Revolut Bank UAB


# Revolut Bank UAB

## Capital adequacy and risk management report (Pillar 3)

31 December 2024

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(all amounts in EUR thousand unless stated otherwise)

# Introduction

**Notes on basis of preparation**

This report is prepared in accordance with the requirements of the Capital Requirements Directive (CRD IV) and the Capital Requirements Regulation No 575/2013 (CRR).

Pillar 3 disclosures complement those disclosed in the Revolut Bank UAB (the Bank) 2024 Annual report and financial statements and provide additional information about the Bank's risk profile, including its regulatory capital, risk weighted assets (RWAs), liquidity, leverage exposures as well as information about the Bank's approach to managing risk.

The Basel framework is structured around three 'pillars'. Pillar 1 defines minimum capital requirements for credit, market and operational risk. The Pillar 2 defines Supervisory Review and Evaluation Process (SREP) requiring the Bank to carry out an internal capital adequacy assessment process (ICAAP), identifying and assessing all the relevant risks which are not covered within Pillar 1 and supporting adequate capital level and an internal liquidity adequacy assessment process (ILAAP) primarily concentrating on the funding and liquidity risk management. Pillar 3 stands for market discipline with the aim to produce disclosures that allow market participants to assess the scope of application by banks of the Basel framework and the rules in their jurisdiction, their capital condition, risk exposures and risk management processes, and hence their capital adequacy.

The Bank prepares the financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU).

Disclosures are prepared on an individual basis.

LEI code of the Revolut Bank UAB is 485100NUOK3CEDCUTW40.

# Executive Summary

## Table 1 - OV1: Overview of risk weighted assets

| | | RWA | | Minimum capital requirements |
|---|---|---|---|---|
| | | 31-Dec-24 | 30-Jun-24 | 31-Dec-24 |
| 1 | **Credit risk (excluding counterparty credit risk)** | **1,417,352** | **1,280,834** | **113,388** |
| 2 | Of which: standardised approach (SA) | 1,417,352 | 1,280,834 | 113,388 |
| 6 | Counterparty credit risk (CCR) | 38,281 | 37,879 | 3,062 |
| 10 | Credit valuation adjustment (CVA) | 20,355 | 8,545 | 1,628 |
| 15 | Settlement risk | - | - | - |
| 16 | **Securitisation** | **328,098** | **188,031** | **26,248** |
| 20 | **Market risk** | **104,542** | **87,895** | **8,363** |
| 21 | Of which: standardised approach (SA) | 104,542 | 87,895 | 8,363 |
| 24 | **Operational risk** | **915,119** | **915,119** | **73,210** |
| 27 | **Total** | **2,823,747** | **2,518,303** | **225,900** |

*(all amounts in EUR thousand unless stated otherwise)*

### Table 2 - KM1: Key Metrics

| | | 31-Dec-24 | 30-Sep-24 | 30-Jun-24 | 31-Mar-24 | 31-Dec-23 |
|---|---|---|---|---|---|---|
| **Available capital (amounts)** | | | | | | |
| 1 | Common Equity Tier 1 (CET1) | 874,891 | 798,548 | 580,023 | 579,251 | 499,151 |
| 2 | Tier 1 | 874,891 | 798,548 | 580,023 | 579,251 | 499,151 |
| 3 | Total capital | 874,891 | 798,548 | 580,023 | 579,251 | 499,151 |
| **Risk-weighted assets (amounts)** | | | | | | |
| 4 | Total risk-weighted assets (RWA) | 2,823,747 | 2,707,361 | 2,518,303 | 2,325,823 | 2,112,426 |
| **Risk-based capital ratios as a percentage of RWA** | | | | | | |
| 5 | Common Equity Tier 1 ratio (%) | 30.98% | 29.50% | 23.03% | 24.91% | 23.63% |
| 6 | Tier 1 ratio (%) | 30.98% | 29.50% | 23.03% | 24.91% | 23.63% |
| 7 | Total capital ratio (%) | 30.98% | 29.50% | 23.03% | 24.91% | 23.63% |
| **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 (%) | 0.98% | 2.03% | 0.95% | 0.86% | 0.81% |
| 10 | Other Systemically Important Institution buffer (%) | 2.00% | 2.00% | 1.00% | 1.00% | 1.00% |
| 11 | Total of bank CET1 specific buffer requirements (%) | 5.48% | 6.53% | 4.45% | 4.36% | 4.31% |
| 12 | CET1 available after meeting the bank's minimum capital requirements (%) | 19.28% | 20.11% | 11.33% | 13.21% | 12.43% |
| **Leverage ratio** | | | | | | |
| 13 | Total leverage ratio exposure measure | 19,790,666 | 16,237,870 | 14,317,158 | 12,742,602 | 11,625,237 |
| 14 | Leverage ratio (%) (row 2 / row 13) | 4.42% | 4.92% | 4.05% | 4.55% | 4.29% |
| **Liquidity Coverage Ratio** | | | | | | |
| 15 | Total HQLA | 10,398,900 | 9,711,180 | 12,565,376 | 9,701,507 | 8,978,830 |
| 16 | Total net cash outflow | 1,619,527 | 1,363,242 | 2,500,647 | 1,528,977 | 1,423,275 |
| 17 | LCR ratio (%) | 642.09% | 712.36% | 502.48% | 634.51% | 630.86% |
| **Net Stable Funding Ratio** | | | | | | |
| 18 | Total available stable funding | 16,796,158 | 13,866,014 | 12,174,226 | 11,100,047 | 10,054,945 |
| 19 | Total required stable funding | 5,266,165 | 3,840,841 | 3,043,614 | 2,269,573 | 2,190,764 |
| 20 | NSFR ratio (%) | 318.94% | 361.02% | 399.99% | 489.08% | 458.97% |

*(all amounts in EUR thousand unless stated otherwise)*

### Table 3 - OVC - ICAAP information, CRR article 438(a,c)

| Pillar 3 disclosure requirement | Annual report 2024 section | Disclosure | Annual report page numbers |
|---|---|---|---|
| Approach to assessing the adequacy of the internal capital<br>Upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process | Notes to the financial statements | 32.2 Internal capital assessment | 73 |

## Risk Management

### Table 4 - OVA: Institution risk management approach, CRR article 435(1a-d)

| Pillar 3 disclosure requirement | Annual report 2024 section | Disclosure | Annual report page numbers |
|---|---|---|---|
| Disclosure of concise risk statement approved by the management body | Annual Report | 7 - Risk Management and Internal Control | 9-12 |
| Information on the risk governance structure for each type of risk | Annual Report | 7 - Risk Management and Internal Control | 9-12 |
| Disclosure on the scope and nature of risk disclosure and/or measurement systems. | Notes to the financial statements | Note 6 - Risk Management | 42-51 |
| Disclose information on the main features of risk disclosure and measurement systems. | Notes to the financial statements | Note 6 - Risk Management | 42-51 |
| Strategies and processes to manage risks for each separate category of risk. | Notes to the financial statements | Note 6 - Risk Management | 42-51 |
| Information on the strategies and processes to manage, hedge and mitigate risks, as well as on the monitoring of the effectiveness of hedges and mitigants. | Notes to the financial statements | Note 4.7.7 - Hedge Accounting and Fair Value Hedges | 32-33 |
| Declaration approved by the management body on the adequacy of the risk management arrangements. | Notes to the financial statements | Note 6 - Risk Management | 42-51 |

The CEO of Revolut Bank UAB and Supervisory Council concludes that the Bank's capital position is adequate in both base-case and under adverse projections after considering current and future risk profile of the entity on the prudential consolidation basis. This is based on the continued support of ultimate parent Revolut Group Holdings Ltd and its own robust capital position, the quality of the risk management, internal controls and governance. This statement covers both a regulatory and an economic assessment of the risks to the capital position.

### Table 5 - OVB: Disclosure on governance arrangements

| Pillar 3 Disclosure Requirement | Annual Report 2024 Section | Disclosure | Annual Report Page Numbers |
|---|---|---|---|
| The number of directorships held by members of the management body. | Annual Report | 10 - Information about positions held by key management | 15-17 |
| Information regarding the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise. | See notes below | | |
| Information on the diversity policy with regard to the members of the management body. | See notes below | | |
| Information whether or not the institution has set up a separate risk committee and the frequency of the meetings. | Annual Report | 6 - Governance Structure | 7-8 |
| Description on the information flow on risk to the management body. | Annual Report | 7 - Risk management and internal control | 9-12 |

**Recruitment policy and selection of members of the management body**
Revolut Bank UAB (the "Company", the "Bank") has a two tier management body structure consisting of a Supervisory Council (SC) and a Management Board (MB). The Entity Management Suitability Assessment Policy outlines the process of appointing / electing and reassessing managers of the Bank which includes members of the SC and the MB. Fit and proper assessments are conducted in accordance with this policy as well as the criteria set out in the Joint European Securities and Markets Authority (ESMA) and European Banking Authority (EBA) Guidelines on the Assessment of the Suitability of Members of the Management Body and the European Central Bank's Guide to Fit and Proper Assessments from December 2021.

In accordance with this policy, the Company assesses the suitability of its managers before they take the relevant office in the Company and document the process and results of the assessment. Regulatory Compliance is responsible for organising and co-ordinating a candidates assessment. Only individuals that satisfy the requirements contained in the policy may be appointed / elected as a manager of the Company. Said requirements include - requirements for good repute, honesty and integrity, qualification skills and experience, independence of mind, time commitment and collective suitability. In conducting the assessment, information from the candidate themselves, public domain and information already available to the Company may be relied upon.

The individual candidate assessment report together with the updated collective competences suitability matrix (the "F&P documentation") is then submitted to the relevant forum depending on the particular position:

MB member appointments - the Nomination Committee (NomCo) for recommendation to the SC for approval; and SC member appointments - the NomCo for recommendation to the SC for recommendation to the General Meeting for approval.

For appointments of MB and SC members, non-objection from the ECB is required and the F&P documentation is submitted to the ECB in advance as required by law. Any additional information requested by the ECB is provided as required. Where no objection is received from the ECB, the candidate will not be appointed/elected as a member of the MB or SC.

The NomCo is also responsible for reviewing the senior management selection and appointment policy and making recommendations to the SC and MB in that regard.

**Diversity Policy**

The Diversity Policy of the Company is set out in the Entity Management Suitability Assessment Policy. It states that in order to ensure gender diversity within the Management Body and promote a diverse pool of members, the Company shall set a quantitative target on female representation in the Management Body, along with a timeframe to achieve the target. A distinct quantitative target is set for the SC and MB. The target is proposed by Human Resources (HR), in consultation with the Management Board and approved by the NomCo, which in turn reports to the SC.

