Revolut Bank UAB 2024 Management Report

and Financial Statements for the year ended 31 December 2024

Revolut Bank UAB
Registered number: 304580906

Contents

Management Report

1. Reporting period covered by this report

This management report is prepared for the annual period of 2024. The management report covers the information on Revolut Bank UAB (further referred to as the Bank).

2. Overview of the Bank's status and development

The Bank is a credit institution incorporated and licensed in the Republic of Lithuania with company number 304580906 and authorisation code LB000482 and whose registered office is at Konstitucijos ave. 21B, 08130 Vilnius, the Republic of Lithuania. The Bank was granted a specialised banking licence in December 2018, and a "full" banking licence in December 2021 to offer payment, deposit, credit products and other services to its customers in accordance with Articles 4(2), 4(3) and Article 9 (2-1) of the Law on Banks of the Republic of Lithuania. Historically the Bank was directly supervised by the Bank of Lithuania (further referred to as BoL). The BoL adopted a decision to designate the Bank as Other Systemically Important Institution (O-SII) on 20 December 2022. As a consequence, since January 2024, the Bank has been subject to joint supervision by the Bank of Lithuania and the European Central Bank under the Joint Supervisory Mechanism, as well as the European Single Resolution Board under the Single Resolution Mechanism.

The Bank is a wholly owned subsidiary of Revolut Holdings Europe UAB (further referred to as RHE) which in turn is a wholly owned subsidiary of Revolut Group Holdings Ltd (further referred to as Group TopCo).

On the 1st July 2022, the Bank merged with Revolut Payments UAB, thereby simplifying the offering to its customers as well as streamlining the organisational structure.

The Bank has registered the following branches in the EU:

- Revolut Bank UAB (Belgian Branch), which was incorporated on 19th April 2021, registered address: Silver Square, Sq. de Meeûs 35, 1000 Brussels, Belgium.
- Revolut Bank UAB (Netherlands Branch), which was incorporated on 9th August 2022, registered address: Avenue Barbara Strozzi 201, 1083 HN Amsterdam, Netherlands
- Revolut Bank UAB - Sucursal em Portugal (Portugal Branch), which was incorporated on 18th May 2022, registered address: Avenida Menéres, 612, 4450-189 Matosinhos, Portugal
- Revolut Bank UAB Magyarországi Fióktelepe (Hungarian Branch), which was incorporated on 14th January 2021, registered address: Radnóti Miklós utca 2, 1137 Budapest, Hungary
- Revolut France succursale de Revolut Bank UAB (French Branch), which was incorporated on 12th July 2022, registered address: 10 avenue Kleber, 75116, Paris, France
- Revolut Bank UAB (Irish Branch), which was incorporated on 4th May 2022, registered address: 2 Dublin Landings, North Dock, Dublin 1, Ireland
- Revolut Italia, Branch di Revolut Bank UAB (Italian Branch), which was incorporated on 19th April 2022, registered address: Via Filippo Sassetti 32, 20124 Milan, Italy
- Revolut Bank UAB, Zweigniederlassung Deutschland, Germany, which was incorporated on 17th January 2023, registered address: FORA Linden Palais, Unter den Linden 40, 10117 Berlin, Germany
- Revolut Bank UAB Sucursal En España, which was incorporated on 7th March 2023, registered address: Príncipe de Vergara 132, 4ª planta, 28002 Madrid, Spain. NIF code W0250845E.
- Revolut Bank UAB Vilnius Sucursala Bucuresti - Romanian Branch, which was incorporated on 7th June 2023, registered address: Bucureşti Sectorul 1, Bulevardul ION MIHALACHE, Nr. 15-17, Mindspace Victoriei, biroul 111, cladirea Tower Center International, Etaj 1, Romania. Romanian Trade Register number: J40/10350/06.06.2023.

On 17 January 2024 the Swiss Financial Market Supervisory Authority (FINMA) granted a licence for the Bank and its sister company Revolut Securities Europe UAB to set up a joint representation of a foreign bank and a foreign brokerage entity in Switzerland.

The Bank has 100 % investments into the following subsidiaries:

- Revolut (Switzerland) AG, which was incorporated on 15 May 2024, registered address: Beethovenstrasse 48, 8002 Zürich, Switzerland. Trade register number CHE-462.966.439.
- Revolut Switzerland Payments AG, which was incorporated on 14 October 2024,registered address: Beethovenstrasse 48, 8002 Zürich, Switzerland. Trade register number CHE-466.957.066.

The Bank does not prepare consolidated financial statements, as its financial statements, along with those of its subsidiaries, are included in the consolidated financial statements of both Revolut Holdings Europe UAB and Revolut Group Holdings Ltd.

The Bank is currently offering the following products via the Revolut financial app:

- **Deposits to private individuals**: Instant access, non-interest-bearing demand deposits to retail customers in over 30+ currencies in 30 countries in the EEA and in Switzerland.
- **Consumer lending to private individuals**:
- Revolut Personal Loans are currently available to eligible customers based in Lithuania, Poland, Ireland, Romania, Spain, Germany, France, Portugal and Italy
- Credit Cards are currently available to eligible customers based in Lithuania, Poland, Ireland and Spain
- Pay Later can be accessed by eligible customers based in Ireland and Poland
- **Savings Vaults**: interest-bearing accounts are currently offered in Poland
- **Interest Bearing Savings** accounts In-House are currently offered in Spain, Ireland, Netherlands, France, Romania, Hungary and Lithuania
- **Insurance products (via its sister company Revolut Insurance Europe UAB (RIE))**: RIE is authorised to provide insurance distribution services of the following products after it went live in July 2022.
- Travel insurance
    - Purchase Protection, Refund Protection and Event (ticket) Cancellation Insurance
    - Cancellation for any reason Insurance
    - Car Insurance (in Ireland)

- **Investment Services (via its sister company Revolut Securities Europe UAB (RSE)):** RSE is authorised to provide the following investment services and ancillary services after it went live in Q1 2023.
    - Investment services:
        - Reception and transmission of orders
        - Execution of orders for the account of clients
        - Management of financial instruments portfolio
        - Provision of investment recommendations
    - Ancillary services:
        - Safekeeping, accounting and management of financial instruments for the account of clients, including custodianship and other related services such as cash/ collateral management and excluding maintaining securities accounts at the top tier level
        - Foreign exchange services where these are related to the provision of investment services
        - Investment research and financial analysis or other forms of general recommendations relating to transactions in financial instruments
        - Under MiFID II, currently, US and EEA listed stocks, money market funds and exchange traded funds are offered
        - US and EEA Listed Stocks
        - Money Market funds (available in Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, France, Finland, Germany, Greece, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Slovakia, Slovenia, Spain, Sweden and Ireland)
        - Exchange Traded Funds
- **Business products**: The Bank currently offers the following financial products to Business customers via the App:
    - **Multi-currency accounts**: businesses are able to hold and transact in different currencies from one main account
    - **Global Payments**:
        - Business customers are able to utilise several inbound and outbound payment types, e.g. Instant, Local, International, Card, Direct Debits, payout links, QR codes
        - Physical and virtual debit cards which can be utilised globally
        - Corporate cards
    - **Expense management**:
        - Platform for expense tracking and management
        - Ability to add several users and customise levels of access and permissions
        - API integrations: the business product integrates with various accounting software
        - Tools for businesses; invoices, analytics, expenses and rewards

The Bank is providing financial services to its customers via the Revolut Group global financial super app. It offers retail and business customers an ever-expanding range of financial services that are superior to legacy banks in both speed and quality and with greater control over their finances. With a service that is both data-driven and personalised, Revolut empowers customers to achieve financial independence and security through smarter, more informed decisions about how they spend, save or grow their money.

There are no physical branches and all customer support is provided via mobile-app/web-app chat.

The Equity of the Bank was at EUR 975 million as of 31 December 2024 (EUR 578 million as of 31 December 2023). The Total Assets of the Bank comprised EUR 20,288 million as of 31 December 2024 (EUR 12,092 million as of 31 December 2023). During 2024, the Bank earned EUR 589 million of interest income and EUR 1,169 million gross commission income (EUR 351 million and EUR 706 million in 2023). In 2024, the Bank earned a profit of EUR 101 million (EUR 78 million in 2023).

The Bank’s compliance with prudential ratios as of 31 December 2024 is presented in the table below:

Total Capital Ratio	30.98%
Leverage Ratio	4.42%
Liquidity coverage ratio (LCR)	502.48%
Net stable funding ratio (NSFR)	318.94%

As at 31 December 2024 and 2023 the Bank did not hold any own shares. No treasury shares were acquired or transferred during the reporting period.

The Bank did not carry out any research and development activities during the reporting period.

The Bank considers climate risk as part of its risk taxonomy, see further under Note 6.1.7.

3. Strategy and plans

The Bank currently operates in 30 EEA countries. It also began offering services in Switzerland. The Bank offers many of its products and services to customers at low cost, through our mobile application, offering excellent user experience and functionality. This model has been proven successful in building a customer base and increasing customer usage of the Bank’s services. The Bank's aim is to create long term, sustainable growth by focusing on becoming the primary account provider for its customers. An important step to achieve this target is the ability to offer current accounts with local IBANs. The Bank has established a series of branches in certain EEA member states, in order to facilitate the provision of local account details to Revolut customers in the respective country. As of the end of 2024, Lithuanian, Polish, Romanian, French, Irish, Spanish, Dutch, German and Italian local IBANs were available, while all other EEA customers continue to have Lithuanian denominated account details (i.e. have Lithuanian IBANs).

On 17 January 2024 the Swiss Financial Market Supervisory Authority (FINMA) granted a licence for the Bank and Revolut Securities Europe UAB to set up a joint representation of a foreign bank and a foreign investment and brokerage firm. Following the operationalisation of the license in H1 2024, direct onboarding of new Swiss customers to the Bank began in Q3 2024. Following this initial stage, the migration of Revolut Ltd customers to the Bank testing began in Q4 2024 with full launch in Q1 2025. Revolut Bank will only use the Representative Office to market its services in Switzerland.

Furthermore, the Bank aims to deliver on its strategy of offering different forms of consumer finance across EU markets with clear emphasis on localisation. The Bank currently offers Personal Loans, Credit Cards and Buy Now Pay Later and continues to expand the EEA countries to which they are offered. As well as country expansion, the Bank is focusing on new product expansion such as the introduction of Residential Mortgages.

In 2024, the Bank has also extended the cooperation with its EU sister entities, Revolut Insurance Europe UAB to provide insurance products to the Bank’s customers and Revolut Securities Europe UAB, to provide investment and brokerage services.

4. Organisational structure

The organisational structure of the Bank represents the specifics of the business model, where provision of the banking services is backed by advanced technologies and where a number of services and support functions are partially or fully outsourced to sister companies and other third parties.

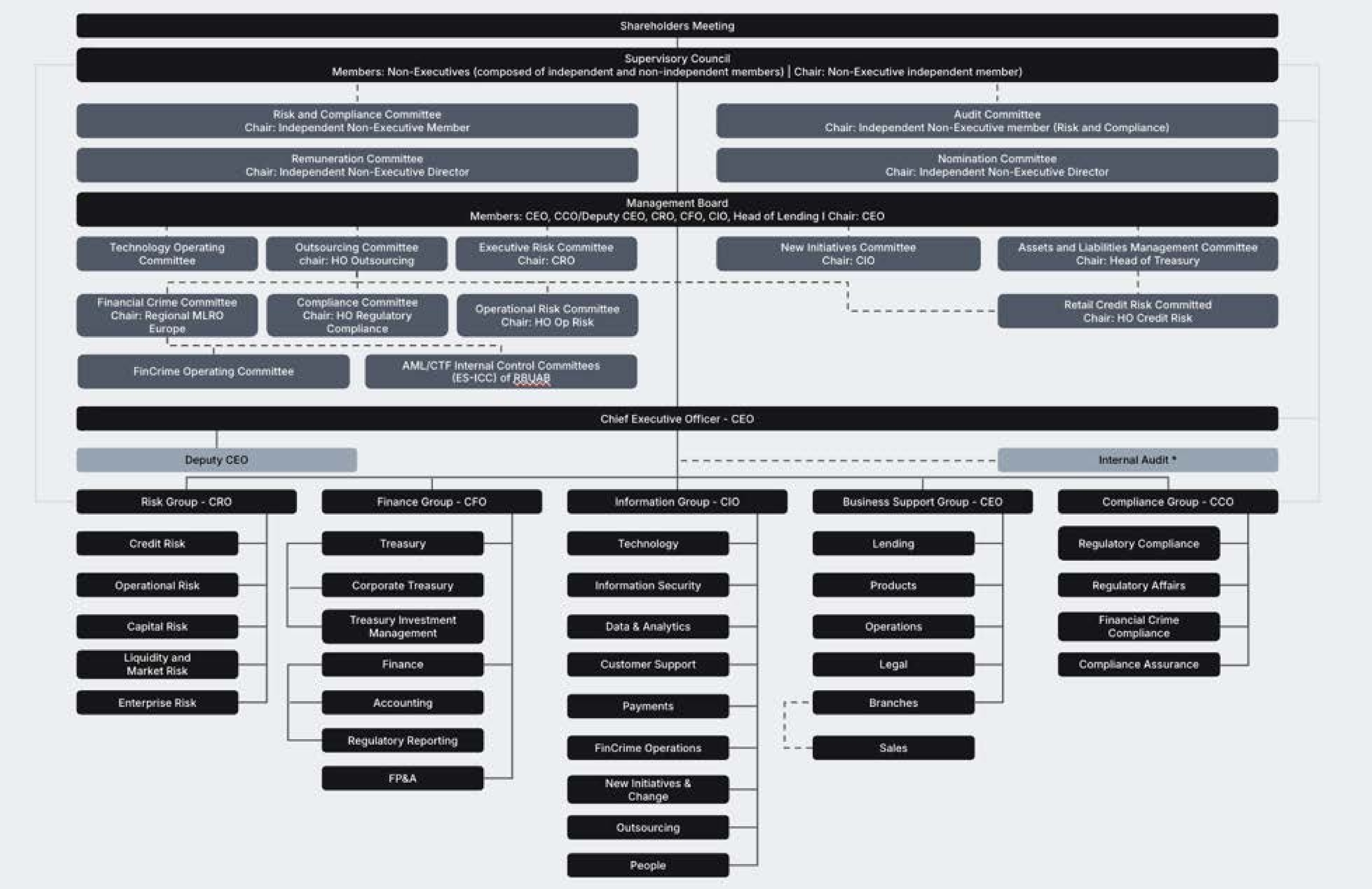
The Supervisory Council (SC) is comprised of eight non-executive directors who set out the strategy of the Bank and supervise executive management in its decision making in relation to the strategy implementation.

The Supervisory Council nominates the Bank’s Management Board (MB), which is currently comprised of six executives from the key areas of the business: the Chief Executive Officer (CEO), the Chief Information Officer (CIO), the Chief Financial Officer (CFO), the Chief Compliance Officer (CCO) / Deputy CEO, the Chief Risk Officer (CRO) and Head of Lending. The Management Board implements the strategy set by the Supervisory Council and is responsible for the day to day decision making in relation to that implementation.

The Supervisory Council delegates specific duties to the following sub-committees: (i) the Bank’s Audit Committee, (ii) the Risk and Compliance Committee, (iii) the Remuneration Committee and (iv) the Nomination Committee. The Management Board has established an Executive Risk Committee (ERC) for controlling and monitoring the risk profile of the Bank as well as an Asset and Liability Management Committee (ALCO) for controlling and monitoring day to day credit and treasury related operations of the business within the risk appetite set out by the Supervisory Council and the Management Board. Due to the great importance of services and technology outsourcing and constant change management to the business model, the Management Board further established a dedicated Outsourcing Committee, New Initiatives Committee and Technology Operating Committee. In addition to other responsibilities related with chairing and being a member of the Management Board and leading the Business Support Group, the CEO heads the administration of the Bank and manages day to day commercial operations with responsibilities of:

- administration of the office and infrastructure;
- day to day supervision of the staff;
- routine communication with the regulatory authorities.

Table: organisational structure - roles and responsibilities of the SC, the MB and the committees



5. Strategy execution

The Bank's EEA strategy execution is driven by the product offering which is designed to target the mass market of consumers who are not satisfied with the way they are served by traditional banks. The competitive advantage stems from the following client-centric principles:

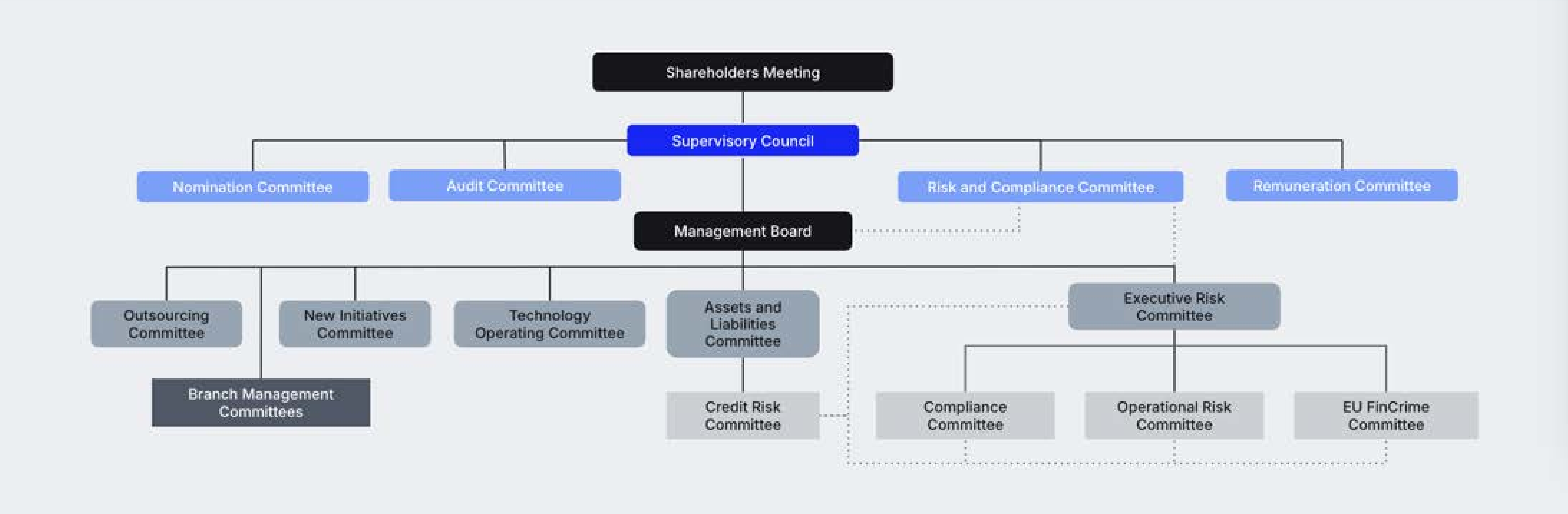
- **All-in-one mobile application** ('financial super app'): the Bank offers its customers in the EEA a unique all-in-one product where all customer's financial needs are covered in one easy to use mobile application;
- **Fair and Transparent Pricing**: the Bank offers a strong value proposition by minimising the cost of daily banking services and providing it with disruptive technology;
- S**ingle Digital Channel of Service Delivery**: Bank's services are offered only through the internet. There are no physical branches for customer engagement, and all customer service is provided via the in-app chat. This allows the Bank to maximise scalability and consistency of customer experience while reducing overhead and operating costs, with savings passed through to customers.

The Bank and its branches in EEA entities utilise an outsourcing model, mainly through outsourcing arrangements to other Revolut Group entities. This includes using Revolut Group's proprietary, mobile digital platform that delivers a seamless client experience across a wide range of financial services.

6. Governance structure

The Bank has a two-tier Board structure, which consists of the Supervisory Council and the Management Board. The Supervisory Council is composed of eight Non-Executive Directors, the majority of whom are Independent. As of 31 December 2024, the Management Board is composed of six Executive Directors.

The governance structure is outlined below.



The Supervisory Council is a collegial body which supervises the activities of the Management Board. The Supervisory Council approves the Bank's Business Strategy and monitors the Management Board progress in implementing the Strategy. The Supervisory Council reviews items that are most significant for the Bank. This forum is assisted by four Committees as follows:

1. the Audit Committee;
2. the Risk & Compliance Committee;
3. the Remuneration Committee;
4. the Nomination Committee.

The purposes of the aforementioned Committees are outlined below.

The Audit Committee assists the Supervisory Council in its activities, whilst ensuring the internal audit function is efficient, remains independent and has sufficient authority. Further, the Committee assists the Supervisory Council in assuring the quality of financial statements of the Bank. The Committee is comprised of three members of the Supervisory Council, the majority of whom are Independent.

The Risk and Compliance Committee assists the Supervisory Council in the oversight of risk and compliance related matters and the principal risks impacting the Bank, including risk governance and internal control systems, as well as overseeing the effectiveness of the Banks Enterprise Risk Management Framework. The Committee is comprised of four members of the Supervisory Council, the majority of whom are Independent.

The Remuneration Committee assists the Supervisory Council in supervising the Bank's Remuneration policies and practices and submits recommendations to the Supervisory Council regarding decisions on remuneration for members of the Management Board and the Bank's Material Risk Takers. The Committee is comprised of three members of the Supervisory Council, a majority of whom are Independent.

The Nomination Committee assists the Supervisory Council in reviewing the size, structure, composition, diversity and succession plans for both the Management Board and Supervisory Council and submits recommendations to the Supervisory Council, or Shareholder where appropriate, regarding decisions on appointing members to the Management Board or Supervisory Council. The Committee also assists the Supervisory Council in reviewing the proposed training for the Management Board and Supervisory Council and the Induction Plan for new members to the Supervisory Council. The Committee is comprised of three members of the Supervisory Council. All Members of the Committee are Independent.

The Management Board is a collegial body comprised of six executive members elected by the Supervisory Council. The Management Board designs and implements the Business Strategy approved by the Supervisory Council, monitors the performance of the Bank and makes decisions on the day to day running of the Bank as authorised in the Articles of Association and Terms of Reference. The Management Board is supported by six Committees as follows:

1. The Executive Risk Committee;
2. The Assets and Liabilities Management Committee;
3. New Initiatives Approval Committee;
4. The Outsourcing Committee;
5. The Technology Operating Committee;
6. Branch Management Committees.

The purposes of the aforementioned Committees are outlined below. The Chair of the Management Board is the CEO.

The Executive Risk Committee is a committee of the Management Board, which focuses mainly on the non-financial risk related aspects in such areas as operational risk, financial crime risk, conduct and compliance risk, strategic risk. The Committee monitors the Bank's risk profile against its risk appetite and approves risk mitigation measures in case of risk limit breaches or risk incidents, overseeing the remediation of control deficiencies and escalates matters to the Management Board and/or Risk & Compliance Committee and Supervisory Council at the discretion of the Chair. The Committee is supported by three sub-committees: 1) Operational Risk Committee; 2) Compliance Committee; and 3) The Financial Crime Committee. The Financial Crime Committee is supported by an additional two committees, FinCrime Operating Committee and AML/CTF Internal Control Committee. The Executive Risk Committee is chaired by the Chief Risk Officer.

The Assets and Liabilities Committee is a committee of the Management Board responsible for the management and optimisation of the Bank's balance sheet and the firm's financial asset investments, capital adequacy, management of counterparty and issuer credit risks, liquidity and funding risks and forecasts, funds transfer pricing, interest rate risks and other market risks of the organisation. The Committee is supported by one sub-committee, the Retail Credit Risk Committee. The Committee is chaired by the Head of Treasury.

New Initiatives Approval Committee is a committee of the Management Board which provides the oversight function for all new initiatives applicable to the Bank. It oversees the connection between these new initiatives and the various support and control functions to ensure that the initiatives implementations are aligned to the Business Plan, risks are identified and controlled, operational readiness is reached for the initiative's launch, and relevant regulatory requirements are met. The Committee Chair is the Chief Information Officer.

The Outsourcing Committee is a committee of the Management Board that contributes to the efficient outsourcing activities management for the Bank as well as overseeing overall third parties relationship related activities. The Committee Chair is the Head of Outsourcing.

The Technology Operating Committee is a committee of the Management Board that is responsible for Technology Operational Resilience, Technology Service Performance, Technology Risk, Technology Risk Incidents Monitoring and Technology Changes. The Committee Chair is the Chief Information Officer.

The Branch Management Committees are the committees of the Management Board that contribute to the efficient management of the branch's performance, risk indicators and compliance, as well as escalating issues as needed. Each operational branch has its own committee. The Branch Manager of the operational branch serves as the Chair of the Branch Management Committee.

On 18 February 2025, the Management Board decided to establish two new committees:

- **Information Security Operating Committee**: This is a committee of the Management Board responsible for the protection of information entrusted to the Bank by customers, employees, third parties and other stakeholders.
- **Model & AI Risk Committee**: This is a sub-committee of the Executive Risk Committee, responsible for enabling the ERC to fulfil its responsibilities regarding oversight and challenge of Model Risk activities within the Bank, including those related to Artificial Intelligence (AI) models, while ensuring alignment with Group TopCo-wide model risk governance.

7. Risk management and internal control

The Bank recognises that every employee within the organisation has responsibility for the effectiveness of the risk management and internal control framework.

The Bank uses the "three lines of defence" (3LoD) operating model for risk management. The three lines of defence model enhances the understanding of risk management and control by clarifying the different roles and duties expected from each employee.

The three lines of defence model distinguishes among three groups (or lines) involved in effective risk management:

- Functions that take risks and manage them;
- Functions that are responsible for oversight of risks;
- Functions that perform independent assessments of the efficiency of risk management processes and the internal control framework.

The first line of defence comprises all the risk-taking functions of the Bank. The functions comprising the first line of defence such as Products, Credits, Operations, Treasury, Finance, Legal or Technology are considered to be Risk Owners.

The second line of defence involves the risk monitoring and oversight functions of the Bank and consists of the Risk Management Function and the Compliance Function including the Regulatory Compliance, the Regulatory Affairs and the Financial Crime Functions.

The Risk Management Function, headed by the Chief Risk Officer, is responsible for:

- Implementing and maintaining the Risk Management Framework with all of its components;
- Implementation and maintenance of the Bank's Risk Appetite framework, including the processes and methodologies used for stating and cascading risk appetite;
- Definition of the three lines of defence model;
- Definition, on-going improvement and maintenance of the risk policies and the risk taxonomy, including the risk measurement and assessment tools, models and methodologies across all material risks as well as stress testing, in line with best practices;
- Risk reporting, including internal reporting to the Supervisory Council, Risk and Compliance Committee, the Management Board, the Executive Risk Committee, the Assets & Liabilities Management Committee and other risk reports;
- Facilitating the development and improvement of the Bank governance structure, with a focus on the processes for risk reporting, risk monitoring and remediation of risk limit breaches, risk incidents and any other deficiencies in risk management;
- Development, improvement and maintenance of risk management IT solutions, which ensure the automation of the different components of Risk Management Framework;
- Risk oversight and control of the first line of defence through the on-going quality assurance and review of the Bank's controls, which the first line of defence is responsible to comply with;
- Providing risk insights based on performed stress testing.

The Chief Risk Officer functionally reports to the Supervisory Council via the Risk and Compliance Committee and administratively to the CEO.

The Compliance Function is split into the Regulatory Compliance, the Regulatory Affairs and the Financial Crime Compliance Functions. The Compliance function is headed by the Chief Compliance Officer.

The Regulatory Compliance Function is responsible for conduct and compliance risks excluding fraud related risk, anti-money laundering, counter terrorist financing and sanctions controls (but including modern slavery, anti-bribery and corruption related risks). It has responsibility for implementing the Bank conduct and compliance risk control framework. This involves (i) supporting the first line of defence in identifying actual and potential conduct and compliance related risks and implementing controls to mitigate these risks; and (ii) monitoring and testing the effectiveness of the control environment to prevent or minimise conduct and compliance risks.

The Regulatory Affairs Function is responsible for engaging with the regulators, coordinating regulatory inquiries and regulatory requirements implementation.

The Financial Crime Compliance Function has the same responsibilities as the Regulatory Compliance function, but solely in relation to the financial crime risk, namely, fraud, anti-money laundering, counter terrorist financing and sanctions controls.

The Chief Compliance Officer (CCO) functionally reports to the Supervisory Council via the Risk and Compliance Committee and administratively to the CEO.

The third line of defence refers to the Internal Audit Function. The function is independent of the first line and second line of defence, and its responsibilities include:

- Providing independent opinions to the Audit Committee on whether the main risks have been appropriately identified and that existing controls are adequate and effective;
- Engagement with the Bank management and leads of different functional areas providing findings about detected deficiencies, insights and recommendations in order to improve the Bank's internal control and risk management framework;
- Providing independent evaluation to the regulators on specific risks and controls.

The Head of Internal Audit functionally reports to the Supervisory Council (via the Audit Committee) and administratively to the CEO.

External audit routinely opines on the effectiveness of the Bank's internal controls in the context of the financial statements.

Anti-Corruption and Bribery

The Bank maintains a zero-tolerance policy towards corruption and bribery in all its forms. This includes strict adherence to all applicable laws and regulations regarding anti-corruption and bribery, both domestically and internationally.

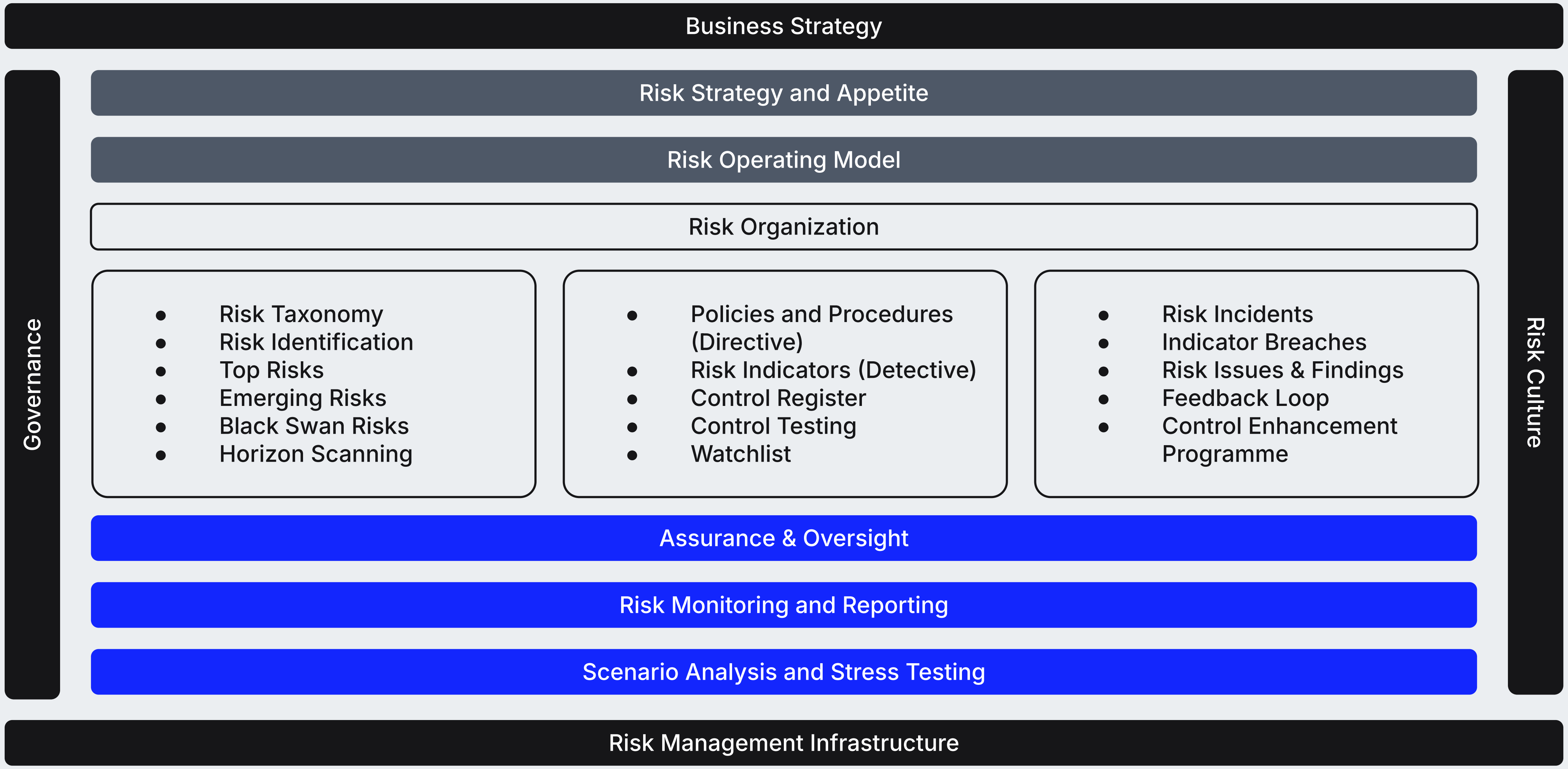
Bribery of Foreign Officials

The Bank acknowledges the particular risks associated with bribery of foreign officials in international business transactions. The Bank is committed to complying with all relevant laws to ensure that the business activities are conducted in a fair and ethical manner.

7.1. Risk management strategy

The Bank's strategy for managing risks is established in the Enterprise Risk Management Framework (ERMF) and the Risk Appetite Statement (RAS) which are approved by the Bank's Supervisory Council (SC). This ensures that the Bank actively manages risks that may impact its strategies, customers, regulatory compliance, financial resources, operations, and the achievement of its business objectives.

Revolut Bank's ERMF consists of the elements illustrated below:



The main purpose of the ERMF is to define the Bank's risk management approach and to ensure that:

- The risk management process is developed and managed throughout the entity in a consistent and sound manner;
- Risk management is embedded throughout Revolut Bank promoting a culture of risk awareness and risk ownership;
- Revolut Bank has robust systems of risk management in place and is able to demonstrate that if requested;
- The Bank has the tools and processes required to enhance risk decisions throughout the organisation.

The ERMF is supported by the RAS where management determines the significant risks and aggregate risk levels it is willing to accept in order to achieve its vision and strategy. The SC formally articulates the boundary levels for the various types of risk the business faces through qualitative statements.

7.2. Risk Appetite Statement

The Risk Appetite Statement is the expression of the level of risk that the Bank is prepared to accept in order to deliver on its vision and strategy. It defines the boundaries of business operations and forms and integral part of the risk management approach, to enable the Bank to manage its risks effectively and demonstrate compliance with relevant regulations.

In addition, the Bank expresses risk appetite using qualitative appetite statements supported by quantitative metrics monitored in the Risk Management System (Risk Back-Office). Qualitative risk appetite statements serve the purposes of guiding the organisation towards decision making with regards to acceptance of risks, design of controls and assessment of their adequacy.

The Bank has established a system of Key Risk Indicators (KRIs) which act as preventive and detective controls. For each quantitative KRI supporting the implementation of the Risk Appetite Statement, Level 1, Level 2 and Level 3 KRI limits are defined. Some KRIs act as recovery indicators and thus also have a Level 4 limit set. Regulatory limits are always part of RAS KRIs.

RAS KRIs are a subset of all such indicators and include only those with a defined escalation path up to the Bank's Supervisory Council. Non-RAS KRIs and Business Control Indicators (BCIs) cover other level 2 risks according to the internally defined risk taxonomy as well as some additional aspects of the financial, operational and compliance risks. They focus primarily on operational performance and incidents, customer service, compliance with legal and regulatory requirements, business growth and performance of the entity. Their governance is covered by internal procedures.

7.3. Financial risk management

Financial risk is the risk of losing money on business or investment decisions; it encompasses the risk to the Bank's profit and loss, capital and/or liquidity position. The financial risk assessment of Revolut Bank encompasses the following elements:

I. Funding and liquidity risk
II. Retail, wholesale and concentration credit risk
III. Capital risk
IV. Market risk including
    I. Foreign Currency Risk (FX Risk);
    II. Interest Rate Risk in the Banking Book (IRRBB);
    III. Credit Spread Risk in the Banking Book (CSRBB);
V. ESG Risk.

Details of the Bank's management of financial risks and used hedging instruments can be found in the Note 6.1 of the financial statements.

7.4. Non-financial risk management

Non-financial or operational risk is the possibility of an adverse impact on the Bank from inadequate or failed internal processes, people and systems or from external events. Operational risk can be created by a wide range of external events causing business disruption. Similarly, operational risk can arise due to internal events such as the potential for failures or inadequacies in any of the Bank's processes and systems, or those of its outsourced service providers.

Details of the Bank's management of the different types of non-financial risks can be found in the Note 6.2 of the financial statements.

As described in the Enterprise Risk Management Framework, Revolut Bank manages its operational risk following risk identification and response processes, and the operation of directive, preventive and detective internal controls.

The Bank leverages the Revolut Group's approach, capability and processes to manage operational risk. To mitigate operational risks, the Bank has a series of tailored policies and procedures for operational risk management, compiling operational manuals defining business processes and related internal control measures. The major policies containing operational risk management processes include, but are not limited to:

- Operational Risk Policy
- Operational Resilience Policy
- Risk Incident Policy
- Risk Issue Policy
- Outsourcing and Third Party Risk Management (TPRM) Policy
- Change Management Policy
- New Initiatives Approval Policy

The Bank maintains Risk and Control Registers across its product offering to ensure a continuous and accurate understanding of its risk and control profile. All key risks and controls are captured and reported on the Risk Back-Office system and each is subject to an automated workflow that ensures appropriate review, challenge and refinement of the records.

Risk Incidents are actively managed with a feedback loop used to ensure lessons learned from incidents are used to improve future controls or those already included in the risk register.

RAS KRIs are established and monitored to measure levels of operational risk with reporting to the Executive Risk Committee, the Management Board and the Supervisory Council if these KRIs are breached.

Driven by the ongoing risk and control assessment, key actions are centred around the enhancements of controls that mitigate the key risks, in particular: Change Management, Outsourcing and Third Party Risk, Resilience (Technology Availability & Continuity Risk) and Data Risk (including Regulatory Reporting Risk).

The Bank follows the Basic Indicator Approach for its Operational Risk regulatory capital calculation purposes.

Operational Resilience

Operational Resilience is an outcome which the Bank 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 the Bank'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 Group as a whole, to protect its growing customer base across an increasingly diverse set of products.The Bank mitigates and controls this risk through an Operational Resilience Framework which sets out the policy, procedures and governance structures to enable us to monitor and manage the resiliency of critical and important functions, including the most important business services for customers. Where operations are outsourced to Revolut Ltd, the Bank coordinates with the Revolut Group Operational Resilience capability to identify potential sources of operational disruption ensuring defined 'resilience practices' under each pillar. Revolut Bank 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.

In line with the Digital Operational Resilience Act ('DORA') effective from January 2025, the Bank, in conjunction with Revolut Group, will continually work to enhance its resiliency, 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, the Bank and the broader European financial sector should a disruption impact the Revolut Group.

8. Employees

As of 31 December 2024 Revolut Bank UAB had 1,054 employees, (as of 31 December 2023 - 516 employees).

	31 December 2024	31 December 2023
Regular employees (working under labour contracts with and without a fixed term, including those on maternity/paternity leave)	1,054	516
Actual number of employees (excluding those on maternity/paternity leave, gardening leave)	991	508

A table below contains information on the number of Bank’s working employees and average monthly salaries (before taxes).

	Number of employees		Average monthly salaries (EUR)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Managerial staff	40	31	12,464	12,383
Specialists	1,014	485	4,420	4,757
Total	**1,054**	**516**	–	–

9. Remuneration policy

The following information is prepared following the requirements set out in Clause 11 of the Resolution No 03-82 of the Board of the Bank of Lithuania approving the List of Minimal Requirements for Employee Remuneration Policies of Credit Institutions and Financial Brokerage companies dated 8/5/2015 that refers to Article 450 of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

Information concerning the decision-making process used for determining the remuneration policy

The Remuneration Policy of the Bank is approved by the Supervisory Council and the last update is dated of October 2024. The Remuneration Policy is being reviewed in order to take into consideration recent changes to the relevant EU and national legal requirements and also additional requirements to become applicable to the Bank as a significant institution. One of the material changes has been to add precision linked to the Resolution of the Bank of Lithuania 03-82 regarding minimum requirements for remuneration to consider performance review over a three year period for Identified Staff.

The Remuneration Committee is responsible for decisions on remuneration, including decisions related to the process of identification of Identified Staff, in particular regarding the remuneration of the members of the Management Board (inclusive of the Chief Compliance Officer and the Chief Risk Officer), the CEO and the CEO deputies as well as the Head of Internal Audit and remuneration policies, practices, and processes. The Remuneration Committee gathers at least twice per year.

Information on link between pay and performance

The remuneration system applied in the Bank is designed to attract, maintain and motivate the Bank's employees possessing the required skills and competences, promote solid performance results, trustworthy conduct, and effective risk management. The remuneration system is designed to encourage employees to consistently adhere to the ethical principles and values of the Bank in their work, and to act in line with the business and risk management strategy of the Bank.

The Remuneration system applied by the Bank aims to:

- ensure that the employees are paid competitive Remuneration;
- ensure that the cases of setting and principles of payment of Variable Remuneration are in the long-term interests of the Bank's continuous operation, business strategy, goals and values, promote reliable and effective risk management, help prevent conflicts of interests, and make sure that the Remuneration paid is not providing any incentive to the employees for excessive risk-taking;
- link employee salary increases to the individual evaluation of the employee's performance.

The Bank continuously monitors and ensures that the above goals are properly implemented and do not raise conflicts of interests (with the customers of the Bank or otherwise) following a review process described in detail in the Remuneration Policy. The Internal Auditor will at least once per year carry out an independent internal review of the Remuneration Policy and practice (recording its results in audit reports), which shall measure whether the Bank's overall remuneration policy, practice, and processes are working as intended, are aligned with the national and international rules, principles, and standards. Risk control functions at the Bank help to monitor if provisions of the Policy are aligned with the Bank's position, business strategy, goals, values, if the Policy is duly enforced in practice. In addition to other functions and authorizations, the Regulatory Compliance function shall analyse the impact of the Policy on the Bank compliance with the legislation, regulations, and internal procedures.

Remuneration principles are linked to the evaluation results of the employees. All personal conduct is first of all assessed in the context of the goals of the remuneration system of the Bank (as defined above) and in the light of adherence to the core values of the Bank.

Important design characteristics of the remuneration system, including information on the criteria used for performance measurement and risk adjustment, deferral policy and vesting criteria (covering the main parameters and rationale for the variable component scheme)

The Remuneration Policy is applicable to all employees of the Bank as well as management and supervisory bodies who make executive decisions relating to the setting and payment of remuneration to the employees.

The remuneration of the Bank consists of fixed remuneration and variable remuneration.

Fixed remuneration is the remuneration set in the employment contract with the employee or any other agreement with the employee and other long-term non-performance related payments.

Variable Remuneration, if not in cash, are the Share Options of Revolut Group Holdings Ltd. granted to employees as part of Remuneration based on sustainable and risk-adjusted performance of the Bank and Revolut Group and/or individual performance of the employee in excess of the target performance set forth in his/her function description or terms of employment (a different method for granting share options is used to grant share options to new staff being hired by the Bank as a sign-on bonus or as a bonus / reward for referral/severance or retention bonus).

The variable remuneration of the internal control functions is awarded for work and results related to the performance of the functions assigned to them. The methods applied for the determination of the remuneration of internal control functions shall not undermine their objectivity and independence. Final recommendations relating to performance evaluation and variable remuneration allocation for Control Function staff members shall be proposed by the head of the Control Function to the CEO and Supervisory Council of the Bank. Their variable remuneration may be based also to some extent on the performance of the Bank as a whole.

Identified Staff are defined as the Bank employees (including members of the Bank's executive staff, managing and supervisory bodies) whose professional activity and/or decisions have a material impact on the Bank's risk profile, and who are identified based on the analysis of quantitative and qualitative parameters under the criteria established in Commission Delegated Regulation (EU) 2021/923 of 25 March 2021. The list of identified staff members has been reviewed in December 2024 based on the changes in staff and changes in staff responsibilities at the Bank.

Identified Staff comprises of the staff categories as they are listed in Commission Delegated Regulation (EU) 2021/923 of 25 March 2021 and clarified in EBA Regulatory technical standards on criteria to define managerial responsibility and control functions, a material business unit and a significant impact on its risk profile, and categories of staff whose professional activities have a material impact on an institution's risk profile (EBA/RTS/2020/05).

The Fixed Remuneration payable to Identified Staff shall reflect their professional experience and the level of responsibility at the Bank, taking into account their education, rank, competences and skills and professional experience, respective business operations, and the level of remuneration on the market.

Ratios between fixed and variable remuneration set in accordance with Article 94(1)(g) of Directive CRD IV

The maximum ratio between variable and fixed remuneration is set at 200%, having come into force in 2025. This adjustment follows the approval of the Shareholders of the Bank and notification to the relevant competent authorities, in compliance with the EBA Guidelines on Sound Remuneration Policies and the Bank of Lithuania Resolution on Minimum Requirements for Remuneration. The ratio between variable and fixed remuneration is retained at 100% for independent control functions to maintain its predominantly fixed nature, reflecting the nature of the responsibilities held by internal control functions. The updated ratio will be annually reviewed prior to the annual performance review to ensure alignment with regulatory requirements and Bank's commitment to maintaining a sound capital base. Shareholders retain the authority to revise or reduce this ratio in the future. Should any further adjustments be proposed, the Bank will seek Shareholder approval and notify the competent authorities as required under the EBA Guidelines on Sound Remuneration Policies and the Bank of Lithuania Resolution on Minimum Requirements for Remuneration.

