MONUMENT

2024 ANNUAL REPORT

and Financial Statements for the year ended 31 December 2024

Monument Bank Limited
Company registration number: 10921940

Contents

Company information

DIRECTORS:	F Pollard A Likierman S Friedlos K Kalban H Mishr A Piranie I Rand C Ashton (appointed 1 March 2024) S Vig (appointed 3 May 2024) C Richardson (appointed 26 November 2024) M Morley (appointed 25 February 2025) V Gupta (ceased as a Director 18 April 2024) M Hagerty (ceased as a Director 29 April 2024) I Evans (ceased as a Director 30 April 2024) H Brichet (ceased as a Director 21 March 2025)
REGISTERED OFFICE:	33 Cavendish Square London W1G 0PW
REGISTERED NUMBER:	10921940 (England and Wales)
INDEPENDENT AUDITOR:	BDO LLP 55 Baker Street London W1U 7EU

The Directors present their Strategic report on Monument Bank Limited (the “Company”, “Bank” or “Monument”) for the year ended 31 December 2024.

Chair’s statement

On behalf of your Board of Directors, I’m pleased to present the consolidated Annual Report and Accounts for Monument Bank covering the year ended 31 December 2024.

2024 was a year of significant growth, during which we meaningfully scaled up the Bank's balance sheet, launched the paywall and embarked on monetising our Membership proposition. We also saw Monument Technology Limited secure its first client and build a strong pipeline of potential clients.

All were successfully executed amid an economic landscape shaped by global inflationary pressures, shifting interest rates and ongoing geopolitical instability. I’m proud to report that, despite all these challenges, Monument has shown remarkable resilience, delivering sustained growth and progress.

The UK banking landscape also experienced significant change during this time, with the Bank of England implementing its first Bank Rate reductions in four years – the first since Monument’s launch. While these rate reductions and the subsequent market adjustment temporarily pressured our net interest margins, we successfully navigated an increasingly competitive savings environment and achieved exceptional deposit client retention. Our Easy Access deposit product, for example, had 99% retention through two rate reductions by Monument – a testament to our differentiated positioning and the quality of our service.

In fact, client satisfaction continued to strengthen. Our net promoter score rose throughout the year, achieving an outstanding 4.8/5 Trustpilot rating. Hundreds of clients were onboarded, with the movement of tens of millions of GBP per day, reinforcing our momentum and market presence.

We also continued to attract capital, which is crucial for scaling up our net interest income and delivering additional products and services. All of which supports our focus on serving the significant, yet often overlooked mass affluent segment in the UK. The year began with the successful closure of our Series B funding round in January 2024, which included a second demonstration of commitment from our key investor and now largest shareholder, Dubai Investments. In May, we launched our Series C funding round. By the closure of its first phase, C1, approximately £30 million had been raised. This positions Monument well to pursue the C2 phase in the first half of 2025, with a pre-money valuation of approximately £300 million.

At the core of the Monument proposition is our technology, which we’ve focused on relentlessly since the Bank’s inception. We’ve continued to build on our differentiated and exceptional technology architecture. We’ve implemented several internal enhancements, including a Treasury Management System. We’ve also demonstrated our technology’s ability to rapidly prototype, with the launch of new products such as our Cash ISA, while dynamically managing our offerings.

We were delighted to advance the development of Monument Technology Limited (MTL), which enables our shareholders to benefit from value creation in two ways. The initiative will provide an additional revenue stream and enhance the equity upside for Monument Bank. MTL is on track to meet its seed fundraising targets and is actively working with its first client, with more clients in the pipeline for 2025.

At the heart of our proposition is a deep commitment to Consumer Duty, which we implemented in 2023 and continued to refine through 2024. This commitment drives our determination to build the best bank – currently the only cloud-native bank dedicated to serving the mass affluent segment. This segment consists of individuals who are cash-rich yet time-poor. Together, they hold approximately £6 trillion in addressable wealth in the UK (and around £80 trillion globally). It’s a segment that requires a level of support far beyond that offered by traditional retail banks, including those that label their services as "Premier" propositions.

A six-month post-implementation compliance review, together with our first annual assessment, reaffirmed that Consumer Duty is firmly embedded across Monument. We will continue to consistently uphold the highest standards in serving our clients.

As Monument continues to grow and mature, it's natural for the composition of our Board to evolve. In 2024, Iestyn Evans, Martin Hagerty and Vikash Gupta stepped down from the Board. I would like to sincerely thank them for their valuable contributions during their time with Monument. In the same year, we were pleased to welcome Caroline Ashton, Sanjay Vig and Caroline Richardson to the Board, and anticipate further evolution in its composition throughout 2025.

These changes also brought new leadership appointments within Board Committees, with Ashraf Piranie becoming Chair of the Board Risk Committee and Caroline Ashton appointed Chair of the Audit Committee.

