monzo

Pillar 3 Disclosures

Monzo Bank Holding Group Limited
2024

Contents

Monzo Bank Holding Group Limited
Registration number: 14785367

Registered Office: Broadwalk House,
5 Appold Street, London EC2A 2AG

Key tables

Executive summary

Total Capital Ratio

Unchanged from 56% FY2023

56%

Common Equity Tier 1 (CET1)

Increased from 54% FY2023

55%

Risk Weighted Assets

+65%

FY2023 979,042

FY2024 1,616,928

Tier 1 Capital Ratio

Increased from 54% FY2023

55%

Total assets as per Annual Report

+94%

FY2023 £6.7bn

FY2024 £13.0bn

UK Leverage Ratio

Increased from 14% FY2023

16%

Liquidity Coverage Ratio

Decreased from 760% FY2023

647%

*The comparative figures for 2024 reflect MBHG and for 2023 reflect MBL. See further details in Executive summary below.

Executive summary

These Pillar 3 disclosures are in line with the relevant regulations which we set out below. This document should be read together with the Monzo Bank Holding Group Limited's ('the Group', 'Monzo', 'We', 'Us', 'Our') Annual Report for a complete review of how we're meeting our regulatory requirements. It provides further information on Monzo Bank Holding Group (MBHG) capital resources and requirements.

"Monzo Bank Holding Group", "MBHG" and "the Group" refer to Monzo Bank Holding Group Limited (company number 14785367) together with its subsidiaries. "Monzo Bank", "MBL" and "the Bank" refers to Monzo Bank Ltd (company number 09446231).

MBHG was incorporated on 6 April 2023. On the 12th of September 2023, MBHG acquired 100% of the shares of MBL through a share-for-share exchange of newly issued MBHG shares for MBL shares. This group reorganisation represents a business combination of entities under common control where the existing shareholders of MBL become the shareholders of MBHG.

We completed our Series I funding round in March and April 2024, raising a total of £489.5m, our biggest fundraise to date. We're entering FY2025 profitable, well capitalised and ready for the growth in our ambitious plans. As a result, our group year end position for CET1, Tier 1 and LCR Ratios were 55%, 55% and 647% respectively.

MBHG has operated in compliance with its capital requirements throughout 2023/2024. The key movements in capital ratios were driven by a £324m increase of CET1 capital driven by the recent capital fundraise.

Both MBHG and MBL have operated in compliance with their capital requirements throughout 2023/2024. Where comparatives are drawn between FY2024 and FY2023, and the basis of consolidation is not specified explicitly, these are between MBHG FY2024 and MBL FY2023. Our total Risk Weighted Assets (RWA) increased by £659m primarily driven by growth in lending to our customers, increase in our operational risk RWAs and operational exposures. This led to an overall increase in CET1 capital ratio from 54% in FY2023 to 55% in FY2024.

Liquidity Coverage Ratio was significantly in excess of our risk appetite and the regulatory minimum requirement of 100%. The key movement in our liquidity ratios was due to a sizable increase in our High Quality Liquid Assets (HQLA) to £10.1bn from £5.1bn in 2024.

Liquidity continues to be a foundation of our model, with two-thirds of our treasury portfolio being held on demand with the Bank of England, with almost all the rest invested in high quality liquid assets. Similar to last year, the average tenure of our investment portfolio is 1.3 years. To better manage uncertainty and protect against changing interest rates, we've started using interest rate swaps as an efficient hedging instrument. These let us swap the variable interest rates we're exposed to through our deposits held with the Bank of England to fixed rates.

We monitor our Net Stable Funding Ratio (NSFR) to ensure that we have sufficient stable funding to support our business activities.

Who we are and why we're here

We believe that by focusing on what customers want, and solving actual problems rather than simply selling financial products, Monzo can make money work for everyone.

9 years ago, Monzo began because managing your finances was harder than it needed to be. Traditional banking wasn't built for the way people use money in their everyday lives. In the years since, the situation has improved a little – banks have gotten better at innovating for their customers, often driven to change by the success of 'disruptors' like us.

But most people still feel held back from achieving their goals by doubt and anxiety, and the experience of managing your financial life is generally still complex and fragmented.

Above all, we want to make people feel more capable and confident about their money. We work hard behind the scenes to cut out the complexity and provide a service that's seamless. And we're there to celebrate the little wins that add up to financial progress, or deliver a pick-me-up when things don't quite go to plan. So that even when inevitable little setbacks happen, you still feel like you're heading in the right direction.

Our financial model is different, the way we design our products is different, and so money feels different with Monzo.

We know it's not possible to have the kind of transformational impact we're aiming for without carefully considering the needs of all the communities we serve. Even in the UK, too many people don't have access to vital banking services. Which is why we're working hard to improve financial inclusion by simplifying banking and supporting customers in vulnerable circumstances. We want to play our part in creating a better, more equitable society; and we're only just getting started.

Disclosure framework

This document sets out the Pillar 3 disclosures of Monzo Bank Holding Group Limited ("Monzo", "Monzo Bank Holding Group Limited.", "Us", "Our" or "We") as at 31 March 2024. The Bank is authorised by the Prudential Regulation Authority ("PRA") and regulated by both the Financial Conduct Authority ("FCA") and the PRA. The PRA sets our capital and liquidity requirements.

We're required to comply with the onshored Capital Requirements Regulations (CRR) and associated onshored binding technical standards which were created by the European Union (Withdrawal) Act 2018 and amending statutory instruments, referred to as "UK CRR''. This document has been prepared to comply with the Disclosure (CRR) Part of the PRA Rulebook which was incorporated into the PRA Rulebook as it applied on the reference date.

We meet the definition of a non-listed "Other Institution" so we're subject to proportional disclosure requirements in accordance with Article 433c of the Disclosure (CRR) Part of the PRA Rulebook. This report should be read in conjunction with the 2024 Annual Report and Group Financial Statements ("Annual Report").

Current and future regulatory developments

Monzo continues to engage with the PRA about the UK's proposed approach to implementing Basel 3.1, which was outlined in a consultation paper published in November 2022. We are also considering the implications of the PRA's simplified prudential regime for smaller non-systemic banks, and the interactions between this strong and simple regime and the Basel 3.1 requirements.

Monzo is not subject to a binding leverage requirement as the firm does not meet the criteria as set out in the Leverage Ratio – Capital Requirements and Buffers part of the PRA Rulebook. While we continue to monitor our position in relation to this criteria, it's well above these leverage ratio requirements.

As a regulated bank, we're subject to the Bank of England's Resolvability Assessment Framework. We received notice that our preferred resolution strategy would be a partial transfer, meaning we are subject to a heightened Minimum Requirement on Own Funds and Eligible Liabilities (MREL). The end-state MREL requirement will be 1.3 times our Total Capital Requirement (TCR).

Disclosure policy

Monzo has a policy for producing and disclosing the Pillar 3 disclosures in compliance with the PRA's guidelines. The policy covers materiality, proprietary and confidential information, and disclosure frequency. The policy is reviewed, updated and approved on an annual basis by the Assets and Liability Committee ("ALCo").

Basis of disclosure

This report will be published as Monzo Bank Holding Group Limited ('MBHGL') for the first time. For 2023 comparative reporting purposes MBL "Bank" disclosures have been reported. Monzo Bank Holding Group Limited is a Financial Holding company and its establishment created a CRR Consolidation entity. Consequently the Pillar 3 report is prepared on a consolidated basis. For completeness, key metrics for both the consolidated group under Monzo Bank Holding Group Limited (Group) and those under Monzo Bank Ltd (Bank) are presented within the Pillar 3 report.

The Group consists of Monzo Bank Holding Group Limited and its wholly-owned subsidiary, Monzo Bank Limited, incorporated and registered in England and Wales. MBL has two further wholly-owned subsidiaries, Monzo Inc. and Monzo Support US Inc., both incorporated in Delaware, United States of America ("US"). All entities are consolidated for accounting purposes, under International Financial Reporting Standards ("IFRS") accounting rules. However, both Monzo Inc. and Monzo Support US Inc.[1] are excluded from consolidated prudential reporting because they're below the thresholds as set out in UK CRR Article 19.

This group reorganisation represents a business combination of entities under common control where the existing shareholders of Monzo Bank Limited become the shareholders of MBHG.

The Group has changed its year end from 28 February to 31 March to help our investors and stakeholders more easily

1 This entity is in the process of being wound up.

compare us to our peers who also report at calendar quarter ends. This is the first financial reporting period we have adopted the new year-end date and are presenting our financial statements for the 13 month period ended 31 March 2024. The Statement of Comprehensive Income comparatives represent the 12 month period to 28 February 2023 and are not directly comparable. Unless otherwise stated all tables are as at 31 March 2024.

We have not omitted any disclosures on the basis of being regarded as proprietary or confidential. If a disclosure has been omitted on the basis of being immaterial, this will be noted in the relevant section of the report.

Where we are required to disclose fixed format templates, and either a row or column is not applicable to Monzo, these have been greyed out. Where rows are empty sets in the UK templates, these have been omitted.

Frequency and means of disclosure

The Pillar 3 disclosures are published yearly and at as close as possible to the same time as our Annual Report. This is in accordance with regulatory guidelines. Both documents are published on Monzo's website, www.monzo.com and can be found on our Investor Information page.

The Pillar 3 disclosure requirements may be met by disclosures in our Annual Report. Appendix 12 summarises the disclosure requirements and how we meet them in either this document or in our Annual Report. As a result, this report should be read together with our Annual Report. Both documents provide information on Monzo's capital resources and on how we manage and mitigate our key risks.

Verification

The Pillar 3 disclosures have been prepared in line with our policy for financial accounting and reporting and our policy for Pillar 3 disclosures. These policies include the roles and responsibilities of the preparers and the standards that must be followed when preparing submissions to our Board.

These disclosures were prepared with input from the Finance, Risk, Treasury and People teams. The disclosures have been reviewed at senior and executive management level, with ultimate oversight at the Board Audit Committee.

Attestation

I confirm that these disclosures meet the minimum requirements for Pillar 3 disclosures and have been prepared in line with our internal controls framework.

James Davies
CFO
30 May 2024

Our approach to risk management

We manage our risks using an Enterprise Risk Management Framework (ERMF)

The ERMF helps us make risk-based decisions consistently and efficiently across Monzo to support our mission of making money work for everyone.

It supports our high growth, customer-focused business objectives and it helps leaders make well controlled decisions by setting minimum standards for managing any risk. It's not just leaders though. All Monzonauts know to make decisions that help us grow safely while operating within the boundaries set by the ERMF.

Our customers, our team, Board and regulators all expect us to manage risk well. The ERMF helps us make well-informed decisions, which in turn means people are more likely to trust us. In fact, our entire risk culture is built on the spirit and the wording of the ERMF.

Our ERMF has standards and practices that we follow when we manage risk. It covers all elements of managing risks including identifying, assessing, managing, monitoring and reporting risks. Understanding key risks gives us a clear view of any uncertainties we might face so we can decide how to manage them. The ERMF sets the overall culture, roles and responsibilities, and tools for managing all risk types across Monzo. It's made up of the elements in the diagram below.

We have 6 key risks and they each have:

- a risk appetite set by the Board
- its own risk framework, including how the Board wants us to manage the category
- an executive owner.

The risks may also have specific subsidiary risk committees that monitor performance where the risk is material for that subsidiary, for example in MBL.

As a regulated group, we adhere to all kinds of regulations, from organisational requirements for our systems and controls, to specific rules on how products work. Our Compliance framework sets out how we stay compliant with these regulations, including how we manage related risks – which the Group Enterprise Risk and Compliance Committee (ERCC) considers.

Risk type	Definition
Strategic risk	The risk that we don't carry out our business plan or that our business model isn't sustainable.
Financial risk	The risk that we don't have enough financial resources or carry out activities which impact our solvency and/or impact our ability to meet our liabilities.
Financial Crime and Fraud risk	The risk that we, our products or our services are used to facilitate/advance criminal activity, terrorist financing or to avoid sanctions.
Operational risk	The risk of loss because of inadequate or failed internal processes, people and systems or from external events.
Conduct risk	The risk that any action, or inaction, of a Monzo colleague or individual associated with us leads to customer detriment.
Credit risk	The risk that those who owe us money default on their obligations to pay us back.

The Three Lines of Defence and what each one does

We use a Three Lines of Defence model to structure risk management activities for:

- clear responsibility and accountability
- effective collaboration
- efficient coordination of risk and control activities.

The 3LoD model makes sure there's a clear definition of responsibilities between the ownership and management of risk (1LoD), oversight and challenge (2LoD) and independent validation and assurance (3LoD). Each line of defence is independent and doesn't rely on another for its day-to-day operation.

- **First Line (1LoD)**: the majority of our team – designs and runs business operations, by owning and operating most controls to manage our risks to stay within risk appetite and meet regulatory requirements.
- **Second Line (2LoD)**: oversees, through support and challenge of the effectiveness of risk management by 1st line, to reassure management.
- **Third Line (3LoD)**: assures the Boards on the effectiveness of controls.

