Revolut

Revolut EEA Group 2024 Management Report

and Financial Statements for the year ended 31 December 2024

Revolut Holdings Europe UAB | Registered number: 305820090

Contents

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Revolut Holdings Europe UAB:

Opinion

We have audited the separate financial statements of Revolut Holdings Europe UAB (hereafter – „the Company") and the consolidated financial statements of the Company and its subsidiaries (hereafter – „the Group") which comprise the separate and the consolidated statements of financial position as at 31 December 2024, the separate and the consolidated statements of profit or loss and other comprehensive income, the separate and the consolidated statements of changes in equity, the separate and the consolidated statements of cash flows for the year then ended, and notes to the separate and the consolidated financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and the consolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Company and the consolidated financial position of the Group as at 31 December 2024 and their respective unconsolidated and consolidated financial performance and their respective unconsolidated and consolidated 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 Company and Group 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.

Other information

The other information comprises the information included in the Group's consolidated management report, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the separate and consolidated 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 separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated 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 Group's consolidated management report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements and whether consolidated management report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of consolidated financial statements, in our opinion, in all material respects:

- The information given in the consolidated Group's management report for the financial year for which the separate and consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- The Group's consolidated management report 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 Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated 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 the separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and Group'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 Company and the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated 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 separate and consolidated 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 separate and consolidated 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 Company's and the Group'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 Company's and the Group'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 separate and consolidated 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 Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Auditor Romanas Skrebnevskis
Auditor's certificate No. 000471

ROSK Consulting UAB
Audit company's certificate No. 001514

Vilnius, Lithuania
25 April 2025

The auditor's electronic signature is used herein to sign only the Independent Auditor's Report

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 Holdings Europe UAB (further referred to as RHEUAB or the Parent Company) and on a consolidated basis (further referred to as EEA Group).

2. Overview of the Company and the EEA Group Status and Development

RHEUAB is a financial holding company incorporated and licensed in the Republic of Lithuania with company number 305820090 and whose registered office is at Konstitucijos ave. 21B, 08130 Vilnius, the Republic of Lithuania.

RHEUAB was included into a public list of the entities belonging to the financial conglomerate on 21 July 2022 by the Bank of Lithuania (further referred to as BoL). In 2022, RHEUAB acquired in each case 100% of the outstanding shares of:

- Revolut Bank UAB (further referred to as Revolut Bank), a credit institution incorporated and licensed in the Republic of Lithuania with company number 304580906 and authorisation code LB000482 and which registered office is at Konstitucijos ave. 21B, 08130 Vilnius, the Republic of Lithuania. RHEUAB acquired the shares of Revolut Bank as of 7 June 2022.
- Revolut Insurance Europe UAB (further referred to as RIE), a private limited liability company incorporated and registered in the Enterprise Register of the Republic of Lithuania, at Konstitucijos ave. 21B, 08130 Vilnius, the Republic of Lithuania with legal entity code 305910164. RIE was authorised by the Bank of Lithuania and entered into the list of Insurance Brokerage Undertakings as an insurance intermediary from 25 January 2022. RHEUAB acquired the shares of RIE as of 7 June 2022.
- Revolut Securities Europe UAB (further referred to as RSE), a private limited liability company incorporated and registered in the Enterprise Register of the Republic of Lithuania, at Konstitucijos ave. 21B, 08130 Vilnius, the Republic of Lithuania with registration number 305799582. RSE was granted a category B financial brokerage firm license on 22 November 2021. From 18 April 2025 The Bank of Lithuania has extended the license of RSE, granting the Category A license. The previous license has been extended with new investment and additional ancillary services. RHEUAB acquired the shares of RSE as of 3 August 2022.

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

From the year 2024 Revolut Bank UAB has 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 ultimate parent of Revolut Holdings Europe UAB is Revolut Group Holdings Ltd ("RGH") whose registered address is 7 Westferry Circus, Canary Wharf, London, E14 4HD. RHEUAB does not operate any own branches.

The Parent Company's primary mission is to streamline the European Economic Area (EEA) business operations within the Revolut Group through the strategic management of shareholdings of the EU regulated subsidiaries. It focuses solely on this integrative role, without engaging in direct client-facing activities.

Revolut EEA Group is currently offering the following products via the Revolut financial app:

- **Deposits to private individuals (via Revolut Bank)**: 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 (via Revolut Bank)**:
- 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 (via Revolut Bank)**: interest-bearing accounts are currently offered in Poland.

- **Interest Bearing Savings** accounts **(via Revolut Bank):** In-House are currently offered in Spain, Ireland, Netherlands, France, Romania, Hungary and Lithuania.

- **Insurance products (via Revolut Insurance Europe UAB)**: Revolut Insurance Europe UAB 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 Revolut Securities Europe UAB):** Revolut Securities Europe UAB 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.

RSE provides a range of investment services, including fractional trading of U.S. and EEA-listed stocks and exchange-traded funds (ETFs), fractional bond investments, portfolio management services, money market funds, and contracts for difference (CFDs).

From 18 April 2025 with the extended license RSE is authorised to provide the following additional investment services and ancillary services:

- Investment services:
    - Dealing on own account;
    - Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis;

        - Placing of financial instruments without a firm commitment basis.
    - Ancillary services:
        - Granting credits or loans to an investor, through which the investor can enter into a transaction in one or more financial instruments, where the firm granting the credit or loan is itself involved in the transaction;
        - Services related to placing of financial instruments;
        - Investment services and ancillary services that are related to financial instruments, assets or other objects to which financial derivatives, indicated in Article 3(15)(5), (6),(7) and (10) Law on Markets in Financial Instruments of the Republic of Lithuania, are linked to, with a condition that provided investment services or ancillary services and investment activities are linked to such financial derivatives.

- **Business products (via Revolut Bank)**: The EEA Group 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 EEA Group 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 EEA Group was at EUR 984 million as of 31 December 2024 (EUR 554 million as of 31 December 2023). The Total Assets of the EEA Group comprised EUR 20,345 million as of 31 December 2024 (EUR 12,103 million as of 31 December 2023). During 2024, the EEA Group earned EUR 597 million of interest income and EUR 1,211 million gross commission income (EUR 353 million and EUR 711 million in 2023). In 2024, the EEA Group earned a profit of EUR 102 million (EUR 79 million in 2023).

The EEA Group compliance with prudential ratios as of 31 December 2024 is presented in the table below:

Total Capital Ratio	30.92%
Leverage Ratio	4.44%
Liquidity coverage ratio (LCR)	503%
Net stable funding ratio (NSFR)	319%

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

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

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

3. Strategy and Plans

RHEUAB aims to consolidate the business activities of the Revolut Group in the EEA in a single regulated financial holding company. Its primary purpose is to hold the shares of regulated EU Revolut entities and downstream capital injections from its Parent Company to its subsidiaries to support the planned expansion of their business activities.

RHEUAB does not pursue any own client related activities.

Revolut Holdings Europe UAB through its regulated subsidiaries continues to expand its existing products across 30 EEA countries while simultaneously launching new products. It also began offering services in Switzerland. The EEA Group offers many of its products and services to customers at low cost, through the 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 EEA Group's services. The EEA Group aim is to create long term, sustainable growth by focusing on becoming the primary account provider for its customers.

Below are the key products, features and market expansions planned in 2025:

- **Credit:** The EEA Group (via Revolut Bank UAB) 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 EEA Group is focusing on new product expansion such as the introduction of Residential Mortgages.
- **Savings**: The current offering of instant-access interest-bearing savings, paying interest daily, will be rolled out in additional countries and supplemented with new products including the introduction of business savings accounts.
- **Business:** The EEA Group continues to release additional features to augment the solution scope for business customers. Along with business instant access savings accounts, further spend controls, improved expense management and bill payments & analytics are planned.
- **Local account details**: An important step to achieve the targets is the ability to offer current accounts with local IBANs. Revolut Bank UAB has established a series of branches in certain EEA member states, in order to facilitate the provision of local account details to Revolut bank 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).
- **Insurance product:** Credit protection insurance for the unsecured loan products provided by the EEA Group will be offered in several markets.
- **Investment product:** the investment product offering, provided to the customers via the RSE subsidiary, will be expanded to include more investment products.

In addition, on 17 January 2024 the Swiss Financial Market Supervisory Authority (FINMA) granted a licence for Revolut Bank UAB 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 Revolut Bank UAB began in Q3 2024. Following this initial stage, the migration of Revolut Ltd customers to Revolut Bank UAB 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.

4. Organisational Structure

The organisational structure of RHEUAB represents the specifics of the business model as a financial holding company without any own client related business activities.

The Company's corporate governance structure comprises the Supervisory Council (further referred to as SC), the Chief Executive Officer (CEO), and the Deputy CEO.

The Supervisory Council is elected by the general meeting of the Company. As of 31 December 2024, the Supervisory Council was composed of four members.

The administration of the RHEUAB consists of the head of administration (the CEO) and the Deputy CEO. The CEO and the Deputy CEO are appointed by the Supervisory Council.

The CEO manages the 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.

On 31 May 2024, the SC appointed a Deputy CEO. The areas in which the Deputy CEO is responsible and acts on behalf of the Company when the CEO is on vacation, sick or unable to perform duties are specified in the Power of Attorney issued to the Deputy CEO by the CEO.

The pre-eminent document regulating the Company's activities is the Articles of Association. In 2024, the Articles of Association of RHEUAB were amended as follows:

- Increase in the number of the Supervisory Council members from three to four;
- Removal of the requirement for the CEO to have work regulations;
- Increase of the authorised capital of the Company.

5. Strategy Execution

Revolut'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 EEA Group 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 EEA Group offers a strong value proposition by minimising the cost of daily banking services and providing it with disruptive technology;
- Single Digital Channel of Service Delivery: the EEA Group's services are offered only through digital channels. There are no physical branches for customer engagement, and all customer service is provided via the in-app chat. This allows the EEA Group to maximise scalability and consistency of customer experience while reducing overhead and operating costs, with savings passed through to customers.

The EEA Group and its subsidiaries 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

In 2024 the bodies of the Company were (i) the shareholder general meeting, (ii) Supervisory Council and (iii) the head of the company - the director / CEO. The Deputy CEO is also appointed to ensure the representation of the Company when the CEO can't perform their duties.

The supreme body of the Company is the shareholder general meeting. The general shareholders' meeting decides important company matters such as the composition of supervisory bodies, changes to the Articles of Association, termination of the company, and other relevant issues not tied to daily operations but linked to significant changes in ownership or property.

During 2024 the number of SC members has increased from three to four and additional non-executive director was appointed as member to the SC. The SC sets the strategy for RHEUAB and supervises executive management in its decision-making related to strategy implementation.

