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Monzo Bank Holding Group Limited
Pillar 3 MBHG Disclosures 2026

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At a glance

Common Equity Tier 1

Decreased from 56% FY2025

33%

Total Assets

£27.6bn

As per published financial statement

FY2025
£18.3bn

FY2026
£27.6bn

Risk Weighted Assets

+84%

FY2025
£2,071m

FY2026
£3,815m

UK leverage ratio

Decreased from 15% FY2025

10%

Liquidity Coverage Ratio

Increased from 1226% FY2025

1261%

Tier 1 Capital Ratio

Decreased from 56% FY2025

33%

Total Capital Ratio

Decreased from 57% FY2025

34%

Net Stable Funding Ratio

Increased from 692% FY2025

741%

Executive Summary

This Pillar 3 disclosure provides key information on regulatory capital resources, risk exposures, key financial ratios and risk management processes.

This document should be read together with Monzo Bank Holding Group Limited's ('the Group', 'Monzo', 'We', 'Us', 'Our') Annual Report for a complete review of how we're meeting our regulatory requirements.

"Monzo Bank Holding Group", "MBHG" and "the Group" refer to Monzo Bank Holding Group Limited (company number 14785367) together with its subsidiaries Monzo Bank Limited ('MBL', 'Monzo Bank', 'the Bank') incorporated and registered in England and Wales (company number 09446231), Monzo Inc which was incorporated in Delaware, United States, and Monzo Bank Europe Designated Activity Company (DAC) ('MBEU') which was incorporated in Ireland.

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

With the growth in our balance sheet, our risk weighted assets (RWAs) increased from £2,071m to £3,815m. 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 33.45%, from 55.92% in FY2025. We remain well above both our internal targets and regulatory minimum requirements. We're in a strong position.

MBHG has operated in compliance with its capital requirements throughout 2025/2026. Our total Risk Weighted Assets (RWA) increased by £1,744m primarily driven by growth in lending to our customers and an increase in our operational risk RWAs. Our CET1 Capital increased by £118m primarily driven by recognition of FY2026 profit (£86.3m). This led to a decrease in CET1 capital ratio from 55.92% in FY2025 to 33.45% in FY2026, due to the operational risk RWAs incorporating two years of updates following a change in the reference date to align with the financial year-end.

The Liquidity Coverage Ratio (LCR) is a critical measure to ensure we hold sufficient high quality assets to manage our liquidity risk. At year end this was 1260.80%, which is also well above both our internal and external

minimum requirements. We further improved our access to liquidity by extending our repo capabilities, with new external counterparties and our internal systems, in addition to our access to the Bank of England's Sterling Monetary Framework (SMF) facilities.

The key movement in our LCR was due to a sizeable increase in our High Quality Liquid Assets (HQLA) to £23.4bn in 2026 from £15.5bn in 2025. This increase in HQLA was driven by continuous increase in customer Deposits.

We monitor our Net Stable Funding Ratio (NSFR) to ensure that we have sufficient stable funding to support our business activities. The ratio increased from 691.57% in 2025 to 741.12% in 2026, this is largely due to an increase in retail deposits & CET1 capital amounting to £9,087m and £118m, respectively.

	Group 2026	Group 2025
Common Equity Tier 1	33.45%	55.92%
Tier 1 capital ratio - this year and last year	33.45%	55.92%
Total Capital ratio	33.86%	56.67%
UK leverage ratio	10.33%	15.53%
Liquidity coverage ratio	1260.80%	1225.73%
Net stable funding ratio	741.12%	691.57%
Risk weighted assets	£3,815m	£2,071m
Total assets as per published financial statements	£27.6bn	£18.3bn

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.

Disclosure framework

This document sets out the Pillar 3 disclosures of MBHG as at 31 March 2026. Monzo is authorised by the Prudential Regulation Authority ("PRA") and regulated by both the Financial Conduct Authority ("FCA") and the PRA. The PRA sets our capital and liquidity requirements.

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

We meet the definition of a non-listed "Large Institution" so we're subject to proportional disclosure requirements in accordance with Article 433a of the Disclosure (CRR) Part of the PRA Rulebook.

Current and future regulatory developments

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 as at 31 March 2027.

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

As a regulated bank, we're subject to the Bank of England's Resolvability Assessment Framework. We received notice that our preferred resolution strategy for 2026 will remain a transfer to a private sector purchaser. MREL for Monzo Bank Holding Group Limited is equal to minimum capital requirements, and is binding from 1 January 2026.

Disclosure policy

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

Basis of disclosure

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 31 from our Annual Report 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.

On 1 April 2026, Monzo Bank Limited received regulatory approval to acquire 100% of the voting shares of digital mortgage broker Hey Habito Ltd. None of the goodwill is expected to be deductible for tax purposes. No results from Hey Habito have been recognised in our financial statements.

Frequency and means of disclosure

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

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

Verification

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

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

Attestation

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



Tom Oldham
Group Chief Financial Officer
15th May 2026

Key metrics and overview of risk-weighted assets

UK KM1 – Key Metrics

		Group	
		a	b
		2026	2025
		£'000	£'000
Available own funds (amounts)			
1	Common Equity Tier 1 (CET1) capital	1,276,002	1,158,302
2	Tier 1 capital	1,276,002	1,158,302
3	Total capital	1,291,772	1,173,723
Risk-weighted exposure amounts			
4	Total risk-weighted exposure amount	3,814,585	2,071,182
Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%)	33.45%	55.92%
6	Tier 1 ratio (%)	33.45%	55.92%
7	Total capital ratio (%)	33.86%	56.67%
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)			
UK 7a	Additional CET1 SREP requirements (%)	4.10%	5.89%
UK 7b	Additional AT1 SREP requirements (%)	1.37%	1.96%
UK 7c	Additional T2 SREP requirements (%)	1.82%	2.62%
UK 7d	Total SREP own funds requirements (%)	15.28%	18.46%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)			
8	Capital conservation buffer (%)	2.50%	2.50%
UK 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	—%	—%
9	Institution specific countercyclical capital buffer (%)	1.99%	1.99%
UK 9a	Systemic risk buffer (%)	—%	—%
10	Global Systemically Important Institution buffer (%)	—%	—%
UK 10a	Other Systemically Important Institution buffer	—%	—%
11	Combined buffer requirement (%)	4.49%	4.49%

		Group	
		a	b
		2026	2025
		£'000	£'000
UK 11a	Overall capital requirements (%)	19.77%	22.95%
12	CET1 available after meeting the total SREP own funds requirements (%)	18.58%	38.21%
Leverage ratio			
13	Total exposure measure excluding claims on central banks	12,352,667	7,459,493
14	Leverage ratio excluding claims on central banks (%)	10.33%	15.53%
Liquidity Coverage Ratio			
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	20,082,983	13,124,870
UK 16a	Cash outflows - Total weighted value	2,032,987	1,432,128
UK 16b	Cash inflows - Total weighted value	364,207	299,010
16	Total net cash outflows (adjusted value)	1,668,780	1,133,118
17	Liquidity coverage ratio (%)	1209.79%	1178.76%
Net Stable Funding Ratio			
18	Total available stable funding	22,342,143	14,543,664
19	Total required stable funding	2,966,966	1,807,551
20	NSFR ratio (%)	752.75%	843.98%

UK OVC – ICAAP information

Our approach to assessing the adequacy of the internal capital

Monzo maintains a robust Internal Capital Adequacy Assessment Process (ICAAP) to ensure it holds sufficient capital to support current and planned activities. The process is conducted at least annually and ensures Monzo's capital position remains prudent, supports its business strategy, and maintains resilience under stressed conditions.

Monzo follows a structured methodology to determine its internal capital requirements:

- **Risk Identification:** Monzo identifies material risks inherent in its business plan by referencing its Risk Taxonomy and regulatory guidance. This includes a comprehensive review of both current and emerging risks to determine their potential impact on capital.
- **Capital Assessment (Pillar 2A):** For all material risks identified, Monzo applies rigorous, documented methodologies to calculate the specific amount of internal capital required to mitigate those risks.
- **Stress Testing and Resilience (Pillar 2B):** Monzo uses stress testing to evaluate its capital buffer against severe but plausible economic downturns. This involves designing multi-year scenarios tailored to Monzo's specific business model and vulnerabilities. The process also identifies potential management actions—such as adjusting growth or funding—that Monzo

could take to preserve capital during a crisis.

The ICAAP is subject to a strict governance cycle to ensure results are robust and reliable:

- **Accountability:** The Chief Financial Officer (CFO) holds ultimate accountability for the assessment's effectiveness.
- **Review and Challenge:** All inputs, assumptions, and results are subject to independent review and challenge by the Risk function (Second Line of Defence) and periodic audit (Third Line of Defence).
- **Approval:** The assessment is reviewed by the Asset and Liability Committee (ALCo) and the Board Risk Committee, with final approval provided by the Monzo Board of Directors.

The result of the institution's internal capital adequacy assessment process

Monzo's Total Capital Requirement as at 31 March 2026 is 15.28% of RWA's which equates to £582.9m (2025: £382.3m). Combined buffers of 4.49% of RWAs equates to an additional capital requirement of £171.3m (2025: £92.9m, 4.49% of RWAs). At least £499.2m (13.09% of RWAs) of this must be met with CET1 capital.

UK OV1 – Overview of risk weighted exposure amounts

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

	Group Risk weighted exposure amounts (RWEAs) 2026 a (£ '000)	Group Risk weighted exposure amounts (RWEAs) 2025 b (£ '000)	Group Total own funds requirements 2026 c (£ '000)	
1	Credit risk (excluding CCR)	1,914,363	1,336,768	153,149
2	Of which the standardised approach	1,914,363	1,336,768	153,149
6	Counterparty credit risk - CCR	623	1,031	50
UK 8a	Of which exposures to a CCP	623	1,031	50
16	Securitisation exposures in the non-trading book (after the cap)	114,458	48,405	9,157
18	Of which SEC-ERBA (including IAA)	114,458	28,426	9,157
19	Of which SEC-SA approach	—	19,979	—
20	Position, foreign exchange and commodities risks (Market risk)	54,485	—	4,359
21	Of which the standardised approach	54,485	—	4,359
23	Operational risk*	1,730,655	684,978	138,452
UK 23a	Of which basic indicator approach	1,730,655	684,978	138,452
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	3,538	—	283
29	Total	3,814,585	2,071,182	305,167

* The year-on-year movement in Operational Risk RWAs incorporates two years of updates following a change in the reference date to align with the financial year-end.

Our approach to risk management and Governance

UK OVA – Institution risk management approach

Our approach to risk management

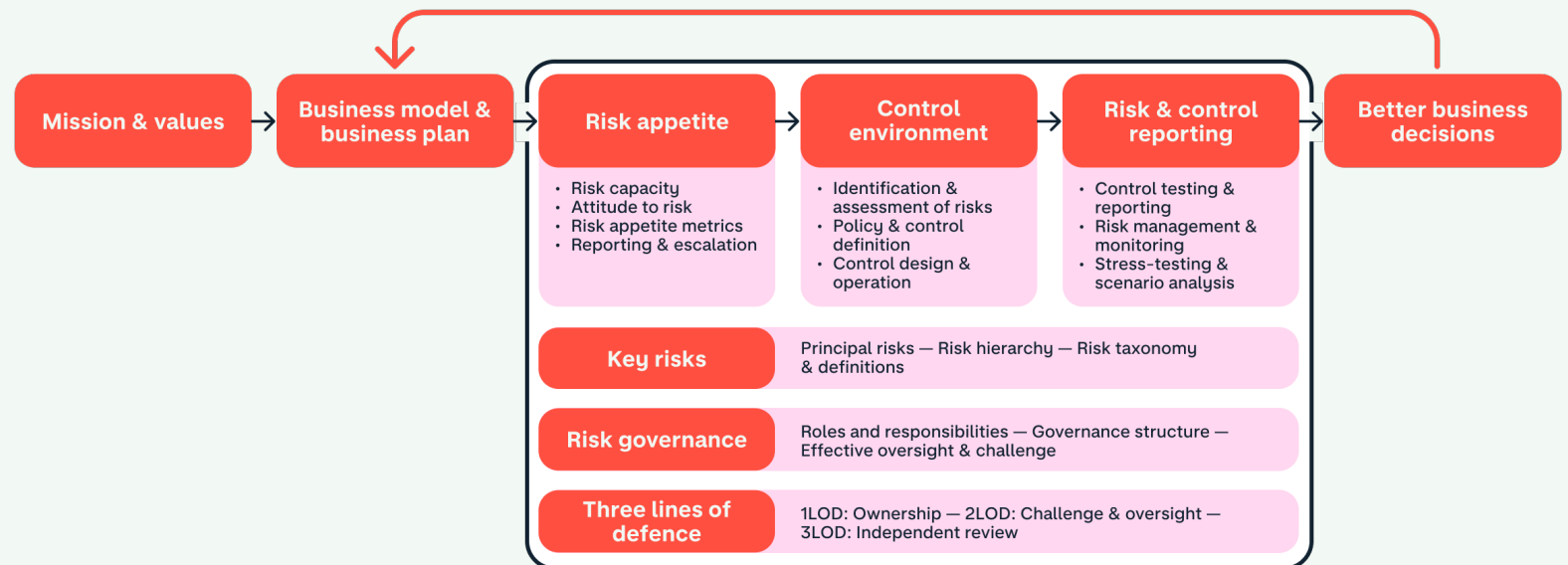
We manage our risks using a Group Enterprise Risk Management Framework (ERMF).

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 of our Annual Report.

We have an established risk appetite

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

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. Our principal risks and uncertainties are on page 63-66 of our Annual Report.