Progress against the quantitative target on female representation shall be reviewed by the NomCo on at least an annual basis.

HR should support achieving the quantitative target on female representation in the Management Body through implementation of talent management initiatives (such as succession planning, career development and promotion).

Furthermore, HR should also ensure that recruitment and selection activities for Management Body vacancies are carried out fairly, and without any discrimination based on gender, race, skin colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property (financial status), birth, disability, age, or sexual orientation.

*(all amounts in EUR thousand unless stated otherwise)*

## Own funds

### Table 6 - CC1: Own funds disclosure

| | | Amounts | Cross reference to balance sheet |
|---|---|---|---|
| **Common Equity Tier 1 capital: instruments and reserves** | | | |
| 1 | Capital instruments | 36,815 | |
| | – ordinary shares | 36,815 | **a** |
| 2 | Retained earnings | 244,696 | **b** |
| | of which excluding current period profit not eligible | (100,468) | **b** |
| 3 | Accumulated other comprehensive income (and other reserves) | 693,936 | **c** |
| **Common Equity Tier 1 (CET1) capital: regulatory adjustments** | | | |
| 7 | Prudent valuation adjustments | (28) | |
| 9 | Other intangibles other than mortgage servicing rights (net of related tax liability) | - | |
| 10 | Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability) | - | |
| 28 | Total regulatory adjustments to Common Equity Tier 1 | (28) | |
| 29 | Common Equity Tier 1 capital (CET1) | 874,919 | |
| **Additional Tier 1 (AT1) capital: regulatory adjustments** | | | |
| 44 | Additional Tier 1 capital (AT1) | | |
| 45 | Tier 1 capital (T1 = CET1 + AT1) | 874,919 | |
| **Tier 2 (T2) capital: regulatory adjustments** | | | |
| 58 | Tier 2 capital (T2) | | |
| 59 | Total regulatory capital (TC = T1 + T2) | 874,919 | |
| 60 | Total risk-weighted assets | 2,823,747 | |
| **Capital ratios and buffers** | | | |
| 61 | Common Equity Tier 1 (as a percentage of risk-weighted assets) | 30.98% | |
| 62 | Tier 1 (as a percentage of risk-weighted assets) | 30.98% | |
| 63 | Total capital (as a percentage of risk-weighted assets) | 30.98% | |
| 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) | 12.06% | |
| 65 | Of which: capital conservation buffer requirement | 2.50% | |
| 66 | Of which: bank-specific countercyclical buffer requirement | 0.98% | |
| 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 | 2.00% | |
| 68 | Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank’s minimum capital requirements | 19.28% | |
| **Amounts below the thresholds for deduction (before risk weighting)** | | | |

*(all amounts in EUR thousand unless stated otherwise)*

### Table 7 - CC2: Balance sheet reconciliation

| | 31 Dec 2024 | Cross reference to the own funds |
|---|---|---|
| **Assets** | | |
| Cash and balances with central banks | 10,823,365 | |
| Due from banks and other financial institutions | 40,086 | |
| Derivatives (Assets) | 15,489 | |
| Loans and unauthorised overdrafts | 4,229,254 | |
| Debt securities | 4,481,879 | |
| Equity instruments | 33 | |
| Investments in subsidiaries | 208 | |
| Property and equipment and right-of-use assets | 2,265 | |
| Deferred tax assets | 333 | |
| Other assets | 694,868 | |
| **Total assets** | **20,287,780** | |
| | | |
| **Liabilities** | | |
| Derivatives (Liabilities) | 12,584 | |
| Due to customers | 17,880,484 | |
| Due to other financial institutions | 207,246 | |
| Other liabilities | 1,206,379 | |
| Provisions | 5,640 | |
| **Total liabilities** | **19,312,333** | |
| | | |
| **Equity** | | |
| Equity attributable to equity holders of parent | - | |
| Share capital | 36,815 | **a** |
| Reserve capital | 670,208 | **c** |
| Retained earnings | 244,696 | **b** |
| Reserves | 23,728 | **c** |
| **Total equity** | **975,447** | |
| **Total liabilities and equity** | **20,287,780** | |

## Table 8 - CCA: 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, most recent reporting date) | 36,815 |
| 9 | Par value of instrument | 36,815 |
| 10 | Accounting classification | Share capital |
| 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 |
| 20 | Fully discretionary, partially discretionary or mandatory | 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 | - |
| 26 | If convertible, conversion rate | N/A |
| 27 | If convertible, mandatory or optional conversion | N/A |
| 28 | If convertible, specify instrument type convertible into | - |
| 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 | - |
| 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) | N/A |
| 36 | Non-compliant transitioned features | - |
| 37 | If yes, specify non-compliant features | |

(all amounts in EUR thousand unless stated otherwise)

## Countercyclical capital buffers

### Table 9 - CCyB1: Geographical distribution of credit exposures used in the countercyclical capital buffer

| | 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 | Securitisations 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 (%) |
| Austria | 8,923 | - | - | - | - | 8,923 | 714 | - | - | 714 | 8,923 | 0.5% | - |
| Australia | 13,152 | - | - | - | - | 13,152 | 1,052 | - | - | 1,052 | 13,152 | 0.7% | - |
| Aruba | 0 | - | - | - | - | 0 | 0 | - | - | 0 | 0 | - | - |
| Åland Islands | 0 | - | - | - | - | 0 | 0 | - | - | 0 | 0 | - | - |
| Belgium | 3,857 | - | - | - | - | 3,857 | 309 | - | - | 309 | 3,857 | 0.2% | 1.0% |
| Bulgaria | 358 | - | - | - | - | 358 | 29 | - | - | 29 | 358 | 0.0% | 2.0% |
| Saint Barthélemy | 0 | - | - | - | - | 0 | 0 | - | - | 0 | 0 | - | - |
| Bonaire | 0 | - | - | - | - | 0 | 0 | - | - | 0 | 0 | - | - |
| Canada | 24,120 | - | - | - | - | 24,120 | 1,930 | - | - | 1,930 | 24,120 | 1.4% | - |
| Switzerland | 5,016 | - | - | - | - | 5,016 | 401 | - | - | 401 | 5,016 | 0.3% | - |
| Curaçao | 0 | - | - | - | - | 0 | 0 | - | - | 0 | 0 | - | - |
| Cyprus | 558 | - | - | - | - | 558 | 45 | - | - | 45 | 558 | 0.0% | 1.0% |
| Czechia | 1,379 | - | - | - | - | 1,379 | 110 | - | - | 110 | 1,379 | 0.1% | 1.3% |
| Germany | 75,087 | - | - | - | - | 75,087 | 6,007 | - | - | 6,007 | 75,087 | 4.2% | 0.8% |
| Denmark | 568 | - | - | - | - | 568 | 45 | - | - | 45 | 568 | 0.0% | 2.5% |
| Estonia | 1,565 | - | - | - | - | 1,565 | 125 | - | - | 125 | 1,565 | 0.1% | 1.5% |
| Spain | 99,808 | - | - | - | - | 99,808 | 7,985 | - | - | 7,985 | 99,808 | 5.6% | - |
| Finland | 15,128 | - | - | - | - | 15,128 | 1,210 | - | - | 1,210 | 15,128 | 0.8% | - |
| France | 137,232 | - | - | - | - | 137,232 | 10,979 | - | - | 10,979 | 137,232 | 7.7% | 1.0% |
| United Kingdom | 134,012 | - | - | - | - | 134,012 | 10,721 | - | - | 10,721 | 134,012 | 7.5% | 2.0% |
| French Guiana | 5 | - | - | - | - | 5 | 0 | - | - | 0 | 5 | 0.0% | - |

(all amounts in EUR thousand unless stated otherwise)

| | 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 | Securitisations 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 (%) |
| Guadeloupe | 12 | - | - | - | - | 12 | 1 | - | - | 1 | 12 | 0.0% | - |
| Greece | 600 | - | - | - | - | 600 | 48 | - | - | 48 | 600 | 0.0% | - |
| Hong Kong | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Croatia | 679 | - | - | - | - | 679 | 54 | - | - | 54 | 679 | 0.0% | 1.5% |
| Hungary | 472 | - | - | - | - | 472 | 38 | - | - | 38 | 472 | 0.0% | 0.5% |
| Ireland | 251,869 | - | - | - | 26,248 | 278,116 | 20,149 | - | 26,179 | 46,328 | 579,103 | 32.5% | 1.5% |
| Iceland | 14 | - | - | - | - | 14 | 1 | - | - | 1 | 14 | 0.0% | 2.5% |
| Italy | 8,806 | - | - | - | - | 8,806 | 704 | - | - | 704 | 8,806 | 0.5% | - |
| Japan | 12,500 | - | - | - | - | 12,500 | 1,000 | - | - | 1,000 | 12,500 | 0.7% | - |
| Liechtenstein | 0 | - | - | - | - | 0 | 0 | - | - | 0 | 0 | - | - |
| Lithuania | 156,086 | - | - | - | - | 156,086 | 12,487 | - | - | 12,487 | 156,086 | 8.8% | 1.0% |
| Luxembourg | 103 | - | - | - | - | 103 | 8 | - | - | 8 | 103 | 0.0% | 0.5% |
| Latvia | 97 | - | - | - | - | 97 | 8 | - | - | 8 | 97 | 0.0% | 0.5% |
| Saint Martin FR | 1 | - | - | - | - | 1 | 0 | - | - | 0 | 1 | - | - |
| Martinique | 4 | - | - | - | - | 4 | 0 | - | - | 0 | 4 | 0.0% | - |
| Malta | 278 | - | - | - | - | 278 | 22 | - | - | 22 | 278 | 0.0% | - |
| Netherlands | 591 | - | - | - | - | 591 | 47 | - | - | 47 | 591 | 0.0% | 2.0% |
| Norway | 180 | - | - | - | - | 180 | 14 | - | - | 14 | 180 | 0.0% | 2.5% |
| Poland | 172,073 | - | - | - | - | 172,073 | 13,766 | - | - | 13,766 | 172,073 | 9.7% | - |
| Portugal | 8,990 | - | - | - | - | 8,990 | 719 | - | - | 719 | 8,990 | 0.5% | - |
| Réunion | 5 | - | - | - | - | 5 | 0 | - | - | 0 | 5 | 0.0% | - |