As we move into 2025, the Board's key focus will be on scaling and enhancing the Bank's propositions while advancing towards profitability. A crucial part of this strategy will be diversifying our asset base through additional forward flow agreements and the introduction of new lending propositions. We also plan to expand our offerings beyond deposits, launching new services within our Membership proposition specifically designed to help the mass affluent achieve their goal, which is to *Save. Build. Live.*

As Chair of the Board, I would like to extend my heartfelt gratitude to our shareholders for their unwavering support. Your commitment to the Bank's strategy and values has been instrumental in our success this year, enabling us to pursue our long-term vision. We remain dedicated to delivering strong, sustainable and accelerating returns.

I would also like to express my sincere appreciation to my fellow Board members, colleagues and partners. Their dedication, hard work and focus have driven our achievements so far, and I look forward to building on these strengths in 2025.

DocuSigned by:

Fiona Pollard

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Fiona Pollard CBE
Chair of the Board
25 April 2025

Chief Executive Officer’s statement

Dear Shareholders, Colleagues and Partners,

As we close another significant year, I’m pleased to share with you the progress we’ve made.

Our mission is to empower mass affluent individuals by supporting them on their financial journey, helping them to create value beyond money.

We aim to achieve this mission by transforming the financial experience for the mass affluent in the UK, unlocking opportunities tied to 67% of the nation’s wealth. We’re also building something more than a bank. We’re inviting the mass affluent to share in a growing mindset that believes there’s more to wealth than money.

2024 has been a year of transformation and strong growth, achieved as we continue to safely navigate a rapidly evolving landscape of economic, technological and regulatory change.

We’ve delivered excellent progress on all three pillars of our strategy.

1. **The core bank**

During 2024 we significantly accelerated the growth of our core banking products. Over the year, and after just two years of operations, our deposits grew from under £1 billion in December 2023 to £5 billion in December 2024 – a phenomenal performance. Over the same period, our client base grew to nearly 60,000, with an average balance of over £60,000, significantly higher than any other UK neo-bank.

This year, we also launched the product most requested by our clients, our Easy Access Cash ISA. We have since launched ISA transfers in the first half of 2025.

Deposit margins were under pressure during 2024, with a combination of high competition for deposits and the reduction of the Bank of England’s Bank Rate. However, we’ve been able to navigate this successfully, continuing to both grow our savings balances and maintain a broadly consistent Net Interest Margin (NIM) on deposits.

On the other side of our balance sheet, treasury assets grew from £400 million to £1.2 billion in the year. These assets result from an efficient use of regulatory capital that generated interest income of £55 million in the year. We also began to diversify the asset book to include more traditional loan assets. We’re doing this initially through forward flow agreements with non-bank lenders who originate and service the loans. We purchase the loans onto our balance sheet, which allows the quick and cost-effective build of loan assets.

Our balance sheet and client growth coincides with an ongoing focus on the efficiency of our operations. Through a programme of continuous improvement in our app, which included adding new self-serve functionality and addressing some client feedback, we’ve reduced the volume of contacts per 1000 clients by 37%. This reduction meant we needed just four more colleagues in our customer service team to support the fourfold increase in client numbers. All whilst we continued to offer a superior service level, with 87% of calls and chats answered within 20 seconds.

During this period, our infrastructure has proven to be very robust, with an average uptime of 99.99% across the core systems. The Technical teams continue to invest in the platform to ensure it will scale as we grow.

We’ve also made significant investment in our core technology to ensure we continue to grow rapidly and safely. This includes material investments in treasury management, Know Your Customer (KYC) and Anti-Money Laundering (AML) platforms, as well as continuously upgrading our cyber defence capabilities.

All of which has contributed to excellent client retention and feedback, as evidenced by our outstanding Trustpilot score of 4.8/5 at the end of 2024.

2. **Membership**

Our Membership proposition is at the heart of Monument. It's the platform through which we will offer our clients products and services that help them grow their lives, and their wealth.

Launched in late 2024, our Membership offering is built on three core pillars:

- **A financial hub**: A seamless platform that enables clients to connect with more than 110 providers, offering a unified view of all their financial accounts – from everyday banking and savings to investments, mortgages, pensions and more.
- **Exclusive Membership Saver**: A savings account with preferential interest rates exclusively for our members.
- **Lifestyle benefits**: Curated services that enhance our clients' most cherished moments while supporting the pivotal stages of their lives.

The financial hub is our first step towards simplifying the wealth creation and preservation journey. It provides clients with an intuitive way to monitor their financial landscape and make informed decisions with confidence.

Our lifestyle benefits are tailored to celebrate both the extraordinary and the everyday. From concierge-style services that craft unforgettable experiences to practical offerings like inheritance planning, premium healthcare access and will-writing services, we aim to support our clients at every step.

And this is just the beginning. We're committed to continuously evolving and enhancing our Membership proposition to meet an ever-widening range of client needs and aspirations.

3. **Monument Technology Limited (MTL)**

Our subsidiary, Monument Technology Limited (MTL) was incorporated in 2023. The purpose of MTL is to leverage our technology investment by licensing a separate instance of our technology platform to power other financial institutions. The team, led by Steve Britain, is on track to meet the capital raising target, has secured its first client and continues to build great momentum. We will retain a majority holding at the end of the seed fundraising round.