Information on the performance criteria on which the entitlement to shares, options or variable components of remuneration is based

The Bank prioritises the use of Variable Remuneration in the form of Share Options (non-cash instruments). At least 50% of the Variable Remuneration to the Identified Staff will be paid in Share Options. The different types of share options that may be awarded are defined in the Remuneration Policy.

The fund / forecast for the variable remuneration for the financial year is made only after the evaluation of the Bank's (and the relevant unit's) financial performance results considering the current and future risks, the costs of working capital and liquidity upkeep. Since the variable remuneration is granted in Revolut Group Holdings Ltd share options by Revolut Group Holdings Ltd, this evaluation needs to ensure that by granting share options, Revolut Group Holdings Ltd shall not in any way restrict the Bank's ability to strengthen its capital base.

Variable Remuneration shall be awarded considering the financial performance results of the Bank (in a direct relation with Revolut Group) and the relevant structural unit for the period under evaluation and assessing quantitative and qualitative (including financial and non-financial) criteria for the evaluation of employee performance. Qualitative criteria shall include achievements of strategic goals, compliance with the internal and external rules, leadership, teamwork, creativity, motivation, proactivity and initiative, loyalty, cooperation with other employees, achievement of goals and tasks formulated by direct supervisors, feedback from direct supervisors and the clients, etc. In all cases, this assessment shall include an assessment on how the employee complies with the high professional standards of the financial sector and how well the employee demonstrates compliance with the ethical principles of the Bank, its values and the risk management culture. The performance criteria shall be formed so that they do not incentivise excessive risk taking or mis-selling of products and shall always balance compliance and risk averseness with business goals.

Variable Remuneration may be awarded only if the respective employee has been acting fairly, no legal violations have been identified in his/her activities, and his/her activities have been given a positive evaluation over the past period of evaluation (or throughout the term of his/her employment with the Bank).

Variable Remuneration may not be awarded and awarded Variable Remuneration may not be disbursed when:

- this would run counter to the Bank's performance for a respective period and the results of performance evaluation of the employee;
- this would jeopardise and run counter to reliable and effective management of the Bank's risks;
- the payment of Variable Remuneration would encourage excessive risk-taking;
- this would not be in line with the Bank's operating strategy, goals, values, and long-term interests.

The Bank may reduce, withhold, or recover a share or the entire variable remuneration paid in cases defined in the Remuneration Policy.

Remuneration Policy also foresees mechanisms to ensure that the Bank employees do not use personal hedging strategies or, if applicable, insurance against decrease in Variable Remuneration to minimise the impact of the risks envisaged in the models of calculating their Variable Remuneration.

Quantitative information on remuneration is published in the Capital Adequacy and Risk Management Report (Pillar III).

10. Information about positions held by key management personnel

Information on other titles held by the Chief Executive Officer, Management Board and Supervisory Council Members of the Bank

Name and surname	Management Body of Revolut Bank UAB	Main workplace	Title	Other companies where management functions are held	Title
Joseph Heneghan	Management Board	Revolut Bank UAB	Chief Executive Officer of Revolut Bank UAB; Member and Chair of the Management Board	N/A	N/A
Oliver Schreiber	Management Board	Revolut Bank UAB	Chief Financial Officer of Revolut Bank UAB; Member of the Management Board	N/A	N/A
Daniel Marc Alexander Gordon	Management Board	Revolut Bank UAB	Chief Risk Officer of Revolut Bank UAB; Member of the Management Board	N/A	N/A
Vytautas Danta	Management Board	Revolut Bank UAB	Deputy CEO; Chief Compliance Officer of Revolut Bank UAB; Member of the Management Board	Company name: Revolut Securities UAB Companies House registration number: 305799582 Registered address: Konstitucijos av. 21B, LT-08130 Vilnius, Lithuania	Member of Management Board; Chief Compliance Officer
				Company name: Pinigų plovimo prevencijos kompetencijos centras VŠĮ Companies House registration number: 305773609 Registered address: Lukiškių st. 2-2, LT-01108 Vilnius, Lithuania	Co-owner (Revolut) representative
				Company name: European Compliance Professionals Association Registration Number: 306961037 Registered Address: Aguonų st.. 8B-13, LT-03213 Vilnius, Lithuania	Co. Founder, Board Member
Felipe Penacoba Martinez	Management Board	Revolut Bank UAB	Chief Information Officer of Revolut Bank UAB; Member of the Management Board	Company name: Vesta Digital Consulting Ltd Registration number: 12131260 Registered address: 5 Vesta Close, Fairfields, Milton Keynes, England, MK11 4BF	Director
Maurice Patrick Murphy	Management Board (appointed 20 November 2024)	Revolut Bank UAB	Head of Lending of Revolut Bank UAB; Member of the Management Board	Company name: Westmanstown Cottages Owners Management Company Limited Registration number: 535079 Registered address: 1 Wesmanstown Cottages, Dublin 15, D15X7KN	Director
Peter Francis Stevens	Supervisory Council & Chair of Supervisory Council Chair of Nomination Committee (resigned 10 February 2025) Chair of Remuneration Committee (resigned 10 February 2025)	N/A	N/A	Company name: Cirdan Capital Management Limited Companies House registration number: 08853583 Registered address: 54 Baker street London W1U 7BU (ended in March 2024)	Chair Non-Executive Director
				Company name: Gulf Capital Ltd (former name Gulf Capital Credit Partners Ltd) DIFC registration number: 1803 Registered address: Tower 2 Dubai IFC PO box 506965 UAE	Consultant and member of the Investment Committee for GCCP Funds I and II
				Company name: Marie Collins Foundation Companies House registration number: 07657115 Registered address: Triune Court, Monks Cross Drive, Huntington, York, England, YO32 9GZ (ended in October 2024)	Trustee
				Company name: P F Stevens Consultancy Limited Companies House registration number: 08719245 Registered address: Invision House, Wilbury Way, Hitchin, Herts, United Kingdom, SG4 0TY	Director

Name and surname	Management Body of Revolut Bank UAB	Main workplace	Title	Other companies where management functions are held	Title
Markus Krebsz	Supervisory Council Chair of the Audit Committee (resigned 13 February 2025) Chair of the Remuneration Committee (appointed 10 February 2025)	N/A	N/A	Company name: Citizen Shareholders Ltd. Companies House Registration number: 11596817 Registered address: Level 39, One Canada Square, Canary Wharf, London, United Kingdom, E14 5AB	Co-founder & Non-executive Director
				Company name: De-Risking Solutions Ltd. Companies House Registration number: 09900565 Registered address: 8 Quarles Park Road, Romford, United Kingdom, RM6 4DE	Director & Founder
				Company name: Yamgo Ltd. Companies House Registration number: 03597254 Registered address: Unit 4 Kings Road, Swansea, Wales, SA1 8PH	Non executive Director
				Company name: Chartered Institute for Securities and Investments (Services) Limited, FinTech Forum Companies House Registration number: 02903287 Registered address: 20 Fenchurch Street, 3rd Floor, City of London, London, United Kingdom, EC3M 3BY	Chairman (Ex-officio)
Caroline Louise Britton	Supervisory Council Chair of Risk and Compliance Committee (resigned 11 February 2025)	N/A	N/A	Company name: Revolut Ltd Registration number: 0880441 Registered address: 7 Westferry Circus, Canary Wharf, London, England, E14 4HD Activities: financial technology company that provides banking services	Non-executive Director Chair of Risk and Compliance Committee
				Company Name: Revolut Group Holdings Limited Registration Number: 12743269 Registered Address: 7 Westferry Circus, Camary Wharf, London, England, E14 4HD	Non-executive Director Chair of Audit Committee
				Company Name: Revolut Holdings Europe UAB Registration Number: 305820090 Registered address: Konstitucijos ave. 21B Vilnius, LT-08130	Non-executive Director
				Organisation name: Make a Wish International Activities: MAWI is the umbrella organisation for the national wish granting charities. Its role is to licence the brand and leverage global initiatives to support individual affiliate organisations.	Audit, Finance Risk and Investment Committee Member
				Company name: MoneySupermarket Group plc Registration number: 06160943 Registered address: Moneysupermarket House, St David's Park, Ewloe, Chester, United Kingdom, CH5 3UZ	Non-executive director
				Company name: Sirius Real Estate Limited Registration number: 05980788 Registered address: Birchin Court, 20 Birchin Lane, London, EC3V 9DJ	Non-executive director
				Organisation name: Royal Opera House Covent Garden Foundation Registered address: Covent Garden, London, WC2E 9DD	Trustee
Vytautas Valvonis	Supervisory Council	Revolut Holdings Europe UAB	Chief Executive Officer	Company name: Revolut Holdings Europe UAB (appointed from 12 April 2023) Companies House registration number: 305820090 Registered address: Konstitucijos av. 21B, LT-08130 Vilnius, Lithuania	Chief Executive Officer

Name and surname	Management Body of Revolut Bank UAB	Main workplace	Title	Other companies where management functions are held	Title
Dovilė Grigienė	Supervisory Council Chair of Nomination Committee (appointed 10 February 2025)	N/A	N/A	Company name: Ex and ex, MB Registration number: 306740423 Registered address: G. D. Kuverto st. 15E-8, Neringa, LT-93127, Lithuania	Founder and Director
				Company name: VU Institute of International Relations and Political Science Registration number: 211950810 Registered address: Vokiečių st. 10, LT-01130 Vilnius, Lithuania (ended in December 2024)	Trustee
				Company name: Civinity AB Registration number: 302247881 Registration address: Naugarduko g. 98, LT-03160 Vilnius , Lithuania	Non-Executive Director
Marjoleine Barbara Kolk	Supervisory Council (appointed 12 November 2024)	N/A	N/A	Company name: Boer & Croon Registration number: 7054057 Registered address: 8. Piet, Heinkade 95A, 1019 GM, Amsterdam, Netherlands	CCO and Partner
Jacob Johannes Remijn	Supervisory Council (appointed 18 December 2024) Chair of Risk and Compliance Committee (appointed 11 February 2025)	N/A	N/A	Company name: Jade B.V. Registration number: 93575939 Registered address: Nicolaas Maesstraat 118h, 1071RH, Amsterdam,	Director/Owner
				Company name: Jaap Remijn B. V. Registration number: 58008179 Registered address: Nicolaas Maesstraat 118h, 1071RH, Amsterdam, Netherlands	Director/Owner
				Company name: Brand New Day Registration number: 30067102 Registered address: Hoogoorddreef 15, 1101 BA, Amsterdam, Netherlands	Non-Executive Director
Christian Mouillon	Supervisory Council (appointed 6 December 2024) Chair of Audit Committee (appointed 13 February 2025)	N/A	N/A	Company name: Savencia Fromage and Dairy Registered address: 42 Rue Rieussec, 78220 Viroflay, France	Non Executive Director Chair of Audit Committee Chair of Risk Committee Member of the ESG Committee
				Organisation name: ESCP Business School Registered address: 79 av. de la Republique, 75011, Paris, France	Non-Executive Director Chair of the Strategic Committee Member of the audit, risk, compensation and nomination committees
				Company name: CHM Advisory SAS Registration number: 832199848 Registered address: 4 avenue Emile Acollas, 75007, Paris, France	President

11. Events after the reporting period

Events after the reporting period are disclosed in Note 34.

Joseph Heneghan

Chief Executive Officer of Revolut Bank UAB

16 April 2025

Sustainability statement

Contents

1. General information

1.1. Basis for preparation and accounting policies

General Basis for Preparation of Sustainability Statement (BP-1)

The Sustainability Statement of the Revolut Bank UAB (Bank) has been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD), as transposed into Lithuanian legislation via the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania dated 25 June 2024, the European Sustainability Reporting Standards (ESRSs) issued by the European Financial Reporting Advisory Group (EFRAG) as adopted by the EU, and the disclosure requirements related to Article 8 of the EU Taxonomy and underlying delegated acts.

This is the first time the Bank is reporting in accordance with CSRD and ESRS and best efforts have been put into translating the quantitative and qualitative disclosure requirements into relevant descriptions and data points. As a guiding tool, the Bank has relied on the implementation guides made available by the European Financial Reporting Advisory Group (EFRAG), in particular the 'Implementation guide 3': List of ESRS Data Points (IG-3)2. The quantitative ESRS data points in the report are marked with the ESRS ID number in accordance with IG-3.

Only ESRS data points identified as material under the double materiality assessment and mandatory under the ESRS are reported. Voluntary data points according to the ESRS are not included in the report. All data points in the Sustainability Statement are subject to limited assurance.

Figures in the Sustainability Statement are stated in the relevant unit of measurement, for example in Euro and whole millions or tonnes of carbon dioxide equivalent (tCO_2eq). As a result, rounding discrepancies may occur because totals have been rounded off and the underlying decimals are not presented to Sustainability Statement users.

Scope of reporting

The organisational scope for the Sustainability Statement includes operations for the Bank and its branches, and it is prepared in alignment with Bank’s financial statements following the financial year 1 January 2024 to 31 December 2024.The Bank does not disclose comparative information in the first year of preparation of the Sustainability Statement under the ESRS.

The Bank does not prepare consolidated financial statements and sustainability statements, as its financial statements, along with those of its subsidiaries, are included in the consolidated financial statements of both Revolut Holdings Europe UAB and Revolut Group Holdings Ltd. In 2024 Revolut Holdings Europe UAB is exempted to prepare a consolidated sustainability statement and the first consolidated statement will be prepared for the year ended 31 December 2025.

Disclosures in Relation to Specific Circumstances (BP-2)

Time horizons

We assess material Bank impacts, risk and opportunities over the short, medium and long term. The short term refers to the reporting period of the financial statements - one year, medium-term is from the end of the short-term up to five years; long-term is defined as more than five years.The time horizons considered in this reporting align with those applied in the financial statements. The time horizons are aligned with definitions stated in the general guiding principles in ESRS 1.

Restatements

Restatements are determined based on a judgment of significance applying materiality thresholds. Restatements are clearly indicated in connection with the restated data or information. As this is the first time the Bank prepares the Sustainability statement there are no restatements reported in 2024.

External review

The sustainability statements are covered by limited assurance performed by the external Bank auditor auditing both Financial Statements for the year ending 31 December 2024 and the Sustainability statement for the period 1 January through 31 December 2024.

Value Chain Estimation

Metrics that include value chain data are estimated using indirect sources. The basis for calculation and presentation of sustainability metrics is described in the notes to the respective metrics, including information on whether the metrics are measured directly or estimated based on sources such as third-party data or sector averages. Metrics are collected from the Bank management systems and are typically based on process data systems, measurements, calculations, and purchasing data. Controls are performed to ensure that the information is complete and accurate. However, the scope of the sustainability statement and the absence of generally accepted reporting standards and practices for certain data may result in uncertainties in the reported information. The notes to the chapters on each material sustainability topic include information on sources of estimation or outcome uncertainty.

Use of estimates

the Bank aims to disclose data as correctly and accurately as possible by using primary measurement data and by standardising the calculation of emissions using emission factors from the Bank's carbon accounting system from Watershed Technology Inc.

The Bank relies on the following key methods of measurement aligned with the recommendations of the Greenhouse Gas(GHG) Protocol: 1) Spend-based, 2) Activity-based and 3) Hybrid.

The Bank uses indirect data sources, e.g. industry or sector averages, in the value chain. The Bank uses estimates in its reporting on selected data points due to its fast closing and dependency on data from suppliers. A defined process for assessing and, if necessary, adjusting estimates is in place. For further information on estimates, please refer to the specific disclosure requirement regarding the GHG calculation.

Any potential sources of measurement uncertainty, assumptions or estimates are described in the accounting principles of the respective disclosure point.

Changes and errors

The sustainability disclosures in this report have been prepared in compliance with the requirements of the CSRD and ESRS for the first time in 2024. No substantial changes, apart from the inclusion of this Sustainability Statement, did occur compared to the previous reporting period. Nor were material errors identified.

Disclosures incorporated by reference

the Bank has not incorporated information by reference from outside of the sustainability statement

Phase-In

The Bank has assessed ESRS S1 (Own Workforce), S2 (Workers in the Value Chain), and S4 (Consumers and End-Users) to be material topics. However, in this first year of preparing a sustainability statement for the CSRD, the Bank has chosen to omit this information in accordance with the phase-in provisions of Appendix C of ESRS 1 as the average number of employees for 2024 is less than 750. The business model and strategy incorporate material sustainability impacts under ESRS S1, S2, and S4. The business strategy prioritizes employee well-being, diversity, transparency, data protection, and sustainable products/services. Regular customer feedback assessments are conducted to align offerings with sustainability goals. The Bank is reviewing the results of the Double Materiality Assessment (DMA), with the final timeline for setting time-bound sustainability targets expected in 2025. The defined targets will be informed by a review of DMA results, self-assessment of compliance with EU regulatory ESG standards, and insights from ICAAP/ILAAP processes, RBP, and the approved ESG Strategy. Progress towards achieving these targets will be reported in future disclosures once they are finalized. Policies are in place for personnel management and diversity, equal opportunities, and performance management. No formal Key Performance Indicators (KPIs) have been established for sustainability matters assessed to be material. However, Key Risk Indicators (KRIs) are in place for % of hiring gaps in key senior positions and turnover of internal employees.

1.2. Business model and strategy

Strategy, Business Model, and Value Chain (SBM-1)

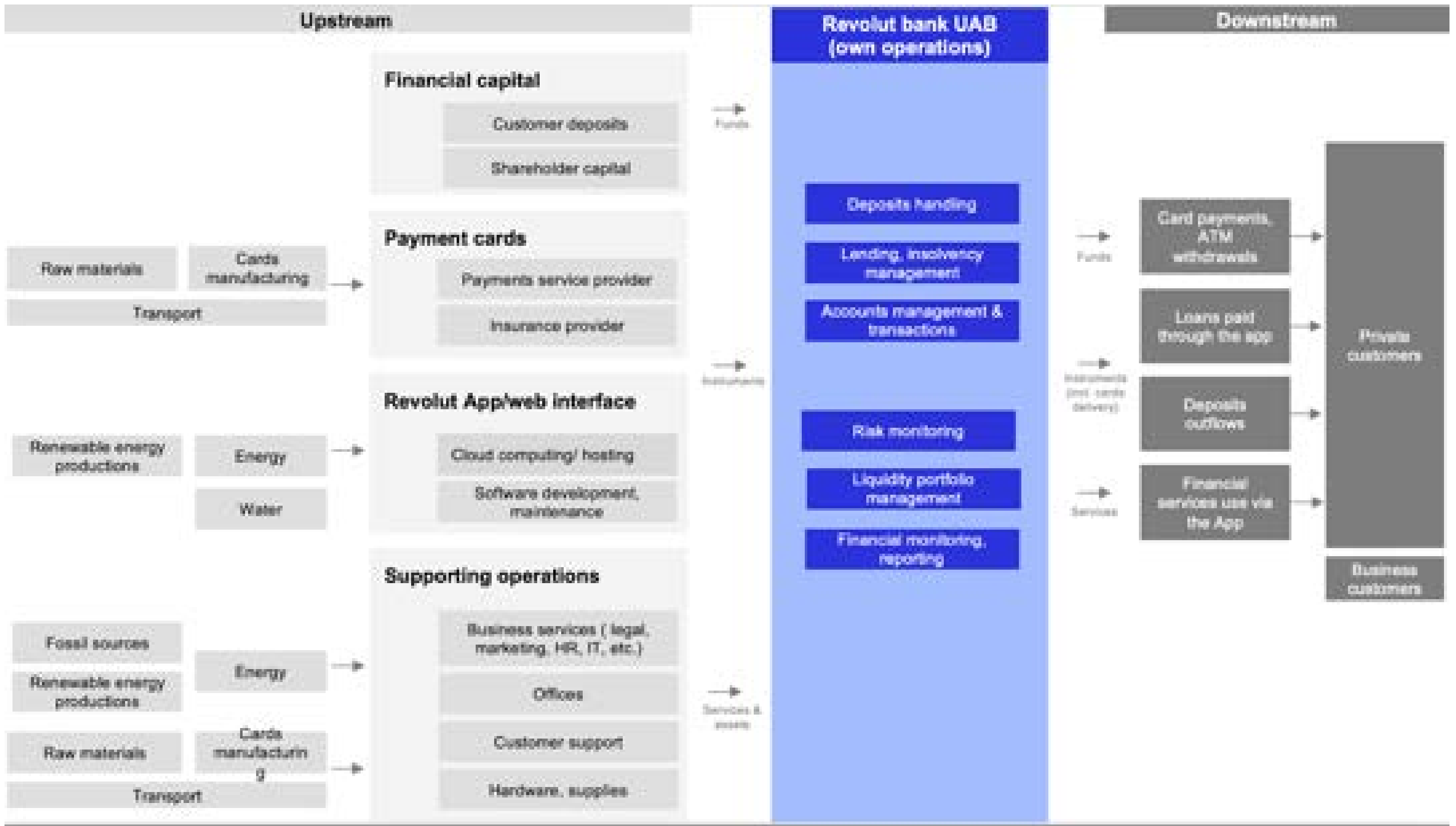
the Bank offers a variety of financial products and services for individual and business customers. These include retail banking services such as personal accounts with multi-currency capabilities and debit cards, lending products like consumer loans, and payment solutions like instant peer-to-peer transfers.

Business Model

the Bank operates as a digital-first financial institution, leveraging technology to deliver innovative banking and financial services. Its model focuses on seamless, customer-centric solutions. This includes multi-currency accounts, payment processing, lending products, savings tools, and investment platforms. The Bank's approach supports efficient service delivery and aims to drive customer satisfaction while adhering to sustainability and regulatory priorities.

Value Chain

The Bank's value chain includes upstream, downstream activities and own operations.



Upstream: The upstream value chain includes corporate and administrative activities, strategic investments, and liquidity management. The Bank relies on Revolut Ltd., its sister company, for application and technology services like infrastructure, software, and cybersecurity. Regulatory compliance and partnerships with external stakeholders are also part of this process.

Downstream: The downstream value chain involves delivering financial services to customers through the Revolut platform, including multi-currency accounts, payments, loans, investments, and savings.

Own operations: the Bank manages corporate and administrative functions, liquidity portfolios, and strategic investments. It directly serves customers with financial products but relies on Revolut Ltd. for technology and applications. Within its own operations the Bank also includes credit assessment and control processes and customer deposit management.

Significant Sectors

The Bank acknowledges its activities have the potential to cause material impacts on the environment, society, and stakeholders. The Bank also recognises that these sectors present risks (such as climate-related financial risks and reputational damage) and opportunities (such as innovation, sustainable products and brand reputation enhancement). Stakeholders have also indicated that these areas are of concern, and as such they need to be addressed by the strategy, particularly in the context of the CSRD and the ESRS. The Bank is committed to monitoring and assessing its connection to these sectors through its annual Double Materiality Assessment and reporting process. The following sectors are considered significant:

- Financial Services Sector: This is the Bank's primary sector of operation. The Bank is directly exposed to the sustainability challenges and opportunities associated with this sector.

- Chemicals Production: While the Bank's primary activities are in financial services, it recognizes the importance of transparency regarding its exposure to the chemicals production sector through its lending and investment practices. The Bank's activities in this sector are limited and indirect.
- Controversial Weapons: the Bank acknowledges the risks associated with controversial weapons, especially considering the potential humanitarian impact. The Bank is committed to transparency regarding its exposure to this sector, but it does not finance or invest in the production of controversial weapons.
- Tobacco: The Bank maintains a policy of not financing or investing in companies involved in the cultivation and production of tobacco. This aligns with the Bank's broader sustainability strategy and its commitment to ethical and socially responsible business practices.

The majority of the Bank's revenues come from retail clients and corporate revenues are split from a variety of sectors, thus there are no individually significant sectors that would require revenue disclosure.

Sustainability-Related Goals

The Bank's goals are structured to align with its business strategy, regulatory requirements, and stakeholder expectations. These goals are focused on significant groups of products and services, customer categories, geographical areas, and relationships with stakeholders.

- Products and Services: The Bank aims to minimize its carbon footprint by providing a digitally focused platform. It aims to offer transparent and ethical financial products designed with consumer well-being in mind. The Bank also aims to enhance financial inclusion by providing access to innovative financial solutions through its mobile app/website.
- Customer Categories: For retail customers, the goal is to empower them to manage their money effectively while supporting sustainable choices. For business customers (SMBs and larger enterprises), the goal is to provide tools to start, run, and scale their business sustainably. For youth customers, the goal is to build a relationship at an early stage, increasing the conversion into primary banking customers.
- Geographical Areas: The Bank seeks to tailor products and services to meet the specific needs of each local market and prioritize its efforts in key markets such as Ireland, France, the Netherlands, Spain, Germany, Italy, Romania, Portugal, Hungary, Poland, Lithuanian as well as expansion in non-EEA countries of Europe such as Switzerland.
- Relationships with Stakeholders: The Bank is committed to building trust and loyalty with customers by providing transparent, ethical, and sustainable financial services. It aims to create a diverse and inclusive work environment for employees, maintain transparent communication with regulators, engage with and support communities, and integrate ESG factors into its procurement and third-party engagement processes.

Assessment of Current Products and Services

The Bank has assessed its current products, services, markets, and customer groups in relation to its sustainability goals. This assessment helps identify strengths, areas for improvement, and opportunities to further integrate sustainability.

- Digital Banking Services: The Bank's digital-first approach reduces its carbon footprint, aligning with environmental goals.
- Payment Accounts & Card Services: These services support financial inclusion and offer a basis for integrating sustainable options.
- Foreign Exchange: This service provides transparency and convenience, but needs further integration with sustainable finance options.
- Savings Accounts: These form a basis for promoting green financial products.
- Credit Products: These are being developed with a focus on ethical lending practices, with future offerings such as mortgages having a sustainability component.

Assessment of Significant Markets

Key markets include Ireland, Romania, Poland, France, Spain, Germany, the Netherlands, and Italy. Each market has varying levels of sustainability awareness and regulatory focus. The Bank can tailor sustainability initiatives to the specific needs and expectations of each market. There is a need to develop market-specific green finance options and campaigns, as well as align sustainability standards and practices across all markets.

Employees as at the reporting date by geographical area:

in headcount	31 December 2024
Spain	341
France	245
Ireland	161
Lithuania	120
Portugal	67
Hungary	29
Italy	25
Romania	20
Germany	20
United Kingdom	10
Belgium	9
Netherlands	7
Total	1,054

Table above includes regular employees (working under labour contracts with and without a fixed term, including those on maternity/paternity leave).

Assessment of Customer Groups

The Bank serves retail customers, small and medium-sized businesses (SMBs), larger enterprises, and youth customers. Many business customers are increasingly focused on sustainability, providing opportunities for the Bank to support its transition through business banking products. There is a need to develop tailored sustainability education and campaigns for specific customer groups. The Bank also strives to provide access to all financial services to all irrespective of their personal characteristics.

Integration with Sustainability-Related Goals

The Bank's commitment to ESG is integrated into its long-term strategy and is considered as am important factor of the commercial strategy. The Double Materiality Assessment helps identify ESG issues that are most relevant to operations and stakeholders. Action plans are being developed to address material ESG issues across all operations, products, markets, and customer groups.

Elements of Strategy Related to Sustainability

The Bank integrates sustainability into its business strategy, recognizing that long-term success depends on addressing ESG factors. The Bank's strategy is built upon six pillars, with ESG considerations embedded within each of these pillars. Building trust is a key strategic objective, and ESG is a critical element of this. The Bank aims for long-term sustainable and profitable growth by focusing on customer needs and protection of their money, developing and releasing customer-focused products and services that consider ESG factors. the Bank's strategy is aligned with the broader mission and objectives of Revolut Group, which includes integrating sustainability.

ESG-Specific Strategic Objectives

The Bank aims to incorporate ESG risks into its business strategy and risk management framework. Ensuring full compliance with ESG-related regulations and risk management requirements is a key objective. The Bank is committed to establishing and maintaining robust internal governance to manage ESG factors and risks. Fostering a sustainability-conscious culture is also crucial. The Bank intends to scale its ESG management framework. The Bank will develop an action plan to address material ESG areas.

Strategic Initiatives and Actions

The Bank has conducted a Double Materiality Assessment (DMA) to identify and prioritize material ESG issues. It is embedding ESG considerations into product development and is committed to transparent reporting and stakeholder engagement. The Bank is also committed to complying with EU regulations, including the CSRD, EU Taxonomy, and the Sustainable Finance Disclosure Regulation (SFDR). It also takes into consideration the ECB guidelines on climate-related and environmental risks and supervisory priorities.

Value Chain

The double materiality assessment includes impacts, risks and opportunities that extend to the Bank's upstream and downstream value chain. The extent to which the Bank's policies, actions, targets, and metrics apply to the value chain is detailed in the topical standards sections of the report. The Bank considered the degree of connection to the entity, potential for material impacts, entity size and complexity, sectoral risk of industries in the value chain, and geographical risk.

Inputs

The Bank's key inputs include skilled labor, technology infrastructure, reliable data, and financial capital. The Bank also depends on its brand reputation and the trust of stakeholders.

Benefits

The Bank's commitment to sustainability creates value for customers through eco-friendly products, investors by attracting ESG-conscious capital, and other stakeholders through adherence to industry standards and responsible banking practices. Customers will benefit from more eco-friendly products and responsible investment options. Investors are expected to be attracted to the Bank's commitment to sustainability and innovative financial products. Other stakeholders benefit from the strengthening of relationships, improved reputation and increased regulatory compliance.

Interests and Views of Stakeholders (SBM-2)

This section describes how the Bank identifies, engages with, and responds to its stakeholders.

At the Bank, stakeholder engagement is prioritized to cultivate strong and transparent relationships with both internal and external stakeholders. Our approach centres on understanding and addressing diverse stakeholder interests and concerns to ensure alignment with our sustainability strategy and business model.

A dedicated cross functional working group, in collaboration with external experts (PwC) in August, 2024, has meticulously reviewed and refined our stakeholder engagement processes, resulting in an updated engagement plan, including a revised stakeholder list and engagement approach.

Stakeholder Group	Engagement Channels	Engagement Purposes	Outcomes of Engagement	Organizational Anchoring
Key Vendors (Revolut Ltd., Apple Distribution International Limited, Cover Genius Europe B.V.)	Third Party Risk Management (TPRM) process	Due diligence on ESG risks, compliance, and operational impact	Secure and responsible vendor partnerships	Vendor Management Team
Customers	Ad-hoc surveys, customer feedback loops, ESG Perception Survey	Understand customer views on sustainability and incorporate insights into offerings	Improved products and services aligned with customer sustainability preferences	Customer Experience Team, Sustainability Team
Employees	Revolut Voices, Slack, town halls, surveys, Guilds (Women@Revolut, Pride@Revolut, Wellbeing@Revolut)	Foster open communication, gather feedback, promote employee engagement and community building	Improved HR and organizational policies, positive work culture	Human Resources Team, Employee Engagement Team

Stakeholder Group	Engagement Channels	Engagement Purposes	Outcomes of Engagement	Organizational Anchoring
Management Board / Supervisory Council	Quarterly ESG performance updates, formal presentations on key initiatives (e.g., DMA)	Ensure governance bodies are informed on stakeholder concerns and sustainability progress	Informed decision-making, strategic alignment with stakeholder interests	Executive Leadership, Sustainability Team
Regulatory Authorities (Joint Supervisory Team (ECB + BoL))	Ongoing compliance reporting, meetings	Ensure compliance with banking standards and ESG regulations	Maintain regulatory compliance, transparent communication	Legal and Compliance Team
Media Outlets	Public information dissemination	Enhance transparency and awareness	Increased public understanding of Revolut's sustainability efforts	Public Relations Team
General Public (non-Revolut users)	Publicly shared company information	Reach potential future customers, build brand reputation	Increased brand awareness and potential customer base	Marketing and Communications Team

1.3 Material sustainability matters

Description of Processes to Identify and Assess Material Impacts, Risks, and Opportunities (IRO-1)

the Bank has established a detailed process for identifying and assessing material impacts, risks, and opportunities (IROs), aligning with the European Sustainability Reporting Standards (ESRS). This process is crucial for its sustainability reporting and strategic planning.

Methodologies and Assumptions

- Revolut used external resources such as sustainability reporting standards (SASB, MSCI), peer and competitor information, existing public information from Revolut (e.g. Revolut Group Holdings Ltd Annual Report 2023), and existing reports, including the 2023 ESG Risk Materiality Assessment and Revolut's Europe Business Plan 2024-2026.
- Customer survey results from 2022 and an employee survey conducted in 2024 were also incorporated. The employee survey was adapted to include ESRS topics and provide insights on additional sustainability-related IROs.
- A Working Group was created to identify and assess material IROs as part of the Double Materiality Assessment (DMA), which included identifying key stakeholders and developing an engagement plan with external consultants.
- Multiple teams were involved in the IRO identification process, including Operations, Finance, Procurement, Risk, and Human Resources.
- Impacts were categorized as actual when there was public information confirming the impact, or potential when there was no specific data, but the impact may occur due to the nature of the activity.
- The assessment of risks and opportunities included evaluating the likelihood and magnitude of financial effects, considering factors like risk exposure, losses, liquidity coverage, and cost of capital over short, medium and long term.

Process to Identify, Assess, Prioritize, and Monitor Impacts

- Impacts were assessed based on severity and likelihood. Severity was measured using three factors: scale, scope, and irremediable character. Positive impacts did not have irremediability assessed.
- Risks and opportunities were assessed based on their likelihood and the magnitude of potential financial effects.
- A four-point scoring scale was used, with a score of 4 representing "almost certain to actual" likelihood. Human rights impacts were given the highest severity score.
- A materiality threshold was set at 3 for impacts and 2.5 for risks and opportunities. The threshold was set based on the rating distribution of IROs.
- The value chain was mapped by looking at the organizational structure, activities, and business partners which significantly contribute to the value of the Bank's services and whether these activities could have significant impacts and/or risks, or opportunities. The value chain boundaries considered the degree of connection to the entity, potential for material impacts, entity size and complexity, sectoral risk of industries in the value chain, and geographical risk. Some aspects were considered not relevant, such as spending of private customers, financed sectors, and key vendors.
- The Bank’s virtual business model and use of renewable energy were considered to reduce its climate-related impacts. However, the Bank expects its indirect exposure to climate-related impacts to increase with the growth of the credit business.
- An average of the likelihood, severity, and irremediability values was used to determine materiality. However, if the severity score was high, the IRO was marked as material even if the threshold was not breached.

Process to Identify, Assess, Prioritize, and Monitor Financial Risks and Opportunities

- A qualitative approach for financial assessment was chosen, with reference to the materiality threshold used for the audit of the financial year 2024.
- A financial impact assessment workshop was conducted with representatives from key stakeholder functions.
- Participants provided individual scores for each risk and opportunity based on magnitude and likelihood via an online survey. Averages of these scores were calculated.
- The financial materiality assessment used a 1 to 4 scale for magnitude and likelihood. For risks, the scale ranged from very small losses with no effect on operating results (1) to significant losses that cannot be absorbed (4). For opportunities, the scale ranged from very small impact (1) to substantial benefit (4). Likelihood also ranged from rare to almost certain.
- Following the assessment, a review was performed to identify additional risks or opportunities not exceeding the threshold but considered material. IROs related to employee training, gender pay gap, and KYC/AML were adjusted to be material due to their importance to the banking sector and potential financial impact.

Decision-Making and Internal Control Procedures

- The Supervisory Council approves the strategy and supervises the Management Board, focusing on strategic decisions and risk oversight. There are four committees under the Supervisory Council: the Audit Committee, the Risk and Compliance Committee (RCC), the Nomination Committee, and the Remuneration Committee.
- The Management Board implements the business strategy and monitors the Bank's performance. There are also three committees under the Management Board: the Asset and Liability Committee (ALCO), the Technology Committee, and the InfoSec Committee.
- The ESG Bank function has specific roles and responsibilities, including integrating ESG principles, coordinating with various teams, and aligning with regulatory requirements.

Integration into Overall Risk Management

- ESG-related risks are filtered through the Enterprise Risk Management Framework (ERMF) and monitored using the Risk Appetite Statement (RAS) and Key Risk Indicators (KRIs).
- ESG factors not yet fully materialized are tracked as part of a Horizon Scanning process under the Emerging Risk framework.
- The Bank has a low appetite for climate risk but will tolerate some exposure if required by the business model.
- A Sustainability Policy restricts sectors based on the NACE classification and includes green lending guidelines. Revolut is in the process of incorporating ESG into the ERMF and has drafted a comprehensive ESG Risk Management policy in addition to the ESG Strategy approved in 2024.

Integration into Overall Management Process

ESG risk factors are included in Emerging Risk horizon scanning activities. An ESG tag for the Risk Register has been introduced to enable risk owners to monitor sustainability related risks.

Additional mandatory disclosures under CSRD (IRO-2)

Following the completion of its DMA, the Bank mapped the mandatory disclosure requirements and data points within the ESRS to its material IROs to assess the materiality of information. Where no linkage was found between a specific requirement and a material IRO, the information in that disclosure requirement or data point has not been disclosed.

In line with this assessment, the tables below list all of the ESRS disclosure requirements across ESRS 2 and the five topical standards which are deemed material to the Bank.

ESRS 2 General Information

Disclosure Requirement	Name of Disclosure Requirement	Section	Page
BP-1 and BP-2	General basis for preparation of the sustainability statement & Disclosures in relation to specific circumstances	1.1 Basis for preparation and accounting policies General Basis for Preparation of Sustainability Statement (BP-1)	21
		1.1 Basis for preparation and accounting policies Disclosures in Relation to Specific Circumstances (BP-2)	21
GOV-1	The role of the administrative, management and supervisory bodies	1.4 Sustainability governance The Role of the Administrative, Management, and Supervisory Bodies (GOV-1)	32
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1.2 Sustainability governance Information Provided to and Sustainability Matters Addressed by the Undertaking's Administrative, Management, and Supervisory Bodies (GOV-2)	34
GOV-3	Integration of sustainability-related performance in incentive schemes	1.2 Sustainability governance Integration of Sustainability-Related Performance in Incentive Schemes compensation (GOV-3)	34
GOV-4	Statement on sustainability due diligence	1.2 Sustainability governance Statement on Due Diligence (GOV-4)	34
GOV-5	Risk management and internal controls over sustainability reporting	1.2 Sustainability governance Risk Management and Internal Controls over Sustainability Reporting (GOV-5)	34
SBM-1	Strategy, business model and value chain (products, markets, customers)	1.2 Business model and strategy Strategy, Business Model, and Value Chain (SBM-1)	22
SBM-2	Interests and views of stakeholders	1.2 Business model and strategy Interests and Views of Stakeholders (SBM-2)	24

ESRS 2 General Information

Environment Standard – E1 Climate Change

Environment Standard – E1 Climate Change

Environment Standard –E2 Pollution

Environment Standard –E2 Pollution

Disclosure Requirement	Name of Disclosure Requirement	Section	Page
E2-3	Targets related to pollution:	2.3 Pollution (E2) Targets Related to Pollution (E2-3)	51
E2-4	Pollution of air, water, and soil	2.3 Pollution (E2) Pollution of Air, Water, and Soil (E2-4)	51
E2-5	Substances of concern and substances of very high concern	ESRS phase-in provision applied	
E2-6	Anticipated financial effects from pollution-related impacts, risks, and opportunities	2.3 Pollution (E2) Anticipated Financial Effects from Pollution-Related Risks and Opportunities (E2-6)	52

Environment Standard –E5 Resource use and circular economy

Disclosure Requirement	Name of Disclosure Requirement	Section	Page
ESRS 2, SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	2.4 Resource use and circular economy (E5) Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model (E5.SBM-3)	52
ESRS 2, IRO-1	Description of the processes to identify and assess material climate-related impact, risks and opportunities	2.4 Resource use and circular economy (E5) Description of the Processes to Identify and Assess Material Resource Use and Circular Economy-Related Impacts, Risks, and Opportunities (E5.IRO-1)	53
E5-1	Policies related to resource use and circular economy	2.4 Resource use and circular economy (E5) Policies Related to Resource Use and Circular Economy (E5-1)	54
E5-2	Actions and resources related to resource use and circular economy	2.4 Resource use and circular economy (E5) Actions and Resources Related to Resource Use and Circular Economy (E5-2)	54
E5-3	Targets related to resource use and circular economy	2.4 Resource use and circular economy (E5) Targets Related to Resource Use and Circular Economy (E5-3)	54

Environment Standard –E5 Resource use and circular economy

Disclosure Requirement	Name of Disclosure Requirement	Section	Page
E5-4	Resource inflows	2.4 Resource use and circular economy (E5) Resource Inflows (E5-4)	54
E5-5	Resource outflows	2.4 Resource use and circular economy (E5) Resource Outflows (E5-5)	54
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	2.4 Resource use and circular economy (E5) Anticipated Financial Effects from Material Resource Use and Circular Economy-Related Risks and Opportunities (E5-6)	55

ESRS G1 – Business conduct

Disclosure Requirement	Name of Disclosure Requirement	Section	Page
ESRS 2, SBM-3	Material impacts, risks and opportunities, and their interaction with strategy and business model	4.Governance information - Business Conduct Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)	56
ESRS 2, GOV-1	The role of the administrative, supervisory and management bodies	4. Governance information - Business Conduct The role of the administrative, supervisory and management bodies (GOV-1)	57
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	4. Governance information - Business Conduct Description of the processes to identify and assess material impacts, risks, and opportunities (IRO-1)	56
G1-1	Corporate culture and Business conduct policies	4. Governance information - Business Conduct Business conduct policies and corporate culture (G1-1)	58

ESRS G1 – Business conduct

Disclosure Requirement	Name of Disclosure Requirement	Section	Page
G1-3	Prevention and detection of corruption and bribery	4. Governance information - Business Conduct Prevention and detection of corruption and bribery (G1-3)	60
G1-4	Confirmed incidents of corruption or bribery	4. Governance information - Business Conduct Confirmed incidents of corruption or bribery (G1-4)	60

List of phased-in disclosure requirements

Disclosure Requirement	Name of Disclosure Requirement
S1	Own Workforce
S3	Affected communities
S4	Consumers and end users
E2-5	Substances of concern and substances of very high concern

Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model (SBM-3)

The Bank's material impacts, risks and opportunities identified in the materiality assessment for the year are presented below.

Overview of sustainability matters for disclosure under ESRS

ESRS	Impact materiality	Financial materiality	Link to sustainability pillar
E1 Climate change	Material	Material	Climate and environmental action
E2 Pollution	Material	Material	Climate and environmental action
E3 Water and marine resources	Not material	Not material	Climate and environmental action
E4 Biodiversity and ecosystems	Not material	Not material	Climate and environmental action
E5 Resource use and circular economy	Material	Material	Climate and environmental action
S1 Own workforce	Material*	Material	Social responsibility
S2 Workers in the value chain	Not material	Not material	Social responsibility
S3 Affected communities	Material*	Material	Social responsibility
S4 Consumers and end-users	Material*	Material	Social responsibility
G1 Business conduct	Material	Material	Financial strength, governance and culture

The Bank has chosen to utilise the phase-in provisions allowed under the European

Sustainability Reporting Standards for its first Corporate Sustainability Reporting Directive report. As the average number of employees for 2024 is less than 750, the Bank has opted to omit the information required by all disclosure requirements in ESRS S1 (Own Workforce), S3 (Affected Communities), and S4 (Consumers and End-Users).

The tables on the following pages provide an overview of the material impacts, risks and opportunities identified in the 2024 DMA. In addition to a brief description, the tables indicate whether the impacts, risks and opportunities are identified in the Bank's own operations or in the value chain as well as what time horizon is relevant for the impacts, risks or opportunities.

The impacts, risks and opportunities have been specified in accordance with the ESRS. In addition, the Bank has assessed the materiality of information for specific disclosure requirements. If the information has been determined to provide a more comprehensive and complete view to meet users' decision-making needs, it has been included in the disclosures. Correspondingly, if the information has been considered to be not material to meet the objective of the relevant disclosure requirement, it has been excluded from the disclosures.

Entity-specific disclosures have also been assessed in cases where the standards are not detailed enough to capture the Revolut Bank's role as a bank in society.

The analysis has identified entity-specific topics in **G1 Business conduct**, relating to the prevention from money laundering and fraud in the society.

Further specification of the material impacts, risks and opportunities and how they are addressed in the strategy and business model is provided in the topical sections.

