Revolut

2023 ANNUAL REPORT

And Consolidated Financial Statements
for the year ended 31 December 2023

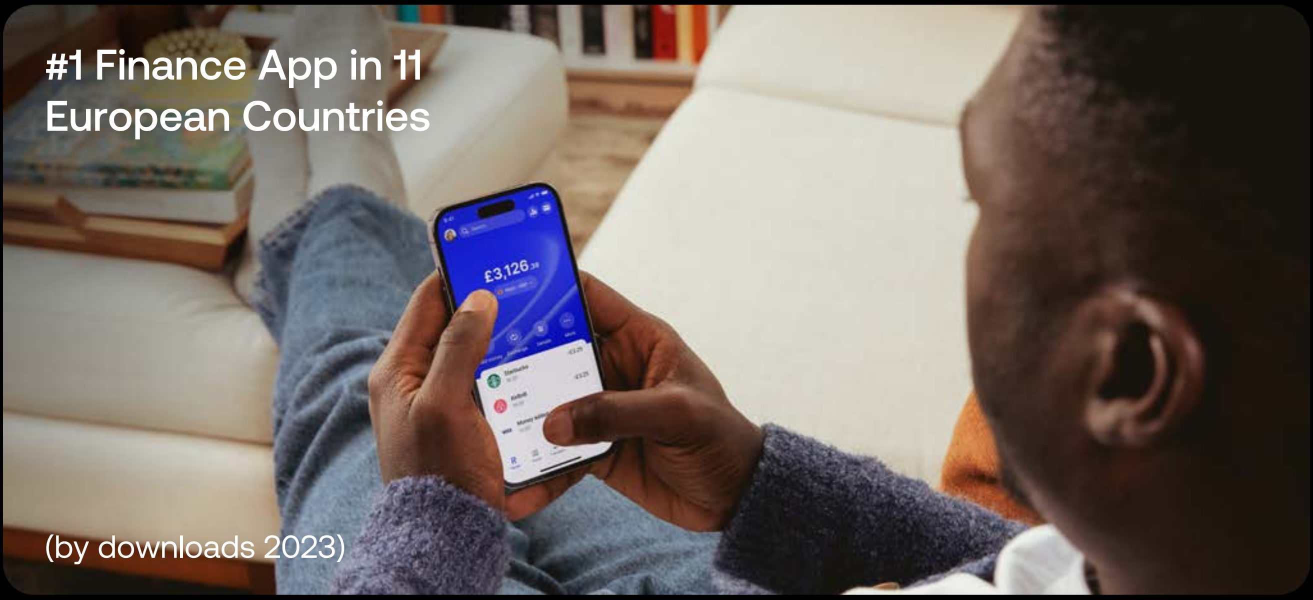
CHANGE THE WAY YOU MONEY

Revolut Group Holdings Ltd | Registered number: 12743269

Contents


45M Customers in
38 Countries
(as of June 2024)


Operating as a Licensed
Bank in 30 Countries
(during 2023)


#1 Finance App in 11
European Countries
(by downloads 2023)

2023 Highlights

Net Profit
£344m

Revenue

2022
£0.92bn

2023
£1.80bn
↑95%

Number of Retail Customers

2023
38.0m
↑45%

2022
26.2m

Profit Before Tax
£438m

Monthly Transactions
(as of December)

2022
341m

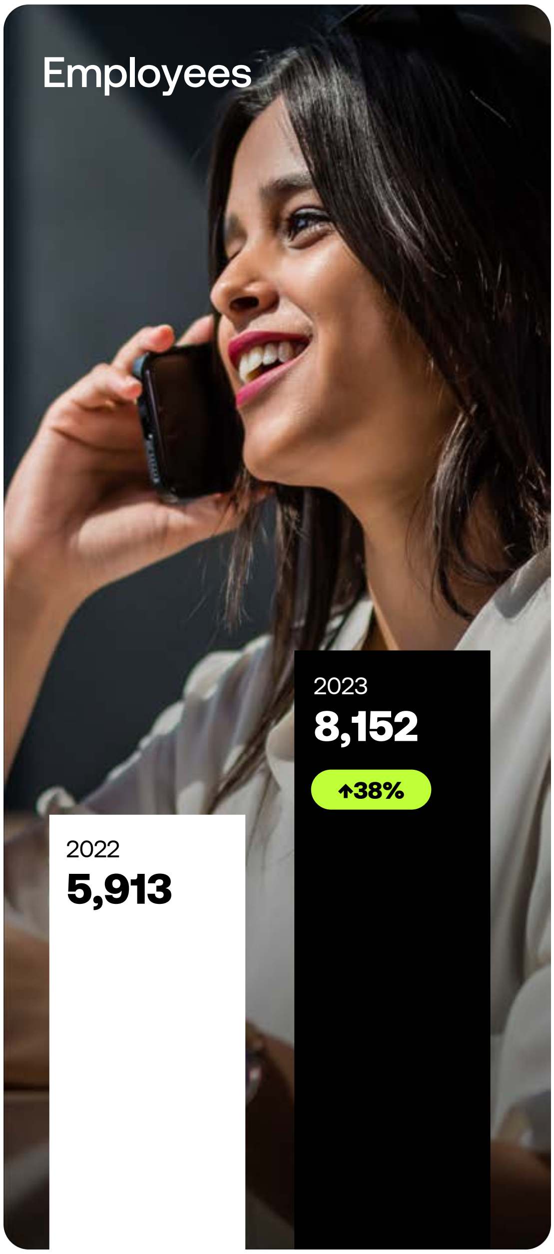
2023
590m
↑73%

Total Customer Balances

2022
£13.2bn

2023
£18.2bn
↑38%

Employees



2022
5,913

2023
8,152
↑38%

Awards

- FastCompany
  World's Most Innovative Companies 2024
- FS Tech Awards
  Consumer Finance App Of The Year
- ICXA
  Best Customer Experience Strategy and Best Use of Customer Insight and Feedback
- Cashless Pay
  Card of the Year 2023

CHAIR'S STATEMENT

2023 was a strong year for Revolut. We generated record revenue once again, earning £1.80 billion, representing a 95% increase year-on-year. Our customer base grew during 2023 from 26.2 million to 38.0 million at year end, a nearly 45% increase. Our customers showed increased trust in us, with total customer balances, including balances held by our customers with partner institutions, increasing from £13.2 billion to £18.2 billion. I would like to say a huge thank you to our customers for putting their trust in Revolut.

Under the Board's supervision, Nik and his management team further developed Revolut's long-term strategy. Product roll-out continued at pace, we expanded into new, strategic markets for Revolut (Brazil and New Zealand), and we implemented our most significant update to our app with Revolut 10.

Investment in Our People

Our people are the cornerstone of Revolut's success. They are driving innovation — designing the product, building the technology — serving our customers, making strategic business decisions, managing the risks, and ensuring full legal and regulatory compliance. This is why a key focus for 2023 was continued investment in our people by growing our headcount further, including in customer support and financial crime.

As our total staff headcount rose to more than 8,000 people worldwide in 2023, we were delighted to hear that Revolut received a 'Great Place to Work' certification.

We further strengthened our Group Board with the addition of Dan Teodosiu, who brings experience in technology and product development. We also bolstered our UK team, hiring Francesca Carlesi as our UK CEO in November 2023. Francesca brings her experience across the banking and fintech sectors to Revolut's UK operation. We are continuing to work closely with the PRA (Prudential Regulation Authority) on our UK bank licence application.

As a Board, we are endlessly impressed by the calibre, work ethic, and passion of our employees. I want to extend a huge thank you to all Revoluters for championing our values and for their relentless focus on making Revolut a truly global financial product, which our customers love.

Governance, Compliance, and Risk Management

We continued to focus on corporate governance, compliance, and risk management throughout the year, with our risk and compliance function growing from 256 to 331 employees by the end of 2023.

In 2023, we focused on further strengthening our three lines of defence, to ensure all Revolut initiatives are launched in full compliance with our legal and regulatory obligations, and within a robust controls framework that is continuously tested and iterated upon. We revamped our global entity operations, ensuring compliance and control are central considerations.

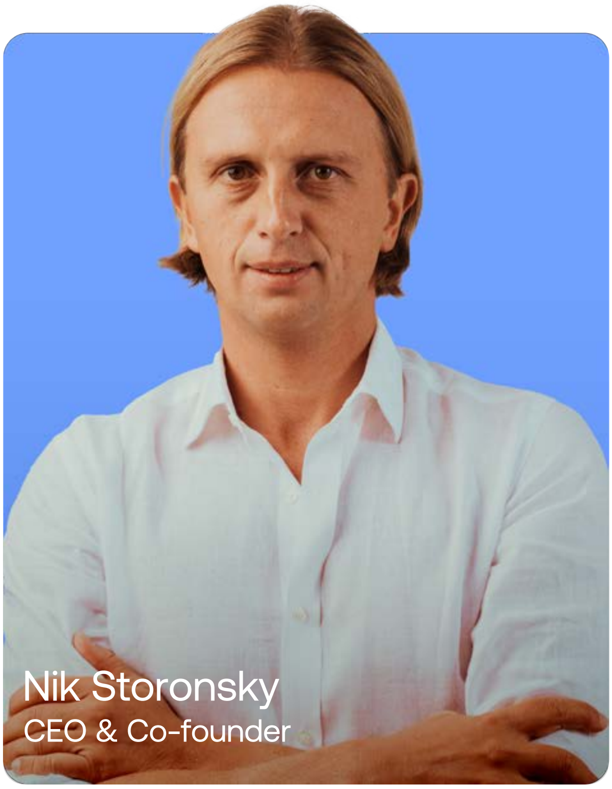
Revolut has an unmatched appetite for designing, building, and launching products that will solve our customers' needs. Following the coming into effect of the Consumer Duty regulation in the UK in July 2023, we integrated a new Consumer Duty Outcomes Framework within the company, building further on our existing processes, including by creating additional consumer duty controls into our core product development process.

Looking Ahead

As we look to the future, we will continue with our mission to simplify all things money by expanding our product range and all aspects of how we serve our customers.

Martin Gilbert
Chair
28 June 2024

LETTER FROM THE CEO



Consumers want cutting-edge, intuitive banking solutions that remove the friction between them and their financial goals. It's why our mission is to simplify all things money.

In 2023, we took our biggest steps yet on that journey. We accelerated customer growth and increased the adoption of our products across the board, driving a record year for Revolut financially.

I want to thank the Dream Team at Revolut, whose dedication and expertise drive us toward achieving our goals each and every day. The talent, experience, and intellect of our hardworking team form the backbone of our rapid growth and constant innovation.

Accelerated Customer Growth and Engagement

Revolut is already one of the leading financial institutions across many of our markets and continues to grow rapidly. In 2023, our customer base reached 38.0 million, with a massive 11.8 million new customers joining Revolut — the highest ever in our history. We ended the year with Revolut being the most downloaded app in the Finance category in Europe, ranking first in 11 countries and in the top three in 21 countries across Europe. We expanded to New Zealand and Brazil, our first market in South America. Our progress was also recognised through a number of industry awards for quality of product and innovation[1].

Our monthly active customer base expanded by nearly 47%, highlighting the strength of our product portfolio and quality of service. Engagement with our product remains strong with transaction volume surging by 58% last year, reaching close to £700 billion and indicating greater use for daily spending. Equally, customers are choosing to save with Revolut, with total customer balances, including those held by our customers with partner institutions, increasing to £18.2 billion, indicating that our growing customer base continues to turn to Revolut to meet their core financial needs.

Overall, our growth is driven by our focus on building innovative products that offer better, simpler ways for people to manage their money. Customers love our products, rating us 4.9/5 on the App Store and 4.7/5 on Google Play Store[2]. Moreover, over 70% of customers who joined Revolut in 2023 did so organically, or were referred by someone they knew. To supplement our organic growth, we increased our sales, advertising, and marketing investment to more than £300 million across our retail and business segments, in various markets. This included several key sponsorships, such as Revolut becoming the presenting partner of the NBA Paris Game 2024.

[1] For example, we ranked number 1 on FastCompany's Most Innovative Companies 2024 list in the Personal Finance category, won the FS Tech Awards' Consumer Finance App of the Year, and won the Cashless Pay 2023 Card of the Year 2023 for Ultra.
[2] As of June 2024

With Revolut, customers not only gain a superior banking experience, but also enjoy a bundle of services and perks tailored to their lifestyle. Customers can book stays and experiences around the world directly from the app and get rewards when shopping with Revolut's partners. In July 2023, we launched Ultra, our new award-winning top tier plan in the UK and EEA, offering more than £4,000 worth of annual benefits and exceptional perks across travel, lifestyle, and investing. In 2024, we launched eSIMs, allowing customers to buy phone data packages through the Revolut app, signifying our push into non-banking services. The value that our customers derive from these offerings is reflected in the notable uptake in our paid subscription products, with a 41% growth in retail customers opting for a paid plan.

Further, we improved our money health tools to help customers understand their finances better through improved spending, budgeting, and total wealth analytics. We also launched RevPoints in select markets — our loyalty programme, which enables customers to earn points on their everyday card spend, and when using Revolut products. These can be redeemed for Airline Miles or discounts on Revolut products. To provide a more intuitive and simplified user experience within our growing suite of financial services, in 2023, we made the biggest change yet to our app with the launch of Revolut 10.

Becoming the Primary Bank for Our Customers

In 2023, we saw a 68% rise in customers using Revolut as their primary financial services provider[3]. As this adoption increases, we continue to give customers even more reasons to choose Revolut as their main bank. Revolut is already a licensed bank in 30 countries in the EEA, offering a Deposit Guarantee Scheme up to €100,000 in Europe[4], and we remain committed to progressing our UK banking licence application. We are also developing all the local features our customers might want from their primary bank. As part of this, we have expanded our local IBAN offering by launching branches for retail customers in France, Ireland, Spain, and the Netherlands.

Credit has been one of our key focus areas; we have applied our superior product experience and competitive pricing with a view to becoming the first-choice provider for our customers. In 2023, we launched Personal Loans in France, Germany, and Spain, as well as credit cards in Ireland and Spain, increasing the number of countries where we offer credit products[5] to nine. We carefully scaled our credit portfolio to grow our credit book[6] from £204 million in 2022, to more than £500 million in 2023.

Through additions to our savings and investments products in 2023, we have helped customers save and grow their money. We launched money market funds across 22 countries in the EEA, with deposits reaching nearly £1.5 billion. This allows customers to invest their savings in the same money market funds that global investors use, making a previously inaccessible product available to everyone. We also launched Robo-advisor in the US, and now in the EEA, to guide customers through their investment journeys.

Our products are increasingly being used by entire households. We've seen a major growth in the use of Revolut <18, with the number of users increasing by 67% during 2023. We've also rolled out joint accounts, to help our customers better manage finances together with others.

The trust that our customers place in Revolut is incredibly important to us, and we remain as committed as ever to provide excellent quality of service to them. We make continuous improvements to our customer support to ensure our customers can always rely on us. In 2023, we achieved a substantial reduction in overall chat resolution time, cut to one-third of what it was the year before. We also launched new support channels, including phone support, as part of our Ultra plan. Such progress and continued excellence has been recognised and awarded year after year.[7]

[3] Customers with bank transfers (not in their name, from same sender) in their Revolut account in two consecutive 31 day periods above 60% of average monthly salary for the respective country
[4] Consistent with our regulatory obligations
[5] Credit products include unsecured personal loans, credit cards and Pay Later
[6] Defined as net loans and advances to customers under IFRS
[7] For example, the International Customer Experience Awards 2023 (ICXA), which awarded us the Gold Prize

Uncompromising Commitment to Customer Safety

Revolut takes customer safety incredibly seriously and we are investing heavily in tackling the industry-wide challenge of fraud and scams. We have robust protections in place for our millions of customers, and analyse over half a billion transactions a month. Our security capabilities include a machine learning-based fraud detection system, together with a team of 200+ fraud specialists, data scientists, and ex law enforcement personnel. Where we detect signs of fraud, we intervene and investigate, and where customers do fall victim to fraud, we have front-line staff on hand 24/7 to provide support.

Last year, we enhanced our fraud protection models to cover new payment methods. We introduced biometric authentication to protect against unauthorised account takeover and strengthened our customer warning and intervention system to protect more customers from falling victim to scams, equipping us to tackle emerging scam modalities with increased responsiveness. Further, we escalated the highest risk cases to our fraud specialists who are empowered to take appropriate action to prevent fraud. We also used a number of our company channels, including social media, to highlight emerging fraud and scam trends. As per our estimates, we prevented about £475 million of potential fraud against our customers in 2023. In 2024, we published a Financial Crime and Consumer Security Report to drive awareness of the dangers across the fraud landscape and provide advice on how customers can best protect themselves.

At Revolut, we remain committed to continually improving and innovating in the cybersecurity space. In 2023, we made significant security improvements, further utilising in-house technology to stay ahead of evolving threats, improve our controls, and safeguard our customers. We also obtained a SOC2 Type 2 audit report to provide independent assurance on the effectiveness of our key security controls.

Strong Growth in Revolut Business

Revolut Business is designed to automate finance operations for companies around the world, with multi-currency accounts, global payments, and smarter spending tools. The segment continued to grow rapidly in 2023, with monthly active businesses increasing 66% year on year. By end of 2023, Revolut Business was onboarding 20,000 SMEs (small and medium enterprises) each month. We continue to serve a broad range of customers, with the new business mix shifting towards larger and more complex businesses. We also launched Revolut Business in Australia, marking our first Business market outside of Europe and the US.

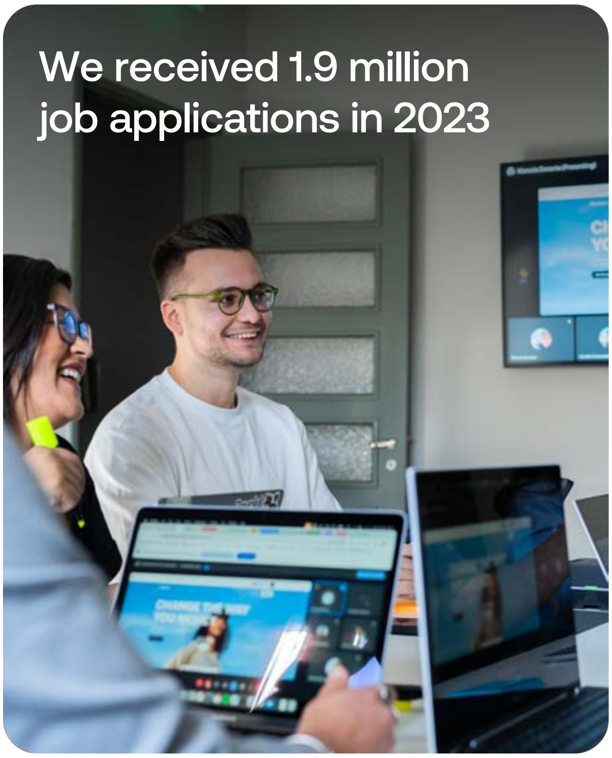
We have been working to expand the payment features available to our business customers, including Revtags (send and request money to other Revolut customers without their account details or phone number), payout links, and local IBANs in several European countries, as well as more currency options for global transfers. Our businesses want to control spending efficiently, so we continued to develop our spend management toolkit, including flexible spend programs and improved accounting flows. We also rolled out a number of treasury features, such as savings accounts in the UK, to generate returns for our customers, and limit and stop orders for businesses to choose the foreign exchange rates at which they exchange.

To meet fast growing demand in the acquiring business, we focused on increasing options for simple payment acceptance, with both Tap to Pay on iPhone, and Revolut Reader for in-person payments. We also launched Revolut Pay, which allows for one-click payments from the Revolut app. In 2023, more than 10,000 merchants accepted payments with Revolut Pay. Marquee customers include Aer Lingus and Kiwi. We also enabled more payment acceptance methods to support specific audiences, such as freelancers, through Revolut Pro. Revolut Pro's monthly active users nearly tripled by the end of 2023.

Outstanding Financial Performance

In 2023, we achieved outstanding financial performance, with revenue increasing from £0.92 billion in 2022 to £1.80 billion, marking an 95% increase. Similarly, profit before tax grew to £438 million in 2023 and net profit grew to £344 million. Our diversified business model continues to demonstrate resilience, with robust growth across various business units. This growth was fueled by the introduction of new products and the addition of millions of new customers. For further insights into our financial performance, please refer to the Chief Financial Officer's Review.

High-Performance Culture



At Revolut, we are proud of our high-performance culture, and have cultivated an environment where employees are both challenged and supported to reach their full potential. Attracting, retaining, and nurturing talented people remains a key priority for us.

In 2023, Revolut proudly achieved the 'Great Place to Work' certification in eight countries — UK, India, Poland, Lithuania, Romania, Hungary, Spain, and Portugal. This recognition is a testament to our ongoing efforts in enhancing our high-performance culture through value-based behaviours and employee development initiatives. This was further acknowledged through prestigious awards, including winning the *Most Popular 'Scale-Up' Graduate Recruiter Award 2023*, and ranking among the *Top 15 LinkedIn Companies to Grow Your Career* in the UK and Portugal. Demonstrating the wide-ranging appeal of Revolut as an employer of choice, we received an unprecedented 1.9 million job applications in 2023 alone.

Looking Ahead

As we reached 45 million retail customers (as of June 2024), Revolut remains poised for exponential growth. Our customer base is expanding at impressive rates year after year, and our diversified business model continues to fuel exceptional financial performance. Every day, our innovative financial products create value for new customer segments and new global markets.

With that accelerating trajectory, along with the talent, experience, and intellect of our 10,000-person strong Dream Team, we continue to work towards becoming our customers' trusted primary financial services provider, simplifying all things money for the world.

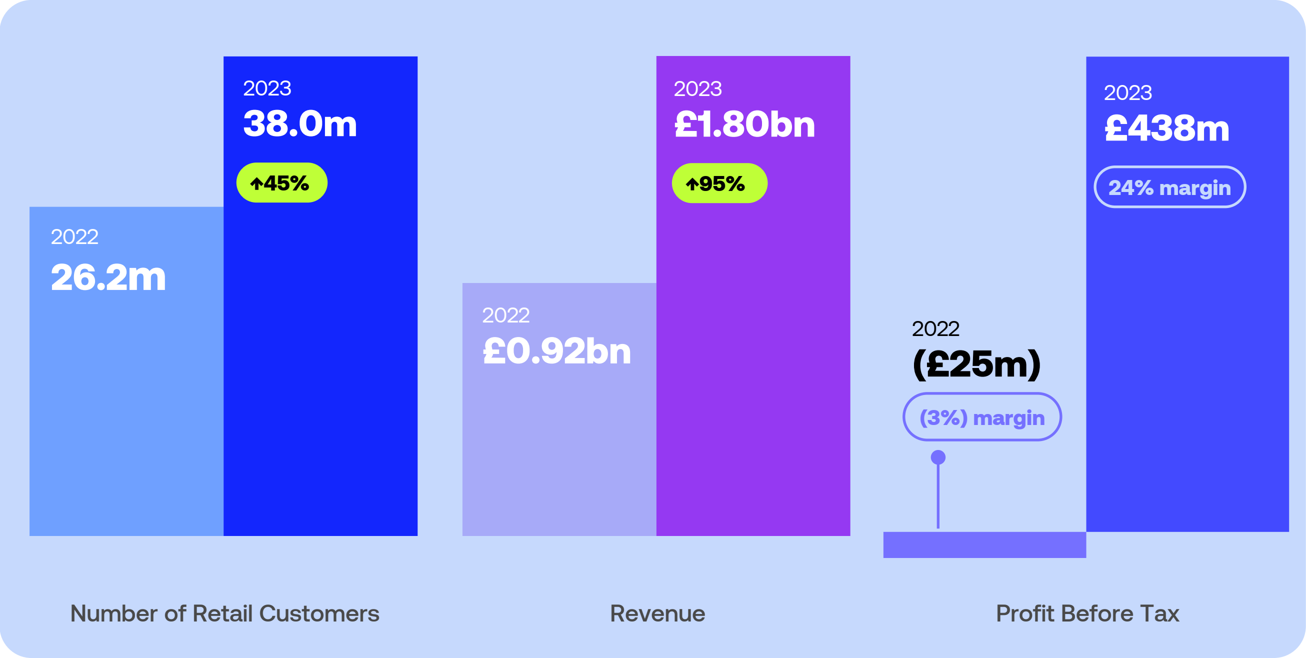
Nik Storonsky
Chief Executive Officer & Co-founder
28 June 2024

LETTER FROM THE CFO

2023 represented a breakout year for Revolut in terms of growth, product development, and improved competitive position.

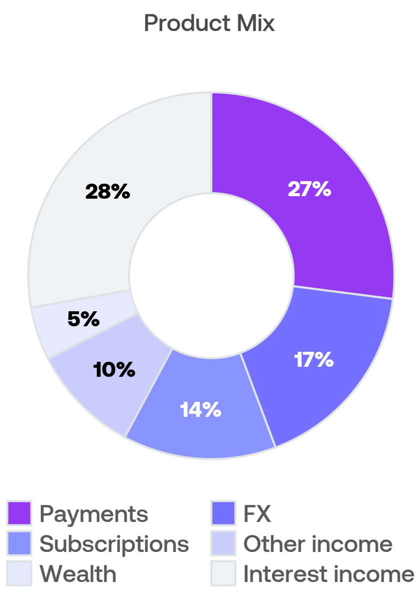
We added 11.8 million new customers in 2023, more than in any prior year in our history, consolidating our market-leading position with 38.0 million customers globally by year end. The growth we saw during 2023 positions Revolut among the fastest-growing financial apps, not only in what have historically been our most established markets, such as the UK, Ireland, and Eastern Europe, but now widely spread across all major markets in Western and Southern Europe, as well as the Nordics.

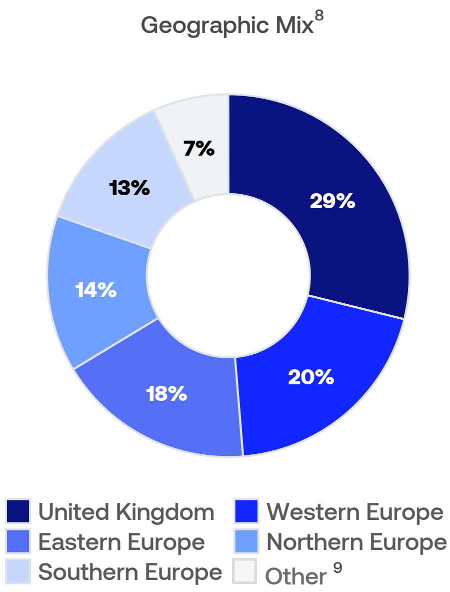
This widespread traction translated into outstanding financial performance in 2023, underpinned by revenue growth and profitability.



Fast Growing Diverse Revenue Streams

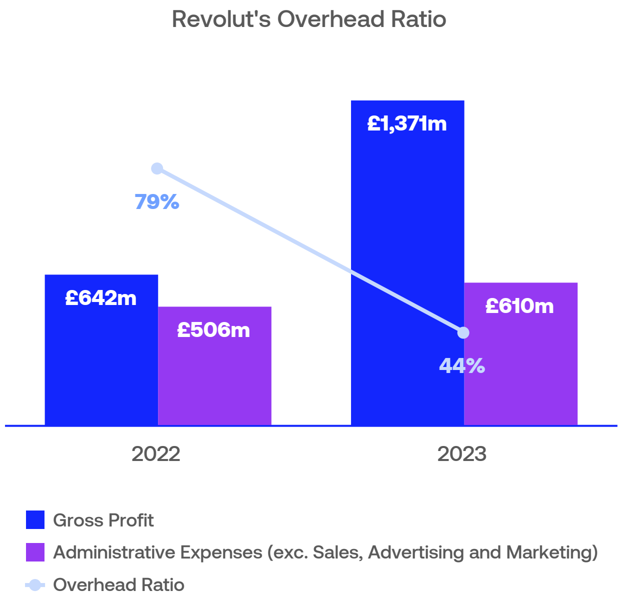
In 2023, our revenues saw exceptional growth, nearly doubling (+95% year-over-year) to £1.80 billion. This was supported by strong performance across all transactional revenue streams, including payments, subscriptions, foreign exchange and wealth. As seen throughout the industry, interest income has represented a tailwind to our business in 2023, reaching £500 million. The growth from prior year was driven by higher customer deposits, increases in central bank rates, and the build out of our treasury capabilities. We continue to regard revenue diversification as one of the key drivers behind the success and resilience of our business model, with no single product stream or region accounting for more than 30% of our total revenue in 2023.





Balancing Growth and Profitability

Throughout the year, we exercised disciplined financial management predicated on the systematic optimisation of our variable costs and the application of zero-based budgeting philosophy on our fixed administrative expenses. Gross profit margin, a key metric we track internally, grew to 76% from 70% in 2022, driven by improvements in partner unit costs, reduced fraud losses, and increased share of high gross margin revenue streams. Our overhead ratio of administrative expenses (excluding sales, advertising, and marketing, which are discretionary in nature) to gross profit has improved sharply to 44% in 2023 from 79% in 2022, demonstrating the inherent efficiency and scalability of our business model and serving to validate our years-long strategy of painstakingly building in-house technology platforms and embedding data and automation into our end-to-end processes.



As in prior years, we continued to invest a significant portion of our excess profits in reaching new customers, building new products, and expanding globally. In 2023, we allocated an advertising and marketing budget of £241 million, almost double that of the prior year. We also scaled our B2B sales teams to over 900 employees by the end of 2023, as we aim to better serve the needs of larger enterprises. We continue to observe very attractive payback on these investments driven by optimisations in our prediction and allocation models, as well as improved unit economics.

[8] Revenue in geographic mix is attributed based on a customer's country

[9] Other includes all revenues from countries in the rest of the world and gains without an attributable country

Overall, our financial results in 2023 reflect the balance we planned to achieve between fast growth and profitability. We ended the year, our third profitable one in a row, with a net profit of £344 million — the equivalent of a 19% net profit margin. Our profit before tax was £438 million and adjusted EBITDA was £493 million.

Balance Sheet Management

Our balance sheet continued to grow in 2023, reaching £17.4 billion in total assets, primarily driven by the growth of our customer deposits to £15.1 billion. We note that in 2023, we launched and continued to operate off-balance sheet deposit products, including savings accounts with partner banks and money market funds — both solutions aimed at offering customers the ability to generate a yield on their balances. In total, at the end of 2023, customers held an additional £3.1 billion of off-balance sheet customer deposits.

Our balance sheet management approach continued to be prudent and simple, with over 70% of our assets — or £12.8 billion — held as cash and cash equivalents with central banks and reputable financial institutions. Our credit book[10] grew by 159% in 2023 to £528 million, from £204 million at the end of 2022. Our low loan-to-customer-deposit ratio (3.5%) is a reflection of a conservative approach to our rollout of credit products. Currently, our credit portfolio spans across nine markets globally, seven of which are in Europe.

Throughout the year, we were comfortably in excess of all regulatory capital and liquidity requirements. The recognition of the 2023 profit serves to further increase our capital surplus position, enabling us to continue to seize attractive investment opportunities (such as sales, advertising, and marketing, as well as launching new products and new markets), and to be adaptable to changes in the economic and competitive environment.

Improving Financial Controls

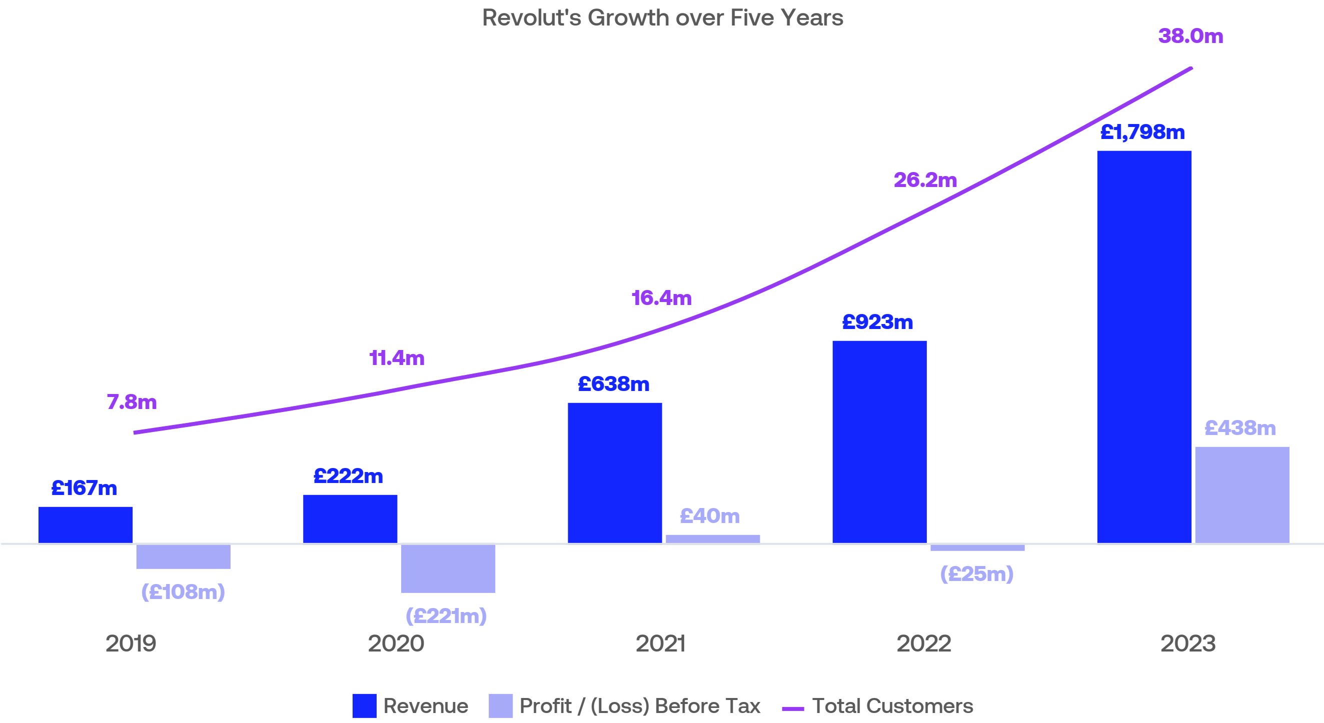
Enhancing our financial control function remained a heightened area of focus throughout 2023. In particular, we accelerated our hiring efforts at all levels to ensure we have both the required capacity, as well as depth of expertise. We migrated to a new subledger infrastructure that provides transaction-level insight into our daily financial position, and have also undertaken a holistic exercise to redesign and document our close processes and controls.

These improvements have allowed our auditors, BDO, to increase their understanding of the business and to evolve their audit procedures from an entirely substantive testing process in the past, to a predominantly controls-based audit — employing advanced analytical procedures, better suited to provide assurance over a digital and transaction-heavy business such as Revolut.

We are pleased that Revolut's transformation programme has now enabled us to return to a regular financial reporting schedule. We are confident we have set solid foundations that, in the long run, will support our expanding banking operations and will bring our financial processes in line with the standards expected from publicly listed companies.

[10] Defined as net loans and advances to customers under IFRS

5-year Lookback and Future Outlook



I take this moment to look back and reflect, not only at the last year of financial results, but also at the extraordinary journey the Company has been through over the last half of a decade. During this time, our customer base increased 5-fold, our revenues more than 10-fold, and we have built a sustainably profitable business following several early years of investment. From a product perspective, we've evolved from a travel card to an all-in-one financial platform serving the day-to-day needs of consumers including daily spend, saving, and investing, as well as helping hundreds of thousands of companies manage their finances fully digitally. From a geographic perspective — we've evolved from a regional to a global player with broad appeal across more than 35 countries.

Looking ahead, to the next year and beyond, we're continuing to focus on increasing our customer reach, delivering the functionality our customers expect as they turn to Revolut for their primary banking relationship, as well as bringing innovative financial products to market and expanding to new geographies. Based on an encouraging start to 2024, we are positive and optimistic about Revolut's growth and profitability prospects as we continue on our mission to simplify all things money.

Victor Stinga
Chief Financial Officer
28 June 2024

GENERAL OVERVIEW

Who We Are

Revolut exists to make managing, spending, saving, investing, and borrowing money cheaper, simpler, and more transparent. Our mission is to simplify all things money. People and businesses want greater control over their finances and we provide a tailored experience to our customers through data-driven insights, empowering them to make smarter decisions about how they spend, save, and grow their money. We deeply care about the trust that customers place in us by ensuring that our platform is secure and reliable.

Revolut began in the UK in 2015 with transfer and foreign exchange services that were faster and cheaper than those of legacy banks. Since then, we have remained committed to addressing customers' needs, continuously expanding our product offering, and delivering the best possible experience. Today, our team counts over 8,000 employees and we serve 45 million retail customers (as of June 2024).

Our History and Progress

2015

Revolut founded in the UK

2016

300,000 retail customers

$15 million Series A fundraising

2017

Revolut Business

Crypto Trading across EEA

Revolut Premium

$66 million Series B fundraising

2018

First banking licence granted by Bank of Lithuania

Revolut Metal

$250 million Series C fundraising

2019

First expansion to Australia and Singapore

Trading - offering millions of customers access to fractional shares

Donations - partnering with international charities to support global causes

2020

Revolut Insurance

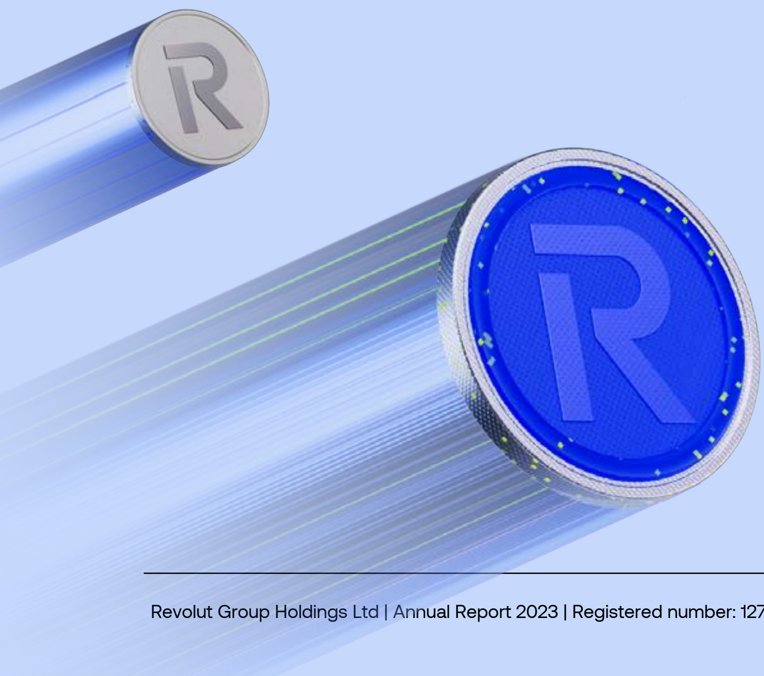
US and Japan

Open Banking in UK and EEA

Revolut banking services in Lithuania and Poland

Merchant Acquiring for Revolut Business customers

$580 million Series D fundraising



2021

Banking across 18 EEA countries

Stays, a travel and accommodation booking feature

First out-of-app services with Web App and Google Chrome 'Shopper' extension

$800 million Series E funding

2022

26 million retail customers

Revolut Business reached £100 billion in total processed transactions

Deposit Guarantee Scheme for EEA Bank customers in 30 countries

Local IBANs in France

Revolut Chat - instant customer to customer messaging feature

Personal Loans in Ireland, Romania, and the US

2023

38.0 million customers across 38 countries

Revolut in Brazil and New Zealand, and Revolut Business in Australia

Local IBANs in Ireland, Spain and Netherlands, and business IBANs in France and Ireland

Money Market Funds in the EEA

Personal Loans in Spain, Germany and France, and Credit cards in Spain and Ireland

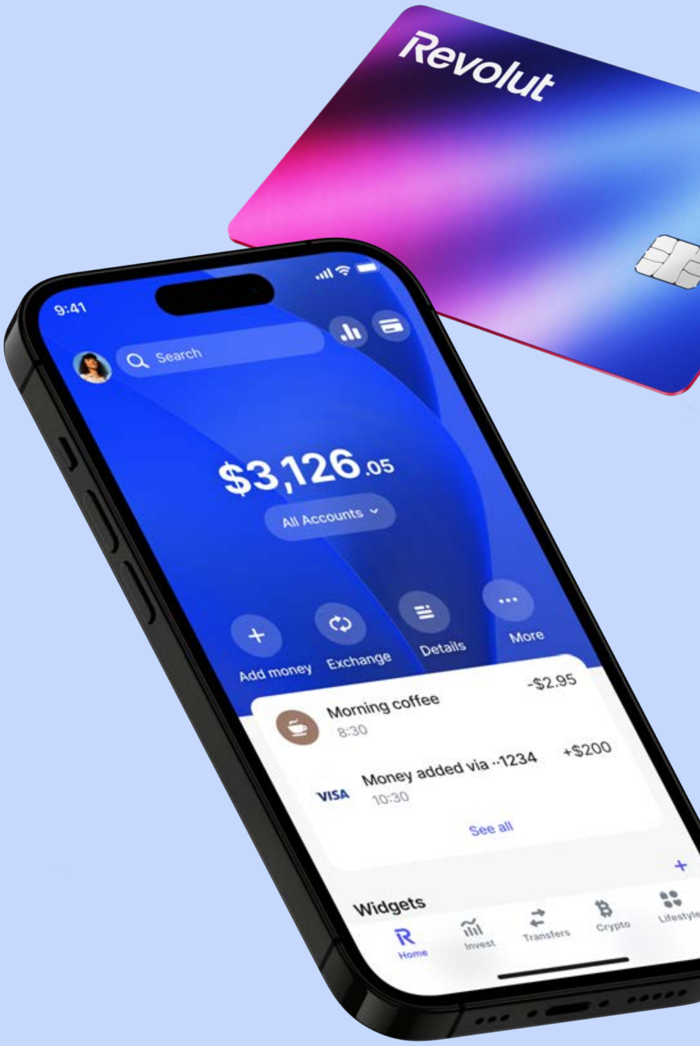
Robo-advisor for automated Investing in the US

Joint accounts and Revolut Group Chat - a feature to split expenses with friends in real time

Ultra, our exclusive top-tier plan for retail customers in the UK and EEA

Revolut 10, the most substantive redesign of the Revolut app since its inception

Revolut Reader - for in-person payments, and Tap to Pay on iPhone for business and freelance customers in specific markets



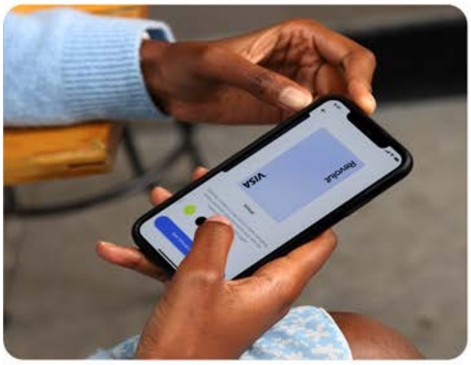
Our Products and Services

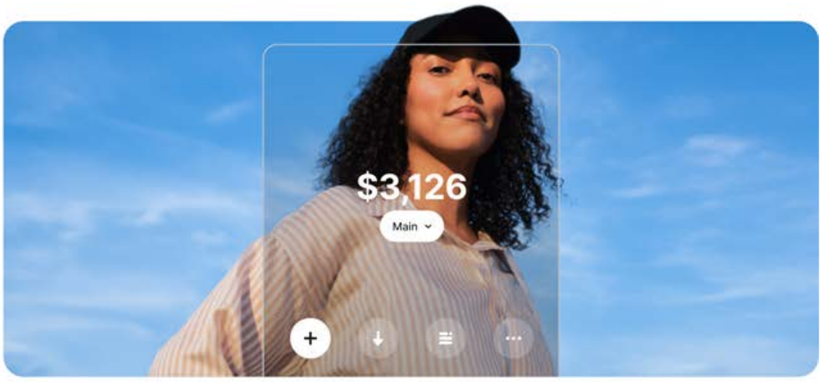
Founded in 2015 in the UK, Revolut's early product offered faster and cheaper transfers and foreign exchange services allowing customers to spend like a local in foreign countries from multi-currency accounts. Today, Revolut is an ecosystem of financial products, helping retail and business customers with spending, saving, investing, borrowing, and managing their money.

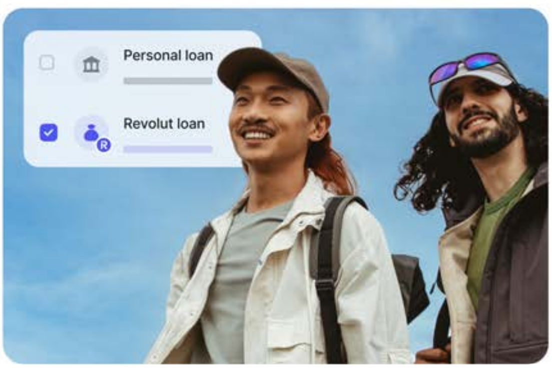
Our retail offering enables customers to manage their daily finances with our physical and virtual cards, spend money abroad (with attractive foreign exchange rates), make instant peer-to-peer payments, save money (via deposit protected savings and money market funds), invest and trade (e.g. stocks, commodities, and cryptocurrencies), and borrow money (including unsecured personal loans and credit cards).

With Revolut, retail customers not only gain a superior banking experience, but also enjoy a bundle of lifestyle services — from booking their travel accommodation to purchasing eSIMs. Our paid subscriptions, including Ultra, newly introduced in 2023, offer additional perks, such as insurance and benefits from our partners.

Revolut Business provides banking solutions for small and medium enterprises. Our business product enables customers to get the solutions they need when they need it, including the ability to make payments around the world (at interbank foreign exchange rates), manage spend without stress (with flexible approvals), accept payments easily from anywhere (with both online and in person payments products) and put money to work (e.g. through savings products).







Our Business Model and Strategy

To achieve our mission of simplifying all things money, we focus on four key areas as part of our business strategy:

1. Becoming the primary financial services provider for our customers
2. Designing best-in-class products and expanding our offerings to meet the global financial needs of our customers
3. Strengthening the trust that customers place in Revolut by improving the security and reliability of our platform
4. Continuing to grow our customer base profitably and expand to new markets

Primary Financial Services Platform

In the Retail segment, we focus on enabling more customers to use Revolut as their main bank account (i.e. deposit their salary and use core credit products), by tailoring our products to local customer needs. We are launching branches with local IBANs, integrating with widely used local payment networks, and building credit products, such as personal loans and credit cards. We are also strengthening our proposition as a spending account, through rewards, financial planning tools, and a 'global account' proposition underpinned by travel benefits and currency exchange. Lastly, we are driving adoption of our wealth products, including money market funds, robo-advisor, and money health tools for spending analytics and budgeting.

For Business customers, we continue to build key localised capabilities, including more local IBANs for European markets, local rails for tax payments, and local accounting tools. To help larger businesses, we are building spend management products, from accounts payable to expense management. Our Treasury products will enable more businesses to put their money to work and de-risk their business. We are also developing the suite of products for businesses to accept payments both online and in-store.

Best-in-Class Products

Customers enjoy using our products, rating us 4.9 on Apple App Store and 4.7 on Google Play Store[11]. We will continue to offer customers superior banking products with a compelling user experience and competitive pricing.

We strive to make the banking experience as simplified and frictionless as possible, from onboarding to everyday transactions. Intuitive app UI will continue to allow customers to see their finances all in one place, while enabling personalisation based on their needs. Further, we are strengthening our product and services quality through resolution of user issues, minimising outages, and improving quality control of our teams.

[11] As of June 2024

Customer Security & Trust

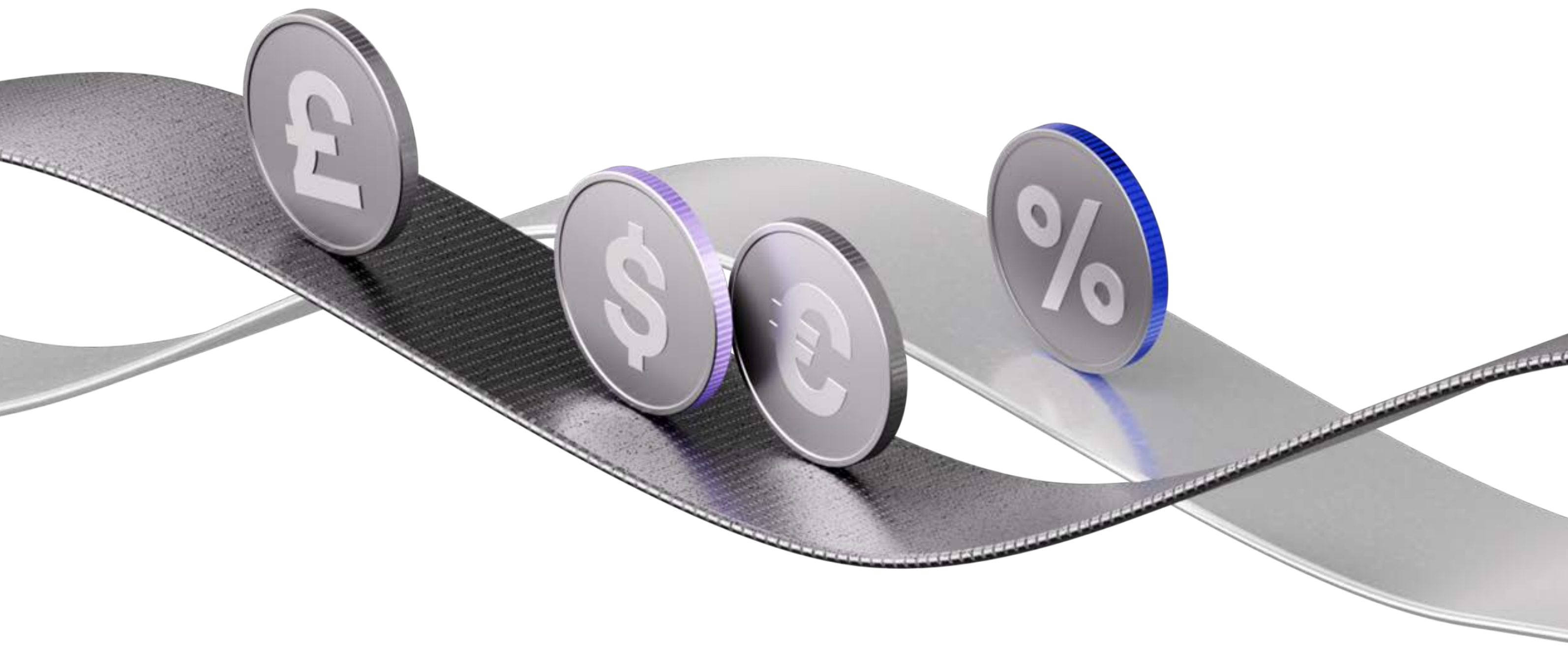
We continue to invest heavily in strengthening our financial crime prevention teams and technology to protect customers from falling victim to fraud and scams. We have robust protections in place for our customers and analyse over 500 million transactions a month. Our security capabilities include a machine learning based fraud detection system, in addition to teams formed of 200+ fraud specialists, data scientists and former law enforcement personnel. We want customers to have greater control on their account's security and are working on providing one central hub to control all the security features and more customisable limits on their account.