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	Credit Risk Committee

UK OVB – Disclosure on governance arrangements

Name	Appointments	Type of Directorship	Article 91(3) and (4) of Directive (EU) 2013/36 1 (CRD)	Total Directorships
Gary Hoffman (Board Chair)	Monzo Bank Holding Group Limited	Chair of the Board	2 Non-Executive	3
	Monzo Bank Limited	Chair of the Board		
	Northamptonshire County Cricket Club Limited	Non-Executive Director		
Anil Sai Tummalapalli	Monzo Bank Holding Group Limited	Non-Executive Director	2 Non-Executive	3
	Monzo Bank Limited	Non-Executive Director		
	Accion International	Non-Executive Director		
Diana Layfield	Monzo Bank Holding Group Limited	Executive Director	1 Executive	4
	Monzo Bank Limited	Executive Director	2 Non-Executive	
	AstraZeneca plc	Non-Executive Director		
	British International Investment plc	Chair of the Board		
Anulakshmi Hariharan	Monzo Bank Holding Group Limited	Non-Executive Director	3 Non-Executive	3
	Avis Budget Group, Inc	Non-Executive Director		
	Zepto	Non-Executive Director		
Vinay Yarlagadda	Monzo Bank Holding Group Limited	Non-Executive Director	1 Non-Executive	1
Eileen Burbidge	Monzo Bank Holding Group Limited	Non-Executive Director	4 Non-Executive	17
	Monzo Bank Limited	Non-Executive Director		
	33 Talbot Road Management Company Limited	Non-Executive Director		
	Passion Capital (GP) Ltd	Non-Executive Director		
	Passion Capital Investments LLP	Non-Executive Director		
	Passion Capital FS (FP) LLP	Non-Executive Director		
	Passion Capital II (FP) LLP	Non-Executive Director		
	Passion Capital GC (FP) LLP	Non-Executive Director		
	Passion Capital GC (GP) LLP	Non-Executive Director		
	Passion Capital SPV (GP) LLP	Non-Executive Director		
	Passion Capital SPV (FP) LLP	Non-Executive Director		
	Passion Capital III (GP) LLP	Non-Executive Director		
	Passion Capital Nominees Limited	Non-Executive Director		
	Passion Capital III (FP) LLP	Non-Executive Director		
	Passion Capital (FP) LLP	Non-Executive Director		
	Passion Capital FS (GP) LLP	Non-Executive Director		
Fertifa Limited	Non-Executive Director			

Name	Appointments	Type of Directorship	Article 91(3) and (4) of Directive (EU) 2013/36 1 (CRD)	Total Directorships
Valerie Dias	Monzo Bank Holding Group Limited	Non-Executive Director	3 Non-Executive	6
	Monzo Bank Limited	Non-Executive Director		
	Monzo Bank Europe DAC	Non-Executive Director		
	U.S. Bank Europe DAC	Non-Executive Director		
	Hastings Insurance Services Limited	Non-Executive Director		
	Stewardship Committees of the Catholic Diocese of Westminster	Member		
Amy Kirk	Monzo Bank Holding Group Limited	Non-Executive Director	3 Non-Executive	5
	Monzo Bank Limited	Non-Executive Director		
	Maryland Partners Ltd	Executive Director		
	FCMB Bank (UK) Limited	Non-Executive Director		
	Griffin Bank Limited	Non-Executive Director		
Spencer Lake	Monzo Bank Holding Group Limited	Non-Executive Director	2 Non-Executive	3
	Monzo Bank Limited	Non-Executive Director		
	DUCO Technology TopCo Limited	Non-Executive Director		
Fiona McBain	Monzo Bank Holding Group Limited	Non-Executive Director	1 Non-Executive	2
	Monzo Bank Limited	Non-Executive Director		
Tom Oldham	Monzo Bank Holding Group Limited	Executive Director	1 Executive	1
Jambu Palaniappan	Monzo Bank Holding Group Limited	Non-Executive Director	1 Executive 2 Non-Executive	7
	Monzo Bank Limited	Non-Executive Director		
	Palaniappan Consulting Limited	Executive Director		
	Checkatrade Limited	Executive Director		
	Vetted Limited	Executive Director		
	Sherrington Mews Limited	Executive Director		
	Just Eat Takeaway N.V.	Non-Executive Director		
Karen Peacock	Monzo Bank Holding Group Limited	Non-Executive Director	3 Non-Executive	5
	Monzo Bank Limited	Non-Executive Director		
	Operator Collective Management L.L.C.	Limited Partner		
	Dropbox Inc.	Non-Executive Director		
	DEXX Laboratories Inc.	Non-Executive Director		
Delfin Rueda	Monzo Bank Holding Group Limited	Non-Executive Director	3 Non-Executive	4
	Monzo Bank Limited	Non-Executive Director		
	Allfunds Group Plc	Non-Executive Director		
	Flow Traders B.V.	Non-Executive Director		

Name	Appointments	Type of Directorship	Article 91(3) and (4) of Directive (EU) 2013/36 1 (CRD)	Total Directorships
Lizzie Runham	Monzo Bank Holding Group Limited	Non-Executive Director	2 Non-Executive	4
	Monzo Bank Limited	Non-Executive Director		
	Facebook UK Ltd	Non-Executive Director		
	Speakers Trust Limited	Trustee		
Fields Wicker-Miurin	Monzo Bank Holding Group Limited	Non-Executive Director	2 Non-Executive	5
	Monzo Bank Limited	Non-Executive Director		
	Scor SE	Non-Executive Director		
	Royal College of Art	Non-Executive Director		
	British Equestrian Federation	Non-Executive Director		

The management body: Recruitment policy, knowledge, skills and expertise

The Board is committed to ensuring that its composition is appropriate and promotes its effectiveness in providing oversight of the delivery of our strategy and long-term success. The Group Board Nomination and Governance Committee has been mandated by the Board to periodically review the size, composition, experience and skills mix of our Board and its Committees. The Group Board Nomination and Governance Committee ensures that effective and appropriate succession plans are in place to ensure that the composition of the Board and its Committees can continue to operate effectively and with the necessary skills and experience required during periods of transition, particularly in respect of key roles. This includes the consideration of future recruitment needs for our Non-Executive Directors, with key focus made to the current and future activities of the Company and ensuring appropriate alignment is provided for in respect of the collective skills required

of the Board. The Group Board Governance and Nomination Committee uses a range of information to support its work in relation to succession planning, including the consideration of individual skills capability matrices completed by each Director to ensure that the collective suitability of the Board remains appropriate.

Board Suitability Matrix

Based on a self-evaluation by directors of their skills and experience, all directors (including Non-Executive Directors) are requested to complete a Board Suitability Matrix assessment prior to their appointment to the Board in identification of the depth of skill and experience that each has in respect of key business lines, control functions and other disciplines considered important to the Board. This therefore represents a key component of our director recruitment process and supports the Group Board Nomination and Governance Committee in discharging its responsibilities with regards to succession planning and director recruitment. The results of the self-assessments are considered from an individual director perspective, as well as

the potential impact on the collective skill and experience of the Board.

The Board Suitability Matrix is also reviewed by each Director on an annual basis to assist the Group Board Nomination and Governance Committee to periodically consider and review the collective skillset of the Board alongside the current and future activities of the Company, with a view to identifying potential current and future changes in Board composition that may need to be made.

Board Diversity Statement and Diversity Data

The Group Board Nomination and Governance Committee sets out our commitments to diversity, equity and inclusion and the associated impacts of the Board's composition.

Board Committee Membership and Key Non-Executive Director Roles

The Group Board Nomination and Governance Committee oversees our current Board and Board Committee membership, composition, together with key roles held by Non-Executive Directors, such as the Board Chair or Senior Independent Director.

Executive Management and Executive Director Succession Plans

The Group Board Nomination and Governance Committee has oversight of the talent pipeline for senior roles and understands any opportunities or risks.

The Group Board Nomination and Governance Committee leads the recruitment of new Non-Executive and Executive Directors on behalf of the Board ensuring robust recruitment and appointment processes are followed.

All recruitment is undertaken taking account of succession plans and the current and future composition requirements of the Board and its Committees, in alignment with the current and future activities of the Company. For each appointment, the Committee agrees a person specification and role profile setting out the key requirements for the role. A comprehensive recruitment process is subsequently followed which may include the use of external recruitment consultants and will include holding formal interviews and meetings with key Board members and stakeholders as appropriate.

Diversity policy relating to the management body

The Board is committed to achieving and maintaining board and senior management diversity. This means diversity in its broadest possible sense including (amongst other things) skills, geographical and industry experience, background, age, ethnicity, neurodiversity, disability status and gender identity. All appointments by the Board are made fairly on merit against objective criteria, taking into account current and future requirements for skills, experience, independence and knowledge of Board members and diversity representation. The Board considers its diversity objectives when completing its annual collective suitability assessment.

The Board has approved a Board Diversity Policy to support this ambition, which is reviewed by the Group Board Nomination and Governance Committee on an annual basis. The Committee also supports the Board by undertaking an annual review of the Board's composition in relation to its diversity objectives. It also oversees the appointment process for new Board directors, which includes the establishment of a formal, rigorous and transparent selection process with appropriate selection criteria having regard to the Board Diversity Policy.

A summary of progress against the key aspects of the Statement is set out below:

- **At least 40% of Board Directors will be women**

Following the appointments of Diana Layfield, Anulakshmi Hariharan and Vinay Yarlagadda to the Board, the percentage of

women on the Board as at 31 March 2026 is 56%.

- **At least 25% of Board Directors will be People of Colour**

Following the appointments of Diana Layfield, Anulakshmi Hariharan and Vinay Yarlagadda, the percentage of People of Colour on the Board as at 31 March 2026 is over 35%.

- **At least 50% of Board Committee Chairs will be women**

The percentage of women occupying Board Committee Chair roles as at 31 March 2026 is 75%.

- **Ensure our executive search firms and internal executive hiring team provide candidate long lists which include 40% women**

The Group Board Nomination and Governance Committee, as part of its role in overseeing the recruitment process for Board director appointments, leverages a Monzo internal executive hiring team and potentially, external search firms to identify candidates that are capable of assuming these positions. As part of that process, the Group Board Nomination and Governance Committee encourages these supporting partners to provide long lists of candidates, which includes a 40% representation of female candidates.

- **Ensure our executive search firms and internal executive hiring team provide candidate short lists with at least 2 women and at least 2 People of Colour**

Similarly to the long list considerations referenced above, shortlisted candidates that emerge for the Group Board Nomination and Governance Committee's

considerations of potential Board director candidates, should include at least two female candidates and at least two candidates that are People of Colour.

Existence of separate risk committee and frequency of meetings

The Board delegates certain matters to designated Board Committees, to assist them in delivering against their responsibilities in key areas, bringing a greater focus and making recommendations on those areas within their mandates. The Group Board Risk Committee (GBRC) oversees the Company's risk management framework and assists the Board by providing an enterprise-wide perspective on all risk matters.

It usually meets 9 times a year but will meet more frequently when the need arises. The GBRC met 11 times in FY26 and considered all the matters relating to its responsibilities, as summarised in its terms of reference.

A wide range of topics were considered throughout the year, including:

- Reviewing and recommending the Risk and Compliance strategy to the Board for approval;
- Recommending the Group Enterprise Risk Management Framework to the Board for approval;
- Overseeing risk appetite metrics and recommending material risk appetite statement and metric changes to the Boards for approval;

- Considering any regulatory communications that relate to our risk profile or risk management activity;
- Overseeing our capital and liquidity risks, including receiving the capital funding plan in the context of our business plan;
- Reviewing and recommending the ILAAP to the Board for approval;
- Reviewing and approving our Recovery Plan and our Resolution Handbook to support our compliance with the Resolvability Assessment Framework;
- Recommending the Consumer Duty annual report to the Board for approval and overseeing ongoing compliance with the duty (MBL);
- Reviewing and recommending the Outsourcing and Third Party Risk Management Policy and any material third party arrangements to the Boards for approval;
- Reviewing and approving the annual combined second line oversight assurance plan;
- Receiving progress reports on delivery of assurance activities, including the output from second line assurance reviews;
- Receiving and reviewing reports on the Chief Risk Officer and VP of Compliance, including updates on capacity and headcount requirements, talent development and key priorities; and
- Considering and recommending any remuneration-related risk adjustments to the Group Remuneration Committee.

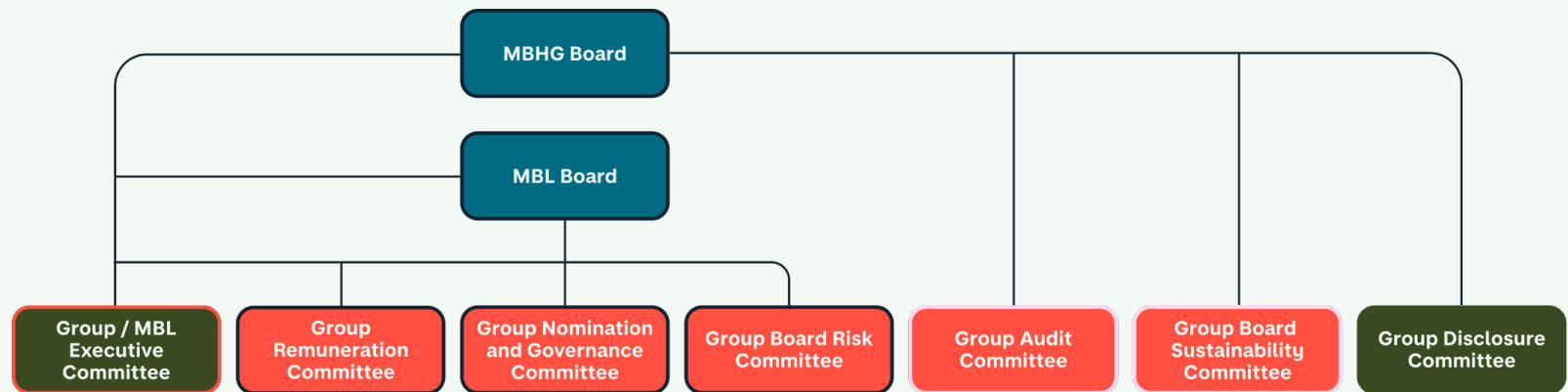
The flow of risk information to the management body

The Board is ultimately responsible for the effective management of risk. The approval of risk appetite and certain risk management policies are amongst a number of specific areas which are matters reserved for the Board. The GBRC is a Board Committee that oversees, on behalf of the Board, the key risks inherent in the business and the system of internal control necessary to manage such risks, presenting its findings to the Board.

At its regular meetings, the GBRC considers the Chief Risk Officer’s report. This draws attention to the principal and emerging risk facing the Company. When considered appropriate, certain members of the Leadership Team are invited to attend, where their specialist knowledge will assist the Committee in discharging its duties. Following each meeting, the Chair of the GBRC provides regular updates to the Board on matters considered by the Committee.

The Group’s Board and senior management committee structure is illustrated below, with the committees most directly involved with risk management governance highlighted. This gives a clear representation of the flow of risk information through the Company to the Board.

- Non-Executive Joint Committee of MBL and MBHG
- Non-Executive Committee of MBHG
- Business Executive Committee of MBHG
- Business Executive Joint Committee of MBL and MBHG
- Reporting Line



Scope of application of the regulatory framework

UK LIA – Explanations of differences between accounting and regulatory exposure amounts

Table UK LI1 shows that there is no difference in the Monzo Bank Holdings Group consolidated balance sheet as at 31 March 2026 on an accounting basis as published within the annual financial statements and the carrying values under the regulatory scope of consolidation.

Table UK LI2 shows the adjustments required on carrying values to recognise off-balance sheet exposures, application of the appropriate credit conversion factor to those exposures, derivative potential future exposures and adjustments made to exposures relating to impairment loss provisions on loans and advances.

UK LIB – Other qualitative information on the scope of application

The Group's risk evaluation, measurement and control procedures cover all subsidiaries in the Group. There are no current or foreseen material, practical or legal impediments to the transfer of capital or prompt repayments of liabilities when due. As at 31 March 2026, there were no Monzo group entities outside the regulatory scope of consolidation.

