

Revolut sets sights on credit offerings—and stronger revenue—in the US

Article

The news: The UK neobank is planning US rollouts of an **unsecured line of credit** this fall and **credit card** offerings at the end of 2021 or in Q1 2022, **Revolut US CEO Ron Oliveira** told

More on this: A US credit card offering would mark the first launch of a Revolut credit card outside of select European markets where it can passport its Lithuanian banking license. The neobank is seeking to reach **1 million US users** by the end of the year, and has been conducting a marketing blitz to reach that goal.

The credit offerings, when they materialize, will join a slew of other features Revolut has brought to the US market in recent months, including:

- **Business accounts**, which Revolut launched across the US in late March.
- **US-Mexico cross-border remittances**, which debuted in late July.

Another sign that Revolut is all-in on the US is its application for a **US banking charter** in March, which would allow it the flexibility to bolster its deposit solutions and expand into lending products without its US partner bank, **Metropolitan Commercial Bank**.

The big takeaway: Prepping credit products for a US release marks another step in Revolut's efforts to monetize its enormous customer base as it—and its rivals—race toward profitability.

In August, the neobank also hiked its securities-trading fee for the second time in less than a year. That and its plan to offer revenue-driving credit products in a new market suggests that profit is increasingly Revolut's focus, in contrast to concentrating exclusively on rampant user growth.

The timing of Revolut's pivot toward driving profits could be due in part to pressure keep up with its major competitors:

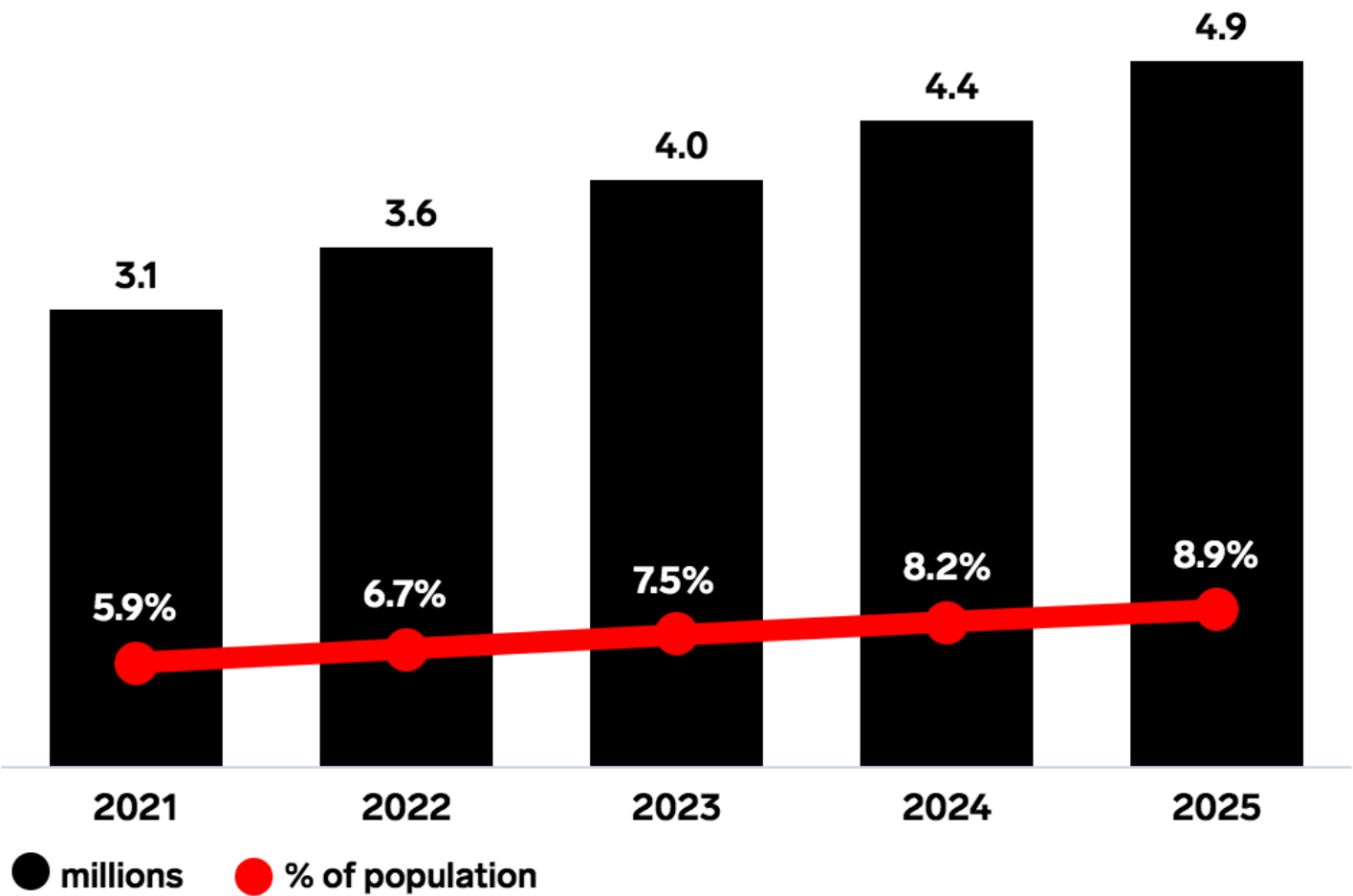
- Its rival UK neobank, **Starling**, began hitting a monthly profit in October 2020 and expects to turn its first annual profit during its current fiscal year, per CNBC.
- Savings and mortgage-focused UK neobank **Atom Bank** reported its first-ever monthly operating profit during the quarter that ended in June, per AltFi.
- Revolut's biggest US neobank competitor, **Chime**, revealed in September that it turned a profit when measured by EBITDA, according to TechCrunch.

Revolut broke even in the month of November 2020, but broadening its product suite to include more revenue-driving offerings can help it sustain those profits—and prove that it's

capable of monetizing its enormous client base.

Revolut Bank Account Holders and Penetration

UK, 2021-2025



Source: eMarketer, May 2021

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