Reliable customer support is a key pillar of trust for customers. We are focused on substantially reducing the overall resolution time for the customer while improving the chat experience. We continue to strengthen our award-winning customer support through improved processes, training, and tools.

Profitable Growth and Expansion

Further deepening our market penetration in our home markets in Europe remains a significant area of strategic focus. We will continue to invest in our advertising and marketing activities to increase our brand awareness and attract new customers. To continue the momentum in our business segment, we plan to continue to invest in our direct sales channel with a focus on serving larger businesses.

Beyond European markets, we see great potential across our newer markets in the US, Australia, New Zealand, Singapore, Japan, and Brazil. In addition, we are preparing for launch in India and Mexico, and setting the foundation for additional markets in the future.



Our Values

Our people and culture are paramount to Revolut's success. We believe that brilliant people operating in a great culture will produce the best outcome. Our values define 'the Revolut way', and we put them into practice every day across our organisation. They keep us on the right path, motivate us and ensure we hire and retain the best people. Our five values are:

Never Settle

We constantly push, rethink, and rework to get 10x further from where we are now. We aren't afraid to be ambitious — and we're always looking for the next big thing.

Shoot for the Moon

- Relentlessly push to become number one in the world. Look for ways to disrupt, scale, reinvent.
- Come up with ideas that are new, better and unique. Be creative — reiterate, simplify, move beyond the traditional way. Connect the dots from different areas, industries, and products.
- Vigorously set ambitious, bold, and rational goals to guide your way.

Push the Envelope

- Constantly change your lens. Challenge solutions from all angles to deliver the best. Run toward critique to advance it even further.
- Recognise and celebrate those who challenge the status quo for the better.
- Pull at every thread. Don't just meet the ask - go above and beyond when solving a problem and never leave loose ends.

Jump in with Both Feet

- Enjoy the challenge, celebrate achievements, and have fun.
- Show initiative, inspire others. Enjoy taking on stretch assignments even if they're outside of your core responsibilities.
- Share optimism and confidence. Remain positive and energised when facing adversity.

Dream Team

We believe the key to winning is building diverse, lean teams of brilliant go-getters who break down barriers.

Ship, Shipmates, Self

- Work together — it's the only way the company can move forward. Forge a shared vision.
- Support each other individually and professionally, across teams and departments. Even if it's not in your KPIs or goals.
- Be inclusive, approachable and interested in your colleagues' work, especially if they need your help or expertise.

Be Radically Honest, Direct, and Respectful

- Feedback should be necessary, clear, direct and professional. Always say what needs to be said. Build on the feedback you receive.
- Step up, speak up, encourage other Revoluters to do the same.
- Be respectful at all times. Find the best tone of voice, time, and situation to provide feedback.

Never Compromise on Talent

- Make hiring decisions thoughtfully. Take the time to find the perfect fit. The quality and diversity of our talent defines our successes.
- Provide mentoring, coaching, opportunities, and support to help your team thrive. Award the best.
- Act on underperformance promptly. Monitor it, sort it and remedy it.

Lead by Doing

- Roll up your sleeves and get into the weeds of the work. Get to know the nitty-gritty, ins-and-outs of your team to help guide everyone to success.
- Enable others to achieve their goals — celebrate when they've done well and give credit where credit is due.
- Accept responsibility when things go wrong. Work quickly to make things right.

Think Deeper

We believe logic, reason, and common sense prevail over everything else in decision-making. We dive deep until we get to atoms. If we don't know something – we bet, collect the data and reiterate.

Start with 'Why?'

- Think before executing — articulate your problem, probe into it. Is it a real problem? Challenge others to do the same. Seek data to support decision-making, if data is not available, be transparent that you're making an instinctual recommendation.
- Dive deep into the root cause. Solve from the first principles. Question experience, data and assumptions. Always ask: 'Is that true?' and 'why?'.
- Constantly challenge your analysis, sense check, look from every angle and be prepared to revisit the proposed solution or initial problem.

Never Lose 'North'

- Always think beyond the task at hand, keep the bigger picture in mind. Think several steps ahead. (e.g. Will our solution create more problems? What will the next problem be once we solve this one?). Look for ways to create scalable frameworks and tools to increase the impact.
- Avoid 'analysis paralysis' so that we move toward solutions.
- Focus on the outcome and continue checking your compass along the way (i.e. Are we still going in the right direction?). If not, take courage to start from scratch.

Be Open Minded – Listen, Probe, Adjust

- Invite criticism and alternative views to tackle problems better. Constantly challenge assumptions in your thinking. Do not follow any previously agreed-upon approach blindly.
- Take turns speaking and listening. Consider all feedback regardless of the person's title. There is no place for politics in Revolut.
- Think through your recommendation, don't say 'yes' or 'no' too quickly.

Get It Done

We believe that ideas are great, but execution is everything. That's why respect at Revolut comes from sweat and stretch.

Commit and Execute

- Bring a can-do attitude at all times. Keep calm when facing challenging work.
- Unblock roadblocks. Break walls. Persevere until the project is finished. Completion is a must. And then iterate.
- Deliver on commitments, instil trust in your go-getter attitude.

Act like an Owner

- Own your work and the tasks required end-to-end. Look for answers and solutions, not excuses.
- Assume full responsibility and accountability beyond your role or over expectations. Don't wait for guidance, self-direct.
- It is never 'someone else's job or problem'.

Deliver Wow

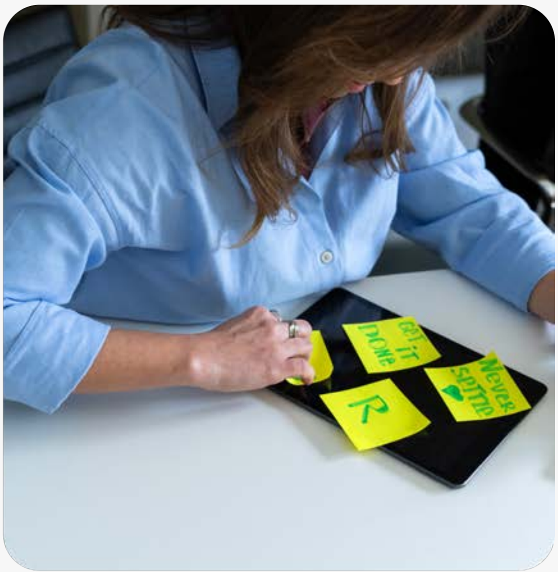
We believe that everything we do should solve our customers' needs. To create awe and inspire, we pay attention to every single detail.

Put Customers First

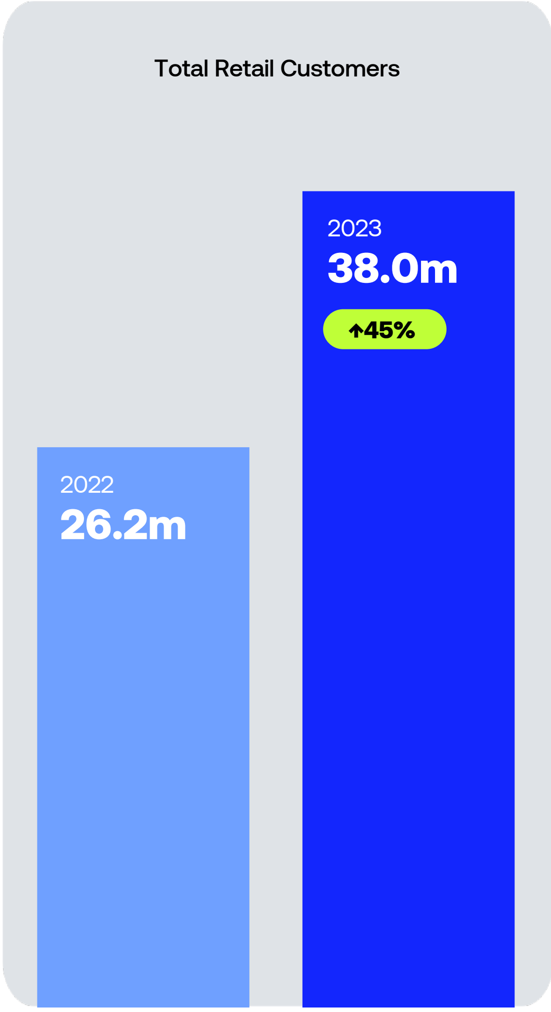
- Put yourself in the shoes of the customer (external or internal) and understand how they are using the product or process, be curious.
- Focus on, and think through every single detail.
- Don't ship anything unless it's ready, fully-baked, tested and reviewed.

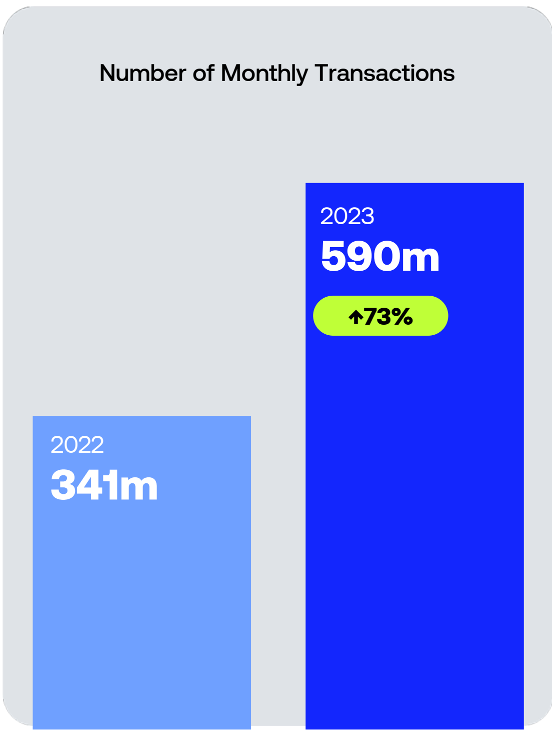
Keep It Simple

- Simplify everything – minimise any friction for the customer. Save time for your customers, your manager and your stakeholders.
- Make decisions on what to build and what to kill.
- Use language everyone can easily understand. Extract the essence. Lead with the most important information. Bottom line up front.



Customer Growth and Safety





Our Retail customer base increased by 45% reaching to 38 million by December, with 71% of of new sign ups in the year organically, or from word of mouth. The number of users on paid plans grew by 41% year on year, while number of monthly transactions grew by 73%. Our monthly active customer base grew by 47%. Becoming the primary financial services platform for our customers is another part of our strategy – we are pleased to share that during 2023, we saw an impressive 68% growth in customers using Revolut as their primary account.

As our customer base grows, we are also committed to delivering the best possible customer support.

- We introduced an upgraded chatbot which drove a twofold increase in the proportion of customer chats handled without a human agent, while the NPS score doubled
- Our highly specialised customer support team grew by 32% from nearly 3,000 in 2022 to over 3,900 members in 2023 (including outsourced resources)
- In addition to our 24/7 support in 100+ languages, we launched new support channels, including email and outbound phone support as part of our Ultra plan
- We significantly decreased the overall chat resolution time, reducing it to one-third of its 2022 level
- We introduced live tracking of open user requests, which allows customers to track the status update of their cases that might take a longer time for resolution
- Revolut's customer support function earned the Gold prize in both the International Customer Experience Awards 2023 (iCXA) and the Collaboration Network Awards

Customer Protection

According to a study conducted by the non-profit organisation Global Anti-Scam Alliance (GASA) and data service provider ScamAdviser, over $1 trillion was lost to scams worldwide in 2022. In 2023, the fraud landscape underwent significant changes with the emergence of new technologies to facilitate fraud.

At the forefront of Revolut's security measures is our proprietary fraud detection system, employing cutting-edge machine learning and artificial intelligence methodologies. We have 200+ fraud specialists, data scientists and former law enforcement personnel as part of our financial crime who are instrumental in preventing our customers from falling victim to scams and fraud. We estimate that in 2023, Revolut prevented about £475 million in potential fraud against our customers.

In 2023, we further strengthened our advanced, data-science based techniques to detect and prevent fraudulent activity.

In particular:

- We rolled out a new machine learning platform, enabling us to analyse 500+ million customer transactions every month for signs of fraud. This allowed us to update our fraud detection models to provide the same level of sophisticated protection for non-conventional payment methods.
- We adapted our customer-facing scam warnings and interventions to make them more interactive and adaptive. We created a solution that allows us to tailor and adapt the intervention questions based on the modus operandi typically used for the type of scam that the customer is at risk of falling victim to. This increased our effectiveness in helping customers recognise suspicious activity and pushing them to rethink before making a high-risk payment. It also helped us better warn customers of emerging scam modalities.
- We introduced biometric verification for customers' savings & investments.
- We further advanced our systems to escalate highest risk scam cases to a dedicated fraud prevention team, whilst more than doubling the size of that team. These specialists interact with the customers to assess the case and take the appropriate action.
- Our scam awareness education programme continued in 2023 where we used various channels to educate and warn customers about emerging fraud and scam trends.
- We leveraged social media channels to illustrate security features that customers can rely on for their everyday transactions, making the information more relatable using examples such as scams involved in buying concert tickets online and online shopping.
- Our complex investigations capability, which includes former law enforcement personnel, allowed us to work closely with law enforcement globally, and resulted in arrests of individuals involved in organised criminal activities targeting our customers.

Future improvements will focus on providing our customers with additional user-controlled security-driven features to help keep their accounts and money even safer.

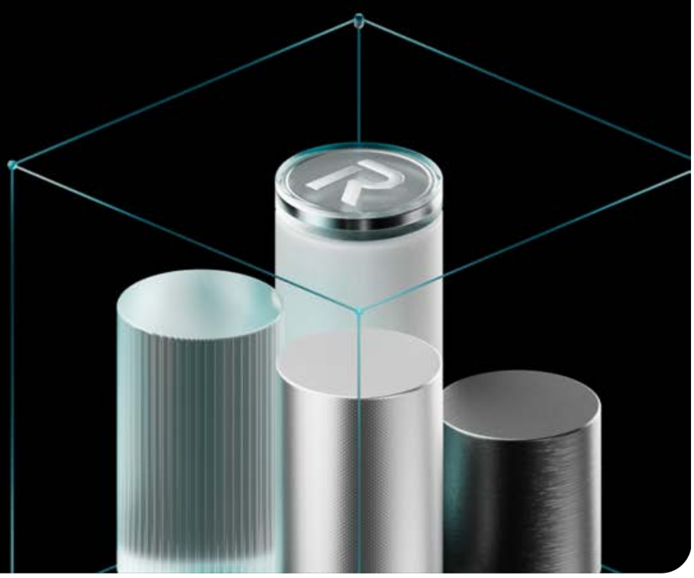
Cybersecurity

In 2023, we made significant security improvements, including strengthening our perimeter security in response to growing geopolitical threats, as well as enhancing our mobile application security and related financial crime controls, reducing Account Takeover incidents to minimal levels. We have also utilised in-house technology to enhance the effectiveness and scalability of our vulnerability management and security testing programmes.

Revolut scaled its proprietary employee access management systems, IT security controls, and 'zero-trust' solutions to ensure high-quality security measures to support organisational growth. We also obtained a SOC2 Type 2 audit report to provide independent assurance on the effectiveness of our security controls.

At Revolut, we remain committed to continually improving and innovating in the security area, ensuring our customers can trust in the safety of our products.

We analyse over 500 million customer transactions per month for signs of fraud



Product Innovation

Retail

We continued to strengthen our product suite to become the primary financial services provider for our customers. In 2023, we saw a 68% year on year growth in the number of customers using Revolut as their primary account. Revolut is a licenced bank in 30 countries in the EEA and in 2023, we rolled out local IBANs in Ireland, Spain, and Netherlands, with many more planned in 2024, to provide our customers with local account details so that they can use Revolut as their main accounts for core everyday banking needs.

We also expanded our credit products to better support customers for their major financial needs. In 2023, we launched personal loans in France, Germany, and Spain, as well as credit cards in Ireland and Spain. We now offer credit products in nine countries with a credit book[12] of over £500 million, with plans to further expand our coverage. There are a range of other core banking features in our product roadmap including mortgages and refinancing loans.

We expanded our savings and investments products to help customers grow their money. We launched money market funds across 22 countries in the EEA with deposits reaching £1.5 billion, as well as Robo-advisor in the US and EEA to help customers begin their investing journeys. We also improved our money health tools to help customers better understand their finances by revamping and expanding the feature set for spending analytics, budgeting and total wealth analytics. In 2023, over 2.8 million customers saved a total of £714 million rounded up through Spare Change, up 30% year on year. Customers can also manage finances with their partners efficiently with joint account analytics. We also saw a growth of 67% in the number of parents and children using Revolut <18 during 2023.

We have been seeing a steady increase in the number of customers making full use of Revolut's services through paid subscriptions, with 41% growth in retail customers opting for a paid plan.

In line with our mission to simplify all things money, we also made the biggest change yet to our app experience with the launch of Revolut 10. It is a new, simplified, personalised app experience that allows customers to take care of all their money tasks more quickly than ever.

[12] Defined as net loans and advances to customers under IFRS

We launched the following products for retail customers in 2023:

- **Money Market Funds:** With high inflation rates, our users are looking for better ways to safely grow their income. With Flexible Accounts, users can now invest their savings in the same money market funds that global corporations and investors use to shield their cash from inflation, making a product that was previously accessible to the few, available to everyone.

- **RevPoints:** We launched RevPoints, our loyalty programme, in five countries: Malta, Spain, Portugal, Croatia, and Greece. UK and our remaining EEA countries are planned to launch in 2024, which will make it the first pan-European debit card loyalty programme. Customers earn RevPoints on their everyday card spend and on using Revolut products and can redeem them for Airline Miles or discounts on Revolut products with many more benefits coming soon.

- **Robo-advisor**: Robo-advisor allows our customers to automatically invest in pre-defined portfolios, spanning a wide range of risk levels from Conservative to Aggressive. This offering allows Revolut to address the needs of the majority of our customer base who take a more passive approach to investing.

- **Ultra**: Ultra is our new top tier plan in the UK and EEA with over £4,000+ in annual benefits, offering exceptional and unique perks for investing, travel, and lifestyle, including unlimited lounge access and 'cancel for any reason' insurance. We also introduced 11 new partner subscriptions bundled within our premium plans at no additional cost, including Financial Times, Nord VPN, ClassPass and more. In 2024, we added 3GB of monthly global data on eSIMs as a complementary benefit on Ultra.

- **Joint Accounts**: Revolut has made it easy and seamless for customers to open a joint account, allowing them to collaboratively manage their money with their partner. This feature enables users to coordinate expenses and savings goals effortlessly.

- **Group Chat**: We launched a new chat feature that simplifies splitting expenses with groups of friends in real-time. No more spreadsheets, cash, or awkward conversations. With Revolut Groups Chat, customers can create a group chat with their friends, add expenses as they come up, and let Revolut do the rest.

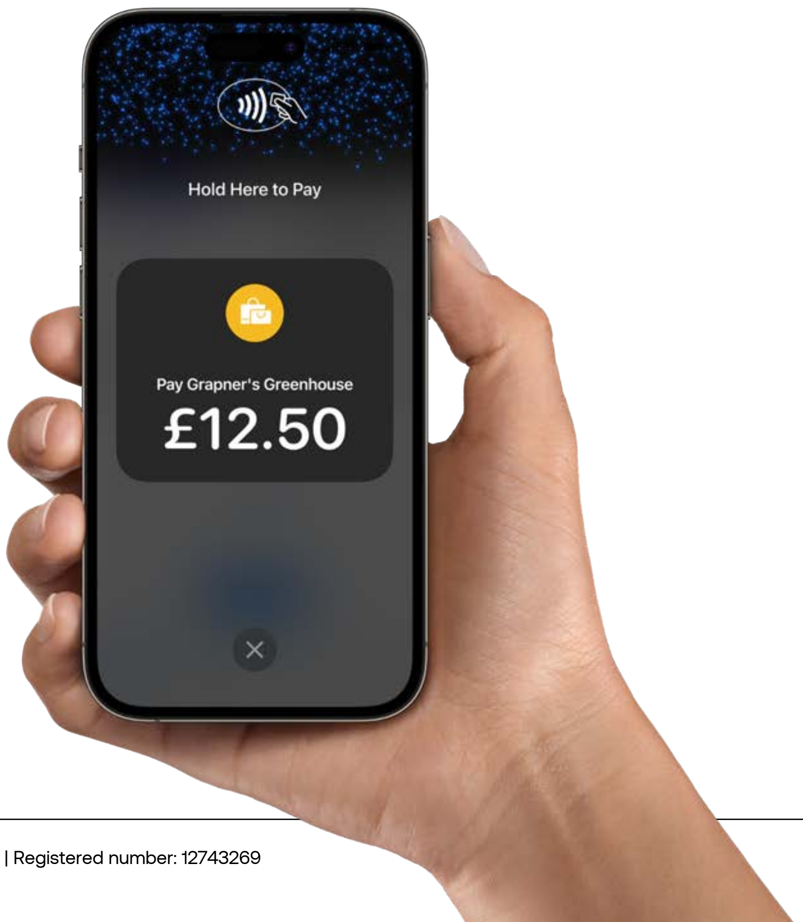
Business

Within Revolut Business, substantial improvements were made to the core of our product in 2023. Notably, local IBAN details were introduced for France and Ireland, making local payments even more seamless in those markets. To enhance global transactions, we implemented exotic currency corridors, introduced Revtags and payout links, and streamlined the process with Tap to Pay on iOS and the Revolut card reader.

Expanding our financial offerings, we introduced savings accounts in the UK and we have plans to launch similar treasury products in the EEA in 2024. Furthermore, we refined account controls, encompassing enhancements in account privacy, configurable spend controls, and the introduction of intricate payment approval rules, empowering senior business leaders to manage their business' finances.

We launched the following products for business customers in 2023:

- **UK Savings:** Business customers on any of our paid plans can earn competitive interest rates.
- **Account Privacy:** We launched a feature that allowed business administrators to select which pockets an employee can view and control. This gives significant control to our larger customers, allowing them the flexibility to give the right colleagues the right access.
- **Revtag:** Business users were given a streamlined process to transfer funds to Revolut Retail users via Revtag. This feature has seen significant use by both Revolut Retail and Revolut Business customers.
- **FX Forwards in EEA:** Our flexible FX Forward product was extended to many of EEA markets in 2023. This product allowed customers to hedge their foreign exchange risk in USD, EUR and GBP to notional amounts in the millions of GBP equivalent.
- **Tap to Pay on iPhone:** This feature empowers businesses and freelancers to accept diverse forms of contactless payments, including Apple Pay, contactless credit and debit cards, and other digital wallets, all without the need for additional hardware or terminals.
- **Payment Links and API:** Merchants can now customise their hosted payment pages with their own branding, issue re-usable payment links and scale payment links generation via merchant API, to streamline their e-commerce operations.



Global Expansion

We continued to pursue our global expansion in 2023 across different markets:

United States

In the United States, we continued to grow our customer base. Our business model in the United States is dependent on the provision of services from sponsor banks. As of the authorisation date of the Annual Report we are in the process of switching sponsor banks in the US. See Note 34 for further detail.

Latin America

We launched Revolut in Brazil, our first market in South America, and were granted authorization by the Central Bank of Brazil to operate as a Direct Credit Society (SCD). This will allow us to expand our portfolio of products and services in the Brazilian market.

Revolut made notable progress on building out its operations in Mexico in 2023. In April 2024, The National Banking and Securities Commission (CNBV) gave in-principle approval for Revolut to establish itself as a bank. This licence will allow Revolut to offer a wide range of financial products and services to users in Mexico.

Asia Pacific (APAC)

Our APAC operations saw continued growth. We launched Revolut in New Zealand, as well as Revolut Business in Australia—marking our first Business market in APAC. In 2023, we saw continued progress in building out our operations in India. This culminated in Revolut receiving an in-principle approval to issue Prepaid Payment Instruments (PPI), including prepaid cards and wallets in 2024. We began internally testing our India product, and the Revolut app is set to launch in 2024.

ENGAGING WITH STAKEHOLDERS

Building and upholding strong relationships with our stakeholders is pivotal to Revolut's success as we continue to expand our global footprint, product suite, customer base and employee headcount. When making decisions, the Board is mindful of its responsibilities under s172(1) of the Companies Act 2006 to promote the long-term success of the company with regard to our range of stakeholders. In this section, we set out steps that we have taken as a Group to engage with our key stakeholders.

Our Customers

In 2023, Revolut scored an impressive user rating of 4.9 on Apple App Store and 4.7 on Google Play Store. This is the result of Revolut's steadfast commitment on taking a customer-centric approach in all our products and services, ensuring our users get a superior experience.

One of our key company cultural values is Deliver Wow: our belief that everything we do should solve our customers' needs. We break this down into two components: putting customers first and keeping things simple.

In line with our mission to simplify all things money, we aim to provide a frictionless experience for our customers by eliminating any barriers due to traditional borders, intermediaries and bureaucracies of finance.

Safety of customer money is of utmost importance and thus maintaining strong fraud controls is one of our highest priorities. To this end, we have an established operating model for fraud prevention within our Financial Crime department.

Revolut continues to take a data-driven approach to fraud management, using sophisticated fraud modelling controls for both inbound and outbound transactions to prevent and detect fraudulent funds entering Revolut accounts, whilst also protecting Revolut customers from falling victim to fraud and scams.

We place a significant focus on customer education and industry collaboration, releasing a series of fraud awareness communications related to current and emerging fraud threats. We also focus on developing and reinforcing our links with industry, law enforcement, regulators, governments and consumer groups to combat fraud and scams. This includes engagement with the UK Payment Services Regulator and UK Finance as well as active campaigning for fraud to be included in the Online Safety Bill and for Big Tech to be held to account for enabling fraud and scams. Our Head of Fraud also sits on the Advisory Board for Cifas, the UK fraud prevention agency.

Building and strengthening trust with our customers is one of the key priorities for us as a financial institution. We continuously work towards improving the quality of customer service we provide to our customers when they need help. We invest in training our agents, upgrading our tools and processes to make our support faster and more effective.

In 2023, we continued to focus on enhancing our infrastructure, culture and frameworks to deliver good outcomes for all of our customers, in line with Consumer Duty principles. Providing good outcomes has been the foundation of how we've grown, and to us means that we ensure our financial products and services consistently deliver real beneficial results through focusing on customers' needs and interests allied with transparent information. Our commitment is to treat all customers fairly, supporting them in achieving their financial objectives, and ensure that their interactions with us are positive and empowering, aligning with principles set out by our regulators. We are also dedicated to understanding and addressing the unique requirements of vulnerable customers, ensuring they receive the necessary support and care in their financial journey with us.

Revolut is committed to responsible handling of customer data, aligning our practices with GDPR and the evolving global landscape of data protection legislation. We follow the principles of privacy by design in our product development cycle and ensure that personal data is processed fairly, transparently and without bias.

Our Employees

For more on how we engage and manage our employees as strategic stakeholders, refer to the 'Our People' section (page 40).

Our Investors

Our investors have been integral to Revolut's continued growth and success as their capital has fuelled our rapid expansion and empowered us to navigate potential economic headwinds with confidence. Their investment in Revolut not only signifies an endorsement of our mission but also helps us to pursue further growth while continuously innovating to better serve our customers' evolving needs.

At Revolut, we recognise the significance of maintaining open communication with our investors. We remain committed to providing regular updates on our performance, ensuring that our investors are well-informed partners in our journey towards sustained growth.

Our Regulators

Revolut maintains active engagement with numerous regulatory bodies across various jurisdictions worldwide. Our primary regulators are the Financial Conduct Authority (FCA) in the United Kingdom and the Bank of Lithuania (BoL). As of 1 January 2024, Revolut moved under direct supervision of the European Central Bank (ECB) through Revolut Bank UAB headquartered in Lithuania. This marks an important milestone in Revolut's journey as a bank in Europe, as we now join the 100+ largest and most significant banks in the Eurozone, also under ECB supervision.

Our interactions with regulatory authorities consistently reflect our commitment to transparency, cooperation, timeliness, and accuracy. Throughout 2023, we held discussions with our regulators, addressing a spectrum of priorities and emerging trends. At the heart of our commitment lies not only the provision of requisite management information for regulatory compliance but also the sharing of insights into our innovative approaches to tackling industry challenges. With this commitment to our regulators, we aim to foster collaborative partnerships while navigating the dynamic landscape within which Revolut operates.

Our real-time data analytics empowers Revolut to serve as a useful resource for regulators, swiftly identifying and addressing emerging themes in priority areas such as fraud and customer behaviours. This approach enables an agile response to current challenges, while anticipating future trends, fostering a safer and more innovative

financial ecosystem. By providing industry data as a resource to regulators, we strive to create positive developments in the regulatory environment that will benefit both consumers and regulated businesses.
Our philosophy on regulatory relationships extends across all of our key stakeholders. In the UK, this includes but is not limited to the Financial Conduct Authority (FCA), Prudential Regulation Authority (PRA), Payments Services Regulator (PSR), Competition and Markets Authority (CMA), Information Commissioner's Office (ICO), National Crime Agency (NCA), The Gambling Commission, The Home Office.

New Licences and Authorisations

In 2023, we advanced our collaboration with regulators to expand our global regulatory permissions.

In Europe, Revolut Bank UAB received consumer credit freedom of service (FOS) passporting in Italy and Portugal.

Revolut Bank UAB established branches under freedom of establishment (FOE) in the following countries: Belgium, France, Germany, Hungary, Ireland, Netherlands, Portugal, Romania, and Spain.

RT Digital Securities Cyprus Ltd has obtained Virtual Asset Service Provider (VASP) registration in Italy and Spain.

Additionally, Revolut obtained various regulatory permissions in other regions: in Brazil — Sociedade de Crédito Direto (Direct Credit Entity), in the US — Investment Advisers Registration (Robo Advisory), and in India — Prepaid Payment Instrument (PPI).

Our Partners and Suppliers

We are dedicated to expanding our strategic partnerships, which play a crucial role in enhancing our value proposition to customers and strengthening our supplier connections. As we continue to broaden our services and geographical presence, these partnerships remain vital. Trust forms the cornerstone of our relationships with both partners and suppliers, and we remain steadfast in upholding mutual benefit and adherence to our rigorous standards of business conduct.

Revolut remains committed in its adherence to all applicable anti-bribery and corruption laws and regulations. Our stance against bribery and corruption in any guise is unequivocal. Transparency and integrity underscore every facet of our business engagements, ensuring that neither our employees nor any affiliated third parties engage in or condone any form of improper advantage. Prior to entering into contracts, all significant third parties undergo rigorous due diligence assessments conducted by our third party risk team, with periodic reassessments scheduled thereafter. Additionally, all employees receive comprehensive training to adeptly identify and address any instances of unethical behaviour.

Revolut is firmly committed to upholding ethical standards and acting with integrity in all its business relationships. As part of this commitment, Revolut has a zero-tolerance policy towards modern slavery, dedicated to ensuring there is no modern slavery or human trafficking in any aspect of its operations or supply chains. Revolut's policy emphasises the implementation and enforcement of effective systems and controls to prevent the occurrence of slavery and human trafficking in its supply chains. These systems and controls include, but are not limited to: third party due diligence, conducting risk assessments of suppliers, contractual provisions for suppliers to confirm their adherence to Revolut's policy, and a robust mechanism to ensure the quick escalation of issues relating to modern slavery and human trafficking.

OUR PEOPLE

Revolut maintained its position as a highly respected employer, most notably receiving a Great Place to Work certification in eight different countries: UK, Spain, Poland, Portugal, India, Lithuania, Romania, and Hungary.

Attracting, retaining and nurturing talent while fostering an inclusive and diverse work environment remains of paramount importance to us. Our teams define our success, and we are committed to enhancing their workplace experience and developing their skills.

Our high performance culture has been made more clear through value-based behaviours - clear and actionable behaviours that ensure all employees know how to embody the Revolut culture. We've launched an Anytime Feedback mechanism where employees can openly or anonymously share feedback on peers; identifying strengths and areas for improvement in line with the values-based behaviours. Our Culture Lab team continues with the addition of Applied Behavioural Scientists who have been instrumental in redeveloping our employee engagement surveys to best understand our employees' concerns and motivators.

We continue to invest significantly in our people managers through our RevManager Essentials Programmes. As of the end of 2023, more than 95% of our managers had been certified through this programme.

At Revolut, we are proud to have cultivated an environment where employees are both challenged and supported to reach their full potential. In 2023, 746 of employees have benefited from opportunities of lateral or vertical move within the organisation to continue to grow and develop.

Our real estate policy continues to support our global workforce; offering the vast majority of our team members the option to choose when and how often they would like to work from home or visit the workplace. In 2023, we launched our first Tech Hub in Barcelona to offer voluntary temporary relocation and maximise the opportunities close in-person collaboration offers across all types of teams. We also recognise that not all of our workforce has ready access to a Revolut workspace but should benefit from the same opportunities of team engagement. For this reason, in 2023 we spent £5.3 million on engagement activities allowing team members to get together in person and overcome some of the challenges arising from remote work. Overall, we are delighted with the success of our real estate and engagement allowance policies and look forward to further building on it in the future.

Code of Conduct

At Revolut we believe that amazing people working in a high achieving culture is essential to providing the best experience for our customers. Key to this is to ensure that our behaviour towards each other is honest, transparent, and respectful.

Our code of conduct sets out the principles that guide us on the ways to behave and emphasises the expectation that our employees act with integrity and in the best interests of our customers, people, communities and wider stakeholders at all times. Our commitment to these values is reinforced through regular, comprehensive training programs, which help maintain high ethical standards and align employee actions with our core values. The effectiveness of our approach is reflected in our strong customer relationships and high employee satisfaction.

Diversity, Equity, and Inclusion (DEI)

At Revolut, as we continue to build our Dream Team, we want all employees to feel valued, accepted, respected and included during their time with us. We know how crucial this sense of belonging is to enabling our people to reach their full potential. That is why we are dedicated to fostering a culture of diversity, equity and inclusion.

In 2023, we continued to collect important data that enables us to shape our action plans and make data-driven decisions regarding inclusion and diversity efforts. We have managed to increase our completion rate from 78% to almost 85%, meaning we have a clearer picture of gender, race, disability, religion, socioeconomic background, sexuality and generational representation as well as those with parenting or caring responsibilities across the Company. This helps us measure the diversity of our workforce and assess how best we can continue to diversify and build an inclusive environment for all Revoluters.

In our ongoing efforts towards gender equality, we published our UK Gender Pay Gap report for 2023, showing that our journey is progressive but we still have a way to go in achieving balance. We have narrowed the mean pay gap by 5.84% and have reduced the median bonus gap to nil, which is explained by increased number of women in higher paying roles and seniorities. Ensuring women's representation in senior positions remains a top priority for us, crucial for both fostering diversity and narrowing the gender pay gap. To achieve this, we've taken proactive steps, leveraging behavioural science to eliminate unconscious bias in our hiring practices, as well as tailoring our employee branding to attract talented women. Furthermore, we are enhancing visibility and transparency in our flexible working processes, with a specific focus on supporting employees with parental or caregiving responsibilities throughout their career journey. Additionally, we have implemented changes in our performance review process aimed at increasing progression and promotion opportunities for employees at Revolut. We are proud to have appointed Francesca Carlesi as UK CEO and increased female representation on our Executive Committee.

We are still dedicated to supporting our inclusive guilds programme as a key avenue to championing inclusion. Revolut's Guilds have achieved notable milestones this year, with over 32% of our global headcount actively participating. Inclusive Guilds, such as RevWomen, Parents and Carers, Pride (LGBTQ+), Reach (Community), Impact (ESG), and Wellbeing, serve as vital components of our diversity, equity, and inclusion efforts, contributing to our 'Belong' pillar. RevWomen has partnered with the leading non-profits to raise £35,000 and hosted well-attended skill-building workshops, while the Parents and Carers Guild organised a successful 'bring kids to the office' day. The Pride Guild introduced 'Rainbow Talks' and participated in Pride events globally, and the Reach Guild's focus on cultural celebrations boosted membership and connection across our global workforce. The Impact Guild gained access to the Fintech Pledge and collaborated with United Learning, and the Wellbeing Guild focused on employee wellness through bootcamps and informative sessions.

We made great strides in 2023 and we are keen to continue progressing positively with diversity, equity and inclusion. We report to our Group Board and Group Executive Committee, who ensure diversity, equity and inclusion is front-of-mind in all decision making and company-wide priorities. It is with their drive and championing that we are able to celebrate the following successes:

- Reaching 21% female representation in leadership roles as we progress towards our company-wide target of 30% of women in leadership by the end of 2025.
- Improving our promotions representation from 35% women to 44%.
- Continuing to attend Pride parades and hosting celebrations in our offices across the world during Pride Month.
- Reviewing our employee policies and ensuring they are as inclusive as possible in language and in scope.
- Educating employees through webinars, raising awareness in areas such as: the experiences of working parents, the importance of well-being, Black History Month and Pink October.
- Fostering engagement and belonging with RevSocials specific to areas of diversity including: our International Women's Day social, Pride socials and parents and carers socials.

Engagement with Employees

Over 93% of our workforce actively participates in engagement surveys conducted through our proprietary feedback platform, Revolut Voices. The aggregated results are accessible through our internal resources. To facilitate the Board in their responsibility to ensure the Group maintains a strong and healthy corporate culture an engagement metrics pack is shared regularly for their review. Sponsorship from the Board in these areas has supported a thorough review of the company's diversity and inclusion strategy including creation of initiatives aimed to narrow the gender pay gap.

Introduction of Anytime Feedback provides an opportunity to provide more frequent feedback to their colleagues outside of performance and survey windows. In Q4 2023, 95% of managers in customer facing roles and 82% of managers in non-customer facing roles received upwards and ad-hoc reviews. It also helped to improve our managers scores, with the most notable improvement coming from our bottom 10% of managers in 2022 who have seen an increase of 52% on average in their eNPS (employee net promoter score) from 32% to 49%. Manager eNPS is calculated based on the number of positive upward reviews a manager receives minus the negative reviews.

In addition to last year's program, Revolut Spires which aims to prepare employees for drastic functional career shifts, we have introduced the High Potential Development programme (HiPo) to develop our future leaders. The programme is structured to offer a blend of hands-on experience, leadership development, and exposure to various departments within the company. By immersing themselves in different areas of our business, the candidates gain a holistic understanding of our operations and build a strong foundation for the future career growth. 2023 has also marked the first three month internship, the Rev-celerator programme, aimed at students. The overwhelmingly positive feedback from both the interns and the managers, as well as 100% offer rate has inspired us to add more tracks for the future cohorts, and also set up the 18 month Rev-Advance programme, focused on Executive Associate and

Risk and Compliance tracks for recent graduates and young professionals.

As a remote-first company, we have adapted to work efficiently in teams spread across the globe, with an average of 3.9 nationalities per team, typically having between 4 and 14 employees. To provide opportunities for more social interactions, we have conducted 168 events, and introduced Travel Engagement Budgets to allow teams to meet up, with over 40% of employees participating in the social activities.

Equal Opportunities

We maintain our commitment to treating all employees and job applicants with dignity, fairness and respect ensuring we provide equal opportunities to all irrespective of their personal characteristics. Creating a diverse and harmonious work environment free from any form of discrimination, harassment, bullying or victimisation is crucial to our Dream Team value.

Working together to maintain a positive working environment is essential for achieving our shared goals and fostering a safe working environment. Any behaviour that risks this is dealt with seriously via our harassment, bullying and disciplinary policies.

Our goal continues to be to foster a work environment where everyone feels supported and is able to share and celebrate their individuality. Building a workplace culture that benefits everyone at Revolut is at the heart of how we work with our people.

Employing People with Disabilities

Adherence to the Equality Act 2010 and our Equal Opportunities policy allows us to ensure our team are supported. We continue to recognise the importance of providing reasonable adjustments to support job applicants and colleagues with disabilities and ensure everyone feels valued and supported throughout their employment.
In 2023, we actively promoted the importance of discussing mental health as well as how we can support each other. Senior stakeholders within the company shared how they have required support for their own mental health concerns.

We firmly champion merit-based advancement, rewarding the hard work and dedication of all employees. This focus on merit underscores our commitment to fairness and the provision of equal opportunities for growth. By integrating this approach with our dedication to inclusivity and support, we strive to cultivate a workplace where every individual feels empowered to achieve their full potential, supported by both our policies and our culture.

Reward and Employee Share Ownership

At Revolut, we know that our employees are the driving force behind our success. That's why we show our appreciation for our team members through our actions. We offer our employees the opportunity to earn a portion of their total reward package in the form of Revolut share-based awards.

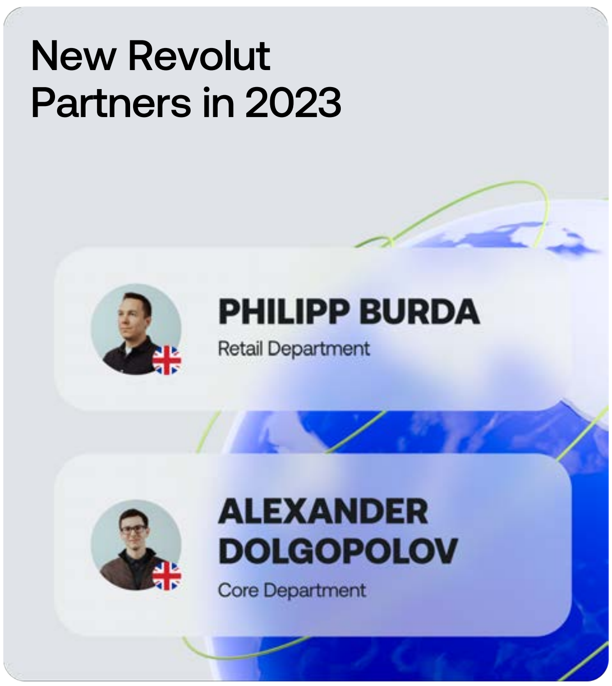
These share-based awards (in the form of options or RSUs in certain geographies) offer our team members a tangible stake in our company's future success and growth, as well as the opportunity to benefit financially from that success.

The Revolut Partnership Programme

In 2023, we continued to build out the Revolut global Partnership Programme, designed to reward exceptionally high-performing employees with a track record of contribution to the business, exceptional integrity and a consistent commitment to Revolut's mission and values as a culture champion. Our partners are elected based on their contribution to the entire organisation and ongoing commitment to our core values.

We finished 2023 with 23 Partners in the Partnership Programme, following the election of two new members. The nomination round consists of a re-evaluation of the competencies and skills of existing partners, standardised over a set of contribution metrics, making this a highly selective process.

Partners have been acting as role models to all Revoluters and have been successfully pushing critical company initiatives. Similarly, we would like to acknowledge the hard work of the many potential candidates who were not selected this year. We look forward to more exceptional colleagues contributing to the company's overall success by joining the Revolut Partnership Programme in the coming years.



ENVIRONMENTAL SOCIAL AND GOVERNANCE

Environmental, Social, and Governance (ESG)

In 2023, we defined the company's ESG strategy and committed to a number of impactful and innovative initiatives in order to promote meaningful change in the coming years.

Making a Difference

Donations

As we have highlighted in 2022 and in previous years, we are proud to have continued our commitment to supporting charitable causes and helping our customers make a difference.

Reflecting on the year 2023, Revolut's journey of making a tangible difference through supporting charitable endeavours has been both profound and impactful. Our Donations platform has seen a total of nearly £8.5 million from our users, reflecting the spirit of generosity of our customers. With our charity partners receiving 100% of the user donations, it underscores our commitment to supporting charitable causes and facilitating meaningful change on a global scale.

Among the year's highlights, the Ukraine War First Anniversary appeal stands out. Over £1 million was raised by our customers for various global charities (Red Cross, UNHCR) and local charities (British Ukrainian Aid in the UK, Siepomoga in Poland) to support those affected by the ongoing conflict. This initiative, in collaboration with various charities, exemplifies our dedication to providing aid in times of crisis. Notable among them is Revolut's collaboration with the charity match Game4Ukraine which took place at Stamford Bridge Stadium in London, captained by ambassadors of the fundraising platform UNITED24, Andriy Shevchenko and Oleksandr Zinchenko. As part of the support, Revolut donated over £300,000 for the reconstruction of the Mykhailo-Kotsiubynsky School in Chernihiv Oblast. As a recognition of our Ukraine relief activities, we have been honoured to receive an award from UNITED24 signed by Volodymyr Zelenskyy.

The Holiday Season Campaign was another significant endeavour, raising nearly £250,000 to combat homelessness, poverty, and hunger during the winter season. This campaign, supported by a coalition of charities, showcased the depth of our users' willingness to support those in need during the most challenging times of the year. Additionally, our involvement in the Royal British Legion's Poppy Appeal, which raised about £32,600 highlights our commitment to honouring veterans and service personnel, alongside their families.

The year also brought its share of emergencies, to which our platform and users responded with unwavering support and solidarity. The appeal to raise funds for those affected by the earthquake in Turkey and Syria Earthquake mobilised £1.3 million in aid, showcasing the power of community in the face of natural disasters. Additionally, the donations totalled nearly £100,000 each for response to the Ukraine Kakhovka dam collapse and Greece Wildfires.

As we look ahead, the resolve to continue our charitable efforts remains stronger than ever. The generosity of our users, coupled with our innovative platform, has made a significant impact across various causes and emergencies worldwide. Our journey of making a difference is far from over, and we remain committed to supporting our global community through both planned campaigns and emergency responses. The year 2023 has been a remarkable chapter in our ongoing story of giving, and we eagerly anticipate the opportunities to further this mission in the years to come.

Notable Partnerships

We partnered with Comic Relief to make donating easier and more accessible, enabling Revolut customers to support Red Nose Day and contribute to Comic Relief's critical work. This collaboration reflects our commitment to making a positive impact on society, offering a simple and convenient way for our customers to give back.

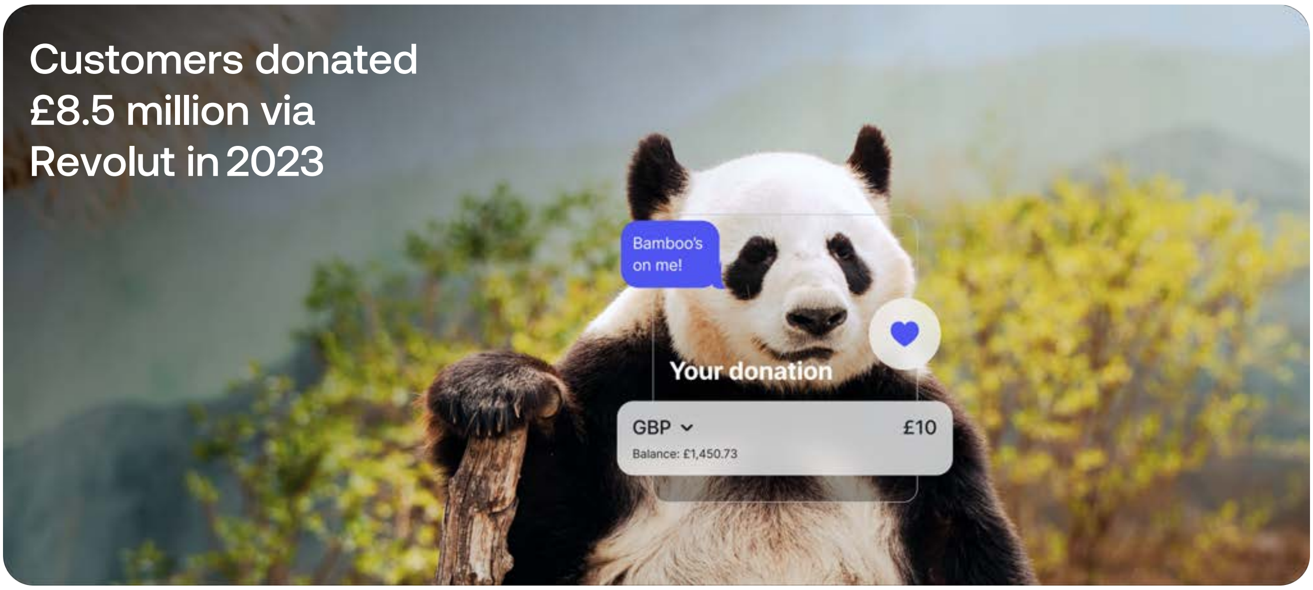
World Food Day, in partnership with the UN World Food Programme, saw our community contribute over £180,000 towards combating global hunger, emphasising the importance of food security and the role of collective action in addressing this critical issue.

