Pillar 3 Disclosures

Monzo Bank Holding Group Limited
Pillar 3 Disclosures 2025

Contents

Monzo Bank Holding Group Limited
Registration number: 14785367

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

Executive Summary

Total Capital Ratio
57%
Increased from 56% FY2024

Common Equity Tier 1
56%
Increased from 55% FY2024

Net Stable Funding Ratio
692%
Decreased from 716% FY2024

Risk Weighted Assets
+28%

FY2024 £1,617m

FY2025 £2,071m

Tier 1 Capital Ratio
56%
Increased from 55% FY2024

Total Assets
£18.3bn
As per published financial statement

FY2024 £13.0bn

FY2025 £18.3bn

Liquidity Coverage Ratio
1226%
Increased from 647% FY2024

UK Leverage Ratio
15.5%
Decreased from 16% FY2024

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 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 include Monzo Bank Limited ('MBL', 'Monzo Bank', 'the Bank') incorporated and registered in England and Wales (company number 09446231), Monzo Inc. and Monzo Support US Inc which were both incorporated in Delaware, United States, and MBEU which was incorporated in Ireland.

MBEU was incorporated on 28th August 2024. See Note 31 for our Group structure in our Annual Report.

Moving into our 11th year, we're continuing to become an even more diversified, stable, and capital generative business. Our revenue model is well balanced across transaction, subscription and fee income, and we know that cost efficiencies are key to running a profitable, agile and capital-efficient bank. We've built solid capital and liquidity management foundations. As a result, our Group year end position for CET1, Tier 1 and LCR Ratios were 56%, 56% and 1,226% respectively.

MBHG has operated in compliance with its capital requirements throughout 2024/2025. Our total Risk Weighted Assets (RWA) increased by £454m primarily driven by growth in lending to our customers, an increase in our operational risk RWAs and operational exposures. Our CET1 Capital increased by £270m primarily driven by recognition of FY25 profit (£94.6m) and the second round of Series I capital fund raised (£150m) in April 2024. This led to a slight increase in CET1 capital ratio from 55% in FY2024 to 56% in FY2025.

The Liquidity Coverage Ratio (LCR) is a critical measure to ensure we hold sufficient high quality assets to manage our liquidity risk. At year end this was 1,226%, which is also well above both our internal and external minimum requirements. We further improved our access to liquidity this year by extending our repo capabilities, with new external counterparties and our internal systems, in addition to our access to the Bank of England's Sterling Monetary Framework (SMF) facilities.

The key movement in our LCR was due to a sizable increase in our High Quality Liquid Assets (HQLA) to £15.5bn in 2025 from £10.1bn in 2024.

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

	Group 2025	Group 2024
Common Equity Tier 1	55.92%	54.94%
Tier 1 capital ratio - this year and last year	55.92%	54.94%
Total Capital ratio	56.67%	55.87%
UK leverage ratio	15.53%	16.00%
Liquidity coverage ratio	1225.73%	646.62%
Net stable funding ratio	691.58%	715.96%
Risk weighted assets	£2,071m	£1,617m
Total assets as per published financial statements	£18.3bn	£13.0bn

Who we are and why we're here

We're Monzo, the digital bank that's making money work for everyone.

We're working hard to connect you with your money in clever ways. We remove complexity, level up financial know-how and help everyone move forward whether you're new to managing your money, or one of our more financially savvy customers. The more you use Monzo, the more capable and confident we hope you feel about your money, changing your relationship with it for the better.

We're not just interested in helping individuals and businesses with their financial wellbeing either. We know we have a role to play in the wider communities we're part of, like lobbying the government on gambling reforms, or starting a savings movement by encouraging a million people to join the 1p Saving Challenge.

While we've achieved a lot in our first 10 years, you won't find anyone sitting on their hands at Monzo HQ. Oh no.

We've only just scratched the surface, the real adventure is ahead.

Disclosure framework

This document sets out the Pillar 3 disclosures of MBHG as at 31 March 2025. Monzo 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 2025 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 has been delayed until 1 January 2027.

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 is published as Monzo Bank Holding Group. The Group consists of MBHG and its three wholly-owned subsidiaries, MBL, MINC and MBEU. MBL has one wholly-owned subsidiary, Monzo Support US Inc[1] which was incorporated in Delaware, United States. MBEU and MINC were consolidated in our prudential group for the first time on 31 March 2025. MBHG has prepared consolidated accounts under IFRS 10 Consolidated Financial Statements in our Annual Report.

