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Monzo Bank Holding Group Limited
Annual Report 2026

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Strategic report

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Our year at a glance



Gross profit

£0.7bn FY2025
£1.0bn FY2026

+35%

Customers

12.2m FY2025
15.2m FY2026

+25%

Monthly active user (MAU)

8.3m FY2025
10.4m FY2026

+26%

Average Net Promoter Score†

Increased from 70 FY2025

76

* In FY2026 we've changed the basis for calculating adjusted profit before tax, and applied this retrospectively to FY2025. It is defined as our accounting profit before tax, adjusted for the impact of share based payment expenses, and the impact of any exceptional items. Please see Alternative Performance Measures (APMs) on page 194 for a reconciliation of adjusted profit before tax to accounting profit before tax.

† Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc. The Net Promoter Score is calculated based on responses to a single question: How likely is it that you would recommend our company/product/ service to a friend or colleague? The scoring for this answer is most often based on a 0 to 10 scale. The score is given on a scale from lowest, -100, to highest, +100

Our year at a glance continued

Share of revenue: Business banking

12% FY2025
14% FY2026

14%

Total assets

£18.3bn FY2025
£27.6bn FY2026

+51%

Colleagues

3,934 FY2025
5,275 FY2026

+34%

Which? Recommended Provider for Current Accounts

for the second
year running



UK #1

on Kantar BrandZ Banks
with Momentum ranking

Best

Current account, joint account
and business bank account in
Finder's UK Provider of the Year
Awards 2025 for Banking

Who we are and why we're here

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

This has been our mission since the very beginning and we've never been more committed or better prepared to achieve it than we are today.

Making money work for everyone is about many things. It's about putting financial products and services within reach by simplifying them and explaining them in a way that people will actually understand. It's about giving our customers genuinely helpful insights into their money so they can make it work harder for them. It's about offering products fairly, clearly laying out any fees, with no catches. It's investing in accessible design, specialised vulnerable customer support, and removing barriers to financial services in general. And it's about using our unique expertise with advanced technology to protect people's money in a way that's never been done before.

We believe that everyone, everywhere, benefits from understanding their money better and having the tools they need to change their relationship with it for the better.



Our values

Our company values aren't just words on a wall. They influence the thousands of day-to-day decisions we make, from helping prioritise what we build next and how we build it, to the selection criteria we use for hiring new teammates.

Our values guide everything we do, they keep us focused, honest and true to the things we care about. Celebrating our successes is an important part of that, and so is being honest about where we've got room to improve.



Think big, start small, own it

We're ambitious and break ground with advanced technology, working iteratively to get the best results.



Make a difference

We solve real problems, working on things that have the biggest impact for our customers and each other.



Think customer first: grow Monzo safely

We always start by asking what's best for customers. It's the right thing to do and the safest way to grow.



Be hard on problems, not people

It helps us solve issues faster and move forward, while treating each other with respect.



Default to transparency

We're open with each other and customers unless we have good reason not to be because it's the fastest, fairest way to work.



Help everyone belong

We're building a bank for everyone. We embrace differences and make sure everyone feels welcome.

Group Chair's statement

FY2026 marked a pivotal year for Monzo. It was the year we demonstrated our growth potential by investing across our business and platform to open up new markets and deepen our product offering. All while our diversified business model delivered a strong financial performance with adjusted profit before tax increasing 20% to £172.6m and revenue increasing 39% to £1.7bn.

We're incredibly proud of the progress we've made this year, cementing our position as one of the UK's leading digital banks and taking important steps to advance our international ambitions.

Our home market has so much more growth potential, with our mission more relevant than ever. In FY2026, we welcomed more than 3 million customers across personal and business accounts – a record number of new customers – proving the need for the Monzo way of banking. At the heart of this success remains our commitment to customers and delivering the tools they need to transform their financial lives for the better.

Our mission to make money work for everyone doesn't just stop in the UK. In December, the Central Bank of Ireland and European Central Bank granted Monzo a licence to operate across Europe, an important step in our international growth story. We welcomed our first Irish customers and are excited by the early, positive reception. Our waitlist grew to 100,000 ahead of our official launch in April – a clear sign that Ireland is ready for a new kind of bank.

FY2026 also marked an important leadership transition with the appointment of Diana Layfield as Group Chief Executive Officer. Diana brings deep experience of scaling businesses and products at Google and Standard Chartered, leveraging technology in complex regulatory environments. She is passionate about Monzo's mission and

ambitious for its future. The Board has full confidence in her ability to build on the Group's strong foundations as it continues to scale in the UK and Europe.

I would like to thank TS Anil for his leadership over the past 6 years. In that time, Monzo has gone from strength to strength, becoming one of the UK's largest digital banks and a profitable business. Thanks to his commitment, Monzo is stronger, more resilient and better positioned than ever to seize the opportunity ahead. I'm pleased that TS will continue to support the business in a Non-Executive capacity as Vice Chair of the Board.

As we continue to expand, our Board has also evolved into a structure more suited to an international business. We welcomed 7 new Directors to our Group board, and 3 new Directors to expand our MBEU Board, bringing additional expertise across technology, international expansion and financial services.

As we look ahead, Monzo has all the ingredients to succeed, with many years of experience and growth operating as a leading regulated financial technology company.

We are well positioned to both navigate and create opportunities in what remains an uncertain economic and geopolitical environment. Our increasingly diversified revenue streams provide a resilient

foundation for growth, while our technology-led business allows us to adapt quickly to changing external conditions. Above all, we are confident we can continue to support our customers, to grow responsibly, and to take our mission far and wide.

In FY2025, we recognised the need to improve how we handle complaints and support vulnerable customers. Over the past year, we've dedicated more people to it and made better use of technology, including AI. As a result, complaint volumes have fallen proportionally, service for vulnerable customers has improved and we're meeting regulatory deadlines more consistently. There's still more we can do and we'll continue to raise our standards, including in fraud interventions and reimbursement processes to keep improving customer outcomes.

In July, the Financial Conduct Authority (FCA) completed its investigation into our historical financial crime controls, as referenced in previous annual reports. The review findings draw a line under issues that have been resolved and are firmly in the past. I'm pleased the FCA recognised the significant investments we have made, as well as our ongoing commitment to managing these risks today.

As I reflect on my 7 years as Chair of the Group, Monzo's progress has been nothing short of remarkable. It has grown from an early-stage challenger into a category-

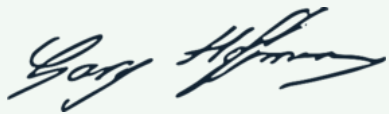


Gary Hoffman
Chair of the Board of Directors

defining business. And FY2026 marked another major step forward – strengthening our ability to deliver our mission beyond our home market and transform people’s relationship with money.

The Board is confident in Monzo’s leadership, strategy and long-term opportunity. We remain focused on creating sustainable value for shareholders, underpinned by strong governance, effective stewardship and a continued commitment to making money work for everyone.

On behalf of the Board, I would like to thank each and every Monzonaut for their energy, creativity and dedication to the mission, and our 15 million customers for the trust they place in Monzo every day. With every year of huge progress, it still feels like there’s so much more to come.



Gary Hoffman

Chair of the Board of Directors

15 May 2026



Group Chief Executive Officer's review

Monzo exists to make money work for everyone and this mission continues to shape how we build products and grow the business. Teams here care deeply about how they can improve the financial lives of our customers. It's a truly tangible part of Monzo's culture.

Building a business that can innovate at pace and invest for the future while delivering sustainable growth and profitability requires deliberate choices and discipline.

In FY2026, Monzo delivered really strong results while investing significantly in the foundations that will drive long-term growth and resilience in the UK and beyond.

Strong, diversified financial performance

Revenue increased by 39% to £1.7bn (FY2025: £1.2bn) with gross profit of £1.0bn (FY2025: £747.9m), up 35%. Adjusted profit before tax was £172.6m (FY2025: £143.9m), marking our third consecutive year of profitability. Our income is increasingly diversified, with four revenue streams generating over £300m each including current account balances, borrowing, payments and wealth, demonstrating the strength of the model. We continue to invest in international expansion, product innovation, customer acquisition and platform resilience to support our long-term growth. While costs have increased as a result, this investment paves the way for longer term efficiencies as we scale.

In FY2026, Monzo achieved several milestones. We became the first digital bank to receive a European banking licence via the Central Bank of Ireland. We agreed to acquire the digital UK mortgage broker Hey Habito Ltd ('Habito') – our first ever acquisition. We also published a Sunday Times bestselling book, *The Book of Money*, to help people build the confidence and skills to feel better about money. These results reflect the work of an exceptional mission-led team under TS Anil's leadership. I'm honoured to have been passed

the baton to take this special business forward at this pivotal moment in Monzo's journey.

Growth built on deep customer connection

In FY2026, Monzo welcomed more than 3m new customers across personal and business accounts, bringing the total to 15.2m, a 25% increase year on year (FY2025: 12.2m). This included an impressive 45% jump in business customers to a total 905k (FY2025: 625k). Today, around 1 in 5 UK adults and 1 in 7 UK businesses bank with Monzo – clear evidence of the continued demand for a bank that truly works for them. There's still a big opportunity to do more in the UK, across all demographics. For example, less than a year after launching Monzo for Under 16s, the product has more than 1m customers, many of whom are taking their first ever steps into money management.

More than a decade since Monzo was founded, customer growth remains largely organic with 79% of new customers joining by word-of-mouth in FY2026. We also continued to top the rankings in the Competition and Markets Authority's bi-annual survey for overall service quality across business banking and personal current accounts in Great Britain¹. That's an important reflection of the trust we've built and something we'll never take for granted.

Customers aren't just joining Monzo in large numbers; our existing customers are choosing to bring more and more of their financial lives to us. In FY2026, Monthly Active Users rose by 26% to 10.4m, with around half of our active customers using Monzo as their primary bank. Deposits increased by 55% to £25.7bn (FY2025: £16.6bn) as over 3.5m customers (FY2025: 2.3m) now save with Monzo. 4.1m customers choose Monzo for their borrowing needs with our lending book growing 42% year-on-year (FY2025: £1.9bn). And more than 1.6m customers (FY2025: 1m+) enjoy the additional benefits offered by our subscription plans.

This increasing engagement creates a significant opportunity. As customers trust us with more of their money, we're well positioned to support them in building long-term financial security through investing, pensions and other tools that help their money work harder over time.

Investing for scale in the UK and beyond

FY2026 unlocked new opportunities for the Monzo of the future. Securing a European banking licence provides the regulatory foundation to expand sustainably across Europe. But it is only the first step. Building a lasting presence in new markets takes time,



Diana Layfield
Group Chief Executive Officer

¹ See page 195 for more information.

discipline and sustained investment – just as it did in the UK. Our ambition is depth over breadth, building meaningful relationships with customers in each market by solving their specific needs. We've already welcomed personal and business customers in Ireland and are excited by the opportunity to expand into other European markets, pairing ambition with disciplined execution to deliver sustainable growth over the long term.

As we sharpen this focus, we made the deliberate decision to close our US operations and focus efforts and investment on scaling in the UK and Europe, where we can have the greatest impact. We're incredibly grateful to our US colleagues and customers who have supported Monzo's journey to this point.

In FY2026, we invested in our platform and infrastructure to scale while ensuring customers experience the same simplicity, security and reliability they expect from us. We'll continue investing where it matters most, keeping customer money safe and ensuring our platform and systems remain resilient and built to serve many millions more.

Protecting our customers

As we grow, so does our responsibility to protect our customers. Our focus remains on preventing fraud before it happens. We continue to invest significantly in our fraud controls and launched more industry-first security tools like our undo payments feature, which allowed customers to reverse over £372m of mistaken payments during the year. We also introduced a dedicated Job

Scam tool, which halved the amount of money customers sent in these types of scams between July 2025 and March 2026. Together, our investments have helped us prevent more than three times the amount of fraudulent transactions compared to the previous year.

But, new reimbursement rules introduced by the Payments Systems Regulator in late 2024, which requires all banks to refund Authorised Push Payment fraud, meant fraud losses increased during the year. We'll continue to invest in technology to prevent and intercept fraud before it impacts our customers.

Building for every financial need

As economic pressures on customers increase and the geopolitical environment remains uncertain, tools that help people manage their money with clarity and confidence matter more than ever.

FY2026 saw the launch of new products, including exchange-traded funds for investors, home insurance, and a free HMRC-recognised tax filing tool for sole traders. We also agreed to acquire digital mortgage broker Habito to support those wanting a simpler way to find the right mortgage for them. This builds on the more than 550,000 people that already track their mortgage via our Homeownership feature – the UK's first tool that connects any mortgage, shows your balance and home value, and highlights better deals.

All of these products reflect our mission and differentiating approach at Monzo. From Call Status and Get Paid Early to Tax Pots and Gambling Block, we focus on solving genuine customer problems with intuitive tools, powered by deep engineering and magical design. Many of these features were new to the market and have since become standard across the industry. Preserving that mindset as we scale is something I care deeply about.

We have a huge opportunity to deepen the role we play in our customers' financial lives by continuing to broaden and mature our product suite. Our customers span different life stages, circumstances and ambitions – from those taking their first steps into investing or homeownership, to customers with more complex financial goals who expect greater value, choice and rewards from their bank. Making money work for everyone means meeting that full spectrum of needs.

Since year-end, we've lifted our waitlist in Ireland and announced Spain as our next European market. We'll continue to focus on building outstanding products while using technology – and increasingly AI – to tailor the banking experience to our customers' individual needs at scale. By surfacing relevant insights and tools at the right moment, we can help customers make informed decisions that strengthen their financial future. Our ambition is to be a trusted partner that proactively supports customers with more of their financial decisions and evolves with their needs over time.

Looking forward

In FY2026, we expanded the scale, breadth and impact of our business while investing in the foundations that enable us to pursue our ambitions at home and abroad.

We're proud of the incredible milestones Monzo has achieved so far. And we're clear about our priorities for the year ahead: build on our momentum in the UK, scale in Europe with discipline, and deepen our role in customers' financial lives with more products that meet more of their needs.

To our customers, a huge thank you for the trust you place in us. To our Monzonauts, thank you for the warmest of welcomes, your professionalism, energy and customer-obsession. Together we're building a digital bank designed to stand the test of time, one that will be even more relevant and loved in 50 years than it is today.



Diana Layfield
Group Chief Executive Officer
Monzo Bank Holding Group
15 May 2026

Our business model and strategy

Our mission

Our mission is to make money work for everyone. Many people still experience financial services as complex, unclear and often stressful, but we know it doesn't have to be that way.

That's why we operate as a technology-led, regulated bank, designing innovative products that give customers greater clarity, control and confidence in managing their financial lives. We aim to support customers at every stage of their financial lives — from spending and saving to borrowing, investing and protecting their money — as well as through selected adjacent services that complement our core offering, all in a single, simple and transparent place.

Since launch, we've grown into one of the UK's largest digital banks, serving over 15m personal and business customers. FY2026 marked continued progress in meeting more of our customers' needs, enhancing the resilience and performance of our platform, strengthening profitability and laying the foundations for disciplined international expansion.

Our competitive advantages



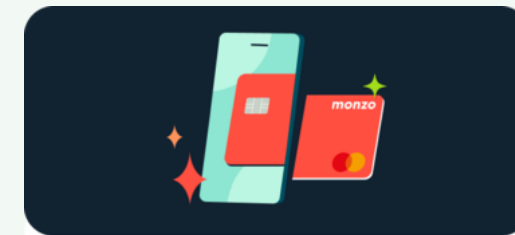
Our own technology platform

Our cloud-native architecture puts products in customers' hands faster, and in way that scales at low cost.



Customer-centric culture

We design products around real customer needs, leading to high engagement and advocacy.



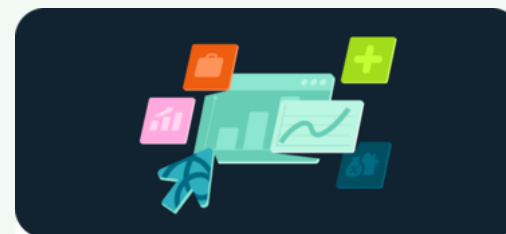
An iconic UK brand

Our brand recognition and customer trust help with efficient customer acquisition, high retention and ever deepening primary bank relationships.



AI-powered credit and data capabilities

Our underwriting and data science capabilities promote disciplined lending growth and improve risk management.



Digital-first operating model

Being a digital bank without branches means we benefit from structural cost efficiencies and can stay operationally flexible.



Regulated bank

Full banking licences in the UK and EU give us credibility, funding access and regulatory stability.

Our business and operating model

Our business model is built on our competitive advantages, with current accounts and payments serving as the primary entry point for customers.

As customers increasingly use us for their day-to-day banking through their current account, we build deep and lasting relationships, putting ourselves at the heart of their everyday banking.

From there, we've built a diverse, high-margin set of financial services that covers savings, subscriptions, international payments, insurance, pensions, investments and responsible lending.

Customers

We serve 14.2m personal customers in the UK, with around 50% of active customers choosing Monzo as their primary bank² account in FY2026. Our retail customer base is nationwide, with a higher concentration in London, and is slightly younger than the overall UK population. We also serve 905k businesses, focused on sole traders with a growing presence across small and increasingly more complex businesses as our offering expands.

Revenue model

Our revenues come primarily from the following sources.

- Interchange fees, charged to merchants when customers spend on debit and credit cards both domestically and internationally.
- Interest income earned from managing liquidity in current accounts and savings.
- Interest income earned from lending through credit cards, personal loans and overdrafts.
- Subscription plan revenues.
- Fee income more broadly, including from investment, pension, insurance and foreign exchange (FX) services.

Together, these revenue streams create a diversified recurring income base across fee-based and interest-bearing sources. In FY2026, 4 revenue streams each generated more than £300m in annual revenue (FY2025: 1), demonstrating the breadth and scale of our multi-product platform.

We generate revenue across both personal banking and business banking, with business banking contributing 14% of total revenues in FY2026, up from 12% in FY2025.

Funding and capital model

Our balance sheet is primarily funded by retail deposits, providing a scalable and low-cost source of funding. Our deposit base is highly stable, and we hedge our interest rate exposure to reduce volatility in interest income over a rolling 4-year horizon. We invest excess liquidity in high quality liquid assets to generate an incremental spread over base rates.

We use capital selectively, lending responsibly where we can achieve attractive risk-adjusted returns.

This capital-light approach is designed to support a high return on equity model over time, while maintaining strong regulatory capital ratios.

Operating model

Our operating model supports scalable growth, rapid product development and efficient product delivery at scale.

We run a digital-first, cloud-native platform, which allows us to serve a rapidly growing customer base and expand our product offering at low marginal cost. This gives us structural cost advantages and allows us to iterate quickly in response to customer needs.

We increasingly embed AI across engineering, operations and customer support to improve productivity, enhance customer experience and scale the platform efficiently (see page 20).

Our Engineering teams work closely with Operations and Risk, helping us deliver new products and features at pace while maintaining appropriate oversight. This integrated model supports both innovation and disciplined execution as we scale.

We're primarily based in the UK and are expanding our presence in the EU, with a distributed footprint that provides access to a broad talent pool and supports our international expansion. Ireland serves as our EU base, where we've continued to build out our local team during the year, supported by our Group infrastructure. During the year, we also established our Barcelona technology hub to expand product development and access specialised technology talent, supporting both UK and EU operations. See page 27 for information on the team growth.

We also partner with external providers to extend our product offering in selected areas. This includes partnerships with BlackRock (investments), Raindrop (pension consolidation) and Chubb (home and contents insurance), letting us offer a broader range of products with specialist expertise.

² Applies to UK Retail customers. A customer is primary bank if their inbound or outbound payment flows (meeting certain criteria) are greater than or equal to £800; in both the last 35-days and the 35 days prior to that (35-70 days).

Our strategic priorities

Our strategy is focused on 5 priorities that support sustainable, profitable growth and create long-term value for all our stakeholders.

Attract new customers efficiently

Strong brand recognition and high levels of customer advocacy support our aim to grow our customer base in a capital-efficient way. This approach allows us to scale while preserving attractive unit economics.

Deepen primary banking relationships

We focus on becoming the primary financial services provider for our customers. Higher engagement and increased product use strengthen retention, improve monetisation and support sustainable revenue growth.

Diversify revenue streams with genuinely original products

Expanding the range of products we offer – across payments, borrowing, subscriptions, investments and more – lets customers manage more of their financial lives with Monzo.

This increases share of wallet, strengthens customer loyalty, boosts our competitiveness, and reduces our reliance on a single source of income. This diversified model also

improves our resilience in different economic environments.

Scale efficiently through a disciplined, technology-led operating model

Our digital-first platform enables us to launch products rapidly, scale efficiently and operate with resilience. As we grow, we are increasingly focused on leveraging automation, data and technology to improve productivity and reduce our cost-to-serve, supporting a structurally lower cost base over time relative to incumbent banks, while maintaining our award-winning service and regulatory compliance.

Expand internationally with depth and discipline

Securing our European Banking Licence in December 2025 allowed us to launch in Ireland and make our first step towards building a sustainable, scalable EU business. Our expansion strategy is focused on depth over breadth in Europe, prioritising markets where we can build primary banking relationships and strong customer engagement from the outset.

Percentage of growth driven by word of mouth

An increase from 73% FY2025

79%

Primary bank

Slight decrease from 51% FY2025

49%

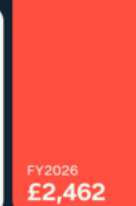
Products per customer

Slight increase from 3.0 FY2025

3.2

Deposits per MAU

+23%



Monthly card spend per MAU

+4%





In focus: Personal banking

This year we continued to expand our product offering to meet a wider range of our customer's financial needs. Today, they can use Monzo to manage day-to-day spending and budgeting alongside longer-term financial needs like saving, borrowing, investing, home ownership, insurance and retirement planning.

Around half of our active customers choose Monzo as their primary bank as we deepen our relationship with customers by making Monzo more personalised and firmly rooted in their financial lives. This includes building intelligent new tools for both individual and household money management. And we're only just getting started. We see huge opportunities to take this approach further in the UK, and scale in the EU. In FY2026, we started serving our first customers in Ireland with free personal, joint and Under 16s current accounts with local IBANs.

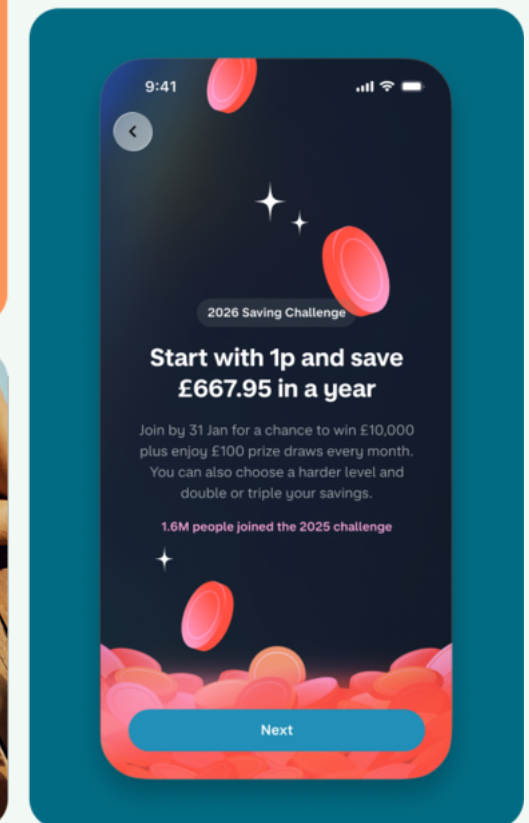
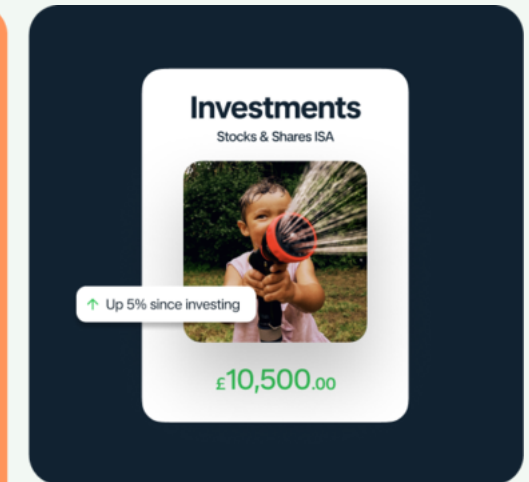
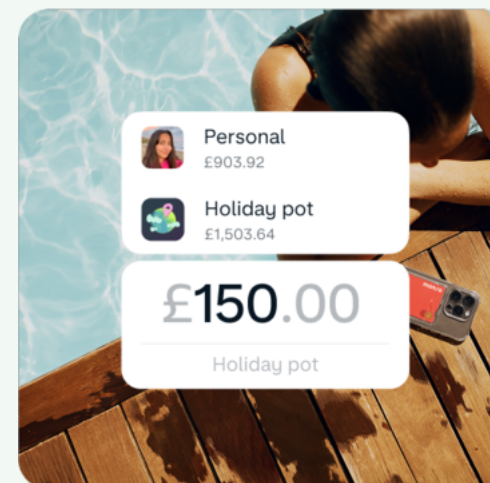
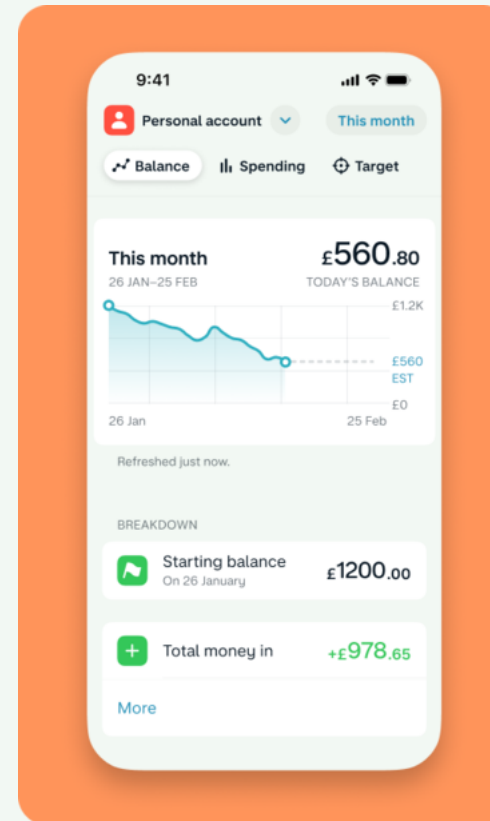
Making everyday money magical

- Rescue mistaken transfers using our industry-first Undo Payments feature.
- Stay on top of subscriptions and other commitments with our Bills Calendar.

- Get rewarded for doing more with Monzo, with Double Payday and Billsback.
- Grab perks like a boosted savings rate and an Uber One membership with our Monzo Perks and Monzo Max plans.

Helping customers gain momentum with their finances

- Start a money saving habit with our daily automated Saving Challenge.
- Earn a higher savings rate without fully locking your money away with our Select Access Savings Pot.
- Get the chance to build up a repayment history and access better borrowing options with Monzo Flex Build.
- Find and combine your pensions to bring them all under one roof to get a clear picture.
- Protect your place and the stuff you love with Monzo Home Insurance.
- Invest in a wider range of funds, like the S&P500, NASDAQ 100, Blockchain creators, short-term bonds and more.
- View your savings, investments, pensions, and mortgage together in the new Grow tab.



In focus: Business banking

Monzo Business exists to make running a business simpler and more rewarding. Today, 1 in 7 UK businesses bank with Monzo.

We work closely with our business customers to understand their needs so that we build products and features to support businesses at every stage, from sole traders just starting out to growing limited companies with more complex needs. And we're now doing that in Europe as well as the UK.

For the next chapter of our mission to make money work for businesses, we're focused on serving businesses in new markets, expanding our product suite to serve the complex needs of larger businesses and finding even more innovative ways to simplify admin, give our customers more control and save them time.

905,000 business customers

1 in 7 UK businesses bank with Monzo

Britain's recommended business banking provider for overall service quality for the last 3 years*

Most switched to business account

with 21% of switches in 2024 according to latest annual CASS data for SME and charity market

1 in 5 new businesses choose Monzo

* Business Current Accounts Great Britain: These results are from an independent survey carried out between January 2025 and December 2025 by BVA BDRC as part of a regulatory requirement. 20,450 people were surveyed in total. To find out more visit: [BVA-BDRC.com/business-banking-service-quality](https://www.bva-bdrc.com/business-banking-service-quality)

Simplifying finance as a fast-growing Irish team expands



Hugh Gray
Squid
Monzo Business customer

Squid is building a universal loyalty platform connecting consumers, local businesses and major brands across the UK and Ireland. What began as a digital loyalty card for independent Irish cafés has grown into a platform used by nearly 2,500 businesses and downloaded by almost 800,000 consumers. As the company grew to more than 30 people, managing finances became increasingly complex.

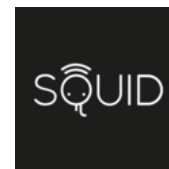
"We're a growing startup with operations in both Ireland and the UK," says Hugh, Head of Finance at Squid. "That means payroll in different currencies, team expenses, payments coming in from different partners. It adds layers of complexity very quickly."

As one of our early Irish business customers, Squid chose Monzo Business to simplify that complexity and give the team better tools to collaborate.

"Ultimately what we want is everything in one place," Hugh explains. "Expense cards, payments, integrations with our accounting software – when those systems are connected, you remove a huge amount of admin."

With features like multi-user access, approvals and bulk payments, we help companies like Squid collaborate across a growing team while keeping control of company spending.

"In a scaling startup, every minute counts," Hugh says. "The time we get back from financial admin can go straight into supporting our customers and growing the business."



"As we grow, we need banking that grows with us."

Making tax simple for a self-employed business owner



Emily Palmer

The Collar Club Ipswich
Monzo Business customer

Running a licensed home dog boarding business means early starts, long walks and building trusted relationships with clients – alongside managing the admin that comes with being self-employed.

When HMRC introduced Making Tax Digital requirements for sole traders in 2026, Emily Palmer, owner of The Collar Club Ipswich, worried it would mean extra costs and getting an accountant.

Instead, she started using Monzo Business's new, free HMRC-recognised tax filing tool. After an initial catch-up reviewing past transactions, she built a simple habit: "If you start at the beginning of the tax year, you just do it as you go. Then it's all there, it's sorted."

Using her Monzo Business card for fuel and day-to-day expenses, she captures receipts and categorises spending in seconds.

She also uses our invoicing feature, with payment links that automatically reconcile when clients pay. With everything in one place, she can quickly see how much a client has paid or how much she's spent.

"It just gives you clarity on where your business is at – what you're spending, what you're making. It's the reassurance that it's done and submitted," she says. "It just makes things easier."

"Monzo Business just gives you clarity on where your business is at. It's like a weight off your mind."



With powerful tools and intuitive design, we're building a one-stop shop for business

Helping bigger businesses collaborate

Bring extra hands on deck by giving different levels of account access to multiple team members.

Manage team spending with expense cards.

Simplify working with accountants and bookkeepers with auto-statement and transaction exports.

Saving businesses time

File taxes directly to HMRC with our free Making Tax Digital tool.

Scan and extract receipts instantly with receipt capture.

Pay multiple suppliers in one go with bulk payments.

Putting businesses back in control

Get a snapshot of business performance with cashflow insights.

Get paid 11 days faster with Monzo payment links on invoices.

All the info you need at your fingertips with accounting integrations.

Improving how businesses manage their money

Smooth out cash flow crunches with limited company loans and overdrafts.

Automatically set a percentage of your income aside for paying taxes later.

Earn interest in an Instant Access Savings Pot.

In focus: Technology and platform

Built for scale and safety

In FY2026, our payments platform achieved 99.995% availability across the year, processing £569.7bn in gross transaction volume and supporting a 25% increase in our customer base to over 15m customers. It was a year that proved that our platform is safe, reliable, resilient and is ready to scale internationally.

We continued to strengthen platform resilience by rearchitecting key data storage systems, improving infrastructure segregation to ensure that any localised issues remain contained and introducing faster change mechanisms that allow teams to safely introduce new products, features, fixes and changes faster than ever.

Our platform is built to handle busy periods, like our much loved Get Paid Early feature, which lets customers access their salary up to 72 hours before payday. It automatically scales within seconds to manage demand up to 3× higher than usual. In our latest peak, we processed over £750m in early salary payments with no disruption.

We continued to invest in Stand-In, our cloud-based resilience system designed to automatically step in and maintain essential services in the event that our primary platform has issues. This year it made sure we

achieved 99.998% availability for Faster Payment System (FPS) processing, and 99.996% availability for card processing, smoothly and safely handling over 8.5m transactions worth over £220m.

Embracing AI at scale

In FY2026, we incorporated AI more deeply into our core operations, transforming how we build products and support our customers, and helping us scale safely and efficiently.

Across our technology teams, 87% are using AI tooling every week. AI is no longer just an ideation tool, it's actively contributing to our product and platform. Our AI coding tools are responsible for 22% of all the code we commit and the same tooling supports engineers during technical investigations, acting as a second pair of hands to assess and diagnose issues, help identify root causes and create fixes.

In customer service, using AI has had a direct and meaningful impact on customer support, routing customers to the best-suited human agent with greater context so urgent queries get attention sooner. Our AI-driven self-service system handles 62% of inbound customer chats and resolves 55% of these independently, receiving high customer



£569bn+
gross transaction volume
processed in FY2026

99.995%
uptime maintained
throughout FY2026

>3x
the value of fraud prevented
compared to FY2025

satisfaction scores of 4.4/5. Customers benefit from 24/7 instant support with issues like declined transactions, missing refunds and payment limit increases being resolved in seconds.

AI is also improving experiences for our most vulnerable customers. We launched some machine learning powered safeguarding that helps identify and reduce intervention times for some of our most vulnerable customers, improving both the speed and accuracy of getting customers to the right support and strengthening our ability to deliver faster, safer care where it matters most.

Fraud and financial crime prevention

Fraud is still a big and evolving challenge for the entire industry. Through continued investment in real-time, preventative tools and AI, we're stopping more fraud than ever, preventing more than 3× the amount of money from being taken from our customers than in the year before. We are committed to continued investment in our capabilities across financial crime, to ensure we are well placed to protect our customers from evolving threats.

At the core of this effort is our investment in representation learning, which allows our systems to analyse and learn from multiple fraud types simultaneously. By identifying shared behaviours across different threats, we have improved detection rates by approximately 30%. This allows our systems to detect emerging threats automatically, minimising the need for manual intervention.

These tools help us protect customers in real time. If a payment looks suspicious, we ask customers to confirm it or complete extra checks, like entering their PIN or verifying their ID. We can also briefly pause payments so customers can reconsider or get advice, helping us stop 25% more scams. For higher-risk cases, our Job Scam tool temporarily holds transfers and has cut losses from these scams by half.

One of our fraud AI agents now interacts with customers to clarify payment details, helping us resolve tasks in around 30 seconds – 90× faster than without AI support. At the same time, it increases our ability to detect criminal activity by at least a factor of 2. This is another example of how we've used AI to strengthen our Financial Crime and Fraud Controls to protect our customers.

Halved
the amount of money sent to fraudsters in job scams

62%
of inbound chats handled by AI with high customer satisfaction

90×
faster to clarify payment details with Financial Crime AI Agents



Strategic report

Financial review



22 Key results

23 Group Chief Financial Officer's review

Key results

Total number of customers
+25%



Revenue
+39%



Gross profit
+35%



Adjusted profit before tax
+20%

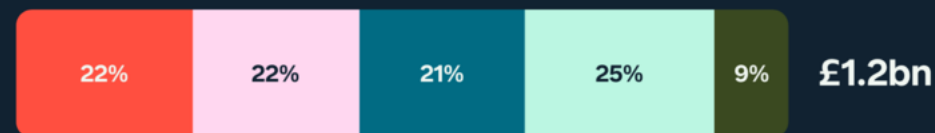


Average Revenue per Active Customer (ARPAC)
+11%

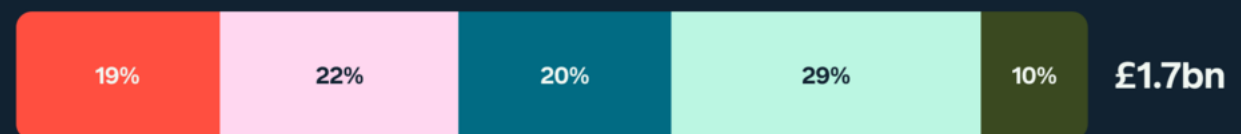


Revenue split

FY2025



FY2026



- Current account balances
- Borrowing
- Payments
- Wealth (saving & investments)
- Subscriptions & other fees

Group Chief Financial Officer's review

FY2026 was a year of significant progress for Monzo, delivering strong growth at scale, with increasing profitability.

Gross profit increased to £1.0bn, up 35% year over year, reflecting the continued scalability of our business model. Adjusted profit before tax reached £172.6m, up 20% year on year and marking our third consecutive year of profitability.

This performance reflects sustained customer growth, deeper engagement and increasing take-up of our product suite. Personal banking momentum remained strong, while business banking accelerated further.



Tom Oldham
Group Chief Financial Officer

Customer growth remained a key driver of this performance, with 3m new customers added during the year — our highest annual additions to date — up from 2.4m last year. Around 79% of new customers were acquired through word of mouth, including through referrals, underscoring the strength of our brand and customer proposition, as well as the efficiency of our customer acquisition model. We ended the year with over 15m customers across personal and business banking, representing a 25% increase year over year. Business banking growth was particularly strong, with 280k new business customers added in FY2026 — 45% more than the prior year and more than double the number from two years ago — bringing the total number of businesses we serve to 905k.

Customer engagement continued to strengthen during the year. Monthly active users reached 10.4m, up 26% year over year, with 49% of monthly active users choosing Monzo for their primary banking needs. The average number of products per customer increased to 3.2 from 3.0 last year, and card spend grew 32% year over year.

We now hold £25.7bn of deposits on behalf of our customers, up 55% year over year. This consists of £10.2bn in current account

balances and £15.5bn in savings deposits. Over 3.5m customers now hold savings with Monzo. Deposits per Monthly Active User ('MAU') reached £2,462, up 23% year over year, reflecting the increasing depth of our customer relationships. Adoption of our subscription plans continued to increase, with 1.6m customers now subscribed, representing 16% of our total monthly active users. In addition, our investment offering continued to gain traction, with just under £1bn of assets under administration, representing twofold growth year over year.

This deeper engagement and increased product adoption translated into higher Average Revenue Per Active Customer (ARPAC). In personal banking, ARPAC reached £167, up 9% year over year, while business banking ARPAC grew to £484, higher by 12% year over year.

As a result, total revenue increased 39% year over year to £1.7bn. Gross profit grew to £1.0bn, up 35% year over year, with a slightly lower gross profit margin (59% in FY2026 vs. 61% in FY2025). The margin decrease reflects higher interest expenses (up 43% year over year, driven by growth in customer savings balances), and higher fee and commission expenses (up 65% year over year), driven by increased transaction

expenses, which include Apple Pay fees, and increased partnership-related costs as we invested in our investments and pensions platform.

Lending remains a growing contributor, supported by disciplined underwriting and measured portfolio expansion. Gross balances grew by 42% to £2.6bn, and revenues increased 39% year over year. While expected credit losses increased in absolute terms alongside loan growth, they grew at a slower rate than balances, reflecting improving portfolio performance. The total loan loss rate³ improved to 9.0% from 9.4% a year ago, and the realised loan loss rate improved to 6.7% from 7.5% in the prior year.

Business banking now represents 14% of total revenue, compared with 12% a year ago. We continue to see growth in the number of businesses subscribing to our paid products (Monzo Pro or Monzo Team), with subscriptions increasing 27% year over year. This represents 47% of monthly active business customers subscribing to our paid plans (FY2025: 54%). Recent customer cohorts are delivering higher ARPAC levels.

During the year, we also agreed our first ever acquisition, with the planned purchase of

³ This is our full expected credit loss expense as a percentage of average gross lending balances during the period. In previous years we've measured our loan loss rate using only realised losses.

Habito, a leading UK digital mortgage broker. The transaction will enable a capital-efficient expansion into the large, broker-led mortgage market and reflects our disciplined and highly selective approach to M&A, aligned with our long-term strategic priorities.

We are deliberately investing ahead of revenue to support long-term growth. This includes marketing to accelerate customer growth, building out the team to support our European launch, and investing in product development across the Group. Growth-related operating costs increased driven primarily by investment in hiring, performance marketing and customer onboarding. Separately, costs were impacted by regulatory developments, including the full-year impact of changes to fraud reimbursement rules, which increased customer refunds for fraudulent transactions. As a result, our cost-to-income ratio (CIR)⁴ increased slightly to 74% from 70% last year, primarily reflecting this planned investment phase. These investments will support long-term growth.

FY2026 performance was delivered against a backdrop of declining interest rates and ongoing macroeconomic uncertainty.

Looking ahead, interest rate expectations have become more uncertain. Our diversified revenue mix and structural hedging framework support earnings resilience across different rate environments. Approximately 46% of our deposit balances (March 2025: 44%) are structurally hedged, representing

the core of our interest rate risk exposure. This means that a 100bps change in interest rates would impact annual interest income by approximately £23.9m, broadly consistent with our sensitivity at March 2025 (£22.1m), even as our interest income has increased by 39% over the same period.

Our Treasury portfolio, which primarily invests surplus deposits in High Quality Liquid Assets (HQLA), continues to scale, supporting profitability while maintaining a strong liquidity position. We maintain a conservative balance sheet, with cash reserves at the Bank of England being 60% of total customer deposits. Net Interest Margin declined to 3.7% from 4.1%, reflecting a higher mix of remunerated savings balances as a proportion of overall deposits, partially offset by the expansion of our structural hedge, which has supported net interest income despite a 75bps reduction in the UK base rate during FY2026.

Our risk-weighted assets grew in FY2026, driven by growth in our lending book and overall business activity, resulting in higher capital requirements. Nevertheless, we remain well capitalised with a Common Equity Tier 1 (CET1) ratio of 33% (compared to 56% in FY2025), above internal targets and regulatory minimum requirements. This positions us well to scale sustainably while maintaining a strong capital and liquidity profile.

⁴ Adjusted to remove any of the exceptional items, which in FY2026 is the FCA fine (£21.1m) and our restructuring provision (£5.3m)(FY2025: Removal of the impact on personnel expenses of the secondary sale, £53.4m). See our Alternative performance measures for the basis of the CIR calculation.

Card spend

+32%



Products per MAU in the UK

An increase from 3.0 FY2025

3.2

↑ 6%

Total customer deposits

+55%



No. subscriptions

An increase from 1.1m FY2025

1.6m

↑ 49%

Financial performance overview

Group consolidated profit and loss

	Audited 12 month period ended 31 March 2026	Audited 12 month period ended 31 March 2025	Unaudited 12 month period ended 31 March 2024 ⁵	Audited 12 month period ended 28 February 2023	Audited 12 month period ended 28 February 2022
	£'000	£'000	£'000	£'000	£'000
Interest income	1,199,655	861,673	549,991	167,956	37,809
Fee and commission income	458,972	329,165	238,662	169,095	103,270
Other operating income	53,669	44,517	46,178	18,582	13,161
Revenue	1,712,296	1,235,355	834,831	355,633	154,240
Interest expense	(376,949)	(262,833)	(136,003)	(3,709)	(3,727)
Fee and commission expense	(118,854)	(72,000)	(46,796)	(36,212)	(22,481)
Credit loss expense on financial assets	(203,680)	(152,595)	(170,174)	(101,203)	(14,013)
Cost of revenue	(699,483)	(487,428)	(352,973)	(141,124)	(40,221)
Gross profit	1,012,813	747,927	481,858	214,509	114,019
Personnel expenses	(421,583)	(352,929)	(241,003)	(175,325)	(130,151)
Other operating expenses	(503,942)	(334,520)	(226,908)	(155,525)	(102,888)
Total Expenses	(925,525)	(687,449)	(467,911)	(330,850)	(233,039)
Profit/ (Loss) before tax	87,288	60,478	13,947	(116,341)	(119,020)
Tax (expense)/ credit	(958)	34,090	(6,739)	—	—
Profit/ (Loss) for the year	86,330	94,568	7,208	(116,341)	(119,020)

⁵ The Group was audited for a 13 month period ending 31 March 2024. The comparative unaudited 12 month period ended 31 March 2024 has been presented in the table above to aid comparison.

Interest income increased 39% to £1.2bn

A £338m increase on £862m in FY2025

Customer deposits increased significantly, up 55% to over £25bn. This was driven by growth in customer savings deposits (up 75% to £15.5bn) and customer growth of 3.0m, a 25% increase compared with March 2025 leading to current account balances increasing by 32% to £10.2bn.

We increased our treasury asset income twofold (£169m) to £339m, reflecting expansion of the credit investment portfolio, which has more than doubled in notional value since March 2025 as a result of deposit growth. The treasury investment portfolio is predominantly comprised of High Quality Liquid Assets (HQLA).

Our lending income increased 39% year-on-year to £377m. We grew our gross lending across the board: loans were 41% (£0.4bn) higher, Monzo Flex increased 49% (£0.3bn), and overdrafts rose 33% (£0.2bn). The number of customers borrowing from us reached 4.1m.

Even as interest rates fell (dropping 75 basis points since FY2025), our interest from deposits held with the Bank of England still increased 12% to £484m (£51m), supported by a 40% increase in cash balances and our structural hedge. We continued to expand our structural hedging programme, with notional balances 64% higher than March

2025, protecting our net interest income in a declining rate environment.

Fee and commission income increased 39% to £459.0m

A £129.8m increase on £329.2m in FY2025

Our transaction income grew 37% (£86.3m) year-on-year, supported by higher payment volumes. Card spend increased 32%, which increased interchange income by £68.0m. We also made an additional £13.6m from international payments fees, driven by the growth in Monzo-powered cross-border payment volumes, which now make up 73% of international payments (7% in FY2025).

Average monthly transactions per active user increased to 62, up from 59 in FY2025, reflecting continued growth in customer engagement.

Subscription income increased by 62% (£46.9m) year-over-year, with more than 450k additional personal banking customers and 60k additional business banking customers subscribing to our upgraded plans (up 55% and 27% respectively compared to FY2025). During the year, we enhanced the subscription proposition, including the introduction of partner benefits such as Uber One, enabling subscribers to earn interest on balances saved through The Saving Challenge, and offering bill-related cashback incentives through a monthly prize draw.

Our investment products delivered strong growth during the year. We refreshed our investments platform and assets under administration doubled to just under £1bn. Half a million customers now invest with us, which is 65% higher than last year. Our pensions product grew at an even faster pace, with assets under administration increasing sixfold year-on-year.

We shifted our focus from partnership commissions on external Savings Pots to Monzo-powered savings products. As a result, partnership commission income declined 18%, more than offset by growth in overall deposit income.

Other operating income increased 21% to £53.7m

A £9.2m increase on £44.5m in FY2025

This includes business-to-business innovation grants (£30.8m).

We also saw an increase to our unrealised fair value gains from credit spreads (£9.6m) on the asset swapped bonds in our credit investment portfolio. This is expected to decrease over time as hedge accounting is applied to future exposures.

Interest expense increased 43% to £376.9m

A £114.1m increase on £262.8m in FY2025

Customer savings balances grew 75% year-on-year, even as we passed on interest rate cuts made by the Bank of England.

The Saving Challenge continued to drive customer savings engagement, with customers collectively saving £300m through the challenge. Interest was paid on these balances to eligible subscribers. Participation has continued to grow in 2026, with more than 2 million customers taking part in the Saving Challenge, compared to 1.5m last year.

We continued to expand our savings offering. For example, amounts saved in Cash ISAs grew twofold year-on-year, and in March 2026 we launched Select Access Savings Pots that give customers more choice over how they save, letting them pick the option that works best for their goals, where customers have already collectively saved over £100m.

Fee and commission expense increased 65% to £118.9m

A £46.9m increase on £72.0m in FY2025

As our customer base grew and engagement with our products increased, the direct costs associated with delivering those products also increased.

Subscription expenses increased 62% (£23.5m), in line with growth in subscription income. These costs primarily reflect the direct expenses associated with delivering subscription benefits, including third-party services – like Uber One and prize draws.

Transaction expenses increased 44% (£14.6m), broadly in line with transaction income growth, reflecting higher card and cross-border payment volumes.

