



# Revolut

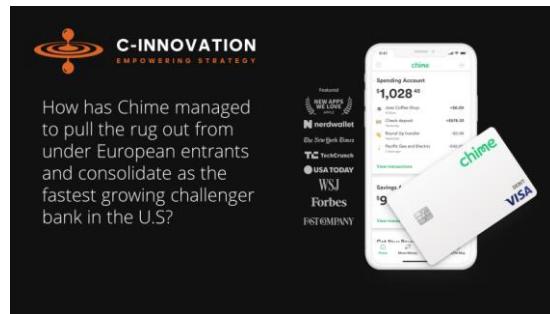
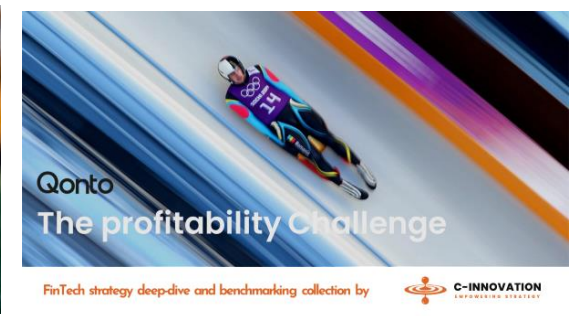
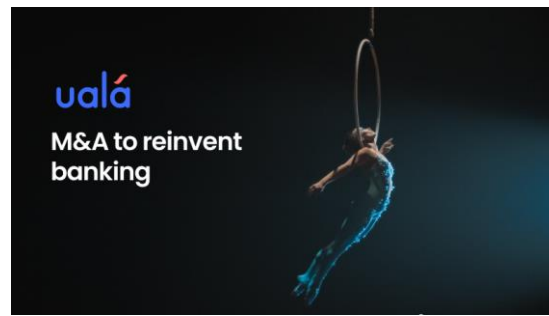
Breaking Even in Troubled Waters – Can it Stay Afloat?

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**“As the world becomes more global, we offer more global products which local banks are just not able to compete with”**

Nikolay Stroronsky,  
Revolut founder



# Executive Summary

01

Revolut has evolved into a full digital banking proposition offering. By diversifying their services, according to customer needs, **Revolut is paving the way as a FinTech game-changer.**

02

The proven **capacity to generate revenue and the potential to monetize a broad customer base**, has helped Revolut to reach **a valuation than are many times higher compared to direct competitors.**

03

**Revolut strong revenue growth came from building a diversified model, which has been a significant factor on it becoming profitable**, leaving behind the usual dependence on interchange revenue typical from neo-banks in their early stage.

04

With 28 million customers globally and banking services launched across Europe, Revolut **is well placed among European competitors to monetize its current customer base with a wider set of products and increasingly profitable alternatives.** However, It could face an uphill battle in its global expansion as the fierce competition and a lack of customer awareness outside Europe could jeopardize its plans.



# Company Overview

Revolut provides a range of online banking services to individuals and small businesses.



**2015**

Founded



**\$1.7B**

Total Funding Raised



**\$33B**

Valuation Post Series E funding round



**25m**

Customers



**6,000+**

Employees



**35+**

Countries



**636m**

Revenue

## Products offered:



### PERSONAL:

Multi-currency account, teen account, open banking.



### PERSONAL:

Savings, investments, credit, debit cards and personal loans\*



### BUSINESS:

Multi-currency business account, cards, access to Open APIs

# Revolut

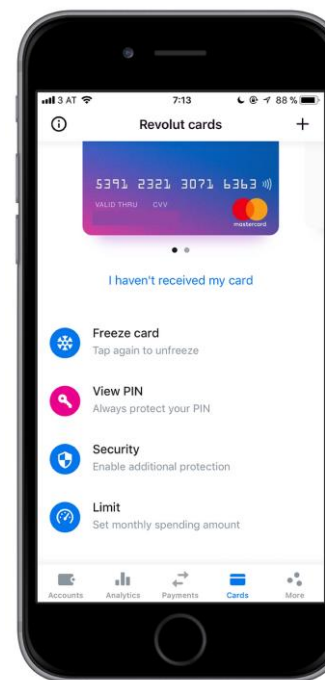
Tools and features for business and retail customers (UK proposition)