UK LI1 – Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

	a-b	c	d	e	f	g	
	Carrying values as reported in published financial statements and under scope of regulatory consolidation £'000	Carrying values of items					
		Subject to the credit risk framework £'000	Subject to the CCR framework £'000	Subject to the securitisation framework £'000	Subject to the market risk framework £'000	Not subject to own funds requirements or subject to deduction from own funds £'000	
Breakdown by asset class according to the balance sheet in the published financial statements							
1	Cash and cash equivalents	15,450,659	15,450,659	—	—	13,663	—
2	Treasury investments	9,482,722	8,392,784	—	1,089,938	51,381	—
3	Loans and advances to customers	2,311,925	2,311,925	—	—	1	—
4	Other assets	243,860	243,860	—	—	2,645	—
5	Current tax asset	5,048	5,048	—	—	—	—
6	Deferred tax asset	99,486	1,415	—	—	—	98,071
7	Property, plant and equipment	12,011	12,011	—	—	—	—
8	Total assets	27,605,710	26,417,701	—	1,089,938	67,689	98,071
Breakdown by liability classes according to the balance sheet in the published financial statements							
9	Customer deposits	25,715,953	—	—	—	—	25,715,953
10	Subordinated debt liability	15,770	—	—	—	—	15,770
11	Other liabilities	590,247	—	42,015	—	—	548,231
12	Current tax liabilities	175	—	—	—	—	175
13	Total liabilities	26,322,145	—	42,015	—	—	26,280,130

UK LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements

	a	b			c	d	e
	Total	Items subject to				Market risk framework	
		Credit risk framework	Securitisation framework	CCR framework	Market risk framework		
	£'000	£'000	£'000	£'000	£'000	£'000	
1 Assets carrying value amount under the scope of regulatory consolidation (as per template LI1)	27,507,639	26,417,701	1,089,938	—	67,689		
2 Liabilities carrying value amount under the regulatory scope of consolidation (as per template LI1)	42,015	—	—	42,015	—		
3 Total net amount under the regulatory scope of consolidation	27,465,624	26,417,701	1,089,938	(42,015)	67,689		
4 Off-balance-sheet amounts	3,206,081	3,206,081	—	—			
5 Differences in valuations	—	—	—	—			
6 Differences due to different netting rules, other than those already included in row 2	—	—	—	—			
7 Differences due to consideration of provisions	—	—	—	—			
8 Differences due to the use of credit risk mitigation techniques (CRMs)	—	—	—	—			
9 Differences due to credit conversion factors	(3,189,431)	(3,189,431)	—	—			
10 Differences due to Securitisation with risk transfer	—	—	—	—			
11 Other differences	(6,132)	(79,301)	—	73,169			
12 Exposure amounts considered for regulatory purposes	27,476,142	26,355,051	1,089,938	31,154	67,689		

UK LI3 – Outline of the differences in the scopes of consolidation (entity by entity)

a Name of the entity	b Method of accounting consolidation	c Method of regulatory consolidation					h Description of the entity
		d Full consolidation	e Proportional consolidation	f Equity method	g Neither consolidated nor deducted	g Deducted	
Monzo Bank Holding Group	Full consolidation	X					Holding company
Monzo Bank Ltd	Full consolidation	X					Banking
Monzo Bank Europe Designated Activity Company (DAC)	Full consolidation	X					Banking
Monzo Inc.	Full consolidation	X					Financial services

Own Funds

UK CC1 – Composition of regulatory own funds

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

		Group	
		a	b
		Amounts £'000	Source based on reference numbers/ letters of the Balance Sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	504,019	(c) plus (d)
	of which: Ordinary shares	240	(c)
2	Retained earnings	(213,392)	(f)
3	Accumulated other comprehensive income (and other reserves)	992,940	(e) plus (g)
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	1,283,567	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	(70,761)	(a)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	71,817	(g)
13	Any increase in equity that results from securitised assets (negative amount)	(67)	
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	(8,553)	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(7,565)	
29	Common Equity Tier 1 (CET1) capital	1,276,002	
45	Tier 1 capital (T1 = CET1 + AT1)	1,276,002	

		Group	
		a	b
		Amounts £'000	Source based on reference numbers/ letters of the Balance Sheet under the regulatory scope of consolidation
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	15,770	(b)
51	Tier 2 (T2) capital before regulatory adjustments	15,770	
Tier 2 (T2) capital: regulatory adjustments			
57	Total regulatory adjustments to Tier 2 (T2) capital	—	
58	Tier 2 (T2) capital	15,770	
59	Total capital (TC = T1 + T2)	1,291,772	
60	Total risk exposure amount	3,814,585	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	33.45%	
62	Tier 1 (as a percentage of total risk exposure amount)	33.45%	
63	Total capital (as a percentage of total risk exposure amount)	33.86%	
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	13.09%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical buffer requirement	1.99%	
67	of which: systemic risk buffer requirement	—%	
UK-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	—%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	18.58%	

UK CC2 – reconciliation of regulatory own funds to balance sheet in the audited financial statements

The table below outlines the main features of Monzo Bank Holding Group Limited's capital instruments.

Template CC2 has been disclosed in accordance with Annex VII and Annex VIII of the Disclosure (CRR) Part of the PRA Rulebook.

	Group	
	a = b (£ ' 000)	c
Balance sheet as in published financial statements and under regulatory scope of consolidation		
As at period end		Reference
Assets	27,605,710	
Cash and cash equivalents	15,450,659	
Treasury investments	9,482,722	
Loans and advances to customers	2,311,925	
Other assets	243,859	
Current tax asset	5,048	
Deferred tax asset	99,486	(a)*
Property, plant and equipment	12,011	
Liabilities	26,322,145	
Customer deposits	25,715,953	
Subordinated debt liability	15,770	(b)
Other liabilities	590,247	
Current tax liabilities	175	
Equity	1,283,565	
Called up share capital	240	(c)
Share premium account	503,779	(d)
Other reserves	1,064,756	(e)
Accumulated losses	(213,393)	(f)
Cash flow hedge reserve	(71,817)	(g)

* Includes £70.8m deferred tax asset which rely on future profitability and do not arise from temporary differences are deductible on Own Fund Capital.

UK CCA: Main features of regulatory own funds instruments and eligible liabilities instruments

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

		a	b	c
1	Issuer	Monzo Bank Holding Group Limited	Monzo Bank Holding Group Limited	Monzo Bank Holding Group Limited
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A	N/A
2a	Public or private placement	Private	Private	Private
3	Governing law(s) of the instrument	English	English	English
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A	No	No
Regulatory treatment				
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Tier 2	Tier 2
5	Post-transitional CRR rules	Common Equity Tier 1	Tier 2	Tier 2
6	Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	Consolidated	Consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Term subordinated loan	Term subordinated loan
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	£0.24	£5	£10
9	Nominal amount of instrument	£0.001	£5,000,000	£10,000,000
UK-9a	Issue price	Various	100%	100%
UK-9b	Redemption price	N/A	100%	100%
10	Accounting classification	Equity	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	Various	8/3/2021	8/3/2021
12	Perpetual or dated	Perpetual	Dated	Dated
13	Original maturity date	N/A	8/3/2031	8/3/2031
14	Issuer call subject to prior supervisory approval	N/A	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	Any time on or after 08/03/2026. Redemption at par	Any time on or after 08/03/2026. Redemption at par
16	Subsequent call dates, if applicable	N/A	None	None

		a	b	c
	Coupons / dividends			
17	Fixed or floating dividend/coupon	N/A	Fixed	Fixed
18	Coupon rate and any related index	N/A	12.00%	12.00%
19	Existence of a dividend stopper	N/A	None	None
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Mandatory	Mandatory
UK-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	N/A	None	None
22	Non-cumulative or cumulative	N/A	Cumulative	Cumulative
23	Convertible or non-convertible	N/A	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write-down features	N/A	N/A	N/A
31	If write-down, write-down trigger(s)	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	Contractual	Contractual
UK-34b	Ranking of the instrument in normal insolvency proceedings	N/A	Subordinated Debt	Subordinated Debt
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A	Senior Creditors	Senior Creditors
36	Non-compliant transitioned features	N/A	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	Non public	Non public	Non public

Countercyclical capital buffers

UK CCyB1 – Countercyclical capital buffer disclosures

The tables below show the distribution of relevant credit exposures for the calculation of our CCyB as at 31 March 2026. Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer.

	a		b		c		d	e	f	g		h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk		Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures – Credit risk	Own fund requirements		Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)	
Exposure value under the standardised approach	Exposure value under the IRB approach	Relevant credit exposures – Market risk	Relevant credit exposures – Market risk	Relevant credit exposures – Market risk						Relevant credit exposures – Market risk	Relevant credit exposures – Market risk						Relevant credit exposures – Market risk
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000			
10 Breakdown by country:																	
20 United Kingdom	2,842,664	—	—	—	1,089,938	3,932,601	151,096	—	9,157	160,253	2,003,164	99.17%	2.00%				
30 Belgium	16,659	—	—	—	—	16,659	1,333	—	—	1,333	16,659	0.82%	1.00%				
40 United States	40	—	—	—	—	40	3	—	—	3	40	—%	—%				
50 Ireland	77	—	—	—	—	77	6	—	—	6	77	—%	1.50%				
60 Total	2,859,440	—	—	—	1,089,938	3,949,378	152,439	—	9,157	161,595	2,019,940	100%					

UK CCyB2 – Amount of institution-specific countercyclical capital buffer

	a
	£'000
1 Total risk exposure amount	3,814,585
2 Institution specific countercyclical capital buffer rate	1.99%
3 Institution specific countercyclical capital buffer requirement	75,910

Leverage ratio

UK LRA – Disclosure of LR qualitative information

Processes used to manage the risk of excessive leverage

For Monzo, excessive leverage risk primarily arises through balance sheet growth (e.g. customer lending and treasury asset expansion) relative to Tier 1 capital. Given Monzo's predominantly retail banking model and limited use of derivatives or securities financing transactions, leverage risk is driven mainly by on-balance sheet exposures. The Group manages this risk within the PRA's leverage ratio framework to ensure that growth in exposures remains supported by a robust capital base.

The Group manages and monitors the risk of excessive leverage through the following processes:

- **Strategic capital planning:** Leverage exposure is explicitly considered as part of the Group's business planning and capital planning processes, ensuring that projected balance sheet growth is aligned with the availability of Tier 1 capital on a forward-looking basis.
- **Ongoing monitoring:** The Capital Management function monitors leverage exposures and the leverage ratio against internal risk appetite metrics over the planning horizon, ensuring the Group operates with appropriate headroom above regulatory requirements.

- **Governance and reporting:** The leverage ratio is regularly reported to the Asset and Liability Committee (ALCo) and the Board, supporting effective senior management oversight of the Group's leverage position.

Factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers

The Group's leverage ratio decreased from 15.53% at 31 March 2025 to 10.33% at 31 March 2026, representing a reduction of 520 basis points over the period. This movement was primarily driven by an increase in the total exposure measure, partially offset by growth in Tier 1 capital.

Tier 1 capital increased over the period, reflecting retained earnings and continued profitability.

The total exposure measure increased, driven mainly by UK customer growth (£25.72bn deposits), consistent with overall balance sheet growth. The Group also placed a higher proportion of its liquid assets into treasury counterparties during the year, reducing the proportion of assets placed with the Bank of England. Bank of England assets, when backed by customer deposits, are exempted from the UK leverage ratio

calculation. Placing a higher proportion with non Bank of England counterparties therefore reduces the leverage ratio.

These movements reflect the Group's planned business growth, with the leverage ratio remaining comfortably above regulatory requirements and within the Bank's risk appetite.

UK LR1 – LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		2026 a
		Applicable amount (£'000)
1	Total assets as per published financial statements	27,605,710
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	—
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	—
4	(Adjustment for exemption of exposures to central banks)	(15,422,548)
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) of the CRR)	—
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	—
7	Adjustment for eligible cash pooling transactions	—
8	Adjustment for derivative financial instruments	(53,032)
9	Adjustment for securities financing transactions (SFTs)	—
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	320,608
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	—
UK-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	—
UK-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) of the CRR)	—
12	Other adjustments	(98,072)
13	Total exposure measure	12,352,666

UK LR2 – LRCom: Leverage ratio common disclosure

		Group	
		LR exposures a	LR exposures b
		2026	2025
		£'000	£'000
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	27,605,710	18,263,850
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(84,185)	(20,120)
6	(Asset amounts deducted in determining tier 1 capital (leverage))	(98,072)	(45,788)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	27,423,453	18,197,942
Derivative exposures			
UK-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	31,154	
UK-9b	Exposure determined under the original exposure method		51,566
13	Total derivatives exposures	31,154	51,566
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	3,206,081	2,138,478
20	(Adjustments for conversion to credit equivalent amounts)	(2,885,473)	(1,924,630)
22	Off-balance sheet exposures	320,608	213,848
Capital and total exposure measure			
23	Tier 1 capital (leverage)	1,276,002	1,158,302
24	Total exposure measure including claims on central banks	27,775,215	18,463,356
UK-24a	(-) Claims on central banks excluded	(15,422,548)	(11,003,863)
UK-24b	Total exposure measure excluding claims on central banks	12,352,667	7,459,493
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	10.33%	15.53%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	10.33%	15.53%
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	10.33%	15.53%
UK-25c	Leverage ratio including claims on central banks (%)	4.59%	6.27%

UK LR3 – LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		2026 Leverage ratio exposures £'000
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	27,575,445
UK-2	Trading book exposures	—
UK-3	Banking book exposures, of which:	27,575,445
UK-4	Covered bonds	320,470
UK-5	Exposures treated as sovereigns	23,501,277
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	—
UK-7	Institutions	26,719
UK-8	Secured by mortgages of immovable properties	—
UK-9	Retail exposures	2,261,041
UK-10	Corporates	44,675
UK-11	Exposures in default	65,825
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	1,355,438

Liquidity

UK LIQA – Liquidity risk management

The Bank's strategy is to maintain a robust liquidity profile with a substantial surplus over regulatory minimum requirements, including the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). The funding model is predominantly deposit-led, relying on stable retail and business customer deposits, characterised by a high proportion of FSCS-insured balances, to support balance sheet growth and resilience.

On the asset side, liquidity is maintained through a high-quality liquidity buffer, consisting primarily of cash balances held at the Bank of England and high-quality securities. This simple, low-risk balance sheet structure ensures that funds are available to meet customer outflows on an instantaneous basis, supported by real-time liquidity monitoring and pre-positioned collateral at the Bank of England.

Liquidity risk is overseen by the Board of Directors and the Board Risk Committee (BRC), with delegated authority to the Asset and Liability Committee (ALCo) for day-to-day operational management. The Bank's Treasury function (first line of defence), located in the UK, manages the liquidity position for Monzo Bank Limited, with independent oversight provided by the second line risk function and periodic audit by the third line. As the Bank operates

entirely within the UK regulatory perimeter and has no autonomous foreign branches, there is no fragmentation of liquidity pools. Any intercompany liquidity arrangements with Group entities are governed by formal intra-group agreements.