The Bank and MTL technology teams continue to work closely together, whilst staying independent to ensure both organisations achieve their objectives. This collaboration enables us to efficiently grow our shared technology capabilities.

Alongside this fantastic growth, we're equally proud of the culture we've built at Monument. Delivering the growth seen in 2024 required us to increase the size of the team. We've done this selectively, with a focus on hiring for long-term potential. We've also made improvements to our employee proposition and our HR processes. One of the results of this is that we're delighted to have been named a 'Best Place to Work' by The Sunday Times in 2024.

2025 and beyond – what next?

We look forward to continuing our growth into 2025, driven by key enhancements such as delivering ISA transfers. We will also begin to focus on building the proposition for our clients beyond savings products.

There are three key challenges that we're focused on for 2025:

- First, we must support our path to profitability by balancing Monument's long-term growth, through continued investment in our products and services, with a strong and maintained focus on cost efficiency.

- Second, we will continue to build our team selectively, prioritising top talent to enhance our talent density rather than merely expanding headcount. This approach will accelerate growth, reinforce confidence in our systems and processes, and drive best-in-class cost-to-income ratios with a declining cost-to-serve. All while sustaining industry-leading client satisfaction.

- Finally, we cannot escape the impact of macro-economic factors (both global and UK specific). These include falling interest rates, the potential for margin compression and a challenging capital-raising environment. However, our ability to rapidly develop and deploy new products, alongside the lack of any historical 'back book' of products and clients, has given us the agility to respond quickly to the changing world.

Building on the words of our Chair, I must also thank our shareholders; their backing continues to support the rapid development of Monument.

I would also like to express my heartfelt thanks to our colleagues across the Bank for their dedication, hard work and unwavering commitment throughout 2024. The exceptional resilience, agility and teamwork demonstrated by our team has been truly extraordinary.

The passion of our colleagues for delivering excellent service, driving innovation and building incredible client experiences is what makes Monument so special.

I look forward to 2025 and the opportunity to build on the success of a truly 'Monumental' 2024.

Signed by:

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Ian Rand
Chief Executive Officer
25 April 2025

Key performance indicators

2024 at a glance

4.8★
Trustpilot score

58k
active clients who trust us to grow their wealth

15,828
clients shared their feedback

clients spoke
we listened

87%
of calls answered in 20 seconds or less

£5bn
in Savings

£1bn
2023
2024

£64k
average direct savings balance

Monument Technology Ltd.

One client in implementation

10+ active discussions of which two in selection process

Close to £10m Seed round fundraising target

We launched Membership

A new way to manage and enjoy your wealth

MONUMENT
Membership
A new way to manage and enjoy your wealth.

Lifestyle

Top restaurant request:
Fallow

Furthest reservation:
China

Launched our most requested product

Easy Access Cash ISA

NPS

Score

Q1	Q2	Q3	Q4
+63	+71	+78	+77

37% reduction in engagements per 1,000 clients during the year

11
client service agents for over 58k clients

Quinnox	Cloud Excellence	Sunday Times	Banking Tech
Best Use of Tech	Best Cloud Project	Best Place to Work	Tech Team of the Year
2024	2024	2024	2024

Detailed financial review

Income statement

Income statement	2024 £'000	2023 £'000	Increase / (Decrease) £'000	Increase / (Decrease) %
Interest income	148,993	20,705	128,288	620%
Interest expense	(136,868)	(17,400)	(119,468)	-687%
Net interest income	**12,125**	**3,305**	**8,820**	**267%**
Net (losses)/gains from derivative financial instruments	1,726	(2,331)	4,057	174%
Net fee income	218	-	218	n/a
Other operating expense	(185)	(49)	(136)	-278%
Total net income	**13,884**	**925**	**12,959**	**1401%**
Administrative expenses	(28,522)	(20,895)	(7,627)	-37%
Impairment charge on loans and advances	(79)	(83)	4	5%
Operating loss before taxation	**(14,717)**	**(20,053)**	**5,336**	**27%**
Taxation	239	693	(454)	-66%
Loss for the financial year	**(14,478)**	**(19,360)**	**4,882**	**25%**

Summary
The loss for the year ended 31 December 2024 reduced to £14.5 million (2023: £19.4 million). This reduction is largely due to the Bank's fast balance sheet growth, enhanced digital offering and ability to move forwards in a scalable way.

Excluding the £4.1 million year-on-year favourability in derivative gains/(losses), the annual loss has reduced by £0.8 million to £16.2 million (2023: £17.0 million). Net interest income grew by £8.8 million to £12.1 million (2023: £3.3 million). And operating costs increased by £7.6 million to £28.5 million (2023: £20.9 million) as we managed our cost base throughout our growth journey. The £0.5 million reduction in taxation relates to lower Research and Development tax relief.

Our cost-to-income ratio reduced to 235% (2023: 632%), as we continued our focus on efficiency and scalability.

Net interest income
Net interest income increased by £8.8 million (267%) underpinned by our strong balance sheet growth. However, due to the high level of deposit growth, and resultant mix of Bank of England (BoE) balances that are at a lower Net Interest Margin (NIM) compared to lending and treasury assets, our overall NIM reduced to 0.39% (2023: 0.55%). The market has also seen interest rate headwinds during the year, as the BoE started to loosen monetary policy by reducing rates in the second half of the year (H2).