Material impacts, risks and opportunities identified in the 2024 DMA

E1 Climate change Material IROs

Sub-topic	IRO	Positive or negative impact; Risk or opportunity	Actual or potential impact	Time horizon	Value chain location of impact
Energy	Data centers required for cloud computing and data storage, consume large amounts of electricity (energy use)	Negative impact	Actual	All	Upstream

E1 Climate change Material IROs

Sub-topic	IRO	Positive or negative impact; Risk or opportunity	Actual or potential impact	Time horizon	Value chain location of impact
Climate change mitigation	Distant manufacturing process of Bank's physical cards(manufacturing in Korea and later shipping them to a personalization bureau in Poland) results in an amount of GHG emissions from long distance transportation.	Negative impact	Actual	All	Upstream
Climate change mitigation	Bank's personalized physical cards are shipped to customers across Europe by local carriers, which results in GHG emissions from the transportation.	Negative impact	Actual	All	Downstream
Energy	Use of Revolut services require energy (charge of phones, laptops) which has negative impact on climate change from associated emissions	Negative impact	Actual	All	Downstream
Climate change mitigation	Improved ESG risk management system could lower portfolio insolvency risks and lower associated costs/ increase profitability	Opportunity	-	Medium term, Long term	Own operations
Climate change adaptation	Regulatory changes and regulatory scrutiny may increase compliance costs for the Bank	RIsk	-	Medium term, Long term	Own operations
Climate change adaptation	Failure to address sustainability concerns of investors can lead to negative publicity and difficulties securing investment funds	Risk	-	Medium term, Long term	Upstream

E1 Climate change Material IROs

Sub-topic	IRO	Positive or negative impact; Risk or opportunity	Actual or potential impact	Time horizon	Value chain location of impact
Climate change mitigation	Commitment to sustainability and responsible business practices can enhance reputation and attract investors	Opportunity	-	Medium term, Long term	Own operation
Climate change mitigation	Opportunity to introduce / expand climate-friendly financial products, like savings and investments, offerings, as the demand for sustainable finance products and services increases	Opportunity	-	Medium term, Long term	Own operation

Summary of IROs identified for E1 Climate Risk

	Material	of which positive	of which negative
Impacts	4	0	4
Risks	2		
Opportunities	3		

E2 Pollution

E2 Pollution Material IROs

Sub-topic	IRO	Positive or negative impact; Risk or opportunity	Actual or potential impact	Time horizon	Value chain location of impact
Pollution of water	Bank's customization of its physical cards often requires inks and dies, generating contaminated wastewater which leads to water pollution.	Negative impact	Actual	All	Upstream
Microplastics	Distant manufacturing process of Bank's physical cards (manufacturing in Korea and later shipping them to a personalization bureau in Poland) results in an amount of GHG emissions from long distance transportation.	Negative impact	Actual	All	Downstream
Microplastics	Revolut could introduce biodegradable or recycled material-based cards to reduce environmental impact, increasing reputation for brand	Opportunity	-	All	Own operations

Summary of IROs identified for E2 Pollution

	Material	of which positive	of which negative
Impacts	2	0	2
Risks	0		
Opportunities	1		

E5 Resource use and circular economy

E5 Resource use and circular economy Material IROs

Sub-topic	IRO	Positive or negative impact; Risk or opportunity	Actual or potential impact	Time horizon	Value chain location of impact
Waste	E-waste generation (discarded electrical and electronic technologies) from Bank's own operation and supplier's operations	Negative impact	Actual	All	Own operations, Upstream
Waste	Domestic waste is generated at the offices / co-working spaces/ home.	Negative impact	Actual	All	Own operations
Waste	Unestablished treatment of office/work equipment at its end of life leads to negative impact on environment (excluding electronic equipment).	Negative impact	Actual	All	Own operations
Resources inflows, including resource use	Manufacturing process of physical cards requires extraction of non-renewable raw materials.	Negative impact	Actual	All	Upstream
Resource outflows related to products and services	Reverse shipping chain for physical cards that could cause an uplift in the ESG reputation for Revolut therefore bringing more customers sensitive to ESG matters	Opportunity	-	All	Downstream
Resources inflows, including resource use	Offer recycling program for expired/unused physical cards could enhance position on sustainability	Opportunity	-	All	Own operation

Summary of IROs identified for E5 Resource use and circular economy

	Material	of which positive	of which negative
Impacts	4	0	4
Risks	0		
Opportunities	2		

G1 Business conduct

G1 Business conduct Material IROs

Sub-topic	IRO	Positive or negative impact; Risk or opportunity	Actual or potential impact	Time horizon	Value chain location of impact
Corporate culture	Setting an example with ethical business practices contributes to developing an overall better business culture. Bank has a Code of Conduct in place which displays best practice behaviours in terms of risk management, decision making, management reporting, regulatory alignment, audits, etc., which contribute to transparency and responsible business practices promotion	Positive impact	Actual	Short term, Medium term, Long term	Own operations
Entity-specific	Failure to protect financial system from money laundering and fraud may cause negative impact to customers and society at large	Negative impact	Potential	Short term, Medium term, Long term	Downstream
Corporate culture	Providing a channel to anonymously report any concerns (to employees) encourages individuals to speak up and promotes transparency and trust	Positive impact	Actual	Short term, Medium term, Long term	Own operations
Protection of whistle-blowers	Ensuring whistleblowers' anonymity and not-retaliation and promoting such practice has a positive impact to good business conduct	Positive impact	Actual	Short term, Medium term, Long term	Own operations
Entity-specific	Bank's failure to comply with AML and KYC obligations can lead to negative financial consequences due to incurred penalties, loss of customer trust and market credibility.	Risk	-	Short term, Medium term, Long term	Own operations

Summary of IROs identified for G1 Business conduct

	Material	of which positive	of which negative
Impacts	4	3	1
Risks	1		
Opportunities	0		

1.4. Sustainability governance

The Role of the Administrative, Management, and Supervisory Bodies (GOV-1)

The administrative, management, and supervisory bodies at the Bank play crucial roles in overseeing sustainability and ESG matters.

Detailed information on the composition and positions held by Management Board and Supervisory Council Members are disclosed in the Management Report.

Management Board

This body is responsible for overseeing sustainability and ESG matters. It is composed of six executive members. The Management Board reviews the ESG Strategy for recommendation to the Supervisory Council at least annually.

Supervisory Council

This body is responsible for approving the ESG Strategy and reviewing it annually. The Supervisory Council includes eight non-executive members. The Supervisory Council has a Nomination Committee, an Audit Committee, and a Risk & Compliance Committee that are involved in sustainability and governance.

- The Supervisory Council Nomination Committee plays a key role in setting and overseeing the Bank's diversity target for the Management Board and Council and preparing proposals to ensure these targets are achieved.
- The Supervisory Council Audit Committee submits recommendations to the Council ensuring the promotion of good internal governance.
- The Supervisory Council Risk & Compliance Committee ensures the Bank's corporate governance arrangements reflect principles of good governance including transparency and accountability, supporting the Bank's values and the sustainability of the business over the longer term. This committee also takes into account all types of risk to ensure alignment with the Bank's strategy, objectives, culture, and values, and advises the Council on the overall current and future risk strategy and risk appetite for the Bank, assisting the Council in overseeing the implementation of this strategy and adherence to the established limits by senior management.

The CEO is responsible for executing, implementing and following up operations based on strategies decided by the Management Board, i.e. to ensure that the Bank follows its strategic direction.

Currently, there are no dedicated committees assigned to ESG matters. However, material impacts, risks, and opportunities related to ESG are addressed by the administrative, management, and supervisory bodies during their regular discussions and updates.

The institution of a dedicated ESG committee is under consideration and may be evaluated following the completion of the compliance gap assessment analysis.

Diversity of Leadership

The Management Bodies, which include the Management Board and the Supervisory Council, have a gender diversity ratio of is 3:11.

The current lack of gender diversity on the management board presents an opportunity for improvement. A more balanced representation could bring a wider range of perspectives and insights, fostering inclusive leadership and innovation. To address gender diversity, the organisation is considering implementing targeted recruitment strategies aimed at attracting qualified female candidates for leadership roles. Developing mentorship and leadership development programs for women within the Bank could also help build a pipeline of future female leaders. Setting diversity goals within each team and identifying future Leads and Directors along succession planning reviews can also ensure that gender diversity becomes a sustained priority.

As mentioned above, The Supervisory Council is made up of 8 members. 6 of the members are independent, which represents 75% of the council.

Roles and Responsibilities

The responsibilities of these bodies are documented in their official terms of reference. The Management Board is responsible for overseeing sustainability and ESG matters. The Supervisory Council Nomination Committee sets and oversees diversity targets. The Supervisory Council Audit Committee promotes good internal governance, and the Supervisory Council Risk & Compliance Committee ensures corporate governance reflects good principles and advises on risk strategy. The Management board and Supervisory Council are accountable for ESG Strategy approval and oversight.

The relevant responsibility matrix is documented in the Bank ESG strategy and is summarised below:

Area of Responsibility/ Committee/Role	Responsibilities/Tasks	ESG Integration/ Focus	Reporting Line
Supervisory Council	Approves Bank's strategy, supervises Management Board activities, strategic decision-making, control & analysis.	Oversees and approves ESG strategy.	Shareholders Meeting
Risk and Compliance Committee (RCC)	Oversees risk & compliance matters, risk governance, internal control systems.	Oversees ESG risk management & compliance.	Supervisory Council
Remuneration Committee (RemCo)	Prepares decisions on remuneration, oversees remuneration practices, advises on Remuneration Policy.		Supervisory Council
Audit Committee (AC)	Controls effectiveness of internal control, risk management, internal audit systems, legal compliance, financial reporting.	Reviews ESG reporting and controls related to ESG data.	Supervisory Council
Nomination Committee (NomCo)	Handles nominations for management body vacancies, evaluates candidates' skills, diversity, and experience.	Considers ESG expertise and diversity in nominations.	Supervisory Council
Management Board	Implements business strategy, monitors Bank's performance, makes decisions on day-to-day operations.	Accountable for ESG strategy approval and oversight. Receives reports from ESG working group.	Supervisory Council/ General Meeting
Outsourcing Committee (OUTCO)	Ensures adequate coverage of key risks in third-party risk management and outsourcing.	Consider ESG risks in outsourcing.	Management Board
Technology Operating Committee	Oversees operational effectiveness of Bank's technology.		Management Board
Operational Risk Committee (ORC)	Oversees internal control functions and risk management for operational risks.	Considers ESG-related operational risks.	Management Board
Technology Committee	Manages and oversees matters related to Technology, Change, and Platform risks.		Management Board
InfoSec Committee	Manages and oversees matters related to Information Security risks.		Management Board
Head of Bank Ops		Maintains & updates ESG strategy, manages ESG factors, coordinates with teams.	Management Board
Head of Credit		Develops green products.	Management Board
Head of People		Responsible for social engagements.	Management Board
Head of Capital & Wholesale Credit Risk		Oversees, challenges, and reviews ESG-related initiatives.	Management Board
EU ESG Operations Manager		Coordinates ESG inputs, provides input on ESG governance.	Head of Bank Ops
ESG Risk Manager		Integrates ESG into risk management framework, develops ESG risk policies.	Chief Risk Officer
Head of Finance		Responsible for annual sustainability report submission.	Management Board
Chief Risk Officer (CRO)		Responsible for ESG risk within the Bank's risk function.	Management Board
Chief Compliance Officer (CCO)		Responsible for compliance control in the ESG area.	Management Board
ESG Working Group		Addresses and reviews relevant ESG factors.	Steering Committee/ Management Board
Steering Committee (ESG)		Oversees the work of the ESG Working Group.	Management Board

Sustainability skills and expertise

The Management Board collectively brings deep expertise in European financial services, particularly in retail banking, risk management, and business strategy. With decades of experience across these areas, the board is adept at driving business growth. Their proficiency in retail banking ensures the development of innovative solutions and their business acumen allows for sound decision-making, balancing profitability with long-term strategic goals in an increasingly competitive environment.

Their expertise ensures that the institution is well-prepared to anticipate and respond to emerging risks, safeguarding financial stability and long-term profitability. Their joint expertise ensures these systems function efficiently, promoting transparency, compliance, and risk mitigation while aligning with both regulatory standards and business objectives.

Together, these collective skills position the board to lead with confidence, ensuring enhanced governance within a consolidated structure, operational efficiency, and resilience in the fast-evolving European financial services sector.

The Management Board and Supervisory Council also ensures that specific training initiatives are carried out as necessary. During the year 2024, the training programmes focused on current sustainability regulations, including the CSRD (specifically the workshop on "Sustainable Finance and ESG risk").

General competence within the Bank with regard to sustainability is reviewed as new regulations that affect the Bank come into force.

Information Provided to and Sustainability Matters Addressed by the Undertaking's Administrative, Management, and Supervisory Bodies (GOV-2)

The administrative, management, and supervisory bodies are kept informed about material impacts, risks, and opportunities related to sustainability.

- Communication Channels: These bodies are informed through a dedicated communication channel via Slack, and the final outcome of the double materiality exercise was presented at a formal Management Board meeting on 16 December 2024. The Supervisory Board receives dedicated quarterly updates on ESG matters.
- Consideration of Impacts: These bodies actively consider sustainability impacts, risks, and opportunities when overseeing strategy, major transactions, and risk management processes.
- ESG Strategy: A dedicated ESG Bank Strategy was approved by both the Management Board and Supervisory Council in December 2024.
- No Dedicated ESG Committees: Currently, there are no dedicated committees specifically assigned to ESG matters. However, the institution of a dedicated ESG committee is under consideration. Material impacts, risks, and opportunities related to ESG are addressed by the administrative, management, and supervisory bodies during their regular discussions and updates.

Integration of Sustainability-Related Performance in Incentive Schemes (GOV-3)

Currently, there is no direct linkage between incentive schemes and sustainability matters for members of the administrative, management, and supervisory bodies.

1. Remuneration Policy: The existing remuneration policy is tied to overall business objectives and goals, which inherently include fostering a positive impact on ESG. Currently, climate-related considerations are not directly factored into the remuneration of members of the administrative, management, and supervisory bodies. However, the overall remuneration framework supports achieving business objectives, which include positive ESG outcomes. As part of the recently established ESG strategy, future KPIs will address directly and indirectly climate-related priorities, with certain integration into remuneration policies.
2. Future Integration: ESG strategy implementation KPIs will be considered for development and integration into the performance assessment framework in the future.
3. Variable Remuneration: The percentage of variable remuneration directly dependent on specific sustainability-related targets and impacts is currently zero.
4. Supervisory Council Responsibility: The Supervisory Council of the Bank is responsible for the adoption, support, and supervision of enforcement of the remuneration policy and ensures that it is effective and compliant, and aligned with the overall management system. It oversees the remuneration policies and ensures they comply with the policy, and reviews external remuneration consultants. It also assesses the achievement of performance targets, and reviews scenarios to test how the remuneration policies react to external and internal events.

Statement on Due Diligence (GOV-4)

The table below provides a mapping of where the core elements of due diligence are presented in this Sustainability Statement.

Core elements of due diligence	Section in Sustainability Statement	Pages
Embedding due diligence in governance, strategy and business model	ESRS 2 SBM-1 ESRS 2 GOV-2	22, 34
Engaging with affected stakeholders in all key steps of the due diligence process	ESRS 2 SBM-2	24
Identifying and assessing negative impact	ESRS 2 SBM-3 ESRS 2 IRO-1	29, 25
Taking actions to mitigate those negative impacts	ESRS E1 ESRS E2 ESRS E5	37, 49, 52
Tracking the effectiveness of those actions	ESRS E1 ESRS E2 ESRS E5	37, 49, 52

The due diligence process covers governance and risk management, environmental due diligence, social due diligence, and stakeholder engagement and reporting.

Risk Management and Internal Controls over Sustainability Reporting (GOV-5)

Management and Internal Control Processes and Systems in Relation to Sustainability Reporting

The Bank employs an Enterprise Risk Management Framework (ERMF) to manage and oversee sustainability reporting, using tools such as a Risk Register, Horizon Scanning, and a Climate Risk Appetite Statement.

The Bank also maintains a Sustainability Policy and integrates risk assessments, including a double materiality assessment, into its ESG Risk Management policy.

The internal control process consists of five core elements: control environment, risk assessment, control activities, information and communication, and monitoring. The Internal Control Framework makes all business areas and functions responsible for managing risks that arise from their activities, and implementing controls to ensure compliance with internal and external requirements.

The main risk regarding sustainability reporting and compliance is the considerable regulatory change resulting from the implementation of the CSRD and the ESRS in 2024. To mitigate this risk, a centralized function is responsible for coordinating the production of the Sustainability Statement, while governing bodies, management, risk management functions and other staff at the Bank carry out the control process.

The Bank has initiated the establishment of system support to facilitate future reporting. In 2024, controls were designed to validate data with uncertain data quality, and duality controls were put in place for manual data handling and reporting. Control validations and reconciliations are performed by responsible managers within relevant units for selected areas to prevent the reporting of incorrect information.

To enhance procedures and mitigate the risk of inaccurate reporting, the internal control process is subject to continuous evaluation.

Risk Assessment Approach and Prioritisation

ESG-related risks are actively monitored and tracked according to the Risk Appetite Statement and Key Risk Indicators. A Horizon Scanning process is also used to identify and track emerging ESG risks.

The Bank prioritises risks based on their potential impact on the Bank's operations and reputation, as well as their alignment with the Bank's Risk Appetite Statement.

Main Risks Identified and Mitigation Strategies

The Bank faces several key risks, including over-reliance on a single vendor or ESG data provider and the centralization of ESG monitoring systems. Additionally, the Bank acknowledges climate-related risks and has responded by establishing a low appetite for such risks, maintaining a restricted sectors list, and actively managing its product composition to align with global climate goals.

Regulatory compliance risk and statutory reporting also pose a challenge due to the rapidly evolving disclosure requirements for sustainability information in the Management Report, driven by new regulations from national and European regulators.

Integration of Risk Assessment and Internal Control Findings into Internal Functions and Processes

The findings of risk assessments, including the double materiality assessment, are integrated into the Bank's ESG Risk Management policy and referenced in the Bank's ESG Strategy. The ESG Strategy is regularly reviewed and updated to ensure that it remains aligned with the Bank's risk appetite and that the Bank's risk management processes are effective.

Periodic Reporting to Administrative, Management, and Supervisory Bodies

The ESG Strategy findings were presented to the Management Board and Supervisory Council. Due to the increasing importance of ESG risk management and strategy development, the issue will be presented to the Supervisory Council and Management Board more frequently than the current annual schedule.

2. Environmental information

2.1. EU Taxonomy disclosures

The Bank's disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) reveal the bank's current stance and future plans regarding environmentally sustainable activities. The Taxonomy Regulation aims to establish a classification system to determine which economic activities qualify as environmentally sustainable, guiding investment and financial decisions toward greener initiatives.

The EU Taxonomy has six environmental objectives:

1. climate change mitigation (CCM)
2. climate change adaptation (CCA)
3. sustainable use and protection of water and marine resources (WTR)
4. transition to a circular economy (CE)
5. pollution prevention and control (PPC)
6. protection and restoration of biodiversity and ecosystems (BIO)

Current Status of EU Taxonomy Alignment

The Bank does not currently complete a full EU Taxonomy disclosure. While The Bank has investment restrictions using the NACE classification system, these restrictions are not directly aligned with the EU Taxonomy. The Bank does not actively invest in 'green' investments or assess the environmental sustainability of its mixed portfolio yet, including CLO baskets. Although some companies within its portfolio could potentially qualify as green, this is not currently evaluated or tracked.

Turnover

The Bank reports zero for environmentally sustainable activities (Taxonomy-aligned) turnover. The Bank has not tracked whether any activities qualify as enabling or transitional or with respect to their DNSH (Do No Significant Harm) compliance related to climate change mitigation, climate change adaptation, water, pollution, circular economy, and biodiversity.

Capital Expenditure (CapEx)

The Bank has no Taxonomy-aligned CapEx.

Operational Expenditure (OpEx)

The Bank reports zero for environmentally sustainable activities (Taxonomy-aligned) OpEx.

Reasons for Lack of Alignment

The primary reason for the lack of alignment is that The Bank does not actively invest in 'green' investments or assess the environmental sustainability of its portfolio in accordance with the EU Taxonomy. While the Bank uses the NACE classification for economic activity to limit its exposure to high ESG risks, this classification is currently not directly aligned with the EU Taxonomy.

Future Plans for EU Taxonomy Alignment

Despite the current lack of alignment, the Bank acknowledges the increasing importance of the EU Taxonomy and is taking steps to ensure future alignment. These steps include:

- Sustainable Product Offerings: The Bank is exploring opportunities to develop and offer sustainable finance products and services that align with the EU Taxonomy criteria. This includes green mortgages with discounted rates for low environmental impact homes and a commitment to reviewing the risk-return profiles of potential investments, including ESG risks.
- Defining Objectives and Targets: the Bank plans to develop clear objectives and measurable targets for aligning its revenues, CapEx, and OpEx with the EU Taxonomy.
- Incorporating Taxonomy Criteria into Product Development: The Bank intends to integrate Taxonomy-aligned criteria into the development and design of new financial products and services.
- Enhancing Data Collection and Reporting: the Bank will improve data collection and reporting processes to accurately track and measure the alignment of its economic activities with the Taxonomy.
- Providing Regular Updates: The Bank will include specific disclosures on its progress in aligning with the EU Taxonomy in its annual sustainability reports.

Specific Actions and Policies

Sustainability Policy

The Bank's Sustainability Policy sets requirements for supporting the transition to a low-carbon economy, including avoiding 'high risk' industries under the NACE classification and the EU taxonomy. It also outlines retail credit considerations, including the introduction of 'green mortgage' criteria.

Green Lending Guidelines

The Sustainability Policy also incorporates green lending guidelines, which will be adopted for the rollout of mortgage loans across the European Economic Area (EEA) with pre-defined incentives for borrowers to achieve energy efficiency milestones to qualify for lower interest payments.

Climate Change Mitigation

The Bank is focused on reducing its carbon footprint by improving energy efficiency in its operations, optimizing resource use, and integrating sustainable practices into its business model.

Climate Change Adaptation the Bank monitors and responds to regulatory changes and external climate risks, developing a climate risk management framework to assess and mitigate potential risks.

Challenges and Limitations

The Bank acknowledges challenges in aligning with the EU Taxonomy, including:

- Data Availability and Quality: Obtaining reliable data for measuring alignment can be complex and require improvements in data collection and analysis.
- Evolving Standards: The criteria for the EU Taxonomy may evolve, requiring the Bank to adapt its strategies continuously.
- Quantifying Expenditures: The Bank recognizes limitations in quantifying the specific expenditures related to sustainability at this time.

Currently, the Bank does not report any activities that are aligned with the EU Taxonomy. However, The Bank has taken the initial steps and is committed to aligning its operations and offerings with the EU Taxonomy through various strategic initiatives, policy implementations, and continuous improvement efforts. The Bank is enhancing its data collection and reporting systems to track and measure alignment with the Taxonomy, ensuring greater transparency and accountability in its sustainability performance.

Summary of KPIs

The following table is a summary of KPIs to be disclosed by credit institutions under Article 8 of the EU Taxonomy Regulation. See supplementary information on page 61 for additional EU Taxonomy tables reported under Annex VI of the Disclosures Delegated Act and taxonomy aligned activities.The EU Taxonomy disclosure tables on pages 61 to 70 are an integral part of the Sustainability Statement.

2024		Total environmentally sustainable assets EUR million	KPI turnover % ****	KPI CapEx % *****	% coverage (over total assets)***
Main KPI	**Green asset ratio (GAR) stock**	**0**	**0%**	**0%**	**0%**
Additional KPIs	GAR (flow)	0	0%	0%	0%
	Trading book*	n/a	n/a	n/a	
	Financial guarantees	0	0%	0%	
	Assets under management	n/a	n/a	n/a	
	Fees and commissions income**	n/a	n/a	n/a	

2023		Total environmentally sustainable assets EUR million	KPI turnover % ****	KPI CapEx % *****	% coverage (over total assets)***
Main KPI	**Green asset ratio (GAR) stock**	**0**	**0%**	**0%**	**0%**
Additional KPIs	GAR (flow)	0	0%	0%	0%
	Trading book*	n/a	n/a	n/a	
	Financial guarantees	0	0%	0%	
	Assets under management	n/a	n/a	n/a	
	Fees and commissions income**	n/a	n/a	n/a	

** For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR.Trading Book KPIs shall only apply starting 2026.*

***Fees and commissions income from services other than lending and AuM.*
Institutions shall disclose forward looking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.
Fees and Commissions KPIs shall only apply starting 2026

**** % of assets covered by the KPI over the Banks´ total assets*

*****based on the Turnover KPI of the counterparty*

******based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used*

2.2. Climate change (E1)

Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model (E1.SBM-3)

The Bank addresses material impacts, risks, and opportunities related to climate change through a multi-faceted approach that integrates sustainability into its core business strategy and risk management framework. The Bank recognizes climate change as a significant issue that may affect its operations, financial performance, and sustainability objectives.

Identification and Assessment of Climate-Related Impacts, Risks, and Opportunities

The Bank has conducted a Double Materiality Assessment (DMA) to identify and assess material ESG issues, including those related to climate change. The DMA helps in understanding how climate-related factors impact the Bank's financial performance, as well as how the Bank's operations affect the environment and its stakeholders. The Bank has also incorporated climate risk into its Emerging Risk horizon scanning activities, including transitional risk (e.g. evolving regulation) and physical risks (acute and chronic).

Integration into Strategy and Business Model the Bank integrates sustainability into its overall business strategy, recognizing that long-term success depends on addressing environmental, social, and governance (ESG) factors. This commitment is reflected in several key strategic elements:

- Core Business Strategy and ESG Integration: The Bank's strategy is built upon six pillars, with sustainability integrated into each one. This approach ensures that sustainability is not a standalone initiative but a core element of Revolut Bank's operations.
- ESG-Specific Strategic Objectives: The Bank aims to incorporate ESG risks into its business strategy and risk management framework. This involves identifying, assessing, and managing environmental, social, and governance risks.
- Risk Management: The Bank has a 'low appetite' for climate risk in its Risk Appetite Statement. It tolerates some exposure through its business model, such as exposure to collateral in the lending portfolio, but mitigates it to the extent possible. The Bank uses the NACE classification for economic activity when limiting its appetite to exposures to sectors that potentially are exposed to high transition risks.

- Strategic Alignment: The Bank has integrated its commitment to ESG into its long-term strategy, considering it an important factor of its commercial strategy. The Bank's strategy also aligns with the broader mission and objectives of Revolut Group, which includes integrating sustainability.
- Alignment with External Frameworks: The Bank complies with EU regulations, including the CSRD, EU Taxonomy, and the Sustainable Finance Disclosure Regulation (SFDR). It also takes into consideration the ECB guidelines on climate-related and environmental risks.

Specific Actions and Initiatives

- Decarbonization Plan: the Bank is committed to aligning its business model and strategy with the goals of the Paris Agreement and the European Climate Law. Measuring and Reducing Operational Footprint: the Bank is actively measuring its Greenhouse Gas (GHG) emissions using the Watershed Technology, Inc. platform, tracking Scope 1, 2, and 3 emissions. The Bank is committed to reducing its operational footprint by running efficient digital operations and promoting remote working. Its offices in London and Vilnius use renewable energy, and its cloud data services provider matches energy usage with renewable energy.
- Sustainable Finance: The Bank is dedicated to advancing environmental sustainability and promoting green businesses. It is reviewing risk-return profiles of potential investments and assessing ESG risks. It plans to offer attractive sustainable investment options to clients e.g. with lower or declining emission profiles.
- Green Lending Guidelines: The Bank incorporates green lending guidelines, which will be adopted for the rollout of mortgage loans across the European Economic Area (EEA) with pre-defined incentives for borrowers to achieve energy efficiency milestones to qualify for lower interest payments. The Bank is planning to include ESG factors within its mortgage pricing strategy, offering discounts for low environmental impact homes.
- Limited Involvement in High-Risk Sectors: the Bank has a low appetite for climate risk and avoids exposure to sectors that are potentially exposed to high transition risks. The Bank does not engage in corporate lending and its activities in the fossil fuel sector are limited and indirect. The Bank uses the NACE classification for economic activity when limiting its appetite to exposures to sectors that potentially are exposed to high transition risks.
- Supply Chain Engagement: The Bank ensures that its Third Party Due Diligence and Outsourcing policies take ESG factors into account, promoting sustainable procurement practices.

Financial Implications

The Bank acknowledges that material sustainability-related risks and opportunities can have both current and future impacts on its financial position, performance, and cash flows.

- Current Financial Effects: The Bank recognizes exposure to physical risks such as damage to property, reduced productivity, and supply chain disruptions due to climate change. Currently, these risks have a limited direct financial impact due to the Bank's digital nature and limited physical assets; however, potential indirect impacts through collateral values in the lending portfolio are being monitored.
- Anticipated Financial Effects: The Bank anticipates that material sustainability-related risks and opportunities will have varying financial effects over the short, medium, and long term. Opportunities in green finance are expected to become more pronounced, with a potential for higher revenues from sustainable financial products. Major shifts in the regulatory environment could significantly impact business costs, strategy and investments as The Bank will need to demonstrate alignment with “net zero” climate goals.
- Expenditures: The Bank recognizes the need for both operational expenditures (OpEx) and capital expenditures (CapEx) to implement its climate action plan. These expenditures are related to technology upgrades, data management, risk management, and compliance with regulations. The Bank will implement a robust system to track OpEx and CapEx specifically related to climate action.

Risk Management and Resilience

Revolut Holdings Europe UAB (RHE), the Bank's parent European entity adopts a Pillar 2 capital requirements resilience analysis, in which it assumes a sharp decline in residential real estate values to estimate the impact from physical climate risks. The RHE assumes that residential real estate values would drop significantly in case of financial distress in a market where real estate collateral is located or due to general correction of real estate values due to general overvaluation of the underlying assets. The RHE does not distinguish whether the drop of value and thus additional capital set aside for the risk is purely associated with real estate market movements or with changes in ESG risk because of the interlinkage between the financial factors and ESG factors should a drop in value be caused by a climate event.

The Bank included the European Central Bank’s 2022 Climate Stress Test macroeconomic scenarios based on the geographic regions it has or is planning to have exposure to. This exercise was included in the Bank’s annual Climate Stress Test exercise as part of the Internal Capital Adequacy Assessment Process (ICAAP) reporting. The internal capital required as a result of the climate impact under the ECB Stress Test scenario was calculated as a difference between Pillar 1 capital and capital needed assuming a drop in the collateral value, which included a 4.08% and 14.20% drop in residential real estate prices in Lithuania and Ireland, respectively. The Bank assumes that the effect of the collateral value change under the ECB Climate Stress scenario occurs instantaneously and thus is not phased over time. Under the 2024 ICAAP Climate Stress scenario, the Bank estimated that the effect of climate stress would require an additional EUR4mn in the base year, and EUR 18 million and EUR 30 million in the subsequent two years of Pillar 2 ESG risk capital. These values were derived from stressing collateralised real estate exposures using the ECB Climate Stress Test macroeconomic scenario.

The Bank also conducted a Climate Risk Impact exercise as part of an annual Business Continuity Plan (BCP) review in Q4 2024. This involved a scenario which looks at how climate change affects the Bank and its counterparties through leased premises across various locations in Europe. The BCP exercise found that exposure to climate risk is low, primarily due to the leased nature of Revolut’s premises across Europe. While acute climate events (e.g., wildfires, floods, storms) could lead to short-term financial impacts such as increased insurance costs, the Bank's resilience is reinforced by the BCPs of its material third-party service providers, ensuring continued operational stability in the event of climate-related disruptions.

Transition Risks and Opportunities

The Bank acknowledges that transition risks emerge from the economic and regulatory shifts required to transition to a low-carbon economy.

- Transition Risks: These include policy changes, market shifts, technological advances, and evolving consumer preferences. The primary transmission channel for such risks will be through changes in the valuation of assets in the investment portfolio and collateral for mortgages as a result of the energy transition.

- Opportunities: The Bank sees technological innovation as an opportunity for new business. As the demand for sustainable finance products and services increases, Revolut can deepen its offerings of climate-friendly financial products, like savings or investments. The Bank is also exploring ways to meet the growing demand for sustainable finance products, such as green investments or eco-conscious savings options.

Challenges and Limitations

The Bank acknowledges some challenges and limitations in its approach:

- Data and Measurement: The Bank faces challenges in data collection, methodology, and calculating Scope 3 emissions.
- Early Stage of Development: The Bank is in the early stages of developing its ESG risk management framework and is building up the necessary resources and expertise.
- Evolving Regulations: The evolving nature of ESG regulations and standards requires continuous adaptation.

The Bank demonstrates a strong commitment to addressing climate change through various strategic and operational initiatives. By integrating sustainability into its business model, risk management, and governance structures, The Bank aims to create long-term value while contributing to a sustainable future. The Bank's approach is iterative, with continuous improvement and adaptation as new best practices and regulatory requirements emerge. The Bank is committed to ongoing monitoring, review, and adaptation of its plan to align with evolving best practices and regulatory requirements.

Description of the Processes to Identify and Assess Material Climate-Related Impacts, Risks, and Opportunities (E1.IRO-1)

The Bank has followed a structured methodology to identify and assess climate-related impacts, risks, and opportunities, as part of its broader sustainability assessment. This process is aligned with the European Sustainability Reporting Standards.

Identification Process:

- Materiality Screening: The Bank began with the screening of its business operations, supply chain, and product lifecycle to identify areas with potential climate risk, including from physical climate change and the energy transition. This included reviewing risks across its own operations, suppliers, and composition of the investment portfolio categorised by higher-risk sectors under NACE classification. In parallel, the Bank is also undertaking an assessment of its own impact on climate change, which involves quantifying its direct and indirect greenhouse gas emissions across its own operational footprint and value chain. This analysis will enable the Bank to understand its own contribution to climate change and inform the development of targeted strategies for emissions reduction and mitigation.
- Data Collection & Assessment: The Bank evaluated its existing business processes (e.g., procurement, manufacturing, logistics, and treasury operations) to assess sources of climate risk. The Bank considered impacts connected to its own activities, and also potential impacts, based on the nature of the activities and products.

Stakeholder Input

The identification process was also informed by customer and employee feedback. A customer survey from 2022, and an employee survey from 2024 were incorporated into the identification process.

Working Group

The Bank created a Working Group, which was tasked with identifying and assessing material impacts, risks and opportunities, and identifying key stakeholders.

Assessment Process:

- Impact Prioritization: The Bank used a combination of severity and likelihood criteria to assess the identified climate-related impacts. Severity was measured by the scale of the impact, the scope of how widespread the impact would be, and the irremediable character of the potential impact. In the case of positive impacts, irremediability is not assessed.
- Risk and Opportunity Assessment: Risks and opportunities were assessed based on the likelihood of them materializing and the magnitude of potential financial effects (such as risk exposure, losses, or reputational damage).

Threshold
The Bank used an average of the likelihood, severity, and irremediability values when determining whether an issue breached the threshold to be considered material. However, even if the threshold is not breached, if the severity score was considered to be very high, The Bank marked the relevant issue as material.

Materiality Determination
Issues were classified as material if their score exceeded a defined assessment threshold. A materiality threshold was set at 3 for impacts and 2.5 for risks and opportunities. The threshold was based on the rating distribution of issues, to ensure that all relevant identified issues were included.

Integration into Sustainability Reporting
The final list of material climate-related issues was incorporated into its ESRS-aligned disclosures. The assessment results are also intended to guide future sustainability initiatives that seek to mitigate climate risks, enhance operational resilience and reduce emissions.

Specific Activities
Relationships and Geographies In the process of mapping the value chain, the Bank considered the degree of connection to the Bank, potential for material impacts, the size and complexity of the entities, as well as sectoral and geographical risks from its physical operations, leased office space, and loan and investment portfolio composition.

Consideration of Value Chain
Revolut considered impacts connected to its own activities, as well as those connected to its business relationships.

Stakeholder Engagement
While formal consultations with external stakeholders or experts were not conducted during this reporting period, The Bank recognizes the importance of stakeholder engagement. The Bank aims to incorporate structured consultation processes in future assessments.

Financial Impact Assessment

- Qualitative Approach: A qualitative approach was chosen for the financial assessment, with monetary values not specifically defined. In this context the Bank refers to its materiality threshold relevant for the 2024 financial audit when assessing sustainability-related financial risks and opportunities.

- Workshop: A financial impact assessment workshop was conducted in October 2024, involving representatives from key stakeholder functions within the Bank.
- Assessment Steps: The methodology was distributed to participants in advance, presented during the workshop, and each participant provided individual scores.

Prioritization of Sustainability-Related Risks

- Review Process: A review of the risks and opportunities exceeding and not exceeding the threshold was conducted to identify any additional risks and/or opportunities that are considered material by the Bank.
- Adjustment of IROs: Certain IROs (e.g., failure to address sustainability concerns of investors, commitment to sustainability and responsible business, opportunity to introduce/expand climate-friendly financial products) were adjusted to be material due to their importance to the banking sector and potential adverse financial impact.

Integration into Risk Management

- Risk Register: Revolut uses its Risk Register to filter for ESG-related risks that are actively monitored and tracked in accordance with the Risk Appetite Statement and defined Key Risk Indicators .
- Horizon Scanning: ESG factors that have not yet fully materialized are tracked as part of a Horizon Scanning process under the Emerging Risk framework.
- Low Risk Appetite for Climate Risk: The Bank has set a 'low appetite' for climate risk in its RAS and mitigates exposure as much as possible.
- Sustainability Policy: The Bank has a list of restricted sectors using the NACE classification and incorporates green lending guidelines in its Sustainability Policy.
- Climate Stress Test: Revolut uses the European Central Bank's 2022 Climate Scenarios for its annual Climate Stress Test exercise as part of the ICAAP reporting.

Transition Plan for Climate Change Mitigation (E1-1)

The Bank recognizes the urgency of addressing climate change and is committed to aligning its business model with the goals of the Paris Agreement and the European Climate Law. Key Components of the Transition Plan

- Embedding Climate Risk: The Bank is actively embedding climate risk considerations into its business strategy and risk management framework.
- Regulatory Compliance: The Bank prioritizes compliance with all relevant ESG regulations and risk management requirements.
- Reducing Greenhouse Gas Emissions: This includes reducing the Bank's operational footprint and enabling customers to make more sustainable financial choices.
- Decarbonization Actions: The Bank intends to reduce emissions through initiatives such as using renewable energy, reducing plastic in cards, and evaluating ESG factors in procurement.
- Sustainable Products and Services: The Bank plans to offer green financial products and services and develop policies to address ESG risks.
- Double Materiality Assessment: The Bank will use the findings of its DMA to guide the setting of specific targets.
- Data and Methodology: The Bank will strengthen its data collection and analysis capabilities to track progress on emission reduction targets.
- Transition Planning: The Bank recognizes the need to develop a comprehensive transition plan that outlines specific steps and anticipated costs for reducing emissions.
- Transparency and Disclosure: The Bank is committed to transparently disclosing its progress on climate targets and initiatives.

Actions and Initiatives

- Renewable Energy: The Bank sources renewable power for its offices and data centers.
- Low Appetite for Climate Risk: The Bank has set a low appetite for climate-related risks.
- Donations Product: The Bank intends to expand its Donations product to focus on sustainability-focused organizations.
- Restricted Sectors: The Bank restricts investments in high climate risk sectors based on NACE classifications and provides strict green lending criteria.
- ESG Strategy: the Bank has put in place an ESG Strategy to integrate ESG principles into decision-making processes.
- Climate Risk Stress Testing: Climate scenarios are included in the Bank's annual stress test exercises.
- Climate-Friendly Financial Products: The Bank will offer sustainable financial products, including green mortgages.

Alignment with Strategic Objectives

These decarbonization actions are aligned with the Bank's strategic objectives, particularly its commitment to building trust and being a sustainable and responsible financial institution. The Bank ensures that ESG considerations are integrated across all areas of its operations.

Challenges and Limitations

- Data and Methodology: The Bank acknowledges the challenge of obtaining reliable data for measuring progress on emission reduction targets.
- Quantifying Expenditures: The Bank recognizes limitations in quantifying the specific expenditures related to sustainability at this time.
- Scope 3 Emissions: The Bank has calculated and is working on addressing Scope 3 emissions.
- Locked-in emissions: The Bank acknowledges challenges in managing locked-in emissions from long-term investments and product lifecycles. Locked-in emissions are further described in the section *Qualitative assessment of Potential Locked-in GHG Emissions* on page 42.
- Setting Targets: The Bank acknowledges the need to set more specific, measurable, and time-bound targets for further reducing its GHG emissions.

Future Commitments

- Action Plans Based on DMA: The Bank aims to develop targeted action plans based on the findings of the DMA.
- Continuous Improvement: The Bank will continuously monitor its progress and aims to adapt its strategies as new technologies and best practices emerge.
- Transparent Disclosure: The Bank is committed to transparently disclosing its progress on its climate targets and initiatives.

Financial Planning

- Operational Expenditures (Opex): These include costs related to renewable energy, sustainable alternatives to current purchased goods, and third-party engagements.
- Capital Expenditures (Capex): These include investments in sustainable technologies, such as energy-efficient data centers and energy efficient office leases.
- Financial Bene*fits*: These expenditures will help The Bank to comply with regulations, build trust, and manage climate risk.

Embedding the Transition Plan

The transition plan is embedded in the Bank’s business strategy and financial planning processes, ensuring a cohesive approach to sustainable growth. The Bank's planning includes a strategic planning process that incorporates the findings of the DMA, the annual capital allocation framework, and an annual budgeting process that prioritizes sustainable spending.

Governance and Approval

- Supervisory Council: This body supervises the activities of the Management Board and approves the Bank’s strategy.
- Management Board: This board reviews the proposed transition plan to ensure its feasibility and alignment with the Bank's strategy. The Management Board also takes responsibility for the oversight of implementation of the plan.
- Key Elements of the Plan: The transition plan includes the integration of ESG factors into business strategy, reduction of the carbon footprint, development of sustainable product offerings, and adherence to ESG reporting standards.

Progress in Implementation

The Bank is integrating ESG into its business strategy and operations and has embedded climate risk into its overall business strategy and risk management framework. The Bank is also tracking and measuring its greenhouse gas emissions and has established a low appetite for climate risk.

Climate-Related Risks

- Transition Risks: The Bank identifies transition risks as particularly material, such as complying with changing regulations and disclosure requirements and the risk of failing to address investors' sustainability concerns.
- Physical Risks: The Bank screens its assets and business activities for exposure to physical climate risk. The Bank also conducted a Climate Risk Impact exercise as part of an annual Business Continuity Plan review in Q4 2024. The Bank has identified climate-related hazards over short, medium and long-term time horizons.

Transition opportunities

This transition presents several opportunities for the Bank:

- Embedding Climate Risk into Strategy and Risk Management: By actively embedding climate risk considerations into its overall business strategy and risk management framework, the Bank can better identify and capitalize on climate-related opportunities. This involves assessing climate-related risks and opportunities and developing mitigation and adaptation measures.
- Promoting Sustainable Finance Products and Services: Focusing on customer needs and protection through innovative products and services provides a foundation to explore and develop financial solutions that promote sustainable practices and support the transition to a low-carbon economy. This could include expanding credit product portfolios to include green loans specifically designed to finance environmentally friendly projects and initiatives, and integrating ESG factors into investment products, offering customers options to invest in companies with strong sustainability performance.
- Reducing Operational Footprint: the Bank will further enhance its sustainability performance by implementing energy-efficient practices in its offices and branches, promoting remote work and reducing business travel to minimize emissions.
- Building a Sustainability-Conscious Culture: The Bank fosters a sustainability-conscious culture among its employees through targeted training and awareness programs. This encourages employees to consider ESG factors in their daily operations and decision-making

Resilience Analysis

- Pillar 2 Capital Requirement: The Bank estimates a "Pillar 2" capital requirement for ESG risk, assuming real estate values could drop due to climate events.
- Business Continuity Plan: The Bank looked at how climate change affects The Bank and its counterparties through leased premises across various locations in Europe.

Climate Change Policies

- Sustainability Policy: The Bank has a high-level Sustainability Policy in place, which focuses on climate-related and environmental risks. The policy mandates the integration of climate-related risks into the Enterprise Risk Management Framework of the Bank.

Climate Change Actions and Resources

- Mitigation and Adaptation: The Bank is committed to addressing climate change through both mitigation and adaptation strategies, focusing on reducing its carbon footprint, optimizing resources, and integrating sustainable practices into its business model, including climate-friendly products.

- Decarbonization Levers: The Bank is focusing on improving energy efficiency, purchasing of renewable energy, reducing emissions from physical cards, and offering sustainable finance products.
- Materiality Assessment: The Bank's approach rests on the materiality assessment of ESG factors The Bank is exposed to, where actions related to these issues will be driven by the outcomes of the DMA.

Climate Targets

- Evaluation of Targets: The Bank is currently evaluating the introduction of GHG emissions reduction targets and other directly climate-related targets, but formal quantitative targets have not been established yet.
- Assessment: The Bank is assessing emissions linked to office operations, data centers, and supply chain activities to determine reduction strategies.

Assets at Physical Risk

- Assessment: The Bank is evaluating physical risks to its assets using climate scenario analysis, integrating relevant climate data, historical weather patterns, and forward-looking climate projections.
- Vulnerabilities: The Bank has identified vulnerabilities in real estate and operational infrastructure.
- Acute Risks: The Bank recognizes the potential for significant, short-term damage to assets due to extreme weather events.

Assets at Transition Risk

- Screening: The Bank continues to screen assets and business activities for exposure to transition risks through an ESG risk materiality assessment. Stricter regulation to accelerate the energy transition and resulting technological disruption could affect the viability of the business models of corporate customers, as well as the Bank’s own investment exposures, driving up credit risk in the longer term. Such structural economic changes could also result in higher unemployment in areas more directly impacted by secular shifts into lower carbon emitting activities, reducing households’ ability to service their loan and mortgage obligations.
- Climate risk will strain public sector finances and potentially affect tax revenues as carbon-intensive industries are disrupted by technological changes and stricter environmental regulation, impacting investment exposure to sovereign and municipal bonds

Climate Scenario Analysis

- Informed by Scenarios: The Bank uses the ECB's 2022 Climate Stress Test scenario, which includes a focus on physical risk intensity across European regions.
- Integration: Climate risk is included in the Bank’s regular ICAAP and ILAAP stress tests, using the ECB’s Climate Stress Test scenarios to model internal capital requirements.