(all amounts in EUR thousand unless stated otherwise)

| | 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 | Securitisations 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 (%) |
| Romania | 230,929 | - | - | - | - | 230,929 | 18,474 | - | - | 18,474 | 230,929 | 13.0% | 1.0% |
| Sweden | 4,917 | - | - | - | - | 4,917 | 393 | - | - | 393 | 4,917 | 0.3% | 2.0% |
| Slovenia | 172 | - | - | - | - | 172 | 14 | - | - | 14 | 172 | 0.0% | 0.5% |
| Svalbard | 0 | - | - | - | - | 0 | 0 | - | - | 0 | 0 | - | - |
| Slovakia | 416 | - | - | - | - | 416 | 33 | - | - | 33 | 416 | 0.0% | 1.5% |
| Sint Maarten | 0 | - | - | - | - | 0 | 0 | - | - | 0 | 0 | - | - |
| Ukraine | 0 | - | - | - | - | 0 | 0 | - | - | 0 | 0 | - | - |
| United States | 85,071 | - | - | - | - | 85,071 | 6,806 | - | - | 6,806 | 85,071 | 4.8% | - |
| Wallis and Futuna | 0 | - | - | - | - | 0 | 0 | - | - | 0 | 0 | - | - |
| Mayotte | 1 | - | - | - | - | 1 | 0 | - | - | 0 | 1 | 0.0% | - |
| **Total** | **1,455,633** | **-** | **-** | **-** | **26,248** | **1,481,881** | **116,451** | **-** | **26,179** | **142,630** | **1,782,868** | **100.0%** | **-** |

(all amounts in EUR thousand unless stated otherwise)

## Leverage Ratio

### Table 10 - LRA - Disclosure of LR qualitative information, CRR Article 451(1)(d,e)

"Revolut Bank UAB closely monitors the risk of excessive leverage through regular forecasting exercises and a strong governance framework to ensure compliance with regulatory minimum levels and internal objectives.

As part of its capital management framework the Revolut Bank UAB formally creates balance sheets and P&L forecasts on at least a quarterly basis. This forward-looking assessment allows the Revolut Bank UAB to continually monitor and assess leverage ratio adequacy in order to make strategic decisions around the effective management of capital resources. The Revolut Bank UAB recognises that in order to remain above internal risk appetite it will be dependent on additional capital from the parent company for a continued period. This additional capital raise planned in a number of tranches is required to support the Revolut Bank UAB's business - deposit taking and lending - before the Revolut Bank UAB's build up of capital resources surpass the growth of capital requirements."

The leverage ratio increased by 13 points from 4.29% to 4.42% during 2024. The tier 1 capital increased by EUR 375M solely due to an increase of CET1. The leverage ratio exposure increased from EUR 11.6 Bn to EUR 19.7 Bn

### Table 11 - LR1: LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

| | 31 - Dec - 24 |
|---|---|
| Total assets as per published financial statements | 20,287,780 |
| Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory prudential consolidation | - |
| (Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference) | - |
| (Adjustment for temporary exemption of exposures to central banks (if applicable)) | - |
| (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of Article 429a(1) CRR) | - |
| Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting | - |
| Adjustment for eligible cash pooling transactions | - |
| Adjustments for derivative financial instruments | 39,206 |
| Adjustment for securities financing transactions (SFTs) | - |
| Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures) | 60,019 |
| (Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital) | (28) |
| (Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (c ) of Article 429a(1) CRR) | - |
| (Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) CRR) | - |
| Other adjustments | (596,311) |
| **Total exposure measure** | **19,790,666** |

(all amounts in EUR thousand unless stated otherwise)

## Table 12 - LR2: Leverage ratio common disclosure

| | 31 - Dec - 24 | 30 - Sep - 24 |
|---|---|---|
| **On-balance sheet exposures (excluding derivatives and SFTs)** | | |
| On-balance sheet items (excluding derivatives, SFTs, but including collateral) | 17,743,154 | 14,707,992 |
| **Total on-balance sheet exposures (excluding derivatives and SFTs)** | **17,743,154** | **14,706,803** |
| **Derivatives exposure** | | |
| Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin) | 12,154 | 3,431 |
| Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions | 33,159 | 27,085 |
| **Total derivatives exposures** | **45,313** | **30,516** |
| **Securities financing transaction (SFT) exposures** | | |
| Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions | 1,942,179 | 1,374,524 |
| **Total securities financing transaction exposures** | **1,942,179** | **1,374,524** |
| **Other off-balance sheet exposures** | | |
| Off-balance sheet exposures at gross notional amount | 60,019 | 60,019 |
| **Off-balance sheet exposures** | **60,019** | **126,027** |
| **Capital and total exposure measure** | | |
| Tier 1 capital | 874,891 | 798,548 |
| Total exposure measure | 19,790,666 | 16,237,870 |
| **Leverage ratio** | | |
| Leverage ratio | 4.42% | 4.92% |
| Leverage ratio excluding the impact of the exemption of public sector investments and promotional loans) (%) | 4.42% | 4.92% |
| Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) | 4.42% | 4.92% |
| Regulatory minimum leverage ratio requirement (%) | 3.00% | 3.00% |
| Overall leverage ratio requirement (%) | 3.00% | 3.00% |
| **Disclosure of mean values** | | |
| Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables | 1,942,179 | 1,374,524 |
| 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) | 17,848,486 | 14,863,346 |
| Total exposure 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) | 17,848,486 | 14,863,346 |
| 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) | 4.90% | 5.37% |
| 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) | 4.90% | 5.37% |

(all amounts in EUR thousand unless stated otherwise)

## Liquidity

### Table 13 - LIQA: Liquidity risk management, CRR article 451a(4)

| Pillar 3 disclosure requirement | Annual report 2024 section | Disclosure | Annual report page numbers |
|---|---|---|---|
| Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding, | Notes to the financial statements | 6.1.1 Funding and Liquidity Risk | 42 - 43 |
| Structure and organisation of the liquidity risk management function (authority, statute, other arrangements). | | | |
| A description of the degree of centralisation of liquidity management and interaction between the group's units | Notes to the financial statements | 6.1.1 Funding and Liquidity Risk | 42 - 43 |
| Scope and nature of liquidity risk reporting and measurement systems. | | | |
| Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants. | Notes to the financial statements | 6.1.1 Funding and Liquidity Risk | 32-33, 40-42 & 55-57 |
| An outline of the bank`s contingency funding plans. | See notes below. | | |
| An explanation of how stress testing is used. | Notes to the financial statements | 6.1.1 Funding and Liquidity Risk | 42 - 43 |
| A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy. | | | |
| A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement shall include key ratios and figures (other than those already covered in the EU LIQ1 template under this ITS ) providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body.<br>These ratios may include:<br>· Concentration limits on collateral pools and sources of funding (both products and counterparties)<br>· Customised measurement tools or metrics that assess the structure of the bank's balance sheet or that project cash flows and future liquidity positions, taking into account off-balance sheet risks which are specific to that bank<br>· Liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of liquidity<br>· Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps | See notes below | | |

Under liquidity stress conditions, the Revolut Bank UAB has defined a range of available contingency actions, which are set to ensure that the liquidity buffer, regulatory metrics, risk appetite and the internal liquidity and funding risk management limits are not breached. Normative and economic requirements are also supplemented by a suite of early warning indicators (EWIs, known as Key Risk Indicators within the Revolut Bank UAB) to identify signs of emerging liquidity stress in a timely manner. The list and calibration of indicators is constantly enhanced to incorporate external events and to ensure the set of EWIs remains relevant as the business evolves.

In order to capture early signals of potential liquidity stress comprehensively, they are forward-looking and set at a granular level from both leading and lagging, external and internal perspective, and include idiosyncratic and systematic indicators, with the performance of some indicators completely out of the Revolut Bank UAB's control but nevertheless a strong signal for the Revolut Bank UAB to be proactive and prepare relevant actions.

After these procedures have been activated, the management bodies are tasked to cascade and coordinate efforts across the relevant business units to ensure that liquidity and funding situation is restored within the parameters stipulated by regulatory and internal minimum requirements. The plan defines accountability, actions and triggers for every contemplated event in order to restore liquidity position."

The Revolut Bank UAB's Management Board concludes that the liquidity position is adequate in both base-case and adverse projections after considering the current and future risk profile of the entity. This is based on the sizable and high quality liquidity buffer based on overnight holdings at central banks, the quality of the risk management, internal controls and governance. This statement covers both a regulatory and an economic assessment of the risks to the capital position.

These include:

- A detailed understanding of the risks applicable to the Revolut Bank UAB as a result of offering products and services within the market and the levels of liquidity reserves required to mitigate this risk profile;
- A comprehensive assessment of how the business will perform across a range of hypothetical stressed economic and business scenarios which have been designed to specifically test the vulnerabilities in the business model;
- Full awareness of the dynamics of the Revolut Bank UAB's liquidity position under a range of severe, but plausible stresses and potential actions that can be taken to mitigate the impact of the stresses.

Some of the key ratios (aside from regulatory implied LCR and NSFR) and figures the Revolut Bank UAB follows in order to monitor liquidity risk include the following:

- Liquidity Stress Excess (LSE) measuring available liquidity level after occurrence of stress;
- The survival period measuring available positive liquidity over the upcoming 1-year horizon;
- Run off of deposits over the last 7-day period;
- Level of high quality assets over total assets portfolio;
- Level of cash equivalents over total assets portfolio;
- Concentration of funding and concentration of uninsured deposits.