Other key responsibilities of the **Supervisory Council** include:

- approve strategy of the Company’s risk management, assess the risks;
- elect/remove CEO and Deputy CEO; supervise their activities, review CEO’s decisions;
- submit proposals to the shareholder regarding the set of annual financial statements, draft of profit (loss) distribution, management report, as well as the activities of the CEO;
- establish SC level committees;
- set the transactions and decisions for the drawing up and implementation of which the approval of the SC must be obtained;
- approve the applicable decision-making processes for granting loans to and entering into other transactions with members of the SC, the Company’s CEO and their related parties;
- ensure that the Company has an effective internal control system, approve rules on organisation of the Company’s internal control;
- approve the Risk Appetite Statement, the most important frameworks and policies;
- oversee the internal control, compliance and risk management systems of the Company’s Subsidiaries;
- consider reports of inspections of the supervisory/competent authorities, 2 and 3 Lines of Defence, external audit and oversees the implementation of any findings;
- consider subsidiaries entity level reports.

The CEO is a single-person management (executive) body. The CEO implements the strategy set by the Supervisory Council and is responsible for the day-to-day decision making in relation to that implementation.

The key responsibilities of **CEO** include:

- Organise the work of the Company, implement its objectives;
- Issue orders regulating the work of the employees of the Company;
- Appoint and dismiss employees, conclude and terminate employment contracts, provide incentives to and sanction employees;
- Represent the Company in court, arbitration and other institutions and in relation with third parties;
- Issue and revoke power of attorney to act on behalf of the Company;

- Ensure protection of the Company's assets, creation of normal working conditions for the employees, protection of commercial (industrial) secrets and confidential information;
- Draw annual and interim financial statements and reports;
- Conclude the contract with the auditor;
- Submit information and documents to the shareholder general meeting and Supervisory Council.
- Publicly announce information established by the laws in the source stipulated in the Articles of Associations;
- Present the report to the shareholders and the Supervisory Council regarding key events that are significant for the activities of the Company;
- Present information established by the laws to the shareholders;
- Present Company's documents and information to the manager of Register of Legal Entities;
- Draw the list of shareholders of the Company and submit it to the registrar of the Register of Legal Entities / JADIS according to the procedure established in the laws;
- Be responsible for management of the personal securities accounts of the shareholders;
- Perform other functions prescribed in the laws, Articles of Association, decisions of the General Meeting and the Supervisory Council, and resolve other matters of the Company's activity which are not attributed to the competence of other bodies of the Company.

7. Risk Management and Internal Control

The EEA Group recognises that every employee within the EEA Group has responsibility for the effectiveness of the risk management and internal control framework. The EEA Group has established a risk management and internal control framework, whose primary objective is to create a controlled and risk-aware environment.

The day-to-day execution of the risk management and internal control function of the EEA Group is delegated to the operating subsidiaries of Revolut Holdings Europe UAB.

The EEA Group 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 EEA Group. 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 EEA Group 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 is responsible for:

- Implementing and maintaining the Risk Management Framework with all of its components;

- Implementation and maintenance of the 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 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;
- Risk oversight and control of the first line of defence through the on-going quality assurance and review of controls, which the first line of defence is responsible to comply with;
- Providing risk insights based on performed stress testing.

The Compliance Function is split into the Regulatory Compliance, the Regulatory Affairs and the Financial Crime Compliance Functions.

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

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

Anti-Corruption and Bribery

The EEA Group 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.

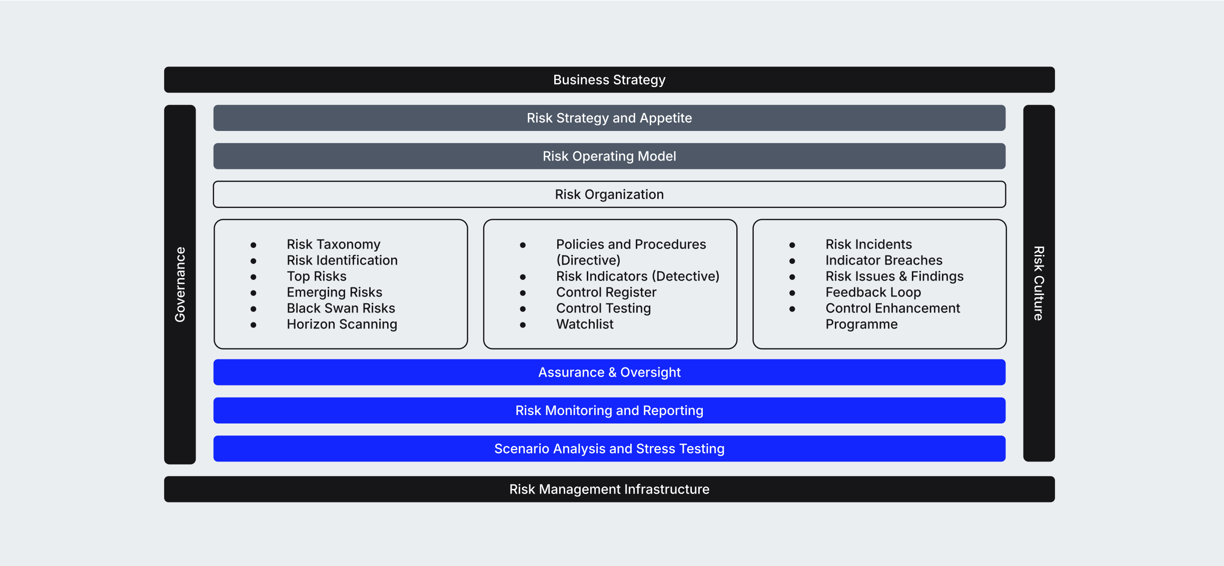
Bribery of Foreign Officials

The EEA Group acknowledges the particular risks associated with bribery of foreign officials in international business transactions. The EEA Group 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 EEA Group'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 RHEUAB Supervisory Council. This ensures that the EEA Group actively manages risks that may impact its strategies, customers, regulatory compliance, financial resources, operations, and the achievement of its business objectives.

EEA Group's ERMF consists of the elements illustrated below:



The main purpose of the ERMF is to establish the EEA Group's risk management strategy and to ensure that:

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

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 Supervisory Council 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 EEA Group 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 EEA Group to manage its risks effectively and demonstrate compliance with relevant regulations.

In addition, the EEA Group 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 EEA Group 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 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 EEA Group's profit and loss, capital and/or liquidity position. The financial risk assessment of the EEA Group 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 EEA Group'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 EEA Group from inadequate or failed internal processes, people and systems or from external events. Operational risk can be created by a wide range of different 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 EEA Group's processes and systems or those of its outsourced service providers.

Details of the EEA Group'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 ERMF, the EEA Group manages its operational risk following risk identification and response processes, and the operation of directive, preventive and detective internal controls.

The EEA Group leverages the Revolut Group's approach, capability and processes to manage operational risk. To mitigate operational risks, the EEA Group has a series of tailored policies and procedures for operational risk management, compiling operational manuals for each product and defining business processes and related internal control measures.

In accordance with the Master policy of RHEUAB, subsidiaries at minimum, if this is required by Revolut Group policies or local / EU regulations, should have in place the following major policies, containing operational risk management processes, which follow the requirements of relevant Revolut Group policies and local / EU regulations:

- Compliance policy;
- Conflicts of Interest policy;
- Operational Risk Policy;
- Operational Resilience Policy;
- Risk Incident and Issue Policy;
- Outsourcing and Third Party Risk Management (TPRM) Policy;
- Whistleblowing policy;
- Data Protection policy.

The EEA Group maintains Risk and Control Registers across 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 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 included in the risk register.

KRIs are established and monitored to measure levels of operational risk with reporting to the Revolut Bank's Executive Risk Committee and the Management Board as well as the Revolut Bank's and RHEUAB's Supervisory Councils 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: External Fraud, Change Management, Outsourcing and Third Party Risk, Resilience (Technology Availability & Continuity Risk) and Data Risk (including Regulatory Reporting Risk).The EEA Group follows the Basic Indicator Approach for its Operational Risk regulatory capital calculation purposes.

Operational Resilience

Operational Resilience is an outcome which the EEA Group 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 EEA Group'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 EEA Group 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 the critical and important functions, including the most important business services for customers. Where operations are outsourced to Revolut Ltd, the EEA Group coordinates with the Revolut Group

Operational Resilience capability to identify potential sources of operational disruption ensuring defined 'resilience practices' under each pillar. The EEA Group 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 EEA Group, 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 EEA Group and the broader European financial sector should a disruption impact the Revolut Group.

8. Employees

As of 31 December 2024 the RHEUAB had 2 employees, (as of 31 December 2023 - 2 employees).

As of 31 December 2024 the EEA Group had 1,077 employees, (as of 31 December 2023 - 523 employees).

EEA Group	31 December 2024	31 December 2023
Regular employees (working under labour contracts with and without a fixed term, including those on maternity/paternity leave)	1,077	523
Actual number of employees (excluding those on maternity/paternity leave, gardening leave)	1,013	515

A table below contains information on the number of EEA Group’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	41	34	12,477	11,506
Specialists	1,036	489	4,495	5,442
Total	**1,077**	**523**	–	–

9. Remuneration Policy

In accordance with the master policy of RHEUAB subsidiaries, Revolut Bank UAB and Revolut Securities Europe UAB, should have in place remuneration policy, which follows requirements of relevant Revolut Group policies and local / EU regulations.

In its everyday operations RHEUAB is following the principles set in the remuneration policy of Revolut Bank UAB.

Please note that the Remuneration Policy of Revolut Bank UAB is disclosed in the financial statements of Revolut Bank UAB as required by law.

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 and Supervisory Council Members of Revolut Holdings Europe UAB as of 31 December 2024:

Name and surname	Management Body of Revolut Holdings Europe UAB	Main workplace	Title	Other companies where management functions are held	Title
Vytautas Valvonis	CEO	Revolut Holdings Europe UAB	Director, CEO	Revolut Bank UAB Company code: 304580906 Registered address: Konstitucijos ave. 21B, 08130 Vilnius, the Republic of Lithuania	Supervisory Council, Member of Audit Committee, Member of Risk and Compliance Committee
Pierre Bernard Decote	Supervisory Council	Revolut Ltd Company code: 0880441 Registered address: 7 Westferry Circus, Canary Wharf, London, England, E14 4HD Revolut Group Holdings Ltd Company code: 12743269 Registered address: 7 Westferry Circus, Canary Wharf, London, England, E14 4HD	Group Chief Risk and Compliance Officer	Revolut Holdings International Ltd Company code: 12734772 Registered address: 7 Westferry Circus, Canary Wharf, London, England, E14 4HD	Director
Siddhartha Jajodia	Supervisory Council	Revolut Ltd Company code: 0880441 Registered address: 7 Westferry Circus, Canary Wharf, London, England, E14 4HD	Chief Banking Officer	Revolut Holdings US Inc. Company code: 7692974 Registered address: 850 New Burton Road, Suite 201, Dover, Kent County, Delaware 19904	Chief Executive Officer
		Revolut Group Holdings Ltd Company code: 12743269 Registered address: 7 Westferry Circus, Canary Wharf, London, England, E14 4HD	Chief Banking Officer	Revolut Bank S.A. Institución de Banca Multiple Company code: N-2022002319 Registered address: Avenida Paseo de las Palmas 405, Int. 1702 Miguel Hidalgo Lomas de Chapultepec 11000, Ciudad de Mexico	Board member / Chairman
				Revolut Technologies Inc Company code: 6451254 Registered address: 850 New Burton Road, Suite 201, Dover, Kent County, Delaware 19904	Chief Executive Officer
				Global Retail Technology LLC Company code: 5640458 Registered address: The Corporation Trust Company 1209 Orange Street Wilmington, DE 19801	Director

