Monzo Bank Limited

Pillar 3 Disclosures

monzo

28 February 2022

Registration number
09446231

Registered Office
Broadwalk House
5 Appold Street
London EC2A 2AG

Contents

Introduction

Who we are and why we're here

We're Monzo, a bank that lives on your phone.

For too long, managing your money has been harder than it needs to be. Traditional banking wasn't built for the way people use money in their everyday lives, and it hasn't evolved fast enough. By being relentlessly focused on customers, open about what we're doing and why, and focusing on solving real problems rather than just selling financial products, we believe we can make banking better.

It's our mission to make money work for everyone

We want to be the centre of your financial life, taking away all the admin and worry over your finances. Spending, saving and managing money – even borrowing when you need to – shouldn't be stressful or complicated, it should just work. And with the help of our amazing community of customers who suggest features, give feedback and help us test our ideas, we're building a genuinely different kind of bank.

6m people have a Monzo account to spend, save and manage their money. But that's just the start: it's not about how many people have an account, it's about how we're changing their relationship with their finances.

We don't believe it's possible to build a globally impactful company without carefully considering the impact we have on all the communities we serve. Too many people don't have access to vital banking services in the United Kingdom ("UK"). So we're also working to improve financial inclusion, support customers in vulnerable circumstances, and play our small part in creating a more just society.

We believe that our values of openness, empathy and inclusion will help us achieve our mission of making money work for everyone.

Disclosure framework

This document sets out the Pillar 3 disclosures of Monzo Bank Limited ("the Bank", "Monzo", "Monzo Bank Ltd.", "Us", "Our" or "We") as at 28 February 2022. 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.

From 1 January 2021, 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 from 1 January 2022.

We meet the definition of a non-listed "Other Institution" so we're subject to proportional disclosure requirements in accordance with Article 433c of the Disclosure (CRR) Part of the PRA Rulebook. This report should be read in conjunction with the 2022 Annual Report and Group Financial Statements ("Annual Report").

Current and future regulatory developments

Amendments to the Capital Requirements Regulation (CRR II) and Capital Requirements Directive (CRD V) were published in the Official Journal of the European Union ("EU") in June 2019. The majority of these changes were implemented in June 2021 and further amendments will be implemented via CRR III.

As the Withdrawal Act applied to the CRR in place as of 31 December 2020, CRR II amendments implemented in the EU during 2021 were not transposed into UK legislation.

The PRA implemented the Basel reforms in July 2021 and details of the updates were published in PS17/21[1] and the final rules in PS22/21[2]. The revised requirements apply from 1 January 2022 and have been implemented directly into the PRA Rulebook. These updates do not materially impact any of our capital or liquidity requirements as of 28 February 2022.

On 8 October 2021, the PRA published its Policy Statement on the UK leverage ratio framework. The Policy Statement confirms that UK banks will be subject to a single UK leverage ratio requirement. The CRR leverage ratio will no longer apply for UK banks. We're 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.

Monzo has also been subject to a minimum requirements for own funds and eligible liabilities ("MREL") since April 2021. We have been set an updated interim requirement from April 2023, with an end-state requirement from April 2025. This requirement has been factored into our funding and capital plans.

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 and approved by the Assets and Liability Committee ("ALCo").

Basis of disclosure

Monzo Bank Ltd. is based in the UK. We have two wholly-owned subsidiaries, Monzo Inc. and Monzo Support US Inc.[3], both incorporated in Delaware; United States of America ("US"). Both entities are consolidated for accounting purposes, under International Financial Reporting Standards ("IFRS") accounting rules, but are excluded from consolidated prudential reporting because they're below the thresholds as set out in UK CRR Article 19. These disclosures are presented on a solo basis. Unless otherwise stated all tables are as at 28 February 2022.

We have not omitted any disclosures on the basis of being regarded as proprietary or confidential.

If a disclosure has been omitted on the basis of being immaterial, this will be noted in the relevant section of the report.

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

1 PS17/21 – Implementation of Basel standards
2 PS22/21 — Implementation of Basel standards: Final rules

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

Frequency and means of disclosure

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

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

Verification

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

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

The Board considered that, as at 28 February 2022, it had in place adequate systems and controls with regard to Monzo's risk profile and strategy.

Attestation

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

James Davies
CFO

Risk management and governance

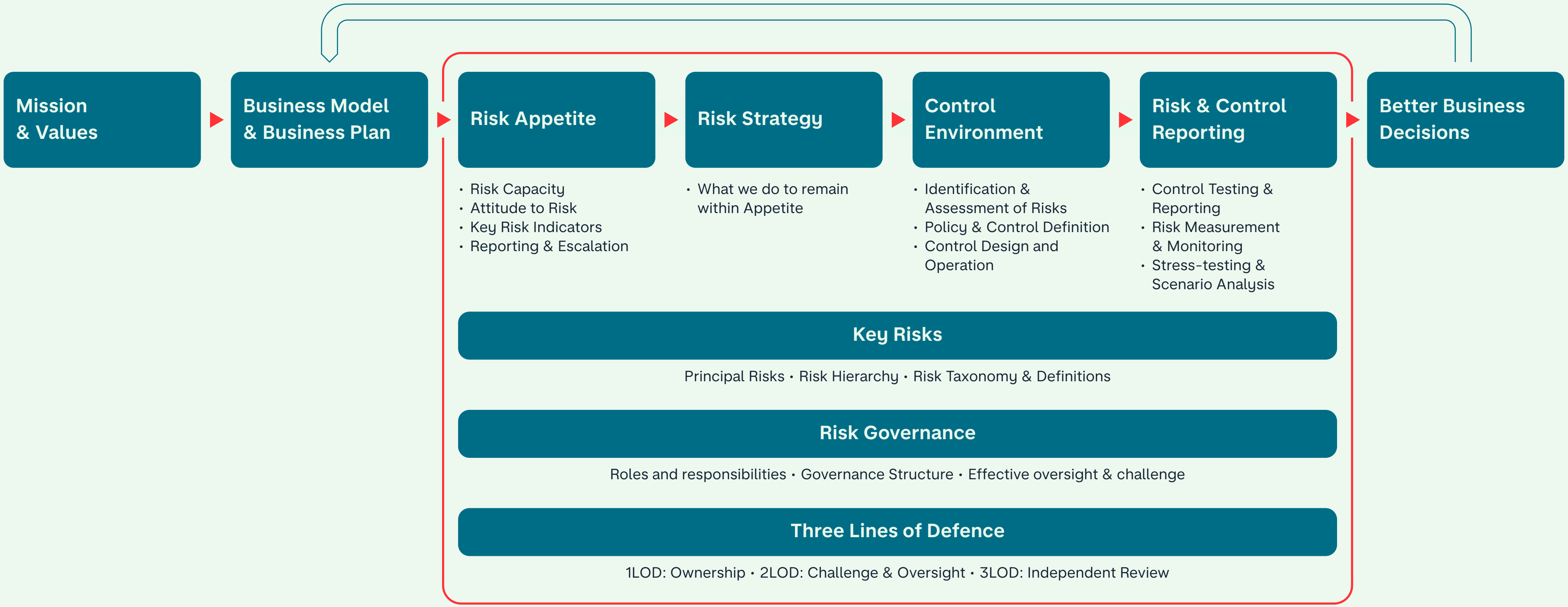
Risk management at Monzo

Risk management at Monzo
Managing risks at Monzo is all about helping ourselves to make decisions consistently and efficiently that put us on the path to achieving our mission of making money work for everyone.

We manage risks using an Enterprise Risk Management Framework
The Enterprise Risk Management Framework ("ERMF") supports our high growth, customer-focused business objectives. It helps business leaders to make well controlled decisions by setting the minimum standards that should be applied in managing all of our risks. All Monzonauts (people who work at Monzo) are encouraged to make decisions to help us grow safely while operating within the boundaries set by the ERMF.

Our customers, our team, Board and regulators all expect us to manage our risks well. Trust in Monzo is underpinned by an ERMF that appropriately supports well-informed decisions. Our strong risk culture is supported by the spirit and wording of the ERMF.

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



We have six key risks, each of which has:

- a risk appetite set by the Board
- its own risk framework, expressing the Board's will for how the category should be managed
- a recognised risk committee monitoring performance
- an executive owner recorded in the Risk Taxonomy.