(all amounts in EUR thousand unless stated otherwise)

## Table 14 - LIQ1: Quantitative information of LCR

| | Total unweighted value (average) | | | | Total weighted value (average) | | | |
|---|---|---|---|---|---|---|---|---|
| Quarter ending on (DD Month YYY) | **31-Dec-24** | **30-Sep-24** | **30-Jun-24** | **31-Mar-24** | **31-Dec-24** | **30-Sep-24** | **30-Jun-24** | **31-Mar-24** |
| Number of data points used in the calculation of averages | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| **HIGH-QUALITY LIQUID ASSETS** | | | | | | | | |
| **Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61** | | | | | 9,595,437 | 8,907,718 | 8,693,956 | 8,978,830 |
| **CASH - OUTFLOWS** | | | | | | | | |
| retail deposits and deposits from small business customers, of which: | 12,961,683 | 11,428,854 | 9,504,881 | 10,143,796 | 1,075,216 | 921,159 | 745,462 | 782,176 |
| Stable deposits | 5,467,196 | 5,234,769 | 4,660,903 | 5,222,094 | 273,360 | 261,738 | 233,045 | 261,105 |
| Less stable deposits | 7,494,487 | 6,194,085 | 4,843,978 | 4,921,702 | 756,243 | 611,854 | 512,417 | 521,072 |
| Unsecured wholesale funding | 847,595 | 752,533 | 783,362 | 768,972 | 593,479 | 458,189 | 570,785 | 526,161 |
| Operational deposits (all counterparties) and deposits in networks of cooperative banks | 335,645 | 303,709 | 221,519 | 250,822 | 169,691 | 75,927 | 55,380 | 62,706 |
| Non-operational deposits (all counterparties) | 511,950 | 448,824 | - | - | 423,788 | 382,261 | - | - |
| Unsecured debt | - | - | - | - | - | - | - | - |
| Secured wholesale funding | - | - | - | - | - | - | - | - |
| Additional requirements | 2,213,407 | 1,921,522 | 252,507 | 265,194 | 1,803,597 | 1,801,851 | 181,167 | 172,283 |
| Outflows related to derivative exposures and other collateral requirements | 1,677,956 | 1,676,719 | 49,412 | 49,393 | 1,677,956 | 4,591 | 49,412 | 49,393 |
| Outflows related to loss of funding on debt products | - | - | - | - | - | - | - | - |
| Credit and liquidity facilities | 270,828 | 244,804 | 203,095 | 215,801 | 125,641 | 125,132 | 131,755 | 122,890 |
| Other contractual funding obligations | 642,725 | 548,852 | 117,199 | 521,986 | 665,120 | 571,471 | 114,436 | 517,400 |
| Other contingent funding obligations | 16,178 | 15,310 | 13,082 | 13,902 | - | - | - | - |
| **TOTAL CASH OUTFLOWS** | | | | | **3,888,360** | **3,752,669** | **1,611,849** | **1,998,021** |
| **CASH - INFLOWS** | | | | | | | | |
| Secured lending (e.g. reverse repos) | 70,418 | 67,987 | - | - | 64,124 | 58,244 | - | - |
| Inflows from fully performing exposures | 106,615 | 91,152 | 127,452 | 55,193 | 88,943 | 74,586 | 107,257 | 13,798 |
| Other cash inflows | 678,295 | 651,914 | 523,849 | 73,199 | 626,195 | 599,814 | 523,849 | 33,890 |
| (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 | - | - | - | 527,058 |
| (Excess inflows from a related specialised credit institution) | - | - | - | - | - | - | - | - |
| **TOTAL CASH INFLOWS** | **855,328** | **811,054** | **651,301** | **655,450** | **827,423** | **784,744** | **631,106** | **574,746** |

(all amounts in EUR thousand unless stated otherwise)

| | Total unweighted value (average) | | | | Total weighted value (average) | | | |
|---|---|---|---|---|---|---|---|---|
| *Fully exempt inflows* | - | - | - | - | - | - | - | - |
| *Inflows subject to 90% cap* | - | - | - | - | - | - | - | - |
| *Inflows subject to 75% cap* | 855,328 | 811,054 | 651,301 | 655,450 | 827,423 | 784,744 | 631,106 | 574,746 |
| **TOTAL ADJUSTED VALUE** | | | | | | | | |
| **LIQUIDITY BUFFER** | | | | | **10,398,900** | **9,711,180** | **8,693,956** | **8,978,830** |
| **TOTAL NET CASH OUTFLOWS** | | | | | **1,619,527** | **1,363,242** | **980,743** | **1,423,275** |
| **LIQUIDITY COVERAGE RATIO*** | | | | | **642.09%** | **712.36%** | **886.47%** | **630.86%** |

*The calculation of the LCR following the instructions of the EBA Disclosure ITS is the average of the year

### Table 15 - LIQB: on qualitative information on LCR, CRR article 451a(2)

| Pillar 3 disclosure requirement | Annual report 2024 section | Disclosure | Annual report page numbers |
|---|---|---|---|
| Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time | See notes below. | | |
| Explanations on the changes in the LCR over time | | | |
| Explanations on the actual concentration of funding sources | | | |
| High-level description of the composition of the institution`s liquidity buffer. | | | |
| Derivative exposures and potential collateral calls | | | |
| Currency mismatch in the LCR | | | |
| Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile | | | |

Revolut Bank UAB's key normative liquidity and funding ratios, the LCR and the NSFR, are meeting regulatory requirements with a high margin, and are expected to stay well above the internal and regulatory thresholds in the medium term indicating a healthy liquidity situation. For reference, the lowest LCR point over the 2024 reporting period for Revolut Bank UAB was in November with 499.32% (against a minimum requirement of 100% and an internal limit of 160%). The main drivers of the LCR are 1) a strong liquidity position primarily based on overnight holdings at central banks and 2) projected outflows of deposit customers.

Revolut Bank UAB is expecting to distribute some of the available liquidity into investment and lending portfolios over time, which will increase inflows from accruals, but reduce the high quality liquid assets. The conclusion of a healthy liquidity situation is also supported by the outcomes of internal liquidity stress metrics: the Liquidity Stress Excess (LSE) and the Stressed Survival Horizon (SSH).

Since Revolut Bank UAB's primary sources of funding are customer deposits and equity, concentration risk by instrument type may arise. For deposits in particular, this could pose stability risk to the extent that customer segments are correlated, or customer behaviour overlaps under different scenarios. Despite this reliance on instant access deposits for funding, the risk is mitigated by prudent segmentation analysis and stress testing treatment.

Revolut Bank UAB reviews and updates its customer profiling once a year as part of the Funding Plan, allowing for an accurate application of outflow factors for the different client segments in the different stress situations tested. The Revolut Bank UAB is projecting considerable growth in the deposit book in the medium term.

The majority of liabilities are denominated in EUR with a significant deposit base also denominated in USD and GBP currencies. Most of the balances in EUR and other major currencies (swapped into EUR) are placed at the ECB accounts, or invested in various types of securities. Balances of less significant currencies such as CHF, PLN and RON, given Large Exposure restrictions on how much assets can be placed with financial institutions and low risk appetite on these countries' sovereign credit risk, are swapped into EUR and invested into Eurozone debt securities, or placed with the ECB. Revolut Bank UAB is conducting FX swaps on a short term basis to manage currency liquidity requirements.

The liquidity buffer mainly consists of cash deposited within central banks accounts, and securities that qualify as highly liquid assets (HQLA). In the longer term Revolut Bank UAB's investment portfolio composition may evolve, including accounts deposited in high-rated banks, reverse repos with high-rated banks, fixed-income instruments received as collateral, and a variety of securities such as government bonds, supranationals, public sector bonds, covered bonds, asset-backed bonds, senior unsecured bonds issued by financial institutions (banks) and other debt capital market instruments.

(all amounts in EUR thousand unless stated otherwise)

Revolut Bank UAB uses derivatives to manage interest rate (IR) and foreign exchange (FX) risks. Revolut Bank UAB utilises standard contracts of the International Swaps and Derivatives Association (ISDA) with swap counterparties. Despite the growth in size of derivatives portfolio as the business matures, off-balance sheet liquidity risk stemming from derivatives is considered as low from a liquidity standpoint given that derivatives are fully collateralized under close to zero threshold bilateral cash Credit Support Annexes (CSAs).

Revolut Bank UAB provides its clients immediate access to funds where the firm has not yet settled the underlying receivable such as customer funds topped up via card transaction, third party savings vault withdrawals, or prior to receipt of funds from acquirers (third parties). In addition, the merchant acquiring product for business customers also requires pre-funding for receivables from acquirers or card schemes. This kind of pre-funding risk is a Revolut Bank UAB-specific risk and is not captured in the LCR. To ensure complete capture of risks by Revolut Bank UAB, a stress provision for receivables pre-funding risk is included in the internal LSE model.

## Table 16 - LIQ2: Net Stable Funding Ratio

| | Unweighted value by residual maturity | | | | Weighted value |
|---|---|---|---|---|---|
| | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| **Available stable funding (ASF) Items** | | | | | |
| Capital items and instruments | 874,919 | - | - | - | 874,919 |
| *Own funds* | 874,919 | - | - | - | 874,919 |
| *Other capital instruments* | | - | - | - | - |
| Retail deposits | | 17,020,028 | - | - | 15,620,600 |
| *Stable deposits* | | 6,051,500 | - | - | 5,748,925 |
| *Less stable deposits* | | 10,968,528 | - | - | 9,871,675 |
| Wholesale funding: | | 1,065,553 | - | - | 300,639 |
| *Operational deposits* | | 221,234 | - | - | - |
| *Other wholesale funding* | | 844,319 | - | - | 300,639 |
| Interdependent liabilities | | - | - | - | - |
| Other liabilities: | 5,462 | 1,193,398 | - | - | - |
| *NSFR derivative liabilities* | 5,462 | - | - | - | - |
| *All other liabilities and capital instruments not included in the above categories* | | 1,193,398 | - | - | - |
| **Total available stable funding (ASF)** | | | | | **16,796,158** |
| **Required stable funding (RSF) Items** | | | | | |
| Total high-quality liquid assets (HQLA) | | | | | 1,953,499 |
| Assets encumbered for a residual maturity of one year or more in a cover pool | | - | - | - | - |
| Deposits held at other financial institutions for operational purposes | | - | - | - | - |
| Performing loans and securities: | | 1,013,038 | 769,886 | 5,002,682 | 4,786,853 |
| *Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut* | | - | - | - | - |

*(all amounts in EUR thousand unless stated otherwise)*

| | Unweighted value by residual maturity | | | | Weighted value |
|---|---|---|---|---|---|
| | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| *Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions* | | 688,314 | 389,710 | 897,536 | 1,128,722 |
| *Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:* | | 233,073 | 287,821 | 1,754,901 | 1,568,420 |
| *With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk* | | 71,702 | 137,411 | 918,466 | 701,559 |
| *Performing residential mortgages, of which:* | | - | - | - | - |
| *With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk* | | - | - | - | - |
| *Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products* | | 91,652 | 92,354 | 2,350,245 | 2,089,712 |
| Interdependent assets | | - | - | - | - |
| Other assets: | | 741,877 | 576 | 136,607 | 440,245 |
| *Physical traded commodities* | | | | - | - |
| *Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs* | | - | - | - | - |
| *NSFR derivative assets* | | - | | | - |
| *NSFR derivative liabilities before deduction of variation margin posted* | | 5,462 | | | 273 |
| *All other assets not included in the above categories* | | 736,414 | 576 | 136,607 | 439,972 |
| Off-balance sheet items | | 341,571 | | 61 | 17,278 |
| **Total RSF** | | | | | **5,266,165** |
| **Net Stable Funding Ratio (%)** | | | | | **318.94%** |