Equally noteworthy is our continued partnership for a third year in a row with the RTE Toy Show in Ireland, which brought in £2.4 million from nearly 150,000 users, further cementing our role in supporting children's charities across Ireland.

Promoting Green Businesses

Revolut Business is growing its customer base - and doing so in an environmentally conscious way. On an ongoing basis, Revolut continues to target and attract companies that aim to minimise the negative impact on the planet from their operations and sell sustainable products. Existing business customers such as Wild (a natural deodorant company), are using Revolut to scale, as they reduce customers' reliance on single-use plastic.

In 2023, Revolut committed to introduce an incubator programme targeted at low carbon impact businesses. This programme is currently being designed and will be officially launched in 2024. Eligible businesses will be offered heavily discounted Revolut Business products, along with beta access to certain products and to expert product owners. Qualification for this programme will be based on a number of criteria, in line with Revolut's overall sustainability goals.



Energy Usage and Greenhouse Gas Emissions

Our current offices in London and Vilnius use 100% renewable energy. Our new, all-electric London office, which is anticipated to open in May 2025, has been freshly re-designed by Buckley Gray Yeoman. This new office boasts impressive credentials, targeting net zero carbon emissions in operations. Furthermore, our cloud data services provider matches 100% energy usage with renewable energy.

We measure the Group's carbon footprint through the software platform, Watershed. We also measure our Scope 1, 2, and 3 emissions, which covers the entirety of our business operations, including our staff (e.g. commuting and business travel), our offices, our product (including cards, marketing costs, and cloud services), as well as our partners and suppliers. The table below lists Revolut Group's greenhouse gas emissions and global energy use in accordance with the UK's Streamlined Energy and Carbon Reporting (SECR) framework.

Methodology

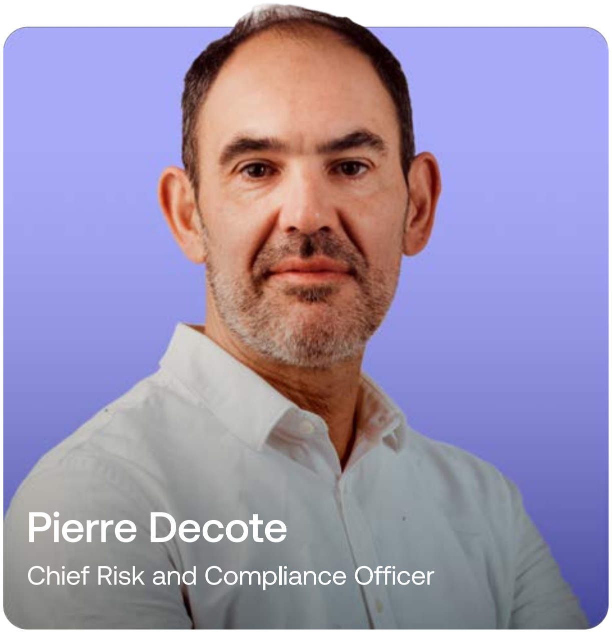
Emissions were calculated following the GHG Reporting Protocol (Corporate Standard). Energy usage data was collected or estimated based on building square-footage for all facilities, and was combined with emissions factors from the US EPA, Ecoinvent, TCR, CEDA and other data sources to calculate GHG emissions. The emissions factors for electricity are chosen based on geography to reflect the emissions intensities of the facilities' local grid.

	2023		2022	
	UK and Offshore	**Global (excluding UK and Offshore)**	**UK and Offshore**	**Global (excluding UK and Offshore)**
Energy consumption used to calculate emissions (Scope 1 and 2)	1,175,653 kWh	828,930 kWh	644,695 kWh	1,006,915 kWh
Emissions from sources which are owned or controlled by the company including combustion of fuel for transport & operation of facilities (Scope 1, market-based)	19.6 tCO2e	4.4 tCO2e	11.9 tCO2e	11.8 tCO2e
Emissions from combustion of fuel for transport purposes (Scope 1, market-based)	0 tCO2e	0 tCO2e	0 tCO2e	0 tCO2e
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3, market-based)	0 tCO2e	0 tCO2e	0 tCO2e	0 tCO2e
Emissions from purchased electricity, heat, steam and cooling (Scope 2, location-based)	110.9 tCO2e	266.8 tCO2e	112 tCO2e	387.3 tCO2e
Total gross tCO2e based on above fields	130.5 tCO2e	271.2 tCO2e	123.8 tCO2e	399.1 tCO2e
	UK and Offshore	**Global (including UK and Offshore)**	**UK and Offshore**	**Global (including UK and Offshore)**
Intensity ratio: tCO2e per £ million of revenue	0.07	0.22	0.13	0.57

RISK MANAGEMENT

AND COMPLIANCE

Chief Risk and Compliance Officer's Review



The mission of the Risk and Compliance function in Revolut remains unchanged: to develop and manage a robust framework and provide the necessary oversight to enable our global business to grow in a balanced and sustainable way, and as a natural consequence deliver good outcomes for customers and stakeholders.

We continued to take our mission very seriously and deliver on it in 2023. We managed our principal risks within appetite, whilst facilitating Revolut's journey through a next phase of geographical expansion and product launches. We achieved this while navigating an increasingly complex geopolitical, macro-economic, and regulatory environment.

A strong 'Three lines of defence' (3LoD) remains at the core of our model, and we bolstered it to better respond to the needs of our fast growing organisation and promote ownership and empowerment. We grew our risk and compliance function from 256 to 331 employees by the end of 2023, to ensure it remains commensurate with the size and complexity of our organisation and the products and services we offer. We strengthened the first line risk and compliance capability by deploying additional Business Risk Managers and Business Compliance Managers in key commercial areas. We enhanced our Risk and Compliance Accreditations (RCA) framework, to empower the business with greater autonomy and responsibility for risk management and compliance.

A strong and healthy risk culture is essential to our risk management model, and to ensure that all our colleagues are responsible and take ownership for managing risks. We promote it by embedding mindsets and behaviours that reflect Revolut's values in the way we manage risk. We use a full suite of behavioural change tools - such as risk training modules, easy-to-use risk resources, and systems and processes that reward and recognise desired behaviours. Karma - our own proprietary scheme - remains our key tool to track, measure and incentivise behaviours to drive good risk and compliance outcomes. In 2023, we further expanded its coverage, adding more activities to the scheme to ensure it supports a growing and more complex organisation.

As Revolut continues to grow, we want to make sure that the risk tools and solutions powering our risk operations can accommodate and enable our expansion. Throughout 2023, we continued to invest significant time and effort in the development of our industry-leading risk infrastructure. We further developed our Risk Platform - an environment of interconnected risk assets that provides an end-to-end view on regulations, policies, risks and controls allowing for real-time monitoring of our risk profile. We have also rebuilt some of the core risk products on the platform - such as Risk Incidents & Risk Indicators - enabling better user experience and timeliness of managing risk events.

All these efforts enabled us to deliver strong risk and compliance outcomes in 2023 - we finished the year with a healthy risk profile, noticing tangible improvements in all key areas of our risk environment. We enhanced our processes and controls to comply with the new Consumer Duty regulation, ensure our products provide fair value and we continue delivering good outcomes to our customers. Despite sharp growth in size and complexity we supported the business in launching new products, entering new markets and delivering strong financial performance. We remain aware of the challenges ahead and will continue to monitor both the external environment and our risk profile through rigorous risk and compliance processes we have developed, and further improved in 2023.

I am personally proud of the way that we manage risk and compliance at Revolut and how we continue to grow, develop and improve our approach year by year. I look forward to continued investment and focus on these key areas of our business as we see Revolut embarking on the next stages of its growth journey.

Pierre Decote
Group Chief Risk & Compliance Officer
28 June 2024

Risk Appetite

At Revolut, our Risk Appetite Statement (RAS) is the expression of the level of risk that the company is prepared to accept in order to deliver on its vision and strategic goals. The RAS is reviewed and updated annually and approved by Revolut's Board Risk and Compliance Committee. It defines the boundaries of our business operations and forms an integral part of its risk management approach.

Revolut deploys its risk appetite through qualitative statements. Qualitative statements are articulated for each risk type in our risk taxonomy. These are set and approved at least annually by the Board, taking into account the risk and reward trade-off of business activities. To manage and monitor our risk profile against our appetite, we use key control activities and quantitative measurements in the form of risk indicators. During 2023, we have performed comprehensive reviews to ensure we have a strong set of quantitative metrics in place to monitor that our exposure is in line with our risk appetite.

Our Approach to Enterprise Risk Management

Revolut has a strong and mature Enterprise Risk Management Framework (ERMF), which establishes our comprehensive approach to identifying, measuring, monitoring, mitigating and reporting risks of all types, to ensure we operate consistently within appetite. It documents the methods, tools and governance structures within our 3LoD operating model. The ERMF clearly articulates roles and responsibilities across the Group, while setting the ground rules applied to measuring, managing, reporting and escalating risk matters.
This consistent approach provides management and the Board with confidence that the entire Group is operating within risk appetite while allowing appropriate flexibility to meet the specific needs and regulations of each legal entity and region.

The ERMF document is aligned with Revolut's strategy and Risk Appetite Statement to ensure that risks are defined, that appetite limits are formally set and agreed by the Board, and that there is a formal structure in place to help ensure execution is managed to align with the Board's strategic intentions. Effective risk management enables focus on the priorities of the business and delivers a high-quality assessment of risks in the decision-making processes through open discussions and challenges about risks and opportunities.

Our ERMF clearly defines our risk taxonomy, which is consistently used when identifying, assessing and managing risks. This ensures adequate risk coverage in terms of risk capture as well as reliable and useful risk aggregation and reporting and specific oversight and governance. Aggregation of risks by levels in the risk taxonomy allows for an analysis of any risk concentrations to which Revolut may be exposed.

Over the course of 2023, we have completely revamped our risk taxonomy to better align to the environment and the key sources of risk to which our entities and Revolut as a group are exposed. While we have maintained a two level risk taxonomy, we redesigned Level One (L1) which now consists of seven key areas: Business Risk, Operational Risk, Financial Risk, Regulatory Compliance Risk, Model Risk, Financial Crime Risk and Conduct and Culture Risk. Our new L1 taxonomy has a stronger alignment to the way we operate in terms of risk oversight and governance. L2 has also been refreshed to cater for specific sources of risk. We also maintain a standardised risk library, which ensures consistency and completeness in the detailed risks within each of L2 categories.

L1 Taxonomy Risk	Description
Strategic (business)	Business risk refers to the risks that threaten to disrupt the assumptions underpinning Revolut's business model and strategy thereby materially affecting the achievement of our strategic objectives.
Operational risk	These are the risks arising from failures in internal processes, people or systems, or from external events that impact the business and the operational risk taxonomies cover a wide range of areas including data risk, InfoSec risk, legal risk, third party risk, change management risk, technology availability and continuity risk, people risk, physical & assets security and safety risk, and execution risk.
Financial risk	These are the risks relating to our financial assets and liabilities, Financial risk encompasses a range of individual risk types to which Revolut is exposed: capital risk, funding and liquidity risk, market risk, and credit risk (retail, business, and wholesale). It also includes a driver of risk, climate risk, which relates to financial risks impacted by climate change itself or adaptation to climate change.
Regulatory compliance risk	These are the risks pertaining to Revolut not meeting its obligations under the laws, regulations and industry best practices in the jurisdictions in which it operates.
Model risk	Model Risk refers to the potential for automated calculations used to drive business decisions, be these understood through traditional models, Artificial Intelligence (AI) / Machine Learning (ML) models, EUC-based calculations or trading algorithms, to be inaccurate, incomplete or otherwise misleading, resulting in the ineffective decision making.
Financial crime risk	Financial crime risk is inherent in a financial business such as Revolut. Financial crime risk covers a wide variety of risks such as Money Laundering (ML) and Terrorist Financing (TF) risks, sanctions risk, internal & external fraud risk. Revolut is therefore inherently exposed to the potential risk of not complying with applicable FinCrime compliance regulations.
Conduct and culture risk	The culture risk refers to that the company culture or incentive structures may encourage excessive or imprudent risk taking and poor employee conduct and behaviours. As a result of that, it gives rise to conduct risk which is any act or omission by Revolut or anyone acting on its behalf that leads to poor outcomes or detriment to customers or other stakeholders, or has an adverse effect on market stability or effective competition.

We continued to build on the key framework capabilities we had developed in previous year such as the standardised risk library, the enhanced management of top risks and emerging risk and the further leverage of organisational management tools (Risk and Compliance Accreditation and Watchlist). During 2023, we further enhanced our ERMF to reflect the risk management implications of growth and increased complexity in our corporate structure, geographical reach and product breadth. We designed and incorporated additional tools and approaches to strengthen our grip on our risk profile. Examples of this include:

- The continued enhancement of our process for the identification, monitoring, mitigation and remediation of our top risks with enhanced reporting and assessment of risk residual profile and remediation status.
- The implementation of our Entity Risk Maturity Assessment process - a means by which the Group will assess and support group entities across the globe to evaluate and improve their risk management capabilities whilst providing assurance of sound risk management practices group-wide.
- The continued development of data-drive and real-time risk analytics and management tools including the implementation of departmental risk dashboards to enable effective discussions between 1LoD and 2LoD on key risk matters.
- The further improvement of our in-house developed policy and regulation management infrastructure. Our industry-defining capability allows for capturing all relevant regulations, legislation and industrial guidance, identifying obligations applicable to Revolut and connecting such obligations to our internal policies and procedures, which are then further mapped to actual controls we operate. The end-to-end connection and mapping enables us to ensure and monitor Revolut’s compliance with all applicable regulations and legislations and identify areas where new controls are needed.
- The development of the new Escalation Framework which is a holistic framework to identify areas of risk management concerns through the use of over 80 data points across five different dimensions, accompanied with a scoring framework and mechanism which can enable consistent and clear identification of areas of concerns, which are potential triggers for specific escalation.

- The further evolution of Risk and compliance accreditation which is a mechanism at Revolut which could give accredited TechCo departments the responsibility and tools for managing its risk and compliance profile more autonomously. During 2023, we expanded the benefits applicable to accredited departments and established roadmaps for non-accredited departments to drive targeted improvement plans.

Three Lines of Defence Model

Revolut deploys a Three Lines of Defence (3LoD) operating model for risk management. The 3LoD model enhances the understanding of risk management and control by clarifying the different roles and duties expected. The 3LoD model operates across the different layers of the corporate structure.

1LoD	2LoD	3LoD
This describes all the risk-taking functions of Revolut. Under the 1LoD, operational management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks. Revolut's risk platform ensures clear ownership of risk and controls are allocated to the right 1LoD people which include Business Risk Managers and Business Compliance Managers situated within departments.	This describes the risk monitoring and oversight functions of Revolut, defined as the Risk Management function, the Regulatory Compliance function and the Financial Crime Compliance function. The 2LoD is governed by the Board Risk and Compliance Committee (BRCC). The 2LoD defines and maintains the risk management framework and underlying policies and processes. The 2LoD provides independent reporting and Management Information (MI) to management and the Board via risk governance structures. The 2LoD provides training and guidance to 1LoD to help risk owners to identify, manage and monitor risks, and to review and update the risk register with appropriate controls and management actions.	This refers to the Internal Audit function which is governed by the Board Audit Committee (BAC). The BAC is composed of Independent Non-Executive Directors and ensures that the Internal Audit function is operating effectively in providing independent and objective assurance over risk management, control and governance processes. Internal audit is tasked with performing in-depth reviews of the effectiveness of the controls over Revolut's key risks.

Throughout 2023, we continued to uphold our Three Lines of Defence model at Revolut and increased our Risk and Compliance resources from 256 in 2022 to 331 by end of 2023 to ensure we are properly resourced to support the business growth and new initiative launches.

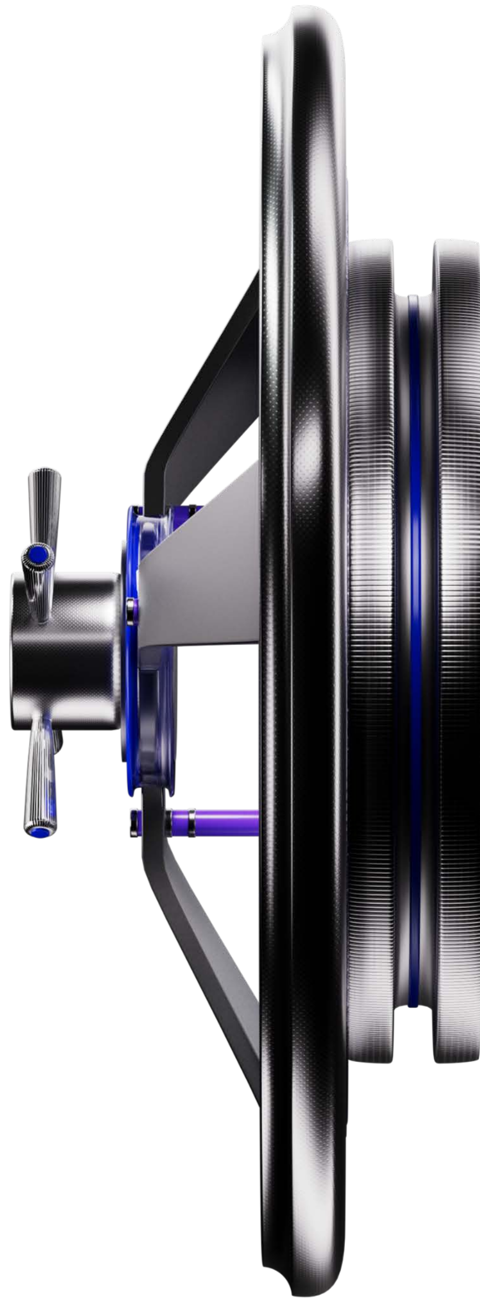
Risk and Compliance Culture

At Revolut, we consider Risk and Compliance Culture a foundational part of our risk management environment. We define it as the mindset and behaviours of our employees towards risk, that are rooted in our company values and have a positive impact on risk and compliance management within Revolut. We have developed and cultivated a strong risk management culture by driving a set of initiatives that motivate employees and enable them to make the right risk decisions, while making navigation of the risk environment in Revolut simple and user-oriented at the same time. We support all employees in all phases of the risk management cycle - from mitigation activities, through proactively managing risk to mobilising the right teams and resources, in case escalation is required.

We undertake multiple activities to make sure our employees understand our risk culture and their roles in managing and strengthening our risk environment. These activities include both knowledge and skill building, but also embedding feedback loops in our processes, so that employees are aware of how their individual actions are linked to risk consequences - both positive and negative. In 2023 we had particular focus on following drivers of risk culture at Revolut:

- Enhancement of our training and awareness framework, ensuring all training modules are updated and informed by specific requirements, based on regulatory obligations and our data environment
- Continuous improvement of all risk assets (e.g. risks, controls, indicators, etc.) and development of a unified risk platform, enabling asset interlinkage and automation
- Further scaling of our industry-defining 'Karma', a points-based system evaluating engagement with Risk and Compliance processes,
- Strengthening our growing network of our first-line Business Risk Managers and Business Compliance Managers situated in our key product and service teams, who act as a risk culture champions, role-modelling desired risk behaviours
- Obtaining a membership with Protect, the UK's Whistleblowing Charity, which provides employees globally with a free, confidential advice line to help colleagues who may be wondering whether to raise a Whistleblowing concern and what protections are available.

We are confident that these efforts have and will continue to further strengthen our risk and compliance culture, while providing additional insight and feedback on our risk management processes as a whole.



Governance and Policies

Governance

Revolut defines governance as the combination of processes and structures implemented by the Board and management to inform, direct, manage and monitor Revolut's activities to achieve its objectives for the benefit of its stakeholders. Oversight of risk and strategic operations is conducted through the committee structure outlined in the Directors' report on page 87.

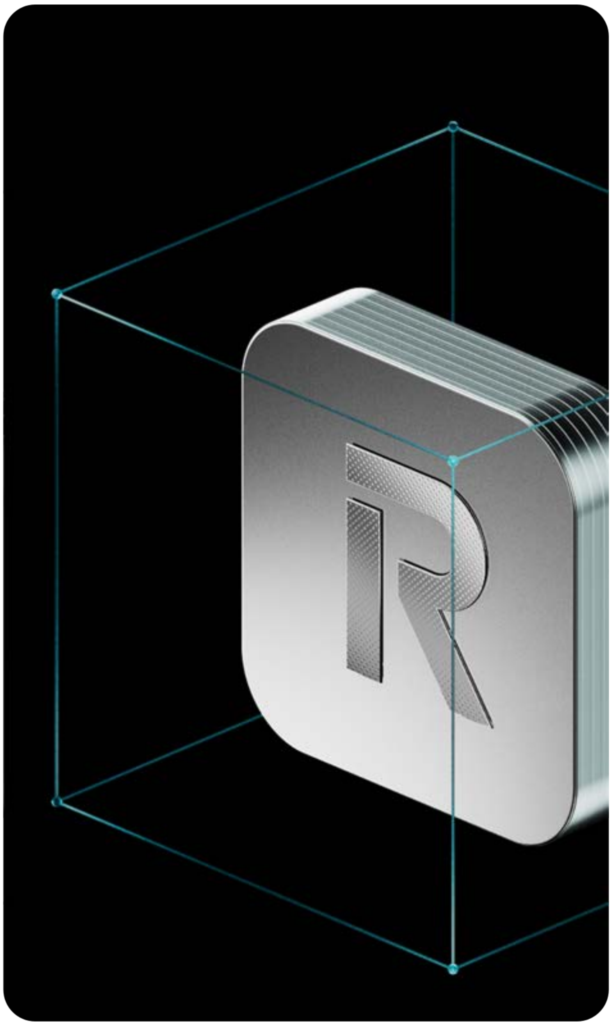
Policies

Our policy framework ensures that each risk across the risk taxonomy is addressed through appropriate policies and procedures that act as directive controls for the operation of the business. The framework establishes a consistent approach to the creation and ongoing management of Revolut's policies, frameworks and procedures across the Group and its subsidiaries.

Revolut operates a policy portal for managing its entire policy and procedure inventory which is fully integrated with our risk and control register and allows for mapping of relevant controls to relevant policies to monitor in real time the effectiveness and degree of compliance of our policy framework.

Risk and Control Assessment and Monitoring

Risk assessment provides management with a view of events that could impact the achievement of its objectives. It is integrated into management processes and conducted using a top-down approach (see principal risks and uncertainties, below) that is complemented by a bottom-up assessment process. Our risk taxonomy ensures adequate coverage and enables risk data aggregation at multiple levels. This assessment process combines probability of occurrence (from almost certain to unlikely) with impact, using a framework that assesses impact from financial, customer, regulatory, employee, and media perspectives.



For our product and services, embedded Business Risk Managers conduct first-line risk and control assessments with oversight from second-line risk management. Within regulated entities, oversight is provided by the entity's CRO (or equivalent) and risk team. These assessments are dynamic so that our view of risks and controls keeps pace with changes to our organisation, product offering and the risks we face. While assessment of risks and controls is first and foremost the responsibility of our first-line teams, the outputs of those are subject to oversight by Second Line Risk & Compliance. We gain additional assurance over our risk and control environment by conducting dedicated Compliance Assurance reviews and through our Third Line Internal Audit reviews.

External Environment Scanning, Scenario Analysis, and Stress Testing

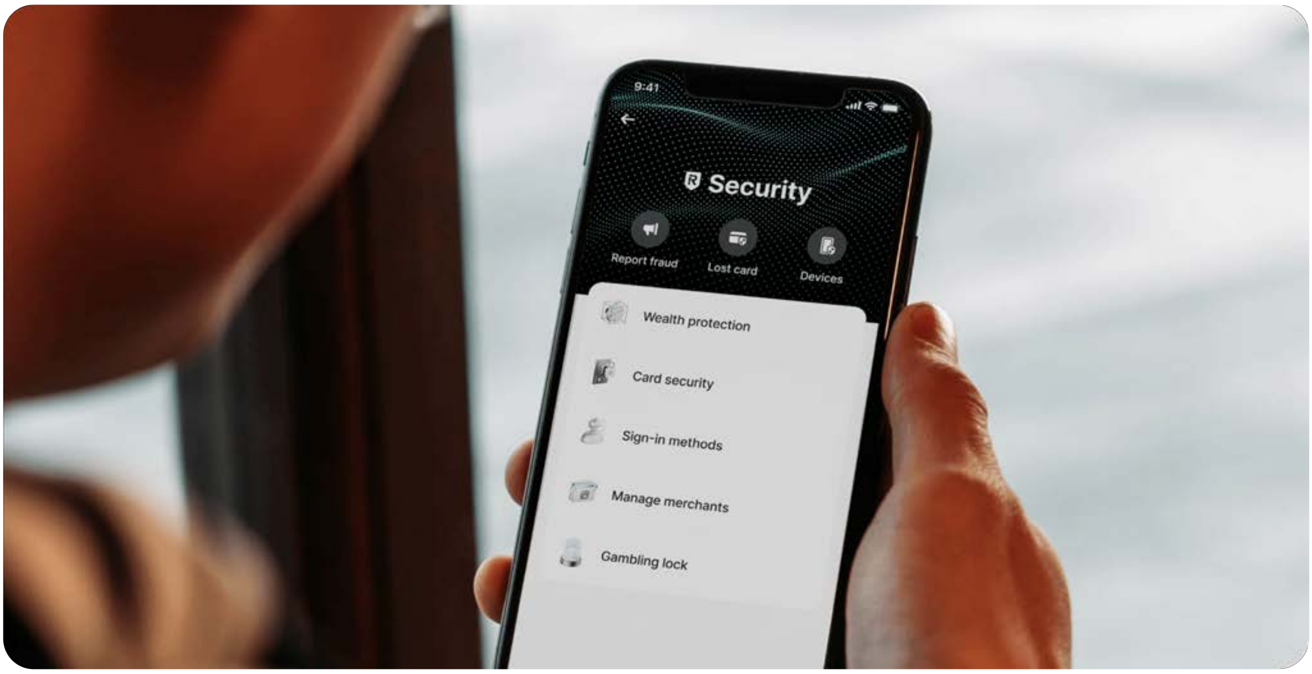
External environment scanning is the practice of monitoring the business environment, and tracking the changes in the environment that could have an impact on individual businesses. Understanding change in the business and regulatory environment is a key element of proactive risk management, ensuring Revolut is adequately prepared for future challenges. We perform external scanning, mainly resorting to two main processes: emerging risk identification and regulatory horizon scanning.

Emerging risks are new, as yet unidentified and difficult to quantify risks that may have a significant impact on Revolut's ability to deliver its strategy or on its key risk exposures. We have strengthened and further structured our approach to their identification and assessment. Horizon scanning enables us to review new and changing regulations, legislations and industry publications to assess their applicability and impact to Revolut.

Scenario analysis and stress testing is used to understand our exposure to specific events and circumstances. It involves the quantification and explanation of the risks contained within a scenario, allowing us to assess possible mitigating actions. Revolut conducts stress tests, as part of Board approved risk assessments, such as the ICAAP and ILAAP, but also on an ad hoc basis; such as analysing high impact / low probability ('black swan') events that could derail our strategy.

For example, within our ICAAP, we explore scenarios ranging from, but not limited to:

- global macroeconomic recessions, that include falls in real GDP, higher unemployment and interest rate shocks (up and down);
- regional economic shocks that are specific to our core markets;
- sector events that test weaknesses in the financial system and fintech industry; and,
- idiosyncratic scenarios that test specific weaknesses in our business model including operational risk events.



Principal Risks and Uncertainties

The table below enumerates our main risks, aligned to the risk taxonomy, with commentary on how these risks are managed and a forward-looking view on how they may evolve.

<table>
<tr><th>Principal Risk</th><th>Mitigants and Controls</th><th>Outlook</th></tr>
<tr><td colspan="3">Strategic Risk</td></tr>
<tr>
<td>Strategic risks are those risks that threaten to disrupt the assumptions underpinning Revolut's business model and strategy, thereby materially affecting the achievement of our strategic objectives. Revolut approaches strategic risk management from two perspectives: Strategic planning and Strategic execution.

The strategic risks Revolut is most focused on include:

• External factors, such as the inability to identify, assess and manage macroeconomic, regulatory, political and societal factors that may hinder the execution of our strategy. This includes our ability to identify and plan for high-impact events.

• The risk that our company culture is unsupportive of our strategic goals.

• The reputation risk from the perspective of our various stakeholder groups, which may arise often as a second-order impact of risks emanating from our chosen strategy.

• Sustainability of growth initiatives entailing the risk of short-term gains coming at the expense of long-term detriment.

• Operationalisation risk, which may result in slowing down the delivery of our product offerings and entity structure; and the risk arising from the inability to adapt and iterate our product offering to fit several target markets.</td>
<td>Revolut's strategy is defined by the Board on a yearly basis and overseen by the Executive Committee. The strategy is articulated through company goals and measured by KPIs (Key Performance Indicators) and company milestones on a quarterly basis. Threats to our strategy are monitored through KRIs (Key Risk Indicators) and other automated monitoring tools with formal processes to investigate and remediate potential or actual breaches to appetite.

We continue to strengthen our long term strategy process by involving all departments into our strategy setting so to make sure that long term strategic objectives are fully consistent with department goals.

As part of our strategy setting process, Revolut's top strategic risks are defined with the Group CEO and Executive team and regularly analysed and reviewed. A report which details the top Strategic Risks, their impact on company goals, their mitigants and future developments is presented on a quarterly basis to the Group Executive Risk Committee and Board Risk & Compliance Committee.</td>
<td>Revolut closely monitors changes to the macroeconomic, political, and regulatory landscapes to ensure the impact on our operations are understood and contained. Multiple work streams are underway and thorough stress testing and risk analysis has been conducted factoring in a number of external scenarios and/or events that have or were expected to materialise during the financial year:

• Continuous assessment of the implications of volatility in the current macroeconomic environment.

• Close interaction with regulators across all jurisdictions. Our horizon scanning process ensures prompt identification of regulatory trends which may affect our business.

• Enhanced monitoring capabilities and assessment of our reputational risk, by expanding the use of internal and external data factoring in our growth.

In addition, we continue to strengthen our processes and governance, around product launch and geographical expansion, that serve as a guard against uncontrolled growth and impacts to operations.</td>
</tr>
</table>

Principal Risk	Mitigants and Controls	Outlook
	Financial: Capital Risk	
Capital risk is the risk that Revolut does not hold adequate capital to support its business activities based on its regulatory requirements, risk profile or leverage.	Capital risk is mitigated using KRIs that trigger immediate intervention if the Group's capital position deteriorates. The Group holds capital buffers, ensuring that it has sufficient capital based on its risk profile to mitigate the impact of stress events. Capital requirements for the Group are re-assessed on at least an annual basis through the Internal Capital Adequacy Assessment Process (ICAAP).	Revolut has, and expects to have in the future, sufficient capital to support its risk profile. Based on our ICAAP stress testing, the Group has sufficient capital to withstand a range of severe, but plausible stress events.
	Financial: Liquidity Risk	
Liquidity risk is the risk that Revolut cannot meet its financial obligations when they fall due. It includes Funding Risk which is the risk that Revolut does not have sufficient stable sources of funding to meet its financial obligations when they fall due or can do so only at excessive cost.	Revolut maintains a liquidity buffer of unencumbered, high-quality cash instruments and securities that are readily convertible to cash to ensure that it can meet all its financial obligations in business-as-usual circumstances and in stress conditions. Liquidity requirements for the Group are re-assessed on an annual basis through the Internal Liquidity Adequacy Assessment Process (ILAAP).	Revolut is expected to maintain sufficient excess unencumbered liquidity to support business-as-usual and stressed contingent financial obligations. Our liquidity position is expected to evolve as clients migrate from payment entities to banks.
	Financial: Market Risk	
Market risk is the risk that Revolut's earnings, capital or ability to meet business objectives could be adversely affected by changes in the level or volatility of market variables, which includes changes in interest rates, credit spreads, commodity prices, equity prices, cryptocurrency prices and foreign exchange rates.	Revolut monitors market risk exposures using KRIs for the key risk drivers, setting appropriate risk limits and using hedging transactions where appropriate. We assess market risk under BAU and stressed conditions. Our KRIs include, but are not limited to, metrics monitoring foreign exchange, crypto, and commodities rates and fair value.	Foreign exchange, commodity and cryptocurrency exposure are expected to remain at relatively low levels in compliance with our standard hedging policy. Revolut maintains some structural foreign exchange positions, which are managed and monitored using the existing market risk metrics.

Principal Risk	Mitigants and Controls	Outlook
Financial: Interest Rate Risk in the Banking Book		
Interest Rate Risk in the Banking Book (IRRBB) refers to the current or prospective risk to Revolut's capital and earnings arising from adverse movements in interest rates that affect our banking book positions. Revolut is exposed to IRRBB to the extent that there is a structural repricing mismatch between assets and liabilities.	Revolut monitors its IRRBB exposure on an ongoing basis by reviewing metrics for sensitivity of net interest income and economic value of equity by applying interest rate shocks, including those prescribed by the regulator.	Revolut hedges the Economic Value of Equity (EvE) sensitivity, whilst minimising Net Interest Income (NII) sensitivity. Our balance sheet is expected to evolve as clients migrate from payment entities to banks, the credit offering is increased and investments in treasury assets continue to ramp up. These changes will influence the interest rate risk to which Revolut is exposed.
Financial: Retail and Business Credit Risk		
Revolut's retail and business credit portfolios consist of lending to individuals, primarily unsecured personal loans and credit cards, and credit exposure to individual businesses due to Revolut's merchant acquiring and FX Forwards services, both in a range of countries.	Retail and business credit products are subject to appropriate underwriting procedures and monitoring, and governed by relevant Group-level and entity-level risk committees. All retail credit programs are assessed at least annually, while retail credit exposure and appetite is continuously monitored.	Revolut continues to work on broadening the retail credit product offering, scaling these products in existing countries and rolling them out to additional countries in a controlled manner, which will result in growth in retail credit exposure during the coming year.
Financial: Wholesale Credit Risk		
Revolut is exposed to wholesale, investment, and business credit risk. The majority of its wholesale credit risk arises through the need to facilitate business operations, such as posting corporate collateral with market counterparties or safeguarding placement of corporate funds and safeguarded client funds with financial institutions, plus exposure to high-quality sovereign and corporate counterparties through treasury assets. This risk also includes investment exposure arising from the purchase of securities associated with the roll out of our investment operations.	All wholesale counterparties giving rise to operational credit risk are assessed at least annually while investment exposure is monitored on an ongoing basis. All credit risk exposure is assigned a credit risk limit commensurate with their risk profile, subject to approved materiality thresholds. Exposure to individual financial institutions is gradually being diversified through the growth of treasury assets	Revolut's exposure to financial institutions is expected to evolve over time with plans to grow a high-quality liquid asset portfolio to support compliance with regulatory large exposure requirements.

Principal Risk	Mitigants and Controls	Outlook
	Conduct: Conduct and Culture Risk	
Revolut has Conduct Risks associated with customer outcomes, market stability and effective competition; and Culture Risks associated with business practices and incentives. Revolut is committed to putting consumers at the heart of the business and delivering to them good outcomes. This applies across all stages of the consumer journey, including products and services, communications and post-sale support.	Revolut deeply values the trust that customers place in us, and our customers are at the heart of how we think about all our products and services. Revolut mitigates Conduct and Culture Risk through its Enterprise Risk Management Framework which includes key controls, processes and governance oversight. Revolut strives to design products and services that meet the needs of consumers within the respective target markets, deliver them with value; provide consumers with clear, understandable information that supports them to make informed decisions; and provide accessible in-app support that ensures our customers are able to realise the full benefits of products and services. There are both preventative and detective controls to proactively identify individuals with potential and actual characteristics of vulnerability, to mitigate the risk that vulnerable customers do not suffer poor outcomes, or worse outcomes than any other group in the target market. Clear roles, responsibilities and oversight arrangements are defined both operationally and organisationally, as well as mechanisms to incentivise good business practices such as 'Karma'. Finally, governance is exercised through the Compliance, Operational & Conduct Risk Committee, with clear escalation lines to the Group Executive Risk Committee & Board Risk & Compliance Committee.	Revolut has a low tolerance for risks that may harm consumers. Our primary goal is to protect consumers, providing them with good outcomes, whilst enhancing trust in our products and services. Revolut continues to observe an increase in the inherent risks associated with Conduct and Culture Risk, directly aligned to the expansion of products, services, jurisdictions and volume of customers. This continues to be mitigated through the Enterprise Risk Management Framework.

Principal Risk	Mitigants and Controls	Outlook
Compliance: Regulatory Compliance Risk		
Revolut is committed to complying with the relevant regulatory requirements in the jurisdictions in which it operates and to provide accurate, reliable and timely reports to external regulators, authorities and stakeholders.	Revolut mitigates Regulatory Risk through its Enterprise Risk Management Framework. Regulatory Risk management is enhanced by comprehensive policies and procedures underpinned by an extensive mandatory training programme. Governance is exercised through the Compliance, Operational & Conduct Risk Committee, with clear escalation lines to the Group Executive Risk Committee and Board Risk & Compliance Committee. Revolut's embedded Global Horizon Scanning process detects early signs of important regulatory, legislative and policy developments and/or changes, consequently adapting its controls commensurate to the regulatory risk arising. Revolut actively contributes and engages with consultation papers and thematic reviews issued by regulators and industry participants, providing its unique perspective to shape and influence the forward regulatory landscape.	Revolut has a low tolerance for risks that may compromise its regulatory obligations, and seeks to operate within all relevant laws and regulations, establishing and maintaining strong working relationships with regulators. Regulatory requirements may be complex and require careful interpretation, including consideration of their underlying spirit and intent. We are committed to complying with applicable laws, rules and regulations, monitoring for changes to the regulatory landscape and maintaining robust systems and controls as a result.

Principal Risk	Mitigants and Controls	Outlook
Financial Crime: Financial Crime Risk		
Financial Crime Risk is the risk of failing to effectively mitigate criminal or illegal activity through Revolut's products and services, third parties and employees. This includes money laundering, violations of sanctions , and terrorist and proliferation financing. Revolut may be adversely impacted if it fails to appropriately identify and mitigate the risk that employees or third parties facilitate, or that Revout's products and services are used to facilitate Financial Crime. Non-compliance may lead to enforcement action including fines, public censure, suspensions, restrictions, conditions, limitations and/or disciplinary prohibitions, which could result in a material financial and reputational impact to the business.	Revolut takes its responsibility to prevent and detect Financial Crime seriously. Revolut mitigates these risks by ensuring it has robust governance, effective risk management procedures and a strong control framework to manage Financial Crime Risk. We continue to improve the effectiveness of our Financial Crime systems and controls, including real-time monitoring of transactions, daily screening of all customers for sanctions and adverse media, and enhance staff mandatory training on Financial Crime Risk. Revolut continues to invest significant attention and resources to strengthen the overall Financial Crime framework, systems and controls.	Revolut has a low appetite for ML/TF risk and no appetite for Sanctions risk. As Revolut continues to expand into new jurisdictions, products and services, this increases the exposure to existing risks and introduces new risks that require continued focus to manage Financial Crime Risks effectively and efficiently. Given the heightened sanctions risks associated with ongoing geopolitical conflict, Revolut will continue to focus on enhancing screening, transaction monitoring and enhanced due diligence control to effectively comply with evolving sanctions regimes. Revolut will also continue to evaluate, monitor and strengthen the effectiveness of its Financial Crime framework and is committed to maintaining a risk and control environment that enables it to respond promptly and effectively to emerging Financial Crime threats.

Principal Risk	Mitigants and Controls	Outlook
Financial Crime: External Fraud Risk		
Revolut defines external Fraud Risk as losses due to acts of a type intended to defraud, or misappropriate property or circumvent the law, by a third party. Significant External Fraud Risks for Revolut include Acquiring Fraud, Issuing Fraud (Card / Payment / Lending), Account Takeover Fraud and Application Fraud (Identity Fraud). Revolut has a low appetite for External Fraud Risk. In particular, Revolut focuses on managing the risk that customers are victims of Account Takeover Fraud, Authorised Push Payments Fraud, and lost or stolen Card Fraud. Revolut is committed to comply with the relevant regulatory requirements and recommendations; furthermore, failing to be compliant may lead to enforcement action including fines, public censure, suspensions, restrictions, conditions, limitations and disciplinary prohibitions.	Revolut aims to minimise External Fraud Risk by maintaining robust, risk-based systems and controls which are designed to meet prevailing legislative and regulatory requirements and to deter, prevent, identify, manage and report occurrences of External Fraud. Where fraud does occur, Revolut has a policy of investigating all events in order to learn and take the necessary steps to further strengthen its systems and controls, therefore protecting Revolut and its customers from future fraud risk(s) and to protect Revolut's reputation. Revolut manages external fraud risk in line with the enterprise risk management framework, maintaining a risk register of external fraud risks covering the major fraud typologies and how these apply across Revolut's business and product offerings. Controls are mapped to risks and are tested on a periodic basis for design and operating effectiveness. Revolut also maintains a suite of KRIs and BCIs to monitor for changes in fraud risk exposure. In addition, the group is mitigating the specific top risks through mandatory training for all employees and specific KRIs to identify trends in fraud events.	Revolut continues to evaluate, monitor and strengthen the effectiveness of its External Fraud Framework and is committed to maintaining a risk and control environment that enables it to respond promptly and effectively to any emerging fraud threats and advanced technology. The increasing use of AI by criminals, in particular deepfake technology, continues to pose a challenge. Revolut is combatting this by enhancing its own Machine Learning (ML) models and also engaging its vendors to improve detection. The changing liability position for fraud in the UK in 2024 places additional emphasis on the need for continuous monitoring and improvement of both acquiring and issuing fraud controls. Revolut is increasing its engagement with peer financial institutions and industry bodies, which will enable it to respond more promptly to emerging risks and work collaboratively to proactively protect its customers. Revolut is developing a framework to enhance the use of external intelligence resources to enable a more effective and efficient response to emerging fraud risks. Revolut's ongoing expansion into new markets, coupled with the introduction of new and innovative products and payment channels, will continue to pose a dynamic fraud risk landscape. This challenge will need to be addressed through strong governance, a foundation of robust fraud controls, the ability to pivot quickly to address new threats.

Principal Risk	Mitigants and Controls	Outlook
	Operational: Third Party Risk	
Revolut relies on third parties and outsourcing service providers for the delivery of its business operations across a number of channels, for example, payment processing, customer support, commodity, crypto and stock exchange services, Know Your Customer (KYC) & Anti-Money Laundering (AML) as well as other business services. A significant portion of the services provided to Revolut customers depend on third-party arrangements. Consequently, this presents operational, compliance and reputational risk, for which we have a defined risk appetite and monitoring procedures.	Revolut mitigates this risk through its Third Party and Outsourcing Risk Management framework. This includes third party inherent risk assessment, third party due diligence, contracting standards, contingency arrangements and ongoing monitoring, such as risk and performance. We work closely with third parties to ensure we are resilient and can continue to deliver our services with minimal disruption. We continue to reduce our dependencies on third parties via diversification and building products and processes in-house where practical. Concentration risk analysis is done regularly across third parties and outsourcing arrangements.	We expect our network of third parties to continue to grow as a result of our business growth so we continue to closely monitor this risk. Material third party relationships are subject to governance; and regular updates on third party concentrations continue to be conducted and reported to management. We are actively managing significant concentration risk with third parties through diversifying our suppliers of third party services and by building solutions to a number of key processes in-house, which gives us better control over those processes and ability to manage their resilience directly.

Principal Risk	Mitigants and Controls	Outlook
Operational: Cyber and Data Security Risk		
As a global financial provider, cyber security threats are a continual source of risk to Revolut systems and the confidentiality, integrity and availability of data held within them. Revolut handles significant amounts of personal data provided by its customers, as well as employee data and confidential corporate information. Revolut therefore must comply with strict data protection and privacy laws and regulations in all global jurisdictions in which it operates, while protecting its own reputation and corporate position.	Alongside the advanced security features it provides to customers, Revolut has implemented, and continues to invest in technical and organisational measures to reduce Cyber and Data Security Risks and ensure robust cyber resilience to prevent, detect, respond to, and recover from, cyber threats. These measures include, but are not limited to, application security testing, vulnerability management, a training and awareness programme, logical access controls, endpoint threat protection, cyber threat intelligence, security detection and response capabilities, third party and supply chain risk management, a comprehensive penetration testing programme, as well as regular audits, including SOC2 Type 2, to provide assurance on the operating effectiveness of these measures. Revolut also implements industry-leading security features into its customer offerings, including location-based card security features and 3D Secure push notifications, and contextual multi-factor authentication, to ensure that customers can trust the service provided. Revolut continues to invest in its digital platforms and security posture, and builds resilient and secure technologies and processes to minimise the risk of data security breaches.	The cyber risks that relate to a cloud-based, fully digital company, operating at scale, along with the continuing opportunism and motivation of criminals, continue to be closely monitored with additional controls implemented for customer, staff, and data protection. Revolut operates a continuous improvement approach to security controls, adapting to the threat landscape as it evolves, and as a result of on-going testing and audit activities. Revolut will continue to mature its governance in this area and look to further expand the coverage and scope of its existing audit programme to provide additional assurance across a wider set of controls.

Principal Risk	Mitigants and Controls	Outlook
Operational: Availability and Continuity Risk		
Operational Resilience is an outcome which Revolut strives to achieve by effectively managing its Availability and Continuity Risk and responding to operational disruptions in a timely manner. Operational disruptions can have many causes including, for example, technology failures or when making changes to systems. Some disruptions may also be caused by matters outside of a firm's control, such as a cyber-attack or wider telecommunications or power failure. While the risk of operational disruptions cannot be eliminated, maintaining Operational Resilience continues to be a priority for Revolut, to protect its growing customer base across an increasingly diverse set of products.	Revolut's Operational Resilience Framework sets out the policy, procedures and governance structures to enable us to monitor and manage the resiliency of our most Important Business Services for customers. The Operational Resilience Framework is formed of nine capability pillars, which cover a variety of potential sources of operational disruption and support us in defining 'resilience practices' under each pillar. Revolut maintains a suite of Business Continuity Plans and Disaster Recovery Plans, which contain recovery measures for business processes and technology to enable services to be resumed within a timely manner. These plans are tested regularly to ensure they remain fit for purpose. A dedicated Operational Resilience capability is in place to maintain oversight of the framework across the Group and local entities.	Our Operational Resilience Framework requires ongoing assessment and identification of our most Important Business Services for customers, and set tolerance limits for their disruption in a major incident. We will continually work to enhance the resiliency of these important services, by investing in additional technology, people and third party resources. The aim of this is to limit the likelihood of a major disruption occurring, and also to limit the harm to customers and Revolut should a disruption impact the Group. We operate a robust testing regime to monitor the effectiveness of our resiliency measures across the Group, including Stress Testing of all Important Business Services.

Emerging Risks

Whilst we monitor the environment for key risks emerging, we would like to call out the following risks in this year's report. These are risks which we are paying particular attention to and are developing concrete plans to integrate into our daily risk and control registers (or amend existing entries where relevant).

Risk	Perspectives
Climate Risk	Similar to previous years, Revolut's exposure to the financial risks arising from climate change remains immaterial. While we remain vigilant and committed to monitoring climate risks, our software-based business minimises our exposure to climate-related scenarios as our operations rely less on physical infrastructure and more on digital platforms. Our corporate physical footprint (e.g. office space) continues to be limited and we do not provide direct funding that generates financed emissions and are not collateralised by physical assets exposed to climate change. Given the longer-term nature of the risk and Revolut's desire to set and achieve appropriate climate goals, we currently manage climate risk as an emerging risk with the expectation that it will become one of our key strategic risks as our exposure begins to grow. Financial risks from climate change is overseen by the Group's BRCC. KRIs, that measure lending to or collateralised with assets exposed to climate change, are used as early warning indicators to notify us if our exposure is becoming material. As we grow our lending book, in particular potentially offering residential mortgages, the materiality of our climate risk exposure may change. Alongside the governance framework described above, our financial planning process, which provides forecasts for the next five years, will help us understand when our climate risk exposure may become material and when we would further improve our risk management capabilities. Ultimately if our lending does expose us to climate risk, we may suffer enhanced credit losses due to climate events; we will therefore need a more enhanced risk management capabilities to price this risk and hold sufficient capital for any material exposure. A key component of our climate risk assessment capabilities, will sit within our ICAAP, which may set capital requirements for the risk using quantitative methodologies and models, and perform stress testing, where appropriate. Considering that the risk is insignificant, we limit further disclosures.
Evolving Regulatory Environment	As a regulated business, Revolut keeps abreast of the emerging regulatory and legislative changes which could impact the way we operate and therefore our ability to comply with applicable regulations and legislations. To achieve this, Revolut, partnering with a number of third parties, has developed its own Horizon Scanning process to capture and assess the potential impact of upcoming regulatory change while jointly maintaining an active and open dialogue with all regulators and government bodies in our operating territories. In particular, we are closely monitoring the changes in regulatory landscape and industry developments relating to Cryptoasset products following the continued evolution of regulatory enforcement in this arena. In addition, we continue to closely monitor the potential impact of the UK's Payment Systems Regulator developments on frauds refund including the mandatory reimbursement model. As the regulatory landscape continues to evolve and remains dynamic, Revolut continues to record and assess developments such as these as our top emerging risks.
Evolving Technologies	Revolut believes that evolving technologies create significant opportunity for innovation of our Products and Services, but also recognises challenges associated with their use. Regulations around the use of new technologies (e.g. Artificial Intelligence) are also evolving and Revolut applies significant governance over potential use cases to ensure that key risks (e.g. Model, Data Privacy, Legal, Compliance) are identified and managed. Emerging technologies also feature in rapidly evolving external threats, for example through External Fraud or Cyber Attack. Our controls therefore require continuous enhancement to ensure they remain effective. As referenced in the principle risks section, a regular and ongoing programme of penetration testing is in place to identify weak points against changing attack vectors. Fraud detection models continue to be enhanced, leveraging new technologies (e.g. Large Language Models) to become increasingly effective.