## Lifestyle

- Rewards
- Donations
- Hotel Booking
- Gifting
- Pet Insurance
- Airport Lounge (premium & metal plans)

## Online banking and cards in-app

- Multi-currency account
  - Early salary feature
  - On-Demand Pay
  - Teen account
- Fast payments with Apple or Google Pay
- Freeze and unfreeze your card, update your virtual card at ease
- 150+ currencies supported for spending



## Budgeting and analytics

- Set spending limits
- Notifications when nearing their limit
- Smart analytics breakdown
- Insights into spending habits
  - Manage subscription
  - Bill's pockets

## Open Banking

- Connect all your bank accounts for full visibility
- all-inclusive analytics

## Credit \*

- Personal loans
- Credit Cards

## Instant payments worldwide

- International transfers in 30+ currencies
- Currency exchange
- Follow Forex in real-time
- Send and request money using payment links or flash QR codes
- Request money with a tap using Apple or Google Pay.
- Split bills feature

## Wealth

- Global stocks investing
- Buy, sell, and send digital currencies
- Buy cryptocurrencies
- Invest in commodities
- Put money aside using Vaults with up to 2.5% annual interest paid daily

## Revolut Business

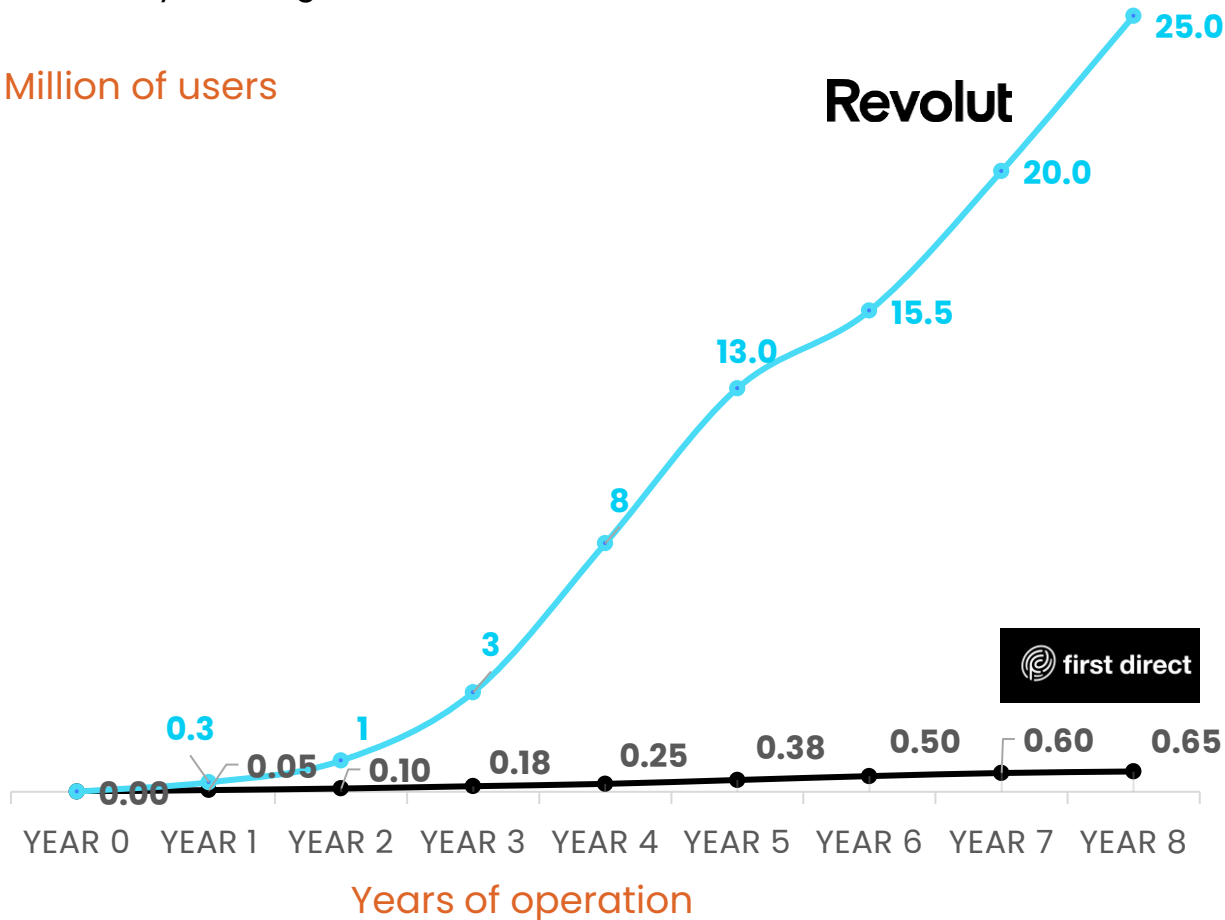
- Multi-currency accounts
- FX Forwards
- Crypto for Business
- Invoices and bills payment
- Payroll
- Rewards
- Receive payments (QR code, payment link, reader, Revolut Pay, Gateway)
- Invoicing
- Integrations
- Spend management