Qualitative assessment of Potential Locked-in GHG Emissions

The Bank recognizes that certain assets and products have the potential to lock in greenhouse gas (GHG) emissions, which could jeopardize the achievement of the Bank’s GHG emission reduction targets and increase its exposure to transition risks.

Locked-in GHG emissions refer to emissions that are ‘built-in’ or committed through long-term investments, long term contracts or products, making them difficult to abate or avoid in the short to medium term.

Potential sources of locked-in GHG emissions for the Bank include:

- Data Centers and Cloud Computing: The Bank relies heavily on data centers for cloud computing and data storage, which consume large amounts of electricity, leading to significant GHG emissions, particularly if the energy source is not renewable.
- Mortgage Lending: Financing properties with poor energy performance creates long-term emissions as these buildings will require significant energy consumption over their lifespans for heating, cooling, and lighting.
- Card Production and Distribution: The production and distribution of payment cards results in GHG emissions, including emissions from transportation and from production processes. The use of plastics presents a disposal challenge.
- Investments: Investments in companies or projects with high carbon footprints (e.g., non-renewable energy) could lock in emissions over the long term.
- Supply Chain and Third-Party Services: Emissions from the supply chain and third-party activities (including transportation of goods and services) represent a risk of creating locked-in emissions, particularly from suppliers with less sustainable practices.

These potential locked-in emissions pose several risks, including:

- Increased difficulty in meeting GHG reduction targets.
- Exposure to transition risk, including regulatory risks (e.g., carbon taxes, stricter building codes), reputational risks (e.g., loss of customers, reputational damage), financial risks, and stranded assets.

The Bank is implementing several strategies to mitigate the risks associated with locked-in emissions:

- Prioritizing renewable energy.
- Developing green finance products and incentives.
- Incorporating ESG factors into procurement and third-party engagement processes.
- Continuous monitoring and evaluation of GHG emissions across all scopes.
- Transparency and reporting through its annual sustainability report and by adhering to regulatory reporting requirements.
- Integrating ESG risks into its risk management framework.
- Double Materiality Assessment to identify the impacts, risks, and opportunities of ESG factors.

The Bank acknowledges several challenges in managing locked-in emissions, including data availability, long-term planning difficulties, and technological and economic uncertainties.

The Bank is committed to the following actions going forward:

- Enhance data collection and analysis, particularly for Scope 3 emissions.

- Develop more specific targets for reducing locked-in emissions.
- Collaborate with partners to encourage sustainable practices and reduce emissions.
- Continuously explore new products and technologies that will help reduce carbon emissions.

Climate Change Mitigation & Adaptation Policies (E1-2)

Sustainability and ESG Risk Management Policies

The Bank has the Sustainability Policy that primarily focuses on climate-related and environmental risks. This policy is aligned with a "low" appetite for such risks, as stated in the Risk Appetite Statement. The policy governs sustainability-related risk identification, monitoring, and management, as well as sustainability reporting. It assigns roles and responsibilities to various functions within the Bank, including leadership and the Executive Risk and Asset and Liability Committees. The latter is tasked with reviewing and overseeing Key Risk Indicators (KRIs). The policy mandates the integration of climate-related risks into the Bank's Enterprise Risk Management Framework.

Climate risk is assessed when launching new products or services, or expanding business. These assessments feed into other processes of the Bank - strategic planning, internal capital and liquidity assessment processes, business continuity and recovery planning. Risk Management reviews the list of high risk industries at least annually in order to measure and report ESG risk exposure internally and provide proper guidance to the business on growth and management. The Bank uses NACE classification for economic activity and to drive investments towards the transition to an environmentally friendly economy.

An unsecured loans product is available for customers to use for a variety of purposes with home improvements and in particular funding energy efficiency measures notable in their popularity. The Bank continues to scope what other offerings it may bring to market to support green lending generally including longer loan terms and targeting pricing for specific purposes. Mortgage lending remains part of Bank's medium- to long-term plan, with a planned entry into this asset class set to consider in particular how the Bank will support home purchasers whose mortgages will meet 'Green Mortgage' criteria.

Climate Change Actions & Resources (E1-3)

Mitigation and Adaptation Strategies

The Bank is committed to addressing climate change through mitigation and adaptation strategies.

- Mitigation: Focuses on reducing the Bank's carbon footprint by improving energy efficiency, optimizing resource use, and integrating sustainable practices into its business model. This includes incorporating more climate-friendly products such as sustainable financial products and services to support the transition to a low-carbon economy.
- Adaptation: Involves actively monitoring and responding to regulatory changes and external climate risks that could impact operations. The Bank is developing a climate risk management framework to assess and mitigate potential risks, ensuring resilience. They also engage with stakeholders to stay informed and adapt strategies.
- Dedicated Resources: These actions are supported by a dedicated cross-functional team and the ESG risk management expert, which works with risk management and operational teams to align the Bank's strategy with climate objectives. This approach ensures coordinated efforts towards both mitigation and adaptation.

The Bank has not evaluated the amount of investments and funding that will be required and is aiming to do that in 2025.

Decarbonization Levers

The Bank recognizes the urgency of addressing climate change and is committed to aligning its business model and strategy with the goals of the Paris Agreement and the European Climate Law. The Bank aims to contribute to a sustainable economy and limit global warming to 1.5°C, ultimately achieving climate neutrality by 2050.

Here's how The Bank will adjust its strategy and business model to achieve these goals:

1. Embedding Climate Risk into Strategy and Risk Management: The Bank is actively embedding climate risk considerations into its overall business strategy and risk management framework. This involves identifying and assessing climate-related risks and opportunities and developing mitigation and adaptation measures.

2. Compliance with Regulatory ESG Requirements: The Bank prioritizes compliance with all relevant ESG regulations and risk management requirements, ensuring that its operations meet evolving regulatory expectations in each EEA jurisdiction it operates.

3. Establishing Robust ESG Governance: The Bank is establishing appropriate internal governance structures to effectively manage ESG factors and risks. This includes clear roles and responsibilities, reporting mechanisms, and decision-making processes that integrate sustainability considerations.

4. Building a Sustainability-Conscious Culture: The Bank fosters a sustainability-conscious culture among its employees through targeted training and awareness programs. This encourages employees to consider ESG factors in their daily operations and decision-making.

5. Scaling ESG Management Framework: The Bank is committed to scaling its ESG management framework as its product and service suite expands, ensuring that its approach to sustainability evolves alongside its business growth and increasing ESG exposure.

6. Promoting Sustainable Finance Products and Services: While the source doesn't specify particular sustainable finance product offerings, the Bank's strategy emphasizes focusing on customer needs and protection through innovative products and services. This provides a foundation to explore and develop financial solutions that promote sustainable practices and support the transition to a low-carbon economy. This could include:

- Green Loans: Expanding its credit product portfolio to include loans specifically designed to finance environmentally friendly projects and initiatives.
- Sustainable Investment Options: Integrating ESG factors into investment products and offering customers options to invest in companies with strong sustainability performance.

7. Reducing Operational Footprint: Although specific details aren't outlined in the source, the Bank's digital-first approach can contribute to a reduced operational footprint compared to traditional banks. The Bank can further enhance its sustainability performance by:

- Implementing energy-efficient practices in its offices, branches and data centres.
- Promoting remote work and restricting business travel when possible to minimize emissions.

8. Transparent ESG Reporting: The Bank will provide transparent and comprehensive reporting on its ESG performance, outlining its progress in implementing its transition plan and addressing climate-related risks and opportunities.

9. Continuous Improvement: the Bank acknowledges that addressing climate change is an ongoing journey. The Bank commits to continuously reviewing and improving its transition plan, setting ambitious targets, and adapting its approach as new technologies and best practices emerge.

By implementing these measures, the Bank aims to demonstrate leadership in sustainable banking and contribute to a future where finance plays a pivotal role in achieving a sustainable economy.

GHG Mitigation projects financed through carbon credits

The Bank is still in the early stages of developing carbon emissions targets, before developing GHG mitigation projects, including those financed through carbon credits and engaging with suppliers on reducing emissions.

GHG Emission Reductions

As this is the first reporting year for the Bank, no specific benchmark or historical data is available to report on GHG emission reductions (tCO_2eq) achieved. We are in the early stages of developing our sustainability and decarbonisation strategies, and emissions data will be tracked and reported in future periods once our climate-related initiatives are fully implemented and monitored. Moving forward, we aim to establish a baseline for GHG emissions and set clear targets for reduction.

Climate Change Targets (E1-4)

Evaluation of Targets

In 2024, Revolut Bank UAB was actively preparing for the implementation of robust sustainability targets, including those related to Greenhouse Gas (GHG) emissions and other climate-related factors. Our approach to target setting is intrinsically linked to our commitment to comply with the Corporate Sustainability Reporting Directive (CSRD).

Given the Bank's distinct business model, our current environmental footprint differs significantly from traditional financial institutions. Our primary activities involve credit cards, consumer loans, Buy Now Pay Later services, and a limited number of residential mortgages. Unlike banks with substantial portfolios in commercial lending for carbon-intensive sectors such as manufacturing, mining, and large-scale real estate, Revolut Bank's current exposure to activities driving significant GHG emissions is minimal. We do not own real estate assets, promote remote work for our employees, and operate as a predominantly digital entity, significantly reducing our reliance on paper documentation and traditional physical infrastructure.

Therefore, our focus in establishing GHG emission reduction targets will reflect our operational footprint and align with best practices within the digital banking sector. We will be benchmarking ourselves against comparable digital financial institutions to ensure our targets are ambitious yet relevant to our business activities. We anticipate formalizing and announcing our sustainability targets in the coming year, building a framework for managing our impacts, risks, and opportunities in line with CSRD requirements and our commitment to environmental responsibility

Energy Consumption & Mix (E1-5)

The Bank the total energy consumption related to own operations:

Energy consumption and mix	Value
(1) Fuel consumption from coal and coal products (MWh)	0.43
(2) Fuel consumption from crude oil and petroleum products (MWh)	3.73
(3) Fuel consumption from natural gas (MWh)	13.08
(4) Fuel consumption from other fossil sources (MWh)	0.00
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	110.49
(6) Total fossil energy consumption (MWh)	**127.73**
Share of fossil sources in total energy consumption (%)	*56.79%*
(7) Consumption from nuclear sources (MWh)	4.20
Share of consumption from nuclear sources in total energy consumption (%)	1.87%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	1.00
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	92.00
(10) The consumption of self-generated non-fuel renewable energy (MWh)	0.00
(11) Total renewable energy consumption (MWh)	**93.00**
Share of renewable sources in total energy consumption (%)	*41.35%*
****Total energy consumption (MWh)****	**224.93**

Below are the specifics of the metrics required, following the same structure as the ESRS:

(1) Fuel consumption from coal and coal products (MWh)

Scope 1 energy consumed from burning coal and coal-derived products, such as in a steel manufacturing plant where coal is used to fuel blast furnaces.

(2) Fuel consumption from crude oil and petroleum products (MWh)

Scope 1 energy consumed from burning oil-related products such as petrol used in own vehicles.

(3) Fuel consumption from natural gas (MWh)

Scope 1 energy consumption from burning natural gas, such as gas used in office buildings for space heating.

(4) Fuel consumption from other fossil sources (MWh)

Scope 1 energy consumption from less conventional fossil sources, such as oil shale and tar sands.

(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)

Scope 2 energy consumption from electricity, heat, steam, and cooling that is purchased or acquired from fossil-based sources. This represents the proportion of purchased or acquired energy from fossil sources, as accounted for in Scope 2 market-based carbon calculations.

(6) Total fossil energy consumption (MWh)

The sum of line items (1) to (5).

Share of fossil sources in total energy consumption (%)

The sum of line items (1) to (5) divided by the total energy consumption (see below).

(7) Consumption from nuclear sources (MWh)

We assume that all energy consumption from nuclear sources corresponds to electricity derived from nuclear energy. This metric reflects the amount of electricity consumed by our facilities from nuclear sources, based on the specific grid mix of the locations.

Share of consumption from nuclear sources in total energy consumption (%)

The line item (7) divided by the total energy consumption (see below).

(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)

Scope 1 energy consumption from renewable energy fuels, including biomass, biogas, and renewable hydrogen. These sources involve direct use of renewable fuels that the Bank controls or owns.

(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)

Scope 2 energy consumption from electricity, heat, steam, and cooling that is purchased or acquired from renewable sources. This represents the proportion of purchased or acquired energy from renewable sources, as accounted for in Scope 2 market-based carbon calculations.

(10) The consumption of self-generated non-fuel renewable energy (MWh)

Scope 2 energy consumption from self-generated, non-fuel renewable sources, such as solar panels installed on-site.

(11) Total renewable energy consumption (MWh)

The sum of line items (8) to (10).

Share of renewable sources in total energy consumption (%)

The sum of line items (8) to (10) divided by the total energy consumption (see below).

Total energy consumption (MWh)

The sum of line items (6), (7) and (11).

Energy Intensity

The Bank's energy intensity, calculated as the total energy consumption per gross revenue, is 0.13 MWh per EUR 1 million.

Gross Scopes 1, 2, 3 and Total GHG Emissions (E1-6)

Total GHG Emissions

The Bank's total gross GHG emissions are 4,846 tCO_2eq (market-based) and 4,787 tCO_2eq (location-based).

GHG Emissions per Scope:

GHG scope	Emissions: market-based (Sum, tCO_2eq)	Emissions: location-based (Sum, tCO_2eq)
Scope 1 (primarily from fuel consumption)	5.9 tCO_2eq	5.9 tCO_2eq
Scope 2 (mainly comes from purchased electricity)	81 tCO_2eq	69 tCO_2eq
Scope 3 (various sources in the Bank's value chain)	4,759 tCO_2eq	4,712 tCO_2eq

Scope 1 & 2 Emissions Under Financial vs. Operational Control

The Bank has financial and operational control over all of its Scope 1 and 2 emissions. Therefore, there are no emissions over which the Bank has operational control only:

- Scope 1: 5.91 tCO_2eq under financial control and 0 tCO_2eq under operational control only.
- Scope 2: 81 tCO_2eq under financial control and 0 tCO_2eq under operational control only.

Breakdown of Scope 3 Emissions

GHG category	Emissions: market-based (Sum, tCO_2e)
3.1 purchased goods and services	4,201 tCO_2e
3.2 capital goods	11 tCO_2e
3.3 fuel and energy related activities	28 tCO_2e
3.5 waste generated in operations	20 tCO_2e
3.6 business travel	136 tCO_2e
3.7 employee commuting	339 tCO_2e
3.8 upstream leased assets	23 tCO_2e

Biogenic Emissions

Biogenic emissions of CO_2 from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions are 0.25 tCO_2eq.

Scope 2 Contractual Instruments

The percentage of Scope 2 energy consumption covered with contractual instruments is 39%.

Scope 3 Primary Data

33% of Scope 3 GHG emissions are calculated using primary data obtained from suppliers or other value chain partners.

GHG Emission Intensity

The Bank's GHG emissions intensity, calculated as the total GHG emissions per gross revenue, is 2.7 tCO_2eq per EUR 1 million (market-based) and 2.7 tCO_2eq per EUR 1 million (location-based).

Total GHG Emissions According to ESRS E1-6 AR48

The following table summarizes the Bank's GHG emissions for the reporting period of January to December 2024, as per the ESRS E1-6 AR48 disclosure. As this is the first reporting year, there are no comparative figures or base year data available as well as no targets set for 2025.

Emission Type	Jan – Dec 2024 (tCO_2eq)	Comparative Year	Jan – Dec 2024 / Comparative (%)	2025
Scope 1 GHG Emissions				
Scope 1 GHG emissions	6			
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)	–			
Scope 2 GHG Emissions				
Gross location-based Scope 2 GHG emissions (tCO_2eq)	69			
Gross market-based Scope 2 GHG emissions (tCO_2eq)	81			
Significant scope 3 GHG Emissions				
Total Gross location-based indirect (Scope 3) GHG emissions (tCO_2eq)	**4,712**			
Total Gross i market-based indirect (Scope 3) GHG emissions (tCO_2eq)	**4,759**			
3.1 Purchased goods and services	4,201			
3.2 Capital goods	11			
3.3 Fuel and energy related activities	28			
3.5 Waste generated in operations	20			
3.6 Business travel	136			
3.7 Employee commuting	339			
3.8 Upstream leased assets	23			
Total GHG Emissions				
Total GHG emissions (location-based) (tCO_2eq)	**4,787**			
Total GHG emissions (market-based) (tCO_2eq)	**4,846**			

Explanation and Elaboration

Scope 1 Emissions

These are direct GHG emissions from sources that are owned or controlled by the Bank. In this case, the 5.9 tCO_2eq primarily results from the consumption of fuel by the Bank e.g. from natural gas for heating offices and refrigerant leakage from cooling offices. This is a relatively small amount, as a financial institution, Revolut does not have large-scale industrial operations. The total Scope 1 emissions are the same for both market-based and location-based accounting methods.

Scope 2 Emissions

These are indirect GHG emissions from the generation of purchased electricity, heat, steam, and cooling that is consumed by the Bank:

- The gross location-based Scope 2 emissions are 69 tCO_2eq. This method calculates emissions based on the average emissions intensity of the grids from which the energy is consumed.
- The gross market-based Scope 2 emissions are 81 tCO_2eq. This method accounts for the use of contractual instruments, such as renewable energy certificates, to reduce emissions. The difference of 12 tCO_2eq indicates a small amount of renewable energy was purchased.

Scope 3 Emissions

These are all other indirect GHG emissions that occur in the value chain of the Bank, including both upstream and downstream activities.

- The total gross indirect (Scope 3) GHG emissions amount to 4,759 tCO_2eq. This makes up the majority of the Bank's carbon footprint, highlighting the significance of the value chain in its overall emissions profile.
- A significant portion of these emissions comes from purchased goods and services (4,201 tCO_2eq). These emissions include those related to the production of physical cards, their packaging, marketing materials, and other goods that the Bank procures. This reflects the Bank's reliance on external suppliers.
- Other Scope 3 emissions include fuel and energy-related activities (28 tCO_2eq), which include emissions from the extraction, production, and transportation of fuels and energy purchased by the Bank.
- Other significant contributors are employee commuting (339 tCO_2eq) and upstream leased assets (262 tCO_2eq).
- The Bank also has emissions related to waste generated in operations (20 tCO_2eq) and business travel (136 tCO_2eq).
- The Bank also recognizes that manufacturing and shipping of physical cards contribute to greenhouse gas emissions (GHG).

Total GHG Emissions

- The total GHG emissions (location-based) are 4,787 tCO_2eq.
- The total GHG emissions (market-based) are 4,846 tCO_2eq.
- The difference between the location-based and market-based figures indicates the impact of using contractual instruments and renewable energy certificates to reduce emissions associated with purchased electricity. The current higher market-based figure is a consequence of the EU's energy attribute tracking system. The significant claiming of renewable energy via these instruments results in a "residual grid" with a higher carbon intensity than the overall grid average, impacting our market-based calculations for any unbundled electricity consumption

- The difference between the location-based and market-based calculations is approximately 59 tCO_2eq.

Market vs Location Based Emissions

The location-based method reflects the actual emissions of the grids from which the energy is consumed. The market-based method, on the other hand, takes into account the purchase of renewable energy or other contractual instruments that reduce emissions. The difference between the two highlights how the Bank is attempting to reduce its carbon footprint through the purchase of renewable energy certificates.

Key Takeaways and Reasoning:

- Early Stages of Formalization: While the Bank demonstrates a commitment to sustainability, many of its policies, targets, and actions are still in the early stages of development. The Bank is actively working on embedding ESG factors into its strategy and operations. For example, a formal climate change policy that details specific actions to mitigate negative impacts is yet to be implemented.
- Focus on Risk Management: The Bank's initial approach to climate change is primarily focused on risk management. This is reflected in its "low" appetite for climate risk, the emphasis on integrating climate risk into their Enterprise Risk Management Framework, and the use of climate stress testing for the ICAAP.
- Data and Methodology Challenges: The Bank acknowledges the need to improve its data collection and analysis capabilities, particularly for Scope 3 emissions. This challenge is common for organizations that have complex supply chains or operations.
- Transition Planning: While The Bank has a transition plan, it's still evolving. The Bank recognizes the need to set more specific, measurable, and time-bound targets for reducing its GHG emissions. The Bank is working on developing a comprehensive plan that outlines specific steps and expected cost for reducing emissions across its operations and value chain, including strategies for aligning with a 1.5°C trajectory.
- Emphasis on Transparency: The Bank is focused on transparent reporting, and is committed to reporting on its sustainability performance and complying with regulations like CSRD and the EU Taxonomy.
- Indirect Impacts: The Bank recognizes that its primary impacts are indirect, stemming from data centers, card production and supply chain activities. As such, a key part of its strategy is to address indirect impacts, which require a focus on supplier engagement and operational efficiencies.
- Limited Direct Emissions: As a digital bank, the Bank’s direct operational emissions (Scope 1) are relatively low. The primary challenge lies in addressing Scope 2 emissions from energy consumption and Scope 3 emissions that arise from the value chain.

GHG Removals and Mitigation Projects (E1-7)

The Bank's disclosures regarding GHG removals and mitigation projects are still in development, with no specific activities reported in this area and lack of certain data in this section. While the Bank acknowledges the importance of these practices, it has not yet implemented formal projects or policies in this area.

GHG Removals: the Bank does not report having any GHG removals or storage in its own operations or its value chain. The Bank has not implemented any projects related to carbon sequestration, afforestation, or other direct removal methods.

Net-Zero Targets: The Bank has not set specific net-zero targets for the time being..

Reasoning and Key Takeaways for E1-7

- Early Stages of Implementation: The Bank is in the early stages of addressing GHG removals and mitigation projects, with no active projects or purchases of carbon credits reported, and no targets set. This is consistent with the fact that 2024 is the first reporting year, and the Bank is still establishing its baseline and formal targets for sustainability.
- No Reliance on Offsets: Currently, the Bank does not rely on carbon credits for it’s sustainability strategy. This approach aligns with recommendations to prioritize actual emissions reductions over offsetting as a primary means of tackling climate change. The Bank is focused on reducing its own emissions first, before turning to offsetting.

Internal Carbon Pricing (E1-8)

The Bank does not currently have an internal carbon pricing scheme in place. The Bank has not yet implemented a mechanism for assigning a cost to its carbon emissions to influence decision-making within the organization, or a mechanism for tracking or covering emissions.

Reasoning and Key Takeaways for E1-8

- Lack of Carbon Pricing: The absence of an internal carbon pricing mechanism indicates an opportunity for improvement in the Bank's sustainability practices. As the Bank develops its sustainability strategy, an internal carbon price could serve as an important tool for driving down emissions.
- Potential for Future Implementation: An internal carbon price can help integrate sustainability into the Bank’s financial planning. This could include encouraging investments in renewable energy, and making more environmentally responsible business decisions.
- Aligning with Best Practices: Implementing an internal carbon price would bring the Bank in line with sustainability best practices used by other companies. It could also help the Bank anticipate and prepare for future regulatory requirements related to carbon emissions.

Financial Effects From Risks and Opportunities (E1-9)

Assets at material physical risk before considering climate change adaptation actions

As part of our commitment to sustainable finance and responsible risk management, we recognize the growing impacts of climate change on physical assets and infrastructure. In this section, we outline the Bank's approach to assessing the material physical risks that affect our assets, prior to the implementation of any climate change adaptation actions.

Material Physical Risks

Our assessment of material physical risks focuses on assets that are vulnerable to both acute and chronic climate-related hazards. Acute risks include those resulting from extreme weather events such as storms, floods, and wildfires. Chronic risks involve the long-term effects of shifting weather patterns, rising sea levels, and temperature fluctuations that may alter operational conditions and asset performance over time.

Scope and Methodology

We evaluate physical risks to our assets across various categories, including but not limited to:

- Real Estate: Offices, branch locations, and data centers.
- Operational Infrastructure: IT systems, communication networks, and other critical operational assets.
- Loan Portfolios: Assessment of physical risk to sectors that may be vulnerable, including real estate and industries relying heavily on climate-sensitive resources.

The physical risk evaluation is conducted using climate scenario analysis, integrating relevant climate data, historical weather patterns, and forward-looking climate projections. We collaborate with experts to ensure our analysis reflects the latest scientific understanding of climate-related physical risks.

Identifying Vulnerabilities

The risk analysis focuses on identifying the extent to which assets are exposed to physical damage or operational disruptions. This includes the risk of loss or devaluation of assets due to climate-related events or changes in environmental conditions. Our assessment takes into account both direct impacts (e.g., asset damage) and indirect impacts (e.g., disruptions to supply chains, changes in customer behaviour, or regulatory pressures).

Key Findings

While we have yet to implement specific climate adaptation actions for certain assets, we have identified several areas of concern:

- Flood-Prone Locations: Certain office buildings and data centers are located in areas with a higher probability of flooding due to rising sea levels and more frequent rainfall events.
- Extreme Weather Events: Assets in regions prone to extreme temperatures or wildfires face a heightened risk of operational disruption or infrastructure damage.

Other steps

We are in the process of developing targeted climate adaptation strategies aimed at reducing the risks identified above. These strategies will focus on enhancing the resilience of our physical assets, including:

- Reinforcing infrastructure to withstand extreme weather conditions.
- Considering climate resilience in our real estate acquisition and leasing strategies.
- Integrating climate risk into the decision-making process for future investments.

We will continue to monitor the physical risks to our assets and refine our risk management processes to ensure that climate-related vulnerabilities are effectively mitigated over time.

Assets at acute material physical risk before considering climate change adaptation actions

As part of our ongoing commitment to sustainability, the Bank recognizes the critical need to assess and manage the acute physical risks that climate change poses to our operations, assets, and investments. This disclosure addresses assets that are at acute material physical risk before considering any climate change adaptation actions, focusing specifically on the immediate and severe impacts that can result from extreme weather events and sudden climate shifts.

Acute Physical Risks

Acute physical risks refer to the potential for significant, short-term damage to assets due to extreme weather events or other climate-related disruptions that occur with little to no warning. These risks are most often associated with events such as:

- Flooding (from heavy rainfall, storm surges, or rising sea levels)
- Severe storms or hurricanes (causing physical damage or service interruptions)
- Wildfires (particularly affecting assets located in high-risk regions)
- Extreme heat events (which may impair infrastructure, including IT systems, data centers, and facilities)

These events can cause direct damage to the Bank's physical assets, disrupt operations, and have financial consequences that may be difficult to recover from without immediate action.

Scope and Methodology

Our approach to identifying assets at acute material physical risk involves mapping our key physical assets (including real estate, operational facilities, data centers, and critical infrastructure) against climate scenarios that consider extreme weather events and other acute climate hazards. This process includes:

- Geospatial Risk Assessment: Identifying locations where assets are exposed to high-intensity climate events (e.g., flood-prone areas, wildfire zones, coastal regions vulnerable to storm surges).
- Climate Scenario Analysis: Leveraging weather models, historical climate data, and future projections to predict the likelihood and severity of acute physical risks.
- Impact Assessment: Estimating potential damage or disruption that could occur if extreme climate events were to impact the identified assets.

Identifying Acute Material Physical Risks

Based on our initial analysis, the Bank has identified several assets that are at acute physical risk, including:

- Office and Data Center Locations in Flood Zones: Certain facilities are situated in geographic areas that face a higher likelihood of flooding during heavy rainfall or storm surges, increasing the risk of asset damage and operational disruption.
- Infrastructure in Areas Prone to Extreme Storms: Locations in regions with a history of hurricanes or severe storms may experience high winds, flooding, and other damages that could impact both physical assets and business continuity.
- Critical Data Centers at Risk of Overheating: Some of our data centers, which rely on climate-sensitive cooling systems, are located in regions increasingly exposed to high heat events, potentially compromising operational efficiency and service continuity.

Key Findings

The identification of assets at acute physical risk has highlighted the need for immediate attention and further analysis. Notably:

- Increased Flooding Risk: Multiple assets in flood-prone areas could face significant disruption from extreme rainfall and rising water levels.
- Storm Damage to Critical Infrastructure: Facilities in storm-prone areas could experience severe weather impacts, including building damage, power outages, and operational disruptions.
- Heat-Related Operational Risks: Data centers in hot climates may face overheating risks if temperature spikes become more frequent, affecting both hardware performance and cooling system efficiency.

While these risks are being closely monitored, no specific climate adaptation measures have been implemented to date. The Bank is committed to evaluating and responding to these acute physical risks through the following actions:

- Enhanced Asset Resilience: Reviewing and upgrading infrastructure to meet climate resilience standards, including flood barriers, storm proofing, and heat-resistant cooling solutions for data centers.
- Risk Mitigation Strategies: Prioritizing at-risk locations for climate adaptation actions, such as relocating operations or investing in infrastructure that can better withstand extreme weather.
- Insurance and Contingency Planning: Strengthening our insurance coverage and business continuity planning to minimize the financial and operational impacts of acute physical risks.

Ongoing Monitoring and Review

As part of our broader climate risk management strategy, we will continue to monitor the exposure of our assets to acute physical risks, updating our risk assessments and adaptation strategies in response to evolving climate patterns and emerging risks. Our goal is to proactively address these vulnerabilities and ensure the resilience of our operations against extreme weather events.

2.3. Pollution (E2)

Material Impacts, Risks, and Opportunities and their Interaction with Strategy and Business Model (E2.SBM-3)

The Bank has identified several material pollution-related impacts, risks, and opportunities stemming primarily from its physical card production and distribution processes. These factors significantly interact with the Bank's business model and strategy, requiring adjustments to mitigate negative effects and capitalize on potential benefits.

Material Pollution-Related Impacts:

- Water Pollution: The Bank's production of physical cards, including their packaging (envelopes and flatpacks), results in water pollution. This pollution arises from the release of chemicals during the pulping and bleaching of paper used in packaging. Additionally, the customization of physical cards involves the use of inks and dyes, which generate contaminated wastewater that contributes to water pollution.
- Microplastic Pollution: The disposal of expired or discarded physical bank cards contributes to microplastic pollution. This is a direct consequence of the plastic materials used in card manufacturing.
- Air Pollution: The production of physical card packaging is associated with air pollutant emissions during manufacturing. The transportation and shipping of physical cards to customers across multiple countries also contribute to air pollution.

Interaction with Business Model and Value Chain:

- Business Model: While the Bank operates as a digital-first financial institution, it still provides physical cards as part of its product offerings. This service, while convenient for customers, introduces environmental impacts related to pollution. The Bank acknowledges that the continued use of physical cards contributes to pollution, and that this aspect of the business model needs to be addressed.
- Value Chain: The value chain of the Bank includes the manufacturing of cards, the production of packaging, their shipment to various locations for personalization, and the subsequent distribution to customers. The Bank recognizes that pollution occurs at various stages of its value chain. The Bank considers its own activities as well as those of its value chain participants, assessing potential impacts, risks and opportunities.
- Materiality Assessment: The Bank uses the DMA to identify ESG issues that are most relevant to its operations and to stakeholders. The assessment results then inform strategic priorities.

Effects on Strategy and Decision-Making:

Current Effects

Revolut has acknowledged the need to mitigate pollution through sustainable practices, and the materiality assessment has ensured that pollution is factored into the Bank's sustainability strategy and future mitigation plans. The Bank's strategy integrates the findings of the DMA, which highlights areas such as climate change and pollution.

Anticipated Effects

The Bank is exploring options to reduce its pollution impact through the introduction of biodegradable or recycled card materials. The Bank plans to implement measures to mitigate pollution through supplier engagement, responsible sourcing, and operational efficiencies, particularly in areas such as card production and third-party logistics. They are also considering recycling programs for physical cards.

Mitigation and Adaptation

The Bank is considering steps to mitigate pollution through a variety of actions. These include a focus on sustainable innovation, responsible business practices, and environmentally conscious operations.

Risks

The Bank recognizes that there are financial, legal and reputational implications if it does not manage pollution effectively. Non-compliance with environmental regulations could lead to penalties, financial losses, and reputational damage.

Opportunities

There are also opportunities for cost savings through increased resource efficiency and the implementation of circular economy practices. The introduction of sustainable products, such as cards made from recycled or biodegradable materials, can enhance brand reputation and attract environmentally-conscious customers.

Time Horizons:

- Short-Term (the reporting period of the financial statements - one year): The immediate impacts of pollution from card production, packaging, and transportation will persist until mitigation measures are fully implemented. The ongoing disposal of existing card stocks contributes to microplastic pollution in the short term.
- Medium-Term (from the end of the short-term up to five years): We will aim to transition to sustainable materials and to implement responsible sourcing practices that will contribute to reducing pollution impacts over this period.
- Long-Term (more than five years): Long-term impacts from pollution are aimed to be addressed through comprehensive waste reduction strategies, the use of sustainable materials, and the implementation of circular economy practices.

Description of the Processes to Identify and Assess Material Pollution-Related Impacts, Risks, and Opportunities (E2.IRO-1)

The Bank has followed a structured methodology to identify and assess pollution-related impacts, risks, and opportunities, as part of its broader sustainability assessment. This process is aligned with the European Sustainability Reporting Standards.

Identification Process:

- Materiality Screening: The Bank began with a high-level screening of its business operations, supply chain, and product lifecycle to identify areas with potential pollution. This included reviewing risks across its own operations, suppliers, and downstream activities like card disposal and packaging waste.
- Data Collection & Assessment: The Bank evaluated its existing business processes (e.g., procurement, manufacturing, and logistics) to assess sources of pollution. The Bank considered impacts connected to its own activities, and also potential impacts, based on the nature of the activities and products.

Stakeholder Input

The identification process was also informed by customer and employee feedback. A customer survey from 2022, and an employee survey from 2024 were incorporated into the identification process.

Working Group

The Bank created a Working Group, which was tasked with identifying and assessing material impacts, risks and opportunities, and identifying key stakeholders.

Assessment Process:

- Impact Prioritization: The Bank used a combination of severity and likelihood criteria to assess the identified pollution-related impacts. Severity was measured by the scale of the impact, the scope of how widespread the impact would be, and the irremediable character of the potential impact. In the case of positive impacts, irremediability is not assessed.
- Risk and Opportunity Assessment: Risks and opportunities were assessed based on the likelihood of them materializing and the magnitude of potential financial effects (such as risk exposure, losses, or reputational damage).

Threshold

The Bank used an average of the likelihood, severity, and irremediability values when determining whether an issue breached the threshold to be considered material. However, even if the threshold is not breached, if the severity score was considered to be too high, The Bank marked the relevant issue as material.

Materiality Determination

Issues were classified as material if their score exceeded a defined assessment threshold. A materiality threshold was set at 3 for impacts and 2.5 for risks and opportunities. The threshold was based on the rating distribution of issues, to ensure that all relevant identified issues were included.

Integration into Sustainability Reporting

The final list of material pollution-related issues was incorporated into its ESRS - aligned disclosures. The assessment results are also intended to guide future sustainability initiatives that seek to mitigate pollution risks and enhance resource efficiency.

Specific Activities, Relationships and Geographies

In the process of mapping the value chain, the Bank considered the degree of connection to the Bank, potential for material impacts, the size and complexity of the entities, as well as sectoral and geographical risks.

Consideration of Value Chain

Revolut considered impacts connected to its own activities, as well as those connected to its business relationships.

Stakeholder Engagement

While formal consultations with external stakeholders or experts were not conducted during this reporting period, The Bank recognizes the importance of stakeholder engagement. The Bank aims to incorporate structured consultation processes in future assessments.

Policies Related to Pollution (E2-1)

The Bank has not yet adopted formal and specific policies to manage pollution-related impacts, risks, and opportunities. However, the Bank acknowledges the importance of addressing these issues as part of its broader sustainability strategy. The Bank's approach to managing its impact, risks and opportunities related to pollution are still developing along with other environmental impacts, risks and opportunities such as climate change.The Bank’s ESG Risk Management Policy acknowledges the materiality of pollution and importance of sustainable operational practices The Bank’s future policies will aim to address mitigation of negative impacts and evaluate the introduction of measures to prevent pollution-related incidents and emergency situations.

Actions and Resources Related to Pollution (E2-2)

The Bank plans to assess and implement potential measures to address pollution, particularly in areas relevant to its business operations. The Bank's focus will be on:

- Indirect Impacts: Given the digital nature of its business model, the Bank will focus primarily on indirect pollution impacts. This includes addressing pollution stemming from third-party service providers, cloud infrastructure, and procurement practices.
- Supplier Engagement: The Bank intends to engage with its suppliers to promote environmental standards and responsible sourcing practices e.g. to investigate the opportunity of substitution of materials with lower pollution impacts. The goal is to reduce emissions and resource consumption across its extended value chain.
- Operational Efficiencies: The Bank plans to explore and implement operational efficiencies to reduce pollution. This will be a key focus, as direct pollution from the Bank's core business is relatively low.
- Value Chain Engagement: As part of its ongoing sustainability strategy, the Bank will evaluate potential measures to assess and mitigate pollution-related impacts within its value chain.

The Bank is in the initial stages of formulating its approach to pollution management, with a focus on assessing indirect impacts. Future actions will be guided by regulatory developments, industry best practices, and the results of the Bank’s DMA.

MDR-A

The Bank has not yet implemented specific actions or allocated dedicated resources to manage pollution-related impacts, risks, and opportunities. However, as part of its broader sustainability strategy, the Bank will evaluate potential measures to address pollution-related concerns, particularly in areas relevant to its business operations, such as energy consumption, digital infrastructure, and supply chain impacts.

Given the low direct pollution footprint of its business model, the Bank's approach will focus on assessing indirect impacts and exploring ways to mitigate pollution through supplier engagement, responsible sourcing, and operational efficiencies. The Bank will also monitor regulatory developments and industry best practices to inform future actions.

Targets Related to Pollution (E2-3)

MDR-T

the Bank has not yet established specific targets to track the effectiveness of policies and actions related to pollution. However, as part of its sustainability strategy, the Bank will evaluate the introduction of relevant targets to measure and manage pollution-related impacts in the future.

These future targets may include metrics for the following:

- Air Pollutants
- Emissions to Water
- Pollution to Soil
- Substances of Concern
- Ecological Thresholds

Pollution of Air, Water, and Soil (E2-4)

The Bank has identified specific areas of pollution related to its operations, mainly stemming from physical card production and distribution. The Bank has identified the following material impacts:

- Water Pollution: The manufacturing process of physical cards, particularly the use of inks, dyes, and chemicals in customization, contributes to water pollution. Additionally, the production of paper packaging, including pulping and bleaching processes, results in water pollution.
- Microplastic Pollution: The disposal of expired or discarded physical cards contributes to microplastic pollution.
- Air Pollution: The transportation and shipping of physical cards to customers across multiple countries generate air emissions. Additionally, the production of physical card packaging emits air pollutants during the manufacturing process.

The Bank is currently not reporting specific emissions to air, water, and soil by specific pollutants, but plans to begin estimating the most material emissions by type as it obtains the relevant data from vendors and its operations.

Anticipated Financial Effects from Pollution-Related Risks and Opportunities (E2-6)

The Bank recognizes that its activities, while primarily digital, do have indirect connections to pollution through its supply chain, particularly through the production and distribution of physical cards. Therefore, while it doesn't have direct exposure to pollution in the same way a manufacturing company would, there are still potential financial risks and opportunities linked to pollution which can be anticipated. However, due to the perceived relatively lower materiality, the Bank is currently not reporting metrics on air, water, and soil pollution from its card production process. These will be measured and disclosed in future ESG reports.

Risks and Potential Negative Financial Effects

- Regulatory Risks: Increased regulatory scrutiny related to environmental standards and sustainability can lead to increased compliance costs. As environmental regulations become stricter, particularly within the EU, the Bank will likely need to invest in new data collection and reporting processes, as well as in adopting more sustainable practices to avoid potential fines and penalties.
- Reputational Risks: Negative publicity related to unsustainable practices within its supply chain could affect the Bank's brand image and customer trust. This may lead to customer attrition, which can impact revenues and profitability. For instance, if the Bank is perceived as not addressing the pollution resulting from the production of its physical cards, it could lose socially conscious customers.
- Operational Risks: The Bank may face increased operational costs if it needs to change its sourcing, logistics, or waste management processes to mitigate pollution. This could involve seeking out suppliers of recycled or more sustainable materials, and establishing new waste management and recycling schemes.
- Supply Chain Risks: Disruptions in the supply chain due to environmental factors (e.g., raw material scarcity, regulatory changes) could lead to increased costs, delays in card production and distribution, impacting customer service and financial performance.
- Transition Risks: The Bank could face financial risks related to the transition to a lower-carbon economy. The Bank's lending and investment practices could be affected if they are linked to sectors or companies with high pollution profiles.

Opportunities and Potential Positive Financial Effects:

- Sustainable Product Offerings: The Bank has the opportunity to develop and offer sustainable financial products and services, which could attract environmentally conscious customers and investors. This may include green financial products, which could create new revenue streams. For example, The Bank could offer incentives for using digital cards instead of physical ones, and offer investment products that support environmentally sustainable companies.
- Enhanced Brand Reputation: By demonstrating a commitment to sustainability and taking steps to reduce its pollution impact, the Bank can enhance its brand reputation, which could attract new customers and improve customer loyalty. This can create a positive feedback loop, with increased revenue and better brand recognition.
- Cost Savings: The adoption of resource-efficient practices may result in cost savings over time, particularly in areas such as energy consumption and waste management. By reducing waste and using resources more efficiently, the Bank can reduce operational costs and improve profitability.
- Innovation: Focusing on sustainability can spur innovation in products and services. The Bank will explore new technologies or materials to minimize the environmental impact of its physical cards, which could lead to a competitive advantage.
- Access to Funding: As investors increasingly prioritize ESG factors, The Bank may find it easier to access capital if it demonstrates a strong commitment to environmental sustainability.

2.4 Resource use and circular economy (E5)

Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model (E5.SBM-3)

The Bank's business model is primarily digital, which inherently reduces some environmental impacts associated with traditional brick-and-mortar banking. However, the Bank acknowledges its connection to resource use and circular economy issues through its operations and supply chain, particularly regarding the production and distribution of physical cards. The Bank recognizes that its activities in these sectors have the potential to cause material impacts on the environment, society, and stakeholders. Below the list of IROs identified during the double materiality assessment exercise:

Material Impacts:

- Resource Depletion: The manufacturing of physical cards requires the extraction of non-renewable raw materials. This contributes to the depletion of natural resources and has associated environmental impacts.
- E-waste Generation: The Bank generates electronic waste (e-waste) from its own operations and suppliers' activities. This e-waste can have negative environmental consequences if not properly managed.
- Waste Generation: Domestic waste is generated at offices, co-working spaces, and homes. The unestablished treatment of office and work equipment at its end of life can lead to negative environmental impacts.

Risks & opportunities:

- Reverse Shipping Chain: Implementing reverse shipping for physical cards could create an uplift in the Bank’s ESG reputation. This will bring in more customers who are sensitive to ESG issues.

Interaction with Strategy and Business Model:

The Bank recognizes that resource use and circularity are critical areas that must be addressed within its broader ESG strategy. The Bank will need to align its product development, sourcing, and waste management to meet its sustainability goals, which will drive operational changes. Additionally, the Bank’s business strategy is designed to align with the transition towards a low-carbon economy, which includes a focus on sustainable products and services. The Bank is using the findings of its DMA to define long term strategic initiatives, investment priorities, and risk management practices.

Description of the Processes to Identify and Assess Material Resource Use and Circular Economy-Related Impacts, Risks, and Opportunities (E5.IRO-1)

The Bank has initiated a screening process to identify actual and potential impacts, risks, and opportunities related to resource use and the circular economy across its operations and value chain. This process involves assessing environmental impacts associated with direct operations, such as office resource use, and indirect activities, such as the production and disposal of physical cards.

Identification Process:

- The Bank considers impacts to be those that interact with the Bank's own activities.
- An impact is considered actual when, according to publicly available information, an activity is known to already have a certain impact performance or operation.
- A potential impact is considered to be an impact about which actual information is not known, but may occur due to the nature of the activity.
- A working group was created to conduct the Double Materiality Assessment (DMA), which included the identification of key stakeholders.
- The value chain was mapped by looking at Revolut's organizational structure, activities, and business partners, considering the degree of connection, potential impacts, size and complexity, sectoral risk, and geographical risk.
- The Bank used external resources such as sustainability reporting standards, information from competitors, publicly available information from Revolut, existing reporting, and customer and employee surveys.
- Multiple teams across Revolut were involved in the IRO identification process, including Operations, Finance, Procurement, Risk and Human Resources.

Assessment Process:

- Impacts were assessed based on severity and likelihood of potential impacts, using a scoring system. Severity included scale, scope, and irremediable character for negative impacts. For positive impacts, the irremediable dimension was not included.
- Risks and opportunities were assessed based on the likelihood and magnitude of potential financial effects, including exposure to financial risks, losses, liquidity coverage, or cost of capital.
- Assessment results were validated with customers through an online survey, focusing on contextual information and sample impacts of the Bank.
- The process considers impacts with which the undertaking is involved through its own operations or as a result of business relationships.
- A qualitative approach for financial assessment was chosen, with reference to the materiality threshold used for the 2024 Audit.
- A financial impact assessment workshop was conducted with representatives from key stakeholder functions within the Bank.
- Individual scores were collected via an online survey, and averages of magnitude and likelihood were calculated.

Prioritization:

The dedicated working group and subject matter experts within Revolut Bank UAB performed a review of risks and opportunities to identify any additional risks or opportunities which did not exceed the threshold, but were considered material by the Bank.

