

Revolut Bank



Revolut Bank UAB

Capital adequacy and risk management report (Pillar 3)
31 March 2024

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Introduction

The capital adequacy and risk management report provides information on Revolut Bank's capital adequacy and risk management. The report is based on regulatory disclosure requirements set out in the Regulation (EU) 575/2013 Capital Requirements Regulation (CRR).

This report is based on Revolut Bank UAB (the Bank) stand-alone and Revolut Holdings Europe UAB (EEA Group) consolidated situation as at 30 September 2023.

BANK

Table 1: Key Metrics

	31-Mar-24	31-Dec-23	30-Sep-23	30-Jun-23	31-Mar-23
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	579,251	499,151	465,290	453,296	450,084
2 Tier 1	579,251	499,151	465,290	453,296	450,084
3 Total capital	579,251	499,151	465,290	453,296	450,084
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	2,325,823	2,112,426	2,410,104	2,229,492	1,924,336
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	24.91	23.63	19.31	20.33	23.39
6 Tier 1 ratio (%)	24.91	23.63	19.31	20.33	23.39
7 Total capital ratio (%)	24.91	23.63	19.31	20.33	23.39
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9 Countercyclical buffer requirement (%)	0.86%	0.81%	1.22%	0.68%	0.59%
10 Other Systemically Important Institution buffer (%)	1.00%	1.00%	1.00%	0.00%	0.00%
11 Total of bank CET1 specific buffer requirements (%)	4.36%	4.31%	4.72%	3.18%	3.09%
12 CET1 available after meeting the bank's minimum capital requirements (%)	13.21	12.43	7.61	8.63	11.69
Leverage ratio					
13 Total leverage ratio exposure measure	12,742,602	11,625,237	11,011,063	10,432,805	9,614,282
14 Leverage ratio (%) (row 2 / row 13)	4.55	4.29	4.23	4.34	4.68
Liquidity Coverage Ratio					
15 Total HQLA	9,208,280	8,978,830	8,693,956	8,242,009	7,924,734
16 Total net cash outflow	1,405,822	1,423,275	980,747	847,814	790,083
17 LCR ratio (%)	655.01%	630.86%	886.46%	972.15%	1003.02%

Table 2: Overview of risk weighted assets

	RWA		Minimum capital requirements
	31-Mar	31-Dec	31-Mar
	2024	2023	2024
1 Credit risk (excluding counterparty credit risk)	1,224,008	1,109,720	97,921
2 Of which: standardised approach (SA)	1,122,274	1,024,702	89,782
6 Counterparty credit risk (CCR)	50,779	24,533	4,062
10 Credit valuation adjustment (CVA)	21,381	13,939	1,711
15 Settlement risk	-	-	-
16 Securitisation	-	85,019	-
20 Market risk	114,535	49,114	9,163
21 Of which: standardised approach (SA)	114,535	49,114	9,163
24 Operational risk	915,119	915,119	73,210
27 Total	2,325,823	2,112,426	186,066

Table 3: Summary comparison of accounting assets vs leverage ratio exposure measure

	31-Mar 2024
1 Total consolidated assets as per published financial statements	13,249,939
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	(59,232)
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)	122,659
11 Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12 Other adjustments	(570,764)
13 Leverage ratio exposure measure	12,742,602

Table 4: Leverage ratio common disclosure

	31-Mar 2024	31-Dec 2023
On-balance sheet exposures		
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	12,179,860	11,143,936
2 (Asset amounts deducted in determining Basel III Tier 1 capital)		-
3 Total on-balance sheet exposures (excluding derivatives and SFTs)	12,179,860	11,143,936
Derivatives exposure		
11 Total derivative exposures	37,632	27,142
Securities financing transaction exposures		
16 Total securities financing transaction	402,451	431,513
Other off-balance sheet exposures		
19 Off-balance sheet items	122,659	22,646
Capital and total exposures		
20 Tier 1 capital	579,251	499,151
21 Total exposures	12,742,602	11,625,237
Leverage ratio		
22 Leverage ratio	4.55%	4.29%

Table 5: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

	31-Mar 2024
1 Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	12,179,860
2 Trading book exposures	
3 Banking book exposures, of which:	12,179,860
4 Covered bonds	
5 Exposures treated as sovereigns	9,896,141
6 Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	
7 Institutions	863,651
8 Secured by mortgages of immovable properties	
9 Retail exposures	672,193
10 Corporates	99,321
11 Exposures in default	6,403
12 Other exposures (eg equity, securitisations, and other non-credit obligation assets)	508,351