Non-Financial and Sustainability Information Statement

The table below cross references Non-Financial and Sustainability Information and Key Performance Indicators provided in this report. This section is prepared to comply with Sections 414CA and 414CB of the Companies Act 2006 and the climate-related financial disclosure regulations.

Reporting Requirements	Policies and Standards	Key Performance Indicators (KPIs)	References
Environmental Matters	• Environmental, Social and Governance Policy • Responsible Lending Policy	• Total gross tCO2e • Intensity ratios	• Environmental, Social and Governance (ESG), page 46
Employees	• Global Whistleblowing Policy • Health and Safety Policy • Equal Opportunities Policy • Anti Harassment and Bullying Policy • Conduct Risk Management Policy • Staff Remuneration and Governance Policy • Performance Management Policy • Global Grievance Policy • Group Fitness and Propriety Policy • Corporate Criminal Offence Policy • Communications Policy	• Female representation in leadership • Female representation in promotions • eNPS Score	• Our People, page 40
Human Rights	• Modern Slavery Policy • Third Party Risk Management Policy • Data Governance Policy • Information Classification and Handling Policy • Global Privacy Notice		• Environmental, Social and Governance (ESG), page 46 • Our Partners and Suppliers, page 39
Social Matters	• Employee Handbook • Code of Conduct • Environmental, Social and Governance Policy • Vulnerable Customers Policy • Customer Outcomes Policy • Consumer Duty Fair Value Policy	• Active participation in Revolut's Guilds	• Environmental, Social and Governance (ESG), page 46 • Our People, page 40
Anti-corruption and Anti-bribery	• Anti-bribery and Corruption Policy • Anti-money Laundering Policy • Conflict of Interest Policy • Global Sanctions Policy • Market Abuse Policy • Anti-fraud Policy		• Our Partners and Suppliers, page 39
Description of Principal Risks and Impact of Business Activity		• Headcount in risk and compliance function	• Chief Risk and Compliance Officer's Review, page 51 • Principal Risks and Uncertainties, page 59
Description of the Business Model			• Our Business Model and Strategy, page 24
Non-financial Key Performance Indicators		• Customer balances, monthly active customers and businesses • Primary customers • Total headcount	• Strategic Report, page 4 • Chair's Statement, page 6 • Chief Executive Officer's Review, page 9
Financial Key Performance Indicators		• Revenue growth • Gross profit margin • Profit before tax • Overhead ratio • Client deposits	• Chief Financial Officer's Review, page 14
Climate-related Financial Risks			• Emerging Risks, page 68

CORPORATE GOVERNANCE

Corporate Governance Standards

Revolut operates in accordance with all corporate governance, legal and regulatory requirements. While not subject to the UK Corporate Governance Code 2018 (the CG Code), Revolut largely complies with the CG Code within its Corporate Governance Framework on the basis that this is industry best practice and in order to achieve positive governance outcomes for us and our stakeholders.

Group Corporate Governance Framework

Our governance structure is made up of the Group Board, Group Board Committees and Group Executive Committees.

The Board

The Board is responsible for setting the overall strategy and culture of the Group, and for overseeing management in its day-to-day running of the business.

The Board is also responsible for ensuring the Group has in-place governance arrangements, policies and practices appropriate for the size and nature of its business.

In June 2023, the Board approved an updated Revolut Corporate Governance Framework (**RCGF**) which details the Group's governance and internal control framework, including, but not limited to, the Group's: (i) board, committee and sub-committee structures, (ii) corporate structure (including all entities and branches); (iii) decision-making processes; (iv) Three Lines of Defence model (described in more detail on page 53) of this Report; and (v) the governance framework for the Company's subsidiaries. The RCGF acts as the overarching guide in order to ensure a consistent, centralised approach to Group governance.
The profiles for each of the Directors can be found below on page 73, as well as further detail about the Board.

The Board Committees

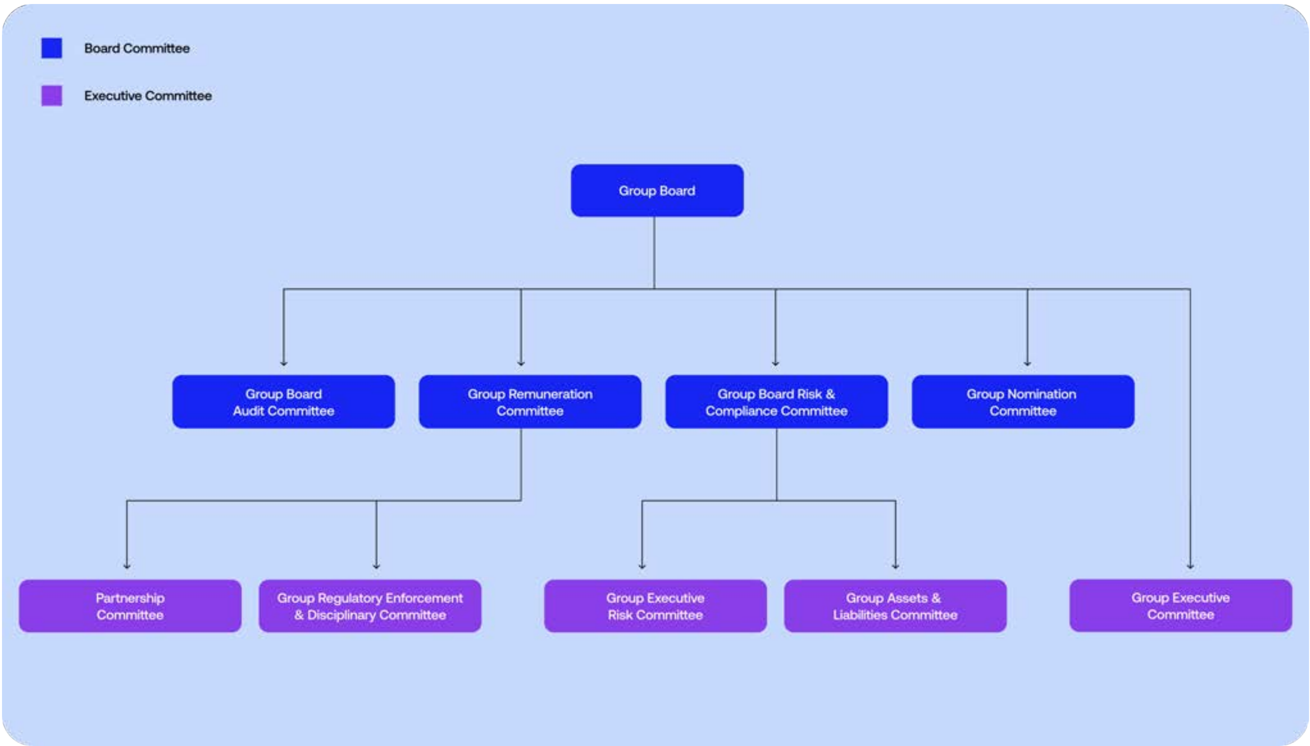
The Board maintains effective oversight of the Group through Board Committees, which were established to assist the Board in discharging its duties.

The Board has established four Committees: (i) Board Risk & Compliance Committee (**BRCC**); (ii) Board Audit Committee (**BAC**); (iii) Nomination Committee (**NomCo**); and (iv) Remuneration Committee (**RemCo**).

The Committees operate under delegated authority from the Group Board, in each case as defined in the respective Committee's Terms of Reference. The Committee Chairs provide a high-level overview of Committee discussions at each scheduled meeting of the Board. Further information about each Board Committee can be found below.

Executive Leadership and Executive Committees

The Board delegates authority for the day-to-day management of the Group to the Group CEO. The Group CEO is supported by the Group's executive leadership team (**Executive Leadership**) and an Executive Committee, operating under delegated authority from the Board. Further information about our Executive Leadership and Executive Committee can be found below on page 84.



Additional Executive Sub-Committees exist to consider specialist topics, as required.

Board of Directors

Appointment date: 28 April 2022 (appointed to Revolut Ltd Board on 1 January 2020)
Committee membership: BAC, RemCo, NomCo (Chair)

Experience: Martin Gilbert co-founded Aberdeen Asset Management in 1983, leading the company for 34 years and overseeing its 2017 merger with Standard Life. Until November 2019, he was chairman of the UK's Prudential Regulation Authority's Practitioner Panel and was Deputy Chairman of the Board of Sky plc until 2018. Before this, he was the Chairman of FirstGroup. In 2015, he was ranked no. 22 in the Harvard Business Review's 900 best- performing CEOs in the world. Martin holds an LLB from the University of Aberdeen and an MA in Accountancy. He qualified as a chartered accountant with Deloitte.

Current External Appointments: Cobalt Data Centre 2 LLP, The Haddeo Land LLP, Moy Sheep Farms LLP, Member of the Maven Capital (Telfer House) LLP, The Heather Club Limited, Glencore plc, Wentworth Club Limited, Observatory for Sport in Scotland, Old Oak Holdings Limited, PGA European Tour, PFD MJG Limited NET ZERO Technology Centre Limited, DAGG LLP Saranac Partners Limited, Martin Gilbert Limited ASSETCO PLC, Maryculter House Limited, Templar Hotels Limited, Scottish Golf Limited, Toscafund Asset Management LLP, Beach Tree Catering Limited, Scotland International, SVM Asset Management Holdings Limited, Buyside Trading Solutions Limited

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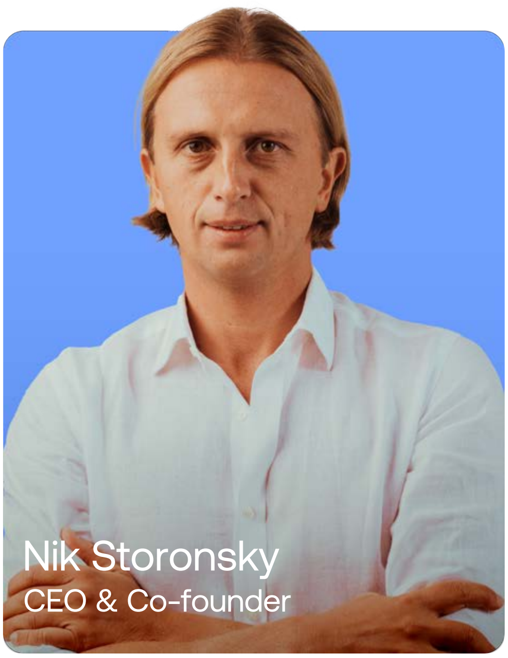
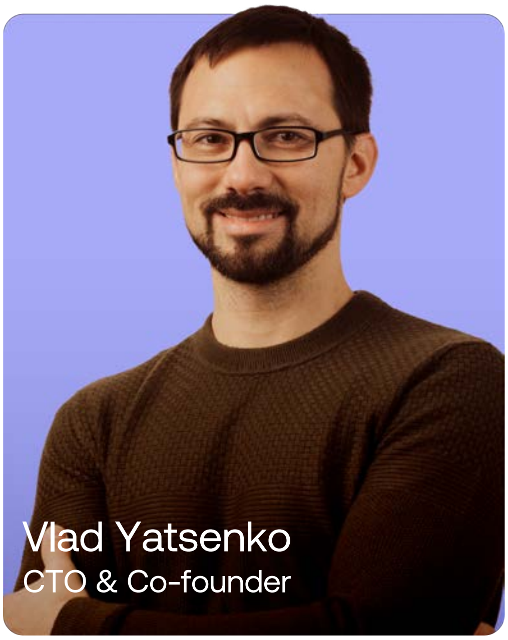


Appointment date: 15 July 2020 (appointed to Revolut Ltd Board on 6 December 2013)
Committee membership: NomCo

Experience: Nik Storonsky launched Revolut in 2015 to transform the way we spend and transfer money abroad. Since then, he has put Revolut on the path of simplifying all things money. Before founding Revolut he was an emerging markets equity derivatives trader at Credit Suisse and Lehman Brothers, where he traded more than $2 billion across various options, swaps and foreign exchange instruments. Nik holds an MS in Applied Physics and Mathematics from the Moscow Institute of Physics and Technology and an MA in Economics from the New Economic School, Moscow.

Current External Appointments: n/a



Appointment date: 15 July 2020 (appointed to Revolut Ltd Board on 11 August 2017)
Committee membership: n/a

Experience: Vlad Yatsenko co-founded Revolut with Nik Storonsky in 2015 and is its Chief Technology Officer. His software engineering experience spans industries including travel and finance and includes creating real-time billing systems at Comarch and booking engines for Sabre Airline Solutions. Having built financial software systems at tier one investment banks including UBS, Deutsche Bank and Credit Suisse, he realised that to deliver a next-generation digital banking service he would need to build it himself. He holds an MS in Computer Science from the National University of Kyiv-Mohyla Academy.

Current External Appointments: n/a

Appointment date: 28 April 2022 (appointed to Revolut Ltd Board on 21 February 2020)
Committee membership: NomCo, BRCC, RemCo (Chair)

Experience: Michael Sherwood retired as Vice Chairman of Goldman Sachs and Co-Chief Executive Officer of Goldman Sachs International in 2016, after 31 years with the company and 22 years as a partner. He was a founding sponsor of Harefield Academy and a member of the Westminster Abbey Development Board. He is a former Trustee of the Mayor's Fund for London and the Serpentine Galleries.

Current External Appointments: Michael is a Board Member of Moscot Inc and of Credit Benchmark Limited and a Trustee of Greenhouse Sports Limited.

Appointment date: 28 April 2022 (appointed to Revolut Ltd Board on 8 March 2019)
Committee membership: BRCC, BAC (Chair)

Experience: Caroline Britton was at Deloitte LLP for 30 years until 2018 and was an audit partner for 18 years. Caroline holds an MA in Economics from the University of Cambridge. She is a fellow of the Institute of Chartered Accountants of England and Wales.

Current External Appointments: Caroline is a Non-Executive Director and Chair of the Audit Committee at both MoneySupermarket.com Group plc and Sirius Real Estate Limited. She is also a member of the Audit, Finance Risk and Investment Committee for Make-A-Wish Foundation International, and a Trustee and Chair of the Audit and Risk committee at the Royal Opera House.

Appointment date: 28 April 2022 (appointed to Revolut Ltd Board on 21 February 2020)
Committee membership: BRCC, BAC, RemCo

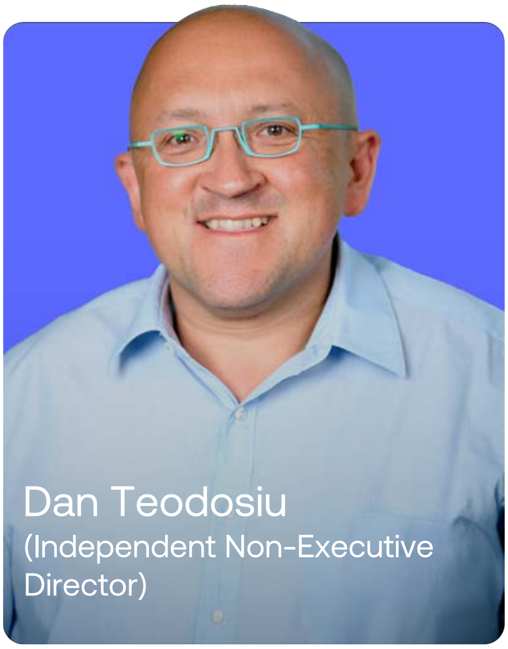
Experience: Ian Wilson spent much of his career with Royal Bank of Scotland, latterly as Director of Credit, Retail Banking. Later executive roles included Managing Director of Business Banking at Santander UK, Chief Risk Officer for GE Money UK, Tesco Bank, Charter Court Financial Services, and Monzo Bank and Strategic Risk Director for Virgin Money. He is a chartered banker, a fellow and former Vice President of the Chartered Banker Institute in Scotland.

Current External Appointments: Ian the Chair of the Scottish Building Society, a director for East Pier Advisory and is also a Non-Executive Director for Kompasbank.

Appointment date: 28 April 2022 (appointed to Revolut Ltd Board on 1 August 2021)
Committee membership: BAC, BRCC (Chair)

Experience: John Sievwright had a 20-year career with Merrill Lynch holding global leadership positions, latterly Chief Operating Officer - International. He earlier worked in finance and accounting roles at Bankers Trust and Bank of Tokyo International, having begun his career as an auditor at Ernst & Young where he qualified as a Chartered Accountant. While at Merrill Lynch, he was President of the Futures Industry Association. He is a former Senior Independent Director (SID) and Chairman of the Audit and Risk Committee at ICAP plc (later NEX Group) and former SID and Chairman of the Audit Committee of FirstGroup plc. He has an MA in Accountancy and Economics from the University of Aberdeen.

Current External Appointments: John is Chairman of Burford Capital Limited, serving on its Nomination and Compensation Committees, as well as Chairman of LoopFX. John also serves as trustee, and the Chairman of the Audit Committee, of several Abrdn closed end funds and an Abrdn open end fund.



Appointment date: 27 November 2023 (appointed to Revolut Ltd Board on 27 November 2023)
Committee membership: BRCC, RemCo

Experience: Dan Teodosiu has over 30 years of experience in building and managing engineering and research teams, scaling platforms, as well as developing infrastructure capable of supporting billions of users. During this time, he has held senior positions at Google, Microsoft and HP Labs. Most recently, Dan acted as CTO of Onfido and, prior to that, as CTO of Criteo, Europe's largest ad tech company.

Current External Appointments: Dan was appointed as a Director of QIMA Partners Group Limited in January 2024 and is an Executive in Residence at Balderton Capital, providing technical and engineering-focused support.

Role of the Board

The Board's primary responsibility is to promote the long-term success of the Group. The Board discharges this responsibility with assistance from the Board Committees and by overseeing Revolut's Executive Leadership team, to whom the Board delegate the day-to day-running of the business.

The Executive Leadership team report to the Board at regular intervals, ensuring that the Board monitors and oversees the implementation of key initiatives by management. Martin Gilbert (Chair of the Board) facilitates open discussions and constructive challenge to the Executive Leadership at Board meetings.

There is a clear division of responsibilities between the Board and the executive leadership of the Group's business, which is led by Nik Storonsky as the Group CEO.

Key focus areas of the Board

The Board's focus can be categorised under following heads:

Strategic

- Reviewing and approving the strategic direction of the Company including, as appropriate, the strategies for each of the Company's subsidiaries, including major licence submissions.
- Reviewing and approving material acquisitions and disposals of assets and share acquisitions and disposals which are significant in terms of the business of the Group.
- Reviewing and approving third party engagements which are significant in terms of the business of the Group.
- Reviewing and approving any change to, or off-boarding of, a third party engagement.
- Considering longer term strategic threats to the business operations of the Group.
- Reviewing and approving the scoping of new Product proposals, where such proposals are not in scope of the company Product Strategy

Financial

- Reviewing and approving the Group's key financial objectives including revenue, gross profit margin and net profit margin.
- Reviewing and approving the proposed allocation of capital within the Group, unless such approval is explicitly delegated to the Asset and Liabilities Committee by materiality threshold.
- Reviewing and approving the Group annual financial budget.
- Receiving Business and Financial consolidated reports for the Group and reviewing actual performance in light of the Group strategy, objectives, business plans and budgets.
- Approving the Group's Annual Report and Accounts.
- Reviewing the application of accounting policies and practices, including review and approval of significant changes in accounting policies and practices, and monitor the maintenance of adequate accounting and other records and systems of planning and internal control and inspection.

Risk

- Reviewing and approving the Group's risk appetite framework.
- Reviewing and approving the Group wide risk appetite for Level 1 risks (for further information on risk, please see page 53 of this Report)
- Monitoring the Group's performance against its risk appetite.
- Considering any material risks and approve, as appropriate, recommended actions escalated by the BRCC.
- Monitoring the capital and liquidity positions of the Group.

Culture and Behaviour

- Establishing the Group's purpose, values and strategy, and satisfy itself that these and its culture are aligned.
- Articulating the Group's cultural values and the behaviours expected from all employees by setting the cultural 'tone from the top'.

- Monitoring and challenging the process with embedding cultural values and expected behaviours across the Group.
- Ensuring that the cultural values and expected behaviours are being reinforced in how employees are onboarded and their performance managed.

Legal Regulatory and Governance

- Considering and approving any changes to the Company's capital structure including any share transfers, issues, option pool increases or share buy backs.
- Reviewing and approving the issue of all circulars, prospectus and listing particulars to equity shareholders of the Company.
- Reviewing and approving any changes to the Group's regulatory status or any decision to commence or close any business activity which is subject to government, regulatory or other licences or approvals, including the incorporation of any new Group entity or branch.
- Reviewing and approving the Group's high level corporate governance arrangements to ensure these reflect principles of good governance including transparency and accountability, and support the Group's values and sustainability of the business over the longer term.
- Ensuring that the Board and wider Group maintains an open and transparent dialogue with its regulators.

Key activities

In 2023, the Board:

- Reviewed reports from the CFO on financial performance and discussing financial updates with the CFO
- Received regular updates from the respective Chairs of the Board Committees
- Approved and actioned the appointment of Dan Teodosiu as Independent NED to the Board
- Reviewed diversity, equity, and inclusion data and initiatives
- Received updates on the Group's Long Term Strategy
- Risk reviewed Revolut's 2026 Strategy and reviewing the Risk Appetite Framework
- Reviewed and approved the Terms of Reference of the Board Committees and Executive Committees
- Review regular reports on progress with the ESG strategy
- Approved the Group's annual budget, ICAAP, ILAAP, Recovery Plan,and Solvent Wind Down Plan
- Invited members of the Executive Leadership or external advisers to deliver deep-dive presentations on matters considered key to the long-term sustainable success of the Group
- Monitored key performance indicators including financial performance and capital forecasting
- Discussed regulatory developments (including Consumer Duty regulations), how these would impact Revolut's business (if at all) and set relevant actions to address this
- Approved the Group's 2021 and 2022 annual reports and consolidated financial statements

Time Commitment

Independent Non-Executive Directors are required to devote to the Company such time as is necessary for them to discharge their duties in an effective manner. The minimum time commitment for Independent Non-Executive Directors is 36 days per annum, which includes time spent preparing for and attending meetings of the Board and its Committees, as well as time for each director's ongoing professional development.

Self-Assessments and Training

The Board performs an annual self-assessment of the individual and collective skills of the Board. The findings of these self-assessments are used to inform the Board's Succession Plan and Board Training Programme, which help to ensure that the Board is both stable and resilient in the long-term and that the Board possesses an appropriate balance of skills, knowledge and experience to collectively lead the Group, both now and into the future.

Effectiveness Reviews

The skills, performance and effectiveness of the Board and the Board Committees are also assessed annually, in order to identify the Board's strengths and development areas.

- Every three years, the Board instructs an independent firm to conduct this evaluation and the last independent evaluation of the Group Board was completed during Q1 2023.
- In the intervening years, evaluations are carried out internally, by Revolut's Corporate Governance team.

The recommendations identified in the evaluations are reviewed and presented to the Board by the Chair, Martin Gilbert, who subsequently oversees the implementation of those recommendations.

Group Board Meeting Arrangements and Reporting

The agenda for the Group Board is driven by the Chair, with support from the Group CEO, Company Secretary and wider Governance team. Ahead of each calendar year, the forward-looking agenda for the year is set. This provides a clear roadmap for the key strategic, financial, operational and risk matters on which the Board expects to be reported to by management. This enables the Board to have oversight of the performance of the Group against expectations.

Throughout the Board and Committee meeting deliberations, the Board considers the views and interests of Revolut’s stakeholders such as customers, employees, shareholders and regulators. For further information, please see the Board's s.172 statement on page 86.

Meetings of the Group Board are held at intervals of around six weeks, or convened ad hoc as required. In 2023, there were nine meetings of the Group Board convened, of which one was ad hoc.

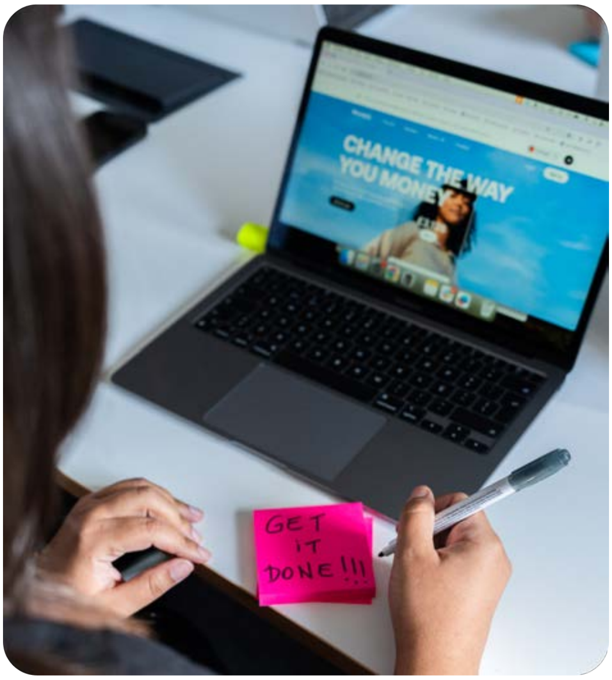
Board and Committee meeting attendance

The table below shows the number of meetings held in 2023 by the Board of Directors and its Committees, along with the attendance of the individual Board members.

	Board	BAC	BRCC	NomCo	RemCo
Total number of meetings	**9**	**6**	**7**	**5**	**7**
Martin Gilbert	8	6	2	5	6
Nik Storonsky	9	—	—	5	—
Vlad Yatsenko	8	—	—	—	—
Michael Sherwood	9	3	7	5	7
Caroline Britton	9	6	7	—	3
Ian Wilson	9	6	5	—	6
John Sievwright	9	6	7	—	4
Dan Teodosiu	1	—	2	—	1

*Dan Teodosiu was appointed as an Independent Non-Executive Director on 27 November 2023.
**Changes were made to Committee composition during the course of the year, meaning certain Board members ceased joining particular Committees as members.

Culture and People



Revolut's success is based on our people and culture — diverse, performance-driven and deeply collaborative — and the Revolut Board ensures that a strong and healthy corporate culture cascades from the top down, enabling Revolut to excel in the highly regulated environment in which it operates.

Through delegating hiring responsibilities to the Executive Leadership, the Board maintains oversight and ensures that the Group places importance on the hiring process, guaranteeing we hire and retain employees of the highest calibre and integrity, with values consistent with Revolut's. Our company values, detailed on our website at www.revolut.com/our-culture, lay the groundwork for this culture.
Refer to the Our People section on page 40 for more details.

Board Committees

Group Board Risk & Compliance Committee (BRCC)

Membership

The BRCC is chaired by John Sievwright and its other members are Caroline Britton, Dan Teodosiu, Michael Sherwood and Ian Wilson. In June 2023, the Board conducted a composition review of the BRCC and the members have been selected based on their skill set and experience to oversee and implement BRCC's responsibilities. For further information on the Directors' skills and experience, please refer to their bios above on page 73.

Role and Responsibilities

The BRCC is responsible for supporting the Board in fulfilling its duties with regards to risk and compliance management, which includes, but is not limited to, the following:

- Review and recommend the Group's Enterprise Risk Management Framework (ERMF) and Risk Appetite Statement (RAS) to the Board for approval, and monitor the Group's performance against the ERMF and Risk Appetite profile.
- Consider any material emerging risks identified, through risk horizon scanning, and review and challenge recommended action plans (including action plans from the Group's risk function).
- Review:
  - the capital and liquidity positions of the Group,
  - the Group's credit and market risk profiles (including any material financial risk arising from climate change), and
  - the Company's financial viability metrics.
- Recommend to the Board key documents such as ICAAP, ILAAP, Recovery Plan and Wind Down plan.
- Review matters pertaining to stress testing activity and any corrective actions stemming from regulatory engagements.
- Review the Group's policy inventory and approve the Board-level policies where relevant.
- Review the design and effectiveness of Group's risk management operations.
- Support the Board in defining the Group's risk culture, ensuring that it is communicated effectively and understood by the Group's Executive Management and employees. This includes advising the Board whether the Group's risk culture is supportive of 'doing the right thing' in difficult or challenging circumstances..
- In conjunction with RemCo, advise the Board whether proposed incentive and remuneration plans are consistent with the risk culture expectations and whether they are likely to encourage well-controlled and transparent management risk-taking
- Ensure the Group maintains an open and transparent dialogue with its regulators and governmental bodies.
- Review current and forward-looking regulations, legislation and any applicable industry practices.
- Consider when external advice and/or assurance on Risk and Compliance matters should be sought to challenge the BRCC's and/or the Risk and Compliance function's assessments.

Key activities

During 2023, the BRCC:

- reviewed the top risks and decisions escalated from the Group Executive Risk Committee and challenged on their respective remediation status'
- reviewed the progress of key control remediation activities, risk/control findings and and Control Enhancement Programmes
- reviewed and acknowledged on key risk culture metrics including the ratio between

risk incidents and mandatory employee training compliance

- reviewed reports on the capital and liquidity positions of the group and approved amendments to the credit limits based on risk profiles
- approved the annual review of Group risk, compliance and liquidity policies

Group Board Audit Committee (BAC)

Membership

The BAC is chaired by Caroline Britton and its other members are John Sievwright, Martin Gilbert and Ian Wilson.
In June 2023, the Board conducted a composition review of the BAC and the members have been selected based on their skill set and experience to oversee and implement BAC's responsibilities. For further information on the Directors' skills and experience, please refer to their bios above.

Role and Responsibilities

The BAC is responsible for supporting the Board in fulfilling its duties with regards to oversight of prudential, financial and audit matters which includes, but is not limited to, the following:

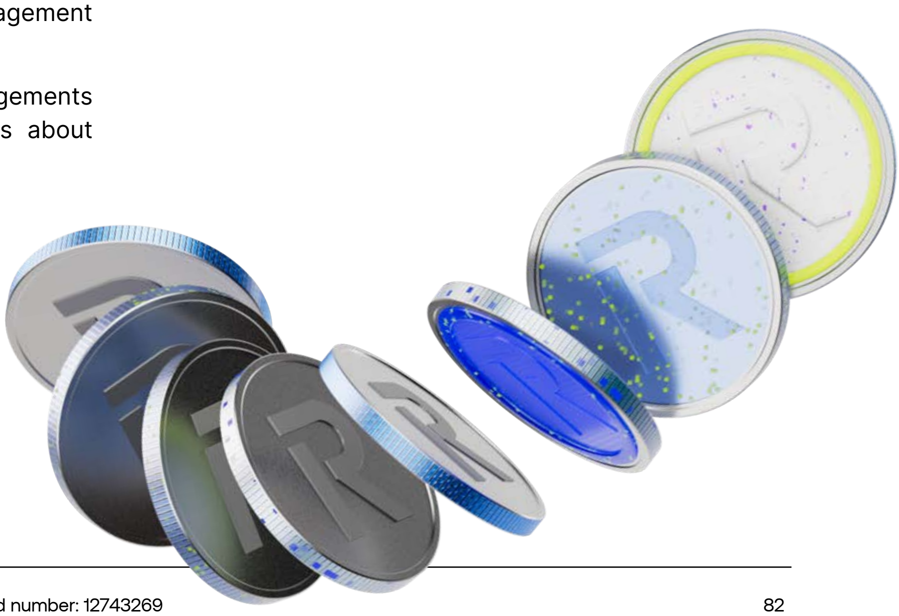
- Monitoring the integrity of the Group's financial statements and disclosures.
- Reviewing the effectiveness of the Group's internal system of financial controls.
- Monitoring the performance and independence of the Internal Audit function.
- Overseeing and leading the engagement with the Group's external auditor.
- Reviewing the whistleblowing arrangements by which staff may raise concerns about possible improprieties.

Key activities

During 2023, the BAC:

- Reviewed the integrity and quality of the Group's financial information, including the results announcements, the Annual Report and Accounts.
- Reviewed the effectiveness of the Group's internal controls.
- Ensured and oversaw the integrity, independence and effectiveness of Revolut's Whistleblowing Polices and Procedures.
- Evaluated the effectiveness of both the Group's internal audit function and external auditors.
- Reviewed and approved the external audit plan, progress and risk reports from the external auditor, BDO, and approved the Group's 2021 and 2022 annual reports and consolidated financial statements.

In February 2024, the BAC approved the re-appointment of BDO as Group auditors.



Group Nominations Committee (NomCo)

Membership

NomCo is chaired by Martin Gilbert and its other members are Michael Sherwood and Nik Storonsky. For further information on the Directors' skills and experience, please refer to their bios above.

Role and Responsibilities

NomCo is responsible for supporting the Board in fulfilling its duties with regards to the assessment, selection and nomination of candidates for Board and Executive Management positions, which includes, but is not limited to, the following:

- Reviewing the structure, size, composition and independence of the Board and making recommendations with regard to any changes it considers necessary.
- Overseeing the succession planning process for the Board and Executive Management.
- Overseeing each Board appointment procedure, which includes the completion of robust due diligence to assess candidates considered for nomination.
- Approving Director appointments to regulated subsidiaries.

Key activities

During 2023, NomCo:

- Reviewed and recommended the reappointment of the Board's Non-Executive Directors.
- Recommended and approved the appointment of Dan Teodosiu to the Board.
- Reviewed and approved appointment / reappointment of directors to the Boards of the Group's regulated subsidiaries.
- Ensured that robust plans are in place for Board, CEO and wider Executive succession.
- Reviewed and approved amendments to NomCo's Terms of Reference.

Group Remuneration Committee (RemCo)

Membership

RemCo is chaired by Michael Sherwood and its other members are Dan Teodosiu, Martin Gilbert and Ian Wilson. In June 2023, the Board conducted a composition review of the RemCo and the members have been selected based on their skill set and experience to oversee and implement RemCo's responsibilities. For further information on the Directors' skills and experience, please refer to their bios above.

Role and Responsibilities

RemCo is responsible for supporting the Board in fulfilling its duties with regards to the remuneration arrangements for the Group and for ensuring that they align with the Group's business strategy and risk strategy in terms of incentivisation. This includes, but is not limited to, the following:

- Setting the remuneration for the top 25 highest paid employees, those performing control functions and material risk takers.
- Establishing the Group’s Remuneration Policy, ensuring that it is benchmarked appropriately.
- Overseeing any major changes in employee benefits structures.
- Reviewing the share incentive plans for approval by the Board and shareholders.

Key activities

During 2023, RemCo:

- reviewed and approved employee performance bonuses and remuneration, including appropriateness reviews
- reviewed and approved Revolut's Long-term Incentive Plan
- provided oversight and advice to the Board in relation to the Group's remuneration policy

Executive Committees

Executive Committee (ExCo)

ExCo is comprised of key members of senior management including the Group CEO, Group CTO, Group CRO, Group GC and Group CFO, as well as representatives from other areas of the Company including Product and Control departments.

ExCo is responsible for developing the strategy for Board approval and overseeing its execution, monitoring the Group's financial position and performance, and overseeing the Group's progress against its goals and approved annual budget. More specifically, ExCo's purpose is to:

- Support the CEO to make key decisions for the Group.
- Review progress on agreed priorities (goals and roadmaps) and align executives in clearing blockers for key priorities of the Group.
- Ensure consistent communication across the Group of strategy, priorities, and actions.
- Recommend matters to the Group Board for approval.

ExCo provides advice and guidance to the CEO, who makes the key decisions regarding the firm's strategy and the execution of key priorities.

ExCo meets weekly or more often as required.

Group Executive Risk Committee (GERC)

The Board delegates authority for the day-to-day risk and compliance management of the Group to the Group Chief Risk Officer. The Group Chief Risk Officer is supported by the GERC, operating under delegated authority from the Board Risk & Compliance Committee. Main responsibilities involve, but are not limited to:

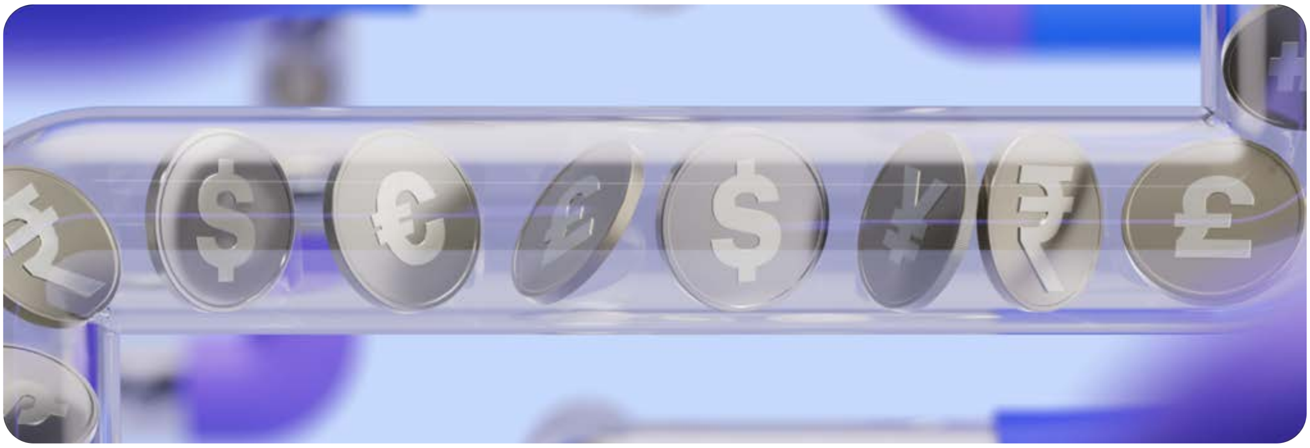
- Monitoring the risk profile of the Group against the Board Risk Appetite Statement (RAS), reviewing and approving mitigation plans in case of any breaches.
- Setting, allocating and periodically reviewing limits and controls that are supplementary to the Board RAS and help managing risks on a more granular level.

- Reviewing and monitoring the implementation of the Risk Management framework across Revolut.
- Evaluating the risk and compliance awareness and maturity of each department or risk-taking unit.
- Monitoring the timely closure of risk, control and compliance issues.
- Considering and approving proposed changes to Executive management policies and reviewing policies for the Board's approval.
- Exercising oversight with regard to risk assessments and risk management of change activities that impact cross-functional areas.
- Reviewing and deciding on matters escalated from the ERC sub-committees or Revolut's subsidiaries' risk function.

Assets and Liability Committee (ALCO)

The Board delegates authority for the day-to-day financial asset and liability management of the Group to the Group CFO and/or Head of Treasury. The Group CFO and/or Head of Treasury are supported by the ALCO, operated under delegated authority from the BRCC who are responsible for the following:

- Management and optimisation of the balance sheet and the Group's financial asset investments in line with Board approved appetite.
- Reviewing and monitoring the controls in relation to safeguarding obligations.
- Reviewing and monitoring the capital and liquidity adequacy of the Group.
- Reviewing Contingency Funding Plans (CFP) and recovery and resolution plans.
- Reviewing and monitoring the Risk Appetite Statements (RAS) with respect to financial risks.
- Reviewing and monitoring the liquidity risk profile of the Group.
- Reviewing the credit risk and market risk limit utilisations.
- Reviewing and approving interest rate risk limits and utilisations.
- Reviewing and approving assets and liability management risk frameworks and policies.
- Reviewing and approving capital and assets and liability management strategies.
- Reviewing and approving liquidity transfer pricing and capital allocation frameworks and policies.
- Reviewing and approving forward-looking capitalisation and funding plans.
- Receiving and approving future business plans with respect to capital adequacy and liquidity risk profile.



Section 172 Statement

Maintaining and continuing to develop strong stakeholder relationships is essential to Revolut's success as we continue to strive to expand our global footprint, product suite, customer base and employee headcount. Our key stakeholders include our: customers; employees; investors; regulators; and partners and suppliers.

When making decisions, the Board is conscious of its responsibilities under s172(1) of the Companies Act 2006 to promote the long-term success of the company, balancing the interests of the relevant stakeholders and maintaining high standards of business conduct.

We have outlined our key actions and steps taken as a Group to engage with our stakeholders and discharge our duties under s172(1) of the Companies Act 2006 in the following sections of this report:

s172 consideration	Annual Report Section	Page Number
Long term consequences of decisions	Strategic Report; Our Business Model and Strategy	24
	Strategic Report; Environmental, Social and Governance (ESG)	46
Interests of employees	Strategic Report; Our People	40
Fostering business relationships with suppliers, customers and others	Strategic Report; Engaging with Stakeholders	36
Impact of operations on the community and the environment	Strategic Report; Environmental, Social and Governance (ESG)	46
Maintaining a reputation high standard of business conduct	Corporate Governance; Corporate Governance	70
	Corporate Governance; Board of Directors	73
	Corporate Governance; Executive Committees	84
Acting fairly between members of the company	Strategic Report; Our Investors	38

Directors' Report

The Directors present their report and the audited financial statements of the Group and Company for the year ended 31 December 2023.

In accordance with section 414C (11) of the Companies Act 2006, and in keeping with the spirit of the UK Corporate Governance Code, the following matters required to be included in the Directors' report have been included elsewhere in the Annual Report. These matters are cross-referenced in the table below and together form part of the Directors' report.

Disclosures	Annual Report Section	Page Number
Principal Activities of the Company	Strategic Report; Our Products and Services	23
Business Review	Strategic Report; Our Business Model and Strategy	24
Future Developments in the Company's Business	Strategic Report; Our Business Model and Strategy	24
s172 Statement	Corporate Governance; Section 172 Statement	86
Maintaining and Developing Employee Involvement	Strategic Report; Our People	40
Employee Engagement	Strategic Report; Engagement with Employees	43
Stakeholder Engagement	Strategic Report; Engaging with Stakeholders	36
Corporate Governance Standards	Corporate Governance; Corporate Governance Standards	71
Group Corporate Governance Framework	Corporate Governance; Group Corporate Governance Framework	71
Revolut Group Board of Directors and Committees	Corporate Governance; Board of Directors	73
Risk Management and Internal Controls	Risk Management and Compliance	50
Culture and People	Strategic Report; Our People	40
Environmental Reporting	Strategic Report; Environmental, Social and Governance (ESG)	46
Licences and Authorisations	Strategic Report; Our Regulators	38
Group Structure and Branches Outside the UK	Notes to the Financial Statements; Investments in Subsidiaries (Note 15)	139

Results and Dividends

The consolidated net profit for the year after taxation was £344.1 million (2022: £5.8 million). The Directors did not recommend a dividend (2022: £nil).

Research and Development

The Group undertakes research and development activities in respect of the development and enhancement of its technology platform. Revolut incurred research and development costs during 2023 of £122.3 million and these are recognised in the Consolidated Statement of Comprehensive Income (2022: £88.0 million).

Political Donations

The Group has not made any political donations to, nor incurred any political expenses in relation to, any registered political parties, organisations or candidates.

Directors' Liabilities

Revolut indemnifies each of the Company's Directors against third party liability, subject to the conditions set out in section 234 of the Companies Act 2006. This qualifying third party indemnity provision was in force during the 2023 financial year.

Financial Instruments

The Group enters into a series of financial instruments for the purposes of its business operation, comprising cash and cash equivalents, treasury investments hold-to-collect (including bonds, collateralised loan obligations (CLO), commercial paper (CP), certificate of deposits (CD), Schuldscheindarlehen (SSD), and reverse repurchase agreements) and treasury investments hold to collect and sell (including government bonds), derivatives held at fair value, loans and advances to customers, customer liabilities, and other payables and receivables measured at amortised cost. Details of the Group's financial instruments are set out in Note 30 of the consolidated financial statements.

The Group is exposed to interest rate risk. The Group undertakes fair value hedge accounting using interest rate swaps for its non-interest-bearing core deposits. Details of the Group's hedge accounting are set out in Note 30.5 of the consolidated financial statements.

The Group becomes party to foreign exchange forward and swaps contracts in the normal course of business. Refer to Note 30.2 for further details.

The Group's financial risk management objectives and policies are set out in the Risk Management section of the Strategic Report, along with the Group's exposure to credit risk, liquidity risk, and market risk.

Acquisition of Own Shares

Please refer to Note 28 on page 155 for information about the purchase of shares by the Company's Employee Benefit Trust (such shares are treated as the Company's 'own shares'). The Company did not buyback any other shares in 2023 (2022: £nil).

Post Balance Sheet Events

Please refer to note 34 on page 188 for information about our post balance sheet events.

Going Concern

The consolidated financial statements are prepared on a going concern basis as the Directors are satisfied that the Group and the Company have the available resources to continue in business for a period of at least twelve months from the date of approval of the consolidated financial statements.

The going concern assessment is based upon the latest financial forecast prepared by management. Appropriate assumptions have been made in the base case forecast in respect to user, revenue growth, and profitability based on the historical performance of the business and expected changes to the business over the forecast period.

The Directors have also considered as part of the going concern review the severe, but plausible, downside scenarios used in the Group's detailed ICAAP and ILAAP to stress-test the viability of the business. The scenarios tested are shared below and were tested before and after actions from Group management. The table includes the principal risks being stressed as described in the Risk Management and Compliance section (page 50).

Type	Scenario	Description	Principal risks and uncertainties
Market	Interest rates decrease	• Property prices drop materially triggering widespread defaults leading to reduced credit availability and a sharp drop in global GDP. • Inflationary pressures ease and central banks respond by cutting rates sharply to historical lows for an extended time period.	• Strategic risk • Credit risk • Interest rate risk in the banking book (IRRBB)
	Interest rates increase	• Inflation increases globally. Central banks raise interest rates (beyond current levels) resulting in a global recession. • Unemployment increases and GDP growth stagnates for a protracted period. • This is based on the September 2022 Bank of England Annual Cyclical Scenario.	• Strategic risk • Credit risk • Market (FX) risk
Idiosyncratic	Reputational damage	• An operational event occurs resulting in severe reputational damage. • Loss of confidence leads many customers to withdraw funds and stop using Revolut. • It takes considerable time before trust is restored.	• Strategic risk • Operational risk

In all of these scenarios, the Group's capital and liquidity remain above regulatory requirements. This sufficiency does not require any external financing.

In addition to the stress tests in the Group's comprehensive ICAAP and ILAAP, Revolut has performed a series of reverse stress tests and examined three additional stress scenarios to evaluate the resilience of its diversified business model. Unlike the ICAAP and ILAAP tests, the scenarios were assessed solely prior to any managerial interventions by the Group. The three stress scenarios encompass a situation where there is no change in Revolut's existing regulatory environment, a cost of living crisis across EEA and UK, and an idiosyncratic downside scenario. Under all three stress scenarios, Revolut continues to generate profit and maintains sufficient capital and liquidity, requiring no external funding throughout the assessment period. These findings add to the substantial evidence supporting the Group's ability to continue as a going concern.

The Directors have considered the forecasts and stress tests for the Group and have, at the time of approving these consolidated financial statements, a reasonable expectation that the Group and the Company have adequate resources to continue in operation for a period of at least twelve months from the date of approval of the consolidated financial statements.

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report, the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

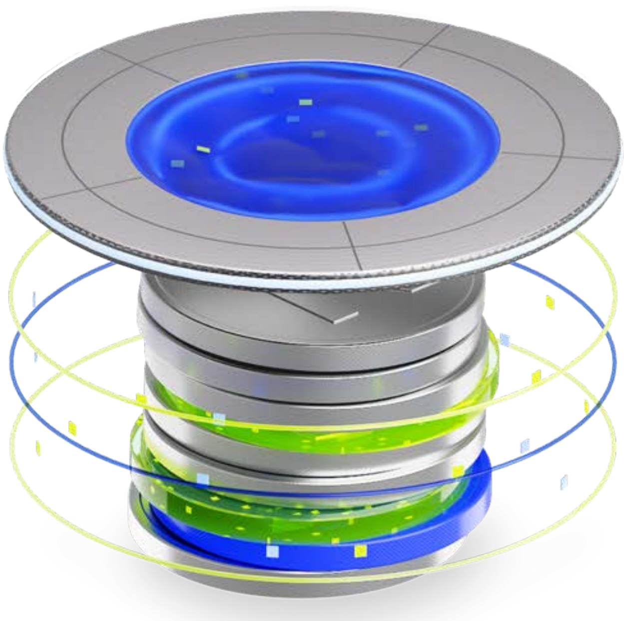
The directors have chosen to prepare the Group Financial Statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the United Kingdom (UK) and the Companies Act 2006 and the Company Financial Statements in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006.

The law provides that the directors may only approve the financial statements if they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for the financial year to which they relate.

In preparing the financial statements, the directors are required to:

- Maintain appropriate accounting records which enable the directors to understand the Company's and Group's transactions and financial position;
- Select appropriate accounting policies and apply them consistently;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Make judgements and accounting estimates that are reasonable and prudent;
- Provide additional disclosures in certain circumstances to ensure that readers of the financial statements can understand the impact of particular transactions and matters on the Group and Company's financial position and financial performance;
- Ensure that the financial statements comply with the requirements of the Companies Act 2006;
- Make an assessment of the Group and Company's ability to continue as a going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard assets of the Group and Company and to prevent and detect fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.



Director Confirmations

The Directors consider that the annual report and accounts, taken as a whole, are fair, balanced and understandable, and provides the information necessary for shareholders to assess the company's position, performance, business model and strategy.