5

Revolut challenged traditional lenders right from the start, without a banking license, but some incumbent banks have learnt the lesson.

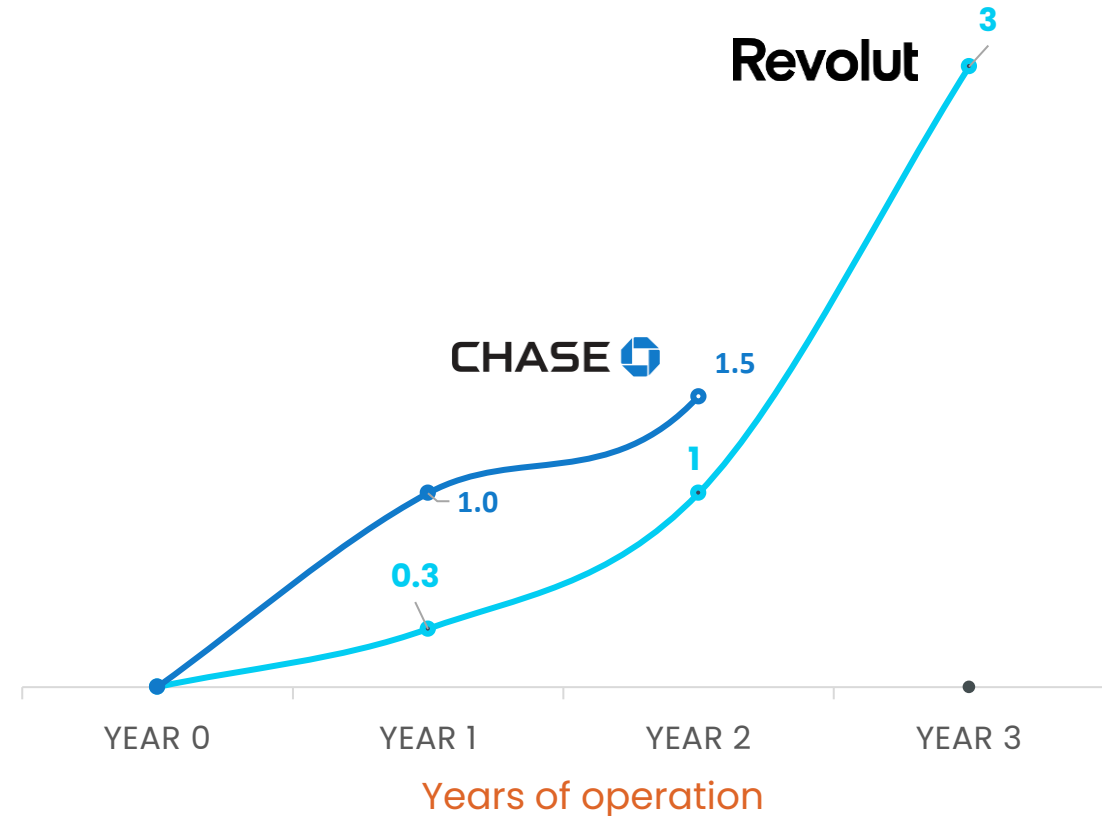
**Revolut achieved 1 million customers after two years of operation** without a banking license. It took First Direct (the web-based retail bank of HSBC), 20 years to get the same number of customers.

