Revolut Bank

Revolut
Bank UAB

Capital adequacy and risk management report (Pillar 3)
30 June 2022

(all amounts in EUR thousand unless stated otherwise)

Introduction

The capital adequacy and risk management report provides information on Revolut Bank's capital adequacy and risk management. The report is based on regulatory disclosure requirements set out in the Regulation (EU) 575/2013 Capital Requirements Regulation (CRR).
This report is based on Revolut Bank UAB stand-alone and consolidated situation as at 30 June 2022. The group consolidated situation represents the regulatory scope of consolidation according to the CRR, established for the purposes of prudential supervision.

Stand-alone

Table 1: Key Metrics

		30 Jun 2022	**31 Mar 2022**	**31 Dec 2021**	**30 Sep 2021**
	Available capital (amounts)				
1	Common Equity Tier 1 (CET1)	175,346	88,664	91,327	28,918
2	Tier 1	175,346	88,664	91,327	28,918
3	Total capital	175,346	88,664	91,327	28,918
	Risk-weighted assets (amounts)				
4	Total risk-weighted assets (RWA)	392,125	63,897	24,500	18,799
	Risk-based capital ratios as a percentage of RWA				
5	Common Equity Tier 1 ratio (%)	44.72	138.76	372.77	153.83
6	Tier 1 ratio (%)	44.72	138.76	372.77	153.83
7	Total capital ratio (%)	44.72	138.76	372.77	153.83
	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
9	Countercyclical buffer requirement (%)	0	0	0	0
11	Total of bank CET1 specific buffer requirements (%)	2.50	2.50	2.50	2.50
12	CET1 available after meeting the bank's minimum capital requirements (%)	40.22	134.26	368.27	149.33
	Leverage ratio				
13	Total leverage ratio exposure measure	2,340,614	1,618,010	840,558	505,643
14	Leverage ratio (%) (row 2 / row 13)	7.49	5.48	10.87	5.72
	Liquidity Coverage Ratio				
15	Total HQLA	1,763,593	1,517,131	798,881	454,378
16	Total net cash outflow	60,369	144,919	97,353	74,420
17	LCR ratio (%)	2921.33	1046.88	820.60	610.56

(all amounts in EUR thousand unless stated otherwise)

Table 2: Overview of risk weighted assets

		RWA		Minimum capital requirements
		30 Jun 2022	31 Mar 2022	**30 Jun 2022**
1	**Credit risk (excluding counterparty credit risk)**	379,566	52,947	30,365
2	Of which: standardised approach (SA)	379,566	52,947	30,365
6	Counterparty credit risk (CCR)	9,223	8,028	738
10	Credit valuation adjustment (CVA)	2,620	2,338	210
15	Settlement risk	-	-	-
16	Securitisation	-	-	-
20	**Market risk**	716	584	57
21	Of which: standardised approach (SA)	716	584	57
24	**Operational risk**	-	-	-
25	Of which: standardised approach (SA)	-	-	-
27	**Total**	392,125	63,897	31,370

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

		30 Jun 2022
1	Total consolidated assets as per published financial statements	2,335,724
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustments for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	6,966
9	Adjustment for securities financing transactions (ie repurchase agreements and similar secured lending)	-
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	1,660
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12	Other adjustments	(3,736)
13	Leverage ratio exposure measure	2,340,614

(all amounts in EUR thousand unless stated otherwise)

Table 4: Leverage ratio common disclosure

		30 Jun 2022	31 Mar 2022
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	2,334,721	1,610,081
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(3,736)	(2,096)
3	Total on-balance sheet exposures (excluding derivatives and SFTs)	2,330,986	1,607,985
	Derivatives exposure		
11	Total derivative exposures	7,969	8,757
	Securities financing transaction exposures		
16	Total securities financing transaction	-	-
	Other off-balance sheet exposures		
19	Off-balance sheet items	1,660	1,268
	Capital and total exposures		
20	Tier 1 capital	175,346	88,664
21	Total exposures	2,340,614	1,618,010
	Leverage ratio		
22	Leverage ratio	7.49%	5.48%

(all amounts in EUR thousand unless stated otherwise)

Consolidated

Table 1: Key Metrics

		30 Jun 2022
	Available capital (amounts)	
1	Common Equity Tier 1 (CET1)	261,869
2	Tier 1	261,869
3	Total capital	261,869
	Risk-weighted assets (amounts)	
4	Total risk-weighted assets (RWA)	760,826
	Risk-based capital ratios as a percentage of RWA	
5	Common Equity Tier 1 ratio (%)	34.42
6	Tier 1 ratio (%)	34.42
7	Total capital ratio (%)	34.42
	Additional CET1 buffer requirements as a percentage of RWA	
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50
9	Countercyclical buffer requirement (%)	0
11	Total of bank CET1 specific buffer requirements (%)	2.50
12	CET1 available after meeting the bank’s minimum capital requirements (%)	29.92
	Leverage ratio	
13	Total leverage ratio exposure measure	6,809,438
14	Leverage ratio (%) (row 2 / row 13)	3.85
	Liquidity Coverage Ratio	
15	Total HQLA	2,616,247
16	Total net cash outflow	972,729
17	LCR ratio (%)	268.96

(all amounts in EUR thousand unless stated otherwise)

Table 2: Overview of risk weighted assets

		RWA	Minimum capital requirements
		30 Jun 2022	30 Jun 2022
1	**Credit risk (excluding counterparty credit risk)**	479,298	38,344
2	Of which: standardised approach (SA)	479,298	38,344
6	Counterparty credit risk (CCR)	15,241	1,219
10	Credit valuation adjustment (CVA)	8,659	693
15	Settlement risk	-	-
16	Securitisation	-	-
20	**Market risk**	158,786	12,703
21	Of which: standardised approach (SA)	*158,786*	*12,703*
24	**Operational risk**	98,842	7,907
25	Of which: standardised approach (SA)	*98,842*	*7,907*
27	**Total**	760,826	60,866

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

		30 Jun 2022
1	Total consolidated assets as per published financial statements	8,135,464
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustments for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	16,967
9	Adjustment for securities financing transactions (ie repurchase agreements and similar secured lending)	-
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	1,660
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12	Other adjustments	(1,344,654)
13	Leverage ratio exposure measure	6,809,438

(all amounts in EUR thousand unless stated otherwise)

Table 4: Leverage ratio common disclosure

		30 Jun 2022
	On-balance sheet exposures	
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	8,163,041
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(1,375,445)
3	Total on-balance sheet exposures (excluding derivatives and SFTs)	6,787,596
	Derivatives exposure	
11	Total derivative exposures	20,182
	Securities financing transaction exposures	
16	Total securities financing transaction	-
	Other off-balance sheet exposures	
19	Off-balance sheet items	1,660
	Capital and total exposures	
20	Tier 1 capital	261,869
21	Total exposures	6,809,438
	Leverage ratio	
22	Leverage ratio	3.85%