Name and surname	Management Body of Revolut Holdings Europe UAB	Main workplace	Title	Other companies where management functions are held	Title
Andrius Bičeika	Supervisory Council	Revolut Holdings Europe UAB	Member	AB Investment, UAB Company code: 305901158 Registered address: Užupio g. 47, Bezdonys, LT-15203 Vilniaus r.	Director
				Aukok.lt (Npo „Geros valios projektai“). Company code: 301678868 Registered address: Vilnius Vaidilutė st. 57A. Companies House registration number: 305799582 Registered address: Konstitucijos av. 21B, LT-08130 Vilnius, Lithuania	Chairman
Caroline Louise Britton	Supervisory Council	N/A	N/A	Revolut Bank UAB Company code: 304580906 Registered address: Konstitucijos ave. 21B, 08130 Vilnius, the Republic of Lithuania	Supervisory Council Chair of Risk and Compliance Committee (resigned 11 February 2025)
				Revolut Ltd Registration number: 0880441 Registered address: 7 Westferry Circus, Canary Wharf, London, England, E14 4HD	Non-executive Director Chair of Risk and Compliance Committee
				Revolut Group Holdings Ltd Company code: 12743269 Registered address: 7 Westferry Circus, Canary Wharf, London, England, E14 4HD	Non-executive Director Chair of Audit Committee
				Make a Wish International Employer Identification Number (EIN): 86-0726985 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. Registered address: 1702 E. Highland Avenue, Suite 305, Phoenix, Arizona 85016, United States of America	Audit, Finance Risk and Investment Committee Member
				Royal Opera House Covent Garden Foundation Company code: 00480523 Registered address: Covent Garden, London, WC2E 9DD	Trustee

Name and surname	Management Body of Revolut Holdings Europe UAB	Main workplace	Title	Other companies where management functions are held	Title
				MoneySupermarket Group plc Company code: 06160943 Registered address: Mony Group House, St. David's Park, Ewloe, Deeside, United Kingdom, CH5 3UZ	Non-executive director
				Sirius Real Estate Limited Registered Number: 46442 Registered address: Plaza House, Fifth Floor, Admiral Park, St Peter Port, Guernsey, GY1 2HU, Channel Islands	Non-executive director

11. Events after the Reporting Period

Events after the reporting period are disclosed in Note 35.

Vytautas Valvonis
Chief Executive Officer of Revolut Holdings Europe UAB

25 April 2025

Financial Statements

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2024

		EEA Group		Parent Company	
EURth	Notes	2024	2023	2024	2023
Interest income calculated using the effective interest method	7	596,697	353,137	12	28
Interest expense	8	(22,670)	(72)	–	–
Net interest income		**574,027**	**353,065**	**12**	**28**
Fee and commission income	9	1,211,153	710,832	–	–
Fee and commission expense	10	(259,838)	(169,312)	–	–
Net fee and commission income		**951,315**	**541,520**	**–**	**–**
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	4,846	1,748	–	–
Net operating income		**1,515,546**	**891,413**	**12**	**28**
Personnel expenses	12	(90,739)	(51,149)	(499)	(215)
Depreciation and amortisation	22	(972)	(512)	–	–
Other operating expenses	13	(1,289,313)	(739,904)	(30)	(37)
Total operating expenses		**(1,381,024)**	**(791,565)**	**(529)**	**(252)**
Profit (loss) before tax		**134,522**	**99,848**	**(517)**	**(224)**
Tax expense	15	(32,910)	(21,160)	–	–
Profit (loss) for the year		**101,612**	**78,688**	**(517)**	**(224)**
Items that will not be reclassified to profit or loss		–	–	–	–
Items that will or may be reclassified to profit or loss:				–	–
Foreign currency translation		(56)	11	–	–
Other comprehensive (loss)/income for the year		**(56)**	**11**	**–**	**–**
Total comprehensive income/(loss) for the year, net of tax		**101,556**	**78,699**	**(517)**	**(224)**
Attributable to:					
Equity holders of the parent		**101,556**	**78,699**	**(517)**	**(224)**

The accompanying notes on pages 29 to 108 are an integral part of these financial statements.

Statement of Financial Position

at 31 December 2024

EURth	Notes	EEA Group 2024	EEA Group 2023	Parent Company 2024	Parent Company 2023
Assets					
Cash and balances with central banks	17	10,823,365	7,559,761	–	–
Due from banks and other financial institutions	18	89,940	31,736	850	27
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	24	–	–	721,910	430,710
Property and equipment and right-of-use assets	22	2,266	2,250	–	–
Deferred tax assets	15	333	–	–	–
Other assets	23	701,942	615,920	10	10
Total assets		**20,344,501**	**12,103,405**	**722,770**	**430,747**
Liabilities					
Derivatives	19	12,584	4,994	–	–
Due to customers	25	17,880,484	10,660,806	–	–
Due to other financial institutions	26	200,806	255,155	–	–
Other liabilities	27	1,261,424	627,801	243	29,272
Provisions	28	5,640	753	–	–
Total liabilities		**19,360,938**	**11,549,509**	**243**	**29,272**
Equity attributable to equity holders of parent					
Share capital	29	9,342	2,913	9,342	2,913
Share premium	29	713,578	398,781	713,578	398,781
Retained earnings		251,091	147,275	(513)	(224)
Reserves		9,552	4,927	120	5
Total equity		**983,563**	**553,896**	**722,527**	**401,475**
Total liabilities and equity		**20,344,501**	**12,103,405**	**722,770**	**430,747**

The accompanying notes on pages 29 to 108 are an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2024

EEA Group

		Total attributable to equity holders of the parent					
EURth	Notes	Share capital	Share premium	Translation reserve	Retained earnings	Other reserves	Total equity
As at 1 January 2023		**1,483**	**1,858,620**	**20**	**(1,461,372)**	**2,438**	**401,189**
Profit for the year		–	–	–	78,688	–	78,688
Other comprehensive income		–	–	11	–	–	11
Total comprehensive income		**–**	**–**	**11**	**78,688**	**–**	**78,699**
Issue of share capital		1,430	70,120	–	–	–	71,550
Transfers from share premium to cover the loss	29	–	(1,529,959)	–	1,529,959	–	–
Share based payments	30	–	–	–	–	2,458	2,458
As at 31 December 2023		**2,913**	**398,781**	**31**	**147,275**	**4,896**	**553,896**
As at 1 January 2024		**2,913**	**398,781**	**31**	**147,275**	**4,896**	**553,896**
Profit for the year		–	–	–	101,612	–	101,612
Other comprehensive (loss)		–	–	(56)	–	–	(56)
Total comprehensive income/(loss)		**–**	**–**	**(56)**	**101,612**	**–**	**101,556**
Issue of share capital		6,429	315,021	–	–	–	321,450
Transfers from share premium to cover the loss	29	–	(224)	–	224	–	–
Share based payments	30	–	–	–	–	6,661	6,661
Exercise of options		–	–	–	1,980	(1,980)	–
As at 31 December 2024		**9,342**	**713,578**	**(25)**	**251,091**	**9,577**	**983,563**

The accompanying notes on pages 29 to 108 are an integral part of these financial statements.

Parent Company

EURth	Notes	Share capital	Share premium	Translation reserve	Retained earnings	Other reserves	Total equity
		Total attributable to equity holders of the parent					
As at 1 January 2023		**1,483**	**1,858,620**	**–**	**(1,529,959)**	**–**	**330,144**
Loss for the year		–	–	–	(224)	–	(224)
Other comprehensive income		–	–	–	–	–	–
Total comprehensive (loss)		**–**	**–**	**–**	**(224)**	**–**	**(224)**
Issue of share capital	29	1,430	70,120	–	–	–	71,550
Transfers from share premium to cover the loss	29	–	(1,529,959)	–	1,529,959	–	–
Share based payments		–	–	–	–	5	5
As at 31 December 2023		**2,913**	**398,781**	**–**	**(224)**	**5**	**401,475**
As at 1 January 2024		**2,913**	**398,781**	**–**	**(224)**	**5**	**401,475**
Loss for the year		–	–	–	(517)	–	(517)
Other comprehensive income		–	–	–	–	–	–
Total comprehensive (loss)		**–**	**–**	**–**	**(517)**	**–**	**(517)**
Issue of share capital	29	6,429	315,021	–	–		321,450
Transfers from share premium to cover the loss	29	–	(224)	–	224	–	–
Share based payments		–	–	–	–	119	119
Exercise of options		–	–	–	4	(4)	–
As at 31 December 2024		**9,342**	**713,578**	**–**	**(513)**	**120**	**722,527**

The accompanying notes on pages 29 to 108 are an integral part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2024

EURth	Notes	EEA Group 2024	EEA Group 2023	Parent Company 2024	Parent Company 2023
Operating activities					
Profit (loss) before tax		134,522	99,848	(517)	(224)
Adjustment for:					
Interest income	7	(596,697)	(353,137)	(12)	(28)
Interest expense	8	22,670	72	–	–
Increase (+)/decrease (-) in ECL	14	31,911	45,725	–	–
Increase (+)/decrease (-) in provisions	28	4,887	650	–	–
Provision for deferred tax assets	15	(333)	4,712	–	–
Depreciation and amortisation	22	972	512	–	–
Share based payments to employees	30	6,661	2,458	119	5
Other non-cash items in (loss)/profit before tax		(1,165)	(652)	–	–
Changes in operating assets and liabilities					–
Net change in derivative financial instruments		(2,097)	(2,347)	–	–
Net change in loans and unauthorised overdrafts	20	(2,781,788)	(1,271,560)	–	–
Change in other operating assets	23	(85,980)	(116,101)	–	(7)
Change in other operating liabilities	27	573,433	564,705	(29,029)	29,253
Increase in due to customers	25	7,219,678	2,577,486	–	–
Gain(-)/loss(+) from exchange differences		3,745	(62)	–	–
Income tax paid		(26,987)	(536)	–	–
Interest paid		(22,741)	(136)	–	–
Interest received		580,397	348,087	12	28
Net cash flows from operating activities		**5,061,088**	**1,899,724**	**(29,427)**	**29,027**
Investing activities					
Purchase of property and equipment	22	(95)	(44)	–	–
Parent investment into subsidiaries		–	–	(291,200)	(100,550)
Net purchase of treasury investments	21	(2,055,889)	(1,315,561)	–	–
Net purchase of equity instruments		(8)	–	–	–
Net cash flows used in investing activities		**(2,055,992)**	**(1,315,605)**	**(291,200)**	**(100,550)**
Financing activities					
Proceeds from formation of share capital and share premium	29	321,450	71,550	321,450	71,550
Principal payments of lease liabilities	22.1	(937)	(481)	–	–
Net cash flows from financing activities		**320,513**	**71,069**	**321,450**	**71,550**
Net increase in cash and cash equivalents		**3,325,609**	**655,188**	**823**	**27**
Net foreign exchange difference		(3,801)	73	–	–
Cash and cash equivalents at 1 January	16	7,591,497	6,936,236	27	–
Cash and cash equivalents at 31 December	**16**	**10,913,305**	**7,591,497**	**850**	**27**

The accompanying notes on pages 29 to 108 are an integral part of these financial statements.