Each of the directors, as of the date of approval of this Directors Report, confirm that:

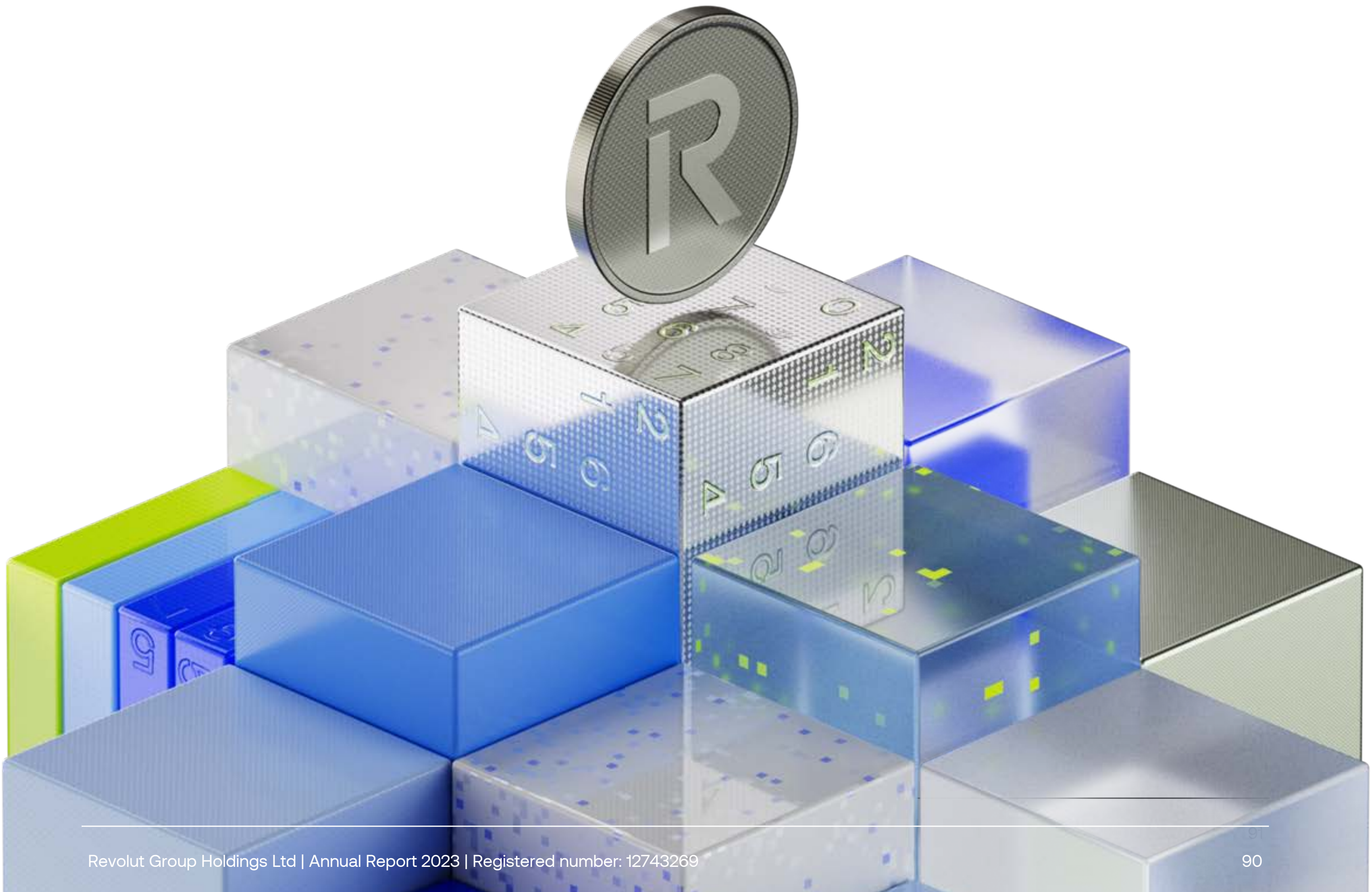
- so far as the directors are aware, there is no relevant audit information of which the Company and the Group's auditors are unaware; and
- they have taken all of the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Auditor

BDO LLP have indicated their willingness to be reappointed as auditors for another term and appropriate arrangements will be put in place for them to be deemed reappointed.

This report was approved by the Board on 28 June 2024 and signed on its behalf

Nik Storonsky
Director
28 June 2024



FINANCIAL STATEMENTS

Independent auditor's report to the members of Revolut Group Holdings Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Revolut Group Holdings Ltd ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, and as regards the Parent Company financial statements, Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report and consolidated financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibility Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance and management of the Group.

Identifying and assessing potential risks relating to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

1 The legal and regulatory framework applicable the Group and the industry in which it operates and considered the risk of acts by the Group which would be contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with relevant regulatory bodies and tax legislation. We focused on laws and regulations that could give rise to a material misstatement in the Group and Parent Company financial statements.

2 The susceptibility of the Group and Parent Company's financial statements to material misstatement, including how fraud might occur, by considering the nature of the industry and sector, and by assessing the control environment and controls established by the Group to address risks identified by the Group or that otherwise seek to prevent, deter or detect fraud.

3 Due to the acute dependency of the Group on its IT infrastructure we performed an assessment of the IT landscape, performed bidirectional data flow assessments across product cycles identified as key, and assessed the design and operating effectiveness of the IT environment and relevant activity level controls across the customer lifecycle for those products and services.

Audit response to the risks identified

As a result of assessing the above we identified the developing financial control environment as the key risk in respect of how the audit was capable of detecting irregularities including fraud.

We place reliance on relevant IT controls with a combined audit approach obtaining evidence from test of controls and substantive procedures. Due to the nature of the entity's operations, we focused our procedures on the existence of own cash balances, the existence of cash and commodities held in client designated bank accounts, and the completeness and accuracy of client liabilities associated with those cash and commodities balances held in third party bank accounts.

Risk – Existence of own and client cash and commodities held by the entity as at the year end

Our procedures included the following:

- We obtained independent confirmation of 100% of cash balances held on behalf of customers with third parties.
- We obtained independent confirmation of 100% of commodities held with third parties.
- We obtained independent confirmation of 99.99% of own cash, other high quality liquid assets (HQLAs), and short-term financial assets held with third parties, with appropriate rationalisation and alternative procedures performed on the remaining immaterial 0.01%.

Risk – Completeness and accuracy of customer liabilities recognised as at the year end

Our procedures included the following:

- Assessing the design and testing the operating effectiveness of relevant IT general controls relating to the core operating platforms and general ledger.
- Testing the design and operating effectiveness of automated controls key to the processing, recording and settlement of customer transactions including those key integrations and reconciliations relevant to revenue recognition and customer liabilities.
- Data analytic procedures to independently recalculate and reconcile total customer liabilities at an individual user level by direct interrogation of the entity's IT environment for evidence of understatement of customer liabilities.
- Analytics of customer account activity behaviours and a test of detail sample selected on risk criteria for evidence of misallocation and/or misappropriation of customer liabilities.
- Analytic procedures over transactional revenues to identify anomalies and outliers in fees levied for indications of fraudulent revenue recognition.

- Review of external complaints data including that recorded by the Bank of Lithuania compared to internal data source(s) to assess potential incompleteness of customer complaints recorded by the entity.
- Review and analytic procedures over customer complaints and a test of detail sample selected on a number of risk criteria for indications of systemic evidence of understatement of customer liabilities.
- As part of our substantive procedures in respect of the revenue and treasury cycles customer existence procedures (onboarding) for indicators of fictitious customers and accounts.
- Analytic procedures over certain third-party internet review sites for customer sentiment.

In addition to the above our procedures to respond to risks included, but were not limited to:

- Review of correspondence with and reports to the regulators, including the FCA, the Bank of Lithuania, and other regulatory bodies;
- Review of management's reporting to the Board Audit and Risk Committee in respect of compliance and legal matters;
- Enquiring of management and review of internal audit reports in so far as they related to the financial statements;
- Identifying and testing journal entries to respond to the risk of management override of control;
- Reviewing dispute logs, breaches/incidents log, legal expenses and whistleblowing reports.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Hopkins (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
28 June 2024

BDO LLP is a limited liability partnership registered in England and Wales
(with registered number OC305127).

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2023

	Note	2023 £000	2022 £000
Revenue		**1,797,890**	**922,547**
Fee income	6	1,209,815	792,573
Interest income	7	499,561	82,689
Other income	8	88,514	47,285
Cost of sales		**(427,310)**	**(280,889)**
Fee expense	9	(306,100)	(228,320)
Interest expense	7	(42,793)	(16,065)
Credit losses on lending products	31.1	(31,573)	(5,180)
Credit losses on non-lending products	31.1	(15,015)	(8,458)
Other operating expenses		(31,829)	(22,866)
Gross profit		**1,370,580**	**641,658**
Administrative expenses	10	(932,752)	(667,076)
Profit/(loss) before tax		**437,828**	**(25,418)**
Tax (expense)/credit	12.1	(93,753)	31,220
Net profit for the year		**344,075**	**5,802**
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences	28	(10,222)	17,442
Changes in the fair value of financial assets measured at FVOCI	28	10,550	(14,915)
Tax (expense)/credit on components of other comprehensive income	12.3	(2,822)	3,444
Other comprehensive (loss)/income, net of tax		**(2,494)**	**5,971**
Total comprehensive income for the year		**341,581**	**11,773**

The accompanying notes form an integral part of this consolidated financial statement.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these consolidated financial statements.
The Company's net profit for the year ended 31 December 2023 amounted to £104.0 million (2022: £246.5 million).

Consolidated Statement of Financial Position

at 31 December 2023

	Note	31 December 2023 £000	31 December 2022 £000
Assets			
Cash and cash equivalents	13	12,827,654	10,581,018
Treasury investments	14	3,258,512	2,694,659
Investment in commodities	16	104,618	94,221
Trade and other receivables	17	496,239	341,559
Derivative financial assets	30.4	28,097	7,681
Loans and advances to customers	18	527,593	203,580
Inventories	19	15,799	18,604
Current tax assets		15,965	7,329
Deferred tax assets	12.4	58,613	93,684
Property, equipment, and right-of-use assets	20	25,903	21,940
Intangible assets	21	2,020	2,504
Total assets		**17,361,013**	**14,066,779**
Liabilities			
Customer liabilities	22	15,197,968	12,593,188
Trade and other payables	23	509,248	192,761
Derivative financial liabilities	30.4	66,333	90,017
Provisions for liabilities	24	10,244	16,314
Current tax liabilities		16,734	3,166
Total liabilities		**15,800,527**	**12,895,446**
Equity			
Share capital	27	—	—
Share premium		279	182
Merger reserve		1,287,803	1,287,803
Retained earnings / (accumulated deficit)		31,917	(312,158)
Other reserves	28	240,487	195,506
Total equity		**1,560,486**	**1,171,333**
Total liabilities and equity		**17,361,013**	**14,066,779**

The accompanying notes form an integral part of this consolidated financial statement. The consolidated financial statements on pages 97 to 188 were approved and authorised for issue by the Board and were signed on its behalf on 28 June 2024.

Nik Storonsky
Director

Company Statement of Financial Position

at 31 December 2023

	Note	31 December 2023 £000	31 December 2022 £000
Assets			
Trade and other receivables	17	25,279	151
Investments in subsidiaries	15	1,437,757	1,313,688
Deferred tax assets		—	6
Total assets		**1,463,036**	**1,313,845**
Liabilities			
Trade and other payables	23	1,042	893
Total liabilities		**1,042**	**893**
Equity			
Share capital	27	—	—
Share premium		279	182
Merger reserve		913,212	913,212
Retained earnings		350,455	246,454
Other reserves	28	198,048	153,104
Total equity		**1,461,994**	**1,312,952**
Total liabilities and equity		**1,463,036**	**1,313,845**

The accompanying notes form an integral part of this individual financial statement. The consolidated financial statements on pages 97 to 188 were approved and authorised for issue by the Board and were signed on its behalf on 28 June 2024.

Nik Storonsky
Director

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Net parent investment	Merger reserve	Other reserves	Retained earnings / (accumulated deficit)	Total equity
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
At 1 January 2022	—	—	1,287,452	—	107,568	(317,960)	1,077,060
Net profit for the year	—	—	—	—	—	5,802	5,802
Other comprehensive income for the year, net of tax	—	—	—	—	5,971	—	5,971
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**5,971**	**5,802**	**11,773**
Transactions with owners							
Shares issued during the year	—	182	86	—	—	—	268
Adjustment to accrued expenses related to issuance of shares	—	—	265	—	—	—	265
Transfer upon reorganisation	—	—	(1,287,803)	1,287,803	—	—	—
Equity-settled share-based payment charge	—	—	—	—	39,049	—	39,049
Purchase of own shares by Employee Benefit Trust	—	—	—	—	(446)	—	(446)
Tax impact of equity-settled share-based payment charge	—	—	—	—	43,364	—	43,364
Total transactions with owners	**—**	**182**	**(1,287,452)**	**1,287,803**	**81,967**	**—**	**82,500**
At 31 December 2022	**—**	**182**	**—**	**1,287,803**	**195,506**	**(312,158)**	**1,171,333**
At 1 January 2023	**—**	**182**	**—**	**1,287,803**	**195,506**	**(312,158)**	**1,171,333**
Net profit for the year	—	—	—	—	—	344,075	344,075
Other comprehensive loss for the year, net of tax	—	—	—	—	(2,494)	—	(2,494)
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**(2,494)**	**344,075**	**341,581**
Transactions with owners							
Shares issued during the year	—	97	—	—	—	—	97
Adjustment to accrued expenses related to issuance of shares	—	—	—	—	—	—	—
Transfer upon reorganisation	—	—	—	—	—	—	—
Equity-settled share-based payment charge	—	—	—	—	45,130	—	45,130
Purchase of own shares by Employee Benefit Trust	—	—	—	—	(143)	—	(143)
Tax impact of equity-settled share-based payment charge	—	—	—	—	2,488	—	2,488
Total transactions with owners	**—**	**97**	**—**	**—**	**47,475**	**—**	**47,572**
At 31 December 2023	**—**	**279**	**—**	**1,287,803**	**240,487**	**31,917**	**1,560,486**

The accompanying notes form an integral part of this consolidated financial statement.

Company Statement of Changes in Equity

	Share capital £000	Share premium £000	Merger reserve £000	Other reserves £000	Retained earnings £000	Total equity £000
At 1 January 2022	—	—	—	—	—	—
Net profit for the year	—	—	—	—	246,454	246,454
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**246,454**	**246,454**
Transactions with owners						
Shares issued during the year, including the impact of reorganisation	—	182	913,212	137,695	—	1,051,089
Transfer of reserve upon reorganisation	—	—	—	(445)	—	(445)
Equity-settled share-based payment charge	—	—	—	16,300	—	16,300
Purchase of own shares by Employee Benefit Trust	—	—	—	(446)	—	(446)
Tax impact of equity-settled share-based payment charge	—	—	—	—	—	—
Total transactions with owners	**—**	**182**	**913,212**	**153,104**	**—**	**1,066,498**
At 31 December 2022	**—**	**182**	**913,212**	**153,104**	**246,454**	**1,312,952**
At 1 January 2023	**—**	**182**	**913,212**	**153,104**	**246,454**	**1,312,952**
Net profit for the year	—	—	—	—	104,001	104,001
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**104,001**	**104,001**
Transactions with owners						
Shares issued during the year, including the impact of reorganisation	—	97	—	—	—	97
Transfer of reserve upon reorganisation	—	—	—	—	—	—
Equity-settled share-based payment charge	—	—	—	45,087	—	45,087
Purchase of own shares by Employee Benefit Trust	—	—	—	(143)	—	(143)
Tax impact of equity-settled share-based payment charge	—	—	—	—	—	—
Total transactions with owners	**—**	**97**	**—**	**44,944**	**—**	**45,041**
At 31 December 2023	**—**	**279**	**913,212**	**198,048**	**350,455**	**1,461,994**

The accompanying notes form an integral part of this individual financial statement.

Consolidated Statement of Cash Flows

for the year ended 31 December 2023

	2023	2022
	£000	**£000**
Cash flows from operating activities		
Profit/(loss) before tax	437,828	(25,418)
Adjustments for non-cash items		
Non-cash portion of interest income	(50,489)	(14,785)
Non-cash portion of interest expense	17,738	553
Amortisation of intangible assets	4	52
Impairment losses other than expected credit losses	651	819
Depreciation of property, equipment, and right-of-use assets	10,167	9,050
Increase/(decrease) in provisions	(8,820)	14,502
Net change in expected credit losses	46,588	8,316
Net loss/(gain) on changes in the fair value on hedging derivatives and hedged items	5,100	(7,409)
Share-based payments	45,130	39,049
Other non-cash items in profit/(loss) before tax	4,243	8,672
Operating cash flows before movements in working capital and movements in customer liabilities and hedging arrangements	**508,140**	**33,401**
Movements in working capital		
(Increase)/decrease in inventories	2,805	(11,208)
(Increase)/decrease in trade and other receivables	(258)	(121,967)
Increase/(decrease) in trade and other payables	82,842	(8,158)
Operating cash flows before movements in customer liabilities and hedging	**593,529**	**(107,932)**
Movements in assets and liabilities driven by operating activities		
Net increase/(decrease) in customer liability in respect of deposits	2,244,301	6,530,072
Net increase/(decrease) in e-money in issue	463,206	(1,472,995)
Net (increase)/decrease in negative customer liabilities	(8,490)	(6,771)
Net (increase)/decrease in net settlement balances	73,870	25,079
Net increase/(decrease) in customer liability in respect of commodities	10,064	29,026
Net (increase)/decrease in investment in commodities	(10,397)	(27,865)
Net (increase)/decrease in loans and advances to customers	(359,818)	(191,053)
Cash generated from operations	**3,006,265**	**4,777,561**
R&D credit received	2,988	3,471
Taxes paid	(54,084)	(20,371)
Net cash from operating activities	**2,955,169**	**4,760,661**
Cash flows from investing activities		
Purchase of property and equipment	(5,951)	(4,381)
Payments to develop or acquire intangible assets	—	(2,041)
Cash inflows from treasury investments	2,166,552	2,646,481
Cash outflows from treasury investments	(2,731,055)	(4,029,463)
Net cash from investing activities	**(570,454)**	**(1,389,404)**

Cash flows from financing activities		
Proceeds from issue of ordinary shares net of transaction costs	97	268
Principal payments on lease liabilities	(6,034)	(5,639)
Loans repaid	(11)	(98)
Net cash from financing activities	**(5,948)**	**(5,469)**
Net increase in cash and cash equivalents	**2,378,767**	**3,365,788**
Cash and cash equivalents at beginning of year	10,581,018	7,052,609
Effect of exchange rates on cash and cash equivalents	(132,130)	162,621
Cash and cash equivalents at end of year	**12,827,655**	**10,581,018**
Additional information on cash flows from operating activities		
Interest paid	25,055	15,512
Interest received	449,072	67,904

The Company has taken advantage of the exemption allowed under paragraph 8 of Financial Reporting Standard 101, ‘Reduced Disclosure Framework’ ('FRS 101') and has not presented its own statement of cash flows in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

Revolut Group Holdings Ltd (the 'Company') and its subsidiaries (together, the 'Group' and 'Revolut') provide a range of services to retail and business users, including but not limited to electronic money, banking, payments (through physical and virtual cards), currency exchange, savings, subscriptions, peer-to-peer payments, cryptocurrency and commodity exposures, share-trading, consumer loans, credit cards, and hotel stays.

The Company is a private company limited by shares and incorporated in England & Wales. The registered office and the principal place of business is 7 Westferry Circus, Canary Wharf, London, England, E14 4HD.

2. Basis of Preparation

The consolidated financial statements of the Group have been prepared in compliance with the International Financial Reporting Standards (IFRS) as adopted by the United Kingdom (UK) and the Companies Act 2006. The individual financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006.

The consolidated and individual financial statements are prepared on a going concern basis (as disclosed in Note 3), under the historical cost convention, as modified by the recognition of certain assets and liabilities at fair value as disclosed in Note 4.

The preparation of consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 5.

The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 to refrain from presenting its individual statement of comprehensive income.

Although these consolidated financial statements have been released in the name of the parent, Revolut Group Holdings Ltd, they represent the in-substance continuation of the previous Group headed by Revolut Ltd prior to April 2022. The following accounting treatment has been applied to account for the restructuring of the Group during 2022, as set out in Note 2.1 (the 'Restructuring'):

- The consolidated assets and liabilities of the subsidiary Revolut Ltd assumed by the Company on the date of the Restructuring were recognised and measured at the pre-Restructuring carrying amounts, without restatement to fair value;
- The equity balances recognised in the Consolidated Statement of Financial Position include the accumulated impact of equity movements of Revolut Ltd from 1 January 2022 to 29 April 2022, the date of the Restructuring, as the Company was not active prior to the date of the Restructuring, and also include the accumulated impact of equity movements of Revolut Group Holdings Ltd from 30 April 2022 onwards, including the equity instruments issued to effect the Restructuring.

2.1 Restructuring of the Group in Prior Periods

During 2022, the Revolut group of companies underwent a business combination under common control as follows.

On 29 April 2022, Revolut Group Holdings Ltd, a company incorporated and domiciled in the United Kingdom acquired the ownership interest of Revolut Ltd, a company incorporated and domiciled in the United Kingdom via a share-for-share exchange.

On 7 June 2022, Revolut Ltd transferred its direct 100% ownership interests in the following companies via a share-for-share exchange to Revolut Holdings Europe UAB, a company incorporated and domiciled in Lithuania, to establish a European Union sub-group headed by Revolut Holdings Europe UAB:

- Revolut Bank UAB, a company incorporated and domiciled in Lithuania
- Revolut Insurance Europe UAB, a company incorporated and domiciled in Lithuania
- Revolut Payments UAB, a company incorporated and domiciled in Lithuania
- Revolut Securities Europe UAB, a company incorporated and domiciled in Lithuania

On 25 July 2022, Revolut Ltd transferred the direct 100% ownership interests in the following companies via a dividend in specie to Revolut Group Holdings Ltd:

- Revolut Holdings International Ltd, a company incorporated and domiciled in the United Kingdom
- Revolut Holdings US Inc, a company incorporated and domiciled in the United States of America
- Revolut NewCo UK Ltd, a company incorporated and domiciled in the United Kingdom
- Revolut Corporate Services Ltd (formerly known as Revolut FIC Ltd) a company incorporated and domiciled in the United Kingdom

On 2 September 2022, Revolut Ltd transferred its direct 100% ownership interest in Revolut Travel Ltd, a company incorporated and domiciled in the United Kingdom, to Revolut NewCo UK Ltd via a share-for-share exchange.

On 25 October 2022, Revolut Ltd transferred its direct 100% ownership interests in the following companies via a dividend in specie to Revolut Group Holdings Ltd:

- Revolut Holdings Europe UAB
- RT Digital Securities Cyprus Ltd, a company incorporated and domiciled in Cyprus

On 25 October 2022, Revolut Ltd transferred its entire ownership interest in Revolut Payments India Private Ltd, a company incorporated and domiciled in India via a dividend in specie to Revolut Group Holdings Ltd.

The restructuring of the group was recognised as a business combination under common control as control of all impacted subsidiaries was not transitory. Assets and liabilities received in the combination were measured at carrying value.

2.2 Separate Financial Statement of the Company Exemption under FRS 101

The following exemptions from the requirements of IFRS have been applied in the preparation of individual financial statements of Revolut Group Holdings Ltd, in accordance with FRS 101:

- The requirements of paragraphs 45(b) of IFRS 2 *Share-based Payment*
- The requirements of paragraphs 79(a)(iv) and 111 of IAS 1 *Presentation of Financial Statements*
- The requirements of IAS 7 *Statement of Cash Flows*
- The requirements of paragraph 17 of IAS 24 *Related Party Disclosures*
- The requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group

3. Going Concern

The consolidated financial statements are prepared on a going concern basis as the Directors are satisfied that the Group and the Company have the available resources to continue in business for a period of at least twelve months from the date of approval of the consolidated financial statements.

The going concern assessment is based upon the latest financial forecast prepared by management. Appropriate assumptions have been made in the base case forecast in respect to user, revenue growth, and profitability based on the historical performance of the business and expected changes to the business over the forecast period.

The Directors have also considered as part of the going concern review the severe, but plausible, downside scenarios used in the Group's detailed ICAAP and ILAAP to stress-test the viability of the business. The scenarios tested are shared below and were tested before and after actions from Group management. The table includes the principal risks being stressed as described in the Risk Management & Compliance section.

Type	Scenario	Description	Principal risks and uncertainties
Market	Interest rates decrease	• Property prices drop materially triggering widespread defaults leading to reduced credit availability and a sharp drop in global GDP. • Inflationary pressures ease and central banks respond by cutting rates sharply to historical lows for an extended time period.	• Strategic risk • Credit risk • Interest rate risk in the banking book (IRRBB)
	Interest rates increase	• Inflation increases globally. Central banks raise interest rates (beyond current levels) resulting in a global recession. • Unemployment increases and GDP growth stagnates for a protracted period. • This is based on the September 2022 Bank of England Annual Cyclical Scenario.	• Strategic risk • Credit risk • Market (FX) risk
Idiosyncratic	Reputational damage	• An operational event occurs resulting in severe reputational damage. • Loss of confidence leads many customers to withdraw funds and stop using Revolut. • It takes considerable time before trust is restored.	• Strategic risk • Operational risk

In all of these scenarios, the Group's capital and liquidity remain above regulatory requirements. This sufficiency does not require any external financing.

In addition to the stress tests in the Group's comprehensive ICAAP and ILAAP, Revolut has performed a series of reverse stress tests and examined three additional stress scenarios to evaluate the resilience of its diversified business model. Unlike the ICAAP and ILAAP tests, the scenarios were assessed solely prior to any managerial interventions by the Group. The three stress scenarios encompass a situation where there is no change in Revolut's existing regulatory environment, a cost of living crisis across EEA and UK, and an idiosyncratic downside scenario. Under all three stress scenarios, Revolut continues to generate profit and maintains sufficient capital and liquidity, requiring no external funding throughout the assessment period. These findings add to the substantial evidence supporting the Group's ability to continue as a going concern.

The Directors have considered the forecasts and stress tests for the Group and have, at the time of approving these consolidated financial statements, a reasonable expectation that the Group and the Company have adequate resources to continue in operation for a period of at least twelve months from the date of approval of the consolidated financial statements.

4. Material Accounting Policies

The material accounting policies applied in the preparation of these consolidated and individual financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

4.1 Adoption of New and Revised Standards

(a) New standards, interpretations, and amendments adopted from 1 January 2023

New standards impacting the Group and Company that have been adopted in the consolidated financial statements for the year ended 31 December 2023 are:

- IFRS 17 *Insurance Contracts* and amendments to IFRS 17 *Insurance Contracts*
- Disclosure of Accounting Policy — Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimate — Amendments to IAS 8
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction — Amendments to IAS 12
- International Tax Reform Pillar Two Model Rules — Amendments to IAS 12

The adoption of the new standards have not had a significant impact on the consolidated financial statements of the Group or the Company individual financial statements for the year ended 31 December 2023, nor are they expected to for future reporting periods or transactions.

(b) New standards, interpretations, and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group and Company have decided not to adopt early.

New standards or amendments	Effective for annual periods beginning on or after
Lease Liability in a Sale and Leaseback — Amendments to IFRS 16	1 January 2024
Non-current Liabilities with Covenants — Amendments to IAS 1	1 January 2024
Classification of Liabilities as Current or Non-current — Amendments to IAS 1	1 January 2024
Supplier Finance Arrangements — Amendments to IAS 7 and IFRS 7	1 January 2024
Lack of exchangeability — Amendments to IAS 21	1 January 2025

Management does not expect that the adoption of the standards listed above will have a material impact on the annual consolidated financial statements of the Group or Company in future periods.

4.2 Basis of Consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings at 31 December 2023 and 31 December 2022 on the basis described in Note 2.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and are de-consolidated from the date that control ceases. Intercompany transactions, balances, and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Group accounting policies are consistently applied to all entities and transactions.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

All intragroup transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates and equity-accounted joint ventures to the extent of the Group's interest in the entity.

4.3 Foreign Currency Translation

Functional and presentation currency
The Group consolidated financial statements are presented in pound sterling. The Company's functional and presentation currency is the pound sterling.

Transactions and balances
Transactions are recorded at the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was measured.

Foreign exchange gains and losses resulting from the settlement of monetary transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary assets and liabilities carried at fair value and denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Translation
On consolidation, the results of overseas operations are translated into sterling at the average exchange rates for the applicable period. All assets and liabilities of overseas operations are translated at the exchange rate ruling at the Consolidated Statement of Financial Position date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

4.4 Fee Income

The Group recognises revenue according to the principles of IFRS 15 using the five-step model:

1. Identify the contracts with customers
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction to the performance obligations in the contract
5. Recognise the revenue when (or as) the entity satisfies the performance obligation

The group derives its revenue from contracts with customers by transferring the following services.

Card and interchange
Card revenue represents transaction-related fees, including interchange fees receivable from the Group's card issuing partners, merchant acquiring fees, fair usage fees for cash withdrawals outside of customer plans allowances and top-up fees.

Card and interchange fees are deemed to include a single performance obligation under IFRS 15 *Revenue from Contracts with Customers*; namely, the completion of a card transaction for a customer and as such, revenue is recognised at the time of settlement of the transaction.

Foreign exchange
Foreign exchange revenue represents markup fees charged on market exchange rates for weekend transactions

and less frequently traded currencies, and fair usage fees where customers undertake additional exchange transaction volumes outside of their plan allowances.

Foreign exchange revenue has a single performance obligation, namely, the exchange of one currency for another between customer's currency pockets. Revenue is recognised at the point of this exchange.

Wealth
Wealth comprises revenues from the Group's cryptocurrency, commodities, trading, and savings products.

The Group acts as an agent on behalf of its customers to buy or sell cryptocurrencies and listed company shares and the revenue represents any exchange markup or commission charged, and any applicable fair usage fees. Buying or selling cryptocurrencies or listed company shares has a single performance obligation; namely, the execution of a customer's order and as a result, revenue is recognised at the time of the transaction.

When entering into commodity contracts with customers, the Group charges a markup on the market exchange rate for the exchange of e-money. Similarly, when the customer settles the contract and receives e-money, a separate markup fee is charged to the customers. Revenue is recognised upon the completion of each individual transaction, i.e. revenue recognised upon entering into the commodity contracts, and upon settlement of the commodity contract.

While open, the customer contracts are accounted for at fair value through profit or loss within revenue.

The Group hedges its exposure to customer commodity contracts through holding its own investments in commodities. The net amount representing the change in fair value of the contracts with customers and the associated hedging investments are presented net in the foreign exchange and wealth line within fee income. The policies and methodologies associated with the determination of fair value are included in Note 30.2.

Subscriptions
Subscription revenue represents monthly and annual subscription fees charged to retail and business customers. The subscription service has two distinct performance obligations: a card delivery service (which is recognised in other fee income) and an ongoing payment processing service. Revenue for the subscription service is recognised in the month to which the subscription relates. Where subscription fees are received in advance (namely annual subscription fees) they are initially recognised as contract liabilities and are recognised as revenue in the Consolidated Statement of Comprehensive Income on a straight-line basis over the period of the subscription.

Any termination fees for existing subscriptions services ending early are recognised upon the termination date.

Other
Other fee income mainly comprises:

- Revenue earned for the delivery of cards, which is recognised on the day the card is delivered to the customer
- Fees charged to customers in respect of remittances facilitated at the customer's request, recognised at the time the transaction is settled
- Revenue earned on the sale of lounge passes to customers, recognised at the time of sale
- Fees charged on merchant acquiring transactions, recognised at the time of the transaction
- Commission earned on the sale of insurance products to customers, which is recognised at the time of the transaction

The Group provides embedded insurance products to customers as a component of the overall card value proposition, as well as certain standalone insurance products. For all types of insurance offerings, the Group acts as an intermediary between its customers and its insurance partners only and does not accept any significant insurance risk. Therefore, the Group does not issue any insurance contracts as defined by IFRS 17 *Insurance Contracts*.

Remaining performance obligations
IFRS 15 allows the Group to exclude from its remaining performance obligations disclosure any performance obligations which are part of a contract with an original expected duration of one year or less. Additionally, any variable consideration, for which it is probable that a significant reversal in the amount of cumulative revenue

recognised will occur when the uncertainty associated with the variable consideration is subsequently resolved, is not subject to the remaining performance obligations disclosure because such variable consideration is not included in the transaction price (e.g. investment management fees).

4.5 Fee Expense

Fee expenses primarily relate to fees incurred by the Group in the processing and settlement of transactions, partner-related costs, the costs of providing cards to customers, and the costs of any redress payments made to customers who have been the subject of fraudulent transactions.

Processing and settlement fee
These are costs primarily payable to the card schemes of which the Group is a member. Processing and settlement of transaction costs are presented net of rebates received from payment scheme providers for scheme fee costs.

Partner-related costs
These are costs incurred by the Company to purchase services from third-party vendors to include them as an integral component of the product package.

Cost of cards and card readers
These are the costs incurred by the Group to purchase, personalise, and distribute cards to retail customers and card readers to business customers. Cards and card readers are initially recognised as inventory until they are shipped to a customer, at which point they are expensed.

4.6 Interest Income and Expense

Interest income
Interest income is recognised using the effective interest rate on: credit cards and loans arrangements entered into with customers, treasury investments, and cash and cash equivalents.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset (before adjusting for expected credit losses).

Interest income from non-credit impaired financial assets is recognised by applying the effective interest rate to the gross carrying amount of the asset; for credit impaired financial assets, the effective interest rate is applied to the net carrying amount after deducting the allowance for expected credit losses.

Interest expense
Interest expenses are charged to interest expense in the Consolidated Statement of Comprehensive Income over the term of the facility using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument.

Issue costs are initially recognised as a reduction in the proceeds of the associated instrument, when considered incremental and directly attributable to the instrument issued.

4.7 Staff Costs

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements, defined contribution pension plans, and share-based payments.

Short-term benefits
Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution pension plan
The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid, the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

Share-based payments
The Group operates a number of share-based payment schemes. The purpose of these plans is to incentivise and remunerate the Group's employees. These schemes meet the definition of equity-settled share-based payment schemes. Estimating fair value for share-based compensation transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. Revolut uses third party valuation specialists to estimate the fair value of each grant based on the terms of that grant as well as internal and market data. The Black-Scholes option pricing model was used to value the equity-settled share-based payment awards as the model is internationally recognised as being appropriate to value employee share schemes similar to the Unapproved Options Plan (UOP).

The fair value of the awards is recognised as an expense in the Consolidated Statement of Comprehensive Income over the vesting period with a corresponding increase in the share-based payment reserve in equity. The cumulative expense at each reporting date is based on the total number of share-based payment awards that are expected to vest, taking into account the service conditions and any non-market performance conditions such that the total cumulative amount recognised as an expense over the vesting period is based on the number of share-based payment awards that eventually vest. The Group has to estimate the expected yearly percentage of employees that will stay within the Group at the end of the vesting period of the share-based payment awards in order to determine the amount of share-based compensation expense charged to the Consolidated Statement of Comprehensive Income.

Where the terms and conditions of share-based payment awards are modified before they vest, to the extent that there is an increase in the fair value of the share-based payment awards, measured immediately before and after the modification, this increase is also recognised as an expense in the Consolidated Statement of Comprehensive Income over the remaining vesting period.

Share-based payments (Company)
On 29 April 2022, the date of the group wide reorganisation, the Company recognised an increase in its share-based payment reserve in equity with a corresponding reduction in its merger reserve to reflect the Company's obligation arising from the replacement of all outstanding unvested share-based payment awards previously issued by Revolut Ltd and settled in equity instruments of Revolut Ltd, which were replaced on a one-for-one basis by share-based payment awards issued by Revolut Group Holdings Ltd and settled in equity instruments of Revolut Group Holdings Ltd. All other conditions relating to share-based payment arrangements were unchanged on replacement. Further details of the group-wide reorganisation are set out in Note 2.1.

Where the Company grants share-based payment awards to employees of subsidiary companies, the relevant charge is recognised as an increase in cost of investment in subsidiaries with a corresponding increase in the share-based payment reserve in equity.

4.8 Current and Deferred Taxation

The tax expense/(credit) comprises current and deferred tax. Tax is recognised in profit or loss, except when a expense or credit relates to an item that is recognised as other comprehensive income or recognised directly in equity, in which case the tax expense or credit is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax credit is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Consolidated Statement of Financial Position date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the date of the Consolidated Statement of Financial Position, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances may be recognised where they relate to timing differences in respect of interests in subsidiaries or branches, where the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future. Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Consolidated Statement of Financial Position date.

Deferred tax assets and liabilities are offset only if certain criteria are met.

4.9 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with central banks and financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Segregated customer funds related to the provision of specific trading services are excluded from the Consolidated Statement of Financial Position in line with Financial Conduct Authority (FCA) Client Money Rules set out in the Client Assets Sourcebook Handbook (CASS) CASS 7 Client Money Rules.

In the US, e-money services are provided through partnerships with authorised credit institutions to provide the consumer protection, and the client funds and the associated customer liability are held on the statement of financial position of the relevant financial institution, and therefore are not recognised on the Group’s Consolidated Statement of Financial Position.

4.10 Investments in Subsidiaries

Parent company investments in subsidiary undertakings are initially recognised at cost. Subsequently, investments in subsidiary undertakings are stated at cost less provision for impairment. An investment in a subsidiary is deemed to be impaired when its carrying amount is greater than its estimated recoverable amount, and there is evidence to suggest that the impairment occurred subsequent to the initial recognition of the asset in the consolidated financial statements. All impairments are recognised in the Statement of Comprehensive Income as they occur. The carrying cost is reviewed at each Statement of Financial Position date by reference to the income that is projected to arise there from.

When the Company acquires a Revolut investee entity transferred from another Revolut group company, the Company recognises as the cost of investment in the investee entity at the transferring entity’s book value (‘carry-over basis’) as the investee entity has only moved within the Revolut group. Any difference between the consideration paid and the capital of the acquiree is reflected in a merger reserve within equity.

Where the Company transfers ownership of a Revolut investee entity to another Revolut group company, the disposal is treated as an in-substance demerger rather than a loss of control in the scope of IFRS 10 as the investee entity has only moved within the Revolut group. Any difference between the book value derecognised, and the consideration received is reflected in equity by the Company as a distribution made or contribution received.

4.11 Investment in Commodities

These investments represent holdings in precious metals that are held to hedge the Group's exposure to movements in commodity prices on its customer contracts. As these investments are not held for sale in the ordinary course of business, in the process of production for such sale, or in the form of materials or supplies to be consumed in the production process or in the rendering of services, they are not considered to meet the definition of inventory.

Accordingly, they are classified as other current asset investments in the Consolidated Statement of Financial Position, and as they are highly liquid assets, which are frequently traded in an active market, with an observable market price, the Group's accounting policy is to account for these investments at fair value through profit or loss. The fair value gains and losses on investments in commodities are recognised in revenue along with the corresponding fair value gains and losses on the associated customer liability (see Note 4.17).

4.12 Trade and Other Receivables and Payables

Collateral where cash collateral is given, to mitigate the risk inherent in amounts due from the Group, it is included as an asset in trade and other receivables. Cash collateral includes amounts held with our partners on a long-term basis to support customers' transaction volumes.

Card schemes
Card schemes include rebates due to the Group arising from credit card scheme and processing fees.

Settlement receivables and payables
Settlement receivables and payables include balances arising from timing differences in the Group's settlement process between the cash settlement of a transaction and the recognition of the associated liability (for example, customer liabilities e-money in issue). When customers fund their e-money account using their bank account, or a credit or debit card, or sell stocks or cryptocurrencies via our trading and cryptocurrency exchange partners, there is a clearing period before the cash is received or settled. This period is usually within five business days.

As the Group acts as an agent on behalf of its customers on a custodian basis to buy or sell cryptocurrencies and listed company shares, the Group does not recognise positions in cryptocurrencies or shares on the Consolidated Statement of Financial Position.

Trade receivables and payables
Trade receivables are amounts owed to the Group from business partners following the provision of services on credit. Trade payables are any unsettled expenses billed to the Group from vendors, suppliers, or other third parties for services provided.

Negative customer liabilities
Negative customer liabilities represent customers with overdrawn funds net of impairment loss allowances for expected credit losses. While Revolut does not currently offer overdraft facilities, there are several scenarios that can lead to the creation of a negative customer liability, such as offline transactions, chargebacks, subscription fee charges and fraudulent customer activity. In these scenarios the previously recognised customer liability is extinguished and an asset is recognised.

4.13 Inventories

Inventories are stocks of cards for new and existing users as well as card readers which are held at the Group's fulfilment partner warehouses. Inventories are stated at the lower of cost (adjusted for loss of service potential if applicable) and net realisable value ('NRV' or replacement cost). Inventories are recognised as an expense when the card or card reader is shipped to a customer.

Cost is determined using the weighted average cost to produce, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition.

At each Consolidated Statement of Financial Position date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell and the impairment loss is recognised immediately in profit or loss. Where a reversal of the impairment charge is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in profit or loss.

4.14 Property and Equipment

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 10% straight line
Office equipment	- 25% straight line
Computer equipment	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed annually, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the Consolidated Statement of Comprehensive Income.

4.15 Intangible Assets

Intangible assets acquired separately — computer software
Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Computer software is amortised on a straight-line basis over its estimated useful life, which is assessed to be three years. Amortisation is recognised within administrative expenses in the Consolidated Statement of Comprehensive Income.

Intangible assets acquired in a business combination
Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation is recognised within administrative expenses in the Consolidated Statement of Comprehensive Income.

Derecognition of intangible asset
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Goodwill
Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed).

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is perceived to have an indefinite life and is not amortised. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

4.16 Impairment of Non-Financial Assets

At each date of a Consolidated Statement of Financial Position, non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash-generating unit) may be impaired. If there is such an indication, the recoverable amount of the asset (or asset's cash-generating unit) is compared to the carrying amount of the asset (or asset's cash-generating unit).

The recoverable amount of the asset (or asset's cash-generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash-generating unit's) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash-generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in profit or loss, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter, any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in profit or loss.

4.17 Customer Liabilities

E-money in issue
The Group recognises a liability upon the issue of electronic money to its customers equal to the amount of electronic money that has been issued.

Customer liabilities in respect of deposits
The Group recognises a liability to customers when a customer makes a deposit. This liability is initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Commodities
Customer liabilities in respect of contracts relating to the commodities offering are financial liabilities with an embedded derivative. The Group's accounting policy is not to separate the embedded derivative and to measure the entire instrument at fair value through profit or loss.

4.18 Provisions and Contingencies

Provisions
Provisions are made where an event has taken place that gives rise for the Group to a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense in the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation and are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

When payments are eventually made, they are recognised as a reduction in the provision carried in the Consolidated Statement of Financial Position.

Contingencies
Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured reliably at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the group's control.

Contingent liabilities are disclosed in the consolidated financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Where an inflow of economic benefits from a contingent asset is probable, it is disclosed in the notes to the consolidated financial statements.

4.19 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease; that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At 31 December 2023 and 2022 the Group is a lessee in its lease arrangements, and is not a lessor.

The Group applies a single recognition and measurement approach for all lessee leases, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low-value assets. The Group recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset, otherwise the right-of-use asset is amortised over the duration of the lease agreement. Depreciation starts at the commencement date of the lease.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 4.16, Impairment of non-financial assets.

The right-of-use assets are presented along with property and equipment in the Consolidated Statement of Financial Position.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line administrative expense in the Consolidated Statement of Comprehensive Income (unless they are incurred to produce inventories, whereby they will be included as part of fee expense).

In calculating the present value of lease payments, the Group uses the rate implicit in the lease if it is readily determinable. However, if the rate implicit in the lease is not readily determinable, the incremental borrowing rate (IBR) at the lease commencement date for the local subsidiary is used. If the IBR of the local subsidiary is not readily determinable, the IBR of the Group is used.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has elected to apply this practical expedient and will not separate lease and non-lease components.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

4.20 Share Capital

Ordinary shares are classified as equity. Incremental costs that are directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Shares held by trusts
Shares in the Company that are held by the Employee Benefit Trust (EBT) are treated as ‘own shares’ or treasury shares. Shares are held and purchased by the EBT for delivery to employees under the employee incentive plans. Purchased shares are recognised as a deduction from equity at the price paid for them.

4.21 Reserves

The Group and Company reserves are as follows:

- Merger reserve arising from the reorganisation of the Group
- Other reserves represent the revaluation of foreign currency at the Consolidated Statement of Financial Position date, cumulative share-based payments charges, capital recognised upon corporate restructuring activities, unrealised gains and losses on financial instruments measured at fair value through other comprehensive income, the cost of shares held for awards granted to employees, and the impact of taxes for any of the above items
- Retained earnings or accumulated deficit, as applicable, represent cumulative profits or losses, net of dividends paid to shareholders, and any other adjustments

4.22 Financial Instruments

Recognition of financial assets
Financial assets are recognised when the Group enters into a contract that results in current or future economic value to the Group. Financial assets are initially measured at fair value and are accounted for on a trade date basis.

Classification and measurement of financial assets
The Group classifies its financial assets at either amortised cost, fair value through profit or loss or fair value through other comprehensive income.

In order to determine the appropriate classification of non-derivative financial assets, the Group assesses the objective of the business model in which the financial asset is held, and for those measured at amortised cost whether the contractual cash flows of the financial asset are solely payments of principal and interest (SPPI).

The Group assesses its business models at a portfolio level based on its objective for the relevant portfolio, how performance of the portfolio is measured and reported, how management are compensated and the frequency and reasons for asset sales from the portfolio. Financial assets are reclassified when, and only when, the Group changes its business model for managing the assets.

Financial assets at amortised cost
Financial assets in portfolios where the business model is to hold the assets to collect the contractual cash flows, and where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Financial assets measured at amortised cost are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue (with the exception of trade and other receivables with an expected term of less than one year where the Group applies the practical expedient to recognise these amounts at transaction price), and are subsequently measured at amortised cost using the effective interest rate method, less expected credit loss allowances as stipulated in IFRS 9 *Financial Instruments*.

Financial assets at amortised cost include cash and cash equivalents, loans and advances to customers, trade and other receivables, settlement receivables and amounts recoverable under long term contracts.

Assessment whether contractual cash flows are solely payments of principal and interest
For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable rate features;
- Prepayment and extension features; and
- Terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets at fair value through other comprehensive income
Financial assets in portfolios where the business model is to hold the assets to collect the contractual cash flow or to be sold and where those cash flows represent solely payments of principal and interest.

Financial assets measured at fair value through other comprehensive income are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition and are subsequently measured at fair value.

Unrealised gains or losses, other than loss allowances for expected credit losses, arising from financial investments measured at fair value through other comprehensive income are reported in equity (in the financial investment reserve) and in other comprehensive income in the Consolidated Statement of Comprehensive Income, until such investments are sold, collected or otherwise disposed of.

On maturity or disposal of an investment, the accumulated unrealised gain or loss included in equity is recycled to the Consolidated Statement of Comprehensive Income for the period. Gains and losses on disposal are determined using the fair value of the investment at the date of derecognition.

Financial assets at fair value through profit or loss
Financial assets that do not meet the criteria to be measured at amortised cost or fair value through other comprehensive income are measured at fair value, with changes in fair value recognised within other income in profit or loss in the Consolidated Statement of Comprehensive Income. These financial instruments include

derivative financial instruments.

Undrawn commitments
Undrawn commitments are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. These commitments generate exposure to future credit losses. The nominal contractual value of undrawn commitments are not recorded in the Consolidated Statement of Financial Position. The nominal values of these instruments together with the corresponding expected credit losses are disclosed in Note 31.1.

Derecognition
Financial assets are derecognised when the contractual right to receive cash flows has expired or when the Group has transferred its contractual right to receive the cash flows from the assets and either (i) substantially all of the risks and rewards of ownership have been transferred; or (ii) the Group has neither retained nor transferred substantially all of the risks and rewards but has transferred control.

Impairment of financial assets
In accordance with IFRS 9, the Group recognises impairment loss allowances for expected credit losses (ECL) on financial assets that are measured at amortised cost or fair value through other comprehensive income. These include loans and advances to customers, trade and other receivables, settlement receivables, treasury investments and amounts recoverable under long-term contracts.

Changes to the IFRS 9 model for impairment of financial assets are approved by the Group Credit Risk Committee or Group Model Risk Committee depending on the nature of the change. Material changes are escalated to the Group Asset and Liability Committee and to the Board where applicable.

There are three approaches to recognising ECL provisions under IFRS 9:

- **The simplified approach —** which applies on a mandatory basis to trade receivables and contract assets that do not contain a significant financing component. It may also be applied on an optional basis to trade receivables and contract assets that do contain a significant financing component or to lease receivables;
- **The credit-adjusted approach —** which applies to assets that are credit impaired on initial recognition (i.e. origination or acquisition); and
- **The general approach —** which applies to all loans and receivables not eligible for the above two approaches.

All of the Group’s trade receivables are considered to qualify for the simplified approach (as they have terms of less than one year and therefore do not contain a significant financing component) and therefore on initial recognition an impairment provision is required for expected credit losses arising from default events expected to occur over the life of the financial asset ('lifetime ECL'). In addition, negative customer liabilities are akin to trade receivables or simple assets against customers that do not contain a significant financing component and therefore qualify for the simplified approach.

The Group currently does not have any purchased or originated credit impaired financial assets.