In FY2024, the Group (MBHG and its subsidiaries) changed its year-end from 28 February to 31 March, resulting in a 13-month reporting period. The accounts for the period ending 31 March 2025 are the second set prepared resulting in a 12-month reporting period using the new reporting date.

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

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 5 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 Group 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.

Tom Oldham
Group CFO
29th May 2025

Our approach to risk management

We manage our risks using a Group Enterprise Risk Management Framework (ERMF).

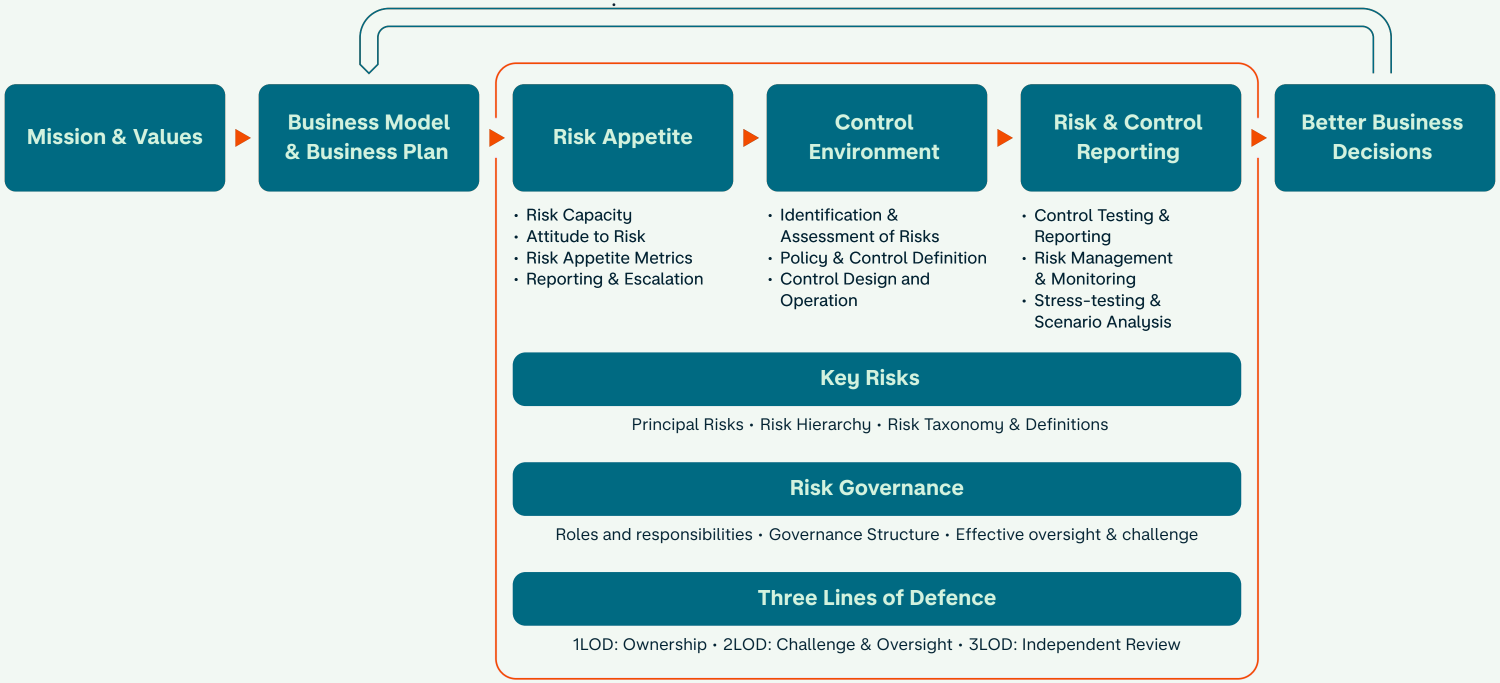
The ERMF helps us make risk-based decisions consistently and efficiently in every corner of the business to support our mission of making money work for everyone.

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.

Our customers, our colleagues, Boards and regulators all expect us to manage risk well.

The ERMF helps us make well-informed decisions that help us build trust. 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 to help us with everything from 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 principles for the overall culture, roles and responsibilities, and tools for managing all risk types across Monzo. This diagram shows you how the framework's structured.