Notes to the Financial Statements

1. Corporate Information

Revolut Holdings Europe UAB is a financial holding company incorporated and licensed in the Republic of Lithuania with company number 305820090 and whose registered office is at Konstitucijos ave. 21B, 08130 Vilnius, the Republic of Lithuania.

RHEUAB was included into the public list of the entities belonging to the financial conglomerates by the Bank of Lithuania (further referred to as BoL) on 21 July 2022. RHEUAB acquired in each case 100% of the outstanding shares of:

- **Revolut Bank UAB** (further referred to as Revolut Bank), 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. RHEUAB acquired the shares of Revolut Bank as of 7 June 2022.
- **Revolut Insurance Europe UAB** (further referred to as RIE), a private limited liability company incorporated and registered in the Enterprise Register of the Republic of Lithuania, at Konstitucijos ave. 21B, 08130 Vilnius, the Republic of Lithuania with legal entity code 305910164. RIE was authorised by the Bank of Lithuania and entered into the list of Insurance Brokerage Undertakings as an insurance intermediary from 25 January 2022. RHEUAB acquired the shares of RIE as of 7 June 2022.
- **Revolut Securities Europe UAB** (further referred to as RSE), a private limited liability company incorporated and registered in the Enterprise Register of the Republic of Lithuania, at Konstitucijos ave. 21B, 08130 Vilnius, the Republic of Lithuania with registration number 305799582. RSE was granted a category B financial brokerage firm licence on 22 November 2021. From 18 April 2025 The Bank of Lithuania has extended the license of RSE, granting the Category A license. The previous license has been extended with new investment and additional services. RHEUAB acquired the shares of RSE as of 3 August 2022.

From the year 2024 Revolut Bank has 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.

Revolut Holdings Europe UAB is a wholly owned subsidiary of Revolut Group Holdings Ltd (Companies House number 12743269, whose registered office is at 7 Westferry Circus, Canary Wharf, London, England, E14 4HD) and does not operate any branches.

The Parent Company's primary mission is to streamline the European Economic Area (EEA) business operations within the Revolut Group through the strategic management of shareholdings of the EU regulated subsidiaries. It focuses solely on this integrative role, without engaging in direct client-facing activities.

2. Basis of Preparation

Revolut Holdings Europe UAB and the EEA Group have 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. The financial statements are presented in euros and all values are rounded to the nearest thousands, except when otherwise indicated. The EEA Group and the Parent Company present their statements of financial position in order of liquidity, based on the financial holdings 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 to the existing standards and interpretations issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current period and were adopted by the EEA Group and the Parent Company:

- 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 – 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 these standards, amendments and interpretations did not have a material impact on the EEA Group's and the Parent Company'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 EEA Group and the Parent Company have 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 EEA Group and the Parent Company believe 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 EEA Group and the Parent Company 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 EEA Group and the Parent Company are currently assessing the impact of these new accounting standards and amendments. The management of the EEA Group and the Parent Company does not expect that the adoption of these standards, amendments and interpretations listed above will have a material impact on the financial statements in future periods.

4. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the EEA Group and the Parent Company in preparing these 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 EEA Group 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 EEA Group 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 EEA Group 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, which is recognised at the point of exchange. It also includes the fair value movements on derivative financial instruments used to hedge the EEA Group'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 EEA Group 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 EEA Group. 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 EEA Group 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 EEA Group 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 fee income

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 EEA Group provides embedded insurance products to customers as a component of the overall card value proposition, as well as certain standalone insurance products. For all types of insurance offerings, the EEA Group acts as an intermediary between its customers and its insurance partners only and does not accept any significant insurance risk. Therefore, the EEA Group 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 EEA Group to exclude from its remaining performance obligations disclosure any performance obligations which are part of a contract with an original expected duration of one year or less. Additionally, any variable consideration, for which it is probable that a significant reversal in the amount of cumulative revenue recognised will occur when the uncertainty associated with the variable consideration is subsequently resolved, is not subject to the remaining performance obligations disclosure because such variable consideration is not included in the transaction price (e.g., investment management fees).

4.4. Fee and Commission Expense

Fee expenses primarily relate to fees incurred by the EEA Group 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 EEA Group is a member. Processing and settlement of transaction costs are presented net of rebates received from payment scheme providers for scheme fee costs.

Partner-related costs

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

4.5. Personnel Expenses

The EEA Group and the Parent Company provide 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 there is 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 EEA Group and the Parent Company become a party to the contractual provisions of the instrument. Loans and 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 debt 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 EEA Group 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, AB 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 EEA Group and the Parent Company classifiy 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 EEA Group and the Parent Company have access to at the measurement date. The EEA Group and the Parent Company consider 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 EEA Group and the Parent Company 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.

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

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

The hedge accounting documentation includes the method and results of the hedge effectiveness assessments.

Fair value hedges

The EEA Group 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 EEA Group's own credit risk on the fair value of the interest rate swaps, which is not reflected in the fair value of the hedged item attributable to the change in interest rates;
- differences in the magnitude or timing of future expected cash flows in the hedged item and hedging instrument (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 EEA Group 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 28.1.

4.8. Reclassification of Financial Assets and Liabilities

The EEA Group and the Parent Company do not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the EEA Group or the Parent Company acquire, dispose of, or terminate 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 EEA Group 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 EEA Group 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 EEA Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded. For financial liabilities, the EEA Group 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 EEA Group and the Parent Company also derecognise the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The EEA Group and the Parent Company have transferred the financial asset if, and only if, either:

- The EEA Group and the Parent Company have 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 EEA Group and the Parent Company retain the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assume 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 EEA Group and the Parent Company have 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 EEA Group and the Parent Company cannot sell or pledge the original asset other than as security to the eventual recipients
- The EEA Group and the Parent Company have to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the EEA Group and the Parent Company are 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 EEA Group and the Parent Company have transferred substantially all the risks and rewards of the asset

or

- The EEA Group and the Parent Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The EEA Group and the Parent Company consider 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 EEA Group and the Parent Company have 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 EEA Group's and the Parent Company's continuing involvement, in which case, the EEA Group and the Parent Company also recognise an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the EEA Group and the Parent Company have 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 EEA Group and the Parent Company 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 EEA Group and the Parent Company 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 EEA Group 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 EEA Group'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 EEA Group 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 EEA Group 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 EEA Group 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 EEA Group 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 EEA Group 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 EEA Group 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 EEA Group 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 EEA Group 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 EEA Group 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 EEA Group 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 Impairement 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 EEA Group 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

EEA Group 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 for classification of financial instruments as credit-impaired (Stage 3) under IFRS 9.

The EEA Group 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;

II. (B) the obligor is considered unlikely to pay its credit obligations 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 EEA Group 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 include the following:

1. The EEA Group 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 EEA Group stops charging interest and/or has direct write-offs;
2. The EEA Group recognises a specific credit adjustment resulting from a significant perceived decline in credit quality subsequent to taking on the exposure;
3. The EEA Group sells the credit obligation at a material credit-related economic loss;
4. The EEA Group 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 EEA Group 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 EEA Group considers the following triggers of SICR for the purposes of wholesale credit exposures:

1. Counterparty is on Creditwatch as of the respective reporting date;
2. 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 EEA Group 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, the EEA Group 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 EEA Group will determine for each type of portfolio suitable maximum periods for full provisioning and write-off. The EEA Group 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 EEA Group sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties. The EEA Group 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 EEA Group 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 EEA Group 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 EEA Group 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. Lease

The EEA Group assesses at contract inception day 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 EEA Group is a lessee in its lease arrangements, and is not a lessor.

The EEA Group applies a single recognition and measurement approach for all lessee leases, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low-value assets. The EEA Group 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 EEA Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. If ownership of the leased asset transfers to the EEA Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset, otherwise the right-of-use asset is amortised over the duration of the lease agreement. Depreciation starts at the commencement date of the lease.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 4.17 Impairement 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 EEA Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the EEA Group and payments of penalties for terminating the lease, if the lease term reflects the EEA Group exercising the option to terminate.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line administrative expense in the Statement of Profit or Loss and Other Comprehensive Income.

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

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

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The EEA Group 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 EEA Group applies the short-term lease recognition exemption to those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

4.17. 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 EEA Group to a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

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

When payments are eventually made, they are recognised as a reduction in the provision carried in the 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 EEA Group’s control.

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

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

4.19. 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 EEA Group 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 profit or loss.

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 EEA Group 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 intention to settle on a net basis.

4.20. Share-based Payments

The EEA Group and the Parent Company operate 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 EEA Group and the Parent Company use 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 EEA Group and the Parent Company have to estimate the expected yearly percentage of employees that will stay within the EEA Group and the Parent Company 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 2024, the EEA Group and the Parent Company have 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 EEA Group's and the Parent Company's financial reporting objectives. The policy was applied from 2024 since the impact in previous periods is not material.

4.21. Consolidated Financial Statements

The EEA Group consolidated financial statements comprise the financial statements of RHEUAB and its subsidiaries over which the Parent Company has control. Subsidiaries are defined as all legal entities over which the Parent Company has control as defined in IFRS 10 Consolidated Financial Statements. The Parent Company controls a legal entity when it is exposed to, or has rights to, variable returns from its involvement with the legal entity and has the ability to affect those returns through its power over the legal entity. The Parent Company will assess or reassess the element of control over a legal entity if a change in facts or circumstances indicate that the status of control may have changed.

Subsidiaries are fully consolidated from the date on which control is obtained by the Parent Company. Consolidation is discontinued from the date on which control ceases. Intercompany transactions, balances, and unrealised gains or losses on transactions between companies within the EEA Group are eliminated upon consolidation.

The EEA Group accounting policies are consistently applied to all entities and transactions which enables the effective consolidation of all subsidiaries.

Investments in subsidiaries in the Parent Company's separate financial statements are presented at cost less impairment. An impairment test is performed when there are impairment indicators. An investment in a subsidiary is deemed to be impaired when its carrying amount is greater than its estimated recoverable amount, and there is evidence to suggest that the impairment occurred subsequent to the initial recognition of the asset in the financial statements. All impairments are recognised in the Statement of Profit or Loss or Other Comprehensive Income as they occur. The carrying cost is reviewed at each Statement of Financial Position date by reference to the income that is projected to arise therefrom.

5. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the EEA Group's and the Parent Company'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 EEA Group's and the Parent Company'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 the EEA Group have been prepared on a going concern basis. The directors have assessed the EEA Group's ability to continue as a going concern and, after making appropriate enquiries, have a reasonable expectation that the EEA Group 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 EEA Group 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 EEA Group maintains a strong capital base, with capital ratios significantly exceeding regulatory minimum requirements;
- **Liquidity:** The EEA Group 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 EEA Group benefits from continued strong support from its parent company, 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 EEA Group 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 EEA Group's resilience under challenging conditions.