Our partnership expenses increased more than tenfold to £9.7m, reflecting the expansion of our investments, pensions and insurance offering and associated partner costs.

Credit loss expense increased 33% to £203.7m

A £51.1m increase on £152.6m in FY2025

Our loan balances grew 42% over the year, reaching £2.6bn by year-end. Expected

credit losses increased alongside lending growth; however, they grew at a slower rate than balances, reflecting improving portfolio performance.

Our loan loss rate dropped from 9.4% in FY2025 to 9.0% in FY2026, reflecting improving arrears performance and stronger credit quality. As a result, our balance coverage reduced from 13.6% in March 2025 to 12.5%. This represents the proportion of gross lending balances covered by an impairment loss allowance.

Balance in arrears*		
	FY2026	FY2025
Loans	3.1%	3.6%
Flex	5.6%	5.6%
Overdrafts	6.7%	5.9%

*Excluding payment plans

Impairment adequacy summary		
	FY2026	FY2025
ECL	£330m	£251m
Loans	£98m	£81m
Flex	£120m	£87m
Overdrafts	£112m	£83m
Drawn balance	£2,641m	£1,853m
Loans	£1,253m	£897m
Flex	£843m	£553m
Overdrafts	£545m	£403m
Portfolio coverage	12.5%	13.6%
Loans	7.8%	9.1%
Flex	14.2%	15.7%
Overdrafts	20.5%	20.6%

Personnel expense increased 19% to £421.6m

A £68.7m increase on £352.9m in FY2025

Our personnel expenses in FY2025 included a one-off cost of £53.4m from our secondary share sale. If we adjust for that, personnel expenses increased 41% year-on-year, reflecting how we've grown and invested in our team.

Our salary costs increased by 37% during the year as we expanded our team and invested in our people.

During the year, we continued to invest in our people through market-aligned compensation reviews, ensuring salaries remained competitive and appropriate. We increased hiring across product and technology functions in the UK to support ongoing product development and platform expansion, while also strengthening regulated and control functions, including Financial Crime, to enhance operational resilience and risk management as the business scales.

We expanded our EU team to 73 employees, bringing in experienced senior leaders to support international growth.

As a result, average headcount for Monzonauts over the period in Business and Technology increased 37% to 1,826, up from 1,336 in FY2025.

Average COps (Customer Operations) headcount increased 15% to 2,848, up from 2,485 in FY2025.

Other operating expenses increased 51% to £503.9m

A £167.9m increase on £334.5m in FY2025

Marketing costs increased 46% (£44.7m) to £143.1m. Referral costs increased significantly, up threefold year-on-year by £21.6m to £29.5m. Referral-led acquisition continues to be supported by high levels of customer engagement and remains a cost-efficient channel for customer growth, with referred customers typically acquired at a lower cost than from other channels.

Customer account operating costs increased 44% (£42.0m) year-on-year, driven partly by fraud losses. We reimbursed victims of fraud £59.6m for fraud losses, 85% higher than last year, reflecting a full year under the Payment Systems Regulator (PSR) mandatory reimbursement regime for Authorised Push Payment (APP) scams introduced in October 2024. Fraud costs further increased in line with customer growth, higher transaction volumes and a more proactive customer reimbursement policy.

Excluding fraud losses, customer account operating costs, which includes the cost of sending customers their physical cards and conducting onboarding Know Your Customer (KYC) checks, are 23% higher year-on-year,

broadly aligned with 25% customer growth over the same period.

Outsourcing costs increased by 73% (+£23.1m) year-on-year as we grew our on-demand support capacity related to customer support.

Technology costs increased 31% (£18.1m) to £77.4m, reflecting continued investment in platform resilience and scalability. The benefits of these investments were demonstrated in January 2026 where Monzo Stand-In allowed us to maintain availability of critical services during a disruption event.

We incurred the cost of a £21.1m fine imposed by the FCA in relation to historic financial crime control failings between October 2018 and August 2020. The cost of this fine is included in Other expenses.

Legal and professional costs increased 6% (£1.4m) to £19.7m, including costs associated with EU licensing and the acquisition of Habito.

Our tax expense increased to £1.0m

A £35.1m decrease on our £34.1m tax credit in FY2025

We recognised a net tax charge through the income statement, which is made up of:

- the corporation tax expense we incurred as a result of another year of profitability (£25.7m), offset by;
- a deferred tax credit (£24.6m), driven by full recognition of a deferred tax asset on our UK trading losses.

We're now paying substantially more corporation tax as a result of continued profitability. Because our current tax charge is offset by a deferred tax credit, our effective tax rate was 0.37% (FY2025: -0.56%).

Cost to income ratio (CIR)

Slight increase from 70% FY2025

74%

Lending portfolio

+44%



FY2026
£2.3bn

Net interest margin (NIM)

Decreased from 4.1% FY2025

3.7%

Common Equity Tier 1 capital (CET1)

Decreased from 56% FY2025

33%

Group consolidated balance sheet

	2026 £'000	2025 £'000	2024 £'000	2023 £'000	2022 £'000
Cash and cash equivalents	15,450,659	11,021,763	7,624,300	3,101,242	3,134,540
Treasury investments	9,482,722	5,381,870	3,634,401	2,727,520	1,675,478
Loans and advances to customers	2,311,925	1,602,470	1,190,215	653,733	235,083
Deferred tax asset	99,486	45,788	—	—	—
Other assets	260,918	211,960	516,897	205,281	173,328
Total assets	27,605,710	18,263,851	12,965,813	6,687,776	5,218,429
Customer deposits	25,715,953	16,599,371	11,197,622	5,945,947	4,440,650
Subordinated debt liability	15,770	15,421	15,113	14,823	14,593
Other liabilities	590,422	436,116	890,933	251,356	200,918
Total liabilities	26,322,145	17,050,908	12,103,668	6,212,126	4,656,161
Equity	1,283,565	1,212,943	862,145	475,650	562,268
Total liabilities and equity	27,605,710	18,263,851	12,965,813	6,687,776	5,218,429

We manage interest rate risk through a structural hedging strategy designed to reduce volatility in Net Interest Income (NII) and protect interest-rate-sensitive deposits. At year-end, the hedge had a total notional value of £11.9bn, comprising treasury portfolio assets and a £10.8bn portfolio of interest rate swaps.

This combined approach helped stabilise Net Interest Margin (NIM) at 3.7% (FY2025: 4.1%, a 41 basis point reduction), mitigating the impact of the 75 basis point reduction in the Bank of England base rate. As instruments mature, proceeds are reinvested to maintain the desired interest rate risk profile in line with market conditions.

Customer deposits have grown by 55% to £25.7bn

Over 3m customers hold savings deposits with Monzo. Deposit growth continued despite reductions in UK interest rates during the year.

These deposits give us low-cost funding, which we use to strengthen our cash and treasury positions, while also funding our higher margin lending products.

Activated personal banking customers increased 25%, while business banking customers increased 45%, reflecting continued growth across both segments, with higher engagement as deposits per MAU increased by 23% to £2,462.

Net lending increased by 44% to £2.3bn

The number of personal account customers borrowing from us grew by over 1m to over 4m. We saw growth across all of our lending products: loans, overdrafts, and Monzo Flex.

Monzo Flex had a particularly strong year. We launched new products like Flex Build, in-store splitting, and Expanded Limits, contributing 0.5m additional Flex customers during the year.

Gross lending increased by £0.8bn (42%) and credit losses only increased by £0.1bn (31%), growing at a lower rate than lending balances.

Our treasury portfolio grew by 76% to £9.5bn

Our treasury portfolio increased by 76% to £9.5bn as at 31 March 2026, ahead of deposit growth. It is invested in a diversified range of high-quality fixed-income assets, including UK government bonds (Gilts), supranationals and senior asset-backed securities. All holdings are rated Credit Quality Step 1 (CQS1), with the majority classified as High-Quality Liquid Assets (HQLA). The portfolio is managed to maintain a strong liquidity position while delivering an efficient return over the Bank of England base rate within a conservative risk appetite.

Capital and liquidity management

With the growth in our balance sheet, our risk weighted assets (RWAs) increased from £2.1bn to £3.8bn. This increase was primarily driven by growth in lending to our customers, an increase in our operational risk RWAs, consistent with income growth, and operational exposures. This reduced our Common Equity Tier 1 (CET1) ratio to 33%, from 56% in FY2025. We remain well above both our internal targets and regulatory minimum requirements. We're in a strong position.

We conduct stress testing across a range of macroeconomic scenarios to assess capital adequacy and business model resilience, ensuring we're always able to take action to meet regulatory requirements.

Our Liquidity Coverage Ratio (LCR) was 1,261% at year end, materially above both our internal and external minimum thresholds.

We continue to closely monitor proposed regulatory developments and assess their potential implications for capital, growth and resolution planning.



Tom Oldham
Group Chief Financial Officer
15 May 2026



Strategic report

Non-financial and sustainability information

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Non-financial reporting statement

Monzo is a Public Interest Entity (PIE) and Large Business so we comply with the Non-Financial Reporting requirements from sections 414CA and 414CB of the Companies Act 2006.

In this section we'll set out our policies and achievements, and for any areas where we're still developing policies or the due diligence on them, we'll explain the progress we're making.

Reporting requirement	Description	References and sample policies
Colleagues	We truly care about our colleagues and their wellbeing. We're transparent with them, building a strong, motivated and diverse team. We have a number of policies, training programmes and approaches to make sure everyone feels like they belong and has a voice.	Our approach to people, p34 People Policy. Health and safety. Conflicts of interest. Recruitment and selection. Remuneration Policy.
Community and social matters	Focusing on community and society is what our mission to make money work for everyone is all about. Our policies and statements outline how we help our customers and have a positive social impact.	Our community and social matters, p40. Vulnerable Customers Policy. Financial Difficulty Policy. Accessibility statement. Bereavement Policy.
Environment	We've built a digital bank with lower greenhouse gas emissions than the high street banks. But, as one of the fastest growing banks in the UK, and with our expansion plans in the EU, we recognise that our carbon footprint will grow rapidly if we don't make a conscious effort to reduce it. We've measured and reported on our carbon footprint and are developing a plan to shrink our emissions.	Our approach to the environment, p44. Environmental and Climate Risk Policy.

Reporting requirement	Description	References and sample policies
Anti-corruption and anti-bribery	Preventing financial crime is a key responsibility and commitment for us as a bank. Our teams pay close attention to these key risks with the help of our policies on a daily basis.	Respect for human rights, anti-bribery and anti-corruption, p52. Outsourcing and Third Party. Risk Management Policy. Procurement Policy. Anti Bribery and Corruption Policy. Market Abuse Policy. Whistleblowing Policy. Financial Crime Policy. Gifts & Entertainment procedure.
Human rights	Our commitment to human rights and the ethical treatment of our colleagues, third parties and customers is woven into our core values. You can find our latest Modern Slavery and Human Trafficking Statement on our website. We're always developing our policies and processes to strengthen our approach to human rights.	Respect for human rights, anti-bribery and anti-corruption, p52.
Description of our principal risks and impact of our business activity		Our current risks, p63.
Description of our business model and strategy		Business model and strategy, p12.

Our approach to people

A mission as big as ours calls for a talented team of people. As we continue to grow quickly, we're doing even more to make working here a differentiated experience everywhere.

This was our biggest ever year for hiring. The number of people banking with us grew massively in FY2026, so the number of people on our team grew too. We're now a team of more than 5,000 people with more than 74% of us working from home full time. Letting people work in ways that suit them means we can hire the best people for the role no matter where they live.

Working from home doesn't mean being cut off though. We create lots of opportunities to get together throughout the year, including our annual Monzo Mela (Sanskrit for 'gathering' or 'to meet') which we host remotely and in person in London, Cardiff, Glasgow and Manchester. After the events, 84% of people said they felt closer and more connected to their teams than they did before.

Growth this year wasn't just about the size of our team. We also introduced workplaces in Dublin and Barcelona. Because of this, we've developed our onboarding programme to make it a genuinely global one, with bespoke sessions for senior leaders and executives.

Always asking how we can be better

We make a lot of claims about how special working at Monzo is, and we make sure we can back that up with data. We regularly ask employees for feedback on how we're doing and use that feedback to produce an eNPS (employee Net Promoter Score – a measure of how likely our people are to recommend us as a place to work). This year we held an average eNPS of 51, a high score that keeps us in the top 10% of the tech industry.

Our Hot Coral Council is an important introduction to our listening strategy that keeps us close to the things people care about. The Council gives everyone who works here a way to raise important issues with leadership through the elected team representatives.

Strengthening leadership and helping people get started

FY2026 was a year we welcomed more brilliant new leaders to Monzo. Our CEO, TS Anil, announced that he was standing aside for Diana Layfield to take up the role of Group CEO, while the Board introduced new members Delfin Rueda Arroyo, Jambu Palaniappan, Karen Peacock and

Spencer Lake. We also brought executives Kate Ireland and Shelley Malton on to the team.

The Leadership Academy we set up in 2024 continues to go from strength to strength. So far, over 50% of our managers have completed our Evolve training programme, with 98.4% of them saying it was impactful and already proving valuable to them in their leadership roles. We designed the sessions to be behavioural science led, practical and adaptable so that all our leaders could apply what they learned in ways that worked best for the teams they're responsible for. Topics include emotional intelligence, coaching, conflict management and feedback; themes we chose based on feedback from leaders. Elevate, our tailored programme for our most senior leaders, has been completed by 198 leaders since 2024.

As well as investing in our leaders, this year we rolled out more of our own sponsorship programmes, internships, apprenticeships and placement schemes to support people starting out in their careers. We're starting out by focusing on creating opportunities for underrepresented groups so that we're opening up ways into tech and finance for people of all backgrounds, which is the right thing to do in general and will hugely benefit us on our mission to make money work for everyone.

Looking after people properly

As we've grown globally, we've made sure our benefits grow with us. For example, in Ireland we've introduced key benefits like pensions, private healthcare and life insurance. In the UK, we've strengthened our commitment to inclusive care by improving gender dysphoria cover through our healthcare plan. We've prioritised education and awareness across mental, physical and financial wellbeing, hosting key awareness events and mental wellbeing workshops for all Monzonauts.

We recognise how important it is to look after the people who look after our customers. Which is why we've hired our first Colleague Care Advocate for team members who are in direct contact with customers every day. The Colleague Care Advocate is there to provide immediate and ongoing support to anyone in a customer support team who's had difficult or emotionally triggering interactions with vulnerable customers.

Our People policies

Policy	Summary	Due diligence
People	Our People Policy helps us support a happy, high performing team who can have an impact for our customers. It's also there to address people risk. That's the risk of financial, operational or reputational loss due to our team as a whole, or individuals in it, not working as they should.	See individual Policy due diligence below.
Health & Safety	This Policy sets out our high-level approach to Health and Safety to protect our colleagues, whether in our office or working from home, and any visitors to our sites.	<p>We appoint and train first aiders and fire marshals. For all new joiners, we explain what people should do in the event of a fire as part of their mandatory training.</p> <p>We appoint and train mental health first aiders to support all Monzonauts, and offer round the clock support through our Employee Assistance Programme. We make sure all Monzonauts have the right equipment to help them do their job and provide additional support to those with long term health conditions.</p> <p>We review our risk assessments and policies annually to make sure we're providing the safest environment for Monzonauts and visitors possible. We respond to feedback and incidents quickly and have multiple ways to give feedback so Monzonauts can report any issues or raise concerns.</p>
Conflicts of Interest	This Policy helps us avoid any conflicts of interest in the way we make decisions and go about our work.	<p>The People team reviews our conflict of interest register regularly, and follows up on any potential conflicts with the person individually.</p> <p>Our Second Line of Defence the Risk and Compliance team also review this. Every year we share a company-wide announcement reminding our colleagues to log any conflicts.</p>

Policy	Summary	Due diligence
Recruitment and Selection	We attract and hire the most talented people. We do this through a transparent, fair and non-discriminatory hiring process.	<p>Finance and ExCo approve the final headcount plan.</p> <p>We've launched interview and bias training and track interviewers to confirm they've completed training.</p> <p>The People team determines pay ranges by level and function. The Reward team reviews and approves a limited number of offers outside of the salary and share options frameworks.</p> <p>We review our new starters the week before they start to confirm that their pre-employment checks are complete and have an escalation process in place for failed checks.</p>
Remuneration	We've built this policy to help us attract, motivate and keep the people we need for each phase of our growth, while making sure we stay compliant with all regulatory requirements that apply to us. The Group RemCo recommends the Remuneration Policy to the MBHG and MBL Boards for approval at least once a year.	All Monzonauts can access the Remuneration Policy. It covers our main regulatory requirements including (but not limited to) how we pay Material Risk Takers (MRTs), our approach to personal investment strategies, our remuneration risk adjustment framework and our Malus and Clawback Policy. The Reward team reviews the relevant regulatory requirements and updates our practices to keep us compliant.

Diversity and inclusion

Diversity and inclusion is one of the most important signals to us that we're making good on our mission of making money work for everyone. It's who we are and what we stand for. By creating a workplace and a community where people feel like they belong we're putting ourselves in the best position possible to do right by all customers.

Our latest diversity and inclusion score puts us in the top 10% of technology companies worldwide. Women now make up 56% of our board, 40% of our leadership roles and over 50% of the company, while people of colour make up 31% of our board and 19% of our leadership roles. You can find detailed information about our work over the last year in the latest Diversity and Inclusion Report on our website.

Between April 2024 and April 2025, our median gender pay gap did increase from 6.3% to 8.7%. This was primarily because of more senior men in technical leadership roles, which is a priority for us to address. Our latest Gender Pay Gap Report sets out some of the concrete actions we're taking. We've made progress in areas but we have more work to do and will continue to be open and honest about the progress we're making.

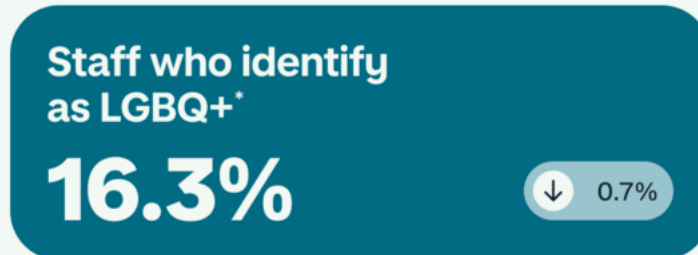
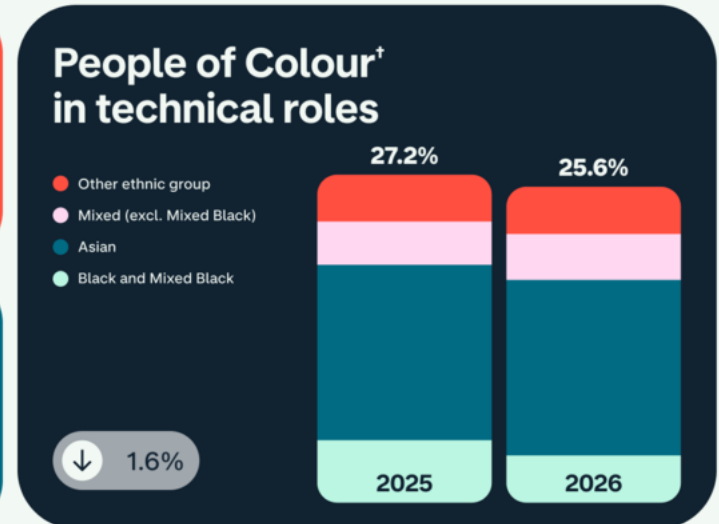
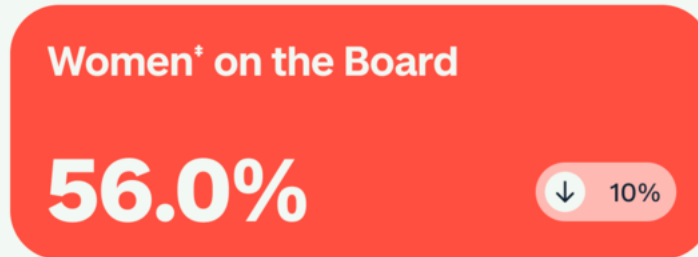
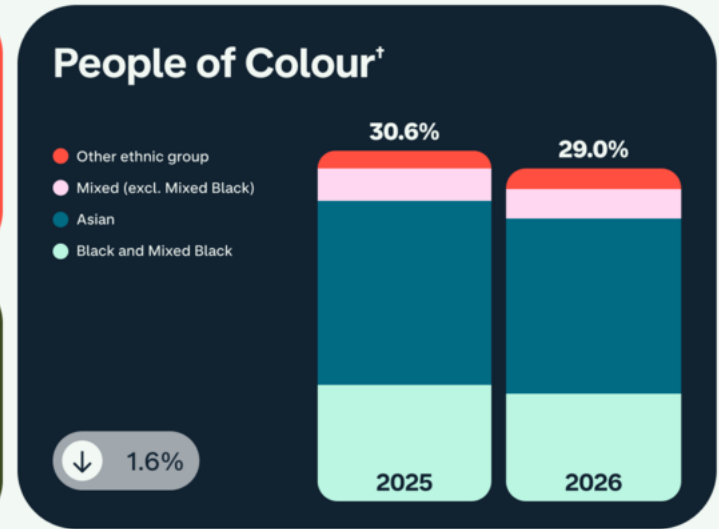
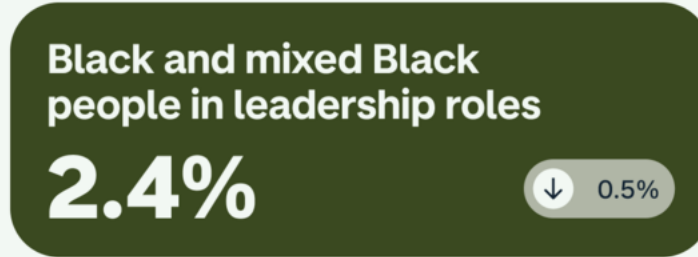
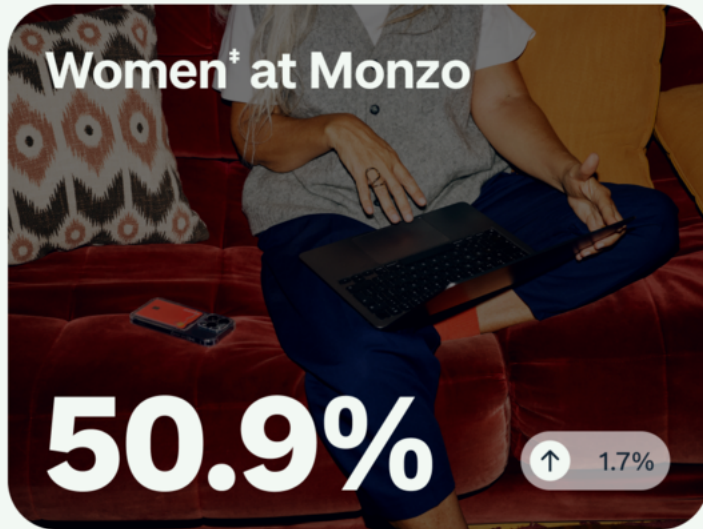
We launched a diversity and inclusion training module for everyone joining Monzo that explains how we think about D&I and kicks off conversations about bias and allyship from day one.

Over 100 people joined our new career mentoring pilot for people from underrepresented communities. It's a 6-month programme where participants fine-tune their personal development plans and learn about career building and skills from experienced Monzonauts.

We also made some great improvements to our identity verification process. We worked with people who face accessibility barriers to improve the feedback we give when they're recording videos of themselves to confirm their identity. When we launched the more accessible experience, the number of errors triggered dropped by 73%. This shows that when we make our app more accessible, everyone gets a better experience.



Diversity and inclusion highlights



* This is a sexual orientation data point, we collect trans identity and gender identity separately.
 † Refers to all women, i.e. all women who identify as women.
 ‡ Refers to all people identifying as Black, Asian, Mixed of any other non-white ethnic group (People of Colour)



Our community and social matters

Designing products and services with different needs in mind is almost the most important part of our mission to make money work for everyone. Using straightforward language is just one example of us putting that into practice. Being totally transparent about the fees we charge (if we charge them at all) is another.

Everyone at Monzo is responsible for thinking about vulnerability in their day-to-day work no matter what their role is. Every team member has to complete vulnerability and accessibility training when they join and then complete refresher training every year to keep their skills and knowledge up to date.

It isn't just our own customers that we care about either, we work closely with other banks through industry groups to help make vulnerable customer support consistent and of a high standard across the entire financial services industry. In December 2025, we joined the Financial Abuse Code and we're also working with UK Finance and the Government's Financial Inclusion Committee.

Our dedicated vulnerability team

Our Vulnerability, Accessibility, Inclusion, and Bereavements team (we call it VAIB for short) is made up of more than 100 trained experts, specially equipped to support vulnerable customers. We set up this team early on, way back in 2015, because it's something that's always mattered to us. Since then the team has grown and evolved to meet the ever-changing needs of a larger customer base that's facing a wider range of difficulties and threats.

Our VAIB team also works with organisations like Surviving Economic Abuse and GamCare to make sure we're giving the best, most tailored support possible to the people who need it.

Customers can get in touch with us through in-app chat, phone and text relay, with British Sign Language (BSL) options available too. We know that sharing information about vulnerability with banks is an uncomfortable thing to do so we make it as easy as possible. We've improved our Share with Us tool so it's simpler for customers to tell us about themselves and what they're going through without necessarily needing to go through a member of our customer support team.

We've invested in creating new training for our teams which really helps the learner get into our customers shoes, know how to respond with empathy and make sure we offer ways forward for customers that genuinely make things easier.

Protecting customers from gambling harm

Customers and charities have told us that people struggling with gambling addiction desperately need support. So, we're continuing to work with both groups to find new ways for us, as a customer's bank, to make meaningful changes in their lives. We're also part of the Gambling Harms Action Lab where we work with other financial services companies to design and build tools for gambling harm prevention.

In 2025, our gambling block helped 135,032 customers (a 13% increase from the year before) stop almost £13,826,803 in gambling payments – a 36.4% increase from 2024. Features like personalised cooldown periods and note-to-self reminders have helped over 70,000 customers take back some control and the average cooldown period has increased from 3 months to 10, thanks to features that encourage people to reflect before gambling again.

Helping customers build financial resilience

We think we have an important, helpful role to play in giving our customers the tools they need to strengthen their financial resilience. So, this year we expanded the options available for people facing financial challenges.

Customers can still contact our team when they need to talk but we know some people are reluctant to share their stories in a conversation. For example, customers can complete in-app repayment processes on their own if they prefer. And they can easily switch between using the app alone or getting support from our team if they want to. Here are a few other ways we're helping customers to help themselves.

Spending block

The spending block lets you stop payments to specific shops, brands or websites because of impulsive spending habits or for any other reason. In 2025 alone, we helped almost 18,929 customers (a 137% increase from the year before) block over £5,116,771 worth of spending, a 104% increase from the year before.

When you turn the block on, you can add a reminder message to yourself that will make you stop and think twice before you go to turn it off again in the future. Research shows this kind of friction helps people make better financial decisions in the long run.

Saving Challenge

More than 1m people took part in our 2025 Saving Challenge to make saving a daily habit, all year long. It encourages you to save small amounts regularly, creating a habit of setting money aside every day. We combine automated savings nudges with educational content to help you build a savings mindset and prepare for unexpected expenses.

Book of Money

In FY2026 we published *The Book of Money*, our Sunday Times Bestseller guide to financial empowerment. It breaks down complex banking concepts into plain English, helping you take control of your spending and saving. We're donating our portion of the profits to Money Ready, a charity that helps people feel confident with money.

Tools to help you stay in control

We make sure you can clearly see spending and saving trends in your account, and set budgets too. You can reduce your overdraft limit in the app yourself or turn it off completely, and you can easily opt out of credit marketing if you want to.

As we've always done, we'll keep making the most of new technologies and technological opportunities to create tools that really, truly help you control your money and build long-term financial resilience.



Social policies and statements

Policy	Summary	Due diligence
Vulnerable Customers	This policy aligns with the FCA's Consumer Duty and Guidance for firms on the fair treatment of vulnerable customers and covers our approach to understanding the needs of our customers, how we support our colleagues, our approach to product and service design, communications and how we monitor and evaluate outcomes for our customers. This helps us identify and support customers who are more likely to have difficulties managing their money or interacting with us, so we can deliver good outcomes.	<p>How we apply the policy on vulnerable customers continues to be a focus area for us, so that all of our customers get the best outcomes. We'll be particularly focused on making improvements to:</p> <ul style="list-style-type: none"> · identifying drivers of vulnerability early in customer journeys · training and guidance to empower our colleagues to handle complex situations and provide specialist support for those who need it · monitoring to identify whether our support is effectively reducing the risk of harm.
Financial Health	This policy covers how we support customers that owe us money in a way that's fair, transparent and focused on delivering good customer outcomes.	<p>We regularly review these areas.</p> <ul style="list-style-type: none"> · Customer support interactions, to make sure we've complied with all relevant regulations and guidance, and resolved customers' issues. · Our processes and guidance, to make sure they're still fit for purpose and delivering good customer outcomes. · Our forbearance toolkit to make sure we're meeting the needs of our customers. · Development of our self-serve options for customers who don't wish to speak to us. · Our 'money worries' web page, which has information on how we can support or signposting to organisations that can support.

Policy	Summary	Due diligence
Accessibility Statement	This statement sets out our opportunities to improve accessibility and applies to both physical and mental health. We're committed to considering accessibility, inclusive design and usability, making our products and services as inclusive and accessible to everyone whatever their ability.	<p>We regularly review these areas.</p> <ul style="list-style-type: none"> · Customer support interactions to make sure we're providing a tailored and flexible service to customers with disabilities. · Our processes and guidance, to make sure they're still fit for purpose and delivering good customer outcomes. · Internal and external trends to spot foreseeable harm, and to understand where we can make improvements to our product and service design and delivery.
Bereavements	This policy covers how we manage customer accounts after we've been told about their death across all of our products and services.	<p>Our policy is applied consistently to support our bereaved customers at such a difficult time. We take a continuous improvement approach and will continue to support these things.</p> <ul style="list-style-type: none"> · The notification process, making sure it's as simple and compassionate as possible for executors and next of kin. · Specialist training so that our teams can offer the right level of emotional support and technical guidance through legal requirements. · Our bereavement communications to make sure that all letters and messages are clear, empathetic, and free of jargon.

Our approach to the environment

This section sets out how we govern, identify, manage and monitor climate-related risks and opportunities, in line with the UK Climate-related Financial Disclosures (CFD) requirements. It builds on our previous disclosures and reflects how our approach continues to develop as we grow and reporting expectations evolve.

As a digital-only bank, our environmental footprint and climate-related risks look different to more traditional financial institutions. We don't have a physical branch network so our most material environmental impacts and climate-related risks come from our supply chain, alongside the need to manage climate-related transition risks as the economy moves towards a lower-carbon future.

During the year, we focused on strengthening the foundations of our environmental reporting and climate risk management. This included refreshing our decarbonisation strategy to reflect the growth and international expansion of the business, and clarifying how we prioritise emissions reductions ahead of the use of carbon removals.

We also put in place a foundational supplier engagement strategy, recognising that most of our operational emissions sit within our supply chain. This work focuses on how we can set clear and consistent expectations for suppliers, improving the availability and quality of emissions data, and identifying opportunities to work together to reduce emissions over time.

As well as this, we did more work to develop a foundational high-quality carbon removal strategy. This included developing quality criteria to guide future decision making on the optimum carbon removal portfolio.

To support these strategic developments, we strengthened our emissions data and control environment. This included improving data on our facilities to clearly define operational boundaries across geographies, and documenting a comprehensive emissions calculation methodology to support consistency, transparency and year-on-year comparability as our reporting continues to mature.

Below, we lay out how we approach the CFD pillars of Climate Governance, Strategy, Risk Management, and Metrics and Targets. Together, these disclosures explain how we consider climate-related risks and opportunities, how we assess the resilience of our business model, and how we track progress against our environmental commitments. In line with regulatory expectations, we've presented this information along with our Streamlined Energy and Carbon Reporting (SECR) disclosures.

Highlights during the year included completing a formal climate risk and opportunity assessment, strengthening emissions inventory governance through our Inventory Management Plan, and improvements to Scope 3 data quality, including the use of primary data for colleague commuting.

Climate-related Financial Disclosures

Governance

Our governance arrangements for assessing and managing climate-related risks and opportunities include:

- The Boards are responsible for overseeing climate-related risks and opportunities, alongside our wider sustainability commitments. They receive updates at least every 6 months on progress against our environmental goals and the delivery of our decarbonisation strategy.
- The Group Board Risk Committee oversees climate-related risks and is responsible for making sure these risks are appropriately identified, assessed and embedded within our enterprise risk management framework.

We know that getting this right starts at the top. Climate risk is owned by the MBL Chief Financial Officer, reflecting the close alignment between climate-related considerations and financial risk. The Board Sustainability Committee, established before 31 March 2026, supports oversight of our environmental commitments across the Group and its subsidiaries. The Committee is scheduled to hold its inaugural meeting in May 2026, with progress to be reported in next year's annual report and accounts.

During the reporting period, prior to the establishment of the Board Sustainability Committee, climate-related matters were governed by a pan-enterprise Sustainability Working Group through the Group Executive Committee, with updates provided to the Board on a six-monthly basis. Updates included climate-related progress and forward plans, including review and challenge of the Group's climate strategy, key risks and opportunities.

Independent assurance and data quality governance

To strengthen the reliability of our public disclosures, our FY2026 operational emissions data and selected KPIs have been subject to limited assurance by an independent third party.⁶

We've adopted a formal Inventory Management Plan (IMP) that sets our organisational and operational boundaries, data sources, estimation approaches and internal quality controls. This is helping to improve our data quality and governance. We will review and update this document at the end of each reporting period.

Strategy

Our strategy focuses on reducing our operational emissions while improving the accuracy of our carbon reporting. We work closely with landlords to drive energy efficiency and are engaging our top emitting suppliers on their plans and data. We plan to scale our supplier engagement and transition to more activity-based reporting.

Climate-related risks and opportunities

We define climate change risk as the risk of unexpected exposures caused by deteriorating climate conditions or by the transition to a lower-carbon economy, resulting in an unplanned financial outcome. To make this practical, we assess climate-related risks and opportunities across three time horizons. Short term means within 1 year, medium term within 3 years, and long term beyond that. These horizons align with our strategic and financial planning processes and help us understand when different risks and opportunities may come up.

In November 2025, the Sustainability Working Group carried out a formal climate risk and opportunity assessment, informed by external expertise. The assessment considered our business model, operating environment and supply chain, and focused on identifying climate-related risks and opportunities that could affect the Group. Based on our business model and current activities, we've identified 2 principal types of climate-related risk: physical risks and transition risks.

Physical climate risks

Physical risks come from the direct impacts of climate change itself. Given our digital-only operating model, lack of physical branches and absence of long-term mortgage lending, we currently assess physical risks as low. We mitigate potential impacts, like disruption to critical infrastructure or third-party service providers, through our existing IT resilience, business continuity and supplier risk management arrangements.

While we don't currently consider physical risks material to our financial position, we continue to monitor potential impacts as climate conditions evolve and as our business grows and changes.

⁶ Monzo appointed Ernst & Young to provide independent assurance over certain sustainability metrics. These sustainability metrics are marked as [LA](#). The assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information as promulgated by the International Auditing and Assurance Standards Board (IAASB).

Transition climate risks

Transition risks are the financial risks that come from the shift to a lower-carbon economy. These include higher costs across our supply chain, evolving regulatory requirements, and changing market expectations. While physical risks matter, transition risks are the main focus of our climate risk management activities right now, reflecting their potential impact on operating costs, regulatory compliance, supplier relationships and our reputation.

The climate risk assessment identified 3 transition-related risks and 1 physical risk that, after taking existing mitigating actions into account, we assessed as having a medium residual risk in line with these risk materiality thresholds.

- Penalties or legal action coming from non-compliance with sustainability-related legislation and disclosure requirements.
- Reputational damage or loss of customers caused by perceived inaction on climate-related issues and/or greenwashing.
- Increased costs associated with delivering our net zero strategy.
- Indirect supply chain disruption triggered by extreme weather events.

Risk category and summary	Residual likelihood	Residual impact	Residual risk rating	Mitigating actions
<p>Strategic Risk (regulatory)</p> <p>Penalties and/or legal action for non-compliance with required sustainability legislation and disclosures. This is compounded by lack of regulatory clarity, changing requirements and additional requirements as we expand into new geographies.</p> <p>Timeframe: within 3 years</p>	Unlikely	Major	Medium	<ul style="list-style-type: none"> · Regulatory update monitoring & building internal expertise & capacity. · Due diligence when expanding into a new territory. · Engaging with public policy to help shape and inform the way that future climate related regulations impact us.
<p>Strategic Risk (reputational)</p> <p>Reputational damage and loss of customers due to perceived inaction on climate-related issues and/or 'greenwashing'. This is compounded by changing perceptions of 'green initiatives' and controversy over low quality carbon offsets.</p> <p>Timeframe: within 3 years</p>	Unlikely	Major	Medium	<ul style="list-style-type: none"> · Making ESG disclosures transparent. · Being sure of the quality of green investments including carbon removals. · Improving internal operations (technology, energy and waste efficiency) to reduce costs and footprint. · Making sure that all our locations use renewable electricity, reducing market-based emissions.
<p>Financial Risk</p> <p>Increased cost to deliver net zero strategy due to increasing demand for high quality carbon credits driving up the price and increasing complexity of requirements necessitates additional resources (for example, third party assurance costs).</p> <p>Timeframe: within 3 years</p>	Likely	Moderate	Medium	<ul style="list-style-type: none"> · Maximising cost-effective decarbonisation levers. · Improving internal operations (technology, energy and waste efficiency) to reduce costs and footprint; prioritising long-lasting products. · Prioritising emissions reduction to minimise requirement for offsetting.
<p>Operational Risk</p> <p>Supply chain disruption due to extreme weather events impacting availability of resources/products and transportation and distribution disruption/delays.</p> <p>Timeframe: within 3 years</p>	Likely	Moderate	Medium	<ul style="list-style-type: none"> · Diversity in the supply chain; no reliance on at-risk commodities. · Sustainable supplier standards reduce the possibility of supply chain disruption from climate events.

Climate-related opportunities

Our climate risk assessment also identified key opportunities: delivering on decarbonisation targets is expected to drive cost efficiencies, while strong performance in these areas may attract sustainability-focused investors, deepen customer trust, and enhance talent attraction and retention.

Resilience and scenario analysis

We assess the resilience of our strategy to climate-related risks through climate scenario analysis carried out as part of our annual ICAAP. This analysis uses the Bank of England's Biennial Exploratory Scenario, including Early Action, Late Action and No Additional Action pathways which estimate temperature increases by 2050 and beyond.

Under the Early Action scenario, a 1.5°C increase results in a faster transition to a lower-carbon economy, primarily affecting us through changes in regulation and supplier costs, with limited direct impact on our core products. In a Late Action scenario, temperatures increase by almost 2°C, resulting in more abrupt policy changes that could increase transition costs across our supply chain, although our digital-only business model reduces exposure to physical assets. Under a No Additional Action scenario, temperatures rise over 3°C, seeing increased physical climate risks that may affect parts of our supplier base over time, but our current activities remain relatively insulated from direct physical impacts.

We consider the outputs of the climate risk assessment and scenario analysis together to build our understanding of strategic resilience. Given our current business model and data availability, this approach is proportionate.

Our assessment is underpinned by the assumption that climate risks primarily transmit to our business through macroeconomic channels (e.g., impact on GDP) rather than direct exposure to physical assets. With our most recent assessments continuing to show that our core activities, including current accounts, deposits and unsecured lending, are not currently exposed to material climate-related financial risk under the scenarios assessed.

We believe existing capital buffers, calculated against more severe demand shock scenarios, remain sufficient to mitigate the third-order macroeconomic impacts projected in these climate pathways.

As we continue to grow and climate-related data, methodologies and regulatory expectations evolve, we expect our approach to climate risk assessment and disclosure to develop over time.

Risk management

Risk assessment

Climate risk is embedded within our Group Enterprise Risk Management Framework (ERMF) and classified as a Level 2 risk in the Strategic Risk taxonomy. This means it sits

alongside our other significant strategic risks and gets the attention it deserves. We identify and assess climate-related risks through a combination of:

- annual climate risk assessments
- horizon scanning and emerging risk reviews
- risk and control self-assessments
- ICAAP stress testing and scenario analysis

The outcomes of these assessments inform our capital planning, risk appetite setting and how we prioritise decarbonisation actions, including consideration of potential future costs associated with carbon removals.

We manage climate-related risks through the Group Environmental and Climate Risk Policy, which sets minimum standards for managing environmental impacts and meeting regulatory disclosure requirements. Transition risks are primarily mitigated through our decarbonisation strategy and engagement with suppliers.

Metrics and targets

We have set near-term, science-based emissions reduction targets for 2030 aligned with a 1.5°C pathway. Our decarbonisation strategy prioritises reducing emissions across our operations and value chain as the primary means of managing climate-related risks.

By 2030, we aim to reduce Scope 1 and 2 emissions by 42% (on a location basis) compared with our FY2024 baseline, and Scope 3 emissions intensity by 52% against the same baseline. We will account for all

residual emissions through investments in high quality carbon removal projects.

We chose FY2024 as the baseline year based on data availability and reporting consistency across Scope 1, Scope 2 and Scope 3 emissions, following a normalised 12-month reporting period. We'll review the baseline where there are significant changes to organisational boundaries, methodologies or business activities, in line with our documented approach to emissions reporting. A re-calculation of the baseline would be considered where structural or methodological changes are expected to result in a material impact on reported emissions.

We monitor progress against our targets using emissions data from our inventory process and review through our environmental governance arrangements. As data quality improves and methodologies evolve, we expect our quantitative disclosures to continue to develop.

In line with UK regulatory requirements, we also report energy use and associated emissions under the Streamlined Energy and Carbon Reporting (SECR) framework. We use quantitative metrics to track progress against our environmental commitments and to support the management of climate-related risks and opportunities.

Emissions inventory and methodology

We calculate our greenhouse gas (GHG) emissions in line with the Greenhouse Gas Protocol, covering Scope 1, Scope 2 and relevant Scope 3 categories. We calculate our footprint using an operational control approach. This means we include emissions from all facilities and activities where we have operational control.

For each emissions scope and category, we apply the most accurate calculation method available based on data quality and availability. Where direct activity data exists, we use primary activity-based methods and product-level data.

When this data isn't available, we apply spend-based methodologies, estimates and external benchmarks. We document any of these treatments within our Inventory Management Plan (IMP).

We support this work by a documented emissions calculation methodology and a clear definition of operational boundaries across our facilities as the Group expands internationally. Together, these documents form our Basis of Reporting for greenhouse gas emissions, setting out the methodologies, assumptions, boundaries, exclusions and governance we applied in preparing our emissions inventory.

Using a globally recognised methodology allows us to compare our emissions with other organisations and have our data independently verified. This approach helps

make sure we prepare emissions data consistently year-on-year, with any changes in methodology, assumptions or data quality clearly identified and explained. We review the IMP at least once a year to reflect developments in data availability, methodologies and reporting expectations.

As part of our work to improve data quality, we carried out an employee commuting survey during the year to better measure Scope 3 emissions linked to colleague travel.

The survey replaced assumptions on commuting patterns and transport modes, and we incorporated it into our greenhouse gas emissions inventory in line with the Greenhouse Gas Protocol. This has improved the accuracy of our employee commuting emissions compared to previous years and gives us the opportunity to develop targeted carbon reduction initiatives that directly address our most significant commuting impact areas.

Investments

Under greenhouse gas accounting standards, Scope 3, Category 15 relates to emissions associated with investments. For us, this mainly reflects Treasury and SME lending activities, as we do not undertake project finance or mortgage lending.

For many financial institutions, financed emissions represent the largest part of their footprint. We consider this category relevant and are taking steps to develop a proportionate approach to disclosure in line with evolving industry standards.

Emissions performance during the year

Our total gross emissions for FY2026 were 30,129 tCO₂e, an increase of 6,570 tCO₂e. This represents a 28% increase in our total footprint, which is a result of rapid business growth and expansion into new markets, alongside a focused effort to improve our data quality and energy efficiency.

We're proud of our progress in Scope 1 and 2, where absolute emissions fell by 34% year-on-year. This performance could indicate that we've reached the reduction levels needed for our Scope 1 and 2 2030 ambition well ahead of schedule; but, we expect these scopes to increase again in FY2027 as we open our new Dublin office. The gains we achieved this year were driven by investments in energy-efficient heating systems and the introduction of electricity sub-meters to capture more accurate data. We remain committed to maintaining this efficiency as we scale.

As a growing business it's important to track our footprint by its intensity, which measures our emissions in relation to the size of our business. Our Scope 3 reduction target is based on customer intensity, which is tCO₂e per million customers. This year our Scope 3 intensity increased by 3% year-on-year. This figure remained relatively stable as a result of improvements we made in data accuracy, which helped balance the emissions associated with our growth. We've also transitioned to actual supplier data in several key areas, such as receiving direct reporting from partners like Google Cloud, and

conducted our first employee commuting survey to move away from data estimates.

While these data improvements are a major step forward, they were offset by a significant increase in business travel and higher spend in areas like marketing and professional services. This means we're currently 15% above the linear reduction pathway required to meet our Scope 3 2030 goal. We continue to focus our decarbonisation efforts on reducing our Scope 3 emissions, particularly within purchased goods and services.

To account for the impact of our business travel and payment processing, we purchased 3,558 tCO₂e in carbon removals for FY2026. We also evolved our strategy from purely nature-based removals to a more balanced portfolio that now includes biochar and engineered removals. This means our net emissions for FY2026 were 26,571 tCO₂e.

Our GHG Inventory and SECR Report for FY2026

We calculated our emissions following the GHG Reporting Protocol, as outlined in the Emissions Inventory and Methodology section on page 48. We've also included our Streamlined Energy and Carbon Reporting (SECR) reporting data. During the reporting year we have increased energy efficiency by;

- installing smarter thermostat systems in our London office
- transitioning to sub meters for our Cardiff office
- continuing to support hybrid working models

We recognise that climate-related metrics, particularly for supply-chain emissions, come with data and methodological challenges. Where data is incomplete or evolving, we prioritise transparency and focus on improving coverage and robustness over time.

Some disclosures, including Scope 3 category 15 (investments), aren't yet calculated or disclosed. This category is recognised as relevant, but isn't currently included due to the nature of our business model, data availability and the maturity of applicable methodologies. We'll keep this under review as standards, data quality and industry practice develop.