Our principal risks and uncertainties

We have 6 principal risks as follows:

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.

Each principle risk has these things

- A risk appetite statement set by the Board.
- Its own Group risk framework, setting out how the Board expects us to manage the category.
- An executive owner.

The risks may also have specific subsidiary risk committees that track performance where the risk is material for that subsidiary, for example in Monzo Bank Limited (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.

The Three Lines of Defence and what each one does

We use a Three Lines of Defence (3LoD) 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)**: designs and runs business operations by owning and operating most controls to manage our risks so we stay within our 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 the risk profile of 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. 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 in 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.

Our 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. The Group Board is ultimately responsible for the effectiveness of our risk management framework and the Group Board Risk Committee operates on behalf of the Board to oversee the effectiveness of risk management in Monzo.

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 Board monitors the effectiveness of risk management arrangements, including internal control systems, throughout the year and considers that, as at 31 March 2025, 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 page 68-72 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 Executive Officer (CEO)	Financial Crime and Fraud Risk Committee
Operational risk	All business functions and the Chief Technology Officer (CTO) and Chief Executive Officer (CEO)	Conduct and Operational Risk Committee
Conduct risk	All business functions and the Chief Executive Officer (CEO)	Conduct and Operational Risk Committee
Credit risk	General Manager, Monzo	Credit Risk Committee

Governance at Monzo

The Monzo Group is made up of five entities, with MBHG being the parent company of the group. As we described in the Governance Section on page 73-101 in our Annual Report, we completed a corporate reorganisation in September 2023 and have operated with a mirror board structure since given the close alignment of interests between MBHG and MBL. 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.

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

We've established four permanent Group Board Committees which take responsibility for things like risk, financial reporting and audit, remuneration and people, board planning, and corporate governance.

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

The authority delegated to Group Board Committees is set out in their terms of reference. This board-approved document contains the key matters the Group Board Committees are responsible for and we review it annually to make sure they're still fit for purpose and compliant with regulatory expectations. Our Boards and Group Board Committees regularly interact with one another and there's a standing item on the Boards' agenda to receive a Group Board Committee Chair report at each meeting.

The Boards' have also delegated authority to the Group Chief Executive Officer (Group CEO) to run the business. In turn, the Group CEO establishes the Group Executive Committee (Group ExCo) to support them with the daily running of the business. We talk more about Group ExCo on page 83 in our Annual Report.

Gary Hoffman is the Chair of our Boards and everyone else is either an executive director, independent non-executive director (INED) or investor director. Our Boards are majority INEDs. We also have three executive directors and one investor director across the MBHG and MBL Boards. Our Group CEO (TS Anil) sits on the MBHG and MBL Board as an executive director. Our Group CFO (Tom Oldham) sits on the MBHG Board as an executive director and the MBL CFO, Mark Newbery, sits as executive director on the MBL Board as of 5 February 2025.

There's a clear separation of responsibilities between the role of the Chair of the Boards and the Group CEO. We cover this in our Board role profiles document which the Boards review and approve each year.

In line with the delegation of authority chain we spoke about earlier, the Group CEO is in charge of the daily running of the Monzo Group. To support him with this, he's established a Group Executive Committee made up of our executive leaders. Each of the executive team members has certain responsibilities and accountabilities because we're a regulated banking group. Together, the Group ExCo makes collective decisions for both MBL and MBHG (see page 74-75 on the mirror structure in our Annual Report) in line with the terms of reference, making sure that any matters reserved for the Boards flow up as appropriate.

The Group ExCo has also established some permanent committees which are responsible for certain technical aspects of our business activities ranging from treasury and finance (Assets and Liabilities Committee), to product launches and change (Shipping and Pricing Committee), to key risks and compliance (Enterprise Risk and Compliance Committee). These key executive committees, together with the others that roll up into Group ExCo, play an important role in our governance framework.

For more details on our governance arrangements please see page 73-101 in 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.

Monzo is currently exposed to Wholesale Credit Risk ("WCR") through its banking and Treasury activities. WCR can arise from both Treasury and non-Treasury activities, through treasury investments and hedging, deposits at other financial institutions, or trade receivables.

Our retail credit risk is monitored and managed by the Borrowing Collective and our WCR 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 25 - 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 Expected Credit Loss ("ECL") basis in accordance with the IFRS 9 accounting standard, after allowing for the IFRS 9 CET1 addback.