(all amounts in EUR thousand unless stated otherwise)

## Credit Risk

### Table 17 - CRA: General qualitative information about credit risk, CRR Article 435(1)(a-d)

| Pillar 3 disclosure requirement | Annual report 2024 section | Disclosure | Annual report page numbers |
|---|---|---|---|
| In the concise risk statement in accordance with point (f) of Article 435(1) CRR, how the business model translates into the components of the institution's credit risk profile. | Notes to the Financial Statements | 6.1.2 - Credit Risk | 43-47 |
| When discussing their strategies and processes to manage credit risk and the policies for hedging and mitigating that risk in accordance with points (a) and (d) of Article 435(1) CRR, the criteria and approach used for defining the credit risk management policy and for setting credit risk limits. | Annual Report and supplemented by notes below | 7.1 - Risk Management strategy | 10-11 |
| When informing on the structure and organisation of the risk management function in accordance with point (b) of Article 435(1) CRR, the structure and organisation of the credit risk management and control function. | Annual Report and supplemented by notes below | 7 - Risk management and internal control | 9-12 |
| When informing on the authority, status and other arrangements for the risk management function in accordance with point (b) of Article 435(1) CRR, the relationships between credit risk management, risk control, compliance and internal audit functions. | Annual Report | 7 - Risk management and internal control | 9-12 |

In accordance with the RBUAB's Risk Appetite Statement, RBUAB has a moderate appetite for credit risk in order to facilitate the business strategy.
This means that RBUAB will tolerate exposure to credit risk rationally based upon an analysis of potential risk and reward: risk is controllable to a large extent, but a moderate residual exposure may remain.

Credit risk is managed in line with RBUAB's overall risk management strategy, including identifying sources of credit risk and logging risks and controls, running risk indicators and having policies and procedures in place.
Incidents, issues relating to credit risk are escalated to the Retail Credit Risk Committee and remediated. A key part of this is setting credit risk limits on an absolute and relative basis via risk indicators that are subject to escalation to the Retail Credit Risk Committee and remediation when breached. These limits are set to enable the execution of the business strategy within risk appetite.

The Heads of Credit Risk are responsible for credit risk within RBUAB (split between Retail and Wholesale) and report to the CRO. Retail credit risk is measured and managed through the Retail Credit Risk Committee, chaired by the Head of Credit Risk, taking delegation from ALCO and ERC. RCRC's accountability includes approving policies and strategies, credit risk profile management, overseeing issues and incidents in credit risk operations, approving expected credit loss changes within its authority and approving pricing strategies.

Escalations are to ALCO and ERC as appropriate.

(all amounts in EUR thousand unless stated otherwise)

Further authority arrangements are set out in the RBUAB's Retail Credit Risk Management Policies and Procedures, such as decisions that can be made via delegated authority within 2LOD and decisions that can be made within 1LOD. RCRC will escalate matters relating to Operational Risk or Compliance via escalation to ERC.

Wholesale credit risk in RBUAB is defined as the risk that a government, financial institution, corporate or commercial counterparty fails to meet its obligation to settle outstanding liabilities to RBUAB or an issuer of securities purchased by RBUAB will fail to meet its obligation to settle outstanding amounts. RBUAB maintains policies and procedures for related wholesale credit risk processes, while the oversight for wholesale credit risk in RBUAB is predominantly undertaken by the ALCO.

### Table 18 - CRB: Additional disclosure related to the credit quality of assets, CRR Article 178

| Pillar 3 disclosure requirement | Annual report 2024 section | Disclosure | Annual report page numbers |
|---|---|---|---|
| The scope and definitions of 'past-due' and 'impaired' exposures used for accounting purposes and the differences, if any, between the definitions of past due and default for accounting and regulatory purposes as specified by the EBA Guidelines on the application of the definition of default in accordance with Article 178 CRR. | Notes to the Financial Statements and supplemented by notes below. | 4.10 Impairment of Financial Assets | 34-36 |
| The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this. | Not applicable, all more than 90 days past due exposures are classed as impaired. | | |
| Description of methods used for determining general and specific credit risk adjustments. | See notes below. | | |
| The institution's own definition of a restructured exposure used for the implementation of point (d) of Article 178(3) CRR specified by the EBA Guidelines on default in accordance with Article 178 CRR when different from the definition of forborne exposure defined in Annex V to Commission Implementing Regulation (EU) 680/2014. | Not applicable as distressed restructured exposure is synonymous with forborne exposure in RBUAB. | | |

The indicators of unwillingness to pay currently being applied in the context of Retail Credit Risk are indicators 1 and 5-8, as stated in Annual Report 2024 Section 4.10.3. Default Definition, page 36. Indicators 2 and 3 are not applicable as specific credit adjustments and debt sales always occur after the default event. The implementation of indicator 4 is in progress.

For RBUAB, the identification of new defaults may trigger the identification of specific credit risk adjustments. However, specific credit risk adjustments are not default triggers, as the default event is always recognised prior to the specific credit risk adjustment. RBUAB recognises a credit risk adjustment at the end of the month in which default is recognised.

(all amounts in EUR thousand unless stated otherwise)

## Table 19 - CR1: Performing and non-performing exposures and related provisions

| | 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 impairment, accumulated negative changes in fair value due to credit risk and provisions | | | Accumulated partial write-off | On performing exposures | On non-performing exposures |
| | | Of which stage 1 | Of which stage 2 | | Of which stage 2 | Of which stage 3 | | Of which stage 1 | Of which stage 2 | | Of which stage 2 | Of which stage 3 | | | |
| **Cash at central banks & other deposits** | **10,841,628** | **10,841,628** | **-** | **4** | **-** | **4** | **-** | **-** | **-** | **(3)** | **-** | **(3)** | **-** | **-** | **-** |
| **Loans and advances** | **4,250,292** | **4,120,414** | **129,878** | **39,020** | **-** | **39,020** | **(29,746)** | **(14,999)** | **(14,747)** | **(30,309)** | **-** | **(30,309)** | **-** | **1,942,956** | **-** |
| *Central banks* | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *General governments* | 1,114,696 | 1,114,696 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *Credit institutions* | 1,942,179 | 1,942,179 | - | - | - | - | - | - | - | - | - | - | - | 1,942,179 | - |
| *Other financial corporations* | 14 | 14 | - | 18 | - | 18 | (7) | (7) | - | (14) | - | (14) | - | - | - |
| *Non-financial corporations* | 2,879 | 2,879 | - | 5,083 | - | 5,083 | (1,381) | (1,381) | - | (3,691) | - | (3,691) | - | - | - |
| *Of which SMEs* | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *Households* | 1,190,524 | 1,060,647 | 129,878 | 33,919 | - | 33,919 | (28,358) | (13,611) | (14,747) | (26,604) | - | (26,604) | - | 777 | - |
| **Debt securities** | **4,482,131** | **4,482,131** | **-** | **-** | **-** | **-** | **(252)** | **(252)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| *Central banks* | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *General governments* | 1,557,691 | 1,557,691 | - | - | - | - | (74) | (74) | - | - | - | - | - | - | - |
| *Credit institutions* | 1,235,414 | 1,235,414 | - | - | - | - | (178) | (178) | - | - | - | - | - | - | - |
| *Other financial corporations* | 1,689,027 | 1,689,027 | - | - | - | - | (0) | (0) | - | - | - | - | - | - | - |
| *Non-financial corporations* | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Off-balance-sheet exposures** | **469,273** | **459,410** | **9,863** | **1,085** | **-** | **1,085** | **1,632** | **896** | **736** | **-** | **-** | **-** | | **-** | **-** |
| *Central banks* | - | - | - | - | - | - | - | - | - | - | - | - | | - | - |
| *General governments* | - | - | - | - | - | - | - | - | - | - | - | - | | - | - |
| *Credit institutions* | - | - | - | - | - | - | - | - | - | - | - | - | | - | - |
| *Other financial corporations* | 118,000 | 118,000 | - | - | - | - | - | - | - | - | - | - | | - | - |
| *Non-financial corporations* | 128,637 | 128,637 | - | - | - | - | - | - | - | - | - | - | | - | - |
| *Households* | 222,636 | 212,773 | 9,863 | 1,085 | - | 1,085 | 1,632 | 896 | 736 | - | - | - | | - | - |
| **Total** | **20,043,324** | **19,903,583** | **139,741** | **40,108** | **-** | **40,108** | **(28,366)** | **(14,355)** | **(14,012)** | **(30,311)** | **-** | **(30,311)** | **-** | **1,942,956** | **-** |

(all amounts in EUR thousand unless stated otherwise)

### Table 20 - CR1-A: Maturity of exposures

| | Net exposure value | | | | |
|---|---|---|---|---|---|
| | Up to 3 months / on demand | 3-12 months | 1-5 years | more than 5 years | Total |
| Loans and advances | 580,702 | 1,074,792 | 2,470,133 | 103,627 | 4,229,254 |
| Debt securities | 202,324 | 322,258 | 2,215,537 | 1,741,760 | 4,481,879 |
| **Total** | **783,026** | **1,397,050** | **4,685,670** | **1,845,387** | **8,711,133** |

### Table 21 - CR2: Changes in the stock of non-performing loans and advances

| | Gross carrying amount |
|---|---|
| **Initial stock of non-performing loans and advances** | **47,842** |
| Inflows to non-performing portfolios | 27,687 |
| Outflows from non-performing portfolios | (36,509) |
| Outflows due to write-offs | (17,840) |
| Outflow due to other situations | (18,669) |
| **Final stock of non-performing loans and advances** | **39,020** |

*(all amounts in EUR thousand unless stated otherwise)*

### Table 22 - CR2A: Changes in the stock of non-performing loans and advances and related net accumulated recoveries

| | Gross carrying amount | Related net cumulated recoveries |
|---|---|---|
| **Initial stock of non-performing loans and advances** | **47,842** | |
| Inflows to non performing portfolios | 27,687 | |
| Outflows from non-performing portfolios | (36,509) | |
| Outflow to performing portfolio | (127) | |
| Outflow due to loan repayment, partial or total | (370) | |
| Outflow due to collateral liquidations | - | - |
| Outflow due to taking possession of collateral | - | - |
| Outflow due to sale of instruments | (18,171) | 4,963 |
| Outflow due to risk transfers | - | - |
| Outflows due to write-offs | (17,840) | |
| Outflow due to Other Situations | (0) | |
| Outflow due to reclassification as held for sale | - | |
| **Final stock of non-performing loans and advances** | **39,020** | |

