



Revolut Bank UAB
Capital adequacy and risk management report
(Pillar 3)
30 June 2020

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 (All amounts in EUR thousand unless otherwise stated)

Table 1: Key Metrics

	30 Jun 2020	31 Mar 2020*	31 Dec 2019*	30 Sep 2019	
Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	8,462	8,871	9,248	4,770
2	Tier 1	8,462	8,871	9,248	4,770
3	Total capital	8,462	8,871	9,248	4,770
Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	16,575	17,038	17,889	7,574
Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	51.1	52.1	51.7	63.0
6	Tier 1 ratio (%)	51.1	52.1	51.7	63.0
7	Total capital ratio (%)	51.1	52.1	51.7	63.0
Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer requirement (%)	1%	1%	1%	1%
11	Total of bank CET1 specific buffer requirements (%)	3.5%	3.5%	3.5%	3.5%
12	CET1 available after meeting the bank's minimum capital requirements (%)	46.6	47.6	47.2	58.5
Leverage ratio					
13	Total leverage ratio exposure measure	25,374	10,637	9,936	5,449
14	Leverage ratio (%) (row 2 / row 13)	33.3	83.4	93.1	87.5
Liquidity Coverage Ratio					
15	Total HQLA	19,775	5,199	99	-
16	Total net cash outflow	1,109	40	25	-
17	LCR ratio (%)	1,783	12,988	397	-

* Operational risk exposure calculated using basic indicator approach has been revised for the periods ended 30 March 2020 and 31 December 2019. The total risk weighted exposures have been recalculated accordingly.

Table 2: Overview of risk weighted assets

	RWA		Minimum capital requirements
	30 Jun 2020	31 Mar 2020*	30 Jun 2020
1 Credit risk (excluding counterparty credit risk)	1,841	2,305	147.3
2 Of which: standardised approach (SA)	1,841	2,305	147.3
6 Counterparty credit risk (CCR)	-	-	-
10 Credit valuation adjustment (CVA)	-	-	-
15 Settlement risk	-	-	-
16 Securitisation	-	-	-
20 Market risk	1	1	0.1
21 Of which: standardised approach (SA)	1	1	0.1
24 Operational risk	14,733	14,733	1,178.6
25 Of which: standardised approach (SA)	14,733	14,733	1,178.6
27 Total	16,575	17,038	1,326.0

* Operational risk exposure calculated using basic indicator approach has been revised for the period ended 30 March. The total risk weighted exposure has been recalculated accordingly.

Table 3: Own funds disclosure

	Amounts	Cross reference to balance sheet
Common Equity Tier 1 capital: instruments and reserves		
1 Capital instruments	5,503	
– ordinary shares	5,503	a
2 Retained earnings	(1,679)	b
3 Accumulated other comprehensive income (and other reserves)	5,000	c
9 Other intangibles other than mortgage servicing rights (net of related tax liability)	(83)	d
10 Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	(279)	e
28 Total regulatory adjustments to Common Equity Tier 1	(363)	
29 Common Equity Tier 1 capital (CET1)	8,462	
44 Additional Tier 1 capital (AT1)	-	
45 Tier 1 capital (T1 = CET1 + AT1)	8,462	
Tier 2 capital: instruments and provisions		
58 Tier 2 capital (T2)	-	
59 Total regulatory capital (TC = T1 + T2)	8,462	
60 Total risk-weighted assets	16,575	
Capital ratios and buffers		
61 Common Equity Tier 1 (as a percentage of risk-weighted assets)	51.1%	
62 Tier 1 (as a percentage of risk-weighted assets)	51.1%	
63 Total capital (as a percentage of risk-weighted assets)	51.1%	
64 Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	3.5%	
65 Of which: capital conservation buffer requirement	2.5%	
66 Of which: bank-specific countercyclical buffer requirement	1.0%	
68 Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	46.6%	

Table 4: Balance sheet reconciliation

	30 Jun 2020	Cross reference to the own funds
Assets		
Cash and balances with central banks	19,775	
Due from banks	4,694	
Property, plant and equipment	59	
Loans and advances to customers	9	
Intangible assets	83	d
Deferred tax assets	279	
<i>of which deferred tax assets that rely on future profitability excluding those arising from temporary differences</i>	279	e
Other assets	836	
Total assets	25,735	
Liabilities		
Due to customers	13,686	
Other liabilities	3,225	
Total liabilities	16,911	
Equity attributable to equity holders of parent		
Issued capital	5,503	
<i>of which CET1 paid-in share capital</i>	5,503	a
Retained earnings	(1,679)	b
Other reserves	5,000	c
Total equity	8,824	
Total liabilities and equity	25,735	