Million of users

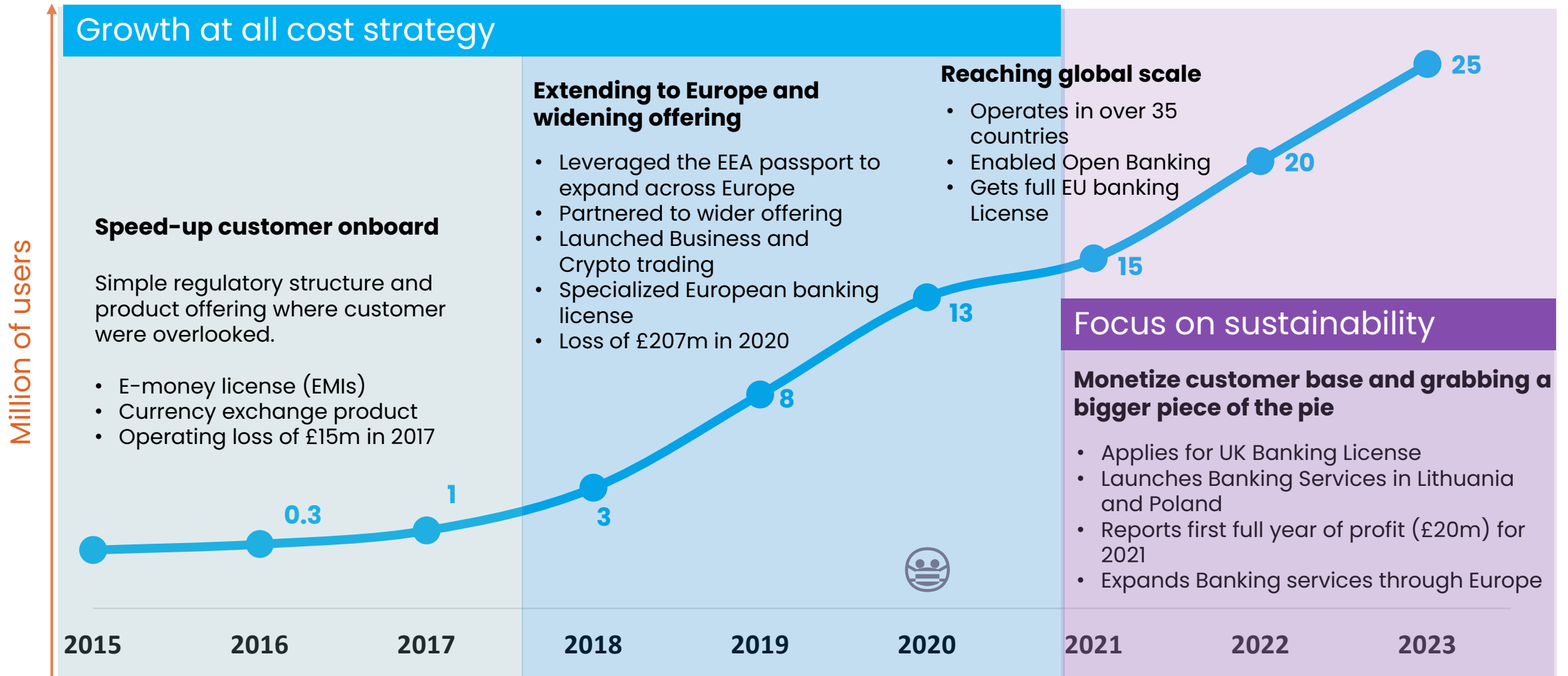


**JPMorgan Chase & Co.'s UK digital bank** attracted 1 million customers in its first year of operation, making it **one of the UK's most popular neo-banks**.