(all amounts in EUR thousand unless stated otherwise)

### Table 23 - CQ1: Credit quality of forborne exposures

| | 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 | |
|---|---|---|---|---|---|---|---|---|
| | Performing forborne | Non-performing forborne | | | On performing forborne exposures | On non-performing forborne exposures | | Of which collateral and financial guarantees received on non-performing exposures with forbearance measures |
| | | | Of which defaulted | Of which impaired | | | | |
| **Cash balances at central banks and other demand deposits** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Loans and advances** | **1,449** | **96** | **4** | **4** | **(263)** | **(29)** | **-** | **-** |
| *Central banks* | - | - | - | - | - | - | - | - |
| *General governments* | - | - | - | - | - | - | - | - |
| *Credit institutions* | - | - | - | - | - | - | - | - |
| *Other financial corporations* | - | - | - | - | - | - | - | - |
| *Non-financial corporations* | - | - | - | - | - | - | - | - |
| *Households* | 1,449 | 96 | 4 | 4 | (263) | (29) | - | - |
| **Debt Securities** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Loan commitments given** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total** | **1,449** | **96** | **4** | **4** | **(263)** | **(29)** | **-** | **-** |

(all amounts in EUR thousand unless stated otherwise)

## Table 24 - CQ3: Credit quality of performing and non-performing exposures by past due days

| | Gross carrying amount/nominal amount | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Performing exposures | | | Non-performing exposures | | | | | | | | |
| | | Not past due or Past due < 30 days | Past due > 30 days < 90 days | | Unlikely to pay that are not past-due or 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 year <= 5 years | Past due > 5 year <= 7 years | Past due > 7 years | Of which defaulted |
| **Cash at central banks & other deposits** | **10,841,628** | **10,841,628** | **-** | **4** | **-** | **0** | **0** | **3** | **0** | **-** | **-** | **4** |
| **Loans and advances** | **4,250,292** | **4,240,055** | **10,236** | **39,020** | **2,389** | **11,510** | **16,801** | **7,283** | **1,037** | **-** | **-** | **39,020** |
| *Central banks* | - | - | - | - | - | - | - | - | - | - | - | - |
| *General governments* | 1,114,696 | 1,114,696 | - | - | - | - | - | - | - | - | - | - |
| *Credit institutions* | 1,942,179 | 1,942,179 | - | - | - | - | - | - | - | - | - | - |
| *Other financial corporations* | 14 | 4 | 9 | 18 | - | 6 | 9 | 3 | - | - | - | 18 |
| *Non-financial corporations* | 2,879 | 1,418 | 1,461 | 5,083 | - | 1,669 | 2,953 | 462 | - | - | - | 5,083 |
| *Of which SMEs* | - | - | - | - | - | - | - | - | - | - | - | - |
| *Households* | 1,190,524 | 1,181,758 | 8,766 | 33,919 | 2,389 | 9,835 | 13,839 | 6,819 | 1,037 | - | - | 33,919 |
| **Debt securities** | **4,482,131** | **4,482,131** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| *Central banks* | - | - | - | - | - | - | - | - | - | - | - | - |
| *General governments* | 1,557,691 | 1,557,691 | - | - | - | - | - | - | - | - | - | - |
| *Credit institutions* | 1,235,414 | 1,235,414 | - | - | - | - | - | - | - | - | - | - |
| *Other financial corporations* | 1,689,027 | 1,689,027 | - | - | - | - | - | - | - | - | - | - |
| *Non-financial corporations* | - | - | - | - | - | - | - | - | - | - | - | - |
| **Off-balance-sheet exposures** | **469,273** | | | **1,085** | | | | | | | | **1,085** |
| *Central banks* | - | | | - | | | | | | | | - |
| *General governments* | - | | | - | | | | | | | | - |
| *Credit institutions* | - | | | - | | | | | | | | - |
| *Other financial corporations* | 118,000 | | | - | | | | | | | | - |
| *Non-financial corporations* | 128,637 | | | - | | | | | | | | - |
| *Households* | 222,636 | | | 1,085 | | | | | | | | 1,085 |
| **Total** | **20,043,324** | **19,563,815** | **10,236** | **40,108** | **2,389** | **11,510** | **16,801** | **7,287** | **1,037** | **-** | **-** | **40,108** |

*(all amounts in EUR thousand unless stated otherwise)*

## Table 25 - CQ4: Quality of non-performing exposures by geography

| | Gross carrying/Nominal amount | | | | Accumulated impairment | Provisions on off-balance sheet commitments and financial guarantees given | Accumulated negative changes in fair value due to credit risk on non-performing exposures |
|---|---|---|---|---|---|---|---|
| | | of which: non-performing | | of which: subject to impairment | | | |
| | | | of which: defaulted | | | | |
| **On balance sheet exposures** | **8,771,443** | **39,020** | **39,020** | **8,771,443** | **(60,307)** | | **-** |
| *FR* | 2,469,873 | 1,804 | 1,804 | 2,469,873 | (2,447) | | - |
| *IE* | 1,943,166 | 11,667 | 11,667 | 1,943,166 | (20,123) | | - |
| *DE* | 1,538,027 | 3,789 | 3,789 | 1,538,027 | (4,321) | | - |
| *ES* | 741,652 | 3,477 | 3,477 | 741,652 | (4,581) | | - |
| *CA* | 349,691 | - | - | 349,691 | (4) | | - |
| *US* | 311,091 | - | - | 311,091 | (20) | | - |
| *RO* | 309,734 | 3,963 | 3,963 | 309,734 | (7,974) | | - |
| *GB* | 238,135 | - | - | 238,135 | (33) | | - |
| *PL* | 236,128 | 7,095 | 7,095 | 236,128 | (10,882) | | - |
| *LT* | 204,905 | 1,820 | 1,820 | 204,905 | (4,232) | | - |
| *Other countries* | 429,042 | 5,406 | 5,406 | 429,042 | (5,689) | | - |
| **Off balance sheet exposures** | **470,358** | **1,085** | **1,085** | | | **1,632** | |
| *GB* | 118,001 | - | - | | | 788 | |
| *IE* | 135,940 | 644 | 644 | | | 290 | |
| *PL* | 69,178 | 370 | 370 | | | 279 | |
| *LT* | 34,624 | 66 | 66 | | | 197 | |
| *ES* | 29,648 | 1 | 1 | | | 76 | |
| *DE* | 3,183 | 1 | 1 | | | 1 | |
| *NL* | 1,995 | 1 | 1 | | | - | |
| *CY* | 2,411 | - | - | | | - | |
| *SE* | 1,357 | - | - | | | - | |
| *CZ* | 6,393 | - | - | | | - | |
| *Other countries* | 67,626 | 1 | 1 | | | - | |
| **Total** | **9,241,801** | **40,105** | **40,105** | **8,771,443** | **(60,307)** | **1,632** | **-** |

*(all amounts in EUR thousand unless stated otherwise)*

### Table 26 - CQ5: Credit quality of loans and advances to non-financial corporations by industry

| | Gross carrying amount | | | | Accumulated impairment | Accumulated negative changes in fair value due to credit risk on non-performing exposures |
|---|---|---|---|---|---|---|
| | | of which: non-performing | | of which: loans and advances subject to impairment | | |
| | | | of which: defaulted | | | |
| Agriculture, forestry and fishing | - | - | - | - | - | - |
| Mining and quarrying | 6 | 1 | 1 | 6 | (4) | - |
| Manufacturing | 1,109 | 913 | 913 | 1,109 | (765) | - |
| Electricity, gas, steam and air conditioning supply | - | - | - | - | - | - |
| Water supply | - | - | - | - | - | - |
| Construction | 462 | 303 | 303 | 462 | (282) | - |
| Wholesale and retail trade | 1,474 | 1,334 | 1,334 | 1,474 | (1,060) | - |
| Transport and storage | 151 | 93 | 93 | 151 | (89) | - |
| Accommodation and food service activities | 127 | 79 | 79 | 127 | (81) | - |
| Information and communication | 198 | 88 | 88 | 198 | (111) | - |
| Real estate activities | - | - | - | - | - | - |
| Financial and insurance activities | 90 | 55 | 55 | 90 | (58) | - |
| Professional, scientific and technical activities | 249 | 167 | 167 | 249 | (154) | - |
| Administrative and support service activities | 126 | 87 | 87 | 126 | (79) | - |
| Public administration and defense, compulsory social security | 8 | 6 | 6 | 8 | (5) | - |
| Education | 51 | 42 | 42 | 51 | (36) | - |
| Human health services and social work activities | 10 | 1 | 1 | 10 | (5) | - |
| Arts, entertainment and recreation | 5 | 3 | 3 | 5 | (3) | - |
| Other services | 3,896 | 1,910 | 1,910 | 3,896 | (2,339) | - |
| **Total** | **7,961** | **5,083** | **5,083** | **7,961** | **(5,072)** | **-** |

## Credit Risk Mitigation

### Table 29 - CR3: CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

| | Unsecured carrying amount | Secured carrying amount | | | |
|---|---|---|---|---|---|
| | | | Of which secured by collateral | Of which secured by financial guarantees | |
| | | | | | Of which secured by credit derivatives |
| Loans and advances | 13,127,929 | 1,942,956 | 1,942,956 | - | - |
| Debt securities | 4,481,879 | - | - | - | - |
| **Total** | **17,609,809** | **1,942,956** | **1,942,956** | **-** | **-** |
| *Of which non-performing exposures* | 8,711 | - | - | - | - |
| *Of which defaulted* | | | | | |

(all amounts in EUR thousand unless stated otherwise)

## Standardised Approach

### Table 30 - CR4: Standardised Approach credit risk exposure and CRM effect

| | Exposures before CCF and before CRM | | Exposures post-CCF and post CRM | | RWAs and RWAs density | |
|---|---|---|---|---|---|---|
| Exposure classes | On-balance sheet amount | Off-balance sheet amount | On-balance sheet amount | Off-balance sheet amount | RWEA | RWEA density (%) |
| Central governments or central banks | 12,400,201 | - | 12,400,201 | - | - | - |
| Regional government or local authorities | 1,114,694 | - | 1,114,694 | - | - | - |
| Public sector entities | 114,159 | - | 114,159 | - | - | - |
| Multilateral development banks | 157,204 | - | 157,204 | - | - | - |
| International Organisations | - | - | - | - | - | - |
| Institutions | 849,038 | - | 849,038 | - | 370,287 | 44% |
| Corporates | 64,063 | 246,637 | 64,063 | 26,061 | 90,124 | 100% |
| Retail | 1,159,844 | 220,719 | 1,159,844 | - | 869,883 | 75% |
| Secured by mortgages on immovable property | 1,140 | - | 1,140 | - | 399 | 35% |
| Exposures in default | 8,686 | 861 | 8,686 | - | 8,686 | 100% |
| Exposures associated with particularly high risk | - | - | - | - | - | - |
| Covered bonds | 134,953 | - | 134,953 | - | 26,991 | 20% |
| Institutions and corporates with a short-term credit assessment | - | - | - | - | - | - |
| Collective investment undertakings | - | - | - | - | - | - |
| Equity | 33 | - | 33 | - | 33 | 100% |
| Other assets | 50,949 | - | 50,949 | - | 50,949 | 100% |
| **Total** | **16,054,964** | **468,217** | **16,054,964** | **26,061** | **1,417,352** | **8.81%** |