Our key risks

Risk type	Definition
Strategic Risk	The risk that we don't execute our business plan, or our business model isn't sustainable.
Financial Risk	The risk we do not maintain an appropriately robust financial position, including the risks that material financial losses impact our solvency or ability to meet our payment obligations.
Financial Crime Risk	The risk that we, or our products and services are used for criminal activity, terrorist financing or to avoid sanctions.
Operational Risk	The risk of loss resulting from ineffective or failed internal processes, people, and systems or from external events.
Conduct Risk	The risk that any action, or inaction, of a Monzo colleague or individual associated with us leads to customer detriment.
Credit Risk	The risk that those who owe us money default on their obligations to pay us back.

The three lines of defence and what each one does
We adopt 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 of each other and doesn't rely on another for its day-to-day operation.

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

Each line of defence's activities

First Line (1LoD) Risk and Control ownership	Second Line (2LoD) Oversight, support and challenge	Third line (3LoD) Assurance
• Sets business objectives. • Identifies, owns and manages risks where risk appetite is breached. • Defines, operates and tests controls. • Implements and maintains regulatory compliance. • Adheres to risk frameworks. • Defines, and operates in line with, 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 policy.	• Develops the strategy and vision for Risk and Compliance in Monzo. • Advises the Board on setting risk appetite. • Sets risk frameworks to articulate the minimum standards for risk management. • Provides expert advice on business initiatives. • Reports aggregate enterprise level risks to the Board. • 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. • Manages regulatory relationships.	• Performs independent reviews on the effectiveness of 1LoD control and 2LoD oversight, support and challenge. • Assesses our compliance with the ERMF and application of Level 1 risk frameworks. • Assures the integrity of our risk management processes, control mechanisms and information systems.

We want to drive the right risk culture

Our values are essential to how we operate, and they influence everything from hiring, to performance reviews to projects. They're articulations of the culture in the bank. 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 5 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. It describes and communicates the approach to risk for Monzonauts, the Board, regulators, investors and others. It sets boundaries for Monzonauts to make decisions quickly without needing extra feedback or approval. It gives freedom to Monzonauts 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 Board agrees and reviews these every year

How we oversee our risks

We've established clear risk ownership and reporting lines through our risk committees, which align with the six key risks. Each committee is responsible for monitoring our risk profile and challenging exposures across the relevant risk type in line with the 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 is ultimately responsible for the effectiveness of our risk management framework.

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

Our principal risks and uncertainties are on pages 28–36 of our Annual Report.

Governance at Monzo

Our Board sets our strategy and standards.

It also pays close attention to our culture, values, brand and reputation. It makes sure that we understand and meet our obligations to customers, colleagues and shareholders in a way that promotes our long-term interests. It also has overall responsibility for our governance, risk management and internal control systems.

To help the Board do its job and make sure there's independent oversight of internal controls and risk management, the Board delegates certain responsibilities to its four Committees: Audit Committee, Risk Committee, Remuneration Committee and the Nomination and Governance Committee. The Board Committees' responsibilities are documented in their terms of reference, which the Board approves annually.

We review the Board Committees' membership annually to make sure their size, composition, experience and perspectives mean they meet their legal and regulatory responsibilities.

The day-to-day running of the business is delegated to the CEO, who's supported by an Executive Committee ("ExCo") made up of senior executives. We've outlined the ExCo's responsibilities in their terms of reference. They are responsible for developing and implementing the strategy agreed by the Board, directing the organisation and discussing business performance. Three executive committees report to ExCo: the Assets and Liability Committee ("ALCo") for Balance Sheet matters, the Enterprise Risk and Compliance Committee ("ERCC") for risk issues and the Product Launch Committee for product or feature related matters.

For more details on our governance arrangements please see page 37 of our Annual Report.

Regulatory capital

Capital resources

We raised £450m of shareholder funding in the year to 28 February 2022. This will help us to fund new products, invest in our platform and further embed ourselves in the financial lives of our customers, achieving our mission of making money work for everyone. If needed, we'll consider fundraising again in the near term to support balance sheet growth and meet our ambitious goals.

As at February 2022 our capital resources were primarily made up of Common Equity Tier 1 (CET1) capital. This is the highest quality of capital. It consists of ordinary share capital, associated share premium and allowable reserves. More information on our share capital is set out in Appendix 2.

Table A — Changes in equity during the year[1]

	Share capital[2]	Share premium	Other reserves	Retained losses	Total equity
	£'000	£'000	£'000	£'000	£'000
Balance as at 1 March 2020	**—**	**311,139**	**17,306**	**(200,309)**	**128,136**
Prior year adjustments	—	—	12,539	(12,401)	138
Restated balance as at 1 March 2020	**—**	**311,139**	**29,845**	**(212,710)**	**128,274**
Losses for the year (restated)	—	—	—	(129,978)	(129,978)
Total comprehensive income for the year (restated)	**0**	**—**	**—**	**(129,978)**	**(129,978)**
Shares issued	—	198,019	—	—	198,019
Cost of issuance	—	(476)	—	—	(476)
Share based payments reserve (balance)	—	—	26,541	—	26,541
Share cancellation	—	(209)	209	—	—
Exercise of options	—	5	(5)	5	5
Restated balance as at 28 February 2021	**0**	**508,478**	**56,590**	**(342,683)**	**222,385**
Losses for the year	—	—	—	(120,148)	(120,148)
Total comprehensive income for the year	**0**	**—**	**—**	**(120,148)**	**(120,148)**
Shares issued	—	454,585	—	—	454,585
Cost of issuance	—	(18,629)	—	—	(18,629)
Share based payments reserve	—	—	23,257	—	23,257
Share reclassification	—	—	—	—	—
Exercise of options	—	52	(658)	658	52
Balance as at 28 February 2022	**0**	**944,486**	**79,189**	**(462,173)**	**561,502**

1 See statement of comprehensive income in the Annual Report for more details on the restatement.

2 See statement of change in equity in the Annual Report for more details on share capital.

Our regulatory capital differs from our accounting equity because certain prudential adjustments are required by regulatory requirements. These adjustments are shown in Table B. Our CET1 capital position at 28 February 2022 was £575m (FY2021: £234m). The increase in CET1 was largely due to the £450m fundraising which was offset by accumulated losses in the period.

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

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

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

Table B opposite reconciles our accounting equity to our regulatory capital.

Table B — Reconciliation of statutory equity to regulatory capital

Value adjustments due to the requirements for prudent valuation have been omitted from this table due to their value being immaterial.

	2022	2021
	£'000	£'000
Total accounting equity	**561,502**	**221,694**
Regulatory adjustments		
Ineligible share capital	(13)	(13)
IFRS 9 transitional adjustment	13,798	11,923
CET1 capital	**575,287**	**233,604**
Tier 1 capital	**575,287**	**233,604**
Tier 2 capital	**14,593**	**—**
Total capital	**589,880**	**233,604**

Capital requirements

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

Pillar 1 capital requirements

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

Monzo uses the Standardised Approach to determine risk weights for calculating credit risk RWAs. The risk weightings are dependent on the type of exposure class which a counterparty is assigned to in accordance with UK CRR Article 112. Our primary sources of credit risk come from the possibility that our customers fail to make payments according to their contractual terms or if a counterparty that we have an investment or deposit with defaults.

Our total credit risk RWAs increased by £135m to £286m (FY2021: £151M) in the year. We increased the amount we lent to customers which drove the majority of this movement. The remaining increase in RWAs was due to growth of our Treasury hedging portfolio, which is used to manage market risk, and other exposures which are needed to conduct business.

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

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

Table C — Total risk exposure and Pillar 1 capital requirements

		2022		2021
	RWAs	Pillar 1 capital requirements	RWAs	Pillar 1 capital requirements
	£'000	£'000	£'000	£'000
Credit risk	285,793	22,863	151,226	12,098
Operational risk	85,056	6,804	85,427	6,834
Total	**370,849**	**29,668**	**236,653**	**18,932**

Pillar 2 capital requirements

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

Pillar 2 requirements are determined as part of the Supervisory Review and Evaluation Process ("SREP"). The PRA reviews and evaluates Monzo's capital requirements, including our own assessment of capital adequacy, as determined by the Internal Capital Adequacy Assessment Process ("ICAAP"). There is an overview of our ICAAP in Note 23 – Capital risk management, in our Annual Report.