Policies Related to Resource Use and Circular Economy (E5-1)

Currently, the Bank does not have a formal policy in place to manage material impacts, risks, and opportunities related to resource use and the circular economy. However, the Bank is actively working on developing a comprehensive approach to these matters and plans to implement relevant policies as part of its broader sustainability strategy in the near future.The Bank implemented an ESG Risk Management policy at the start of 2025, identifying material ESRS topics, including resource use and circular economy, which will be focused on among other material ESG issues, as part of a broader ESG roadmap for 2025. This will include identifying relevant Key Risk Indicators and developing appropriate dedicated policies to manage and mitigate impact and risk exposure.

Actions and Resources Related to Resource Use and Circular Economy (E5-2)

The Bank has not yet implemented specific actions or allocated resources in relation to resource use and the circular economy. However, The Bank is in the process of evaluating potential actions that align with its sustainability goals and will consider resource efficiency and circular economy principles in future initiatives.

Targets Related to Resource Use and Circular Economy (E5-3)

Currently, the Bank has not established specific targets for tracking the effectiveness of policies and actions related to resource use and the circular economy. The Bank is in the process of evaluating potential targets that align with its sustainability goals, and these will be defined and implemented as part of the Bank’s ongoing commitment to sustainability.Identifying impact and exposure forms part of a comprehensive ESG Action Plan for 2025 and includes identifying and introducing clear targets for material risk topics for the Bank.

As of now, the Bank has not adopted specific targets related to resource use and circular economy. However, we are in the process of evaluating and planning the introduction of targets to address these areas as part of our ongoing sustainability strategy. Once defined, these targets will be aligned with our broader environmental and sustainability goals.

Resource Inflows (E5-4)

The Bank acknowledges that the material resource inflows related to the production of its physical debit and credit cards sit upstream from the Bank, as the entity is not directly responsible for the manufacturing process.

- Materials Used: These inflows include PVC, PET, copper, silicon, printing ink, toluene, and packaging materials such as corrugated board and cleft timber.
- Upstream Responsibility: The Bank recognizes it is not directly responsible for the manufacturing process, but it will still be responsible for the environmental impact of material sourcing.

Resource Outflows (E5-5)

The Bank's key products resulting from its production process are plastic and metal credit and debit cards.

- Card Production: In 2024, the total output consisted of 15,440,003 plastic cards and 1,281,100 metal cards.
- Upstream Production: The Bank is not directly involved in the manufacturing process; these products originate from upstream suppliers.
- Waste Generated:

Category	Total (kg)	Breakdown (Hazardous/Non-Hazardous & Treatment Type)	Percentage of Non-Recycled Waste
Total Waste Generated	45,436	N/A	N/A
Waste Diverted from Disposal	1,907	Breakdown by Hazardous/Non-Hazardous & Treatment Type	N/A
Waste Directed to Disposal	14,440	Breakdown by Hazardous/Non-Hazardous & Treatment Type	N/A
Non-Recycled Waste	40,135	N/A	88%

- No Tracking of Waste Components: The Bank does not currently directly track waste generation, or the materials present in waste, or the total amount of hazardous or radioactive waste, as this is not a requirement for financial institutions.

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Disclosure of the expected durability of the products placed on the market, in relation to the industry average for each product group

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Sold product	Product durability	Product durability industry average
Metal Card	61,320 hours use	61,320 hours use
Plastic Card	35,040 hours use	35,040 hours use

Anticipated Financial Effects from Material Resource Use and Circular Economy-Related Risks and Opportunities (E5-6)

Risks and Potential Negative Financial Effects:

- Increased Costs: Transitioning to more sustainable practices, such as using recycled materials or implementing circular economy initiatives, could increase short-term operational costs. The Bank may need to invest in new technologies, new suppliers, and different logistics.
- Supply Chain Vulnerability: Disruptions in the supply chain due to resource scarcity or regulatory changes could lead to increased costs and delays in card production, impacting customer service and financial performance.
- Regulatory Penalties: Failing to meet increasingly stringent environmental regulations, or failing to report on them appropriately could lead to fines and penalties. The Bank will need to invest in new data collection and reporting processes.
- Reputational Damage: Negative publicity related to unsustainable practices could result in loss of customer trust, impacting revenues and profitability.

Opportunities and Potential Positive Financial Effects:

- Cost Savings: Implementing resource-efficient practices and reducing waste can lead to long-term cost savings. The Bank could improve its financial performance through better resource management.
- Enhanced Brand Reputation: Demonstrating a commitment to sustainability and circular economy principles can attract environmentally conscious customers and investors. This can drive revenue growth.
- New Products and Services: The Bank can develop innovative products and services that support a circular economy and attract new customer segments. This can include sustainable financial products or incentives for customers to use digital cards.
- Access to Capital: Investors are increasingly prioritizing ESG factors. The Bank may find it easier to access capital if it demonstrates a commitment to sustainable resource use.
- Innovation and Efficiency: Focusing on sustainability can spur innovation in material sourcing and waste management, which can lead to operational efficiencies.

Financial Effects in the Short, Medium, and Long Term

- Short Term (0-1 year): Increased costs for assessment, data collection and reporting, and potential initial investments. No significant revenue impact.
- Medium Term (1-5 years): Increased operational costs, potential revenue increases from sustainable products and brand enhancement, and reduced long term operational and reputational risk.
- Long Term (>5 years): Significant financial benefits from resource efficiency, innovation, and brand loyalty. Improved investor relations due to clear sustainability performance and commitments.

3. Social information

The Bank has chosen to utilize the phase-in provisions allowed under the European Sustainability Reporting Standards for its first Corporate Sustainability Reporting Directive report. As the average number of employees for 2024 is less than 750, the Bank has opted to omit the information required by all disclosure requirements in ESRS S1 (Own Workforce), S3 (Affected Communities), and S4 (Consumers and End-Users).

4. Governance information - Business Conduct (G1)

The Bank is committed to promoting responsible business conduct to maintain trust and avoid corruption, financial crime, and other unethical conduct. The Bank's approach is rooted in a strong governance framework designed to ensure transparency, accountability, and effective oversight. This commitment is not just about compliance, but is seen as essential for long-term sustainability and integrity in the financial system.

At the Bank, we are committed to conducting business with integrity in all aspects of our operations and to complying with the laws and regulations in every country where we operate.

Material impacts, risks and opportunities and their interaction with strategy and business model (G1.SBM-3)

Through double materiality assessment, we have identified a number of IROs in relation to business conduct. In addition to the materiality assessment of the disclosure requirements, we have also included additional entity-specific disclosures (full list of IRO is presented above in section 1.3 of this report).

Measures of the Bank to handle identified IROs:

- Establishment of stronger monitoring and reporting frameworks for AML/KYC practices and other compliance areas to mitigate regulatory risks.
- Promotion of ethical business conduct through a reinforced corporate culture, whistleblower protections, and transparent decision-making.

Description of the processes to identify and assess material impacts, risks, and opportunities (G1.IRO-1)

The Bank has established a detailed process for identifying and assessing material impacts, risks, and opportunities (IROs), aligning with the European Sustainability Reporting Standards. This process is crucial for their sustainability reporting and strategic planning.

Methodology for Identifying Material Issues

Revolut uses various resources, including sustainability reporting standards, competitor information, publicly available information, customer and employee surveys, and previous materiality assessments to identify relevant sustainability issues. The IRO identification and assessment process is conducted at the level of the Bank, including its foreign branches.

- Working Group: The Bank established a working group to conduct the Double Materiality Assessment, which includes the identification of key stakeholders and a coordinated engagement plan with external consultants.
- Employee Surveys: The Revolut Voice employee survey was adapted to include ESRS topics and to provide insights on additional sustainability-related impacts, risks, and opportunities.
- Multi-Team Involvement: Multiple teams across Revolut, including Operations, Finance, Procurement, Risk, and Human Resources, are involved in the IRO identification process.
- Impact Classification: The Bank distinguishes between actual and potential impacts. An impact is actual when, based on public information, an activity is known to have a certain impact. Potential impacts are those which might occur due to the nature of the activity, even if specific data is lacking.
- Integration with Risk Management: The process to identify, assess, and manage impacts and risks is integrated into the overall risk management process. The Bank uses its Risk Register to filter for ESG-related risks that are actively monitored and tracked, in accordance with the Risk Appetite Statement and defined Key Risk Indicators.
- Horizon Scanning: ESG factors that have not yet fully materialized are tracked as part of a Horizon Scanning process under the Emerging Risk framework. This helps the Bank to anticipate and manage future risks. The Bank also includes ESG risk factors in its Emerging Risk horizon scanning activities, such as regulatory developments, climate risk, and societal changes.
- Low Appetite for Climate Risk: The Bank has set a 'low appetite' for climate risk in its Risk Appetite Statement and tolerates some exposure only if required by the business model. A list of restricted sectors using the NACE classification is in place, to avoid areas with high carbon intensity and transition risks.
- Stakeholder Feedback: The Bank uses online customer surveys to collect feedback, which forms part of the IRO identification process. The annual Revolut Voice survey of employees further enables the Bank to measure their ability to provide an attractive working environment and meet the standards and expectations of its workforce. The Bank also regularly engages with regulators to ensure it is compliant with expectations.
- Risk Appetite: The Bank has set a ‘low’ appetite for climate risk, people risk, data protection and privacy risk, legal and regulatory compliance risk, and anti-money laundering and counter terrorism financing risk. It has set a 'no' appetite for regulatory reporting risk, anti-bribery and corruption risk, sanctions risk, and internal fraud risk.
- ESG Strategy: the Bank has put in place an ESG Strategy at the end of 2024, outlining the Bank’s efforts and progress in integrating ESG principles into its decision-making processes and daily operations. The Strategy serves as a framework for the development of policies and procedures to ensure compliance with ESG requirements and reinforce its commitment to long-term value creation.

Additional Mechanisms to Promote Responsible Business Conduct

- Risk Culture: Revolut emphasizes a robust risk culture that includes tone from the top and leadership, open communication, accountability, and incentives linked to responsible behaviour. The Bank promotes open dialogue where employees feel empowered to voice concerns and challenge assumptions without fear of retaliation.
- Accountability: Every employee is responsible for identifying, managing, and mitigating risks. This accountability is formalized through key governance documents.
- Remuneration: The Bank links remuneration and incentives to responsible behaviour and prudent risk management. The remuneration of material risk takers and senior management is aligned with long-term business sustainability and ethical outcomes.
- Anti-Bribery and Corruption Framework: The Bank has a zero-tolerance approach to bribery and corruption, with an Anti-Bribery and Corruption (ABC) Framework designed to prevent, detect, and address related risks. This framework adheres to guidelines from organizations such as Transparency International and the OECD.
- Zero Tolerance: The Bank has adopted a zero tolerance approach to bribery and corruption, which applies to third parties with whom it does business.
- Whistleblowing Policy: The Bank has the Whistleblowing Policy that encourages employees to report potential misconduct, criminal offences, and non-compliance with applicable laws and internal policies. The Bank is committed to fostering a "Speak Up" culture in which employees feel safe to raise concerns without fears of reprisal. The Bank provides multiple channels for reporting, including an anonymous Speak Up Portal.
- Investigation: the Bank is committed to investigating business conduct incidents promptly, independently and objectively.
- Code of Conduct: The Bank maintains a Code of Conduct that promotes ethical business practices in terms of risk management, decision-making, management reporting, regulatory alignment, and audits. This contributes to transparency and responsible business practices.
- Training: The Bank requires all employees, including executive and non-executive members, to undertake mandatory anti-bribery and corruption training and assessments annually.
- Compliance Team: A dedicated compliance team is responsible for monitoring and enforcing anti-bribery and corruption policies.
- Regulatory Alignment: The Bank aligns its anti-corruption policies with international standards and local regulations.

By embedding these practices into its governance structure and daily operations, the Bank actively promotes a culture of responsibility, aiming to build and maintain trust with its stakeholders while minimizing the risks of corruption and unethical conduct.

The role of the administrative, supervisory and management bodies (G1.GOV-1)

The governance framework is structured to ensure transparency, accountability, and effective oversight. The reporting lines are designed to maintain strong communication and escalation paths, particularly regarding risk management, financial auditing, regulatory compliance, and adequate decision-making.

At the Bank, it is recognized that a robust risk culture is essential for managing business effectively and sustainably. The Bank's approach is built upon four key dimensions:

- Tone from the Top and Leadership: The Bank's leadership is committed to embedding a culture of risk awareness across all levels of the organisation. Senior management sets the tone by leading with a strong focus on responsible growth and ethical conduct. Through clear communication and decisive leadership, the management body ensures that climate-related, environmental, and other business risks are integral to strategic decision-making.
- Culture of Effective Communication and Challenge. The Bank promotes a culture of open dialogue where employees feel empowered to voice concerns, challenge assumptions, and raise risk-related issues without fear of retaliation. Diversity of thought and experience is encouraged to enrich decision-making and enhance risk identification. The Bank's policies and frameworks are designed to facilitate cross-functional collaboration and ensure that risks, including climate-related and environmental factors, are comprehensively addressed.
- Accountability for Risks. At the Bank, every employee is accountable for identifying, managing, and mitigating the risks associated with the products, services, and processes they oversee. This accountability is formalised through key governance documents, including the Enterprise Risk Management Framework, Risk Appetite Statement, and Risk and Control Management Framework.
- Incentives and Remuneration. The Bank links remuneration and incentives to responsible behaviour and prudent risk management. The Bank's performance-driven culture is balanced with mechanisms to prevent excessive or imprudent risk-taking. This includes monitoring key risk indicators such as internal misconduct cases, customer complaints, and adherence to ethical selling practices. The remuneration of material risk takers and senior management is closely aligned with long-term business sustainability and ethical outcomes, ensuring that incentives promote sound risk-taking behaviours.

The following administrative, management and supervisory bodies are overseeing business conduct matters:

Supervisory Council

Role and Responsibility in Business Conduct. The Council is responsible for overseeing the business conduct matters. In particular, its roles include ensuring compliance with statutory and regulatory obligations, ensuring the integrity of financial information and reporting and monitoring that the risk and compliance culture is implemented consistently. The Council also ensures that the independence of internal control functions are maintained. A key responsibility of the Council is also in setting the Bank's core values and expectations.

Involvement in Decision-Making. The Council oversees the decisions made by the Management Board and ensures they align with legal and ethical standards. The Council retains the right to propose that the Management Board revokes decisions that contradict laws and other legal acts.

Risk and Compliance Committee (RCC)

Role and Responsibility in Business Conduct: The RCC monitors that the Bank maintains compliance with legal and regulatory requirements by receiving reports from the Heads of Risk and Compliance functions. It also reviews the effectiveness of the risk and compliance functions and safeguards their independence. The RCC is also responsible for overseeing the promotion of a sound risk culture at all levels. In addition, the RCC assists the Remuneration Committee in determining the appropriateness of incentives with regards to aligning risk taking behaviour with the Bank's long term interests.

Involvement in Decision-Making. The RCC provides assurance on the completeness and accuracy of management reports, challenging practices and advising the Council on risk-related matters. It also ensures the alignment of risk taking with the Bank's risk appetite as well as ensuring decision making processes promote a constructive and transparent environment.

Business conduct policies and corporate culture (G1-1)

The Conduct Risk Management Policy governs the management of Conduct Risk within the Bank and its branches. The policy outlines the Bank's definition of Conduct Risk, its strategy for managing Conduct risk, specific roles and responsibilities across the Bank and further guidance on effective Conduct risk management. The Policy should be read in conjunction with the Bank's Enterprise Risk Management Framework, Risk Appetite Statement, Regulatory Compliance Management Framework, Operational Risk Management Policy, and the Code of Conduct.

The main objectives of the policy are to outline and describe elements of the Bank's Conduct Risk Management Framework which is designed to:

- Incorporate the delivery of good customer outcomes throughout a customer's lifecycle;
- Reduce, or prevent, poor outcomes for consumers/markets, including reducing the risk of creating any customer harms;
- Promote consumer engagement and participation in the development and monitoring of conduct risk measures;
- Embed a consistent approach to Conduct Risk Management across Revolut;
- Limit, or prevent, Bank's financial losses arising from poor outcomes for customers/markets;
- Limit, or prevent, adverse impact on Bank's brand and reputation.

This policy and the resulting processes will operate in conjunction with other Bank's policies and procedures, including but not limited to:

- Consumer Outcomes Policy;
- Vulnerable Customers Policy;
- Consumer Duty Fair Value Policy;
- Financial Promotions and Customer Communications Policy;
- Complaints Policy;
- Inducements Policy;
- Senior Managers & Certification Regime Policy;
- Remuneration Policy;
- Group Training and Competency Policy;
- Conflicts of Interest Policy;
- Modern Slavery Policy;
- Anti-Bribery and Corruption Policy;
- Global Whistleblowing Policy;
- Code of Conduct.

This policy applies to the Bank, its branches and all its employees. They also apply to any Appointed Representatives and other third parties who may act on its behalf.

Consumer Outcomes Policy: Bank ensures a high level of consumer protection and acts in full compliance with all applicable legal acts relating to consumer protection and unfair commercial practices restrictions. The Bank conducts business with the best interest of its customers as a core principle and follows clear processes when dealing with both potential and existing customers. The Bank carries out regular reviews of its activities to ensure awareness of and compliance with its policies and procedures. Consumers have the main rights to acquire and use products/services, acquire safe and appropriate quality products/services, receive fair and comprehensive information about products/services, receive information about the procedure of implementation and defence of their rights, defend their rights and obtain compensation for damages, apply to out of court institutions or the court regarding breach of their rights, and apply to the court claiming to recognize unfair terms of the contract as null and void.

Vulnerable Customer Policy: The Bank has implemented a Vulnerable Customers Policy to identify and support vulnerable customers, ensuring they receive fair treatment and positive outcomes. This policy encompasses understanding customer vulnerability, operationalizing compliance, data protection, and monitoring and evaluation. The Bank is committed to delivering good outcomes for all customers and recognizes its duty to protect and support those who are especially susceptible to detriment.

This aligns with the Bank's broader sustainability efforts, as it demonstrates commitment to social responsibility and ethical business practices. By ensuring the fair treatment of vulnerable customers, the Bank is actively contributing to a more inclusive and equitable financial system. This not only benefits individual customers but also fosters trust and strengthens the overall community, which are key components of long-term sustainability.

Consumer Duty Fair Value Policy: the Bank and its EU branches adhere to the Consumer Duty Fair Value Policy, ensuring customers are treated fairly and receive value. This ensures Revolut's commitment to fair treatment extends across all its operations while respecting the specific legal contexts of each region. The responsibility for ensuring fair value for customers within the Bank and its EU branches lies with the Management Board. This is supported by regular management information reports provided by the Head of Regulatory Compliance and product owners. These reports are reviewed in various corporate governance meetings, ensuring ongoing oversight and adherence to fair value principles..

Financial Promotions and Customer Communications Policy: this policy sets out an approach to issuing communications to consumers, this includes the subgroup of communications classified as financial promotions. This policy sets out the standards that the Bank expects to uphold when developing, approving and publishing customer communications. These standards ensure that recipients of the communication find it to be understandable, meet their needs and support them to make informed decisions. This is in line with the expectations set out in the Consumer Outcomes Policy, which details the requirement for Revolut to act to deliver good outcomes to consumers.

Complaints Policy: The Bank is committed to providing high-quality customer service and ensuring that all complaints are handled consistently, fairly, and efficiently. This is achieved by acknowledging and recording customer complaints in a timely manner, conducting thorough investigations into complaints, following guidelines for redress and decision-making, performing root cause analysis to identify systemic issues, and cooperating with External Dispute Resolution bodies.

Inducements Policy: Revolut's Group Inducements Policy reinforces our commitment to ethical business practices and regulatory compliance. By prohibiting employees from offering or accepting inducements that could create conflicts of interest, we ensure that all actions are taken in the best interests of our clients. This policy aligns with our broader sustainability goals, as it promotes transparency, integrity, and trust - key components of a sustainable business model.

Group Senior Managers & Certification Regime Policy: This policy encompasses three key elements: the Senior Managers Regime, focusing on senior individuals' responsibilities; the Certification Regime, applying to employees whose roles could significantly impact customers or the firm; and Conduct Rules, a set of standards for all staff. Policy ensures that all employees understand their roles and responsibilities within the regulatory framework. It also holds Senior Managers accountable for regulatory breaches within their areas of responsibility and requires them to take reasonable steps to prevent and address such issues. By implementing this policy, Revolut Group promotes a culture of compliance, governance, and market integrity, contributing to a sustainable and responsible business model.

The Remuneration Policy of the Bank aligns with the regulatory framework applicable to the financial services sector, aiming to attract, retain, and motivate skilled staff while promoting sound performance, ethical conduct, and effective risk management. This includes adherence to environmental, social, and governance targets.

The policy also encourages a strong risk culture, using a mechanism called 'Karma' to incentivize positive behaviours relating to Risk, Compliance and Audit. Staff members earn points for both proactive and reactive interactions with Control Functions, directly impacting their bonuses and promoting a sustainable work environment. Additionally, relevant staff members are set Risk performance KPIs which also affect Variable Remuneration.

Group Training and Competency Policy: Revolut Group is dedicated to fostering a culture of continuous learning and development, recognizing its employees as its greatest asset. This is achieved by:

- Providing diverse learning opportunities: like onboarding material, regulatory and compliance training, functional and leadership development training, as well as talent development.
- Learning Management System and digital learning resources to support employee development and growth at all levels
- Ensuring employees have the skills and knowledge to excel in their roles.
- Promoting equal opportunities in training and development for all staff. This ensures that everyone has the chance to develop their skills and reach their full potential.

Conflicts of Interest Policy: Bank maintains stringent policies to manage conflicts of interest and ensure consumer protection. The Bank has implemented robust procedures to identify, disclose, and manage conflicts of interest that may arise in providing services to clients. These measures aim to safeguard client interests and prevent any material risk of damage. Additionally, the Bank has established clear guidelines for employee remuneration, ensuring that they do not compromise the Bank's commitment to acting in the best interests of consumers.

The Bank's commitment to managing conflicts of interest is further reinforced by its reporting and oversight mechanisms. The Head of Regulatory Compliance provides regular reports to the Board on risk management of conflicts of interest, ensuring timely escalation and mitigation of significant risks.

Modern Slavery Policy: In accordance with evolving legal and ethical standards, the Bank and its EU branches have implemented their Modern Slavery Policy to ensure alignment with both global and local regulations, specifically addressing modern slavery risks and liabilities. The policy reaffirms Bank's commitment to upholding human rights and dignity by implementing stringent measures to prevent all forms of forced labor and exploitation within its operations and supply chains.

Policy contains an enhanced governance structure to oversee policy implementation, and clear delineation of roles and responsibilities for preventing modern slavery. This demonstrates Bank's proactive approach to combating modern slavery and ensuring that Bank's business practices reflect the highest standards of integrity and social responsibility.

The Bank's **Anti-Bribery and Corruption Policy** covers the principles related to anti-bribery and corruption and sets the standard within Revolut global group of companies. the Bank has adopted a zero tolerance approach to bribery and corruption which means commitment to the mitigation, deterrence and detection of bribery and corruption. The zero tolerance principles to bribery and corruption also apply to third parties with whom Revolut does business or who are retained by Revolut to perform services or deliver business for and on behalf of Revolut.

The Bank's **Anti-bribery and Corruption Framework** includes the following statement of overarching key principles. All activity:

- Must be conducted without intent to bribe or corrupt;
- Must be reasonable and transparent;
- Must not be considered lavish or disproportionate to the professional relationship;
- Must be appropriately documented with business rationale; and
- Must be authorised at an appropriate level of seniority.

Revolut aims to abide by best practices and guidelines issued by legislative, regulatory and industry bodies such as: Transparency International, OECD and other relevant organisations.

This Policy is in conjunction with Revolut's Anti Money Laundering and Terrorist Financing Policy. The Policy aims to:

- clearly articulate Bank's commitment to prohibiting bribery and corruption;
- define principles for identifying and preventing potential bribery and corruption in order to protect the integrity and reputation of the Bank;
- clearly communicate anti-bribery and anti-corruption principles both to internal and external stakeholders.

In case local legal regulatory requirements are more restrictive than the principles of this Policy, the more restrictive requirements of local laws in force are to be adopted by the respective Revolut subsidiary.

In the Bank the Supervisory Council is responsible for setting and overseeing the management of the Anti-Bribery and Corruption Policy. Together with the Chief Executive Officer, they will ensure that the Head of Regulatory Compliance or the appointed Regulatory Compliance Manager is appointed in all subsidiaries to maintain day to day oversight of this procedure.

Whistleblowing. Revolut Group recognises that, by speaking up, employees play an important role in exposing wrongdoing that can harm Revolut Group, its customers and its reputation. At Revolut Group all employees are encouraged to report concerns about potential, suspected or actual misconduct, criminal offences, and non-compliance with applicable laws, regulations, and internal policies. The policy ensures the confidentiality and protection of whistleblowers and prohibits retaliation against them.

Revolut Group provides employees with multiple **channels** to submit a whistleblowing disclosure. The Speak Up Portal is Revolut's primary whistleblowing channel, and is generally the easiest, fastest and most secure way to raise concerns, allowing employees to report whistleblowing disclosures anonymously, should they wish to do so. If employees prefer not to use the Speak Up Portal, whistleblowing disclosures can be raised via email or letter.

Whistleblower Protection. Revolut Group will ensure all whistleblowing disclosures are treated confidentially and will endeavour to protect the identity of a whistleblower, regardless of whether a disclosure is submitted anonymously or not. Revolut Group has a zero-tolerance approach to any form of retaliation, victimisation or harassment against Whistleblowers, or individuals connected to them.Revolut ensures that a Whistleblower shall not experience any negative impact or detriment caused as a result of submitting a whistleblowing disclosure. The Global Whistleblowing Policy strictly prohibits retaliation against individuals who raise a concern. Any attempt to retaliate or identify a whistleblower is unlawful and strictly prohibited.

The Global Whistleblowing Policy is essential to maintaining a positive, right-minded and ethical culture in which employees adhere to all Revolut Group Policies, applicable laws and regulations in the jurisdictions which Revolut operates in. This Policy shall apply to all Revolut Group employees globally.

This Policy does not reduce or remove any right an individual has under applicable laws or regulations and should not be interpreted to contravene applicable laws, regulations and rights thereunder.

In addition, this Policy does not intend to and shall not be deemed to prohibit or restrict an individual in any way from communicating directly with, cooperating with or responding to any inquiry from a regulatory, investigatory or law enforcement authority regarding any possible violation or reasonably suspected wrongdoing.

Prevention and detection of corruption and bribery (G1-3)

The Bank has adopted a zero tolerance approach to bribery and corruption which means the Bank is committed to the mitigation, deterrence and detection of bribery and corruption.

The Revolut Bank UAB Board is ultimately responsible for setting and overseeing the management of the Anti-Bribery and Corruption Framework on the global level. Its Senior Management and executive members must ensure the right level of attention and importance is drawn to anti-bribery and corruption by maintaining a strong tone from the top and a culture where bribery and corruption is never acceptable.

In the case of the Bank, the Management Board is responsible for setting and overseeing the management of the Anti-Bribery and Corruption Policy.

Corruption and bribery is detected following Risk Incident related policies and procedures, including:

- Risk Incident Policy - the Bank
- Risk Incident Management Procedure - the Bank
- the Bank Major Incident Reporting - Procedure

Risk incidents related to Anti-Bribery and Corruption risk are discussed in the Compliance Committee on a regular basis, with updates being provided to the Executive Risk Committee. Where required, escalations can go to the Management Board. Overview of such risk incidents is also part of the quarterly Compliance report that is presented to the Management Board, Risk and Compliance Committee and Supervisory Council.

When risk incidents related to Anti-Bribery and Corruption are raised, it automatically triggers Key Risk Indicators, allowing efficient detection and escalation. Corruption and bribery events can also be reported as whistleblowing, through a secure Speak Up portal.

The Bank's ABC Framework is to establish and maintain a culture where bribery or corruption is never acceptable. For this purpose Revolut Bank UAB is investing in its employees' knowledge and awareness and requires all employees (including temporary workers, executive and non executive members) to undertake mandatory anti-bribery and corruption training and assessments annually. Employees receive regular reminders in relation to their Anti-Bribery and Corruption responsibilities and key processes.

Confirmed incidents of corruption or bribery (G1-4)

The Bank has established a robust framework to manage risks related to corruption and bribery. The Bank maintains a Code of Conduct and Anti-Bribery and Corruption Policy, which outline expected behaviours, ethical standards, and procedures for identifying and addressing potential corruption risks.

Current Action Plans and Resources:

1. Governance and Oversight:
   - A dedicated Compliance team is responsible for monitoring and enforcing anti-bribery and corruption measures.
   - Regular internal audits and risk assessments help identify potential vulnerabilities.
2. Employee Training and Awareness:
   - Employees undergo mandatory training on anti-bribery, ethical business conduct, and whistleblowing procedures.
   - Awareness programs reinforce the importance of integrity and compliance with regulatory standards.
3. Third-Party Due Diligence:
   - Revolut conducts due diligence on partners, suppliers, and other third parties to mitigate corruption risks.
   - Contracts include anti-corruption clauses to ensure compliance with legal and ethical requirements.
4. Whistleblower Protection and Reporting Mechanisms:
   - A confidential and anonymous reporting channel allows employees and stakeholders to report suspected misconduct.
   - Protections are in place to prevent retaliation against whistleblowers.
5. Regulatory Compliance:
   - Revolut aligns its anti-corruption policies with international standards and local regulations.
   - Ongoing monitoring ensures compliance with evolving regulatory requirements

Incidents of corruption or bribery		2023	2024
Number of convictions for violation of anti-corruption and anti- bribery laws	Anti-bribery and corruption incident count (in units)	–	–
Amount of fines for violation of anti-corruption and anti- bribery laws	Anti-bribery and corruption monetary remediation spend (EUR)	–	–

5. Other information

1.Assets for the calculation of GAR

Million EUR		2024	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Total gross carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which adaptation	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which transitional/ adaptation	Of which enabling
1	GAR - Covered assets in both numerator and denominator	6,862															
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																
3	Financial corporations	4,532															
4	Credit institutions	2,844															
5	Loans and advances	1,942															
6	Debt securities, including UoP	901															
7	Equity instruments	–															
8	Other financial corporations	1,688															
9	of which investment firms	–															
10	Loans and advances	–															
11	Debt securities, including UoP	–															
12	Equity instruments	–															
13	of which management companies	–															
14	Loans and advances	–															
15	Debt securities, including UoP	1,688															
16	Equity instruments	–															
17	of which insurance undertakings	–															
18	Loans and advances	–															
19	Debt securities, including UoP	–															
20	Equity instruments	–															
21	Non-financial corporations	–															
22	NFCs subject to NFRD disclosure obligations	–															
23	Loans and advances	–															
24	Debt securities, including UoP	–															
25	Equity instruments	–															
26	Households	1,215															
27	of which loans collateralised by residential immovable property	–															
28	of which building renovation loans	–															

Million EUR		2024															
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
		Total gross carrying amount			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ adaptation	Of which enabling
29	of which motor vehicle loans	–															
30	Local governments financing	1,115															
31	Collateral obtained by taking possession: residential and commercial immovable properties	–															
32	Other local government financing	1,115															
33	Other assets excluded from the numerator for GAR calculation (covered in the denominator)	15															
34	Non-financial corporations	–															
35	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	–															
36	Loans and advances	–															
37	of which loans collateralised by commercial immovable property	–															
38	of which building renovation loans	–															
39	Debt securities	–															
40	Equity instruments	–															
41	Non-EU country counterparties not subject to NFRD disclosure obligations	–															
42	Loans and advances	–															
43	Debt securities	–															
44	Equity instruments	–															
45	Derivatives	15															
46	On demand interbank loans	–															
47	Cash and cash-related assets	–															
48	Other assets (e.g. Goodwill, commodities etc.)	–															
49	Total GAR assets	6,877															
50	Other assets not covered for GAR calculation	12,716															
51	Sovereigns	1,893															
52	Central banks exposure	10,823															
53	Trading book	–															
54	Total assets	19,593															
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations																	
55	Financial guarantees	–															
56	Assets under management	–															
57	Of which debt securities	–															
58	Of which equity instruments	–															

Million EUR		2023															
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
		Total gross carrying amount			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ adaptation	Of which enabling
1	GAR - Covered assets in both numerator and denominator	2,919															
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																
3	Financial corporations	1,849															
4	Credit institutions	1,425															
5	Loans and advances	432															
6	Debt securities, including UoP	994															
7	Equity instruments	–															
8	Other financial corporations	423															
9	of which investment firms	–															
10	Loans and advances	–															
11	Debt securities, including UoP	–															
12	Equity instruments	–															
13	of which management companies	–															
14	Loans and advances	–															
15	Debt securities, including UoP	423															
16	Equity instruments	–															
17	of which insurance undertakings	–															
18	Loans and advances	–															
19	Debt securities, including UoP	–															
20	Equity instruments	–															
21	Non-financial corporations	–															
22	NFCs subject to NFRD disclosure obligations	–															
23	Loans and advances	–															
24	Debt securities, including UoP	–															
25	Equity instruments	–															
26	Households	644															
27	of which loans collateralised by residential immovable property	–															
28	of which building renovation loans	–															
29	of which motor vehicle loans	–															
30	Local governments financing	426															
31	Collateral obtained by taking possession: residential and commercial immovable properties	–															
32	Other local government financing	426															
33	Other assets excluded from the numerator for GAR calculation (covered in the denominator)	6															

Million EUR		2023	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Total gross carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which adaptation	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which specialised lending	Of which transitional/ adaptation	Of which enabling
34	Non-financial corporations	–															
35	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	–															
36	Loans and advances	–															
37	of which loans collateralised by commercial immovable property	–															
38	of which building renovation loans	–															
39	Debt securities	–															
40	Equity instruments	–															
41	Non-EU country counterparties not subject to NFRD disclosure obligations	–															
42	Loans and advances	–															
43	Debt securities	–															
44	Equity instruments	–															
45	Derivatives	6															
46	On demand interbank loans	–															
47	Cash and cash-related assets	–															
48	Other assets (e.g. Goodwill, commodities etc.)	–															
49	**Total GAR assets**	**2,924**															
50	Other assets not covered for GAR calculation	8,569															
51	Sovereigns	1,009															
52	Central banks exposure	7,560															
53	Trading book	–															
54	Total assets	11,493															
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations																	
55	Financial guarantees	–															
56	Assets under management	–															
57	Of which debt securities	–															
58	Of which equity instruments	–															

2. GAR sector information

		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
	Breakdown by sector - NACE 4 digits level (code and label)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCM + CCA)	Mn EUR	Of which environmentally sustainable (CCM + CCA)
1						0	0			0	0		
2													
3													
4													
...													

The Bank does not have non - financial corporate exposure, thus no breakdown by sector - NACE.

3. GAR KPI stock

		2024															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to total covered assets in the denominator)				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	Proportion of total assets covered
1	GAR - Covered assets in both numerator and denominator																
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																
3	Financial corporations																
4	Credit institutions																
5	Loans and advances																
6	Debt securities, including UoP																
7	Equity instruments																
8	Other financial corporations																
9	of which investment firms																
10	Loans and advances																
11	Debt securities, including UoP																
12	Equity instruments																
13	of which management companies																
14	Loans and advances																
15	Debt securities, including UoP																

% (compared to total covered assets in the denominator)		2024 Climate Change Mitigation (CCM) Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Climate Change Adaptation (CCA) Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					TOTAL (CCM + CCA) Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which specialised lending	Of which transitional	Of which enabling	
16	Equity instruments																
17	of which insurance undertakings																
18	Loans and advances																
19	Debt securities, including UoP																
20	Equity instruments																
21	Non-financial corporations																
22	NFCs subject to NFRD disclosure obligations																
23	Loans and advances																
24	Debt securities, including UoP																
25	Equity instruments																
26	Households																
27	of which loans collateralised by residential immovable property																
28	of which building renovation loans																
29	of which motor vehicle loans																
30	Local governments financing																
31	Collateral obtained by taking possession: residential and commercial immovable properties																
32	Other local government financing																
49	**Total GAR assets**	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

% (compared to total covered assets in the denominator)		2023															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total assets covered
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
1	GAR - Covered assets in both numerator and denominator																
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																
3	Financial corporations																
4	Credit institutions																
5	Loans and advances																
6	Debt securities, including UoP																
7	Equity instruments																
8	Other financial corporations																
9	of which investment firms																
10	Loans and advances																
11	Debt securities, including UoP																
12	Equity instruments																
13	of which management companies																
14	Loans and advances																
15	Debt securities, including UoP																
16	Equity instruments																
17	of which insurance undertakings																
18	Loans and advances																
19	Debt securities, including UoP																
20	Equity instruments																
21	Non-financial corporations																
22	NFCs subject to NFRD disclosure obligations																
23	Loans and advances																
24	Debt securities, including UoP																
25	Equity instruments																
26	Households																
27	of which loans collateralised by residential immovable																
28	of which building renovation loans																
29	of which motor vehicle loans																
30	Local governments financing																
31	Collateral obtained by taking possession: residential and commercial immovable properties																
32	Other local government financing																
49	Total GAR assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

4. GAR KPI flow

% (compared to flow of total eligible assets)		2024															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	Proportion of total new assets covered
1	GAR - Covered assets in both numerator and denominator																–
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																–
3	Financial corporations																–
4	Credit institutions																–
5	Loans and advances																–
6	Debt securities, including UoP																–
7	Equity instruments																–
8	Other financial corporations																–
9	of which investment firms																–
10	Loans and advances																–
11	Debt securities, including UoP																–
12	Equity instruments																–
13	of which management companies																–
14	Loans and advances																–
15	Debt securities, including UoP																–
16	Equity instruments																–
17	of which insurance undertakings																–
18	Loans and advances																–
19	Debt securities, including UoP																–
20	Equity instruments																–
21	Non-financial corporations																–
22	NFCs subject to NFRD disclosure obligations																–
23	Loans and advances																–
24	Debt securities, including UoP																–
25	Equity instruments																–
26	Households																–
27	of which loans collateralised by residential immovable property																–
28	of which building renovation loans																–
29	of which motor vehicle loans																–
30	Local governments financing																–
31	Collateral obtained by taking possession: residential and commercial immovable properties																–
32	Other local government financing																–
49	Total GAR assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

% (compared to flow of total eligible assets)		2023															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
1	GAR - Covered assets in both numerator and denominator																–
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation																–
3	Financial corporations																–
4	Credit institutions																–
5	Loans and advances																–
6	Debt securities, including UoP																–
7	Equity instruments																–
8	Other financial corporations																–
9	of which investment firms																–
10	Loans and advances																–
11	Debt securities, including UoP																–
12	Equity instruments																–
13	of which management companies																–
14	Loans and advances																–
15	Debt securities, including UoP																–
16	Equity instruments																–
17	of which insurance undertakings																–
18	Loans and advances																–
19	Debt securities, including UoP																–
20	Equity instruments																–
21	Non-financial corporations																–
22	NFCs subject to NFRD disclosure obligations																–
23	Loans and advances																–
24	Debt securities, including UoP																–
25	Equity instruments																–
26	Households																–
27	of which loans collateralised by residential immovable property																–
28	of which building renovation loans																–
29	of which motor vehicle loans																–
30	Local governments financing																–
31	Collateral obtained by taking possession: residential and commercial immovable properties																–
32	Other local government financing																–
49	Total GAR assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

5. KPI off-balance sheet exposures

% (compared to total eligible off-balance sheet assets)		2024														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)															
2	Assets under management (AuM KPI)															

% (compared to total eligible off-balance sheet assets)		2023														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)															
2	Assets under management (AuM KPI)															

Financial Statements

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2024

EURth	Notes	2024	2023
Interest income calculated using the effective interest method	7	589,312	351,044
Interest expense	8	(22,669)	(71)
Net interest income		**566,643**	**350,973**
Fee and commission income	9	1,168,948	704,788
Fee and commission expense	10	(259,833)	(169,312)
Net fee and commission income		**909,115**	**535,476**
Net gains and losses on derivatives	19	17,838	40,905
Net gain (loss) from derecognition of financial assets		(569)	–
Credit loss expense on financial assets	14	(31,911)	(45,825)
Other operating income	11	3,545	1,748
Net operating income		**1,464,661**	**883,277**
Personnel expenses	12	(88,301)	(50,224)
Depreciation and amortisation	22	(971)	(511)
Other operating expenses	13	(1,242,262)	(733,106)
Total operating expenses		**(1,331,534)**	**(783,841)**
Profit before tax		**133,127**	**99,436**
Tax expense	15	(32,599)	(21,056)
Profit for the year		**100,528**	**78,380**
Items that will not be reclassified to profit or loss		–	–
Items that will or may be reclassified to profit or loss:			
Foreign currency translation		(60)	11
Other comprehensive (loss)/ income for the year		**(60)**	**11**
Total comprehensive income for the year, net of tax		**100,468**	**78,391**
Attributable to:			
Equity holders of the parent		**100,468**	**78,391**

The accompanying notes on pages 78 to 126 are an integral part of these financial statements.

Statement of Financial Position

at 31 December 2024

EURth	Notes	31 December 2024	31 December 2023
Assets			
Cash and balances with central banks	17	10,823,365	7,559,761
Due from banks and other financial institutions	18	40,086	20,514
Derivatives	19	15,489	5,802
Loans and unauthorised overdrafts	20	4,229,254	1,461,927
Debt securities	21	4,481,879	2,425,984
Equity instruments		33	25
Investments in subsidiaries		208	–
Property and equipment and right-of-use assets	22	2,265	2,248
Deferred tax assets	15	333	–
Other assets	23	694,868	614,349
Total assets		**20,287,780**	**12,090,610**
Liabilities			
Derivatives	19	12,584	4,994
Due to customers	24	17,880,484	10,660,806
Due to other financial institutions	25	207,246	257,749
Other liabilities	26	1,206,379	588,767
Provisions	27	5,640	753
Total liabilities		**19,312,333**	**11,513,069**
Equity attributable to equity holders of parent	28		
Share capital		36,815	36,815
Reserve capital		670,208	379,008
Retained earnings		244,696	149,697
Reserves		23,728	12,021
Total equity		**975,447**	**577,541**
Total liabilities and equity		**20,287,780**	**12,090,610**

The accompanying notes on pages 78 to 126 are an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2024

EURth	Notes	Total attributable to equity holders of the parent						
		Share capital	Reserve capital	Legal reserve	Translation reserve	Retained earnings	Other reserves	Total equity
As at 1 January 2023		**36,815**	**279,008**	**3,405**	**20**	**75,071**	**2,438**	**396,757**
Profit for the year		–	–	–	–	78,380	–	78,380
Other comprehensive income		–	–	–	11	–	–	11
Total comprehensive income		**–**	**–**	**–**	**11**	**78,380**	**–**	**78,391**
Formation of reserves	28	–	100,000	3,754	–	(3,754)	–	100,000
Share based payments	29	–	–	–	–	–	2,393	2,393
As at 31 December 2023		**36,815**	**379,008**	**7,159**	**31**	**149,697**	**4,831**	**577,541**
As at 1 January 2024		**36,815**	**379,008**	**7,159**	**31**	**149,697**	**4,831**	**577,541**
Profit for the year		–	–	–	–	100,528	–	100,528
Other comprehensive (loss)		–	–	–	(60)	–	–	(60)
Total comprehensive income		**–**	**–**	**–**	**(60)**	**100,528**	**–**	**100,468**
Formation of reserves	28	–	291,200	7,485	–	(7,485)	–	291,200
Share based payments	29	–	–	–	–	–	6,238	6,238
Exercise of options	29	–	–	–	–	1,956	(1,956)	–
As at 31 December 2024		**36,815**	**670,208**	**14,644**	**(29)**	**244,696**	**9,113**	**975,447**

The accompanying notes on pages 78 to 126 are an integral part of these financial statements

Statement of Cash Flows

EURth	Notes	2024	2023
Operating activities			
Profit before tax		133,127	99,436
Adjustment for:			
Interest income	7	(589,312)	(351,044)
Interest expense	8	22,669	71
Increase (+)/decrease (-) in ECL	14	31,911	45,725
Increase (+)/decrease (-) in provisions	27	4,887	650
Provision for deferred tax assets	15	(333)	4,660
Depreciation and amortisation	22	971	511
Share based payments to employees	29	6,238	2,393
Other non-cash items in (loss)/profit before tax		(1,165)	(652)
Changes in operating assets and liabilities			
Net change in derivative financial instruments	19	(2,097)	(2,347)
Net change in loans and unauthorised overdrafts	20	(2,781,788)	(1,271,560)
Change in other operating assets	23	(80,477)	(114,606)
Change in other operating liabilities	25, 26	561,503	529,046
Increase in due to customers	24	7,219,678	2,577,486
Gain(-)/loss(+) from exchange differences		4,069	(62)
Income tax paid		(26,911)	(533)
Interest paid		(22,740)	(135)
Interest received		573,012	345,994
Net cash flows from operating activities		**5,053,242**	**1,865,033**

EURth	Notes	2024	2023
Investing activities			
Purchase of property and equipment	22	(95)	(44)
Net purchase of treasury investments	21	(2,055,889)	(1,315,561)
Parent investment in subsidiary		(208)	–
Net purchase of equity instruments		(8)	–
Net cash flows used in investing activities		**(2,056,200)**	**(1,315,605)**
Financing activities			
Proceeds from formation of reserve capital	28	291,200	100,000
Principal payments of lease liabilities	22.1	(937)	(481)
Net cash flows from financing activities		**290,263**	**99,519**
Net increase in cash and cash equivalents		**3,287,305**	**648,947**
Net foreign exchange difference		(4,129)	73
Cash and cash equivalents at 1 January	16	7,580,275	6,931,255
Cash and cash equivalents at 31 December	16	10,863,451	7,580,275

The accompanying notes on pages 78 to 126 are an integral part of these financial statements

Notes to the Financial Statements

1. Corporate Information

The Bank is a credit institution incorporated and licensed in the Republic of Lithuania with company number 304580906 and authorisation code LB000482 and whose registered office is at Konstitucijos ave. 21B, 08130 Vilnius, the Republic of Lithuania. The Bank was granted a specialised banking licence in December 2018, and a “full” banking licence in December 2021 to offer payment, deposit, credit products and other services to its customers in accordance with Articles 4(2), 4(3) and Article 9 (2-1) of the Law on Banks of the Republic of Lithuania. The entity is directly supervised by the Bank of Lithuania (further referred to as BoL). The BoL adopted a decision to designate the Bank as Other Systemically Important Institution (O-SII) on 20 December 2022. As a consequence, in January 2024 the Bank fell under joint supervision by the Bank of Lithuania and the European Central Bank (Joint Supervisory Mechanism) and the European Single Resolution Board (Single Resolution Mechanism).