*(all amounts in EUR thousand unless stated otherwise)*

### Table 31 - CR5: Credit risk exposure standardised approach

| | Risk weight | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Exposure Class** | **0%** | **20%** | **35%** | **50%** | **75%** | **100%** | **150%** | **Total** |
| Central governments or central banks | 12,400,201 | - | - | - | - | - | - | 12,400,201 |
| Regional government or local authorities | 1,114,694 | - | - | - | - | - | - | 1,114,694 |
| Public sector entities | 114,159 | - | - | - | - | - | - | 114,159 |
| Multilateral development banks | 157,204 | - | - | - | - | - | - | 157,204 |
| International organisations | - | - | - | - | - | - | - | - |
| Institutions | - | 180,772 | - | 668,266 | - | - | - | 849,038 |
| Corporates | - | - | - | - | - | 90,124 | - | 90,124 |
| Retail | - | - | - | - | 1,159,844 | - | - | 1,159,844 |
| Secured by mortgages on immovable property | - | - | 1,140 | - | - | - | - | 1,140 |
| Exposures in default | - | - | - | - | - | 8,686 | - | 8,686 |
| Exposures associated with particularly high risk | - | - | - | - | - | - | - | - |
| Covered bonds | - | 134,953 | - | - | - | - | - | 134,953 |
| Institutions and corporates with a short-term credit assessment | - | - | - | - | - | - | - | - |
| Unit or shares in collective investment undertakings | - | - | - | - | - | - | - | - |
| Equity | - | - | - | - | - | 33 | - | 33 |
| Other items | - | - | - | - | - | 50,949 | - | 50,949 |
| **Total** | **13,786,258** | **315,725** | **1,140** | **668,266** | **1,159,844** | **149,792** | **-** | **16,081,025** |

(all amounts in EUR thousand unless stated otherwise)

## Counterparty Credit Risk

### Table 32 - CCR1: Analysis of counterparty credit risk (CCR) exposure by approach

| | Replacement cost (RC) | Potential future exposure (PFE) | EEPE | Alpha used for computing regulatory exposure value | Exposure value pre-CRM | Exposure value post-CRM | Exposure value | RWEA |
|---|---|---|---|---|---|---|---|---|
| EU - Original Exposure Method (for derivatives) | - | - | | 1.4 | - | - | - | - |
| EU - Simplified SA-CCR (for derivatives) | - | - | | 1.4 | - | - | - | - |
| SA-CCR (for derivatives) | 5,578 | 22,677 | | 1.4 | 47,697 | 39,556 | 39,556 | 38,281 |
| IMM (for derivatives and SFTs) | | | | | - | - | - | - |
| *Of which securities financing transactions netting sets* | | | | | - | - | - | - |
| *Of which derivatives and long settlement transactions netting sets* | | | | | - | - | - | - |
| *Of which from contractual cross-product netting sets* | | | | | - | - | - | - |
| Financial collateral simple method (for SFTs) | | | | | - | - | - | - |
| Financial collateral comprehensive method (for SFTs) | | | | | 2,019,701 | 0 | 0 | 0 |
| VaR for SFTs | | | | | - | - | - | - |
| **Total** | | | | | **2,067,398** | **39,556** | **39,556** | **38,281** |

### Table 33 - CCRA – Qualitative disclosure related to CCR, CRR Article 439(a-d)

Counterparty credit risk is a sub-type of wholesale credit risk defined as the risk that a counterparty to a transaction may default before the final settlement of the transaction's cash flows. Revolut Bank UAB is exposed to counterparty credit risk through its derivative trading activities, primarily for market risk hedging and yield enhancement in interest rate and FX markets. We measure counterparty risk using the Standardised Approach for Counterparty Credit Risk (SA-CCR), by considering:

The difference between a trade portfolio's current mark-to-market value and its collateral balance, and potential value fluctuations between a counterparty default and trade liquidation.
Credit limits are based on the credit quality of the counterparty and the appetite for the projected maximum potential future exposure of anticipated derivative transactions. They also reflect the nature of the relevant documentation, including whether the transaction is subject to regular exchange of margin. RBUAB also calculates a CVA risk charge for external derivative transactions with financial counterparties that is based on the standardised method. Internal capital allocation for counterparty credit risk follows Pillar 1 SA-CCR regulatory capital requirements and supplementary internal risk assessments. As of FY 2024, RBUAB had no exposure to central counterparties (CCPs).

**(b) Policies related to guarantees and other credit risk mitigants (Article 439 (b) and (h) CRR)**
To mitigate the risk of counterparty default, RBUAB employs netting, which offsets mutual obligations with the same counterparty, and collateralisation, where counterparties provide cash collateral to secure exposures. Collateral requirements are managed through collateral agreements established under market-standard frameworks, such as Credit Support Annexes (CSAs) to ISDA Master Agreements. New netting and master agreements (such as the ISDA/CSA) are reviewed and approved on a case-by-case basis by Legal and may be escalated to the Asset-Liability Committee (ALCO) if terms are outside of standard expectations.

Robust risk systems and processes ensure daily mark-to-market valuation of net exposures, margin requirements, and posted collateral. Regular reconciliation of collateral received and outstanding obligations helps maintain effective risk management and alignment with contractual requirements.

**(c) Policies with respect to Wrong-Way risk (Article 439 (c) CRR)**
Wrong-way risk occurs when exposure to a counterparty increases when the credit quality of that counterparty deteriorates. This can happen, for example, where CCR is mitigated through the use of collateral issued by the counterparty.

The bank enters into transactions with highly rated counterparties under standard ISDA agreements supported by Collateral Support Annexes (CSA). Cash collateral is posted or received and provided against these agreements, avoiding wrong-way risk.

**(d) Any other risk management objectives and relevant policies related to CCR Article 431 (3) and (4)**
Our customers may use currency derivatives and trade commodities to achieve their financial objectives, while we offset this exposure by transacting these risks back with financial counterparties. Additionally, RBUAB employs interest rate and foreign exchange derivatives to mitigate risks naturally arising from its lending and deposit-taking activities.

As part of its Treasury operations, all derivative transactions are conducted under market-standard legal agreements with collateralisation provisions, reducing counterparty credit risk (CCR). Before entering into any derivative contract, RBUAB carefully assesses the creditworthiness of counterparties and the potential volatility of the underlying assets to ensure effective risk management, as prescribed by its Wholesale Credit Risk Policy and Procedures. Specific transactions are reviewed and approved individually by the Asset & Liability Committee (ALCO).

**(e) The amount of collateral the bank would have to provide if its credit rating was downgraded (Article 439 (d) CRR)**
RBUAB is not currently exposed to the risk of additional collateral requirements being applied as a result of a rating downgrade, since neither the Bank nor any of its parent entities are externally rated.

*(all amounts in EUR thousand unless stated otherwise)*

### Table 34 - CCR2: Transactions subject to own funds requirements for CVA risk

| | Exposure value | RWEA |
|---|---|---|
| Total transactions subject to the Advanced method | - | - |
| (i) VaR component (including the 3× multiplier) | | - |
| (ii) stressed VaR component (including the 3× multiplier) | | - |
| Transactions subject to the Standardised method | 36,339 | 20,355 |
| Transactions subject to the Alternative approach (Based on the Original Exposure Method) | - | - |
| **Total transactions subject to own funds requirements for CVA risk** | **36,339** | **20,355** |

### Table 35 - CCR3: Standardised approach CCR exposures by regulatory exposure class and risk weights

| Exposure classes | Risk weight 20% | Risk weight 100% | Total exposure value |
|---|---|---|---|
| Central governments or central banks | - | - | - |
| Regional government or local authorities | - | - | - |
| Public sector entities | - | - | - |
| Multilateral development banks | - | - | - |
| International organisations | - | - | - |
| Institutions | 1,594 | - | 1,594 |
| Corporates | - | 37,962 | 37,962 |
| Retail | - | - | - |
| Institutions and corporates with a short-term credit assessment | - | - | - |
| Other items | - | - | - |
| **Total exposure value** | **1,594** | **37,962** | **39,556** |

### Table 36 - CCR5: Composition of collateral for CCR exposures

| | Collateral used in derivative transactions | | | | Collateral used in SFTs | | | |
|---|---|---|---|---|---|---|---|---|
| | Fair value of collateral received | | Fair value of posted collateral | | Fair value of collateral received | | Fair value of posted collateral | |
| Collateral type | Segregated | Unsegregated | Segregated | Unsegregated | Segregated | Unsegregated | Segregated | Unsegregated |
| Cash – domestic currency | - | - | 9,569.32 | 9,569.32 | - | - | - | - |
| Cash – other currencies | - | - | - | - | - | - | - | - |
| Domestic sovereign debt | - | - | - | - | - | - | - | - |
| Other sovereign debt | - | - | - | - | - | - | - | - |
| Government agency debt | - | - | - | - | - | - | - | - |
| Corporate bonds | - | - | - | - | - | - | - | - |
| Equity securities | - | - | - | - | - | - | - | - |
| Other collateral | - | - | - | - | - | - | - | - |
| **Total** | **-** | **-** | **9,569.32** | **9,569.32** | **-** | **-** | **-** | **-** |

(all amounts in EUR thousand unless stated otherwise)

## Market Risk

### Table 37 - MRA: Qualitative disclosure requirements related to market risk, CRR Article 435(1)(a-c)

| Pillar 3 disclosure requirement | Annual report 2023 section | Disclosure | Annual report page numbers |
|---|---|---|---|
| A description of the institution's strategies and processes to manage market risk, in accordance with points (a) and (d) of Article 435 (1) CCR, institutions shall include:<br>- an explanation of their management's strategic objectives in undertaking trading activities,<br>- the processes implemented to identify, measure, monitor and control the institution's market risks,<br>- the policies for hedging and mitigating risk,<br>- strategies and processes for monitoring the continuing effectiveness of hedges. | Notes to the Financial Statements | 6.1.3 - Interest Rate Risk, 6.1.4 - Foreign Currency Risk, 6.1.5 - Credit Spread Risk | 48 - 49 |
| A description of the structure and organisation of the market risk management function, in accordance with point (b) of Article 435 (1) CRR, institutions shall include:<br>- a description of the market risk governance structure established to implement the strategies and processes of the institution discussed in row (a) above,<br>- a description of the relationships and the communication mechanisms between the different parties involved in market risk management. | Annual Report | 7 - Risk Management and Internal Control | 9 - 12 |

Institutions shall provide a description of the scope and nature of market risk disclosure and the measurement systems, in accordance with point (c) of Article 435 (1) CRR.