Table 6: Quantitative information of LCR

		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (30 June 2023)	30/6/23	30/9/23	31/12/23	31/03/24	30/6/23	30/9/23	31/12/23	31/03/24
EU 1b	Number of data points used in the calculation of averages								
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					8,242,009	8,693,956	8,978,830	9,701,507
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	9,182,861	9,504,881	10,143,796	10,983,621	709,403	745,462	782,176	861,488
3	Stable deposits	4,766,301	4,660,903	5,222,094	5,414,258	238,315	233,045	261,105	270,713
4	Less stable deposits	4,416,561	4,843,978	4,921,702	5,569,362	471,088	512,417	521,072	590,775
5	Unsecured wholesale funding	603,499	783,362	768,972	744,139	386,829	570,785	526,161	471,340
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	223,622	221,519	250,822	276,831	55,905	55,380	62,706	69,208
7	Non-operational deposits (all counterparties)								
8	Unsecured debt								
9	Secured wholesale funding								
10	Additional requirements	229,930	252,507	265,194	286,145	176,740	181,167	172,283	173,990
11	Outflows related to derivative exposures and other collateral requirements	45,941	49,412	49,393	50,087	45,941	49,412	49,393	50,087
12	Outflows related to loss of funding on debt products								
13	Credit and liquidity facilities	183,989	203,095	215,801	236,059	130,799	131,755	122,890	123,903
14	Other contractual funding obligations	66,896	117,199	521,986	705,221	65,202	114,436	517,400	701,191
15	Other contingent funding obligations	12,254	13,082	13,902	15,208	-	-	-	-
16	TOTAL CASH OUTFLOWS					1,338,174	1,611,849	1,998,021	2,208,009

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CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)								
18	Inflows from fully performing exposures	34,261	127,452	55,193	51,097	27,791	107,257	13,798	12,774
19	Other cash inflows	462,569	523,849	73,199	95,000	462,569	523,849	33,890	83,740
	(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)			527,058	582,516			527,058	582,516
EU-19a									
EU-19b	(Excess inflows from a related specialised credit institution)								
20	TOTAL CASH INFLOWS	496,830	651,301	625,450	728,614	490,360	631,106	574,746	679,031
EU-20a	<i>Fully exempt inflows</i>								
EU-20b	<i>Inflows subject to 90% cap</i>								
EU-20c	<i>Inflows subject to 75% cap</i>	496,830	651,301	625,450	728,614	490,360	631,106	574,746	679,031
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					8,242,009	8,693,956	8,978,830	9,701,507
22	TOTAL NET CASH OUTFLOWS					847,814	980,743	1,423,275	1,528,977
23	LIQUIDITY COVERAGE RATIO					972.15%	886.47%	630.86%	620.00%

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EEA Group

Table 1: Key Metrics

	31-Mar-24	31-Dec-23	30-Sep-23	30-Jun-23	31-Mar-23
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	584,834	475,195	470,261	457,708	454,446
2 Tier 1	584,834	475,195	470,261	457,708	454,446
3 Total capital	584,834	475,195	470,261	457,708	454,446
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	2,340,461	2,120,236	2,460,388	2,254,724	1,935,216
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 ratio (%)	24.99	22.41	19.11	20.30	23.48
6 Tier 1 ratio (%)	24.99	22.41	19.11	20.30	23.48
7 Total capital ratio (%)	24.99	22.41	19.11	20.30	23.48
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9 Countercyclical buffer requirement (%)	0.86%	0.63%	0.68%	0.68%	0.59%
10 Other Systemically Important Institution a buffer (%)	1.00%	1.00%	1.00%	1.00%	1.00%
11 Total of bank CET1 specific buffer requirements (%)	3.36%	4.13%	4.18%	4.18%	4.09%
12 CET1 available after meeting the bank's minimum capital requirements (%)	13.29	11.21	8.6	8.60	11.78
Leverage ratio					
13 Total leverage ratio exposure measure	12,766,098	11,638,898	11,033,492	10,442,874	9,618,624
14 Leverage ratio (%) (row 2 / row 13)	4.58	4.08	4.26	4.38	4.72
Liquidity Coverage Ratio					
15 Total HQLA	9,208,280	8,978,830	8,693,956	8,242,009	7,924,734
16 Total net cash outflow	1,403,855	1,422,998	980,357	805,759	785,563
17 LCR ratio (%)	655.93%	630.98%	886.81%	1022.89%	1008.80%

Table 2: Overview of risk weighted assets

	RWA		Minimum capital requirements
	31-Mar	31-Dec	31-Mar
	2024	2023	2024
1 Credit risk (excluding counterparty credit risk)	1,230,505	1,114,082	98,440
2 Of which: standardised approach (SA)	1,128,771	1,029,063	90,302
6 Counterparty credit risk (CCR)	50,779	24,533	4,062
10 Credit valuation adjustment (CVA)	21,381	13,939	1,711
15 Settlement risk	-	-	-
16 Securitisation	-	85,019	-
20 Market risk	116,580	52,563	9,326
21 Of which: standardised approach (SA)	116,580	52,563	9,326
24 Operational risk	921,216	915,119	73,697
27 Total	2,340,461	2,120,236	187,237