Each line of defence's activities

1LoD The ownership and management of risk	2LoD Oversight and challenge	3LoD Independent validation and assurance
• Sets business objectives • Identifies, owns and manages risks where risk appetite is breached, both for the Group and its Subsidiaries • Defines, operates and tests controls, across Monzo • Implements and maintains regulatory compliance • Adheres to Group risk frameworks • Defines and operates in line with Group and Subsidiary policy requirements • Identifies future threats and risks • Supports the development and embedding of a risk-aware culture • Notifies of control failures, heightened risks and breaches of Group and Subsidiary policy	• Develops the strategy and vision for Risk and Compliance in Monzo, both for the Group and for Subsidiaries • Runs the Group and Subsidiary Board Risk Appetite annual refresh • Sets Group risk frameworks to articulate the minimum standards for risk management • Gives expert advice on business initiatives • Reports aggregate enterprise level risks to both Subsidiary and Group Boards • Conducts independent and risk-based oversight • Interprets material regulatory change • Defines target state risk culture and monitors performance against aspirations • Runs the enterprise Horizon Scanning process for the Group • Manages regulatory relationships	• Independently reviews the effectiveness of 1LoD control and 2LoD oversight, support and challenge • Assesses how well we're adhering to the ERMF and application of risk frameworks • Assures the integrity of our risk management processes, control mechanisms and information systems

We want to promote the right risk culture

Our values are essential to how we operate; they influence everything we do, from hiring, to performance reviews, to projects. They're articulations of the culture across the whole Monzo Group. Risk culture is a subset of our values, it isn't standalone – all of the values are important in helping us to grow safely. You can find our values on page 7 of our annual report.

We have an established risk appetite

Risk appetite sets the type and size of risks that we're willing to take to achieve our objectives and strategic aims.

Risk appetite describes and communicates our approach to risk for Monzonauts, the Boards, regulators, investors and others. It sets boundaries for Monzonauts to make decisions quickly without needing extra feedback or approval. It gives them the freedom to use their expert knowledge to help us grow safely and quickly.

It's expressed through a series of Attitude to Risk Statements (qualitative), dos and don'ts (prescriptive) and associated Risk Appetite Metrics (quantitative), which are aligned to our risk profile and key risks. Our Boards agree and review these every year.

How we oversee our risks

We've set clear risk ownership and reporting lines through our risk committees across the Group structure, which align with our subsidiaries and cover our key risks. Each committee is responsible for monitoring our risk profile and challenging exposures across the relevant risk type in line with the subsidiary and Group Board's risk appetite.

This committee structure means we can make decisions quickly and efficiently, and escalate risk to senior management and our Board. The Group Board is ultimately responsible for the effectiveness of our risk management framework.

The Board monitors the effectiveness of risk management arrangements, including internal control systems, throughout the year and considers that, as at 31 March 2024, it had in place adequate systems and controls for our risk profile and strategy. While risk cannot be eliminated, the Board is satisfied that the systems of internal control embedded within the risk management framework have worked effectively during the last financial year to identify, monitor, manage and control all relevant risks.

Our principal risks and uncertainties are on pages 50–53 of our Annual Report.

Risk type	Management	Committee oversight
Strategic risk	Executive management and the Chief Executive Officer (CEO)	Enterprise Risk and Compliance Committee
Financial risk	Chief Financial Officer (CFO)	Asset and Liability Committee
Financial crime and Fraud risk	Chief Operating Officer (COO)	Financial Crime Risk Committee
Operational risk	All business functions and the Chief Technology Officer (CTO) and Chief Operating Officer (COO)	Operational Risk Committee
Conduct risk	All business functions and the Chief Operating Officer (COO)	Conduct Risk Committee
Credit risk	Borrowing General Manager	Credit Risk Committee

Governance at Monzo

We completed a corporate restructure on 12 September 2023 having received regulatory, Board, and shareholder approval. We placed a financial holding company above Monzo Bank Limited (MBL) known as MBHG and updated our governance model to reflect the new structure.

MBHG is now the parent company of the Monzo Group. This includes MBL (its only direct subsidiary) and two Monzo US companies (its indirect subsidiaries). So together, MBHG, MBL, Monzo Inc., and Monzo Support US Inc. make up the Monzo Group. Changing the structure had very little impact on our day-to-day operations. In fact, almost all of our business operating activity still takes place within MBL.

MBHG and MBL's interests and objectives are closely aligned, so we adopted a 'mirror board' structure for the MBHG and MBL Boards. Under this mirror board structure, the MBHG and MBL Boards are made up of the same directors. Throughout this Governance section, we often refer to 'the Boards', meaning the MBHG and MBL Boards together.

The MBHG Board gets its authority from its shareholders and the MBL Board gets its authority from MBHG (its parent and sole shareholder). This authority is documented in each Boards' articles of association and the joint Matters Reserved for the Boards.

The MBHG Board leads the Group and is ultimately responsible for helping us achieve our mission in a way that aligns with our values. While we have a mirror board structure, the Boards collectively oversee key areas in the Group related to strategy, culture, risk, finance and capital, internal systems and controls, audit, and governance.

Gary Hoffman is the Chair of our Boards with the rest of our Boards being made up of executive directors, iNEDs and investor directors. The majority of the Board members are iNEDs and our Group CEO (TS Anil) and Group CFO (James Davies) hold the executive director positions. There's a clear separation of responsibilities between the role of the Chair of the Boards and the Group CEO. This is set out in our Board role profiles document which the Boards review and approve each year.

The Boards have assigned the day-to-day operation of the Monzo Group to the Group CEO, who's supported by Group ExCo. To support them with the running of the business, the Group ExCo has set up the Shipping and Pricing Committee (previously called the Product Launch Committee), the Assets and Liabilities Committee, and the Enterprise Risk and Compliance Committee. Each of these committees covers fundamental and technical aspects of our business activities and play a vital role in the daily running of Monzo, especially as it covers overseeing our key risks. They also have reporting lines into some of our Group Committees.

The Boards assign oversight of specific matters to the Group Committees and other ad-hoc subcommittees as needed. As a bank, we need to have certain board committees overseeing specific issues to meet our regulatory obligations. Under our new group structure, we've kept 4 permanent Group Committees which are assigned responsibility for things like risk, financial reporting and audit, remuneration and people, board make-up, and corporate governance.

The Group Audit Committee is a sole committee of MBHG and considers matters on behalf of the Monzo Group and its entities, including MBL, as needed. The Group Board Risk Committee, Group Nomination and Governance Committee, and Group Remuneration Committee are joint committees of MBHG and MBL.

Each committee has Board-approved terms of reference setting out the scope of its authority and responsibilities. The committees review these terms of reference at least annually to make sure they've met their responsibilities and that they stay fit for purpose. The Boards and Committees also regularly interact with the Committee Chairs updating them on committee activity at each Board meeting.

For more details on our governance arrangements please see page 54–78 of our Annual Report.

Credit risk

Credit risk is the risk of financial loss when customers or other counterparties fail to settle their contractual obligations with us or fail to make payments on time. We lend to customers to earn a return through interest income. Lending creates credit risk as borrowers might fail to pay the interest or outstanding balance.

Our retail credit risk is monitored and managed by the Borrowing Collective and our wholesale credit risk is monitored and managed within the Finance Collective. Both collectives are overseen by our Chief Risk Officer and Chief Finance Officer. Our overall risk appetite for lending is approved by the Board. For more details on how we monitor and manage credit risk please see Note 26 – Credit risk, in our Annual Report.

Under the Standardised Approach for calculating weighted exposure amounts, the exposure value is stated net of specific credit risk adjustments. Specific credit risk adjustments are loan-by-loan impairments calculated on an ECL basis in accordance with the IFRS 9 accounting standard, after allowing for the IFRS 9 CET1 addback.

The table below shows our maximum exposure to credit risk after provisions for impairment, RWAs and minimum capital requirements under Pillar 1 for each of the exposure classes. To determine the minimum Pillar 1 requirement for credit risk, a requirement of 8% is applied to the RWA values calculated in accordance with Article 92 of the UK CRR. The table also includes the associated average credit risk exposure; this is calculated using the previous four quarters' exposures.

Table A. Exposures subject to credit risk

	Net value of exposures at the end of the period £'000	RWAs £'000	Pillar 1 capital requirements £'000	Average net exposures over the period £'000
Central banks or central governments	8,690,330	—	—	6,598,808
Regional governments or local authorities	174,819	—	—	251,633
Public sector entities	161,592	32,318	2,585	327,584
Multilateral development banks	1,527,800	—	—	1,211,422
Institutions	810,681	163,169	13,053	703,554
Corporates	49,362	49,362	3,949	30,275
Retail	1,197,295	897,972	71,838	1,049,252
Exposures in Default	28,511	28,511	2,281	18,931
Equity (investment in subsidiaries)	3,587	8,799	704	3,929
Other items	382,231	113,020	9,042	195,107
Total On-Balance Sheet exposures	**13,026,208**	**1,293,152**	**103,452**	**10,390,495**
Off-Balance Sheet exposures	**1,461,550**	**—**	**—**	**1,047,985**
Total exposures standardised approach	**14,487,759**	**1,293,152**	**103,452**	**11,438,480**

Our largest credit risk exposure is to central banks or central governments. These are risk weighted at 0%, as determined in accordance with UK CRR requirements. There was an increase of £4,665m in central bank or government exposures in FY2024 due to significant growth in our retail deposits which are deposited at the Bank of England.

Treasury activity consists of fixed coupon bonds, gilts, commercial paper, certificate of deposits, swaps and term deposits and are split across four counterparty types: regional governments or local authorities, public sector entities, rated institutions, and multilateral development banks. Our diversified portfolio of investments all have high credit ratings and are risk weighted at 0%, 20%, or 50% as determined in accordance with UK CRR requirements.

Our primary credit risk comes from our lending portfolio which includes overdrafts, personal loans and Flex. These are classed as non-defaulted retail exposures and are risk weighted at 75%, as determined in accordance with UK CRR requirements. There was an increase in RWAs of £659m in FY2024 due to net lending growth across loans, overdrafts and Flex products.

Our corporate exposures are to our service providers. We do not classify any of our exposures as being to small and medium-sized enterprises ("SMEs"). Other items are mainly prepayments and the items outlined in UK CRR Article 134.

Our equity exposure is predominantly our investment in our US subsidiaries, Monzo Inc. and Monzo Support US Inc. These investments are risk weighted at 250%, rather than deducting the exposure from CET1 capital as determined in accordance with Article 48 of UK CRR. For more details on our investment in subsidiaries please see Note 33 – Group structure, in our Annual Report.

For investment and operational purposes, we have credit risk exposures to financial institutions. For these exposures the Standardised Approach requires the use of external credit ratings to determine the appropriate risk weightings. We use the ratings of three different providers to determine the relevant Credit Quality Step ("CQS") of the counterparty. The CQS value is then mapped to a risk weight percentage using the mapping provided by Commission Implementing Regulation (EU) 2016/1799 under the Standardised Approach of the UK CRR.

Table B shows our credit risk to financial institutions. The exposures are split by credit ratings, net exposure values and RWAs.

Table B. External credit ratings of exposures to institutions

Institutions' by Credit Quality Step	Net exposure value	RWAs
	£'000	£'000
1	708,144	141,629
2	102,537	21,540
Total	**810,681**	**163,169**

The table below shows the contractual residual maturity of our exposures. Customer payments are assumed to occur on the latest contractual date and no behavioural adjustments are made for early settlements. Most of our exposures have a maturity of less than 3 months. The exposures without a defined maturity date are the collateral that we have pledged and the investments in our subsidiaries.

Table C. Summary of contractual residual maturity of exposures

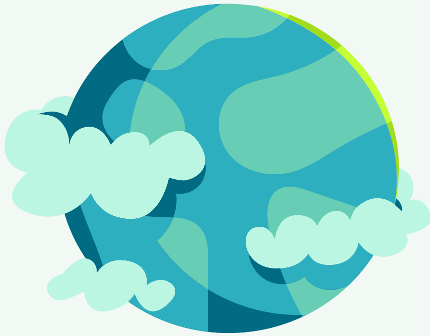
	< 3 months	**Between 3 months and 1 year**	**Over 1 year**	**No defined maturity**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Central governments or central banks	7,242,180	299,230	1,148,919	—	**8,690,330**
Regional governments or local authorities	—	44,808	130,011	—	**174,819**
Public sector entities	—	118,092	43,499	—	**161,592**
Multilateral development banks	—	389,667	1,138,132	—	**1,527,800**
Institutions	543,059	244,585	23,036	—	**810,681**
Corporates	2,229	47,134	—	—	**49,362**
Retail	334,422	130,681	128,934	603,259	**1,197,295**
Exposures in Default	28,511	—	—	—	**28,511**
Equity (investment in subsidiaries)	—	—	111	3,475	**3,587**
Other items	—	—	—	382,231	**382,231**
Total On-Balance Sheet exposures	**8,150,401**	**1,274,198**	**2,612,644**	**988,965**	**13,026,208**

The table below shows the concentration of our exposures by geographical area, after credit risk mitigation. The geographical location of our exposures is based on the physical location of the counterparty that we deal with. Most of our credit risk exposures are inside the UK.