Table 5: Main features of regulatory capital instruments

Capital instruments main features template		
1	Issuer	Revolut Bank UAB
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	485100NUOK3CEDCUTW40
3	Governing law(s) of the instrument	Republic of Lithuania Law on Companies
Regulatory Treatment		
4	Transitional CRR rules	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/group/group and solo	Solo and (Sub-)Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	5.5
9	Nominal amount of instrument	5,5
9a	Issue price	EUR 1 per share
9b	Redemption price	N/A
10	Accounting classification	Shareholders' equity
11	Original date of issuance	2017-07-18
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
Coupons / dividends		
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step-up or other incentive to redeem	Fully discretionary
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-cumulative
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Writedown feature	No
31	If writedown, writedown trigger(s)	N/A
32	If writedown, full or partial	N/A
33	If writedown, permanent or temporary	N/A
34	If temporary write-own, description of writeup mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A
36	Non-compliant transitioned features	-
37	If yes, specify non-compliant features	N/A

Table 6: Geographical distribution of credit exposures used in the countercyclical capital buffer

Breakdown by country	General credit exposures		Trading book exposure		Securitisati on exposure		Own funds requirements			Total	Own funds requirement weights	Countercyclical capital buffer rate
	Exposure value for SA	Exposure value IRB	Sum of long and short position of trading book	Value of trading book exposure for internal models	Exposure value for SA	Exposure value IRB	Of which: General credit exposures	Of which: Trading book exposures	Of which: Securitisation exposures			
Lithuania	540	-	-	-	-	-	43	-	-	43	59.7%	1%
United Kingdom	364	-	-	-	-	-	29	-	-	29	40.3%	1%
Total	904	-	-	-	-	-	72	-	-	72	100%	

Table 7: Summary comparison of accounting assets vs leverage ratio exposure measure

	30 Jun 2020
1 Total consolidated assets as per published financial statements	25,735
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3 Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
4 Adjustments for temporary exemption of central bank reserves (if applicable)	-
5 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
6 Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
7 Adjustments for eligible cash pooling transactions	-
8 Adjustments for derivative financial instruments	-
9 Adjustment for securities financing transactions (ie repurchase agreements and similar secured lending)	-
10 Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	2
11 Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12 Other adjustments	(363)
13 Leverage ratio exposure measure	25,374

Table 8: Leverage ratio common disclosure

	30 Jun 2020	31 Mar 2020
On-balance sheet exposures		
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	25,736	10,947
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	(363)	(310)
3 Total on-balance sheet exposures (excluding derivatives and SFTs)	25,373	10,637
Derivatives exposure		
11 Total derivative exposures	-	-
Securities financing transaction exposures		
16 Total securities financing transaction	-	-
Other off-balance sheet exposures		
19 Off-balance sheet items	2	-
Capital and total exposures		
20 Tier 1 capital	8,462	9,248
21 Total exposures	25,374	10,637
Leverage ratio		
22 Leverage ratio	33.3%	83.4%

Table 9: Liquidity

	Total unweighted value	Total weighted value
High-quality liquid assets		
Total HQLA	14,013	14,013
Cash outflows		
Retail deposits and deposits from small business customers, of which:		
Less stable deposits	9,754	979
Additional requirements, of which:		
Other contractual funding obligations	9,683	968
Other contractual funding obligations	2,156	2,039
TOTAL CASH OUTFLOWS	11,910	3,018
Cash inflows		
Inflows from fully performing exposures	5,442	5,442
Other cash inflows	871	871
TOTAL CASH INFLOWS	6,313	6,313
		Total adjusted value
Total HQLA		14,013
Total net cash outflows		2,263
Liquidity Coverage Ratio (%)		619.1%

Table 10: Credit quality of assets

	Gross carrying values of			Net values
	Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	
Loans	-	9	-	9
Debt securities	-	-	-	-
Off-balance sheet exposures	-	18	-	18
Total	-	27	-	27

Table 11: Standardised approach – credit risk exposure and credit risk mitigation (CRM) effects

	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Asset classes						
Sovereigns and their central banks	19,775	-	19,775	-	-	0%
Banks	4,694	-	4,694	-	939	20%
Retail exposures	9	18	9	-	7	75%
Other assets	895	-	895	-	895	100%
Total	25,373	18	25,373	-	1,840	7%