Further supporting this assessment is the financial performance of the EEA Group'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 directors of Revolut Group Holdings Ltd have explicitly confirmed their intention and financial capacity to provide the necessary technological and operational support for the the companies of the EEA Group to operate as a going concern. The intercompany agreement with Revolut Bank UAB 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 EEA Group makes the following judgments:

- **Significant increase in credit risk (SICR)**

In assessing whether a significant increase in credit risk (SICR) has occurred for an exposure since initial recognition, the EEA Group considers both quantitative and qualitative information and analysis. In doing so, the EEA Group makes judgements about the appropriate indicators used as SICR triggers. The triggers that the EEA Group 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 EEA Group in its measurement of ECL makes judgements about the type and number of macroeconomic scenarios in order to reflect the EEA Group's exposure to credit risk. The scenarios are derived from macroeconomic forecasts from multiple external providers which are then aggregated to the three scenarios (i.e. Baseline, Optimistic, and Pessimistic).

- **Development of ECL models**

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

- **Segmentation**

The EEA Group 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 EEA Group's impairment losses on financial assets are given Note 6.1.2.

5.3. Hedge accounting

The EEA Group 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 EEA Group 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 EEA Group 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 EEA Group's core deposits portfolio, the EEA Group follows a dynamic hedging strategy, and the period for which the EEA Group designates these hedges is one month. At the end of each month, the EEA Group 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 EEA Group's hedge accounting are disclosed in Note 19.1

5.4. RevPoints

The EEA Group 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 EEA Group 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 EEA Group'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 EEA Group’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 EEA Group, 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 for consolidated entities

Liquidity risk is the risk that the EEA Group cannot meet its financial obligations when they fall due. Funding risk is the risk that the EEA Group 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 EEA Group is, or may in the future be, exposed to a number of liquidity and funding risks, including retail funding run-off, wholesale funding reduction, increase in pre-funding requirements, decrease in value of marketable and non-marketable assets, contingent off-balance sheet exposures and commitment drawdowns, increase in intraday and collateral requirements, funding concentration, 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 other senior management.

The EEA Group'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 EEA Group 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 EEA Group has a low risk appetite for liquidity risk. At all times, the respective entities seek to maintain liquidity resources that are adequate in size and in quality, to ensure they can meet their liabilities as they fall due and meet all regulatory minimum requirements.

The EEA Group's consolidated 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 to measure and limit liquidity and funding risk are the LCR and the NSFR.

The LCR is designed to ensure that the EEA Group holds a sufficient reserve of high-quality liquid assets (HQLA) to survive a period of significant liquidity stress lasting 30 calendar days. The LCR should 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 EEA Group 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 Assets and Liabilities Management Committee and other senior management of the Revolut Bank for the entire EEA Group.

Liquidity stress testing timeline covers the expected cash flows during the one-year horizon. Liquidity requirement for a particular scenario is calculated by stressing expected cash flows and liquidity buffer, including deposits, credit and off-balance sheet related items. Stress testing captures both market-wide and 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 Revolut 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 Revolut 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 EEA Group runs stress tests daily. Key inputs are reviewed at least annually in conjunction with business plan updates with outputs being reviewed by the Revolut Group Chief Risk Officer, other senior management, 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 EEA Group arises from retail lending to private individuals and exposures to corporates, securitisation, banks and other financial institutions. Regular reports are prepared and presented to the management bodies to follow the level and development of 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 EEA Group 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 performed 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 EEA Group consumer loan portfolio remained small with 6% of total assets (5% as of 31 December 2023).

The EEA Group'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 case they meet the EEA Group credit standards which are consistent with its risk appetite. The key elements of the assessment of the customer's ability to repay loan and, consequently, of the decision making on loan approval are sufficiency and sustainability of its income and its 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 EEA Group'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 EEA Group, including:

- Decision making in loan origination process;
- Risk adjusted pricing;
- Monitoring of changes in credit risk and its management;
- Risk reporting, including to the Revolut Bank's management bodies;
- Loan impairment calculation under IFRS 9.

The EEA Group's rating models for estimation of probability of default (PD) are based on jurisdiction specific scoring models 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 EEA Group is exposed to wholesale credit risk, which is the risk of losses being incurred due to the failure of one or more of the EEA Group's counterparties to meet its obligations and settle outstanding amounts in a timely manner

The EEA Group's wholesale credit risk 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 EEA

Group makes a payment to settle a transaction and the counterparty defaults before making the counter-payment.

The EEA Group'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 EEA Group 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 EEA Group 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 Assets & Liabilities Management Committee and, for larger limits, the Management Board of Revolut Bank UAB.

Besides its own credit risk assessments, the EEA Group 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 EEA Group 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 EEA Group recognises the credit losses in accordance with the requirements of IFRS 9.

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 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 EEA Group 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 term. 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 at least semi-annually. Probability of occurrence of each scenario might be reviewed even without update to the forecasted macroeconomic scenarios themselves. 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 EEA Group.

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

Macroeconomic variable	Baseline scenario					Pessimistic scenario					Optimistic scenario				
	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

Macroeconomic variable	Baseline scenario					Pessimistic scenario					Optimistic scenario				
	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

Macroeconomic variable	Baseline scenario					Pessimistic scenario					Optimistic scenario				
	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

Macroeconomic variable	Baseline scenario					Pessimistic scenario					Optimistic scenario				
	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, % (1y lag)	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

Macroeconomic variable	Baseline scenario					Pessimistic scenario					Optimistic scenario				
	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

Macroeconomic variable	Baseline scenario					Pessimistic scenario					Optimistic scenario				
	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

Macroeconomic variable	Baseline scenario					Pessimistic scenario					Optimistic scenario				
	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

Macroeconomic variable	Baseline scenario					Pessimistic scenario					Optimistic scenario				
	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

Macroeconomic variable	Baseline scenario					Pessimistic scenario					Optimistic scenario				
	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 EEA Group 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 EEA Group 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 EEA Group'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 shape of the yield curve ("gap risk"), or from options (embedded and explicit), where the EEA Group 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 EEA Group 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 the 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. The interest rate derivatives and fixed rate treasury assets were used to reduce the EEA Group'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 Group uses FX hedging to manage risks, expenses and overhead of FX risk hedging while ensuring scalability and automation of the processes.

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 EEA Group. 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 foreign exchange 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 EEA Group’s net FX exposures relative to total assets were low.

Sensitivity of foreign exchange risk

The EEA Group uses a statistical Expected Shortfall (ES) model to forecast a potential loss due to movements in FX rates. Considering the 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 EEA Group’s open FX exposure as of 31 December 2024, which is summarised in the table below.

The table below summarises the EEA Group’s open FX exposure as of 31 December 2024.

Currency	Rates	Position (million EUR)	Percentage of Total assets
Polish Zloty (PLN)	4.27500	(1)	0.00%
Romanian Leu (RON)	4.97430	10	0.0%
U.S. Dollar (USD)	1.03890	45	0.2%
UK Pound Sterling (GBP)	0.82918	16	0.08%
Swiss Franc (CHF)	0.94120	4	0.02%
Other long positions	–	38	0.19%
Other short positions	–	(6)	0.03%
Total long open position	**–**	**113**	**0.56%**
Total short open position	**–**	**(7)**	**0.03%**

The table below summarises the EEA Group's open FX exposure as of 31 December 2023.

Currency	Rates	Position (million EUR)	Percentage of Total assets
Polish Zloty (PLN)	4.33950	26	0.21%
Romanian Leu (RON)	4.97560	19	0.2%
U.S. Dollar (USD)	1.10500	13	0.1%
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	**–**	**82**	**0.68%**
Total short open position	**–**	**(15)**	**0.12%**

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 the EEA Group is managed in accordance with the approved Credit Concentration Risk Management Policy. The EEA Group manages concentrations in 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 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 Revolut Bank's Management Board as well as to the EEA 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 EEA Group's broader prudential risk categories, such as credit risk, market risk, operational risk, and liquidity risk. The EEA Group treats ESG risks not as standalone risk categories, but integrates them into the existing risk management framework.

Environmental Risk Management

The EEA Group has a low appetite for climate risk. At the moment, the EEA Group's virtual business model provides some insulation from physical environmental risks—such as those affecting branch infrastructure - however the EEA Group faces a lot but growing exposure from its expansion of business and investment activities.

Environmental risk tolerance at the EEA Group remains low, with controls in place to limit exposure and align the product portfolio within its risk appetite.

- **Wholesale Corporate Portfolio**: The EEA Group plans to use NACE classifications and the EU Taxonomy to guide economic activities and integrate climate risk into investment decisions.
- **Retail Portfolio**: The EEA Group 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 EEA Group 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 Revolut Bank's Sustainability Policy.

Social and Governance Risk Management

Social risks, including the impact of the EEA Group'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 Group enforces strict governance standards for vendors, borrowers, and investment entities, minimizing compliance, reputational, and operational risks.

Other ESG Initiatives in 2024

In 2024, the Revolut Bank UAB conducted a Double Materiality Assessment to identify Impacts, Risks, and Opportunities (IROs) of ESG factors presenting direct financial, operational, and reputation risks, as well as how the Revolut Bank's own operations interact with the environment and society. These formed the basis of the preparation of Revolut Bank UAB's Sustainability Statement for the year ending 2024.

Dedicated resource was hired in November 2024 in Revolut Bank UAB 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 EEA Group operates in a highly regulated industry. Consequently, the EEA Group 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 EEA Group'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 Revolut Holdings Europe UAB 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 Revolut Bank UAB 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 Revolut Bank UAB.

6.2.2. Operational Risk

Aligned with this Outsourcing Strategy, the EEA Group 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 EEA Group and its senior management retain full accountability for its risk profile with regular risk reporting to the Supervisory Council and escalation mechanisms in place in case of increase of risk exposure outside of risk appetite.

In addition, the active risk management approach has been further embedded, driving key risk and control initiatives from initiation to design and implementation, including internal fraud management, operational resilience, enhanced outsourcing governance and strong oversight over high risk outsourced processes.

The EEA Group 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 EEA Group is reliant in its operations on certain third parties as well as its main intra-group outsourced services provider, Revolut Ltd.

The EEA Group 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 EEA Group'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 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 EEA Group 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 EEA Group 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 EEA Group is exposed to cyber security threats which might attempt to access the 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 EEA Group, 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 EEA Group 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 EEA Group, 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. Additionally, regular penetration testing, to ensure the robustness of systems, is performed. The EEA Group’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 EEA Group 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 EEA Group 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) of Revolut Bank UAB, however, Revolut Bank plans to establish a dedicated Model Risk Committee to oversee the risk.