In line with guidance, our exposures to multilateral development banks have been classified to the geographical area "Other", irrespective of the location of the issuer.

Table D. Geographical breakdown of exposures

	UK £'000	Europe £'000	North America £'000	Other geographical area £'000	Total £'000
Central banks or central governments	8,690,330	—	—	—	**8,690,330**
Regional governments or local authorities	—	—	—	174,819	**174,819**
Public sector entities	—	161,592	—	—	**161,592**
Multilateral development banks	—	—	—	1,527,800	**1,527,800**
Institutions	108,767	232,365	—	469,549	**810,681**
Corporates	28,882	20,364	116	—	**49,362**
Retail	1,197,295	—	—	—	**1,197,295**
Exposures in Default	28,511	—	—	—	**28,511**
Equity (investment in subsidiaries)	—	111	3,475	—	**3,587**
Other items	382,231	—	—	—	**382,231**
Total exposures	**10,436,016**	**414,432**	**3,592**	**2,172,168**	**13,026,208**



Impairment and provisions

We estimate the allowance for credit losses on our financial assets using a combination of statistical models and management judgement. The models consider both internal and external factors to calculate the level of ECLs which then are used on booking the Impairment Loss Allowance.

Under IFRS 9, loans are categorised into a three-stage ECL impairment model using the criteria below.

Classification	ECL Calculation Period	Description
Stage 1	12 months	A loan that is not credit-impaired on initial recognition and has not experienced a significant increase in credit risk.
Stage 2	Lifetime	If a significant increase in credit risk has occurred since initial recognition, the loan is moved to stage 2 but is not yet deemed to be credit impaired.
Stage 3	Lifetime	If the loan is credit-impaired it is moved to stage 3.

'Impaired' for accounting and regulatory purposes is a loan, overdraft or Flex product where, based on current information and events, it is probable that we will be unable to collect all amounts due (i.e. principal, interest and other related income) according to the contractual terms of the product.

A financial asset is considered as past due when a counterparty has failed to make a payment when that payment was contractually due. A 90 day past due prudential backstop is also applied, and the exposure is considered as impaired. The exposure value is the whole carrying amount of the asset after ECL adjustments.

The CFO, supported by the Impairment Council which the CFO chairs, approves the IFRS 9 impairment loss allowance. The Impairment Council is responsible for reviewing the monthly IFRS 9 ECL numbers recognised in our books and records. They make sure that ECLs have been calculated by our Borrowing Collective in line with the governance and controls required by the Monzo IFRS 9 Impairment Policy.

For more details on our impairment and provisions see Note 26 – Credit risk, in our Annual Report.

Counterparty credit risk and credit valuation adjustments

Counterparty credit risk ("CCR") is the risk that a counterparty, where we enter into a derivative or secured financing transaction ("SFT"), defaults during the life of that transaction. Credit Valuation Adjustment ("CVA") is the variable fair value of CCR, included in the value of a derivative.

During the year, MBL began trading interest rate derivatives to hedge its interest rate risks. Due to this both MBL and MBHG now calculate and report capital requirements originating from CCR and CVA. We apply the Original Exposure Method for CCR and the Standardised Method for CVA.

Market risk

Market risk is the risk of losses from changes in the market price of an asset. While we do not have a trading book, we do operate a material interest rate swap portfolio for structural non-traded market risk interest rate hedging purposes. Therefore only our foreign exchange exposures are subject to Pillar 1 capital requirements for market risk.

We accept a degree of risk associated with the need to make payments to suppliers based in the EU and US who invoice in EUR and USD. These payments are within our foreign currency risk appetite.

We do not have a Pillar 1 requirement for market risk because our foreign exchange exposures are less than the de minimis level (2% of total regulatory capital) prescribed by the UK CRR Article 351. As at 31 March 2024 this was £1.8m, which is less than 2% of our total regulatory capital.

Interest rate risk in the banking book

Interest rate risk in the banking book ("IRRBB") is the risk of changes to earnings and the economic value of equity arising from changes in interest rates. This can be caused by:

- Gap or duration risk – when the re-pricing of banking book products (assets and liabilities) is mismatched across time buckets.
- Basis risk – when banking book items re-price in relation to different reference interest rates, like the central bank base rate.
- Optionality risk – when our customers and counterparties have choices within their contracts with us, like the ability to repay at a different point in time.

Our net interest income risk comes through unsecured lending, deposit-taking, treasury investments, and funding activities.

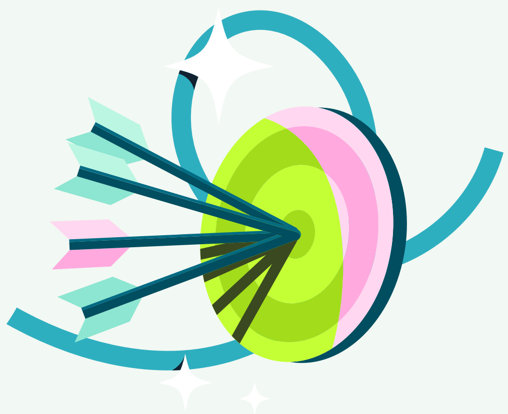
Our net interest income risk comes through unsecured lending, deposit-taking, treasury investments, and funding activities.

We manage the risk of banking book positions in line with our Risk Appetite Framework and our regulatory constraints. Our governance committees monitor these risks, including the ALCo who evaluate new initiatives and risks.

Our Treasury team monitors interest rate risk regularly. They are overseen by our Risk function and report to the ALCo on a monthly basis. The Treasury team, together with the business, is responsible for balance sheet management and implementing hedging strategies to manage IRRBB.

We monitor the sensitivity of both our earnings (net interest income) and the economic value of interest rate sensitive balance sheet items to a variety of interest rate shocks. This includes the six EVE scenarios prescribed under Article 17a of the Disclosure (CRR) Part of the PRA Rulebook on the management of interest rate risk arising from non-trading book activities. We apply a floor to the yield curve used in IRRBB analysis. Behavioural assumptions are applied to non-maturity deposits ("NMDs") and the average repricing maturity assigned to all-non maturity deposits is 10 months.

For more details on our management of IRRBB please see Note 29 – Market risk management in our Annual Report.



Operational risk

Operational risk is the risk of loss that we are exposed to due to inadequate or failed internal processes or systems, human error or external events. It arises in day-to-day operations and is relevant to every aspect of our business.

We follow the principles of the 3LoD model to manage and mitigate operational risk, this is outlined in the risk management section of our Annual Report. We have policies, procedures and processes to control or mitigate material exposure to losses.

We use the Basic Indicator Approach ("BIA") to determine our Pillar 1 requirements for operational risk. The BIA uses an average of the last three years' audited operating income to calculate the Pillar 1 requirement. Under the BIA, we hold capital of 15% of the average annual gross operating income over a three year period.

Liquidity risk and funding risk

Liquidity risk is the risk that we fail to meet our cash flow obligations as they fall due, or can only do so at exceptional cost. This risk is mitigated by having easily accessible highly liquid funds at all times and / or assets that can be liquidated in order to meet our cash flow obligations under both normal and stressed conditions.

Funding risk is the risk that we do not have sufficiently stable and diverse sources of funding. This includes having the right type, currency and quantity of funds, in the right place and at the right time.

Liquidity and funding risk are managed by our Treasury team on a daily basis. In the second line, Risk oversees, and when required challenges, this process, to make sure that we are within our risk appetite. This includes liquidity risk related to deposit outflows, undrawn exposures and cash flow mismatches.

The ALCo, which meets at least on a monthly basis, is the main committee for discussing and monitoring liquidity and funding risk.

We assess our liquidity and funding risk profile annually as part of the Internal Liquidity Adequacy Assessment Process ("ILAAP"). The ILAAP is scrutinised and approved by the Board.

Our Recovery Plan includes what we would do if a liquidity stress were to occur. This enables us to detect signs of liquidity or funding stresses early. There are planned actions available to avoid or minimise the impact of plausible stressed scenarios on our business operations and customers.

At all times we maintain highly liquid resources within our risk appetite limits and significantly above the regulatory minimum. We currently hold our surplus cash in overnight deposits with central banks and highly liquid securities. These are our High Quality Liquid Assets ("HQLA"). The cash balances are accessible on demand and our securities can be monetised rapidly to provide liquidity to us if necessary.

The key metrics we use to monitor our short to medium term liquidity risks are the Liquidity Coverage Ratio ("LCR") reported to the PRA, in addition to the more adverse internal Liquidity Risk Appetite ("LRA") ratio we manage our liquidity to. Both ratios measure the level of our HQLA post haircuts relative to our modelled stress. From an LCR perspective:

- Our HQLA increased materially in 2024 to £10.1bn, from £5.1bn in 2023. Our HQLA has increased as we have chosen to put the money that customers have deposited with us in Level 1 securities such as bonds and overnight deposits at central banks.
- Our net modelled stress has increased materially to £1,568m, from £671m in 2023 as our business has grown. At year end and at all times throughout the year, our LCR was significantly in excess of our risk appetite and the regulatory minimum requirement of 100%.
- We monitor our Net Stable Funding Ratio (NSFR) to ensure that we have sufficient stable funding to support our business activities.

Liquidity coverage ratio

The LCR, prepared in compliance with the Liquidity (CRR) and Liquidity Coverage Ratio (CRR) parts of the PRA Rulebook, is used by us as a stressed measure of 30 day liquidity. The ratio as at 31 March 2024 was 646.6%.

Table E. LCR

	Group 2024 £'000	Bank 2024 £'000	Bank 2023 £'000
Liquidity buffer	10,143,015	10,143,015	**5,103,316**
Total net cash outflows	1,568,624	1,842,588	**671,159**
Liquidity Coverage Ratio	**646.6%**	**550.5%**	**760.4%**

Regulatory capital

Capital resources

Our key capital metric is the current and projected surplus of capital resources over regulatory capital requirements. We also monitor the CET1 ratio. Currently our capital resources consist of paid up share capital or funds obtained via share issuance and Tier 2 debt, which is reported in line with the applicable accounting framework.

As at 31 March 2024 our CET1 ratio was 55% (FY2023: 54%). The stable CET1 during the year is predominantly due to the capital raise in March 2024 (£340m), offset by the growth in our lending book which increases our risk weighted assets. During the year ended 31 March 2024, we complied in full with all our externally imposed capital requirements. This will help us to fund new products, invest in our platform and further embed ourselves in the financial lives of our customers, achieving our mission of making money work for everyone.

Table F. Changes in equity during the year

Group	Share capital	Share premium £'000	Other reserves £'000	Merged reserves £'000	Retained losses £'000	Total equity
Balance as at 1 March 2022	**—**	**944,486**	**79,186**	**—**	**(461,404)**	562,268
Loss for the year	—	—	—	—	(116,341)	**(116,341)**
Cumulative translation adjustment	—	—	326	—	—	**326**
Total comprehensive loss for the year	—	—	326	—	(116,341)	**(116,015)**
Shares issued	—	210	—	—	—	**210**
Cost of issuance	—	(79)	—	—	—	(79)
Share-based payments reserve	—	—	29,097	—	—	**29,097**
Exercise of options	—	169	(492)	—	492	169
Balance as at 28 February 2023	—	**944,786**	**108,117**	—	**(577,253)**	**475,650**
Profit for the year	—	—	—	—	8,709	**8,709**
Cumulative translation adjustment	—	—	(305)	—	—	(305)
Cash flow hedge reserve	—	—	990	—	—	990
Total comprehensive income for the year	—	—	685	—	8,709	9,394
Shares issued	218	340,496	—	—	—	340,714
Cost of issuance	—	(1,356)	—	—	—	(1,356)
Monzo Support Capital repayment	—	—	—	—	—	—
Share-based payments reserve	—	—	37,468	—	—	37,468
Share cancellation	—	—	—	—	—	—
Exercise of options	—	275	(3,761)	—	3,761	275
Reserve reclassification	—	—	(120,376)	—	120,376	—
Creation of merger reserve on group reorganisation	—	(944,813)	—	944,813	—	—
Balance as at 31 March 2024	**218**	**339,388**	**22,133**	**944,813**	**(444,407)**	**862,145**

As at March 2024 our capital resources were primarily made up of Common Equity Tier 1 (CET1) capital. This is the highest quality of capital. It consists of ordinary share capital, associated share premium and allowable reserves. There's more information on our share capital in Appendix 2.