GHG Scope	Description	FY2026	FY2025	FY2024 (baseline year)
Scope 1	Direct emissions (tCO ₂ e)	95 ^(LA)	157*	184
Scope 2	Purchased electricity, steam, heat and cooling (location based) (tCO ₂ e)	124 ^(LA)	176*	209
Scope 2	Purchased electricity, steam, heat and cooling (market based) (tCO ₂ e)	0 ^(LA)	0	0
Total Scope 1 & 2		219	333*	393
Scope 3.1	Purchased goods and services (tCO ₂ e)	25,923 ^(LA)	20,381	17,573
Scope 3.2	Capital goods (tCO ₂ e)	22 ^(LA)	67	212
Scope 3.3	Fuel and energy related activities (tCO ₂ e)	58 ^(LA)	79*	95
Scope 3.5	Waste generated in operations (tCO ₂ e)	0.06 ^(LA)	41	29
Scope 3.6	Business travel (tCO ₂ e)	2,160 ^(LA)	1,256	679
Scope 3.7	Employee commuting (tCO ₂ e)	1,698 ^(LA)	1,364	1,130
Scope 3.8	Upstream leased assets (tCO ₂ e)	48 ^(LA)	37	35
Scope 3.15	Investments (tCO ₂ e)		Not yet calculated	
Total Scope 3		29,910	23,225*	19,753
Total emissions	Scope 1, Scope 2 (location-based) and Scope 3 categories	30,129	23,558*	20,146
Total intensity	tCO ₂ e per 1 million customers	1,982	1,931	2,056
Scope 3 intensity	tCO ₂ e per 1 million customers	1,968	1,904	2,016

	FY2026		FY2025	
	UK and Offshore	Global (excluding UK and offshore)	UK and Offshore	Global (excluding UK and offshore)
Energy consumption used to calculate emissions kWh ^(LA)	1,011,058	0	1506820*	0
Emissions from combustion of gas tCO ₂ e (Scope 1, location-based) ^(LA)	56	0	119*	0
Emissions from combustion of fuel for transport purposes tCO ₂ e(Scope 1, market-based) ^(LA)	0	0	0	0
Emissions from purchased electricity, heat, steam, and cooling tCO ₂ e (Scope 2, location-based) ^(LA)	124	0	176*	0
Emissions from business travel in rental cars or colleague-owned vehicles where we're responsible for buying the fuel tCO ₂ e (Scope 3.6, location-based) ^(LA)	8	0.6	8	0.2
Total gross tCO₂e based on above fields	188	1	303*	0.2

*Restated

Notes on methodology

- We use a third-party software system to capture and record our emissions and make sure we're using the most up to date emission factors for our calculations. All figures are gross and do not include netted figures from carbon credits.
- **Scope 1:** Scope 1 emissions include direct GHG emissions from natural gas and HFC refrigerants. EPA 2025 emissions factor are used per fuel type and IPCC GWP factors are used for refrigerant emissions.
- **FY2025:** This figure has been restated from 194 tCO₂e following the retrospective collection of consumption data for the London office. This enabled a transition in methodology from estimated inputs to activity-based data. Minor adjustments were also made to reflect improved accuracy in reported building floor area.
- **Scope 2 (location-based):** Scope 2 emissions include indirect GHG emissions from purchased electricity, cooling and steam. DEFRA UK emissions factors are applied.
- **FY2025:** This figure has been restated from 207 tCO₂e due to a revision in calculation methodology. The updated boundary includes only electricity consumption attributable to Monzo-occupied areas within office spaces, excluding shared or common areas of the buildings.
- **Scope 2 (market-based):** For Scope 2 market-based emissions we have used a zero emission factor where we have green tariffs or renewable energy certificates.
- **Total scope 1 & 2:** We have adopted the operational control approach to define our organisational boundary for our Scope 1 and Scope 2 emissions. Energy data was collected from our facilities and where primary activity data is not available, consumption is estimated based on floor area per building and fuel type.
- **Scope 3:** Where possible, we have prioritised activity-based or supplier-specific emission factors. Where this is not possible, and unless stated otherwise, we have applied a spend-based approach using EPA Supply Chain Factors.
- **Scope 3.3:** Input data for this category is the same as the input data for the Scope 1 and 2 calculations. Emission factors are taken from IEA and DEFRA to calculate the WTT. FY25 figure has been restated from 94 tCO₂e following the Scope 1 and 2 restatement.
- **Scope 3.5:** We have moved to actual data for waste calculation this year resulting in a significant reduction in emissions
- **Scope 3.7:** Commuting calculations are based on data collected from our FY2026 commuting survey.
- **Scope 3.15:** Scope 3, Category 15 (investments) is recognised as relevant for Monzo but is not yet calculated.



Decarbonisation highlights

Total emissions

23,558 tCO₂e FY2025
30,129 tCO₂e FY2026

+28%

Scope 1 emissions

157 tCO₂e FY2025
95 tCO₂e FY2026

-40%

Scope 2 emissions

176 tCO₂e FY2025
124 tCO₂e FY2026

-29%

Scope 3 intensity*

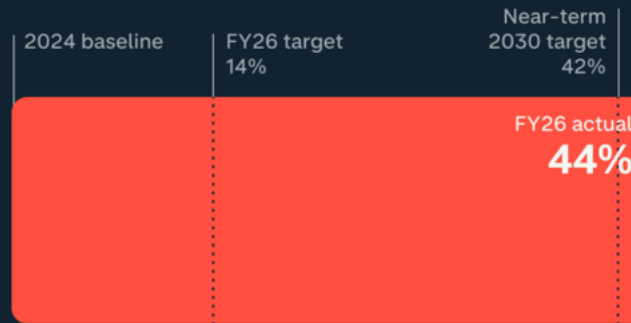
1,904 tCO₂e FY2025
1,968 tCO₂e FY2026

+3%

*tCO₂e per 1m customers

Net Zero progress

Reduce Scope 1 & 2 emissions by 42% by 2030



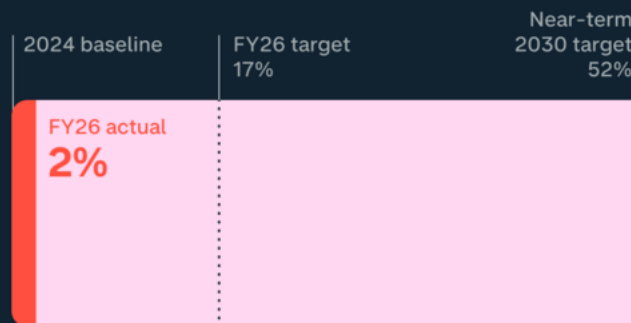
Carbon removals

2,696 tCO₂e FY2025
3,558 tCO₂e FY2026

+32%

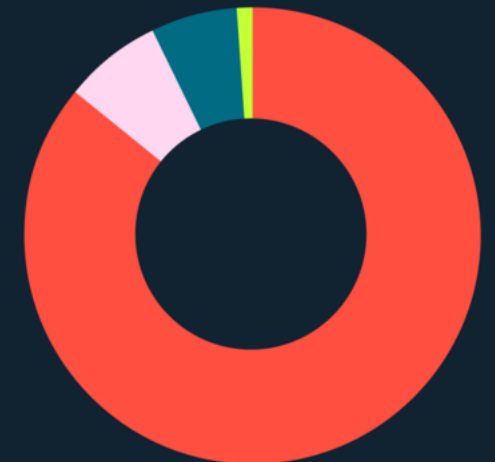
Net Zero progress

Reduce scope 3 intensity by 52% by 2030



Our footprint

- 86% Purchased goods and services
- 7% Business travel
- 6% Employee commuting
- 1% Other



Respect for human rights, anti-bribery and anti-corruption

All forms of financial crime impact the lives of people every day worldwide, and we take tackling it seriously.

We have a moral and social responsibility to prevent bribery, corruption and human rights abuses from ever happening and to spot them when they do. This includes senior management setting a zero-tolerance approach to bribery, corruption and human rights violations.

We're committed to preventing financial crime and have clear lines of internal accountability, responsibility and reporting in place. This year, we've spent time further enhancing our policies and embedding them into our ways of working.

What we've been doing to reduce the risk of bribery and corruption

We reviewed our Anti-Bribery and Corruption Policy on an annual basis to make sure we're taking the right steps to protect our customers, colleagues and society in general.

To make sure that we're tackling bribery and corruption risks across the board, we support

our Anti-Bribery and Corruption Policy with the following policies.

- Conflicts of Interest Policy
- Whistleblowing Policy
- Group Outsourcing and Third Party Risk Management Policy
- Procurement Policy
- Market Abuse Policy
- Financial Crime Policy
- Fraud Policy
- Gifts & Entertainment Process

It's important to us that we treat all customers fairly by taking a proportionate approach to risk management.

This year we reviewed our gifts and entertainment limits to make sure they're still appropriate for the risks we face. We also expanded the scope of our gifts and entertainment procedures to include all the non-UK jurisdictions we operate in. During the year, we continued to strengthen our supplier due diligence processes and systems, making sure they're robust and sustainable in supporting our expansion into new markets.



We completed a bribery and corruption risk assessment

We complete this assessment annually and this year we found that our inherent bribery risk is still low.

We've started expanding the business in the EU, and we've outsourced operations work to India alongside our existing outsourcing arrangements with Romania, South Africa and Portugal. These changes marginally increased our bribery and corruption risk but not enough to move our inherent risk position from low.

Our controls are effective, meaning we have a very low residual risk rating.

Everyone's aware of the risks and what they need to do

Everyone at Monzo completes onboarding and annual training on anti-bribery and corruption as part of the gifts and entertainment module. We review the training material regularly to make sure it's still relevant and fit for purpose. During the course of the year, everyone at Monzo, including our Board members, completed training appropriate to their role.

To keep bribery and corruption front-of-mind, we send regular company-wide communications to remind our team about

their responsibilities when giving or being offered a gift or entertainment.

Third-party risk management

We work with a variety of third parties, mostly technology companies and service providers, like payment processors and debit card manufacturers, as well as professional services like marketing and legal. Third parties play active roles in our successes, so we see them as part of our 'extended enterprise.' We shouldn't work with people who limit or take away our control, hurt our customers, or risk damaging our reputation. Working with other companies should never mean compromising on our values or the service we provide.

Any third parties we work with must comply with all applicable laws, regulations and standards, and confirm that they (or any 'associated party') haven't been involved in human trafficking or slavery activity as defined by the Modern Slavery Act 2015.

Before entering into a contract with a new supplier, we ask them to attest to the standards in our Third Party Code of Conduct, which we launched in March 2022. Where we contract with third parties on our standard contract terms, we include modern slavery provisions. Where this isn't possible we take a risk-based approach on whether to add a modern slavery provision.

Transparency is one of our company values, and we encourage colleagues to speak up

with confidence, either to their managers or our whistleblowing champion, if they have any concerns. We review our Whistleblowing Policy annually to check it's up to date and that it's clear how our team can speak up if they need to.

Our ability to operate the bank effectively is underpinned by a number of trusted third party suppliers, which we see as a crucial extension of our business. As we grow, we work with third parties both in the UK and internationally to support the delivery of good customer outcomes, which is one of our strategic objectives.

We work with suppliers to support us with services ranging from strategic partnerships to technology platforms and internal communications tools. These relationships allow us to provide high quality services to customers and to safely scale our business in a controlled way.

The Board, acting on the recommendation of the Group Board Risk Committee, approves the Outsourcing and Third Party Risk Management Policy on an annual basis. The policy defines our approach to the selection, assessment and ongoing management of our relationship with third parties across the full lifecycle of each relationship. The policy explains what we expect from our suppliers when they work with us, including carrying out proper checks before they start. It also asks them to follow clear processes, like handling incidents well, putting the right protections in contracts (such as access and audit rights), and keeping an eye on risks and how resilient their operations are. These measures are designed to make sure that our

third party arrangements stay effective, resilient, scalable and compliant with regulatory expectations.

Human rights

You can find our most recent Modern Slavery and Human Trafficking statement on our website. We never stop developing our policies and processes to strengthen our approach to human rights, whether in the workplace, in our customer communities or with our third parties.

We've built on our financial crime risk assessment and transaction monitoring controls this year to help spot customers who are falling victim to human rights abuses like sexual exploitation, human trafficking and modern slavery. This proactive approach means we can identify vulnerable customers and work with law enforcement to protect them and bring perpetrators to justice.

Human rights and our customers

Our financial intelligence unit has partnerships with various law enforcement agencies to do the following things.

- Share intelligence that could be linked with modern slavery and organised crime with law enforcement.
- Investigate law enforcement intelligence that can lead to arrests and freezing criminal assets.

- Contribute to law enforcement efforts to increase awareness of sexual exploitation indicators, labour exploitation and the risk of modern slavery.
- Spot new trends in how organised crime gangs exploit victims linked to adult services and labour exploitation.

Most of the unit's work this year has been focused on identifying crimes linked to modern slavery, human trafficking, organised immigration crime (OIC), and the exploitation of minors. We've created robust controls to monitor and detect the distribution of Child Sexual Abuse Material (CSAM) and expanded our capabilities to combat the rise in financially motivated sexual extortion targeting children.

We also refreshed our sexual exploitation framework in FY2026. By working with law enforcement specialists, we now understand evolving criminal behaviours better, helping make sure that our internal systems and investigator protocols stay up to date.

The feedback we get from law enforcement agencies continues to be overwhelmingly positive, highlighting our team's dedication and the high quality of the intelligence we've handed over to them.

What we'll do next

We'll continue to risk assess, review and develop our anti-bribery and corruption control framework as normal but there are some specific actions we plan to take too. For example, we'll review the screening requirements in our Third-Party Due-Diligence Policy against our supplier screening configuration to be sure that we're correctly identifying and monitoring reputational risks.

We're also working on cross-control collaboration to increase our understanding and awareness of bribery and corruption in other business areas to help us detect and escalate instances of bribery and corruption more effectively.

And lastly, we're building out new management information dashboards to give us better visibility across our control environment.



Section 172

Doing what's right for us and our stakeholders

The Boards recognise that engaging with stakeholders and understanding the consequences of any decision in the long term is vital to our sustainable success. We consider the different interests of stakeholders in the business decisions we make across the company at all levels and the Board reinforces this. It isn't always possible to have positive outcomes for all stakeholders though. Sometimes the Board has to make decisions based on balancing competing stakeholder priorities, while making sure it's in the company's best interests. Through engagement with our key stakeholders, the Board understands these competing priorities.

The factors that Directors must consider when making decisions include: the likely consequences of a decision in the long-term, the interests of our employees, the need to foster our business relationships with suppliers, customers and others, the impact of our operations on the community and the environment, the desirability of us maintaining a reputation for high business conduct, and the need to act fairly as between members of the company.

While not every factor may be relevant to each decision the Board makes, considering our stakeholders is a fundamental aspect of the Board's decision-making process.

The Board recognises the potential impacts of its decisions on its relationships with stakeholders in delivering our strategies.

In making its decisions, the Board discusses relevant information and makes enquiries of the management team and control functions, including in relation to those factors set out in s. 172 of the Companies Act 2006. In this financial year, the Board made decisions in respect of a wide variety of topics and the following are examples of how the Board considers the s.172 factors in its decision making.

Customers

Since the publication of the Consumer Duty regulation in 2022, the Board along with the Consumer Duty Champion, has been receiving metrics throughout the year. The Board consistently incorporates Consumer Duty into its discussions and challenges management on their focus on customer outcomes. The Board approved the Annual Consumer Duty report, making sure that we comply with our obligations under the Consumer Duty. The focus on delivering good customer outcomes, particularly for vulnerable customers, demonstrates the Board's commitment to fostering strong relationships with customers and maintaining a reputation for high standards of business conduct. In addition, adopting a formal Vulnerable Customer Strategy was a major

area of focus and consideration for the Board throughout 2025. It was developed to address ongoing operational initiatives in how we support customers with vulnerable characteristics and making sure that the Board holds management accountable for delivering good customer outcomes and addressing any identified areas for improvement, reducing conduct risk and protecting our reputation.

Our mission of making money work for everyone is central to us delivering positive outcomes for our customers. During the year, we've seen our customer base grow past 15 million customers across personal and business banking, with continued growth supported by the launch of new and innovative products and initiatives.

The Board has been central to delivering our mission, which included consideration of the rollout of Flex Purchase which offered longer 0% purchase promotions to help customers affordably manage larger expenses. It also considered the introduction of a clearer 'Chat to Us' feature, acting directly on feedback provided by our customers that it was too difficult for them to get in touch with us. We introduced the 'Chat to Us' option on our Help Homepage in October 2025, which made human support significantly easier to access and contributed to an 8.6% increase in customer satisfaction scores.

The Board also considered the launch of the Saving Challenge designed to support our customers with their savings goals.

Environment and Community

The Board continued to focus on our environmental programme in the context of our international expansion plans. Our strategy is based on 3 core delivery pillars: Reporting and Disclosure, Decarbonisation and Sustainability Strategy. Our efforts have had a positive impact on our environment by driving down our scope 1 and 2 emissions this year.

With the Board's support, we've invested in better tools and our team to improve data quality and visibility. We've worked with key suppliers to improve their environmental performance and data and run our first Monzonaut Commuting Survey to better understand emissions from employee travel. We continue to run out offices on 100% renewable electricity to reduce operational emissions.

Suppliers

The Board considered and approved its Modern Slavery Act Statement. In considering the statement, the Board considered the importance of fostering business relationships with suppliers and the impact of the decision within the community, alongside the need to clearly show the steps taken to prevent slavery and human trafficking in both its

supply chain and its own operations. The statement also served as a useful checkpoint on our progress in this area.

The Board recognises that suppliers and partners are critical to our operational resilience and long-term success. Through the Group Board Risk Committee (GBRC), the Board oversees the Group's third-party risk management framework, making sure that we identify and manage risks aligned to MBL (including operational, concentration and ESG risks), and that our suppliers adhere to our own high standards of conduct. In addition, our Third Party Risk team does proportionate due diligence to check suppliers comply with our risk framework, covering financial stability, operational resilience, concentration risk and ESG considerations.

Regulators

We maintain mature and collaborative regulatory relationships, supported by a proactive approach to disclosure and risk management. We keep a frequent, transparent cadence with both the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA), and this engagement is led from the top, with the Chair of the Board, the Chairs of the Audit, Remuneration, and Risk Committees, and members of the Executive Committee meeting with the PRA and FCA regularly. Similarly, the Board is kept updated of all regulatory interactions through comprehensive financial, risk, and strategic reporting.

Throughout FY2026, we demonstrated measurable progress across our core strategic priorities. Specifically, we provided our regulators and the Board with evidence of a matured Financial Crime control environment, the heightened effectiveness of our Fraud Prevention frameworks, and a sustained business performance. Collectively, these improvements reinforce the long-term commercial and operational sustainability of our business model as we continue to scale at pace.

Beyond our primary supervisors, we work closely with a broader range of financial and non-financial regulatory bodies, including the Bank of England, the Financial Ombudsman Service, the Payment Systems Regulator, the Competition and Markets Authority, the Information Commissioner's Office, and the Financial Reporting Council.

Since Monzo Bank Europe Designated Activity Company received its banking licence from the Central Bank of Ireland, the Board has carefully integrated the distinct regulatory requirements of the Irish and wider European markets into our oversight frameworks. The Board remains committed to fostering an open, constructive dialogue with all global regulators for full alignment on key strategic initiatives, including our continued international expansion.

Shareholders

We've established a Strategic Advisory Group (SAG) of MBHG in line with our Shareholders' Agreement, which TS Anil

chairs. It brings together Monzo executives and certain investors to discuss strategic and development plans. The SAG is designed to better understand shareholder views on our effectiveness as well as key areas of focus and emerging risk, from their perspective. This enhanced shareholder engagement collates their perspectives on certain material matters to be considered by the MBHG Board (where relevant).

We engaged the SAG on key topics during the year, to gather shareholder perspectives on key topics, like our strategic expansion into the European Union, the acquisition of Habito and the increase in our employee options pool, which the Board then considered for approval. These initiatives intend to promote continued growth and generate incremental revenues to ultimately increase our valuation and boost shareholder return on investment.

The Board also makes sure that the Group stays adequately capitalised to withstand stress and execute its strategy, receiving regular finance and risk reports from the Group CFO and the Chief Risk Officer respectively on treasury matters and the Group's financial risk profile. The Board approved the 2025 ICAAP and ILAAP and in doing so, considered certain stress scenarios and key risks in making sure that we keep enough capital to protect investor and shareholder interests.

Our People

Our people make Monzo special. They keep the business running and make our mission of making money work for everyone possible.

Our Group Remuneration Committee (Group RemCo) plays a vital role in supporting the Boards and management on people and reward strategy. You can read more about our people and related initiatives on page 34.

Twice per year the Chief Risk Officer and Chief Financial Officer give a company performance assessment to Group RemCo to inform decisions about pay awards. Similarly, Material Risk Takers (MRT) performance is also assessed twice per year to meet our regulatory requirements. These assessments ensure prudent risk taking is aligned to our long-term interests.

Our remuneration policy is consistent with, and promotes, sound and effective risk management practices. Our policy is specifically designed to protect against MRTs taking risks above our risk appetite.

The Group NomCo also works with the Group RemCo to oversee our talent plans at the most senior levels. At the same time, the Group Board Risk Committee (GBRC) oversees risk indicators relating to our culture, including oversight of the results of the risk culture survey carried out during the year and monitors the associated findings. Together, our Boards and their committees put our people at the forefront of their decision-making.

The Group Audit Committee (GAC) is responsible for overseeing the effectiveness of the Group's whistleblowing arrangements, making sure that employees have a confidential and effective way to raise concerns about potential wrongdoing. The GAC also reviewed the 2025 Annual Whistleblowing Report, which included analysis of cases raised, investigation outcomes, and thematic trends, and confirmed that the 'Speak Up' channels are working effectively. The Board is committed to a respectful and inclusive environment, where everyone feels safe to speak up.

We include more examples of how the Directors oversee stakeholder matters and have anchored their decision making to these matters throughout this annual report.



Risk management



59 Our approach to risk management

63 Our top and emerging risks

Our approach to risk management

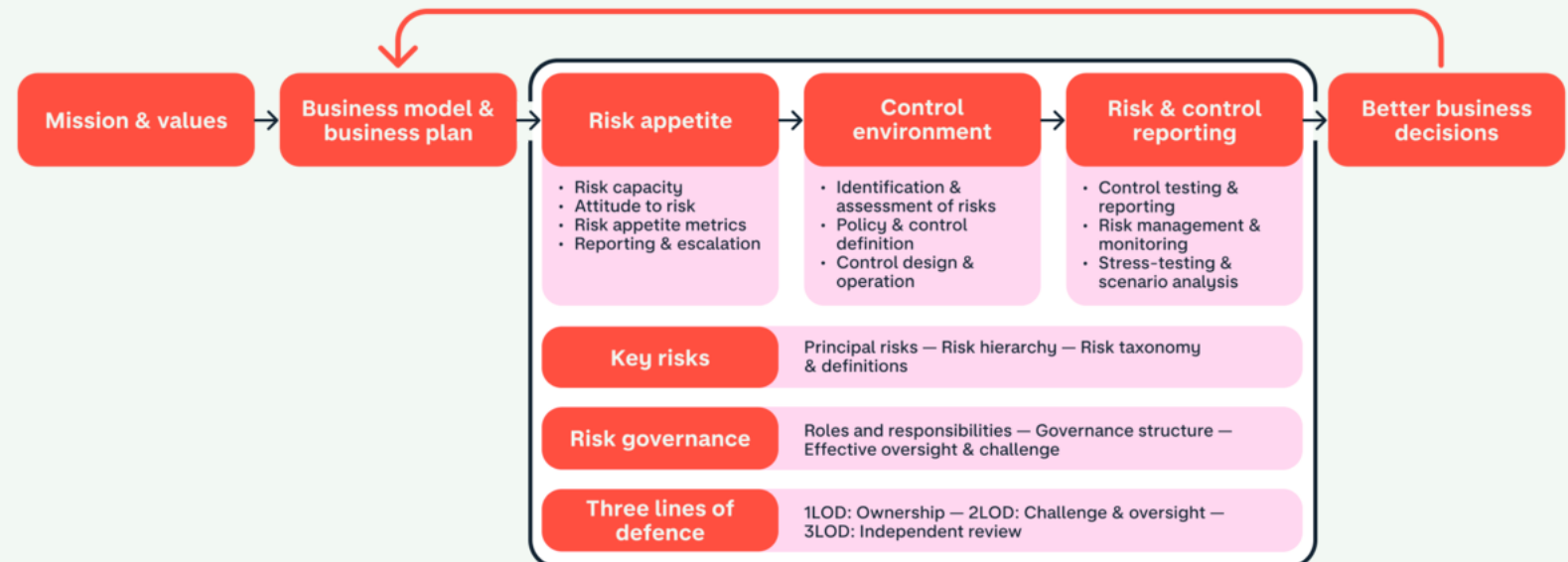
We manage our risks using a Group Enterprise Risk Management Framework (ERMF).

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 how the framework's structured.



Our principal risks and uncertainties

Each principal risk has:

- 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.

Risk type	Definition
Strategic risk	The risk to our mission and equity valuation as a result of poor business decisions, failed execution of business strategy, a lack of responsiveness to changes in the competitive environment, regulatory landscape, or market conditions, or a failure to maintain public confidence and trust.
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 Monzo or a Monzo colleague or individual associated with Monzo leads to harm to customers, counterparties or market integrity
Credit risk	The risk that customers 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 (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):** the majority of our team – designs and runs business operations by owning and operating most controls to manage our risks and 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
<ul style="list-style-type: none"> · 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. 	<ul style="list-style-type: none"> · 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. 	<ul style="list-style-type: none"> · 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 and are 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](#).

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 2026, it had in place adequate systems and controls for our risk profile and strategy. While risk cannot be eliminated, the Board is reasonably 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.

Risk Type	Management	Committee oversight
Strategic risk	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 Technology Officer (CTO)	Financial Crime and Fraud Risk Committee
Operational risk	Chief Technology Officer (CTO) and Chief Operations Officer (COO)	Conduct and Operational Risk Committee
Conduct risk	Chief Executive Officer (CEO)	
Credit risk	Chief Banking Officer, Monzo ⁷	Credit Risk Committee

⁷ Following the year-end, Kunal Malani stepped down from his role as Chief Banking Officer. The CEO has taken over, ensuring a structured handover of all risk appetites and monitoring frameworks.

Our top and emerging risks

We've listed our top current and emerging risks below, with key mitigating actions. We identify and measure risk consistently across all our risk categories. We identified these risks using both a 'bottom-up' risk assessment approach and 'top-down' strategic assessment with the Executive team and the Boards.

Current risks

Inherent risk description	Mitigation and control	Change in risk	Risk category
<p>Business process risk</p> <p>The risk that our business processes don't operate to an appropriate standard, negatively impacting our customers, our financial position, our reputation, or compliance with regulation.</p>	<p>We review and improve our processes continuously, focusing on customer-facing processes and third parties to maintain service levels and protect customers as we grow internationally.</p> <p>We use Risk and Control Self Assessments to identify process risks and controls that need management attention.</p> <p>We always aim to improve operational efficiency to meet customer needs and regulatory obligations. The Board monitors progress on customer service improvements regularly.</p> <p>Our Monzo Stand-In platform maintains continuous service during temporary technology or process failures.</p> <p>We monitor service levels closely and have comprehensive plans to manage operational support needs.</p>	<p>Increasing</p> <p>Our growing customer base and challenges in the effectiveness of our response to some customers drives our focus on maintaining process quality and protecting customer experience at scale.</p>	<p>· Operational</p>

Inherent risk description	Mitigation and control	Change in risk	Risk category
<p>Risks associated with operational scaling</p> <p>The risk that we don't invest enough in processes and controls as we scale, leading to mistakes or over-reliance on third parties and/or future incidents.</p>	<p>We serve over 15.2m customers and recognise our business is growing fast.</p> <p>We run a programme of work to review and strengthen processes and controls, particularly for customer servicing, correcting known issues as we grow.</p> <p>We monitor service levels closely and plan extensively to manage operational support and customer needs.</p> <p>We test customer outcomes in detail to keep interactions appropriate, including complaints and vulnerable customer responses.</p>	<p>Increasing</p> <p>We've proactively reviewed service levels and targeted improvements to customer outcomes as we scale.</p>	<ul style="list-style-type: none"> Operational Conduct
<p>Capital funding of planned growth</p> <p>The risk we won't be able to hold enough capital to meet regulatory requirements in the medium term.</p>	<p>Our strong business performance and FY2026 financial results mitigate this risk.</p> <p>We stress test capital positions regularly and take steps to reduce risk wherever possible, keeping regulators up to date on our capital position.</p> <p>We recognise our growth and ambitions will increase regulatory capital requirements in the medium term.</p> <p>More detail in Note 23.</p>	<p>No change</p> <p>We received a lower MREL requirement in January 2026 but expect regulatory capital requirements to increase as our balance sheet and risk-weighted assets grow.</p> <p>We've built headroom for growth and structured our Group to meet regulatory requirements and fund growth efficiently.</p>	<ul style="list-style-type: none"> Financial

Inherent risk description	Mitigation and control	Change in risk	Risk category
Risks to the effective control of financial crime and fraud			
The risk that we, our products or our services are used to facilitate/advance criminal activity, terrorist financing or avoid sanctions.	We recognise fraud and financial crime risk evolves and increases continuously. We follow developments closely so that we make sure our controls remain suitable.	Decreasing We've seen positive improvement in Financial Crime and Fraud through proactive risk management and control improvements.	<ul style="list-style-type: none"> Financial crime and Fraud Financial
	We continue to scale up fraud detection and prevention capabilities with additional experts, engineers, and product and data support dedicated to fighting fraud.	We've improved fraud controls effectiveness and efficiency considerably through successful service improvement plans. This strengthens control performance, customer experience and growth initiatives.	
Increased credit losses			
The risk that our credit risk losses will be bigger than expected. This could be due to affordability pressures on our customers caused by the macroeconomic environment.	We closely monitor the quality of our lending portfolios and compare loss expectations to revenue expectations.	No change Our credit exposure has increased in line with our growth ambitions. We mitigate this through continuous credit model improvements.	<ul style="list-style-type: none"> Credit
	During the year, we've matured our credit strategy and tightened our lending criteria to improve the quality of the portfolio and we remain focused on supporting our customers through any financial difficulties.		
	We also note that the economic environment may cause increased defaults on lending due to affordability pressures on our customers.		
	Further detail on our impairments can be found in Note 4.		

New and emerging risks

Inherent risk description	Mitigation and control	Risk category
<p>Risks associated with data / models</p> <p>The risk that as we increase our use of automation models in decision making and grow our use of Artificial Intelligence (AI), it leads to unexpected customer harm or financial loss.</p>	<p>Technology advances in data and models create opportunities to improve processes and risks to reputation if we get it wrong or competitors move faster. The regulatory environment is also moving quickly in this space.</p> <p>We monitor developments continuously and actively mitigate new threats from bad actors that could increase AI-related risks like data privacy or fraud.</p> <p>We put all process changes, including material model changes, through our governance process to consider risks before making changes.</p>	<ul style="list-style-type: none"> · Strategic · Financial Crime & Fraud · Operational
<p>Macroeconomic risk</p> <p>The risk that global political instability, inflation, monetary policy decisions and the cost of living impacts our business and revenue growth</p>	<p>The global geopolitical environment is still volatile with elevated asset-price shock risks across many markets. While we have no direct exposure to these markets, a significant correction would impact consumer, investor and regulatory behaviour in ways that could affect us materially.</p> <p>We monitor the macroeconomic environment closely and run horizon scanning and stress testing exercises to assess macroeconomic risks. We use Treasury hedging activity to reduce interest rate volatility impact.</p>	<ul style="list-style-type: none"> · Strategic · Financial
<p>Risks associated with strategic overreach</p> <p>The risk that we plan for more than we can successfully and safely deliver with current resources resulting in delayed or failed delivery.</p>	<p>We have ambitious goals for the UK business and international expansion. Our processes, controls, governance and technical capabilities might not grow at the same pace, creating management stretch and execution risks.</p> <p>We give our Boards regular updates on strategic plans and expansion projects to make sure teams have the capability and capacity to deliver.</p>	<ul style="list-style-type: none"> · Strategic
<p>Risks associated with competition</p> <p>The risk that competitors, both traditional and challenger banks, present materially more competitive pricing or propositions to customers, and impacting our strategic plans.</p>	<p>We think competition in our marketplace is healthy and brings out the best in us to design better products and services for customers.</p> <p>The competitive environment evolves constantly, with technology developments speeding up change for incumbents and new entrants. Competitors sometimes price for growth in our key markets or mirror our key features. When this happens successfully, it impacts our growth opportunities in the UK and abroad.</p> <p>We monitor the competitive environment closely and run deep customer research as part of our product development.</p>	<ul style="list-style-type: none"> · Strategic

Governance



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Governance snapshot

Throughout FY2026, we focused on our ability to deliver our operational, strategic and social priorities. This makes sure our governance framework aligns with what our stakeholders expect and follows the Wates Corporate Governance Principles for Large Private Companies.

Having a strong and effective corporate governance framework supports the Board's focus on the effective decision making we need for long-term sustainable growth. It also makes sure the Board has the right level of oversight of the material issues we're facing.

Our success depends on our relentless commitment to high corporate governance standards, as well as a strong and healthy culture in the boardroom and across our whole company.

As we continue on our journey to a more established group structure, maintaining high standards of corporate governance is key. This Governance report highlights key developments and how the Boards have achieved this throughout the year.

Board evolution

We continue to focus on growth and scaling in a safe and efficient way, supported by robust corporate governance arrangements. A significant part of the Board's agenda this year was our key objectives around Board composition and developing our future governance structure. For the 2026 financial year, we continue to be led by a mirror board. Under this structure, the MBHG and MBL Boards are made up of the same Directors (except the Chief Financial Officer and the non-independent non-executive directors appointed in 2026). However, our objective is to split the Monzo Bank Holding Group Limited ('MBHG') and Monzo Bank Limited ('MBL') Boards during FY2027.

This separation is expected to involve the creation of a new Group Audit & Risk Committee and separate MBL Risk Committee and MBL Audit Committee. We are expecting to add these Committees to our existing Group Nomination and Governance Committee ('Group NomCo') and Group Remuneration Committee ('Group RemCo'), which will both continue to be joint Committees of MBHG and MBL. This will support the increasingly different focuses and roles of MBHG and MBL as we grow both in the UK and internationally.

In addition, the MBL Board has appointed a new Independent Non-Executive Director ('INED') (subject to regulatory approval) with

effect from 1 June 2026. The INED is expected to assume the MBL Board Chair position in H1 FY2027 following receipt of regulatory approval, which will further support the separation of the MBHG and MBL Boards.

During the year, we have also established two new MBHG Board Committees, the Group Disclosure Committee ('GDC') and the Group Board Sustainability Committee ('GBSC'), which maintain a mandate over the activities of the MBL Board.

The GDC has been established to assist the MBHG Board of Directors and its Committees in fulfilling their responsibilities related to Monzo's external disclosures. It is chaired by the Group Chief Financial Officer. It's primary scope is to oversee the design, implementation, and maintenance of robust disclosure controls and procedures to ensure that all material financial, regulatory, and public communications made by MBHG and its material subsidiaries (including MBL) are accurate, complete and timely.

The GDC met 3 times during the year to consider and verify the key disclosures referenced within the annual report and accounts.

The GBSC was established before 31 March 2026 with a global remit supporting MBHG and its material subsidiaries (including MBL). While formally constituted by the MBHG Board during the reporting period, the GBSC

is scheduled to hold its inaugural meeting on 11 May 2026.

The GBSC provides strategic oversight and will convene twice per year and will complement half-yearly sustainability updates to the Group Board. Its forward-looking agenda for the upcoming year will focus on overseeing the Group's sustainability strategy and impact, including progress against decarbonisation goals, alignment with evolving regulatory requirements, identification of key ESG priorities, and consideration of investor and market perspectives.

The GBSC is chaired by the MBHG Vice Chair and includes independent and material subsidiary Directors to ensure diverse and rigorous Board-level challenge. It is supported by the Sustainability Steering Committee, which provides executive ownership and meets quarterly to drive operational delivery.

Board changes

On 1 February 2026, TS Anil stepped down as Group and MBL Chief Executive Officer and was then appointed as a Non-Independent Non-Executive Director and Vice Chair of MBHG on 1 March 2026. Diana Layfield, a former Google and Standard Chartered executive, succeeded him as Group and MBL Chief Executive Officer.

The Board carried out a thorough and comprehensive search process, helped by external recruitment consultants, to find the best possible candidate, including developing a detailed role and person profile and interviews with Board members. The process culminated with the Board agreeing a recommendation from the Nomination and Governance Committee that Diana Layfield be appointed as Group and MBL Chief Executive.

As part of talks on succession planning and preparing to separate the MBHG and MBL Boards, the composition of our Boards evolved even further this year, appointing 4 new INEDs.

In June 2025, Delfin Rueda joined the Board bringing over 30 years of experience in finance and risk management within the financial services sector. In September 2025, we welcomed Jambu Palaniappan to the Boards, a seasoned business leader, current Chief Executive Officer of Checkatrade and former senior executive at Uber supporting high growth business enterprises. And in October 2025, Karen Peacock and Spencer Lake joined the Boards. Karen brings a wealth of experience from Intuit where she was

General Manager of one of its largest businesses and Senior Vice President of Small Business. She also brings extensive experience in Technology, Artificial Intelligence and Machine Learning. Spencer brings a wealth of banking experience to the Boards, mainly through his former role as Group General Manager and Global Head of Capital Financing at HSBC, providing for expertise in debt and equity capital markets and mergers and acquisitions.

In January 2026, we also appointed two new investor Directors to the Board, Anu Hariharan and Vinay Yarlagadda, as shareholder representatives.

You can find more information on appointing our new Directors on page 89 of our Board Nomination and Governance Committee report.



Our Board

We continued to operate a mirror board structure for this financial year, which has been successful in supporting the Group reorganisation (more about this on page [75](#)).

This structure supported great progress during the year, leading to efficient and smooth decision-making for the business and the Boards. Our Board members that are appointed to both MBHG and MBL Boards stayed aware of, and attentive to, the responsibility they owe to MBHG and MBL on an individual and consolidated group basis.

Some of the big decisions during the year, like the decision to acquire Habito, needed consideration from both an MBL and MBHG perspective at different stages of the process. Our continued approach to agenda-setting and paper writing make it clear when certain matters are entity-specific or applicable to the Group as a whole. This supports the Boards' decision-making and their aim of achieving the right outcomes for Monzo and its stakeholders.

Our mirror approach extends to our Group Board Committees (with the exception of our GAC, which is a standalone MBHG Board Committee) and Group Executive Committees. The GAC is a Committee of the MBHG Board from which it derives its authority, but also oversees audit arrangements relevant to MBL and is required to report certain matters to the MBL Board, together with the MBHG Board.

As we continue on our journey to reorganise our Group corporate structure, we'll keep our governance structure under review, making any changes as needed to better support us as we grow internationally.

- B Board
- BC Board Chair / Board Committee Chair
- A Audit Committee
- BR Board Risk Committee
- NG Nomination and Governance Committee
- R Remuneration Committee



Gary Hoffman CBE

Chair of the MBHG and MBL

Gary joined Monzo on 1 February 2019 and also chairs the Group NomCo. He has extensive experience in financial services including retail banking, insurance and consumer lending, starting his career at Barclays where he stayed for 25 years. He took on several senior roles before becoming the CEO of Northern Rock, steering them successfully through the 2008 financial crisis.

He then went on to become the CEO of NBNK Investments and later CEO for Hastings Insurance Group, which he led through an IPO, as well as serving as Non-Executive Chair of Visa Europe and Non-Executive Director of Visa Inc. Gary's previous external appointments include Chair of football's English Premier League and Chair of the Football Foundation Charity.

Gary's external appointments are: Chair of Northamptonshire County Cricket Club.

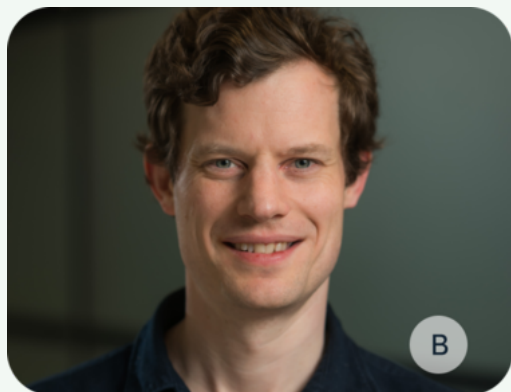


Diana Layfield

Group Chief Executive Officer and Executive Director

Diana joined our Board on 1 February 2026. She has consistently driven innovation and growth across a wide range of organisations, from founding a tech start-up to scaling global technology and financial services institutions. During her nine years at Google, as General Manager of Search International & Growth, she led Search's global Growth and Internationalisation teams, driving differentiated growth and scaling through AI deployment. As Vice President, Next Billion Users and Product Management, she led the development of products for emerging markets, including the design, build and launch of Tez (GooglePay India) which scaled to over 200 million users. Before Google, Diana served as CEO for the Africa Region at Standard Chartered Bank, where she was responsible for wholesale, investment, and consumer banking across 27 countries.

Diana's external appointments are: Non-Executive Director at AstraZeneca plc and Chair at British International Investment.



Tom Oldham

Group Chief Financial Officer and Executive Director

Tom joined the Board on 5 February 2025 and became CFO on 14 March 2025. Tom brings over 15 years of strategic financial leadership experience across digital banking, consumer goods and global financial markets. He brings deep experience in growth and innovation from previous roles as Chief Investment Officer of climate fund Mombak and as Global Head of Financial Planning and Analysis at Nubank, where he was part of the executive team who oversaw the bank's hypergrowth phase and \$45b NYSE listing in 2021. Earlier in his career, he gained extensive finance and general management experience at 3G, Capital-backed consumer giant Kraft Heinz and commodities trader Glencore.

Tom does not have any other external appointments.



TS Anil

Non-Executive Director

TS joined our Board on 6 October 2020 as an Executive Director having been a financial services and payments leader with decades of experience around the world. He has a wealth of experience launching new products, developing innovative payment technologies and taking existing businesses to new growth opportunities. He stepped down as our Group Chief Executive Officer and Executive Director on 1 February 2026 and currently serves the Board as a Non-Executive Director and Vice Chair. As our former Group Chief Executive Officer, he brings exceptional experience and understanding of Monzo's key strategies and product offerings to support his role on the Board as a Non-Executive Director and Vice Chair, taking up this role on 1 March 2026.

TS's external appointments are: Non-Executive Director at Accion International.



Eileen Burbidge MBE

Investor Non-Executive Director

Eileen joined our Board on 21 April 2015 as a representative for Passion Capital, one of our major shareholders. As well as co-founding Passion, Eileen also served as HM Treasury's Special Envoy for Fintech and was previously Chair of Tech Nation and a member of the Prime Minister's Business Advisory Group.

Eileen brings a wealth of experience to the Boards from a broad range of industries including mobile, digital technology, consumer and enterprise software development and communications and significant experience across product, business, market and commercial development.

Eileen's external appointments are: Fertifa Ltd, and Designated Member of Passion Capital Group entities.



Valerie Dias

Independent Non-Executive Director

Valerie joined our Board on 1 June 2021 and became Chair of our GBRC in January 2022. Valerie is also a Non-Executive Director of the Monzo Bank Europe Designated Activity Company Board.

Valerie brings a wealth of finance, risk, governance and operational experience having worked as a senior executive at Visa Europe for almost 25 years, first as their Chief Financial Officer and then as their Chief Risk Officer.

Valerie's external appointments are: Non-Executive Director of U.S. Bank Europe Designated Activity Company and Hastings Insurance Services Limited.



Anulakshmi Hariharan

Investor Non-Executive Director

Anu joined our Board in February 2026. She brings deep expertise in the technology and fintech sectors, having spent much of her career advising and investing in high-growth companies across the globe.

She's the Founder and Managing Partner of avra, where she helps growth-stage founders scale their companies. Before starting avra, Anu was the co-founder and Managing Director of Y Combinator's Growth Fund. There, she led investments in companies like Brex, Faire, Gusto, and Whatnot. She also spent time as a partner at Andreessen Horowitz, working with the leadership teams at Airbnb and Instacart.

Anu's external appointments are: Non-Executive Director at Avis Budget Group, Inc. and Zepto.



Amy Kirk

Independent Non-Executive Director

Amy joined our Board on 24 January 2017 and brings more than 25 years of UK and international retail banking and consumer lending experience.

She's held executive positions in lending, risk and operations at Wonga Group Ltd, OneSavings Bank plc and Bank of America Europe Card Services. Before she moved to the UK, Amy was the Director of Credit for the largest credit card issuer in the United States, MBNA America. Amy also has deep experience in credit and fraud strategy, portfolio risk management, and remuneration, serving as our Group Remuneration Committee Chair until June 2024.

Amy's external appointments are: Non-Executive Director of FCMB Bank (UK) Ltd; Non-Executive Director of Maryland Partners Ltd; and Senior Independent Director of Griffin Bank Limited (previously known as Griffin Financial Technology Limited).



Spencer Lake

Independent Non-Executive Director

Spencer joined our Boards in October 2025. He brings a depth and breadth of experience in the financial services industry, particularly in capital and debt markets.

Spencer spent 10 years at HSBC where he was a Group General Manager and Vice Chairman of HSBC's Global Banking and Markets Division, having previously run its Global Debt Origination, Markets, and Global Capital Financing Divisions, which included HSBC's balance sheet and Investment Banking products. Spencer also spent 17 years at Merrill Lynch, working in various leadership roles in New York, Hong Kong and London, and was Chair to the board of the International Capital Market Association from 2010 to 2016.

Spencer's external appointments are: Founding Partner of 13books Capital and a Non-Executive Director of Duco Technology and the National Debt Management Center of Saudi Arabia.



Fiona McBain

Senior Independent Director

Fiona joined our Board on 1 January 2020. She's the Board's Senior Independent Director (SID) and Chair of our GAC. She has more than 35 years of regulated retail financial services experience, in industry and as an auditor, both in the UK and US.

Fiona brings wide-ranging strategic and operational experience at both board and senior executive management level. She was Chief Executive of Scottish Friendly operating in financial services across the UK and the Republic of Ireland for 11 years.

Fiona does not have any other external appointments.



Jambu Palaniappan

Independent Non-Executive Director

Jambu joined our Boards in September 2025. He brings a wealth of experience in consumer technology and globally scaling businesses.

Alongside Jambu's appointment to the Boards, he is the CEO of Checkatrade, a tech-enabled business that connects tradespeople with consumers searching for fixes and upgrades to their homes. Before that, Jambu held senior executive positions at OMERS Ventures, a Canadian venture capital firm, and at Uber and Uber Eats, where he helped lead their global expansion.

Jambu's external appointments are: Chief Executive Officer of Checkatrade Limited and Just Eat Takeaway N.V.

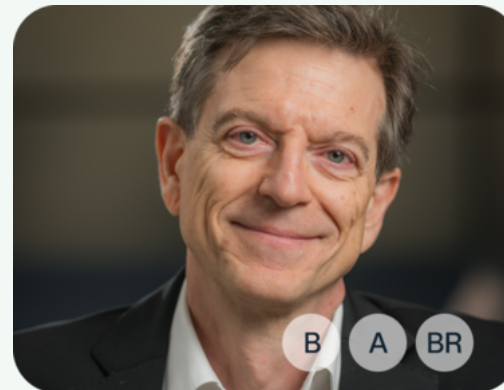


Karen Peacock

Independent Non-Executive Director

Karen joined our Boards in October 2025. She brings over 25 years of significant business and management experience in technology leadership, driving strategy, innovation, and growth. Karen is the former CEO of Intercom and the former General Manager and Senior Vice President at Intuit where she and her team built one of the world's largest global SaaS businesses.

Karen's external appointments are: Non-Executive Director of Dropbox and IDEXX Laboratories, and Limited Partner of Operator Collective Management L.L.C.



Delfin Rueda

Independent Non-Executive Director

Delfin joined our Boards in June 2025. He brings over 30 years of experience in finance, risk management, governance, and operations within the financial services sector.

Delfin's career started in consulting and investment banking, with positions at Andersen Consulting, Salomon Brothers, UBS, and JPMorgan. He was CFO and Vice-Chair of the Executive Board and Management Board at ING Insurance and NN Group and Chief Financial and Risk Officer and member of the Management Board at Atradius. With over two decades of non-executive experience in banking and insurance, he also chaired the Audit and Risk Committee at Adyen and the European Insurance CFO Forum.

Delfin's external appointments are: Non-Executive Director at Allfunds, Achmea Pensions & Life and FlowTraders, and Venture Partner of Mundi Ventures.



Lizzie Runham

Independent Non-Executive Director

Lizzie joined our Board on 1 March 2022. She brings more than 20 years of experience helping organisations thrive across highly complex sectors including financial services, pharmaceutical and technology. In addition to the UK, she has a depth of experience in Africa, the Middle East and Asia where she spent 14 years. Her areas of specialism are HR strategy, operations and crisis management.

Lizzie's external appointments are: HR Vice President and Chief Operating Officer & International for Meta and Chair of the Speakers Trust.



Fields Wicker-Miurin OBE

Independent Non-Executive Director

Fields joined our Board on 1 April 2024 and is now our Group RemCo Chair. She brings a wealth of experience from her international career in financial services and her 30 years serving as a board member, SID and committee chair across a diverse range of sectors, including 12 years on the main board of BNP Paribas.

Fields' external appointments are: Non-Executive Director of Scor SE, Deputy Chair of the Royal College of Art and Design and chair of the Planning and Resources and Investment Committees, and Chair of the British Equestrian Federation.



Vinay Yarlagadda

Investor Non-Executive Director

Vinay joined our Board in February 2026. He brings extensive experience in the fintech and applications sectors, having spent nearly a decade leading global investments in high-growth technology companies.