Million of users

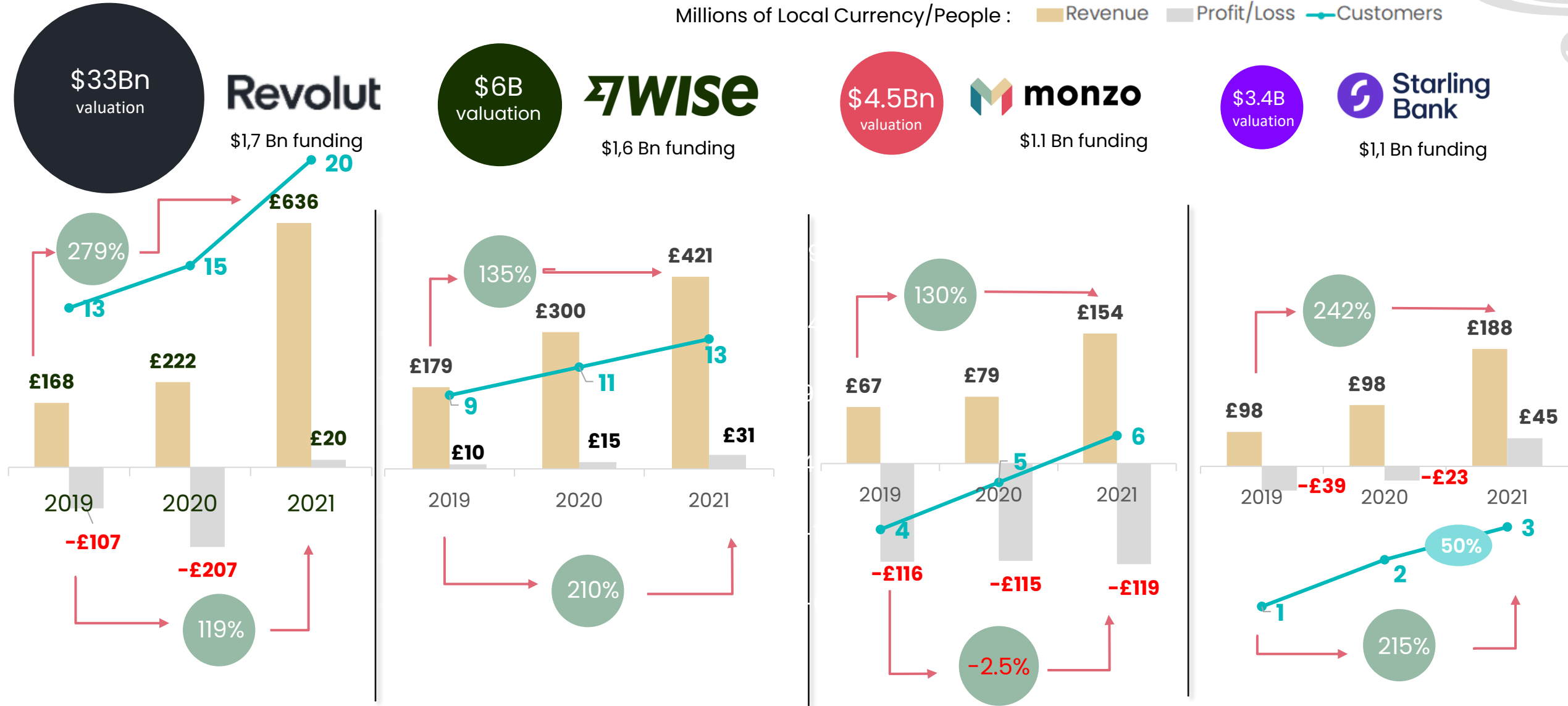


After following a growth at all cost strategy, Revolut shifted priorities on increasing revenue streams, a natural evolution of the company's business strategy.



The proven capacity to generate revenue and the potential to monetise a broad customer base, has helped Revolut to reach a valuation higher than its direct competitors in the UK.