Interest income increased by £128 million (620%) driven mainly by the BoE reserve interest increase of £78 million and interest from treasury assets increasing by £46 million. A relatively small increase of £2 million came from our lending portfolio, made up of the buy-to-let back book and new forward flow bridging lending that commenced in H2. Forward flow lending targets higher-yielding assets, and this portfolio is forecast to grow significantly in 2025. Our treasury asset portfolio was managed to safely optimise our balance sheet, maintain appropriate hedging and achieve a steady yield throughout the period.

Interest expense increased by £119 million (687%) driven by sizable increase in deposit volumes. The two BoE rate reductions in August and November 2024, each of 25 basis points, reduced net interest income in the subsequent weeks. This reduction was due to the lag between the BoE rate reduction and the pass through to clients.

Fee income
Subscription income remains a small proportion of our overall net income, but will become more prominent in 2025 with the launch of our Membership proposition.

Operating expenses
Total operating expenses increased by £7.6 million (37%) due to investments in team growth and infrastructure. This investment will enable us to deliver on our strategy and manage increased operational activity.

The main increase was in staff costs, which went up by £2.4 million (23%) as the average headcount grew to 103 (2023: 85). This increase will enable us to support higher customer numbers and maintain our premium service level. The year's hiring had particular emphasis on technology expertise, to deliver new product and platform initiatives, along with a customer service focus and further development of our back-office functions to support our growth.

Other increases came from £1.7 million (46%) higher IT infrastructure costs, as we scaled up our technological infrastructure and activities throughout the year. Professional fees also increased by £1.2 million (80%) as we branched out into the forward flow lending market, to ensure our control frameworks remain effective through expanded consultancy, legal and audit work. Amortisation and depreciation have grown by £0.8 million (27%), and forward flow servicing and deposit aggregator fees have been newly introduced in the year.

Balance sheet and regulatory metrics

	2024	2023	Increase / (Decrease)	
Balance sheet metrics	**£'000**	**£'000**	**£'000**	**%**
Cash at the BoE and other banks	3,732,456	377,215	3,355,241	889%
Treasury bills	-	130,102	(130,102)	-100%
Treasury assets	1,227,659	384,491	843,168	219%
Loans	173,839	139,689	34,150	24%
Total interest-bearing assets	**5,133,954**	**1,031,497**	**4,102,457**	**398%**
Customer deposits	**5,069,724**	**990,502**	**4,079,222**	**412%**
Regulatory metrics	**£'000**	**£'000**	**£'000**	**%**
Common Equity Tier 1 (CET1) capital	**56,324**	**28,036**	**28,288**	**101%**
Counterparty and credit risk weighted assets (RWA)	270,331	112,159	158,172	141%
Operational RWA	9,755	11,500	(1,745)	-15%
Credit valuation adjustment RWA	1,670	2,869	(1,199)	-42%
Total RWAs	**281,756**	**126,528**	**155,228**	**123%**
	%	**%**		**Increase / (Decrease)**
CET 1 %	20%	22%	n/a	(2)ppt
Leverage ratio	3.9%	4.1%	n/a	(0.2)ppt
Liquidity coverage ratio	589%	1093%	n/a	(504)ppt
Net stable funding ratio	560%	228%	n/a	332ppt

Customer deposits
During the year, our deposit book grew five-fold to £5.1 billion (2023: £1 billion). This growth was driven by our competitive pricing, increased product offering in a challenging market and a fall in interest rates in the second part of the year (H2). We also partnered with deposit aggregators to increase our potential funding opportunities in the market, which contributed approximately a third of our deposit growth in the year. Our Easy Access Cash ISA and Membership Saver products also expanded our offering towards the end of 2024.

These deposit balances at year-end have given us a strong funding base with which to start 2025 and raise additional capital investment through our Series C funding round.

Cash
Cash at the BoE and other banks grew to £3.7 billion (2023: £0.4 billion). We maintain a balance in other banks to manage intra-day liquidity. Our liquidity coverage ratio remains high at 589% (2023: 1093%) and has reduced as our treasury asset and loan books have grown.

Lending and treasury assets
On the lending side, the forward flow loan portfolio has increased from September 2024 onwards, reaching £35 million at year-end. Our pipeline continues to grow as we gain partners, supporting our goal of increasing our net interest income in the near future. Our treasury assets portfolio has also continued to grow within our regulatory requirements. With the capital raised in 2024, we used our increased capacity in treasury assets to maximise yield, while remaining comfortably within our regulatory limits. As forward flow lending built towards the end of the year, we continued to closely monitor our capital position and manage our treasury assets to a stable level across Q4. The result is an increase in treasury assets to £1.2 billion by the end of 2024 (2023: £0.4 billion).

Capital and liquidity
In 2024 we raised the final tranche of our Series B funding round, securing £14.0 million in January (Series B total £41.4m). From May to July, we raised an additional £29.6 million as part of our series C1 funding.