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

Pillar 2A

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

Our prescribed TCR was updated in June 2021. These disclosures have been prepared by applying this TCR to our positions as at 28 February 2022.

Pillar 2B and Capital Buffers

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

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

Regulatory capital buffers (Combined buffers)

Capital Conservation Buffer

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

Countercyclical Capital Buffer

In addition to the CCoB we are required to hold a Countercyclical Capital Buffer ("CCyB"). This buffer is set by prudential policy makers and reflects the credit conditions and overall health of the financial system within their jurisdiction. A firm must calculate a firm specific CCyB which reflects the weighted average of the CCyB rates in which it holds relevant credit exposures.

In the UK, the Bank of England's Financial Policy Committee is responsible for setting the UK CCyB rate. The UK CCyB rate was set to 0% on 11 March 2020 as part of a package of measures to support the economy from the impact of COVID-19. On 13 December 2021, the FPC announced an increase in the CCyB rate to 1% effective from 13 December 2022.

As at 28 February 2022 Monzo has exposures in the UK, US and Belgium. All three of these countries had a CCyB rate of 0% on this date, resulting in an applicable CCyB of 0%. Please see Appendix 6 for a breakdown of these exposures.

The table below shows our TCR and CRD IV Combined Buffer as a percentage of our RWAs as at 28 February 2022.

Table D — Capital requirements

	2022		2021	
	CET1	Total Capital	CET1	Total Capital
Pillar 1	4.5%	8.0%	4.5%	8.0%
Pillar 2A	7.5%	13.3%	7.9%	14.0%
Total Capital Requirement	**12.0%**	**21.3%**	**12.4%**	**22.0%**
Capital conservation buffer	2.5%	2.5%	2.5%	2.5%
Countercyclical capital buffer	0.0%	0.0%	0.0%	0.0%
Total (excluding Pillar 2B)	**14.5%**	**23.8%**	**14.9%**	**24.5%**

Capital Ratios

As at 28 February 2022, our CET 1 ratio was 155.1% (FY2021: 98.7%) and our total capital ratio was 159.1% (FY2021: 98.7%). We were well above our minimum regulatory capital requirements throughout the year to February 2022.

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

Table E — Capital ratios

	2022	2021
	£'000	£'000
CET1 capital	575,287	233,604
Total capital	589,880	233,604
Risk weighted assets	370,849	236,653
CET1 capital ratio	**155.1%**	**98.7%**
Total capital ratio	**159.1%**	**98.7%**

Our capital ratios increase when new capital is raised from our investors and then gradually falls as capital is used to grow our business.

Our CET1 capital increased by £341.7m. This was driven by an increase in shareholder equity following our successful funding round in December 2021 which was partially offset by losses of £120.1m. Our total RWAs increased by £134.6m primarily because of growth in lending to our customers. This led to our CET1 capital ratio increasing to 155.1% from 98.7% in FY2021 as CET1 capital grew more than total RWAs in the year.

Leverage ratio

The leverage ratio demonstrates capital adequacy by measuring the relationship between our Tier 1 capital and our total assets. We have disclosed in Appendix 6 the leverage ratio calculated in accordance with the UK leverage ratio framework.

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

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

The leverage ratio will not be a binding requirement for us until we become a significantly larger bank. At year end and at all times throughout the year, we were above the regulatory minimum applicable to larger UK banks. Our UK leverage ratios as at 28 February 2022 are shown in the table below.

Table F — Leverage ratio

UK leverage Ratio	**2022**	**2021**
	£'000	**£'000**
Tier 1 capital	575,287	233,604
UK leverage ratio exposure measure	2,238,857	796,590
UK leverage ratio	**25.7%**	**29.3%**

The increase in the leverage ratio was driven by our fundraising in the year. Our total assets also grew but by a smaller proportion than our Tier 1 capital resources. Managing leverage is part of our planning processes. Our leverage ratio is monitored against early warning indicators and internal limits which trigger actions to mitigate risk. Our leverage ratio is reviewed and managed by the ALCo.

Credit risk

Credit risk is the risk that a borrower or counterparty fails to pay the interest or the principal on a loan or other financial instrument when it is due.

Our retail credit risk is monitored and managed by the Borrowing Collective and our minimal wholesale credit risk is monitored and managed within the Finance Collective, both of which are overseen by our Chief Risk Officer and Chief Finance Officer. Our overall Risk Appetite for lending is approved by the Board. For more details on how we monitor and manage credit risk please see Note 25 – Credit risk, in our Annual Report.

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

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

Table G — Exposures subject to credit risk

	Net value of exposures at the end of the period	RWAs	Pillar 1 capital requirements	Average net exposures over the period
	£'000	£'000	£'000	£'000
Central banks or central governments	3,899,812	—	—	3,486,880
Regional governments or local authorities	125,778	—	—	93,609
Public sector entities	417,033	—	—	256,804
Multilateral development banks	274,950	—	—	241,078
Institutions	164,960	32,992	2,639	149,512
Corporates	10,871	10,871	870	10,102
Retail	245,648	184,236	14,739	167,550
Exposures in Default	3,175	3,175	254	2,431
Equity (investment in subsidiaries)	4,158	10,233	819	5,753
Other items	84,280	44,286	3,543	58,675
Total On-Balance Sheet exposures	**5,230,665**	**285,793**	**22,863**	**4,472,395**
Off-Balance Sheet exposures	**368,440**	**—**	**—**	**287,816**
Total exposures standardised approach	**5,599,105**	**285,793**	**22,863**	**4,760,211**

Our largest credit risk exposure is to central banks or central governments. These are risk weighted at 0%, as determined in accordance with UK CRR requirements. There was an increase of £906.2m in central bank or government exposures in 2022 due to significant growth in our retail deposits which are deposited at the Bank of England.

Our treasury investments are split across three counterparty types: regional governments or local authorities, public sector entities and multilateral development banks. Our diversified portfolio of bonds all have high credit ratings and are risk weighted at 0%, as determined in accordance with UK CRR requirements.

Our primary credit risk comes from our lending portfolio which includes overdrafts, personal loans and Flex which was launched this year. These are classed as retail exposures and are risk weighted at 75%, as determined in accordance with UK CRR requirements. There was an increase of £146.6m in 2022 due to higher lending growth across loans, overdrafts and Flex products.

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

Our equity exposure is the investment in our US subsidiaries, Monzo Inc. and Monzo Support US Inc. These investments are risk weighted at 250%, rather than deducting the exposure from CET1 capital as determined in accordance with Article 48 of UK CRR. For more details on our investment in subsidiaries please see Note 31 — Group structure, in our Annual Report.

For operational purposes, we have credit risk exposures to financial institutions. For these exposures the Standardised Approach requires the use of external credit ratings to determine the appropriate risk weightings. We use the ratings of Moody's to determine the relevant Credit Quality Step ("CQS") of the counterparty. The CQS value is then mapped to a risk weight percentage using the Implementing Technical Standards ("ITS") on the mapping of External Credit Assessment Institution ("ECAIs") credit assessments under the Standardised Approach of the UK CRR.

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

Table H — External credit ratings of exposures to institutions

Institutions' credit ratings (Moody's ratings)	Net exposure value	RWAs
	£'000	£'000
Aa3	82,064	16,413
A1	82,158	16,432
NR	738	148
Total	**164,960**	**32,992**

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

Table I — Summary of contractual residual maturity of exposures

	< 3 months	Between 3 months and 1 year	Over 1 year	No defined maturity	Total
	£'000	£'000	£'000	£'000	£'000
Central banks or central governments	2,988,936	347,862	509,855	53,160	3,899,812
Regional governments or local authorities	—	—	125,778	—	125,778
Public sector entities	—	106,655	310,378	—	417,033
Multilateral development banks	—	—	274,950	—	274,950
Institutions	89,084	—	—	75,876	164,960
Corporates	7,679	—	3,191	—	10,871
Retail	114,291	46,301	85,056	—	245,648
Exposures in Default	449	264	2,462	—	3,175
Equity (investment in subsidiaries)	—	—	—	4,158	4,158
Other items	49,992	—	—	34,288	84,280
Total On-Balance Sheet exposures	**3,250,431**	**501,082**	**1,311,671**	**167,481**	**5,230,665**

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

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

Table J — Geographical breakdown of exposures

	UK	Europe	North America	Other geographical area	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Central banks or central governments	3,899,812	—	—	—	3,899,812
Regional governments or local authorities	—	—	125,778	—	125,778
Public sector entities	—	417,033	—	—	417,033
Multilateral development banks	—	—	—	274,950	274,950
Institutions	164,579	381	—	—	164,960
Corporates	9,775	1,096	—	—	10,871
Retail	245,648	—	—	—	245,648
Exposures in Default	3,175	—	—	—	3,175
Equity (investment in subsidiaries)	(14)	109	4,064	—	4,158
Other items	84,254	—	26	—	84,280
Total exposures	**4,407,228**	**418,619**	**129,868**	**274,950**	**5,230,665**

Impairment and provisions

We estimate the allowance for credit losses on our financial assets using a combination of statistical models and management judgement. The models consider both internal and external factors to calculate the level of ECLs.