He's a Managing Director in GIC's Technology Investment Group and a member of the firm's investment committee, where he focuses on backing companies across fintech, applications and physical AI. He's been a long-term partner to several fintech platforms, including Stripe, Ramp, Affirm, and Checkout.com.

Vinay doesn't have any other external appointments.

Governance and growth

The Boards play an active role in developing and overseeing how we deliver our strategy, making sure it aligns with our mission of making money work for everyone. Over the past year, the Boards guided us as we continued to focus on our core retail banking business, expanded into the European Union and completed our first strategic acquisition of Habito which will allow us to add complementary mortgage brokerage services to our existing product offering.

The Group and its subsidiaries operate within our governance framework

We set out our Approach to Corporate Governance in the Board-approved governance framework which the entities in our Group operate in. As we grow the business and expand globally, it's important for us to maintain an appropriate standard of governance across our Group. We can tailor this to suit different legal and regulatory contexts as needed. Our governance framework helps us to achieve consistent governance practices across our Group, aligning with our Group Enterprise Risk Management Framework.

It was agreed that the review of our governance documentation would align to the anticipated Board separation in FY2027. We're working closely with teams across our company to further develop our Group governance framework.

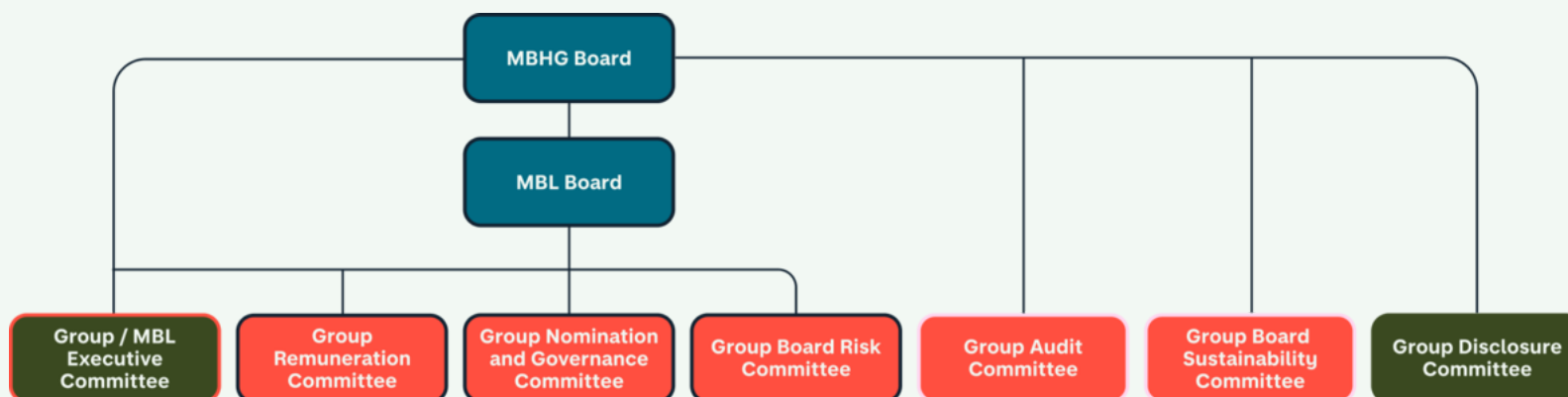
Our corporate governance framework and structure

There's a chain of delegated authority, starting with our shareholders. The MBHG Board gets its authority from its shareholders while the MBL Board gets its authority from MBHG (its parent and sole shareholder).

During the financial year, the MBHG Board set the overall strategy of the Group and made sure we're creating value over the long-term and operated within a framework of effective controls. The MBL Board sets its strategy within the parameters agreed by the MBHG Board and monitors its strategic implementation in helping us achieve our mission in a way that aligns with our values.

While we currently have a mirror board structure with regards to MBHG and MBL, 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 structure chart shows how our Boards also delegate certain areas of responsibility to our committees. We've established 4 permanent Group Board Committees which take responsibility for risk, financial reporting and audit, remuneration and people, board planning, and corporate governance.



The Monzo Group is made up of a number of entities, with MBHG being the ultimate parent company of the Group. We completed a corporate reorganisation in September 2023 and have operated with our current 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 currently have a mirror board structure for MBHG and MBL, the Boards collectively oversee key areas in the Group related to strategy, culture, risk, finance and capital, internal systems and controls, audit and governance.

Role of the Boards

The Boards promote our sustainable, long-term success, generating value for our shareholders and other stakeholders. With help from our group governance framework, the Boards operated within a framework of prudent and effective controls, which are designed to support us in achieving our goals and strategic objectives. This helps them set and oversee our key strategies while appropriately assessing and managing associated risks.

The Boards set our purpose, values, strategy and long-term objectives. They're also responsible for the Group's corporate governance activities, risk management and financial performance and the framework is designed to improve the Boards' effectiveness and to support overseeing the senior leadership team as it delivers our strategy. For the framework to be its most

effective, it has a clear division of responsibilities, appropriate distribution of workload to the Board Committee and highly committed Directors who are motivated to carry out their roles and responsibilities for the success of Monzo.

The powers of the Boards are set out in their articles of association, and they operate under a formal schedule of matters reserved to the Board. The Board has delegated the day-to-day management of the Group's business to the Group Chief Executive Officer, who cascades the agreed standards to the business.

Below is a list of key areas that the Boards are responsible for, together with some of its key decisions during the year.

Strategic development and performance

- Received business performance and strategic transformation updates.
- Oversaw the acquisition of Habito.
- Discussed and approved recommendations on the future strategic growth of the Group.
- Discussed and approved us closing operations in the US.
- Debated and considered the opportunities and challenges facing the Group due to the changing macro environment and agreed the propositional, financial, strategic and risk response.

Finance

- Regularly assessed financial performance and the Group's capital and liquidity position via business performance reports from the Group Chief Financial Officer.
- Reviewed and approved our full-year financial results and annual report and accounts for the 2025 financial year, with consideration given to the preparation of the accounts on a going concern basis.
- Reviewed our performance, outlook and forecast and discussed the opportunities associated with related financial and strategic plans.
- Discussed and challenged the forecast, economic and market assumptions ahead of a review of our strategic plans.
- Approved the Group Internal Capital Framework.
- Approved the Group Capital Plan.
- Assessed the economic and market conditions affecting the Group.

Risk and regulatory matters and external outlook

- Received regular reports from the Group Chief Risk Officer on the internal and external risk outlook, and regulatory matters.
- Reviewed and approved our Internal Capital Adequacy Assessment Process/Internal Liquidity Adequacy Assessment Process documentation, including reverse stress testing considerations.

- Approved the Group Risk Appetite and supporting metrics.
- Assessed the Group's overall risk profile and emerging risk themes.
- Reviewed and approved changes to capital positioning.
- Reviewed and approved risk appetite statements and emerging risk themes.

Purpose, culture and values

- Reviewed and discussed our strategies that influence our overarching culture.
- Reviewed the Annual Culture Report, which analysed the annual colleague opinion survey results, and the progress made on developing and embedding our culture and behaviours.
- Reviewed reports from the Group Chief People Officer.
- Reviewed progress against diversity, equity and inclusion strategic goals.
- Reviewed our Annual Whistleblowing Report 2025 and whistleblowing arrangements.
- Approved our 2025 Modern Slavery Statement.

Board governance

- Received the 2026 externally facilitated Board performance review and discussed resulting actions.
- Considered succession planning for the Board and key executives.

- Received regular reports from the Audit, Risk, Remuneration and Group Nomination Committees.
- Reviewed regular reports from the Group Company Secretary and Chief Legal & Administration Officer on legal and governance matters.

External appointments

We expect all Directors to dedicate enough time to do their job properly, it's a condition of becoming a director. The Board reviews each director's external commitments every year, after each director confirms they can still dedicate enough time to their responsibilities. Directors inform the Chair before accepting any new appointments so we can consider any actual or potential conflicts of interest, and the time commitment the position needs.

Related party transactions

We have controls and procedures in place to make sure any related transactions and arrangements we make are in our best interests. You can find more information on related party transactions throughout the financial year in note 34 to MBHG's Consolidated Financial Statements on page 183.

Conflicts of interest

All of our Non-Executive Directors (NEDs) have significant experience in their respective fields and a number have commitments to other organisations so it's important that we

can monitor actual and potential conflicts of interest between us and those other organisations. We have controls in place to help us make suitable arrangements in the event that a director's external position or personal financial interest could come into conflict with their duties as a director of our company. The Boards also keep a register of authorised conflicts of interest which the Board Nominations and Governance Committee reviews annually.

Each director must tell the Board of any actual or potential situational or transactional conflict of interest and update them if the details or circumstances of a conflict change.

We have a Conflicts of Interest Policy and make sure all Directors follow it. The Board also keeps a conflicts of interest register that it reviews each year and Directors must update the Board when new conflicts come up (or when existing ones are resolved). They confirm each year that the conflicts on the register are still accurate.

Directors' indemnities and insurance

In line with our Company's Articles and to the extent the law allows, Directors get an indemnity from us for any liability that results from their role as Directors. We also have a Directors' and officers' liability insurance policy. Neither of these cover liability where a director has acted negligently, defaulted, breached their duty or breached trust in respect of our activities.

Equity participation scheme

All of our INEDs can subscribe for shares in Monzo through our iNED Equity Participation Scheme. This scheme lets our iNEDs subscribe for a maximum number of shares based on these limitations.

- A shareholding can't exceed 0.5% of our total issued share capital.
- INEDs can acquire shares up to a maximum amount equal to 100% of their annual Director's fee, during each investment window (2 per year).
- A shareholding can't represent more than 10% of their gross assets at the time of investment (which the policy defines as material to their overall wealth).

When an INED requests to subscribe, the MBHG Board considers these limitations before approving the share issue.

Diversity on our Boards

We're proud to be meeting our Board diversity objectives

Diversity on our Boards cuts across a number of things like gender, tenure and independence. We're happy to say that we continue to meet a majority of our diversity objectives and in some cases, even exceed our objectives for gender representation on our Boards and Board Committees. Three out of four of our Group Board Committees are chaired by women and women continue to make up more than 56% of the MBHG Board. Over 30% of our directors are People of Colour.⁸

Our Board Diversity Policy is important to us in our hiring and succession planning. It sets out our objectives and commitment to diversity on the Board in the broadest sense, including skills, geographic and industry experience, background, ethnicity, age and gender, to name a few. It's why during the year we worked with search firms that are signatories to the voluntary code of conduct for executive search firms and maintained diverse candidate shortlists and longlists.⁹

Diversity and inclusion is part of our company values and will continue to steer our approach to Board hiring as we shape our Boards for the future. To find out more about D&I at Monzo, see page [37](#).

Board independence

- 62.5% Independent Non-Executive Directors
- 25.0% Non-Executive Directors
- 12.5% Executive Directors



Board tenure

- 43.8% Less than a year
- 12.5% 1–3 years
- 18.7% 3–6 years
- 25.0% 6–8 years



Board diversity

- 44% Men
- 56% Women



⁸ Refers to all people identifying as Black, Asian, Mixed or any other non-white ethnic group (People of Colour).

⁹ We worked with the executive search firm Korn Ferry for the two Board appointments we made this year who, in line with our policy requirements, are signatories to the standard voluntary code of conduct for executive search firms.

Composition, succession and evaluation

The Chair

The Board considered Gary Hoffman, the Chair, to be independent when he was appointed.

Fiona McBain continues to fulfil the role of Senior Independent Director (SID). She supports the Chair in his role and has been available throughout the year to meet with other NEDs, act as a sounding board and raise any matters discussed.

Independence

INEDs made up 56% of our Board as at 31 March 2026 (excluding the Chair) and we're in the process of recruiting additional INEDs to the Board. The INEDs assess whether they're capable of independent judgement each year and that they're free from any relationships or circumstances that could affect this. The Board has since considered these representations and concluded that these Directors are independent in character and judgement. Three of our NEDs, Eileen Burbidge, Anu Hariharan and Vinay Yarlagadda, are not considered independent because they're appointed as representatives of significant shareholders. TS Anil is also not considered to be independent due to his previous role as Group Chief Executive and subsequent appointment as Vice Chair on 1 March 2026.

Board performance

The Board reviews how it, its Committees and Directors are performing annually. This is a key mechanism for checking that the Board continues to operate effectively, and for setting the Board's objectives and development areas for the coming year.

For this financial year, we wanted to make sure our governance practices will work effectively when we segregate the MBHG and MBL Boards from the current mirrored approach and performed an externally facilitated review using a tailored questionnaire, follow-up director interviews and a review of Board and Committee minutes and papers.

The evaluation highlighted a number of focus areas to make sure that Board effectiveness continues once the new board structure comes into effect.

The 2026 review covered the following areas of focus in preparation for the new board structure.

- The strengths and composition of the MBHG and MBL Boards and its principal committees and the importance of robust and strategic succession planning.
- Clarity of the MBHG and MBL Board's roles and responsibilities within the group context.

- The effectiveness of Board meetings, including the Board's decision-making processes and identification of areas needing more Board attention.
- The importance of effective communication and flow of information between the MBHG and MBL Boards, including between key board members.

The key findings were captured in a review document that was submitted and presented to the Boards in February 2026. The Boards took the recommendations from the review findings on board and will continue to make progress against the key findings of the review, delegating the monitoring of their progress against these actions to the Group NomCo. Additionally, the Boards will make sure that these actions are also considered in future reviews of Board composition and succession planning.

Since the review, the Board remains satisfied that the Board, its Committees, the Chair and each of the Directors have continued to operate effectively in the current mirror structure and fulfilled their remits.

We've also completed a retroactive review to make sure that each Board Committee met its responsibilities for the year under its specific terms of reference.

Board training

We keep our Board members up to date with their legal, regulatory and governance responsibilities, and make sure they know about the latest internal and external developments. We also expect our Directors to keep their knowledge and skills up to date on topics related to our activities to support their continued development.

The Group Company Secretary works with the Chair to make sure the Board gets the right training and development, both individually and as a group.

During FY2026, the Board received training and updates on interest rate risk within the Bank, risk culture and the future corporate and board structure at Monzo.

The Board also received regular briefings from our auditors, Ernst & Young LLP (EY), through the Audit and Risk Committee. And as always, they had access to members of the senior leadership team.

Board composition

The Group NomCo is responsible for reviewing the MBHG and MBL Board composition, considering succession plans for both the Board and senior executives, selecting and appointing new Directors and

considering the results of the annual Board performance review.

For more information on the work of the Group NomCo this can be found on page 89.

Division of responsibilities

The Board has agreed a clear division of responsibilities. We clearly define the responsibilities of the Chair, Chief Executive, SID and other Directors so that no individual has unrestricted powers, and no small group of Directors can dominate the Board's decisions. While there's no formal role profile, the Group Chief Financial Officer is responsible for the financial affairs of the Group while supporting the Group Chief Executive Officer in developing and executing the Group's strategy.

Non-Executive Directors

Chair

The Chair leads the Board, responsible for its effectiveness while taking account of the interests of the Group's various stakeholders, and promoting high standards of corporate governance. Their key responsibilities include these things.

- Effective leadership of the Board and promoting the highest standards of corporate governance practices.

- Leading the Board in strong strategic oversight and setting the Board's agenda, culture and values.
- Leading the Board in challenging management's thinking and proposals, and promoting open and constructive debate among Directors.
- Maintaining internal and external relationships with key stakeholders, and communicating investors' views to the Board.
- Organising periodic monitoring and evaluation, including externally facilitated evaluation, of the performance of the Board, its committees and individual Directors.
- Leading on succession planning for the Board and its committees, making sure appointments reflect the consideration of diversity characteristics.

Senior Independent Director

The SID's responsibilities include these things.

- Acting as a sounding board for the Chair and a trusted intermediary for other Directors.
- Discussing the results of the Chair's effectiveness review with the Chair.
- Leading the search and appointment process and makes the recommendation to the Board for a new Chair.
- Acting as an additional point of contact for shareholders.

Non-Executive Directors

Bring insight and experience to the Board. The NEDs have responsibility for these things.

- Constructive challenge of the strategies that the Executive Directors propose.
- Scrutinise the performance of management in achieving agreed goals and objectives.
- Play leading roles in the function of the Board committees and bring an independent view to the discussion. They provide a creative and informed contribution to the Board by providing objective criticism and helping to challenge the direction of the business.
- They scrutinise the performance of management in meeting agreed goals and objectives and monitor how the executive team is executing the strategy. They make sure that financial controls and systems of risk management are robust and defensible. They're responsible for determining appropriate levels of remuneration for Executive Directors and have a prime role in appointing and, if necessary, removing senior management.

Group Chief Executive Officer

Runs the day-to-day management of the Group under delegated authority from the Board and is accountable to the Board for the Group's performance and delivery of the Group's strategy.

The Group Chief Executive is responsible for these things.

- Developing our strategic direction for consideration by the Board.
- Delivering the strategy and reporting on progress.
- Day-to-day management of the Group, communicating expectations around culture and ensuring responsible business conduct across the business.
- Providing effective leadership, coordination and performance management of the Executive team.

Other Executive Directors

Hold specific management responsibilities in the day-to-day running of the business, and are accountable to the Board for the execution of the Group's strategy and the performance of the business.

Vice Chair

The Vice Chair's responsibilities include providing support to the development of the MBHG Board's strategic initiatives, including with respect to fundraising, consumer-facing products, mergers and acquisitions and domestic and international policy. The Vice Chair also chairs the SAG and the GBSC.

Investor Directors

Representatives of shareholders who are entitled to appoint a Non-Executive Director under the Shareholder Agreement.

Group Company Secretary

- Supports the Board and Committee Chairs to plan future agendas and annual programmes.
- Makes sure information is made available to Board members in good time.
- Supports the Chair to design and deliver Board inductions.
- Coordinates continuing business awareness and training for the Non-Executive Directors.
- Advises the Directors on Board practice, procedures and corporate governance matters.
- All Directors and senior executives have access to the advice of the Group Company Secretary.

Board Governance & Committee Delegation

The Board delegates certain matters to its principal committees. Each Board committee considers Group matters that fall within its respective remit of responsibility.

- **Group Board Audit Committee:** See the report on page 95.
- **Group Board Risk Committee:** See the report on page 91.
- **Group Board Nomination and Governance Committee:** See the report on page 89.
- **Group Board Remuneration Committee:** See the report on page 94.



How our Boards spent their time

Non-Executive Directors must commit enough time to their role, which varies based on their responsibilities.

The Chair and Non-Executive Directors are also expected to put aside enough time to understand the business through meetings with management, and to attend meetings with the Group's regulators to promote an open and transparent working relationship.

We review Directors' time commitments annually, or more regularly where needed, to make sure that they each continue to have enough time for their role. Each Director completes a self-assessment of the time spent on their external commitments which support the review. The Board is currently happy that the number of appointments held by each Director, in addition to their position here, is appropriate to allow them to fulfil their obligations to Monzo.



Board member	Board meetings ¹⁰	Audit Committee ¹¹	Board Risk Committee ¹²	Nomination and Governance Committee ¹³	Remuneration Committee ¹⁴
Executive Directors					
Diana Layfield ¹⁵	2/2				
Tom Oldham	9/9	—	—	—	—
Non-Executive Directors					
Gary Hoffman	9/9	—	—	6/6	7/7
TS Anil ¹⁶	9/9				
Eileen Burbidge	9/9	—	—	6/6	—
Valerie Dias	9/9	6/6	9/9	—	6/7
Amy Kirk	9/9	6/6	9/9	—	7/7
Fiona McBain	9/9	6/6	9/9	6/6	—
Lizzie Runham	8/9	—	—	5/6	6/7
Fields Wicker-Miurin	8/9	5/6	9/9	—	7/7
Delfin Rueda ¹⁷	8/8	4/4	8/8		
Karen Peacock ¹⁸	5/5	—	—	3/3	5/5
Spencer Lake ¹⁹	5/5				
Jambu Palaniappan ²⁰	6/6				
Vinay Yarlagadda ²¹	2/2				
Anulakshmi Hariharan ²²	2/2				

¹⁰ This table of attendance reflects that board meetings of the MBHG and MBL Board were convened jointly for the financial year ended 31 March 2026. The Boards also held 2 joint ad hoc meetings during the year, alongside 8 ad hoc MBHG only meetings.

¹¹ The Audit Committee also held 3 ad-hoc meetings during the year, which included 1 joint meeting with the Board Risk Committee

¹² The Board Risk Committee also held 2 ad-hoc meetings during the year, which included 1 joint meeting with the Audit Committee

¹³ The Nomination and Governance Committee also held 1 ad-hoc meeting during the year

¹⁴ The Remuneration Committee also held 3 ad-hoc meetings during the year

¹⁵ Diana Layfield was appointed to the MBHG Board on 1 February 2026. Diana was eligible to attend 2 Board meetings in the year

¹⁶ TS Anil attended 14 Board meetings during the financial year as Group Chief Executive Officer and Executive Director. He attended 1 meeting as a Non-Executive Director following his appointment as Vice Chair.

¹⁷ Delfin Rueda was appointed to the MBHG Board on 4 June 2025. Delfin was eligible to attend 8 Board meetings in the year.

¹⁸ Karen Peacock was appointed to the MBHG Board on 13 October 2025. Karen was eligible to attend 5 Board meetings in the year.

¹⁹ Spencer Lake was appointed to the MBHG Board on 13 October 2025. Spencer was eligible to attend 5 Board meetings in the year.

²⁰ Jambu Palaniappan was appointed to the MBHG Board on 1 September 2025. Jambu was eligible to attend 6 Board meetings in the year.

²¹ Vinay Yarlagadda was appointed to the MBHG Board on 26 February 2026. Vinay was eligible to attend 2 Board meetings in the year.

²² Anulakshmi Hariharan was appointed to the MBHG Board on 26 February 2026. Anulakshmi was eligible to attend 2 Board meetings in the year.

Our executive team

Committee purpose and membership

The Board delegates responsibility to the Chief Executive Officer for overseeing the Group's day-to-day operations, creating and implementing the Group's strategic objectives that the Board approves, and overseeing those objectives.

The Group's matters reserved for the Board and Committees' terms of reference provide clear direction on oversight and decision-making.

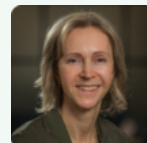
The Executive Committee supports the Chief Executive in doing this. The Executive Committee includes Diana Layfield and Tom Oldham (Executive Directors of the Board), the CEO of the EU business and senior management in key functional roles.

The Executive Committee's key responsibilities include these things.

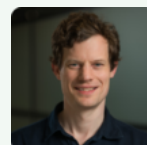
- Making recommendations to the Board and implementing the Group's objectives and strategy.
- Developing the Group's budget and long-term plan.
- Supporting the delivery of the Group's strategic priorities.
- Developing the sustainability agenda to balance short, medium and long-term objectives.
- Identifying, managing and monitoring risk and making sure we have effective internal controls.
- Approving material contracts and transactions in line with our delegation of authority framework.
- Monitoring the People agenda across the Group including: culture, succession planning, talent management, and diversity and inclusion.

The Executive Committee has scheduled 10 meetings per year which we keep minutes of, plus more informal check-ins. During the year, the Executive Committee played a key role in pushing the Group's strategy and objectives forward.

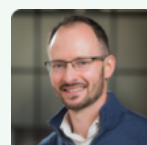
Group Executive Committee members as at 31 March 2026²³



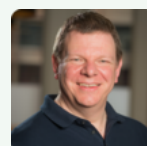
Diana Layfield
Group Chief Executive Officer and Executive Director



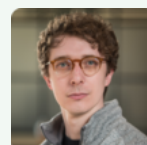
Tom Oldham
Group Chief Financial Officer and Executive Director



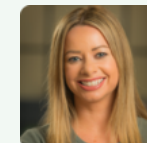
Mark Newbery
MBL Chief Financial Officer



Iain Laing
Group Chief Risk Officer



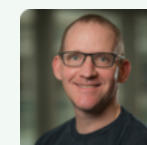
Andy Smart
Group Chief Product Officer



Sarah Manning
Group Chief People Officer



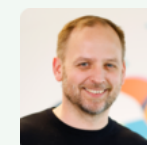
Stephanie Pagni
Group Chief Legal Officer



Matej Pfajfar
Group Chief Technology Officer



Shelley Malton
Group Chief Operating Officer



Michael Carney
EU Chief Executive Officer

²³ Kunal Malani and Conor Walsh were Group Executive Committee members during FY26 but ceased to be after our financial year-end, in April 2026.

Board and committee activity

We remain fully compliant with the Wates Principles of Corporate Governance for Large Private Companies 2018 (Wates).

The Boards recognise that we need high standards for corporate governance to support our business and achieve our strategic objectives.

We also recognise the standards of the 2024 UK Corporate Governance Code (UK CGC) which represent governance best practice. Although we're not required to meet the requirements of the UK CGC, we've committed to benchmark our corporate governance practices against it to reflect best practice. You can find details demonstrating how we've applied certain Principles and Provisions of the UK CGC throughout this Governance report.

The following principles form part of Wates and apply to our Boards.

Principle 1

An effective board develops and promotes the purpose of a company, and makes sure that its values, strategy and culture align with that purpose.

Our mission of making money work for everyone sits at the heart of everything we do; it's central to our strategy, goals and collective vision. Our Boards set our strategy and hold management to account on our goals, making sure that both align with our culture, values and long-term aspirations. You can find more information on our Board-approved strategy on page [12](#).

Our Board members continue to role model the shared practices and behaviours that make up our culture. Our culture is key to our long-term success and the Boards, together with the Group RemCo and GBRC, actively consider our culture when making key decisions. This year, the Boards reviewed the ongoing direction of our existing culture and approved the associated strategies that underpin it. It's particularly important that the Boards stay close to how we embed and maintain our culture, especially as we scale both domestically and internationally. Find

more about the work we've done in the People space on page 34. The Boards continue to put the mission at the centre of their decision making, which you can read more about in our Section 172 statement on page 55.

Principle 2

Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.

As Chair of the Board, Gary Hoffman is responsible for leading the Board and making sure that it's balanced, diverse, and performs effectively. We talk more about our Board structure, diversity on the Board, and division of responsibilities between the Chair and the CEO in this section (see pages 75 and 79). Each year, the Group NomCo oversees the Board performance review as well as the collective and individual suitability assessment of the Board Directors.

Our Board and Senior Manager Suitability Policy governs our performance and suitability processes. The Board approves and accounts for conflicts of interest, time commitments, and independence. We also work closely with our Governance and Accountability Lead during this time because of the overlap between our internal suitability procedures and regulatory accountability regime requirements (for example, the FCA's Senior Manager and Certification Regime (SMCR)).

This year, Board Excellence reviewed how our Boards were performing. As part of this process, Board members were asked to complete a tailored questionnaire covering questions about their Board and Committee roles, and take part in 1:1 interviews with Board Excellence based on their submissions.

The questionnaire looked at certain key themes and considerations related to the performance of the Boards and how to set them up for success post-separation, with the key findings explained on page 98.

This year, as well as running an externally led Board Performance Review we also completed an enhanced Board capability review (the Capability Review). This review looked closely at our current Directors' skills,

competencies and experience, and mapped them against the Boards' strategic objectives and activities. The Capability Review helped us identify our strengths and some skill gaps and we're using the findings to shape our Board's future size and structure so it aligns with our strategic goals as a Group.

We continually assess Board Directors' learning and development needs through our Board performance and training plan review cycles. Board members can get advice from our Company Secretaries, the Chair of the Boards, and the SID whenever they need it. They can also request external legal advice to help them make key decisions.

We take a forward-looking approach to Board and senior management makeup and succession planning, something that continues to be an ongoing focus for the Group NomCo (see more on page [89](#)).

Principle 3

The Board and individual Directors should have a clear understanding of their accountability and responsibilities. The Board's policies and procedures should support effective decision-making and independent challenge.

Our Boards and their committee members continue to act in line with the responsibilities set out in their matters reserved and terms of reference. As a bank, some of our Directors also have additional responsibilities under the

Senior Manager & Certification Regime, the role profiles and statements of responsibilities of senior managers outline their responsibilities. Our board members go through a tailored induction plan when they join to help them get a full understanding of their accountabilities as a board member.

We designed each induction plan collaboratively with input from the Chair of the Boards, the Group Company Secretary, and the incoming director. We actively monitor progress to make sure the plans get completed in good time. To support effective decision-making, we maintain a set of Board policies and procedures that help inform how we do things. This includes things like how we manage conflicts of interest (set out in our Board Conflicts of Interest Policy) – an area that's becoming increasingly important as we evolve our Group structure.

More broadly, we operate in the context of our Group Governance Framework which we talk more about on page 76. The Board uses a formal schedule of matters reserved for its attention, detailing matters that are considered of significance to Monzo because of their strategic, financial or reputational importance or consequences. The Board and its Committees have a forward-looking programme of agenda items scheduled for discussion throughout the year so that the most important items are given enough time to talk through properly and at the appropriate time. We use standard paper templates so that Directors get high quality, clear and timely information to support their oversight, discussions, challenge and decision making. Together, these documents help to keep everyone up to date in an

efficient and timely way. An extensive system and control framework supports the information that flows up to the Board. The GAC oversees financial controls, and the GBRC oversees enterprise risk controls.

Principle 4

A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value, and establishing oversight for the identification and mitigation of risks.

Our Board and executive team set our strategy in the context of our enterprise risk profile and risk appetite. We have clear processes for setting our strategy and the goals that'll help us achieve it. This included a Board Strategy Offsite. The Board and GBRC oversee all of our key risks (both financial and non-financial), as defined in our risk taxonomy. They approve our Group Enterprise Risk Management Framework and make sure it stays effective each year.

We factor risk into our decision-making processes and when we assess strategic opportunities. That's why we run a robust risk assessment for material product launches or changes, then share it with the GBRC and Boards for review and approval. It's also why the GBRC reviews a summary of our product approvals each year to make sure they align with our strategic objectives.

Each year we complete a horizon scanning exercise to identify future risks and opportunities. Lots of teams contribute to the exercise, including the executive team and the Board, we then share the findings with the GBRC and factor them into future planning, training and workshops.

At a business level, we have a three lines of defence model which you can find out more about on page 60 along with our principal risks and our overall approach to risk management.

Principle 5

A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.

We continue to check that our approach to pay aligns with our culture of fairness and transparency. During FY2026, we offered Monzonauts share options (the option to buy Monzo shares at a future date), aligning pay and reward with long-term business performance. We also have pay and reward policies that help us attract and keep high quality, diverse people. To make sure we continue to attract and develop the best people, we're currently reviewing our overall talent strategy.

As a bank, our pay and reward structures need to meet regulatory requirements,

especially for our executive team. We reflect this in our policies and practices. To make sure our pay and reward structures don't encourage risk-taking that exceeds our risk appetite, we provide most variable pay as deferred share options to align employee interests with our long-term viability. The Remuneration Committee also reviews a bi-annual Company-Wide Risk Performance assessment from the Chief Risk Officer and Chief Financial Officer to check variable awards are only granted when risk has been managed appropriately.

Our Group RemCo oversees lots of things relating to pay, reward and culture across the Monzo Group. For example, the Group RemCo reviews our people and pay policy every year to make sure it stays simple, clear and effective at linking reward to our future, sustainable success. This year, the Committee dedicated a lot of time to overseeing the new Monzonaut Incentive Scheme (MIS), representing a significant change to our remuneration arrangements. This scheme changes our compensation framework to be directly linked to performance, while also allowing Monzonauts to choose between cash and equity awards to maximise their impact. We also look at our pay data and produce a Gender Pay Gap Report each year, which we publish on our website. You can find out more about our Group RemCo, its responsibilities and what it did during the year on page 94.

Principle 6

Directors should foster effective stakeholder relationships aligned to the company's purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.

Our Boards always consider our stakeholders when making decisions, both through direct engagement with investors and feedback loops in community channels. One of our key stakeholder groups is our people and we talk more about our approach to our team on page 34. We make sure Monzonauts feel heard and have processes in place so our people can speak about issues openly or anonymously if they need to.

Our GAC Chair, Fiona McBain, is our Speaking Up Whistleblowing Champion. She's our Board-level advocate for making sure we stick to our speaking up policies.

We talk about who our key stakeholders are and how the Board considers their interests in decisions in our Section 172 statement on page 55.

Board activity

Strategic growth and scaling safely were high on the Boards' agenda.

The Boards met 15 times during the year, as well as attending a number of deep dives and workshops on topics like artificial intelligence, future state planning, conflicts of interest management, and financial risk.

When setting the agenda, the Chair and Group CEO work with the Company Secretaries to make sure that the right topics get the right amount of time at each meeting. The Boards approved the forward looking agenda for FY2026 in March 2025. In this calendar, we map out the items that'll come to the Board during the course of the upcoming year. It helps keep us on track and makes sure we're balancing strategic, performance, regulatory, and operational issues throughout the year.

We've highlighted the Boards' key activities, focuses and decisions in the table. Some of those decisions were 'principal decisions', which means that they potentially had a material impact on one or more of our main stakeholder groups. We've also pointed out if any of these decisions were specific to the MBHG or MBL Board. Even though we have a mirror structure, some topics are only relevant to a specific entity. Our papers and Chair point out when this is the case so Board members can make sure they're managing conflicts and meeting their legal responsibilities to the relevant company.



Group Board Committee activity

The Board is supported by the activities of its Committees, which makes sure that specific topics get the right level of attention and consideration.

Each Committee also works in collaboration with other Board Committees to oversee, support and determine specific topics.

Our Group Board Committees consider topics on behalf of the Monzo Group and subsidiaries within the Monzo Group.

From an operating standpoint, only Committee members are entitled to attend meetings. But, the Group Committee Chairs may invite others to attend as they need.

Group Nomination and Governance Committee (Group NomCo)

As Chair of the Group NomCo, I'm pleased to present the Group NomCo report for the financial year ended 31 March 2026.

The Committee played a critical role this year and continues to promote the long-term sustainable success of the Group. We make sure Boards and executive leadership teams have the right combination of skills and

experience to deliver our objectives and strategies.

We made several changes to the Board and executive management during the year. The Committee played a key role in overseeing, reviewing and recommending Board appointments, organisational design changes, and Board and committee composition changes to the Board for approval. We also made sure our Boards and leadership team have the skills and capabilities to meet the needs of our customers and other stakeholders.

The Committee makes sure the Group's succession planning at Board and executive management level is robust and diverse enough to serve the best interests of our shareholders, customers and key stakeholders.

Committee purpose and membership

The Committee reviews the size and composition of the Board and its Committees, and looks at when we need to refresh membership. This keeps the right balance of skills, knowledge, experience and diversity in its broadest sense. The Committee knows we need to attract Board members from diverse backgrounds who bring a wealth of knowledge, understanding and experience of our stakeholders' needs. The Committee also oversees and gives advice on executive

management level appointments for the Group.

The Committee strongly believes that diversity and an inclusive culture lead to business success. We're committed to having a diverse and inclusive leadership team that provides a range of perspectives, insights and critical constructive challenge needed to support good decision making, help with risk management and strategic planning.

The Committee includes the Chair of the Board of Directors (who chairs the Committee except when we consider his own succession), 3 INEDs, including the SID, and 1 Investor Director.

You can find details of the skills and experience of the Committee members in their biographies on pages 70 to 74. Regular attendees of the Committee include the Group Chief Executive Officer, Group Chief People Officer, and the Group Company Secretary.

Committee meetings

The Committee held 6 scheduled meetings during the year. You can find details of attendance at Committee meetings on page 83.

Board composition, expertise and succession planning

To make sure the composition of the Board stays aligned to the Group strategy, the Committee monitors the size and composition of the Boards and their committees. We review memberships to strike an appropriate balance of skills, knowledge, experience and diversity. The Committee recognises the need to attract Board members with a diverse range of backgrounds who can contribute a wealth of knowledge, understanding and experience.

The Committee considered the individual and collective suitability of the Directors of the Boards, who each completed a self-assessment of the depth of skills and experience each maintained against certain key competences aligned to MBHG and MBL's activities. It concluded that composition of both MBHG and MBL Boards were suitable for their roles and responsibilities.

The Committee is responsible for identifying and reviewing suitable candidates through a formal and transparent process, making sure that plans are in place for orderly succession to the Board. There have been a number of changes to the Board during the year. Diana Layfield was appointed as Group Chief Executive Officer and Executive Director of the MBHG and MBL Board and Delfin Rueda, Jambu Palaniappan, Karen Peacock and Spencer Lake were appointed as Independent

Non-Executive Directors. We also appointed 2 additional Investor Directors to the MBHG Board: Vinay Yarlagadda and Anulakshmi Hariharan.

In its search for a new Chief Executive Officer, the Committee worked with Korn Ferry, which has no connection to Monzo or any of its Directors, to search for a successor. The Committee set rigorous criteria for the role, both in terms of technical capabilities and cultural and style attributes. Following an in-depth selection process, the Committee made a unanimous decision to recommend to the Board for approval that we appoint Diana Layfield as an Executive Director and Chief Executive Officer of MBHG and MBL.

Korn Ferry also assisted the Committee in its search for new INEDs as part of the Committee's succession planning. With Korn Ferry, we developed detailed role profiles and kicked off a global search for certain roles. The Committee reviewed a shortlist of candidates. It also considered the current Board and Committee composition, the skills and experience needed together with a review of the long-term succession plans. Following a rigorous selection process, the Committee recommended the appointments of Delfin Rueda, Jambu Palanniapan, Karen Peacock and Spencer Lake as a new INEDs. It's confident they'll make a significant contribution to the effectiveness of the Board.

In addition and in light of the MBHG and MBL Board separation strategies, the Group NomCo considered the appointment of a new INED to the MBL Board, who was subsequently approved by the MBL Board,

subject to regulatory approval. It is expected that this individual will assume the MBL Board Chair position in H1 FY2027, in succession of Gary Hoffman.

Appointments are always based on merit and relevant experience. The Committee continues to challenge the external search consultants and internal recruiters where necessary to make sure that diversity is always considered when drawing up candidate shortlists.

Board effectiveness and performance

Effectiveness of the Board is about many aspects of Board governance, including: matters reserved for the Board and delegation of authority, review of the Board and Committee performance, Board and Committee composition and succession planning, review of skills and expertise, independence, time commitments, and conflicts of interest. The Committee does detailed reviews of each of these aspects at least annually. The Committee oversees the Board performance effectiveness review process. The Committee discussed the proposed approach to the FY2026 external Board performance review considering the key themes and focus of the review and will monitor how the recommended outputs are being delivered.

Senior management talent planning

The Board knows we need to create conditions that encourage all colleagues to achieve their full career potential. During the year, the Board placed greater emphasis on talent management and diversity, and making sure we have the right future capabilities and skills in place. The aim is to have a diverse set of leaders on both the MBHG and MBL Executive Committees with the right skills to deliver our business strategy.

The Committee believes strongly that an inclusive culture promotes business success. We're committed to having leadership teams that provide a range of perspectives, insights and critical challenge needed to support good decision-making, help with risk management, strategic planning and delivery.

Non-Executive Directors

The INEDs provide a strong independent element to the Board and a solid foundation for good corporate governance. They fulfil the vital role of corporate accountability by providing independent and constructive challenge to executive management.

The Committee formally reviews the independence of each INED, other than the investor Directors, at least annually. In assessing each Director's independence, the Committee found that each provides objective challenge, strategic guidance, holds management to account and is willing to stand up and defend their own beliefs. We

found that each INED continues to be independent in character and judgement.

Diversity & Inclusion (D&I) strategy and objectives

We base all appointments to the Board on merit and objective criteria, and keep the benefit of a diverse Board front of mind. This approach benefits the effectiveness of the Board by creating diversity of thought and breadth of perspective among our Directors. You can find the Board's Diversity Statement in the Board Diversity Policy.

The Committee got updates on the talent pipeline and our D&I progress to make sure we keep building strong, diverse leadership.

You can find more information on the D&I strategy, measures and progress we've made on page 37.

You can find diversity data relating to the Board and executive management on page 37.

Director induction

All new Directors get a comprehensive induction programme which helps them understand the business and is tailored to their individual needs. The Chair and the Group Company Secretary deliver the programme, which are tailored to each individual director's background and skill set. This is supported by introductory meetings with each member of the Board and Executive Committee, the Group Company Secretary, and key senior managers across

the Group. Directors joining the Nomination and Governance, Audit, Remuneration and Risk Committees also spend extra time with the Committee Chairs, key advisors and the relevant senior management covering key issues relating to the Committee's focus.

Directors tell us that the programme gives them great insight into the business operations, governance and controls, with an opportunity to meet colleagues in the business.

You can find more information on the performance review from page 85.

Group Board Risk Committee

As Chair of the GBRC, I'm pleased to present the GBRC report for the financial year ended 31 March 2026.

The Group continues to operate in a dynamic and demanding environment, shaped by ongoing macro-economic uncertainty, evolving customer needs and expectations, rapid technological advancement and a complex regulatory landscape. Against this backdrop, the Committee gives robust oversight of the Group's risk profile, making sure risk management is effective, proportionate, and aligned with our mission.

During the year, the Committee monitored the most material current and emerging risks

facing the Group. Our rapid growth shaped this activity and included the Group's first acquisition. The GBRC supported the transaction with Habito, welcoming due diligence reports from management ahead of the acquisition and continued to review updates on the progress with integration afterwards.

In addition to overseeing new partnerships, products and jurisdictions, the Committee continued to review progress of management's plans to strengthen operational resilience and continue to deliver good customer outcomes as we grow. Its work spanned a wide range of activity, from giving feedback on recovery and resolution scenarios to overseeing the thoughtful use of AI in financial crime detection.

Across this work, the Committee stayed focused on supporting the bank to be resilient, responsible and future-ready by design.

For more detail on our Principal Risks and how we manage them, see the Risk section on page 60.

Committee purpose

The purpose of the Committee is to support the Board by overseeing and challenging risk management, internal control and related governance matters across the Group.

A key responsibility of the Committee is monitoring the Group's current and emerging risk exposures. The Committee also considers issues which could present risks to the Group's strategy, as well as horizon scanning activity for issues which may turn into future risk events.

Across all principal risks, the Committee oversees the effectiveness of our internal controls designed to manage and mitigate risk, and challenges management on its work to further enhance the control environment.

Committee governance

We review the Committee's performance annually. This includes assessing the Committee's activities to confirm they align with its existing terms of reference. We also separately considered fraud to make sure metrics were working as intended and providing the right information to support effective oversight and monitoring. As well as that, the Compliance Report presented at each meeting highlighted opportunities coming from regulatory change, supporting more forward-looking oversight.

The FY2026 performance review found that Committee members were satisfied with the performance and effectiveness of the Committee during the year.

During the financial year, the Committee held 6 scheduled meetings, 4 ad hoc meetings, and a number of deep-dive workshops.

Membership of the Committee includes 5 INEDs. You can find the attendance record of Committee members on page 83.

In addition to Committee members, regular attendees included the Chair of the Board, the Group Chief Executive Officer, the Group Chief Financial Officer, the MBL Chief Financial Officer, the Group Chief Risk Officer, the Chief Technology Officer, the Chief Internal Auditor and a representative of the external auditors, EY. We invited subject matter experts to attend meetings as needed.

Committee members held private meetings with the Group Chief Risk Officer, Group Chief Financial Officer, MBL Chief Financial Officer and Chief Internal Auditor respectively, without other members of management there.

The Committee held 1 joint meeting with the GAC to consider things of common interest, including considering the effectiveness of our material internal controls.

Meeting frequency and standing attendance was part of the Committee's effectiveness assessment and we'll keep it under review as the Group structure evolves.

Summary of GBRC activities FY2026

Risk appetite and strategy oversight

- The Board considers whether the Group's strategic plan is appropriate in the context of its risk appetite. At the start of the financial year, the Committee recommended the Group's risk appetite statements and supporting metrics to the Board and monitored performance against them throughout the year, including reviewing material risks.
- During the year, the GBRC approved adjustments to Board risk appetite metrics and asked for additional reporting on specific metrics following policy changes, including detailing the adequacy of data protection policies, procedures and governance arrangements to mitigate data protection risks and comply with data protection legislation, including the General Data Protection Regulation.

Enterprise risk management

- A comprehensive enterprise risk report supports our Enterprise Risk Management. The Group Chief Risk Officer presents this to the Committee at each meeting. The report provides a clear view of the Group's overall risk profile which is considered by the Committee, combining insight into our principal and emerging risks with trends in incidents and performance against the Board's risk appetite. It also includes detailed analysis across core risk categories, supporting discussion with management on the impact of specific risks on the overall enterprise risk profile, alongside progress on remediation and return-to-green plans where required. Horizon scanning for emerging risks is part of the Committee's oversight, with an annual report used to work out whether we need strategic deep dives.

Operational resilience

- Operational resilience featured prominently in the Committee's discussions during the year. The Committee reviewed the Group's annual operational resilience self-assessment, including management's assessment of important business services, impact tolerances and the Group's ability to remain within those tolerances under severe but plausible stress. This was central to the Group's prudential risk management during the year. The Committee reviewed and challenged management's plans, assumptions and key judgements, with particular focus on the sensitivity of outcomes, the quantification and deliverability of management actions, and alignment with the Group's budget and capital planning.
- The Committee also considered updates on incident preparedness and resilience testing, and how insights from technology, cyber and third-party risk discussions informed the Group's approach to maintaining continuity of service for customers.

Summary of GBRC activities FY2026

Technology, cyber security and information risk

- Cyber and technology risk formed a core part of the Committee's oversight during the year. We included technology considerations across a wide range of risk discussions, alongside a number of targeted deep dives, including on the use of Artificial Intelligence. To strengthen oversight, the Chief Technology Officer became a regular attendee at Committee meetings.
- The Committee also reviewed management updates on our preparedness to respond to a cyber attack, including scenario testing, and oversaw the Cyber Resilience Testing (CBEST) review.
- Reflecting the rapidly evolving nature of cyber and technology risk, the Committee asked for timely updates on the external threat environment to inform its ongoing oversight. Together, this approach supported effective challenge while making sure we considered cyber and technology risks holistically across the wider enterprise risk framework.

Data protection

- The Committee received the annual Data Protection Officer's report, detailing the adequacy of data protection policies, procedures and governance arrangements to mitigate data protection risks and comply with data protection legislation, including the General Data Protection Regulation.

Third parties and outsourcing

- We continued to monitor risk exposure coming from the Group's third-party supply chain during the year, supported by regular updates on how we manage these risks. As part of its annual cycle, the Committee reviewed and recommended to the Board the Outsourcing and Third-Party Risk Management Policy.
- Building on this, discussion during the year extended to our wider supplier ecosystem, including fourth-party dependencies, the supplier tiering framework, and the approach to procurement-led supplier management, supporting clearer visibility of risk across the supply chain as we continue to scale.
- The Committee also received updates on broader operational resilience issues, including the Group's preparedness to respond to a large-scale operational resilience incident and provide continuous service for customers.

Remuneration

- Considering and recommending any remuneration-related risk adjustments to the Group Remuneration Committee.

Summary of GBRC activities FY2026

Prudential risk

- Keeping enough capital and liquidity to support the Group's strategy, meet regulatory expectations and remain resilient under stress stayed central to the Group's prudential risk management during the year. The Committee reviewed and challenged management's plans, assumptions and key judgements, with particular focus on the sensitivity of outcomes, the quantification and deliverability of management actions, and alignment with the Group's budget and capital planning.
- As part of its annual cycle, the Committee considered the Group's core prudential submissions to the Bank of England and the Prudential Regulation Authority, including the Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP), alongside recovery and resolvability planning and related stress testing. This included challenging the scenarios and assumptions used in recovery planning and fire drill exercises to make sure they were credible, appropriately severe and supported effective decision-making across a range of stress outcomes.

Summary of GBRC activities FY2026

Consumer Duty

- The Committee received regular reports on how we're putting the FCA's Consumer Duty requirements into practice across the business. The Committee received and recommended to the Board its Annual Consumer Duty Board Report for MBL.
- The Committee included consideration of Consumer Duty throughout its wider discussions, including those on operations and strategically significant new product launches. The Committee championed our approach to customer service, making sure we treat customers fairly throughout the lifecycle of our products, by offering products and services that meet their needs and expectations. The Consumer Duty continues to be at the heart of everything we do, as we design products and services to deliver good customer outcomes. In continuing to enhance a consumer-driven focus, we have been particularly pleased with regulatory feedback around how we deliver Customer Understanding in the Credit Card Market. We're also applying key learnings from our implementation of the Consumer Duty as we build local conduct regimes in our expansion markets, such as the Consumer Protection Code in Ireland.
- The Committee will continue to receive and monitor reports on customer outcomes.