For loans and advances to customers, treasury investments, amounts recoverable on long-term contracts, and amounts due from other Group companies in the Company financial statements, the general approach to impairment is applied. This follows a three-stage model and requires these financial assets to be assigned to one of the following three stages:

- **Stage 1 —** Financial assets which have not experienced a significant increase in credit risk (SICR) since initial recognition, against which an expected credit loss provision is required for expected credit losses resulting from default events expected within the next twelve months (a '12-month ECL') is required on initial recognition — when a financial asset is first recognised it is assigned to Stage 1;
- **Stage 2 —** Financial assets which have experienced a SICR event since initial recognition, against which a lifetime ECL provision is required; and
- **Stage 3 —** Financial assets which are credit impaired, for which objective evidence of an impairment exists, and which also requires a lifetime ECL provision.

The staging is aligned with the management of credit risk.

Interest income on assets in Stages 1 and 2 is recognised using the effective interest rate method on the gross carrying value of the assets. For assets in Stage 3, interest income is recognised using the effective interest rate method on the carrying value of the assets net of ECL provision.

Significant increase in credit risk
Stage 2 includes financial assets that have had a significant increase in credit risk since initial recognition, but that do not have objective evidence of being credit impaired.

For retail credit risks, Stage 2 includes assets for which any of the following SICR indicators are present at the reporting date, that were not present at initial recognition:

1. Obligors on watchlist status;
2. Obligors on forborne performing status (i.e. forbearance with material concession);
3. Obligors not eligible for forbearance measures based on their risk assessment;
4. Facilities more than 30 days past due; and
5. Facilities with a significant increase in lifetime point-in-time forward-looking probability of default (PD) compared to initial recognition. This occurs if:
    (a) The PD has increased by more than 2.5 times (this would be equivalent to downgrade by approximately two or more notches according to Revolut's internal rating scale).
    (b) The PD has increased by more than 0.5% in absolute terms (to avoid classification as Stage 2 of obligors still being with low risk despite a relative PD change exceeding 2.5 times).

SICR indicators in points 1 to 3 above are evaluated at obligor level, while the ones in points 4 and 5 are evaluated at individual financial instrument level.

For wholesale credit risks, a low-risk exemption applies, such that all investment grade obligors will be allocated to Stage 1. In line with the Group Internal Ratings Procedures, Revolut relies on the ratings of external rating agencies and will assign each externally rated counterparty a rating per the approach noted in the Internal Rating Procedures. Revolut doesn't apply low credit risk exemption for its retail exposures at the moment.

Stage 2 assets will include non-investment grade exposures which have experienced a downgrade by 2 or more notches based Revolut's internal rating scale at the reporting date compared to initial recognition and this results in a PD increase of more than 0.5% in absolute terms.

Transfers from Stage 2 back to Stage 1 will be performed when none of SICR indicators are present as of the reporting date. Any changes in the criteria used to determine SICR follow the same approval pathway described for the overall IFRS 9 model.

Definition of default and credit-impaired asset
Assets which are past due by more than 90 days, or where the Group considers it unlikely that the obligor will be able to pay its obligations, are considered to be in default for IFRS 9. Events that trigger inclusion in default include:

- The customer filing for bankruptcy or Individual Voluntary Agreement.
- The customer is deceased.
- The overdraft or loan has been renegotiated because the customer's condition has deteriorated. As an example, this includes cases where a specific repayment plan has been agreed and interest has been frozen.
- The customer has requested 'breathing space' (i.e. when the Group agrees to give the customer some time in which they won't be contacted about their arrears at all and fees or interest is frozen).

Default status will be applied at an obligor level such that where any one facility is in default, all facilities of that obligor will be considered in default.

There has been no difference between the accounting definition of default, the definition used for internal credit risk management purposes and the regulatory definition of default. In addition, the definition of default aligns to the definition of credit impaired assets.

Calculation of expected credit losses
The expected credit loss provision is calculated using the three following inputs:

- **Probability of default (PD) —** the likelihood of default within a given time frame, either twelve months (for Stage 1 assets) or the lifetime of a financial asset (for Stages 2 and 3 assets). PD is determined with reference to internal and external scorecards based on customer characteristics at origination and are subsequently measured based on client behaviour;
- **Loss given default (LGD) —** the net loss in the event of a default; and
- **Expected balance at default (EAD) —** the gross value of loss in the event of a default. EAD is determined as the gross carrying amount for drawn balances and a fraction of the available credit based on the utilisation of credit lines for undrawn balances.

The expected credit loss provision on the outstanding financial assets at the date of the Consolidated Statement of Financial Position is calculated by multiplying the PD (dependent on the stage of the asset) by the LGD and EAD, taking into account the contractual period of credit risk exposure from initial recognition in the case of loans. For credit cards, where the exposure to credit risk is not limited to the contractual period, the expected life is calculated based on the estimated life of the loan and undrawn facility.

ECL models incorporate forward-looking information via macroeconomic forecasts and associated overlay factors produced in accordance with the Group ECL methodology. The process is performed separately for each country of lending. Every quarter, source macroeconomic forecasts are extracted from multiple providers including but not limited to the Bank of England, the Office for National Statistics, and the European Central Bank. Forecasts are aggregated in three scenarios:

- Baseline
- Pessimistic
- Optimistic

Each scenario is assigned a weight in accordance with the relative probability of future economic condition development. Weight assignments are selected by experts with reference to the relative severity of the source forecasts and are approved by the Group Credit Risk Committee prior to incorporation into the final ECL calculation.

The forward-looking macroeconomic variables considered in each scenario include:

- Real GDP
- Inflation (accounted in GDP by using real output instead of nominal)
- Unemployment
- Interest rates

The scenarios for each variable are compiled into a macroeconomic overlay model which translates initial PD estimates into scenario-specific estimates, which are used to calculate scenario-specific ECL outputs. The scenario-specific ECL outputs are aggregated using the scenario weights to produce a final ECL estimate for each financial asset.

The expected life assumption used in the computation of ECL is selected based on the maturity of the financial asset. Financial assets without maturities are assigned an expected life assumption based on the the contractual term of the asset or the maximum period over which the entity is exposed to credit risk.

Details on the ECL calculation approach are contained in jurisdiction specific methodologies for wholesale and retail credit exposures.

Modification of contractual terms
Where the contractual terms of financial assets are renegotiated or modified and the financial asset was not derecognised, its gross carrying value is adjusted to reflect the new contractual cash flows discounted at the original effective interest rate with a gain or loss recognised in the Consolidated Statement of Comprehensive Income.

Write-offs
Financial assets will be written off, either partially or in full, against the related allowance once there is no realistic prospect of recovery and the amount of the loss has been determined. Subsequent recovery of amounts written off are recognised against the amount of impairment losses recognised in the Consolidated Statement of Comprehensive Income.

Write-off policy for retail credit products
Revolut will determine for each type of portfolio suitable maximum periods for full provisioning and write-off. Revolut will assess the recoverability of exposures classified as non-performing due to registering arrears for a prolonged length of time. If, following this assessment, an exposure or part of an exposure is deemed as unrecoverable, it will be written off in a timely manner.

For exposures under insolvency or bankruptcy procedures, due to low collateralisation of the exposures, legal expenses often absorb a significant portion of the proceeds from the bankruptcy procedure and therefore estimated recoveries are expected to be very low.

A partial write-off may be warranted where there is reasonable financial evidence on the credit file to demonstrate an inability on the borrower’s behalf to repay the full amount of the monies owing (i.e. a significant level of debt overhang which cannot be reasonably demonstrated to be recoverable following implementation of a forbearance or settlement treatment).

Write-off for negative customer liabilities
Negative customer liabilities are written off for:

- Terminated users — at the point of termination;
- Fraudulent user activity — at the point of completion of internal investigation; or
- Balances older than 365 days

Link between risk appetite/credit risk management and ECL
As part of the risk management strategy, risk indicators based on expected credit losses (ECL) are monitored relative to the pre-approved risk appetite, such as the stressed expected credit loss for the total credit portfolio.

Recognition and measurement of financial liabilities
Financial liabilities that are not measured at fair value through profit or loss are classified at amortised cost. Financial liabilities designated at amortised cost are initially measured at fair value (net of issue costs in the case of loans and borrowings) and subsequently measured at their amortised cost using the effective interest rate method. They include loans and borrowings, trade and other payables, and customer liabilities for e-money in issue and customer liabilities in respect of deposits.

Non-derivative financial liabilities that are measured at fair value through profit or loss are measured at fair value with changes in fair value recognised in the Consolidated Statement of Comprehensive Income. These financial instruments include financial liabilities initially designated as fair value through profit or loss to avoid an accounting mismatch including customer liabilities in respect of commodities, where the associated assets are accounted for at fair value.

Derivatives, including interest rate swaps, foreign currency swaps, and foreign currency forward contracts, are measured at fair value through profit or loss. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

Interest expense is charged to the Consolidated Statement of Comprehensive Income using the effective interest rate method.

The total statement of comprehensive income impact of foreign currency swaps can be split into two components

- The contractual gain (net yield on foreign exchange derivatives)
  This represents the return on settlement of the far leg of the foreign currency swaps due to the difference between the prevailing spot rate and the forward rate at inception (i.e. the 'contractual gain').
- The mark to market fair value movement (impact of foreign exchange rates)
  This represents the adjustment of the valuation of the foreign exchange swaps due to movements in the foreign exchange market conditions (i.e. change in foreign exchange rates).

The contractual gain from the foreign currency swaps (i.e. net yield on foreign exchange derivatives) are presented separately under other income in the Statement of Comprehensive Income, on the basis that the contractual gain represents earned yield on assets which are intrinsic to Revolut's business. It represents a net increase in cash upon settlement of the swap and therefore constitutes an operating cash flow.
The fair value movement on foreign currency swaps are recognised under Administrative expenses in the Statement of Comprehensive Income, along with unrealised and realised foreign currency gains and losses.

Financial liabilities are derecognised when the Group has either discharged the liability through settlement, or where it has been legally released from primary responsibility for the liability by process of law or by the creditor.

Reclassification of financial assets and liabilities
The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of or terminates a business line.

Offsetting of financial instruments
Financial assets and liabilities are offset, and the net amount is reported in the Statement of Financial Position when, and only when, there is a legally enforceable right to offset the recognised amounts with an intention to settle on a net basis, or alternatively to realise the asset and settle the corresponding liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards.

Hedge accounting
The Group elected, as a policy choice permitted under IFRS 9, to continue to apply the requirements of IAS 39 *Financial Instruments: Recognition and Measurement* for the macro fair value hedges for interest rate risk.

Where derivatives are held for risk management purposes, and when transactions meet the required criteria for documentation and hedge effectiveness, the Group applies fair value hedge accounting, or hedging of a net investment in a foreign operation, as appropriate to the risks being hedged.

At inception, the Group formally documents how the hedging relationship meets the hedge accounting criteria. It also records the economic relationship between the hedged item and the hedging instrument, including the nature of the risk, the risk management objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship at inception and on an ongoing basis.

In order to qualify for hedge accounting, a hedging relationship must be expected to be highly effective on a prospective basis and it needs to be demonstrated that it was highly effective in the previous designated period (i.e. one month). A hedge is considered to be highly effective if the changes in fair value or cash flows attributable to the hedged risk are expected to be offset by the hedging instrument in a range of 80% to 125%. It is also necessary to assess, retrospectively, whether the hedge was highly effective over the previous one-month period. The hedge accounting documentation includes the method and results of the hedge effectiveness assessments.

Fair value hedges
The Group currently only applies fair value hedging for interest rate risk. For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised immediately in the Consolidated Statement of Comprehensive Income as the net gain on changes in the fair value on hedging derivatives and hedged items, within other income. In addition, the cumulative change in the fair value of the hedged item attributable to the hedged risk is recognised in the same line item, and for hedged items that would otherwise be measured at cost or amortised cost, the carrying amount of the hedged item is adjusted accordingly.

In these hedging relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group’s own credit risk on the fair value of the interest rate swaps, which is not reflected in the fair value of the hedged item attributable to the change in interest rates;
- differences in the magnitude or timing of future expected cash flows in the hedged item and hedging instrument; and
- the ongoing amortisation of any existing balance sheet mismatch between the fair value of the hedged item and the hedging instrument.

If hedge relationships no longer meet the criteria for hedge accounting, hedge accounting is discontinued. For fair value hedges of interest rate risk, the fair value adjustment to the hedged item is amortised to profit or loss over the period to maturity of the previously designated hedge relationship using the effective interest method. If the hedged item is sold or repaid, the unamortised fair value adjustment is recognised immediately in profit or loss.

Hedges of net investment in foreign operation
The Group's net investments in foreign operations, including monetary items accounted for as part of the net investment, were hedged for foreign currency risks using derivatives until the maturity of the hedging instruments in May 2022.

The effective portion of the gain or loss on the hedging instrument is being recognised directly in other comprehensive income and the ineffective portion being recognised immediately in profit or loss. The cumulative gain or loss recognised in other comprehensive income is recognised in profit or loss on the disposal or partial disposal of the foreign operation, or other reductions in the Group's investment in the operation.

5. Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

The financial performance of Revolut reflects the accounting policies and estimates selected in the preparation of financial results. Judgements in applying accounting policies are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In addition, the Group develops accounting estimates to achieve the objectives set out by its selected accounting policies. An accounting estimate is a monetary amounts in financial statements that are subject to measurement uncertainty. Any changes in accounting estimates result from new information or development and are not corrections of errors or changes in principles. Such accounting estimates may, inherently, be based on a high degree of uncertainty. Accordingly, the Group's reliance on accounting estimates may result in a significant risk of a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5.1 Judgement in Applying Accounting Policies

Impairment losses on financial assets

In determining the expected credit losses, the Group makes the following judgments:

- Significant increase in credit risk (SICR)

  In assessing whether a significant increase in credit risk (SICR) has occurred for an exposure since initial recognition, the Group considers both quantitative and qualitative information and analysis. In doing so, the Group makes judgements about the appropriate indicators used as SICR triggers. The triggers that the Group has determined as appropriate include the 30-day backstop, movement in PD and other qualitative factors, such as moving a customer/facility to the watch list, or the account becoming forborne.

- Multiple economic scenarios

  The Group in its measurement of ECLs makes judgements about the type and number of macroeconomic scenarios in order to reflect the Group's exposure to credit risk. The scenarios are derived from macroeconomic forecasts from multiple external providers which are then aggregated to the three scenarios (i.e. Baseline, Optimistic, and Pessimistic).

- Development of ECL models

  Judgement exists in the development of ECL models. This includes the segmentation of products, the formulas and choice of inputs, for example which inputs are relevant for the particular exposures in particular regions.

- Segmentation

  Judgement exists on the segmentation of financial assets when their ECL is assessed on a collective basis.

The Group regularly review its models in the context of actual loss experience and adjust when necessary. These post model performance adjustments capture adjustments for known weaknesses in the impairment models or where models operate outside the boundaries to which they were calibrated. Further details about the Group's impairment losses on financial assets are given in Note 31.1.

Hedge accounting

The Group's hedge accounting policies include an element of judgement and estimation, in particular, in respect of the projected portfolio repricing time bucket of the underlying non-maturing core customer liabilities in respect of deposits in the macro fair value hedges.

Core deposits within the identified portfolios are allocated to repricing time buckets based on expected, rather than contractual, repricing dates. The repricing dates are estimated at the inception of the hedge and throughout the term of the hedge, based on historical experience and other available information, including information and expectations regarding interest rates, withdrawal rates, and the interaction between them.

The estimates are reviewed periodically and updated in the light of experience, and it will influence the availability and timing of suitable hedged items, with an impact on the effectiveness of the hedge relationships.

Additionally, for the portfolio fair value hedges of the Group's core deposits portfolio, the Group follows a dynamic hedging strategy, and the period for which the Group designates these hedges is only one month. At the end of every month, the Group voluntarily de-designates the hedge relationships and re-designates them as new hedges. The one-month repricing time period duration is deemed to be most appropriate in order to minimise the ineffectiveness and accommodate new exposures. Further details about the Group's hedge accounting are disclosed in Note 30.5.

5.2 Key Sources of Estimation Uncertainty

Impairment losses on financial assets
The measurement of impairment losses under IFRS 9 across all categories of financial assets in scope requires assumptions, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk.

These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL calculation that involve assumptions and estimate uncertainty include:

- The Group's internal credit grading model, which assigns PD with reference to internal and external scorecards based on customer characteristics at origination and are subsequently measured based on client behaviour;
- The Group's criteria for assessing if there has been a significant increase in credit risk (SICR);
- Development of ECL models, including the various formulas and the choice of specific economic inputs included in the assessment, such as unemployment levels and GDP growth rate;
- Determination of associations between macroeconomic scenarios and economic inputs, and the resulting effect on PD; and
- Selection of forward-looking macroeconomic scenarios and their probability weighting assigned to the multiple economic scenarios in order to reflect the exposure to credit risk.

Recognition of deferred tax asset
Where carried forward tax losses can be utilised against future taxable profits, a deferred tax asset should only be recognised to the extent that it is probable that there will be sufficient taxable profits against which it can be

recovered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Management regularly evaluates whether deferred tax assets can be realised. In evaluating whether deferred tax assets can be realised, management considers projected future taxable income and the scheduled reversal of deferred tax liabilities. This evaluation requires significant management judgement, primarily with respect to projected taxable income. The future taxable income can never be predicted with certainty. It is derived from budgets and strategic business plans but is dependent on numerous factors, some of which are beyond management’s control. Substantial adverse variance of actual results from estimated future taxable profits, or changes in our estimate of future taxable profits, could lead to changes in deferred tax assets being realisable, or considered realisable, and would require a corresponding adjustment to the amount of the deferred tax asset that is recognised.

Deferred tax assets of £58.6 million were recognised at 31 December 2023 in the UK tax group (2022: £93.7 million).

The Group has considered their carrying value at 31 December 2023 and concluded that, based on management’s estimates, sufficient taxable profits will be generated in future years to recover recognised deferred tax assets. These estimates are based on forecast performance and take into account the continued profitability of the existing business as well as its continued growth in 2024 and beyond. Management expects to utilise all deferred tax assets in respect of accumulated trading tax losses before the end of 2024.

Deferred tax assets of £9.1 million (2022: £13.9 million) have not been recognised in respect of tax losses and other temporary differences where the availability of future taxable profits, for some entities within the Group, is uncertain. Further details about the Group’s deferred tax assets are given in Note 12.

Share-based payments
The estimate of share-based payments costs requires management to select an appropriate valuation model and make appropriate estimations of share forfeiture rates. Further explanation is contained in Note 29.

Investments in subsidiaries (Company only)
The carrying value of investments in subsidiaries requires management to select an appropriate discount rate and terminal growth rate for the valuation of future cash flows in assessing each investment for impairment. The key assumptions used in making this assessment and the sensitivity analysis of the impact of varying these assumptions are disclosed in Note 15.

Goodwill
The goodwill impairment test requires the management to select appropriate valuation model and to make estimates of company's future cash flows. The unit's recoverable amount is determined by an independent external valuer using the discounted cash flow method, based on forecasted cash flow projections over the next five years (discounted cash flow method). The key assumptions used in the valuation include a 5% annual growth rate and discount factors for each year as follows: 0.81 (Year 1), 0.65 (Year 2), 0.53 (Year 3), 0.42 (Year 4), 0.34 (Year 5). Growth rate used in the model is based upon valuer’s past experiences and anticipated changes in entity’s revenues and costs, taking into account external market conditions and competitor’s activity. Key assumptions used to derive the discount rate are consistent with external sources of information.

Provisions for liabilities
The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration, and regulatory investigations and proceedings arising in the ordinary course of the business.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. However, when the Group is of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, the Group does not include detailed, case-specific disclosures in its consolidated financial statements.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter, and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates. Further details on the Group's provisions for liabilities are given in Note 24.

The Group also recognises a provision for dilapidation relating to leased office spaces, to bring the buildings back to their original state at the end of the lease. At the inception of the leases, a provision is recognised based on management's best estimate and is discounted to the present value at the start of the lease, using the same incremental borrowing rate as used in the calculation of the lease liability. The discount is unwound over the life of the lease.

6. Fee Income

Group	2023	2022
	£000	**£000**
Nature of fee income		
Cards and interchange	486,215	306,311
Foreign exchange and wealth	394,549	269,967
Subscriptions	243,605	158,701
Other	85,446	57,594
Total fee income	**1,209,815**	**792,573**

Type of fee income		
Transferred at a point in time	949,510	622,651
Transferred over time	260,305	169,922
Total fee income	**1,209,815**	**792,573**

Remaining performance obligations

Due to the nature of its commercial arrangements, the Group does not have any material remaining performance obligations related to contracts with durations over one year at 31 December 2023 or 31 December 2022.

The Group determines the disaggregation of total fee income by major geographical area based on customer address.

Geographical markets	2023	2022
	£000	**£000**
United Kingdom	351,171	237,328
Europe (excluding United Kingdom)	827,080	536,574
Rest of the world	31,564	18,671
Total fee income	**1,209,815**	**792,573**

7. Interest Income and Expense

Group	2023	2022
	£000	**£000**
Interest income		
Cash and bank balances	383,320	38,391
Interest accretion on treasury investments measured at amortised cost	52,569	9,483
Interest accretion on treasury investments measured at FVOCI	27,394	19,454
Interest accretion on interest rate swaps	—	7,035
Interest on loans and advances to customers	36,101	7,728
Total interest income using EIR method	**499,384**	**82,091**
Other interest income	177	598
Total interest income	**499,561**	**82,689**
Interest expense		
Negative interest on customer funds	(2,973)	(15,505)
Interest expense on lease liabilities	(450)	(550)
Interest expense on interest rate swaps	(36,128)	—
Interest expense paid to banking partner	(3,242)	—
Total interest expense using EIR method	**(42,793)**	**(16,055)**
Other interest expense	—	(10)
Total interest expense	**(42,793)**	**(16,065)**
Net interest income	**456,768**	**66,624**

8. Other Income

Group	2023	2022
	£000	**£000**
Net yield on foreign exchange derivatives	88,514	39,877
Net gain on changes in the fair value of hedging derivatives and hedged items	—	7,408
Total other income	**88,514**	**47,285**

Net cumulative gains in the fair value of hedging derivatives and hedge items decreased from £7.4 million at 31 December 2022 to £2.3 million at 31 December 2023. The current period loss of £5.1 million is recognised under other operating expenses. Refer to Note 30.5 for details on the macro fair value hedge.

9. Fee Expense

Group	2023	2022
	£000	£000
Processing and settlement fees	206,959	166,983
Partner-related costs	57,314	38,364
Cost of cards and card readers	22,225	22,294
Other	19,602	679
Total fee expense	**306,100**	**228,320**

10. Administrative Expenses

Group		2023	2022
	Note	£000	£000
Staff costs	11	498,399	361,872
Advertising and marketing		241,281	129,295
IT and communications		47,444	30,281
Outsourced support		42,110	38,026
Legal and professional costs		34,109	28,903
Depreciation and amortisation expenses	20, 21	10,171	9,102
Premises-related costs		9,471	9,752
Impairment losses other than expected credit losses		662	819
Impact of foreign exchange rates		(1,854)	(1,539)
Other costs		50,959	60,565
Total administrative expenses		**932,752**	**667,076**

Research and development charged as an expense during 2023 is £122.3 million (2022: £88.0 million).

During 2023, the Group recognised an impairment of £0.5 million (2022: £nil) of intangible assets in relation to software capitalised during the acquisition of Nobly. The impairment was due to the decision not to relaunch the acquired software as a stand-alone product. The recoverable amount of the asset at 31 December 2023, which is calculated in accordance with the asset's value in use, is £nil (2022: £0.5 million).

During the year the Group recognised £nil impairment losses on capitalised costs (2022: £0.8 million). Details on the nature of this impairment have been disclosed in Note 17.

During the year the Group (including its overseas subsidiaries) obtained the following services from the Group's auditors.

Group	2023	2022
	£000	£000
Fees payable for the audit of the Company and Group's financial statements	2,918	3,950
Fees payable for the audit of the Company's subsidiaries	2,685	291
Fees payable to the Company's auditors with respect of the prior year	608	—
Fees payable to the Company's auditor for other assurance services	84	49

11. Staff Costs

Group	2023	2022
	£000	**£000**
Wages, salaries, and bonuses	349,633	249,581
Share-based payments	45,130	39,049
Social security costs	52,753	32,711
Professional employer organisation costs	16,997	10,580
Contributions to defined contribution pension schemes	6,604	5,687
Staff recruitment costs	2,725	5,152
Other staff costs	24,557	19,112
Total staff costs	**498,399**	**361,872**

The Company had no staff costs in the year ended 31 December 2023 (2022: £nil).

The number of employees for the Group at 31 December 2023 is 8,152 (2022: 5,913). The average monthly number of employees, including the Executive Directors, during the year was as follows:

Group	2023	2022
	No.	**No.**
Customer operations	2,743	1,440
Corporate functions	1,494	1,334
Products	1,569	1,170
Sales	893	495
Regions	290	216
Executive Directors	2	2
Total average number of employees	**6,991**	**4,657**

11.1. Directors' remuneration

Group	2023	2022
	£000	**£000**
Director emoluments	1,310	1,108
Share-based payments	123	18,621
Social security costs and other benefits	173	215
Contributions to defined contribution pension schemes	3	2
Total Directors' remuneration	**1,609**	**19,946**

In 2023, no Directors (2022: no Directors) received compensation, for their services provided as a Director of the Company, in the form of shares in the Company. During the year, no Directors (2022: one) exercised share options during the year for a gain of £nil (2022: £1.2 million).

Group	2023	2022
	£000	**£000**
Director emoluments	333	100
Share-based payments	45	17,693
Social security costs and other benefits	0	13
Total compensation for highest paid Director	**378**	**17,806**

12. Taxation

12.1. Income tax expense

Group	2023	2022
	£000	**£000**
UK corporation tax		
UK corporation tax for the year at 23.5% (2022: 19.0%)	45,819	2,904
Overseas tax for the year	18,843	11,499
Adjustments in respect of previous periods	(638)	971
Total current tax	**64,024**	**15,374**
Deferred tax		
Current year charge/(credit) recognised	31,026	(4,251)
Previously unrecognised deferred tax charge/(credit)	—	(42,268)
Adjustments in respect of previous periods	(1,297)	(75)
Total deferred tax charge/(credit)	**29,729**	**(46,594)**
Total tax charge/(credit) on continuing operations	**93,753**	**(31,220)**

12.2. Reconciliation of effective tax rate

The tax assessed in each year differs from the standard rate of corporation tax in the United Kingdom for the relevant year. The differences are explained below.

Group	2023	2022
	£000	**£000**
Profit/(loss) before tax	437,828	(25,418)
Tax calculated at UK tax rates applicable of 23.5% (2022: 19.0%)	102,890	(4,829)
Effects of:		
Income not subject to tax	(34,933)	(46,944)
Non-deductible expenses	30,900	54,083
Recognition of previously unrecognised deferred tax	775	(42,268)
Foreign exchange	45	661
Adjustments in respect of previous periods	(1,935)	896
Differences in overseas tax rates and overseas tax credits	(4,897)	(2,459)
Tax provisions	173	451
Losses and other temporary difference	3	—
Deferred tax not recognised	732	9,189
Total tax expense/(credit) reported in the consolidated income statement	**93,753**	**(31,220)**

As a result of the change in UK corporation tax rate during the year ended 31 December 2023, the Group has incurred a blended UK headline tax rate of 23.5%.

The Group’s effective tax rate (ETR) before other comprehensive income (OCI) is a 21% charge (2022: 123% credit).

12.3. Tax on items not recognised in profit or loss statement

Group	2023	2022
	£000	£000
Current tax (credit)/charge on:		
Share-based payments	(5,008)	(1,249)
Total current tax not recognised in consolidated statement of comprehensive income	**(5,008)**	**(1,249)**
Deferred tax (credit)/charge on:		
Share-based payments	(2,045)	(37,550)
Losses and other deductions	4,565	(4,565)
Losses/(gains) on financial assets at fair value through OCI	2,822	(3,444)
Total deferred tax not recognised in consolidated statement of comprehensive income	**5,342**	**(45,559)**

12.4. Deferred tax

The following tables show deferred tax recorded in the Consolidated Statement of Financial Position and changes recorded in tax (credit)/expense.

The amounts are different from those disclosed on the Consolidated Statement of Financial Position as they are presented before offsetting asset and liability balances where there is a legal right to set-off and an intention to settle on a net basis.

31 December 2023

Group	Deferred tax assets	Deferred tax	Profit or loss	OCI	Equity
	£000	£000	£000	£000	£000
Financial assets at fair value through OCI	622	—	—	622	—
Share-based payments	55,715	—	16,120	—	39,595
Deferred compensation	780	—	780	—	—
Fixed asset differences	639	(264)	375	—	—
Other temporary differences	898	—	898	—	—
Losses and other deductions	223	—	223	—	—
Total	**58,877**	**(264)**	**18,396**	**622**	**39,595**

31 December 2022

Group	Deferred tax assets	Deferred tax	Profit or loss	OCI	Equity
	£000	£000	£000	£000	£000
Financial assets at fair value through OCI	3,444	—	—	3,444	—
Share-based payments	47,408	—	9,858	—	37,550
Deferred compensation	611	—	611	—	—
Fixed asset differences	—	(396)	(157)	—	—
Other temporary differences	4,853	—	4,384	—	—
Losses and other deductions	37,764	—	31,898	—	4,565
Total	**94,080**	**(396)**	**46,594**	**3,444**	**42,115**

Reconciliation of net deferred tax asset

Group	2023	2022
	£000	**£000**
Net deferred tax asset/(liability) at 1 January	93,684	1,540
Adjustments in respect of previous periods	1,297	(9)
Deferred tax (charge)/credit recognised in profit or loss	(31,026)	46,594
Deferred tax (charge)/credit recognised in OCI	(2,822)	3,444
Deferred tax (charge)/credit recognised directly in equity	(2,520)	42,115
Net deferred tax asset at 31 December	**58,613**	**93,684**

Unrecognised deferred tax asset

Group	2023	2022
	£000	**£000**
Share-based payments	—	321
Social security and other employment costs	—	44
Accelerated depreciation for tax purposes	—	7
Other temporary differences	—	71
Losses available for offsetting against future taxable income	9,063	13,481
Unrecognised deferred tax asset at 31 December	**9,063**	**13,924**

The Group had gross recognised tax losses of £0.9 million at 31 December 2023 (2022: £161.3 million). The Group had gross unrecognised tax losses of £46.8 million at 31 December 2023 (2022: £65.1 million).

The Company recognised a deferred tax asset at 31 December 2023 of £nil (2022: less than £0.1 million). The Company had gross recognised and unrecognised tax losses at 31 December 2023 of £nil (2022: £0.02 million).

Factors that may affect future tax changes

The main rate of corporation tax in the UK has been 19% since 1 April 2017. Neither the Company nor the Group is subject to the UK banking surcharge.

On 24 May 2021, the date of substantive enactment, an increase in the UK corporation tax rate from 19% to 25% applicable from 1 April 2023 was enacted. On 14 October 2022, and again on 17 November 2022 in the Chancellor's Autumn Statement, the UK Government reiterated this.

Recognition of deferred tax asset and tax losses carried forward

UK

The Group has recognised UK deferred tax assets of £55.7 million on share-based payments based on their value at 31 December 2023. In assessing the probability of recovery, the Group has relied upon a recent history of UK taxable profits, together with the Group's three-year plan that has been used for the going concern assessment, and which demonstrates positive profit forecasts throughout the remainder of the forecast period.

Share-based payments typically have an expiration period of ten years from vesting date. It is expected, therefore, that deferred tax assets will be utilised over the period between vesting and expiration, when individuals choose to exercise their options. Management is satisfied that there will be sufficient taxable profits available throughout the period in which the awards are available to be exercised.

Those UK deferred tax assets and liabilities have been measured in the current reporting period based on the increased UK corporation tax rate (25%) and reflected accordingly in the Consolidated Statement of Comprehensive Income and Consolidated Statement of Changes in Equity, as this is the rate that has been substantively enacted at 31 December 2023.

Lithuania
Previously recognised deferred tax assets of £4.9 million (2022) on carried forward losses and fair value movements on securities and derivative financial instruments have been utilised in full in the year to 31 December 2023.

Group

OECD's Pillar Two global minimum tax impact

On 17 November 2022, the UK Government confirmed its intention to implement the OECD's Pillar Two global minimum tax rules, including an income inclusion rule and UK qualified domestic minimum top-up tax. This legislation was substantively enacted on 20 June 2023, with effect from 1 January 2024, and seeks to ensure that UK headquartered multinational enterprises are subject to minimum effective tax rate of 15% on UK and overseas profits arising after 31 December 2023.

As a result of this new legislation, the Revolut Group will be obligated to pay top-up tax in respect of jurisdictions that have an effective tax rate less than the Pillar Two rate of 15%. The Group has reviewed the legislation and guidance published by the UK, alongside the OECD model rules, and assessed the potential exposure to the Pillar Two global minimum tax rules based on FY23 financial statement data. This assessment has concluded that the Pillar Two legislation is not expected to result in a material impact to the Revolut Group. To the extent that other jurisdictions implement a Qualifying Domestic Minimum Top Up Tax (QDMTT), the top-up tax may be payable in those jurisdictions rather than the UK.

13. Cash and Cash Equivalents

Group	31 December 2023	31 December 2022
	£000	**£000**
Cash held at banks	7,222,102	6,844,860
Restricted cash held at banks in respect of customers	2,816,310	3,593,408
Restricted term deposits held in respect of customers classified as cash equivalents	2,764,295	142,151
Term deposits classified as cash equivalents	24,947	599
Total cash and cash equivalents	**12,827,654**	**10,581,018**

The Company does not have any cash and cash equivalents at 31 December 2023 (2022: £nil).

Cash held at banks represents the Group's own funds held for liquidity requirements, including cash obtained from deposits from customers, and its own operating cash balances for general corporate purposes.

Restricted cash held at banks and term deposits held in respect of customers includes safeguarded funds related to the Group's regulated e-money and wealth services. In the UK, client funds with respect to e-money services are held in segregated accounts with authorised credit institutions as part of the Group's safeguarding policy. In other jurisdictions, the funds are held separately from the Group's own cash resources and are safeguarded through the provision of a bank guarantee from a third-party authorised credit institution.

The Group safeguards a portion of the funds in respect of customers in the form of bonds which are disclosed in Note 14.

Not included in restricted cash held at banks in respect of customers are balances related to the provision of e-money services in the US. These services are provided through partnerships with authorised credit institutions to provide consumer protection. In this arrangement, the client funds and the associated customer liability are not recognised on the Group's Consolidated Statement of Financial Position and rather are held on the statement of financial position of the relevant partnership credit institution. There is no material impairment recognised on the carrying value of cash and cash equivalents as amounts placed are with institutions rated BB+ or above and have immaterial probability of default.

14. Treasury Investments

Group	Source of funds	Classification	31 December 2023 £000	31 December 2022 £000
Financial assets measured at FVOCI				
Government bonds	Restricted cash held at banks in respect of customers	Held to collect and sell	389,866	1,712,292
Financial assets measured at amortised cost				
Debt instruments	Own funds	Held to collect	2,103,181	982,367
Securities purchased under resale agreements (reverse repos)	Own funds	Held to collect	374,002	—
Government loans	Own funds	Held to collect	369,007	—
Short-term deposits	Own funds	Held to collect	22,456	—
Total treasury investments			**3,258,512**	**2,694,659**

Refer to Notes 30.1, 30.2, and 30.3 for more details on treasury investments.

The Company does not have any treasury investments at 31 December 2023 (2022: £nil).

Government bonds represent holdings in High Quality Liquid Assets (HQLA). These investments are accounted for at fair value through other comprehensive income (FVOCI). Restricted bonds held in respect of customers represent safeguarded funds related to the Group's regulated e-money services.

Held to maturity debt instruments were purchased using own funds. These debt instruments are measured at amortised cost, owing to the way that the portfolio is managed, and in particular management's intention to not trade these debt instruments but hold them until maturity. Debt instruments may include bonds, collateralised loan obligations (CLO), commercial paper (CP), or certificates of deposit (CD), which may constitute HQLA.

Investment in reverse repurchase agreements are measured at amortised cost due to management's intention to collect the contractual cash flows of the agreements until maturity. At 31 December 2023 the fair value of financial assets accepted as collateral regarding the Group's reverse repurchase agreements that the Group is permitted to sell or repledge in the absence of default was £400.9 million (2022: £nil), of which the group had sold or repledged £nil (2022: £nil).

Government loans purchased during 2023 are also measured at amortised cost as they are viewed as a credit instrument and are not actively managed to realise fair value changes, but rather are held to collect contractual cash flows until maturity.

15. Investments in Subsidiaries

Company	£000
Cost or valuation	
At 1 January 2022	—
Additions	14,165
Reorganisation	1,299,523
At 31 December 2022	**1,313,688**
Additions	124,069
At 31 December 2023	**1,437,757**
Net book value	
At 31 December 2023	1,437,757
At 31 December 2022	**1,313,688**

The increase in the investments in subsidiaries for the period ending 31 December 2023 is due to capital injections in certain subsidiaries and issuance of share-based payments to the employees of certain subsidiaries.

The increase in investments in subsidiaries during 2022 was due to a group reorganisation which took place during 2022, as set out in Note 2.1, following which Revolut Group Holdings Ltd became the new ultimate parent of the Group. When the Company's investments in subsidiary companies are not supported by their net assets, the Company assesses the net present value of the future cash flows of the subsidiaries. Where this occurs, management forecasts of the subsidiaries' financial performance are extrapolated to produce a terminal value. Financial performance over the first five years are consistent with the forecasts prepared by management. Terminal values are calculated from the year five cash flows with a 3% terminal growth rate applied.

The Directors consider the carrying value of the Company's investments to be supported by either the net assets or net present value of future cash flows and therefore there was no impairment within the Company for the year ended 31 December 2023 (2022: £nil).

The list of subsidiary undertakings of the Group at 31 December 2023 and 2022 is set out below. Percentages listed reflect each entity's effective interest held by the Group as at 31 December 2023 and 2022. All trading subsidiary undertakings are consolidated within the Group financial statements.

Company	Class of share	Principal activity	Registered address	31 December 2023	31 December 2022
Revolut NewCo UK Ltd	Ordinary	Holding company	7 Westferry Circus, Canary Wharf, London, England, E14 4HD	100%	100%
Revolut Ltd	Ordinary	Technology services, financial Services	7 Westferry Circus, Canary Wharf, London, England, E14 4HD	100%	100%
Revolut Holdings International Ltd	Ordinary	Holding company	7 Westferry Circus, Canary Wharf, London, England, E14 4HD	100%	100%
Revolut Holdings US Inc.	Ordinary	Holding company	850 New Burton Road, Suite 201, Dover, Kent County, Delaware 1990	100%	100%
Revolut Corporate Services Ltd (formerly Revolut FIC Ltd)	Ordinary	Dormant at reporting date	7 Westferry Circus, Canary Wharf, London, England, E14 4HD	100%	100%
Revolut Technologies Inc.*	Ordinary	Payment services	850 New Burton Road, Suite 201, Dover, Kent County, Delaware 19904	100%	100%

Company	Class of share	Principal activity	Registered address	31 December 2023	31 December 2022
Revolut Securities Inc.*	Ordinary	Broker-dealer for trading services	850 New Burton Road, Suite 201, Dover, Kent County, Delaware 19904	100%	100%
Revolut Technologies Russia LLC*	Ordinary	Dormant at reporting date	125047, Moscow, Butyrskiy Val street, bld. 10, office 05-155 Total	100%	100%
Revolut Technologies Limited*	Ordinary	Dormant at reporting date (under liquidation)	13/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Central, Hong Kong	100%	100%
Revolut Technologies Ukraine LLC*	Ordinary	Software development	LIFT99 Kyiv Hub Volodymyrska St, 101, building 1 Kyiv, Ukraine, 01033	100%	100%
RT Digital Securities Cyprus Ltd	Ordinary	Cryptocurrency	Pikioni, 10 Flat/Office 5, 3075, Limassol, Cyprus	100%	100%
Revolut Trading Ltd*	Ordinary	Security dealing activities	7 Westferry Circus, Canary Wharf, London, England, E14 4HD	100%	100%
Revolut Trading Nominees Ltd*	Ordinary	Dormant at reporting date	7 Westferry Circus, Canary Wharf, London, England, E14 4HD	100%	100%
Global Retail Technology LLC*	Ordinary	Software development	The Corporation Trust Company 1209 Orange Street Wilmington, DE 19801	100%	100%
Global Retail Technology Limited*	Ordinary	Software development	7 Westferry Circus, Canary Wharf, London, England, E14 4HD	100%	100%
Revolut Technologies S.A.*	Ordinary	Dormant at reporting date	9 rue de Bitbourg, L-1273, Luxembourg	100%	100%
Revolut Technologies India Private Limited (formerly Revolut Operations India Private Limited)*	Ordinary	Business Development	912, Sureshwari Techno IT Park, Village Eskar, Link Road, Borivali West, Mumbai, Mumbai City, Maharashtra, India, 400092	100%	100%
Ultimately Ltd*	Ordinary	Dormant at reporting date (Under Liquidation)	Trinity Chambers, PO Box 4301, Road Town, Tortola, British Virgin Islands	100%	100%
Revolut Holdings Europe UAB	Ordinary	Holding company	Konstitucijos ave. 21B, Vilnius, LT-08130	100%	100%
Revolut Securities Europe UAB*	Ordinary	Security dealing activities	Konstitucijos ave. 21B, Vilnius, LT-08130	100%	100%
Revolut Insurance Europe UAB*	Ordinary	Insurance Intermediary	Konstitucijos ave. 21B, Vilnius, LT-08130	100%	100%
Revolut Bank UAB*	Ordinary	Deposits acceptance and consumer lending	Konstitucijos ave. 21B, Vilnius, LT-08130	100%	100%
Revolut Travel Ltd*	Ordinary	Insurance Intermediary	7 Westferry Circus, Canary Wharf, London, England, E14 4HD	100%	100%
Revolut Australia NOHC Pty Ltd*	Ordinary	Holding company	Level 28, 161 Castlereagh Street, Sydney, NSW, 2000 Australia.	100%	100%
Revolut Payments Australia Pty Ltd*	Ordinary	Financial services	Level 28, 161 Castlereagh Street, Sydney, NSW, 2000 Australia.	100%	100%
Revolut Payments New Zealand Pty Ltd*	Ordinary	Dormant at reporting date	Level 28, 161 Castlereagh Street, Sydney, NSW, 2000 Australia.	100%	100%
Revolut Technologies Singapore Pte. Ltd*	Ordinary	Payments services, e-money issuance, and insurance brokerage	30 Cecil Street, #19-08, Prudential Tower, S049712	100%	100%

Company	Class of share	Principal activity	Registered address	31 December 2023	31 December 2022
Revolut Securities Singapore Pte. Ltd*	Ordinary	Trading services	30 Cecil Street, #19-08, Prudential Tower, 049712	100%	100%
Revolut Technologies Ltd*	Ordinary	Dormant at reporting date (under liquidation)	Suite 2300, Bentall 5, 550 Burrard Street Vancouver, British Columbia V6C 2B5	100%	100%
Revolut Payments India Private Limited*	Ordinary	Business development	1B - 1003, Parinee Crescenzo G Block BKC, Bandra Kurla Comple, Bandra East Mumbai, Maharashtra MH400051	99%	99%
Arvog Forex Private Limited*	Ordinary	Foreign exchange trading	A/7 Bharat Nagargrant Road Mumbai MH 400007 IN	99.99%	99.99%
Revolut Technologies Japan, Inc.*	Ordinary	Payments services, e-money issuance, and insurance brokerage	Room number ('3F, 310'), 106-0032 ARK Hills South Tower, 1-4-5 Roppongi, Minato-ku, Tokyo 106-0032	100%	100%
Revolut International Services Ltd	Ordinary	Other service activities not elsewhere classified	7 Westferry Circus, Canary Wharf, London, England, E14 4HD	100%	—%
Revolut Securities Japan, Inc.*	Ordinary	Licence application in progress for trading services	Room number ('3F, 310'), 106-0032 ARK Hills South Tower, 1-4-5 Roppongi, Minato-ku, Tokyo 106-0032	100%	100%
Revolut Holdings Mx SA de CV*	Ordinary	Holding company	Avenida Paseo de las Palmas 405, Int. 1702 Miguel Hidalgo, Lomas de Chapultepec, 11000, Ciudad de Mexico	99.9%	99.9%
Revolut de Mexico SA de CV*	Ordinary	Money transmitter and related commercial activities	Avenida Paseo de las Palmas 405, Int. 1702, Miguel Hidalgo, Lomas de Chapultepec, 11000, Ciudad de Mexico	99.9%	99.9%
Revolut Servicios a la Tecnologia Mexico SA de CV*	Ordinary	Technology services	Avenida Paseo de las Palmas 405, Int. 1702, Miguel Hidalgo, Lomas de Chapultepec, 11000, Ciudad de Mexico	99.9%	99.9%
Revolut Tecnologia Brasil LTDA*	Ordinary	Business Development	Rua Manoel da Nóbrega, 1280, 10th floor, Paraíso, São Paulo – SP, CEP 04001-902	100%	100%
Revolut Wealth Inc.*	Ordinary	Authorisation granted to offer an automated investment feature in the US.	The Corporation Trust Company 1209 Orange Street Wilmington, DE 19801	100%	100%
Revolut Holdings Brasil LTDA*	Ordinary	Financial institution holdings	Rua Manoel da Nóbrega, n. 1280, 10th floor, CEP 04001-902, at City of São Paulo, State of São Paulo - Brazil	100%	—%
Revolut Sociedade de Credito S.A.*	Ordinary	Credit, financing and investment	Rua Manoel da Nóbrega, n. 1280, 10th floor, CEP 04001-902, at City of São Paulo, State of São Paulo - Brazil	99.9%	—%

Company	Class of share	Principal activity	Registered address	31 December 2023	31 December 2022
RevReceivables I LLC*	Ordinary	Business Development	c/o Cogency Global, 850 New Burton Road, Suite 201, Dover, DE, 19904	100%	—%
Revolut Credit Services Australia Pty Ltd*	Ordinary	Provision of services to obtain credit score on behalf of AU customers	Level 28, 161 Castlereagh Street, Sydney, NSW, 2000 Australia	100%	—%

*Held indirectly

Global Retail Technologies Limited, which is 100% owned by the Group, is not subject to an audit by virtue of s479A of the Companies Act 2006 relating to subsidiary undertakings.

Branches

Revolut Ltd conducts business through branches in Poland, Portugal, Lithuania, Germany, Romania, France, Ireland, and Spain. The following branches were in existence at 31 December 2023:

Company	Registered address
Revolut Ltd (Sp z o.o.) Oddzial w Polsce.	Podium Park, Jana Pawła, 43a, Krakow, 31-864, Polska
Revolut Ltd - Sucursal em Portugal.	Avenida Menéres 612, 4450-189 Matosinho, Portugal
Revolut Ltd filialas.	Konstitucijos ave. 21B, Vilnius, LT-08130
Revolut Ltd Zweigniederlassung Deutschland.	Friedrichstrasse 76, c/o WeWork, 10117 Berlin, Germany
Revolut Ltd Londra Sucursala Bucuresti.	17, Ion Mihalache blvd, Mindspace Victoriei, 1st fl, office nb. 105, Tower Center International Building, District 1, Bucharest
Revolut Ltd succursale de France.	10 avenue Kleber, 75116, Paris, France
Revolut Ltd (Irish Branch).	Dublin landings, North dock, Dublin 1, Ireland
Revolut Ltd Spain Sucursal En España.	Cloudworks Serrano 20 28001, Madrid, Spain

Revolut Bank UAB conducts business through branches in France, Netherlands, Portugal, Hungary, Ireland, Belgium, Italy, Germany, Spain, and Romania. The following branches were in existence at 31 December 2023:

Company	Registered address
Revolut France succursale de Revolut Bank UAB (French Branch).	10 avenue Kleber, 75116, Paris, France
Revolut Bank UAB (Netherlands Branch).	Barbara Strozzilaan 201, 1083HN Amsterdam, Netherlands
Revolut Bank UAB - Sucursal em Portugal (Portugal Branch).	Sitio, Rua do Campo Alegre, 774 Distrito: Porto Concelho: Porto Freguesia: Lordelo do Ouro e Massarelos 4150 171 Porto
Revolut Bank UAB Magyarországi Fióktelepe (Hungarian Branch).	1137 Budapest, Radnóti Miklós utca 2., Hungary
Revolut Bank UAB (Irish Branch).	2 Dublin landings, North dock, Dublin 1, Ireland
Revolut Bank UAB (Belgian Branch).	Square de Meeûs 35, 1000 Bruxelles, Louise Centre, Stephanie Square Centre
Revolut Bank UAB (Italian Branch).	Via Arcivescovo Calabiana 6, 20139 Milan, Italy
Revolut Bank UAB, Zweigniederlassung Deutschland (German Branch).	Zimmerstraße 78, 10117 Berlin, Germany
Revolut Bank UAB Sucursal En España (Spanish Branch).	Príncipe de Vergara 132, 4ª planta, 28002 Madrid, Spain
Revolut Bank UAB Vilnius Sucursala Bucuresti (Romanian Branch).	Bucureşti Sectorul 1, Bulevardul Ion Mihalache, Nr. 15-17, Mindspace Victoriei, biroul 111, cladirea Tower Center International, Etaj 1, Romania

One branch of Revolut Bank UAB was deregistered as of as of 29 June 2023:

Company	Registered address
Revolut Bank UAB (Sp z o.o.) Oddział w Polsce (Polish Branch).	Podium Park, al. Jana Pawła II, 43a, Kraków, 31-864, Poland

RT Digital Securities Cyprus Ltd conducts business through an Italian branch; registered address: Piazza Santa Maria delle Grazie 1, 20122, Milan (MI), Italy.