The Bank employs a suite of automated daily reporting tools to monitor liquidity positions against internal Risk Appetite limits and regulatory requirements, including LCR and NSFR metrics. Liquidity risk is mitigated primarily through the maintenance of a high-quality liquid asset (HQLA) buffer that significantly exceeds net stressed outflows. While derivatives are used for interest rate risk management, liquidity risk mitigation is achieved through the conservative balance sheet structure, including a specific liquidity allocation for potential variation margin calls on derivative hedges, rather than reliance on contingent funding. The Bank also actively monitors deposit concentrations and a range of early warning indicators.

The Bank maintains a formal Liquidity Contingency Plan and a Recovery Plan, which are invoked if liquidity metrics breach defined triggers. The Liquidity Contingency Plan sets out clear operational procedures and governance arrangements for decision-making during periods of stress. Available contingency measures include the liquidation of HQLA securities, access to Bank of England liquidity facilities, and management actions to constrain asset growth or incentivise deposit inflows.

Liquidity stress testing is a core component of the Internal Liquidity Adequacy Assessment Process (ILAAP). The Bank tests three primary stress scenarios: an idiosyncratic stress involving a severe reputational event specific to Monzo leading to rapid retail outflows; a market-wide stress reflecting a systemic shock affecting the UK banking sector; and a combined stress scenario incorporating both elements simultaneously. These are tested over a 30-day and 90-day horizon, with severity levels calibrated to historical precedents and forward-looking system vulnerabilities. The results demonstrate that the Bank's liquidity buffer is sufficient to withstand a severe stress event, this significantly exceeds the 30-day regulatory LCR minimum while meeting the Bank's internal survival horizon and risk appetite.

The Board of Directors confirms that the Bank's liquidity management arrangements are appropriate given its business model, risk profile, and strategy. The systems and controls in place ensure that the Bank maintains sufficient liquidity resources to meet its obligations as they fall due, even under stressed conditions.

Monzo Bank maintains a conservative liquidity risk profile, underpinned by its deposit-led funding model and high-quality asset buffer. The Board has set a risk appetite that requires the Bank to hold sufficient liquidity to survive a severe combined stress scenario. As at the reporting date, the

Liquidity Coverage Ratio stood at 1260.80%, compared to a regulatory minimum of 100%, reflecting substantial holdings of cash at the Bank of England relative to net outflows. The Net Stable Funding Ratio was 741.12%, also above the regulatory minimum of 100%. Funding is highly diversified across 14.2m personal customers, with no single depositor representing more than 1% of total liabilities.

UK LIQ1 – Quantitative information of LCR

		a				b				c				d				e				f				g				h			
		Total unweighted value (average)								Total weighted value (average)																							
		31/3/2026	31/12/2025	30/9/2025	30/6/2025	31/3/2026	31/12/2025	30/9/2025	30/6/2025	31/3/2026	31/12/2025	30/9/2025	30/6/2025	31/3/2026	31/12/2025	30/9/2025	30/6/2025	31/3/2026	31/12/2025	30/9/2025	30/6/2025	31/3/2026	31/12/2025	30/9/2025	30/6/2025	31/3/2026	31/12/2025	30/9/2025	30/6/2025				
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000					
UK 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12					
High-Quality Liquid Assets																																	
1	Total high-quality liquid assets (HQLA)																	20,082,983	18,114,651	16,213,205	14,556,170												
Cash - Outflows																																	
2	Retail deposits and deposits from small business customers, of which:	21,557,050	19,359,757	17,240,120	15,409,443	1,255,205	1,131,344	1,006,662	903,701																								
3	Stable deposits	18,703,229	16,665,347	14,809,834	13,118,769	934,879	833,267	740,492	655,938																								
4	Less stable deposits	2,853,820	2,694,411	2,430,286	2,290,674	320,326	298,077	266,170	247,763																								
5	Unsecured wholesale funding	90,145	79,808	68,614	58,864	36,660	31,236	26,923	23,038																								
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	—	—	—	—	—	—	—	—																								
7	Non-operational deposits (all counterparties)	87,459	79,684	68,490	58,740	33,974	31,112	26,799	22,914																								
8	Unsecured debt	2,685	124	124	124	2,685	124	124	124																								
9	Secured wholesale funding									—	—	—	—																				
10	Additional requirements	68,388	66,127	62,964	81,461	16,213	13,869	21,052	60,125																								
11	Outflows related to derivative exposures and other collateral requirements	16,213	13,869	21,052	60,125	16,213	13,869	21,052	60,125																								
12	Outflows related to loss of funding on debt products	52,174	52,257	41,912	21,335	—	—	—	—																								
13	Credit and liquidity facilities	—	—	—	—	—	—	—	—																								
14	Other contractual funding obligations	557,994	496,599	452,681	413,869	485,357	429,568	388,245	356,172																								
15	Other contingent funding obligations	2,676,903	2,418,434	2,178,554	1,948,766	239,552	216,131	193,789	172,264																								
16	Total Cash Outflows																	2,032,987	1,822,148	1,636,672	1,515,299												
Cash - Inflows																																	
17	Secured lending (e.g. reverse repos)	382	—	—	765	—	—	—	—																								
18	Inflows from fully performing exposures	326,432	291,938	255,107	229,092	301,038	268,588	232,611	207,741																								
19	Other cash inflows	295,631	278,579	267,194	269,003	63,170	57,046	54,053	63,579																								
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)									—	—	—	—																				
UK-19b	(Excess inflows from a related specialised credit institution)									—	—	—	—																				
20	Total Cash Inflows	622,126	570,581	522,365	498,158	364,207	325,634	286,663	271,321																								
UK-20a	Fully exempt inflows	—	—	—	—	—	—	—	—																								
UK-20b	Inflows subject to 90% cap	—	—	—	—	—	—	—	—																								
UK-20c	Inflows subject to 75% cap	622,126	570,581	522,365	498,158	364,207	325,634	286,663	271,321																								
Total Adjusted Value																																	
UK-21	Liquidity Buffer																	20,082,983	18,114,651	16,213,205	14,556,170												
22	Total Net Cash Outflows																	1,668,780	1,496,514	1,350,008	1,243,978												
23	Liquidity Coverage Ratio																	1209.79%	1215.01%	1206.20%	1173.97%												

UK LIQ2 – Net Stable Funding Ratio

		Unweighted value by residual maturity (average)				Weighted value (average) £'000
		a	b	c	d	
		No maturity £'000	< 6 months £'000	6 months to < 1yr £'000	≥ 1yr £'000	
Available stable funding (ASF) Items						
1	Capital items and instruments	—	18,753	3,876	1,223,790	1,223,790
2	Own funds	—	7,841	3,876	1,223,790	1,223,790
3	Other capital instruments		10,912	—	—	—
4	Retail deposits		22,328,254	—	—	21,067,856
5	Stable deposits		19,448,542	—	—	18,476,115
6	Less stable deposits		2,879,712	—	—	2,591,741
7	Wholesale funding:		291,125	—	—	46,873
8	Operational deposits		—	—	—	—
9	Other wholesale funding		291,125	—	—	46,873
10	Interdependent liabilities		—	—	—	—
11	Other liabilities:	—	157,042	—	3,624	3,624
12	NSFR derivative liabilities	—				
13	All other liabilities and capital instruments not included in the above categories		157,042	—	3,624	3,624
14	Total available stable funding (ASF)					22,342,143
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					486,888
UK-15a	Assets encumbered for more than 12m in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		—	—	—	—
17	Performing loans and securities:		899,563	68,998	1,219,291	1,505,396
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		—	—	—	—
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		—	—	—	—
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		850,426	65,641	1,105,520	1,397,725
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		—	—	—	—
22	Performing residential mortgages, of which:		—	—	—	—
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		—	—	—	—
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		49,137	3,357	113,771	107,671

		Unweighted value by residual maturity (average)				Weighted value (average) £'000
		a	b	c	d	
		No maturity £'000	< 6 months £'000	6 months to < 1yr £'000	≥ 1yr £'000	
25	Interdependent assets		—	—	—	—
26	Other assets:	—	305,247	6,086	643,479	808,168
27	Physical traded commodities				—	—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		—	—	39,763	33,798
29	NSFR derivative assets		—	—	—	—
30	NSFR derivative liabilities before deduction of variation margin posted		16,795	—	—	840
31	All other assets not included in the above categories		288,452	6,086	603,717	773,530
32	Off-balance sheet items		2,748,033	—	—	166,514
33	Total RSF					2,966,966
34	Net Stable Funding Ratio (%)					752.75%

UK LIQB – Qualitative information on LCR, which complements template UK LIQ1

Monzo Bank Holding Group (MBHG) maintains a prudent liquidity risk profile on a consolidated basis. The Group's liquidity and funding position is primarily driven by its main operating entity, Monzo Bank Limited (MBL), which operates a deposit-led balance sheet, relying on retail and business customer deposits.

This structural profile allows the Group to maintain High-Quality Liquid Assets (HQLA) that meet both internal liquidity risk appetites and regulatory minimum requirements. Over the past year, our funding experienced significant growth, primarily driven by a strong increase in retail deposits, which comfortably outpaced the corresponding growth in our assets and off-balance sheet exposures. This stable funding base positions

the Group to meet its obligations under both normal and stressed conditions.

The Group's LCR remains comfortably above the regulatory minimum requirement. A key driver of our consolidated LCR is the continued growth in the customer deposit base within the UK operating entity, supported by ongoing engagement with our Instant Access savings products.

The Group's 12-month average LCR for 31 March 2026 was 1209.79%, this is calculated by using the previous 12 months from the reporting date. This represents an increase of 35.81% from the 12-month average LCR over the period. The main drivers for this were a consistent focus on increasing HQLA via purchasing additional Level 1 securities and

placing surplus funds from increased deposits with the Bank of England; this resulted in a £5,527m increase in HQLA across the 12-month average LCR periods referenced. This evolution at the Group level is generally attributable to two factors:

- **HQLA Diversification:** As customer deposits have expanded, the Group has deployed liquidity into central bank reserves while concurrently progressing a treasury diversification strategy, while maintaining a high proportion of Level 1 assets. This has led to material year-on-year increases in central government assets and Public Sector Entity (PSE) assets.
- **Deposit Stability and Classification:** The nominal outflow assumptions tied to stable

deposits grew generally in line with our broader balance sheet expansion. However, following a review of deposit classifications, regulatory interpretations regarding established customer relationships were refined, resulting in a better identification of stable deposits, supported by observed behavioural data and historical churn analysis. This update reflects the underlying nature of the customer base, ensuring the net liquidity outflow calculation remains proportionate to the Group's liquid asset base.

As a predominantly retail-funded banking group, Monzo benefits from a diversified funding base across a large number of individual personal and Small and Medium-sized Enterprises (SME) business accounts.

We recognise a degree of deposit concentration where a specific segment of our user base holds a larger proportion of total deposit balances.

This concentration is managed and mitigated across the Group through several factors:

- **Deposit Protection:** Over 90% of our total customer deposits are protected by the Financial Services Compensation Scheme (FSCS), which significantly reduces the likelihood of run-offs during a stress event.
- **Liquidity Coverage Approach:** We mitigate the on-demand nature of our liabilities by holding a high proportion of those balances in overnight central bank reserves. Under the NSFR framework, these high-quality liquid assets carry a 0% RSF weighting, ensuring that growth in reserves does not create additional stable funding requirements.
- **Retail Inflows:** The majority of our retail and other non-financial customer deposits qualify as stable funding and grew robustly year-on-year, indicating that broader product diversification contributes to managing individual concentration risks over time.

The Group's liquidity buffer is managed centrally by the Treasury function and is structured to provide both security and accessibility.

- **Level 1a Assets:** The core of our consolidated liquidity buffer comprises withdrawable cash reserves at the Bank of England.

- **Treasury Investments:** To manage the structural surplus, the buffer has been further diversified over the last 12 months. This includes a notable year-on-year expansion in unadjusted Level 2 assets, alongside allocations to UK Government Gilts, Supranational, Sovereign and Agency (SSA) securities, and Asset-Backed Securities (ABS).

Additionally, the Group's main operating entity has access to the BoE's Sterling Monetary Framework (SMF) and has pre-positioned a portion of treasury assets to utilise as collateral if required. We have also established third-party repurchase agreement (repo) capabilities to provide contingent avenues for generating liquidity.

Monzo utilises Interest Rate Swaps (IRS) primarily for structural hedging of Interest Rate Risk in the Banking Book (IRRBB) and to hedge the credit portfolio. As the consolidated balance sheet has grown, the hedging footprint has increased accordingly. This is reflected in our year-on-year metrics, where outflows from derivatives saw a marked increase. We calculate potential collateral outflows using the Standardised Historical Look-Back Approach, ensuring HQLA covers the largest 30-day cumulative collateral drain.

We manage the intraday liquidity and collateral requirements associated with these derivatives. Having met mandatory clearing thresholds, Monzo transitions its bilateral IRS contracts to central clearing via the London Clearing House (LCH). This reduces intraday liquidity risk, as initial margin requirements are based on standard LCH matrices, making

potential collateral calls and variation margin movements predictable and manageable within our asset encumbrance limits.

Currency mismatch risk is not considered material for the Group. The Group operates primarily in GBP, with retail deposit liabilities and corresponding HQLA generally matched in Sterling.

While the Group is expanding into the EU via Monzo Bank Europe DAC (MBEU) in Ireland, these overseas subsidiaries are typically funded through planned equity capital injections from the UK parent rather than through cross-currency liquidity reliance. The Group also offers an intercompany facility, however, for a limited amount, and which is captured as a 100% outflow for LCR purposes. In the longer term, these subsidiaries are based on the same model as MBL, so self-funded. Furthermore, the Group currency mismatch risk from MBL is not considered material, given the small associated balances. Foreign exchange exposures are monitored via internal limits and spot transactions, resulting in limited FX convertibility risk under stress.

The Group's Internal Liquidity Adequacy Assessment Process (ILAAP) tests the consolidated balance sheet against various severe but plausible scenarios. Because there is minimal difference in the risk profile between the consolidated Group and MBL, the assessment covers idiosyncratic events, market-wide shocks, and combined stress scenarios over extended horizons.

These internal stress tests confirm that the Group's liquidity resources are positioned to

support the Bank through prolonged stress events, even prior to the deployment of management actions. Furthermore, our comprehensive stress testing exercises indicate that the Group has the capacity to manage accelerated deposit outflows, supported by management actions such as utilising SMF facilities, leveraging the marketable asset base, and reviewing unutilised off-balance sheet credit limits.

Credit Risk

UK CRA – General qualitative information about 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 personal overdrafts, unsecured loans, credit cards (Monzo Flex) as well as business loans and overdrafts which generate interest and fee income for us. Our lending creates retail 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. Wholesale credit risk is created from our treasury assets.

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 review and approve these annually.

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 the credit risk is governed principally at the Credit Risk Committee, which the Enterprise Risk and Compliance Committee (ERCC) oversees, along with lending criteria and policy.

Our Credit Risk Management Framework sets out how credit risk is managed at Monzo, in line with our overall approach to risk management and our credit risk appetite. It defines business owners for each specific type of credit risk, governance of credit risk, roles and responsibilities across the credit risk management and control function, and how we delegate and make credit risk decisions and assessments. Our Credit Risk Policy sets out all Monzo's responsibilities about how we manage credit risk and ensures our lending decisions are made on accurate and relevant information, and are compliant with all applicable regulations.