Millions of Local Currency/People : ■ Revenue ■ Profit/Loss —●— Customers

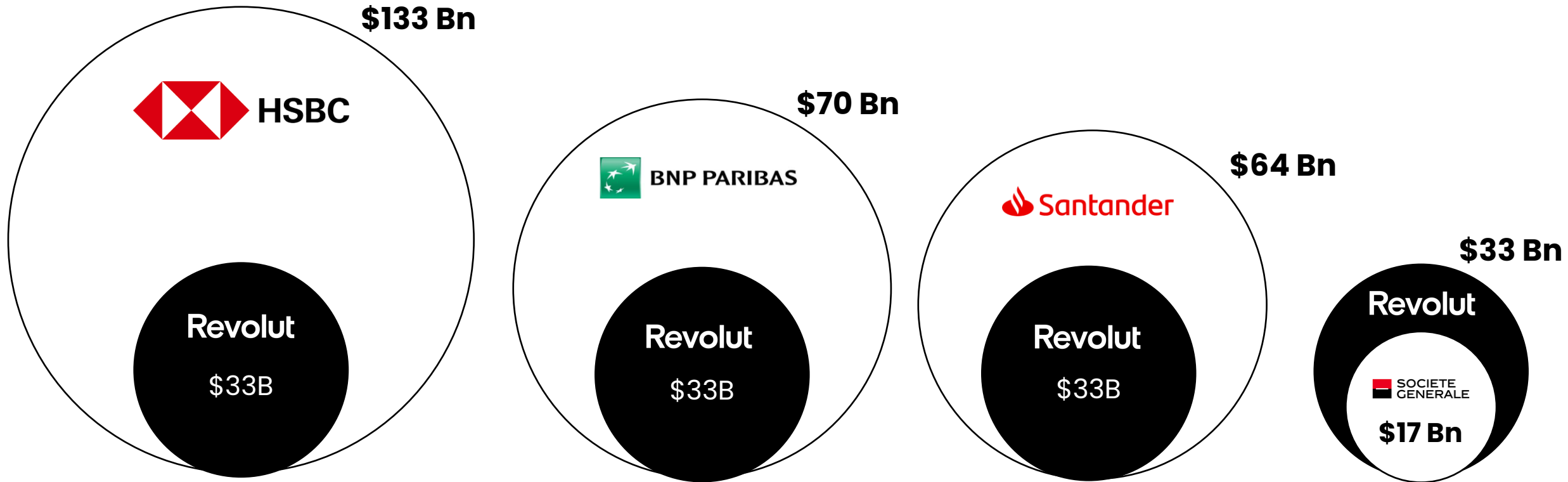


Note: Figures correspond to end of Financial Year 2021.  
Source: Digital Bank Financial results.



In the wake of the rescues of SVB UK and Credit Suisse, the banking sector has been turbulent and Revolut's valuation still is over some of the biggest traditional players.

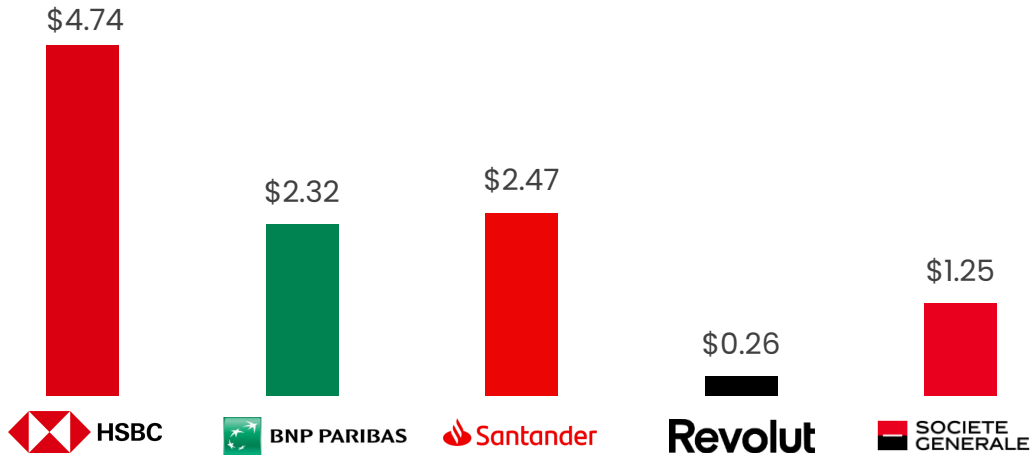
### Revolut Valuation VS Market cap of biggest Traditional Players in Europe