Group reorganisations

In July 2023, Revolut Holdings International Ltd (UK) transferred its shareholding in Revolut Sociedade de Crédito Direto S.A (Brazil) to Revolut Holdings Brazil Ltda (Brazil) in order to ensure local ownership of Revolut Sociedade de Crédito Direto S.A. As a result of the restructuring, Revolut Holdings International Ltd became the 100% indirect parent company of Revolut Sociedade de Crédito Direto S.A.

16. Investment in Commodities

Group	31 December 2023	31 December 2022
	£000	£000
Commodities	104,618	94,221
Total investment in commodities	**104,618**	**94,221**

The Company does not have any investment in commodities at 31 December 2023 (2022: £nil).

Investment in commodities represent holdings in precious metals that are held to hedge the Group's exposure to commodity price risk on its customer liabilities related to precious metals. These investments are accounted for at fair value through profit or loss.

17. Trade and Other Receivables

Group	31 December 2023	31 December 2022
	£000	£000
Current		
Financial assets:		
Settlement receivables	220,986	59,534
Trade receivables	17,940	24,849
Cash collateral	73,524	93,120
Amounts due from card schemes	34,470	47,166
Amounts recoverable on card scheme contracts*	36,576	21,714
Negative customer liabilities**	2,760	7,120
Other deposits with government institutions	—	5,658
Other receivables	30,372	28,007
Total current financial assets	**416,628**	**287,168**
Non-financial assets:		
Prepayments and accrued income	35,817	20,141
Other non-financial assets***	36,482	34,250
Total current non-financial assets	**72,299**	**54,391**
Total current assets	**488,927**	**341,559**
Non-current		
Financial assets:		
Other receivables	7,312	—
Total trade and other receivables	**496,239**	**341,559**

* Amounts recoverable on card scheme contracts represents collateral held with our partners for the settlement process.
** Negative customer liabilities and corresponding provisions are disclosed in detail in Note 31.1.
*** Other non-financial assets primarily represent payroll prefunding and capitalised costs incurred to obtain customer contracts.

The Company recognises amounts owed by group undertakings of £25.3 million at 31 December 2023 (2022: £0.2 million) related to funds transferred to Group subsidiaries that have not been recognised as capital contributions. This was reclassified as an equity investment and converted to shares in February 2024.

Capitalised costs
During the year, £9.5 million of capitalised costs was amortised (2022: £9.2 million). As a result, the Group had a net carrying value of £6.5 million (2022: £15.9 million) as costs to obtain customer contracts. Capitalised costs are determined based on referral campaign rewards paid for new customer sign-ups less rebates received from vendors. This is amortised over three years which reflects management's estimate of the average life of a customer contract based on historical customer retention data. There were £nil impairment losses recognised on the capitalised costs in 2023 (2022: £0.8 million).

The Group does not recognise any contract assets at 31 December 2023 (2022: £nil).

Management assesses that the carrying amounts of amounts receivable from debtors approximate their fair values as the majority of balances are expected to be received within one years of the reporting date.

18. Loans and Advances to Customers

Group		31 December 2023	31 December 2022
	Note	**£000**	**£000**
Consumer loans		522,760	194,663
Less: loss allowance	31.1	(33,109)	(4,746)
Credit card		41,753	14,589
Less: loss allowance	31.1	(3,811)	(926)
Net loans and advance to customers		**527,593**	**203,580**

Analysed into:			
Non-current assets	31.2	352,644	134,567
Current assets	31.2	174,949	69,013
Net loans and advance to customers		**527,593**	**203,580**

The Company does not have any loans and advances to customers at 31 December 2023 (2022: £nil).

19. Inventories

Group	31 December 2023	31 December 2022
	£000	**£000**
Inventory — cards, packaging, and other	14,277	17,838
Inventory — card readers	1,522	766
Total inventories	**15,799**	**18,604**

Inventories comprise cards (including prepaid, credit and debit cards), packaging, and card readers not yet distributed to customers. The difference between purchase price of inventories and their replacement cost is not material. The use of inventory recognised in fee expense during the year was £22.2 million (2022: £22.3 million). There were £nil losses recognised in cost of sales during the year in respect of obsolete inventory (2022: £0.2 million).

The Company does not have any inventories at 31 December 2023 (2022: £nil).

20. Property, Equipment, and Right-of-use Assets

Group	Fixtures & fittings	Office equipment	Computer equipment	Right-of-use assets	Total
	£000	**£000**	**£000**	**£000**	**£000**
Cost					
At 1 January 2022	11,843	1,502	7,910	21,921	43,176
Additions	78	—	4,303	747	5,128
Disposals and derecognition	—	(69)	—	(1,574)	(1,643)
Foreign exchange movements	195	11	461	132	799
At 31 December 2022	**12,116**	**1,444**	**12,674**	**21,226**	**47,460**
At 1 January 2023	12,116	1,444	12,674	21,226	47,460
Additions	143	1	5,807	8,551	14,502
Disposals and derecognition	(35)	(35)	(246)	(1,812)	(2,128)
Other movements	—	—	—	21	21
Foreign exchange movements	(58)	23	(96)	54	(77)
At 31 December 2023	**12,166**	**1,433**	**18,139**	**28,040**	**59,778**
Accumulated depreciation and impairment losses					
At 1 January 2022	(2,882)	(711)	(5,083)	(9,372)	(18,048)
Charge for the year	(1,196)	(369)	(2,368)	(5,117)	(9,050)
Disposals and derecognition	—	—	—	1,574	1,574
Foreign exchange movements	(80)	29	20	35	4
At 31 December 2022	**(4,158)**	**(1,051)**	**(7,431)**	**(12,880)**	**(25,520)**
At 1 January 2023	(4,158)	(1,051)	(7,431)	(12,880)	(25,520)
Charge for the year	(1,205)	(276)	(3,355)	(5,331)	(10,167)
Disposals and derecognition	25	34	219	1,583	1,861
Other movements	—	—	—	(143)	(143)
Foreign exchange movements	30	(17)	39	42	94
At 31 December 2023	**(5,308)**	**(1,310)**	**(10,528)**	**(16,729)**	**(33,875)**
Carrying value					
At 31 December 2023	6,858	123	7,611	11,311	25,903
At 31 December 2022	7,958	393	5,243	8,346	21,940
At 31 December 2021	8,961	791	2,827	12,549	25,128

The Company does not have any property, equipment, or right-of-use assets at 31 December 2023 (2022: £nil).

Right-of-use assets primarily represent leases for office locations.

The gross carrying amount of fully depreciated property and equipment that is still in use at 31 December 2023 is £30.1 million (2022: £25.3 million).

21. Intangible Assets

Group	Computer Software	Goodwill*	Total
	£000	£000	£000
Cost			
At 1 January 2022	8,337	—	8,337
Additions	38	2,003	2,041
Disposal	(510)	—	(510)
At 31 December 2022	**7,865**	**2,003**	**9,868**
At 1 January 2023	7,865	2,003	9,868
Additions	—	—	—
Disposals	(7,253)	—	(7,253)
Foreign exchange movements	(2)	—	(2)
At 31 December 2023	**610**	**2,003**	**2,613**
Accumulated amortisation and impairment losses			
At 1 January 2022	(7,616)	—	(7,616)
Amortisation charge	(52)	—	(52)
Disposals	305	—	305
Foreign exchange movements	(1)	—	(1)
At 31 December 2022	**(7,364)**	**—**	**(7,364)**
At 1 January 2023	(7,364)	—	(7,364)
Amortisation charge	(4)	—	(4)
Impairment charge	(489)	—	(489)
Disposals	7,264	—	7,264
Foreign exchange movements	-	—	-
At 31 December 2023	**(593)**	**—**	**(593)**
Carrying amount			
At 31 December 2023	**17**	**2,003**	**2,020**
At 31 December 2022	501	2,003	2504
At 1 January 2022	721	—	721

*The carrying value of goodwill relates to the acquisition of Arvog Forex Private Limited in 2022.

The Company does not have any intangible assets at 31 December 2023 (2022: £nil).

22. Customer Liabilities

Group	31 December 2023	31 December 2022
	£000	**£000**
Customer liabilities in respect of deposits	9,244,838	7,144,858
E-money in issue	5,870,251	5,411,555
Customer deposits	**15,115,089**	**12,556,413**
Customer liabilities in respect of commodities	104,548	94,484
Customer liabilities before changes in fair value	**15,219,637**	**12,650,897**
Changes in the fair value of hedged liabilities in portfolio hedges of interest rate risk	(21,669)	(57,709)
Total customer liabilities	**15,197,968**	**12,593,188**

The Company does not have any customer liabilities at 31 December 2023 (2022: £nil).

23. Trade and Other Payables

Group		31 December 2023	31 December 2022
	Note	**£000**	**£000**
Settlement payables		294,388	59,628
Trade payables		22,986	7,263
Accruals		88,622	64,256
Other taxation and social security		33,231	10,691
Contract liabilities		49,211	33,243
Lease liability	25	9,469	9,641
Deferred income from reward program		506	—
Loans and borrowings	26	26	36
Other payables		10,809	8,003
Total trade and other payables		**509,248**	**192,761**

The contract liabilities balance recognised at the beginning of each period is fully released into fee revenue during the year as these liabilities have a duration of less than one year.

The Company recognises an obligation to the Employee Benefit Trust of £1.0 million at 31 December 2023 (2022: £0.9 million).

24. Provisions for Liabilities

	Provision for taxation	Provision for dilapidation	Other provisions	Total
	£000	**£000**	**£000**	**£000**
At 1 January 2023	12,933	1,918	1,463	16,314
Provided during the year	—	2,704	4,208	6,912
Amounts used	(12,761)	—	—	(12,761)
Unused amounts reversed	—	—	(72)	(72)
Exchange and other movements	(172)	47	(24)	(149)
At 31 December 2023	**—**	**4,669**	**5,575**	**10,244**

The provision for taxation comprises the provisions for settlement of the VAT liability with HMRC, which has been confirmed and paid during the year.

The Group also provides for property dilapidation for leased office locations. The property dilapidation provision is based on management's best estimate for the leases to which the Group is party. Uncertainty associated with these factors may result in the ultimate liability being different from the reported provision. Dilapidation provisions are expected to be utilised within one to five years.

Other provisions include provisions recognised for any litigation, arbitration, or regulatory matters that the Group is involved in as well as the provision for undrawn commitments.

The group and its subsidiaries operate in highly regulated environments and are subject to regulatory scrutiny and legal proceedings arising in the ordinary course of business. Any associated costs are provided for at 31 December 2023.

The Company does not have any provisions for liabilities at 31 December 2023 (2022: £nil).

25. Lease Liability

Lease liabilities primarily represent leases for office locations.

Group	Lease liability
	£000
At 1 January 2023	9,641
New leases entered into during the year	5,808
Lease payments made in the year	(6,034)
Unwinding of discount	430
Impact of movement of foreign exchange rates	(200)
Other	(176)
At 31 December 2023	**9,469**
At 1 January 2022	14,246
New leases entered into during the year	747
Lease payments made in the year	(5,639)
Unwinding of discount	550
Impact of movement of foreign exchange rates	58
Other	(321)
At 31 December 2022	**9,641**

The Group recognised £2.0 million in lease expense related to short-term and low-value assets for the year ended 31 December 2023 (2022: £2.7 million).

26. Loans and Borrowings

Group	31 December 2023	31 December 2022
	£000	**£000**
Secured	—	—
Unsecured	26	36
Total loans and borrowings	**26**	**36**
Analysed into:		
Non-current liabilities	—	—
Current liabilities	26	36
Total loans and borrowings	**26**	**36**

In April 2023, Revolut Ltd entered into a £75.0 million liquidity facility with an external lender to provide diversification in funding as the business grows globally. The facility has not been drawn and was terminated in November 2023. In January 2024, Revolut Ltd fully satisfied a charge in relation to the liquidity facility. The share capital of Revolut NewCo UK Ltd had been provided as a security for the Agreement and cancelled upon satisfaction of the charge in January 2024.

The Company does not have any loans and borrowings at 31 December 2023 (2022: £nil).

27. Share Capital

Group and Company	31 December 2023	31 December 2022
	£	£
Allotted, called up, and fully paid		
32,396,553 (2022: 32,342,358) ordinary shares	0.32	3.23
6,044,294 (2022: 6,044,294) ordinary shares D	0.06	0.60
4,828,923 (2022: 4,828,923) ordinary shares E	0.05	0.48
1,695,374 (2022: 1,695,374) ordinary shares F	0.02	0.17
1,770,754 (2022: 1,770,754) ordinary shares G	0.02	0.18
12,508,401 (2022: 12,508,401) ordinary shares H	0.12	1.25
Total share capital	**0.59**	**5.91**

At 31 December 2023, all shares have a nominal value of £0.00000001 each. This follows a capital reduction carried out by the Company in January 2023 which reduced the nominal value of each of the Company's shares from £0.0000001 to £0.00000001.

	1 Jan 2022	Shares issued	Shares converted	Share options exercised	31 Dec 2022	Shares issued	Shares converted	Share options exercised	31 Dec 2023
	000s	000s	000s	000s	000s	000s	000s	000s	000s
ordinary shares	32,261	—	—	81	**32,342**	5	—	49	**32,396**
ordinary shares D	6,044	—	—	—	**6,044**	—	—	—	**6,044**
ordinary shares E	4,829	—	—	—	**4,829**	—	—	—	**4,829**
ordinary shares F	1,696	—	—	—	**1,696**	—	—	—	**1,696**
ordinary shares G	1,771	—	—	—	**1,771**	—	—	—	**1,771**
ordinary shares H	12,508	—	—	—	**12,508**	—	—	—	**12,508**
Total shares	**59,109**	**—**	**—**	**81**	**59,190**	**5**	**—**	**49**	**59,244**

Rights attaching to the shares — income

All Eligible Shares (all shares in the capital of the Company except for G Shares and H Shares) shall rank pari passu in respect of dividends and dividends shall be paid to the Eligible Shareholders pro rata according to the number of Eligible Shares held by each Eligible Shareholder respectively. The G Shares and H Shares shall not confer any rights to participate in dividends.

Rights attaching to the shares — capital

On a return of capital, on a liquidation, reduction of capital or otherwise (including following an Asset Sale), the surplus assets of the Company remaining after payment of its liabilities:

First, (i) £1 in aggregate to the holders of G Shares (as a class), (ii) £1 in aggregate to the holders of H Shares (as a class) and (iii) £1 in aggregate to the holders of Deferred Shares (as a class), in each case on a pro rata basis; and

Secondly, pro rata to the holders of Ordinary Shares and Ordinary Series Shares according to the number of Shares held by each Shareholder respectively (in the case of the Ordinary Series Shares (the Ordinary D, Ordinary E and Ordinary F Shares), as though they had been fully converted into Ordinary Shares, which shall apply, mutatis mutandis).

In the event of a Sale, the proceeds of such Sale (net of any costs associated with such Sale) (Net Sale Proceeds) shall, save in respect of any Shares not sold in connection with that Sale, be distributed between the Shareholders as follows:

First, to each Ordinary F Shareholder, in priority to all other Shareholders, an amount equal to the Subscription Price for each Ordinary F Share held (as if the Ordinary F Shares constituted the same class of Shares) plus any arrears or accruals of dividend (if any) on the Ordinary F Shares (as the case may be) due or declared but unpaid down to the date of the proceeds of such Sale being returned, provided that if there are insufficient Net Sale Proceeds to pay such amounts to all Ordinary F Shareholders, in full, the available Net Sale Proceeds shall be distributed to the Ordinary F Shareholders in proportion to the Subscription Price of the Ordinary F Shares held by them and arrears or accruals of dividend due to them respectively;

Second, to each Ordinary D/E Shareholder, in priority to all other Shareholders other than Ordinary F Shareholders, an amount equal to:

1. the Subscription Price for each Ordinary D/E Share held (as if the Ordinary D/E Shares constituted the same class of Shares) plus
2. any arrears or accruals of dividend (if any) on the Ordinary D/E Shares (as the case may be) due or declared but unpaid down to the date of the proceeds of such Sale being returned, provided that
3. if there are insufficient Net Sale Proceeds to pay such amounts to all Ordinary D/E Shareholders, in full, the available Net Sale Proceeds shall be distributed to the Ordinary D/E Shareholders in proportion to the Subscription Price of the Ordinary D/E Shares held by them and arrears or accruals of dividend due to them respectively ((i) and (ii), or (iii), as the case may be, being the 'Price Protection Proceeds');

Third, to each Ordinary Shareholder including any Ordinary Shares arising from conversion of the Ordinary Series Shares, and Vested In-The-Money H Shareholder in proportion to the number of Ordinary Shares and Vested In-The-Money H Shares held by them, respectively, as if such Ordinary Shares, and Vested In-The-Money H Shares constituted the same class of Shares up to such amount of the remaining Net Sale Proceeds as is less than or equal to the First Hurdle Amount;

Fourth, any amount of the Net Sale Proceeds which exceeds the First Hurdle Amount and is less than or equal to the Second Hurdle Amount (for the avoidance of doubt, if there is no Second Hurdle Amount, this paragraph shall not apply, and instead paragraph immediately below shall apply) shall be distributed among the Ordinary Shareholders (including any Ordinary Shares arising from conversion of the Ordinary Series Shares), the Vested G First Hurdle Shareholders and the Vested In-The-Money H Shareholders in the proportion that the aggregate number of Ordinary Shares, Vested G First Hurdle Shares and Vested In-The-Money H Shares held by each holder bears to all of the Ordinary Shares, Vested G First Hurdle Shares and Vested In-The-Money H Shares then in issue;

Then, the following step to be applied for each Nth Hurdle Amount which has been set in respect of the tranche of G Shares, starting with the Second Hurdle Amount (if any): any amount of the Net Sale Proceeds which exceeds the Nth Hurdle Amount and is less than or equal to the N+1th Hurdle Amount shall be distributed among the Ordinary Shareholders (including any Ordinary Shares arising from conversion of the Ordinary Series Shares), Vested G First Hurdle Shareholders to Vested G Nth Hurdle Shareholders (inclusive), and Vested In-The-Money H Shareholders in the proportion that the aggregate number of Ordinary Shares, Vested G First Hurdle Shares to Vested G Nth Hurdle Shares, and Vested In-The-Money H Shares held by each holder bears to all of the Ordinary Shares, Vested G First Hurdle Shares to Vested G Nth Hurdle Shares, and Vested In-The-Money H Shares then in issue;

Next, any amount of the Net Sale Proceeds which exceeds the Maximum Hurdle Amount (which, for the avoidance of doubt, shall be the First Hurdle Amount if no other Hurdle Amounts have been set) shall be distributed among the Ordinary Shareholders (including any Ordinary Shares arising from conversion of the Ordinary Series Shares), Vested G Shareholders and Vested In-The-Money H Shareholders in the proportion that the aggregate number of Ordinary Shares, Vested G Shares, and Vested In-The-Money H Shares held by each holder bears to all of the Ordinary Shares, Vested G Shares, and Vested In-The-Money H Shares then in issue; and finally, nothing, unless the holders of each Ordinary Share (including any Ordinary Shares arising from conversion of the Ordinary Series Shares), Vested G Share, and Vested In-The-Money H Share receive proceeds of £1,000,000 or more per share, in which case the holders of the Deferred Shares (as a class) shall be entitled to receive £1 in aggregate, on a pro rata basis.

Rights attaching to the shares — Conversion of Ordinary Series Shares

Immediately on the request in writing, at any time, by an Ordinary Series Shareholder, such number of his Ordinary Series Shares as such Ordinary Series Shareholder shall specify on the date of such request shall automatically be converted into and re-designated as Ordinary Shares at the rate of one Ordinary Share for every Ordinary Series Share (as adjusted from time to time as provided herein, the 'Conversion Rate').

Rights attaching to the shares — Conversion of Ordinary D Shares

All of the fully paid Ordinary D Shares then in issue shall automatically be converted into and re-designated as Ordinary Shares at the Conversion Rate immediately upon the request in writing of the relevant majority or the occurrence of a Listing.

Rights attaching to the shares — Conversion of Ordinary E Shares

All of the fully paid Ordinary E Shares then in issue shall automatically be converted into and re-designated as Ordinary Shares at the Conversion Rate immediately upon the request in writing of the relevant majority or the occurrence of a Listing.

Rights attaching to the shares — Conversion of Ordinary F Shares

All of the fully paid Ordinary F Shares then in issue shall automatically be converted into and re-designated as Ordinary Shares at the Conversion Rate immediately upon the request in writing of the relevant majority or the occurrence of a Listing.

Rights attaching to the shares — Conversion of G Shares

Unless otherwise determined by the Board at any time prior thereto, all of the fully paid G Shares then in issue shall automatically be converted into and re-designated as Ordinary Shares immediately upon the occurrence of a Listing.

Rights attaching to the shares — Conversion of H Shares

Unless otherwise determined by the Board at any time prior thereto, all of the fully paid H Shares then in issue shall automatically be converted into and re-designated as Ordinary Shares immediately upon the occurrence of a Listing.

The Board shall, in such circumstances as are stated in any particular Award Letter pursuant to which H Shares have been awarded (and subsequently subscribed for or the beneficial interest therein acquired), have the right to determine that the H Shares (or relevant number thereof) held by an H Shareholder (and/or his Permitted Transferees, if applicable) shall convert into Deferred Shares (on the basis of one Deferred Share for each applicable H Share). Upon such conversion into Deferred Shares, which shall take place on the date of the Board's determination (the 'H Share Conversion Date'), the Company shall be entitled to enter the H Shareholder (and/or his Permitted Transferees, if applicable) on the register of members of the Company as the holder of the appropriate number of Deferred Shares as from the H Share Conversion Date. Upon the H Share Conversion Date, the H Shareholder (and/or his Permitted Transferees, if applicable) shall deliver to the Company at its registered office the shares certificate(s) (to the extent not already in the possession of the Company) or an indemnity for lost certificate in a form acceptable to the Board for the H Shares so converting, and upon such delivery the Company shall be entitled to either (a) effect a transfer from the relevant H Shareholder to the Employee Trustee of all such Deferred Shares in consideration for an aggregate sum of one penny and, upon such transfer becoming effective the relevant Deferred Shares shall be automatically re-designated as H Shares shall apply mutatis mutandis to such transfer); or (b) issue to such H Shareholders (and/or their Permitted Transferees, if applicable) share certificate(s) for the number of Deferred Shares resulting from the relevant conversion and any remaining H Shares.

Rights attaching to the shares — Conversion of Deferred Shares

Unless otherwise determined by the Board at any time prior thereto, all of the Deferred Shares then in issue shall automatically be converted into and re-designated as Ordinary Shares immediately upon the occurrence of a Listing.

Rights attaching to the shares — Votes in general meeting and written resolutions

The Ordinary Series Shares shall confer on each holder of Ordinary Series Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.

The Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.

The G Shares and H Shares shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company.

The Deferred Shares (if any) shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company.

Share history

On 28 April 2022, the following shares were allotted: 32,196,878 ordinary shares of £0.0000001 each; 6,044,294 Ordinary D shares of £0.0000001 each; 4,828,923 Ordinary E shares of £0.0000001 each; 1,695,374 Ordinary F shares of £0.0000001 each; 1,770,754 Ordinary G shares of £0.0000001 each; 12,508,401 Ordinary H shares of £0.0000001 each, in connection with the insertion of the Company as the ultimate parent company in the Group.

On 31 January 2023, the share capital of the Company was reduced by reducing the nominal value of each of the Company's shares from £0.0000001 to £0.00000001.

28. Other Reserves

Group	Foreign exchange reserve	Share-based payment reserve	Net investment in foreign operation reserve	Financial investment reserve	Own shares held in Employee Benefit Trust*	Total
	£000	£000	£000	£000	£000	£000
At 1 January 2022	(9,492)	114,903	3,365	(763)	(445)	107,568
Equity-settled share-based payment charge	—	39,049	—	—	—	39,049
Foreign currency translation adjustment	17,442	—	—	—	—	17,442
Revaluation loss on financial investment	—	—	—	(12,825)	—	(12,825)
Cumulative hedge effectiveness reserve movement	—	—	(2,090)	—	—	(2,090)
Purchase of own shares by Employee Benefit Trust	—	—	—	—	(446)	(446)
Tax impact of changes to other reserves	—	43,364	—	3,444	—	46,808
At 31 December 2022	**7,950**	**197,316**	**1,275**	**(10,144)**	**(891)**	**195,506**
At 1 January 2023	7,950	197,316	1,275	(10,144)	(891)	195,506
Equity-settled share-based payment charge	—	45,130	—	—	—	45,130
Foreign currency translation adjustment	(10,222)	—	—	—	—	(10,222)
Revaluation gain on financial investment	—	—	—	10,550	—	10,550
Cumulative hedge effectiveness reserve movement	—	—	—	—	—	—
Purchase of own shares by Employee Benefit Trust	—	—	—	—	(143)	(143)
Tax impact of changes to other reserves	—	2,488	—	(2,822)	—	(334)
At 31 December 2023	**(2,272)**	**244,934**	**1,275**	**(2,416)**	**(1,034)**	**240,487**

Company	Share-based payment reserve	Own shares held in Employee Benefit Trust*	Total
	£000	£000	£000
At 1 January 2022	—	—	—
Transfer of reserve on reorganisation	137,695	(445)	137,250
Equity-settled share-based payment charge	16,300	—	16,300
Purchase of own shares within Employee Benefit Trust	—	(446)	(446)
Tax impact of changes to other reserves	—	—	—
At 31 December 2022	**153,995**	**(891)**	**153,104**
At 1 January 2023	153,995	(891)	153,104
Equity-settled share-based payment charge	45,087	—	45,087
Purchase of own shares within Employee Benefit Trust	—	(143)	(143)
Tax impact of changes to other reserves	—	—	—
At 31 December 2023	**199,082**	**(1,034)**	**198,048**

* The Group and Company consolidate one share trust. The share reserve represents the cost of shares in the Revolut Group Employee Benefit Trust (Fiduchi), which are held for the purposes of fulfilling obligations in respect of the Group's future share awards. As of year-end, the numbers of shares held by the trust are as follows:

	31 December 2023		31 December 2022	
	Shares in '000	Average price £	Shares in '000	Average price £
ordinary G shares	105	8.48	83	10.33
ordinary H shares	525	0.27	142	0.27
Total shares	**630**		**225**	

The following describes the nature and purpose of the reserves within equity.

Foreign exchange reserve	The foreign exchange reserves represents the cumulative foreign currency translation movement on the assets and liabilities of the Group's international operations at year-end exchange rates.
Share-based payment reserve	The share-based payment reserve records the cumulative charge to equity in respect of equity-settled share-based payments.
Net investment in foreign operation reserve	The net investment in foreign operation reserve represents the effective portion of the gains or losses on the retranslation of investments into foreign operations due to exchange rate risks.
Financial investment reserve	The financial investment reserve includes unrealised gains or losses in respect of financial instruments measured at fair value through other comprehensive income.
Own shares held in Employee Benefit Trust	This reserve represents the value of shares issued by the Company that are held by the Employee Benefit Trust (Fiduchi) which are deducted from equity.

29. Share-Based Payments

The Group issues equity-settled share-based payment awards to certain employees which are subject to service and vesting considerations and are settled for shares of the Company. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market performance vesting conditions) at the date of grant. The fair value of the options determined at the grant date of the equity-settled share-based payments is expensed on a graded basis over the vesting period, based on the Group's estimate of the number of awards that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

2022 and 2023 scheme and parent company change

During 2022, a change in the legal structure of Revolut occurred; the ultimate parent company of the Group has changed to Revolut Group Holdings Ltd instead of Revolut Ltd. With this change, all previously awarded grants' underlying entity have been novated from Revolut Ltd to Revolut Group Holdings Ltd.

In 2022 and 2023, the Group issued share options under the Unapproved Options Plan (UOP) for both UK and non-UK employees of the Group and issued no share options under the Company Stock Option Scheme (CSOP) plan. Furthermore, Restricted Stock Units (RSUs) were issued to employees under US entities.

The fair value of the options granted to employees during the years 2022 and 2023 has been determined utilizing an options pricing model, which encompasses the Black-Scholes methodology. It's important to note that the strike price of the options given to employees in 2022 and 2023 was almost zero, making their fair value similar to that of ordinary shares.

Options granted have varying vesting schedules depending on the reason for the grant — for example, Joining Bonus, Referral Bonus, Promotion Bonus, or Performance Bonus. The main vesting schedules are: (i) a four-year vesting schedule with 25% vesting on each anniversary; (ii) a two-year vesting schedule with 50% upfront and 25% vesting annually over the subsequent two years; and (iii) a two-year vesting schedule where 1/24th vests each month. Employees are required to remain in employment with the Group until the vesting period has elapsed; otherwise, the awards lapse. Options issued under the UOP expire after ten years whereas RSUs expire after seven years.

2021 scheme

In 2021, the Group introduced growth shares scheme to replace the CSOP and UOP prospectively. Employees having stock options under CSOP and UOP were eligible to voluntarily exchange their existing holdings in growth shares.

Unlike options, growth shares entitle the shareholder to a capital return once the value of the Company exceeds a pre-set value per share (the 'Hurdle Price') set by independent valuers. Shares granted will be held in the company-held trust until exercised.

Growth shares granted as a performance bonus vest according to a schedule with 50% vesting on the grant date and 25% vesting annually on the anniversary of the grant date for the next two years. Growth shares granted as a sign-on bonus or promotion will vest on an annual basis over four years (i.e. 25% at each year-end).

2019 and 2020 CSOP and unapproved share option schemes

In 2019, the Group operated two share options schemes. The first is an HMRC-approved Company Share Option Scheme (CSOP) plan, for UK employees, and the second is an Unapproved Options Plan (UOP), for the non-UK employees.

In 2020, the Group issued share options under the UOP for both UK and non-UK employees of the Group and issued no share options under the CSOP.

The options are granted with a fixed exercise price, are exercisable after they have vested, and expire after ten years.

Valuation assumptions

Key assumptions used in determining the values of options are shared below.

	2023	2022
Model	Option Pricing Model	Option Pricing Model
Expected volatility	40-50%	30-40%
Expected term (years)	1.25 -— 1.67	1 — 1.5 years
Risk-free rate	4.29% — 5.35%	1.9% — 4.3%
Expected dividend yields	nil	nil

Expected volatility is derived from observed volatility from comparable companies. Calculating the fair value of options in private companies requires making highly subjective assumptions including the methodology used. These assumptions can materially affect the fair value of share-based payments.

Reconciliation of outstanding share-based payment awards

A reconciliation of share option movements over the years ended 31 December 2023 and 2022 is shown below.

	Weighted average exercise price	Number	Weighted average exercise price	Number
	2023	**2023**	**2022**	**2022**
Outstanding at the beginning of the year	**0.49**	**1,490,245**	**0.75**	**1,493,693**
Granted during the year	—	380,281	—	210,873
Exercised during the year	1.74	(48,922)	2.47	(79,716)
Sold or forfeited during the year	0.41	(68,037)	1.46	(134,605)
Outstanding at the end of the year	**0.32**	**1,753,567**	**0.49**	**1,490,245**
Exercisable at the end of the year	**0.38**	**1,450,805**	**0.53**	**1,203,191**

Fair values have been calculated by independent accounting advisors at the date of grant of each share award. The estimated weighted average fair value of share options granted during the year at the measurement date was £159.11 (2022: £166.09). The estimated weighted average share price at the date of exercise for share options exercised in 2023 was £167.22 (2022: £161.99). A 10% change in the fair value of the share valuation would result in a £4.5 million change in share-based payments expense.

A reconciliation of growth share movements over the years ended 31 December 2023 and 2022 is shown below.

	Number	Number
	2023	**2022***
Outstanding at the beginning of the year	14,279,155	14,279,155
Granted during the year	—	—
Exercised during the year	—	—
Sold or forfeited during the year	—	—
Outstanding at the end of the year	**14,279,155**	**14,279,155**

*The number of growth shares outstanding during the year ended 31 December 2022 has been restated to reflect the impact of growth shares reacquired by the Employee Benefit Trust from certain former employees of the Group and the impact of a conversion of growth shares into ordinary shares not previously recognised.

The outstanding options' weighted average remaining contractual life by exercise price as of 31 December 2023 is shown below:

Pool	Exercise Price (£)	Weighted average remaining contractual life (years)
1	0.00	8.23
2	0.000001	3.07
3	0.03	3.17
4	0.03	4.23
5	0.03	3.40
6	0.10	4.86
7	0.29	2.18
8	0.32	2.52
9	0.50	5.51
10	0.75	5.89
11	13.93	5.77
12	22.34	6.60
13	32.37	7.86
Total		**7.99**

Impact on Consolidated Statement of Comprehensive Income

The total share-based payment expense recognised in administrative expenses in the Consolidated Statement of Comprehensive Income is as follows.

Group	2023	2022
	£000	**£000**
Equity-settled share-based payment charge	45,130	39,049

30. Financial Instruments

30.1. Financial instrument by category

The following table shows the carrying amount of each of the categories of financial instruments at the end of the reporting period.

Group	31 December 2023	31 December 2022
	£000	**£000**
Financial assets measured at fair value through OCI (FVOCI)		
Government bonds	389,866	1,712,292
Financial assets mandatorily measured at fair value through profit or loss (FVTPL)		
Derivative financial assets	28,097	7,681
Total financial assets measured at fair value	**417,963**	**1,719,973**
Financial assets measured at amortised cost		
Cash and cash equivalents	12,827,654	10,581,018
Debt instruments	2,103,181	982,367
Securities purchased under resale agreements (reverse repos)	374,002	—
Government loans	369,007	—
Short-term deposits	22,456	—
Trade and other receivables	423,940	287,168
Loans and advances to customers	527,593	203,580
Total financial assets measured at amortised cost	**16,647,833**	**12,054,133**
Financial liabilities measured at fair value through profit or loss (FVTPL) designated as such upon initial recognition		
Customer liabilities in respect of commodities	(104,548)	(90,017)
Financial liabilities mandatorily measured at fair value through profit or loss (FVTPL)		
Derivative financial liabilities	(66,333)	(94,484)
Total financial liabilities measured at fair value	**(170,881)**	**(184,501)**
Financial liabilities measured at amortised cost		
Customer liabilities	(15,093,420)	(12,498,704)
Trade and other payables	(426,300)	(148,827)
Total financial liabilities measured at amortised cost	**(15,519,720)**	**(12,647,531)**

The Company does not have any financial instruments at 31 December 2023 (2022: £nil).

Customer liabilities measured at fair value through profit or loss consist of Group-only customer liabilities in respect of contracts relating to the commodities offering.

Customer liabilities at amortised cost consists of Group-only customer liabilities in respect of deposits (EEA) and e-money.

30.2. Financial instruments measured at fair value

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the Consolidated Statement of Financial Position.

Group	Total	Level 1	Level 2	Level 3
	£000	£000	£000	£000
At 31 December 2023				
Financial assets measured at fair value				
Government bonds	**389,866**	389,866	—	—
Derivative financial assets	**28,097**	—	28,097	—
Total financial assets measured at fair value	**417,963**	**389,866**	**28,097**	**—**
Financial liabilities measured at fair value				
Customer liabilities in respect of commodities	**(104,548)**	(104,548)	—	—
Derivative financial liabilities	**(66,333)**	—	(66,333)	—
Total financial liabilities measured at fair value	**(170,881)**	(104,548)	(66,333)	—
Total financial instruments measured at fair value	**247,082**	**285,318**	**(38,236)**	**—**
At 31 December 2022				
Financial assets measured at fair value				
Government bonds	**1,712,292**	1,712,292	—	—
Derivative financial assets	**7,681**	—	7,681	—
Total financial assets measured at fair value	**1,719,973**	**1,712,292**	**7,681**	**—**
Financial liabilities measured at fair value				
Customer liabilities in respect of commodities	**(94,484)**	(94,484)	—	—
Derivative financial liabilities	**(90,017)**	—	(90,017)	—
Total financial liabilities measured at fair value	**(184,501)**	(94,484)	(90,017)	—
Total financial instruments measured at fair value	**1,535,472**	**1,617,808**	**(82,336)**	**—**

The Company does not have any financial instruments measured at fair value at 31 December 2023 (2022: £nil).

Government bonds represent holdings in investment in High Quality Liquid Assets (HQLA). These investments are accounted for at fair value through other comprehensive income (FVOCI). Restricted bonds held in respect of customers represent safeguarded funds related to the Group's regulated e-money services. Please refer to Note 7 for recycling to profit or loss as interest income for the year. At 31 December 2023, all government bonds measured at FVOCI are invested with the US Treasury. During the year, the Group also sold FVOCI debt instruments with a principal value of £400 million. Additionally, out of the Group's FVOCI debt portfolio, instruments with a principal of £1,876 million matured. In relation to this, the Group transferred £17.4 million unrealised gains from OCI to the Consolidated Statement of Comprehensive Income.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the fair value hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers between the different levels during the current or prior reporting period.

Valuation techniques
Derivative financial instruments are valued using net present valuation techniques that utilise observable market inputs.

Foreign exchange contracts
Foreign exchange (FX) contracts include foreign exchange forward and swap contracts. A foreign exchange swap relate to contracts taken out by the Group with other counterparties (financial institutions) in which the Group pays a specified amount in one currency and receives a specified amount in another currency. FX swaps are typically gross-settled. Foreign currency forwards are contractual agreements to buy or sell a specified amount of foreign currency at a specific price and date in the future. Forwards are customised contracts transacted in the over-the-counter market. The Group has credit exposure to the counterparties of forward contracts, as well as market risk exposure.

These instruments are valued by either observable foreign exchange rates and observable or calculated forward points. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Bank classifies foreign exchange contracts as Level 2 financial instruments.

All derivative financial instruments between Group entities represent foreign currency swap contracts valued using direct and indirect observable inputs.

Interest rate derivatives
Interest rate derivatives include interest rate swaps. Interest rate swaps relate to contracts taken out by the Group with other counterparties (financial institutions) in which the Group either receives or pays a floating rate of interest in return for paying or receiving, respectively, a fixed rate of interest. The payment flows are typically netted against each other, with the difference being paid by one party to the other. Most swaps are fully collateralised and require daily margin settlement, which significantly reduces the Group's credit risk.

The valuation techniques include forward pricing and swap models, using present value calculations by estimating future cash flows and discounting them with the appropriate yield curves incorporating funding costs relevant for the position. These contracts are generally Level 2.

There were no changes to the valuation techniques during the period.

Financial instruments not measured at fair value
The carrying values of financial instruments not measured at fair value are a reasonable approximation of their fair value. The following table sets out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised.

Group	Total	Level 1	Level 2	Level 3
	£000	**£000**	**£000**	**£000**
At 31 December 2023				
Financial assets measured at amortised cost				
Cash and cash equivalents	**12,827,654**	—	12,827,654	—
Debt instruments	**2,103,181**	2,103,181	—	—
Securities purchased under resale agreements (reverse repos)	**374,002**	—	374,002	—
Government loans	**369,007**	—	369,007	—
Short-term deposits	**22,456**	—	22,456	—
Trade and other receivables	**423,940**		423,940	—
Loans and advances to customers	**527,593**	—	—	527,593
Total financial assets measured at amortised cost	**16,647,833**	**2,103,181**	**14,017,059**	**527,593**
Financial liabilities measured at amortised cost				
Customer liabilities	**(15,093,420)**	—	(15,093,420)	—
Trade and other payables	**(426,300)**	—	(416,805)	(9,495)
Total financial liabilities measured at amortised cost	**(15,519,720)**	**—**	**(15,510,225)**	**(9,495)**
At 31 December 2022				
Financial assets measured at amortised cost				
Cash and cash equivalents	**10,581,018**	—	10,581,018	—
Bonds with government and financial institutions	**982,367**	982,367	—	—
Trade and other receivables	**287,168**	—	287,168	—
Loans and advances to customers	**203,580**	—	—	203,580
Total financial assets measured at amortised cost	**12,054,133**	**982,367**	**10,868,186**	**203,580**
Financial liabilities measured at amortised cost				
Customer liabilities	**(12,498,704)**	—	(12,498,704)	—
Trade and other payables	**(148,827)**	—	(139,150)	(9,677)
Total financial liabilities measured at amortised cost	**(12,647,531)**	**—**	**(12,637,854)**	**(9,677)**

The Company does not have any financial instruments not measured at fair value at 31 December 2023 (2022: £nil).

30.3. Treasury investments measured at amortised cost

Group	31 December 2023	31 December 2022
	£000	£000
Debt instruments measured at amortised cost with financial institutions		
Australia	69,915	—
Austria	14,445	—
Canada	90,423	—
Finland	24,980	25,073
France	157,331	99,750
Germany	39,087	26,275
Ireland	68,687	—
Japan	20,722	—
Spain	105,617	70,265
Sweden	19,778	20,154
Switzerland	25,261	17,668
United Kingdom	186,201	88,883
United States	82,098	83,644
Total debt instruments measured at amortised cost with financial institutions	**904,545**	**431,712**

Group	31 December 2023	31 December 2022
	£000	**£000**
Debt instruments measured at amortised cost with government institutions		
Belgium	269,853	87,876
France	30,945	616
Germany	161,516	139,661
Luxembourg	—	62,261
Lithuania	22,396	—
Netherlands	474	499
Spain	169,035	91,923
Sweden	3,198	3,314
Supranational	85,685	—
United States	157,554	164,586
Total debt instruments measured at amortised cost with government institutions	**900,656**	**550,736**
Other financial instruments with local government		
Government loans		
Germany	369,007	—
Total government loans	**369,007**	**—**
Other financial instruments with financial institutions		
Securities purchased under resale agreements (reverse repos)		
Spain	374,002	—
Total lending under reverse repurchase agreements	**374,002**	**—**
Short-term deposits		
Australia	16,172	—
India	6,435	—
Total short-term deposits	**22,607**	**—**
Other financial instruments held under securitization		
Asset-backed securities (ABS)		
Ireland	298,204	—
Total asset-backed securities (ABS)	**298,204**	**—**
Total gross carrying amount of treasury investments measured at amortised cost	**2,869,021**	**982,448**
Loss allowance	(375)	(81)
Total treasury investments measured at amortised cost	**2,868,646**	**982,367**

Impairment allowance for treasury investments measured at amortised cost

A reconciliation of changes in the carrying amount and corresponding allowance for expected credit losses by stage for debt instruments measured at amortised cost is shown below:

Stage 1	Gross carrying amount	Loss allowance
	£000	£000
At 1 January 2023	**982,448**	**(81)**
Increases due to origination and acquisition	1,886,573	(228)
Decreases due to bond maturity	—	—
Net (increase)/decrease due to change in credit risk	—	(66)
At 31 December 2023	**2,869,021**	**(375)**

Stage 1	Gross carrying amount	Loss allowance
	£000	£000
At 1 January 2022	**—**	**—**
Increases due to origination and acquisition	982,448	(81)
Decreases due to bond maturity	—	—
Net (increase)/decrease due to change in credit risk	—	—
At 31 December 2022	**982,448**	**(81)**

The table below shows the fair value of the debt instruments measured at amortised cost by credit risk, based on Revolut Banks' internal credit rating system, twelve-month Basel PD range and year-end stage classification. The amounts presented are gross of allowance for expected credit losses.

31 December 2023

Stage 1	Twelve-month Basel PD range	Gross carrying amount	Loss allowance
Internal rating grade	**%**	**£000**	**£000**
Performing			
High grade	0.00% - 0.50%	2,869,021	(375)
Total		**2,869,021**	**(375)**
Coverage ratio		0.01%	

31 December 2022

Stage 1	Twelve-month Basel PD range	Gross carrying amount	Loss allowance
Internal rating grade	**%**	**£000**	**£000**
Performing			
High grade	0.00% - 0.50%	982,448	(81)
Total		**982,448**	**(81)**
Coverage ratio		0.01%	

The Company does not have any financial instruments measured at amortised cost at 31 December 2023 (2022: £nil).

30.4. Derivative financial instruments

Group	At 31 December 2023			At 31 December 2022		
	Carrying amount assets	Carrying amount liabilities	Notional amount	Carrying amount assets	Carrying amount liabilities	Notional amount
	£000	£000	£000	£000	£000	£000
Derivatives in hedge accounting relationships						
Interest rate swaps	127	31,929	1,066,735	5,357	50,598	2,443,608
Total derivatives in hedge accounting relationships	**127**	**31,929**	**1,066,735**	**5,357**	**50,598**	**2,443,608**
Derivatives not in hedge accounting relationships						
Interest rate swaps	—	—	—	—	383	909,729
Foreign currency swaps	27,720	34,299	5,654,706	2,284	39,026	3,600,053
Foreign exchange forward contracts	250	105	22,150	40	10	1,789
Total derivatives not in hedge accounting relationships	**27,970**	**34,404**	**5,676,856**	**2,324**	**39,419**	**4,511,571**
Total derivative financial instruments	**28,097**	**66,333**	**6,743,591**	**7,681**	**90,017**	**6,955,179**

The Company does not have any derivative financial instruments at 31 December 2023 (2022: £nil).

The Group enters into foreign currency swap contracts to ensure sufficient liquidity is maintained in all currencies for operational purposes as well as to optimise yield. The net yield on foreign exchange derivatives presented in Other income is the return on settlement of the far leg of the foreign currency swaps due to the difference between the prevailing spot rate and the forward rate at inception (i.e. the 'contractual gain'). During the year ended 31 December 2023, the net yield on foreign exchange derivatives was £88.5 million (2022: £39.9 million), this is disclosed in Note 8.

Any movement in foreign exchange rates between inception and maturity relative to the contractually agreed forward rate at inception results in a foreign currency gain or loss on foreign currency derivatives. During the year ended 31 December 2023, the foreign exchange gains on foreign currency swaps were £180.6 million (2022: £41.1 million loss); these are predominantly offset by exchange gains and losses incurred on foreign currency denominated monetary assets and liabilities on the balance sheet. This is disclosed on a net basis with all other foreign exchange gains and losses in Note 10 under the impact of foreign exchange rates line.

Group	Note	31 December 2023	31 December 2022
		£000	£000
Net yield on foreign exchange derivatives	8	88,514	39,877
Fair value movement on foreign exchange derivatives		180,582	(41,076)
Total gain/(loss) on foreign exchange derivatives		**269,096**	**(1,199)**

30.5. Hedge accounting

In the Group's core deposits macro fair value hedge, macro hedge accounting is used to recognise fair value changes related to changes in interest rate risk in non-interest-bearing core deposit accounts and therefore reduce the profit or loss volatility that would otherwise arise from changes in the fair value of the interest rate swaps alone.

Applying fair value hedge accounting enables the Group to reduce fair value fluctuations of fixed rate financial liabilities. From a hedge accounting point of view, the Group designates the hedged risk as the exposure to changes in the fair value of an identified portion of recognised customer liabilities (core deposit) that could affect profit or loss.

The table below sets out the accumulated fair value adjustments arising from the corresponding continuing hedge relationships.

	At 31 December 2023		At 31 December 2022		Line item in the Consolidated Statement of Financial Position
	Carrying amount of hedged items	Accumulated amount of fair value adjustments on the hedged items	Carrying amount of hedged items	Accumulated amount of fair value adjustments on the hedged items	
	£000	£000	£000	£000	
Customer liabilities in respect of deposits	(1,020,583)	21,669	(2,321,605)	57,709	Customer liabilities

The following table provides information about the hedging instruments included in the derivative financial assets and liabilities line items of the Group's Consolidated Statement of Financial Position:

	At 31 December 2023		At 31 December 2022		Line item in the Consolidated Statement of Financial Position
	Notional amount	Carrying amount (clean)	Notional amount	Carrying amount (clean)	
	£000	£000	£000	£000	
Interest rate swap – hedge of core deposits	1,066,735	(19,361)	2,443,608	(50,598)	Derivatives assets/ derivative liabilities

The below table sets out the outcome of the Group's hedging strategy to changes in the fair value of the hedged items and hedging instruments, used as the basis for recognising ineffectiveness.

31 December 2023

		Gains/(losses) attributable to the hedged risk		Net cumulative fair value gain/(loss)	Ineffectiveness recognised during the year	Line item in the Consolidated Statement of Comprehensive Income
Macro fair value hedge		**Hedged items**	**Hedging instruments**			
Hedged items	Hedging instruments	**£000**	**£000**	**£000**	**£000**	
Customer liabilities in respect of deposits	Interest rate swaps	21,669	(19,361)	2,308	(4,803)	Other operating expense

The total net loss on changes in the fair value on hedging derivatives and hedged items recognised during the year ended 31 December 2023 was £5.1 million. This total includes the clean fair value movement on interest rate swaps not designated as hedges, which was a £0.3 million loss.

31 December 2022

		Gains/(losses) attributable to the hedged risk		Net cumulative fair value gain/(loss)	Ineffectiveness recognised during the year	Line item in the Consolidated Statement of Comprehensive Income
Macro fair value hedge		**Hedged items**	**Hedging instruments**			
Hedged items	Hedging instruments	**£000**	**£000**	**£000**	**£000**	
Customer liabilities in respect of deposits	Interest rate swaps	57,709	(50,598)	7,111	7,111	Other income — Net gain on changes in the fair value of hedging derivatives and hedged items

The total net gain on changes in the fair value on hedging derivatives and hedged items recognised during the year ended 31 December 2022 was £7.4 million. This total includes the clean fair value movement on interest rate swaps not designated as hedges, which was a £0.3 million gain.

Hedge ineffectiveness can arise from:

- Differences in timing of cash flows of hedged items and hedging instruments
- Derivatives used as hedging instruments having a non-nil fair value at the time of designation
- The effect of changes in counterparties' credit risk on the fair values of hedging instruments or hedged items

The maturity profile of the Group's hedging instruments used in macro fair value hedge relationships is as follows.