We manage the amount of credit risk we take when providing lending to our customers, and we stay within the risk appetite level agreed by the Board. To do this we have acquisition policies and strategies for each of our lending portfolios to make sure we are lending to customers we deem to have an acceptable risk profile. We also review the customer's behaviour for the duration of their lending with Monzo and will proactively manage our lending according to their credit risk.

The Credit Risk Committee oversees the credit risk performance of our lending portfolios and ensures it is managed in line with our Credit Risk Policy 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. 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.

We've established clear risk ownership and reporting lines through our risk committees across the Group structure. 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 Risk Appetite.

Authority for management of risk is delegated from the Group Board with certain matters reserved to the Board. Group Board Risk Committee operates on behalf of the MBHG Board to oversee the effectiveness of risk management in Monzo – it delegates authority for the day-to-day management of risk to the Group Enterprise Risk and Compliance Committee. This makes sure that appropriately skilled accountable leaders monitor the performance of risks, escalating matters to the MBHG Board as needed.

Monzo's key Risk Governance Committees as they relate to credit risk management and control are summarised below.

Group Board Risk Committee (GBRC) supports the Board by:

- Considering and recommending our risk appetite and tolerance for risk
- Reviewing the management of risk in the ERMF
- Reviewing our risk profile

- Receiving and considering reports on key risk issues
- Reviewing and monitoring the independence of, and overseeing the performance of, the Risk and Compliance functions

Enterprise Risk and Compliance Committee (ERCC) brings together first line of defence and second line of defence perspectives on risk management. Its role is to support the CEO by ensuring that risks are managed in line with the Monzo Board's by:

- Providing oversight to the risks that Monzo is exposed to across the Group, ensuring that these exposures are managed in line with the ERMF and within risk appetite
- Ensuring a shared perspective on enterprise risks is achieved and that there is consensus for collective action across the Group when risks are outside of appetite
- Providing oversight to Monzo's compliance with regulatory regime requirements
- Acting as a point of escalation from Subsidiary Boards in relation to risk and compliance matters

The Credit Risk Committee brings together first line of defence and second line of defence perspectives on Credit Risk management. Its role is to ensure that risks are managed in line with the Board's will, by:

- Providing oversight to the credit risks that Monzo is exposed to, ensuring that these exposures are managed within risk appetite in line with the Credit Risk Management Framework, the Group Enterprise Risk

Management Framework and the Risk Appetite Authority Standard.

- Ensuring a shared perspective on key risks is achieved and that there is consensus for collective action when risks are outside of appetite.
- Reviewing the profile of Monzo's Credit Risks and agreeing a summary of this risk profile for onward reporting to ERCC.
- Identifying the highest impact and fastest emerging Credit Risks, setting priorities and coordinating action to ensure these risks are well understood, are contained within risk appetite, and are managed in-line with regulatory expectations.
- Providing oversight to Monzo's compliance with regulatory regime credit requirements.
- Escalating matters that cannot be resolved at the Credit Risk Committee to the ERCC.

UK CRB – Additional disclosure related to the credit quality of 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. This same definition is used for accounting and regulatory purposes.

As part of a qualitative assessment of whether a customer meets the accounting definition of default, we consider a variety of events which are considered to indicate unlikelihood to pay:

- 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.

All exposures more than 90 days past due are treated as impaired (classified as Stage 3).

Specific credit risk adjustments are made by modelling the Expected Credit Loss using statistical techniques. These typically represent quantitative calibrations, reflecting changes in credit strategy, collections or operations. Expert credit judgement (Post Model Adjustments) are applied where needed to reflect emerging model weaknesses or economic risks. The CFO, supported by the Impairment Council, approves any PMAs.

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 products 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), modelled at an individual account level.

- 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 default event.

The ECL represents a weighted average of the expected credit loss across a wide range of plausible macroeconomic scenarios.

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.

Four distinct macro-economic scenarios are used to determine the impairment position, provided by Oxford Economics and subjected to internal review and challenge through the quarterly Economics Update

Forum, chaired by the CFO. Forward looking economic variables 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.

The definition of a restructured exposure has been established in accordance with EBA and PRA guidance. All forbearance measures that include a suspension or reduction of any interest or fees, regardless of the length of the suspension period or the total balance suspended, are considered a restructured exposure.

UK CR1-A – Maturity of exposures

	a	b	c			d	e	f
	Net exposure value							
	On demand* £'000	<= 1 year £'000	> 1 year <= 5 years £'000	> 5 years £'000	No stated maturity £'000	Total £'000		
1 Loans and advances	3,718,941	755,495	1,249,231	44,924	5,292	5,773,883		
2 Debt securities	—	2,231,261	6,734,312	517,066	—	9,482,639		
3 Total	3,718,941	2,986,755	7,983,542	561,991	5,292	15,256,522		

UK CR2 – Changes in the stock of non-performing loans and advances

	a
	Gross carrying amount £'000
10 Initial stock of non-performing loans and advances	140,479
20 Inflows to non-performing portfolios	147,036
30 Outflows from non-performing portfolios	(11,298)
40 Outflows due to write-offs	(809)
50 Outflow due to other situations	(83,486)
60 Final stock of non-performing loans and advances	191,922

* Off-balance sheet exposures are reported net of expected credit losses in the 'On demand' column

UK CR2a – Changes in the stock of non-performing loans and advances and related net accumulated recoveries

	a	b
	Gross carrying amount	Related net accumulated recoveries
	£'000	£'000
010 Initial stock of non-performing loans and advances	140,479	
020 Inflows to non-performing portfolios	147,036	
030 Outflows from non-performing portfolios	(11,298)	
040 Outflow to performing portfolio	—	
050 Outflow due to loan repayment, partial or total	(81,625)	
060 Outflow due to collateral liquidations	—	—
070 Outflow due to taking possession of collateral	—	—
080 Outflow due to sale of instruments	(1,862)	61,917
090 Outflow due to risk transfers	—	—
100 Outflows due to write-offs	(809)	
110 Outflow due to other situations	—	
120 Outflow due to reclassification as held for sale	—	
130 Final stock of non-performing loans and advances	191,922	

UK CQ1 – Credit quality of forborne exposures

	a				b		c		d	e		f		g		h
	Gross carrying amount/nominal amount of exposures with forbearance measures									Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures				
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures	Financial guarantees received on exposures with forbearance measures	Of which collateral and financial guarantees received on non-performing exposures with forbearance measures								
£'000		Of which defaulted	Of which impaired	£'000					£'000	£'000	£'000					
5	Cash balances at central banks and other demand deposits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
10	Loans and advances	23,046	109,799	104,879	104,879	(7,520)	(63,212)	—	—	—	—	—	—	—		
20	Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—		
30	General governments	—	—	—	—	—	—	—	—	—	—	—	—	—		
40	Credit institutions	—	—	—	—	—	—	—	—	—	—	—	—	—		
50	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—		
60	Non-financial corporations	135	966	932	932	(70)	(646)	—	—	—	—	—	—	—		
70	Households	22,910	108,833	103,947	103,947	(7,450)	(62,566)	—	—	—	—	—	—	—		
80	Debt Securities	—	—	—	—	—	—	—	—	—	—	—	—	—		
90	Loan commitments given	3,277	14,758	14,397	6,469	(72)	(637)	—	—	—	—	—	—	—		
100	Total	26,323	124,557	119,276	111,348	(7,592)	(63,850)	—	—	—	—	—	—	—		

UK CQ2 – Quality of forbearance

		a
		Gross carrying amount of forborne exposures
		£'000
010	Loans and advances that have been forborne more than twice	95,307
020	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	97,131

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

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
5	Cash balances at central banks and other demand deposits	15,422,548	15,422,548	—	—	—	—	—	—	—	—	—	—
10	Loan and advances	2,705,429	2,680,253	25,176	191,922	97,668	40,736	28,453	18,937	6,081	46	1	154,003
20	Central banks	—	—	—	—	—	—	—	—	—	—	—	—
30	General governments	—	—	—	—	—	—	—	—	—	—	—	—
40	Credit institutions	70,271	70,271	—	—	—	—	—	—	—	—	—	—
50	Other financial corporations	174,588	174,588	—	—	—	—	—	—	—	—	—	—
60	Non-financial corporations	24,582	24,535	47	115	111	3	1	—	—	—	—	115
70	Of which SMEs	12,465	12,418	47	115	111	3	1	—	—	—	—	115
80	Households	2,435,988	2,410,860	25,128	191,807	97,557	40,734	28,452	18,937	6,081	46	1	153,888
90	Debt securities	9,482,639	9,482,639	—	—	—	—	—	—	—	—	—	—
100	Central banks	—	—	—	—	—	—	—	—	—	—	—	—
110	General governments	4,791,067	4,791,067	—	—	—	—	—	—	—	—	—	—
120	Credit institutions	2,757,802	2,757,802	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	1,933,770	1,933,770	—	—	—	—	—	—	—	—	—	—
140	Non-financial corporations	—	—	—	—	—	—	—	—	—	—	—	—
150	Off-balance-sheet exposures	3,168,607			37,474								30,869
160	Central banks	—			—								—
170	General governments	—			—								—
180	Credit institutions	—			—								—
190	Other financial corporations	—			—								—
200	Non-financial corporations	4,983			19								19
210	Households	3,163,624			37,455								30,850
220	Total	30,779,222	27,585,440	25,176	229,396	97,668	40,736	28,453	18,937	6,081	46	1	184,872

UK CQ4: Quality of non-performing exposures by geography

As of 31 March 2026, the Group held £229.4m in total non-performing exposures, all of which are classified as UK exposures. On-balance-sheet exposures amounted to £191.9m with associated impairment of £105.2m, while off-balance-sheet exposures stood at £37.5m with associated impairment of £1.67m.

UK CQ5 – Credit quality of loans and advances to non-financial corporations by industry

		a	b		c	d	e	f		
		Gross carrying amount				Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures		
		Of which non-performing		Of which defaulted	Of which loans and advances subject to impairment				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		£'000	£'000							
10	Agriculture, forestry and fishing	57	—	—	57	(12)	—			
20	Mining and quarrying	—	—	—	—	—	—			
30	Manufacturing	574	10	10	574	(122)	—			
40	Electricity, gas, steam and air conditioning supply	6	—	—	6	(1)	—			
50	Water supply	1	—	—	1	—	—			
60	Construction	2,756	43	43	2,756	(632)	—			
70	Wholesale and retail trade	1,964	8	8	1,964	(427)	—			
80	Transport and storage	652	3	3	652	(144)	—			
90	Accommodation and food service activities	1,474	38	38	1,474	(357)	—			
100	Information and communication	664	—	—	664	(153)	—			
110	Financial and insurance activities	4,857	—	—	16	(4)	—			
120	Real estate activities	2,979	—	—	743	(158)	—			
130	Professional, scientific and technical activities	1,208	1	1	1,208	(263)	—			
140	Administrative and support service activities	2,054	6	6	889	(187)	—			
150	Public administration and defence, compulsory social security	—	—	—	—	—	—			
160	Education	178	2	2	178	(36)	—			
170	Human health services and social work activities	438	2	2	438	(94)	—			
180	Arts, entertainment and recreation	348	—	—	348	(76)	—			
190	Other services	4,487	1	1	—	(129)	—			
200	Total	24,696	115	115	11,967	(2,796)	—			

Credit Risk Mitigation

UK CRC – Qualitative disclosure requirements related to CRM techniques

Monzo uses netting as a credit risk mitigation (CRM) technique primarily in relation to treasury activities, including centrally cleared derivatives, guarantees and securities financing transactions. Where applicable, financial assets and liabilities are presented only where Monzo has a legally enforceable right of set-off and intends either to settle or to realise the asset and settle the liability simultaneously.

Derivative transactions are governed by market-standard netting arrangements (ISDA/CSA), and securities financing transactions allow offsetting of repos and reverse repos with the same counterparty where legally enforceable (GMRAs).

Monzo's derivatives activity is undertaken for hedging purposes. Interest rate swaps are centrally cleared through a qualifying central counterparty ("QCCP"), supporting netting and collateralisation under clearing house rules and margin arrangements.

Collateral accepted for treasury credit risk mitigation is governed by documented legal agreements and associated operational processes. For centrally cleared derivatives, collateralisation is managed through clearing

house margin requirements. For securities financing transactions, collateral eligibility and margin are defined contractually.

Collateral eligibility criteria focus on high-quality, liquid assets with stable valuations. Collateral is subject to regular valuation, haircut and margin, and Monzo maintains operational processes to ensure collateral can be realised within an appropriate timeframe in the event of counterparty default.

Monzo's credit risk profile is primarily driven by customer lending and treasury investments held for liquidity and balance sheet management.

Where Monzo takes collateral for the purposes of funded credit risk mitigation for reverse repurchase transactions, it typically comprises high-quality liquid securities, including but not limited to UK government gilts, in line with Monzo's collateral eligibility criteria. No reverse repurchase deals were transacted in the year to 31 March 2026.

Cash collateral is received and posted for centrally cleared derivatives variation margin purposes. Counterparty credit risk relating to derivative transactions is mitigated primarily through application of margin arrangements contracted under ISDAs with bilateral and central counterparties. All derivatives were centrally cleared as at 31 March 2026.

Monzo does not currently use credit derivatives for credit protection. Where a

counterparty is guaranteed by an eligible guarantor, Monzo assesses the potential to apply unfunded credit protection and substitute the exposure risk weight with that of the guarantor. In each case, CRM is only applied where the guarantee complies with UK CRR eligibility requirements including legal enforceability supported by recent external legal opinion. This includes exposures to government-guaranteed public sector entities where regulatory criteria allow substitution to a lower risk weight.

Monzo calculates risk-weighted exposure amounts under the Standardised Approach. From 1 January 2026, Monzo elected to apply the external rating based approach (SEC-ERBA) to eligible securitisation exposures. For securities financing transactions, Monzo recognises eligible funded credit protection using the Financial Collateral Simple Method. The table below shows exposures before and after the application of conversion factors and credit risk mitigation, and the resulting risk-weighted exposure amounts by exposure class. No securities financing transactions existed as at 31 March 2026.

Monzo manages concentration risk arising from collateral and other mitigation through eligibility standards, limits, and ongoing monitoring. In practice, this includes monitoring concentrations by issuer, geography or country, credit quality, and asset type within treasury portfolios.

Diversification across issuers, regions, sectors and counterparties provides an additional layer of mitigation against concentration risk within collateral pools.

These exposures are managed within the Board-approved risk appetite, including limits on credit quality and issuer and country concentrations.

UK CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

	Unsecured carrying amount a £'000	Secured carrying amount			
		b £'000	Of which secured by collateral c £'000	Of which secured by financial guarantees	
				d £'000	e £'000
1 Loans and advances	2,584,452	—	—	—	—
2 Debt securities	8,677,990	804,649	—	804,649	—
3 Total	11,262,442	804,649	—	804,649	—
4 Of which non-performing exposures	86,769	—	—	—	—
5 Of which defaulted	65,781	—	—	—	—

Credit Risk Standardised Approach

UK CRD – Qualitative disclosure requirements related to standardised model

Monzo uses external credit assessments from Moody's Investors Service, S&P Global Ratings, Fitch Ratings and Morningstar DBRS for regulatory capital purposes under the Standardised Approach. Export Credit Agencies are not used.