Financial crime and fraud-related risks

- As financial crime continues to evolve in scale and sophistication across the sector, strong oversight and controls are central to protecting customers and the business. The Committee approved the annual Money Laundering Reporting Officer's Report and received quarterly updates on financial crime and fraud. These updates supported discussion and challenge on both the financial impact of financial crime and its effect on customer outcomes.

Assurance plan

- The Committee monitored the annual Combined Assurance Plan through quarterly assurance updates from the Chief Risk Officer, making sure we appropriately track reviews by the second line of defence. As well as that, all material reporting to the Committee came with a second line of defence opinion, with a representative joining the presentation to strengthen oversight.
- The Committee's confident that the division of duties between the first, second and third lines of defence is robust, making sure operational decisions get timely and sufficient challenge.

Group Remuneration Committee

As Chair of the Committee, I'm pleased to share the Committee's report for the year ended 31 March 2026.

Committee purpose and membership

The Committee works on behalf of the Board to decide the remuneration strategy. The strategy covers the broad policy for remuneration and the specific remuneration packages for the Chair, members of the Executive Committee and Material Risk Takers (MRTs), other employees who fall within the scope of the PRA/FCA Remuneration Codes, and any other Group employees that the Committee specifies from time to time.

The Committee also oversees and gives advice to the Board on whether the remuneration policy and pay practices for the workforce across the Group are appropriate and relevant.

All members of the Committee are INEDs. Regular attendees include the Group Chief Executive Officer, Chief People Officer and VP of Reward. No one is present when we discuss their own remuneration. The Chair of the Committee reports to the Board on the matters we consider at each meeting and attends annual meetings with the PRA.

Committee meetings

The Committee held 7 scheduled meetings during the year; you can find the attendance record of Committee members, including their attendance at additional ad hoc meetings and workshops, on page 83 of the Governance report.

The Committee works with the GBRC and GAC on risk-related matters.

Committee performance, skills and expertise

We reviewed the Committee's performance and activities for FY2026. This review confirmed that the terms of reference continue to align with the Committee's remit and purpose, and reflect all applicable governance codes, guidelines, legislation and best practice.

During the year, the Committee undertook a broad range of activities across remuneration policy, governance, performance and reward. This supported the Boards in overseeing fair, compliant and effective remuneration arrangements aligned with the Group's strategy and risk profile. We've summarised the Committee's activity for the year in the following table.

Summary of Group Remuneration Committee activities FY2026

Remuneration policies and reporting

- Reviewed and recommended the Remuneration Policy and Malus & Clawback Policy to the Boards for approval.
- Reviewed and approved the FY2026 Remuneration Policy Statement.
- Reviewed the internal audit report on remuneration regulation compliance.
- Reviewed our 2025 Gender Pay Gap Report.
- Reviewed the remuneration section of our FY2025 Annual Report and Accounts, Pillar 3.
- Reviewed all Disclosures and Website Disclosures, and recommended the MBL Board approve them.

Material risk takers (MRTs)

- Reviewed and approved the MRT list for FY2026.
- Reviewed and approved pay packages for new MRTs (including prospective MBEU MRTs) and any pay changes for MRTs, including salary changes or option grants.
- Noted a Remuneration Adjustment Trigger Event Report, with no further action taken.

People, pay and performance

- Reviewed and approved the MBHG and MBL Chairs' fees.
- Reviewed and approved changes to the Group's remuneration framework, including a more performance-linked approach to variable pay.
- Reviewed and approved FY2026 pay review recommendations, particularly for MRTs and Executives.
- Reviewed and, where appropriate, approved salary band and option framework changes.
- Reviewed and approved our employee value proposition and reward strategy.
- Reviewed people management information.

Options

- Reviewed company and personal performance before approving option grants and vestings for MRTs.
- Reviewed the option pool.

Benefits and pensions

- Reviewed and approved benefit improvements, including establishing benefits in EU countries to support employees and ensure our offering is competitive in those markets.

Group Audit Committee (GAC)

As Chair of the GAC, I'm pleased to report on its work and its key areas of focus during the financial year ending 31 March 2026. The Committee has continued to play a key role in challenging and monitoring, on behalf of the Board, the integrity of the Group's external reporting and overseeing the supporting internal controls. The Committee reviewed and scrutinised the Group's annual report and financial statements, including a thorough review of the significant management and reporting judgements made, alongside the accounting policies adopted.

An important part of the Committee's role is to oversee and review our internal financial controls and internal control systems, making sure that they operate effectively. This year, the Committee supported the development of a comprehensive programme designed to confirm our material controls, including all key risk areas. It actively engaged with management, reviewing and challenging their selection of material controls and considering how to assess their effectiveness. The Committee also looked at how the Group gets assurance to prove these material controls work effectively.

As well as that, the Committee oversaw the work the Internal Audit function did and has critically examined the fieldwork taken on as part of Group's annual audit plan when assessing the effectiveness of its control environment. The Committee oversees our Internal Audit function too, and monitors and

assesses its effectiveness, performance, resourcing and independence.

The Committee also oversaw the work that the Group's external auditors Ernst & Young (EY) did, which included a review of EY's effectiveness, independence and objectivity. This took into consideration all applicable UK professional and regulatory requirements. During the year, the Committee recommended that the Boards extend the tenure of EY's audit engagement partner, Rhys Taylor, beyond 5 years to 28 September 2027. We did this to protect audit quality during a period of significant change.

As Chair of the GAC, I meet with EY's head of audit quality on an annual basis.

Committee purpose and membership

The Committee oversees and advises the Boards on the issues listed in its terms of reference. It includes at least 3 INEDs who are experienced in business, finance, auditing and risk and controls from the financial services sector.

You can see who attended Committee meetings on page 83. The following people regularly attended: the Chair, Group Chief Executive Officer, Chief Internal Auditor (interim and permanent), Group and MBL Chief Financial Officers, Group Chief Risk Officer and representatives from EY. We invited subject matter experts to present at meetings as needed. The Committee Chair reported to the Boards on matters we considered at each meeting.

During the year, the Committee met privately with the Group Chief Financial Officer, Chief Internal Auditor (Interim and permanent), the Group Chief Risk Officer and the external auditor, EY, without management present.

The Committee Chair met regularly with the Group and MBL Chief Financial Officers, the Chief Internal Auditor (interim and permanent), the Whistleblowing Officer and EY, and attended meetings with the PRA.

Committee meetings

The Committee held 6 scheduled meetings during the year and 3 ad hoc meetings, including 1 joint meeting with the Board Risk Committee to consider matters of common interest.

On an annual basis, we review the performance of the Committee and its activities, which are mapped against its terms of reference. The purpose is to confirm that the terms of reference align with the Committee's remit and activity, and continue to reflect all applicable governance codes, guidelines, legislation and best practice.

The 2026 Board performance review indicated that Committee members were satisfied with the performance and effectiveness of the Committee.

We regularly review each Committee member's qualifications and experience as part of succession planning. The Board is satisfied that the Committee has recent and relevant financial experience and

accounting skills, and understands the sector we operate in.

Summary of GAC activities FY2026

Financial reporting and non-financial reporting

- The Committee monitors the integrity of the Group's financial statements and reviews significant financial reporting judgements and all formal announcements about financial performance. After careful review, the Committee confirmed that the 2025 annual report and financial statements were fair, balanced and understandable, reflecting the Group's position, performance, business model and strategy. It recommended them to the Board for approval.
- The Committee also oversaw that we have appropriate internal controls protecting our financial reporting systems. These controls give us assurance over how we prepare these documents, and individuals with the right knowledge and experience verify all financial information before we include it in the financial statements.
- We test key internal controls regularly and report the results to the Committee.
- Beyond this, the Committee oversaw how management produces incremental regulatory reporting matters, like enhanced Pillar III disclosures and preparation for Basel III requirements. It also monitored how we're implementing new financial systems like SAP and Axxiom.

Significant financial reporting matters and accounting judgements considered by the Committee during the year

- When we prepare financial statements, we need to make estimates and judgements about outcomes that typically depend on future events. Because these estimates and judgements are inherently uncertain, actual results may differ from what we assume. The Committee actively debated and challenged the significant financial reporting matters and main areas of judgement we included in the year-end financial reports.
- The Committee also reviewed the Group's accounting policies and processes, confirming they were appropriate for use in the financial statements.
- The Committee noted that no new accounting standards or changes to standards came into effect during the reporting period that significantly impacted the Group.

Control environment

- The Committee continued to monitor how effective our internal control environment is overall, including overseeing the continuing work that management undertakes to strengthen and enhance its control framework. It considered the Internal Audit function's annual findings about how effective the control environment is and acknowledged the work that management has done to continue strengthening and enhancing the Group's overarching control environment.
- The Committee also reviewed management's reporting on the effectiveness of our specific financial control framework. The Committee is also aware of the requirements under the updated Provision 29 of the UK Corporate Governance Code effective FY2027 and have an ongoing dedicated programme to respond to the requirements with regular updates to the Committee.

Summary of GAC activities FY2026

Whistleblowing

- The Group has arrangements in place so employees, contractors and temporary workers can raise concerns about possible misconduct, wrongdoing and unacceptable behaviour towards others by its employees and third parties, including concerns about non-financial matters. The Boards recognise that having effective and trusted confidential whistleblowing arrangements is key to supporting an open and honest culture.
- All employees, contractors and temporary workers of the Group can raise concerns confidentially or anonymously (if they prefer) through various channels that aim to make reporting concerns easier. They also receive annual training on our whistleblowing policies and procedures.
- The Board has appointed the Chair of the Audit Committee as its Whistleblowing Champion, who oversees the integrity, independence and effectiveness of the policies and procedures that relate to whistleblowing. This includes measures to protect whistleblowers from being victimised as a result of raising reportable concerns.
- The Audit Committee receives a Whistleblowing Report every 2 years and reviews how adequate and effective the arrangements are for investigating concerns that people raise in a proportionate and independent way, including any required follow-up action. During the 12 months to 31 March 2026, people raised a total of 86 concerns within the Monzo Group. We formally investigated 13 of these as whistleblowing cases and managed the remainder using other internal channels.
- The Committee considered updates to the Speak Up Policy and recommended them to the Boards for their approval at their meetings of 30 October 2025 and 28 January 2026.

Internal Audit

- Internal Audit provides independent, objective assurance over how well our governance, risk management and internal control environment work, using a risk-based audit plan that the Audit Committee approves.
- The Chief Internal Auditor (interim and permanent) reports to the Committee Chair and gives quarterly updates on how the Internal Audit function's work is progressing, including any material concerns and themes they identify. The Committee saw an overall improvement in how management resolves issues that Internal Audit raises.
- The Committee reviewed how the Internal Audit function is resourced and confirmed that it remains appropriate. After reviewing the function's annual effectiveness report, regular reporting, update meetings with the Chief Internal Auditor and senior stakeholder feedback, the Committee concluded it was satisfied with how the Internal Audit function performs, including its independence, impact and effectiveness.

External Audit Tender

- The Committee started a tender process for the appointment of our external auditor, which we have to do every 10 years because we're classified as a Public Interest Entity. The Committee established an External Auditor Tender Sub-Committee to support it in overseeing the tender and subsequent appointment process. The External Audit Tender Sub-Committee met once during the year.

External Audit (EY's report can be found on page 107)

The Committee oversees the relationship with the external auditor, EY. Our policy for auditor rotation and audit tender follows regulatory, statutory and Financial Reporting Council (FRC) requirements, which means we must rotate the audit firm after no more than 20 years and hold an audit tender after no more than 10 years, because we're classified as a Public Interest Entity.

We appointed EY as the Monzo Group statutory external auditor on 28 February 2017. EY confirmed that it complies with applicable regulatory and professional requirements, and that its objectivity isn't impaired.

FRC Ethical Standards for Auditors require that the engagement partner for a UK Public Interest Entity must rotate after 5 years following initial appointment. We anticipate significant change over the next 2 years, brought about by a change in Group Chief Executive Officer and changes to the Group corporate structure and expansion of activities into the European Union. Given this, the Committee recommended (and the Boards approved on 3 December 2025) that we extend the appointment of the senior statutory auditor to 28 September 2027.

The Committee is satisfied that EY remained independent throughout the year.

The Committee received a report on how effective EY's audit of the FY2025 financial statements was, based on an assessment of

how well EY complied with the requirements of the FRC Revised Ethical Standard for Audits, and responses to a questionnaire we sent to representatives of the Board and management.

The review findings indicated that the external auditor performed its duties in an independent and effective manner. The Committee also evaluated the FRC's annual report on EY, covering their overall performance as an audit firm. The report highlighted EY's commitment to maintaining high audit quality while recommending certain improvements to EY's processes. The Committee noted the measures that EY has undertaken to implement these suggestions to further improve audit quality.

The Committee approved both the audit's materiality level and the annual audit plan before we started the annual audit process and as the audit progressed. Materiality determines the threshold that the auditor would consider a misstatement to compromise the truth or fairness of the financial statements. For FY2026, we set overall Group materiality at £6 million, which was consistent with the previous year.

The Board has created an Auditor Independence Policy for setting, reviewing and monitoring the non-audit services that the external auditor can provide. We review these policies annually to safeguard the independence and objectivity of the external auditors and to comply with the ethical standards of the FRC.

Under the Auditor Independence Policy, the Audit Committee approves all non-audit service engagements after a detailed assessment of the nature of the work, availability of alternative suppliers, and implications for auditor independence.

During the financial year, the Committee approved fees for non-audit services in line with the Group's Auditor Independence Policy. The Committee must approve any non-audit service that the Group's external auditor proposes to provide before the non-audit service starts.

When the external auditor provides non-audit services to the Group and/or its subsidiaries, we limit the total fees we incur for such services to no more than 70% of the average of the fees we paid to the external auditor over the last 3 consecutive financial years for the audit. The Committee must satisfy itself that approving such non-audit services won't exceed any fee caps that may be in operation. During the year, the Committee reviewed the cumulative value of non-audit work quarterly to make sure the Group complied with this regulatory requirement.

Fees for audit services can't be influenced or determined by whether we provide non-audit or additional services relevant to the engagement. The Audit Committee must also approve all permitted non-audit services engagements. No fees we pay or agree to pay to the External Auditor can involve a contingent fee or commission.

The Committee's key considerations when preparing for the FY2026 financial statements

During the year and in preparation of publishing these financial statements, the Committee considered the following things.

Key accounting and financial reporting matters

Going concern assessment

The Board must consider whether it's appropriate to prepare the financial statements on a going concern basis.

To satisfy itself that the financial statements should be prepared on a going concern basis, the Board and Committee considered these things.

- Business performance and our profitability.
- Developing economic issues impacting the economy and our customers.
- Potential stress scenarios based on our ICAAP impacting customer growth and activity, central bank interest rates and credit losses.
- The regulatory review and investigation into our compliance with financial crime regulation (see Note 27).
- Our future capital requirements, growth plans and recent fundraise.
- Our confidence in those plans to raise additional capital if necessary to meet our regulatory requirements (see our Group Directors' report).

Overall the Committee was satisfied that the financial statements could be prepared on a going concern basis and recommended this to the Board.

Fair valuing stock based compensation

Management updated the Committee on and reviewed the key inputs used to calculate share-based payment expenses, including the impact of and accounting for the secondary share sale in FY2025, along with sensitivity analysis to those inputs.

IFRS 9 – Effective Interest Rates (EIR)

Management updated the Committee on our approach to, and the materiality of, Effective Interest Rate (EIR) on our positions classified at amortised cost. Management advised the Committee that our approach to calculating EIR on our lending products was appropriate.

The Committee was satisfied our approach approximates the EIR method and remains compliant with IFRS 9.

Contracts

During the year, management updated the Committee on several material contracts that we assess for cost and revenue recognition over several years.

The Committee was satisfied with the outcome of these assessments and the expected costs and revenues to be recognised in each period.

Areas of significant judgements and estimates

Credit loss expense and impairment loss allowance

During the year, the Committee reviewed and discussed quarterly reports on the IFRS 9 impairment loss allowance position to make sure that the level of allowance was adequate based on our current level of credit risk and the economic outlook.

The Committee reviewed the key judgements used to calculate expected credit loss and closely scrutinised sensitivity analysis, including the economic scenarios and other key judgements applied. The Committee also assessed the quantum of the post model adjustments and their bases.

Supported by historical data, benchmarking against peers, performance against expectations and an independent evaluation, the Committee concluded that the impairment loss allowance of £329.4m for FY2026 is considered adequate for the level of credit risk in the portfolio and the likely macroeconomic outturn.

Provisions and contingent liabilities

The Committee reviewed reports on provisions recognised and contingent liabilities disclosed in the financial statements.

The Committee concluded these were adequate at the balance sheet date.

Deferred tax

Management updated the Committee on whether recognising deferred tax in FY2026 was appropriate.

The Committee was satisfied the basis for recognising a deferred tax asset on 3 years of forecast profits was appropriate.

Internal audit matters

Internal Audit Plan

The Committee reviewed the audit plan and its alignment to our key risk areas.

Internal Audit Reports and Actions

The Committee also considered the key trends and material findings that came from the internal audit reports and memos, as well as reviewing the appropriateness of the actions.

Internal Audit Collective Independence

Following on from the previous year, we spent FY2026 operating our in-house Internal Audit delivery model, led by the Chief Internal Audit Officer. We have 14 internal auditors and continue to be supported by co-source partners for expert input and capacity.

The Committee is responsible for assessing the independence and effectiveness of our internal audit function. It does this throughout the year during committee meetings, private sessions and meetings with the Chief Internal Audit Officer.

The Committee also oversees in these ways:

- Being responsible for appointing and removing the Chief Internal Audit Officer.
- Receiving an annual attestation from the Chief Internal Audit Officer confirming the internal audit's independence.
- Annually reviewing the performance of the Internal Audit Collective.
- Receiving quarterly reporting on the performance of the Internal Audit Collective.

The Committee concluded that Internal Audit was effectively carrying out their responsibilities and had maintained their independence.

External Auditor Independence

We reappointed EY as our external auditor for FY2026 in July 2025. The Committee is responsible for monitoring the independence and objectivity of our external auditors. To safeguard the external auditor's independence and objectivity, the Committee continues to adopt an External Auditor Independence Policy which sets out how we maintain independence and the limited circumstances which external auditors may provide non-audit services in. The Committee reviews the Policy annually to make sure it's fit for purpose and stays compliant with the applicable rules and standards.

The Policy includes the following guardrails to make sure that EY keeps their independence.

- They must meet a set of requirements before providing a service as defined in the FRC's Revised Ethical Standard 2019.
- They can only provide audit and audit related services.
- We can't employ or use the services of an individual who has a close relationship with the external auditor either through employment or close family members.
- They must tell the Committee about any changes to their independence.
- The audit engagement partner and key audit partners must normally rotate every 5 years.
- In line with the annual requirement, EY confirmed that for FY2026 they stayed independent, their terms of engagement

were not compromised, and they complied with the FRC's Revised Ethical Standard.

We also have non-audit services guardrails in place to protect our external auditor's independence. Under the External Audit Independence Policy, we use the following guardrails for non-audit services.

- The Committee must approve all non-audit services before external auditors can start any work, regardless of whether the service provided is a permitted non-audit service.
- There must be a good reason why the external auditors are the most appropriate third party to provide the permitted non-audit service.
- The total fee for non-audit services is limited to be no more than 70% of the average of the fee paid to the external auditor in the last 3 consecutive years for the audit.

See Note 35 on page 184 of the financial statements for details of the audit and non-audit services performed by EY. During the year, the Committee Chair met regularly with the Chief Internal Audit Officer, and the external auditor's engagement partner.

We're happy with the effectiveness of the external audit

The Committee is happy that the external audit was carried out as expected and continues to be effective.

Group Directors' report

The Directors present their report and audited financial statements for the year ended 31 March 2026 for Monzo Bank Holding Group Limited (The Company) and the Monzo Group (The Group).

MBHG is a private limited company, incorporated and domiciled in England and Wales, with its registered office in England and is authorised by the Prudential Regulation Authority (PRA) and regulated by the PRA and Financial Conduct Authority (FCA). Monzo's registration number is 14785367.

We've prepared these financial statements in line with UK adopted international accounting standards.

Directors

The Directors who served the company during the year and up to the date these financial statements were approved are below.

- G Hoffman CBE (Chair)
- Diana Layfield (appointed 1 February 2026)
- TS Anil (stood down as an Executive Director on 1 February 2026 and was

appointed a NED and Vice Chair of MBHG on 1 March 2026)

- E Burbidge MBE
- T Oldham
- D Rueda (appointed 4 June 2025)
- V Dias
- A Kirk
- S Lake (appointed 13 October 2025)
- F McBain
- J Palaniappan (appointed 1 September 2025)
- K Peacock (appointed 13 October 2025)
- L Runham
- F Wicker-Miurin OBE
- V Yarlagadda (appointed on 26 February 2026)
- A Hariharan (appointed on 26 February 2026)

Results and dividends

The consolidated profit for the period after taxation was £86.3m (FY2025: profit of £94.6m). The Directors are not recommending a final dividend (FY2025: £nil).

Directors' liabilities

We've indemnified all of the Group's Directors and the Group Company Secretary from claims brought against them by third parties (subject to section 234 of the Companies Act 2006). The indemnity was in place during the year. It doesn't cover claims arising from fraud or dishonesty.

The following information, required by the 2008 Regulations, is included in the Strategic Report.

- A fair and balanced review of the business.
- A description of the principal risks and uncertainties facing the business.
- A description of our principal objectives, strategy and business model.
- An analysis of developments and performance for the financial year and the position at the end of the year.
- Trends and factors likely to affect the future development, performance and position of the business.
- Information on our team and community.

Political donations

We haven't made any donations or incurred any expense to any registered UK political party or other EU political organisation.

Branches

We have one Monzo Bank Europe Designated Activity Company Branch established in Spain.

Acquisition of own shares

We haven't purchased any of our own shares (FY2025: £nil).

Events since the balance sheet date

We have listed the key event that has happened since the balance sheet date below (see Note 36 for more details).

- Acquisition of Habito

Financial Instruments

We enter into material financial instruments as part of our normal business operations, see Notes 19 and 20 for more details. Our financial risk management framework can be found in the 'Risk management' section on pages [58–66](#). Notes 22, 24 and 25 give information on how we manage liquidity, market and credit risk.

Research and development activities

We invest in the development of our own platforms and products, so we've applied to claim Research and Development (R&D) Expenditure Credit from HMRC (the UK's tax authority), see Note 10.

Policy on employing people living with disabilities

We're committed to employing and supporting colleagues in line with the Equality Act 2010 and our People Policy. We also want to make sure disabled people can fulfil their potential and realise their aspirations.

We make reasonable adjustments to support all disabled job applicants and colleagues. Here are some examples of supportive adjustments we've made in the past.

- Making changes to shift patterns (like phased return to work, flexible working hours or part-time working).
- Giving extra training or mentoring.
- Making access alterations to the offices.
- Giving information in accessible formats.
- Adapting equipment or providing specialist equipment.
- Any other ad hoc reasonable request, like someone with social anxiety disorder being given their own desk instead of hot-desking.

This list gives examples of some of the adjustments we've made, but our Policy aims to accommodate all reasonable requests to make sure our people feel fully supported during their time here.

Our approach to transparency and colleague engagement

We default to transparency, so colleagues have access to any information that's relevant to them. We hold monthly company-wide meetings where people can share their opinions and ask questions of management.

All colleagues have a vested interest in our performance through our share option schemes. They're kept up to date with business performance through regular internal communications and shared dashboards highlighting monthly financial performance.

Our approach to engagement with other stakeholders

We've included a statement in line with our Section 172 requirements under 'Our stakeholders' in the 'Section 172 at Monzo' section of the Strategic Report. You can find this on page 55.

Our approach to the environment

The Companies (Directors' Reports) and Limited Liability Partnerships (Energy and Carbon) Regulations 2018 (Regulations) brought in the UK Government's Streamlined Energy and Carbon Reporting (SECR) Policy.

We've included our SECR reporting in line with the Companies (Directors' Reports) and Limited Liability Partnerships (Energy and Carbon) Regulations 2018 under the 'Our approach to the environment' section of the Strategic Report (see page [49](#)).

Mandatory Climate-related Financial Disclosures (CFD) under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (SI 2022/31) (CFD Regulations) published on 19 January 2022 ask us to disclose our ongoing activities to reduce our impact on the environment in relation to governance, strategy, risk management and the metrics and targets that we use in our response to climate change. You can find this from page [45](#).

We've prepared these statements on a going concern basis

In line with International Accounting Standards (IAS 1) Presentation of Financial Statements, our Directors have to assess our ability to continue as a going concern.

In performing this assessment, the Directors have considered:

the key financial forecasts of the Group, which include an assessment of profitability, capital and liquidity resources;

the principal risks and uncertainties affecting the business and our forecasts; and

the effect of a range of severe but plausible downside scenarios on our financial forecasts and the resilience of our business.

We've assessed our ability to continue as a going concern up to 15 May 2027, which is a period of 12 months from the date the Board approves our financial statements.

Regulatory requirements and other considerations

Our assessment included a broad range of information and scenarios, with our base case demonstrating we have enough capital to remain a going concern across the assessment period without the need for any external financing. Our capital requirements have continued to increase in line with our

growing loan book, asset base and operational risk RWAs. Management of growth is therefore key to ensuring we have sufficient capital resources to meet our regulatory requirements. This also influences the likely end state requirements coming from MREL. We've also included a prudent interpretation of the upcoming Basel 3.1 rules in our capital forecasting, which due to its relatively limited impact does not pose a threat to our going concern assessment.

Our base plan includes sensible debt and equity raising assumptions across the medium to longer term, which align to our ambitions and our latest view of likely end state MREL requirements. Debt raising assumptions occur well in advance of any binding increase in requirements and no increase in MREL requirements are anticipated across the going concern's 12 month assessment period (MREL is expected to increase from 1.0× TCR to 1.5× TCR from 1 January 2031, well outside the going concern period).

We've stress tested our business plan, and our capital and liquidity positions by applying a range of market wide scenarios, which help us to assess the impacts of a severe but plausible stress scenario and how robust our base case plan is to external shocks.

We've also assessed the actions management can take to preserve capital in the event of a stress. While profitability is reduced under a stress scenario with these actions taken, they sufficiently mitigate the stress scenario. Our stress testing shows that even under the most severe liquidity stresses, we continue to be able to pay

customers and creditors when we need to. Reverse stress testing has also been performed, which demonstrates that our risk position, risk management and financial capacity are sufficiently robust to give us confidence that we are not at an unacceptable level of probability of failing.

We're satisfied Monzo will have sufficient capital and liquidity resources to continue as a growing business, meeting both our regulatory capital and liquidity requirements. We've noted risks to our business model and strategy in the 'Risk management' section of the Strategic Report.

Based on our assessment, we've concluded that it's appropriate to continue preparing our financial statements on a going concern basis.

Disclosing information to the auditor

As far as each person who was a director at the date of approving this report is aware, there's no relevant audit information, being information needed by the auditor in connection with preparing its report, which the auditor isn't aware of. Having spoken to other Directors and the Group's auditor, each director has taken all the steps that they're obliged to take as a director to make themselves aware of any relevant audit information, and to establish that the auditor is aware of that information.

Auditor

We've reappointed EY in line with section 487(2) of the Companies Act 2006 unless the members or Directors resolve otherwise.

Given the significant amount of change in the business expected over the next year, the Audit Committee requested a one-year extension of the external audit partner at EY, Rhys Taylor, in order to safeguard the quality of the audit for the year ended 31 March 2027.

Approved by the Board and signed on behalf of the Board.



Tom Oldham
Group Chief Financial Officer
15 May 2026

Statement of Directors' responsibilities

The directors are responsible for preparing the Strategic report, Group Directors' report and the financial statements in line with applicable United Kingdom (UK) law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the Company financial statements under FRS 101, Reduced Disclosure Framework and the Group financial statements under UK adopted international accounting standards.

Under Company Law the directors must not approve the financial statements unless they're satisfied that they present a true and fair view of the financial position, financial performance and cash flows of the Company and Group for that period. In preparing those financial statements the directors need to do the following.

- Select suitable accounting policies in accordance with International Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.

- Provide additional disclosures when compliance with the specific requirements in UK adopted international accounting standards doesn't allow users to understand the impact of particular transactions, other events and conditions on the financial performance.
- State that we have complied with UK adopted international accounting standards, subject to any material departures and explained in the financial statements.
- Make an assessment of the Group's and Company's ability to continue as a going concern, and if appropriate, prepare the financial statements on a going concern basis.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions. They have to disclose with reasonable accuracy at any time the financial position of the Group and make sure that the financial statements comply with the Companies Act 2006.

They're also responsible for safeguarding the assets of the Group and for taking reasonable steps to detect and prevent fraud and other irregularities.

The Board monitors the effectiveness of risk management arrangements, including internal control systems, throughout the year and considers that, as at 31 March 2026, 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.

Approved by the Board and signed on behalf of the Board.



Tom Oldham
Group Chief Financial Officer
15 May 2026

Financial statements

A woman with white hair is sitting on a red velvet sofa, reading a newspaper. She is wearing a grey top and blue trousers. In front of her is a round wooden coffee table with a white coffee cup on a saucer. The background shows a living room with a large potted plant and a patterned rug.

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Independent auditor's report to the members of Monzo Bank Holding Group Limited

Opinion

In our opinion:

- Monzo Bank Holding Group Limited's Group financial statements and Parent company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent company's affairs as at 31 March 2026 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Monzo Bank Holding Group Limited (the 'Parent company') and its subsidiaries (the 'Group') for the year ended 31 March 2026 which comprise:

Group	Parent company
Consolidated balance sheet as at 31 March 2026	Balance sheet as at 31 March 2026
Consolidated statement of comprehensive income for the year then ended 31 March 2026	Statement of comprehensive income for the year then ended 31 March 2026
Consolidated statement of changes in equity for the year then ended 31 March 2026	Statement of changes in equity for the year then ended 31 March 2026
Consolidated statement of cash flows for the year then ended 31 March 2026	Related notes 1 to 7 to the financial statements including material accounting policy information
Related notes 1 to 36 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and, as regards the Parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and Parent company's ability to continue to adopt the going concern basis of accounting included:

How we evaluated the Directors' assessment

Risk Assessment Procedures

- Through discussions with management and review of supporting evidence, we updated our understanding of the Group and Parent company's overall regulatory requirements and current and forecast capital and liquidity positions including consideration of the Group's international expansion plans;
- We reviewed correspondence and made inquiries of regulators to understand their perspectives on the Group and Parent company's risks and their areas of focus in regulating the Group and Parent company;
- We have independently identified factors that may indicate events or conditions that may cast significant doubt on the Group and Parent company's ability to continue as a going concern, including wider qualitative considerations such as operational resilience and the current macroeconomic and market conditions. We designed our audit procedures to evaluate the effect of these risks on the Group and Parent company's ability to continue as a going concern;
- The audit engagement partner, internal specialists, and other senior members of the audit team directed, performed and supervised the audit procedures over going concern, including continual risk assessment throughout the audit.

Testing of Management's Method, Assumptions and Stress Testing

- We confirmed our understanding of management's going concern assessment process along with the going concern basis for the Group and Parent company, and the process by which the budget and related going concern forecasts and assumptions are created and approved. We tested the design and operational effectiveness of the key controls related to the going concern assessment;
- We obtained the forecast approved by the Board for the Group and Parent Company, covering management's going concern assessment period of twelve-months from the date the financial statements are authorised for issue;
- Using our understanding of the business, we evaluated the forecasting method adopted, including considering plausible alternative downside scenarios and concluded that the method adopted was appropriate;
- We evaluated the relevance and reliability of the underlying data used in the going concern assessment and tested assumptions to third party evidence, where appropriate.
- We evaluated events occurring post the balance sheet date, including reviewing actual performance versus the forecasted plan, in order to assess any impact on the going concern assessment. We inquired of management as to their knowledge of events or conditions beyond the period of assessment and assessed for relevant announcements from the PRA that we considered had the potential to impact the

Group and Parent company's capital resource and/or requirements;

- We used our internal regulatory specialists who evaluated the appropriateness of Common Equity Tier 1 capital and Tier 2 debt classification, inspected regulatory correspondence, made inquiries in relation to anticipated changes in regulatory capital requirements to assess the overall impact of the capital calculations on the going concern assessment and, reconcile the Group's liquidity position to its regulatory liquidity reporting returns and challenge the assumptions within the Group's liquidity forecasts over the going concern period to assess the risk of a liquidity shortfall or breach of leverage ratio in the going concern period;
- We used our internal valuation specialists to challenge the appropriateness of management's forecasts. This included assessing historical forecasting accuracy and independently applying a series of severe but plausible stresses in order to understand the impact on capital resources and liquidity. These procedures were primarily tailored to challenge the sufficiency of capital and liquidity during the going concern period;
- We evaluated management's plans for future actions, within the control of the Group and Parent company, under a stressed and reverse-stressed scenario over the going concern period to determine the feasibility of such actions in the current circumstances.

Disclosures

We assessed whether the disclosures in the Annual Report & Accounts relating to going concern sufficiently and appropriately reflect the events relating to the uncertainties identified in the going concern assessment, and management's plans in response to these; to assess that they were in compliance with IAS1.

Our key observations

Our evaluation of the Directors' going concern assessment for the Group and Parent company covers the period of twelve-months from the date the financial statements are authorised for issue, consistent with the period assessed by the Directors.

Over the assessed going concern period, the Group and Parent company have forecast that they will maintain headroom above the binding regulatory capital requirements using base case assumptions, as well as in a stressed scenario where the Group and Parent company are unable to meet all financial targets within the Financial Plan. This is consistent with our conclusion, based on the procedures we have performed, including independent stress testing.

The Group and Parent company are forecast to retain sufficient headroom to their binding liquidity requirements over the going concern period.

Conclusion

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	<p>We performed an audit of the complete financial information of two components, audit procedures on specific balances for a further three components.</p> <p>We performed central audit procedures on all Group accounts.</p> <p>The components where we performed full or specified audit procedures accounted for 100% of Profit before tax, 100% of Revenue and 100% of Total assets.</p>
Key audit matters	<p>IFRS 9 Financial Instruments – Expected credit loss ('ECL') provision</p> <p>Valuation and accounting treatment of Share-based payments ('SBP')</p> <p>Improper revenue recognition – Effective interest rate ('EIR') income recognition</p> <p>Measurement of Deferred tax asset ('DTA')</p>
Materiality	Overall Group materiality of £6.0m which represents 5% of profit before tax adjusted for non-recurring items.

An overview of the scope of the Parent company and Group audits

Tailoring the scope

All audit work performed for the purposes of the Group audit was undertaken by a single audit team based in the UK. We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures to identify and assess risks of material misstatement of the Group and Parent Company financial statements and identified significant accounts and disclosures. When identifying the extent to which audit work needed to be performed to respond to the identified risks of material misstatement of the Group and Parent Company financial statements, we considered our understanding of the Group and its business environment, the potential impact of climate change, the applicable financial framework, the Group's system of internal control at the entity level, applications and relevant internal audit results.

The scoping for the current year is as follows:

Component	Scope	Key locations
Monzo Bank Holding Group	Full	United Kingdom
Monzo Bank Ltd	Full	United Kingdom
Monzo Bank EU	Specified procedures	Republic of Ireland
Monzo Inc	Specified procedures	United States
Monzo Support US Inc	Specified procedures	United States

The table below illustrates the coverage obtained from the work performed by our audit teams. We considered profit before tax, revenue and total assets.

	Full scope (1) ²⁴	Specified procedures (2) ²⁵	Total
Profit before tax	100.0%	—%	100.0%
Revenue	99.0%	1.0%	100.0%
Total assets	99.0%	1.0%	100.0%

²⁴ Full scope: audit procedures on all significant accounts.

²⁵ Specific scope: audit procedures on selected accounts.

Involvement with component teams

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact the Group. The Group considers there to be low financial risks from the impacts of climate change and determined that the most significant long-term impact may be from a transition to a lower carbon economy. This is explained on page 60 of the 'Our principal risks and uncertainties' section and 'Our approach to the environment' on page 44, of the 'Our approach to the environment' section, which form part of the 'Other information' rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on evaluating management's assessment of the impact of climate risk, physical and transition, and their resulting conclusion that there was limited effect on balances for the period covered by these financial statements, as disclosed

within the basis of preparation note on page 124. As part of this evaluation, we performed our own risk assessment supported by internal climate change specialists. We also challenged the Directors' considerations of climate change in their assessment of going concern and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>IFRS 9 Financial Instruments – expected credit loss ('ECL') provision</p> <p>Expected credit loss provision of £329.4m (FY2025: £251.2m)</p> <p>Refer to the Accounting policies (pages 124); and Note 13 of the Consolidated Financial Statements (page 141).</p> <p>Credit provisions represent management's best estimate of impairment and significant judgements and estimates are made in determining the timing and measurement of expected credit loss ('ECL').</p> <p>The key judgements and estimates in respect of the timing and measurement of ECL include:</p> <p>a. The accounting interpretations, modelling assumptions and data used in the models that calculate ECL;</p> <p>b. Inputs and assumptions used to estimate the impact of the multiple economic scenarios ('MES') including appropriate weightings for the various scenarios;</p> <p>c. Allocation of assets to Stage 1, 2 or 3 using criteria in accordance with IFRS 9; and</p> <p>d. Completeness and valuation of post model adjustments ('PMAs'), including the risk of management override.</p> <p>Our assessment is that the risk is consistent with FY2025.</p>	<p>Controls testing</p> <p>We evaluated the design and operating effectiveness of controls over the ECL process, including those over management's judgements and estimates. These controls, among others, covered:</p> <ul style="list-style-type: none"> · the staging of assets per management's criteria and their monitoring of stage effectiveness; · the model governance including monitoring, model validation and model implementation; · controls over the completeness and accuracy of data feeding into ECL provision; · the governance of statistical models used to develop the MES and their associated probability weights; and · the governance and management review of MES, PMAs, and individual provisions. <p>Accounting interpretations, modelling assumptions and data used in models used to calculate ECL</p> <ul style="list-style-type: none"> · We involved accounting specialists to assist the audit team in assessing the reasonableness and compliance of the Group's accounting policies with IFRS 9. · We involved modelling specialists to assist in a risk assessment and testing of a sample of material models. This included a review of model design and implementation, review and testing of model assumptions, review of model monitoring, sensitivity analysis and benchmarking and recalculation of the Probability of Default, Loss Given Default, Exposure at Default and final ECL. · We developed a challenger approach, which included applying our own independent assumptions including Probability of Default ('PD'), Loss Given Default ('LGD') and Exposure at Default ('EAD'), to model our own estimate of the ECL provision (including model overlays). · We tested the data used in the ECL calculation on a sample basis. In order to complete this testing, we independently identified key data elements and reconciled a sample of data feeding the models to underlying support. 	<p>We are satisfied that the ECL provisions were reasonable and recognised in accordance with IFRS 9.</p> <p>We highlighted the following matters to the Group Audit Committee that contributed to our overall conclusion:</p> <ul style="list-style-type: none"> · Effectiveness of the overall control environment. · Results of our testing of models and model assumptions, including the reasonableness of the macroeconomic variables used. · The accuracy of staging, including considering management override, and our independent sensitivity analysis on the staging criteria to assess appropriateness. · Reasonableness and adequacy of the post-model adjustments recorded. · That there is ongoing uncertainty in determining forecast losses due to the prevailing uncertain economic environment, and the availability of historic loss data given the current maturity of the lending portfolios.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
	<p>Inputs and assumptions used to estimate the impact of multiple economic scenarios</p> <ul style="list-style-type: none"> We involved our economic and modelling specialists to assist us in evaluating the appropriateness of the macroeconomic inputs used by the Group in the determination of ECL and compared those inputs to external sources to assess their reasonableness. This included the evaluation of the base and alternate economic scenarios (including consideration of current matters such as the high cost of living and economic and geopolitical uncertainty), and probability weights applied to each of the scenarios adopted by the Group. <p>Allocation of assets to Stage 1, 2 or 3</p> <ul style="list-style-type: none"> We evaluated the updated criteria used to allocate a financial asset to Stage 1, 2 or 3 with the assistance of our accounting specialists. This included peer benchmarking to assess the reasonableness of staging allocations. We then recalculated the staging of all products to assess whether they were allocated to the appropriate stage and in line with the Group's set criteria and performed sensitivity analysis to assess the appropriateness of different staging criteria on the ECL. <p>Post model adjustments including the risk of management overrides</p> <ul style="list-style-type: none"> We tested post model adjustments with the assistance of our modelling specialists. This included an assessment of their completeness and appropriateness by considering the related judgements, sensitivities, model validation results and governance process. <p>Stand-back challenge</p> <ul style="list-style-type: none"> We performed a stand-back analysis to assess whether the IFRS 9 impairment provisions recorded by management were reasonable and how this compares to other market participants. We considered the nature and type of products offered and performed benchmarking across other similar institutions considering staging percentages, provision coverage and modelled adjustments and evaluated the overall reasonableness of recovery assumptions applied. 	

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Valuation and accounting treatment of share-based payments</p> <p>Share-based payments expense in the current year is £59.0m (FY2025: £83.5m)</p> <p>Refer to the Accounting policies (pages 124); and Note 33 of the Consolidated Financial Statements (page 180)</p> <p>We identified the risk of management override of controls as it relates to the key risk areas including:</p> <p>a. Judgements applied by management in the valuation of share-based payments, including the method selected and key inputs to the model;</p> <p>b. The complexity of the accounting for share-based payments expense and the key judgements applied;</p> <p>c. The manual journal entries recorded for share-based payment expense.</p> <p>Our assessment is that the risk is consistent with FY2025.</p>	<p>In respect of the current year share-based payments expense, including the impact of the secondary sale, we have performed the following procedures:</p> <ul style="list-style-type: none"> · We have tested the design and operating effectiveness of the controls relating to management's review of the methodology and assumptions used in the share-based payments model, the completeness and accuracy of data used within share expense calculation, including controls over the share options provider migration, and the review of the journal entries posted to report the share-based payments expense. <p>We have involved our technical accounting experts to assess whether the accounting policy relating to share-based payments is in accordance with IFRS 2: Share-based payment.</p> <p>We have involved valuation specialists to assess:</p> <ul style="list-style-type: none"> · the methodology and design of the valuation model; · the reasonableness of the following share-based payments assumptions: Risk free rate, volatility, expected life, dividend yield and share price as inputs into the valuation model; and · the completeness of the parameters in the valuation model; <p>We have tested the completeness of share-based payments expense by performing the following procedures:</p> <ul style="list-style-type: none"> · We have reconciled share options granted with the share options recorded in the expense calculation. · We have tested key inputs and outputs for the share options provider migration to determine whether data was migrated completely and accurately. · We have reconciled the employees in the payroll expense to those in the share-based payments expense. For a sample of employees in payroll expense that were not recorded in the share-based payments expense, we obtained confirmation that share options had not been granted to these employees. · We have performed cut-off procedures at the balance sheet date and for a sample of share options granted after the year end, to determine whether they were recorded in the correct period. 	<p>We are satisfied that the share-based payment expense is reasonable and recognised in accordance with IFRS 2.</p> <p>We highlighted the following matters to the Audit Committee that contributed to our overall conclusion:</p> <ul style="list-style-type: none"> · Effectiveness of the overall control environment. · The fair values of the share options granted during the period were materially consistent with the results of the testing performed by our valuation specialists. · The accounting applied for the share-based payments expense and the related manual journal entries was materially correct.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
	<ul style="list-style-type: none">· We have vouched a sample of options granted to underlying share-based payments option certificates and employment contracts and reviewed the key terms and conditions of those contracts to ensure they are accounted for correctly in line with IFRS 2.	
	<ul style="list-style-type: none">· We have tested the mathematical accuracy of the share-based payments expenses and performed a reconciliation between the valuation outputs and the general ledger. These procedures included reviewing the manual journal entries posted by management related to share-based payments expense to verify that they are appropriate.	
	<ul style="list-style-type: none">· We have reviewed management's accounting policy and ensured that the disclosures are correctly presented in the financial statements.	

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Improper revenue recognition – Effective interest rate ('EIR') income recognition</p> <p>Interest income on Loans and advances to customers in the current year is £377.1m (FY2025: £271.3m).</p> <p>Refer to the Accounting policies (pages 124); and Note 2 of the Consolidated Financial Statements (page 129).</p> <p>In accordance with ISA (UK) 240, improper revenue recognition is considered to be a fraud risk. We reviewed the revenue streams earned by the Group and assessed the subjectivity of each stream and which stream could give rise to a material error in the financial statements.</p> <p>The Group calculates interest income from Loans and advances to customers using the EIR method, or approaches which closely approximate it, and performs an assessment to review and adjust for any material difference between any approximations and the EIR method. We determined this assessment to be subjective in its application given the number of judgemental assumptions used.</p> <p>Our assessment is that the risk is consistent with FY2025.</p> <p>Our assessment is that the risk is consistent with FY2025.</p>	<p>To address the identified risk of EIR revenue recognition relating to personal loans, overdrafts and Flex loans, we have performed the following audit procedures:</p> <ul style="list-style-type: none"> · We have tested the design and operating effectiveness of the controls relating to revenue recognition, including key reconciliations and processes to ensure complete and accurate capture of interest charges, customer payments and balances. · We have involved our technical accounting experts to assess the Group's technical accounting policy and associated disclosures relating to EIR on personal loans, overdrafts and Flex loans. · We have involved valuation specialists to develop challenger model to assess the impact of using the Group's method compared to our internal EIR challenger model and compared our findings with the Group's own assessment. · We have engaged our valuation specialists to perform sensitivity analysis over key behavioural life assumptions to test whether changes in key variables such as the prepayment rate could impact the income measured using the EIR. · We have performed additional analytical reviews and benchmarking procedures against similar lending products offered by comparable companies. · We have agreed quantitative disclosures to source data and ensured qualitative disclosures are compliant with the accounting standards. 	<p>We are satisfied that interest income on Loans and advances to customers is reasonable and recognised in accordance with IFRS 9.</p>

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Recognition and measurement of Deferred Tax Asset ('DTA')</p> <p>The net deferred tax asset recognised in the current year is £99.4m (FY2025: £45.8m)</p> <p>Refer to the Accounting policies (pages 124); and Note 10 of the Consolidated Financial Statements (page 137)</p> <p>There is a risk in relation to the appropriate measurement of the DTA due to the subjectivity of available evidence and assumptions applied by management regarding future taxable profits across the lookout period and the ability to recover the DTA.</p> <p>Our assessment is that the risk has decreased in FY2026 given the Group's recurring profitability.</p>	<p>To address the identified risk of recognition and measurement of deferred tax assets, we have performed the following audit procedures:</p> <ul style="list-style-type: none"> · We performed a fully substantive audit in this area and did not rely on the associated controls. · We have involved valuation specialists to assess the forecasts of the Group and the underpinning assumptions, testing that the assumptions were reasonable. · We assessed the consistency of the forecasts used to justify the recognition of deferred tax assets to those used elsewhere in the business. In doing this, we verified that the forecasts did not include taxable profit growth that could not be demonstrated as probable, including critically evaluating risks and contrary evidence around the projected future profits. · We also performed sensitivity analysis to understand whether reasonably possible changes to these assumptions could lead to a material change in the recognised asset. · We considered the length of the forecasts that it would be appropriate to use in calculating the deferred tax asset, with reference to the Group's historic performance and levels of forecasting accuracy. · We have involved tax specialists to evaluate management's methodology for assessing the recognition of and recoverability of deferred tax assets, including the ability to offset certain deferred tax liabilities and deferred tax assets. Where recognition is supported by the availability of sufficient probable taxable profits in future periods against which brought forward tax losses can be utilised, our evaluation of these future profits considered both the business model and the applicable UK tax legislation. · We tested the mathematical accuracy of the calculations used in determination of deferred tax assets. · We have reviewed management's accounting policy and ensured that the disclosures are correctly presented in the financial statements. 	<p>We are satisfied that the measurement of the deferred tax asset is reasonable and recognised in accordance with IAS 12.</p>

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group and the Parent Company to be £6.0m (FY2025: £6.0m), which is 5% of Group profit before tax adjusted for non-recurring items at the point of assessment during the planning period, and represented 0.5% (FY2025: 0.5%) of the Group equity. We believe removing these non-recurring items reflects the most useful measure for users of the financial statements. For the prior year audit, materiality figures for the Group and the Parent Company were based on equity given the historic performance of the Group. In the current year, we deem profit before tax as an appropriate materiality basis given the Group's sustained profitability.