RBUAB does not hold instruments with the intent to profit from short-term resale and does not have a trading book as defined by the CRR.

RBUAB is exposed to market risk (excluding Interest Rate Risk in the Banking Book, covered in IRRBBA disclosure), through FX exposures from:

Client exposures - Arises from the flow of currency exchange transactions from clients arising from the products we offer.
Corporate FX - Due to operating in various jurisdictions, the currency denomination of various assets and liabilities may lead to additional FX exposures.

Our market risk appetite is low considering client flows exposures are managed and hedged within tight limits and key operating entities manage their corporate FX exposure of is kept low relative to their reporting currency.

RBUAB's FX Hedging policy defines our approach to managing FX market risk. We hedge through various instruments, such as FX spot trades, FX forward trades of non-deliverable FX forwards.

Hedge effectiveness is controlled by the set of limits to open FX exposure established by ALCO and monitored in accordance with the hedging process frequency.

The Management Board is responsible for setting market risk appetite and adherence is overseen by the ERC and ALCo.

Two functions within the 1LoD are responsible for maintaining market risk within risk appetite:

Market Making - Manage client transaction flows from our FX product offerings and ensure any residual exposure required to facilitate these products is kept within specific limits for the function.
Treasury - Manage the RBUAB's remaining corporate FX exposures.

2Lod oversight of market risk is provided by the RBUAB's Financial Risk team.

RBUAB sets and monitor the following limits:

- In real-time client flows exposure limits for FX and commodities;
- Daily total FX exposure and Expected Shortfall metrics for total market risk.

Market risk is also embedded into the ICAAP process where RBUAB forecast RBUAB's FX exposure and capital consumption for accepted hedging strategies.

### Table 38 - MR1: Market risk under the standardised approach

| | | 31-Dec-24 |
|---|---|---|
| | | RWEAs |
| **Outright products** | | |
| 1 | Interest rate risk (general and specific) | - |
| 2 | Equity risk (general and specific) | - |
| 3 | Foreign exchange risk | 104,542 |
| 4 | Commodity risk | - |
| **Options** | | |
| 5 | Simplified approach | - |
| 6 | Delta-plus approach | - |
| 7 | Scenario approach | - |
| 8 | Securitisation (specific risk) | - |
| **Total** | | **104,542** |

## Remuneration

### Table 39 - REMA: Remuneration policy, CRR Article 450(1) (a-f,j,k), 450(2)

| Pillar 3 disclosure requirement | Annual report 2024 section | Disclosure | Annual report page numbers |
|---|---|---|---|
| The remuneration policy of Revolut Bank UAB has been prepared and is subject for Supervisory Council approval in 2024. Please note that the Remuneration Policy of Revolut Bank UAB is disclosed in the financial statements | Section 9 | Remuneration Policy | Pages 13 - 14 |

(all amounts in EUR thousand unless stated otherwise)

### Table 40 - REM1: Remuneration awarded for the financial year

| | | MB Supervisory function | MB Management function | Other identified staff |
|---|---|---|---|---|
| **Fixed remuneration** | Number of identified staff | 8 | 6 | 39 |
| | Total fixed remuneration | 688 | 1,537 | 4,979 |
| | Of which: cash-based | 688 | 1,537 | 4,979 |
| | Of which: other forms | - | 0 | 0 |
| **Variable remuneration** | Number of identified staff | 8 | 6 | 39 |
| | Total variable remuneration | | 1,086 | 4,219 |
| | Of which: cash-based | 0 | 76 | 518 |
| | Of which: share-linked instruments or equivalent non-cash instruments | 0 | 1,010 | 3,700 |
| | Of which: deferred | | 0 | 0 |
| **Total remuneration (2 + 10)** | | **-** | **0** | **0** |

Table 41 - REM2: Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

| | MB Supervisory function | MB Management function | Other senior management | Other identified staff |
|---|---|---|---|---|
| Guaranteed variable remuneration awards | | | | |
| Guaranteed variable remuneration awards - Number of identified staff | - | - | - | 6 |
| Guaranteed variable remuneration awards -Total amount | - | - | - | 1,294 |
| Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap | - | - | - | 1,294 |
| Severance payments awarded in previous periods, that have been paid out during the financial year | | | | |
| Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff | - | - | - | - |
| Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount | - | - | - | - |
| Severance payments awarded during the financial year | | | | |
| Severance payments awarded during the financial year - Number of identified staff | - | - | - | 1 |
| Severance payments awarded during the financial year - Total amount | - | - | - | 60 |
| Of which paid during the financial year | - | - | - | 60 |
| Of which deferred | - | - | - | - |
| Of which severance payments paid during the financial year, that are not taken into account in the bonus cap | - | - | - | - |
| Of which highest payment that has been awarded to a single person | - | - | - | - |

# Revolut Bank BUAB



*(all amounts in EUR thousand unless stated otherwise)*

### Table 42 - REM3: Deferred remuneration

| Deferred and retained remuneration | Total amount of deferred remuneration awarded for previous performance periods | Of which due to vest in the financial year | Of which vesting in subsequent financial years | Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year | Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years | Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments) | Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year | Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods |
|---|---|---|---|---|---|---|---|---|
| **MB Supervisory function** | 45 | 22 | 23 | - | - | 23 | 22 | - |
| Cash-based | - | - | - | - | - | - | - | - |
| Shares or equivalent ownership interests | - | - | - | - | - | - | - | - |
| Share-linked instruments or equivalent non-cash instruments | 45 | 22 | 23 | - | - | 23 | 22 | - |
| Other instruments | - | - | - | - | - | - | - | - |
| Other forms | - | - | - | - | - | - | - | - |
| **MB Management function** | 2,459 | 1,024 | 1,435 | - | - | 2,370 | 1,024 | - |
| Cash-based | - | - | - | - | - | - | - | - |
| Shares or equivalent ownership interests | - | - | - | - | - | - | - | - |
| Share-linked instruments or equivalent non-cash instruments | 2,459 | 1,024 | 1,435 | - | - | 2,370 | 1,024 | - |
| Other instruments | - | - | - | - | - | - | - | - |
| Other forms | - | - | - | - | - | - | - | - |
| **Other senior management** | - | - | - | - | - | - | - | - |
| Cash-based | - | - | - | - | - | - | - | - |
| Shares or equivalent ownership interests | - | - | - | - | - | - | - | - |
| Share-linked instruments or equivalent non-cash instruments | - | - | - | - | - | - | - | - |
| Other instruments | - | - | - | - | - | - | - | - |
| Other forms | - | - | - | - | - | - | - | - |
| **Other identified staff** | 5,760 | 2,165 | 3,595 | - | - | 3,000 | 2,165 | - |
| Cash-based | - | - | - | - | - | - | - | - |
| Shares or equivalent ownership interests | - | - | - | - | - | - | - | - |
| Share-linked instruments or equivalent non-cash instruments | 5,760 | 2,165 | 3,595 | - | - | 3,000 | 2,165 | - |
| Other instruments | - | - | - | - | - | - | - | - |
| Other forms | - | - | - | - | - | - | - | - |
| **Total amount** | 8,264 | 3,211 | 5,053 | - | - | 5,393 | 3,211 | - |

*(all amounts in EUR thousand unless stated otherwise)*

### Table 43 - REM4: Remuneration of 1 million EUR or more per year

| EUR | Identified staff that are high earners as set out in Article 450(i) CRR |
|---|---|
| 1 000 000 to below 1 500 000 | - |
| 1 500 000 to below 2 000 000 | - |
| 2 000 000 to below 2 500 000 | - |
| 2 500 000 to below 3 000 000 | 1 |
| 3 000 000 to below 3 500 000 | - |
| 3 500 000 to below 4 000 000 | - |
| 4 000 000 to below 4 500 000 | - |
| 4 500 000 to below 5 000 000 | - |
| 5 000 000 to below 6 000 000 | - |
| 6 000 000 to below 7 000 000 | - |
| 7 000 000 to below 8 000 000 | - |
| To be extended as appropriate, if further payment bands are needed. | - |

(all amounts in EUR thousand unless stated otherwise)

### Table 44 - REM5: Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

| | Management body remuneration | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | MB Supervisory function | MB Management function | Total MB | Retail banking | Asset management | Corporate functions | Independent internal control functions | All other | Total |
| **Total number of identified staff** | **8** | **6** | **14** | **-** | **-** | **-** | **-** | **-** | **53** |
| Of which: members of the MB | 8 | 6 | 14 | - | - | - | - | - | **14** |
| Of which: other senior management | - | - | - | - | - | - | - | - | **-** |
| Of which: other identified staff | - | - | - | - | - | - | - | - | **39** |
| **Total remuneration of identified staff** | **688** | **2,623** | **3,311** | **-** | **-** | **-** | **-** | **9,198** | **9,198** |
| Of which: variable remuneration | - | 1,086 | 1,086 | - | - | - | - | 4,219 | **4,219** |
| Of which: fixed remuneration | 688 | 1,537 | 2,225 | - | - | - | - | 4,979 | **4,979** |

**Attestation**

The Head of Finance hereby attests that the disclosures in the Revolut Bank UAB Risk Management and Capital Adequacy Report (Pillar 3), provided according to Part Eight of Regulation (EU) No 575/2013, have been prepared in accordance with the internal controls and procedures.

The system of internal controls that is designed to maintain effective and efficient operations, compliant with applicable laws and regulations on Pillar 3 disclosure requirements stipulates the general principles that apply for the control processes and structures regarding the disclosure of risk and capital adequacy information in the Revolut Bank UAB. The system ensures that the disclosed information is subject to effective, timely and adequate internal controls and monitoring structures.

**Oliver Schreiber**
CFO Revolut Bank UAB

**Daniel Gordon**
CRO Revolut Bank UAB