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.

The Group's treasury assets consist of investments made as part of building and maintaining our liquidity buffer, and our investment portfolio which looks to optimise our returns in a safe way. Treasury assets consist of fixed and floating rate coupon supranational bonds, gilts, covered bonds, asset-backed securities, commercial paper and certificates of deposit. During the year we've continued to diversify our treasury portfolio to safely generate higher long-term returns than cash deposits held with the Bank of England.

Our primary credit risk comes from our lending portfolio which includes overdrafts, personal loans and Flex lending to individuals and small and medium sized enterprises ("SMEs"). 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 the retail RWAs of £280m in FY2025 due to net lending growth across loans, overdrafts and Flex products.

Our corporate exposures are to our service providers. Other items are mainly prepayments and the items outlined in UK CRR Article 134.

Our equity exposure reflects a mandatory operational investment in our financial messaging partner for operational purposes. During FY25 Monzo Bank Holding Group acquired 100% of the ordinary share capital of Monzo Inc. from Monzo Bank Limited. Monzo Bank Limited had previously recognised its investment in Monzo Inc. at a 250% risk weight, rather than deducting the exposure from CET1 capital as determined in accordance with Article 48 of UK CRR. Monzo Bank Holding Group Limited's capital requirements are based on the consolidated Monzo Group's risk weighted assets so do not include investments in Monzo Inc. share capital. For more details on our investment in subsidiaries please see Note 31 - 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 four 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.

For investments in asset backed securities (ABS), we apply the hierarchy of methods as described in UK CRR article 254. Exposures are classified under the Standardised Approach ("SEC-SA") or the External Ratings Based Approach ("SEC-ERBA"), depending on the nature of underlying assets.

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 to book the Impairment Loss Allowance.

Impairment Loss Allowance under IFRS 9

IFRS 9 requires financial institutions to use unbiased models to estimate ECL on a range of likely outcomes. Under the IFRS 9 standard, assets are classified into the following three stages.

- **Stage 1:** Assets that haven't had a significant increase in credit risk since initial recognition. For these assets, a 12-month ECL is recognised and interest income is calculated on the gross carrying amount of the asset. The 12-month ECL represents the expected credit loss resulting from a default event within 12 months following the reporting date.
- **Stage 2:** Assets that have experienced a significant increase in credit risk since initial recognition but that don't have objective evidence of impairment are classified as Stage 2. The provision held against these assets is based on a lifetime ECL, where interest income is still calculated on the gross carrying amount of the asset. The lifetime ECL is the expected credit losses that result from default events over the expected life of the asset.
- **Stage 3:** For assets that have objective evidence of impairment at the reporting date and meet our accounting definition of default, a lifetime ECL is recognised and interest income is calculated on the carrying amount net of the impairment loss allowance.

'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 MBL CFO chairs the Impairment Council which is the governance forum responsible for the IFRS 9 impairment loss allowance. The Impairment Council oversees both the process of estimating ECL and the design effectiveness of the control framework outlined in the Monzo IFRS 9 Impairment Policy.

For more details on our impairment and provisions see Note 25 - Credit risk, in our Annual Report.

Counterparty credit risk and credit valuation adjustments

MBHG's exposure to counterparty credit risk is driven by the hedging activities of MBL. MBL enters into interest rate derivative contracts to hedge its interest rate risks. 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. For all derivative exposures we apply the Original Exposure Method for CCR. MBL's interest rate swaps are transacted with a Qualifying Central Counterparty (QCCP) and risk weighted in accordance with UK CRR Article 306. MBL's exposures to non-QCCP derivative counterparties are subject to Credit Valuation Adjustment ("CVA") capital requirements using the Standardised Method. CVA is the variable fair value of CCR, included in the value of a derivative.

Market risk

Market risk is the risk of an adverse financial impact on assets and liabilities, arising from changes in market parameters like interest rates, foreign exchange, credit spreads and asset prices. While we do not have a trading book, we do operate a material treasury investment and hedging portfolios, consisting of bonds and interest rate swaps. Risks arising from those banking book positions are capitalised under Pillar 2 capital requirements.

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 foreign exchange 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 2025 this was £3.5m, 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 an adverse impact to earnings or capital due to changes in the interest rates. IRRBB is measured using a combination of earnings and economic value of equity (EVE) metrics.