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

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

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

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

We have an IFRS 9 Impairment Council that is responsible for reviewing the monthly ECL numbers for impairment and ensuring that ECL have been calculated in line with our IFRS 9 Impairment Policy.

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

Counterparty credit risk and credit valuation adjustments

Counterparty credit risk ("CCR") is the risk that a counterparty, where we enter into a derivative or secured financing transaction ("SFT"), defaults during the life of that transaction. Credit Valuation Adjustment ("CVA") is the variable fair value of CCR, included in the value of a derivative. We currently have a simple Balance Sheet and invest our significant surplus liquidity with highly rated central banks, governments and supranational organisations. Therefore we do not currently have any CCR or CVA risk.

Market risk

Market risk is the risk of losses from changes in the market price of an asset. We do not have a trading book or derivative instruments. Therefore only our foreign exchange exposures are subject to Pillar 1 capital requirements for market risk.

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

We do not have a Pillar 1 requirement for market risk because our foreign exchange exposures are less than the de minimis level (2% of total regulatory capital) prescribed by the UK CRR Article 351. As at 28 February 2022 this was £1.8m, which is less than 2% of our total regulatory capital.

Operational risk

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

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

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

Liquidity risk and funding risk

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

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

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

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

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

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

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

The key metric used to monitor liquidity risk is the Liquidity Coverage Ratio ("LCR"). The ratio is the level of our HQLA relative to our net cash outflows.

Our HQLA increased materially in 2022 to £4.6bn, from £3.2bn in 2021. Our HQLA has increased as we have chosen to put the money that customers have deposited with us in Level 1 securities such as bonds and overnight deposits at central banks.

Our net cash outflows have increased to £429.0m, from £355.4m in 2021 as our business has grown. At year end and at all times throughout the year, our LCR was significantly in excess of our risk appetite and the regulatory minimum requirement of 100%.

We also monitor our Net Stable Funding Ratio ("NSFR"). This is to maintain a stable funding relationship between assets and liabilities and to reduce sole reliance on short dated funding.

Liquidity coverage ratio

The LCR, prepared in compliance with the Liquidity (CRR) and Liquidity Coverage Ratio (CRR) parts of the PRA Rulebook, is used by us as a stressed measure of 30 day liquidity. The ratio as at 28 February 2022 was 1,072.4%.

Table K — LCR

	2022	2021
	£'000	£'000
Liquidity buffer	4,600,376	3,212,266
Total net cash outflows	428,980	355,375
Liquidity Coverage Ratio	1,072.4%	903.9%

Interest rate risk in the banking book

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

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

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

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

Our Treasury team monitors interest rate risk regularly. Our Treasury team is overseen by our Risk function and reports to the ALCo on a monthly basis. The Treasury team, together with the business, is responsible for Balance Sheet management and implementing hedging strategies to manage interest rate risk.

We monitor the sensitivity of both our earnings (net interest income) and the economic value of interest rate sensitive Balance Sheet items to a variety of interest rate shocks. This includes the six scenarios set out in EBA guidelines on the management of interest rate risk arising from non-trading book activities. We apply a floor to the yield curve used in IRRBB analysis.

For more details on our management of IRRBB please see Note 24 – Market risk management in our Annual Report.

Remuneration policy and practices

In general, 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 ("MRTs").

Remuneration Policy

This policy covers our approach to remuneration for everyone who works at Monzo, including MRTs. We designed the policy to make sure we're attracting, motivating and retaining the people we need, while meeting our legal and regulatory requirements. It also sets out requirements that keep remuneration and risk taking aligned.

The Board Remuneration Committee ("RemCo") is responsible for and oversees this policy. The Board appoints the members of RemCo, which is made up of three of our independent, non-executive directors, and lets it use independent judgement in remuneration matters. RemCo's Terms of Reference set out the committee's duties, which we review annually.

Deloitte LLP has been appointed as the RemCo advisor. The Risk function also has a say in remuneration decisions where appropriate.

RemCo meets as needed, but at least twice a year. In the prior performance period (the year to 28 February 2022), the Committee met 9 times.

The RemCo reviews the Remuneration Policy annually to check it's aligned with our business strategy, objectives and values, and complies with regulatory requirements. We created the policy using these principles.

Remuneration helps us attract, motivate and retain the people we need for each phase of our growth.

Remuneration is aligned with our values and our values align with our long-term interests.

We emphasise fixed pay and share options that vest over the long term to discourage people from taking excessive risks. Share options aim to align our team's interests with our long-term strategy and our mission: to make money work for everyone.

Remuneration aligns with all legal and regulatory requirements that apply to us.

Remuneration supports equal pay for equal work, and doesn't discriminate on the basis of non-role related characteristics, like gender, race, sexuality, disability, age or religion.

Material Risk Takers

We see MRTs as individuals whose professional activities have a material impact on the company's risk profile. We identify MRTs in line with the European Banking Authority's regulatory technical standards. In the year to February 2022, we classified 42 team members as MRTs. In July 2021, we obtained shareholder approval to increase the variable pay cap for our MRT population from 100% to 200%.

Link between pay and performance

We designed our performance framework to discourage risk taking outside of our Risk Appetite. Our feedback cycle includes formal appraisals, identifying areas for personal improvement and development, and performance management. Feedback should cover measurable performance and behaviours including operating within our Risk Appetite.

Remuneration at Monzo is made up of fixed compensation (salary and benefits) and variable pay in the form of share options, giving our team the opportunity to share in our long-term success. Option awards vest over a four year period. Adjustments to these awards may occur due to regular assessments of Risk factors which include, but are not limited to the following risk types: Strategic Risk, Financial Risk, Financial Crime Risk, Operational Risk, Compliance & Conduct Risk and Credit Risk. We manage the remuneration of MRTs in line with our overall reward approach. As a proportionality level 3 firm, we apply the Remuneration Code requirements in a way that's proportionate to our size, nature and complexity.

Remuneration at Monzo is made up of fixed compensation (salary and benefits) and variable pay in the form of share options, giving our team the opportunity to share in our long-term success. We manage the remuneration of MRTs in line with our overall reward approach. As a proportionality level 3 firm, we apply the Remuneration Code 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 someone's role, the impact on us, and that person's level of responsibility and contribution.

We review the salary levels in the framework every year, benchmarking them against salaries in the broader market and our position. We do review each person's salary at least annually, but we don't necessarily change their salary at each review.

Everyone at Monzo is entitled to private medical insurance, life insurance and pension/retirement savings benefits.

Variable remuneration

Each person's remuneration at Monzo includes share options, which we award them with when they join and then at set intervals after their start date. We designed our remuneration framework to have an appropriate balance between fixed and variable pay. RemCo oversees any changes to MRT remuneration.

Share options we grant to new hires follow a standard vesting schedule over a four year period with a one year cliff. A quarter of the award vests after the individual's first anniversary and then the remaining options vest on a monthly basis. This structure differs slightly for MRT grants in order to comply with regulatory requirements. We 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. We granted options under a Company Share Option Plan ("CSOP") until April 2020 and after this date under an unapproved share option plan.

Value is currently only delivered by share options in the event of an exit event, 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 Code and Regulations. As per our plan rules, a number of requirements must be taken into account. Options are only granted where all mandatory training is up to date and there are no open disciplinaries. MRT option grants, linked to a minimum 6-month performance period, are subject to specific performance criteria (at the individual, business unit and company level) assessed both prior to grant and prior to vesting. Along with the key risk categories listed earlier in this section, the financial key performance indicators used to assess financial performance include 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.