The EEA Group 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

	EEA Group		Parent Company	
EURth	**2024**	**2023**	**2024**	**2023**
Interest income on due from banks	325,514	250,795	12	28
Interest income on debt instruments at amortised cost	184,843	61,346	–	–
Interest income on loans and unauthorised overdrafts	86,326	40,996	–	–
Interest on cash collateral to financial brokerage firms	14	–	–	–
Total	**596,697**	**353,137**	**12**	**28**

8. Interest Expense

EURth	EEA Group 2024	EEA Group 2023	Parent Company 2024	Parent Company 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	(1)	(8)	–	–
Total	**(22,670)**	**(72)**	**–**	**–**

9. Fee and Commission Income

EURth	EEA Group 2024	EEA Group 2023	Parent Company 2024	Parent Company 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	–	–
Trading fees and commission	39,383	5,835	–	–
Remittance fees	35,937	23,123	–	–
Subscription - Business	35,070	19,329	–	–
Customer loyalty program	17,576	–	–	–
Acquiring fees	13,515	3,674	–	–
Subscription - Wealth & Trading	1,885	179	–	–
Credit card fees	548	194	–	–
Portfolio management fees	487	–	–	–
Fee and commission income from insurance products	450	53	–	–
Other income	2,667	962	–	–
Total	**1,211,153**	**710,832**	**–**	**–**

10. Fee and Commission Expense

EURth	EEA Group 2024	EEA Group 2023	Parent Company 2024	Parent Company 2023
Interchange fee expense	(122,207)	(86,385)	–	–
Insurance	(25,652)	(18,659)	–	–
Cashback	(24,471)	(12,114)	–	–
Redemption of customer loyalty points	(15,199)	–	–	–
Cards	(10,189)	(7,387)	–	–
Scheme fees	(10,142)	(5,342)	–	–
Loan servicing activities	(3,223)	(2,468)	–	–
Other transaction fees	(48,755)	(36,957)	–	–
Total	**(259,838)**	**(169,312)**	**–**	**–**

11. Other Operating Income

EURth	EEA Group 2024	EEA Group 2023	Parent Company 2024	Parent Company 2023
Service fee income from Revolut Group	2,693	–	–	–
Net gain on changes in the fair value on hedging derivatives and hedged items	1,329	–	–	–
Net foreign exchange gain	824	–	–	–
Chargeback	–	1,748	–	–
Total	**4,846**	**1,748**	**–**	**–**

12. Personnel Expense

EURth	EEA Group 2024	EEA Group 2023	Parent Company 2024	Parent Company 2023
Wages and salaries	(65,686)	(38,311)	(370)	(204)
Social security costs	(13,676)	(8,093)	(6)	(4)
Share based payments (Note 30)	(6,661)	(2,458)	(119)	(5)
Pension costs	(2,424)	(1,587)	–	–
Employee benefits	(1,570)	(538)	(3)	(1)
Severance	(672)	(130)	–	–
Staff Recruitment & HR Expenses	(50)	(32)	(1)	(1)
Total	**(90,739)**	**(51,149)**	**(499)**	**(215)**

The Parent company participates in the Revolut Group's shared services model whereby staff are employed centrally and services are at the disposal of the relevant entities.

As of 31 December 2024 the number of employees directly employed in the Parent Company was 2 (2023: 2), and there were 24 employees, where the main employer is another EEA Group Company (2023: 22). Both types of personnel costs are included in the expense of the Parent Company above.

13. Other Operating Expenses

EURth	EEA Group 2024	EEA Group 2023*	Parent Company 2024	Parent Company 2023
Services fee from Revolut Group	(1,129,581)	(642,763)	–	–
Client referrals	(92,167)	(62,665)	–	–
Contributions to resolution funds and deposit guarantee	(17,128)	(8,307)	–	–
Chargeback cost	(13,672)	–	–	–
Irrecoverable VAT	(10,033)	(7,411)	(4)	(6)
Solidarity tax	(7,374)	(3,326)	–	–
Professional fees	(6,296)	(1,658)	(6)	(14)
Audit fees	(214)	(91)	(12)	(12)
Administrative	(100)	(42)	–	–
Net foreign exchange loss	–	(8,463)	–	–
Other expenses	(12,748)	(5,178)	(8)	(5)
Total	**(1,289,313)**	**(739,904)**	**(30)**	**(37)**

** 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 EEA Group utilises 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	EEA Group 2024	EEA Group 2023	Parent Company 2024	Parent Company 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

	EEA Group		Parent Company	
EURth	2024	2023	2024	2023
Current tax	(31,038)	(16,465)	–	–
Prior year adjustment of current tax	(2,205)	17	–	–
Deferred tax				
Relating to origination and reversal of temporary differences	333	(4,712)	–	–
Total income tax	**(32,910)**	**(21,160)**	**–**	**–**

15.1. Reconciliation of the Total Tax Charge

	EEA Group		EEA Group	
EURth	2024		2023	
Profit before tax		**134,522**		**99,848**
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 %	(109)	-0.04 %	38
Effect of tax rates in foreign jurisdictions	1.60 %	(2,157)	1.28 %	(1,281)
Tax effect of:				
Income not subject to tax	0.00 %	–	-4.43 %	4,420
Non-deductible (expenses) of income tax	0.88 %	(1,187)	-0.46 %	459
Adjustments in respect of prior years	1.64 %	(2,205)	-0.02 %	17
Utilisation of deferred tax effect	0.00 %	–	4.72 %	(4,712)
Movement in provisions	0.49 %	(655)	1.06 %	(1,060)
Unrecognised deferred tax	-0.04 %	(60)	0.03 %	(33)
Other tax differences, net	-0.07 %	88	-0.88 %	878
Total income tax expense	**24.46 %**	**(32,910)**	**21.19 %**	**(21,160)**

Parent Company

	Parent Company	
EURth	2024	2023
(Loss) before tax	**(517)**	**(224)**
At statutory income tax rate of 15% (2023: 15%)	78	34
Non-deductible expenses	(18)	(1)
Unrecognised deferred tax	(60)	(33)
Total income tax expense	–	–

15.2. Deferred Tax

31 December 2024

EURth	EEA Group		Parent Company	
	Deferred tax asset	Statement of profit or loss and other comprehensive income	Deferred tax asset	Statement of profit or loss and other comprehensive income
Fair value differences and other provisions	333	333	–	–

31 December 2023

EURth	EEA Group		Parent Company	
	Deferred tax asset	Statement of profit or loss and other comprehensive income	Deferred tax asset	Statement of profit or loss and other comprehensive income
Provision for tax losses carried forward	–	(4,712)	–	–

16. Cash and Cash Equivalents

EURth	EEA Group		Parent Company	
	2024	2023	2024	2023
Cash and balances with central banks	10,823,365	7,559,761	–	–
Due from banks and other financial institutions	89,940	31,736	850	27
Total	**10,913,305**	**7,591,497**	**850**	**27**

17. Cash and Balances with Central Banks

EURth	EEA Group		Parent Company	
	2024	2023	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 EEA Group 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 EEA Group'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	EEA Group 2024	EEA Group 2023	Parent Company 2024	Parent Company 2023
Placements with other banks - demand deposits	67,878	25,308	850	27
Placements with other financial institutions - demand deposits	22,062	6,428	–	–
Total	**89,940**	**31,736**	**850**	**27**

19. Derivatives

EEA Group As 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**

As 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.

Offsetting

The EEA Group 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 2023.

Net gains and losses on derivatives

	EEA Group	
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**

Parent Company

During reporting and comparative periods the Parent Company did not hold derivatives applicable for disclosure in this note.

19.1. Hedge accounting

Starting from the year 2024 the EEA Group is using two types of hedging relationships: micro fair value hedge and macro fair value hedge.

Macro fair value hedge

In the EEA Group's core deposits macro fair value hedge, macro hedge accounting is used to recognise fair value changes related to changes in interest rate risk in non-interest-bearing core deposit accounts and therefore reduce the profit or loss volatility that would otherwise arise from changes in the fair value of the interest rate swaps alone.

Applying fair value hedge accounting enables the EEA Group to reduce fair value fluctuations of fixed rate financial liabilities. From a hedge accounting point of view, the EEA Group designates the hedged risk as the exposure to changes in the fair value of an identified portion of recognised customer liabilities (core deposit) that could affect profit or loss.

The table below sets out the accumulated fair value adjustments arising from the corresponding continuing hedge relationships:

EURth	As at 31 December 2024 Carrying amount of hedged items	Accumulated amount of fair value adjustments on the hedged items	As at 31 December 2023 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 instrument line items of the Statement of Financial Position:

EURth	As at 31 December 2024 Notional amount	Carrying amount*	As at 31 December 2023 Notional amount	Carrying amount*	Line item in the Statement of Financial Position
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 of recognising the 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

The maturity profile of the hedging instruments used in macro 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 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

Micro fair value hedge

The EEA Group 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 EEA Group to the risk of changes in the fair value of its investments attributable to changes in the interest rate volatility.

The EEA Group 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 instrument line item of the Statement of Financial Position:

	Carrying amount of hedged items		Carrying amount of hedged items		
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 EEA Group'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 expense
Government loans	Interest rate swaps	2	(1)	1	1	Other operating expense
	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 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.

Parent Company

During the reporting period and comparative period the Parent Company did not hold hedging instruments applicable for disclosure in this note.

20. Loans and Unauthorised Overdrafts

	EEA Group		Parent Company	
EURth	2024	2023	2024	2023
Consumer lending	1,215,379	644,325	–	–
Less: Allowance for ECL	(48,477)	(41,698)	–	–
Unauthorised overdraft	17,024	26,931	–	–
Less: impairment	(11,547)	(24,788)	–	–
Reverse repurchase agreement	1,942,179	431,513	–	–
SSD agreement	1,114,696	425,644	–	–
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 EEA Group's consumer loan portfolio is not collateralized.

Parent Company

During the reporting period and comparative period the Parent Company did not grant any credits applicable for disclosure in this note.

20.1. Impairment Allowance for Loans

EEA Group

The table below shows the credit quality and the maximum exposure to credit risk based on the EEA Group'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 EEA Group's internal grading system and the EEA Group'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%	Low	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%		62,551	21,459	–	–	84,010
8	2.00% - 3.00%	Moderate	48,594	17,322	–	–	65,916
9	3.00% - 5.00%		91,772	15,244	–	–	107,016
10	5.00% - 8.00%	High	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%		–	–	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	Stage 2	Stage 3	Total
	ECL	ECL	ECL	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	Stage 2	Stage 3	Total
	ECL	ECL	ECL	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%	9.10%	79.98%
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%**	**9.59%**	**80.20%**
Per country									
Lithuania	22,172	47,362	2,225	283	1,638	1,178	1.28%	3.46%	52.94%
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%**	**9.59%**	**80.20%**

20.3. Reverse Repo

During the year 2024 and 2023 the EEA Group investments contained a portfolio of reverse repurchase agreements.

As part of the reverse repo transactions, the EEA Group 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 EEA Group'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 EEA Group has invested in Schuldschein (SSD) loans, which constitutes a standardised loan contract under the German Civil Code, evidenced by a certificate of indebtedness. The EEA Group's investments in SSD were centered 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 31.