IRRBB consists of the following risks:

- **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 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 rate 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 which evaluates new initiatives and risks.

Our Treasury team monitors interest rate risk regularly. They are overseen by our Risk function and report into 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 interest rate risk.

We monitor the sensitivity of both our earnings (net interest income) and the EVE 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.

For more details on our management of IRRBB please see Note 24 – 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 risks are managed by our Treasury team on a daily basis. Risk, as the second line, oversees and when required challenges this process to ensure we remain 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 Treasury assets. 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 and when necessary.

The key metrics we use to monitor our short to medium term liquidity risks are the 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.

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 2025 was 1,226%.

From an LCR perspective:

- Our HQLA increased materially in 2025 to £15.5bn, from £10.1bn in 2024. Our HQLA has increased as we have chosen to put the money that customers have deposited with us in predominantly Level 1 securities such as bonds and overnight deposits at central banks.
- Our net liquidity outflow has decreased to £1,267m in 2025, from £1,568m in 2024, as a higher proportion of deposits were recognised as stable retail deposits. 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 also monitor our Net Stable Funding Ratio (NSFR) to ensure that we have sufficient stable funding to support our business activities.

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 and Tier 2 debt. Our CET1 capital resources also reflect prudential adjustments, including for the first time in FY25, deductions of loss-based deferred tax assets which rely on future profitability to be realised. Our Tier 2 resources consist of subordinated debt liabilities.

As at 31 March 2025 our CET1 ratio was 56% (FY2024: 55%). Our CET1 Capital increased by £270m primarily driven by recognition of FY25 profit (£94.6m) and the second round of Series I capital fund raised (£150m) in April 2024. During the year ended 31 March 2025, we complied in full with all our externally imposed capital requirements.

As at March 2025 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.

Our regulatory capital differs from our accounting equity because certain prudential adjustments are required by regulatory requirements. These adjustments are shown in Table A. Our CET1 capital position at 31 March 2025 was £1,158m (FY2024: £888m).

Historically, Monzo applied the IFRS 9 transitional arrangements set out in Article 473a of the UK CRR. The transitional arrangements allowed the capital impact of impairments for ECL's 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 28 February 2025. Increases in provisions during this period were added to CET1 capital subject to new transitional arrangements which applied a reducing scale over a 5 year period. The transitional relief period has now ended.

Where these transitional arrangements were taken, banks were required to disclose their capital positions calculated as if the transitional adjustments were not available, the 'fully loaded' basis.

Table A. Reconciliation of statutory equity to regulatory capital

	Group 2025 £'000	Group 2024 £'000
Total Prudential equity of Group	**1,212,943**	**851,719**
Prudential adjustments for securitised assets	(553)	
IFRS 9 transitional adjustment	—	35,567
Value adjustments due to Cash Flow hedge	(5,057)	990
Value adjustments due to the requirements for prudent valuation	(3,242)	(2)
Deferred tax asset	(45,788)	
CET1 capital	**1,158,302**	**888,274**
Tier 1 capital	**1,158,302**	**888,274**
Tier 2 capital	**15,421**	**15,113**
Total capital	**1,173,722**	**903,387**

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 £1,338m (FY2024: £1,293m) in the year. We increased the amount we lent to customers which drove the majority of this movement.

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.

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 23 - 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 last fully updated in July 2023 with amendments related to Article 473a of the CRR made in May 2024. These disclosures have been prepared by applying this TCR to our position as at 31 March 2025.

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 2% throughout FY25.

As of 31 March 2025 we have risk weighted exposures in the UK attracting a CCyB rate of 2%, and exposures in the US (0% rate), Belgium (1.0% rate), and Ireland (1.5% rate).

Capital Ratios

As at 31 March 2025, our CET1 ratio was 56% (FY2024: 55%) and our total capital ratio was 57% (FY2024: 56%). We were well above our minimum regulatory capital requirements throughout the year ended 31 March 2025.

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 2025, Monzo Bank Holding Group Ltd operated within its capital requirements. The increase in the CET1 ratio during the year is primarily driven by recognition of FY25 profit (£94.6m) and the second round of Series I capital fund raised (£150m) in April 2024 and partially offset by growth in our lending book and operational risk. Our total Risk Weighted Assets (RWA) increased by £454m primarily driven by growth in lending to our customers, increase in our operational risk RWAs and operational exposures. During the year ended 31 March 2025, we complied in full with all our capital requirements.