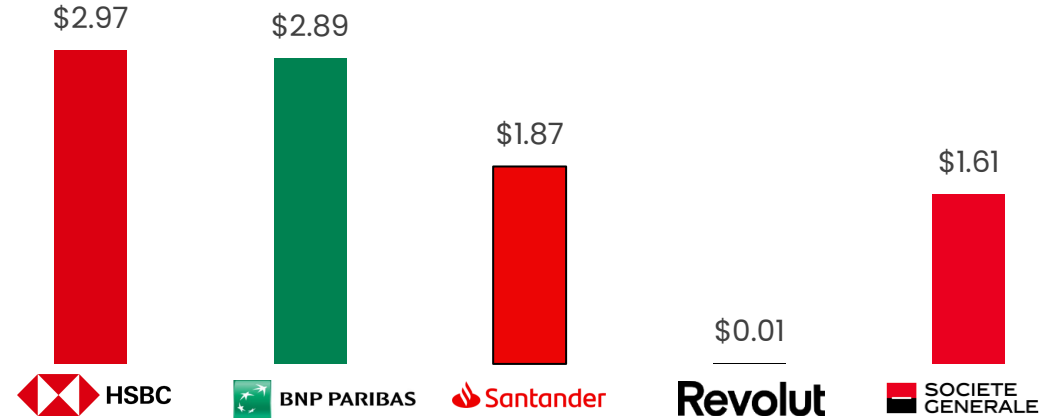
Note: Valuation data as of 29 March 2023 and Net Income data as end 2022 ( Except for Revolut which figures FY 2021 where taken)  
Source: Google Finance.

This is despite that there is a huge gap between traditional players total assets held and profitability when compared to Revolut.

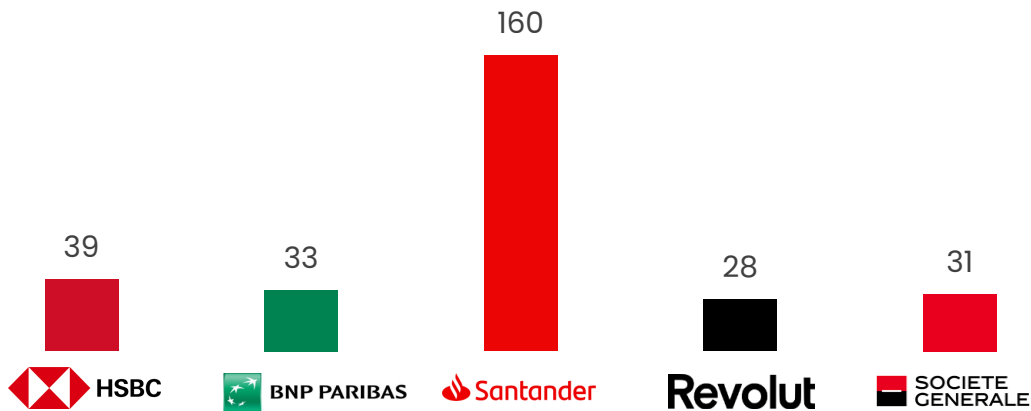
**Net Income by Banking Player (USD\$, Bn)**



**Total Assets by Banking Player (USD\$, Bn)**



**Number of Customers by Banking Player (m)**



**Revolut's current valuation is still a massive 52x multiple on its 2021 revenues. However, with 28 million customers in 2023 it has an outstanding revenue potential.**

Note: Valuation data as of 29 March 2023 and Net Income data as end 2022 ( Except for Revolut which figures FY 2021 where taken)  
Source: Google Finance.

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