Bank	Share capital £'000	Share premium £'000	Other reserves £'000	Merged reserves £'000	Retained losses £'000
Balance as at 1 March 2022	**—**	**944,486**	**79,189**	**(462,173)**	561,502
Losses for the year	—	—	—	(115,933)	(115,933)
Total comprehensive income for the year	**—**	**—**	**—**	**(115,933)**	**(115,933)**
Shares issued	—	210	—	—	210
Cost of issuance	—	(79)	—	—	(79)
Share-based payments reserve	—	—	29,096	—	29,096
Exercise of options	—	169	(494)	494	169
Balance as at 28 February 2023	—	**944,786**	**107,791**	**(577,612)**	**474,965**
Profit for the year	—	—	—	9,329	9,329
Cash flow hedge reserve	—	—	990	—	990
Total comprehensive income for the year	—	—	**990**	**9,329**	**10,319**
Shares issued	10	76,119	—	—	76,129
Cost of issuance	—	—	—	—	—
Share-based payments reserve	—	—	16,347	—	16,347
Share cancellation	—	—	—	—	—
Exercise of options	—	28	(3,761)	3,761	28
Reserve reclassification	—	—	(120,376)	120,376	—
Capital contribution	—	—	21,120	—	21,120
Balance as at 31 March 2024	**10**	**1,020,933**	**22,111**	**(444,146)**	**598,908**

Our regulatory capital differs from our accounting equity because certain prudential adjustments are required by regulatory requirements. These adjustments are shown in Table G. Our CET1 capital position at 31 March 2024 was £888m (FY2023: £533m).

Monzo applies the IFRS 9 transitional arrangements set out in Article 473a of the UK CRR. The transitional arrangements allowed the capital impact of impairments for expected credit losses ("ECL") to be phased in over a 5 year period. This was achieved by allowing banks to add a diminishing portion of their provisions for ECLs to their CET1 capital over this period. This was to lessen the impact of the introduction of IFRS 9 on capital. This transitional relief was applied on a reducing scale: 95% for FY2019; 85% for FY2020; 70% for FY2021; 50% for FY2022; 25% for FY2023 and with no transitional relief from FY2024.

As part of the regulatory response to COVID-19, Article 473a was revised in June 2020. For us, the change introduced new transitional arrangements for increases in ECL provisions between 1 March 2020 and the reporting date. Increases in provisions during this period are added to CET1 capital subject to new transitional arrangements which apply a reducing scale over a 5 year period: 100% for FY2021 and FY2022; 75% for FY2023; 50% for FY2024; 25% for FY2025 and with no transitional relief from FY2026.

Where these transitional arrangements are taken, banks are required to disclose their capital positions calculated as if the transitional adjustments were not available, the 'fully loaded' basis. Our capital position without transitional adjustments is disclosed in Appendix 5.

Table G. Reconciliation of statutory equity to regulatory capital

	Group 2024 £'000	Bank 2024 £'000	Bank 2023 £'000
Total Prudential equity of Group and Bank	851,719	587,598	474,965
Regulatory adjustments	—	—	—
Ineligible share capital	—	—	(13)
IFRS 9 transitional adjustment	35,567	35,567	57,632
Value adjustments due to Cash Flow hedge	990	990	—
Value adjustments due to the requirements for prudent valuation	(2)	(2)	—
CET1 capital	**888,274**	**624,153**	**532,583**
Tier 1 capital	**888,274**	**624,153**	**532,583**
Tier 2 capital	**15,113**	**15,113**	**14,823**
Total capital	**903,387**	**639,266**	**547,407**

Capital requirements

As an authorised credit institution, we are subject to supervision by the PRA. As part of this supervision they set the amount of regulatory capital that we must hold, relative to our total risk exposure, in order to safeguard customers' money. Monzo's requirements include Pillar 1 and Pillar 2 requirements, in addition to applicable capital buffers.

Pillar 1 Capital requirements

Our Pillar 1 capital requirement is the minimum regulatory capital requirement relating to credit, operational and market risks. The minimum requirement is equal to 8% of Risk Weighted Assets (“RWAs”), of which at least 4.5% of RWAs must be met with CET1 capital.

Monzo uses the Standardised Approach to determine risk weights for calculating credit risk RWAs. Monzo uses the original exposure method for CCR RWAs. The risk weightings are dependent on the type of exposure class which a counterparty is assigned to in accordance with UK CRR Article 112.

Our primary sources of credit risk come from the possibility that our customers fail to make payments according to their contractual terms or if a counterparty that we have an investment or deposit with defaults.

Our total credit risk RWAs increased to £1,616m (FY2023: £979M) in the year. We increased the amount we lent to customers which drove the majority of this movement. The remaining increase in RWAs was due to growth of our Treasury hedging portfolio, which is used to manage market risk, and other exposures which are needed to conduct business.

We use the Basic Indicator Approach (BIA) to determine operational risk RWAs. The BIA is calculated using the average of our last three years of gross operating income. Our operational risk requirement will increase as our income grows.

Monzo does not have a Pillar 1 capital requirement for market risk. This is because we do not have a trading book and most of our assets and liabilities are in Sterling. Our exposure to foreign exchange risk is less than the de minimis level (2% of total regulatory capital) prescribed by the UK CRR.

Table H. Total risk exposure and Pillar 1 capital requirements

	Group 2024 RWAs £'000	Group 2024 Pillar 1 capital requirements £'000	Bank 2024 RWAs £'000	Bank 2024 Pillar 1 capital requirements £'000	Bank 2023 RWAs £'000	Bank 2023 Pillar 1 capital requirements £'000
Credit risk	1,293,152	103,452	1,293,241	103,459	821,178	65,694
Operational risk	319,405	25,552	319,405	25,552	157,864	12,629
Credit Value Adjustment	4,371	350	4,371	350	—	—
Total	**1,616,928**	**129,005**	**1,617,016**	**129,361**	**979,042**	**78,323**

Pillar 2 Capital requirements

The Pillar 2 requirements – Pillar 2A and Pillar 2B – are set in addition to Pillar 1 requirements to help ensure that institutions hold appropriate levels of capital for the idiosyncratic risks they are exposed to.

Pillar 2 requirements are determined as part of the Supervisory Review and Evaluation Process (“SREP”). The PRA reviews and evaluates Monzo’s capital requirements, including our own assessment of capital adequacy, as determined by the Internal Capital Adequacy Assessment Process (“ICAAP”). There is an overview of our ICAAP in Note 28 – Capital risk management, in our Annual Report.

We also use stress testing to assess the resilience of our capital and liquidity positions. We undertake stress testing on our Balance Sheet and our financial plan to support our capital and liquidity planning and to inform our risk appetite.

Pillar 2A

Pillar 2A requirements are designed to capture the firm specific risks that are not addressed or not fully captured by the minimum capital requirements under Pillar 1. The PRA informs banks of their Pillar 2A requirements by setting a firm specific Individual Capital Requirement ("ICR"). Together the Pillar 1 minimum requirement and the Pillar 2A form our Total Capital Requirement ("TCR").

Our prescribed TCR was updated in July 2023. These disclosures have been prepared by applying this TCR to our position as at 31 March 2024.

Pillar 2B and Capital Buffers

We must also hold capital buffers which are designed to allow us to continue to meet our TCR under stressed conditions.

This includes the CRD IV Combined Buffer, which applies to all firms and includes the Capital Conservation Buffer, Countercyclical Buffer and any applicable systemic buffers. Where the PRA determines that additional buffer requirements are required, it may also set a firm specific PRA buffer. This will be based upon a firm's stress testing results, thereby reflecting a firm's business model and risk profile, and account for the CRD IV Combined Buffer to prevent possible duplication.

Regulatory capital buffers (combined buffers)

Capital Conservation Buffer

The Capital Conservation Buffer (CCoB) applies to all banks and is set at 2.5% of RWAs. It is intended to absorb losses whilst avoiding a breach of minimum capital requirements.

Countercyclical Capital Buffer

The Countercyclical Capital Buffer (CCyB) is set by prudential policy makers and reflects the credit conditions and overall health of the financial system within their jurisdiction. A firm must calculate a firm specific CCyB which reflects the weighted average of the CCyB rates in which it holds relevant credit exposures.

In the UK, the Bank of England's Financial Policy Committee is responsible for setting the UK CCyB rate. The UK CCyB rate was set to 1% on 13 December 2022 as part of a package of measures to support the economy from the impact of COVID-19 and increased to 2% on 5 July 2023.

As of 31 March 2024 we have exposures in the UK attracting a CCyB rate of 2%, and exposures in the US and Belgium attracting CCyB rates of 0%. Please see Appendix 6 for a breakdown of these exposures.

The table below shows our TCR and CRD IV Combined Buffer as a percentage of our RWAs as at 31 March 2024.

Table I. Capital requirements

	Group 2024 CET1	Group 2024 Total Capital	Bank 2024 CET1	Bank 2024 Total Capital	Bank 2023 CET1	Bank 2023 Total Capital
Pillar 1	4.50%	8.00%	4.50%	8.00%	4.50%	8.00%
Pillar 2A	6.67%	11.86%	6.67%	11.86%	6.27%	11.14%
Total Capital Requirement	**11.17%**	**19.86%**	**11.17%**	**19.86%**	**10.77%**	**19.14%**
Capital conservation buffer	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Countercyclical capital buffer	1.95%	1.95%	1.95%	1.95%	0.98%	0.98%
Total (excluding Pillar 2B)	**15.62%**	**24.31%**	**15.62%**	**24.31%**	**14.25%**	**22.63%**

Capital Ratios

As at 31 March 2024, our CET 1 ratio was 55% (FY2023: 54.4%) and our total capital ratio was 56% (FY2023: 56.0%). We were well above our minimum regulatory capital requirements throughout the year ended 31 March 2024.

Balance Sheet risk and our capital adequacy is managed through our ALCo. ALCo monitors our actual and projected capital position against our Board approved risk appetite and regulatory thresholds.

Throughout the financial year 2024, Monzo Bank Holding Group Ltd operated within its capital requirements. The key movements in capital ratios were driven by an £88m increase of CET1 capital driven by the IFRS9 add back, and the recent capital fundraise.

Our total Risk Weighted Assets (RWA) increased by £637m primarily driven by growth in lending to our customers, increase in our operational risk RWAs and operational exposures. This led to an overall reduction in CET1 capital ratio from 54% in FY2023 to 39% in FY2024. During the year ended 31 March 2024, we complied in full with all our capital requirements.

Table J. Capital ratios

	Group 2024 £'000	Bank 2024 £'000	Bank 2023 £'000
CET1 capital	888,274	624,153	532,583
Total capital	903,387	639,266	547,407
Risk weighted assets	1,616,928	1,617,016	979,042
CET1 capital ratio	**54.94%**	**38.60%**	**54.40%**
Total capital ratio	**55.87%**	**39.53%**	**55.91%**

Leverage ratio

The leverage ratio demonstrates capital adequacy by measuring the relationship between our Tier 1 capital and our total assets. We have disclosed in Appendix 8 the leverage ratio calculated in accordance with the UK leverage ratio framework.

On 8 October 2021, the PRA published its Policy Statement on the UK leverage ratio framework. The Policy Statement confirms that UK banks will be subject to a single UK leverage ratio requirement. The CRR leverage ratio will no longer apply for UK banks. Monzo is not subject to a binding leverage requirement as the firm does not meet any of the criteria as set out in the Leverage Ratio – Capital Requirements and Buffers Part of the PRA rulebook.

The UK leverage ratio excludes deposits at the central bank if they are matched by liabilities in the same currency and of identical or longer maturity. This reflects the very limited exposure to risk that these deposits represent and reduces the capital barrier to holding highly liquid assets and effective risk management. We believe that the exclusion of central bank deposits better reflects the risk that leverage has on our business.

The leverage ratio will not be a binding requirement for us until we become a larger bank. At year-end and at all times throughout the year, we were above the regulatory minimum applicable to larger UK banks. Our UK leverage ratios as at 31 March 2024 are shown in the table below.

We're not subject to a binding leverage requirement as we don't meet the criteria set out in the Leverage Ratio – Capital Requirements and Buffers part of the PRA Rulebook.

The increase in our leverage ratio was driven primarily by the increase in Tier 1 capital resources following our share capital raise in March 2024 offset in part by an increase in total assets. Managing leverage is part of our planning processes. Our leverage ratio is monitored against early warning indicators and internal limits which trigger actions to mitigate risk. Our leverage ratio is reviewed and managed by the ALCo.

Table K. Leverage ratio

UK leverage ratio	Group 2024 £'000	Bank 2024 £'000	Bank 2023 £'000
Tier 1 capital	888,274	588,586	532,583
UK leverage ratio exposure measure	5,568,541	5,573,610	3,763,096
UK leverage ratio (Transitional)	**15.95%**	**11.20%**	**14.15%**

Remuneration policy & practices

Our remuneration policy sets out our approach to remuneration for all colleagues. Its objective is to make sure we can attract, motivate and retain the people we need for each phase of our growth, while making sure we remain compliant with all regulatory requirements that apply to us. Under the Remuneration Part of the PRA Rulebook and the FCA's dual regulated firms Remuneration Code (SYSC 19D), there are some further rules we must apply to our remuneration policies and practices for people whose activities have a material impact on our risk profile. These people are known as Material Risk Takers ("MRTs").