Leverage ratio

The leverage ratio demonstrates capital adequacy by measuring the relationship between our Tier 1 capital and our total assets.

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 leverage ratio decreased from 16.00% in 2024 to 15.53% in 2025. This change was primarily driven by an increase in the total exposure measure, which was partially offset by an increase in Tier 1 capital resources during the year. Managing leverage remains integral to our planning processes. 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.

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. While 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 on page 92.

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.

		Group a £' 000 2025	Group b £' 000 2024
Available own funds (amounts)			
1	Common Equity Tier 1 (CET1) capital	1,158,302	888,274
2	Tier 1 capital	1,158,302	888,274
3	Total capital	1,173,723	903,387
Risk-weighted exposure amounts			
4	Total risk-weighted exposure amount	2,071,182	1,616,928
Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%)	55.92%	54.94%
6	Tier 1 ratio (%)	55.92%	54.94%
7	Total capital ratio (%)	56.67%	55.87%
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)			
UK 7a	Additional CET1 SREP requirements (%)	5.89%	6.67%
UK 7b	Additional AT1 SREP requirements (%)	1.96%	2.22%
UK 7c	Additional T2 SREP requirements (%)	2.62%	2.96%
UK 7d	Total SREP own funds requirements (%)	18.46%	19.86%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)			
8	Capital conservation buffer (%)	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%
9	Institution specific countercyclical capital buffer (%)	1.99%	1.95%
UK 9a	Systemic risk buffer (%)	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%
UK 10a	Other Systemically Important Institution buffer	0.00%	0.00%
11	Combined buffer requirement (%)	4.49%	4.45%
UK 11a	Overall capital requirements (%)	22.95%	24.31%
12	CET1 available after meeting the total SREP own funds requirements (%)	38.21%	36.01%
Leverage ratio			
13	Total exposure measure excluding claims on central banks	7,459,493	5,550,297
14	Leverage ratio excluding claims on central banks (%)	15.53%	16.00%
Liquidity Coverage Ratio			
15	Total high-quality liquid assets (HQLA) (Weighted value – average)	13,124,870	7,651,328
UK 16a	Cash outflows – Total weighted value	1,432,128	1,320,778
UK 16b	Cash inflows – Total weighted value	299,010	250,343
16	Total net cash outflows (adjusted value)	1,133,118	1,070,436
17	Liquidity coverage ratio (%)	1,178.76%	724.51%
Net Stable Funding Ratio			
18	Total available stable funding	14,543,697	9,139,028
19	Total required stable funding	1,807,551	1,345,619
20	NSFR ratio (%)	843.98%	680.81%

Appendix 2 – 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 2025 (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	501,968	(c) plus (d)
	of which: Ordinary shares	501,968	(c) plus (d)
2	Retained earnings	(302,629)	(f)
3	Accumulated other comprehensive income (and other reserves)	1,013,604	(e) plus (g)
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	1,212,943	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	(45,788)	(a)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	(5,057)	(g)
13	Any increase in equity that results from securitised assets (negative amount)	(553)	
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	(3,242)	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(54,641)	
29	Common Equity Tier 1 (CET1) capital	1,158,302	
Additional Tier 1 (AT1) capital: regulatory adjustments			
44	Additional Tier 1 (AT1) capital	-	
45	Tier 1 capital (T1 = CET1 + AT1)	1,158,302	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	15,421	(b)
51	Tier 2 (T2) capital before regulatory adjustments	15,421	
Tier 2 (T2) capital: regulatory adjustments			
57	Total regulatory adjustments to Tier 2 (T2) capital		
58	Tier 2 (T2) capital	15,421	
59	Total capital (TC = T1 + T2)	1,173,723	
60	Total risk exposure amount	2,071,182	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	55.92%	
62	Tier 1 (as a percentage of total risk exposure amount)	55.92%	

		Group 2025 (a) Amounts (£000's)	(b) Source based on reference numbers/letters of the Balance Sheet under the regulatory scope of consolidation
63	Total capital (as a percentage of total risk exposure amount)	56.67%	
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)	14.88%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical buffer requirement	1.99%	
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)	38.21%	
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)	-	
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)	-	