During the course of our audit, we reassessed initial materiality. This assessment resulted in the same final materiality calculated based on

the actual financial performance for the year. There were no changes to the basis for materiality from the initial point of assessment.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, our judgement was that performance materiality was 50% (FY2025: 50%) of our planning materiality, namely £3.0m (FY2025: £3.0m). We have set performance materiality at this percentage due to a variety of risk factors, such as the expectation of misstatements, the internal control environment, the maturity of the Group and the accelerated growth of the Group's business model.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.3m (FY2025: £0.3m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 105, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent company

or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve

deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are:
 - Companies Act 2006
 - Financial Reporting Council ("FRC") rules and guidance
 - Tax Legislation (governed by HM Revenue and Customs)
 - Financial Conduct Authority ("FCA") rules
 - Prudential Regulation Authority ("PRA") rules
- We understood how the Group is complying with those frameworks by making enquiries of senior management, reviewing regulatory correspondence between the Group and UK regulatory bodies, reviewing internal audit reports and attending meetings or reviewing minutes of the Board and Risk Committee.
- We assessed the susceptibility of the Group's financial statements and Parent Company's financial statements to material misstatement, including how fraud might occur, by considering the controls that the

Group has established to address risks identified by the Group, or that otherwise seek to prevent, deter or detect fraud. We also assessed the risks of fraud in our key audit matters. Our procedures over our key audit matters and other significant accounting estimates included challenging management on the assumptions and judgements made in determining these estimates.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiries of senior management, legal counsel, compliance, internal audit, and those charged with governance, review of correspondence with regulatory bodies and minutes of meetings of the Audit, Board and Risk committees, involvement of conduct risk specialists, review of whistleblowing policy and related documentation, as well as meeting with regulators.
- The Group operates in the banking industry which is a highly regulated environment. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the audit committee we were appointed by the Group on 28 February 2017 to audit the financial statements for the year ending 28 February 2017 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 10 years, covering the years ending 28 February 2017 to 31 March 2026.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company, and we remain independent of the company in conducting the audit.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Rhys Taylor (Senior statutory auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor
London
15 May 2026



Consolidated statement of comprehensive income

for the year ended 31 March 2026

	Notes	2026 £'000	2025 £'000
Interest income	2	1,199,655	861,673
Fee and commission income	3	458,972	329,165
Other operating income	5	53,669	44,517
Revenue		1,712,296	1,235,355
Interest expense	2	(376,949)	(262,833)
Fee and commission expense	3	(118,854)	(72,000)
Credit loss expense on financial assets	4	(203,680)	(152,595)
Cost of revenue		(699,483)	(487,428)
Gross Profit		1,012,813	747,927
Personnel expense	6	(421,583)	(352,929)
Other operating expense	9	(503,942)	(334,520)
Total operating expense		(925,525)	(687,449)
Profit before tax		87,288	60,478
Taxation credit / (expense)	10	(958)	34,090
Profit for the year		86,330	94,568
Other comprehensive income that may be recycled to profit or loss:			
Currency translation reserve:			
Currency translation differences		(969)	(159)
Cash flow hedging reserve:			
Net gains/(losses) from changes in fair value		(107,977)	5,524
Net losses / (gains) transferred to net profit		1,825	180
Tax		29,278	(1,637)
Financial assets reserve:			
Net changes in financial assets measured at fair value through other comprehensive income (FVOCI)		560	598
Tax		(156)	(167)
Other comprehensive income that may be recycled to profit or loss		(77,439)	4,339
Total comprehensive income for the year, net of tax		8,891	98,907

The results for the current and prior year are derived entirely from continuing operations.

The Notes 1 to 36 form an integral part of these financial statements.

Consolidated statement of financial position

As at 31 March 2026

	Notes	2026 £'000	2025 £'000
Assets			
Cash and cash equivalents	11	15,450,659	11,021,763
Treasury investments	12	9,482,722	5,381,870
Loans and advances to customers	13	2,311,925	1,602,470
Other assets	14	243,859	186,290
Current tax asset	10	5,048	10,279
Deferred tax asset	10	99,486	45,788
Property, plant and equipment	15	12,011	15,391
Total assets		27,605,710	18,263,851
Liabilities			
Customer deposits	17	25,715,953	16,599,371
Subordinated debt liability	18	15,770	15,421
Other liabilities	19	590,247	436,116
Current tax liabilities	10	175	—
Total liabilities		26,322,145	17,050,908
Equity			
Called up share capital	30	240	238
Share premium account		503,779	501,730
Other reserves	31	992,939	1,013,604
Accumulated losses		(213,393)	(302,629)
Total equity		1,283,565	1,212,943
Total liabilities and equity		27,605,710	18,263,851

The Notes 1 to 36 form an integral part of these financial statements. The financial statements on pages [120](#) to [184](#) were approved and authorised for issuance by the Board on 15/05/2026 and signed on its behalf by:



Tom Oldham
Group Chief Financial Officer
15 May 2026

Consolidated statement of changes in equity

for the year ended 31 March 2026

	Share capital £'000	Share premium £'000	Other reserves £'000	Merger reserve £'000	Retained losses £'000	Total equity £'000
Balance as at 1 April 2024	217	339,388	22,134	944,813	(444,407)	862,145
Profit for the year	—	—	—	—	94,568	94,568
Cumulative translation adjustment	—	—	(159)	—	—	(159)
Cash flow hedge reserve	—	—	4,067	—	—	4,067
Treasury investment fair value movements	—	—	431	—	—	431
Total comprehensive loss for the year	—	—	4,339	—	94,568	98,907
Shares issued	21	150,627	—	—	—	150,648
Cost of issuance	—	(20)	—	—	—	(20)
Share-based payments reserve	—	—	89,528	—	—	89,528
Exercise of options	—	11,735	(47,210)	—	47,210	11,735
Balance as at 31 March 2025	238	501,730	68,791	944,813	(302,629)	1,212,943
Profit for the year	—	—	—	—	86,330	86,330
Cumulative translation adjustment	—	—	(969)	—	—	(969)
Cash flow hedge reserve	—	—	(76,874)	—	—	(76,874)
Treasury investment fair value movements	—	—	404	—	—	404
Total comprehensive income for the year	—	—	(77,439)	—	86,330	8,891
Shares issued	2	2,004	—	—	—	2,006
Cost of issuance	—	—	—	—	—	—
Share-based payments reserve	—	—	59,680	—	—	59,680
Exercise of options	—	45	(2,906)	—	2,906	45
Balance as at 31 March 2026	240	503,779	48,126	944,813	(213,393)	1,283,565

The Group's Share capital as at 31 March 2026 was £240k (FY2025: £238k). In the current year we released £2.9m (FY2025: £47.2m) of reserves, related to share options exercised, from other reserves into Retained losses.

Consolidated statement of cash flows

for the year ended 31 March 2026

	Notes	2026 £'000	2025 £'000
Cash flows from operating activities			
Profit for the year		86,330	94,568
Adjustments for non-cash items:			
Impairment and charge-offs	4	203,680	152,595
Depreciation & impairment expense	15	3,353	4,623
Taxation	10	958	(34,090)
Share-based payments	6	59,007	83,468
Provisions	28	(1,050)	3,281
Net interest accrual		(50,350)	(68,155)
Other non-cash items		(14,821)	(7,494)
Changes in operating assets and liabilities:			
Movement in loans and advances to customers		(913,137)	(564,849)
Movement in customer deposits	17	9,116,586	5,401,749
Movement in other assets		(74,803)	312,246
Net tax paid		(13,165)	(6,019)
Movement in collateral held with third parties		(130)	(1,075)
Movement in other liabilities		54,393	(454,084)
Net cash from operating activities		8,456,851	4,916,764
Cash flows from investing activities			
Net movement in treasury investments		(4,028,241)	(1,676,621)
Purchase of property, plant and equipment		—	(213)
Movement in sublease receivables		305	171
Net cash from investing activities		(4,027,936)	(1,676,663)
Cash flows from financing activities			
Net proceeds from issuance of ordinary shares		2,052	162,362
Principal elements of lease payments	16	(926)	(4,955)
Net cash from financing activities		1,126	157,407
Effect of exchange rates on cash and cash equivalents		(1,145)	(45)
Net increase in cash		4,428,896	3,397,463
Cash and cash equivalents at beginning of year		11,021,763	7,624,300
Cash and cash equivalents at end of year		15,450,659	11,021,763

Total interest received by the Group was £861m (FY2025: £688m). Total interest paid by the Group was £370m (FY2025: £244m).

Notes to the financial statements

for the year ended 31 March 2026

1. Accounting policies

a. Reporting entities

These financial statements are prepared for Monzo Bank Holding Group Ltd and its subsidiaries ('the Group', 'Monzo', 'We', 'Us', 'Our'). Monzo Bank Holding Group Ltd ('MBHG', 'the Company') is a non-trading private company limited by shares incorporated and registered in England and Wales.

The subsidiaries include Monzo Bank Ltd ('MBL'), incorporated and registered in England and Wales, Monzo Inc. ('MINC'), incorporated and registered in Delaware, United States and Monzo Bank Europe Designated Activity Company (DAC) ('MBEU') which was incorporated in Ireland.

Monzo Support US Inc, incorporated in Delaware, United States was wound up on 10th September 2025. See Note 32 for our Group structure.

The Group began the formal process of winding up MINC on 31st March 2026. As of the reporting date, the Group continues to exercise control over the entity's remaining

assets and liabilities. The results of this entity have been included in the consolidated financial statements up to the reporting date.

We've presented consolidated financial statements for the Group.

MBHG was incorporated on 6 April 2023. The Company's standalone financial statements presented from page 185 cover the year ended 31 March 2026.

b. Basis of preparation

We have prepared the consolidated financial statements on a historical cost basis, except for instruments carried at fair value, in accordance with the Companies Act 2006 and with UK adopted International Accounting Standards (IAS).

We present the financial statements in Pounds Sterling which is the Group's functional currency. Figures in tables are shown in thousands of Pounds Sterling unless otherwise stated.

We present our Statement of financial position in order of liquidity. We base this on our intention and ability to recover, or settle,

the majority of assets, or liabilities, in the financial statement line.

We've assessed our level of exposure to climate risk, as well as our climate related targets with regards to these Financial Statements and consider them to have limited impact as at 31 March 2026. Many of the effects arising from climate change will be longer term in nature, with an inherent level of uncertainty, and have limited effect on accounting judgements and estimates for the year.

As we covered in the Group Directors' report, we've reviewed our business plan and capital requirements over our going concern assessment period of 12 months from the date the Board approves our financial statements.

Under our base case plan, for the whole of the period to March 2031 we maintain a capital surplus above our minimum regulatory requirements. This covers the going concern assessment period and beyond. Under a severe stress scenario, management actions are available that reduce operating expenses and lending growth. Under this stress scenario, we continue to maintain our minimum capital

requirements throughout the whole period whether or not management actions are taken. There is a risk we won't be able to execute our business plan, which could impact our ability to generate a profit or raise enough capital to meet future regulatory capital requirements, but this is not considered likely.

The Directors therefore expect us to have enough financial resources to meet our regulatory requirements for our going concern assessment period and conclude it's appropriate to continue preparing our financial statements on a going concern basis. The financial statements therefore do not contain adjustments that would result if the Group was unable to continue as a going concern.

c. Summary of material accounting policies

i. Basis of consolidation

The Group consists of MBHG and its three wholly-owned subsidiaries, MBL, MINC and MBEU. MBL was incorporated and registered in England and Wales. MBEU was incorporated in Ireland. Monzo Inc. was incorporated in Delaware, United States.

MBL had one wholly-owned subsidiary, Monzo Support US Inc (MSUS) which was incorporated in Delaware, United States. MSUS was wound up on 10th September 2025. MBHG has prepared consolidated accounts under IFRS 10 Consolidated Financial Statements.

The consolidated financial statements include the results of the Company and its subsidiaries. The subsidiaries are the entities over which MBHG exercises control. Control exists when the Company has the power to govern the relevant activities of an entity and to vary the returns it receives from the activities of the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

On 31 March 2026, the Group announced the formal closure and commencement of the wind-down of its US subsidiary, Monzo Inc. As the Group maintained control of the entity through to the end of the reporting period, Monzo Inc. has been fully consolidated in these financial statements.

The financial results of subsidiaries are included in the consolidated financial statements from the date control starts until the date that control ends, when applicable.

In preparing the consolidated financial statements, intra-group balances and transactions are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

ii. Foreign exchange

The financial statements are presented in the Group's functional currency Pounds Sterling.

The Group applies IAS 21 The Effects of Changes in Foreign Exchange Rates. Transactions in foreign currencies are translated into Pounds Sterling at the exchange rate ruling at the date of the transaction. Foreign currency monetary balances are translated into Pounds Sterling at the year end exchange rates. Exchange gains and losses on such balances are taken to the Statement of Comprehensive Income. Non-monetary foreign currency balances are translated at historical transaction-date exchange rates.

iii. Interest income and expense calculated under the effective interest rate (EIR) method

According to IFRS 9, we recognise interest income using the EIR method or approaches which closely approximate it. The EIR method represents the internal rate of return on our lending products, treasury assets and deposits with central banks, incorporating where relevant and material, all interest, direct fees, commissions and charges that are integral to the yield. The expected life of financial assets is used to calculate the internal rate of return. The identified interest, fees and charges are deferred and amortised over the product life.

For financial assets in Stage 1 and 2, interest income is calculated by applying the EIR to the gross carrying amount, For financial assets which are credit-impaired (Stage 3), interest income is calculated using the EIR method on the carrying amount net of the impairment loss allowance.

The EIR is adjusted to incorporate any fees, premiums or discounts that are integral to our financial assets or liabilities, where this has a material impact.

Similarly, where we pay our customers interest, but those customers pay us fees that are deemed integral to the interest they receive, per IFRS 9 we net the interest expense against those fees. The resulting adjusted interest expense recognised on such products is not material.

iv. Fee and commission income/expense and other operating income

We've recognised fee and commission income and other operating income for the year according to the principles of IFRS 15 Revenue from Contracts with Customers using the five-step model:

1. Identify the contracts with customers
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise the revenue when (or as) the entity satisfies the performance obligation.

We only recognise fee and commission income and other operating income over the life of a contract when performance obligations are satisfied.

The key components of fee and commission income are Transaction income, Subscription income and Partnership commission.

- Transaction income includes Interchange income, ATM fees, Cash deposit fees, International payment fees, Flex money transfer fees and multi currency account fees. Interchange income is recognised based on presentment values when transactions are expected to clear. We offset the cost of Customer rewards against Interchange income because it is part of the consideration payable to earn that interchange. ATM fees are recognised at the point transactions take place.
- Subscription income is recognised evenly over the subscription period in line with the services provided.
- Partnership commission is earned for introducing our customers to partners; revenue is recognised when we have fulfilled the requirements of the contract with the partner.

v. Financial instruments

We apply IFRS 9 to recognise, classify, measure and derecognise financial assets and liabilities, and to record any impairment on all debt instrument financial assets except those held at fair value through profit or loss. We also apply IFRS 7 Financial Instruments: Disclosures, when disclosing information about the significance of financial instruments and the nature and extent of risks arising from financial instruments, in both qualitative and quantitative terms. Where assets are measured at fair value, we apply IFRS 13 Fair Value Measurement to measure the value of those assets.

Recognition

We recognise financial assets and liabilities when Monzo becomes party to a contract.

Financial instruments are initially recognised at fair value, inclusive of directly attributable transaction costs. Trade date accounting is applied for all financial assets and liabilities.

Classification and measurement

We classify financial assets on the basis of the business model within which they are managed and their contractual cash flows. We've elected to designate a portfolio of fixed rate treasury investments, that have been economically hedged using interest rate swaps, at fair value through profit and loss (FVTPL) as explained in more detail below.

Held at amortised cost

We hold financial assets at amortised cost using the effective interest rate method where:

- Our business model is to hold financial assets to collect or pay contractual cash flows, rather than to sell the instrument before maturity.
- The contractual terms of the financial assets held by the Group give rise to cash flows that are solely payments of principal and interest.

After initial recognition, financial assets and liabilities held at amortised cost are then adjusted by the effective interest rate.

The effective interest rate is the rate that exactly discounts estimated future cash flows (including fees that are an integral part of the effective interest rate) through the expected life of the asset or liability.

The fair value and contractual maturity of financial assets and liabilities held at

amortised cost are shown in Notes 21 and 22 respectively.

Held at fair value through other comprehensive income

We hold treasury investments at fair value through other comprehensive income where:

- Our business model is to hold these investments to collect or pay contractual cash flows, or to sell the instrument before maturity.
- The contractual terms of these investments held by the Group give rise to cash flows that are solely payments of principal and interest.

After initial recognition, treasury investments held at fair value through other comprehensive income are then revalued at every reporting period with the unrealised gains or losses taken through other comprehensive income. At maturity, or on sale date, any unrealised gain or loss is recycled to the income statement.

Impairment

We calculate an impairment loss allowance on financial assets held at amortised cost and for debt securities held at fair value through other comprehensive income based on the expected credit loss (ECL), per IFRS 9. We give more detailed information on our ECL calculations in Note 25.

Held at fair value through profit and loss

We hold financial assets and liabilities at fair value where the contractual terms of the financial assets held by us give rise to cash flows that aren't solely payments of principal and interest, or if the financial asset is not

held in a business model to collect the contractual cash flows, or to collect and sell. Additionally, we use the fair value option to designate financial assets at fair value through profit and loss if doing so eliminates, or significantly reduces, an accounting mismatch which would otherwise exist.

After initial recognition, financial assets and liabilities held at fair value are then revalued at every reporting period with the difference taken through the income statement.

We designate a portion of fixed rate treasury investments, that are economically hedged with interest rate swaps, at FVTPL. In doing so we significantly reduce the accounting mismatch which would otherwise exist when measuring these treasury investments and interest swaps on different bases. The critical terms of the treasury investments and interest rate swaps match, meaning an economic relationship exists from the outset with the change in value on both items moving in opposite directions. Both the treasury investments and the associated interest rate swaps are recorded at fair value on the balance sheet, with the net difference between the fair value movements of the two recorded within the income statement as unrealised gains or losses in other operating income

Additionally, we have a portfolio of interest rate swaps that hedge variable interest rate risk in our banking book. We designate this portfolio in cash flow hedge relationships so that changes in fair value, with the exception of any hedge ineffectiveness, are taken to other comprehensive income rather than

through the income statement, removing volatility from the income statement.

All of our interest rate swaps are recorded at fair value and carried as assets when their fair value is positive and carried as liabilities when their fair value is negative, subject to application of master netting agreements. The notional amount and fair value of all of our interest rate swaps are disclosed separately in Note 20.

Derecognition

We derecognise a financial asset, or a part of it, from the balance sheet when the contractual rights to cash flows from the asset have either expired, transferred or have been sold, along with substantially all the risks and rewards of the asset.

We may also make the decision to write-off balances, when there is no realistic prospect of recovering an asset in its entirety (see Note 25).

Financial liabilities are derecognised when they are settled or have been extinguished.

Hedge accounting

We use hedge accounting, per the requirements of IFRS 9 Financial Instruments, to represent the economic effects of our interest rate risk management strategy as set out in Note 20 on our variable rate asset exposures. These interest rate swaps are held for risk management purposes and when swaps meet the required criteria for documentation and hedge effectiveness, we apply cash flow hedge accounting. Applying cash flow hedge accounting enables us to reduce the cash flow volatility from interest

rate risk on cash balances with variable interest rates.

At inception, we formally document:

- how the hedging relationship meets the hedge accounting criteria;
- the economic relationship between the hedged item and the hedging instrument;
- the nature of the risk, the risk management objective and strategy for undertaking the hedge; and
- the method that will be used to assess the effectiveness of the hedging relationship at inception and on an ongoing basis.

For cash flow hedges, to calculate the change in fair value of the hedged item attributable to the hedged risk, we use the hypothetical derivative method. This involves establishing a hypothetical derivative that would be the ideal hedging instrument for the hedged exposure. The hypothetical derivative is then used to calculate the change in the net present value for the future cash flows of the hedged item. This is then compared to changes in value of the actual hedging instrument to assess hedge effectiveness and, if necessary, the need to recognise any ineffectiveness in our income statement.

vi. Related party transactions

Key management personnel are defined as those people with authority and responsibility for planning, directing and controlling the activities of the Company. This includes the Board of Directors. See note 34 for more details.

d. Taxation

Taxation in the Income Statement comprises current and deferred tax.

i. Current tax

Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates and laws enacted or substantively enacted by the reporting date, and any adjustment to tax payable in respect of the previous period.

Detailed disclosures are provided in Note 10.

ii. Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Pillar 2 Taxes

We have applied the mandatory temporary exception to the requirements to account for deferred tax liabilities related to Pillar 2 income taxes in these accounts. Note 10 makes disclosures related to Pillar 2 income taxes.

e. New and updated accounting standards adopted in the period

There were no new or updated standards materially relevant to Monzo in the current financial year.

f. Accounting standards issued but not yet effective

A number of accounting standards have been issued or revised but are not yet effective. They are due to take effect for future accounting periods. We haven't applied any of these standards in preparing our financial statements, and they are not expected to have a material impact on our reporting, other than presentational once effective.

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) [effective for periods starting on or after 1 January 2026]
- Annual Improvements to IFRS Accounting Standards – Volume 11 [effective for periods on or after 1 January 2026]
- IFRS 18: Presentation and Disclosures in Financial Statements [effective for periods on or after 1 January 2027]

- IFRS 19: Subsidiaries without Public Accountability: Disclosures [effective for periods starting on or after 1 January 2027]

g. Significant accounting estimates, critical judgements and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates.

Critical accounting judgements are those applied to our accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements. Significant accounting estimates have a higher risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year. Further information on critical judgements and significant accounting estimates are disclosed within the note which they relate to in:

- Credit loss expense in Note 25
- Provisions in Note 28
- Deferred tax in Note 10

The consolidated financial statements include other areas of judgement and accounting estimates. While these areas do

not meet the definition under IAS 1 of significant accounting estimates or critical accounting judgements, the recognition and measurement of certain material assets and liabilities are based on assumptions and/or are subject to longer term uncertainties. The other areas of judgement and accounting estimates are:

- Going concern in Note 1
- Fair valuing share-based payments in Note 33
- Effective interest rate recognition in Note 1



2. Net interest income

	2026 £'000	2025 £'000
Interest income		
Cash and cash equivalents	482,588	418,642
Loans and advances to customers	377,091	271,335
Treasury assets	339,032	170,266
Interest income on leases	5	6
Other interest income	939	1,424
	1,199,655	861,673
Interest expense		
Interest expense on customer deposits	(370,496)	(258,846)
Interest expense on leases	(1,676)	(1,861)
Interest expense on subordinated debt	(2,149)	(2,107)
Other interest expense	(2,628)	(19)
	(376,949)	(262,833)
Net interest income	822,706	598,840

Interest expense on leases is charged on the outstanding balance of lease liabilities. We've used our observable borrowing rate as the incremental borrowing rate (IBR) to calculate lease liability interest.

Interest income presented in the table represents interest revenue calculated using the effective interest method.

Interest income of £482.6m (FY2025: £418.6m) on cash and cash equivalents is primarily earned on reserves held at central bank, and includes interest on swaps entered to hedge the interest rate risk of the underlying item.

Interest income on Loans and advances to customers of £377.1m (FY2025: £271.3m) was earned across overdrafts (£145.2m, FY2025: £108.1m), loans (£138.2m, FY2025: £108.1m) and Flex (£93.7m, FY2025: £55.2m).

Interest income of £339.0m (FY2025: £170.3m) from treasury assets consists of £218.2m (FY2025: £40.9m) from investments designated at fair value through profit and loss, £73.1m (FY2025: £117.5m) from investments held at amortised cost; and £47.8m (FY2025: £11.9m) from investments held at fair value through other comprehensive income.

Interest income on our treasury assets includes interest on swaps entered to economically hedge the interest rate risk on a portfolio of fixed rate treasury investments.

3. Net fees and commissions

	2026	2025
	£'000	£'000
Fee and commission income		
Transaction income	321,262	234,997
Subscription income	122,062	75,191
Partnership commission	15,648	18,977
	458,972	329,165
Fee and commission expense		
Transaction expense	(47,861)	(33,274)
Subscription expense	(61,300)	(37,976)
Partnership expense	(9,693)	(750)
	(118,854)	(72,000)
Net fees and commissions	340,118	257,165

The reported fees and commissions are those which don't contain an interest element and don't form part of any effective interest rate calculations.

Net transaction income increased by £71.7m, 36%, as card spend grew 32% from FY2025 as customers spent more through Monzo. Net subscription income has increased 63% in line with growth across our Personal and Business Banking Subscription tiers.

4. Credit loss expense on financial assets

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.

The exposure to credit risk includes the available unused borrowing committed to overdraft and Flex customers (undrawn commitments) see Note 25, overdrafts, overdrawn balances and loans on the balance sheet (Note 13). As a material risk to us, there is significant management focus on setting credit risk appetite and embedding appropriate risk mitigation. The credit loss expense covers the change in expected credit losses (ECLs) plus the cost of writing-off (fully or partially) assets when they are deemed uncollectable.

See Note 25 for more information on the credit loss expense that comes from holding an impairment loss allowance in respect of loans, overdrafts, overdrawn balances, Flex and receivables.

We're also exposed to overnight credit risk on our derivative financial instruments. This is monitored daily and managed by paying and receiving collateral (margin) as appropriate. Refer to Note 26 on netting below.

	2026	2025
	£'000	£'000
Overdrafts, overdrawn balances and undrawn commitments	72,884	57,955
Loans	64,379	44,888
Flex loans	65,614	49,437
Credit loss expense on loans and advances to customers	202,877	152,280
Receivables	803	315
Total credit loss expense	203,680	152,595

5. Other operating income

	2026	2025
	£'000	£'000
Partnership incentives	30,815	31,205
Net fair value gains on financial instruments	10,005	2,877
Other income ²⁶	7,988	6,234
RDEC Tax claim income	4,861	4,201
Total Other Operating Income	53,669	44,517

Other operating income mainly consists of business to business development grants, Research and Development Expenditure Credit (RDEC) claims, dispute fees and unrealised gains or losses on treasury investments.

We have designated a portfolio of fixed-rate bond investments and associated asset swaps at fair value through profit or loss to significantly reduce an accounting mismatch on remeasurement. For the year, a net gain of £11.9m (FY2025: £2.3m gain) was recognised in Other operating income relating to credit spreads on the asset swapped bonds in our credit investment portfolio. This is the net impact of unrealised fair value gains on our asset swaps of £67.7m (FY2025: £14K loss), and unrealised fair value losses on asset swapped bonds of £55.8m (FY2025: £2.3m gain).

The net fair value gains on financial instruments includes a £1.8m loss (FY2025: £0.2m loss) from hedge ineffectiveness arising on our cash flow hedges.

£24.3m (FY2025: £21.5m) of expenses this year qualify for our research and development expenditure credit (RDEC).

²⁶ FY2025 other operating income has been disaggregated and reclassified to conform with the presentation we have applied for FY2026

6. Personnel expenses

Short-term colleague benefits

Salaries, social security contributions and other employment benefits (other personnel expenses) are expensed as the related service is provided.

Defined contribution plans

We participate in single defined contribution pension schemes in the UK, EU and the US. The contribution payable by colleagues (employees' contribution) to a defined contribution plan is a fixed percentage of the person's salary each month. This is the same for all colleagues of each entity, unless they have opted out. The cost to Monzo (employers' contribution) is recorded as an expense under personnel expenses. Unpaid contributions are recorded as a liability. We don't operate any defined benefit pension plans.

Share-based payments

See Note 33 for the accounting policy.

The increase in personnel costs to £421.6m (FY2025: £352.9m) reflects hiring to support European expansion and our continued growth in the UK, with investment in product and technology functions as well as control functions to support operational resilience.

The average number of people in the Group during the year was 4,674 (FY2025: 3,821), 1,826 (FY2025: 1,336) of these worked in Business and technology and 2,848 (FY2025: 2,485) worked in Customer Operations.

The decrease in share-based payments charge to £59.0m (FY2025: £83.5m) is driven by the employee secondary sale (£53.4m) which took place in FY2025.

	2026	2025
	£'000	£'000
Salaries	307,481	224,417
Share-based payments	59,007	83,468
Social security contributions	38,822	32,577
Contributions to defined contribution plans	12,577	9,379
Other personnel expenses	3,696	3,088
Total personnel cost	421,583	352,929

7. Government grants

We only recognise government grants when we have reasonable assurance that we'll meet the conditions attached to the grant, and the grant will be received. We recognise grants as income or as a reduction to expense, on a straight-line basis, in the same period as the related costs.

Performance targets related to the monitoring period are subjective. The Group therefore has deferred release of the remaining grant amount into the statement of comprehensive income until receipt of the government's external confirmation of compliance with the contract terms.

We received a government grant prior to FY2026 which relates to our team in Cardiff. The grant's monitoring period finished in September 2025.

	2026	2025
	£'000	£'000
As at 1 April	760	760
Received during the year	—	—
Released to the statement of profit or loss	—	—
As at 31 March	760	760

8. Directors' remuneration

	2026	2025
	£'000	£'000
Salaries and fees	3,181	3,315
Share-based payments	4,891	13,095
Contributions to defined contribution plans	20	22
Total directors' emoluments	8,092	16,432
Salaries	501	652
Share-based payments	3,002	11,324
Contributions to defined contribution plans	20	—
Highest paid director	3,523	11,976

As at 31 March 2026 there were no loans outstanding to directors (FY2025: £nil) and there were no loans made to directors during the year (FY2025: £nil).

Some directors were granted share options in the year. nil directors (FY2025: 2) exercised share options during the year including the highest paid director. No shares were given to directors under any compensation scheme.

Remuneration from share-based payments includes the potential unrealised benefits from vesting share options and an accrual for services rendered prior to the formal grant date.

9. Other operating expenses

	2026	2025
	£'000	£'000
Customer account operating costs	138,646	96,222
Marketing	143,060	97,425
Technology costs	77,381	59,275
Professional services	23,639	21,824
Depreciation & impairment expense	3,353	4,623
Other expenses	117,863	55,151
Total operating expenses	503,942	334,520

Customer account operating costs include the cost of payment schemes, card production and distribution to new and existing customers, on-boarding costs and operational losses (including fraud). In FY2026 costs increased by £42.4m partly driven by fraud losses.

Marketing costs have increased by £45.6m to £143.1m in FY2026 as we launched a UK-wide business banking brand campaign, continued to promote key product launches and introduced more customers to Monzo using digital platforms.

Technology costs include charges for servers, cloud services and software. Our technology costs grew £18.1m to £77.4m as we served significantly more customers, invested further in our core app experience and in the quality and security of our platform.

Professional services expenses increased £1.8m to £23.6m in FY2026, due to increased consultancy fees £3.8m, partially offset by a fall in legal fees £2.2m.

Other expenses have increased to £117.9m (FY2025: £55.2m) partly driven by the settlement of the FCA fine of £21.1m as per Note 27, plus increased outsourced COps costs by £24.0m to £53.2m for 2026.

10. Taxation

Current taxation

We measure current income tax assets and liabilities at the amount we expect to recover from or pay to the taxation authorities. They involve a degree of estimation and judgement. To compute the amounts, we use the tax rates and tax laws which are enacted or substantively enacted at the reporting date.

We base tax assets and liabilities relating to open and judgemental matters on our assessment of the most likely outcome/(s) based on the tax authorities having full knowledge of all relevant information. We engage constructively and transparently with the tax authorities with a view to resolving any uncertain tax matters.

The Group's profits and losses are taxed at different rates depending on the country in which the profit or loss arises. The Group is currently taxed in the UK at a prevailing rate of 25% (FY2025: 25%), in the US at a prevailing rate of 29.56% (FY2025: 29.56%), in Ireland at a prevailing rate of 12.5% (FY2025: 12.5%) and in Spain at a prevailing rate of 30%.

Deferred tax

The whole of the deferred tax recognised on tax losses, fixed asset timing differences and other temporary differences (£72m) is based on forecast taxable profits, as is £27m of the deferred tax recognised on gains through

other comprehensive income. In FY2025, recognition of £46.3m of deferred tax assets was based on forecast profits.

We have considered the available evidence supporting recognition against future taxable profits. Convincing evidence comes from another year of taxable profits, a large, more diverse customer base and a wider set of income streams.

The calculation of the deferred tax asset involves areas of judgement. Key among these is the nature of the forecasts used to predict future taxable profits. The scenario we used for the deferred tax recognition model is based on the budget used for the going concern assessment, revised to factor in adverse economic scenarios. We chose this scenario to factor in the inherent uncertainty in forecasting macroeconomic conditions. In FY2026, we extended the forecast period to three years (FY2025: two years), as we have increased confidence in our forecasts.

No deferred tax is recognised in relation to £71m (FY2025: £221m) of carried forward tax losses. These losses are: UK non-trading losses of £1m, Irish tax losses of £21m and US tax losses of £49m. These losses do not expire, but are not expected to reverse in the forecast period. No deferred tax is recognised in relation to £288m of gross deductible timing differences on share based payments (FY2025: £200m) or £10m of other temporary differences (FY2025: nil).

We determine deferred income tax based on tax rates and laws which have been enacted, or substantively enacted, by the reporting date. We apply these rates in light of when we expect the timing differences to reverse.

As we expect the 3% banking surcharge to apply to Monzo Bank Limited's for future periods, UK amounts are recognised between 25% and 28%.

We recognised a current tax credit of £1.2m (FY2025: £6.4m) in other reserves in relation to employee share options exercised. This amount reflects the tax benefit of these exercises in excess of the total option expense charged to the profit and loss account.

	2026	2025
	£'000	£'000
Income statement		
Current tax on profits for the year	25,650	14,540
Current tax prior period adjustments	(113)	(1,038)
Deferred tax		
Deferred tax current year movement	(21,231)	(43,862)
Deferred tax prior period adjustments	(12)	—
Effect of changes in tax rates	(3,336)	(3,730)
Tax per income statement	958	(34,090)
Other comprehensive income		
Deferred tax on cashflow hedges	(29,278)	(1,637)
Deferred tax on fair value gains	157	(167)
Total tax in other comprehensive income	(29,121)	(1,804)

Amounts recognised in profit or loss

	2026	2025
	£'000	£'000
Profit on ordinary activities before tax	87,288	60,478
Main rate of corporation tax	25%	25%
Expected tax charge	21,822	15,120
Effects of:		
Adjustment to tax charge in respect of prior period	(139)	(1,038)
Expenses not deductible for tax	5,819	1,448
Income not taxable	(10)	—
Other temporary differences	422	90
Impact of differences in overseas tax rates	1,907	1,205
Movement in deferred tax unrecognised - shares	12,492	2,277
Movement in deferred tax unrecognised - losses	(38,087)	(49,462)
Change in tax rates	(3,336)	(3,730)
Total income tax (credit)/charge for the period	958	(34,090)

Deferred tax

	2026	2025
	£'000	£'000
Deferred tax assets/(liabilities) recognised		
Unused tax losses	71,078	46,712
Fixed asset timing differences	597	585
Losses/ (gains) through other comprehensive income	26,986	(2,134)
Other deductible temporary differences	825	625
Total recognised deferred tax	99,486	45,788
	2026	2025
	£'000	£'000
Deferred tax assets unrecognised		
Unused tax losses	17,688	55,188
Share-based payments	72,057	49,963
Other deductible temporary differences	1,838	—
Total unrecognised deferred tax	91,583	105,151

Pillar Two taxes

We haven't recognised any Pillar 2 tax expense. Disclosure of our mandatory temporary exemption for deferred tax liabilities has been included in Note 1ii. Pillar 2 income taxes apply a minimum global tax rate of 15% for each jurisdiction where a large multinational is taxed.

11. Cash and cash equivalents

Cash and cash equivalents are recognised initially at fair value and then at amortised cost.

Cash and cash equivalents are held on demand, except for amounts held as collateral at central banks and interest accrued on our central bank deposits. We show them in accordance with the regulatory licence held by the institution.

As at 31 March 2026 £647.3m of the reserves with the Bank of England were encumbered (FY2025: £441.1m). These amounts are held as cash collateral as a requirement of us being a direct settling participant of the Faster Payments Service and Bankers' Automated Clearing Services.

	2026	2025
	£'000	£'000
Cash and cash equivalents held with:		
Central banks	14,488,393	10,328,994
Other banks	25,067	16,987
E-money institutions	3,044	913
Reserves with central banks	934,155	674,869
Total cash and cash equivalents	15,450,659	11,021,763

12. Treasury investments

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, 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.

We continue to hold treasury investments to manage our interest rate risk, support liquidity and to grow our treasury asset portfolio which safely generates optimal returns. This business model is to hold these investments to maturity or to sell for portfolio rebalancing and optimisation purposes. The cash flows of these investments are solely payments of principal and interest. They are first measured at fair value then re-measured at fair value at each reporting date, with any fair value movements taken through other comprehensive income.

We've also designated a portfolio of fixed rate treasury investments, that are economically hedged with interest rate swaps, at fair value through profit and loss. In doing so we significantly reduce the accounting mismatch which would otherwise exist when measuring these treasury investments (amortised cost and/or fair value

through other comprehensive) and interest swaps (fair value through profit and loss) on different bases.

The impairment loss allowance held against treasury investments is immaterial as the probability of default is negligible under any range of reasonable, probability-weighted scenarios. See Note 25 for more detail on credit risk.

At the end of the reporting period, £321.1m (FY2025: £231.0m) of our treasury investments were encumbered. Like other participants, we have to set aside collateral with our payment network providers in case we fail to settle amounts with them and have pledged £257.0m of treasury investments to do so (FY2025: £199.8m). Additionally, the terms of our swap agreements with our central clearing counterparty require us to provide upfront initial margin, for which we've pledged £64.1m of treasury investments (FY2025: £31.2m). We continue to recognise interest on all encumbered treasury investments.

	2026	2025
	£'000	£'000
UK Government debt	244,362	789,339
Supranational debt	843,842	1,399,622
Certificates of deposit	21,719	—
Total treasury investments at amortised cost	1,109,923	2,188,961
Covered bonds	241,627	112,532
Supranational debt	318,907	—
Asset-backed securities	1,089,938	484,054
Total treasury investments at FVOCI	1,650,472	596,586
UK Government debt	4,013,145	1,353,070
Supranational debt	2,630,337	1,225,308
Covered bonds	78,845	17,945
Total treasury investments at FVTPL	6,722,327	2,596,323
Total treasury investments	9,482,722	5,381,870

The interest earned on our treasury investments is included in Note 2, split by classification and measurement type. For further information on the fair value and contractual maturity of our treasury investments, see Notes 21 and 22 respectively.

13. Loans and advances to customers

Loans and advances to customers are made up of unsecured loans, Monzo Flex, approved overdrafts and overdrawn balances (unarranged overdrafts). We measure them under IFRS 9, first at fair value and then at amortised cost less impairment loss allowance.

The table shows the gross loans and advances to customers, the ECL on those balances, and the net carrying value. The figures are split out by the type of balance the customer has.

Overdrafts and overdrawn balances are made up of approved overdrafts of £543.9m (FY2025: £393.8m) and overdrawn balances on current accounts of £1.5m (FY2025: £9.1m). See Note 25 for more information on the credit loss expense in respect of overdrafts, overdrawn balances, and loans.

	2026	2025
	£'000	£'000
Gross		
Overdrafts and overdrawn balances	545,434	402,876
Loans	1,253,146	897,426
Flex Loans	842,780	553,394
Total gross loans and advances to customers	2,641,360	1,853,696
Impairment loss allowance		
Overdrafts and overdrawn balances	(111,998)	(83,013)
Loans	(97,528)	(81,429)
Flex Loans	(119,909)	(86,784)
Total impairment loss allowance	(329,435)	(251,226)
Net		
Overdrafts and overdrawn balances	433,436	319,863
Loans	1,155,618	815,997
Flex Loans	722,871	466,610
Total net loans and advances to customers	2,311,925	1,602,470
Analysis of gross loans and advances to customers		
Due within one year	1,594,905	1,152,965
Due in more than one year	1,046,455	700,731
Total gross loans and advances to customers	2,641,360	1,853,696

14. Other assets

Receivables

We recognise receivables first at fair value and then at amortised cost. We recognise ECLs under IFRS 9 against certain receivables. Our ECLs for the year are shown in Note 4.

Receivables in respect of payment schemes

Represent cash balances which are due to be received from third party payment schemes. The settlement cycle is dependent on the scheme, but is usually within a few working days of the transaction.

Lease receivable

See Note 16 for more details.

Other receivables

Represent amounts due from our partners, payment scheme providers and customers.

Accrued income

We recognise accrued income where we have earned income under our contracts with partners but have not yet invoiced those partners or received the cash due to us.

Inventory

We value inventory at the lower of cost and net realisable value. It includes bank cards held for sale in the ordinary course of business.

Prepayments

We recognise prepayments where we've bought goods or services that we haven't yet used.

Derivative financial instruments

Represent interest rate swap derivatives used for hedging purposes. These are recorded at fair value and carried as assets when their fair value is positive and carried as liabilities when their fair value is negative.

Cash collateral receivable on interest rate swaps

Includes the variation margin we have to transfer to our counterparties on our interest rate swaps to cover negative fair value positions during the life of the swaps.

	2026	2025
	£'000	£'000
Receivables in respect of payments schemes	131,861	123,978
Lease receivable	29	329
Accrued income	2,082	4,986
Inventory	464	444
Prepayments	21,741	14,989
Cash collateral receivable on interest rate swaps	44,230	—
Other receivables	39,336	28,050
Deposits ²⁷	4,002	3,765
Derivative financial instruments	—	9,640
Other investments	114	109
Total other assets	243,859	186,290

Included within other assets are £220.9m (FY2025: £170.9m) of financial assets and £22.9m (FY2025: £15.4m) of non-financial assets. The credit quality of the financial assets is considered low risk.

²⁷ We have collapsed Collateral Held With Third Parties into Deposits for FY2026 and applied this retrospectively to FY2025.

15. Property, plant and equipment

We show items of property, plant and equipment at cost less accumulated depreciation and impairment. Historical cost includes expenditure that's directly attributable to the cost of the assets.

We recognise right-of-use assets at the commencement date of the lease. The Group has lease contracts for various offices and premises²⁸ and IT infrastructure, see Note 16. We recognise depreciation on fixtures and fittings, which include office fit-out costs, on a straight-line basis over the life of the lease.

We depreciate all property, plant and equipment, and calculate it using the straight-line method to allocate the cost, net of residual values, over the estimated useful lives, as follows:

- Office and IT Equipment: 3 years
- Fixtures and fittings: 3–7 years
- Offices and premises: 2–7 years
- IT infrastructure: 3 years

At the end of each reporting period we check to see whether there are signs that any of our assets could be impaired. The calculation of the recoverable amount includes key assumptions which impact the impairment calculation. There were no signs of impairment identified for FY2026.

Group	Property, plant and equipment		Right-of-use assets		Assets Under Construction	Total
	Fixtures and fittings	Office and IT equipment	Offices and premises	IT infrastructure		
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
As at 1 April 2025	7,761	8,922	16,897	273	—	33,853
Additions	—	—	—	154	55	209
Currency revaluation	—	(3)	—	—	—	(3)
Disposals	—	(7,530)	—	—	—	(7,530)
As at 31 March 2026	7,761	1,389	16,897	427	55	26,529
Depreciation						
As at 1 April 2025	5,849	8,192	4,385	36	—	18,462
Charge for the year	375	392	2,479	107	—	3,353
Depreciation on assets disposed	—	(7,294)	—	—	—	(7,294)
Currency revaluation	—	(3)	—	—	—	(3)
As at 31 March 2026	6,224	1,287	6,864	143	—	14,518
Net book value as at 31 March 2026	1,537	102	10,033	284	55	12,011
Cost						
As at 1 April 2024	7,711	9,320	18,252	218	—	35,501
Additions	50	286	—	273	—	609
Currency revaluation	—	(2)	(78)	—	—	(80)
Disposals	—	(682)	(1,277)	(218)	—	(2,177)
As at 31 March 2025	7,761	8,922	16,897	273	—	33,853
Depreciation						
As at 1 April 2024	5,446	7,322	2,526	133	—	15,427
Charge for the year	403	1,417	2,714	89	—	4,623
Depreciation on assets disposed	—	(545)	(807)	(186)	—	(1,538)
Currency revaluation	—	(2)	(48)	—	—	(50)
As at 31 March 2025	5,849	8,192	4,385	36	—	18,462
Net book value as at 31 March 2025	1,912	730	12,512	237	—	15,391

²⁸ Each of the floors in our London Office are independent of each other and qualify as a separate lease component.

16. Leases

Leases as lessee

We recognise lease liabilities in Other liabilities, further information is included in Note 19.

At the start of a contract we assess whether it is, or contains, a lease. That is, if the contract gives us the right to control the use of an identified asset for a period of time in exchange for payment.

We apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. We recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease liabilities

At the commencement date or on modification of the lease, we recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives. None of our leases have variable lease payments. Where leases include extension options, and these options are reasonably certain to be exercised, we include the option to extend in the lease term.

In calculating the present value of lease payments, we used our estimated incremental borrowing rate (IBR) at the lease commencement date where the interest rate implicit in the lease is unavailable. After the commencement date, we increase lease liabilities to reflect the accumulation of interest and reduce them for lease payments made.

Incremental borrowing rate

We assess our IBR using our observable borrowing rate from our debt agreements.

Short-term leases and leases of low-value assets

We apply the short-term lease recognition exemption to leases with terms of 12 months or less, at the commencement date, and that do not contain a purchase option. We also apply the 'lease of low-value assets' recognition exemption to new leases of assets, worth less than £5k. We recognise lease payments on short-term leases and leases of low value assets as an expense on a straight-line basis over the lease term.

We've shown the following movements on lease liabilities during the year:

	2026 £'000	2025 £'000
As at 31 March 2025	13,593	16,414
Additions	154	273
Interest expense on leases	1,676	1,861
Cash payments	(926)	(4,955)
As at 31 March 2026	14,497	13,593

The interest expense on leases shown above doesn't include the unwinding of the discount on dilapidation provisions related to those leases. That's included in Note 28.

We had total cash outflows for leases, not including short-term or low-value, of £0.9m in FY2026 (FY2025: £5.0m). We also had non-cash additions to right-of-use assets and lease liabilities in FY2026 of £0.2m (FY2025: £0.3m).

We've shown below the amounts relating to leases that have been recognised in profit or loss:

	2026 £'000	2025 £'000
Interest expense on leases	1,676	1,861
Expense relating to low-value leases included in operating expenses	19	28
Total amount recognised in profit or loss	1,695	1,889

B. Leases as lessor

At the commencement of a sublease, we assess whether the lease is a finance or an operating lease. Where the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, it's a finance lease; if not, it's an operating lease. As part of this assessment, we consider certain indicators like whether the lease is for the major part of the economic life of the right-of-use asset.

Throughout the term of a finance lease, as a lessor, we recognise assets held under a finance lease in our statement of financial position and present them as a receivable at an amount equal to the net investment in the lease.

At the commencement of an operating lease, as a lessor, we recognise lease payments from operating leases as income on a straight-line basis.

Finance lease

See Note 2 for interest income on lease receivables.

The following table shows the maturity analysis of the lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	2026	2025
	£'000	£'000
Maturity of lease receivables		
Less than one year	52	320
One to two years	0	53
Total undiscounted rental income receivable	52	373
Unearned finance income	(9)	(47)
Net investment in the lease	43	326

Operating Lease

The Group does not hold any operating leases at the balance sheet date, and did not at the prior balance sheet date.

17. Customer deposits

We recognise customer deposit liabilities firstly at fair value and then at amortised cost.

The Group holds customer deposits at the end of the year of £25.7bn (FY2025: £16.6bn) which are held on demand.



18. Subordinated debt liability

We recognise subordinated debt liabilities initially at fair value less transaction costs and then at amortised cost.