The RemCo, with input from the Risk & Compliance and Finance teams, use this information to validate the suitability of option awards granting and vesting and based on the above, has the ability to override formulaic outcomes if and when necessary.

Independent Control Functions include all of Monzo's business functions that are related to internal audit, compliance, risk management and financial accounting and control. MRTs aligned under the Independent Control Functions have a separate set of 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.

With the input from the relevant functions (Audit, Risk & Compliance, Finance, Human Resources, Legal and Reward), the 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. Both Malus and Clawback will be considered if the RemCo determines that misconduct or material error, financial downturn, risk failure or misstatement exists. The Clawback period is currently 7 years, which might be extended to 10 years in some circumstances.

We don't use an annual cash-based variable remuneration arrangement.

We treat guaranteed variable remuneration as exceptional and it requires RemCo's approval, which approves it in certain exceptional circumstances at its discretion. For example, where it's needed to secure a candidate for a role and is always limited to the first year of service.

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 need to be approved by the Remuneration Committee.

Appendices

Appendix 1
Key metrics — KM1

The table below outlines the key metrics for Monzo Bank Ltd. Template KM1 has been disclosed in accordance with Annex I and Annex 2 of the Disclosure (CRR) Part of the PRA Rulebook.

		a
		£'000
		2022
Available own funds (amounts)		
1	Common Equity Tier 1 (CET1) capital	575,287
2	Tier 1 capital	575,287
3	Total capital	589,880
Risk-weighted exposure amounts		
4	Total risk-weighted exposure amount	370,849
Capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	155.1%
6	Tier 1 ratio (%)	155.1%
7	Total capital ratio (%)	159.1%
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)		
UK 7a	Additional CET1 SREP requirements (%)	12.0%
UK 7b	Additional AT1 SREP requirements (%)	4.0%
UK 7c	Additional T2 SREP requirements (%)	5.3%
UK 7d	Total SREP own funds requirements (%)	21.3%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
8	Capital conservation buffer (%)	2.5%
UK 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0%
9	Institution specific countercyclical capital buffer (%)	0%
UK 9a	Systemic risk buffer (%)	0%
10	Global Systemically Important Institution buffer (%)	0%
UK 10a	Other Systemically Important Institution buffer	0%
11	Combined buffer requirement (%)	2.5%
UK 11a	Overall capital requirements (%)	23.8%
12	CET1 available after meeting the total SREP own funds requirements (%)	487,196

		a
		£'000
		2022
Leverage ratio		
13	Leverage ratio total exposure measure	2,238,857
14	Leverage ratio	25.7%
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)		
UK 14a	Additional CET1 leverage ratio requirements (%)	—
UK 14b	Additional AT1 leverage ratio requirements (%)	—
UK 14c	Additional T2 leverage ratio requirements (%)	—
UK 14d	Total SREP leverage ratio requirements (%)	—
UK 14e	Applicable leverage buffer	—
UK 14f	Overall leverage ratio requirements (%)	0.0%
Liquidity Coverage Ratio		
15	Total high-quality liquid assets (HQLA) (Weighted value — average)	4,600,376
UK 16a	Cash outflows — Total weighted value	582,180
UK 16b	Cash inflows — Total weighted value	153,200
16	Total net cash outflows (adjusted value)	428,980
17	Liquidity coverage ratio (%)	1,072.4%
Net Stable Funding Ratio		
18	Total available stable funding	4,703,076
19	Total required stable funding	444,598
20	NSFR ratio (%)	1,057.8%

Appendix 2
Main features of capital instruments — CCA

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

		a	b	c
1	Issuer	Monzo Bank Limited.	Monzo Bank Limited.	Monzo Bank Limited.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A	N/A
2a	Public or private placement	Private	Private	Private
3	Governing law(s) of the instrument	English	English	English
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A	N/A	N/A
Regulatory treatment				
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Tier 2	Tier 2
5	Post-transitional CRR rules	Common Equity Tier 1	Tier 2	Tier 2
6	Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	Solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Share Capital	Dated Subordinated Loan	Dated Subordinated Loan
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	£944	£10	£5
9	Nominal amount of instrument	£0.0000001	N/A	N/A
UK-9a	Issue price	Various	100%	100%
UK-9b	Redemption price	N/A	100%	100%

		a	b	c
10	Accounting classification	Shareholders' equity	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	Various	08/03/2021	08/03/2021
12	Perpetual or dated	Perpetual	Dated	Dated
13	Original maturity date	N/A	08/03/2031	08/03/2031
14	Issuer call subject to prior supervisory approval	N/A	Applicable	Applicable
15	Optional call date, contingent call dates and redemption amount	N/A	Tax call; Optional call: Redemption at par plus accrued interest and (i) a prepayment fee of 5% of the amount prepaid, and (ii) a make-whole amount equal to the amount of interest that would have been payable during the period from the date of redemption to 08/03/2026 Regulatory call: Redemption at par plus accrued interest and (i) a prepayment fee of 5% of the amount prepaid, and (ii) a make-whole amount equal to the amount of interest that would have been payable during the period from the date of redemption to the earlier to occur of (a) 6 months after the redemption date, and (b) 08/03/2026	Tax call; Optional call: Redemption at par plus accrued interest and (i) a prepayment fee of 5% of the amount prepaid, and (ii) a make-whole amount equal to the amount of interest that would have been payable during the period from the date of redemption to 08/03/2026 Regulatory call: Redemption at par plus accrued interest and (i) a prepayment fee of 5% of the amount prepaid, and (ii) a make-whole amount equal to the amount of interest that would have been payable during the period from the date of redemption to the earlier to occur of (a) 6 months after the redemption date, and (b) 08/03/2026
16	Subsequent call dates, if applicable	N/A	Issuer's call option at any time from 08/03/2026 ; Redemption at par plus accrued interest, together with a prepayment fee of 5% of the amount prepaid	Issuer's call option at any time from 08/03/2026 ; Redemption at par plus accrued interest, together with a prepayment fee of 5% of the amount prepaid

		a	b	c
Coupons / dividends				
17	Fixed or floating dividend/coupon	Floating	Fixed	Fixed
18	Coupon rate and any related index	N/A	12%	12%
19	Existence of a dividend stopper	N/A	None	None
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully Discretionary	Mandatory	Mandatory
UK-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully Discretionary	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	N/A	None	None
22	Non-cumulative or cumulative	Non-cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write-down features	N/A	N/A	N/A
31	If write-down, write-down trigger(s)	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A
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

		a	b	c
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)	Ordinary Share Capital (Security references b and c)	Subordinated Debt (N/A)	Subordinated Debt (N/A)
36	Non-compliant transitioned features	No	None	None
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

Appendix 3 Own funds disclosure template — CC1

The table below outlines Monzo Bank Ltd'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.

		(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	944,486	(b) plus (c)
	of which: Ordinary shares	944,486	(c)
2	Retained earnings	(342,683)	(e)
3	Accumulated other comprehensive income (and other reserves)	79,189	(d)
UK-3a	Funds for general banking risk	—	—
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	—	—
5	Minority interests (amount allowed in consolidated CET1)	—	—
UK-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	—	—
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	680,992	—
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	—	—
8	Intangible assets (net of related tax liability) (negative amount)	—	—
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)	—	—

		(a)	(b)
		Amounts (£'000)	Source based on reference numbers/letters of the Balance Sheet under the regulatory scope of consolidation
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	—	—
12	Negative amounts resulting from the calculation of expected loss amounts	—	—
13	Any increase in equity that results from securitised assets (negative amount)	—	—
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	—	—
15	Defined-benefit pension fund assets (negative amount)	—	—
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	—	—
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	—	—
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	—	—
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	—	—
UK-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	—	—
UK-20b	of which: qualifying holdings outside the financial sector (negative amount)	—	—
UK-20c	of which: securitisation positions (negative amount)	—	—
UK-20d	of which: free deliveries (negative amount)	—	—
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	—	—
22	Amount exceeding the 17.65% threshold (negative amount)	—	—
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	—	—

