

Revolut Bank



Revolut Bank UAB

Capital adequacy and risk management report (Pillar 3)
31 March 2023

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 (EEA Group) consolidated situation as at 31 March 2023.

The Bank

Table 1: Key Metrics

	31 March 2023	31 Dec 2022	30 Sep 2022	30 June 2022
Available capital (amounts)				
1 Common Equity Tier 1 (CET1)	450,084	366,104	346,697	175,346
2 Tier 1	450,084	366,104	346,697	175,346
3 Total capital	450,084	366,104	346,697	175,346
Risk-weighted assets (amounts)				
4 Total risk-weighted assets (RWA)	1,924,336	1,653,998	1,512,920	392,125
Risk-based capital ratios as a percentage of RWA				
5 Common Equity Tier 1 ratio (%)	23.39	22.13	22.92	44.72
6 Tier 1 ratio (%)	23.39	22.13	22.92	44.72
7 Total capital ratio (%)	23.39	22.13	22.92	44.72
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 (%)	0.59	0.72	0	0
11 Total of bank CET1 specific buffer requirements (%)	3.09	3.22	2.50	2.50
12 CET1 available after meeting the bank's minimum capital requirements (%)	11.69	10.93	11.72	33.52
Leverage ratio				
13 Total leverage ratio exposure measure	9,614,282	8,801,833	8,094,305	2,340,614
14 Leverage ratio (%) (row 2 / row 13)	4.68	4.16	4.28	7.49
Liquidity Coverage Ratio				
15 Total HQLA	7,924,734	7,449,472	6,602,527	1,763,593
16 Total net cash outflow	790,083	523,031	270,704	60,369
17 LCR ratio (%)	1,003.02	1,424.29	2,439.02	2,921.33

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Table 2: Overview of risk weighted assets

	RWA		Minimum capital requirements
	31 Mar 2023	31 Dec 2022	31 Mar 2023
1 Credit risk (excluding counterparty credit risk)	1,000,515	904,205	80,041
2 Of which: standardised approach (SA)	1,000,515	904,205	80,041
6 Counterparty credit risk (CCR)	30,460	22,403	2,437
10 Credit valuation adjustment (CVA)	17,307	12,729	1,385
15 Settlement risk	-	-	-
16 Securitisation	-	-	-
20 Market risk	22,289	17,614	1,783
21 Of which: standardised approach (SA)	22,289	17,614	1,783
24 Operational risk	853,764	697,047	68,301
25 Of which: standardised approach (SA)	853,764	697,047	68,301
27 Total	1,924,336	1,653,998	153,947

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

	31 Mar 2023
1 Total consolidated assets as per published financial statements	9,587,527
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	15,416
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)	16,889
11 Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12 Other adjustments	(3,192)
13 Leverage ratio exposure measure	9,614,282

Table 4: Leverage ratio common disclosure

	31 Mar 2023	31 Dec 2022
On-balance sheet exposures		
On-balance sheet exposures (excluding derivatives and securities financing 1 transactions (SFTs), but including collateral)	9,572,624	8,778,214
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	(3,192)	(4 660)
3 Total on-balance sheet exposures (excluding derivatives and SFTs)	9,569,432	8,773,554
Derivatives exposure		
11 Total derivative exposures	27,961	22,406
Securities financing transaction exposures		
16 Total securities financing transaction	-	-
Other off-balance sheet exposures		
19 Off-balance sheet items	16,889	5,873
Capital and total exposures		
20 Tier 1 capital	450,084	366,104
21 Total exposures	9,614,282	8,801,833
Leverage ratio		
22 Leverage ratio	4,68%	4,16%

EEA Group

Table 1: Key Metrics

	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 June 2022
Available capital (amounts)				
1 Common Equity Tier 1 (CET1)	454,446	370,726	352,955	261,869
2 Tier 1	454,446	370,726	352,955	261,869
3 Total capital	454,446	370,726	352,955	261,869
Risk-weighted assets (amounts)				
4 Total risk-weighted assets (RWA)	1,935,216	1,651,644	1,510,463	760,826
Risk-based capital ratios as a percentage of RWA				
5 Common Equity Tier 1 ratio (%)	23.48	22.45	23.37	34.42
6 Tier 1 ratio (%)	23.48	22.45	23.37	34.42
7 Total capital ratio (%)	23.48	22.45	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	2.50
9 Countercyclical buffer requirement (%)	0.59	0.72	0	0
11 Total of bank CET1 specific buffer requirements (%)	3.09	3.22	2.50	2.50
12 CET1 available after meeting the bank's minimum capital requirements (%)	11.78	11.25	12.17	23.22
Leverage ratio				
13 Total leverage ratio exposure measure	9,618,624	8,806,892	8,098,992	6,809,438
14 Leverage ratio (%) (row 2 / row 13)	4.72	4.21	4.36	3.85
Liquidity Coverage Ratio				
15 Total HQLA	7,924,734	7,449,472	6,602,527	2,616,247
16 Total net cash outflow	785,563	518,581	270,754	972,729
17 LCR ratio (%)	1,008.80	1,436.51	2,438.57	268.96

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Table 2: Overview of risk weighted assets

	RWA 31 Mar 2023	RWA 31 Dec 2022	Minimum capital requirements 31 Mar 2023
1 Credit risk (excluding counterparty credit risk)	1,000,526	905,248	80,042
2 Of which: standardised approach (SA)	1,000,526	905,248	80,042
6 Counterparty credit risk (CCR)	30,460	22,403	2,437
10 Credit valuation adjustment (CVA)	17,307	12,729	1,385
15 Settlement risk	-	-	-
16 Securitisation	-	-	-
20 Market risk	22,576	17,615	1,806
21 Of which: standardised approach (SA)	22,576	17,615	1,806
24 Operational risk	864,347	693,649	69,148
25 Of which: standardised approach (SA)	864,347	693,649	69,148
27 Total	1,935,216	1,651,644	154,817

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

	31 Mar 2023
1 Total consolidated assets as per published financial statements	9,591,870
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	15,416
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)	16,889
11 Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12 Other adjustments	(3,251)
13 Leverage ratio exposure measure	9,618,624

Table 4: Leverage ratio common disclosure

	31 Mar 2023	31 Dec 2022
On-balance sheet exposures		
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	9,577,025	8,783,326
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	(3,251)	(4,712)
3 Total on-balance sheet exposures (excluding derivatives and SFTs)	9,573,774	8,778,614
Derivatives exposure		
11 Total derivative exposures	27,961	22,406
Securities financing transaction exposures		
16 Total securities financing transaction	-	-
Other off-balance sheet exposures		
19 Off-balance sheet items	16,889	5,873
Capital and total exposures		
20 Tier 1 capital	454,446	370,726
21 Total exposures	9,618,624	8,806,892
Leverage ratio		
22 Leverage ratio	4.72%	4.21%