Table 3: Summary comparison of accounting assets vs leverage ratio exposure measure

	31-Mar 2024
1 Total consolidated assets as per published financial statements	13,280,435
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	(59,232)
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)	122,659
11 Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12 Other adjustments	(577,764)
13 Leverage ratio exposure measure	12,766,098

Table 4: Leverage ratio common disclosure

	31-Mar 2024	31-Dec 2023
On-balance sheet exposures		
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	12,203,356	11,157,597
2 (Asset amounts deducted in determining Basel III Tier 1 capital)		-
3 Total on-balance sheet exposures (excluding derivatives and SFTs)	12,203,356	11,157,597
Derivatives exposure		
11 Total derivative exposures	37,632	27,142
Securities financing transaction exposures		
16 Total securities financing transaction	402,451	431,513
Other off-balance sheet exposures		
19 Off-balance sheet items	122,659	22,646
Capital and total exposures		
20 Tier 1 capital	584,834	475,195
21 Total exposures	12,766,098	11,638,898
Leverage ratio		
22 Leverage ratio	4.58%	4.08%

Table 5: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

	31-Mar 2024
1 Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	12,203,356
2 Trading book exposures	
3 Banking book exposures, of which:	12,203,356
4 Covered bonds	133,801
5 Exposures treated as sovereigns	9,896,141
6 Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	
7 Institutions	884,896
8 Secured by mortgages of immovable properties	
9 Retail exposures	672,194
10 Corporates	101,539
11 Exposures in default	6,403
12 Other exposures (eg equity, securitisations, and other non-credit obligation assets)	508,382

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Table 6: Quantitative information of LCR

		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (30 June 2023)	30/06/23	30/9/23	31/12/23	31/03/24	30/06/23	30/9/23	31/12/23	31/12/24
EU 1b	Number of data points used in the calculation of averages								
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					8,242,009	8,693,956	8,978,830	9,701,507
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	9,182,861	9,504,881	10,143,796	10,983,621	709,403	745,462	782,176	861,488
3	Stable deposits	4,766,301	4,660,903	5,222,094	5,414,258	238,315	233,045	261,105	270,713
4	Less stable deposits	4,416,561	4,843,978	4,921,702	5,569,362	471,088	512,417	521,072	590,775
5	Unsecured wholesale funding	603,338	783,366	769,386	744,139	386,667	570,789	526,576	471,340
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	223,622	221,519	250,822	276,831	55,905	55,380	62,706	69,208
7	Non-operational deposits (all counterparties)								
8	Unsecured debt								
9	Secured wholesale funding								
10	Additional requirements	229,930	252,507	265,194	286,145	176,740	181,167	172,283	173,990
11	Outflows related to derivative exposures and other collateral requirements	45,941	49,412	49,393	50,087	45,941	49,412	49,393	50,087
12	Outflows related to loss of funding on debt products								
13	Credit and liquidity facilities	183,989	203,095	215,801	236,059	130,799	131,755	122,890	123,903
14	Other contractual funding obligations	67,517	117,199	531,261	758,217	65,775	114,436	525,194	754,119
15	Other contingent funding obligations	12,254	13,082	13,902	15,208	-	-	-	-
16	TOTAL CASH OUTFLOWS					1,338,586	1,611,854	2,006,229	2,260,937
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)					-	-	-	-

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18	Inflows from fully performing exposures	76,728	127,452	55,193	51,097	70,258	107,257	13,798	12,774
19	Other cash inflows	462,569	523,849	81,685	95,000	462,569	523,849	42,376	83,740
	(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)			527,058	582,516			527,058	582,516
EU-19a									
EU-19b	(Excess inflows from a related specialised credit institution)								
20	TOTAL CASH INFLOWS	539,297	651,301	633,935	728,614	532,827	631,106	583,232	679,031
EU-20a	<i>Fully exempt inflows</i>								
EU-20b	<i>Inflows subject to 90% cap</i>								
EU-20c	<i>Inflows subject to 75% cap</i>	539,297	651,301	633,935	728,614	532,827	631,106	583,232	679,031
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					8,242,009	8,693,956	8,978,830	9,701,507
22	TOTAL NET CASH OUTFLOWS					805,759	980,747	1,422,998	1,581,906
23	LIQUIDITY COVERAGE RATIO					1022.89%	886.46%	630.98%	613.00%