For investment and operational purposes, Monzo has credit risk exposures to central governments and central banks, regional governments, public sector entities, international organisations, multilateral development banks, financial institutions, and other investment-grade issuers, including covered bond issuers. For these exposures, the Standardised Approach uses external credit ratings, where available and eligible, to determine the appropriate risk weights.

Where external ratings are used under the Standardised Approach, Monzo determines the applicable Credit Quality Step ("CQS") from the ratings provided by its nominated ECAIs and considering the residual maturity of the exposure. Monzo maps external ratings to CQS and then maps CQS to risk weights using the mapping set out in Commission Implementing Regulation (EU) 2016/1799, as applicable under the UK CRR. Where multiple eligible ratings exist, Monzo follows the UK CRR Article 138 hierarchy to determine the appropriate CQS.

For investments in securitisation positions (including asset-backed securities and residential mortgage-backed securities), Monzo has elected to apply the external rating based approach (SEC-ERBA).

UK CR4 – Standardised approach – Credit risk exposure and CRM effects

Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWAs	RWAs density (%)
	a	b	c	d	e	f
	£'000	£'000	£'000	£'000	£'000	
1 Central governments or central banks	19,725,731	—	20,530,380	—	3,538	0.02%
2 Regional government or local authorities	533,548	—	533,548	—	—	—%
3 Public sector entities	804,649	—	—	—	—	0%
4 Multilateral development banks	2,437,349	—	2,437,349	—	—	—%
5 International organisations	—	—	—	—	—	0%
6 Institutions	26,719	—	26,719	—	5,344	20.00%
7 Corporates	44,675	—	44,675	—	44,675	100.00%
8 Retail	2,261,041	3,159,867	2,261,041	—	1,695,781	75.00%
9 Secured by mortgages on immovable property	—	—	—	—	—	0%
10 Exposures in default	65,825	29,564	65,825	—	65,825	100.00%
11 Exposures associated with particularly high risk	—	—	—	—	—	0%
12 Covered bonds	320,470	—	320,470	—	32,047	10.00%
13 Institutions and corporates with a short-term credit assessment	—	—	—	—	—	0%
14 Collective investment undertakings	—	—	—	—	—	0%
15 Equity	114	—	114	—	114	100.00%
16 Other items	167,314	—	167,314	—	67,039	40.07%
17 Total	26,387,436	3,189,431	26,387,436	—	1,914,363	7.25%

UK CR5 – Standardised approach

Exposure classes	Risk weight						Total p	Of which unrated q	
	0%	10%	20%	75%	100%	250%			
	a	d	e	i	j	l			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
1	Central governments or central banks	20,528,965	—	—	—	—	1,415	20,530,380	—
2	Regional government or local authorities	533,548	—	—	—	—	—	533,548	—
3	Public sector entities	—	—	—	—	—	—	—	—
4	Multilateral development banks	2,437,349	—	—	—	—	—	2,437,349	—
5	International organisations	—	—	—	—	—	—	—	—
6	Institutions	—	—	26,719	—	—	—	26,719	—
7	Corporates	—	—	—	—	44,675	—	44,675	44,675
8	Retail exposures	—	—	—	2,261,041	—	—	2,261,041	—
9	Exposures secured by mortgages on immovable property	—	—	—	—	—	—	—	—
10	Exposures in default	—	—	—	—	65,825	—	65,825	—
11	Exposures associated with particularly high risk	—	—	—	—	—	—	—	—
12	Covered bonds	—	320,470	—	—	—	—	320,470	—
13	Exposures to institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—
14	Units or shares in collective investment undertakings	—	—	—	—	—	—	—	—
15	Equity exposures	—	—	—	—	114	—	114	—
16	Other items	—	—	125,344	—	41,970	—	167,314	167,314
17	Total	23,499,862	320,470	152,063	2,261,041	152,585	1,415	26,387,436	211,989

Counterparty Credit Risk

UK CCRA – Qualitative disclosure related to CCR

Counterparty credit risk (“CCR”) is the risk that a counterparty to a derivative or securities financing transaction defaults during the life of that transaction. Monzo’s CCR exposure arises primarily from hedging activity (centrally cleared interest rate swaps and non- centrally cleared foreign exchange derivatives).

Monzo historically measured counterparty credit risk exposures for derivatives using the Original Exposure Method. As at 31 March 2026, the simplified standardised approach (simplified SA-CCR) has been applied due to the increasing size of the derivative portfolio. Monzo’s interest rate derivatives are centrally cleared by a qualifying central counterparty and risk weights reflect this with no additional Credit Valuation Adjustment (CVA). There were no non-centrally cleared derivatives at 31 March 2026.

Internal counterparty credit limits are calibrated based on counterparty credit quality and the nature of the exposure, taking into account whether transactions are collateralised or centrally cleared, and are monitored on an ongoing basis to ensure exposures remain within approved thresholds.

CCR relating to derivative transactions is mitigated primarily through application of margin arrangements contracted under ISDAs with bilateral and central counterparties.

Wrong-way risk arises when exposure to a counterparty increases at the same time as the credit quality of that counterparty deteriorates. The use of collateralised and centrally cleared structures materially mitigates wrong-way risk, and Monzo does not consider wrong-way risk to be a material source of exposure given the nature of its treasury activities.

Monzo’s treasury activities aim to support balance sheet risk management, including hedging interest rate risk and managing liquidity. Monzo also enters into securities financing transactions to support liquidity management and monetise liquid assets. The same principles used to manage counterparty credit risk for derivatives are applied to securities financing transactions i.e. secured with collateral which is marked to market on a daily basis and subject to daily margin calls.

UK CCR1 – Analysis of CCR exposure by approach

		a	b	c	d	e	f	g	h
		Replacement cost (RC) £'000	Potential future exposure (PFE) £'000	EEPE £'000	Alpha used for computing regulatory exposure value £'000	Exposure value pre- CRM £'000	Exposure value post-CRM £'000	Exposure value £'000	RWEA £'000
UK2	Simplified SA-CCR (for derivatives)	—	22,253	—	1.4	31,154	31,154	31,154	623
6	Total					31,154	31,154	31,154	623

UK CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

Exposure classes		Risk weight	
		b 2% £'000	l Total exposure value £'000
6	Institutions	31,154	31,154
11	Total exposure value	31,154	31,154

UK CCR8 – Exposures to CCPs

	a	b
	Exposure value	RWEA
	£'000	£'000
1 Exposures to QCCPs (total)		623
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	31,154	623
3 (i) OTC derivatives	31,154	623
4 (ii) Exchange-traded derivatives	—	—
5 (iii) SFTs	—	—
6 (iv) Netting sets where cross-product netting has been approved	—	—
7 Segregated initial margin	63,863	

Securitisation Positions

UK-SECA – Qualitative disclosure requirements related to securitisation exposures

Monzo does not act as an originator or sponsor of securitisations, does not undertake re-securitisations, and does not use securitisation, including synthetic securitisation, as a means of credit risk transfer. Monzo does not have any securitisation special purpose entities (SSPEs) that acquire exposures originated by Monzo, are sponsored by Monzo, receive securitisation-related services from Monzo, or are included within Monzo's regulatory scope of consolidation. Monzo has not provided financial or non-financial support to any securitisation entities.

Monzo holds securitisation exposures solely in its capacity as an investor, within its treasury investment activities. These exposures include asset-backed securities (ABS) and residential mortgage-backed securities (RMBS) and are held for liquidity and balance sheet management purposes. Investments are selected in accordance with defined criteria relating to credit quality, liquidity, and diversification.

All of Monzo's securitisation exposures arise from transactions originated by third parties. The Bank is primarily exposed to the credit risk of the underlying securitised assets and

to the structural performance of the securitisation positions. Risk is mitigated through structural features, including tranche seniority and credit enhancement and all securitisation investments are limited to senior tranches. In addition, Monzo undertakes ongoing monitoring of the performance of the underlying asset pools for each securitisation position.

Securitisation positions held as treasury investments are accounted for in accordance with the Group's financial instruments accounting policies under IFRS 9 and are typically measured at fair value through other comprehensive income (FVOCI), reflecting a hold-to-collect-and-sell business model. From 1 January 2026, Monzo has elected to apply the External Ratings-Based Approach (SEC-ERBA) for the determination of risk weights for all rated securitisation positions and uses external credit assessments from its nominated External Credit Assessment Institutions (ECAIs).

UK-SEC1 – Securitisation exposures in the non-trading book

		Institution acts as investor			
		Traditional		Synthetic	Sub-total
		STS	Non-STS		
		£'000	£'000	£'000	£'000
1	Total exposures	1,009,429	80,508	—	1,089,938
2	Retail (total)	1,009,429	80,508	—	1,089,938
3	residential mortgage	533,847	72,186	—	606,033
4	credit card	86,771	8,322	—	95,093
5	other retail exposures	388,811	—	—	388,811
6	re-securitisation	—	—	—	—
7	Wholesale (total)	—	—	—	—
8	loans to corporates	—	—	—	—
9	commercial mortgage	—	—	—	—
10	lease and receivables	—	—	—	—
11	other wholesale	—	—	—	—
12	re-securitisation	—	—	—	—

Market risk

UK MRA – Qualitative disclosure requirements related to market risk

The Bank does not operate a Trading Book and does not hold positions with the intention of profiting from short-term price movements. Market risk arises solely as a consequence of the Bank's core retail banking activities and balance sheet structure.

The Bank's primary market risk exposures relate to interest rate risk in the banking book (IRRBB) and, to a lesser extent, foreign exchange (FX) risk. In relation to IRRBB, the Bank's strategic objective is to manage interest rate sensitivity within Board-approved limits to stabilise the Net Interest Margin (NIM) and preserve the Economic Value of Equity (EVE). The Bank accepts interest rate risk where it is an inherent consequence of maturity transformation, mitigating this risk through the implementation of a structural hedge programme.

Hedging instruments, primarily interest rate swaps, are used strictly for risk mitigation purposes. Derivatives are employed to align the interest rate characteristics of liabilities with those of assets, thereby reducing earnings and valuation volatility. Hedge effectiveness is monitored on an ongoing

basis to ensure exposures remain within defined risk appetite limits.

The Bank monitors Credit Spread Risk in the Banking Book (CSRBB) as a distinct risk to the Economic Value of Equity (EVE) and Net Interest Income (NII). This risk arises from changes in the market credit spreads of our liquid asset holdings, specifically our allocations to Supranational, Sovereign, and Agency (SSA) securities, covered bonds and Asset-Backed Securities (ABS). The Bank manages this risk by setting concentration limits on non-government bond holdings and tenors and performing regular sensitivity analysis to ensure valuation impacts remain within capital risk appetite.

Transactional FX risk arising from customer activity or operational costs is actively managed and, where appropriate, offset or hedged to ensure exposures remain within internally approved limits.

The Bank also monitors Basis risk, which arises from the imperfect correlation between different interest rate indices across assets and liabilities. This is monitored through sensitivity analysis of a spread divergence.

Market risk governance operates in line with the Bank's Three Lines of Defence model, with ultimate oversight provided by the Group Board Risk Committee (GBRC). The Asset and Liability Committee (ALCo) is the primary executive forum responsible for market risk management. ALCo meets

monthly to review interest rate and FX exposures, approve hedging strategies, and ensure ongoing compliance with the Board-approved Risk Appetite.

The Treasury function is responsible for the day-to-day management of the balance sheet, execution of hedging transactions, and maintenance of liquidity buffers in accordance with ALCo mandates. The Prudential Risk function provides independent oversight and challenge, including validation of market risk models and escalation of any risk appetite breaches to the GBRC.

The Bank uses a suite of measurement and monitoring tools to quantify market risk exposures in the Banking Book. Reporting is produced daily for Treasury and monthly for ALCo. Key metrics include Net Interest Income (NII) sensitivity, which measures the impact of interest rate shocks on earnings over a 12-month horizon, and EVE sensitivity, which assesses changes in the net present value of assets and liabilities under stressed interest rate scenarios, including the six standard Basel Committee IRRBB shock scenarios. FX risk is monitored through net open position metrics across all currencies against internal limits.

In addition, market risk stress testing is performed on a regular basis to assess the resilience of the Bank's capital position under adverse and volatile market conditions and to ensure that capital adequacy remains robust.

UK MR1 – Market risk under the standardised approach

		a RWEAs £'000
Outright products		
1	Interest rate risk (general and specific)	—
2	Equity risk (general and specific)	—
3	Foreign exchange risk	54,485
4	Commodity risk	—
Options		
5	Simplified approach	—
6	Delta-plus approach	—
7	Scenario approach	—
8	Securitisation (specific risk)	—
9	Total	54,485

Operational Risk

UK ORA – Qualitative information on operational risk

Strategies and Processes

Monzo defines Operational Risk as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. It is a principal risk category managed under the Monzo Enterprise Risk Management Framework (ERMF).

Our strategy is to ensure that operations and processes remain resilient and drive positive customer outcomes. This is achieved by embedding risk management into day-to-day activities, guided by our value of “growing Monzo safely”. We manage operational risk across a defined taxonomy that includes technology resilience, payment services, third-party risk, information security, and data protection.

Monzo uses the Standardised approach for the assessment Pillar 1 operational risk requirements.

Structure and Organisation

Monzo operates a Three Lines of Defence (3LoD) model to ensure clear accountability and authority:

- **First Line:** Business functions and “Collectives” own the risks and are responsible for identifying, assessing, and controlling them.
- **Second Line:** The Risk and Compliance function, led by the Chief Risk Officer (CRO), provides independent oversight and challenge. It has the authority to set the ERMF and monitor adherence to risk appetite.
- **Third Line:** Internal Audit provides independent assurance to the Board on the effectiveness of the first and second lines.

The Conduct and Operational Risk Committee (CORC) provides executive oversight of the operational risk profile, reporting into the Enterprise Risk and Compliance Committee (ERCC) and the Board Risk Committee (BRC).

Scope and Nature of Risk Reporting and Measurement Systems

Monzo utilises a suite of measurement and reporting tools to provide a comprehensive view of our risk profile:

- **Risk and Control Self-Assessment (RCSA):** A continuous process used by business areas to evaluate inherent risks and the effectiveness of mitigating controls.
- **Incident Management:** A formal process for identifying, escalating, and performing root-cause analysis on operational risk events.
- **Risk Appetite Metrics:** A set of Board-approved quantitative indicators and triggers used to monitor exposure levels in real-time.
- **Reporting:** Standardised monthly reporting is provided to CORC and the BRC, detailing performance against appetite, material incidents, and the status of the control environment.