		(a)	(b)
		Amounts (£'000)	Source based on reference numbers/letters of the Balance Sheet under the regulatory scope of consolidation
25	of which: deferred tax assets arising from temporary differences	—	—
UK-25a	Losses for the current financial year (negative amount)[1]	(119,490)	(f)
UK-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	—	—
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	—	—
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	13,784	—
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(119,490)	—
29	Common Equity Tier 1 (CET1) capital	575,287	—
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	—	—
31	of which: classified as equity under applicable accounting standards	—	—
32	of which: classified as liabilities under applicable accounting standards	—	—
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) CRR	—	—
UK-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	—	—
UK-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	—	—
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	—	—
35	of which: instruments issued by subsidiaries subject to phase out	—	—
36	Additional Tier 1 (AT1) capital before regulatory adjustments	—	—
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	—	—

1 Includes exercise of options, see Table A for details.

		(a)	(b)
		Amounts (£'000)	Source based on reference numbers/letters of the Balance Sheet under the regulatory scope of consolidation
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	—	—
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	—	—
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	—	—
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	—	—
42a	Other regulatory adjustments to AT1 capital	—	—
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	—	—
44	Additional Tier 1 (AT1) capital	—	—
45	Tier 1 capital (T1 = CET1 + AT1)	575,287	—
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	14,593	(a)
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	—	—
UK-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	—	—
UK-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	—	—
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	—	—
49	of which: instruments issued by subsidiaries subject to phase out	—	—
50	Credit risk adjustments	—	—
51	Tier 2 (T2) capital before regulatory adjustments	14,593	—

		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	—	—
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	—	—
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	—	—
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	—	—
UK-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	—	—
UK-56b	Other regulatory adjustments to T2 capital	—	—
57	Total regulatory adjustments to Tier 2 (T2) capital	—	—
58	Tier 2 (T2) capital	14,593	—
59	Total capital (TC = T1 + T2)	589,880	—
60	Total risk exposure amount	370,849	—
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	155.1%	—
62	Tier 1 (as a percentage of total risk exposure amount)	155.1%	—
63	Total capital (as a percentage of total risk exposure amount)	159.1%	—
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	14.5%	—

		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
65	of which: capital conservation buffer requirement	2.5%	—
66	of which: countercyclical buffer requirement	0.0%	—
67	of which: systemic risk buffer requirement	0.0%	—
UK-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.0%	—
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	140.7%	—
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	—	—
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	4,050	—
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	—	—
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	—	—
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	—	—
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	—	—
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	—	—

Appendix 4 Regulatory own funds reconciliation — CC2

The table below outlines the main features of Monzo Bank Ltd'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.

	a (£'000)	b (£'000)	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period end	As at period end	
Assets	**5,218,429**	**5,216,354**	
Cash and balances at bank	3,134,540	3,130,233	
Treasury investments	1,675,478	1,675,478	
Loans and advances to customers	235,083	235,083	
Other assets	75,200	74,921	
Property, plant and equipment	21,836	20,662	
Investment in subsidiaries	—	4,050	
Collateral held with third parties	76,292	75,927	
Liabilities	**4,656,161**	**4,654,852**	
Customer deposits	4,440,650	4,440,650	
Subordinated debt liability	14,593	14,593	(a)
Other liabilities	200,918	199,609	
Equity	**562,268**	**561,502**	
Called up share capital	—	—	(b)
Share premium account	944,486	944,486	(c)
Other reserves	79,186	79,189	(d)
Accumulated losses	(461,404)	(462,173)	
Of which: Retained losses	(343,043)	(342,683)	(e)
Of which: Losses for the year[1]	(118,361)	(119,490)	(f)

1 Includes exercise of options, see Table A for details.

Appendix 5
IFRS 9 transitional impact

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

		2022	2021
Available Capital		**£'000**	**£'000**
1	Common Equity Tier 1 (CET1) capital	575,287	233,604
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 transitional arrangements had not been applied	561,489	221,681
3	Tier 1 capital	575,287	233,604
4	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	561,489	221,681
5	Total capital	589,880	233,604
6	Total capital as if IFRS 9 transitional arrangements had not been applied	576,082	221,681
Risk-Weighted Assets			
7	Total risk-weighted assets	370,849	236,653
8	Total risk-weighted assets as if IFRS 9 transitional arrangements had not been applied	367,931	227,711
Capital Ratios			
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	155.1%	98.7%
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 transitional arrangements had not been applied	152.6%	97.4%
11	Tier 1 (as a percentage of risk exposure amount)	155.1%	98.7%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 transitional arrangements had not been applied	152.6%	97.4%
13	Total capital (as a percentage of risk exposure amount)	159.1%	98.7%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 transitional arrangements had not been applied	156.6%	97.4%
Leverage Ratio[1]			
15	Leverage ratio total exposure measure	2,238,857	3,667,694
16	Leverage ratio	25.7%	6.4%
17	Leverage ratio as if IFRS 9 transitional arrangements had not been applied	25.1%	6.0%

1 Leverage ratio disclosed for 2022 is the UK leverage ratio which excludes qualifying central bank exposures

Appendix 6 Countercyclical capital buffer disclosures

The tables below show the distribution of relevant credit exposures for the calculation of our CCyB as at 28 February 2022.

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

	General credit exposures		Own funds requirements	
	Exposure Value for SA 10	Own funds requirements 070 & 100	Own funds weights 110	Countercyclical capital buffer rates 120
010 Breakdown by country	**£'000**	**£'000**	**weighting**	**£'000**
Belgium	1,205	96	0.00	0.00%
United Kingdom	342,851	19,316	0.96	0.00%
United States	4,076	812	0.04	0.00%
020 Total	**348,132**	**20,224**	**1.00**	**0.00%**

Amount of institution-specific countercyclical capital buffer

		£'000
010	Total Risk Exposure amount	370,849
020	Institution specific countercyclical capital buffer rate	0.00%
030	Institution specific countercyclical capital buffer requirement	—

Appendix 7
Overview of risk weighted exposure amounts — OV1

The table below outlines the risk weighted exposure amounts for Monzo Bank Ltd. Template OV1 has been disclosed in accordance with Annex I and Annex 2 of the Disclosure (CRR) Part of the PRA Rulebook.

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a (£'000)	b (£'000)	c
		2022	2021	2022
1	Credit risk (excluding CCR)	285,793	151,226	22,863
2	Of which the standardised approach	285,793	151,226	22,863
3	Of which the foundation IRB (FIRB) approach	—	—	—
4	Of which slotting approach	—	—	—
UK 4a	Of which equities under the simple risk weighted approach	—	—	—
5	Of which the advanced IRB (AIRB) approach	—	—	—
6	Counterparty credit risk — CCR	—	—	—
7	Of which the standardised approach	—	—	—
8	Of which internal model method (IMM)	—	—	—
UK 8a	Of which exposures to a CCP	—	—	—
UK 8b	Of which credit valuation adjustment — CVA	—	—	—
9	Of which other CCR	—	—	—
15	Settlement risk	—	—	—
16	Securitisation exposures in the non-trading book (after the cap)	—	—	—
17	Of which SEC-IRBA approach	—	—	—
18	Of which SEC-ERBA (including IAA)	—	—	—
19	Of which SEC-SA approach	—	—	—
UK 19a	Of which 1250%/ deduction	—	—	—
20	Position, foreign exchange and commodities risks (Market risk)	—	—	—
21	Of which the standardised approach	—	—	—
22	Of which IMA	—	—	—
UK 22a	Large exposures	—	—	—
23	Operational risk	85,056	85,427	6,804

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a (£'000)	b (£'000)	c
		2022	2021	2022
UK 23a	Of which basic indicator approach	85,056	85,427	6,804
UK 23b	Of which standardised approach	—	—	—
UK 23c	Of which advanced measurement approach	—	—	—
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	—	—	—
29	**Total**	**370,849**	**236,653**	**29,668**

Appendix 8
UK leverage ratio — LR2

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

On-Balance Sheet exposures (excluding derivatives and SFTs)		
1	On-Balance Sheet items (excluding derivatives, SFTs, but including collateral)	5,230,665
2	Gross-up for derivatives collateral provided, where deducted from the Balance Sheet assets pursuant to the applicable accounting framework	—
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	—
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	—
5	(General credit risk adjustments to On-Balance Sheet items)	—
6	(Asset amounts deducted in determining tier 1 capital (leverage)	—
7	Total On-Balance Sheet exposures (excluding derivatives and SFTs)	5,230,665
Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	—
UK-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	—
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	—
UK-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	—
UK-9b	Exposure determined under the original exposure method	—
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	—
UK-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	—
UK-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	—
11	Adjusted effective notional amount of written credit derivatives	—
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	—
13	Total derivatives exposures	—

Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	—
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	—
16	Counterparty credit risk exposure for SFT assets	—
UK-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	—
17	Agent transaction exposures	—
UK-17a	(Exempted CCP leg of client-cleared SFT exposures)	—
18	Total securities financing transaction exposures	—
Other Off-Balance Sheet exposures		
19	Off-Balance Sheet exposures at gross notional amount	368,440
20	(Adjustments for conversion to credit equivalent amounts)	(331,596)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated associated with Off-Balance Sheet exposures)	—
22	Off-Balance Sheet exposures	36,844
Excluded exposures		
UK-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	—
UK-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) of the CRR (On- and Off- Balance Sheet))	—
UK-22g	(Excluded excess collateral deposited at triparty agents)	—
UK-22k	(Total exempted exposures)	—
Capital and total exposure measure		
23	Tier 1 capital (leverage)	575,287
24	Total exposure measure including claims on central banks	5,267,509
UK-24a	(Claims on central banks excluded)	(3,028,652)
UK-24b	Total exposure measure excluding claims on central banks	2,238,857

Leverage ratio		
25	Leverage ratio excluding claims on central banks (%)	25.7%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	25.1%
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 (%)	25.7%
UK-25c	Leverage ratio including claims on central banks (%)	10.9%
26	Regulatory minimum leverage ratio requirement (%)	—
Additional leverage ratio disclosure requirements — leverage ratio buffers		
27	Leverage ratio buffer (%)	—

Appendix 9
Asset encumbrance

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

Template AE1 – Encumbered and unencumbered assets

	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
	10	30	40	50	60	80	90	100
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets of the reporting institution	178,623				5,037,606	4,600,376		
Equity instruments					4,172			
Debt securities	26,504		26,395		1,648,974	1,648,974	1,625,909	
of which: covered bonds								
of which: securitisations								
of which: issued by general governments	26,504		26,395		1,374,023	1,350,958	1,360,045	
of which: issued by financial corporations					274,950	274,950	265,864	
of which: issued by non-financial corporations								
Other assets	79,016				93,124			

Template AE3 – Sources of encumbrance

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		10	30
		£'000	£'000
10	Carrying amount of selected financial liabilities	131,911	178,623

Template AE4 – Information on the importance of encumbrance

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

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

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

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

Appendix 10 Non-performing and forborne exposures

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

CQ1: Credit quality of forborne exposures

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne	Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1	Loans and advances	17,504	6,815	780	6,815	(2,121)	(3,929)		
2	Central banks								
3	General governments								
4	Credit institutions								
5	Other financial corporations								
6	Non-financial corporations								
7	Households	17,504	6,815	780	6,815	(2,121)	(3,929)		
8	Debt Securities								
9	Loan commitments given	3,784	794		794	(126)	(158)		
10	**Total**	**21,288**	**7,609**	**780**	**7,609**	**(2,247)**	**(4,087)**		

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
1	**Loans and advances**	**245,912**	**244,399**	**1,513**	**10,020**	**10,020**	**0**	**0**	**0**	**0**			**916**
2	Central banks												
3	General governments												
4	Credit institutions												
5	Other financial corporations												
6	Non-financial corporations												
7	Of which SMEs												
8	Households	245,912	244,399	1,513	10,020	10,020	0	0	0	0			916
9	Debt securities	1,675,478	1,675,478										
10	Central banks												
11	General governments	1,400,528	1,400,528										
12	Credit institutions	274,950	274,950										
13	Other financial corporations												
14	Non-financial corporations												
15	Off-Balance Sheet exposures	367,113			1,327								1
16	Central banks												
17	General governments												
18	Credit institutions												
19	Other financial corporations												
20	Non-financial corporations												
21	Households	367,113			1,327								1
22	**Total**	**2,288,504**	**1,919,877**	**1,513**	**11,347**	**10,020**	**0**	**0**	**0**	**0**			**917**

CR1: Performing and non-performing exposures and related provisions

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1	**Loans and advances**	**245,912**	**188,899**	**56,998**	**12,895**	**2,775**	**9,256**	**(13,377)**	**(5,921)**	**(7,443)**	**(6,789)**	**(820)**	**(5,930)**	**(18,878)**		
2	Central banks															
3	General governments															
4	Credit institutions															
5	Other financial corporations															
6	Non-financial corporations															
7	Of which SMEs															
8	Households	245,912	188,899	56,998	12,895	2,775	9,256	(13,377)	(5,921)	(7,443)	(6,789)	(820)	(5,930)	(18,878)		
9	Debt securities	1,675,478	1,675,478													
10	Central banks															
11	General governments	1,400,528	1,400,528													
12	Credit institutions	274,950	274,950													
13	Other financial corporations															
14	Non-financial corporations															
15	**Off-Balance Sheet exposures**	**367,113**	**332,752**	**34,361**	**1,327**	**440**	**419**	**(3,371)**	**(1,887)**	**(1,484)**	**(187)**	**(24)**	**(157)**			
16	Central banks															
17	General governments															
18	Credit institutions															
19	Other financial corporations															
20	Non-financial corporations															
21	Households	367,113	332,752	34,361	1,327	440	419	(3,371)	(1,887)	(1,484)	(187)	(24)	(157)			

Appendix 11 Remuneration

The tables below outline remuneration for Monzo Bank Ltd. Templates REM1 and REM 2 have been disclosed in accordance with Annex XXXIII and XXXIV of the Disclosure (CRR) Part of the PRA Rulebook.

Template REM1: Remuneration awarded for the financial year

			a (£'000)	b (£'000)	c (£'000)	d (£'000)
			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	**Fixed remuneration**	Number of identified staff	6	6	17	19
2		Total fixed remuneration	642	2,227	3,135	1,702
3		Of which: cash-based	642	2,227	3,135	1,702
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				
7		Of which: other forms				
9	**Variable remuneration**	Number of identified staff	6	6	17	19
10		Total variable remuneration		8,634	1,712	1,002
11		Of which: cash-based		75	131	1
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		8,559	1,581	1,001
UK-14b		Of which: deferred		8,199	1,310	947
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)**		**642**	**10,860**	**4,847**	**2,703**

* of which £8,552,615 relate to awards made in respect of the prior performance year, before CRD V rules — including the variable pay cap — applied to Monzo.

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

		a (£'000)	b (£'000)	c (£'000)	d (£'000)
		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		1	5	1
2	Guaranteed variable remuneration awards — Total amount		30	173	1
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	
7	Severance payments awarded during the financial year — Total amount			150	
8	Of which paid during the financial year			150	
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			150	

Appendix 12
UK CRR disclosure requirements

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

UK CRR reference	High-level summary	Minimum Disclosure Requirement for Monzo	Reference
Article 431 (1)	Requirement to publish Pillar 3 disclosures	✓	Pillar 3 published as required
Article 431 (2)	Firms with special permissions must disclose the information required in Title III	✓	Not applicable
Article 431 (3)	Institution must have a policy covering frequency of disclosures. Their verification, comprehensiveness and appropriateness. A senior manager must attest in writing that this policy has been followed.	✓	Pillar 3 — Disclosure policy section Pillar 3 — Attestation section
Article 431 (4)	All quantitative disclosures must be accompanied by descriptive text where required to aid users' understanding.	✓	Pillar 3 — Disclosure policy section
Article 431 (5)	Explanation of ratings decision upon request	✓	Not applicable
Article 432 (1)	Institutions may omit information that is not material if certain conditions are respected.	✓	Pillar 3 — Basis of disclosure section
Article 432 (2)	Institutions may omit information that is proprietary or confidential if certain conditions are respected.	✓	Pillar 3 — Basis of disclosure section
Article 432 (3)	Where 432 (2) applies this must be stated in the disclosures, and more general information must be disclosed.	✓	Not applicable
Article 433	Institutions shall publish Pillar 3 in line with the rules laid out in Articles 433a ,433b & 433c. Disclosures must be published once a year at a minimum, and more frequently if necessary.	✓	Pillar 3 — Disclosure framework section Pillar 3 is published annually with the Annual Report
Article 433a	Disclosures by Large Institutions	✕	Not applicable
Article 433b	Disclosures by Small and Non-Complex Institutions	✕	Not applicable
Article 433c (1)	Institutions that are not subject to Article 433a or 433b shall disclose the information outlined below with the following frequency:	✕	Not applicable
Article 433c (1) (a)	all the information required under this Part on an annual basis;	✕	Not applicable