Since 7 June 2022 the Bank is a wholly owned subsidiary of Revolut Holdings Europe UAB (further referred to as RHE) with company number 305820090, whose registered office is at Konstitucijos ave. 21B, 08130 Vilnius, the Republic of Lithuania which in turn is a wholly owned subsidiary of Revolut Group Holdings Ltd (further referred to as Group TopCo) with Companies House number 12743269, whose registered office is at 7 Westferry Circus, Canary Wharf, London, England, E14 4HD.

On the 1st July 2022, the Bank merged with Revolut Payments UAB, thereby simplifying the offering to its customers as well as streamlining the organisational structure.

The Bank has registered the following branches in the EU:

- Revolut Bank UAB (Belgian Branch), which was incorporated on 19th April 2021, registered address: Silver Square, Sq. de Meeûs 35, 1000 Brussels, Belgium.
- Revolut Bank UAB (Netherlands Branch), which was incorporated on 9th August 2022, registered address: Avenue Barbara Strozzi 201, 1083 HN Amsterdam, Netherlands.
- Revolut Bank UAB - Sucursal em Portugal (Portugal Branch), which was incorporated on 18th May 2022, registered address: Avenida Menéres, 612, 4450-189 Matosinhos, Portugal.
- Revolut Bank UAB Magyarországi Fióktelepe (Hungarian Branch), which was incorporated on 14th January 2021, registered address: Radnóti Miklós utca 2, 1137 Budapest, Hungary.
- Revolut France succursale de Revolut Bank UAB (French Branch), which was incorporated on 12th July 2022, registered address: 10 avenue Kleber, 75116, Paris, France.
- Revolut Bank UAB (Irish Branch), which was incorporated on 4th May 2022, registered address: 2 Dublin Landings, North Dock, Dublin 1, Ireland.
- Revolut Italia, Branch di Revolut Bank UAB (Italian Branch), which was incorporated on 19th April 2022, registered address: Via Filippo Sassetti 32, 20124 Milan, Italy.
- Revolut Bank UAB, Zweigniederlassung Deutschland, Germany, which was incorporated on 17th January 2023, registered address: FORA Linden Palais, Unter den Linden 40, 10117 Berlin, Germany.
- Revolut Bank UAB Sucursal En España, which was incorporated on 7th March 2023, registered address: Príncipe de Vergara 132, 4ª planta, 28002 Madrid, Spain. NIF code W0250845E.
- Revolut Bank UAB Vilnius Sucursala Bucuresti - Romanian Branch, which was incorporated on 7th June 2023, registered address: Bucureşti Sectorul 1, Bulevardul ION MIHALACHE, Nr. 15-17, Mindspace Victoriei, biroul 111, cladirea Tower Center International, Etaj 1, Romania. Romanian Trade Register number: J40/10350/06.06.2023.

On 17 January 2024 the Swiss Financial Market Supervisory Authority (FINMA) granted a licence for the Bank and Revolut Securities Europe UAB to set up a joint representation of a foreign bank and a foreign securities in Switzerland.

The Bank holds 100 % investments into following subsidiaries:

- Revolut (Switzerland) AG, which was incorporated on 15 May 2024, registered address: Beethovenstrasse 48, 8002 Zürich, Switzerland. Trade register number CHE-462.966.439.
- Revolut Switzerland Payments AG, which was incorporated on 14 October 2024,registered address: Beethovenstrasse 48, 8002 Zürich, Switzerland. Trade register number CHE-466.957.066.

The Bank does not prepare the consolidated financial statements as the Bank's and its subsidiaries financial statements are consolidated into both Revolut Holdings Europe UAB and Revolut Group Holdings Ltd consolidated financial statements.

2. Basis of Preparation

The Bank has prepared the financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU). The financial statements have been prepared on a historical cost basis with the exception for derivative financial instruments and non-euro currency positions at fair market value. The financial statements are presented in euros and all values are rounded to the nearest thousands, except when otherwise indicated. The Bank presents its statement of financial position in order of liquidity based on the Bank’s intention and perceived ability to recover/settle the majority of assets/ liabilities of the corresponding financial statement line item.

3. Changes in Accounting Policies and Disclosures

3.1. New and/or amended standards and their interpretations that apply 1 January 2024

The following standards, amendments and interpretations of the existing standards issued by the International Accounting Standards Board (IASB) and adopted for review in the EU are currently effective and were applied by the Bank this year:

- Amendments to IFRS 16 “Leases”: Lease liability in a sale and leaseback (effective for annual periods beginning on or after 1 January 2024);

- Amendments of IAS 1 "Presentation of Financial Statements": Classification of Liabilities as Current and Non-Current Date; Classification of Liabilities as Current and Non-Current – Deferral of the Effective Date; Non-Current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024);
- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments": Disclosures: Supplier Finance Arrangements (effective for annual periods beginning on or after 1 January 2024.

The application of the above standards, amendments and interpretations thereof did not have a significant impact on the Bank's financial statements.

3.2. Standards, amendments and interpretations of the effective standards issued by the IASB, approved in the EU, but not yet effective

The Bank has not applied the following IFRS standards, amendments and interpretations thereof that are already approved at the date of signature of these financial statements but have not yet become effective:

- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025).

The Bank believes that the application of the said standards, amendments of the effective standards and interpretations thereof will not have a significant impact on the financial statements of the Bank during the initial period of their application.

3.3. Standards, amendments of the effective standards and interpretations not yet effective and not yet approved in the EU

IFRSs currently adopted in the EU are almost identical to the standards approved by the International Accounting Standards Board (IASB), except for the standards, amendments of currently effective standards and interpretations thereof which were not yet approved in the EU (the dates of validity apply to IFRSs in full). The said standards, amendments and interpretations thereof are presented below:

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027);
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027);
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (effective for annual periods beginning on or after 1 January 2026);
- Annual Improvements Volume 11 (effective for annual periods beginning on or after 1 January 2026);
- Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026).

The Bank is currently assessing the impact of these new accounting standards and amendments. The management of the Bank does not expect that the adoption of these standards, amendments and interpretations listed above will have a material impact on the financial statements of the Bank in future periods.

4. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Bank in preparing its financial statements:

4.1. Foreign Currency Translation

The financial statements are presented in euros (EUR). Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction.

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. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss shall be recognised in other comprehensive income.

4.2. Interest Income and Expense

4.2.1. 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.

4.2.2. Interest Expense

Interest expenses are charged to interest expense in the Statement of Profit or Loss and Other 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.

4.3. Fee and Commission Income

The Bank recognises revenue according to the principles of IFRS 15 Revenue from Contracts with Customers 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 Bank derives its revenue from contracts with customers by providing a variety of services.

Card related fees

Card revenue represents transaction-related fees, including interchange fees, merchant acquiring fees, fair usage fees for cash withdrawals outside of customer plans allowances, and top-up fees. The settlement of card-related transactions by the Bank as the issuer or acquirer is considered a performance obligation under IFRS 15 Revenue from Contracts with Customers. The portion of the transaction price allocated to this performance obligation, which may comprise the entire fee received or receivable, is recognised at the time of settlement of the transaction. Some portion of the transaction price may be deferred if there exists additional performance obligations which have not yet been satisfied at the reporting date; refer to ‘RevPoints’ below for further details.

Subscription fees

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 a bundle of services offered as part of the customer’s day-to-day current account. The portion of the transaction price allocated to the card delivery service is recognised as revenue when the card is delivered (presented within other fee income). The portion of the transaction price allocated to the remaining bundle of services is recognised as revenue on a straight-line basis over the applicable subscription period. Where subscription fees are received in advance, they are initially recognised as contract liabilities and release to profit or loss as revenue is recognised.

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

Foreign exchange

Foreign exchange revenue represents mark ups fees charged on market exchange rates for weekend transactions and less frequently traded currencies. This revenue also includes fair usage fees where customers undertake additional exchange transaction volumes outside of their plan allowances. It also includes the fair value movements on derivative financial instruments used to hedge the Bank’s foreign exchange exposure as a result of its customer foreign exchange activities.

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

RevPoints

The Bank offers a loyalty program whereby customers may earn value in the form of a proprietary points currency (RevPoints) upon completion of specific tasks or actions. Points may be redeemed for discounts on a variety of products or services or transferred to frequent flyer program partners. For all points granted to the customer within a transaction under the scope of IFRS 15 *Revenue from Contracts with Customers*, including points earned on everyday cardholder spend, the future redemption of points is considered a distinct performance obligation assumed by the Bank. Accordingly, the transaction price (e.g., interchange fee) is allocated to each performance obligation on a relative stand-alone selling price basis. Revenue is recognised as the Bank satisfies each performance obligation by transferring the promised good or service to the customer (i.e., upon redemption of the points, including an adjustment for the expected breakage of points). If the associated fee income is collected prior to redemption of the points, which is typically the case, the Bank will defer the portion of the transaction fee allocated to the point-related performance obligation until the points have been redeemed. Contractual liability is presented within other liabilities as "Contractual liability from loyalty program".

Any points that are granted to the customer that is not within the scope of IFRS 15 *Revenue from Contracts with Customers*, including certain forms of point bonuses and challenges, are recognised as a provision under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

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
- 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 Bank 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 Bank acts as an intermediary between its customers and its insurance partners only and does not accept any significant insurance risk. Therefore, the Bank does not issue any insurance contracts as defined by IFRS 17 *Insurance Contracts*.

Remaining performance obligations

IFRS 15 *Revenue from Contracts with Customers* allows the Bank 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).

4.4. Fee and Commission Expense

Fee expenses primarily relate to fees incurred by the Bank in the processing and settlement of transactions, partner-related costs, 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 Bank 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 Bank to purchase services from third-party vendors to include them as an integral component of the product package.

4.5. Personnel Expenses

The Bank 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, including cash bonuses, 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 Bank 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.

4.6. Other and Administrative Expenses

Other and administrative expenses are recognised on an accrual basis in the reporting period when the income related to those expenses was earned, irrespective of the time the cash was transferred. Costs that are not directly related to the specific income are expensed as incurred.

4.7. Financial Instruments – Initial Recognition

4.7.1. Date of Recognition

Financial assets and liabilities with the exception of loans and unauthorised overdrafts are initially recognised on the trade date, i.e., the date on which the Bank becomes a party to the contractual provisions of the instrument. Loans, unauthorised overdrafts by customers and due to customers are recognised when funds are transferred to the customers' accounts.

Special accounting consideration on asset-backed securities(ABS) and collateralized loan obligations (CLO) trades on primary market:

The main differences between floating/fixed rate Bonds and ABS, CLO are:

- Prepayments;
- Call feature (including call at par value as well as make-whole call provision);
- Floor on the benchmark rate on ABS and CLO;
- Collateral and Collateral rebalancing;

Unlike ABS and CLO traded on the secondary market which follow the normal settlement dates of T+2/3, for those traded within the primary market (where new securities are issued for the first time), there would be a difference between trade date vs. settlement date of around 6 - 9 weeks.

A financial asset is recognised when and only when the entity becomes a party to the contractual provisions of the instrument [IFRS 9.3.1.1]. As such, prior to the settlement date, the Bank would have not become a party to the contractual provisions of the instrument and would not bear any risks or rewards from the assets. This should be viewed as a commitment to purchase the ABS and CLO. Under IFRS 9, firm commitments are generally not recognised on the balance sheet until it is actually settled, except for when firm commitments are designated as hedged items in a fair value hedge.

As such, ABS and CLO traded on primary market will be recognised on settlement date, the accrued interest should only start from the settlement date as well.

4.7.2. Initial Measurement of Financial Instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value.

4.7.3. Measurement Categories of Financial Assets and Liabilities

The Bank classifies financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVPL)

Financial liabilities are measured at amortised cost or at FVPL when they are held for trading and derivative instruments.

4.7.4. Determination of Fair Value

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Bank has access to at the measurement date. The Bank considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Bank will classify the instruments as Level 3.
- Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole. These techniques are generally based on extrapolating from observable inputs for similar instruments, analysing historical data or other analytical techniques. Examples of Level 3 financial instruments are instruments for which there is currently no active market or binding quotes, such as unlisted equity instruments.

The Bank evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary, based on the facts at the end of the reporting period.

4.7.5. Financial Assets Measured at Amortised Cost

The Bank measures financial assets at amortised cost only if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

4.7.5.1. Business Model Assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective:

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected). The expected frequency, value and timing of sales are also important aspects of the Bank's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

4.7.5.2. The SPPI Test

As a second step of its classification process the Bank assesses the contractual terms of the financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money an d credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

4.7.6. Derivative Financial Instruments Recorded at Fair Value Through Profit or Loss

A derivative is a financial instrument with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

Derivatives, including interest rate swaps, foreign currency swaps, and foreign currency forward contracts, are measured at fair value through profit or loss. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in "Net gains and losses on derivatives".

4.7.7. Hedge accounting

The Bank elected, as a policy choice permitted under IFRS 9, to apply the requirements of IAS 39 Financial Instruments: Recognition and Measurement for hedge accounting purposes.

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

At inception, the Bank 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 Bank currently only applies fair value hedging (both macro and micro fair value hedge) 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 profit or loss as the "net gain on changes in the fair value on hedging derivatives and hedged items", within other income or other operating expenses. 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 Bank'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 (for example, differentials on notional amounts, strike rate, payment frequency and maturity between the hedged instrument and hedged item, or the possibility of changes to the critical terms of the hedge; and
- derivatives used as hedging instruments having a non-nil fair value at the time of designation; 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.

4.7.8. Undrawn Loan Commitments

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer. The nominal contractual value of undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the statement of financial position. These contracts are in the scope of the ECL requirements with the changes in provisions recognised in the financial statements. The nominal values of undrawn loan commitments together with the corresponding ECL are disclosed in Note 27.1.

4.8. Reclassification of Financial Assets and Liabilities

The Bank does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Bank acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

4.9. Derecognition of Financial Assets and Liabilities

4.9.1. Derecognition Due to Substantial Modification of Terms and Conditions

The Bank derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI. When assessing whether or not to derecognise a loan to a customer, amongst others, the Bank considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, as set out below, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded. For financial liabilities, the Bank considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent. For financial assets, this assessment is based on qualitative factors.

4.9.2. Derecognition Other Than for Substantial Modification

4.9.2.1. Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired.

The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Bank has transferred the financial asset if, and only if, either:

- The Bank has transferred its contractual rights to receive cash flows from the financial asset

or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Bank retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Bank has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term unauthorised overdrafts with the right to full recovery of the amount lent plus accrued interest at market rates
- The Bank cannot sell or pledge the original asset other than as security to the eventual recipients
- The Bank has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Bank is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents, including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Bank has transferred substantially all the risks and rewards of the asset

or

- The Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Bank considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Bank has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Bank's continuing involvement, in which case, the Bank also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Bank could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Bank would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

4.9.2.2. Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

4.10. Impairment of Financial Assets

4.10.1. Overview of the ECL Principles

The Bank records an allowance for expected credit loss for all loans and other debt financial assets not held at FVPL, together with loan commitments. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit losses or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit losses (12mECL). The Bank's policies for determining if there has been a significant increase in credit risk are set out in Note 20 and Note 21. The 12mECL is the portion of LTECL that represent the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECL and 12mECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Based on the above process, the Bank groups its financial assets into Stage 1, Stage 2, Stage 3, as described below:

- 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 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.
- Stage 2: Financial assets which have experienced a SICR event since initial recognition, against which a lifetime ECL provision is required. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.
- 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 ECL allowance is only recognised or released to the extent that there is a subsequent change in the expected credit losses. For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

4.10.2. The Calculation of ECL

The Bank calculates ECL based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Bank in accordance with the contract and the cash flows that the Bank expects to receive. 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. The concept of PD is further explained in Note 6.1.2.
- Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The EAD is further explained in Note 6.1.2.
- Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral or credit enhancements that are integral to the loan and not required to be recognised separately. It is usually expressed as a percentage of the EAD. The LGD is further explained in Note 6.1.2.

When estimating the ECL, the Bank considers three scenarios (a base case, an optimistic, and pessimistic). Each of these is associated with different PDs, EADs and LGDs, as set out in Note 6.1.2. The maximum period for which the credit losses are determined is the contractual life of a financial instrument (5 years for credit card limits). Impairment losses and gains are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

- Stage 1: The 12mECL is calculated as the portion of LTECL that represents the ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by EIR or, where relevant by an approximation to the EIR. This calculation is made for each of the three scenarios, as explained above.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECL. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument (5 years for credit card limits). The expected cash shortfalls are discounted by EIR or, where relevant by an approximation to the EIR.
- Stage 3: For loans considered credit-impaired the Bank recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.
- Loan commitments. When estimating LTECL for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at EIR or where relevant at an approximation to the expected EIR on the loan. For credit cards and revolving facilities that include both a loan and an undrawn commitment, ECL is calculated and presented together with the loan. For loan commitments the ECL is recognised within Provisions.

4.10.2.1. Unauthorised overdrafts Impairment Calculation

There are four main types of events that create unauthorised overdrafts:

- offline transactions;
- fees charged;.
- acquiring top-ups;
- fraudulent activity.

For the purpose of impairment calculation the Bank applies ageing buckets to the unauthorised overdrafts and calculates provision for the buckets based on past historical performance.

The analysis of provision rates used based on the ageing bucket is disclosed below:

Ageing bucket	2024	2023
a) <= 30 days	30%	45%
b) 30-60 days	61%	70%
c) 60-90 days	68%	80%
d) 90-365 days	71%	95%
e) > 365 days	100%	100%
f) Fraudulent activity	100%	100%
g) Terminated users	100%	100%

4.10.3. Default Definition

The Bank uses the definition of default according to the Article 178 of the CRR (Capital Requirements Regulation) and EBA Guidelines on definition of default. The same definition is used by the Bank for classification of financial instruments as credit-impaired (Stage 3) under IFRS 9.

The Bank identifies defaults at obligor level when either one or both of the following have taken place:

I. (A) the obligor is past due more than 90 days on any material credit obligation to the Bank;
II. (B) the obligor is considered unlikely to pay its credit obligations to the Bank without recourse to actions such as realising security.

For the purpose of criterion (A), counting of days past due is performed at obligor level. The Bank assesses all credit obligations of a customer past due as material according to absolute and relative thresholds relative to the total amount of all on-balance sheet exposures to the obligor. The number of days past due will be counted as the consecutive number of days that the amount owed by an obligor has been above the materiality threshold and counting stops only when the amount past due drops below the threshold. Per the EBA Regulatory Technical Standards (EBA/RTS/2016/06) materiality threshold is set as follows:

- For retail exposures: absolute threshold of >100 EUR and relative threshold of >1% from the total amount of all on-balance sheet exposures to the obligor.
- For non-retail exposures: absolute threshold of >500 EUR and relative threshold of >1% from the total amount of exposures owed by the obligor to the Revolut Group.

For the purpose of criterion (B), elements taken as indications of unlikeliness to pay by the Bank include the following:

1. The Bank puts the credit obligation on non-accrued status due to the decrease of the credit quality of the obligation. Non-accrued status covers situations where the Bank stops charging interest and/or has direct write-offs;
2. The Bank recognises a specific credit adjustment resulting from a significant perceived decline in credit quality subsequent to the Bank taking on the exposure;
3. The Bank sells the credit obligation at a material credit-related economic loss;
4. The Bank consents to a distressed restructuring of the credit obligation by the material forgiveness or postponement of principal, interest or, where relevant, fees where this is likely to result in a diminished financial obligation;
5. Bankruptcy of the obligor or similar protection;
6. Credit fraud;
7. Death of a customer;
8. Materially overdue on at least one significant facility but not meeting criterion A at obligor level (applicable for retail exposures only);
9. Disappearance of an active market for a financial instrument because of financial difficulties of the customer (applicable for non-retail exposures only);
10. Observable data indicating a measurable decrease in estimated future cash flows from a group of financial assets, such that the counterparty is not capable of servicing its debt (applicable for non-retail exposures only);
11. For previously defaulted exposures in 'probation' status, where the exposure in probation becomes 30 days or more past due (applicable for non-retail exposures only).

4.10.4. Migration Between Stages

IFRS 9 requires at each reporting date measurement of loss allowance for each financial instrument at an amount equal to the ECL according to 3 different stages. The stages are determined by the current credit risk, as well as, absolute and relative changes of credit risk since initial recognition - capturing the presence of significant increase of credit risk (SICR):

1. Forborne performing as of reporting date.
2. Obligors not eligible for forbearance measures based on their risk assessment.
3. Return to a non-impaired status and in 3 month probation period.
4. Significant increase in lifetime point-in-time forward looking PD as of reporting date compared to initial recognition.
5. More than 30 days past due as of reporting date, calculated on facility level and using the regulatory DPD definition.

SICR flags 1,2,3,4 above are evaluated at obligor level, while flag 5 is evaluated at individual financial instrument level.

The Bank sets absolute and relative thresholds for change in forward looking lifetime PD mentioned as SICR indicator under point 4 above. Significant increase in the lifetime PD occurs if both of the following thresholds are breached:

- relative threshold of PD change by more than 2.5 times;
- absolute threshold of PD change by more than 2 percentage point (to avoid classification as Stage 2 of obligors still being with low risk despite PD change exceeding 2.5 times).

As an exception from general principles for identification of SICR described above, the Bank considers the following triggers of SICR for the purposes of wholesale credit exposures:

- Counterparty is on Creditwatch as of the respective reporting date;
- Counterparty has been downgraded by 2 notches or more due to a deterioration in the credit risk profile and this results in an increase to PD of at least 0.5%.

Wholesale obligors are included into Creditwatch where material deterioration in their credit risk profile is identified in accordance with the Revolut Group Wholesale Credit Risk Procedures. Obligors on Creditwatch are moved to Stage 2 irrespective of their ratings at initial recognition.

In addition, the Bank applies low credit risk exemption for its wholesale exposures which are externally rated investment grade by the three major rating agencies, to be considered Stage 1 exposures. In line with the Revolut Group Internal Ratings Procedures, Revolut Bank relies on the ratings of external rating agencies Moody's, S&P and Fitch and will assign each externally rated counterparty a rating per the approach noted in the Internal Rating Procedures. Exposures subject to low credit risk exemption are always kept in Stage 1 unless objective evidence of credit-impairment is identified triggering transfer to Stage 3.

Transfer from Stage 2 to Stage 1 will be performed when none of SICR indicators are present and the exposure passed the probation period after having impaired status as of reporting date.

Obligors who return to a non-defaulted status are moved from Stage 3 to Stage 2 no matter whether any of SICR indicators are identified. They can be transferred to Stage 1 only after a probation period of at least 3 months subject to no presence of SICR indicators by the end of this probation period.

4.11. Write-Offs

Financial assets are 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 Statement of Profit or Loss and Other Comprehensive Income.

The Bank will determine for each type of portfolio suitable maximum periods for full provisioning and write-off. The Bank 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).

Unauthorised overdrafts 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

4.12. Forborne and Modified Loans

The Bank sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties. The Bank considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Bank would not have agreed to them if the borrower had been financially healthy. Forbearance involves changing of loan conditions. Typically, interest-only period and/or maturity extension is granted. If modifications are substantial, the loan is derecognised, as explained in Note 4.9.1. Once the terms have been renegotiated without this resulting in the derecognition of the loan, any impairment is measured using the original EIR as calculated before the modification of terms. The Bank also reassesses whether there has been a significant increase in credit risk and whether the assets should be classified as Stage 3. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off. Once an asset has been classified as forborne, it will remain forborne for a minimum 24-month probation period. In order for the loan to be reclassified out of the forborne category, the customer has to meet all of the following criteria:

- All of its facilities have to be considered performing
- The probation period of two years has passed from the date the forborne contract was considered performing
- Regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation period
- The customer does not have any contracts that are more than 30 days past due.

As of 31 December 2024 and 2023 reporting date the Bank has forborne assets, which are disclosed in the Note 20.

4.13. Cash and Cash Equivalents

Cash and cash equivalents as referred to in the cash flow statement comprises cash on hand, non-restricted current accounts with central banks and amounts due from banks on demand or with an original maturity of three months or less.

4.14. Property, Plant and Equipment

Property and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. Depreciation of owned assets is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Computer hardware 3 years
- Other furniture and equipment 4 years
- Fixtures and fittings 4 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss and Other Comprehensive Income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

4.15. Other assets and liabilities

Cash collateral

Cash collateral includes amounts held with our partners on a long-term basis to support customers' transaction volumes.

Collateral paid is included as an asset in other assets. Where collateral is received, this is recognised in other liabilities.

Card schemes

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

Settlement receivables and payable

Settlement receivables and payables include balances arising from timing differences in the Bank'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, there is a clearing period before the cash is received or settled. This period is usually within five business days.

4.16. Leases

The Bank 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 2024 and 2023 the Bank is a lessee in its lease arrangements, and is not a lessor.

The Bank 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 Bank recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

4.16.1. Right-of-use assets

The Bank 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. If ownership of the leased asset transfers to the Bank 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 4.17, Impairment of non-financial assets.

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

4.16.2. Lease liabilities

At the commencement date of the lease, the Bank 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 Bank and payments of penalties for terminating the lease, if the lease term reflects the Bank 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 Statement of Profit or Loss and Other Comprehensive Income.

In calculating the present value of lease payments, the Bank 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 Bank 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 Bank has elected to apply this practical expedient and will not separate lease and non-lease components.

The lease liabilities are presented along with other liabilities in the Statement of Financial Position.

4.16.3. Short-term leases and leases of low-value assets

The Bank 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.

4.17. Impairment of Non-Financial Assets

At each date of the 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.

4.18. Provisions and Contingencies

4.18.1. Provisions

Provisions are recognised where an event has taken place that gives rise for the Bank 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 Statement of Profit or Loss and Other Comprehensive Income in the year that the Bank 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 Statement of Financial Position.

4.18.2. 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 Bank's control.

Contingent liabilities are disclosed in the 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 financial statements.

4.19. Taxes

4.19.1. Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Bank operates and generates taxable income.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income respectively and not in the Statement of Profit or Loss and Other Comprehensive Income.

4.19.2. Deferred Tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for taxable temporary differences. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognised as income tax benefits or expenses in the Statement of Profit or Loss and Other Comprehensive Income. The Bank only offsets its deferred tax assets against liabilities when there is both a legal right to offset its current tax assets and liabilities and it is the Bank’s intention to settle on a net basis.

4.20. Share-Based Payments

The Bank operates share-based payment schemes. The purpose of these plans is to incentivise and remunerate the 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. The Bank 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 Statement of Profit or Loss and Other 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 Bank has to estimate the expected yearly percentage of employees that will stay within the Bank 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 statement of profit or loss and other comprehensive Income.

During the year, the Bank has revised the accounting policy regarding the disclosure of the Share-based payment reserve. Previously, all reserves related to exercised options were retained within the share-based payment reserve in other reserves. Under the revised policy, reserves related to exercised or expired options are transferred from the other reserves to retained earnings.

Reason for the change

The revised policy provides a clearer presentation of share-based payments. It reflects the actual exercised or expired options during the period while ensuring the share-based payments reserve shows only the balance for vested but not yet exercised options. This results in the improved transparency and better alignment with the Bank’s financial reporting objectives. The policy was applied from 2024 since the impact in previous periods is not material.

5. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Bank’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Bank’s accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date.

5.1. Going Concern

The financial statements of Revolut Bank have been prepared on a going concern basis. The directors have assessed the Bank’s ability to continue as a going concern and, after making appropriate enquiries, have a reasonable expectation that the Bank has adequate resources to continue its operational existence for the foreseeable future.

In forming this view, the directors have taken into account the following key considerations:

- **Profitability**: The Bank achieved profitability in 2022 and has remained profitable throughout 2023 and 2024.
- **Revenue Growth**: Substantial growth in the customer base has resulted in a material increase in revenues, driven by both interest income and commission income.
- **Capital Adequacy**: The Bank maintains a strong capital base, with capital ratios significantly exceeding regulatory minimum requirements.
- **Liquidity**: The Bank demonstrates a robust liquidity position, reflected in its Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), both of which remain well above regulatory thresholds.
- **Parent Companies Support**: The Bank benefits from continued strong support from its parent companies, including planned additional capital injections to support growth, the use of the Revolut Group’s technology platform and app, and the provision of centralised support functions.
- **Transfer Pricing Stability**: The intercompany transfer pricing arrangement with Revolut Ltd ensures the Bank remains profitable before any intra-group service fees are incurred annually.

The directors have established a detailed business plan for the period 2025-2027, which forecasts continued profitability. This plan has been subjected to rigorous stress testing under a series of adverse scenarios, including idiosyncratic, systemic, and combined market stresses. These assessments confirm the Bank's resilience under challenging conditions.

Further supporting this assessment is the financial performance of the Bank’s ultimate parent company, Revolut Group Holdings Ltd, which has demonstrated sustained profitability on a consolidated basis for the financial years from 2021 to 2023, despite significant investments in technology, marketing, and its workforce. Consolidated profitability is expected to continue for the financial year 2024, with accounts for this period due to be published in the coming months.

The intercompany agreement for financial and general support services with Revolut Ltd, which may be terminated with twelve month’s notice, remains in full force.

Based on these factors, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

5.2. Impairment Losses on Financial Assets

In determining the expected credit losses, the Bank 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 Bank considers both quantitative and qualitative information and analysis. In doing so, the Bank makes judgements about the appropriate indicators used as SICR triggers. The triggers that the Bank has determined as appropriate include 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 Bank in its measurement of ECL makes judgements about the type and number of macroeconomic scenarios in order to reflect the Bank’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**

The Bank regularly reviews its models in the context of actual loss experience and adjusts when necessary. In the event of launching of new credit portfolio without available data to support empirical estimation of a given ECL parameter, this parameter might be initially determined on expert basis with additional consideration of external benchmarks and data. Further details about the Bank’s impairment losses on financial assets are given in Note 6.1.2.

5.3. Hedge accounting

The Bank applies hedge accounting in accordance with IFRS as adopted by the EU, which includes specific exceptions for the hedging of core deposits. The application of these policies involves significant judgement and estimation, particularly in respect of the projected repricing time bucket of the underlying non-maturing core customer liabilities included in macro fair value hedges.

Under the EU 'IAS 39 carve-out', the Bank recognizes hedge ineffectiveness in respect to core deposits only when the revised estimate of the amount of cash flows scheduled in each monthly time buckets falls below the original designated amount of that bucket. Ineffectiveness is not recognized when the revised amount of cash flows scheduled in each time bucket is more than the original designated amount.

Core deposits within the identified portfolios are allocated to repricing time buckets based on expected, rather than contractual, repricing dates. These 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. This includes data and expectations regarding interest rates, withdrawal rates, and the interaction between them. The Bank utilizes the exception within IFRS as adopted by the EU that permits the hedging of a portfolio of core deposits that are expected to remain outstanding for a significant period, even though the timing of individual withdrawals is uncertain.

These estimates are reviewed periodically and updated in light of experience. Changes in these estimates can influence the availability and timing of suitable hedged items, which may impact the effectiveness of the hedge relationships.

Additionally, for the portfolio fair value hedges of the Bank's core deposits portfolio, the Bank follows a dynamic hedging strategy, and the period for which the Bank designates these hedges is one month. At the end of each month, the Bank voluntarily de-designates the hedge relationships and re-designates them as new hedges. This one-month repricing time period duration is deemed to be the most appropriate to minimize ineffectiveness and accommodate new exposures within the context of the core deposit carve-out exception under IFRS as adopted by the EU.

Further details about the Bank's hedge accounting are disclosed in Note 19.1.

5.4. RevPoints

The Bank recognises revenue associated with post-generating transactions under IFRS 15 Revenue from contracts with customers on a relative stand-alone selling price basis and releases previously deferred contract liability in proportion with the pattern of rights exercised by the customer when redeeming said points.

Calculating the stand-alone selling price of the performance obligations in a transaction involving RevPoints requires several assumptions by management, including but not limited to:

- an estimate of the future redemption value of earned points, which is a function of the variety of redemption alternatives available to the customer at the time the points are granted, the implied value of each of those redemption alternatives, and expected customer redemption tendencies which drive the proportion in which those alternatives will be adopted,
- an estimate of the probability that granted points will be redeemed prior to expiry, and
- estimates included in the calculation of other performance obligations in the contract, such as interchange yields and commission rates for a portfolio of contracts that have opted into RevPoints.

Management's estimate of the probability of redemption is also used to release contractual liability into profit or loss in proportion with the pattern of rights exercised by the customer.

Assumptions are reviewed on a periodic basis and adjusted to reflect management's best estimate at the applicable reporting date, incorporating all empirical data observed as of that date, changes to the RevPoints program terms and conditions, and new types of redemption alternatives. The Bank does not reallocate the transaction price to reflect changes in stand-alone selling prices after contract inception, which includes changes to management assumptions used to compute those stand-alone selling prices. Accordingly, changes to management assumptions only impact (1) the deferral of revenue for new transactions and contacts on a prospective basis, and (2) the pattern of release for any contractual liability (but not the original amount of the liability itself).

6. Risk Management

6.1. Financial Risk

The Bank's business remains sensitive to global macroeconomic conditions, as its revenue depends on the volume and value of user transactions, which are influenced by users' income levels and spending behaviour.

The European Economic Area has returned to growth, but progress remains slow and uneven. While household incomes have increased, spending remains cautious due to elevated interest rates. The largest economy in the region continues to struggle with economic challenges, including a prolonged downturn, weaker demand from key trading partners, and disruptions in major industries. These factors create uncertainty for the broader European economy, which could impact the Bank's growth prospects.

Geopolitical risks remain a concern. The ongoing conflict in Ukraine continues to disrupt energy markets and trade, affecting economic stability across Europe. Additionally, global trade tensions and political uncertainties, including potential disputes between key economies, could introduce further volatility. If these risks escalate, they may contribute to financial and non-financial risks for the Bank, including regulatory changes, cybersecurity threats and overall market instability.

Despite these challenges, labour market conditions in the region remain strong, with employment at historically high levels. However, structural factors such as an ageing workforce and resistance to immigration may pose long-term economic risks, potentially impacting overall stability.

6.1.1. Funding and Liquidity Risk

(a) Overview of the framework

Liquidity risk is the risk that the Bank cannot meet its financial obligations when they fall due. Funding risk is the risk that the Bank 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. The risk arises when assets maturing during a particular period are lower than corresponding liabilities maturing during the same period. An unexpected decrease in assets or an increase in liabilities can also create funding and liquidity risk.

The Bank is, or may in the future be, exposed to a number of funding and liquidity risks, including but not limited to deposit funding run-off, increase in pre-funding, intra-day liquidity and collateral requirements, contingent off-balance sheet exposures and commitment drawdowns, increase in requirements for derivatives margin, decrease in value of marketable and non-marketable assets, and currency liquidity. These risks are managed by the Treasury Function, with control and oversight provided by the Risk Management Function, the Asset and Liability Management Committee (ALCO) and the Management Board.

The Bank's key liquidity policy is to maintain a portfolio of unencumbered, high-quality cash equivalent instruments and securities that are readily convertible to liquid funds to ensure that it can meet all of its financial obligations in business-as-usual circumstances and in stress conditions. The Bank complies with this policy by holding surplus cash equivalents in the form of overnight deposits with central banks as well as a portfolio of securities classified as High Quality Liquid Assets by European Central Bank standards laid off in regulation (EU) No 575/2013.

(b) Monitoring metrics and limits

The Bank has a low risk appetite for funding and liquidity risk. At all times, the Bank seeks to maintain liquidity resources that are adequate in size and quality, to ensure it can meet its liabilities as they fall due as well as all regulatory minimum requirements.

The Bank's liquidity position must always be strong enough to fulfil the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) requirements as specified in the Capital Requirements Regulation of the European Union. Accordingly, the key normative metrics the Bank uses to measure and limit funding and liquidity risk are the LCR and the NSFR.

The LCR is designed to ensure that the Bank holds a sufficient reserve of high-quality liquid assets to survive a period of severe liquidity stress lasting 30 calendar days. The Bank's LCR shall always exceed the internal target of 160%, whereas the regulatory minimum is 100%.

The NSFR is calculated as total available stable funding divided by total required stable funding, and shall always be above the internal target of 130%, exceeding a minimum regulatory requirement by 30 percentage points.

The Bank calculates both metrics on a monthly basis as well as daily proxies. Corresponding figures as of 31 December 2024 were exceeding internal targets and regulatory limits with ample margin.

From the economic perspective funding and liquidity risk is measured by the Liquidity Stress Excess (LSE), which covers multiple time horizons (30-day, 3-month, and 12-month) and stress scenarios (two idiosyncratic, market-wide and two combined) ensuring a comprehensive evaluation of risks tailored to the Bank's business model that are assessed under varying stress conditions and durations. The key output of each internal test is a measure of the Bank's liquidity sufficiency expressed in a notional amount (the LSE metric) as well as survival days (the Stressed Survival Horizon or SSH metric).

Various additional metrics and early warning indicators are followed up to enhance daily liquidity management. The ALCO may introduce new metrics and limits within its mandate.

(c) Stress testing

Liquidity stresses are low-probability, but high-impact events, therefore stress testing is an important risk management tool and an integral part of the funding and liquidity risk management framework and the ILAAP (Internal Liquidity Adequacy Assessment Process). The stress testing methodology is prepared considering business strategy and scope. The assumptions and scenarios used are reviewed regularly with changes being presented to the ALCO and the Management Board.

Liquidity stress testing timeline covers the Bank's expected cash flows during the one-year horizon. Liquidity requirement for a particular scenario is calculated by stressing expected on- and off-balance sheet cash flows and liquidity buffer. Stress testing captures both market-wide and two different idiosyncratic risk effects, as well as two scenarios combining each idiosyncratic effect with the market-wide one.

The main stress factors used in idiosyncratic scenarios include deposit outflows of stable and less stable funding, disruptions in the expected cash inflows from the Bank's loan portfolio, increase in undrawn credit lines, an increase in intra-day, pre-funding and collateral requirements as well as a reputational hit to the Bank. For the market-wide stress scenario it is assumed that the wholesale funding market becomes completely inaccessible for new funding transactions and all callable funding transactions are assumed to be terminated at the earliest possible date. It is also assumed that haircuts of high-quality liquid assets increase together with derivatives margin requirements.

As part of the ongoing risk management, the Bank runs stress tests daily. Key inputs are reviewed at least annually in conjunction with business plan updates with outputs being reviewed by the Chief Risk Officer, the Management Board, and escalated to the Supervisory Council as necessary.

6.1.2. Credit Risk

Credit risk is the risk of loss to the entity resulting from the failure of customers or counterparties to meet their financial obligations.

Credit risk includes counterparty credit risk, settlement risk and credit concentration risk, which covers geographic, sector and single-name concentration risks.

Credit risk for the Bank arises from retail lending to private individuals and wholesale exposures to governments, corporates, securitisations, banks and other financial institutions. Regular reports are prepared and presented to the entity's management bodies and ALCO to follow the level and development of the credit risk profile. For financial assets recognised on the statement of financial position, the maximum exposure to credit risk equals their carrying amount.

Credit risk measurement

(a) Retail credit

The Bank launched its retail lending activities to private individuals in 2020, starting in Lithuania and Poland, then in Ireland and Romania in 2022, Spain, Germany and France in 2023 and Portugal and Italy in 2024. Unsecured consumer lending is in the form of personal loans, credit card limits and pay later limits. These products have been introduced on a gradual basis, and, as of 31 December 2024 despite rapid growth throughout the year, the Bank consumer loan portfolio remained small with 6% of total assets (5% of total assets as of 31 December 2023).

The Bank's key objective in its retail lending activities is to ensure the risk adjusted return meets shareholders' requirements while targeting prime and near-prime risk customers, and maintaining a solid credit risk profile of the loan portfolio.

Loans are originated only in cases where they meet the Bank's credit standards, which are consistent with its risk appetite. The key elements of the assessment of the customer's ability to repay the loan and, consequently, of the decision making on loan approval are sufficiency and sustainability of the customer's income and the credit rating assigned based on the rating model.

Loans are subject to continuous monitoring after their disbursal in order to identify deterioration in credit quality of individual loans at an early stage, track loan portfolio risk profile and proactively take relevant measures at individual loan level and at loan portfolio level to keep the risk level within the Bank's risk appetite.

Risk models are key elements of the credit processes. Credit risk is quantified using rating models that estimate probability of default (PD), loss given default (LGD) parameters and exposure at default (EAD) parameters, which are used for multiple purposes within the Bank, including:

- Decision making in loan origination process;
- Risk adjusted pricing;
- Monitoring of changes in credit risk and its management;
- Risk reporting, including to the Bank's management bodies;
- Loan impairment calculation under IFRS 9.

The Bank's rating models for estimation of probability of default (PD) are based on jurisdiction specific scoring models either built internally or provided by external vendors. All retail customers are classified by risk using these rating models at loan origination (also every time a commitment is renewed) and regularly during the life of the loan.

(b) Wholesale credit

The Bank is exposed to wholesale credit risk, which is the risk of losses being incurred due to the failure of one or more of the Bank's counterparties to meet its obligations and settle outstanding amounts in a timely manner. Wholesale credit risk to the Bank arises through counterparty credit risk exposure to other financial institutions, corporates, and governments and government-backed entities. This risk includes the settlement risks that arise when payments are not exchanged simultaneously, i.e. the risk that the Bank makes a payment to settle a transaction and the counterparty defaults before making the counter-payment.

The Bank's wholesale credit risk exposures include the investments in the treasury portfolio, balances placed with central banks and other financial institutions, hedging instruments and other wholesale transactions with other institutions, as well as intra-group exposures to other Revolut Group entities, including from FX swaps with Revolut Ltd.

The Bank aims to keep wholesale credit risks consistent with risk appetite and controlled at a low level through judicious screening and monitoring of potential counterparties to ensure continued strong credit quality, as well as avoiding excessive exposures to higher risk counterparties, sectors and geographies.

Investments in the treasury portfolio include bonds issued by well-rated and financially robust sovereigns and financial institutions, bonds and other securities issued by sub-sovereign governments and other entities fully backed by well-rated sovereigns, investments in high quality and well-rated securitisations, and reverse repo transactions undertaken with select, well-rated financial institutions.

The Bank manages wholesale credit risks and ensures alignment with risk appetite through a comprehensive risk management framework, consistent with regulatory requirements and aligned with industry best practices, fundamentally based around applying and maintaining strict limits on the credit exposures incurred to wholesale counterparties in accordance with their credit quality. Risk management activities include, but are not limited to:

- Comprehensive analysis of creditworthiness of prospective counterparties, including consideration of their ratings, before establishing limits, and requiring such limits to be in place before incurring exposure;
- Active and continuous monitoring of all credit limits and exposures, and of the credit profiles of approved and active counterparties, including definition and tracking of early warning indicators, monitoring of rating changes and, if necessary, proactive review and management of limits;
- Additional, granular monitoring of specific portfolios through specialised dashboards and management information, and continuous monitoring of indicators measuring concentration risks;
- A rigorous limit approval process featuring independent first and second-line review of all proposals, with all material credit limits requiring individual presentation and approval by the Bank's Assets & Liabilities Management Committee and, for larger limits, the Management Board.

Besides its own credit risk assessments, the Bank uses ratings assigned by external rating agencies for internal risk classification and determination of probability of default (PD) for its counterparties, which are corporates, securitisation, banks, other financial institutions, sovereigns (central governments) or central banks. For this purpose, the Bank recognizes and checks availability of external ratings from Moody's, Standard & Poor's (S&P) and Fitch. In exceptional cases ratings of other external rating agencies might be used. Externally unrated counterparties are assigned internal ratings based on the expert judgement supported by the credit risk analysis of the particular counterparty.

General Expected Credit Loss assessment principles

The Bank recognises the credit losses in accordance with the requirements of IFRS 9.

In the Bank, the credit portfolio is divided into three Stages as described in accounting principles above (Note 4.10).

12-month and lifetime expected credit losses

The expected credit loss (ECL) is calculated as the weighted average of losses expected in different macroeconomic scenarios. The ECL for a particular macroeconomic scenario is calculated as the product of the marginal probability of default (PD), loss given default (LGD) and exposure at default (EAD). Future cash flows in ECL are discounted using nominal rate as approximation of the effective interest rate.

Macroeconomic scenario adjusted marginal PD is the probability that the performing exposure defaults during a particular time period under certain macroeconomic conditions. Three macroeconomic scenarios are used to reflect different development paths for this risk driver.