In March 2021, we entered into a subordinated debt arrangement for £25.0m at a rate of interest of 12% per year. We've drawn down 2 tranches (£10.0m and £5.0m) and have an additional £10m facility which remains undrawn as at 31 March 2026 (FY2025: £10m). The contract term spans 10 years and is due to mature on 7 March 2031.

Interest expense incurred on our subordinated debt can be found in Note 2. For further information on the classification and contractual maturity of our subordinated debt liability, refer to Notes 21 and 22 respectively.

	2026	2025
	£'000	£'000
As at 1 April	15,421	15,113
Interest Expense	2,149	2,108
Interest Paid	(1,800)	(1,800)
As at 31 March	15,770	15,421

19. Other liabilities

Customer funds in transit

These amounts represent cash balances which are due to be settled with third party payment network providers or third party savings accounts. The settlement cycle is dependent on the counterparty, but is usually within a few working days of the transaction. On settlement, we derecognise these amounts from the balance sheet. We recognise these amounts at amortised cost.

Provisions

We recognise provisions under IAS 37 Provisions, Contingent Liabilities and Contingent Assets where we have present obligations arising from past events and the payment of the obligation can be reliably estimated and is probable. We've recognised provisions for the cost of returning leased office space to its original condition at the end of the lease. We also recognised provisions for professional service fees and customer remediation costs. See Note 28.

Deferred income

This represents amounts charged to, or received from customers and amounts received as part of Government grants, where we haven't yet met the criteria to recognise the amounts as income.

Lease liabilities

For information on the recognition of lease liabilities please see Note 16. For an analysis of the contractual maturity of lease payments, see Note 22.

Warrant liabilities

We issued warrants in March 2021 which give holders the right to buy our shares in the future. These warrants have an exercise period of 10 years. We measure the fair value of warrants using a Black-Scholes option pricing model with any gain or loss on revaluation recognised in the statement of comprehensive income. Note 21 includes amounts relating to the gain or loss from revaluation.

Other

These amounts represent liabilities for goods and services provided to Monzo before the end of the financial year which are unpaid. The amounts are unsecured and paid in line with the specific terms agreed with the counterparty. We recognise them first at fair value and then at amortised cost.

Derivative financial instruments

This represents interest rate swap derivatives used for hedging purposes. These are recorded at fair value and carried as assets when their fair value is positive and carried as liabilities when their fair value is negative. The derivative was in an asset position at 31 March 2025. (Note 20)

Cash collateral payable on interest rate swaps

As part of margin requirements on our interest rate swaps we receive cash collateral to cover positive fair value positions during the life of the swaps.

	2026	2025
	£'000	£'000
Customer funds in transit	313,254	301,420
Accounts payable, accruals and other creditors	198,384	85,212
Derivative financial instruments	42,015	—
Lease liabilities	14,497	13,593
Provisions	9,200	10,250
Deferred income	7,302	4,880
Other taxes and social security costs	4,240	8,926
Warrant liabilities	1,355	1,211
Cash collateral payable on interest rate swaps	—	10,624
Total other liabilities	590,247	436,116

Included within other liabilities are £569.5m (FY2025: £412.1m) of financial liabilities and £20.7m (FY2025: £24.0m) of non-financial liabilities.

20. Derivative Financial Instruments and Hedge Accounting

Accounting for derivatives

Derivative financial instruments are contracts whose value is derived from one or more underlying financial instruments or indices defined in the contract. They affect the Group's net interest income, net trading income and other assets/liabilities. Notional amounts of the contracts are not recorded on the balance sheet. Our derivative positions consist of interest rate swaps, either in economic hedge relationships or used as cash flow hedges, and issued warrants.

We previously entered into bilateral agreements with various counterparties to purchase interest rate swaps. During FY2025 we moved all of these positions to a central clearing counterparty, the London Clearing House (LCH). We classify our swaps as assets when their fair value is positive, or as liabilities when their fair value is negative, on a counterparty-by-counterparty basis.

We have interest rate swaps that are used to economically hedge fair value interest rate risk on a portion of our fixed rate treasury investments. These investments are designated at FVTPL to significantly reduce income statement volatility which would otherwise exist on measuring the investments and interest rate swaps on different bases.

We also have a portfolio of Interest rate swaps used as part of our risk management strategy to hedge variable interest rate risk on cash held at central banks. These interest

rate swaps are designated in a cash flow hedge accounting relationship.

We apply the requirements of IFRS 9 Financial Instruments for hedge accounting purposes to represent the economic effects of our interest rate risk management strategy on variable interest rate risk. When these swaps meet the required criteria for documentation and hedge effectiveness, we apply cash flow hedge accounting.

For qualifying cash flow hedges, the fair value gain or loss associated with the effective portion of the cash flow hedge is recognised initially in other comprehensive income, and then recycled to the income statement in the periods when the hedged item will affect profit or loss. Any ineffective portion of the gain or loss on the hedging instrument is recognised in the income statement immediately as hedge ineffectiveness.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the hedged item is ultimately recognised in the income statement. If the hedged cash flows are no longer expected to occur the cumulative gain or loss existing in equity will be immediately reclassified to the income statement.

As part of our group reorganisation in FY2024 we cancelled warrants issued by MBL and at the same time the warrants were

re-issued from MBHG under the original terms. The warrants give holders the right to buy our shares in the future. These warrants have a remaining exercise period of 5 years. We measure the fair value of warrants using a Black-Scholes option pricing model with any gain or loss on revaluation recognised in the statement of comprehensive income (see Note 21).

The fair value and notional amounts of derivative financial instruments of the Group are set out in the following table:

	2026		2025			
	Notional contract amount	Assets	Fair value	Assets	Fair value	
			Liabilities		Liabilities	
	£'000	£'000	£'000	£'000	£'000	
Equity derivatives						
Warrants	1,500	—	(1,355)	1,500	—	(1,211)
Derivatives in economic hedge relationships						
Interest rate swaps ²⁹	6,705,550	—	57,908	2,578,713	10,607	—
Derivatives designated as cash flow hedges						
Interest rate swaps ²⁷	10,760,000	—	(99,923)	5,046,000	(967)	—
Total derivative financial instruments	17,467,050	—	(43,370)	7,626,213	9,640	(1,211)

Hedge accounting

Hedge accounting is applied for interest rate risk arising from the volatility of variable linked interest rates. In order to hedge this risk, we use interest rate swaps to swap interest rate exposures from variable rates into fixed rates.

In all hedge accounting relationships, we designate benchmark interest rate risk (Bank of England base rate) as the risk component of the hedged items being hedged. Designating the benchmark interest rate risk results in other risks, such as credit risk and liquidity risk, being excluded from the hedge accounting relationship. Following market-wide interest rate benchmark reform, sensitivity to risk-free rates is considered to

be the predominant interest rate risk and therefore the hedged items change in fair value on a proportionate basis with reference to this risk.

A hedged item or hedging instrument may change due to the nature of the risk management and hedge accounting strategy. It is possible that if the hedge accounting objective changes, the relevant hedge accounting relationship will be de-designated and replaced with a different hedge accounting relationship.

The hedging instruments share the same risk exposures as the hedged items. To the extent hedging instruments are exposed to different risks than the hedged items, this could result in hedge ineffectiveness.

Sources of ineffectiveness include the following:

- mismatches between the contractual terms of the hedged item and hedging instrument, including basis differences
- changes in credit risk of the hedging instruments
- if a hedging relationship becomes over-hedged, for example if the net asset value designated at the start of the period falls below the amount of the hedging instrument; and
- cash flow hedges using external swaps with non-zero fair values.

The following table provides further information on the Group's cash flow hedges designated in hedge accounting relationships:

²⁹ Interest rate swap positions are presented within derivative financial instrument assets or liabilities per application of our master netting agreements.

	Notional amount £'000	Derivative assets £'000	Derivative Liabilities £'000	Change in fair value used as a basis to determine ineffectiveness £'000	Hedge ineffectiveness £'000
As at 31 March 2026					
Interest rate swaps	10,760,000	—	(99,923)	(101,062)	1,935
As at 31 March 2025					
Interest rate swaps	5,046,000	(967)	—	6,915	110

Hedge ineffectiveness for the year was recognised in other operating income within the income statement. The change in fair value of the hedged item, used as the basis for recognising hedge ineffectiveness, was £98.8m (FY2025: £7.3m).

At year-end all our cash flow hedges remain in continuing hedge accounting relationships, with no other amounts reclassified to the income statement other than hedge ineffectiveness.

The maturity and average fixed interest rate profile of our interest rate swaps designated as cash flow hedges is as follows:

As at 31 March 2026	Up to 3 months	3-12 months	1-5 years	Total
Cash flow hedges				
Interest rate swaps:				
Notional (£'000)	510,000	2,060,000	8,190,000	10,760,000
Average fixed interest rate %	4.4	4.1	3.8	3.9
As at 31 March 2025				
Interest rate swaps:				
Notional (£'000)	51,000	625,000	4,370,000	5,046,000
Average fixed interest rate %	5.2	4.4	4.2	4.2

A detailed reconciliation of the movements of the cash flow hedging reserve is as follows:

	2026 £'000	2025 £'000
Balance on 1 April	5,057	990
Change in fair value of interest rate swaps in effective hedge relationships	(107,977)	5,524
Amounts reclassified in relation to items affecting profit or loss	1,825	180
Tax	29,278	(1,637)
Balance on 31 March	(71,817)	5,057

The amounts reclassified in relation to items affecting profit or loss are classified under other operating income within the statement of comprehensive income.

21. Fair value of financial assets and liabilities

Fair value hierarchy

The fair value of financial assets and liabilities is the price that would be received or paid to transfer an asset or liability in an orderly transaction between market participants at the measurement date.

IFRS 13 has sought to make measurements at fair value more consistent and comparable by categorising fair value according to the hierarchy of the inputs used to measure them. These categories, from Level 1 to Level 3, are based on how observable the fair value is.

- **Level 1:** Quoted prices in active markets for identical assets or liabilities which we can access at the date of measurement.
- **Level 2:** Inputs other than quoted market prices included in Level 1 that are observable either directly or indirectly.
- **Level 3:** Inputs that are not based on observable market data.

We've summarised the fair values of financial assets and liabilities by the level of inputs.

Other investments relate to the equity in SWIFT which we bought in line with their terms of use. These are classified as Level 2 assets, because although observable inputs are used, quoted market prices are not readily available.

Financial Assets and Liabilities at fair value				
	Level 1	Level 2	Level 3	Total fair value
As at 31 March 2026	£'000	£'000	£'000	£'000
Financial assets				
Other investments	—	114	—	114
Treasury assets at FVTPL	6,722,327	—	—	6,722,327
Treasury assets at FVOCI	1,650,472	—	—	1,650,472
Total financial assets	8,372,799	114	—	8,372,913
Financial liabilities				
Derivative financial instruments	—	42,015	—	42,015
Warrant liabilities	—	—	1,355	1,355
Total financial liabilities	—	42,015	1,355	43,370
As at 31 March 2025	£'000	£'000	£'000	£'000
Financial assets				
Derivative financial instruments	—	9,640	—	9,640
Other investments	—	109	—	109
Treasury assets at FVTPL	2,596,323	—	—	2,596,323
Treasury assets at FVOCI	596,586	—	—	596,586
Total financial assets	3,192,909	9,749	—	3,202,658
Financial liabilities				
Warrant liabilities	—	—	1,211	1,211
Total financial liabilities	—	—	1,211	1,211

Warrant liabilities are valued using a Black Scholes option pricing model. These are classified as Level 3 liabilities. The most significant inputs are the current share price of Monzo and volatility inputs. Monzo's share price is unobservable and has the most material impact on warrant liability valuation. A 5% change in Monzo's share price would result in a £0.1m income or expense recognised in our income statement.

Interest rate swaps are valued using forward interest rate curves, made from market data to project and discount the expected future cash flows of trades. These are classified as Level 2 assets. Inputs are considered observable as they relate to liquid maturities and are determined separately for each input and underlying.

Treasury assets at FVTPL relate to fixed rate instruments designated at FVTPL. These are classified as Level 1 assets. These include UK government debt, supranational debt and covered bonds which have been economically hedged using interest rate swaps. Fair value is determined by reference to a quoted market price for that instrument.

Treasury assets at FVOCI relate to investments we have elected to hold either to maturity or sell for portfolio rebalancing and optimisation purposes. These include floating rate covered bonds and asset backed securities. These are classified as Level 1 assets as fair value is determined by reference to a quoted market price for that instrument.

Level 3 movement analysis

	As at 1 April 2025	Additions	Losses recognised in the statement of other comprehensive income	Gains and losses recognised in other comprehensive income	As at 31 March 2026
	£'000	£'000	£'000	£'000	£'000
Warrant liabilities	1,211	—	144	—	1,355
Financial liabilities at fair value through the income statement	1,211	—	144	—	1,355

	As at 1 April 2024	Additions	Losses recognised in the statement of other comprehensive income	Gains and losses recognised in other comprehensive income	As at 31 March 2025
	£'000	£'000	£'000	£'000	£'000
Warrant liabilities	1,166	—	45	—	1,211
Financial liabilities at fair value through the income statement	1,166	—	45	—	1,211

All gains and losses recognised in the income statement in relation to Level 3 assets and liabilities are unrealised. Unrealised gains or losses relate to changes in fair value on assets and liabilities that are still held at the year-end reporting date.

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy, or into and out of Level 3 of the fair value hierarchy.

The gains or losses are recognised within the other operating expense line item of the statement of comprehensive income.

Financial assets and liabilities recognised at amortised cost

	Level 1	Level 2	Level 3	Total fair value	Total carrying value
As at 31 March 2026	£'000	£'000	£'000	£'000	£'000
Financial assets					
Cash and cash equivalents	—	15,450,659	—	15,450,659	15,450,659
Treasury investments	1,109,210	—	—	1,109,210	1,109,923
Loans and advances to customers	—	—	2,307,231	2,307,231	2,311,925
Other assets	—	220,773	41	220,814	220,814
Total financial assets	1,109,210	15,671,432	2,307,272	19,087,914	19,093,321
Financial liabilities					
Customer deposits	—	25,715,953	—	25,715,953	25,715,953
Subordinated debt liability	—	14,831	—	14,831	15,770
Other liabilities	—	511,637	14,497	526,134	526,133
Total financial liabilities	—	26,242,421	14,497	26,256,918	26,257,856
Net asset position	1,109,210	(10,570,989)	2,292,775	(7,169,004)	(7,164,535)
As at 31 March 2025	Level 1	Level 2	Level 3	Total fair value	Total carrying value
	£'000	£'000	£'000	£'000	£'000
Financial assets					
Cash and cash equivalents	—	11,021,763	—	11,021,763	11,021,763
Treasury investments	2,189,900	—	—	2,189,900	2,188,961
Loans and advances to customers	—	—	1,592,312	1,592,312	1,602,470
Other assets	—	161,126	—	161,126	161,126
Total financial assets	2,189,900	11,182,889	1,592,312	14,965,101	14,974,320
Financial liabilities					
Customer deposits	—	16,599,371	—	16,599,371	16,599,371
Subordinated debt liability	—	15,512	—	15,512	15,421
Other liabilities	—	397,261	13,593	410,854	410,854
Total financial liabilities	—	17,012,144	13,593	17,025,737	17,025,646
Net asset position	2,189,900	(5,829,255)	1,578,719	(2,060,636)	(2,051,326)

Basis of valuation

Cash and cash equivalents

We consider fair value to approximate carrying value because cash and cash equivalents have minimal credit risk and are short-term in nature, other than amounts held as collateral with central banks.

Loans and advances to customers

We've determined the fair value of the overdrafts and loans by discounting the gross carrying value to present value, using market interest rates, less expected credit losses and considering the quality of positions in the portfolio to assess an arm's length value.

Treasury investments

We've taken the fair value of investments with an active market from the market price available at year-end.

Customer deposits

We consider the fair value of deposit liabilities held on demand to approximate the carrying value.

Subordinated debt liability

We calculate the present value of future cash flows, using our market interest rate and by also applying a marketability discount.

Other assets and other liabilities

We consider the fair value of other assets and liabilities to approximate the carrying value.

22. Liquidity risk management

Liquidity risk is the risk that we fail to meet our obligations as they fall due or can only do so at exceptional cost. We manage this risk by ensuring we have the right type and quantity of funds available when necessary, in the correct currency.

Contractual maturity of financial assets and liabilities

Our liquidity risk appetite is to meet all liabilities as they fall due under business as usual scenarios, and to make sure we have liquidity buffers for a set of stress events. The contractual maturities of financial assets and liabilities are calculated on the contractual cash flows and are disclosed undiscounted in the following table.

As at 31 March 2026	On demand £'000	Less than three months £'000	Between three and six months £'000	Between six months and one year £'000	Over one year £'000	Total £'000
Gross financial assets						
Cash and cash equivalents	14,784,240	19,155	—	—	647,264	15,450,659
Treasury investments	—	479,745	521,307	1,887,574	7,602,794	10,491,420
Loans and advances to customers	531,424	843,874	235,329	350,349	1,046,455	3,007,431
Other assets	152,805	70,355	968	106	4,117	228,351
Total gross financial assets	15,468,469	1,413,129	757,604	2,238,029	9,300,630	29,177,861
Financial liabilities						
Customer deposits	25,715,953	—	—	—	—	25,715,953
Other liabilities – excluding lease liabilities	113,129	393,469	—	—	13,830	520,428
Lease liabilities	—	1,243	1,172	2,313	13,579	18,307
Subordinated debt liability	—	449	454	898	22,092	23,893
Derivative financial instruments	—	3,652	579	(995)	41,477	44,713
Total financial liabilities	25,829,082	398,813	2,205	2,216	90,978	26,323,294
Net asset position	(10,360,613)	1,014,316	755,399	2,235,813	9,209,652	2,854,567

As at 31 March 2025	On demand £'000	Less than three months £'000	Between three and six months £'000	Between six months and one year £'000	Over one year £'000	Total £'000
Gross financial assets						
Cash and cash equivalents	10,565,774	14,869	30	—	441,090	11,021,763
Treasury investments	—	341,160	347,162	1,237,456	4,039,656	5,965,434
Loans and advances to customers	392,420	564,955	168,541	244,819	738,887	2,109,622
Other assets	104,485	52,381	261	211	3,927	161,265
Derivative financial instruments	—	(6,061)	(727)	2,655	15,128	10,995
Total gross financial assets	11,062,679	967,304	515,267	1,485,141	5,238,688	19,269,079
Financial liabilities						
Customer deposits	16,599,371	—	—	—	—	16,599,371
Other liabilities – excluding lease liabilities	77,258	309,426	—	—	11,789	398,473
Lease liabilities	—	286	214	502	18,207	19,209
Subordinated debt liability	—	449	454	898	23,887	25,688
Total financial liabilities	16,676,629	310,161	668	1,400	53,883	17,042,741
Net asset position	(5,613,950)	657,143	514,599	1,483,741	5,184,805	2,226,338

Our undrawn overdraft and flex commitments of £3.2bn (FY2025: £2.1bn) are unconditionally cancellable.

Our Treasury team manages and monitors liquidity risk on a daily basis. The Asset and Liability Committee (ALCo) meets on a monthly basis and monitors the reporting and management of liquidity risk. We currently hold our surplus assets in overnight deposits with central banks and in high quality liquid treasury assets which can be liquidated on demand to generate liquidity and support any short term funding needs. The key metrics we use to monitor liquidity risk are the Liquidity Coverage Ratio (LCR) and our internal Liquidity Risk Appetite metric.

At year-end and at all times throughout the year, we were significantly in excess of our internal risk appetite and regulatory requirements.

We perform liquidity risk stress testing at least annually as part of the ILAAP as noted in the Group Directors' Report on page [102](#). The current and forecasted level of liquidity is tracked against Board approved limits at ALCo, ERCC and GBRC.

The table below gives further detail on the longer dated contractual maturity profiles of our treasury portfolio and cash at bank:

	Less than three months	Between three and six months	Between six months and one year	One to two years	Two to three years	Three to four years	More than four years	Total
As at 31 March 2026	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents	14,803,395	—	—	—	—	—	647,264	15,450,659
Treasury investments	479,745	521,307	1,887,574	2,914,571	1,481,772	1,868,920	1,337,531	10,491,420
Derivative financial instruments	(3,652)	(579)	995	(24,806)	(17,220)	(8,413)	8,962	(44,713)
Total	15,279,488	520,728	1,888,569	2,889,765	1,464,552	1,860,507	1,993,757	25,897,366

Our treasury assets have a weighted average tenor of 2.4 years. Cash at bank with a maturity of more than 4 years relates to encumbered cash held at the Bank of England; It is required to support our payment schemes and varies with the volume of transactions our customers make.

23. Capital risk management

Capital risk is the risk that we don't have the quantity or quality of capital resources to meet our capital requirements and to absorb unexpected losses if they were to occur. Causes of inadequate capital could include a high level of default on our lending, or having large unexpected operational losses.

We continue to maintain capital ratios that exceed our minimum requirements under the Capital Requirement Directive V (CRD V) regulatory framework, as adopted by the UK after Brexit. Full details of our regulatory capital and calculation of our regulatory total capital requirement are given in the Pillar 3 report published on our website. We perform capital stress testing at least annually as part of the ICAAP. The ICAAP includes a 5 year forecast of our capital position and is used to inform the future capital strategy. We also use stress testing in our going concern assessment as detailed in the Group Directors' Report on page [102](#). We submit it to the PRA following Board scrutiny and approval.

The ICAAP assesses our Pillar 1 requirements using the Standardised/Basic Indicator approaches (for respectively credit risk and operational risk capital) and determines additional Pillar 2A capital to be held for those risks not captured or not fully captured by Pillar 1 capital. As at 31 March 2026 we calculate our PRA buffer requirements based on losses that may arise under a severe stress scenario and assessment of the regulatory determined capital conservation and countercyclical buffers.

We perform robust capital planning over our 5 year forecasting horizon to assess the impacts of our strategy and changing regulatory expectations to make sure we understand the future demands on our capital and plan accordingly.

Key capital risk metrics

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, share premium and Tier 2 debt. As at 31 March 2026 our CET1 ratio was 33% (FY2025: 56%) (unaudited). The decrease in CET1 ratios during the year is predominantly due to higher risk weighted assets (RWAs) reflecting increased operational risk RWAs.

During the year ended 31 March 2026, we complied in full with all our externally imposed capital requirements.

Basel 3.1

The PRA's Basel 3.1 final rules are now published and apply from 1 January 2027. Monzo continues to engage with the PRA regarding the expected impact on own funds requirements, and is currently developing reporting and capital planning processes to incorporate the changes to credit, market and operational risk methodologies.

Changes to disclosure requirements will be introduced in the Monzo Bank Holdings Group Limited consolidated and Monzo Bank Limited large subsidiary Pillar 3 reports published in respect of 31 March 2027.

24. Market risk management

Interest rate risk

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. The following table shows the indicative impact on annual interest income under a 100 basis point parallel interest rate shock at the year-end date and the economic value of equity under a 250 basis point shock:

	2026	2025
Impact to annual interest income (£'000) +100bps	22,888	21,659
Impact to annual interest income (£'000) - 100bps	(23,924)	(22,130)
Impact as percentage of Net Assets at year end	1.86%	1.77%
Impact on the Economic Value of Equity (£'000) +250bps	(56,307)	(33,028)
Impact on the Economic Value of Equity (£'000) -250bps	54,600	29,384

The increase in our EVE sensitivity is materially driven by the changes in balance sheet composition and specific management actions taken to manage Net Interest Income sensitivity.

Foreign exchange risk

Foreign exchange risk arises from having assets and liabilities in currencies other than Sterling.

This risk can be split into two components:

1. Transactional foreign exchange short-term

Non-trading foreign currency exposure that arises from specific cashflows in the normal course of business.

At Monzo, this risk arises mainly due to foreign-currency supplier payments and more recently, our multi-currency accounts.

At year-end, our main exposure to transactional foreign exchange was on balances held in US Dollars and Euros for use in day-to-day operations.

These balances are monitored and hedged daily and we consider the risk of fluctuations in foreign exchange rates on these balances to be immaterial.

2. Structural foreign exchange

Long-term, non-trading foreign currency exposure that the bank holds for strategic purposes.

At Monzo, this is a new risk which arises due to the euro capital downstreamed to Monzo Bank Europe and the corresponding euro Risk Weighted Assets. At year-end, this represented our main exposure to foreign exchange risk.

We plan to manage exposure to structural foreign exchange risk in line with internally agreed thresholds for the impact on CET1 ratio caused by changes in foreign exchange rates.

We also manage the overall foreign exchange risk in line with the 2% own funds regulatory threshold. When our exposure to this risk concludes above this threshold, we recognise a capital requirement for this.

25. Credit risk

Credit risk is the risk of financial loss when customers or other counterparties fail to meet their contractual obligations to us or fail to perform their obligations in a timely manner.

We currently offer overdrafts, short-term unsecured loans, credit cards (Monzo Flex) and business loans which generate interest income for us. Lending creates credit risk as borrowers might fail to pay the interest or the principal due. As a material risk, there's significant management focus on setting credit risk appetite and monitoring and managing the credit risk in the portfolio.

Credit risk management

The Borrowing Collective monitors and manages credit risk across all lending portfolios and the Risk and Compliance function oversees it as the Second Line of Defence. The process of measuring and managing credit risk is governed principally at the Credit Risk Committee, which the Enterprise Risk & Compliance Committee (ERCC) oversees, along with lending criteria and policy. In addition, the Board approves the overall risk appetite.

The Credit Risk Committee oversees the credit risk performance of our lending portfolios and ensures it is managed in line with policies and risk appetite. This includes reviewing risk appetite metrics, financial accounting measures and credit performance trends on new lending positions

(originations), existing portfolios and collections and recoveries. This management information also includes IFRS 9 related measures such as probability of default (PD) and loss amounts. We use these in combination with other metrics to inform our business strategy. Overarching appetite measures are tracked by the ERCC and Board Risk Committee (BRC).

Treasury wholesale credit risk is managed in line with our Wholesale Credit Risk Policy which sets out our minimum standards, governance and controls associated with wholesale credit risk management.

New treasury counterparties are subject to internal credit assessments and must be pre-approved by an ALCo sub-committee before an investment is made. All of our treasury assets must hold an investment grade external credit rating. Our counterparty relationships and the credit risk on the investments we hold are reviewed on at least an annual basis by ALCo.

Wholesale credit risk is monitored and managed through ALCo with onward reporting to the Board as needed.

Credit risk mitigation

Retail credit risk is mitigated through the use of robust assessment criteria and processes at the point of origination together with active customer management practices.

We use lending criteria when assessing applications for borrowing products to determine creditworthiness and affordability capacity. These criteria are aligned to regulation and our risk appetite. The general assessment process considers application data provided by the customer at the point of application alongside relevant historical credit performance data held by credit reference agencies. Lending criteria are designed to consider the current and emerging risks for the UK and Global economies, in a way to safeguard against material credit losses.

We actively manage our lending exposure, with our risk appetite set to ensure the portfolio remains resilient through the credit cycle. The risk appetite measures are subject to regular monitoring, with mitigating actions recommended by the management if those are breached.

Treating customers fairly is at the heart of what we do in Monzo. We adopt a proactive approach on contacting customers in potential or actual financial difficulty to discuss their individual circumstances. Where we identify a customer as being vulnerable or in financial difficulty, we offer a range of support, tools and assistance (or direct them to external organisations that can provide extra support). This ensures we provide a tailored solution for each customer, which helps to both support our customers and achieve good customer outcomes.

We have a range of support options including formal and informal forbearance treatments, available for all customer levels of affordability and for those in long or short-term financial difficulties.

We also give additional support to vulnerable customers depending on their circumstances (for example, through our gambling spend block, or lending blocks). Financial health uses processes that link to our vulnerable customer strategy. As part of this, our agents can proactively apply vulnerability flags or add spending and gambling blocks to customer accounts. The financial health team is able to support customers with most vulnerabilities. Where there is a risk of harm the financial health team will transfer the customer to our specialist vulnerable team for tailored support.

We've continued to improve our options for supporting customers, including introducing more options for customers to share their circumstances or access forbearance directly in the app and more regular reviews of repayment plans.

Solution type	Description	Eligible customers
Promise to Pay / Multi-Catch-up	Arrangement to repay with paused collections contact	Customers can clear arrears in a short timeframe (maximum 3 months)
Breathing space	30 or 60 days without contact	Customers seeking debt advice
Health & wellbeing hold	30 days hold with reminders for medical evidence	Customers who are vulnerable and seeking medical write-off
Interest-bearing repayment plan	Short-term scheduled repayment plan	Customers can repay their debt in a reasonable period of time
Interest waiving repayment plan	Long-term scheduled repayment plan with interest suppressed	Customers can make payments over a longer period of time to clear their debt
Zero-payment plan	A plan where the customer can make nominal payments or no payments. No interest, and regular affordability reviews to reassess circumstances, default registered if customer can't move to an acceptable plan within 12 months.	Customer can make nominal payments or cannot afford any repayment offer
Debt write-off	Debt is reduced to zero	Vulnerable customers with exceptional circumstances (for example, terminal illness)

Impairment Loss Allowance

To account for the credit risk in the portfolio, we reduce the value of the assets on the balance sheet using an impairment loss allowance under the IFRS 9 accounting standard. IFRS 9 requires the calculation of an expected credit loss (ECL) for assets on the balance sheet held at amortised cost or fair value through other comprehensive income.

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. The Impairment Council oversees all aspects of impairment adequacy, including controls, model appropriateness, and forward looking assessments of economic and idiosyncratic risks.

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.

Significant accounting estimates

The calculation of expected credit losses is complex and involves the use of judgement and assumptions. Our estimates are driven by a number of factors, including:

- macroeconomic scenarios and corresponding probability weightings
- the likelihood of default

- the amount of loss if default occurs
- our assessment of significant increases in credit risk.

These estimates are driven by empirical data augmented by management judgement where required.

Wholesale and Other assets

We've applied the low credit risk exemption for wholesale assets including Treasury investments and assets held with central banks. This exemption allows us to assume that the credit risk on these instruments hasn't significantly increased since initial recognition if they were considered to have a low credit risk.

Low credit risk is defined when there is a low risk of default, the borrower has a strong capacity to meet their short-term obligations and adverse changes in economic and business conditions will not necessarily

reduce the ability of the borrower to meet their longer term obligations.

For wholesale assets that hold an external credit rating, we use external insights into the cumulative expected default and loss rates attributable to these ratings to determine the 12-month ECL for each asset.

For non-rated wholesale counterparties, the exposures are short-term in nature and are reviewed regularly. If required, an ECL is raised on a judgemental basis taking into account the likelihood of loss. ECL for non-rated wholesale counterparties is £9k (FY2025: £13k).

We also applied a simplified approach to other trade receivables which are short-term in nature and for which the lifetime ECL does not exceed the 12-month ECL.

Expected Credit Loss modelling

The expected credit loss is the anticipated shortfalls from the contractual cash flows over the expected life of a financial asset, allowing for the time value of money. The ECL is calculated at the individual financial instrument level, but a collective approach (grouping financial instruments with similar risk characteristics together) is used where effects can only be seen at a collective level, for example, for forward-looking information.

The assets are grouped into homogenous segments by lending product as these share similar risk characteristics. The results of any collective modelling approach are applied at the individual asset level. The impairment

model calculates the ECL at an account level by multiplying the probability of default (PD), exposure at default (EAD) and the loss given default (LGD) and discounting using the original effective interest rate (EIR) or an appropriate approximation.

- Probability of Default (PD) represents the likelihood of a customer defaulting on their borrowing product over a suitable time frame (the next 12 months or the remaining lifetime).
- Exposure at Default (EAD) estimates the amount expected to be owed by the customer at the point of default. For overdrafts and Monzo Flex, the EAD is calculated by taking the current drawn balance and adding an appropriate credit conversion factor that allows for the expected drawdown of the remaining limit by the time of default. For loans, the EAD is calculated based on the contractual repayment schedule and accounts for missed payments and accrued interest up to the point of default.
- Loss Given Default (LGD) represents the expected loss (expressed as % of the exposure) in the case of a default event.

The ECL represents a weighted average of the expected credit loss across a wide range of plausible macroeconomic scenarios.

Expected lifetime

The expected lifetime of a financial asset is generally equal to the contractual term. For unsecured personal and limited company loans, the life is taken as the contractual term.

For revolving products, such as overdrafts and Monzo Flex, credit losses are assessed over the period that there is exposure to credit risk. The current expected lifetime used in calculating the ECL for overdrafts and Monzo Flex is 5 years.

ECL model governance

IFRS 9 models are governed by Monzo's Model Risk Framework, owned by the CRO and approved by the Group Board Risk Committee. Credit Risk Policy is owned by the Borrowing General Manager and approved by the Credit Risk Committee. ECL models are developed and approved according to specific standards, with high materiality changes approved by the CFO.

All models undergo second-line review, validation, and monitoring. Post Model Adjustments (PMAs) are governed by Monzo's Impairment Policy and PMA Standard, categorised into modelled PMAs and non-modelled PMAs. PMAs are approved by the CFO at the Impairment Council and subject to proportionate independent validation and governance.

Determining a significant increase in credit risk since initial recognition

Under the IFRS 9 standard, financial institutions are required to assess if there has been a significant increase in credit risk (SICR) since initial recognition for assets that don't meet the accounting definition of default (Stage 3). A combination of qualitative

and quantitative criteria are used to determine if a SICR event has occurred. The following criteria are used to attribute the stage for March 2026.

Quantitative

Quantitative criteria are used to identify if a significant increase in credit risk has occurred based on the PD of the account. The reporting lifetime PD is compared against the origination lifetime PD, and if it exceeds both a relative and absolute threshold it is assigned stage 2. This comparison is based on annualised lifetime PD, whereby the PD is divided by the remaining forecasted life of the loan. The absolute and relative thresholds for March 2026 are given below:

- **Relative:** 1.25x – 2.75x dependent on the lifetime PD at origination
- **Absolute:** 2.5% – 3.5% increase in annualised lifetime PD

Qualitative

Qualitative criteria are also used to determine if a significant increase in credit risk has occurred. The criteria for March 2026 are given below:

- Concessions are made to a customer in financial difficulty (Forbearance). Note that this excludes treatments that offer interest concessions (these are captured as part of the stage 3 definition).
- Pulling effect. If a customer has multiple products with Monzo, and one of these products is considered to be either in

default (stage 3), arrears past a threshold (varies by product) or is in Forbearance, then all other products for this customer are classified as stage 2.

Backstop

The 30 days past due backstop is not rebutted. In cases where earlier arrears are considered to be a strong indication of future inability to pay, accounts are classified as stage 2 earlier in their arrears cycle.

Stage 2 Cure

Accounts that have been transferred into stage 2 due to quantitative criteria are transferred back to stage 1 as soon as they no longer meet them. However, accounts that have been transferred to stage 2 due to the backstop or forbearance qualitative criteria are kept in stage 2 for 4 months after they no longer meet these conditions.

Definition of default and credit-impaired assets

We consider a financial instrument to meet the accounting definition of default and therefore be classified as Stage 3 (credit-impaired) for ECL calculations when the borrower is considered unlikely to pay or is 90 days past due on their credit obligation. For overdrafts, this is measured as 90 consecutive calendar days where the account is above its credit limit, or overdrawn without an agreed limit. For loans and Monzo Flex products this is measured as more than

three instalments behind the agreed monthly repayment schedule.

As part of a qualitative assessment of whether a customer meets the accounting definition of default, we consider a variety of events that indicate unlikelihood to pay. Events that trigger stage 3 classification include:

- The customer files for bankruptcy, an Individual Voluntary Agreement, a Debt Relief Order, or a Debt Arrangement Scheme.
- The customer is deceased.
- The repayment terms have been renegotiated because the customer's condition has deteriorated. As an example, this includes cases where a specific repayment plan has been agreed and interest has been frozen.
- The customer has requested 'breathing space' or 'Debt Respite' – when we agree to give the customer some time where we won't contact them about their arrears at all and we freeze fees and interest.

If a concession is made to a customer in financial difficulty (this is known as forbearance), or for other commercial reasons, there can be a temporary modification to contractual cash flows. When this occurs, the gross carrying value of a financial asset is not impacted, and thus no gain or loss is taken to the income statement beyond any increase in ECL. Where we grant a financial concession to a customer we treat them as credit impaired and transfer them to Stage 3.

An account is considered to have exited default (cured) and therefore re-classified out of Stage 3 when a probation period has passed (measured from when they last satisfied any of the default triggers). The probation period is 12 months for forbearance defaults, and 6 months for all other defaults.

Forecast economic data

The IFRS 9 Standard requires banks to consider a range of plausible outcomes in estimating the ECL. The impairment position is determined using 4 distinct macro-economic scenarios which are provided by Oxford Economics and subject to internal review and challenge through the quarterly Economic Update Forum, chaired by the CFO.

1. **The base case forecast (Base – 50% weighting):** The US/Israel–Iran conflict reduces global growth and increases global inflation through higher energy and commodity prices. The Strait of Hormuz is impassable until May, leading to an average 2026 Q2 Brent oil price of \$113pb. Domestic energy bills increase by 20% in July. Already slowing momentum behind real household income growth is exacerbated by the ongoing war, weighing on consumption and growth more generally. UK GDP growth falls to 0.4% for 2026 due to the impact of higher energy and fuel prices. Unemployment rises to a peak of 5.6% towards the end of 2026 as higher inflation (peaking at 3.6% in 2026) passes through to firms already struggling with low profitability. The Bank of England maintains rates at 3.75% until late 2027 when inflation falls below the

2% target. House price growth slows to 1.4% in 2026 and 0.5% in 2027 as rates stay higher, incomes are hit and unemployment ticks upwards.

2. **An upside scenario (Upside – 10% weighting):** A boost to productivity from a successful wider take-up of AI increases world GDP growth to 3.4% in 2026, supported by stronger spending from consumers and businesses. The UK economy accelerates, recording growth of 1.9% in 2026 and 3% in 2027. The labour market tightens, and the unemployment rate falls to its recent decade-low of 3.6% by mid-2028. Supported by stronger sentiment, incomes and employment, residential house prices pick up faster in 2026. Cost-push pressures from higher commodity prices and demand-pull forces increase inflation, causing the Bank of England to change direction and increase rates to a peak of 5% by Q3 2026.
3. **A downside scenario (Downside 1 – 30% weighting):** The downside scenario results in a pronounced global recession in the near-term, capturing risks from heightened geopolitical uncertainty, escalating trade tensions, renewed increases in inflationary pressures, and financial market turmoil. The initial shock to demand across the world is exacerbated by much weaker consumer confidence and by business putting investment plans on hold. The subsequent recovery is subdued, as the combination of increased risk aversion, lower real incomes, and long-term scarring weigh heavily on the global economy, leading to hysteresis. By the end of the decade the

global economy remains around 5% smaller than in the base case. The UK economy faces weak demand, resulting in a contraction of 2.3% in 2026, compared with our already weakened baseline forecast of 0.4%. Amid severely dampened consumer confidence and higher unemployment, the recovery from the recession is slow. As a result, GDP only returns to its Q1 2026 level by mid-2030. Employment is also hit as companies lay off workers and roll out hiring freezes amid much weaker demand and higher uncertainty surrounding the outlook. The UK unemployment rate peaks at 7.1% in mid-2028. Reflecting the hysteresis in the economy, the labour market remains impaired throughout the scenario, with the unemployment rate still around 5.3% by end-2035. In turn, this leads to real incomes being squeezed further, accentuating the tumble in the property and asset markets. To counter the unfolding downturn, the BoE and other central banks re-commit to the rate cutting cycle much faster than expected in the base case. Despite the reduced pressure from currently elevated borrowing costs, the pronounced fall in asset prices, and the widening in risk premia, still lead to a sharp tightening in financial conditions. Lower incomes and increased unemployment force sellers into the residential property market. As the price downturn is further exacerbated by lower confidence, UK house prices only start to recover gradually in late-2028.

of the severe downside scenario on UK GDP is comparable to the magnitude of the shock experienced during the global financial crisis (GFC). By end-2027, GDP is expected to fall around 7.5% below the baseline forecast, which is similar to the peak-to-trough fall seen in 2008-09. Although the trajectories for bad loans, firm failures and bank credit standards are currently more favourable than they were around the GFC, further shocks, particularly unexpected consequences of a sharp correction in property prices, could result in broader financial stress. With monetary policy remaining tight in many advanced economies, recovery from such stress could be slow and uneven, resulting in a severe and prolonged impact on GDP, employment, and financial markets. This would result in a permanent output loss similar in magnitude to that following the GFC. The severe downside scenario sees a sharp and immediate drop in UK output (-3.8% q/q in Q2 2026, compared to +0.06% in the base case) and GDP does not recover until mid-2027 as financial stress remains elevated. Thereafter, the economy grows at a much slower pace – despite the significant scope for an economic rebound from the extreme lows – resulting in a permanent loss of output as the supply side remains impaired. By the end of the decade the economy remains more than 8.5% smaller compared to the base case. Unemployment in the UK climbs to 6.8% by end-2026 and peaks at 7.6% in early-2028, which is 5ppts higher than in the base case. The unemployment rate only falls below 6% close to the final year of the scenario. The surge in

unemployment and prolonged economic weakness triggers a sharp increase in personal insolvencies, comparable to the peak during the GFC. Company bankruptcies accelerate markedly given the extent of recession as well as reflecting that balance sheets are already fragile at the start of the scenario, particularly for smaller firms facing difficult credit conditions. The MPC aggressively cuts Bank Rate, to a low of 1% by Q2 2027, as the impairment to the supply side and labour market remains considerable. UK house prices collapse, falling around 18% below their starting level at the trough and erasing all growth achieved since 2020. This downturn reflects the unparalleled hit to incomes, significantly diminished confidence and tighter credit conditions. With the size of the fall in house prices well in excess of the hit to incomes, valuations as measured by price-to-income ratios, drop sharply reaching levels last seen in the early 2000s.

The forward looking economic variables considered as inputs to the ECL calculation are (i) UK unemployment rate (ii) Debt service ratio (iii) Annual GDP growth and (iv) personal disposable income growth. These are combined using statistical techniques to estimate the relative change in default expectations within the different scenarios. These relative changes are then applied to adjust the ECL parameters for each scenario.

To determine the suitable weighting factors used for the macro-economic scenarios we've considered the historical loss emergence of Monzo's portfolios, Oxford Economics' views, market consensus and a detailed scenario benchmark based on publicly available information.

4. **A more severe downside scenario (Downside 2 – 10% weighting):** The impact

Scenario Probability Weights	Upside	Base	Downside 1	Downside 2
31/03/2026	10%	50%	30%	10%
31/03/2025	10%	50%	30%	10%

		Upside	Base	Downside 1	Downside 2	Weighted
GDP Growth	2025 (Actual)	1.3	1.3	1.3	1.3	1.3
	2026	1.9	0.4	(2.3)	(3.7)	(0.7)
	2027	3.0	1.0	(1.3)	(2.6)	0.1
	2028	2.6	1.8	1.3	0.9	1.6
	2029	2.1	1.7	1.5	1.3	1.6
	2030	1.4	1.5	1.6	1.7	1.5
	Maximum	3.5	1.9	1.6	1.7	1.7
	Minimum	1.4	0.4	(4.2)	(6.6)	(1.3)
	Unemployment	2025 (Actual)	4.9	4.9	4.9	4.9
2026		5.1	5.5	6.0	6.1	5.6
2027		4.2	5.5	6.9	7.3	6.0
2028		3.6	4.9	7.0	7.6	5.7
2029		3.6	4.5	6.7	7.3	5.4
2030		3.6	4.3	6.4	6.9	5.1
Maximum		5.1	5.6	7.1	7.6	6.0
Minimum		3.6	4.2	5.8	5.9	5.0
Base Rate		2025 (Actual)	4.3	4.3	4.3	4.3
	2026	4.4	3.7	3.2	3.0	3.6
	2027	5.0	3.7	2.0	1.3	3.1
	2028	4.7	3.1	1.8	1.0	2.6
	2029	4.0	2.8	1.8	1.0	2.4
	2030	3.3	2.6	1.8	1.0	2.3
	Maximum	5.0	3.7	3.4	3.3	3.6
	Minimum	3.0	2.5	1.8	1.0	2.2
	Inflation (CPI)	2025 (Actual)	3.4	3.4	3.4	3.4
2026		4.1	3.6	2.8	2.5	3.3
2027		3.4	2.4	1.0	0.4	1.9
2028		2.3	1.7	1.2	0.9	1.5
2029		2.1	1.8	1.7	1.6	1.8
2030		1.8	1.8	1.5	1.5	1.7
Maximum		4.9	4.1	3.0	2.5	3.7
Minimum		1.8	1.6	0.4	(0.2)	1.2

The following sensitivity table shows the modelled ECL (excluding post-model adjustments).

Total Modelled Impairment allowance with 100% Weighted scenarios (£000s)	Economic Scenarios				
	Upside	Base	Downside 1	Downside 2	Multiple Economic Scenario
31/3/2026	£296,605	£313,288	£352,030	£369,635	£328,450
31/3/2025	£221,672	£234,052	£254,694	£265,812	£242,093

Write-off

A loan exposure is fully or partially written off against the related impairment loss allowance when there is no realistic prospect of recovering an asset in its entirety. The criteria for assessing that there is no realistic prospect of full recovery include the confirmation of insolvency, confirmation of deceased status and long-term arrears.

Expected recoveries from written off financial assets subject to enforcement activity are recognised in the income statement.

Post Model Adjustments (PMA)

The calculation of the ECLs for the purposes of assessing impairment loss allowance is complex and involves judgement. These adjustments reflect known model limitations or weaknesses or emerging economic risks. The MBL CFO, supported by the Impairment Council, has considered the uncertain macro-economic environment and has approved the following PMAs to safeguard against emerging risks.

PMA	FY2026	FY2025	Rationale
Model Performance PMAs	£16.8m	£14m	These PMAs are in place to address underprediction/overprediction or performance issues in the underlying models to ensure the ECL reflects recent observed performance. They are held until the underlying models are redeveloped.
Debt Sale Recoveries	(£15.8m)	(£10.1m)	This PMA captures the effect of debt sale recoveries on the LGD which aren't included in the core models. These estimates are supportable as debt sales have become more established. This PMA is held until enough recovery data under debt sales becomes available to incorporate in the core models.
Economic Risks	£0m	£5m	A PMA was held at 31 March 2025 to capture the expected impact of US tariffs, which were not reflected in the economic scenarios given the timing of the announcements. The PMA was retired in June '25 when impacts were embedded in the economic scenarios.

Analysis of overdrafts, loans and flex by stage

	Stage 1	Stage 2	Stage 2	Stage 2	Stage 2		
		Not Past Due	<= 30 Days Past Due	>30 Days Past Due	Total	Stage 3	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 31 March 2026							
Overdrafts and overdrawn balances	330,886	145,020	2,089	18,036	165,145	49,403	545,434
Loans	1,017,997	147,474	16,351	10,773	174,598	60,551	1,253,146
Flex	634,805	138,529	14,835	10,559	163,923	44,052	842,780
Gross carrying amount	1,983,688	431,023	33,275	39,368	503,666	154,006	2,641,360
Overdrafts and overdrawn balances	(22,028)	(40,417)	(532)	(9,390)	(50,339)	(28,052)	(100,419)
Undrawn overdraft commitments	(7,811)	(2,463)	—	—	(2,463)	(1,305)	(11,579)
Loans	(28,440)	(20,408)	(6,152)	(7,335)	(33,895)	(35,193)	(97,528)
Flex balances	(25,155)	(50,130)	(7,361)	(7,216)	(64,707)	(24,977)	(114,839)
Undrawn Flex commitments	(2,092)	(2,904)	(53)	(21)	(2,978)	—	(5,070)
Impairment allowance	(85,526)	(116,322)	(14,098)	(23,962)	(154,382)	(89,527)	(329,435)
Overdrafts	301,047	102,140	1,557	8,646	112,343	20,046	433,436
Loans	989,557	127,066	10,199	3,438	140,703	25,358	1,155,618
Flex	607,558	85,495	7,421	3,322	96,238	19,075	722,871
Net amounts receivable	1,898,162	314,701	19,177	15,406	349,284	64,479	2,311,925
ECL Coverage Ratio (%)	4.31%	26.99%	42.37%	60.87%	30.65%	58.13%	12.47%
Undrawn Commitments							
Gross Undrawn Exposure	3,093,757	78,646	1,839	972	81,457	15,122	3,190,336
Impairment allowance	(9,903)	(5,367)	(53)	(21)	(5,441)	(1,305)	(16,649)
Net carrying value	3,083,854	73,279	1,786	951	76,016	13,817	3,173,687
ECL Coverage Ratio (%)	0.32%	6.82%	2.88%	2.16%	6.68%	8.63%	0.52%

As at 31 March 2026, our portfolio consisted of consumer, sole trader and limited company lending within the UK. The table below illustrates the stage breakdown of exposure and ECL for each product.