During the first quarter of 2025 we received £2.1 million in our series C2 funding round, bringing the total to approximately £3.7 million. Capital raising will continue throughout 2025 to provide the foundation for our strategy and continued growth.

We maintain a strong capital position within regulatory requirements. CET 1 ratio at year end is 20% (2023: 22%). We continue to monitor the developments of Basel 3.1 and the Small Domestic Deposit Takers (SDDT) regime and their potential impact.

Looking ahead
As we continue to expand our innovative product offering with a focus on expanding our lending base, and continue our Series C capital raising, we're well-placed to build our net interest income further and introduce subscription income in 2025. We will continue to maintain cost efficiency as we strengthen our capability and scalability for the future, and have enhanced controls in place to manage regulatory requirements and ensure we sustain an appropriate level of risk.

Alternative performance metrics

Our Management team believes that the Alternative Performance Metrics (APMs) included in this Annual Report and financial statements provide valuable information and give the reader a more consistent basis on which to compare the business' performance between financial periods. They also give more detail on performance elements the managers of the business are able to influence.

In addition, the APMs are relevant performance measures for assessing the Bank. They reflect important aspects of how operating targets are defined and how management monitors performance. However, APMs are not a substitute for Generally Accepted Accounting Practise (GAAP) measures, which readers should also consider.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)
Loss after tax, adding back interest, tax, depreciation/amortisation.

	2024	2023
	£'000	£'000
(Loss) after tax (a)	**(14,478)**	(19,360)
Add back:		
Interest (b)	**-**	-
Tax (c)	**(239)**	(693)
Depreciation and amortisation (d)	**3,633**	2,864
EBITDA = (a) + (b) + (c) + (d)	**(11,084)**	(17,189)

Net Interest Margin (NIM)
Net interest income divided by average interest earning assets for the period.

	2024	2023
	£'000	£'000
Net interest income (a)	**12,125**	3,305
Average interest earning assets[1] (b)	**3,082,726**	600,543
NIM = (a) / (b)	**0.39%**	0.55%

[1] 2024 average = Average of balances at 31 December 2024 and 31 December 2023
2023 average = Average of balances at 31 December 2023 and 31 December 2022

Cost/Income Ratio (CIR)
Administrative expenses divided by net interest income

		2024	2023
		£'000	£'000
Administrative expenses (a)		**28,522**	20,895
Net interest income (b)		**12,125**	3,305
	CIR = (a) / (b)	**235%**	632%

Return on Equity (ROE)
Loss after tax divided by average equity

		2024	2023
		£'000	£'000
(Loss) after tax (a)		**(14,478)**	(19,360)
Average equity[1] (b)		**65,782**	44,175
	ROE = (a) / (b)	**-22%**	-44%

[1] 2024 average = Average of balances at 31 December 2024 and 31 December 2023
2023 average = Average of balances at 31 December 2023 and 31 December 2022

Further definitions

Common Equity Tier 1 Ratio (CET1%)

The Common Equity Tier 1 Ratio (CET1%) is capital (being total equity, less intangibles, plus prudential valuation adjustment) divided by total risk-weighted assets.

Leverage Ratio

The Leverage Ratio is calculated by dividing Tier 1 capital resources by the leverage exposure. The leverage exposure is defined as total on-balance sheet exposures (excluding derivatives, securities financing transactions and fiduciary assets), plus total derivatives exposure, less claims on central banks. The minimum leverage ratio requirement under the UK leverage ratio framework is 3.25%.

Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ratio (LCR) is the ratio of the Bank's liquidity buffer to its net liquidity outflows over a 30-calendar-day stress period. The LCR should be expressed as a percentage. Bank's should maintain a liquidity coverage ratio of at least 100%.

Net Stable Funding Ratio (NSFR)

The Net Stable Funding Ratio (NSFR) shall be equal to the ratio of the Bank's Available Stable Funding (ASF) to the institution's Required Stable Funding (RSF). The NSFR should be expressed as a percentage. To determine the total ASF and RSF amounts, factors reflecting supervisory assumptions are assigned to the Bank's sources of funding and exposures, with these factors reflecting the liquidity characteristics of each category of instruments.

Business model and strategy

At Monument, we're redefining the financial experience of the UK's 11 million mass affluent individuals, a community that holds 67% of the nation's wealth and drives its economic vitality.

2024 was a transformative year for Monument. We saw remarkable growth, expanding our savings base from £1 billion to £5 billion – a reflection of the trust our clients place in us. This progress not only enabled significant asset expansion but also positioned us to introduce new products and services tailored to our clients' needs. As we move forward, our aim is to build on this momentum and cement our reputation as the mass affluent's bank of choice.