Remuneration at Monzo is made up of fixed remuneration (salary, pension, and benefits) and variable remuneration (through share options giving our colleagues the opportunity to share in our long-term success). We ensure that fixed and variable remuneration are appropriately balanced. We don't currently award performance cash bonuses, we do award limited non-performance cash bonuses such as candidate referral bonuses, sign-on bonuses, and relocation bonuses.

Further details on our approach to paying Monzonauts and our Remuneration Committee can be found in the 'Remuneration Committee (RemCo)' section of our Annual Report.

Appendices

Appendix 1
Key metrics – KM1

The table below outlines the key metrics for Monzo Bank Holding Group Limited. Template KM1 has been disclosed in accordance with Annex I and Annex II of the Disclosure (CRR) Part of the PRA Rulebook.

*The comparative figures for these items have been restated for 2023.

		Group a 2024 £'000	Bank a 2024 £'000	Bank b 2023 £'000
Available own funds (amounts)				
1	Common Equity Tier 1 (CET1) capital	888,274	624,152	532,582
2	Tier 1 capital	888,274	624,152	532,582
3	Total capital	903,387	639,265	547,407
Risk-weighted exposure amounts				
4	Total risk-weighted exposure amount	1,616,928	1,617,016	979,042
Capital ratios (as a percentage of risk-weighted exposure amount)				
5	Common Equity Tier 1 ratio (%)	54.94%	38.60%	54.40%
6	Tier 1 ratio (%)	54.94%	38.60%	54.40%
7	Total capital ratio (%)	55.87%	39.53%	55.91%
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)				
UK 7a*	Additional CET1 SREP requirements (%)	6.67%	6.67%	6.27%
UK 7b*	Additional AT1 SREP requirements (%)	2.22%	2.22%	2.09%
UK 7c*	Additional T2 SREP requirements (%)	2.96%	2.96%	2.79%
UK 7d	Total SREP own funds requirements (%)	19.86%	19.86%	19.14%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)				
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%
UK 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	1.95%	1.95%	0.98%
UK 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%
UK 10a	Other Systemically Important Institution buffer	0.00%	0.00%	0.00%
11	Combined buffer requirement (%)	4.45%	4.45%	3.48%
UK 11a	Overall capital requirements (%)	24.31%	24.31%	22.63%
12*	CET1 available after meeting the total SREP own funds requirements (%)	36.01%	19.67%	36.77%
Leverage ratio				
13	Total exposure measure excluding claims on central banks	5,550,297	3,763,096	3,763,096
14	Leverage ratio excluding claims on central banks (%)	16.00%	14.15%	14.15%
Liquidity Coverage Ratio				
15*	Total high-quality liquid assets (HQLA) (Weighted value – average)	7,651,328	7,651,328	4,945,261
UK 16a*	Cash outflows – Total weighted value	1,320,778	1,341,851	791,582
UK 16b*	Cash inflows – Total weighted value	250,343	250,282	188,316
16*	Total net cash outflows (adjusted value)	1,070,436	1,091,570	603,266
17*	Liquidity coverage ratio (%)	724.51%	717.08%	871.80%
Net Stable Funding Ratio				
18*	Total available stable funding	9,139,028	9,492,902	6,301,332
19*	Total required stable funding	1,345,619	1,370,393	863,598
20*	NSFR ratio (%)	680.81%	692.12%	752.74%

Appendix 2
Main features of capital instruments – CCA

The table below outlines the main features of Monzo Bank Holding Group Limited's capital instruments. Template CCA has been disclosed in accordance with Annex VI and Annex VIII of the Disclosure (CRR) Part of the PRA Rulebook.

		a	b	c
1	**Issuer**	**Monzo Bank Holding Group Limited.**	**Monzo Bank Holding Group Limited.**	**Monzo Bank Holding Group Limited.**
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A	N/A
2a	Public or private placement	Private	Private	Private
3	Governing law(s) of the instrument	English	English	English
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A	N/A	N/A
	Regulatory treatment			
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Tier 2	Tier 2
5	Post-transitional CRR rules	Common Equity Tier 1	Tier 2	Tier 2
6	Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	Consolidated	Consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Share Capital	Dated subordinated loan	Dated subordinated loan
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	£340	£10	£5
9	Nominal amount of instrument	£0.001	N/A	N/A
UK-9a	Issue price	Various	100%	100%
UK-9b	Redemption price	N/A	100%	100%
10	Accounting classification	Shareholders' equity	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	Various	08/03/2021	08/03/2021
12	Perpetual or dated	Perpetual	Dated	Dated
13	Original maturity date	N/A	08/03/2031	08/03/2031
14	Issuer call subject to prior supervisory approval	N/A	Applicable	Applicable

		a	b	c
	Issuer	**Monzo Bank Holding Group Limited.**	**Monzo Bank Holding Group Limited.**	**Monzo Bank Holding Group Limited.**
15	Optional call date, contingent call dates and redemption amount	N/A	"Tax call; Optional call: Redemption at par plus accrued interest and (i) a prepayment fee of 5% of the amount prepaid, and (ii) a make-whole amount equal to the amount of interest that would have been payable during the period from the date of redemption to 08/03/2026 Regulatory call: Redemption at par plus accrued interest and (i) a prepayment fee of 5% of the amount prepaid, and (ii) a make-whole amount equal to the amount of interest that would have been payable during the period from the date of redemption to the earlier to occur of (a) 6 months after the redemption date, and (b) 08/03/2026"	"Tax call; Optional call: Redemption at par plus accrued interest and (i) a prepayment fee of 5% of the amount prepaid, and (ii) a make-whole amount equal to the amount of interest that would have been payable during the period from the date of redemption to 08/03/2026 Regulatory call: Redemption at par plus accrued interest and (i) a prepayment fee of 5% of the amount prepaid, and (ii) a make-whole amount equal to the amount of interest that would have been payable during the period from the date of redemption to the earlier to occur of (a) 6 months after the redemption date, and (b) 08/03/2026"
16	Subsequent call dates, if applicable	N/A	Issuer's call option at any time from 08/03/2026 ; Redemption at par plus accrued interest, together with a prepayment fee of 5% of the amount prepaid	Issuer's call option at any time from 08/03/2026 ; Redemption at par plus accrued interest, together with a prepayment fee of 5% of the amount prepaid
	Coupons / dividends			
17	Fixed or floating dividend/coupon	Floating	Fixed	Fixed
18	Coupon rate and any related index	N/A	12%	12%
19	Existence of a dividend stopper	N/A	None	None
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully Discretionary	Mandatory	Mandatory
UK-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully Discretionary	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	N/A	None	None
22	Non-cumulative or cumulative	Non-cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write-down features	N/A	N/A	N/A
31	If write-down, write-down trigger(s)	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A

	Issuer	a Monzo Bank Holding Group Limited.	b Monzo Bank Holding Group Limited.	c Monzo Bank Holding Group Limited.
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	Contractual	Contractual
UK-34b	Ranking of the instrument in normal insolvency proceedings	N/A	Suboardinated Debt	Suboardinated Debt
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Ordinary Share Capital (Security references b and c)	Suboardinated Debt (N/A)	Suboardinated Debt (N/A)
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	Non public	Non public	Non public

The table below outlines the main features of Monzo Bank Limited's capital instruments. Template CCA has been disclosed in accordance with Annex VI and Annex VIII of the Disclosure (CRR) Part of the PRA Rulebook.

	a	b	c
Issuer	**Monzo Bank Limited.**	**Monzo Bank Limited.**	**Monzo Bank Limited.**
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A	N/A
Public or private placement	Private	Private	Private
Governing law(s) of the instrument	English	English	English
Contractual recognition of write down and conversion powers of resolution authorities	N/A	N/A	N/A
Regulatory treatment			
Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Tier 2	Tier 2
Post-transitional CRR rules	Common Equity Tier 1	Tier 2	Tier 2
Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	Solo	Solo	Solo
Instrument type (types to be specified by each jurisdiction)	Share Capital	Dated Subordinated Loan	Dated Subordinated Loan
Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	£945	£10	£5
Nominal amount of instrument	£0.0000001	N/A	N/A
Issue price	Various	100%	100%
Redemption price	N/A	100%	100%
Accounting classification	Shareholders' equity	Liability – amortised cost	Liability – amortised cost
Original date of issuance	Various	08/03/2021	08/03/2021
Perpetual or dated	Perpetual	Dated	Dated
Original maturity date	N/A	08/03/2031	08/03/2031
Issuer call subject to prior supervisory approval	N/A	Applicable	Applicable
Optional call date, contingent call dates and redemption amount	N/A	Tax call; Optional call: Redemption at par plus accrued interest and (i) a prepayment fee of 5% of the amount prepaid, and (ii) a make-whole amount equal to the amount of interest that would have been payable during the period from the date of redemption to 08/03/2026 Regulatory call: Redemption at par plus accrued interest and (i) a prepayment fee of 5% of the amount prepaid, and (ii) a make-whole amount equal to the amount of interest that would have been payable during the period from the date of redemption to the earlier to occur of (a) 6 months after the redemption date, and (b) 08/03/2026	Tax call; Optional call: Redemption at par plus accrued interest and (i) a prepayment fee of 5% of the amount prepaid, and (ii) a make-whole amount equal to the amount of interest that would have been payable during the period from the date of redemption to 08/03/2026 Regulatory call: Redemption at par plus accrued interest and (i) a prepayment fee of 5% of the amount prepaid, and (ii) a make-whole amount equal to the amount of interest that would have been payable during the period from the date of redemption to the earlier to occur of (a) 6 months after the redemption date, and (b) 08/03/2026

Issuer	a Monzo Bank Limited.	b Monzo Bank Limited.	c Monzo Bank Limited.
Subsequent call dates, if applicable	N/A	Issuer's call option at any time from 08/03/2026 ; Redemption at par plus accrued interest, together with a prepayment fee of 5% of the amount prepaid	Issuer's call option at any time from 08/03/2026 ; Redemption at par plus accrued interest, together with a prepayment fee of 5% of the amount prepaid
Coupons / dividends			
Fixed or floating dividend/coupon	Floating	Fixed	Fixed
Coupon rate and any related index	N/A	12.39%	12.39%
Existence of a dividend stopper	N/A	None	None
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully Discretionary	Mandatory	Mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully Discretionary	Mandatory	Mandatory
Existence of step up or other incentive to redeem	N/A	None	None
Non-cumulative or cumulative	Non-cumulative	Cumulative	Cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
If convertible, conversion trigger(s)	N/A	N/A	N/A
If convertible, fully or partially	N/A	N/A	N/A
If convertible, conversion rate	N/A	N/A	N/A
If convertible, mandatory or optional conversion	N/A	N/A	N/A
If convertible, specify instrument type convertible into	N/A	N/A	N/A
If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
Write-down features	N/A	N/A	N/A
If write-down, write-down trigger(s)	N/A	N/A	N/A
If write-down, full or partial	N/A	N/A	N/A
If write-down, permanent or temporary	N/A	N/A	N/A
If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
Type of subordination (only for eligible liabilities)	N/A	Contractual	Contractual
Ranking of the instrument in normal insolvency proceedings	N/A	Subordinated Debt	Subordinated Debt
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Ordinary Share Capital (Security references b and c)	Subordinated Debt (N/A)	Subordinated Debt (N/A)
Non-compliant transitioned features	No	None	None
If yes, specify non-compliant features	N/A	N/A	N/A
Link to the full term and conditions of the instrument (signposting)	Non public	Non public	Non public

Appendix 3
Own funds disclosure template – CC1

The table below outlines Monzo Bank Holding Group Limited's own funds. Template CC1 has been disclosed in accordance with Annex VII and Annex VIII of the Disclosure (CRR) Part of the PRA Rulebook.

Group		(a) Amounts (£000's)	(b) Source based on reference numbers/ letters of the Balance Sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	340,250	(b) plus (c)
	of which: Ordinary shares	340,250	(b) plus (c)
2	Retained earnings	(453,475)	(e)
3	Accumulated other comprehensive income (and other reserves)	964,944	(d)
UK-3a	Funds for general banking risk	—	—
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	—	—
5	Minority interests (amount allowed in consolidated CET1)	—	—
UK-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	—	—
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	851,719	—
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	990	
UK-25a	Losses for the current financial year (negative amount)	—	(f)
UK-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	—	—
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	—	—
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	35,565	—
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	36,555	—
29	Common Equity Tier 1 (CET1) capital	888,274	—
Additional Tier 1 (AT1) capital: instruments			
Additional Tier 1 (AT1) capital: regulatory adjustments			
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	—	—
44	Additional Tier 1 (AT1) capital	—	—
45	Tier 1 capital (T1 = CET1 + AT1)	888,274	—

Group		(a) Amounts (£000's)	(b) Source based on reference numbers/ letters of the Balance Sheet under the regulatory scope of consolidation
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	15,113	(a)
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	—	—
UK-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	—	—
UK-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	—	—
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	—	—
49	of which: instruments issued by subsidiaries subject to phase out	—	—
50	Credit risk adjustments	—	—
51	Tier 2 (T2) capital before regulatory adjustments	15,113	—
Tier 2 (T2) capital: regulatory adjustments			
57	Total regulatory adjustments to Tier 2 (T2) capital		—
58	Tier 2 (T2) capital	15,113	—
59	Total capital (TC = T1 + T2)	903,387	—
60	Total risk exposure amount	1,616,928	—
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	54.94%	—
62	Tier 1 (as a percentage of total risk exposure amount)	54.94%	—
63	Total capital (as a percentage of total risk exposure amount)	55.87%	—
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	15.62%	—
65	of which: capital conservation buffer requirement	2.50%	—
66	of which: countercyclical buffer requirement	1.95%	—
67	of which: systemic risk buffer requirement	0.00%	—
UK-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.00%	—
*68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	36.01%	—
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	—	—
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	3,475	—
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	—	—
Applicable caps on the inclusion of provisions in Tier 2			

The table below outlines the main features of Monzo Bank Limited's capital instruments. Template CCA has been disclosed in accordance with Annex VI and Annex VIII of the Disclosure (CRR) Part of the PRA Rulebook.