	Stage 1	Stage 2	Stage 2	Stage 2	Stage 2	Stage 3	
		Not Past	<= 30 Days	>30 Days	Total		Total
	£'000	Due	Past Due	Past Due	£'000	£'000	£'000
As at 31 March 2025							
Overdrafts and overdrawn balances	239,190	117,193	1,638	11,822	130,653	33,033	402,876
Loans	696,140	134,068	13,256	7,683	155,007	46,279	897,426
Flex	412,277	94,420	10,585	6,734	111,739	29,378	553,394
Gross carrying amount	1,347,607	345,681	25,479	26,239	397,399	108,690	1,853,696
Overdrafts and overdrawn balances	(14,586)	(35,317)	(434)	(6,046)	(41,797)	(18,383)	(74,766)
Undrawn overdraft commitments	(4,458)	(2,943)	—	—	(2,943)	(846)	(8,247)
Loans	(16,662)	(22,220)	(5,316)	(5,679)	(33,215)	(31,552)	(81,429)
Flex balances	(17,942)	(40,488)	(5,382)	(4,569)	(50,439)	(15,336)	(83,717)
Undrawn Flex commitments	(1,135)	(1,896)	(26)	(10)	(1,932)	—	(3,067)
Impairment allowance	(54,783)	(102,864)	(11,158)	(16,304)	(130,326)	(66,117)	(251,226)
Overdrafts	220,146	78,933	1,204	5,776	85,913	13,804	319,863
Loans	679,478	111,848	7,940	2,004	121,792	14,727	815,997
Flex	393,200	52,036	5,177	2,155	59,368	14,042	466,610
Net amounts receivable	1,292,824	242,817	14,321	9,935	267,073	42,573	1,602,470
ECL Coverage Ratio (%)	4.07%	29.76%	43.79%	62.14%	32.79%	60.83%	13.55%
Undrawn Commitments							
Gross Undrawn Exposure	2,041,667	71,437	1,643	606	73,686	9,165	2,124,518
Impairment allowance	(5,593)	(4,839)	(26)	(10)	(4,875)	(846)	(11,314)
Net carrying value	2,036,074	66,598	1,617	596	68,811	8,319	2,113,204
ECL Coverage Ratio (%)	0.27%	6.77%	1.58%	1.65%	6.62%	9.23%	0.53%

The overall ECL coverage ratio has reduced from 13.6% to 12.5%. This was primarily driven by continued improvements in the underlying credit quality of the portfolio reflected in the latest ECL models.

The proportion of balances in Stage 2 has also decreased to 19.1% (previously 21.4%), which reflects continued improvements in origination quality over the last couple of years.

Coverage on Stage 3 balances decreased over the year, following redevelopments of the LGD models that better capture our maturing Financial Health processes and outcomes.

Impairment loss allowance movement table

An analysis of changes in the gross loans and advances to customers and undrawn commitments.

	Stage 1	Stage 2	Stage 3	Total
Gross Loans and Advances to customers	£'000	£'000	£'000	£'000
As at 31 March 2024	1,103,258	206,174	84,573	1,394,005
New facilities originated	658,264	120,259	14,852	793,375
Transfer Stage 1 to Stage 2	(172,471)	172,471	—	—
Transfer Stage 2 to Stage 1	49,473	(49,473)	—	—
Transfer into Stage 3	(69,809)	(55,427)	125,236	—
Transfer from Stage 3	2,525	4,828	(7,353)	—
Change due to exposure	6,795	19,414	555	26,764
De-recognition	(230,428)	(20,847)	(4,111)	(255,386)
Write Offs & Disposals	—	—	(105,062)	(105,062)
As at 31 March 2025	1,347,607	397,399	108,690	1,853,696
New facilities originated	993,987	182,885	27,271	1,204,143
Transfer Stage 1 to Stage 2	(147,557)	147,557	—	—
Transfer Stage 2 to Stage 1	127,277	(127,277)	—	—
Transfer into Stage 3	(66,897)	(87,247)	154,144	—
Transfer from Stage 3	1,738	2,957	(4,695)	—
Change due to exposure	19,190	30,689	(2,490)	47,389
De-recognition	(291,657)	(43,297)	(4,246)	(339,200)
Write Offs & Disposals	—	—	(124,668)	(124,668)
As at 31 March 2026	1,983,688	503,666	154,006	2,641,360

	Stage 1	Stage 2	Stage 3	Total
Gross Undrawn Commitments	£'000	£'000	£'000	£'000
As at 31 March 2024	1,398,795	51,084	11,672	1,461,551
New facilities originated	537,723	13,287	289	551,299
Transfer Stage 1 to Stage 2	(65,848)	65,848	—	—
Transfer Stage 2 to Stage 1	30,846	(30,846)	—	—
Transfer into Stage 3	(17,123)	(2,869)	19,992	—
Transfer from Stage 3	1,254	1,259	(2,513)	—
Change due to exposure	198,767	(22,066)	(19,339)	157,362
De-recognition	(42,747)	(2,011)	(936)	(45,694)
As at 31 March 2025	2,041,667	73,686	9,165	2,124,518
New facilities originated	874,953	27,269	764	902,986
Transfer Stage 1 to Stage 2	(64,614)	64,614	—	—
Transfer Stage 2 to Stage 1	45,804	(45,804)	—	—
Transfer into Stage 3	(24,414)	(5,669)	30,083	—
Transfer from Stage 3	924	664	(1,588)	—
Change due to exposure	253,161	(31,109)	(22,539)	199,513
De-recognition	(33,724)	(2,194)	(763)	(36,681)
As at 31 March 2026	3,093,757	81,457	15,122	3,190,336

All credit exposures are initially classified as Stage 1.

New facilities reported above in Stages 2 and 3 have migrated from Stage 1 since origination.

An analysis of changes in the Impairment loss allowance is as follows.

Impairment allowance	Stage 1 £'000	Stage 2 £'000	Stage 3 £'000	Total £'000
As at 31 March 2024	69,167	80,852	53,988	204,007
New facilities originated	24,125	33,880	9,977	67,982
Transfer Stage 1 to Stage 2	(13,845)	13,845	—	—
Transfer Stage 2 to Stage 1	17,443	(17,443)	—	—
Transfer into Stage 3	(6,475)	(26,806)	33,281	—
Transfer from Stage 3	1,544	2,949	(4,493)	—
Change due to exposure ³⁰	1,499	6,150	(901)	6,748
De-recognition	(9,093)	(5,928)	(3,716)	(18,737)
Changes due to measurement ³¹	(29,582)	42,827	83,043	96,288
Write Offs & Disposals	—	—	(105,062)	(105,062)
As at 31 March 2025	54,783	130,326	66,117	251,226
New facilities originated	43,100	57,437	18,490	119,027
Transfer Stage 1 to Stage 2	(8,655)	8,655	—	—
Transfer Stage 2 to Stage 1	40,810	(40,810)	—	—
Transfer into Stage 3	(5,085)	(38,213)	43,298	—
Transfer from Stage 3	1,243	2,067	(3,310)	—
Change due to exposure	780	10,063	(1,516)	9,327
De-recognition	(6,139)	(7,169)	(2,973)	(16,281)
Changes due to measurement	(35,311)	32,026	94,089	90,804
Write Offs & Disposals	—	—	(124,668)	(124,668)
As at 31 March 2026	85,526	154,382	89,527	329,435

³⁰ 'Changes due to exposure' have been attributed as the change in gross carrying value and undrawn commitments (taken from 'changes due to exposure' in the prior two tables), multiplied by the ECL coverage ratio for that Stage at 31 March 2025.

³¹ 'Changes due to measurement' include all other changes impacting the movement in ECL on exposures on balance sheet throughout the entire year. This includes the impact of Stage transfers, new ECL models, PMAs, and changes in behavioural information that impact the ECL.

We've shown a reconciliation of the movement in the Balance Sheet impairment loss allowance to the credit loss expense to the Statement of Comprehensive Income below:

Reconciliation of Credit impairment charge	Loans and advances to customers £'000	Receivables £'000	Total £'000
Movement in impairment allowance	78,209		78,209
Write-offs (net of recoveries and EIR adjustment)	124,668	803	125,471
Income statement charge for the year	202,877	803	203,680

Credit quality

We've shown information on the credit quality of our overdraft, loan and Flex book in the following table. We've segmented by PD ranges based on currently approved IFRS 9

PD models which measures the likelihood of an account meeting our default definition over the next 12 months. The PD models are specifically developed for the purposes of IFRS 9. The PD segmentation excludes post model adjustments. Exposures with an unassigned PD come from small portfolios and have been provisioned for on a collective basis.

Of the £15,450.7m (FY2025: £11,021.8m) cash and cash equivalents, material balances include:

- £15,422.5m (FY2025: £11,003.9m) held with the Bank of England.
- £13.7m (FY2025: £9.2m) held with seven UK banks or EU money institutions, £10.9m

(FY2025: £1.6m) with two EU banks and £2.8m (FY2025: £2.6m) with two US banks.

Overall, the credit risk on cash and cash equivalents is not considered material.

Stage	1	2	3	Total	1	2	3	Total	Net balances	ECL coverage
31 March 2026	Gross carrying amount				Impairment allowance					
0% < to 1.0%	584,479	6,894	—	591,373	(3,662)	(55)	—	(3,717)	587,656	1%
1.0% < to 2.5%	340,503	9,766	—	350,269	(6,619)	(263)	—	(6,882)	343,387	2%
2.5% < to 5.0%	330,451	25,713	—	356,164	(12,052)	(3,101)	—	(15,153)	341,011	4%
5.0% < to 10.0%	402,041	52,526	—	454,567	(23,919)	(7,541)	—	(31,460)	423,107	7%
10.0% < to 99.99%	304,297	335,291	—	639,588	(34,161)	(105,126)	—	(139,287)	500,301	22%
Arrears	8,055	72,686	—	80,741	(1,279)	(38,054)	—	(39,333)	41,408	49%
Default	—	—	154,006	154,006	—	—	(89,527)	(89,527)	64,479	58%
Unassigned	13,862	790	—	14,652	(3,834)	(242)	—	(4,076)	10,576	28%
As at 31 Mar 2026	1,983,688	503,666	154,006	2,641,360	(85,526)	(154,382)	(89,527)	(329,435)	2,311,925	12%

Stage	1	2	3	Total	1	2	3	Total	Net balances	ECL coverage
31 March 2025	Gross carrying amount				Impairment allowance					
0% < to 1.0%	394,079	4,110	—	398,189	(2,483)	(52)	—	(2,535)	395,654	1%
1.0% < to 2.5%	225,151	12,373	—	237,524	(4,415)	(1,871)	—	(6,286)	231,238	3%
2.5% < to 5.0%	253,243	28,904	—	282,147	(8,452)	(5,737)	—	(14,189)	267,958	5%
5.0% < to 10.0%	269,912	53,750	—	323,662	(15,851)	(10,740)	—	(26,591)	297,071	8%
10.0% < to 99.99%	197,345	246,440	—	443,785	(22,132)	(84,450)	—	(106,582)	337,203	24%
Arrears	4,075	51,760	—	55,835	(770)	(27,458)	—	(28,228)	27,607	51%
Default	—	—	108,690	108,690	—	—	(66,117)	(66,117)	42,573	61%
Unassigned	3,802	62	—	3,864	(680)	(18)	—	(698)	3,166	18%
As at 31 Mar 2025	1,347,607	397,399	108,690	1,853,696	(54,783)	(130,326)	(66,117)	(251,226)	1,602,470	14%

26. Offsetting

We have derivatives in the form of interest rate swaps which are cleared at LCH and governed by the International Swaps and Derivatives Association (ISDA) and the Cleared Derivatives Execution Agreement (CDEA). Cash collateral is exchanged daily to cover the net exposure between us and LCH. This agreement enables the collateral to be realised in an event of default or if other predetermined events occur.

The table below summarises the derivative financial assets and liabilities subject to offsetting, enforceable master netting arrangements, as well as cash collateral received to mitigate credit exposures for these assets and liabilities, and whether offset is achieved in the balance sheet of the Group.

Over-collateralisation, where it exists, is not reflected in amounts after consideration of netting potential in the table below as surplus collateral is not recognisable in the event of default.

The terms of our agreement with LCH requires us to pledge up-front initial margin which is not subject to enforceable netting agreements. The amount of initial margin pledged at the end of the reporting period was £64.1m, in the form of treasury investments (FY2025: £31.2m).

	Effects of offsetting on-balance sheet			Related amounts not offset in the balance sheet		Maximum exposure to risk
	Gross amounts £'000	Amounts offset £'000	Net amounts reported in the balance sheet £'000	Collateral pledged/ (received) £'000	Net amount after consideration of netting potential £'000	After consideration of netting potential £'000
As at 31 March 2026						
Derivative financial instruments - assets	69,239	(69,239)	—	—	—	—
Derivative financial instruments - liabilities	(111,254)	69,239	(42,015)	44,230	—	—
Total	(42,015)	—	(42,015)	44,230	—	—

	Effects of offsetting on-balance sheet			Related amounts not offset in the balance sheet		Maximum exposure to risk
	Gross amounts £'000	Amounts offset £'000	Net amounts reported in the balance sheet £'000	Collateral pledged/ (received) £'000	Net amount after consideration of netting potential £'000	After consideration of netting potential £'000
As at 31 March 2025						
Derivative financial instruments - assets	29,336	(19,696)	9,640	(10,624)	—	—
Derivative financial instruments - liabilities	(19,696)	19,696	—	—	—	—
Total	9,640	—	9,640	(10,624)	—	—

27. Legal proceedings, contingent liabilities and undrawn commitments

Legal proceedings

The previously disclosed FCA investigation concluded in July 2025, with a financial penalty of £21.1m imposed on and paid by Monzo for operating inadequate financial crime systems and controls between October 2018 and August 2020, and for breaches between August 2020 and June 2022 of a voluntary requirement that prevented Monzo from opening accounts for high-risk customers. The FCA recognised Monzo's progress in remediation and enhancement, significant resourcing investment, and ongoing commitment to an effective financial crime framework.

Contingent liabilities

During FY2026, we continued to make intervention enhancements that reduce the incidence and impact of authorised push payment and card frauds. We have also made significant changes to our reimbursement process in order to improve outcomes for customers. This includes how we process a claim for reimbursement from a customer through to the handling of both internal and FOS complaints. While the enhancements are helping deliver fair and consistent outcomes for Monzo customers, we are currently reviewing our compliance with the PSR's Mandatory APP Fraud Reimbursement Rules to ensure we are fully aligned with them. It is not possible at this stage to estimate the financial impact arising from this review.

We are, from time to time, party to claims arising in the ordinary course of business which may result in a future financial outflow. The amount of any such outflow is not reliably measurable and will depend on the circumstances pertaining to each individual claim.

Undrawn commitments

Total committed but undrawn facilities as at 31 March 2026 are £3.2bn (FY2025: £2.1bn) in respect of customer overdraft and Monzo Flex agreements. These commitments represent agreements to lend in the future subject to terms and conditions, so the amount and timing of future cash flows are uncertain.

28. Provisions

Significant accounting estimates

We operate in a highly regulated environment. This exposes us to significant operational risks. We can be involved in litigation, arbitration and regulatory investigations, both in the UK and other countries we operate in. At any point in time we may have a number of matters being reviewed to assess if we have an obligation that will result in economic outflows from the Group. This requires judgement. If we can reliably measure any outflows that are considered probable, we recognise a provision. The amount that is recognised as a provision can also be sensitive to the assumptions made in calculating it.

We have considered the nature of these estimates and concluded that it is possible, on the basis of existing knowledge, that outcomes within the next financial year may be different to assumptions we have applied as at 31 March 2026. These outcomes may require a material adjustment to the carrying amounts of liabilities in the next financial year. Our Other provisions largely represent expected future costs related to legal proceedings and customer remediation costs. The assumptions used in these estimates are highly sensitive, a 25% increase in these provisions would result in a £2.3m charge to the income statement.

If an outflow is considered possible we would disclose a contingent liability (see Note 27 for more details). But, as we believe sharing details on individual cases would prejudice their outcomes, we don't share detailed, case-specific information in our financial statements.

The Group began the formal wind down of MINC on 31 March 2026. We have provided £5.3m for related personnel, legal and administrative expenses.

Based on historical settlement trends for closed FOS cases, we have recognized a provision of £2.5m. This represents our best estimate of the total expenditure required to conclude all currently outstanding FOS complaints.

	Dilapidation of offices £'000	Other provisions £'000	Total £'000
As at 31 March 2025	411	9,839	10,250
Additions	—	5,709	5,709
Used	(91)	(6,587)	(6,678)
Unused amounts reversed	(88)	—	(88)
Unwinding of discount	7	—	7
As at 31 March 2026	239	8,961	9,200

We have leases on office buildings in London and Cardiff. Our Cardiff lease includes a dilapidation provision to restore the building at the end of the lease. At the inception of the lease we recognised a provision for the contracted amount included in the lease, or using an estimate where an estimate could be reliably given. We discount the provisions to the present value at the start of the lease, using the same incremental borrowing rate as used in the calculation of the lease liability. We unwind the discount over the life of the lease.

29. Country-by-Country reporting disclosure

In 2014, the UK Government enacted legislation (contained in the Financial Services and Markets Act 2000 Statutory Instrument 3118) with respect to the country by country reporting disclosure.

MBHG is incorporated in the UK and acts as the parent and holding company for the Group.

MBL is incorporated in the UK and undertakes banking activities as described in the Strategic Report.

Monzo Inc. is incorporated in the USA and offers a debit card product to customers in the USA. The Group have commenced the process of winding up Monzo Inc. along with closing our US operations.

MBEU is incorporated in the Republic of Ireland, offering banking services in the Republic of Ireland.

Monzo Support US Inc. was incorporated in the USA and provided support services to MBL in prior years. It was wound up in FY2026.

MBEU has opened a branch in Spain, MBEU Spanish Branch.

	UK	USA	Republic of Ireland	Spain	Total
Average number of employees (FTE)	4,591	42	34	7	4,674
Turnover (Total income) (£'000)	1,710,863	1,025	408	—	1,712,296
Profit/ (Loss) before tax (£'000)	122,350	(20,206)	(13,527)	(1,329)	87,288
Corporation tax paid (£'000)	20,068	—	18	—	20,086
RDEC claim (£'000)	4,861	—	—	—	4,861

30. Share capital

	Nominal £	Number of ordinary shares	Share Capital £
2024		216,724,276	216,724
Shares issued	0.001	11,906,976	11,907
Options exercised	0.001	8,894,535	8,895
2025		237,525,787	237,526
Shares issued	0.001	1,007,523	1,008
Options exercised	0.001	1,406,326	1,406
2026		239,939,636	239,940

Our ordinary shares have several share classes, all of which have the same full voting rights attached and rank equally in all respects, with the exception of anti-dilution rights and the distribution of proceeds from a share sale event which involves a change in control.

Some of the shares in issue are owned by members of the Board, management and colleagues. At the balance sheet date 23,306,455 (FY2025: 22,138,303) share options were unvested.

31. Other reserves

	2026	2025
	£'000	£'000
Fair value through other comprehensive income reserve	834	430
Cash flow hedging reserve	(71,817)	5,057
Share-based payment reserve	120,212	63,437
Currency translation reserve	(1,103)	(134)
Total	48,126	68,791

Fair value through other comprehensive income reserve

The fair value through other comprehensive income reserve represents the changes in the fair value of financial instruments accounted for at fair value through other comprehensive income investments since initial recognition.

Currency translation reserve

The currency translation reserve represents the cumulative gains and losses on the retranslation of the Group's net investment in foreign operations.

Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative gains and losses on effective cash flow hedging instruments that will be recycled to profit or loss when the hedged transactions affect profit or loss.

Share-based payment reserve

The reserve to recognise value of services received by Monzo in exchange for share options.

32. Group structure

Group entities

The Group consists of MBHG as the ultimate controlling entity, and the direct owner of MBL, MINC and MBEU. MBL had a dormant wholly owned subsidiary, Monzo Support US Inc., at the last balance sheet date 31 March 2025. Monzo Support US Inc. was wound up on 10 September 2025, and as such no longer forms part of our group structure. We've set out the shareholding and registered offices of each entity as follows.

On 31 March 2026 the Group commenced the formal process of winding up MINC. As of the reporting date, the Group continues to exercise control over the entity's remaining assets and liabilities.

We also serve as trustee of bare trusts used with savings providers for the benefit of our customers, which aren't reported on our Statement of Financial Position. During FY2026, on the instructions of our customers we transferred £10,930.0m (FY2025: £8,114.8m) to our savings providers, £13,470.8m (FY2025: £6,836.7m) was returned to customers. These customers earned interest on £2614.7m of savings (FY2025: £4885.2m). We earned commission in relation to our role as trustee as described in Note 3. We have no exposure to loss on these deposits.

Our customers have migrated balances (£1.7bn) to instant access pots after closure of the savings market place.

Legal entity	Shareholding	Registered office
Monzo Bank Holding Group Limited	Parent	Broadwalk House, 5 Appold Street, London, United Kingdom, EC2A 2AG
Monzo Bank Limited	100%	Broadwalk House, 5 Appold Street, London, United Kingdom, EC2A 2AG
Monzo Inc	100%	1209 Orange Street, Wilmington, New Castle County, Delaware, 19801, USA
Monzo Bank Europe Designated Activity Company (DAC)	100%	Unit 1 – Floor 4, One Central Plaza, Dame Street, Dublin 2, Dublin, D02 K7k5, Ireland

33. Share-based payments

All new colleagues (including senior executives) receive share options when they join the Company and may be entitled to further share options as a reward for performing well and to incentivise them to make Monzo a success.

The share options issued are equity settled with no cash settlement options, with a maximum term of 10 years. Options typically vest evenly over four years with a one year cliff; or on an exit event. If a colleague leaves before the vesting cliff, they forfeit all options at that date. A limited number of options for senior executives have market vesting conditions.

Our expense for the share options granted to our colleagues is recognised over the period between the grant date and the vesting date of those options. We calculate the overall cost of the option award using the number of options expected to vest and the fair value of the options at the grant date. The overall cost is recognised as a personnel expense, with a corresponding increase in other reserves within equity, over the period that colleagues provide services. This is generally the period between the award being granted or notified and the vesting date of the options.

In prior years, MBL operated a Company Share Options Plan (CSOP), but as some of HMRC's conditions for a tax approved plan were not met, no new grants were made under the CSOP. The second Legacy Option scheme is a Leaver Share Option Plan (LSOP) which converts the vested CSOP share

options for leavers into Unapproved Share Option Plan (USOP) share options. The exercise price is set at the fair market value at the original CSOP option grant date.

From 12 September 2023 onwards, MBHG has granted options over its shares under its own share option plan (the Monzo Group Share Option Plan). Generally, these awards were granted with the exercise price set to £0.001 or, for US taxpayers, s409A Exercise Price.

We also operate an equity settled Incentive Stock Option (ISO) scheme for colleagues in our US business, which involves options over MBHG shares that are granted with a s409A Exercise Price. In the Company only accounts, this arrangement leads to MINC recognising a capital contribution from the parent, with MBL recognising a corresponding increase to its investment in MINC.

We measure the cost of all equity-settled options based on the fair value of the awards at the date of grant. We determine the grant date fair value using Black Scholes models which take into account the terms and conditions attached to the awards. Inputs into the valuation models include the risk free rate, an estimate of our market share price, dividend yield and the expected volatility of the share price.

Our market share price is assessed using the pricing achieved in the funding round immediately preceding the issuances.

If a period of 6 months has passed following an observable funding price, a valuation exercise considering our performance, growth and market conditions is used to calculate an appropriate share price. Using an option valuation model to determine the fair value means including highly subjective assumptions. Changes in the subjective assumptions can materially affect the fair value estimates. The main assumptions we've used in deriving the value of the options at grant are shown below.

The expected volatility was determined by assessing the historical volatility of listed peers and comparable private companies to obtain an estimated 'implied' volatility.

As an unlisted company granting share options to our colleagues, several estimates and assumptions are made to calculate the quarterly options price. The most material estimates relate to the current share price of Monzo, the volatility inputs to our Black-Scholes model and our assumptions on future exercise scenarios. A 5% increase in the share price assumption would result in approximately an additional £2.7m charge in FY2026 (FY2025: £1.8m charge). Several external sources are used to assess comparable transactions which may not fully represent Monzo.

Valuation assumptions	2026	2025
Risk free rate	3.58%-4.49%	3.76%-4.54%
Volatility	35%	30%-35%
Dividend yield	nil	nil
Expected life	1.5 years - 2 years	2 years

We recognise the fair value of options at grant date as a personnel expense with a corresponding increase in other reserves over the period that the colleagues become unconditionally entitled to the awards. In FY2026, the total expense was £59.0m (FY2025: £83.5m). Our share options are amortised using the graded method as the vast majority of our options vest in instalments.

	CSOP Number	Non-CSOP Number	ISO Number
At 1 March 2024	5,250,889	47,701,546	1,087,824
Adjustment for company reorganisation	—	—	—
Granted during the period	—	7,135,227	1,208,214
Forfeited/cancelled	(1,000)	(2,445,653)	(108,034)
Exercised	(1,666,608)	(7,100,890)	(127,041)
At 31 March 2025	3,583,281	45,290,230	2,060,963
Granted during the period	—	11,315,644	555,146
Forfeited/cancelled	(58,926)	(4,692,514)	(177,525)
Exercised	(230,027)	(1,176,299)	(3,566)
At 31 March 2026	3,294,328	50,737,061	2,435,018

The weighted average exercise prices of all options as at 31 March 2026 are outlined in the table below.

	CSOP	Non-CSOP	2026 ISO
Outstanding at the beginning of the period	£1.77	£1.73	£5.54
Granted during the period	n/a	£0.55	£7.24
Forfeited or cancelled during the period	£0.57	£2.37	£7.02
Expired during the period	n/a	n/a	n/a
Exercised during the period	£1.08	£0.39	£7.21
Outstanding at the end of the period	£1.84	£1.44	£5.82
Exercisable at the end of the period	£1.84	£1.75	£4.89

The range of exercise prices on outstanding options and weighted average share price, fair value and remaining life on options are outlined in the table below.

	2026			2025		
	CSOP	Non-CSOP	ISO	CSOP	Non-CSOP	ISO
Range of exercise prices for outstanding options	£0.1997 - £13.0194	£0.001 - £14.4125	£2.53 - £10.42	£0.1997 - £13.0194	£0.001 - £14.4125	£2.53 - £7.21
Weighted average share price for options exercised in the period	£15.10	£15.10	£15.10	£15.02	£14.99	£15.10
Weighted average fair value of options granted during the period	n/a	£7.73	£4.83	n/a	£7.50	£4.76
Weighted average remaining life of outstanding options	1.9	6.5	7.6	2.9	6.8	8.2

Secondary Sale Event

During the prior year we had our first employee secondary share sale, which has not been repeated in FY2026. 901,022 of existing ordinary shares held by employees and 6,315,846 of ordinary shares created on exercise of employee options as part of the transaction were converted to investor shares and sold to our investors.

This resulted in shares with a total value of £109.0m being sold. The total cost to Monzo of the transaction was £53.4m. This included £45.2m of non-cash expense representing the uplift in fair value of the existing ordinary shares/options, as compared to the investor shares they were converted to before sale. The remaining cost of £8.2m related to employer payroll taxes. £11.0m was received by Monzo on exercise of the employee options meaning the transaction was broadly capital neutral.

The secondary sale was one-off in nature and is not expected to impact profit or loss in future years. The transaction has not had any impact on our accounting treatment for share-based payments.

34. Related party transactions and controlling parties

Controlling parties

In the opinion of the Directors there is no overall controlling party at year-end.

Transactions with related parties

There were no transactions with related parties during the year other than those mentioned below.

Transactions with key management personnel

Key management personnel are defined as our directors.

The compensation paid or payable to key management personnel is shown in the following table:

	2026	2025
	£'000	£'000
Transactions with key management personnel		
Salaries & remuneration	3,181	3,315
Social security contributions	439	1,534
Share-based payments	4,891	13,095
Contributions to defined contribution plans	20	22
	8,531	17,966

0 directors (FY2025: 2) exercised share options during the reporting period.

In addition, a total of 156,942 (FY2025: 110,275) shares were purchased by directors at a fair value of £2,369,824 (FY2025: £1,620,928) in the period ended 31 March 2026.

All deposits, lending and other products with key management personnel on the balance sheet are on the same terms as those with our customers and within our normal business activities.

Subsidiaries

Interest in the Subsidiaries and changes to the group structure have been outlined in Note 32.

In accordance with IFRS 10, intercompany transactions and balances have been eliminated on consolidation.

35. Auditor's remuneration

Auditor's remuneration for the audit of the financial statements was £3.9m (FY2025: £3.4m) none of which related to FY2025 audit (FY2025: £nil). There was £138k remuneration for non-audit services relating to ESG assurance in the reporting period (FY2025: £147k).

36. Events after the reporting date

On 1 April 2026, Monzo Bank Limited received regulatory approval to acquire 100% of the voting shares of digital mortgage broker Hey Habito Ltd. The acquisition represents a significant strategic priority for Monzo enabling us to offer fully end-to-end mortgage broking and insurance protection advice to our customers.

Due to the proximity of the acquisition date to the date of the authorisation of these financial statements, the initial measurement of identifiable assets and liabilities for the business combination is preliminary.

The preliminary fair values of the identifiable assets and liabilities of Hey Habito Ltd at the acquisition date were:

	Fair value recognised on acquisition
	£'000
Total identifiable net assets at fair value	4,101
Goodwill arising on acquisition	26,264
Purchase consideration transferred	30,364

Consideration for the acquisition comprises £24.4m of cash consideration and £6M of contingent consideration (recognised as a liability), the latter which is payable over 3 years dependent on Hey Habito Ltd achieving certain performance targets. The goodwill of £26.2m comprises the value arising from unlocking positive net synergies, including cross-selling products, and the ongoing benefits of an assembled workforce. None of the goodwill is expected to be deductible for tax purposes.

No results from Hey Habito Ltd have been recognised in these financial statements and no indemnification assets or contingent liabilities arose in connection with the acquisition.

Financial Statements of Monzo Bank Holding Group Ltd

Monzo Bank Holding Group Ltd

Statement of comprehensive income

for the year ended 31 March 2026

	Notes	2026 £'000	2025 £'000
Interest income		12,449	21,229
Total revenue		12,449	21,229
Interest expense		(2,298)	(2,108)
Cost of revenue		(2,298)	(2,108)
Gross profit		10,151	19,121
Personnel expenses		(89)	(892)
Other operating expense		(31,051)	(6,265)
Total operating expense		(31,140)	(7,157)
Profit / (loss) before tax		(20,989)	11,964
Taxation (credit)	2	83	(1,642)
Profit / (loss) for the year		(20,906)	10,322
Total comprehensive income/(loss) for the year		(20,906)	10,322

Statement of financial position

As at 31 March 2026

	Notes	2026 £'000	2025 £'000
Assets			
Cash and cash equivalents		755	20
Other assets	3	223,889	326,772
Investment in subsidiaries	4	959,781	817,742
Total assets		1,184,425	1,144,534
Liabilities			
Subordinated debt liability	5	15,770	15,421
Other liabilities	6	3,166	3,290
Current tax liability		483	1,642
Total liabilities		19,419	20,353
Equity			
Called up share capital	7	240	238
Share premium account	7	503,779	501,730
Other reserves		621,915	565,141
Accumulated profits		39,072	57,072
Total equity		1,165,006	1,124,181
Total liabilities and equity		1,184,425	1,144,534

The notes and information on pages [188](#) to [193](#) form part of the financial statements. The financial statements from pages [106](#) to [192](#) were approved by the Board of Directors on 15/05/2026 and signed on its behalf by:



Tom Oldham
Group Chief Financial Officer
15 May 2026

Statement of changes in equity

for the period ended 31 March 2026

	Share capital £'000	Share premium £'000	Other reserves £'000	Merger reserve £'000	Retained profits / (losses) £'000	Total equity £'000
Balance as at 1 April 2024	217	339,388	21,120	501,703	(460)	861,968
Profit for the year	—	—	—	—	10,322	10,322
Total comprehensive income for the year	—	—	—	—	10,322	10,322
Shares issued	21	150,627	—	—	—	150,648
Cost of issuance	—	(20)	—	—	—	(20)
Share-based payments reserve	—	—	89,528	—	—	89,528
Exercise of options	—	11,735	(47,210)	—	47,210	11,735
Balance as at 31 March 2025	238	501,730	63,438	501,703	57,072	1,124,181
Loss for the year	—	—	—	—	(20,906)	(20,906)
Total comprehensive (loss) for the year	—	—	—	—	(20,906)	(20,906)
Shares issued	2	2,004	—	—	—	2,006
Share-based payments reserve	—	—	59,680	—	—	59,680
Exercise of options	—	45	(2,906)	—	2,906	45
Balance as at 31 March 2026	240	503,779	120,212	501,703	39,072	1,165,006

The Company's share capital as at 31 March 2026 was £240k (FY2025: £238k). See Note 7 for further detail.

Notes to the financial statements

for the year ended 31 March 2026

1. Accounting policies

i. Reporting entity

These financial statements are prepared for MBHG. MBHG ('the Company') is a private company limited by shares incorporated and registered in England and Wales.

MBHG was incorporated on 6 April 2023. The financial statements presented cover the year between 1 April 2025 to the year-end date 31 March 2026.

ii. Basis of preparation

The financial statements of MBHG have been prepared in accordance with Financial Reporting Standards, 'Reduced Disclosure Framework' (FRS 101) and have been prepared in accordance with the provisions of Companies Act 2006.

We present the financial statements in Sterling which is the Company's functional currency. Figures in tables are shown in thousands of pounds Sterling unless otherwise stated.

We present our statement of financial position in order of liquidity. We base this on our intention and ability to recover, or settle, the majority of assets, or liabilities, in the financial statement line.

The Directors expect us to have enough financial resources to meet our regulatory

requirements for our going concern assessment period and conclude it's appropriate to continue preparing our financial statements on a going concern basis. The financial statements therefore do not contain adjustments that would result if the Company was unable to continue as a going concern.

In the individual financial statements, the Company has applied the following exemptions from the requirements of IFRS available under FRS 101 in respect of the following disclosures:

- Paragraphs 45(b) and 46 to 52 of IFRS 2 Share based payments
- The following paragraphs of IAS 1 Presentation of financial statements:
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS); and
 - 111 (statement of cash flows information)
- IAS 7 Statement of cash flows
- Paragraphs 30 and 31 of IAS 8 Accounting policies, changes in accounting estimates and errors (new and revised standards that have been issued but not yet effective)
- The requirements in IAS 24 Related party disclosures to disclose related party transactions entered into between two or more members of a group.

iii. Material accounting policies

The material accounting policies of the Company are the same as those used to prepare the consolidated financial statements of MBHG (see note 1 to the consolidated financial statements), to the extent that the Company has similar transactions to the Group, except for Investment in subsidiaries (see note 4).

iv. Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates.

There are no critical accounting estimates relevant only to the activities of the company.

2. Taxation

Current taxation

We measure current income tax assets and liabilities at the amount we expect to recover from or pay to the taxation authorities. They involve a degree of estimation and judgement. To compute the amounts, we use the tax rates and tax laws which are enacted or substantively enacted at the reporting date.

We base tax assets and liabilities relating to open and judgemental matters, on our assessment of the most likely outcome/(s) based on the tax authorities having full knowledge of all relevant information. We engage constructively and transparently with the tax authorities with a view to resolving any uncertain tax matters.

Monzo Bank Holding Group Ltd's profits / losses are taxed in the UK at a prevailing rate of 25% (FY2025: 25%)

Amounts recognised in profit or loss

	2026	2025
	£'000	£'000
Profit / (Loss) on ordinary activities before tax	(20,989)	11,964
Main rate of corporation tax	25%	25%
Expected tax charge	(5,247)	2,991
Effects of:		
Adjustment to tax charge in respect of prior period	(83)	-
Expenses not deductible for tax	5,246	221
Group relief	1	(1,570)
Total UK corporate tax charge for the year	(83)	1,642

3. Other assets

Other receivables

Represent amounts due from MBL to MBHG relating to a £15m subordinated loan facility agreement between the companies. The company has a subordinated debt arrangement held as a liability. An identical Tier 2 Debt facility was initiated between the company and MBL. The other receivables balances represents this identical debt facility.

Intercompany accounts receivable

Represent amounts due from MBL. These balances predominately relate to cash on deposit at the Bank of England via MBL.

Prepayments

We recognise prepayments where we've bought goods or services that we haven't yet used.

	2026	2025
	£'000	£'000
Other receivables	15,855	15,421
Intercompany accounts receivable	207,576	310,914
Prepayments	458	437
Total other assets	223,889	326,772

4. Investment in subsidiaries

The Company's investment in subsidiaries represents the 100% holding in MBL, the 100% holding in MBEU and its 100% holding in Monzo Inc.

The investment in subsidiaries is held at historical cost less impairment. We assess impairment annually or as we become aware of any indicators of impairment.

The investment in MBL is held at cost less impairment. We consider the carrying value of MBHG's investment in MBL to be supported by its underlying net assets and that there have been no trigger events to suggest an impairment is necessary.

The investment in MBEU is held at cost less impairment. As of March 2026, the value of the investment contains the cost of all capital injections from the parent, less any impairments which at March 2026 are £nil as the carrying value of the investment is deemed fully recoverable.

The investment in MINC is held at cost less impairment. Following the Group's strategic decision to exit the US market and commence the liquidation of Monzo Inc., the carrying value has been reviewed for recoverability. An impairment at March 2026 of £19.5m has been recognised over MBHG's investment in MINC, to reflect the estimated recoverable amount following the wind-down process.

	2026	2025
	£'000	£'000
Opening balance	817,742	599,145
Additions	161,502	218,597
Impairment	(19,463)	—
As at 31 March	959,781	817,742

5. Subordinated liability

	2026	2025
	£'000	£'000
Subordinated debt liability		
As at 1 April	15,421	15,113
Interest expense	2,149	2,108
Interest expense paid	(1,800)	(1,800)
As at 31 March	15,770	15,421

For further details on the subordinated liability, please see Note 18 in the consolidated financial statements for the group.

6. Other Liabilities

Warrant liabilities

We issued warrants in March 2021 which give holders the right to buy our shares in the future. These warrants have an exercise period of 10 years. We measure the fair value of warrants using a Black-Scholes option pricing model with any gain or loss on revaluation recognised in the statement of comprehensive income.

	2026	2025
	£'000	£'000
Warrant Liabilities	1,355	1,211
Intercompany Accounts Payable	827	1,284
Accruals	731	219
Accounts Payable And Other Creditors	209	194
Other Taxes And Social Security Costs	44	382
Total Other Liabilities	3,166	3,290

7. Share capital and share premium

	Nominal	Number of ordinary shares	Share Capital £'000	Share premium £'000	Total share capital and share premium £'000
As at 1 April 2024		216,724,286	217	339,388	339,605
Issued during the year	£0.001	20,801,501	21	162,342	162,363
As at 31 March 2025		237,525,787	238	501,730	501,968
Issued during the year	£0.001	2,413,849	2	2,049	2,051
As at 31 March 2026		239,939,636	240	503,779	504,019

2.4m (FY2025: 20.8m) of ordinary shares were issued and fully paid during the year. These ordinary shares have several share classes, all of which have the same full voting rights attached and rank equally in all respects, with the exception of anti-dilution rights and the distribution of proceeds from control.

Alternative performance measures

To provide a more comprehensive view of Group performance, Monzo discloses a number of alternative performance measures (APMs) throughout the annual report, alongside statutory results.

These measures supplement financial reporting and provide a deeper insight into the Group's performance. They should be considered in addition to, and not as a substitute for, the information prepared in accordance with IFRS.

APM	Definition	FY2026	FY2025
Adjusted profit before tax (£'000s)	Adjusted profit before tax is measured as our accounting profit before tax, adjusted for the impact of share-based payment expenses, and the impact of any exceptional items, or 'one-offs'.	£172,640	£143,947
Cost-to-income ratio (%)	Operating expenses adjusted for the impact of 'one-offs', as a percentage of revenue net of interest expense and fee and commission expense.	74%	70%
Gross profit margin (%)	Gross profit as a percentage of revenue.	59%	61%
Balance coverage ratio (%)	Total impairment loss allowance as a percentage of gross lending balances.	12.5%	13.6%
Customer savings (£m)	Customer balances within savings products held on Monzo's balance sheet.	£15,524	£8,867

Reconciliation of APMs to the underlying financial statements

Financial year ending	31 March 2026	31 March 2025
Adjusted profit before tax reconciliation	£'000	£'000
Profit before tax	87,288	60,478
Share-based payments	59,007	83,468
Exceptional items ³²	26,345	
Adjusted profit before tax	172,640	143,946
Cost-to-income ratio reconciliation		
Operating expenses	925,525	687,449
Exceptional items ³³	26,345	53,499
Adjusted operating expenses	899,180	633,950
Revenue	1,712,296	1,235,355
Interest expense	376,949	262,833
Fee and commission expense	118,854	72,000
Adjusted income	1,216,493	900,522
Cost-to-income ratio	74%	70%
Gross profit margin reconciliation		
Revenue	1,712,296	1,235,355
Gross profit	1,012,813	747,927
Gross profit margin	59%	61%
Balance coverage ratio reconciliation		
Gross lending balances	2,631,360	1,853,696
Impairment loss allowance	329,435	251,226
Balance coverage ratio	12.5%	13.6%
Customer savings reconciliation	£'m	£'m
Customer savings	15,524	8,867
Non-savings customer balances	10,192	7,732
Customer deposits	25,716	16,599

³² In FY2026 our exceptional items include the cost of the FCA fine (£21.1m), and our MINC restructuring provision (£5.3m). Last year we recognised a one-off expense of £53.4m in relation to an employee secondary share sale which we included as an exceptional item in our FY2025 annual report. In FY2026 this cost is included within the adjustment to PBT from share-based payments.

³³ In FY2025 the exceptional items in our calculation of our cost-to-income ratio include the cost of the employee secondary sale. Our residual share-based payments expense is not an adjusting item in our calculation of cost-to-income ratio.

Glossary

ALCo — Asset and Liability Committee.

ARPAC — average revenue per active customer. This is the average amount of money we get from each monthly active customer. Blended ARPAC includes both retail and business banking customers.

Attach rate — Proportion of monthly active users who have subscription accounts.

BAC — Board Audit Committee.

Basel 3.1 — global regulatory standards which aim to improve the comparability and credibility of Risk Weighted Assets (RWAs) calculations. They also reduce the gap between internal models and standardised approaches to improve competition in the market.

Capital runway — the forecasted amount of time before we need additional capital/fundraising.

Cash-flow positive — a measure of profitability that excludes the non-cash expenses from the income statement, like provisions, depreciation and share option expenses.

CET1 — Common Equity Tier 1 capital is the highest quality regulatory capital as it absorbs losses as soon as they happen.

CET1 ratio — a core measure of a bank's financial strength. You calculate it by dividing

CET1 by Risk Weighted Assets (RWAs). The higher the ratio the more reserves a bank has.

CoL — cost of living, meaning the amount of money you need to pay for everyday essentials. It's also used more generally to describe the tougher economic circumstances people are living under.

Competition and Markets Authority's bi-annual survey — Personal Current Accounts Great Britain: According to an independent survey carried out between January 2025 and December 2025 by Ipsos as part of a regulatory requirement

– Overall Service Quality as part of a regulatory requirement. 17,051 people were surveyed in total. To find out more visit: [Ipsos.uk/personal-banking-service-quality](https://ipsos.uk/personal-banking-service-quality). Personal

Current Accounts Northern Ireland: According to an independent survey carried out between January 2025 and December 2025 by Ipsos as part of a regulatory requirement

– Overall Service Quality as part of a regulatory requirement. 6,018 people were surveyed in total. To find out more visit: [Ipsos.uk/personal-banking-service-quality](https://ipsos.uk/personal-banking-service-quality). Business

Current Accounts Great Britain: According to an independent survey carried out between January 2025 and December 2025 by BVA BDRC as part of a regulatory requirement. 20,450 people were surveyed in total. To find out more visit: [BVA-BDRC.com/business-banking-service-quality](https://bva-bdrc.com/business-banking-service-quality)

CRR — Capital Requirements Regulation.

CSA — Credit Support Annex agreements are legal documents regulating the terms and conditions under which collateral is posted to mitigate counterparty credit risk in bilateral derivatives transactions. It's a voluntary annex within the International Swaps and Derivatives Association Master Agreement.

EBA Guidelines — European Banking Guidelines. The aim of these guidelines is to set out how we're expected to manage interest rate risk coming from non-trading book activities (IRRBB). For more information follow this [link](#).

EVE — Economic Value of Equity. This measures the sensitivity of our assets and liabilities to changes in interest rates and assesses the net impact of potential yield curve moves on the value of our equity.

ERCC — Enterprise Risk and Compliance Committee.

Free cash flow — the money we have left after paying for our operating expenses and capital expenditures i.e. its before certain non-cash accounting adjustments like share-based payments, depreciation, provisions and expected credit losses.

GBRC — Group Board Risk Committee.

HQLA — High quality liquid assets. Assets are considered to be HQLA if we can easily and

immediately convert them into cash at little or no loss of value.

ICAAP — The Internal Capital Adequacy Assessment Process allows us to assess our capital adequacy and makes sure we have an appropriate risk management framework. We summarise this process in the ICAAP document which we complete on a regular basis (usually annually).

ILAAP — The Internal Liquidity Adequacy Process allows us to assess our liquidity adequacy and makes sure we have an appropriate risk management framework. We summarise this process in the ILAAP document which we complete on a regular basis (usually annually).

IRRBB — Interest Rate Risk in the Banking Book. This is current or possible risks to our capital and earnings from negative movements in interest rates that affect our banking book positions.

ISDA — The International Swaps and Derivatives Association (ISDA) is a private trade organisation whose members, mainly banks, transact in the over-the-counter (OTC) derivatives market i.e. business to business vs using an exchange.

LCH — The London Clearing House is authorised to act as a central counterparty, facilitating the clearing and settlement of a wide range of financial transactions across

various asset classes, including interest rate swap derivatives.

Monzonauts — Employees of Monzo.

NomCo — Nomination and Governance Committee.

Payment schemes — different types of infrastructure and rules used to process payments, for example CHAPS (Clearing House Automated Payment System), BACS (Bankers' Automated Clearing System), Faster Payments and SWIFT (Society for Worldwide Interbank Financial Telecommunication).

Pillar 1 — 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 RWAs, of which at least 4.5% of RWAs must be met with CET1 capital.

Pillar 2 — these are capital requirements (Pillar 2A and Pillar 2B) in addition to Pillar 1 requirements to help make sure we hold appropriate levels of capital for the unique risks we're exposed to. Pillar 2 requirements are determined as part of the Supervisory Review and Evaluation Process (SREP). The PRA reviews and evaluates our capital requirements, including our own assessment of capital adequacy, as determined by the ICAAP.

Pillar 2 taxes — these are unrelated to the capital requirements discussed above. Pillar 2 taxes seek to impose a global minimum tax rate to large international groups.

PMA — post model adjustments are adjustments we make to our modelled ECL values when we consider or identify known limitations or weaknesses in our models that risk our ECL being biased.

Primary bank — Applies to UK Retail customers. A customer is primary bank if their inbound or outbound payment flows (meeting certain criteria) are greater than or equal to £800; in both the last 35-days and the 35 days prior to that (35-70 days).

RDEC — Research and Development Expenditure Credit. This is a tax credit we claim against eligible research and development costs we incur building our business.

RemCo — Remuneration Committee.

RWA — Risk Weighted Asset. These are the assets we're exposed to that are rated by their level of risk using Basel regulations. We apply risk weightings to these assets to calculate our capital requirements.

WAU — Weekly Active User. These are the customers who initiate any money movement on their Monzo account or receive funds which move their balance, excluding those initiated by Monzo.