Appendix 3 – 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 = b (£ ' 000)	c
	Balance sheet as in published financial statements and under regulatory scope of consolidation	Reference
	As at period end	
Assets	**18,263,851**	
Cash and cash equivalents	11,021,763	
Treasury investments	5,381,870	
Loans and advances to customers	1,602,470	
Other assets	186,290	
Investment in subsidiaries	-	
Current tax asset	10,279	
Deferred tax asset	45,788	(a)
Property, plant and equipment	15,391	
Liabilities	**17,050,908**	
Customer deposits	16,599,371	
Subordinated debt liability	15,421	(b)
Other liabilities	436,116	
Current tax liability	-	
Equity	**1,212,943**	
Called up share capital	238	(c)
Share premium account	501,730	(d)
Other reserves	1,008,547	(e)
Accumulated losses	(302,629)	(f)
Cash flow hedge reserve	5,057	(g)

Appendix 4 – 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 Risk weighted exposure amounts (RWEAs) a (£ '000) 2025	Group Risk weighted exposure amounts (RWEAs) b (£ '000) 2024	Group Total own funds requirements c 2025
1	Credit risk (excluding CCR)	1,336,768	1,290,471	106,941
2	Of which the standardised approach	1,336,768	1,290,471	106,941
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	1,031	7,052	-
7	Of which the standardised approach	-	-	-
8	Of which internal model method (IMM)	-	-	-
UK 8a	Of which exposures to a CCP	1,031	-	-
UK 8b	Of which credit valuation adjustment – CVA	-	4,371	-
9	Of which other CCR	-	2,681	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	48,405	-	3,872
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	28,426	-	2,274
19	Of which SEC-SA approach	19,979	-	1,598
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	684,978	319,405	54,798
UK 23a	Of which basic indicator approach	684,978	319,405	54,798
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	-
29	**Total**	**2,071,182**	**1,616,928**	**165,695**

Appendix 5 – 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 2025.
Article 431 (2)	Firms with special permissions must disclose the information required in Title III.	✓	Not applicable
Article 431 (3)	Institutions 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.

UK CRR reference	High-level summary	Minimum Disclosure Requirement for Monzo	Reference
Article 433a	Disclosures by Large Institutions	×	Not applicable
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 433c (3) (a)	Small CRR firms exempt from Article 450 disclosures.	✓	See Article 450
Article 433c (3) (b)	Otherwise, points (a)-(d), (h)(i) and (h)(ii) 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 5 – 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)	Firms 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)

UK CRR reference	High-level summary	Minimum Disclosure Requirement for Monzo	Reference
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)
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 firm's 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 and Note 33 - Related party transactions and controlling parties
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 2 and Appendix 3

UK CRR reference	High-level summary	Minimum Disclosure Requirement for Monzo	Reference
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 2 and Appendix 3
Article 437 (b)	Description of the main features of Capital Instruments issued by institution;	×	Not Applicable – Due to Article 433c(2)
Article 437 (c)	Full terms and conditions of Capital Instruments issued by institution;	×	Not Applicable – Due to Article 433c(2)
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)
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 4 – 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)

UK CRR reference	High-level summary	Minimum Disclosure Requirement for Monzo	Reference
Article 440	Disclosure of Countercyclical Capital Buffers	×	Not Applicable – Due to Article 433c(2)
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	×	Not Applicable – Due to Article 433c(2)
Article 443	Disclosure of Encumbered and Unencumbered Assets	×	Not Applicable – Due to Article 433c(2)
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) (ii)	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 (g)	The following information relating to net stable funding requirements;	✓	Pillar 3 – Appendix 1 – Key Metrics
Article 447 (h)	Own funds & eligible liabilities ratios	✓	Pillar 3 – Executive Summary
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
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

UK CRR reference	High-level summary	Minimum Disclosure Requirement for Monzo	Reference
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	×	Not Applicable
Article 450 (1) (h) (i)	The amounts of remuneration for the financial year, split into fixed and flexible and number of beneficiaries	×	Not Applicable
Article 450 (1) (h) (ii)	The amounts of outstanding deferred remuneration, split into vested and unvested	×	Not Applicable
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
Article 450 (1) (h) (vii)	The amount of severance payments awarded during the financial year, number of beneficiaries and highest award	×	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

UK CRR reference	High-level summary	Minimum Disclosure Requirement for Monzo	Reference
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