

Revolut Bank



Revolut Bank UAB

Capital adequacy and risk management report (Pillar 3)
31 December 2022

Revolut Bank

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(all amounts in EUR thousand unless stated otherwise)

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Introduction

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

This report is based on Revolut Bank UAB (the Bank) stand-alone and Revolut Holdings Europe UAB (the Group) consolidated situation as at 31 December 2022.

The Bank

Table 1: Key Metrics

	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022
Available capital (amounts)				
1 Common Equity Tier 1 (CET1)	366,222	346,697	175,346	88,664
2 Tier 1	366,222	346,697	175,346	88,664
3 Total capital	366,222	346,697	175,346	88,664
Risk-weighted assets (amounts)				
4 Total risk-weighted assets (RWA)	1,653,998	1,512,920	392,125	63,897
Risk-based capital ratios as a percentage of RWA				
5 Common Equity Tier 1 ratio (%)	22.14	22.92	44.72	138.76
6 Tier 1 ratio (%)	22.14	22.92	44.72	138.76
7 Total capital ratio (%)	22.14	22.92	44.72	138.76
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 (%)	17.64	18.42	40.22	134.26
Leverage ratio				
13 Total leverage ratio exposure measure	8,792,353	8,094,305	2,340,614	1,618,010
14 Leverage ratio (%) (row 2 / row 13)	4.17	4.28	7.49	5.48
Liquidity Coverage Ratio				
15 Total HQLA	7,449,472	6,602,527	1,763,593	1,517,131
16 Total net cash outflow	523,031	270,704	60,369	144,919
17 LCR ratio (%)	1,424.29	2,439.02	2,921.33	1,046.88

Table 2: Overview of risk weighted assets

	RWA		Minimum capital requirements
	31 Dec 2022	30 Sep 2022	31 Dec 2022
1 Credit risk (excluding counterparty credit risk)	904,205	921,370	72,336
2 Of which: standardised approach (SA)	904,205	921,370	72,336
6 Counterparty credit risk (CCR)	22,403	24,302	1,792
10 Credit valuation adjustment (CVA)	12,729	13,808	1,018
15 Settlement risk	-	-	-
16 Securitisation	-	-	-
20 Market risk	17,614	13,052	1,409
21 Of which: standardised approach (SA)	17,614	13,052	1,409
24 Operational risk	697,047	540,388	55,764
25 Of which: standardised approach (SA)	697,047	540,388	55,764
27 Total	1,653,998	1,512,920	121,034

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

	31 Dec 2022
1 Total consolidated assets as per published financial statements	8,768,477
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	22,404
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)	5,873
11 Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12 Other adjustments	(4,522)
13 Leverage ratio exposure measure	8,792,353

Table 4: Leverage ratio common disclosure

		31 Dec 2022	30 Sep 2022
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	8,768,597	8,058,962
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(4,522)	(8)
3	Total on-balance sheet exposures (excluding derivatives and SFTs)	8,764,075	8,058,954
	Derivatives exposure		
11	Total derivative exposures	22,406	32,952
	Securities financing transaction exposures		
16	Total securities financing transaction	-	-
	Other off-balance sheet exposures		
19	Off-balance sheet items	5,873	2,399
	Capital and total exposures		
20	Tier 1 capital	366,222	346,697
21	Total exposures	8,792,353	8,094,305
	Leverage ratio		
22	Leverage ratio	4.17%	4.28%

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The Group

Table 1: Key Metrics

	31 Dec 2022	30 Sep 2022	30 Jun 2022
Available capital (amounts)			
1 Common Equity Tier 1 (CET1)	397,949	352,955	261,869
2 Tier 1	397,949	352,955	261,869
3 Total capital	397,949	352,955	261,869
Risk-weighted assets (amounts)			
4 Total risk-weighted assets (RWA)	1,651,644	1,510,463	760,826
Risk-based capital ratios as a percentage of RWA			
5 Common Equity Tier 1 ratio (%)	24.09	23.37	34.42
6 Tier 1 ratio (%)	24.09	23.37	34.42
7 Total capital ratio (%)	24.09	23.37	34.42
Additional CET1 buffer requirements as a percentage of RWA			
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.50	2.50	2.50
9 Countercyclical buffer requirement (%)	0	0	0
11 Total of bank CET1 specific buffer requirements (%)	2.50	2.50	2.50
12 CET1 available after meeting the bank's minimum capital requirements (%)	19.59	18.87	29.92
Leverage ratio			
13 Total leverage ratio exposure measure	8,797,148	8,098,992	6,809,438
14 Leverage ratio (%) (row 2 / row 13)	4.52	4.36	3.85
Liquidity Coverage Ratio			
15 Total HQLA	7,449,472	6,602,527	2,616,247
16 Total net cash outflow	518,581	270,754	972,729
17 LCR ratio (%)	1,436.51	2,438.57	268.96

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Table 2: Overview of risk weighted assets

	RWA	RWA	Minimum capital requirements
	31 Dec 2022	30 Sep 2022	31 Dec 2022
1 Credit risk (excluding counterparty credit risk)	905,248	922,311	72,420
2 Of which: standardised approach (SA)	905,248	922,311	72,420
6 Counterparty credit risk (CCR)	22,403	24,302	1,792
10 Credit valuation adjustment (CVA)	12,729	13,808	1,018
15 Settlement risk	-	-	-
16 Securitisation	-	-	-
20 Market risk	17,615	13,052	1,409
21 Of which: standardised approach (SA)	17,615	13,052	1,409
24 Operational risk	693,649	536,990	55,492
25 Of which: standardised approach (SA)	693,649	536,990	55,492
27 Total	1,651,644	1,510,463	132,132

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

	31 Dec 2022
1 Total consolidated assets as per published financial statements	10,225,716
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	22,404
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)	5,873
11 Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12 Other adjustments	(1,457,274)
13 Leverage ratio exposure measure	8,797,148

Table 4: Leverage ratio common disclosure

		31 Dec 2022	30 Sep 2022
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	10,226,143	9,517,266
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(1,457,274)	(1,453,624)
3	Total on-balance sheet exposures (excluding derivatives and SFTs)	8,768,869	8,063,642
	Derivatives exposure		
11	Total derivative exposures	22,406	32,952
	Securities financing transaction exposures		
16	Total securities financing transaction	-	-
	Other off-balance sheet exposures		
19	Off-balance sheet items	5,873	2,399
	Capital and total exposures		
20	Tier 1 capital	397,949	352,955
21	Total exposures	8,797,148	8,098,992
	Leverage ratio		
22	Leverage ratio	4.52%	4.36%