Bank		**(a)** **Amounts (£'000)**	**(b)** **Source based on reference numbers/ letters of the Balance Sheet under the regulatory scope of consolidation**
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	1,020,943	(b) plus (c)
	of which: Ordinary shares	1,020,943	(b) plus (c)
2	Retained earnings	(453,475)	(e)
3	Accumulated other comprehensive income (and other reserves)	20,130	(d)
UK-3a	Funds for general banking risk	—	—
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	—	—
5	Minority interests (amount allowed in consolidated CET1)	—	—
UK-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	—	—
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	587,598	—
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	990	
UK-25a	Losses for the current financial year (negative amount)	0	(f)
UK-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	—	—
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	—	—
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	35,565	—
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	36,555	—
29	Common Equity Tier 1 (CET1) capital	624,152	—
Additional Tier 1 (AT1) capital: instruments			
Additional Tier 1 (AT1) capital: regulatory adjustments			
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	—	—
44	Additional Tier 1 (AT1) capital	—	—
45	Tier 1 capital (T1 = CET1 + AT1)	624,152	—

Bank		(a) Amounts (£'000)	(b) Source based on reference numbers/ letters of the Balance Sheet under the regulatory scope of consolidation
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	15,113	(a)
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	—	—
UK-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	—	—
UK-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	—	—
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	—	—
49	of which: instruments issued by subsidiaries subject to phase out	—	—
50	Credit risk adjustments	—	—
51	Tier 2 (T2) capital before regulatory adjustments	15,113	—
Tier 2 (T2) capital: regulatory adjustments			
57	Total regulatory adjustments to Tier 2 (T2) capital		—
58	Tier 2 (T2) capital	15,113	—
59	Total capital (TC = T1 + T2)	639,265	—
60	Total risk exposure amount	1,617,016	—
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	38.6%	—
62	Tier 1 (as a percentage of total risk exposure amount)	38.6%	—
63	Total capital (as a percentage of total risk exposure amount)	39.5%	—
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	15.6%	—
65	of which: capital conservation buffer requirement	2.5%	—
66	of which: countercyclical buffer requirement	1.95%	—
67	of which: systemic risk buffer requirement	0.0%	—
UK-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.0%	—
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	19.67%	—
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	—	—
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	3,475	—
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	—	—
Applicable caps on the inclusion of provisions in Tier 2			

Appendix 4 Regulatory own funds reconciliation – CC2

The table below outlines the main features of Monzo Bank Holding Group Limited's capital instruments. Template CC2 has been disclosed in accordance with Annex VII and Annex VIII of the Disclosure (CRR) Part of the PRA Rulebook.

Group	(a) Balance sheet as in published financial statements As at period end (£'000)	(b) Under regulatory scope of consolidation As at period end (£'000)	(c) Reference
Assets	**12,958,724**	**12,964,554**	**—**
Cash and cash equivalents	7,624,300	7,621,661	—
Treasury investments	3,634,401	3,634,401	—
Loans and advances to customers	1,190,215	1,190,215	—
Other assets	411,228	411,007	—
Property, plant and equipment	20,074	19,436	—
Investment in subsidiaries	—	3,475	—
Collateral held with third parties	78,305	78,285	—
Current tax asset	7,089	7,089	—
Liabilities	**12,103,668**	**12,103,228**	**—**
Customer deposits	11,197,622	11,197,621	—
Subordinated debt liability	15,113	15,113	(a)
Other liabilities	890,933	890,493	—
Current tax liability	—	—	—
Equity	**862,145**	**851,719**	**—**
Called up share capital	218	217	(b)
Share premium account	339,388	340,033	(c)
Other reserves	966,946	964,944	(d)
Accumulated losses	(444,407)	(453,475)	—
Cash flow hedge reserve	990	990	—

The table opposite outlines the main features of Monzo Bank Limited's capital instruments. Template CC2 has been disclosed in accordance with Annex VII and Annex VIII of the Disclosure (CRR) Part of the PRA Rulebook.

Bank	**(a)**	**(b)**	**(c)**
	Balance sheet as in published financial statements	**Under regulatory scope of consolidation**	**Reference**
	As at period end	**As at period end**	
	(£'000)	**(£'000)**	
Assets	**12,957,938**	**12,958,548**	**—**
Cash and cash equivalents	7,621,636	7,621,636	—
Treasury investments	3,634,401	3,634,401	—
Loans and advances to customers	1,190,215	1,190,215	—
Other assets	411,101	411,100	—
Property, plant and equipment	19,436	19,436	—
Investment in subsidiaries	2,864	3,475	—
Collateral held with third parties	78,285	78,285	—
Current tax asset	7,089	7,089	—
Liabilities	**12,366,119**	**12,366,119**	**—**
Customer deposits	11,197,621	11,197,621	—
Subordinated debt liability	15,113	15,113	(a)
Other liabilities	1,153,385	1,153,385	—
Current tax liability	—	—	—
Equity	**598,908**	**587,598**	**—**
Called up share capital	10	10	(b)
Share premium account	1,020,933	1,020,933	(c)
Other reserves	22,111	20,130	(d)
Accumulated losses	(444,146)	(453,475)	—
Cash flow hedge reserve	990	990	—

Appendix 5
IFRS 9 transitional impact

The table below shows the capital, RWA and leverage positions with and without the application of transitional arrangements for IFRS 9.

		2024 £'000	2023 £'000
Available Capital			
1	Common Equity Tier 1 (CET1) capital	888,274	532,583
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 transitional arrangements had not been applied	852,707	474,951
3	Tier 1 capital	888,274	532,583
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	852,707	474,951
5	Total capital	903,387	547,407
6	Total capital as if IFRS 9 transitional arrangements had not been applied	867,820	489,774
Risk-Weighted Assets			
7	Total risk-weighted assets	1,616,928	979,042
*8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	1,590,252	935,818
Capital Ratios			
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	54.94%	54.40%
*10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 transitional arrangements had not been applied	53.62%	50.75%
11	Tier 1 (as a percentage of risk exposure amount)	54.94%	54.40%
*12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 transitional arrangements had not been applied	53.62%	50.75%
13	Total capital (as a percentage of risk exposure amount)	55.87%	55.91%
*14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 transitional arrangements had not been applied	54.57%	52.34%
Leverage Ratio			
15	Leverage ratio total exposure measure	5,568,541	3,763,096
16	Leverage ratio	15.95%	14.15%
17	Leverage ratio as if IFRS 9 transitional arrangements had not been applied	15.31%	12.62%

*The comparative figures for these items have been restated for 2023.

Appendix 6 Countercyclical capital buffer disclosures – UK CCyB1

The tables below show the distribution of relevant credit exposures for the calculation of our CCyB as at 31 March 2024.

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer.

	General credit exposures		Own Funds Requirements	
	Exposure Value for SA 010	Own funds requirements 070 & 100	Own funds weights 110	Countercyclical capital buffer rates 120
010 Breakdown by country	**£'000**	**£'000**	**weighting %**	**%**
Belgium	20,475	1,638	1.87%	0.00%
United Kingdom	1,636,920	85,471	97.33%	2.00%
United States	3,592	704	0.80%	0.00%
020 Total	**1,660,987**	**87,813**	**100.00%**	**1.95%**

Amount of institution-specific countercyclical capital buffer – UK CCyB2

		£'000
010	Total Risk Exposure amount	1,616,928
020	Institution specific countercyclical capital buffer rate	1.95%
030	Institution specific countercyclical capital buffer requirement	31,476

Appendix 7 Overview of risk weighted exposure amounts – OV1

The table below outlines the risk weighted exposure amounts for Monzo Bank Holding Group Limited. Template OV1 has been disclosed in accordance with Annex I and Annex II of the Disclosure (CRR) Part of the PRA Rulebook.

		Group	Bank	Group
		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		(a)	(b)	(c)
		2024	2023	2024
		(£'000)	(£'000)	(£'000)
1	Credit risk (excluding CCR)	1,290,471	821,178	103,238
2	Of which the standardised approach	1,290,471	821,178	103,238
3	Of which the foundation IRB (FIRB) approach	—	—	—
4	Of which slotting approach	—	—	—
UK 4a	Of which equities under the simple risk weighted approach	—	—	—
5	Of which the advanced IRB (AIRB) approach	—	—	—
6	Counterparty credit risk – CCR	7,052	—	—
7	Of which the standardised approach	—	—	—
8	Of which internal model method (IMM)	—	—	—
UK 8a	Of which exposures to a CCP	—	—	—
UK 8b	Of which credit valuation adjustment – CVA	4,371	—	350
9	Of which other CCR	2,681	—	215
15	Settlement risk	—	—	—
16	Securitisation exposures in the non-trading book (after the cap)	—	—	—
17	Of which SEC-IRBA approach	—	—	—
18	Of which SEC-ERBA (including IAA)	—	—	—
19	Of which SEC-SA approach	—	—	—
UK 19a	Of which 1250%/ deduction	—	—	—
20	Position, foreign exchange and commodities risks (Market risk)	—	—	—
21	Of which the standardised approach	—	—	—
22	Of which IMA	—	—	—
UK 22a	Large exposures	—	—	—
23	Operational risk	319,405	157,864	25,552
UK 23a	Of which basic indicator approach	319,405	157,864	25,552
UK 23b	Of which standardised approach	—	—	—
UK 23c	Of which advanced measurement approach	—	—	—
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	8,688	5,797	695
29	**Total**	**1,616,928**	**979,042**	**129,354**

Appendix 8
UK leverage ratio – LR2

The table below outlines the leverage ratio for Monzo Bank Holding Group Limited. Template LR2 has been disclosed in accordance with Annex XI of the Disclosure (CRR) Part of the PRA Rulebook

		Group LR exposures (a) 2024 £'000	Bank LR exposures (b) 2023 £'000	Bank (b) 2023 £'000
On-Balance Sheet exposures (excluding derivatives and SFTs)				
1	On-Balance Sheet items (excluding derivatives, SFTs, but including collateral)	13,019,100	6,743,739	6,743,739
2	Gross-up for derivatives collateral provided, where deducted from the Balance Sheet assets pursuant to the applicable accounting framework	—	—	—
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	—	—	—
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	—	—	—
5	(General credit risk adjustments to On-Balance Sheet items)	—	—	—
6	(Asset amounts deducted in determining tier 1 capital (leverage))	—	—	—
7	**Total On-Balance Sheet exposures (excluding derivatives and SFTs)**	**13,019,100**	**6,743,739**	**6,743,739**
Derivative exposures				
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	—	—	—
UK-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	—	—	—
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	—	—	—
UK-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	—	—	—
UK-9b	Exposure determined under the original exposure method	—	—	—
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	—	—	—
UK-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	—	—	—
UK-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	—	—	—
11	Adjusted effective notional amount of written credit derivatives	—	—	—
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	—	—	—
13	**Total derivatives exposures**	**—**	**—**	**—**
Securities financing transaction (SFT) exposures				
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	—	—	—
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	—	—	—
16	Counterparty credit risk exposure for SFT assets	—	—	—
UK-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	—	—	—
17	Agent transaction exposures	—	—	—
UK-17a	(Exempted CCP leg of client-cleared SFT exposures)	—	—	—
18	**Total securities financing transaction exposures**	**—**	**0**	**0**

		Group	Bank	Bank
		LR exposures	LR exposures	
		(a)	(b)	(b)
		2024	2023	2023
		£'000	£'000	£'000
Other Off-Balance Sheet exposures				
19	Off-Balance Sheet exposures at gross notional amount	1,461,550	921,855	921,855
20	(Adjustments for conversion to credit equivalent amounts)	(1,315,395)	(829,670)	(829,670)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated associated with Off-Balance Sheet exposures)	—	—	—
22	**Off-Balance Sheet exposures**	**146,155**	**92,186**	**92,186**
Excluded exposures				
UK-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	—	—	—
UK-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) of the CRR (On – and Off – Balance Sheet))	—	—	—
UK-22g	(Excluded excess collateral deposited at triparty agents)	—	—	—
UK-22k	(Total exempted exposures)	—	0	0
Capital and total exposure measure				
23	Tier 1 capital (leverage)	895,571	532,583	532,583
24	Total exposure measure including claims on central banks	13,165,255	6,835,924	6,835,924
UK-24a	(Claims on central banks excluded)	(7,614,957)	(3,072,829)	(3,072,829)
UK-24b	**Total exposure measure excluding claims on central banks**	**5,550,297**	**3,763,096**	**3,763,096**
Leverage ratio				
25	Leverage ratio excluding claims on central banks (%)	16.00%	14.15%	14.15%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	15.31%	12.62%	12.62%
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	16.00%	14.15%	14.15%
UK-25c	Leverage ratio including claims on central banks (%)	6.75%	7.79%	7.79%
26	Regulatory minimum leverage ratio requirement (%)	—	—	—
Additional leverage ratio disclosure requirements – leverage ratio buffers				
27	Leverage ratio buffer (%)	—	—	—
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	—	—	—
UK-27b	Of which: countercyclical leverage ratio buffer (%)	—	—	—
Additional leverage ratio disclosure requirements – disclosure of mean values				
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	—	—	—
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	—	—	—
UK-31	Average total exposure measure including claims on central banks	—	—	—
UK-32	Average total exposure measure excluding claims on central banks	—	—	—
UK-33	Average leverage ratio including claims on central banks	—	—	—

Appendix 9
Asset encumbrance

The tables below outline the encumbered assets of Monzo Bank Holding Group Limited. Templates AE1, AE3 and AE4 have been disclosed in accordance with Annex XXXV of the Disclosure (CRR) Part of the PRA Rulebook. Template AE2 is not applicable as the firm does not hold or receive any collateral.