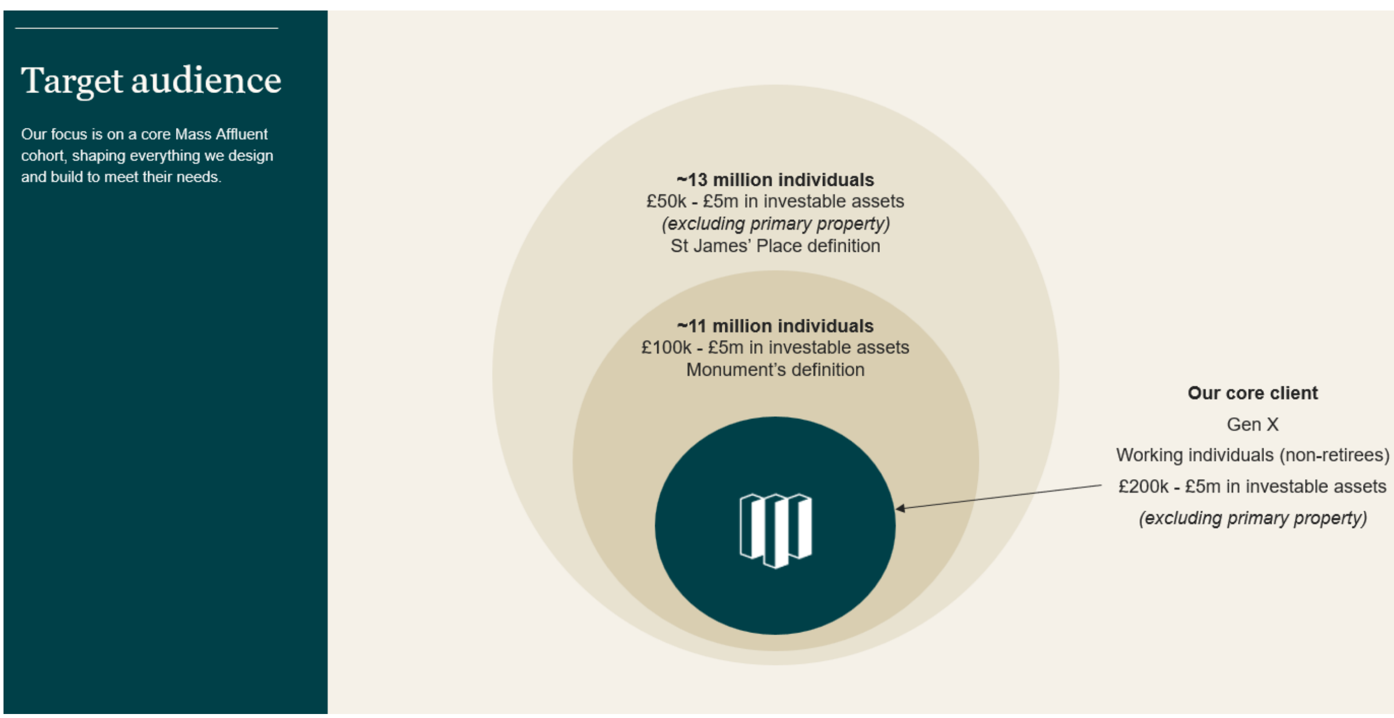
We understand that true wealth transcends numbers. It's about creating opportunities, securing futures and enabling lives to be well-lived. This ethos drives every decision we make, ensuring our clients receive the thoughtful, tailored support they deserve.

Target market

The mass affluent community is a diverse group of professionals that includes doctors, accountants, lawyers, entrepreneurs and others who drive innovation and success across industries. They often share a common challenge: they're too sophisticated for retail banking, yet often below the wealth threshold for traditional private banking services.

This community controls £6 trillion in the UK alone and over £80 trillion globally. They seek a partner who understands that their time is as precious as their assets, that their family's security is as important as their portfolio's growth, and that their legacy will be measured in more than just monetary terms. It's a community that deserves more than the one-size-fits-all approach typically available to them.

At Monument, our mission is to become the most trusted financial partner for the mass affluent, helping people turn their wealth into a life well lived. We're committed to meeting our clients' needs with a blend of exceptional service and effortless experiences, ensuring our clients can focus on what truly matters to them.



Business model

Monument's business model is built on three revenue pillars, designed to create sustainable value for clients and shareholders.

1. Core banking – net interest margin

At the heart of Monument is our commitment to building a brand that the mass affluent community trusts. Our savings products cater to every financial goal, whether it's funding a child's education, buying a new home or planning for early retirement. Clients can choose from Fixed Term Deposits, Easy Access Accounts (including ISAs) and Notice Accounts to achieve their aspirations.

We generate net interest income by driving asset growth through treasury investments, in line with our Financial Risk Management Policy, and cash held at the Bank of England. Additionally, we're expanding our net interest margin by partnering with non-bank lenders to accelerate asset generation.

2. Membership – fee income

Building wealth can be daunting. But it shouldn't be. Managing finances often feels unnecessarily complex, with people being overwhelmed by excessive product choice and impersonal information. Keeping track of wealth manually without digital tools can be challenging, while the need for financial advice is met with a fragmented market. All of which can leave individuals unsure about where to start or who to trust.

We seek to bridge this with Monument Membership. Using our unique position at the intersection of traditional banking, wealth tech, financial planning, and education, we're looking to give mass affluent individuals the service and support they're looking for.