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

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

UK CRR reference	High-level summary	Minimum Disclosure Requirement for Monzo	Reference
Article 437 (d) (i)	each prudential filter applied	✗	Not Applicable — Due to Article 433c(2)
Article 437 (d) (ii)	each capital deduction applied	✗	Not Applicable — Due to Article 433c(2)
Article 437 (d) (iii)	items not deducted from capital	✗	Not Applicable — Due to Article 433c(2)
Article 437 (e)	a description of all restrictions applied to the calculation of own funds in accordance with this Regulation and the instruments, prudential filters and deductions to which those restrictions apply;	✗	Not Applicable — Due to Article 433c(2)
Article 437 (f)	where institutions disclose capital ratios calculated using elements of own funds determined on a different basis.	✗	Not Applicable — Due to Article 433c(2)
Article 437a	Disclosure of Own Funds and Eligible Liabilities	✗	Not Applicable — Due to Article 433c(2)
Article 438	Requirement to disclosure following information regarding capital adequacy:	✓	Refer to sub points
Article 438 (a)	Summary of institution's approach to assessing adequacy of capital levels.	✗	Not Applicable — Due to Article 433c(2)
Article 438 (b)	Additional own funds requirements specified by the regulator and its composition	✗	Not Applicable — Due to Article 433c(2)
Article 438 (c)	The result of the ICAAP	✓	Pillar 3 — Capital requirements section
Article 438 (d)	Total risk weighted exposure and own funds requirements by risk category	✓	Pillar 3 — Table C
Article 438 (e)	Exposures, risk weighted exposure and expected losses for specialised lending and equity exposures	✗	Not Applicable — Due to Article 433c(2)
Article 438 (f)	Exposure details on instruments held in any insurance related company	✗	Not Applicable — Due to Article 433c(2)
Article 438 (g)	Additional capital requirements for financial conglomerates	✗	Not Applicable — Due to Article 433c(2)
Article 438 (h)	Changes in risk weighted exposure from prior period calculated by internal models	✗	Not Applicable — Due to Article 433c(2)
Article 439	Disclosure of Exposures to Counterparty Credit Risk	✗	Not Applicable — Due to Article 433c(2)
Article 440	Disclosure of Countercyclical Capital Buffers	✗	Not Applicable — Due to Article 433c(2)
Article 441	Disclosure of Indicators of Global Systemic Importance	✗	Not Applicable — Due to Article 433c(2)
Article 442	Disclosure of Exposures to Credit Risk and Dilution Risk	✗	Not Applicable — Due to Article 433c(2)
Article 443	Disclosure of Encumbered and Unencumbered Assets	✗	Not Applicable — Due to Article 433c(2)
Article 444	Disclosure of the Use of the Standardised Approach	✗	Not Applicable — Due to Article 433c(2)

UK CRR reference	High-level summary	Minimum Disclosure Requirement for Monzo	Reference
Article 445	Disclosure of Exposure to Market Risk	✗	Not Applicable — Due to Article 433c(2)
Article 446	Disclosure of Operational Risk Management	✗	Not Applicable — Due to Article 433c(2)
Article 447	Requirement to publish the following key metrics;	✓	Refer to sub points
Article 447 (a)	Composition of own funds amounts and requirements	✓	Pillar 3 — Appendix 1 — Key Metrics
Article 447 (b)	Risk exposure amounts	✓	Pillar 3 — Appendix 1 — Key Metrics
Article 447 (c)	Additional own funds requirements and composition required in line with regulation 34(1) of the Capital Requirements Regulations	✓	Pillar 3 — Appendix 1 — Key Metrics
Article 447 (d)	Combined buffer requirements	✓	Pillar 3 — Appendix 1 — Key Metrics
Article 447 (e)	The following information regarding the leverage ratio;	✓	Pillar 3 — Appendix 1 — Key Metrics
Article 447 (e) (i)	Leverage ratio and exposure	✓	Pillar 3 — Appendix 1 — Key Metrics
Article 447 (e) (iii)	Additional requirements from Article 451 for LREQ firms	✗	Not Applicable
Article 447 (f)	The following information regarding the liquidity coverage ratio;	✓	Pillar 3 — Appendix 1 — Key Metrics
Article 449	Disclosure of Exposure to Securitisation Positions	✗	Not Applicable
Article 450 (1)		✓	Refer to sub points
Article 450 (1) (a)	Decision-making process for determining remuneration policy	✓	Pillar 3 — Remuneration policy and practices section Pillar 3 — Appendix 11 — Remuneration
Article 450 (1) (b)	Link between pay and performance	✓	Pillar 3 — Remuneration policy and practices section Pillar 3 — Appendix 11 — Remuneration
Article 450 (1) (c)	Design characteristics of the remuneration system, criteria for performance measurement, risk adjustment, deferral policy and vesting criteria	✓	Pillar 3 — Remuneration policy and practices section Pillar 3 — Appendix 11— Remuneration
Article 450 (1) (d)	Ratios between fixed and variable remuneration	✓	Pillar 3 — Remuneration policy and practices section Pillar 3 — Appendix 11 — Remuneration
Article 450 (1) (e)	Performance criteria on which entitlement to shares, options or variable components of remuneration is based	✗	Not Applicable

UK CRR reference	High-level summary	Minimum Disclosure Requirement for Monzo	Reference
Article 450 (1) (f)	Parameters and rationale for variable components schemes and other non-cash benefits	✗	Not Applicable
Article 450 (1) (g)	Aggregate quantitative information on remuneration	✗	Not Applicable
Article 450 (1) (h)	Aggregate quantitative information on remuneration, broken down by senior management and members staff with significant impact on risk profile of the institution	✓	Refer to sub points
Article 450 (1) (h) (i)	The amounts of remuneration for the financial year, split into fixed and flexible and number of beneficiaries	✓	Pillar 3 — Remuneration policy and practices section Pillar 3 — Appendix 11 — Remuneration
Article 450 (1) (h) (ii)	The amounts of outstanding deferred remuneration, split into vested and unvested	✗	Not Applicable
Article 450 (1) (h) (iii)	The amounts of outstanding deferred remuneration, split into vested and unvested	✗	Not Applicable
Article 450 (1) (h) (iv)	The amounts of deferred remuneration due to vest in the financial year, and the number of beneficiaries	✗	Not Applicable
Article 450 (1) (h) (v)	Guaranteed variable remuneration awarded in the financial year and the number of beneficiaries	✗	Not Applicable
Article 450 (1) (h) (vi)	Severance payments awarded in prior years, paid out in this financial year	✗	Not Applicable
Article 450 (1) (h) (vii)	The amount of severance payments awarded during the financial year, number of beneficiaries and highest award	✓	Pillar 3 — Remuneration policy and practices section Pillar 3 — Appendix 11 — Remuneration
Article 450 (1) (i)	The number of individuals been remunerated EUR 1 million or more, between EUR 1 and 5 million and of EUR 5 million or above	✗	Not Applicable
Article 450 (1) (j)	[Note: Provision deleted]	✗	Not Applicable
Article 450 (1) (k)	Information on if the institution benefits from the derogation laid out in the Remuneration part of the PRA Rulebook	✓	Pillar 3 — Remuneration policy and practices section Pillar 3 — Appendix 11 — Remuneration
Article 450 (2)	For large institutions, the information from this article shall be made available to the public, split by executives and non executives.	✗	Not Applicable

UK CRR reference	High-level summary	Minimum Disclosure Requirement for Monzo	Reference
Article 451	Disclosure of the Leverage Ratio	✕	Not Applicable
Article 451a	Disclosure of Liquidity Requirements	✕	Not Applicable
Article 452	Disclosure of the Use of the IRB Approach to Credit Risk	✕	Not applicable
Article 453	Disclosure of the Use of Credit Risk Mitigation Techniques	✕	Not applicable
Article 454	Disclosure of the Use of the Advanced Measurement Approaches to Operational Risk	✕	Not applicable
Article 455	Use of Internal Market Risk Models	✕	Not applicable