The risk parameter LGD is the share of an exposure that would be lost in case of a default event. The Bank uses the EBA Risk dashboard as the benchmarking approach for this driver.

The risk parameter EAD represents the total exposure of a facility at the moment of default. For products with contractual repayment schedules, the EAD term structure is shaped by the amortisation profile. For revolving products, the credit limit utilisation approach is used to estimate EAD. Certain instruments, like Buy Now Pay Later loans have a hybrid behaviour in terms of the repayment schedule. These loans have a credit limit, which can be used for multiple drawdowns both simultaneously or sequentially. Each of the drawdowns have their own payment schedules, however there is no contractual schedule for the future drawdowns. To reflect this duality in the EAD calculation, the EAD for the individual drawdowns are calculated based on the amortisation profile. For the undrawn part the Credit Conversion Factor (CCF) is used. Finally, as a last step of the calculation, the EAD is aggregated to facility level.

All risk parameters - PD, LGD, EAD curves and the discount factor are estimated on the monthly basis till the maturity date of a facility. Monthly estimates are used to produce either the 12-month ECL (for facilities in Stage 1) or the lifetime ECL (for facilities in Stage 2 and 3). In case an exposure has short maturity (e.g., overnight deposits), the risk parameters are adjusted accordingly.

Macroeconomic scenarios

Estimation of ECL is performed under three economic scenarios (baseline, optimistic and pessimistic) for potential development of the key macroeconomic variables. The economic scenarios are country specific; they are based on benchmarking against the publicly available macroeconomic scenarios from recognized organisations such as European Central Bank, International Monetary Fund, European Commission, Organisation for Economic Co-operation and Development and National Banks.

The forecasted macroeconomic scenarios are updated quarterly along with the probability of occurrence of each scenario. As a rule of thumb, the baseline scenario gets the highest weight in ECL calculation. The scenarios and likelihood of their realisation are approved by the relevant bodies of the Bank.

Tables below show the scenarios for development of key macroeconomic parameters used in ECL estimation for end of year 2024. Country-specific econometric parameters are shown, reflecting the parameters identified as having the strongest predictive ability within each respective country.

Table with Macroeconomic forecast for Lithuania

	Baseline scenario					Pessimistic scenario					Optimistic scenario				
Macroeconomic variable	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
Annual change in Industrial Production, %	3.53%	3.52%	2.73%	2.74%	2.58%	2.38%	1.96%	2.10%	2.44%	2.06%	5.07%	4.98%	3.06%	3.18%	2.98%
Unemployment rate, %	7.08%	6.82%	6.49%	6.10%	5.97%	7.45%	7.31%	6.90%	6.60%	6.70%	6.73%	6.40%	5.83%	5.11%	4.50%
Scenario weights					60.00%					30.00%					10.00%

Table with Macroeconomic forecast for Poland

	Baseline scenario					Pessimistic scenario					Optimistic scenario				
Macroeconomic variable	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
Exchange Rate (PLN per EUR)	4.31	4.29	4.28	4.22	4.16	4.41	4.39	4.38	4.32	4.26	4.21	4.19	4.18	4.12	4.06
Annual change in real GDP, %	2.85%	3.69%	3.41%	3.29%	3.16%	2.19%	2.79%	2.63%	2.57%	2.43%	3.80%	4.84%	4.10%	3.80%	3.62%
Scenario weights					60.00%					30.00%					10.00%

Table with Macroeconomic forecast for Ireland

	Baseline scenario					Pessimistic scenario					Optimistic scenario				
Macroeconomic variable	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
Euro Area Annual change in real GDP, %	0.76%	1.35%	1.43%	1.36%	1.35%	0.40%	0.90%	1.05%	1.10%	1.10%	1.10%	1.80%	1.90%	1.57%	1.50%
Unemployment rate, %	4.44%	4.53%	4.60%	4.85%	4.84%	4.70%	5.39%	5.96%	6.33%	6.55%	4.19%	4.19%	4.03%	4.05%	4.00%
Scenario weights					60.00%					30.00%					10.00%

Table with Macroeconomic forecast for Romania

	Baseline scenario					Pessimistic scenario					Optimistic scenario				
Macroeconomic variable	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
Annual change in real GDP, %	2.58%	3.33%	3.55%	3.64%	3.39%	1.84%	1.30%	2.40%	2.99%	2.52%	3.80%	4.68%	4.84%	4.34%	4.18%
Unemployment rate, %	5.39%	5.37%	5.26%	5.07%	4.91%	5.54%	6.07%	5.80%	5.65%	5.62%	5.10%	4.80%	4.80%	4.72%	4.38%
Scenario weights					60.00%					30.00%					10.00%

Table with Macroeconomic forecast for Spain

					Baseline scenario					Pessimistic scenario					Optimistic scenario
Macroeconomic variable	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
Unemployment rate, %	11.61%	11.20%	10.96%	10.82%	10.54%	11.91%	11.99%	11.80%	11.60%	11.46%	11.25%	10.50%	9.75%	9.25%	8.75%
Scenario weights					60.00%					30.00%					10.00%

Table with Macroeconomic forecast for Germany

					Baseline scenario					Pessimistic scenario					Optimistic scenario
Macroeconomic variable	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
Unemployment rate, %	5.95%	5.90%	5.70%	5.52%	5.46%	6.13%	6.44%	6.08%	5.80%	5.70%	5.70%	5.20%	5.30%	5.16%	5.12%
Scenario weights					60.00%					30.00%					10.00%

Table with Macroeconomic forecast for France

					Baseline scenario					Pessimistic scenario					Optimistic scenario
Macroeconomic variable	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
Unemployment rate, %	7.46%	7.42%	7.18%	7.04%	6.79%	7.80%	7.88%	7.61%	7.46%	7.39%	7.16%	7.00%	6.67%	6.60%	6.20%
Scenario weights					60.00%					30.00%					10.00%

Table with Macroeconomic forecast for Italy

					Baseline scenario					Pessimistic scenario					Optimistic scenario
Macroeconomic variable	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
Annual change in real GDP, %	0.87%	0.98%	0.99%	0.79%	0.82%	0.64%	0.36%	0.43%	0.32%	0.60%	3.00%	1.80%	1.80%	1.29%	1.28%
Unemployment rate, %	7.16%	7.12%	7.00%	7.14%	7.42%	7.60%	7.80%	8.00%	8.20%	8.30%	6.77%	6.37%	6.13%	6.07%	7.00%
Scenario weights					60.00%					30.00%					10.00%

Table with Macroeconomic forecast for Portugal

					Baseline scenario					Pessimistic scenario					Optimistic scenario
Macroeconomic variable	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028	2024	2025	2026	2027	2028
Annual change in real GDP, %	1.75%	1.91%	2.05%	1.98%	1.88%	1.20%	1.40%	1.65%	1.51%	1.27%	2.00%	2.46%	2.79%	2.80%	2.81%
Scenario weights					60.00%					30.00%					10.00%

Sensitivity analysis towards macroeconomic scenarios

In general, worsening of macroeconomic scenarios shall both increase migration from Stage 1 to Stage 2, and increase the ECL level itself through the impact on forward-looking PDs. The opposite effect is expected from improvement of the economic outlooks. Currently the Bank quantifies the sensitivity by applying different weightings to a diverse set of scenarios. Table below provides an overview of ECL levels (expressed in thousand EUR) in the following cases based on the portfolio as of end of year 2024:

- Current weights - 60% baseline scenario, 10% optimistic scenario, 30% pessimistic scenario
- Baseline - 100% weight is assigned to baseline scenario
- Optimistic - 100% weight is assigned to optimistic scenario
- Pessimistic - 100% weight is assigned to pessimistic scenario

Sensitivity analysis in the table below is presented for retail loans only, since the BNPL and the mortgages are not material as at 31 December 2024. The Bank has granted 6 mortgages as of 31 December 2024 with a total ECL of EUR 28.92.

		Scenario			
Country	**Product type**	**Current weights (tEUR)**	**Baseline (tEUR)**	**Optimistic (tEUR)**	**Pessimistic (tEUR)**
IE	Fixed Term Credit	16,113.79	-215.6 (-1.34%)	-634.2 (-3.94%)	642.5 (3.99%)
	Revolving Credit	2,974.58	-46.8 (-1.57%)	-149.1 (-5.01%)	143.2 (4.81%)
	Buy Now Pay Later	936.28	n/a	n/a	n/a
	All	**20,024.65**	**-262.3 (-1.31%)**	**-783.4 (-3.91%)**	**785.7 (3.92%)**
PL	Fixed Term Credit	4,090.35	-82.3 (-2.01%)	-396.8 (-9.70%)	296.9 (7.26%)
	Revolving Credit	4,754.58	-112.2 (-2.36%)	-552.7 (-11.63%)	408.6 (8.59%)
	Buy Now Pay Later	250.87	n/a	n/a	n/a
	All	**9,095.80**	**-194.5 (-2.14%)**	**-949.5 (-10.44%)**	**705.5 (7.76%)**
RO	Fixed Term Credit	6,894.26	-107.3 (-1.56%)	-656.3 (-9.52%)	433.4 (6.29%)
	All	**6,894.26**	**-107.3 (-1.56%)**	**-656.3 (-9.52%)**	**433.4 (6.29%)**
DE	Fixed Term Credit	3,532.13	-50.2 (-1.42%)	-318.9 (-9.03%)	206.7 (5.85%)
	All	**3,532.13**	**-50.2 (-1.42%)**	**-318.9 (-9.03%)**	**206.7 (5.85%)**
LT	Fixed Term Credit	1,935.83	-44.3 (-2.29%)	-241.3 (-12.47%)	169.1 (8.74%)
	Revolving Credit	1,352.70	-23.4 (-1.73%)	-125.6 (-9.29%)	88.8 (6.56%)
	All	**3,288.53**	**-67.8 (-2.06%)**	**-367.0 (-11.16%)**	**257.9 (7.84%)**
ES	Fixed Term Credit	2,993.65	-4.4 (-0.15%)	-54.2 (-1.81%)	26.9 (0.90%)
	Revolving Credit	281.61	-1.7 (-0.60%)	-7.5 (-2.65%)	5.9 (2.08%)
	All	**3,275.26**	**-6.1 (-0.19%)**	**-61.7 (-1.88%)**	**32.7 (1.00%)**
FR	Fixed Term Credit	1,198.92	-15.6 (-1.30%)	-75.8 (-6.32%)	56.4 (4.70%)
	All	**1,198.92**	**-15.6 (-1.30%)**	**-75.8 (-6.32%)**	**56.4 (4.70%)**
PT	Fixed Term Credit	149.96	0.1 (0.04%)	-0.4 (-0.26%)	0.0 (0.00%)
	All	**149.96**	**0.1 (0.04%)**	**-0.4 (-0.26%)**	**0.0 (0.00%)**
IT	Fixed Term Credit	6.96	-1.2 (-17.16%)	-3.7 (-53.82%)	3.6 (52.28%)
	All	**6.96**	**-1.2 (-17.16%)**	**-3.7 (-53.82%)**	**3.6 (52.28%)**
Total	Fixed Term Credit	36,915.85	-520.9 (-1.41%)	-2,381.6 (-6.45%)	1,835.6 (4.97%)
	Revolving Credit	9,363.47	-184.1 (-1.97%)	-835.0 (-8.92%)	646.4 (6.90%)
	Buy Now Pay Later	1,187.15	n/a	n/a	n/a
	All	**47,466.47**	**-704.9 (-1.49%)**	**-3,216.6 (-6.78%)**	**2,482.0 (5.23%)**

6.1.3. Interest Rate Risk

Interest rate risk in the banking book (IRRBB) is the risk that the Bank's balance sheet and profitability are structurally exposed to unexpected movements in interest rates. This risk stems from maturity and repricing mismatch between assets, liabilities and off-balance sheet items, which would materialise with changes in the yield curve ("gap risk"), or from options (embedded and explicit), where the Bank or its customer can alter the level and timing of their cash flows ("option risk"), or with changes in the relationship between various yield curves ("basis risk").

To quantify IRRBB the Bank uses two metrics: the economic value of equity (EVE) sensitivity and the net interest income (NII) sensitivity. EVE is assessed through a measurement of changes in the net present value of the interest rate sensitive instruments (excluding CET1 capital and other perpetual own funds) over their remaining life resulting from interest rate movements assuming at least six different shock scenarios. NII is computed as the one year impact of parallel shock in interest rates on the earnings generated by the banking book items based on their repricing profiles.

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 ongoing basis. Interest rate characteristics of funding shall be matched as far as possible to lending and investment portfolios. Hedging derivatives are used to manage the remaining exposure to IRRBB within risk appetite. 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.

IRRBB sensitivity

IRRBB sensitivity in terms of EVE (disclosed as a ratio versus CET1 capital) under stress was within internal and regulatory limits at the end of 2024. Interest rate derivatives and fixed rate treasury assets were used to reduce the Bank's exposure to EVE sensitivity.

IRRBB scenarios

IRRBB scenarios	2024	2023
EVE Parallel Up scenario	0.45%	4.30%
EVE Parallel Down scenario	(3.27%)	(11.80%)
NII Parallel Up scenario	24.87%	34.60%
NII Parallel Down scenario	(24.87%)	(34.60%)

6.1.4. Foreign Currency Risk

Currency or FX exposure is defined as the change in the value of a position with respect to a change in the FX rate expressed as cash equivalents per currency or currency pair. Revolut Bank uses FX hedging to manage risks, expenses and overhead of FX risk hedging while ensuring scalability and automation of the processes. FX hedging at the entity level like the Bank is executed into the functional currency of the entity - EUR.

Based on the current business model, the foreign exchange risk related to users' balances kept in other than EUR currencies imply a low FX risk for the Bank. The monitoring is performed intra-day to ensure proper control of this risk by hedging new positions intra-day using automated FX swapping solutions.

The majority of the FX position within the banking book arises from the Treasury Function's activities. This includes profit on the banking products, interest earned on nostro balances, intra-group accrual and fee transactions, and various costs (all in non-base currency). A small FX position is allowed as defined in the Risk Appetite Statement. Any material FX risk arising from Treasury Function activities is hedged on a day-to-day basis and is subject to ongoing monitoring.

As of 31 December 2024, the Bank's net FX exposures relative to total assets were low.

Sensitivity of foreign exchange risk

The Bank uses a statistical Expected Shortfall (ES) model to forecast a potential loss due to movements in FX rates. Considering the Bank's low net FX exposure at the end of 2024, any market turbulence leading to significant change in FX rates would not cause material impact for the earnings.

For example, a 1% volatility in currency rates disregarding currency correlation factor would lead to a financial loss of EUR 1 million considering the Bank's open FX exposure as of 31 December 2024, which is summarised in the table below.

The table below summarises the Bank's open FX exposure as of 31 December 2024.

Currency	Rates	Position (million EUR)	Percentage of total assest
Polish Zloty (PLN)	4.27500	(1)	0.0%
Romanian Leu (RON)	4.97430	10	0.0%
U.S. Dollar (USD)	1.03890	40	0.2%
UK Pound Sterling (GBP)	0.82918	14	0.1%
Swiss Franc (CHF)	0.94120	4	0.0%
Other long positions		37	0.2%
Other short positions		(5)	0.0%
Total long open position		**105**	**0.5%**
Total short open position		**(6)**	**0.0%**

The table below summarises the Bank's open FX exposure as of 31 December 2023.

Currency	Rates	Position (million EUR)	Percentage of total assets
Polish Zloty (PLN)	4.33950	26	0.22%
Romanian Leu (RON)	4.97560	19	0.16%
U.S. Dollar (USD)	1.10500	(15)	0.12%
UK Pound Sterling (GBP)	0.86905	(12)	0.10%
Swiss Franc (CHF)	0.92600	11	0.09%
Other long positions	–	13	0.11%
Other short positions	–	(3)	0.02%
Total long open position	**–**	**68**	**0.56%**
Total short open position	**–**	**(30)**	**0.25%**

6.1.5. Credit Spread Risk

Credit spread risk in the banking book (CSRBB) describes the risk driven by changes in the market perception about the price of credit risk, liquidity premium and potentially other components of instruments with credit risk. CSRBB is considered for market tradable assets with the framework established in 2024.

CSRBB sensitivity

CSRBB sensitivities for EVE and NII are determined through a historic expected shortfall model at 99% confidence interval assuming a 5 day holding period, based on instrument benchmarks considering the counterparty, asset type, duration and credit rating.

CSRBB is managed by limiting investments with higher credit spread sensitivity (e.g. long duration assets with lower credit ratings).

Credit spread sensitivity	2024	2023
EVE sensitivity	(15)	(18)
NII sensitivity	(1)	–

6.1.6. Credit Concentration Risk

Credit Concentration Risk in Revolut Bank is managed in accordance with the approved Credit Concentration Risk Management Policy. Revolut Bank manages concentrations in its credit risk profile through setting restrictions (limits) on exposures against certain concentration types. Common credit risk concentrations covered within the scope of this policy include, but are not limited to:

I. Single name concentrations, as managed within the Wholesale Credit Risk Management Policy and Procedures;

II. Geographic or country risk concentrations;

III. Sector concentrations;

IV. Product concentrations.

Concentrations within credit exposures will be identified as part of the ongoing wholesale and retail credit risk management processes, which require second line Credit Risk team review and approval for new products, initiatives and counterparty exposures. Risk management function monitors and reports concentration risks to the ALCO, which further decides whether escalation is required to the Bank's Management Board as well as to the Revolut Group's relevant governance forum.

Information about credit concentration risk for financial instruments is disclosed in Notes 17, 20.2 and 21.

6.1.7. ESG Risk

Environmental, Social, Governance (ESG) risks encompass any negative financial impact on the institution stemming from the current or prospective impacts of ESG factors on its counterparties or invested assets. ESG factors are defined as environmental, social or governance matters that may have a positive or negative impact on the financial performance or solvency of an entity, sovereign or individual.

ESG risks are becoming increasingly embedded within the Bank's broader prudential risk categories, such as credit risk, market risk, operational risk, and liquidity risk. The Bank treats ESG risks not as standalone risk categories, but integrates them into the existing risk management framework.

Environmental Risk Management

The Bank has a low appetite for climate risk. At the moment, the Bank's virtual business model provides some insulation from physical environmental risks such as those affecting branch infrastructure - however the Bank faces a low but growing exposure from its expansion of business and investment activities.

Environmental risk tolerance at the Bank remains low, with controls in place to limit exposure and align the product portfolio within its risk appetite.

- **Wholesale Corporate Portfolio**: The Bank plans to use NACE classifications and the EU Taxonomy to guide economic activities and integrate climate risk into investment decisions.
- **Retail Portfolio**: Revolut is still exploring additional green lending products to support environmentally sustainable financing, such as energy-efficient mortgages.
- **Climate Scenarios**: Annual stress tests for capital adequacy and liquidity incorporate climate-related scenarios, ensuring the Bank is prepared for the potential impacts of climate change.

- **Sector Restrictions**: Exposures to high-risk industries, such as heavy-pollution sectors, are limited under the Bank's Sustainability Policy.

Social and Governance Risk Management

Social risks, including the impact of the Bank's operations on its workforce, customers, and communities, are essential to its sustainable growth and success.

Governance risks, such as corporate culture and third-party practices, play a decisive role in ensuring ethical and compliant operations. Revolut enforces strict governance standards for vendors, borrowers, and investment entities, minimizing compliance, reputational, and operational risks.

Other ESG Initiatives in 2024

In 2024, the Bank conducted a Double Materiality Assessment to identify material Impacts, Risks, and Opportunities (IROs) of ESG factors presenting direct financial, operational, and reputation risks, as well as how the Bank's own operations interact with the environment and society. These formed the basis of the preparation of Bank's Sustainability Statement for the year ending 2024.

Dedicated resource was hired in November 2024 to help integrate ESG risk factors into the Enterprise Risk Management Framework and strengthen ESG risk governance, especially in preparation for the roll out of mortgages in 2025.

6.2. Non-Financial Risk

6.2.1. Conduct and Regulatory Compliance Risk

The Bank operates in a highly regulated industry. Consequently, the Bank is exposed to many forms of risk related to compliance with a wide range of laws and regulations in a number of jurisdictions, covering areas including general organisational and governance requirements, capital and liquidity requirements, product, consumer protection and anti-financial crime requirements.

The Bank's management team is focused on responding effectively and in a timely manner to any changes in regulation to ensure that compliance with regulatory requirements is maintained.

Compliance and conduct risks are managed in line with the Bank's Compliance Policy with dedicated functions and governance bodies responsible for the implementation of controls and oversight of compliance and conduct risks.

On 28 January 2025, the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania initiated a tax investigation into the VAT claim filed by the Bank in 2024.

On 13 February 2025, the SEPBLAC AML of Spain has initiated an AML Inspection, requesting to provide (i) documentation related to internal AML Governance, AML Committees, Policies and Procedures and (ii) record-keeping of alerts handled and suspicious transactions reports).

On 17 February 2025, the European Central Bank commenced a planned on-site inspection of the Bank.

6.2.2. Operational Risk

Aligned with this Outsourcing Strategy, the Bank outsources a relevant number of processes to Revolut Ltd, including in key operational areas such as product management, technology, payments, customer support, complaints management and financial crime operations.

The Bank and its senior management retains full accountability for its risk profile with regular risk reporting to the Management Board and the Supervisory Council and escalation mechanisms in place in case of increase of risk exposure outside of risk appetite.

In addition, the Bank continues to take an active risk management approach, continually enhancing its risk management capabilities to drive key risk and control initiatives, including enhanced outsourcing governance and strong oversight over high risk outsourced processes.

The Bank continues to invest in strengthening its core functions, ensuring sufficient staff with the required skills are in place to manage outsourced services, as well as in people engagement related initiatives.

6.2.3. Third Party Risk

The Bank is reliant in its operations on certain third parties as well as its main intra-group outsourced services provider, Revolut Ltd.

The Bank mitigates this risk with a thorough third party and outsourcing risk management framework, policies and procedures, and governance structure, with ongoing monitoring of outsourced services.

6.2.4. Financial Crime Risk

The Bank's activities involve volumes of transactions in client funds and it is subject to a heightened risk of criminal activity and potential losses due to breaches of the Bank's service delivery requirements by its customers (e.g. use of false identity to open an account or the laundering of illicit funds). To address this type of risk, the Bank utilises robust Know Your Customer ("KYC"), Anti-Money Laundering ("AML"), and Sanctions policies and procedures, performs ongoing monitoring of transactions in real-time and screens all customers on a daily basis. The Bank and the whole Revolut Group is committed to maintaining a control environment that enables it to respond promptly and effectively to emerging financial crime threats.

6.2.5. Cyber Risk

As a digital app-only financial services provider, the Bank is exposed to cyber security threats which might attempt to access the Bank's systems or customer and payment data. Alongside the advanced security features it provides to customers via the app, Revolut Group has also implemented several technical and organisational controls to mitigate these risks. These controls include dedicated internal team-led application security testing, vulnerability management, a group wide training and phishing threat simulation programme, advanced endpoint threat protection, external threat intelligence, monitoring and alerting across our key infrastructure and systems, 24/7 incident response coverage, security assurance of third parties, and regular external testing and audit activities.

The Bank, being a cloud-based fully digital institution, ensures that fully remote-working is possible for staff. The cyber risks that follow a remote-working model are closely monitored with additional controls implemented both for customer protection and entity's staff and data security.

6.2.6. Data Security Risk

The Bank handles significant amounts of personal data provided by its customers, as well as employee data and confidential corporate information, and therefore must comply with strict data protection and privacy laws and regulations, while also protecting its own reputation and corporate position. The Bank, as well as Revolut Group, continues to invest in its digital platforms and is focused on building resilient and secure technologies in order to prevent breaches of data security. Access to data is protected on a least privilege basis as required by the Bank's internal policies. Additionally, regular penetration testing, to ensure the robustness of systems, is performed. The Bank's business processes and policies exist to drive best practice in the classification and handling of both structured and unstructured sensitive data by employees.

6.2.7. Change Risk

Change risk is the risk that a project or initiative will not achieve its desired goals. Inherent in our stated strategy is rapid and complex business change, through product innovation, geographic and market expansion and supporting technological enhancement. Whilst all business areas and staff manage continued change and development as part of the normal course of business, projects of significant materiality that require cross-functional or cross-divisional coordination are managed through dedicated governance including a robust new initiatives approval process, to ensure the changes are effectively managed and delivered with senior management oversight.

6.2.8. Model Risk

The Bank relies on models for various critical functions like IFRS 9 impairment, fraud detection, stress testing, anti-money laundering etc. These tools introduce model risk—adverse outcomes from errors, biases or misuse. The Bank ensures models are reliable for decision-making by validating Tier 1 and Tier 2 models, assigning risk ratings, reviewing finding responses, and issuing “No Objection” approvals through Independent Model (Re)Validations or Annual Reviews, and provides frequent periodic updates to senior management and relevant governance bodies. Model risk reviews entails review of the model methodology, reasonableness of model assumptions and may require additional testing.

Currently model risk is overseen by the Executive Risk Committee (ERC), however, the Bank plans to establish a dedicated Model Risk Committee to oversee the risk.

The Bank divided model risk into four main risk categories for management and oversight:

- Standard Model Risk
- Artificial Intelligence (AI) / Machine Learning (ML) Model Risk
- EUC Calculation Risk, and
- Trading Algorithm Risk

In 2024, improvements were made in automation, data quality controls and the increased validation of high-risk models. By the end of 2024, groundwork has been laid to enhance the oversight of AI system usage and custodianship. Key priorities for 2025 include automating validations, integrating software engineering best practices, strengthening oversight of AI models.

7. Interest Income, Calculated Using the Effective Interest Method

EURth	2024	2023
Interest income on due from banks	318,143	248,702
Interest income on debt instruments at amortised cost	184,843	61,346
Interest income on loans and unauthorised overdrafts	86,326	40,996
Total	**589,312**	**351,044**

8. Interest Expense

EURth	2024	2023
Interest expenses on savings	(17,214)	–
Interest expenses on interest rate swaps	(5,384)	–
Interest expense on lease liabilities	(71)	(64)
Negative interest on interest bearing assets	–	(7)
Total	**(22,669)**	**(71)**

9. Fee and Commission Income

EURth	2024	2023
Card and interchange fees	545,757	353,682
Subscription - Retail	310,377	164,789
Wealth and Foreign exchange	157,780	103,037
Client onboarding	49,721	35,975
Remittance fees	35,937	23,123
Subscription - Business	35,070	19,329
Customer loyalty program	17,576	–
Acquiring fees	13,515	3,674
Credit card fees	548	194
Other income	2,667	985
Total	**1,168,948**	**704,788**

10. Fee and Commission Expense

EURth	2024	2023
Interchange fee expense	(122,207)	(86,385)
Insurance	(25,652)	(18,659)
Cashback	(24,471)	(12,114)
Scheme fees	(10,142)	(5,342)
Redemption of customer loyalty points	(15,199)	–
Cards	(10,189)	(7,387)
Loan servicing activities	(3,223)	(2,468)
Other transaction fees	(48,750)	(36,957)
Total	**(259,833)**	**(169,312)**

11. Other Operating Income

EURth	2024	2023
Service fee income from Revolut Group	1,739	–
Net gain on changes in the fair value on hedging derivatives and hedged items	1,329	–
Net foreign exchange gain	477	–
Chargeback	–	1,748
Total	**3,545**	**1,748**

12. Personnel Expense

EURth	2024	2023
Wages and salaries	(63,816)	(37,473)
Social security costs	(13,613)	(8,078)
Share based payments (Note 29)	(6,238)	(2,393)
Pension costs	(2,400)	(1,587)
Employee benefits	(1,529)	(534)
Severance	(662)	(130)
Staff Recruitment & HR Expenses	(43)	(29)
Total	**(88,301)**	**(50,224)**

13. Other Operating Expenses

EURth	2024	2023*
Services fee from Revolut Group	(1,080,435)	(634,236)
Client referrals	(92,167)	(62,665)
Contributions to resolution funds and deposit guarantee	(17,122)	(8,304)
Chargeback cost	(13,672)	–
Irrecoverable VAT	(9,938)	(7,384)
Solidarity tax	(7,374)	(3,326)
Professional fees	(6,172)	(1,624)
Audit fees	(174)	(68)
Administrative	(100)	(42)
Net foreign exchange loss	–	(8,334)
Other expenses	(15,108)	(7,123)
Total	**(1,242,262)**	**(733,106)**

** A reclassification in the year 2023 between audit fees and professional fees was shown to represent only audit related fees under the audit fees line.*

The Bank and its branches in EEA entities utilise an outsourcing model, mainly through outsourcing arrangements to other Revolut Group entities. This includes using Revolut Group's proprietary, mobile digital platform that delivers a seamless client experience across a wide range of financial services. Services fee from Revolut Group relate to the general transfer pricing methodology implemented in 2022 applying OECD guidelines and principles on arm's length pricing. It was the result of a coherent functional analysis conducted, followed by an annually updated industry benchmarking exercise.

14. Credit Loss Expense on Financial Assets

EURth	2024	2023
Net impairment on loans: (charge) / release	(31,121)	(35,136)
Net impairment on debt securities: (charge) / release	6	(167)
Total impairment losses	**(31,115)**	**(35,303)**
Provisions for commitments and guarantees given: (charge) / release	(1,156)	(366)
Net provision for unauthorised overdraft: (charge) / release	345	(10,156)
Recoveries of unauthorised overdraft previously written-off	15	–
Total provisions	**(796)**	**(10,522)**
Net expected credit losses	**(31,911)**	**(45,825)**

15. Income Tax

EURth	2024	2023
Current tax	(30,727)	(16,413)
Prior year adjustment of current tax	(2,205)	17
Deferred tax		
Relating to origination and reversal of temporary differences	333	(4,660)
Total income tax	**(32,599)**	**(21,056)**

15.1. Reconciliation of the Total Tax Charge

EURth		2024		2023
Profit before tax		**133,127**		**99,436**
Income tax (expenses) at statutory tax rate of 20%	20.00 %	(26,625)	20.00 %	(19,886)
Effect of lower statutory tax rate of 15% (for profit below EUR 2 million)	(0.08) %	100	(0.10) %	100
Effect of tax rates in foreign jurisdictions	1.62 %	(2,157)	1.29 %	(1,281)
Tax effect of:				
Income not subject to tax	– %	–	(4.45) %	4,420
Non-deductible (expenses) of income tax	0.86 %	(1,143)	(0.47) %	466
Adjustments in respect of prior years	1.66 %	(2,205)	(0.02) %	17
Utilisation of deferred tax effect	– %	–	4.69 %	(4,660)
Movement in provisions	0.49 %	(655)	1.12 %	(1,112)
Other tax differences, net	(0.06) %	86	(0.88) %	880
Total income tax expense	**24.49 %**	**(32,599)**	**21.18 %**	**(21,056)**

15.2. Deferred Tax

31 December 2024

EURth	Deferred tax asset	Statement of Profit or Loss and Comprehensive Income
Fair value differences and other provisions	333	333

31 December 2023

EURth	Deferred tax asset	Statement of Profit or Loss and Comprehensive Income
Provision for tax losses carried forward	–	(4,660)

16. Cash and Cash Equivalents

EURth	2024	2023
Cash and balances with central banks	10,823,365	7,559,761
Due from banks and other financial institutions	40,086	20,514
Total	**10,863,451**	**7,580,275**

17. Cash and Balances With Central Banks

EURth	2024	2023
Current account with the European Central Bank	10,547,801	7,464,377
Current account with the Central Bank of Lithuania	86,578	73,649
Current account with the Bank of Spain	75,989	585
Current account with Bank of Romania	65,307	–
Current account with the Central Bank of Ireland	24,250	14,545
Current account with Bank of France	16,920	6,605
Current account with the Central Bank of Netherlands	6,480	–
Current account with the Central Bank of Germany	40	–
Total	**10,823,365**	**7,559,761**

The Bank has met the minimum reserve requirements set by the Bank of Lithuania and Central banks where Bank has operationalised branches: France, Ireland, Spain, Netherlands, Germany, Romania.

As of 31 December 2024 the Bank's mandatory reserves held with Central banks were EUR 147,480 thousand (31 December 2023 EUR 94,943 thousand).

18. Due From Banks and Other Financial Institutions

EURth	2024	2023
Placements with other financial institutions - demand deposits	21,850	6,428
Placements with other banks - demand deposits	18,236	14,086
Total	**40,086**	**20,514**

19. Derivatives

At 31 December 2024 EURth	Carrying value assets	Carrying value liabilities	Notional amount
Derivatives in hedge accounting relationships:			
Interest rate swaps with other counterparties	4,535	(1,685)	1,008,443
Interest rate swaps with related parties	4,327	(2,484)	896,596
Total derivatives in hedge accounting relationships	**8,862**	**(4,169)**	**1,905,039**
Derivatives not in hedge accounting relationships:			
Foreign exchange contracts (swaps) with related parties	5,923	(5,470)	2,159,754
Foreign exchange contracts (forwards) with other customers	704	(2,945)	99,112
Total derivatives not in hedge accounting relationships	**6,627**	**(8,415)**	**2,258,866**
Total derivative	**15,489**	**(12,584)**	**4,163,905**

At 31 December 2023 EURth	Carrying value assets	Carrying value liabilities	Notional amount
Derivatives in hedge accounting relationships:			
Interest rate swaps with other counterparties	–	–	–
Interest rate swaps with related parties	–	–	–
Total derivatives in hedge accounting relationships	**–**	**–**	**–**
Derivatives not in hedge accounting relationships:			
Foreign exchange contracts (swaps) with related parties	5,707	(4,938)	2,129,331
Foreign exchange contracts (forwards) with other customers	95	(56)	12,553
Total derivatives not in hedge accounting relationships	**5,802**	**(4,994)**	**2,141,884**
Total derivative	**5,802**	**(4,994)**	**2,141,884**

There were no changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability.

Swaps

Foreign exchange swaps are contractual agreements between two parties to exchange a set amount of currency at contract date as well as exchange same amount back at agreed future date at agreed future rate. FX swaps are grossly settled directly with counterparty. Swaps are fully collateralized. The applicable margin is assessed and settled on a daily basis.

As at 31 December 2024 EURth	Less than one month	One to three months	Three to twelve months	One to five years	Over five years	Total
Interest rate swaps in macro fair value hedge						
Notional amount	–	813,771	419,120	650,145	–	1,883,036
Average rate	3.36 %					

There were no hedging instruments as at 31 December 2023.

Offsetting

The Bank has netting agreements in place with counterparties to manage the associated credit risks for over-the-counter traded derivatives and loans, deposits transactions. These netting agreements generally enable the counterparties to set-off liabilities against available assets received in the ordinary course of business and/or in the event of the counterparty's default. The offsetting right is a legal right to settle, or otherwise eliminate, all or a portion of an amount due by applying an amount receivable from the same counterparty against it, thus, reducing credit exposure. There were no active items where the offsetting was applied as at 31 December 2024 and 31 December 2023.

Net gains and losses on derivatives

EURth	2024	2023
Net gain (loss) from foreign exchange derivatives	19,753	39,261
Unrealised gain (loss) on forward contract derivatives	(2,281)	1,577
Realised gain (loss) on forward contract derivatives	366	67
Total	**17,838**	**40,905**

19.1. Hedge accounting

Starting from the year 2024 the Bank is using two types of hedging relationships: micro fair value hedge and macro fair value hedge.

Macro fair value hedge

In the Bank'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 Bank to reduce fair value fluctuations of fixed rate financial liabilities. From a hedge accounting point of view, the Bank 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.

EURth	As at 31 December 2024		As at 31 December 2023		
	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	Line item in the Statement of Financial Position
Hedged item - Customer liabilities in respect of deposits	(1,845,648)	(7,272)	–	–	Due to customers

The following table provides information about the hedging instruments included in the derivative financial instruments line items of the statement of financial position:

EURth	As at 31 December 2024		As at 31 December 2023		Line item in the Statement of Financial Position
	Notional amount	Carrying amount*	Notional amount	Carrying amount*	
Interest rate swap – hedge of core deposits	1,883,036	8,639	–	–	Derivatives

**Carrying amount represents the clean fair value of the interest rate swaps excluding interest accrual;*

The below table sets out the outcome of the hedging strategy to changes in the fair value of the hedged items and hedging instruments, used as the basis for recognising ineffectiveness.

As at 31 December 2024 EURth		Gains/(losses) attributable to the hedged risk		Net cumulative fair value gain/(loss)	Movement in FX gain/(loss)	Ineffectiveness recognised during the year	Line item in the Statement of Profit or Loss and Other comprehensive Income
Macro fair value hedge		**Hedged items**	**Hedging instruments**				
Hedged items	Hedging instruments						
Customer liabilities in respect of deposits	Interest rate swaps	(7,272)	8,639	1,327	40	1,367	Other operating income

Micro fair value hedge

The Bank invests in fixed rate financial instruments, such as fixed rate bonds and fixed rate loans (i.e. Schuldscheindarlehen (SSD)). Theses fixed-rate instruments are held at amortised cost and exposes the Bank to the risk of changes in the fair value of its investments attributable to changes in the interest rate volatility.

The Bank decided to apply micro fair value hedge accounting to protect against adverse changes in clean fair value of the financial assets attributable to changes in interest rates volatility and to extract upside opportunities, using pay-fixed/receive floating interest rate swaps.

The table below sets out the accumulated fair value adjustments arising from the corresponding continuing hedge relationships.

	As at 31 December 2024		As at 31 December 2023		
EURth	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	Line item in the statement of financial position
Debt instruments	9,759	19	–	–	Debt securities
Government loans	12,061	2	–	–	Loans and unauthorised overdrafts
Total	**21,820**	**21**	**–**	**–**	

The following table provides information about micro hedging instruments included in the derivative financial instruments line item of the Bank's Statement of Financial Position:

	As at 31 December 2024		As at 31 December 2023		
EURth	Notional amount	Carrying amount*	Notional amount	Carrying amount*	Line item in the Statement of Financial Position
Interest rate swap – hedge of debt instruments and government loans	22,000	(19)	–	–	Derivatives Assets/Liabilities

** Carrying amount represents the clean fair value of the interest rate swaps excluding interest accrual;*

The below table sets out the outcome of the Bank's hedging strategy to changes in the fair value of the hedged items and hedging instruments, used as the basis for recognising ineffectiveness.

As at 31 December 2024 EURth		Gains/(losses) attributable to the hedged risk		Net cumulative fair value gain/(loss)	Ineffectiveness recognised during the year	Line item in the Statement of Profit or Loss and Other comprehensive Income
Micro fair value hedge		**Hedged items**	**Hedging instruments**			
Hedged items	Hedging instruments					
Debt Securities	Interest rate swaps	19	(18)	1	1	Other operating income
Government loans	Interest rate swaps	2	(1)	1	1	Other operating income
	Total	**21**	**(19)**	**2**	**2**	

The total net gain on changes in the fair value on hedging derivatives and hedged items recognised during the year ended 31 December 2024 was EUR 1,369 thousand.

Hedge ineffectiveness can arise from:

- Differentials in notional amount, strike rate, payment frequency and maturity date between the hedging instrument and hedged item;
- 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 ongoing amortisation of any existing balance sheet mismatch between the fair value of the hedged item and the hedging instrument;
- The possibility of changes to the critical terms of the hedged item.

The maturity profile of the Bank's hedging instruments used in micro fair value hedge relationships is as follows.

As at 31 December 2024 EURth	Less than one month	One to three months	Three to twelve months	One to five years	Over five years	Total
Interest rate swaps in micro fair value hedge						
Notional amount	–	12,000	10,000	–	–	22,000
Average rate	2.74 %					

There were no hedging instruments as at 31 December 2023.

20. Loans and Unauthorised Overdrafts

EURth	2024	2023
Reverse repurchase agreement	1,942,179	431,513
Consumer lending	1,215,379	644,325
Less: Allowance for ECL	(48,477)	(41,698)
SSD agreement	1,114,696	425,644
Unauthorised overdraft	17,024	26,931
Less: impairment	(11,547)	(24,788)
Total	**4,229,254**	**1,461,927**

As at 31 December 2024, Bank had forborne consumer credits with gross carrying value of EUR 1,545 thousand (31 December 2023: EUR 2,009 thousand).

In 2024 Bank had written-off EUR 13,007 thousand of unauthorised overdraft (2023: EUR 1,861 thousand).

As at 31 December 2024 and 2023 the Bank's consumer loan portfolio is not collateralized.

20.1. Impairment Allowance for Loans

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system, 12-month PD range and year-end stage classification. The amounts presented are gross of allowance for ECL. Details of the Bank's internal grading system and the Bank's impairment assessment and measurement approach are set out in Note 6.1.2.

31 December 2024

Internal rating grade	12-month PD range	Risk level	Stage 1	Stage 2	Stage 3	POCI	Total, EURth
1	0.03% - 0.10%		12,440	–	–	–	12,440
2	0.10% - 0.20%		36,415	29	–	–	36,444
3	0.20% - 0.30%		66,320	43	–	–	66,363
4	0.30% - 0.50%		125,899	240	–	–	126,139
5	0.50% - 0.80%		145,097	8,116	–	–	153,213
6	0.80% - 1.30%		182,313	11,652	–	–	193,965
7	1.30% - 2.00%	Low	155,445	16,027	–	–	171,472
8	2.00% - 3.00%		133,485	13,104	–	–	146,589
9	3.00% - 5.00%	Moderate	112,704	15,937	–	–	128,641
10	5.00% - 8.00%		45,757	12,293	–	–	58,050
11	8.00% - 13.00%		20,791	10,953	–	–	31,744
12	13.00% - 20.00%		10,555	9,087	–	–	19,642
13	20.00% - 100%		10,149	32,559	–	–	42,708
14	100%	High	–	–	27,969	–	27,969
Total			**1,057,370**	**130,040**	**27,969**	**–**	**1,215,379**

31 December 2023

Internal rating grade	12-month PD range	Risk level	Stage 1	Stage 2	Stage 3	POCI	Total, EURth
1	0.03% - 0.10%		851	–	–	–	851
2	0.10% - 0.20%		3,850	–	–	–	3,850
3	0.20% - 0.30%		20,989	–	–	–	20,989
4	0.30% - 0.50%		49,228	82	–	–	49,310
5	0.50% - 0.80%		47,592	457	–	–	48,049
6	0.80% - 1.30%		59,513	2,732	–	–	62,245
7	1.30% - 2.00%	Low	62,551	21,459	–	–	84,010
8	2.00% - 3.00%		48,594	17,322	–	–	65,916
9	3.00% - 5.00%	Moderate	91,772	15,244	–	–	107,016
10	5.00% - 8.00%		72,715	10,296	–	–	83,011
11	8.00% - 13.00%		42,335	15,274	–	–	57,609
12	13.00% - 20.00%		9,362	6,604	–	–	15,966
13	20.00% - 100%		3,074	17,239	–	–	20,313
14	100%	High	–	–	25,190	–	25,190
Total			**512,426**	**106,709**	**25,190**	**–**	**644,325**

A reconciliation of changes in allowance for ECL by stage for consumer lending is as follows:

EURth	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL
As at 1 January 2024	**11,263**	**10,233**	**20,202**	**41,698**
Transfer to Stage 1	81,332	(80,638)	(694)	**–**
Transfer to Stage 2	(14,424)	14,765	(341)	**–**
Transfer to Stage 3	(68)	(8,863)	8,931	**–**
Increases due to origination and acquisition	12,567	–	–	**12,567**
Net drawdowns, repayments, net remeasurement	(74,190)	80,177	18,681	**24,668**
Decreases due to derecognition	(3,969)	(1,304)	(857)	**(6,130)**
Decrease in allowance account due to write-offs		–	(203)	**(203)**
Decrease in allowance account due to debt sales	–	–	(24,123)	**(24,123)**
As at 31 December 2024	**12,511**	**14,370**	**21,596**	**48,477**

EURth	Stage 1 ECL	Stage 2 ECL	Stage 3 ECL	Total ECL
As at 1 January 2023	**2,539**	**1,554**	**2,216**	**6,309**
Transfer to Stage 1	32,400	(32,167)	(233)	**–**
Transfer to Stage 2	(7,045)	7,194	(149)	**–**
Transfer to Stage 3	(89)	(4,090)	4,179	**–**
Increases due to origination and acquisition	8,303	178	82	**8,563**
Net drawdowns, repayments, net remeasurement	(23,419)	37,962	14,363	**28,906**
Decreases due to derecognition	(1,426)	(398)	(256)	**(2,080)**
As at 31 December 2023	**11,263**	**10,233**	**20,202**	**41,698**

The tables above include the following categories of movements:

- **Transfers between stages**: showing the transfer of expected credit losses when an asset moves from stage 1 to stage 2 or 3;
- **Increase due to origination and acquisition**: new assets originated during the year;
- **Decrease due to derecognition**: represents accounts closed during the year, excluding write-offs and debt sales, which are presented separately;
- **Net drawdowns, repayments, net remeasurement:** Changes in ECL resulting from: (i) net changes in outstanding credit exposures due to drawdowns and repayments; (ii) revisions to risk parameters and model refinements; and (iii) net remeasurement of ECL due to stage transfers.