Template AE1 – Encumbered and unencumbered assets

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
		10	30	40	50	60	80	90	100
		(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
10	Assets of the reporting institution	450,916	444,884	—	—	9,647,630	8,398,702	—	—
30	Equity instruments	112	—	112	—	3,642	—	—	—
40	Debt securities	93,414	93,414	91,112	91,112	3,267,153	3,267,153	3,226,210	—
50	of which: covered bonds	—	—	—	—	—	—	—	—
60	of which: securitisations	—	—	—	—	—	—	—	—
70	of which: issued by general governments	0	0	0	0	1,549,331	1,549,331	1,501,147	1,501,147
80	of which: issued by financial corporations	93,414	93,414	91,112	91,112	1,815,064	1,815,064	1,803,557	1,803,557
90	of which: issued by non-financial corporations	—	—	—	—	—	—	—	—
120	Other assets	351,469	351,469	—	—	5,418,339	5,000,166	—	—

Template AE3 – Sources of encumbrance

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		10	30
		(£'000)	(£'000)
10	Carrying amount of selected financial liabilities	677,849	468,986

Template AE4 – Information on the importance of encumbrance

Encumbered assets are assets that we've pledged as collateral or that are legally ring-fenced in some other way. This stops us from being able to transfer, pledge, sell or otherwise use/dispose of these assets.

We are obliged to place collateral with central banks as a direct member of the Faster Payments Scheme ("FPS"). Collateral posted up to the minimum required by FPS is treated as encumbered. The balance in our collateralisation account, in excess of the minimum required is treated as unencumbered. We also have collateral requirements as a result of being a member of the Mastercard payments scheme. This collateral is also treated as encumbered.

We are required to calculate and segregate enough money to meet the costs of critical services should we enter resolution. As such, we hold bonds in a segregated custody account. These bonds are treated as encumbered because they are needed to meet operational continuity in resolution requirements.

The value of unencumbered assets in table AE1 includes fixed assets of £21m. These assets would not be deemed to be available for encumbrance in the normal course of business.

Appendix 10 Non-performing and forborne exposures

The tables below outline the non-performing and forborne exposures of Monzo Bank Holding Group Limited. Templates CQ1, CQ3 and CR1 have been disclosed in accordance with Annex XVI of the Disclosure (CRR) Part of the PRA Rulebook.

CQ1: Credit quality of forborne exposures

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
		(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
5	Cash balances at central banks and other demand deposits	—	—	—	—	—	—	—	—
10	Loans and advances	71,695	49,691	2,573	47,610	(15,072)	(29,865)	—	—
20	Central banks	—	—	—	—	—	—	—	—
30	General governments	—	—	—	—	—	—	—	—
40	Credit institutions	—	—	—	—	—	—	—	—
50	Other financial corporations	—	—	—	—	—	—	—	—
60	Non-financial corporations	20	41	—	41	(7)	(29)	—	—
70	Households	71,675	49,650	2,573	47,569	(15,065)	(29,836)	—	—
80	Debt Securities	—	—	—	—	—	—	—	—
90	Loan commitments given	—	—	—	—	—	—	—	—
100	**Total**	**71,695**	**49,691**	**2,573**	**47,610**	**(15,072)**	**(29,865)**	**—**	**—**

CQ3: Credit quality of performing and non – performing exposures by past due days

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤30 days	Past due >30 days ≤90 days		Unlikely to pay that are not past due or are past due ≤90 days	Past due >90 days ≤180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
		(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
5	Cash balances at central banks and other demand deposits	7,614,957	7,614,957	—	—	—	—	—	—	—	—	—	—
10	Loan and advances	1,761,787	1,748,309	13,477	107,288	76,792	23,317	5,851	1,003	309	15	—	—
20	Central banks	—	—	—	—	—	—	—	—	—	—	—	—
30	General governments	—	—	—	—	—	—	—	—	—	—	—	—
40	Credit institutions	20,693	20,693	—	—	—	—	—	—	—	—	—	—
50	Other financial corporations	422,435	422,435	—	—	—	—	—	—	—	—	—	—
60	Non-financial corporations	28,171	28,077	95	285	125	42	34	46	38	—	—	7
70	Of which SMEs	6,140	6,046	95	285	125	42	34	46	38	—	—	7
80	Households	1,284,347	1,271,059	13,288	106,717	76,542	23,233	5,784	911	233	15	—	11,344
90	Debt securities	3,634,426	3,634,426	—	—	—	—	—	—	—	—	—	—
100	Central banks	—	—	—	—	—	—	—	—	—	—	—	—
110	General governments	1,243,103	1,243,103	—	—	—	—	—	—	—	—	—	—
120	Credit institutions	2,249,805	2,249,805	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	141,518	141,518	—	—	—	—	—	—	—	—	—	—
140	Non-financial corporations	—	—	—	—	—	—	—	—	—	—	—	—
150	Off-balance-sheet exposures	1,447,942	—	—	13,609	—	—	—	—	—	—	—	3,926
160	Central banks	—	—	—	—	—	—	—	—	—	—	—	—
170	General governments	—	—	—	—	—	—	—	—	—	—	—	—
180	Credit institutions	—	—	—	—	—	—	—	—	—	—	—	—
190	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—
200	Non-financial corporations	—	—	—	—	—	—	—	—	—	—	—	—
210	Households	1,447,942	—	—	13,609	—	—	—	—	—	—	—	3,926
220	**Total**	**14,459,112**	**12,997,693**	**13,477**	**120,896**	**76,792**	**23,317**	**5,851**	**1,003**	**309**	**15**	**—**	**3,926**

CR1: Performing and non-performing exposures and related provisions

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**						**Accumulated partial write-off**	**Collateral and financial guarantees received**	
		Performing exposures			**Non-performing exposures**			**Performing exposures – accumulated impairment and provisions**			**Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**				**On performing exposures**	**On non-performing exposures**
			Of which stage 1	**Of which stage 2**		**Of which stage 2**	**Of which stage 3**		**Of which stage 1**	**Of which stage 2**		**Of which stage 2**	**Of which stage 3**			
		(£'000)	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**
5	Cash balances at central banks and other demand deposits	7,614,957	7,614,957	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Loans and advances	1,761,787	1,577,445	184,341	107,288	22,479	84,808	(125,711)	(61,898)	(63,814)	(67,639)	(14,425)	(53,214)	(177,005)	—	—
20	Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
30	General governments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
40	Credit institutions	20,693	20,693	—	—	—	—	—	—	—	—	—	—	—	—	—
50	Other financial corporations	422,435	422,435	—	—	—	—	—	—	—	—	—	—	—	—	—
60	Non-financial corporations	28,171	27,375	796	285	51	234	(540)	(240)	(300)	(99)	(44)	(55)	—	—	—
70	Of which SMEs	6,140	5,344	796	285	51	234	(540)	(240)	(300)	(99)	(44)	(55)	—	—	—
80	Households	1,284,347	1,101,598	182,749	106,717	22,378	84,340	(124,632)	(61,418)	(63,213)	(67,440)	(14,336)	(53,105)	(177,005)	—	—
90	Debt securities	3,634,426	3,634,426	—	—	—	—	(26)	(26)	—	—	—	—	—	—	—
100	Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
110	General governments	1,243,103	1,243,103	—	—	—	—	(24)	(24)	—	—	—	—	—	—	—
120	Credit institutions	2,249,805	2,249,805	—	—	—	—	(2)	(2)	—	—	—	—	—	—	—
130	Other financial corporations	141,518	141,518	—	—	—	—	(0)	(0)	—	—	—	—	—	—	—
140	Non-financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
150	Off-balance-sheet exposures	1,447,942	1,398,794	49,147	13,609	1,937	11,672	10,277	7,510	2,767	1,019	191	828	—	—	—

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**						**Accumulated partial write-off**	**Collateral and financial guarantees received**	
		Performing exposures			**Non-performing exposures**			**Performing exposures – accumulated impairment and provisions**			**Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**				**On performing exposures**	**On non-performing exposures**
			Of which stage 1	**Of which stage 2**		**Of which stage 2**	**Of which stage 3**		**Of which stage 1**	**Of which stage 2**		**Of which stage 2**	**Of which stage 3**			
		(£'000)	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**
160	Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
170	General governments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
180	Credit institutions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
190	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
200	Non-financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
210	Households	1,447,942	1,398,794	49,147	13,609	1,937	11,672	10,277	7,510	2,767	1,019	191	828	—	—	—
220	**Total**	**14,459,112**	**14,225,623**	**233,489**	**120,896**	**24,416**	**96,480**	**(115,460)**	**(54,413)**	**(61,047)**	**(66,620)**	**(14,234)**	**(52,386)**	**(177,005)**	**—**	**—**

Appendix 11 UK CRR disclosure requirements

The table below is an overview of all our disclosure requirements, and their location in the Pillar 3 and the Annual Report, under the Disclosure (CRR) part of the PRA Rulebook.

UK CRR reference	High-level summary	Minimum Disclosure Requirement for Monzo	Reference
Article 431 (1)	Requirement to publish Pillar 3 disclosures	✓	Monzo Pillar 3 published as required at year end 2024.
Article 431 (2)	Firms with special permissions must disclose the information required in Title III	✓	Not applicable
Article 431 (3)	Institution must have a policy covering frequency of disclosures. Their verification, comprehensiveness and appropriateness. A senior manager must attest in writing that this policy has been followed.	✓	Pillar 3 – Disclosure Policy section • Attestation • Verification
Article 431 (4)	All quantitative disclosures must be accompanied by descriptive text where required to aid users' understanding.	✓	Pillar 3 – Disclosure Policy section. Monzo will ensure that all qualitative disclosures will be accompanied by a narrative and all supplementary information that is necessary for end users.
Article 431 (5)	Explanation of ratings decision upon request	✓	Not applicable in the disclosures, Monzo has policies and procedures to comply with this requirement
Article 432 (1)	Institutions may omit information that is not material if certain conditions are respected.	✓	Pillar 3 – Basis of Disclosure section
Article 432 (2)	Institutions may omit information that is proprietary or confidential if certain conditions are respected.	✓	Pillar 3 – Basis of Disclosure section
Article 432 (3)	Where 432 (2) applies this must be stated in the disclosures, and more general information must be disclosed.	✓	Not applicable as nothing has been omitted.
Article 433	Institutions shall publish Pillar 3 in line with the rules laid out in Articles 433a ,433b & 433c. Disclosures must be published once a year at a minimum, and more frequently if necessary.	✓	Pillar 3 – Disclosure Framework section Pillar 3 is published annually with the Annual Report
Article 433a	Disclosures by Large Institutions	×	Not applicable