Operational Risk Mitigation Strategies

Monzo manages operational risk exposure through a variety of mitigation strategies:

- **Control Environment:** We maintain a single control library; controls are designed to prevent, detect, or mitigate risks to within approved appetite levels. Controls are monitored and tested for operating design and effectiveness on a regular basis.
- **Operational Resilience:** We identify Important Business Services and maintain a framework to ensure we can recover from disruptions within defined impact tolerances and continue our obligations to our customers.
- **Third-Party Management:** A dedicated framework is in place to manage risks arising from our reliance on critical suppliers and partners.
- **Monitoring Effectiveness:** The continuing effectiveness of these mitigants is monitored through regular control testing (1LoD), independent oversight (2LoD), and stress testing scenarios within the ICAAP.
- **Insurance:** Monzo maintains a suite of insurance policies to provide financial mitigation against specific high-impact operational loss events.

UK OR1 – Operational risk own funds requirements and risk weighted exposure amounts

Banking activities		Relevant indicator			Own funds requirements £'000	Risk weighted exposure amount £'000
		a	b	c		
		Year-3 £'000	Year-2 £'000	Last year £'000		
1	Banking activities subject to basic indicator approach (BIA)	652,033	900,522	1,216,493	138,452	1,730,655
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	—	—	—	—	—
3	Subject to TSA:	—	—	—		
4	Subject to ASA:	—	—	—		
5	Banking activities subject to advanced measurement approaches AMA	—	—	—	—	—

Remuneration

UK REMA – Remuneration policy

Remuneration policy and practices

Our remuneration policy is designed to apply to everyone who works at Monzo, but under the Remuneration Part of the PRA Rulebook and the FCA's dual-regulated firms Remuneration Code (SYSC 19D), there are some further rules we must apply to our remuneration policies and practices for people whose activities have a material impact on our risk profile. These people are known as Material Risk Takers.

Remuneration policy

This policy sets out our approach to remuneration for all colleagues. Its objective is to make sure we can attract, motivate and retain the people we need for each phase of our growth, while making sure we remain compliant with all regulatory requirements that apply to us. The Remuneration Committee (RemCo) reviews the policy at least annually, with the last review completed in March 2026, resulting in updates to the policy for the new Monzonaut Incentive Scheme.

The Board appoints a RemCo, which is made up of six independent non-executive directors (NEDs), Fields Wicker-Miurin (Chair), Gary Hoffman, Amy Kirk, Valerie Dias,

Lizzie Runham and Karen Peacock, to make sure there's independent judgement on remuneration matters. RemCo's Terms of Reference set out its duties, which we review annually.

RemCo meets as needed, but at least twice a year. In the last performance period (the year to 31 March 2026), RemCo met for 7 scheduled meetings as well as 3 ad hoc meetings.

PwC is appointed as external adviser to the RemCo and supports it in performing its duties as needed. The Risk function also inputs into the Remuneration policy and decisions where appropriate to ensure sound and effective risk management.

The RemCo undertakes an annual review of the Remuneration policy to confirm it aligns with our business strategy, objectives and values, long-term interests and complies with regulatory requirements.

The key features and objectives of our remuneration practices which support our business strategy are:

- To support our customer-first strategy by attracting, motivating and retaining the best talent across the business who deliver or support good customer outcomes. We set remuneration as required for each phase of our growth.
- To apply and promote our values of: default to transparency; make a difference; be hard

on problems, not people; help everyone belong; think big, start small; own it; think customer first; and grow Monzo safely. We ensure that our approach to remuneration is aligned with our values, which in turn align with the long-term interests of Monzo.

- To support the long-term, sustainable performance and growth of Monzo, and its risk strategy. To manage remuneration associated risks we emphasise fixed pay and share options. Options aim to align employees' interests with the long-term growth of Monzo.
- To ensure that our remuneration practices are safe with risk-adjusted performance outcomes, compatible with capital and liquidity planning and in compliance with regulation.
- Remuneration supports equal pay for equal work, and doesn't discriminate against protected characteristics, like gender, race, sexuality, disability, age or religion.
- Remuneration is consistent with and promotes sound management practices and effective risk management.

Material Risk Takers

Material Risk Takers (MRTs) are individuals whose professional activities have a material impact on Monzo's risk profile. We identify MRTs in line with the Remuneration Part of the PRA Rulebook and the FCA Dual-Regulated Firms Remuneration Code

(SYSC 19D). In the year to 31 March 2026, we identified a total of 73 MRTs.

Structure of Remuneration

With effect from 31 October 2023, the PRA and FCA removed the limit on the maximum ratio between fixed and variable remuneration applicable to MRTs under Chapter 3 of the Remuneration Part of the PRA Rulebook, instead requiring that firms set their own appropriate ratios between the fixed and variable components of total remuneration.

Monzo reviewed its fixed to variable pay ratio policy, including the associated prudential and conduct risk and the impact that MRTs have on Monzo's risk profile. After careful consideration RemCo set a new maximum fixed-to-variable ratio to apply to the remuneration of MRTs.

Link between pay and performance

We have designed our performance framework to discourage risk taking outside of our risk appetite. We have an annual, holistic performance cycle which includes goal setting, personal development plans and a 360 degree performance assessment, with a 6-month performance check-in. Feedback covers measurable performance and

behaviours including operating within our risk appetite.

In line with CRD V guidance on remuneration and the FCA Handbook, the Risk function reviews risk management performance by key risk area, using relevant available data and through a primarily qualitative review. The principal risk categories we look at include Strategic Risk, Financial Risk, Financial Crime & Fraud Risk, Operational Risk, Conduct Risk and Credit Risk. On a bi-annual basis, our decisions on how to grant share options are informed by independent reports presented to the RemCo by our Chief Risk Officer and Chief Financial Officer. The reports look at performance in each of these risk categories along with the performance of our risk appetite metrics, our financial performance and other associated metrics outlining the factors the RemCo should consider when assessing grant levels for share options.

Remuneration at Monzo is currently made up of fixed compensation (salary, pension and benefits) and variable pay in the form of share options, giving our colleagues the opportunity to share in our long-term success. As a proportionality level 3 firm, we apply the Remuneration Part of the PRA Rulebook and FCA Dual-Regulated Firms Remuneration Code (SYSC 19D) requirements in a way that's proportionate to our size, nature and complexity.

Fixed remuneration

We determine fixed remuneration based on our salary frameworks. Our frameworks

reflect the experience and skills that relate to an individual's role, their impact, and their level of responsibility and contribution.

We review the salary levels in the framework every year, benchmarking them against comparable firms. We generally review everyone's salary at least annually, but we don't necessarily make changes after every review.

Everyone at Monzo is entitled to various benefits including pension, private medical insurance and life insurance. Some MRTs may receive a cash allowance in lieu of a pension contribution.

Variable remuneration

We've designed our remuneration framework to strike an appropriate balance between fixed and variable pay. In FY26 we granted all colleagues share options when they join and at key milestone events, including qualifying promotions or role changes and select start-date anniversaries.

We grant share options under an unapproved share option plan. The share options issued are equity settled with no cash settlement options, with an exercise term of typically 10 years. Options typically vest over four years with a one year cliff. 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.

More specifically, the share options we grant to all new hires follow a standard vesting

schedule over a four year period (from the date of joining) with a one year cliff. A quarter of the award vests after the individual's first anniversary and then the remaining options vest uniformly each month. We also grant additional share options at set intervals after someone's start date. These share options vest over four years, typically with monthly uniform vesting starting two years after the date we grant them.

Value can currently only be delivered by share options in the event of an exit event, (e.g. a sale or initial public offering of Monzo shares) or through a liquidity opportunity, (e.g. secondary sale of Monzo shares) which not only depends on financial performance but also the overall health of the business (including factors such as having a strong risk and compliance record, customer record etc.).

Monzo's share option plan is considered a Long Term Incentive Plan ("LTIP") for the purposes of the Remuneration Part of the PRA Rulebook and the FCA's Dual-regulated firms Remuneration Code (SYSC 19D). Options are only granted to employees when all regulatory mandatory training is up to date and there are no live disciplinary warnings in place. MRT option grants are also linked to a minimum performance period and are subject to specific performance criteria (at the individual and company level) assessed both prior to each grant and vesting event.

Along with the key risk categories listed previously, the financial KPIs used to assess financial performance include, amongst other items, Total Revenue, Year-on-Year growth of Total Revenue, Total Number of Customers, Deposit Balance, Year-on-Year

Growth of Deposit Balance, Capital Surplus, LCR, CET1 Ratio and Leverage Ratio. We also review our risk appetite and other associated factors when deciding how to proceed with variable remuneration.

RemCo, with input from Risk, Compliance and Finance, then uses this information to validate the suitability of both option award granting and vesting, and has the ability to override formulaic outcomes if and when necessary. Options vest only if it is sustainable according to the financial situation of the firm as a whole, and justified on the basis of the performance of the firm, and the individual concerned.

Independent control functions include Monzo's Internal Audit, Compliance and Risk management teams. Control function remuneration is set independent of the performance of the business areas they partner with. To preserve the independence and integrity of the firm's control functions, the RemCo has direct oversight of the remuneration arrangements for the heads of Internal Audit, Compliance and Risk.

MRTs in Internal Audit, Compliance and Risk have individual objectives that are linked to the performance of the respective control function itself, rather than Monzo's financial performance. The performance assessment of each control function is conducted by individuals who are independent of the business unit being supervised.

In line with our Remuneration Risk Adjustment Process and with the input from the relevant functions (Compliance, Finance, Human Resources, Legal, Reward and Risk),

RemCo will determine whether, to what extent and for which awards malus and clawback should be applied, taking into account all factors it determines to be relevant. With the exception of our Leaver Options that reflect the terms of our discontinued Company Share Option Plan (CSOP) Awards and are subject to Clawback provisions solely for MRTs, all other option awards are subject to malus and clawback provisions including those granted to MRTs, and will be considered if the RemCo determines that misconduct or material error, financial downturn, risk failure or misstatement has occurred or if an employee failed to meet appropriate standards of fitness and propriety. The clawback period is currently 7 years, which might be extended to 10 years in some circumstances.

We haven't historically paid annual cash-based variable remuneration, however RemCo have recently approved a new Monzonaut Incentive Scheme which will be effective from FY2027 onwards and includes cash and equity awards.

We only award guaranteed variable remuneration in exceptional circumstances. The predominant reason is when it is needed to secure a candidate for a role. Any guaranteed variable remuneration awarded to MRTs are subject to malus and clawback and count towards the variable pay cap for the relevant year. RemCo approval is required for all awards of guaranteed variable remuneration to MRTs.

Relocation bonuses, as part of a new hire package, may be paid in certain

circumstances if we require a candidate to relocate.

At Monzo, termination payments are at the discretion of the Bank, except for those due as part of contractual notice periods. Any payments related to an early termination of contract will reflect performance over time and will not reward failure or misconduct. All termination payments for MRTs over and above statutory and contractual entitlements (subject to any agreed delegation arrangement in place from time to time) need to be approved by RemCo.

UK REM1 – Remuneration awarded for the financial year

		a	b	c	d	
		MB Supervisory function	MB Management function	Other senior management	Other identified staff	
		£'000	£'000	£'000	£'000	
1	Fixed remuneration	Number of identified staff	13	14	27	19
2		Total fixed remuneration	1,941	5,697	5,622	3,221
3		Of which: cash-based	1,941	5,697	5,622	3,221
4		(Not applicable in the UK)				
UK-4a		Of which: shares or equivalent ownership interests	—	—	—	—
5		Of which: share-linked instruments or equivalent non-cash instruments	—	—	—	—
UK-5x		Of which: other instruments	—	—	—	—
6		(Not applicable in the UK)				
7		Of which: other forms	—	—	—	—
8		(Not applicable in the UK)				
9	Variable remuneration	Number of identified staff	—	10	18	15
10		Total variable remuneration	—	13,344	6,402	2,040
11		Of which: cash-based	—	192	634	30
12		Of which: deferred	—	—	—	—
UK-13a		Of which: shares or equivalent ownership interests	—	—	—	—
UK-14a		Of which: deferred	—	—	—	—
UK-13b		Of which: share-linked instruments or equivalent non-cash instruments	—	13,152	5,768	2,010
UK-14b		Of which: deferred	—	13,152	5,768	2,010
UK-14x		Of which: other instruments	—	—	—	—
UK-14y		Of which: deferred	—	—	—	—
15		Of which: other forms	—	—	—	—
16		Of which: deferred	—	—	—	—
17	Total remuneration (2 + 10)		1,941	19,041	12,024	5,261

UK REM2 – Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

	a	b	c	d	
	MB Supervisory function	MB Management function	Other senior management	Other identified staff	
Guaranteed variable remuneration awards					
1	Guaranteed variable remuneration awards - Number of identified staff	—	2	10	2
2	Guaranteed variable remuneration awards - Total amount	—	52	458	30
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	—	—	—	—
Severance payments awarded in previous periods, that have been paid out during the financial year					
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	—	—	—	—
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	—	—	—	—
Severance payments awarded during the financial year					
6	Severance payments awarded during the financial year - Number of identified staff	—	1	1	—
7	Severance payments awarded during the financial year - Total amount	—	140	176	—
8	Of which paid during the financial year	—	140	176	—
9	Of which deferred	—	—	—	—
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	—	—	—	—
11	Of which highest payment that has been awarded to a single person	—	—	176	—

UK REM3 – Deferred remuneration

Deferred and retained remuneration	a	b	c	d	e	f	UK - g	UK - h
	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to explicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1 MB Supervisory function	—	—	—	—	—	—	—	—
2 Cash-based	—	—	—	—	—	—	—	—
3 Shares or equivalent ownership interests	—	—	—	—	—	—	—	—
4 Share-linked instruments or equivalent non-cash instruments	—	—	—	—	—	—	—	—
5 Other instruments	—	—	—	—	—	—	—	—
6 Other forms	—	—	—	—	—	—	—	—
7 MB Management function	13,152	2,765	10,387	—	—	—	2,765	—
8 Cash-based	—	—	—	—	—	—	—	—
9 Shares or equivalent ownership interests	—	—	—	—	—	—	—	—
10 Share-linked instruments or equivalent non-cash instruments	13,152	2,765	10,387	—	—	—	2,765	—
11 Other instruments	—	—	—	—	—	—	—	—
12 Other forms	—	—	—	—	—	—	—	—
13 Other senior management	5,768	1,257	4,511	—	—	—	1,257	—
14 Cash-based	—	—	—	—	—	—	—	—
15 Shares or equivalent ownership interests	—	—	—	—	—	—	—	—
16 Share-linked instruments or equivalent non-cash instruments	5,768	1,257	4,511	—	—	—	1,257	—
17 Other instruments	—	—	—	—	—	—	—	—
18 Other forms	—	—	—	—	—	—	—	—
19 Other identified staff	2,010	440	1,570	—	—	—	440	—
20 Cash-based	—	—	—	—	—	—	—	—
21 Shares or equivalent ownership interests	—	—	—	—	—	—	—	—
22 Share-linked instruments or equivalent non-cash instruments	2,010	440	1,570	—	—	—	440	—
23 Other instruments	—	—	—	—	—	—	—	—
24 Other forms	—	—	—	—	—	—	—	—
25 Total amount	20,930	4,462	16,468	—	—	—	4,462	—