21. Debt Instruments Measured at Amortised Cost

EURth	EEA Group			
	2024		2023	
	Carrying amount	ECL	Carrying amount	ECL
Debt securities of financial institutions				
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	–
Netherlands	–	–	547	–
Sweden	–	–	3,689	0
Total	**1,892,572**	**(131)**	**1,009,072**	**(91)**

EURth	EEA Group			
	2024		2023	
	Carrying amount	ECL	Carrying amount	ECL
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)**

The EEA Group did not have any debt instruments measured at amortised cost which were pledged as collateral as at 31 December 2024 (31 December 2023: nill).

During 2024 the EEA Group continued to invest into the portfolio of held to maturity debt securities. These debt securities are accounted for 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, EEA Group reduces the value of the assets on the balance sheet using an Impairment Loss Allowance (provision) under IFRS 9.

During 2024 the EEA Group 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	EEA Group			
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	EEA Group					
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	EEA Group			
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	–	82	–	–
As at 31 December 2023	**2,411,106**	**220**	**15,137**	**39**

31 December 2023	EEA Group					
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	0.19 %	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

	EEA Group				
EURth	Fixtures & fittings	Computer hardware	Other furniture and equipment	Right-of-use assets	Total
Cost					
At 1 January 2023	**–**	**119**	**2**	**1,889**	**2,010**
Additions	–	44	–	988	1,032
Dilapidation provision	–	–	–	280	280
At 31 December 2023	**–**	**163**	**2**	**3,157**	**3,322**
Additions	8	36	51	884	979
Dilapidation provision		–	–	9	9
At 31 December 2024	**8**	**199**	**53**	**4,050**	**4,310**
Depreciation					
At 1 January 2023	**–**	**(90)**	**(1)**	**(469)**	**(560)**
Depreciation charge for the year		(21)	(1)	(490)	(512)
At 31 December 2023	**–**	**(111)**	**(2)**	**(959)**	**(1,072)**
Depreciation charge for the year	(2)	(33)	–	(937)	(972)
At 31 December 2024	**(2)**	**(144)**	**(2)**	**(1,896)**	**(2,044)**
Net book value					
At 31 December 2023	**–**	**52**	**–**	**2,198**	**2,250**
At 31 December 2024	**6**	**55**	**51**	**2,154**	**2,266**

Parent Company

During reporting and comparative periods the Parent Company did not have property plant and equipment or right of use assets applicable for disclosure in this note.

22.1. Right-of-use Assets

Revolut Bank UAB 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:

	EEA Group	
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:

	EEA Group	
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

	EEA Group		Parent Company	
EURth	**2024**	**2023**	**2024**	**2023**
Settlement receivables (Note 34)	554,626	488,317	9	4
Client funds in transit (incoming)	55,785	17,624	–	–
Accrued payment scheme rebates	25,710	138	–	–
Accrued income	31,150	27,127	–	–
Cash collateral to card payment schemes	17,630	41,959	–	–
Due from intermediaries	10,196	33,702	–	–
Cash collateral to financial brokerage firms	3,048	151	–	–
Prepaid expenses	2,121	564	1	6
Rent deposits	459	220	–	–
Receivable VAT	122	5,376	–	–
Other	1,095	742	–	–
Total	**701,942**	**615,920**	**10**	**10**

24. Investments into Subsidiaries

The EEA Group consists of Revolut Bank UAB, Revolut Insurance Europe UAB and Revolut Securities Europe UAB. All of the entities comprising the Group are registered in Lithuania.

EURth	Parent Company			
	2024		2023	
Name of subsidiary	Share in equity	Carrying amount of investment	Share in equity	Carrying amount of investment
Revolut Bank UAB	100%	716,615	100%	425,415
Revolut Insurance Europe UAB	100%	609	100%	609
Revolut Securities Europe UAB	100%	4,686	100%	4,686
Total		**721,910**		**430,710**

During the years 2024 and 2023 no impairment for investment into subsidiaries was recognised.

Reconciliation of Parent's investments in subsidiary amounts is presented in the table below:

EURth	Revolut Bank UAB	Revolut Insurance Europe UAB	Revolut Securities Europe UAB	Total
Carrying amount as at 1 January 2023	325,415	59	4,686	330,160
Increase of share capital in subsidiaries	100,000	550	–	100,550
Carrying amount as at 31 December 2023	**425,415**	**609**	**4,686**	**430,710**
Increase of share capital in subsidiaries	291,200	–	–	291,200
Carrying amount as at 31 December 2024	**716,615**	**609**	**4,686**	**721,910**

25. Due to Customers

EURth	EEA Group		Parent Company	
	2024	2023*	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 was reclassified from "due to customers" to "other liabilities" to provide a more accurate presentation of the EEA Group's statement of financial position.

26. Due to Other Financial Institutions

The EEA Group uses a multi-currency facility with Revolut Ltd to deposit funds. As at 31 December 2024 the EEA Group had a negative balance in EUR currency of EUR 191,237 thousand (2023: EUR 253,292 thousand) recognised in liabilities and positive balance EUR 22,062 thousand (2023: EUR 6,428 thousand) in assets.

As at 31 December 2024 the EEA Group has received from Revolut Ltd variation margin of EUR 9,569 thousand (2023: EUR 1,863 thousand).

27. Other Liabilities

	EEA Group		Parent Company	
EURth	**2024**	**2023**	**2024**	**2023**
Settlement liabilities	998,245	509,206	174	234
Contractual liability from loyalty program	95,516	–	–	–
Contractual liability from subscriptions	56,071	33,921	–	–
Client funds in transit (outgoing)	26,438	–	–	–
Corporate tax payable	22,091	15,779	–	–
Accrued expenses	22,062	8,462	44	15
Refunds to customers	9,651	–	–	–
Unsettled client liabilities*	9,488	20,508	–	–
Client money settlement position	4,816	–	–	–
Payroll payable	3,630	2,636	24	23
Lease liability (Note 22)	2,053	2,035	–	–
Accrual for redemptions under loyalty program	971	–	–	–
Payables to insurance partners	490	306	–	–
Other liabilities	9,902	34,948	1	29,000
Total	**1,261,424**	**627,801**	**243**	**29,272**

* Unsettled client liabilities consist of customers' transactions related to investments into Money Market Funds, which were instructed by the customer before the year-end, but settled in 2025 due to cut-off time.

As at 31 December 2023 Other liabilities of Revolut Holdings Europe UAB in the amount of EUR 29,000 thousand represent liabilities to the Revolut Group Holdings Ltd arising from an initiated and already paid-in increase of share capital, which was ultimately registered in 2024.

28. Provisions

	EEA Group		Parent Company	
EURth	**2024**	**2023**	**2024**	**2023**
Claims provision	3,719	–	–	–
Provision for undrawn commitments	1,632	473	–	–
Dilapidation provision	289	280	–	–
Total	**5,640**	**753**	**–**	**–**

The movement in provision for undrawn commitments during 2024 and 2023 respectively is, as follows:

EURth	EEA Group Undrawn commitments	Parent Company 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**

28.1. Undrawn Commitments

EEA Group

To meet the financial needs of customers, the EEA Group 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 EEA Group.

The EEA Group 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 (2023: EUR 111,624 thousand). At 31 December 2024 the EEA Group recognised EUR 1,632 thousand of allowance on ECL for the outstanding exposures (2023: EUR EUR 473 thousand).

The table below sets out the credit quality of retail customers lending commitments of the EEA Group 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 EEA Group 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**

Parent Company

During the reporting period and comparative period the Parent Company did not issue loan commitments applicable for disclosure in this note.

29. Share Capital and Reserves

Parent Company

Authorised shares	2024 Thousands	2023 Thousands
Ordinary shares of €1 each	9,342	2,913

Reserves

Reserves EURth	2024 Share premium	2023 Reserves
As at 1 January 2023	**1,858,620**	**2,458**
Formation of the share premium by shareholder contributions	70,120	–
Share based payments	–	2,458
Transfers from share premium to cover the loss	(1,529,959)	–
Translation reserve	–	11
As at 31 December 2023	**398,781**	**4,927**
Share based payments	–	6,661
Exercise of options	–	(1,980)
Formation of the share premium by shareholder contributions	315,021	–
Transfers from share premium to cover the loss	(224)	–
Translation reserve	–	(56)
As at 31 December 2024	**713,578**	**9,552**

The EUR 1 ordinary share has full voting, dividend and capital distribution rights. The Parent Company did not hold its own shares, nor did it have treasury shares. No treasury shares were acquired or transferred during the reporting period.

The reserves include the share based payment reserve of EUR 9,577 thousand (2023: EUR 4,896 thousand) and other translation reserve EUR (25) thousand (2022: EUR 31 thousand).

During the year 2023 2,662,504 units of shares were pledged in accordance with the Contract on Share Pledge dated 17 May 2023. The agreement was deregistered 6 February 2024.

30. Share-based Payments

EEA Group

The Revolut Group issues equity-settled share based payment awards to certain employees. These awards are share options which will be settled in shares of Revolut Group Holdings Ltd, the ultimate parent company.

As there is no obligation for the Parent Company to settle these awards, these represent equity settled share based payments. 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 determined at the grant date of the equity-settled share based payments is expensed on a graded vesting 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 change in the legal structure of Revolut Group occurred; the ultimate parent company of the Revolut Group was changed to Revolut Group Holdings Ltd instead of Revolut Ltd. With this change, all previously awarded grants' have been novated from Revolut Ltd to Revolut Group Holdings Ltd.

In 2022, the Revolut Group issued share options under the Unapproved Options Plan ('UOP') for both UK and non-UK employees and issued no share options under the Company Stock Option Scheme ('CSOP') plan.

During 2023, the Revolut 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 fair value of the options granted to employees during the year ended 31 December 2024 has been determined utilising an options 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.

Reconciliation of outstanding share-based payment awards

	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**	**48,036**	**0.11**	**34,682**
Transfers during the year	0.00	4,173	0.00	—
Adjustments related to prior year	0.00	1,300	0.08	(149)
Granted during the year	0.00	26,183	0.17	17,182
Exercised during the year	0.01	(9,167)	0.01	(1,709)
Forfeited during the year	0.00	(2,279)	0.01	(1,970)
Outstanding at the end of the year	**0.03**	**68,246**	**0.03**	**48,036**
Exercisable at the end of the year	**0.04**	**45,008**	**0.05**	**33,728**

No options expired during the periods covered by the above tables

The outstanding options at the end of 2024 and 2023 weighted average remaining contractual life by exercise price is shown below:

Pool	Exercise Price	Weighted average remaining contractual life (as at 31 December 2024)	Share options 31 December 2024	Share options 31 December 2023
1	0.00	8.3	63,076	42,851
2	0.60	5.0	1,495	1,600
3	0.12	4.0	1,140	1,140
4	0.00	7.3	1,237	1,411
5	0.90	5.0	438	438
6	0.00	8.1	401	358
7	0.00	8.8	258	238
8	0.60	4.5	201	—
Total			**68,246**	**48,036**

Fair value of options granted

The fair value of the options granted to employees was determined utilising an options pricing model, which encompasses The Black-Scholes methodology.

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	0%	0%
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

Grant-date fair values have been calculated with the assistance of third party valuation specialists.

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).

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	6,661	2,458

Parent Company

The Parent Company uses the same assumptions for calculation of share-based payment expense as described above.

