subsequent financial years €m	Amount of performance adjustment to deferred remuneration that was due to vest in the financial year €m	Amount of performance adjustment to deferred remuneration due to vest in future financial years €m	Total amount of adjustment during the financial year due to ex post implicit adjustments* €m	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year €m	Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention €m
UBIDAC INEDs - No deferred or retained remuneration held								
UBIDAC EDs								
Cash-based								
Shares or equivalent interests	1.48	0.48	1.00	–	–	0.38	0.48	0.35
Other instruments or forms								
Other senior management								
Cash-based								
Shares or equivalent interests	0.69	0.30	0.39	–	–	0.19	0.30	0.10
Other instruments or forms								
Other MRTs								
Cash-based								
Shares or equivalent interests	0.01	0.01	–	–	–	–	0.01	–
Other instruments or forms								
Total amount	2.18	0.79	1.39	–	–	0.57	0.79	0.45

*i.e. Changes of value of deferred remuneration due to the changes of prices of instruments.

(1) Deferred remuneration reduced during the year relates to long-term incentives that lapsed when performance conditions were not met, long-term incentives and deferred awards forfeited on leaving and malus adjustments of prior year deferred awards and long-term incentives.

Appendix 3: Ulster Bank Ireland DAC (UBIDAC) remuneration disclosure

Guaranteed awards (including 'sign-on' awards) and severance payments

	UBIDAC NEDs	UBIDAC EDs	Other senior management	Other MRTs
Special payments				
Guaranteed awards and sign on awards				
Number of MRTs	–	–	–	–
	€m	€m	€m	€m
Total amount	–	–	–	–
<i>Of which: paid during the financial year that are not taken into account in the bonus cap</i>				
Severance payments awarded in previous periods, paid out during the financial year				
Number of MRTs	–	–	–	2
	€m	€m	€m	€m
	–	–	–	0.51
Severance payments awarded during the financial year				
Number of MRTs			1	1
	€m	€m	€m	€m
Total amount	–	–	0.00	0.03
<i>Of which: paid during the financial year</i>	–	–	0.00	0.03
<i>Of which: deferred</i>	–	–	0.00	0.00
<i>Of which: paid during the financial year that are not taken into account in the bonus cap</i>	–	–	0.00	0.03
<i>Of which: highest payment that has been awarded to a single person</i>	–	–	0.00	0.03

- UBIDAC does not offer sign-on awards. Guaranteed awards may only be granted for new hires in exceptional circumstances in compensation for awards forgone on their previous company and are limited to the first year of service.
- Severance payments and/or arrangements can be made to colleagues who leave UBIDAC in certain situations, including redundancy. Such payments are calculated by a pre-determined formula set out within the relevant social plans, policies, agreements, or local laws. Where local laws permit, there is a cap on the maximum amount that can be awarded.
- No severance payments in excess of contractual payments, local policies, standards or statutory amounts were made to MRTs during the year.

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

Total remuneration by band for employees earning >€1 million for 2021	Number of MRTs
€1.0 million to below €1.5 million	1
€1.5 million to below €2.0 million	–
More than €2.0 million	–
Total	1

- Total remuneration in the table above includes fixed pay, pension and benefit funding and variable pay.
- Where applicable, the table is based on an average exchange rate of €1.1629836 to £1 as at 31 December 2021.

Appendix 4: List of acronyms

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