31 December 2023

	Less than one month	One to three months	Three to twelve months	One to five years	Over five years	Total
Interest rate swaps in hedge accounting relationships	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Notional amount	—	—	616,735	450,000	—	**1,066,735**
Average rate	2.48 %					

31 December 2022

	Less than one month	One to three months	Three to twelve months	One to five years	Over five years	Total
Interest rate swaps in hedge accounting relationships	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Notional amount	—	—	1,372,405	1,071,203	—	**2,443,608**
Average rate	2.32 %					

31. Financial Risk Management

The Group is exposed to financial risks in the ordinary course of business. The Group divides these risks into the following categories: credit risk, liquidity and funding risk, market risk, and capital risk.

31.1. Credit risk

Credit risk is the risk of financial loss should the Group's borrowers or counterparties fail to fulfil their contractual obligations in full and on time.

The Group is exposed to various credit risks in the course of its operations. The table below provides a breakdown of the Group's gross carrying amounts, ECLs, and net carrying amounts for these exposures.

The Group is exposed to wholesale credit risk from:

- Treasury investments and cash and cash equivalent: the placement of cash and a range of high credit quality instruments (includes the first six rows in the table below).
- Short-dated receivables due from card schemes and merchant acquirers used to process user card top-ups and exposures to Crypto counterparties used to facilitate trading (included in 'other assets' in the table below.
- Derivatives primarily used for hedging foreign exchange and interest rate risk.

The Group is exposed to retail credit risk relating from unsecured personal loans, credit cards, and buy now pay later products across Australia, France, Germany, Ireland, Lithuania, Poland, Romania, Spain, and the United States of America. 'Undrawn commitment' in the table below relates to unused limits credit card and buy now pay later products.

The Group is also exposed to credit risk from negative balances (included in 'other assets' in the table below). This occurs when a user's accounts has negative funds which may arise for a variety of reasons (e.g. insufficient funds to a pay a subscription fee).

The Company has £25.2 million of trade and other receivables at 31 December 2023 (2022: £0.2 million) included within its credit risk exposure, as included in 'other assets' in the table below.

To manage credit risk appetite, the Group’s credit risk management policies and procedures require all counterparties giving rise to credit risk to be assessed at least annually and assigned a credit risk limit commensurate with their risk profile. The Group’s Credit Risk function monitors adherence to limits and appropriate management of credit risks where deterioration is identified. Key decisions are subject to review and approval by the Assets and Liabilities Committee (ALCO).

	31 December 2023			31 December 2022		
	Gross carrying amount	ECL	Net carrying amount	Gross carrying amount	ECL	Net carrying amount
	£000	£000	£000	£000	£000	£000
Cash and cash equivalents	12,827,755	(101)	12,827,654	10,581,018	—	10,581,018
Government bonds held at FVOCI	389,866	—	389,866	1,712,292	—	1,712,292
Debt instruments	2,103,405	(224)	2,103,181	982,448	(81)	982,367
Securities purchased under resale agreements (reverse repos)*	374,002	—	374,002	—	—	—
Government loans	369,007	—	369,007	—	—	—
Short-term deposits	22,607	(151)	22,456	—	—	—
Other assets	435,526	(11,586)	423,940	310,673	(23,505)	287,168
Derivative financial assets	28,097	—	28,097	7,681	—	7,681
Loans and advances to customers	564,513	(36,920)	527,593	209,252	(5,672)	203,580
Undrawn commitment	97,600	(415)	97,185	31,500	(91)	31,409
Total credit risk exposure	**17,212,378**	**(49,397)**	**17,162,981**	**13,834,864**	**(29,349)**	**13,805,515**

* The Group has not recognised a loss allowance on securities purchased under resale agreements (reverse repos) due to collateral held. The collateral securities consist of AAA ABS and investment grade bonds. Without taking account of any collateral held or other credit enhancements, the maximum exposure to credit risk of these reverse repurchase agreements at the end of the reporting period would be £0.1 million.

The tables below, referring to the credit losses on lending and non-lending products, reflect changes of expected credit losses (ECL) during the financial year plus the cost of writing-off (fully or partially) assets when they are deemed uncollectible. During the year, no write-offs were actioned in any retail category nor in treasury investments, such that the respective figures purely represent changes to the ECL, mostly reflecting the growth of our book.

Credit losses on lending products

Group	31 December 2023	31 December 2022
	£000	£000
Loans including Buy Now Pay Later (BNPL)	(28,364)	(4,357)
Credit cards	(2,885)	(762)
Undrawn commitment	(324)	(61)
Total credit losses on lending products	**(31,573)**	**(5,180)**

Credit losses on non-lending products

Group	31 December 2023	31 December 2022
	£000	£000
Treasury investments	(294)	—
Cash and cash equivalents — net change in expected credit losses	(99)	—
Intercompany balances — net change in expected credit losses	(12)	—
Other assets excluding negative customer liabilities	11	—
Negative customer liabilities — net change in expected credit losses	11,908	(3,136)
Negative customer liabilities — write-offs (non-fraud)	(26,529)	(5,322)
Total credit losses on non-lending products	**(15,015)**	**(8,458)**

Negative customer liabilities — net change in expected credit losses relates to the net change on the loss allowance balance on negative customer liabilities.

Negative customer liabilities — write-offs (non-fraud) relates to other write-offs of negative customer liabilities, including chargebacks.

Credit quality analysis
The following tables set out information about the credit quality of treasury investments (combined carrying value of financial assets measured at FVOCI and financial assets at amortised cost), and loans and advances to customers (split by retail consumer credit product) without taking into account collateral or other credit enhancement.

An explanation of the terms 'Stage 1', 'Stage 2' and 'Stage 3' is included in Note 4.22.

Key shared risk characteristics used to group financial instruments

- For loans (including BNPL) and credit cards, country from which the financial instrument domiciled and internal credit ratings are used to group financial instruments together for assessment purposes.
- For treasury investments and cash and cash equivalents, external ratings are used to group financial instruments together for assessment purposes.

31 December 2023

Group	12 months PD	Stage 1	Stage 2	Stage 3	Total
Treasury investments		£000	£000	£000	£000
Grades 1-4	0% - 0.5%	3,244,756	14,131	—	**3,258,887**
Grades 5-6	0.5% - 1.3%	—	—	—	**—**
Grade 7-8	1.3% - 3%	—	—	—	**—**
Grade 9	3% - 5%	—	—	—	**—**
Grade 10	5% - 8%	—	—	—	**—**
Grade 11+	8% - 100%	—	—	—	**—**
Gross carrying amount		**3,244,756**	**14,131**	**—**	**3,258,887**
ECL		(342)	(33)	—	**(375)**
Carrying amount		**3,244,414**	**14,098**	**—**	**3,258,512**
ECL coverage %		**0.011%**	**0.234%**	**—%**	**0.012%**

Group	12 months PD	Stage 1	Stage 2	Stage 3	Total
Loans (including BNPL)		£000	£000	£000	£000
Grades 1-4	0% - 0.5%	58,650	118	—	**58,768**
Grades 5-6	0.5% - 1.3%	87,708	1,727	—	**89,435**
Grade 7-8	1.3% - 3%	90,594	31,907	—	**122,501**
Grade 9	3% - 5%	75,481	11,627	—	**87,108**
Grade 10	5% - 8%	59,909	8,058	—	**67,967**
Grade 11+	8% - 100%	44,945	31,794	20,242	**96,981**
Gross carrying amount		**417,287**	**85,231**	**20,242**	**522,760**
ECL		(8,801)	(7,755)	(16,553)	**(33,109)**
Carrying amount		**408,486**	**77,476**	**3,689**	**489,651**
ECL coverage %		**2.109%**	**9.099%**	**81.776%**	**6.333%**

Group	12 months PD	Stage 1	Stage 2	Stage 3	Total
Credit cards		£000	£000	£000	£000
Grades 1-4	0% - 0.5%	6,931	—	—	**6,931**
Grades 5-6	0.5% - 1.3%	6,341	1,050	—	**7,391**
Grade 7-8	1.3% - 3%	8,010	1,818	—	**9,828**
Grade 9	3% - 5%	4,606	1,594	—	**6,200**
Grade 10	5% - 8%	3,327	862	—	**4,189**
Grade 11+	8% - 100%	2,723	2,479	2,012	**7,214**
Gross carrying amount		**31,938**	**7,803**	**2,012**	**41,753**
ECL		(1,063)	(1,186)	(1,562)	**(3,811)**
Carrying amount		**30,875**	**6,617**	**450**	**37,942**
ECL coverage %		**3.33%**	**15.20%**	**77.63%**	**9.13%**

Group	Weighted average loss rate	Gross carrying amount	Loss allowance	Net carrying amount
Negative customer liabilities		£000	£000	£000
0-30 days past due	45 %	2,989	(1,351)	1,638
30-60 days past due	70 %	1,763	(1,239)	524
60-90 days past due	80 %	1,114	(896)	218
90-365 days past due	95 %	8,281	(7,901)	380
> 365 days past due	100 %	—	—	—
Gross carrying amount	**14,147**			
ECL	(11,387)			
Carrying amount	**2,760**			
ECL coverage %	**80.49 %**			

31 December 2022

Group	12 months PD	Stage 1	Stage 2	Stage 3	Total
Treasury investments		£000	£000	£000	£000
Grades 1-4	0% - 0.5%	2,694,740	—	—	**2,694,740**
Grades 5-6	0.5% - 1.3%	—	—	—	**—**
Grade 7-8	1.3% - 3%	—	—	—	**—**
Grade 9	3% - 5%	—	—	—	**—**
Grade 10	5% - 8%	—	—	—	**—**
Grade 11+	8% - 100%	—	—	—	**—**
Gross carrying amount		**2,694,740**	**—**	**—**	**2,694,740**
ECL		(81)	—	—	**(81)**
Carrying amount		**2,694,659**	**—**	**—**	**2,694,659**
ECL coverage %		**0.003%**	**—%**	**—%**	**0.003%**

Group	12 months PD	Stage 1	Stage 2	Stage 3	Total
Loans (including BNPL)		**£000**	**£000**	**£000**	**£000**
Grades 1-4	0% - 0.5%	60,033	240	155	**60,428**
Grades 5-6	0.5% - 1.3%	22,861	893	158	**23,912**
Grade 7-8	1.3% - 3%	72,212	5,593	662	**78,467**
Grade 9	3% - 5%	5,373	2,579	118	**8,070**
Grade 10	5% - 8%	10,110	3,100	490	**13,700**
Grade 11+	8% - 100%	5,891	3,653	685	**10,229**
Gross carrying amount		**176,480**	**16,058**	**2,268**	**194,806**
ECL		(1,917)	(1,174)	(1,655)	**(4,746)**
Carrying amount		**174,563**	**14,884**	**613**	**190,060**
ECL coverage %		**1.09%**	**7.31%**	**72.97%**	**2.44%**

Group	12 months PD	Stage 1	Stage 2	Stage 3	Total
Credit cards		**£000**	**£000**	**£000**	**£000**
Grades 1-4	0% - 0.5%	2,837	12	24	**2,873**
Grades 5-6	0.5% - 1.3%	2,578	104	18	**2,700**
Grade 7-8	1.3% - 3%	2,703	244	51	**2,998**
Grade 9	3% - 5%	1,463	418	80	**1,961**
Grade 10	5% - 8%	968	357	37	**1,362**
Grade 11+	8% - 100%	1,585	718	249	**2,552**
Gross carrying amount		**12,134**	**1,853**	**459**	**14,446**
ECL		(366)	(266)	(294)	**(926)**
Carrying amount		**11,768**	**1,587**	**165**	**13,520**
ECL coverage %		**3.02%**	**14.36%**	**64.05%**	**6.41%**

Group	Weighted average loss rate	Gross carrying amount	Loss allowance	Net carrying amount
Negative customer liabilities		**£000**	**£000**	**£000**
0-30 days past due	40%	6,520	(2,608)	3,912
30-60 days past due	60%	1,394	(836)	558
60-90 days past due	75%	1,177	(883)	294
90-365 days past due	81%	12,298	(9,942)	2,356
> 365 days past due	100%	9,026	(9,026)	—
Gross carrying amount	**30,415**			
ECL	(23,295)			
Carrying amount	**7,120**			
ECL coverage %	**76.59%**			

Credit risk concentration

Credit concentration risk represents the risk of financial loss that may arise due to default correlation between underlying assets.

There are three main forms of concentration risk that the Group is exposed to:

- Single-name – The risk of losses due to concentrated exposures to a single counterparty. The largest source of single-name concentration risk, excluding sovereign exposures and securitisations, arises from cash placed at institutions for liquidity.
- Sector – The risk of losses due to concentrated exposures to a sector. The largest source of sector concentration risk, excluding sovereign exposures and securitisations, is from operational exposures to financial sector entities.

- Geographic – The risk of losses due to concentrated exposures to a geographic region. Revolut business is currently predominantly located in the UK and EU, and will hold US investments. Revolut have a presence in many other regions, but the size of the business in these areas is relatively small. As Revolut expand into more regions, as forecast under business plan, this risk will become more diversified.

Concentration risk is managed by:
- Loans (including BNPL) and credit cards credit risk - through the lending approval controls to ensure a geographically diverse retail lending portfolio to help control geographic concentration risk.
- Treasury investments and cash and cash equivalents credit risk - through the credit limit framework and the wholesale credit risk KRIs, to control single-name, sector and geographic concentration risk.

An analysis of the Group's credit risk concentrations for treasury investments and loans and advances to customers is provided in the following table. The amounts in the table represent net carrying amounts. In the case of securitisations, we consider the country of incorporation of the SPV.

Group		At 31 December 2023		At 31 December 2022	
		Wholesale	Customers (Retail and Business)	Wholesale	Customers (Retail and Business)
		£000	£000	£000	£000
Treasury investments	Europe (excluding UK)	2,128,699	—	613,903	—
	UK	189,077	—	1,111,954	—
	US	628,715	—	763,040	—
	Other	312,021	—	205,762	—
Loans and advances to customers	Europe (excluding UK)	—	522,408	—	200,814
	UK	—	—	—	—
	Other	—	5,185	—	2,766
Total		**3,258,512**	**527,593**	**2,694,659**	**203,580**

Loss allowance

The following tables illustrate the migration of expected credit loss (ECL) allowances across Stages 1, 2, and 3 for credit products, net of various adjustments, reconciling all changes of loss allowances from the initial balance to the closing balance of the year. The movements in ECL for financial instruments are not included due to low materiality of loss allowance. During 2022, the majority of ECL movement was due to new financial assets, during 2023 there was an ECL back-testing exercise and behaviour PD model recalibration resulting in a secondary source of ECL increase.

Loans (including BNPL)		Stage 1		Stage 2		Stage 3		Total
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 January 2022	14,147	130	664	43	53	34	**14,864**	**207**
Transfer to Stage 1	188	17	(186)	(16)	(2)	(1)	**—**	**—**
Transfer to Stage 2	(2,159)	(14)	2,159	14	—	—	**—**	**—**
Transfer to Stage 3	(371)	(12)	(138)	(7)	509	19	**—**	**—**
Net remeasurement of loss allowance	(1,831)	(48)	(463)	44	(5)	316	**(2,299)**	**312**
New financial assets originated or purchased	168,773	1,862	14,098	1,100	1,727	1,289	**184,598**	**4,251**
Financial assets that have been derecognised	(2,251)	(19)	(64)	(4)	(4)	—	**(2,319)**	**(23)**
Write-offs	—	—	—	—	—	(2)	**—**	**(2)**
Other movements	(16)	1	(12)	—	(10)	—	**(38)**	**1**
At 31 December 2022	**176,480**	**1,917**	**16,058**	**1,174**	**2,268**	**1,655**	**194,806**	**4,746**
Transfer to Stage 1	6,964	566	(6,902)	(519)	(62)	(47)	**—**	**—**
Transfer to Stage 2	(33,279)	(203)	33,280	204	(1)	(1)	**—**	**—**
Transfer to Stage 3	(9,698)	(184)	(2,184)	(166)	11,882	350	**—**	**—**
Net remeasurement of loss allowance	(29,335)	(157)	(7,498)	1,329	(966)	8,817	**(37,799)**	**9,989**
New financial assets originated or purchased	338,161	7,201	55,012	5,900	7,150	5,786	**400,323**	**18,887**
Financial assets that have been derecognised	(31,849)	(351)	(2,547)	(177)	(41)	(31)	**(34,437)**	**(559)**
Write-offs	—	—	—	—	—	—	**—**	**—**
Other movements	(157)	12	12	10	12	24	**(133)**	**46**
At 31 December 2023	**417,287**	**8,801**	**85,231**	**7,755**	**20,242**	**16,553**	**522,760**	**33,109**

Credit cards	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL	Gross carrying amount	ECL
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 January 2022	3,016	79	270	64	38	23	3,324	**166**
Transfer to Stage 1	41	14	(41)	(14)	—	—	—	**—**
Transfer to Stage 2	(440)	(9)	441	10	(1)	(1)	—	**—**
Transfer to Stage 3	(72)	(2)	(36)	(9)	108	11	—	**—**
Net remeasurement of loss allowance	1,205	(16)	255	94	40	95	1,500	**173**
New financial assets originated or purchased	8,691	295	977	116	274	164	9,942	**575**
Financial assets that have been derecognised	(175)	(7)	(11)	(4)	—	—	(186)	**(11)**
Write-offs	—	—	—	—	—	—	—	**—**
Other movements	(132)	12	(2)	9	—	2	(134)	**23**
At 31 December 2022	**12,134**	**366**	**1,853**	**266**	**459**	**294**	**14,446**	**926**
Transfer to Stage 1	695	125	(695)	(125)	—	—	—	**—**
Transfer to Stage 2	(2,976)	(37)	2,979	39	(3)	(2)	—	**—**
Transfer to Stage 3	(774)	(39)	(250)	(27)	1,024	66	—	**—**
Net remeasurement of loss allowance	2,540	32	1,337	623	210	927	4,087	**1,582**
New financial assets originated or purchased	20,727	662	2,656	427	325	254	23,708	**1,343**
Financial assets that have been derecognised	(802)	(25)	(81)	(13)	(3)	(2)	(886)	**(40)**
Write-offs	—	—	—	—	—	—	—	**—**
Other movements	394	(21)	4	(4)	—	25	398	—
At 31 December 2023	**31,938**	**1,063**	**7,803**	**1,186**	**2,012**	**1,562**	**41,753**	**3,811**

	Trade receivables	Negative balances
	£000	£000
At 1 January 2022	—	20,159
Charged	210	38,316
Written-off	—	(35,180)
At 31 December 2022	**210**	**23,295**
Charged	—	14,955
Written-off	(11)	(26,863)
At 31 December 2023	**199**	**11,387**

Sensitivity analysis towards macroeconomic scenarios

The scenario weightings Revolut applied for 2023 and 2022 are:

	Baseline	Optimistic	Pessimistic
			Lending products (including loans, BNPL, and credit cards)
31/12/2023	60 %	10 %	30 %
31/12/2022	60 %	10 %	30 %
			Treasury investments and cash and cash equivalents
31/12/2023	60 %	20 %	20 %
31/12/2022	60 %	20 %	20 %

These scenario weights are reviewed on a quarterly basis and authorised by Credit Risk Committee. The current weights are indicative of worsening outlooks throughout the last several reporting periods.

Macroeconomic scenarios are derived from source economic forecasts.

- The highest production and GDP growth forecasts and the lowest unemployment forecasts represent our optimistic scenario.
- the lowest production/GDP growth forecasts and the highest unemployment forecasts represent our pessimistic scenario.
- the average of all forecasts represent our baseline scenario.

The below table provides an overview of ECL levels in the following scenarios at the year ended 31 December 2023, showing the effect on ECLs resulting from applying a 100% weighting to alternative scenarios.

- Current weighting — as shown in the above table
- Baseline — 100% weight is assigned to baseline scenario
- Optimistic — 100% weight is assigned to optimistic scenario
- Pessimistic — 100% weight is assigned to pessimistic scenario

Current weights	100% Baseline			100% Optimistic			100% Pessimistic		
ECL	ECL	Movement	Movement	ECL	Movement	Movement	ECL	Movement	Movement
£000	£000	£000	%	£000	£000	%	£000	£000	%
									Loans (including BNPL)
33,185	32,089	(1,096)	(3.3)%	30,802	(2,383)	(7.2)%	33,650	465	1.4 %
									Credit cards
4,150	4,110	(40)	(1.0)%	3,845	(305)	(7.3)%	4,331	181	4.4 %
									Treasury investments and cash and cash equivalents
476	477	1	0.2 %	433	(43)	(9.1)%	516	40	8.5 %
									Total
37,811	**36,676**	**(1,135)**	**(3.0)%**	**35,080**	**(2,731)**	**(7.2)%**	**38,497**	**686**	**1.8 %**

Sensitivity analysis towards macroeconomic variables

The below table provides an overview of ECL levels in case the macroeconomic variables used in the PD macro models are stressed by 100 basis points (in both directions), while holding the scenario weightings constant:

			ECL					% Change
Current Weight	GDP Growth sensitivity: -100 b.p.	GDP Growth sensitivity: +100 b.p.	Unemployment sensitivity: -100 b.p.	Unemployment sensitivity: +100 b.p.	GDP Growth sensitivity: -100 b.p.	GDP Growth sensitivity: +100 b.p.	Unemployment sensitivity: -100 b.p.	Unemployment sensitivity: +100 b.p.
£000	**£000**	**£000**	**£000**	**£000**	**%**	**%**	**%**	**%**
								Loans (including BNPL)
33,185	33,570	32,466	31,275	34,865	1.16 %	(2.17) %	(5.75) %	5.06 %
								Credit cards
4,150	4,269	4,035	3,810	4,556	2.87 %	(2.77) %	(8.19) %	9.78 %
								Treasury investments and cash and cash equivalents
476	524	437	477	477	10.08 %	(8.19) %	— %	— %
								Total
37,811	**38,363**	**36,938**	**35,562**	**39,898**	**1.46 %**	**(2.31)%**	**(5.95)%**	**5.52 %**

Underlying economic factors for each economic scenario through the initial projection period (five years) is disclosed in the below table. The underlying economic factors are disclosed as a range since different inputs are applied to financial instruments depending on which jurisdiction they are domiciled.

Economic Scenarios	2023	2024	2025	2026	2027
Baseline					
GDP Growth (%)	(0.05%) - 5.09%	0.50% - 3.49%	1.55% - 3.75%	1.6% - 3.53%	1.49% - 3.37%
Unemployment (%)	0.26% - 7.39%	0.26% - 7.64%	0.23% - 7.58%	0.19% - 7.08%	0.21% - 7.17%
Optimistic					
GDP Growth (%)	1.00% - 5.09%	1.50% - 4.46%	2.28% - 4.80%	2.22% - 5.65%	1.69% - 3.80%
Unemployment (%)	0.09% - 7.00%	0.09% - 6.80%	0.09% - 6.60%	0.09% - 5.70%	0.15% - 6.24%
Pessimistic					
GDP Growth (%)	(1.40%) - 5.09%	(1.08%) - 2.21%	0.98% - 3.02%	1.05% - 2.60%	1.30% - 2.75%
Unemployment (%)	0.31% - 7.80%	0.36% - 8.60%	0.31% - 8.50%	0.25% - 7.80%	0.25% - 8.00%

Sensitivity analysis towards revolving credit card lifetime assumptions
The below table provides an overview of ECL levels in case the revolving credit card lifetime assumptions are stressed.

Current 60 month lifetime		48 month lifetime				72 month lifetime
ECL	**ECL**	**Movement**	**Movement**	**ECL**	**Movement**	**Movement**
£000	**£000**	**£000**	**%**	**£000**	**£000**	**%**
						Credit Cards
4,150	4,066	(84)	(2.02)%	4,220	70	1.69 %

Sensitivity analysis towards revolving treasury investment and cash and cash equivalents lifetime assumptions
The below table provides an overview of ECL levels in case the lifetime assumptions for revolving treasury investment and cash and cash equivalents are stressed.

Current 7 days lifetime		5 days lifetime				9 days lifetime
ECL	**ECL**	**Movement**	**Movement**	**ECL**	**Movement**	**Movement**
£000	**£000**	**£000**	**%**	**£000**	**£000**	**%**
						Treasury investments and cash and cash equivalents
476	470	(6)	(1.26)%	482	6	1.26 %

Sensitivity analysis to interest rates movement for treasury investment and cash and cash equivalents
The below table provides an overview of ECL levels on treasury investments and cash and cash equivalents, in case interest rate moves by 100 basic points (in both directions).

Current	-100bps			+100bps		
ECL	ECL	Movement	Movement	ECL	Movement	Movement
£000	£000	£000	%	£000	£000	%
						Treasury investments and cash and cash equivalents
476	484	8	1.68 %	469	(7)	(1.47)%

31.2. Liquidity risk

Liquidity risk is the risk that the Group cannot meet its financial obligations when they fall due or is only able to do so at excessive cost.

The Group is, or may in the future be, exposed to a number of liquidity and funding risks. These risks include, but are not limited to run-off of deposit funding, funding concentration, off balance sheet risks from commitment drawdowns, intraday risk, franchise viability risk, receivables pre-funding and an inability to transfer liquidity across entities, sectors and countries. These risks are managed by the Treasury function, with control and oversight provided by the Risk Management function, the Assets and Liabilities Management Committee (ALCO) and the Management Board. The Group's key liquidity policy is to maintain a portfolio of unencumbered, high-quality cash instruments and securities that are readily convertible to cash to ensure that it can meet all of its financial obligations in business-as-usual circumstances and in stress conditions. The Group complies with this policy by holding surplus cash in the form of overnight deposits with banks and a portfolio of high quality liquid assets.

Maturity analysis for financial assets and financial liabilities
The table below summarises the maturity profile of the Group’s financial assets and liabilities. Derivatives liabilities are shown by maturity based on their contractual undiscounted payment obligations. Whilst customer liabilities are presented as on demand, the observed behavioural characteristics are more closely aligned to the durations of the asset portfolio. During 2023, the Group has built a portfolio of treasury investments as part of its objective to optimise the balance sheet structure whilst maintaining prudent liquidity buffers. The Group do not expect the outflows of cash to occur significantly earlier than indicated or be of significantly different amounts from those indicated in the table.

31 December 2023

Group	Carrying amount	Total	On demand	Up to three months	Three to twelve months	One to five years	Over five years
	£000	£000	£000	£000	£000	£000	£000
Financial assets							
Cash and cash equivalents	12,827,654	**12,827,654**	10,038,563	2,789,091	—	—	—
Government bonds held at FVOCI	389,866	**389,866**	—	79,051	310,815	—	—
Debt Instruments	2,103,181	**2,103,181**	—	209,194	280,436	1,238,089	375,462
Securities purchased under resale agreements (reverse repos)	374,002	**374,002**	—	265,077	108,925	—	—
Government loans	369,007	**369,007**	—	—	39,099	329,908	—
Short-term deposits	22,456	**22,456**	—	—	22,456	—	—
Trade and other receivables	423,940	**423,940**	20,249	395,975	404	7,312	—
Derivative financial assets	28,097	**28,097**	—	27,970	101	26	—
Loans and advances to customers	527,593	**527,593**	—	78,018	96,931	306,953	45,691
Total financial assets	**17,065,796**	**17,065,796**	**10,058,812**	**3,844,376**	**859,167**	**1,882,288**	**421,153**
Financial liabilities							
Customer liabilities	15,197,968	**15,197,968**	15,197,968	—	—	—	—
Trade and other payables	426,300	**426,742**	—	408,042	11,843	6,701	156
Derivative financial liabilities	66,333	**67,380**	—	34,404	26,335	6,641	—
Total financial liabilities	**15,690,601**	**15,692,090**	**15,197,968**	**442,446**	**38,178**	**13,342**	**156**
Net liquidity gap			**(5,139,156)**	**3,401,930**	**820,989**	**1,868,946**	**420,997**
Cumulative liquidity gap			**(5,139,156)**	**(1,737,226)**	**(916,237)**	**952,709**	**1,373,706**

31 December 2022

Group	Carrying amount	Total	On demand	Up to three months	Three to twelve months	One to five years	Over five years
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Financial assets							
Cash and cash equivalents	10,581,018	**10,581,018**	10,438,866	142,152	—	—	—
Government bonds	1,712,292	**1,712,292**	—	200,305	1,113,395	—	398,592
Bonds with government and financial institutions	982,367	**982,367**	—	—	8,400	973,967	—
Trade and other receivables	287,168	**287,168**	20,358	259,183	5,943	1,684	—
Derivative financial assets	7,681	**7,681**	—	2,312	5,369	—	—
Loans and advances to customers	203,580	**203,580**	—	30,382	38,631	118,666	15,901
Total financial assets	**13,774,106**	**13,774,106**	**10,459,224**	**634,334**	**1,171,738**	**1,094,317**	**414,493**
Financial liabilities							
Customer liabilities	12,593,188	**12,593,188**	12,593,188	—	—	—	—
Trade and other payables	148,827	**149,129**	—	133,224	11,191	4,714	—
Derivative financial liabilities	90,017	**92,710**	—	39,031	22,961	30,718	—
Total financial liabilities	**12,832,032**	**12,835,027**	**12,593,188**	**172,255**	**34,152**	**35,432**	**—**
Net liquidity gap			**(2,133,964)**	**462,079**	**1,137,586**	**1,058,885**	**414,493**
Cumulative liquidity gap			**(2,133,964)**	**(1,671,885)**	**(534,299)**	**524,586**	**939,079**

31.3. Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as in interest rates, credit spreads, commodity prices, equity prices, or foreign exchange rates.

The Group's market risk management policies and procedures provide effective and robust mitigation. The Group monitors its exposures continually, using automated Key Risk Indicators (KRIs) and associated processes reviewing metrics such as Value at Risk, foreign exchange stress tests for crypto currencies, foreign exchange profits or losses, and interest rate risk. The Group makes hedging transactions as appropriate. Key decisions are subject to review and approval by the Asset and Liability Committee (ALCO).

The market risks for the Group have remained stable and well contained. While the Group has grown significantly, the processes have remained robust, accurate, and reliable. The Group expects the processes and market risk exposures to remain broadly consistent over the next year, although the Group anticipates that market risk will grow over time as the Group further rolls out its credit offering, increasing its exposure to interest rate risk, and as its investment portfolio grows and includes more types of liquid assets. The Group is exposed to the market risks below.

Foreign exchange risk, including commodities
The Group provides foreign exchange to its customers via multi-currency wallets that allow spending in different currencies. It is thus exposed to currency exchange rate fluctuations. The Group is exposed to foreign exchange risk arising from various corporate activities and stemming from revaluation of contractual cash flows or assets

and liabilities denominated in foreign currencies. Client foreign exchange exposures are monitored on a daily basis to ensure the effective management of this risk.

The foreign exchange exposure of the banking book arises from the Treasury function activities. This includes profit on the banking products, interest earned on nostro balances and various costs (all in non-functional currency).

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

Group	Monetary assets	Monetary liabilities	Net position
At 31 December 2023	**£000**	**£000**	**£000**
GBP	3,038,937	(1,978,045)	1,060,892
EUR	9,656,476	(9,115,366)	541,110
USD	1,414,597	(1,475,327)	(60,730)
CHF	780,231	(782,014)	(1,783)
JPY	851,458	(837,659)	13,799
Other currencies	1,507,561	(1,502,318)	5,243
Total	**17,249,260**	**(15,690,729)**	**1,558,531**
At 31 December 2022*	**£000**	**£000**	**£000**
GBP	3,990,031	(3,364,041)	625,990
EUR	8,954,383	(8,738,170)	216,213
USD	1,913,449	(1,844,962)	68,487
CHF	1,265,842	(1,271,441)	(5,599)
JPY	84,453	(75,158)	9,295
Other currencies	1,213,032	(1,069,276)	143,756
Total	17,421,190	(16,363,048)	1,058,142

*Foreign currency positions relating to foreign currency swaps for the year ended 31 December 2022 have been restated from pounds sterling to their respective foreign currency classification to be consistent with the current year methodology of disclosing foreign currency swaps according to their underlying foreign currencies.

The Group also provides customers the ability to acquire commodities and cryptocurrencies and is exposed to price fluctuations for these instruments during the course of trade settlement.

Foreign currency sensitivity analysis

The Group's foreign currency risk is managed centrally by the Group's Treasury team and the Market Making execution desk. Foreign exchange (FX) risk is monitored on an ongoing basis by using a stress testing approach broadly equivalent to expected shortfall, focused on the FX risk arising from open non-GBP currency positions that include both fiat and crypto currencies.

Under the severe stress test, a loss of £26.6 million (2022: £67.7 million) would arise if the euro depreciated by 9.7%, United States dollar depreciated by 10.3%, and yen depreciated by 8.9% against the pound sterling.

Interest rate risk

Interest rate risk in the banking book (IRRBB) is the risk that the Group's Consolidated Statement of Financial Position and profitability is structurally exposed to unexpected movements in interest rates. This risk stems from maturity and repricing mismatches between assets and liabilities, which would materialise with changes in the shape of the yield curve ('gap risk'), or from interest rate related options embedded in those that might affect future cash flows ('option risk'), or with changes in the relationship between various yield curves ('basis risk').

To quantify the IRRBB, the Group uses two metrics: net interest income (NII) sensitivity and economic value of equity (EVE) sensitivity. NII is computed as the impact of parallel shock in interest rates on the net interest income generated by the banking book items based on their repricing profiles. EVE is assessed through a measurement of changes in the net present value of the interest rate sensitive instruments (excluding Common Equity Tier 1 (CET1) instruments and other perpetual own funds) over their remaining life resulting from interest rate movements assuming six different shock scenarios.

Both metrics are managed against a control framework, which is defined with set limits in place. The Treasury function is responsible for IRRBB management on an on-going basis using mitigation approaches such as the use of hedging. Interest rate characteristics of funding are matched as far as possible to lending and investments into securities. The Risk Management function closely monitors IRRBB exposures, proposes limits and calculation assumptions, and performs stress testing. Any breach of the limit is escalated to the senior management with mitigating actions taken.

The following table shows the sensitivities under NII and EVE approach at the group consolidated position, which includes the banking entities. The main changes within Revolut that drove the EVE and NII differences in 2023 was an update to the deposit behaviouralisation assumptions and continued growth in the size of the balance sheet.

Group	2023	2022
Net interest income-based approach	**£000**	**£000**
200 bps parallel increase	194,044	225,480
200 bps parallel decrease	(194,044)	(135,290)
Economic value of equity-based approach		
200 bps parallel increase	19,315	2,110
200 bps parallel decrease	(48,370)	(17,540)

31.4. Capital risk management

Capital risk is the risk that the Group and its individual entities do not hold a sufficient level of capital to support its regulatory requirements, risk profile or leverage.

At 31 December 2023, the Group did not have a prudential consolidation group and has no consolidated capital requirements. The Group's capital adequacy is therefore driven by its ability to ensure all legal entities within the Group have sufficient capital to operate in excess of regulatory requirements and internal risk appetite. The Group has been adequately capitalised to meet this requirement throughout the reporting period. The two largest entities within the Group with the most significant capital requirements are RBUAB and Revolut Ltd.

Revolut's banking subsidiary

RBUAB is an EEA-regulated bank with regulatory capital requirements in accordance with the EU Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD). RBUAB has the following controls in place to ensure capital risk is managed effectively:

- The Internal Capital Adequacy Assessment Process (ICAAP) is an exercise performed at least annually that aims to identify the adequate level of capital required to execute the firms business plan over a specified planning period. This includes running multiple stress scenarios to ensure enough capital buffers are in place to absorb losses and continue to meet the regulatory requirements in these scenarios.
- The use of Key Risk Indicators (KRIs) provide early-warning indications on upcoming stresses. The KRIs are calibrated through the ICAAP process and include, but are not limited to, capital ratios, leverage ratios and variance analysis. and risk appetite is set in excess of Level 1 limits. If a limit is breached, a range of actions are prescribed to restore the indicator to adequate levels.
- The entities Asset and Liabilities Committee have oversight of both the performance of existing capital deployed and the use of future capital deployment across planning periods.

	2023	2022
	£000	£000
Total RWAs	**1,849,354**	**1,472,060**
Capital resources		
Total CET1 capital	432,689	325,918
Total Tier 1 capital	432,689	325,918
Total capital resource	432,689	325,918
CET1 ratio (%)	23.40%	22.13%
Tier 1 ratio (%)	23.40%	22.13%
Total capital ratio (%)	23.40%	22.13%

Revolut Ltd

Revolut Ltd, Revolut's non-banking subsidiary, is an FCA regulated e-money institution. It is subject to the Payment Services Directives 2017 (PSD2) legislation and operates under the supervision of the Financial Conduct Authority (FCA).

Revolut Ltd has the following controls in place to ensure capital risk is managed effectively:

- Perform quarterly bottom up forecasts on profitability and e-money balances to ensure the entity has sufficient capital to meet requirements plus internal management buffer.
- Sensitivity analysis and scenarios on profitability and e-money balances to understand what actions could be taken to offset potential losses.
- The use of KRIs which provide early-warning indications to monitor the movement in e-money balances and variances to capital requirements and resources.

32. Capital and Other Commitments

To meet the financial needs of customers, the Group enters into various irrevocable commitments. These consist of consumer credit cards and loans. Even though these obligations are not recognised on the statement of financial position, they contain credit risk and, therefore, form part of the overall risk of the Group. At 31 December 2023, the nominal value of such committed but undrawn facilities in respect of consumer credit cards and loans are £97.6 million (2022: £31.5 million).

Provisions for expected credit losses held against undrawn commitments are reported in Note 31.1.

The Group and the Company does not have any other material commitments, capital commitments, or contingencies at 31 December 2023 and 31 December 2022.

33. Transactions with Related Parties

Related parties of the Group and the Company include subsidiaries and key management personnel. Key management personnel include all persons across the group who together have authority and responsibility for planning, directing and controlling the activities of the Group.

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Information for key management personnel compensation and particulars of transactions with related parties are tabulated below, in accordance with the requirements of IAS 24 *Related Party Disclosures*.

	2023	2022
	£000	**£000**
Wages and salaries	3,098	3,082
Share-based payments	817	19,803
Social security costs and other benefits	409	519
Termination benefits	30	—
Contributions to defined contribution pension schemes	11	64
Total compensation to key management personnel	**4,365**	**23,468**

During the year ended 31 December 2023, the aggregate value of related party transactions other than key management personnel compensation was £nil (2022: £nil). There are no other material balances or transactions with related parties (2022: none).

34. Events after the Balance Sheet Date

In April 2024, the National Banking and Securities Commission of Mexico (CNBV) granted in-principle approval for Group subsidiary Revolut de Mexico SA de CV to establish itself as a bank.

In April 2024, The Reserve Bank of India (RBI) granted in-principle approval to Revolut Payments India Private Limited for a Prepaid Payment Instruments (PPI) license. This approval enables Revolut to issue prepaid cards and prepaid wallets in India, allowing to operate as a domestic player in the market.

In June 2024, Revolut Ltd entered into an Agreement for Lease to relocate its headquarters to YY London at 30 South Colonnade, Canary Wharf, London, England, E14 5HX. The lease, which has an initial term of ten years, is subject to advertising consent from Tower Hamlets for two exterior signs on the building. The lease commences and becomes binding after receiving this consent, which is expected in August 2024. The planned move to the new headquarters and fit-out completion is scheduled for May 2025. As of the date of these financial statements, council approval is still pending.

Revolut Technologies Inc (RTI) is in the process of transitioning from an existing sponsor bank to a new sponsor bank in the United States. Revolut's business model in the United States is dependent on the provision of services by a sponsor bank. As at the date of authorisation of the financial statements, the transition process is ongoing and the migration of customers has not yet commenced. There is a risk that the migration may not complete successfully which would result in an impairment of the Company's investment in Revolut Holdings US Inc, which is the direct parent of RTI and has a carrying value of £83 million as at 31 December 2023.

There are no other events after the reporting date that require disclosure in these consolidated financial statements.

35. Controlling Party

The Company is owned by a number of private shareholders and companies, none of whom own more than 25% of the issued share capital of the Company. Accordingly, there is no parent entity nor ultimate controlling party by virtue of shareholding. Nik Storonsky is considered a person with significant control (PSC).

36. Capital Management

Per Capital Requirements Regulation (CRR), the Company is not subject to prudential consolidation requirements at 31 December 2023. The capital requirements only apply on an individual basis, mainly from Revolut Bank UAB and Revolut Ltd, as well as other smaller regulated entities.

At 31 December 2023, Revolut Group Holdings Ltd had total available capital to invest into entities, all of which qualifies as Common Equity Tier 1 (CET1), of £1.6 billion (2022: £1.2 billion).

Alternative Performance Measures

Revolut discloses various alternative performance measures ('APMs' or ‘measures’) throughout its Annual Report. These measures are not defined by IFRS. Instead, they are representative of Revolut’s business and how the Board and management monitor performance. These measures are not a substitute for financial reporting presented in the consolidated financial statements, which are prepared in accordance with IFRS; however, they may provide additional information to stakeholders who wish to understand Revolut’s performance.

Measure	Definition	2023	2022
Gross profit margin	Gross profit as a percentage of revenue. This is a key measure of internal profitability.	76 %	70 %
Administrative expenses (excluding sales, advertising and marketing)	This metric is calculated by subtracting sales team staff expense, advertising, and marketing expenses from total administrative expenses. We believe this is a useful measure to users of the financial statements as it demonstrates our operating cost expenditure after removing discretionary costs associated with accelerating growth.	£610 million	£506 million
Overhead ratio	Administrative expenses (excluding sales, advertising and marketing) as a percentage of gross profit. This is a core measure of the operating efficiency of Revolut.	44 %	79 %
Net profit margin	Net profit for the year as a percentage of revenue. This is a key measure of internal profitability.	19 %	1 %
Total customer balances	This total is the sum of all on-balance sheet customer deposits and off-balance sheet customer deposits. This measure provides an understanding of the amount of deposits our customers hold within the Revolut ecosystem, whether recognised on or off our Consolidated Statement of Financial Position for financial reporting purposes.	£18.2 billion	£13.2 billion
Off-balance sheet customer deposits	Customer balances in fiat currencies held by our customers with partner institutions; these are recognised off-balance sheet for financial reporting purposes.	£3.1 billion	£0.7 billion
Loan-to-customer-deposit ratio	Net loans and advances to customers as a percentage of customer deposits. Loan-to-customer-deposit ratio is a widely-used measure, enabling comparison with similar companies.	3.5 %	1.6 %
Adjusted EBITDA	EBITDA is earnings before interest, taxes, depreciation and amortisation. Adjusted EBITDA also excludes share-based payments. This is a widely used measure of core profitability, enabling comparison with similar companies. Given interest is presented within gross profit it is not adjusted for in Revolut's measure of Adjusted EBITDA.	£493 million	£23 million

APMs are reconciled to the underlying financial statements or the most closely related measure under IFRS as follows:

	2023	2022
	£000	**£000**
Revenue	1,797,890	922,547
Gross profit	1,370,580	641,658
Gross profit margin	**76%**	**70%**
Staff costs	498,399	361,872
Of which related to sales	**81,646**	**31,508**
Administrative expenses	932,752	667,076
Sales-related staff costs	(81,646)	(31,508)
Advertising and marketing	(241,281)	(129,295)
Administrative expenses (excluding sales, advertising, and marketing)	**609,825**	**506,273**
Overhead ratio	**44%**	**79%**
Net profit for the year	344,075	5,802
Tax expense/(credit)	93,753	(31,220)
Depreciation and amortisation expenses	10,171	9,102
Share-based payments	45,130	39,049
Adjusted EBITDA	**493,129**	**22,733**
Revenue	1,797,890	922,547
Net profit for the year	344,075	5,802
Net profit margin	**19%**	**1%**
Customer liabilities in respect of deposits	9,244,838	7,144,858
E-money in issue	5,870,251	5,411,555
Customer deposits	**15,115,089**	**12,556,413**
Off-balance sheet customer deposits	3,100,424	684,952
Total customer balances	**18,215,513**	**13,241,365**
Customer deposits	15,115,089	12,556,413
Net loans and advances to customers	527,593	203,580
Loan-to-customer-deposit ratio	**3.5%**	**1.6%**

Glossary

Administrative Expenses	The ongoing costs incurred from the day-to-day running of the business
APP	Authorised Push Payments, electronic payments where a customer initiates and authorises the transfer of funds from their account to another party. It is often used for online banking and mobile payments.
Auditor	An organisation or individual responsible for reviewing a company’s financial records and expressing an opinion regarding whether those records are free from material misstatement
B2B	Business-to-business, which refers to transactions made between two independent companies, as opposed to transactions between a company and a customer.
Balance Sheet	A statement of financial position that provides a picture of a company’s assets, liabilities and owners’ equity. It gives an indication of a company’s financial health.
Bank Deposits	The sum of balances in customer accounts on Revolut Bank UAB — excludes investments such as stocks, cryptocurrencies, commodities, and savings
BNPL	Buy Now Pay Later, a way to buy goods on credit and pay for them at a future date, often in instalments
Control Function	A function (including, but not limited to, a risk management function, compliance function and internal audit function) that is independent from the business it controls and that is responsible for providing an objective assessment of a company's risks, and for reviewing and reporting on those risks.
Customer Deposits	Customer balances in fiat currencies held on-balance sheet, representing the sum of customer liabilities in respect of deposits and e-money in issue. There are two types of deposits: e-money deposits and bank deposits.
Debenture	A type of long-term debt instrument representing a long-term borrowing by a company. It acknowledges a debt and provides specific terms for interest and principal payments. Debenture holders are essentially creditors of the issuing entity.
Direct-to-card Transfers	Direct-to-card transfers enable the direct and immediate deposit of funds onto a debit or credit card, allowing users instant access to the transferred funds.
DTA	'Deferred Tax Assets (DTAs) and liabilities arise where there are temporary differences between the carrying amount of an asset or liability and its value for tax purposes. DTAs may only be recognised to the extent that it is probable that there are sufficient future taxable profits. Revolut is able to recognise DTAs in the group entities for which this criteria applies.
Earnings	Earnings is another word for profit or net income. It is traditionally the bottom line of the statement of comprehensive income (also known as an income statement or profit or loss statement).
E-money Deposits	The sum of balances in customer accounts held by Group with regards to the electronic money that has been issued — excludes investments such as stocks, cryptocurrencies, commodities, and savings
E-money Institution	E-money Institutions (EMIs) are regulated by the Financial Conduct Authority (FCA) and must safeguard customer funds
FCA	Financial Conduct Authority, the regulator of financial conduct in the UK

IBAN	International Bank Account Number, an internationally agreed system of identifying bank accounts that allows cross-border transactions
ICAAP	Internal Capital Adequacy Assessment Process, the process to determine that the firm has adequate levels of capital to mitigate risks in order to execute its forward-looking business plan
ILAAP	Internal Liquidity Adequacy Assessment Process, the process to determine that the firm has adequate levels of liquidity to mitigate risks in order to execute its forward-looking business plan
KPI	Key Performance Indicator, a quantifiable measure of performance relating to a specific objective
KRI	Key Risk Indicator, a measure of exposure to a specific risk at a given time
KYC	Know Your Customer, a regulatory requirement in the financial industry. It involves verifying the identity of customers to prevent fraud, money laundering and other illegal activities by collecting and verifying personal information.
Liquidity	The ease with which an asset or security can be converted to ready cash
Material Risk Taker	A staff member’s professional activities are deemed to have a material impact on a company's risk profile or the assets of a company in accordance with applicable regulations.
Merchant Acquiring	Merchant acquiring is the process of enabling businesses to accept payments from customers, such as debit and credit card transactions, at the point of sale.
Management Information	Management Information (MI), the reporting that conveys data points to leadership for effective management.
Peer-to-Peer Payments	Also known as P2P, a mechanism by which a customer can transfer funds from their bank account to another via the internet
POS	Point of Sale, often used to describe the terminal in retailers where payment is taken
Revolut Bank UAB	Our legal entity in Lithuania that operates our Bank for customers in the EEA
Revolut Ltd	Our legal entity in the UK, primarily for UK and Swiss customers
Risk Appetite Statement	The Board Risk Appetite Statement (RAS) is the expression of the level of risk that Revolut is prepared to accept in order to deliver on its vision and strategy.
Safeguard	Safeguard or Safeguarding means customers' funds are segregated from the the EMI’s own funds to ensure that any financial turbulence at the EMI will not put customer money at risk. Customer funds are deposited into a client money bank account held on behalf of customers. The Group maintains client accounts with a range of global tier 1 banks.
Unsecured Personal Loans	Loans that don’t require the customer to offer any form of security to the lender as collateral. They are granted based on a customer’s creditworthiness.
‘Zero-trust’ solutions	Zero-trust security means that no one is trusted by default from inside or outside the network, and verification is required from everyone trying to gain access to resources on the network.

Company Information

Company Name
Revolut Group Holdings Ltd

Company Number
Registered in England and Wales
Company Number 12743269

Registered Office
7 Westferry Circus
Canary Wharf
London
England
E14 4HD

Independent Auditors
BDO LLP
55 Baker Street
London
England
W1U 7EU

Company Secretary
Thomas Hambrett

Shareholder Information
Please refer to Note 35 for information on the Company's shareholders.

Directors

Martin Gilbert
Chair

Nikolay Storonsky (Nik)
CEO & Co-founder

Vladyslav Yatsenko (Vlad)
CTO & Co-founder

Michael Sherwood
Independent Non-Executive Director

Caroline Britton
Independent Non-Executive Director

Ian Wilson
Independent Non-Executive Director

John Sievwright
Independent Non-Executive Director

Dan Teodosiu
Independent Non-Executive Director