At the end of 2024, we launched Monument Membership, offering subscribing clients access to:

- **A financial hub**: A seamless platform enabling clients to connect with more than 110 providers. This offers them a unified view of their financial accounts – from everyday banking and savings to investments, mortgages, pensions and more.
- **Membership Saver**: An exclusive members' savings account with preferential interest rates.
- **Lifestyle benefits**: Concierge-style curated services to enhance our clients' most cherished moments while supporting the pivotal stages of their lives.

Our goal is to create a private-banking-like service that, until now, the mass affluent couldn't afford. This makes our second revenue pillar.

3. Technology licensing – Software as a Service (SaaS) income

Technology is the backbone of Monument's operations, enabling us to deliver an exceptional experience, scale efficiently and innovate rapidly.

Recognising the strength of our platform, we established an independently managed technology subsidiary, Monument Technology Limited (MTL) to license our scalable, cloud-native technology to other financial institutions. Through MTL we:

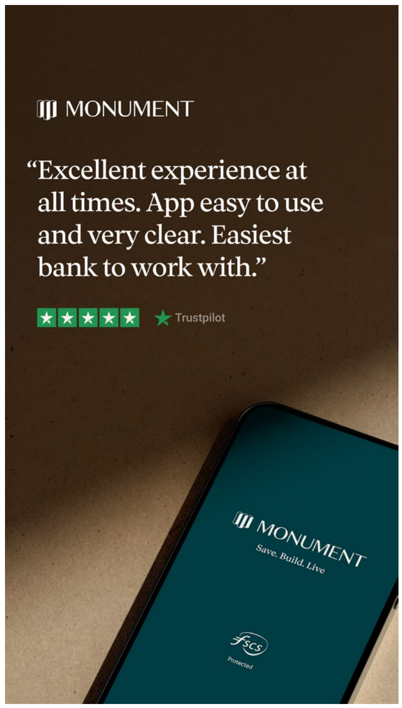
- **License our banking platform:** Offering it as a service to financial institutions, providing a holistic, modular and innovative solution.
- **Provide ongoing managed support:** The support institutions need and future product development services.
- **Generate recurring revenue streams:** Enabling us to develop additional platform solutions.

Strategic approach

Our strategy reflects our belief that growing and preserving wealth should be effortless and empowering. In a world where time is as precious as financial capital, we've crafted an approach that honours both.

A seamless experience
We prioritise simplicity as the ultimate sophistication in wealth creation. Through our app, we deliver effortless experiences and products designed to help clients achieve their financial goals. This includes:

- **Effortless onboarding**: Accounts can be opened in minutes through a digital journey that blends efficiency with a personal touch.
- **Savings for every goal**: Clients can choose from multiple options to grow wealth, all accessed in our easy-to-use app.
- **Exceptional service**: Support is always at hand yet never intrusive thanks to our balanced model of digital tools and human expertise.



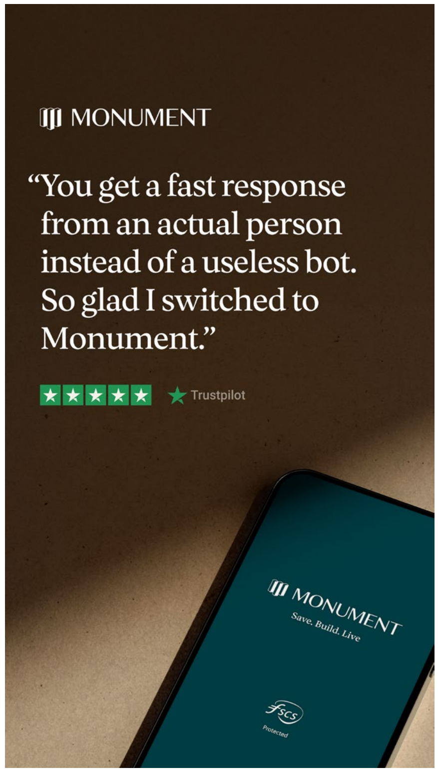
Save time and money
Our vision is to create opportunities to grow and enjoy wealth where wealth isn't the end, it's the means to something greater.

At the heart of this is our financial hub, which provides clarity and control. It will become the central pillar of our clients' financial lives by offering a comprehensive, holistic view of their wealth, replacing spreadsheets, notebooks and multiple providers. Built on their savings with us today, this unified perspective empowers them to make smarter financial decisions.

We go beyond banking. Our Lifestyle Concierge service simplifies both the essential and the enjoyable – whether it's financial planning, health, travel or family experiences – helping clients to make the most of their time and money.

Client service is at the core of Monument
Exceptional client service is what Monument is built on. We blend digital innovation with human understanding to exceed expectations. This can be seen in our:

- **Dual support model**: Empowering clients through digital tools while providing human support when needed.
- **Outstanding results**: Rising net promoter scores are supported by Trustpilot reviews reflecting satisfaction and advocacy. November was our best month at +85.
- **Brand commitment**: Monument stands for trust, intelligence and exceptional service. Redefining banking for the mass affluent community.