UK CRR reference	High-level summary	Minimum Disclosure Requirement for Monzo	Reference
Article 433b	Disclosures by Small and Non-Complex Institutions	×	Not applicable
Article 433c (1)	Institutions that are not subject to Article 433a or 433b shall disclose the information outlined below with the following frequency:	×	Not applicable
Article 433c (1) (a)	all the information required under this Part on an annual basis;	×	Not applicable
Article 433c (1) (b)	the key metrics referred to in Article 447 on a semi-annual basis;	×	Not applicable
Article 433c (1) (c)	Additional disclosure requirements for LREQ firms	×	Not applicable
Article 433c (2)	Non-listed firms should follow Article 433c(2) and disclose the following;	✓	Refer to sub points
Article 433c (2) (a)	points (a), (e) and (f) of Article 435(1);	✓	See Article 435
Article 433c (2) (b)	points (a), (b) and (c) of Article 435(2);	✓	See Article 435
Article 433c (2) (c)	point (a) of Article 437;	✓	See Article 437
Article 433c (2) (d)	points (c) and (d) of Article 438;	✓	See Article 438
Article 433c (2) (e)	the key metrics referred to in Article 447;	✓	See Article 447
Article 433c (2) (f)	points (a) to (d), (h) to (k) of Article 450(1).	×	See Article 450
Article 434 (1)	To include all disclosures in one appropriate medium, or provide clear cross-references. Disclosures made under other requirements (e.g. accounting) can be used to satisfy Pillar 3 if appropriate.	✓	Pillar 3 – Appendix 12 – UK CRR Disclosure Requirements monzo.com/investor-information
Article 434 (2)	Disclosures should be made available on firms websites, kept for the same period as financial statements.	✓	monzo.com/investor-information
Article 434a	[Note: Provision left blank]	×	Not Applicable
Article 434b	Additional disclosure requirements for G-SII Firms	×	Not Applicable
Article 435 (1)	Firm's must disclose information on risk management for each type of risk including;	✓	Pillar 3 – Risk Management and Governance section
Article 435 (1) (a)	The strategies and processes to manage those risks.	✓	Pillar 3 – Risk Management and Governance section
Article 435 (1) (b)	Structure and organisation of risk management function.	×	Not Applicable – Due to Article 433c(2)
Article 435 (1) (c)	Risk reporting and measurement systems.	×	Not Applicable – Due to Article 433c(2)
Article 435 (1) (d)	Hedging and mitigating risk – policies and processes.	×	Not Applicable – Due to Article 433c(2)

UK CRR reference	High-level summary	Minimum Disclosure Requirement for Monzo	Reference
Article 435 (1) (e)	Adequacy of risk management arrangements.	✓	Annual Report: Risk management at Monzo section and Pillar 3: Risk management at Monzo section
Article 435 (1) (f)	Concise risk statement approved by the Board.	✓	Annual Report: Risk management at Monzo section and Pillar 3: Risk management at Monzo section
Article 435 (1) (f) (i)	Key metrics for external stakeholders to get a comprehensive view of the firms risk management.	✓	Annual Report: Risk management at Monzo section and Pillar 3 – Appendix 1 – Key Metrics
Article 435 (1) (f) (ii)	Information on intragroup and related party transactions.	✓	Annual Report: Risk management at Monzo section
Article 435 (2)	Information on governance arrangements, including information on Board composition and recruitment, and risk committees.	✓	Annual Report: Governance at Monzo section and Pillar 3: Governance at Monzo section
Article 435 (2) (a)	Number of directorships held by directors.	✓	Annual Report: Governance at Monzo section
Article 435 (2) (b)	Recruitment policy of the Board, their experience and expertise.	✓	Annual Report: Governance at Monzo section
Article 435 (2) (c)	Policy on diversity of Board membership and results against targets.	✓	Annual Report: Governance at Monzo section
Article 435 (2) (d)	Disclosure of whether a dedicated risk committee is in place, and number of meetings in the year.	×	Not Applicable
Article 435 (2) (e)	Description of information flow risk to Board.	×	Not Applicable
Article 436	Disclosure of the Scope of Application	×	Pillar 3 – Basis of Disclosure section
Article 437	Requirement to disclosure following information regarding own funds:	✓	Pillar 3 – Appendix 3 and Appendix 4
Article 437 (a)	Reconciliation of regulatory values for Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and filters and deductions to statutory balance sheet;	✓	Pillar 3 – Appendix 3 and Appendix 4
Article 437 (b)	Description of the main features of Capital Instruments issued by institution;	×	Appendix 2 – Main features of capital instruments
Article 437 (c)	Full terms and conditions of Capital Instruments issued by institution;	×	Appendix 2 – Main features of capital instruments
Article 437 (d)	Disclosure of the nature and amounts of the following:	×	Not Applicable – Due to Article 433c(2)
Article 437 (d) (i)	each prudential filter applied	×	Not Applicable – Due to Article 433c(2)
Article 437 (d) (ii)	each capital deduction applied	×	Not Applicable – Due to Article 433c(2)
Article 437 (d) (iii)	items not deducted from capital	×	Not Applicable – Due to Article 433c(2)

UK CRR reference	High-level summary	Minimum Disclosure Requirement for Monzo	Reference
Article 437 (e)	a description of all restrictions applied to the calculation of own funds in accordance with this Regulation and the instruments, prudential filters and deductions to which those restrictions apply;	×	Not Applicable – Due to Article 433c(2)
Article 437 (f)	where institutions disclose capital ratios calculated using elements of own funds determined on a different basis.	×	Not Applicable – Due to Article 433c(2)
Article 437a	Disclosure of Own Funds and Eligible Liabilities	×	Not Applicable – Due to Article 433c(2)
Article 438	Requirement to disclosure following information regarding capital adequacy:	✓	Refer to sub points
Article 438 (a)	Summary of institution's approach to assessing adequacy of capital levels.	×	Not Applicable – Due to Article 433c(2)
Article 438 (b)	Additional own funds requirements specified by the regulator and its composition	×	Not Applicable – Due to Article 433c(2)
Article 438 (c)	The result of the ICAAP	✓	Pillar 3 – Capital Requirements section
Article 438 (d)	Total risk weighted exposure and own funds requirements by risk category	✓	Pillar 3 – Appendix 7 – Overview of risk weighted exposure amounts
Article 438 (e)	Exposures, risk weighted exposure and expected losses for specialised lending and equity exposures	×	Not Applicable – Due to Article 433c(2)
Article 438 (f)	Exposure details on instruments held in any insurance related company	×	Not Applicable – Due to Article 433c(2)
Article 438 (g)	Additional capital requirements for financial conglomerates	×	Not Applicable – Due to Article 433c(2)
Article 438 (h)	Changes in risk weighted exposure from prior period calculated by internal models	×	Not Applicable – Due to Article 433c(2)
Article 439	Disclosure of Exposures to Counterparty Credit Risk	×	Not Applicable – Due to Article 433c(2)
Article 440	Disclosure of Countercyclical Capital Buffers	×	Pillar 3 – Appendix 6 – Countercyclical capital buffer disclosures
Article 441	Disclosure of Indicators of Global Systemic Importance	×	Not Applicable – Due to Article 433c(2)
Article 442	Disclosure of Exposures to Credit Risk and Dilution Risk	×	Pillar 3 – Credit Risk section Appendix 10 Non-performing and forborne exposures
Article 443	Disclosure of Encumbered and Unencumbered Assets	×	Pillar 3 – Appendix 9 – Asset Encumbrance

UK CRR reference	High-level summary	Minimum Disclosure Requirement for Monzo	Reference
Article 444	Disclosure of the Use of the Standardised Approach	×	Not Applicable – Due to Article 433c(2)
Article 445	Disclosure of Exposure to Market Risk	×	Not Applicable – Due to Article 433c(2)
Article 446	Disclosure of Operational Risk Management	×	Not Applicable – Due to Article 433c(2)
Article 447	Requirement to publish the following key metrics;	✓	Refer to sub points
Article 447 (a)	Composition of own funds amounts and requirements	✓	Pillar 3 – Appendix 1 – Key Metrics
Article 447 (b)	Risk exposure amounts	✓	Pillar 3 – Appendix 1 – Key Metrics
Article 447 (c)	Additional own funds requirements and composition required in line with regulation 34(1) of the Capital Requirements Regulations	✓	Pillar 3 – Appendix 1 – Key Metrics
Article 447 (d)	Combined buffer requirements	✓	Pillar 3 – Appendix 1 – Key Metrics
Article 447 (e)	The following information regarding the leverage ratio;	✓	Pillar 3 – Appendix 1 – Key Metrics
Article 447 (e) (i)	Leverage ratio and exposure	✓	Pillar 3 – Appendix 1 – Key Metrics
Article 447 (e) (iii)	Additional requirements from Article 451 for LREQ firms	×	Not Applicable
Article 447 (f)	The following information regarding the liquidity coverage ratio;	✓	Pillar 3 – Appendix 1 – Key Metrics
Article 447 (f) (i)	Average LCR value from the preceding 12 months	✓	Pillar 3 – Appendix 1 – Key Metrics
Article 447 (f) (iii)	Average total liquid assets from the preceding 12 months	✓	Pillar 3 – Appendix 1 – Key Metrics
Article 447 (f) (iii)	Average inflows, outflows & net outflows from the preceding 12 months	✓	Pillar 3 – Appendix 1 – Key Metrics
Article 447 (g)	The following information relating to net stable funding requirements;	✓	Pillar 3 – Appendix 1 – Key Metrics
Article 447 (g) (i)	Average net stable funding ratio from the preceding four quarters	✓	Pillar 3 – Appendix 1 – Key Metrics
Article 447 (g) (ii)	Average available stable funding from the preceding four quarters	✓	Pillar 3 – Appendix 1 – Key Metrics
Article 447 (g) (iii)	Average required stable funding from the preceding four quarters	✓	Pillar 3 – Appendix 1 – Key Metrics
Article 447 (h)	Own funds & eligible liabilities ratios	✓	Pillar 3 – Appendix 1 – Key Metrics
Article 448	Disclosure of Exposures to Interest Rate Risk on Positions Not Held in the Trading Book	×	Not Applicable
Article 449	Disclosure of Exposure to Securitisation Positions	×	Not Applicable

UK CRR reference	High-level summary	Minimum Disclosure Requirement for Monzo	Reference
Article 450 (1)	Requirement to disclose information regarding their remuneration policy and practices for those categories of staff whose professional activities have a material impact on risk profile of the institution	×	Not Applicable
Article 450 (1) (a)	Decision-making process for determining remuneration policy	×	Not Applicable
Article 450 (1) (b)	Link between pay and performance	×	Not Applicable
Article 450 (1) (c)	Design characteristics of the remuneration system, criteria for performance measurement, risk adjustment, deferral policy and vesting criteria	×	Not Applicable
Article 450 (1) (d)	Ratios between fixed and variable remuneration	×	Not Applicable
Article 450 (1) (e)	Performance criteria on which entitlement to shares, options or variable components of remuneration is based	×	Not Applicable
Article 450 (1) (f)	Parameters and rationale for variable components schemes and other non-cash benefits	×	Not Applicable
Article 450 (1) (g)	Aggregate quantitative information on remuneration	×	Not Applicable
Article 450 (1) (h)	Aggregate quantitative information on remuneration, broken down by senior management and members staff with significant impact on risk profile of the institution	×	Refer to sub points
Article 450 (1) (h) (i)	The amounts of remuneration for the financial year split into fixed and flexible and number of, beneficiaries	✓	Pillar 3 – Remuneration Policy and Practices section Pillar 3 – Appendix 11 – Remuneration
Article 450 (1) (h) (ii)	The amounts of outstanding deferred remuneration, split into vested and unvested	×	Pillar 3 – Remuneration Policy and Practices section Pillar 3 – Appendix 11 – Remuneration
Article 450 (1) (h) (iii)	The amounts of outstanding deferred remuneration, split into vested and unvested	×	Not Applicable
Article 450 (1) (h) (iv)	The amounts of deferred remuneration due to vest in the financial year, and the number of beneficiaries	×	Not Applicable
Article 450 (1) (h) (v)	Guaranteed variable remuneration awarded in the financial year and the number of beneficiaries	×	Not Applicable
Article 450 (1) (h) (vi)	Severance payments awarded in prior years, paid out in this financial year	×	Not Applicable

UK CRR reference	High-level summary	Minimum Disclosure Requirement for Monzo	Reference
Article 450 (1) (h) (vii)	The amount of severance payments awarded during the financial year, number of beneficiaries and highes award t	×	Not Applicable
Article 450 (1) (i)	The number of individuals been remunerated EUR 1 million or more, between EUR 1 and 5 million and of EUR 5 million or above	×	Not Applicable
Article 450 (1) (j)	[Note: Provision deleted]	×	Not Applicable
Article 450 (1) (k)	Information on if the institution benefits from the derogation laid out in the Remuneration part of the PRA Rulebook	×	Not Applicable
Article 450 (2)	For large institutions, the information from this article shall be made available to the public, split by executives and non executives.	×	Not Applicable
Article 451	Disclosure of the Leverage Ratio	×	Not Applicable
Article 451a	Disclosure of Liquidity Requirements	×	Not Applicable
Article 452	Disclosure of the Use of the IRB Approach to Credit Risk	×	Not applicable
Article 453	Disclosure of the Use of Credit Risk Mitigation Techniques	×	Not applicable
Article 454	Disclosure of the Use of the Advanced Measurement Approaches to Operational Risk	×	Not applicable
Article 455	Use of Internal Market Risk Models	×	Not applicable