

Revolut's users and revenue zig as its losses zag

Article

Revolut's annual report for 2020 [reveals](#) that its user base grew steadily in 2020, with retail customers hitting 14.5 million compared with 10 million in 2019—and the company subsequently [crossed](#) 15.5 million in Q1 2021. The UK-based neobank also said that:

- Its business accounts crossed the 500,000 mark in 2020, more than double its 2019 count of over 220,000.

- Its 2020 annual revenue grew 33.8% year over year (YoY), hitting £222.14 million (\$284.87 million).
- Its annual loss soared by 92.98% YoY as well, reaching £206.03 million (\$264.21 million), which the company attributed mainly to ballooning administrative costs.

Paid account subscriptions played a larger role in Revolut's income. The neobank's paid product revenue provided a larger slice of its top-line pie by contributing 33.86% in 2020, up from 23.79% in 2019. Revenue from Revolut's other large named segments—Card & Interchange, and Foreign Exchange & Wealth—also grew in absolute numbers, but their share of total revenue shrank slightly.

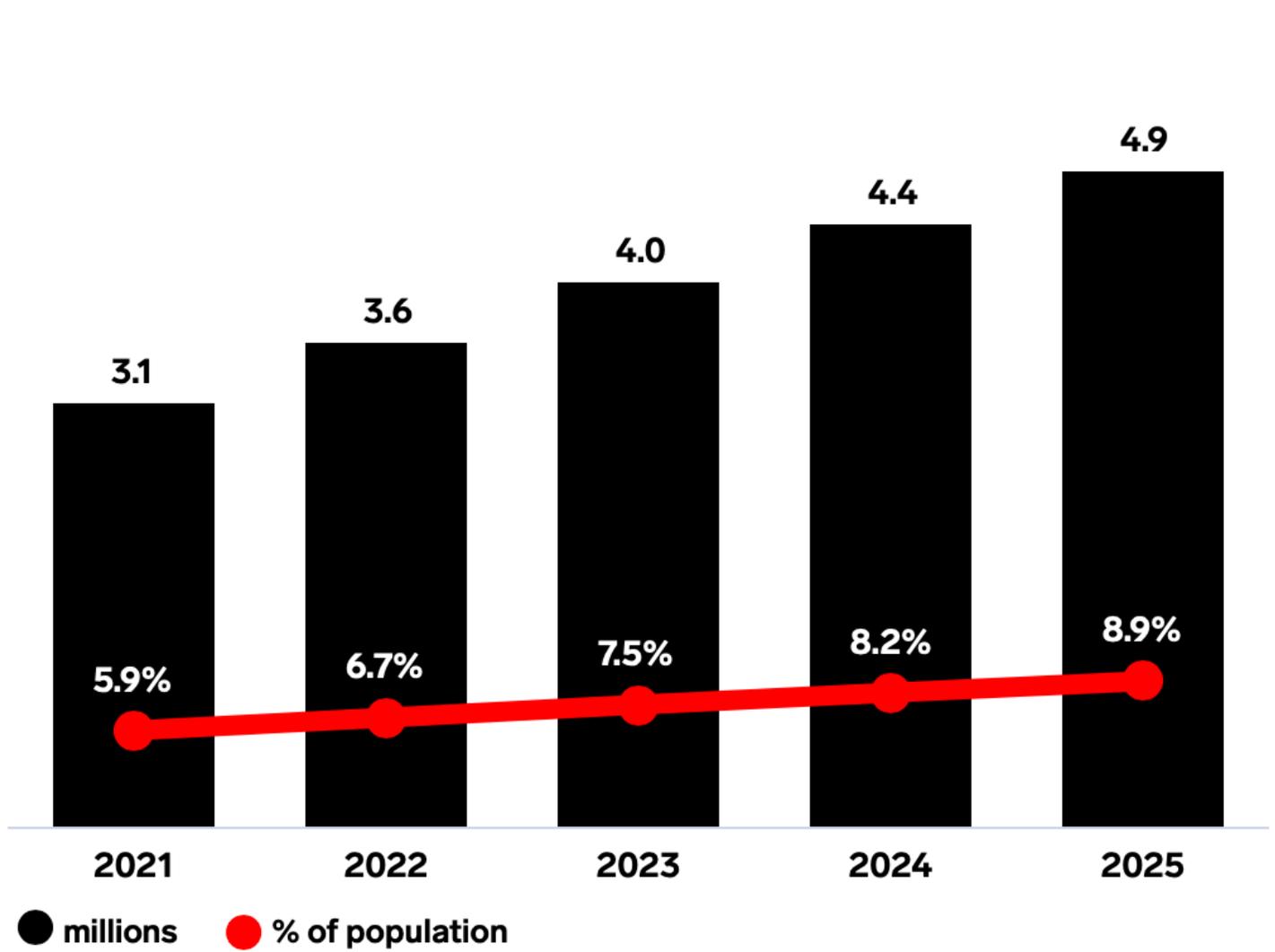
The shifting revenue mix suggests that the neobank is making headway with converting its clientele into paid subscribers. Growing paid-product revenue also gives Revolut a steadier income stream that, unlike its interchange side, doesn't depend on how often customers use their cards. In December, Revolut **broadened** its paid products by launching its mid-tier Revolut Plus, which joined its existing Metal and Premium products.

New geographies could unlock further growth potential for Revolut. Revolut's strong top-line growth—particularly the increased share of its paid product revenue—suggests that its “financial super app” business model has gained traction with customers. But the neobank still relies primarily on its home market, even while it expands abroad: 88.42% of its 2020 revenue came from the UK, 10.24% was sourced from the European Economic Area, and just 1.34% came from all other markets.

This geographic breakdown suggests that Revolut's user base and revenue abroad, including in the US, still has room to grow. However, expansion won't be simple. After shuttering a limited beta offering in Canada, Revolut is planning a **risky re-entry** into that country. In the US, native neobanks like Chime and Varo will offer stiff competition.

Revolut Bank Account Holders and Penetration

UK, 2021-2025



Source: eMarketer, May 2021

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