UK REM4 – Remuneration of 1 million EUR or more per year

	EUR	a Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	6
2	1 500 000 to below 2 000 000	—
3	2 000 000 to below 2 500 000	—
4	2 500 000 to below 3 000 000	—
5	3 000 000 to below 3 500 000	—
6	3 500 000 to below 4 000 000	2
7	4 000 000 to below 4 500 000	—
8	4 500 000 to below 5 000 000	—
9	5 000 000 to below 6 000 000	1
10	6 000 000 to below 7 000 000	—
11	7 000 000 to below 8 000 000	—

UK REM5 – Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

	a			b							j
	Management body remuneration			Business areas							
	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total	
1	Total number of identified staff										73
2	Of which: members of the MB	13	14	27							
3	Of which: other senior management				—	4	—	15	6	2	
4	Of which: other identified staff				—	5	—	12	2	—	
5	Total remuneration of identified staff	1,941	19,041	20,983	—	3,956	—	9,857	1,719	1,754	
6	Of which: variable remuneration	—	13,344	13,344	—	2,223	—	4,536	515	1,169	
7	Of which: fixed remuneration	1,941	5,697	7,639	—	1,733	—	5,321	1,204	585	

Asset encumbrance

UK AE1 – Encumbered and unencumbered assets

	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets		
		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA	
	10	30	40	50	60	80	90	100	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
10	Assets of the reporting institution	826,176	815,275			23,724,489	21,240,195		
30	Equity instruments	114	—	114	—	—	—	—	—
40	Debt securities	284,829	284,829	285,904	285,904	8,163,522	8,019,044	8,131,874	7,986,997
50	of which: covered bonds	—	—	—	—	316,091	316,091	316,846	316,846
60	of which: securitisations	—	—	—	—	852,467	718,874	853,817	719,850
70	of which: issued by general governments	284,829	284,829	285,904	285,904	4,224,425	4,224,425	4,178,208	4,178,208
80	of which: issued by financial corporations	—	—	—	—	2,770,539	2,759,655	2,783,002	2,772,093
90	of which: issued by non-financial corporations	—	—	—	—	—	—	—	—
120	Other assets	541,233	530,446			15,560,968	13,221,151		

UK AE2 – Collateral received and own debt securities issued

	Fair value of encumbered collateral received or own debt securities issued		Unencumbered Fair value of collateral received or own debt securities issued available for encumbrance	
		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
	10 £'000	30 £'000	40 £'000	60 £'000
130	Collateral received by the reporting institution	—	—	—
140	Loans on demand	—	—	—
150	Equity instruments	—	—	—
160	Debt securities	—	—	—
170	of which: covered bonds	—	—	—
180	of which: securitisations	—	—	—
190	of which: issued by general governments	—	—	—
200	of which: issued by financial corporations	—	—	—
210	of which: issued by non-financial corporations	—	—	—
220	Loans and advances other than loans on demand	—	—	—
230	Other collateral received	—	—	—
240	Own debt securities issued other than own covered bonds or securitisations	—	—	—
241	Own covered bonds and asset-backed securities issued and not yet pledged	—	—	—
250	Total Assets, collateral received and own debt securities issued	827,251	816,350	

UK AE3 – Sources of encumbrance

	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
	10	30
	£'000	£'000
10 Carrying amount of selected financial liabilities	11,064	—

UK AE4 – Information on the importance of encumbrance

Encumbered assets are assets that Monzo has pledged as collateral or that are legally ring-fenced in some other way. This status prevents the Bank from being able to transfer, pledge, sell, repo or otherwise use or dispose of these assets.

Monzo's business model impacts its asset encumbrance primarily through its essential payment scheme memberships and its derivative margin requirements. The key drivers of encumbrance for the Bank include:

- **Payment Scheme Collateral:** As a core part of its banking infrastructure, Monzo is obliged to place collateral with the central bank as a direct member of the Faster Payments Scheme (FPS) and Bankers' Automated Clearing System (BACS). The collateral, in the form of cash, posted up to the minimum required by these schemes is treated as encumbered. Any balance held in the collateralisation account that is in excess of this required minimum is treated as unencumbered. Furthermore, Monzo

also meets collateral requirements as a result of being a member of the Mastercard payments scheme, and this collateral, in the form of gilts, is also treated as encumbered.

- **Derivative Margin Requirements:** To actively manage interest rate risk in the banking book (IRRBB) and to hedge its credit portfolio, Monzo utilised Interest Rate Swaps (IRS). Engaging in these derivative contracts requires the Bank to post collateral, which contributes to its overall asset encumbrance. Specifically, fluctuations in the market value of these swaps drive variation margin movements, necessitating the exchange of collateral. Furthermore, as Monzo's derivative activities have grown to meet mandatory central clearing thresholds, the Bank is also subject to initial margin requirements set by central clearing houses. The assets posted to satisfy both the initial and variation margin obligations for these derivative contracts, in the form of cash and gilts, are treated as encumbered.

To ensure that the Bank can maintain operational continuity in the event of a failure, Monzo maintains an Operational Continuity in Resolution (OCIR) liquidity buffer. This buffer consists of liquidity resources that are internally ring-fenced to cover payment obligations for critical services throughout a resolution period. Ring-fencing liquidity in this way is considered a practical, transparent, and prudent approach to demonstrating regulatory compliance. Crucially, because these resources, in the form of gilts, are managed as an internally ring-fenced liquidity buffer rather than being legally pledged as collateral, they are treated as unencumbered.

Monzo also has gilts and bonds prepositioned at the Bank of England, qualifying as readily available collateral against the Sterling Monetary Framework funding facilities, which could be accessed as contingent funding in times of stress. These assets become encumbered only when these funding

facilities are accessed, otherwise they are treated as unencumbered.

In addition, Monzo has also gained access to the Repurchase Agreement ("Repo") Market, where it could pledge qualifying assets (gilts and bonds) to convert them to cash quickly or as an alternative to selling them instead, when the market conditions are not favourable. These qualifying assets are treated as encumbered only when a repo transaction is in place, and remain unencumbered otherwise.

The majority of Monzo's assets are unencumbered, however, should this change significantly in the future, both Monzo's growth plans and capability of recovering in a liquidity stress would be impacted, the former with higher collateral requirements and the latter with less access to additional funding and asset monetisation options.

Interest rate risk in the banking book

UK IRRBBA – IRRBB risk management objectives and policies

Interest Rate Risk in the Banking Book (IRRBB) is defined as the current or prospective risk to the Bank's capital and earnings arising from adverse movements in interest rates that affect the Bank's banking book positions.

IRRBB represents our primary market risk exposure. It arises largely from the timing mismatch in the repricing of assets and liabilities.

The Bank's IRRBB framework is overseen by the Group Asset and Liability Committee (ALCo) and the Group Board Risk Committee (GBRC). The Treasury function is responsible for the management of the risk within the limits set by ALCo and the Board. The Prudential risk function provides independent oversight, challenges modelling assumptions and monitors compliance with internal and external requirements.

The Bank's primary objective is to minimise the volatility of Net Interest Income (NII) and protect Economic Value of Equity (EVE) against interest rate fluctuations. Our mitigation strategies include, but are not limited to:

- Natural hedging, where repricing characteristics of assets and liabilities match
- Derivatives, that are used where natural hedges are not sufficient and to convert liabilities into fixed rate assets
- Diversification- maintaining a diversified portfolio of High-Quality Liquid Assets (HQLA) with varying maturities to manage duration risk.

IRRBB exposures are calculated on a monthly basis by the Treasury function and reported to ALCo. The Bank uses two primary complementary metrics to assess sensitivity to interest rates:

- Net Interest Income (NII) sensitivity measures the impact of interest rate shocks on the Bank's earnings over a rolling 12-month period. This metric focuses on near-term income volatility.
- Economic Value of Equity measures the change in the net present value of the Bank's assets and liabilities under stressed scenarios. This metric captures long-term structural risk and is a key risk indicator for capital adequacy.

The Bank employs the six standard supervisory shock scenarios prescribed by the Basel Committee and PRA:

- Parallel shock up/Parallel shock down
- Steeper shock/Flattener shock

- Short rates shock up/Short rates shock down

In addition to regulatory shocks, the Bank assesses internally defined scenarios, including Basis risk and Option risk scenarios.

To accurately measure risk, the Bank applies specific behavioural assumptions to products that don't have contractual maturity or repricing date:

- **Non-Maturity Deposits (NMDs):** current and instant access savings are segmented into core and non-core balances based on historical stability analysis and sensitivity to the rate changes. Core balances are treated as having a longer duration and are tranching over a maturity profile. Non-core balances are assumed to reprice overnight.
- **Pass-through rates:** The Bank assumes a pass-through rate for deposits, reflecting the degree to which changes in the Base Rate are passed on to customers. This is part of the Bank's pricing strategy.
- **Prepayment risk:** For fixed-rate lending, the Bank models prepayments based on historical customer behaviour to estimate early prepayments.

The Bank's internal measurement system (IMS) is largely aligned with the regulatory disclosure method in UK IRRBB1. However, for internal risk management, the Bank may apply additional scenarios and assumptions

which may differ from the regulatory disclosure requirements.

The Economic Value of Equity (EVE) sensitivities presented in this report are calculated in accordance with prescribed regulatory methodologies, which strictly exclude own equity from behavioural maturity profiles. Conversely, the internal management metrics disclosed in the Annual Report incorporate the active structural hedging of equity, resulting in a distinctly different effective duration profile and corresponding sensitivity outputs.

The Bank utilises Interest Rate Swaps (IRS) to hedge interest rate risk. By applying cash-flow hedge accounting under IFRS 9, the Bank employs the hypothetical derivative method to assess hedge effectiveness. This treatment mitigates accounting volatility arising from the measurement mismatch between the hedged item (amortised cost) and the derivative (fair value through profit or loss). Consequently, the effective portion of the hedge is deferred to Other Comprehensive Income (OCI) and reclassified to profit or loss in the same period the hedged item impacts earnings, ensuring the financial statements accurately reflect the economic reality of the risk mitigation.

The Bank remains well capitalised against interest rate risk. The reported EVE and NII figures reflect a conservative risk profile due to the substantial buffer of high quality liquid

assets (HQLA). This buffer is primarily held in central bank reserves and government securities, supplemented by a diversified portfolio of highly-rated liquid bonds.

Variations since the previous disclosure are driven primarily by growth of the balance sheet and IRRBB strategy of protecting the Bank in the falling rate scenario.

The average repricing maturity assigned to non-maturing deposits (NMD) is c.2 years and the longest repricing maturity assigned to NMDs is c.4 years.

UK IRRBB1 – Quantitative information on IRRBB1

Period		a		b		c		d		e		f
		ΔEVE				ΔNII				Tier 1 capital		
		2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
10	Parallel shock up	(74,737)	(44,511)	58,225	59,575							
20	Parallel shock down	74,716	41,727	(60,829)	(62,071)							
30	Steeper shock	11,993	19,528									
40	Flattener shock	(25,848)	(27,422)									
50	Short rates shock up	(48,558)	(39,702)									
60	Short rates shock down	47,041	38,955									
70	Maximum	(74,737)	(44,511)	(60,829)	(62,071)							
80	Tier 1 capital									1,276,002	1,158,302	

Appendices

Appendix 1 – Non-applicable disclosures

In accordance with Article 432 of the PRA Rulebook, certain templates have been omitted on the grounds of non-applicability or materiality. No templates have been omitted on the grounds of confidentiality or because they are proprietary.

Template	Description	Reason
UK INS1	Insurance participations	MBHG is not an Insurance firm
UK INS2	Financial conglomerates information on own funds and capital adequacy ratio	MBHG does not qualify as a financial conglomerate
UK PV1	Prudent valuation adjustments (PVA)	MBHG utilises the simple method
UK CRE	Qualitative disclosure requirements related to IRB approach	MBHG utilises the standardised approach
UK CR10	Specialised lending and equity exposures under the simple risk weighted approach	MBHG does not have any related exposures
UK CR6	IRB approach – Credit risk exposures by exposure class and PD range	MBHG utilises the standardised approach for Credit Risk
UK CR6-A	Scope of the use of IRB and SA approaches	MBHG utilises the standardised approach for Credit Risk
UK CR7	IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques	MBHG utilises the standardised approach for Credit Risk
UK CR7-A	IRB approach – Disclosure of the extent of the use of CRM techniques	MBHG utilises the standardised approach for Credit Risk
UK CR8	RWEA flow statements of credit risk exposures under the IRB approach	MBHG utilises the standardised approach for Credit Risk
UK CR9	IRB approach – Back-testing of PD per exposure class (fixed PD scale)	MBHG utilises the standardised approach for Credit Risk
UK CR9.1	IRB approach – Back-testing of PD per exposure class (only for PD estimates according to point (f) of Article 180(1) CRR)	MBHG utilises the standardised approach for Credit Risk
UK MRB	Qualitative disclosure requirements for institutions using the internal Market Risk Models	MBHG utilises the standardised approach for Market Risk
UK MR2-A	Market risk under the internal Model Approach (IMA)	MBHG utilises the standardised approach for Market Risk
UK MR2-B	RWA flow statements of market risk exposures under the IMA	MBHG utilises the standardised approach for Market Risk
UK MR3	IMA values for trading portfolios	MBHG utilises the standardised approach for Market Risk
UK MR4	Comparison of VaR estimates with gains/losses	MBHG utilises the standardised approach for Market Risk
UK SEC2	Securitisation exposures in the trading book	MBHG does not have a trading book

Template	Description	Reason
UK SEC3	Securitisation exposures in the non-trading book and associated regulatory capital requirements institution acting as originator or as sponsor	MBHG does not act as an originator or as a sponsor
UK SEC5	Exposures securitised by the institution – Exposures in default and specific credit risk adjustments	Not disclosed as MBHG does not serve as an originator or sponsor for securitisation exposures
UK CCR2	Transactions subject to own funds requirements for CVA risk	Not applicable, as MBHG has no transactions subject to CVA own funds requirements
UK CCR4	IRB approach – CCR exposures by exposure class and PD scale	MBHG utilises the simplified standardised approach for Counterparty Credit Risk
UK CCR5	Composition of collateral for CCR exposures	Disclosure not required unless collateral posted and received in debt securities each exceed GBP 125 billion.
UK CCR6	Credit derivatives exposures	MBHG does not have credit derivative exposures
UK CCR7	RWEA flow statements of CCR exposures under the IMM	MBHG utilises the simplified standardised approach for Counterparty Credit Risk
UK CQ6	Collateral valuation – loans and advances	Not disclosed, as Monzo does not take possession of collateral or recognise it as an asset
UK CQ7	Collateral obtained by taking possession and execution processes	Not disclosed, as Monzo does not take possession of collateral or recognise it as an asset
UK CQ8	Collateral obtained by taking possession and execution processes – vintage breakdown	Not disclosed, as Monzo does not take possession of collateral or recognise it as an asset