Significant changes in the gross carrying amounts of loans that contributed to changes in the loss allowance were the following:

- In 2024, the portfolio's exposure almost doubled, resulting in an increase of nominal ECL allowances;
- The debt sales in 2024 led to a significant decrease to the proportion of Stage 3 facilities, and an overall reduction of the portfolio level ECL coverage. During the year 2024 EUR 30,532 thousand (2023: nil) of loans were sold with a corresponding decrease in the loss allowance;
- A recalibration of the behavioural model prior to the year 2023 led to an increase of Stage 2 proportions, the impact of this was partially reversed during 2024 with the more recent recalibrations of the behavioural model. Overall, this resulted in a reduction of Stage 2 proportions, however an increase in the ECL coverage, as less risky facilities moved back to Stage 1. Simultaneously, this change increased the Stage 1 proportions, but decreased the ECL coverage for Stage 1.
- During the year 2024 EUR 265 thousand (2023: nil) of loans were written off with a corresponding decrease in the loss allowance.

20.2. Credit Risk Analysis by Product and Country

An analysis of risk concentration in gross carrying amounts and corresponding ECL in the loans portfolio by type of lending and geographical location is presented below:

As at 31 December 2024	Gross carrying amount			Allowance for ECL			ECL coverage %		
EURth	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Per product									
Consumer loans	959,322	111,306	21,791	11,385	11,281	16,667	1.19%	10.14%	76.49%
Credit cards	89,084	18,423	4,858	1,124	3,069	3,777	1.26%	16.66%	77.75%
BNPL	7,805	311	1,320	2	20	1,152	0.03%	6.43%	87.27%
Mortgage loans	1,159	–	–	–	–	–	–%	–%	–%
Total	**1,057,370**	**130,040**	**27,969**	**12,511**	**14,370**	**21,596**	**1.18%**	**11.05%**	**77.21%**
Per country									
Lithuania	77,509	31,106	1,739	822	1,991	1,228	1.06%	6.40%	70.62%
Poland	196,337	32,672	6,345	1,967	3,381	4,680	1.00%	10.35%	73.76%
Ireland	298,467	36,141	11,295	3,952	5,681	9,812	1.32%	15.72%	86.87%
Romania	291,851	13,171	2,910	3,062	1,950	1,874	1.05%	14.81%	64.40%
Spain	43,580	4,599	2,127	990	493	1,686	2.27%	10.72%	79.27%
Germany	61,955	6,349	2,952	1,141	511	1,899	1.84%	8.05%	64.33%
France	67,720	5,689	601	454	329	417	0.67%	5.78%	69.38%
Italy	8,961	10	–	7	–	–	0.08%	–%	–%
Portugal	10,990	303	–	116	34	–	1.06%	11.22%	–%
Total	**1,057,370**	**130,040**	**27,969**	**12,511**	**14,370**	**21,596**	**1.18%**	**11.05%**	**77.21%**

As at 31 December 2023		Gross carrying amount			Allowance for ECL			ECL coverage %	
EURth	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Per product									
Consumer loans	469,562	97,338	22,185	10,040	8,862	17,744	2.14%	9.09%	81.08%
Credit cards	36,644	9,049	2,257	1,221	1,363	1,798	3.33%	15.06%	79.66%
BNPL	6,220	322	748	2	8	660	0.03%	2.48%	88.24%
Total	**512,426**	**106,709**	**25,190**	**11,263**	**10,233**	**20,202**	**2.20%**	**9.57%**	**81.17%**
Per country									
Lithuania	22,172	47,362	2,225	283	1,638	1,178	1.27%	3.44%	61.19%
Poland	109,660	13,277	7,109	1,490	1,517	5,718	1.36%	11.43%	80.43%
Ireland	175,803	34,026	13,481	5,876	4,302	11,675	3.34%	12.64%	86.60%
Romania	150,451	10,677	1,566	2,457	2,588	1,008	1.63%	24.24%	64.37%
Spain	28,589	1,049	685	769	157	543	2.69%	14.97%	79.27%
Germany	19,032	274	121	343	29	78	1.80%	10.58%	64.46%
France	6,719	44	3	45	2	2	0.67%	4.55%	66.67%
Total	**512,426**	**106,709**	**25,190**	**11,263**	**10,233**	**20,202**	**2.20%**	**9.57%**	**81.17%**

20.3. Reverse Repo

During the year 2024 and 2023 the Bank's investments contained a portfolio of reverse repurchase agreements.

As part of the reverse repo transactions, the Bank has received collateral that it is permitted to sell or repledge in the absence of default. As at 31 December 2024, the amount of collateral which has been sold or repledged was EUR 568,348 thousand (31 December 2023: nil).

As at 31 December 2024, the fair value of financial assets accepted as collateral regarding the Bank's reverse repo agreements was EUR 1,998,238 thousand (31 December 2023: EUR 462,418 thousand).

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 and classified in financial statements as loans and unauthorised overdrafts.

20.4. SSD Agreement

During the year 2024 and 2023, the Bank has invested in Schuldschein (SSD) loans, which constitutes a standardised loan contract under the German Civil Code, evidenced by a certificate of indebtedness. The Bank's investments in SSD were centred around German municipalities or regional governments.

As at 31 December 2024 and 31 December 2023 all exposures were classified at stage 1 for impairment calculation. Information about maturity is disclosed in Note 30.

21. Debt Instruments Measured at Amortised Cost

The Bank did not have any debt instruments measured at amortised cost which were pledged as collateral as at 31 December 2024 (31 December 2023: nill).

EURth	2024		2023	
Debt securities of financial institutions	**Carrying amount**	**ECL**	**Carrying amount**	**ECL**
United Kingdom	218,235	(17)	244,725	(18)
France	155,410	(6)	181,478	(35)
Spain	123,293	(33)	121,829	(53)
Canada	109,022	(3)	104,302	–
United States	94,858	(28)	94,699	(4)
Australia	81,596	(1)	80,645	(1)
Finland	29,290	–	28,813	(2)
Japan	24,439	(4)	23,902	(6)
Sweden	22,850	(1)	22,814	–
Austria	16,986	(1)	16,663	(1)
Germany	15,781	(27)	44,960	(47)
Switzerland	9,598	–	29,138	(1)
Total	**901,358**	**(121)**	**993,968**	**(168)**
Government debt securities				
France	770,186	(66)	35,694	(1)
Canada	241,004	(2)	–	–
United States	204,326	–	209,813	(1)
Spain	194,430	(57)	194,980	(83)
Germany	142,230	(1)	182,634	–
Luxembourg	115,905	–	44,490	–
Belgium	99,682	(1)	311,271	(4)
Lithuania	94,465	(4)	25,834	(2)
United Kingdom	30,344	–	120	–
Sweden	–	–	3,689	–
Netherlands	–	–	547	–
Total	**1,892,572**	**(131)**	**1,009,072**	**(91)**
Asset Backed Securities				
Ireland	1,688,201	–	423,203	–
Total	**1,688,201**	**–**	**423,203**	**–**
Total debt instruments measured at amortised cost	**4,482,131**	**(252)**	**2,426,243**	**(259)**

During 2024 the Bank continued to invest into the portfolio of held to maturity debt securities. These debt securities booked at amortised cost, owing to the way the portfolio is managed, and in particular management's intention to not trade these bonds but hold these securities until maturity. As a mix of high quality financial institutions and government bonds, the credit ratings of these bonds are high or very high. To account for the credit risk in the portfolio, the Bank reduces the value of the assets on the balance sheet using an Impairment Loss Allowance (provision) under IFRS 9.

During 2024, the Bank continued to invest into Asset-backed securities (ABS). The accounting policy in respect of those instruments is described in Note 4.7.

Debt securities of financial institutions by credit rating assigned in accordance with article 138 of the Capital Requirements Regulation (EU) No. 575/2013 (Standard & Poor's long term credit rating scale) are presented below:

EURth	2024		2023	
Debt securities of financial institutions	**Carrying amount**	**ECL**	**Carrying amount**	**ECL**
AAA	135,867	(4)	127,796	–
AA	57,076	(1)	–	–
AA-	42,611	(1)	111,014	(2)
A+	316,340	(31)	237,548	(15)
A	121,127	(15)	210,812	(17)
A-	154,731	(29)	211,041	(36)
BBB+	57,825	(13)	56,649	(33)
BBB	–	–	39,108	(65)
BBB-	15,781	(27)	–	–
Total	**901,358**	**(121)**	**993,968**	**(168)**

21.1. Impairment Allowance for Debt Instruments Measured at Amortised Cost

A reconciliation of changes in the carrying amount and corresponding allowance for ECL by stage for debt instruments measured at amortised cost is, as follows:

31 December 2024

EURth		Stage 1		Stage 2
	Carrying amount	ECL	Carrying amount	ECL
As at 1 January 2024	**2,411,106**	**220**	**15,137**	**39**
Increases due to origination and acquisition	2,055,244	–	644	–
Changes due to change in credit risk (net)	–	5	–	(12)
As at 31 December 2024	**4,466,350**	**225**	**15,781**	**27**

31 December 2024

EURth			Stage 1			Stage 2
Internal rating grade	12-month PD range	Gross carrying amount	ECL	12-month PD range	Gross carrying amount	ECL
Performing						
High grade	0.01% - 0.42%	4,466,350	225	0.36%	15,781	27
Total		**4,466,350**	**225**		**15,781**	**27**
Coverage ratio		0.01%			0.17%	

31 December 2023

EURth		Stage 1		Stage 2
	Carrying amount	ECL	Carrying amount	ECL
As at 1 January 2023	1,110,347	**91**	**–**	**–**
Increases due to origination and acquisition	1,300,759	47	15,137	39
Decreases due to bond maturity	0	82	0	0
As at 31 December 2023	**2,411,106**	**220**	**15,137**	**39**

31 December 2023

EURth			Stage 1			Stage 2
Internal rating grade	12-month PD range	Gross carrying amount	ECL	12-month PD range	Gross carrying amount	ECL
Performing						
High grade	0.01% - 0.19%	2,411,106	220	0.0019	15,137	39
Total		**2,411,106**	**220**		**15,137**	**39**
Coverage ratio		0.01%			0.26%	

22. Property and Equipment and Right-of-Use Assets

EURth	Fixtures & fittings	Computer hardware	Other furniture and equipment	Right-of-use assets	Total
Cost					
At 1 January 2023	**–**	**116**	**2**	**1,889**	**2,007**
Additions	–	44	–	988	1,032
Dilapidation provision	–	–	–	280	280
At 31 December 2023	**–**	**160**	**2**	**3,157**	**3,319**
Additions	8	36	51	884	979
Dilapidation provision	–	–	–	9	9
At 31 December 2024	**8**	**196**	**53**	**4,050**	**4,307**
Depreciation					
At 1 January 2023	**–**	**(90)**	**(1)**	**(469)**	**(560)**
Depreciation charge for the year	–	(20)	(1)	(490)	(511)
At 31 December 2023	**–**	**(110)**	**(2)**	**(959)**	**(1,071)**
Depreciation charge for the year	(2)	(32)	–	(937)	(971)
At 31 December 2024	**(2)**	**(142)**	**(2)**	**(1,896)**	**(2,042)**
Net book value					
At 31 December 2023	**–**	**50**	**–**	**2,198**	**2,248**
At 31 December 2024	**6**	**54**	**51**	**2,154**	**2,265**

22.1. Right-of-Use Assets

The Bank has lease contracts for office spaces, which are recognized under right-of-use assets:

- Vilnius office – maturity on July 14, 2027
- Paris office – maturity on July 1, 2026
- Madrid office (new lease in 2024) – maturity on April 30, 2026

Set out below are the carrying amounts of lease liabilities (included under other liabilities) and the movements during the period:

EURth	2024	2023
At 1 January	**2,035**	**1,464**
Additions	884	988
Accretion of interest	71	64
Payments	(937)	(481)
At 31 December	**2,053**	**2,035**
Current	1,114	580
Non-current	939	1,455

The following are the amounts recognised in profit or loss:

EURth	2024	2023
Depreciation expense of right-of-use assets	(937)	(490)
Interest expense on lease liabilities (Note 8)	(71)	(64)
Total amount recognised in profit or loss	**(1,008)**	**(554)**

23. Other Assets

EURth	2024	2023
Settlement receivables (Note 33)	553,878	488,457
Client funds in transit (incoming)	55,785	17,624
Accrued payment scheme rebates	25,710	138
Accrued income	27,917	25,932
Cash collateral to card payment schemes	17,630	41,959
Due from intermediaries	10,196	33,702
Prepaid expenses	2,090	543
Rent deposits	446	220
Receivable VAT	122	5,376
Other	1,094	398
Total	**694,868**	**614,349**

24. Due to Customers

EURth	2024	2023*
Due to customers - Current accounts	15,583,407	10,660,011
Due to customers - Savings accounts	2,289,805	795
Changes in the fair value of hedged liabilities in portfolio hedges of interest rate risk	7,272	–
Total	**17,880,484**	**10,660,806**

*For the year 2023 EUR 518 thousand related to EU savings vaults was reclassified from "due to customers" to "other liabilities" to provide a more accurate presentation of the Bank's statement of financial position.

25. Due to Other Financial Institutions

The Bank uses a multi-currency facility with Revolut Ltd to deposit funds. At 31 December 2024 the Bank had a negative balance in EUR currency of EUR 197,677 thousand (31 December 2023: EUR 255,886 thousand) recognised in liabilities and positive balance EUR 21,850 thousand (31 December 2023: EUR 6,428 thousand) in assets.

As at 31 December 2024 the Bank has received from Revolut Ltd variation margin of EUR 9,569 thousand (31 December 2023: EUR 1,863 thousand).

26. Other Liabilities

EURth	2024	2023
Settlement liabilities	959,677	520,511
Contractual liability from loyalty program	95,516	–
Contractual liability from subscriptions	56,007	33,870
Client funds in transit (outgoing)	26,438	–
Corporate tax payable	21,804	15,728
Accrued expenses	21,051	8,109
Refunds to customers	9,651	–
Payroll payable	3,487	2,573
Lease liability (Note 22)	2,053	2,035
Accrual for redemptions under loyalty program	971	–
Other liabilities	9,724	5,941
Total	**1,206,379**	**588,767**

27. Provisions

EURth	2024	2023
Provision for undrawn commitments	1,632	473
Dilapidation provision	289	280
Claims provision	3,719	–
Total	**5,640**	**753**

The movement in provision for undrawn commitments during 2024 and 2023 respectively is, as follows:

EURth	Undrawn commitments
31 December 2022	**103**
Changes in ECL	370
31 December 2023	**473**
Changes in ECL	1,159
31 December 2024	**1,632**

The table below shows provisions for undrawn commitments by stages:

31 December 2024

EURth	Stage 1	Stage 2	Stage 3	Total
Undrawn commitments	896	736	–	1,632

31 December 2023

EURth	Stage 1	Stage 2	Stage 3	Total
Undrawn commitments	273	146	54	473

27.1. Undrawn Commitments

To meet the financial needs of customers, the Bank may enter into various irrevocable commitments and contingent liabilities. These consist of financial guarantees, letters of credit and other commitments to lend. Even though these obligations may not be recognised on the statement of financial position, they contain credit risk and, therefore, form part of the overall risk of the Bank.

The Bank offers credit card and revolving loan (commercially called buy now pay later) facilities to its customers. The nominal value of the undrawn commitments was EUR 223,828 thousand at 31 December 2024 (31 December 2023: EUR 111,624 thousand). At 31 December 2024 the Bank recognised EUR 1,632 thousand of allowance on ECL for the outstanding exposures (31 December 2023: EUR 473 thousand).

The table below sets out the credit quality of retail customers lending commitments of the Bank as at 31 December 2024.

Internal rating grade	12-month PD range	Risk level	Stage 1	Stage 2	Stage 3	POCI	Total
1	0.03% - 0.10%		30,855	–	–		**30,855**
2	0.10% - 0.20%		33,290	–	–		**33,290**
3	0.20% - 0.30%		25,400	–	–		**25,400**
4	0.30% - 0.50%		26,604	6	–		**26,610**
5	0.50% - 0.80%		18,970	849	–		**19,819**
6	0.80% - 1.30%		19,660	1,042	–		**20,702**
7	1.30% - 2.00%	Low	19,321	1,666	–		**20,987**
8	2.00% - 3.00%		16,837	1,686	–		**18,523**
9	3.00% - 5.00%	Moderate	13,877	1,721	–		**15,598**
10	5.00% - 8.00%		5,443	922	–		**6,365**
11	8.00% - 13.00%		1,442	800	–		**2,242**
12	13.00% - 20.00%		478	470	–		**948**
13	20.00% - 100%		720	681	–		**1,401**
14	100%	High	–	–	1,088		**1,088**
Total			**212,897**	**9,843**	**1,088**	**–**	**223,828**

The table below sets out the credit quality of retail customers lending commitments of the Bank as at 31 December 2023.

Internal rating grade	12-month PD range	Risk level	Stage 1	Stage 2	Stage 3	POCI	Total
1	0.03% - 0.10%		4,582	–	–	–	**4,582**
2	0.10% - 0.20%		16,034	–	–	–	**16,034**
3	0.20% - 0.30%		14,454	–	–	–	**14,454**
4	0.30% - 0.50%		13,724	–	–	–	**13,724**
5	0.50% - 0.80%		9,591	30	–	–	**9,621**
6	0.80% - 1.30%		10,726	347	–	–	**11,073**
7	1.30% - 2.00%	Low	10,223	1,045	–	–	**11,268**
8	2.00% - 3.00%		5,584	503	–	–	**6,087**
9	3.00% - 5.00%	Moderate	7,985	1,331	–	–	**9,316**
10	5.00% - 8.00%		6,481	313	–	–	**6,794**
11	8.00% - 13.00%		5,130	407	–	–	**5,537**
12	13.00% - 20.00%		1,491	152	–	–	**1,643**
13	20.00% - 100%		579	396	–	–	**975**
14	100%	High	–	–	516	–	**516**
Total			**106,584**	**4,524**	**516**	**–**	**111,624**

28. Share Capital and Reserves

Authorised shares	**2024 Thousands**	**2023 Thousands**	**2022 Thousands**
Ordinary shares of EUR 1 each	36,815	36,815	36,815

Ordinary shares issued and fully paid	**Thousands**
At 1 January 2023	**36,815**
Issued ordinary shares	–
At 31 December 2023	**36,815**
Issued ordinary shares	–
At 31 December 2024	**36,815**

Reserves

EURth	**Reserve capital**	**Reserves**
At 1 January 2023	**279,008**	**5,863**
Formation of the reserve capital by shareholder contributions	100,000	–
Share based payments and translation cost incurred	–	2,404
Transfer from retained earnings	–	3,754
At 31 December 2023	**379,008**	**12,021**
Formation of the reserve capital by shareholder contributions	291,200	–
Share based payments and translation cost incurred	–	6,178
Exercise of options	–	(1,956)
Transfer from retained earnings	–	7,485
At 31 December 2024	**670,208**	**23,728**

The reserves include the legal reserve of EUR 14,644 thousand (2023: EUR 7,159 thousand), the share based payment reserve of EUR 9,113 thousand (2023: EUR 4,831 thousand) and other translation reserve EUR (29) thousand (2023: EUR 31 thousand).

29. Share-Based Payments

The Revolut Group issues equity-settled share-based payment awards to certain employees which are generally subject to service, and in some cases, performance based vesting or non-vesting conditions and are settled for shares of the Revolut Group Holdings Ltd.

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 Revolut Group's estimate of the number of awards that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Unapproved share option scheme and parent company modification

During 2022, a new holding company was inserted into the Group changing the legal structure of Revolut such that the ultimate parent company of the Group changed from Revolut Ltd to Revolut Group Holdings Ltd. With this change, all previously granted share-based awards were novated from Revolut Ltd to Revolut Group Holdings Ltd.

During 2023, the Group adopted the Revolut Group Holdings Ltd Global Share Plan (GSP) under which share options and Restricted Stock Units (RSUs) were granted in 2023 and 2024.

The grant-date fair value of the options granted to employees during 2024 has been determined utilizing an option pricing model, which encompasses the Black-Scholes methodology.

Share-based awards granted have varying vesting schedules depending on the reason for the grant — for example, Sign-on Bonus, Referral Bonus, Promotion Bonus, or Performance Bonus. The main vesting schedules for those grants 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 Revolut Group until the vesting period has elapsed; otherwise, the awards lapse. Options and RSUs granted under the GSP have expiry dates not exceeding ten years from the date of the grant.

Valuation Assumptions

Key assumptions used in determining the values of options are shared below.

	2024	2023
Model	Option Pricing Model	Option Pricing Model
Expected volatility	35%-50%	40% - 50%
Expected terms (years)	1.5	1.25
Expected dividend yields	nil	nil
Risk-free interest rate	3.6%-4.4%	4.29% - 5.35%

Calculating the grant-date fair value of options in private companies requires making highly subjective estimates and assumptions. The most material of which are the Revolut Group's grant-date ordinary share value and expected volatility.

Grant-date fair value is estimated using a combination of an income and market approach, including referencing transactions or attempted transactions in the company's own shares during the period in question. Expected volatility is derived from observed volatility from comparable companies, as the Revolut Group became a prudential consolidation group in July 2024 the list of comparable companies was updated resulting in a reduced volatility assumption for grants awarded subsequently.

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 2024 and 2023 is shown below.

	Weighted average exercise price, (EUR) 2024	Number 2024	Weighted average exercise price, (EUR) 2023	Number 2023
Outstanding at the beginning of the year	**0.03**	**46,029**	**0.06**	**34,682**
Transfers during the year	–	4,173	–	–
Adjustments related to prior year	–	1,472	0.06	(1,391)
Granted during the year	–	25,630	0.18	16,417
Exercised during the year	0.01	(9,028)	0.01	(1,709)
Forfeited during the year	–	(2,127)	0.01	(1,970)
Outstanding at the end of the year	**0.02**	**66,149**	**0.03**	**46,029**
Exercisable at the end of the year	**0.04**	**43,401**	**0.05**	**32,242**

The estimated weighted average fair value of share options granted as at 31 December 2024 was EUR 276.92 (2023: EUR 183.53). The estimated weighted average share price at the date of exercise for share options exercised in 2024 was EUR 481.56 (2023: EUR 192.89).

The outstanding options at the end of 2024 weighted average remaining contractual life by exercise price is shown below:

Pool	Exercise Price	Weighted average remaining contractual life	Number of shares
1	0.00	8	63,076
2	0.12	4	1,140
3	0.60	5	1,495
4	0.90	5	438
Total	**0.02**		**66,149**

The outstanding options at the end of 2023 weighted average remaining contractual life by exercise price is shown below.

Pool	Exercise Price	Weighted average remaining contractual life	Number of shares
1	0.01	8	42,851
2	0.00	5	1,140
3	0.00	6	1,600
4	0.00	6	438
Total	**0.01**		**46,029**

Impact on the Statement of Profit or Loss and Other Comprehensive Income

The total share-based payment expense recognised in personnel expenses in the Statement of Profit or Loss and Other Comprehensive Income is as follows:

EURth	2024	2023
Equity-settled share-based payment charge	6,238	2,393

30. Maturity Analysis of Financial Assets and Liabilities

The table below shows an analysis of financial assets and liabilities presented according to when they are expected to be recovered or settled.

As at 31 December 2024, EURth	Up to 3 months /on demand	3-12 months	1-5 years	more than 5 years	Total
Assets					
Cash and balances with central banks	10,823,365	–	–	–	10,823,365
Due from banks and other financial institutions	40,086	–	–	–	40,086
Derivatives	6,752	2,698	6,039	–	15,489
Loans and unauthorised overdrafts	580,702	1,074,792	2,470,133	103,627	4,229,254
Debt securities	202,324	322,258	2,215,537	1,741,760	4,481,879
Other financial assets	635,777	–	–	–	635,777
Total financial assets	**12,289,006**	**1,399,748**	**4,691,709**	**1,845,387**	**20,225,850**
Liabilities					
Derivatives	6,527	2,437	3,620	–	12,584
Due to customers	17,880,484	–	–	–	17,880,484
Due to other financial institutions	207,246	–	–	–	207,246
Lease liabilities	276	838	939	–	2,053
Other financial liabilities	985,186	–	–	–	985,186
Total financial liabilities	**19,079,719**	**3,275**	**4,559**	**–**	**19,087,553**

As at 31 December 2023, EURth	Up to 3 months /on demand	3-12 months	1-5 years	more than 5 years	Total
Assets					
Cash and balances with central banks	7,559,761	–	–	–	7,559,761
Due from banks and other financial institutions	20,514	–	–	–	20,514
Derivatives	5,802	–	–	–	5,802
Loans and unauthorised overdrafts	545,219	213,892	668,113	34,703	1,461,927
Debt securities	173,347	221,791	1,609,748	421,098	2,425,984
Other financial assets	590,408	–	–	–	590,408
Total financial assets	**8,895,051**	**435,683**	**2,277,861**	**455,801**	**12,064,396**
Liabilities					
Derivatives	4,994	–	–	–	4,994
Due to customers	10,660,806	–	–	–	10,660,806
Due to other financial institutions	257,749	–	–	–	257,749
Lease liabilities	118	462	1,455	–	2,035
Other financial liabilities	531,193	–	–	–	531,193
Total financial liabilities	**11,454,860**	**462**	**1,455**	**–**	**11,456,777**

31. Fair Value Measurement

31.1. Assets and Liabilities by Fair Value Hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

At 31 December 2024 EURth	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Interest rate swaps	–	8,862	–	8,862
Foreign exchange contracts	–	6,627	–	6,627
Total derivative financial instruments (assets)	**–**	***15,489***	**–**	***15,489***
Equity Instruments at fair value through OCI				
Equity instruments	–	–	33	33
Total financial assets measured at fair value	**–**	**15,489**	**33**	**15,522**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Interest rate swaps	–	4,169	–	4,169
Foreign exchange contracts	–	8,415	–	8,415
Total derivative financial instruments (liabilities)	**–**	***12,584***	**–**	***12,584***
Total financial liabilities measured at fair value	**–**	**12,584**	**–**	**12,584**

At 31 December 2023 EURth	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments				
Foreign exchange contracts	–	5,802	–	5,802
Equity Instruments at fair value through OCI				
Equity instruments	–	–	25	25
Total financial assets measured at fair value	**–**	**5,802**	**25**	**5,827**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments				
Foreign exchange contracts	–	4,994	–	4,994
Total financial liabilities measured at fair value	**–**	**4,994**	**–**	**4,994**

31.2. Fair Value of Financial Instruments Not Measured at Fair Value

The table below summarises the carrying amounts and fair values of those financial assets and liabilities presented on the Bank's statement of financial position at amortised cost.

The fair value of debt securities, securities purchased under resale agreements and government loans (SSDs) are based on market prices if available, and if not available, calculated by estimating future cash flows and adjusting them for time value using comparable market rates and mathematical methods to ensure accuracy.

The fair value of loans to customers are determined using valuation techniques that incorporate discounting the future contractual cash flows adjusted for estimated prepayments, using Funds transfer pricing (FTP) rate adjusted using a comparable credit spread.

The fair value of customer deposits is determined to be equivalent to their carrying value, predicated on their daily withdrawal accessibility.

At 31 December 2024 EURth	Carrying value			Fair value
		Level 1	Level 2	Level 3
Assets				
Cash and balances with central banks	10,823,365	–	10,823,365	–
Due from banks and other financial institutions	40,086	–	40,086	–
Loans and unauthorised overdrafts	4,229,254	–	3,097,025	1,193,150
Debt securities	4,481,879	4,623,484	–	–
Other financial assets	635,777	–	635,777	–
Total financial assets measured at amortised cost	**20,210,361**	**4,623,484**	**14,596,253**	**1,193,150**
Liabilities				
Due to customers*	17,880,484	–	17,880,484	–
Due to other financial institutions	207,246	–	207,246	–
Other financial liabilities	987,239	–	987,239	–
Total financial liabilities measured at amortised cost	**19,074,969**	**–**	**19,074,969**	**–**

**The carrying amount of due to customers also includes fair value adjustment on macro fair value hedge of EUR 7,272 thousand (2023: nill). See Notes 4.7.7 and 24 for further details.*

At 31 December 2023 EURth	Carrying value	Fair value		
		Level 1	Level 2	Level 3
Assets				
Cash and balances with central banks	7,559,761	–	7,559,761	–
Due from banks and other financial institutions	20,514	–	20,514	–
Loans and unauthorised overdrafts	1,461,927	–	1,431,636	–
Debt securities	2,425,984	2,474,440	–	–
Other financial assets	590,408	–	590,408	–
Total financial assets measured at amortised cost	**12,058,594**	**2,474,440**	**9,602,319**	**–**
Liabilities				
Due to customers	10,661,324	–	10,661,324	–
Due to other financial institutions	257,749	–	257,749	–
Other financial liabilities	533,228	–	533,228	–
Total financial liabilities measured at amortised cost	**11,452,301**	**–**	**11,452,301**	**–**

32. Capital

The main objectives of the Bank capital management are as follows:

- Forecast for available capital is consistent with the Bank's strategy and support its implementation;
- The Bank's capital level appropriately covers all material risks to which the Bank is exposed and enables it to pursue its business objectives;
- The Bank complies with the regulatory capital requirements at all times;
- The Bank meets its internally determined capitalisation targets, which envisage appropriate additional capital cushion above the regulatory required capital in order to ensure capital adequacy in case of material deviations of the Bank's performance from the financial plan or severe adverse scenarios (both bank-specific and systemic);
- The Bank has a range of available and feasible management actions to restore the Bank's capitalisation in case of its deterioration;
- The capital is optimised in order to maximise shareholder value, including usage of internal capital allocation to business and its consideration in risk adjusted pricing so that the Bank is able to deliver the level of return on risk adjusted capital required by shareholders.

The Bank manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Bank may take actions such as adjustment of (i) amount of dividend paid to shareholders, (ii) return on capital, or issue capital securities or make structural changes to its balance sheet ensuring optimal usage of capital. The objectives, policies and processes related with the Bank's capital management are reviewed at least annually to keep them up to date.

32.1. Regulatory Capital Requirements

The Bank maintains an actively managed capital base to cover risks inherent in the business and comply with the regulatory capital adequacy requirements, which are calculated following the EU Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD).

In accordance with the regulatory capital requirements, the Banks are expected to operate with their capital being equivalent to at least the sum of the minimum Pillar 1 requirements, Pillar 2 requirement (P2R), Combined buffer requirement (CBR) and Pillar 2 guidance (P2G). Under the materialisation of the severe stress scenarios, the Bank's capital is allowed to fall below this level (going into P2G and CBR) on a temporary basis.

As of 31 December 2024, the total capital requirement of the Bank (in accordance with the regulatory requirements) is equal to 13.06% for CET1 capital ratio and 18.18% for total capital ratio.

Capital requirements as of 31 December 2024

	Total capital
Minimum Pillar 1 requirement	8.00%
Pillar 2 requirement (P2R)*	3.70%
Combined buffer requirement (CBR)	5.48%
of which: Capital conservation buffer (CCB)	2.50%
of which: Countercyclical buffer (CCyB)	0.98%
of which: Other systemically important institution buffer**	2.00%
of which: Systemic risk buffer (SyRB)	0.00%
Pillar 2 guidance (P2G)	1.00%
Total capital requirement	**18.18%**

* In 2024, the Bank received a SREP decision, maintaining Pillar 2 requirement to a minimum of 3.70%.

** The Bank has been designated as Other Systemically Significant Institution by the Bank of Lithuania in December 2022, and had to meet an additional capital requirement of 1%. In December 2023, this requirement was increased to 2.0% applicable from July 2024, due to the increased significance of the Bank.

The Bank has complied in full with all its externally imposed capital requirements over the reported period, including the changes in requirements that come into effect in 2024.

The Bank's CET1 capital ratio and total capital ratio were both at the level of 30.98% by the end of 2024 (2023: 23.63%) ensuring robust capitalisation. End of 2023 CET1 capital ratio has been restated from 23.40% to 23.63% after the release of the annual financial statement.

The Bank calculates its minimum Pillar 1 capital requirement in accordance with the CRR as follows:

- For credit and counterparty risk using standardised approach;

- For operational risk using the business indicator approach;
- For market risk using standardised approaches;
- For credit valuation adjustment under a standardised method.

EURth	31 December 2024	31 December 2023
Total RWAs	**2,823,747**	**2,112,427**
Capital Resources		
Total CET1 Capital	874,891	499,151
Total Tier 1 Capital	874,891	499,151
Total Capital Resource	**874,891**	**499,151**
CET1 Ratio (%)	30.98%	23.63%
Tier 1 Ratio (%)	30.98%	23.63%
Total Capital Ratio (%)	**30.98%**	**23.63%**

The Bank's leverage ratio was 4.42% by the end of 2024 (2023: 4.17%) reflecting adequate capitalisation from this perspective too.

The Bank's regulatory eligible capital consists exclusively of CET1 capital, which comprises share capital, reserves and retained earnings less the intangible assets and deferred tax assets.

32.2. Internal Capital Assessment

The internal capital adequacy assessment process (ICAAP), as one of the key capital management tools, aims to:

- Identify material risks for the Bank and quantify the risks not covered or not fully covered by the capital under minimum Pillar 1 requirements;
- Ensure that the Bank is adequately capitalised to cover the Bank's risks, support implementation of its strategy and pursue business objectives;
- Comprehensively assess whether the capital levels - current, projected and stressed - are adequate in the context of the regulatory requirements and internal targeted capital levels set by the Supervisory Council.

The ICAAP is integrated with the financial and strategic planning processes and plays a critical role in the capital planning as well as for the determination of the internally targeted capital levels, which are approved by the Supervisory Council.

The ICAAP of the Bank is subject to a regular annual update. However an ad hoc update or development of the new fit-for-purpose ICAAP may be triggered by such events as the significant changes to the business activities or economic environment or through regulatory interactions.

The ICAAP of the Bank of 2024 covers the forecast horizon extending until the end of 2026. The Bank identified the following material risks as not adequately covered by Pillar 1 capital requirements and assessed additional internal Pillar 2 capital add-ons during the process:

- Operational risk;
- Market risk (additional internal Pillar 2 capital assessed for FX risk);
- Credit risk (additional internal Pillar 2 capital assessed for retail loans and wholesale loans);
- Credit concentration risk covering geographic, sector and single-name concentration risks;
- Interest rate risk in the banking book (IRRBB);
- Credit spread risk arising from non-trading book activities (CSRBB);
- Environmental, social, and corporate governance (ESG) risk.

The Bank conducts stress testing as part of the ICAAP in order to assess the capital adequacy under severe but plausible financial stress scenarios.

Stress testing of the ICAAP for 2024 was performed under the following scenarios:

- Bank-specific scenario assuming occurrence of the adverse circumstances, which are specific for the Bank;
- Systemic scenario, which assumes the adverse macroeconomic conditions;
- Combined scenario, which covers both systemic and bank-specific nature adverse developments.

Impact on the Bank's CET1 capital ratio, total capital ratio and leverage ratio was estimated under these adverse scenarios for the horizon extending until the end of 2026. The stress testing outcomes were assessed taking into account the availability and feasibility of the management actions to restore the Bank's capital and leverage ratios to the targeted levels in case of their material deterioration under the adverse circumstances of the stress scenarios.

The results of the stress testing performed under the different stress scenarios prove that the Bank current and future capitalisation is strong and adequate to cover the risks to which the Bank is or might be exposed to.

33. Related Party Disclosures

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

As at 31 December 2024 EURth	Parent 2024	Other Related Parties 2024	Parent 2023	Other Related Parties 2023
Assets				
Due from banks and other financial institutions	–	21,850	–	6,428
Derivatives	–	10,250	–	5,707
Other assets	30	553,849	113	488,348
Total assets	**30**	**585,949**	**113**	**500,483**
Liabilities				
Due to other financial institutions	–	207,246	–	257,749
Derivatives	–	7,954	–	4,938
Other liabilities	4	945,437	4	517,646
Total liabilities	**4**	**1,160,637**	**4**	**780,333**
Income and expenses				
Net gains and losses on derivatives	–	19,753	–	–
Operating income from derivatives and foreign exchange gains	–	33,028	–	39,893
Other operating income	95	1,739	65	3,116
Other operating expenses	–	(1,082,541)	–	(635,837)
Interest expenses on interest rate swaps	–	(2,724)	–	–
Personnel expenses	–	(672)	–	(791)
Net income and expenses	**95**	**(1,031,417)**	**65**	**(593,619)**

Amounts due from other financial institutions and due to other financial institutions include positive and negative balance within a multi-currency facility with Revolut Ltd to deposit funds. The intercompany receivables and payables classified under other assets and other payables accordingly relate to recharges of expenses between Revolut Group entities and are unsecured, non-interest bearing and repayable on demand.

The management of the Bank received fixed remuneration of EUR 1,346 thousand in 2024 (2023: EUR 1,360 thousand) and variable (share options) of EUR 1,130 thousand in 2024 (2023: EUR 1,026 thousand). Revolut Bank did not provide post-employment, termination, or other long-term benefits to its employees.

The year-end balances of loans granted to and deposits accepted from the Bank's key management personnel:

EURth	Deposits		Loans (outstanding balance)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Key management	177	46	72	11

As at 31 December 2024 Revolut Bank had granted a revolving credit (RC) facility to Revolut Ltd of EUR 118 million (2023: EUR 118 million), as at 31 December 2024 no credit from the RC facility had been used.

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions and are in the ordinary course of business.

34. Events After the Reporting Period

On March 3, 2025, Revolut Holdings Europe UAB, the sole shareholder of the Bank, took a decision to increase the reserve capital of the Bank by EUR 301 million. The capital was paid in on 11 March 2025.

On April 3, 2025, the Bank of Lithuania has concluded an administrative agreement with the Bank. The Bank was fined EUR 3.5 million for deficiencies in its processes concerning Lithuania's anti-money laundering regulations. The provision of best estimate was booked in 2024.

There were no other than the disclosed events in the notes post reporting period that required disclosure or adjustments to be made to accounting estimates and assumptions as at 31 December 2024.

The financial statements were signed on 16 April 2025 by:

Joseph Heneghan	**Oliver Schreiber**
Chief Executive Officer	Chief Financial Officer

Independent Auditor's Report

To the shareholder of Revolut Bank UAB:

Report on the Audit of the Financial Statement

Opinion

We have audited the financial statements of Revolut Bank UAB (hereafter – „the Bank"), which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information.
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the requirements of the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Each audit matter and our respective response are described below.

Key Audit Matter	How the matter was addressed in our audit
Recognition of fee and commission income (see Notes 4.3 and 9 to the financial statements)	
The Bank is engaged in retail and wholesale financial services, including but not limited to, accepting deposits, consumer lending, card payment services, saving vaults and other business products, which are subject to the commission and fee income. The Bank's fee and commission income for the year 2024 amounted to EUR 1,169 million. The Bank has a revenue recognition process that has a significant automation component, where relevant fees are charged directly from the customer account according to the contractual commissions, subscription and other fees. Fees and commission income are the key indicators of the Bank's financial performance, and their accurate and complete recognition highly depends on the reliability of the automated IT systems. Both the significance of revenue to the Bank's financial results, as well as the complexity of the IT systems used to recognise them, lead to the conclusion of revenue being a key audit matter.	Among others, we have performed the following audit procedures: • We gained an understanding of the Bank's revenue recognition process and assessed whether the Bank's accounting policy for recognising fee and commission income meets the requirements of the International Financial Reporting Standards as adopted by the European Union. • We have identified the relevant IT systems that are involved in transaction processing and revenue recognition and have tested whether their respective controls have been designed and implemented properly and are operating effectively. • We have reviewed ETL scripts that are used to extract, transform and load customer data into an aggregate output and verified that these scripts ensure an accurate transfer of data. • We have selected a sample of revenue records and compared them with the details in the Bank's system, where these transactions are recorded and with third-party systems, on which these transactions were initiated. • We have checked whether the commission charged for relevant transactions corresponds to the rates applied by the Bank and was calculated correctly. • We have tested whether subscription revenues were deferred correctly over the period of the subscription. • We have evaluated and challenged the reasonableness of assumptions used in determining revenues related to customer loyalty programs and their respective performance obligations. • We have evaluated the sufficiency and appropriateness of disclosures relate to revenue recognition in the financial statements of the Bank.

Other information

The other information comprises the information included in the Bank's management report, including the requirements for the information on sustainability matters, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as specified below.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. 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.

In addition, our responsibility is to consider whether information included in the Bank's management report for the financial year for which the financial statements are prepared is consistent with the financial statements and whether management report, excluding the requirements for the information on sustainability matters on which the separate assurance report on sustainability report is issued by us on 16 April 2025, has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of the financial statements, in our opinion, in all material respects:

- The information given in the Bank's management report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Bank's management report, excluding the requirements for the information on sustainability matters, has been prepared in accordance with the requirements of the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines 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, management is responsible for assessing the Bank'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 management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

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 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Under the decision of the general Shareholders meeting on 30 June 2023 we were elected for the first time to audit the Bank's financial statements. The total uninterrupted term of appointment is 2 years.

We confirm that our audit opinion expressed in the Opinion section of our report is consistent with the audit report for the financial statements presented to the Bank and its Audit Committee.

We confirm that to the best of our knowledge and belief, services provided to the Bank are consistent with the requirements of the law and regulations and do not comprise non-audit services referred to in Article 5(1) of the Regulation (EU) No 537/2014 of the European Parliament and of the Council.

In the course of audit, in addition to the audit of the financial statements, we have provided agreed upon procedures on the data used for the calculation of ex-ante contribution to the Single Resolution Fund, financial statements translation service and limited assurance for the sustainability report.

The audit engagement partner on the audit resulting in this independent auditor's report is Romanas Skrebnevskis.

Auditor Romanas Skrebnevskis
Auditor's certificate No. 000471

ROSK Consulting UAB
Audit company's certificate No. 001514

Vilnius, Lithuania
16 April 2025

ROSK CONSULTING

Independent Practitioner's Limited Assurance Report on Revolut Bank UAB Sustainability Statement

To the shareholder of Revolut Bank UAB:

Limited Assurance Conclusion

We have performed a limited assurance engagement on the Sustainability Statement of Revolut Bank UAB (the "Bank") as at 31 December 2024 included in the Management Report on pages 19 - 70 within section "Sustainability Statement" (hereafter the "Sustainability Statement") and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement as at 31 December 2024 of the Bank is not prepared, in all material respects, in accordance with the Law on Reporting by Undertakings and by Groups of Undertakings of the Republic of Lithuania, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Bank to identify the information reported in the Sustainability Statement (hereafter the "Process") is in accordance with the description set out in subsection "General information" within note "Description of Processes to Identify and Assess Material Impacts, Risks, and Opportunities (IRO-1)"; and
- compliance of the disclosures in subsection "EU Taxonomy disclosures" within note "Environmental Information" of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (hereafter the "Taxonomy Regulation").

Basis for Conclusion

We conducted our limited assurance engagement on Sustainability Statement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the "Practitioner's responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), together with the ethical requirements that are relevant to our assurance engagement on the Sustainability Statement in Lithuania.

Our firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Other Matter

The comparative information included in the Sustainability Statement for the year ended 31 December 2023 was not subject to a limited assurance engagement. Our limited assurance conclusion is not modified in respect of this matter.

Responsibility of the Management for the Sustainability Statement

Management of the Bank is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in subsection "General information" within note "Description of Processes to Identify and Assess Material Impacts, Risks, and Opportunities (IRO-1)" of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Bank's activities and business relationships take place and developing an understanding of its affected stakeholders;
- identifying the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Bank's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- assessing the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- developing methodologies and making assumptions that are reasonable in the circumstances.

Management of the Bank is further responsible for the preparation of the Sustainability Statement, in accordance with the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania, including:

- compliance with the ESRS;
- preparing the disclosures in subsection "EU Taxonomy disclosures" within note "Environmental Information" of the Sustainability Statement, in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation");
- designing, implementing and maintaining such internal controls that management determines is necessary to enable the preparation of the Sustainability Statement such that it is free from material misstatement, whether due to fraud or error;
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Bank's sustainability reporting process.

Inherent Limitations in Preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, management of the Bank is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Bank. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

Practitioner's Responsibilities

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our limited assurance conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

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As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional skepticism throughout the engagement.
Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- designing and performing procedures to evaluate whether the Process is consistent with the Bank's description of its Process, as disclosed in subsection "General information" within note "Description of Processes to Identify and Assess Material Impacts, Risks, and Opportunities (IRO-1)".

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the consolidated Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, the procedures we have performed included:

- obtaining an understanding of the Process by:
    - performing inquiries to understand the sources of the information used by the Management of the Bank (e.g., stakeholder engagement, business plans and strategy documents); and
    - reviewing the Bank's internal documentation of its Process;
- evaluating whether the evidence obtained from our procedures about the Process was consistent with the description of the Process set out in subsection "General information" within note "Description of Processes to Identify and Assess Material Impacts, Risks, and Opportunities (IRO-1)".

In conducting our limited assurance engagement with respect to the Sustainability Statement, the procedures we have performed included:

- obtaining an understanding of the Banks reporting processes relevant to the preparation of its Sustainability Statement by:
    - obtaining an understanding of the Bank's control environment, processes and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a limited assurance conclusion on the effectiveness of the Bank's internal control.
    - obtaining an understanding of the roles and responsibilities in the preparation of the Sustainability Statement, including communication within the Bank and between management and those charged with governance.
- evaluating whether material information identified by the Process is included in the Sustainability Statement;
- evaluating whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- performing inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- performing substantive assurance procedures on selected information in the Sustainability Statement;
- where applicable, comparing disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and management report;
- obtaining evidence on the methods, assumptions and data for developing material estimates and forward-looking information and on how these methods were applied;
- obtaining an understanding of the Bank's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.

Auditor Romanas Skrebnevskis
Auditor's certificate No. 000471

ROSK Consulting UAB
Audit company's certificate No. 001514
Vilnius, Lithuania
16 April 2025


Revolut
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