

2. Fixed-Rate Loan (FRL) Credit Risk Transfer Fraud (2008–2012):

In a more insidious scheme, Ulster Bank's Non-Core Division and Global Restructuring Group (GRG) embedded derivative-like swap risks into unregulated FRLs sold to Northern Irish and Republic of Ireland SMEs as "simple" fixed-rate products. Officials secretly lodged "hidden credit lines" (up to 100% of loan value) against borrowers' accounts to transfer the bank's own credit and liquidity risks from internal swap trades, without disclosure. This inflated customers' loan-to-value (LTV) ratios, triggered covenant breaches, and funneled them into GRG for asset stripping.



¹ Copied from post on X on October 2, 2025