31. 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.

	EEA Group					Parent Company				
As at 31 December 2024, EURth	Up to 3 months /on demand	3-12 months	1-5 years	more than 5 years	Total	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	89,940	–	–	–	89,940	850	–	–	–	850
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	642,819	–	–	–	642,819	9	–	–	–	9
Total financial assets	**12,345,902**	**1,399,748**	**4,691,709**	**1,845,387**	**20,282,746**	**859**	**–**	**–**	**–**	**859**
Liabilities										
Derivatives	12,584	–	–	–	12,584	–	–	–	–	–
Due to customers	17,880,484	–	–	–	17,880,484	–	–	–	–	–
Due to other financial institutions	200,806	–	–	–	200,806	–	–	–	–	–
Lease liabilities	276	838	939	–	2,053	–	–	–	–	–
Other financial liabilities	1,034,886	–	–	–	1,034,886	242	–	–	–	242
Total financial liabilities	**19,129,036**	**838**	**939**	**–**	**19,130,813**	**242**	**–**	**–**	**–**	**242**

As at 31 December 2023, EURth	EEA Group Up to 3 months /on demand	3-12 months	1-5 years	more than 5 years	Total	Parent Company 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	31,736	–	–	–	31,736	27	–	–	–	27
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	591,463	–	151	–	591,614	4	–	–	–	4
Total financial assets	**8,907,328**	**435,683**	**2,278,012**	**455,801**	**12,076,824**	**31**	**–**	**–**	**–**	**31**
Liabilities										
Derivatives	4,994	–	–	–	4,994	–	–	–	–	–
Due to customers	10,660,806	–	–	–	10,660,806	–	–	–	–	–
Due to other financial institutions	255,155	–	–	–	255,155	–	–	–	–	–
Lease liabilities	118	462	1,455	–	2,035	–	–	–	–	–
Other financial liabilities	541,118	–	–	–	541,118	272	–	–	–	272
Total financial liabilities	**11,462,191**	**462**	**1,455**	**–**	**11,464,108**	**272**	**–**	**–**	**–**	**272**

32. Fair Value Measurement

32.1. Assets and Liabilities by Fair Value Hierarchy

EEA Group

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**

Parent Company

During the reporting period and comparative period the Parent Company did not hold any financial assets or liabilities at fair value.

32.2. Fair Value of Financial Instruments not Measured at Fair Value

EEA Group

The table below summarises the carrying amounts and fair values of those financial assets and liabilities presented on the 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.

As at 31 December 2024	Carrying value	Fair value		
EURth		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	89,940	–	89,940	–
Loans and unauthorised overdrafts	4,229,254	–	3,097,025	1,193,150
Debt securities	4,481,879	4,623,484	–	–
Other financial assets	642,819	–	642,819	–
Total financial assets measured at amortised cost	**20,267,257**	**4,623,484**	**14,653,149**	**1,193,150**
Liabilities				
Due to customers*	17,880,484	–	17,880,484	–
Due to other financial institutions	200,806	–	200,806	–
Other financial liabilities	1,036,939	–	1,036,939	–
Total financial liabilities measured at amortised cost	**19,118,229**	**–**	**19,118,229**	**–**

**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* 25 *for further details.*

As 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	31,736	–	31,736	–
Loans and unauthorised overdrafts	1,461,927	–	1,431,636	–
Debt securities	2,425,984	2,474,440	–	–
Other financial assets	591,614	–	591,614	–
Total financial assets measured at amortised cost	**12,071,022**	**2,474,440**	**9,614,747**	**–**
Liabilities				
Due to customers	10,661,324	–	10,661,324	–
Due to other financial institutions	255,155	–	255,155	–
Other financial liabilities	543,153	–	543,153	–
Total financial liabilities measured at amortised cost	**11,459,632**	**–**	**11,459,632**	**–**

Parent Company

The carrying amounts and fair values of those financial assets and liabilities presented on the Parent Company’s statement of financial position at amortised cost don't differ materially, as all instruments are concluded on market conditions.

33. Capital

The main objectives of EEA Group capital management are as follows:

- Forecast for available capital is consistent with the EEA Group’s strategy and support its implementation;
- The EEA Group’s capital level appropriately covers all material risks to which the EEA Group is exposed and enables it to pursue its business objectives;
- The EEA Group complies with the regulatory capital requirements at all times;
- The EEA Group 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 EEA Group’s performance from the financial plan or severe adverse scenarios (both bank-specific and systemic);
- The EEA Group has a range of available and feasible management actions to restore the 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 EEA Group is able to deliver the level of return on risk adjusted capital required by shareholders.

The EEA Group 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 EEA Group 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 EEA Group's capital management are reviewed at least annually to keep them up to date.

33.1. Regulatory Capital Requirements

The EEA Group 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).

As of 31 December 2024, the total capital requirement of the EEA Group (in accordance with the regulatory requirements) is equal to 13.05% for CET1 capital ratio and 18.17% 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)	5.47%
of which: Capital conservation buffer (CCB)	2.50%
of which: Countercyclical buffer (CCyB)	0.97%
*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	**18.17%**

* In 2024, the EEA Group received a SREP decision, changing Pillar 2 requirement to a minimum of 3.70%.

** The EEA Group 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 EEA Group.

The EEA Group has complied in full with all its externally imposed capital requirements over the reported period, including the changes in requirements that come into effect after the end of 2024.

The EEA Group's CET1 capital ratio and total capital ratio were both at the level of 30.92% by the end of 2024 (2023: 22.25%) ensuring robust capitalisation. End of 2023 CET1 capital ratio has been restated from 22.41% to 22.25% after the release of the annual financial statement.

The EEA Group 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.

EEA Group

EURth	EEA Group	
	31 December 2024	31 December 2023
Total RWAs	2,851,138	2,135,266
Capital Resources		
Total CET1 Capital	881,568	475,195
Total Tier 1 Capital	881,568	475,195
Total Capital Resource	**881,568**	**475,195**
CET1 Ratio (%)	30.92 %	22.25 %
Tier 1 Ratio (%)	30.92 %	22.25 %
Total Capital Ratio (%)	**30.92 %**	**22.25 %**

The EEA Group's leverage ratio was 4.44% by the end of 2024 (2023: 4.08%) reflecting adequate capitalisation from this perspective too.

The EEA Group'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.

33.2. 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 EEA Group and quantify the risks not covered or not fully covered by the capital under minimum Pillar 1 requirements;
- Ensure that the EEA Group is adequately capitalised to cover the EEA Group'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 EEA Group 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 EEA Group of 2024 covers the forecast horizon extending until the end of 2027. The EEA Group 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 EEA Group 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:

- Revolut Bank-specific scenario assuming occurrence of the adverse circumstances, which are specific for the EEA Group;
- Systemic scenario, which assumes the adverse macroeconomic conditions;
- Combined scenario, which covers both systemic and bank-specific nature adverse developments.

Impact on the EEA Group’s CET1 capital ratio, total capital ratio and leverage ratio was estimated under these adverse scenarios for the horizon extending until the end of 2027. The stress testing outcomes were assessed taking into account the availability and feasibility of the management actions to restore the EEA Group’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 EEA Group current and future capitalisation is strong and adequate to cover the risks to which the EEA Group is or might be exposed to.

34. 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.

At 31 December 2024 and 2023	Parent	Other Related Parties	Parent	Other Related Parties
EURth	Revolut Group Holdings Ltd		Revolut Group Holdings Ltd	
	2024	2024	2023	2023
Assets				
Due from banks and other financial institutions	–	22,062	–	6,428
Derivatives	–	10,250	–	5,707
Other assets	–	554,626	–	488,317
Total assets	**–**	**586,938**	**–**	**500,452**
Liabilities				
Due to other financial institutions	–	(200,806)	–	(255,155)
Derivatives	–	(7,954)	–	(4,938)
Other liabilities	–	(983,993)	(29,000)	(506,249)
Total liabilities	**–**	**(1,192,753)**	**(29,000)**	**(766,342)**
Income and expenses				
Net gains and losses on derivatives	–	19,753	–	–
Operating income from derivatives and foreign exchange gains	–	33,111	–	39,893
Other operating income	–	2,693	–	3,116
Other operating expenses	–	(1,129,252)	–	(642,407)
Interest expenses on interest rate swaps	–	(2,724)	–	–
Personnel expenses	–	(911)	–	(995)
Net income and expenses	**–**	**(1,077,330)**	**–**	**(600,393)**

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 EEA Group received fixed remuneration of EUR 1,518 thousand in 2024 (2023: EUR 1,481 thousand and variable (share options) of EUR 1,130 thousand in 2024 (2023: EUR 1,026 thousand). The EEA Group 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 EEA Group's key management personnel:

EURth	Deposits		Loans (outstanding balance)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2024
Key management	177	46	72	11

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 and 2023 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. Recharges from related parties relate to technology, shared services and support functions outsourced partially or entirely to Revolut Ltd.

Parent Company

At 31 December 2024 and 2023	Parent Revolut Group Holdings Ltd	Subsidiaries	Other Related Parties	Parent Revolut Group Holdings Ltd	Subsidiaries	Other Related Parties
EURth	2024	2024	2024	2023	2023	2023
Assets						
Other assets	–	9	–	–	4	–
Total assets	**–**	**9**	**–**	**–**	**4**	**–**
Liabilities						
Other liabilities	–	(30)	(144)	(29,000)	(113)	(121)
Total liabilities	**–**	**(30)**	**(144)**	**(29,000)**	**(113)**	**(121)**
Income and expenses						
Sales to related parties	–	–	–	–	–	–
Other operating expenses	–	(7)	–	–	(5)	–
Personnel expenses	–	(71)	–	–	(60)	(1)
Net income and expenses	**–**	**(78)**	**–**	**–**	**(65)**	**(1)**

35. Events after the Reporting Period

On 10 February 2025 the shareholder decided to increase the share capital of Revolut Holdings Europe UAB from EUR 9,342 thousand to EUR 9,520 thousand. The total issuance price of the New shares is EUR 8,900 thousand. The funds were used to inject additional capital into the subsidiary Revolut Securities Europe UAB. New article of association of Revolut Holdings Europe UAB was registered on 27 February 2025.

On 3 March 2025 the shareholder decided to increase the share capital of Revolut Holdings Europe UAB from EUR 9,520 thousand to EUR 15,540 thousand. The total issuance price of the New shares is EUR 301 million. The funds were used to inject additional capital into the subsidiary Revolut Bank UAB. New article of association of Revolut Holdings Europe UAB was registered on 19 March 2025.

On 3 April 2025 the Bank of Lithuania has concluded an administrative agreement with Revolut Bank UAB. 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 as at 31 December 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 25 April 2025 by:

Vytautas Valvonis

Chief Executive Officer

Olga Kosiakova

Head of Finance

Dokumentą elektroniniu parašu
pasirašė VYTAUTAS,VALVONIS
Data: 2025-04-25 11:23:13

Dokumentą elektroniniu parašu
pasirašė OLGA,KOSIAKOVA
Data: 2025-04-25 11:02:31