Managing risks and driving efficiency
Our strategy is underpinned by resilience, efficiency and innovation. This is evidenced by our:

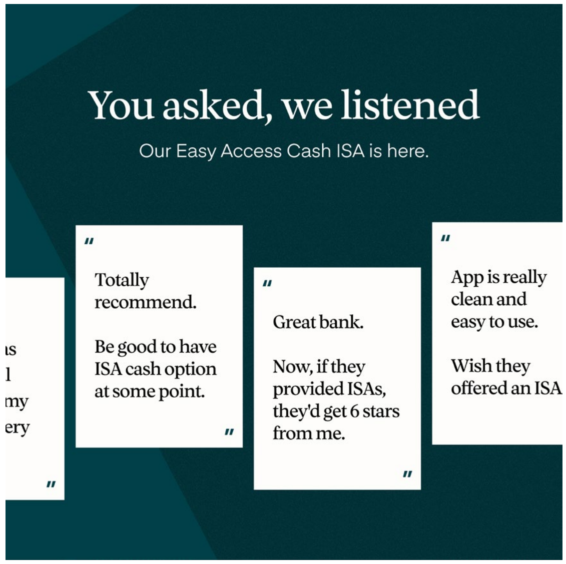
- **Modern technology**: Advanced treasury management systems and automation combine to enhance our scalability and performance.
- **Risk management**: Implementing robust systems that safeguard our clients' assets and build confidence.
- **Continuous improvement**: Leveraging the latest technology ensures reliable and efficient service delivery.

By safeguarding assets and enabling ambitions, we're providing the foundation for clients to achieve their goals with confidence. With a focused strategy and careful execution, we're delivering consistent value, serving as a trusted partner in lasting financial security and success.

Our differentiators

Our differentiators, and our routes to success and sustainability, are summed up in these three key themes:

- **Exceptional service, exceptionally delivered:** Our UK-based client services team aims to respond to 90% of engagements within 20 seconds. We focus on speed, transparency and flexibility, offering multiple convenient channels that include in-app chat, audio and video.
- **Effortless experiences, enabled by our technology**: Our technology platform is a modular, microservices-based, API-driven, cloud-native eco-system. This means it combines our proprietary developed client engagement layer with multiple software-as-a-service components, which have been configured and integrated through our orchestration engine. Allowing us to design seamless experiences that prioritise delight, efficiency and ease of use.
- **Deep understanding, deeper connections:** Our exclusive focus on the mass affluent segment isn't just a business strategy, it's a commitment to understanding and serving a community that drives Britain's prosperity. This dedicated focus enables us to anticipate needs, create tailored solutions and build lasting relationships that grow stronger with time. We've spent hours in research, listening to our clients needs and feedback, and are committed to doing even more.



We're building more than a financial institution. We're creating a brand that represents trust, innovation and understanding, ensuring our clients' success is measured not only in numbers but in lives enriched and aspirations fulfilled.

Looking forward

We're now leveraging the strong foundations we've established over the last two years to take the next step in our strategy. We'll be enhancing our client offering, based on our research and the feedback we've received, by:

- **Scaling the core:** We'll continue to refine and expand our core savings experience and grow our lending portfolio. One such product is SME deposits, designed to support the entrepreneurs the UK relies on.
- **Deepening Membership value**: We'll enhance the financial hub by adding insights, new partnerships and seamless referrals to trusted financial partners – giving our clients the pension and investment management they want.
- **Adding investing to our app**: We'll introduce execution-only investment, allowing clients to invest effortlessly in a curated selection of funds, all within the Monument app.

The future of banking isn't just about managing money. It's about empowering people to make the most of their wealth and time. At Monument, we're building that future today.

People strategy

Our people have a relentless ambition to succeed. To ensure we set our colleagues up for success, we'll keep listening to what matters most to them.

In 2024, our Remuneration and Nominations Committee approved the introduction of our new long-term performance management and colleague reward framework. This ensures colleagues achieve their full potential and are recognised and awarded appropriately. We also completed a full review of our benefits offering for colleagues and, following feedback, introduced new benefits that have been well received.

We'll continue attracting the best talent with our value proposition. Meanwhile our attrition levels support the fact that once colleagues join Monument, they want to stay. And our inclusion in The Sunday Times' 'Best Places to Work 2024' was a highlight for us all.

In the second half of the year (H2), and following our company-wide culture and engagement survey, we prioritised our focus on learning and development. In the last three months of the year, we launched a new learning platform and invested heavily in training and development tools. This continues to be a key theme for us as we move into 2025.

At the Board meeting in December, a dedicated people deep-dive session took place and covered a range of topics, including our key successes and opportunities for 2025. The Board was supportive of the plans and will monitor the progress made with a follow-up session scheduled for Q2 2025 specifically focused on culture and values.

Principal risks and uncertainties

During 2024, the Executive Risk and Compliance Committee (ERCC) met 11 times, the Assets and Liabilities Committee (ALCO) met 33 times, and the Board Risk Committee (BRC) met 10 times. Each with the purpose of fulfilling their respective oversight and governance responsibilities of the Bank's risk profile.

These meetings focused on the following principal risks:

1) **Business and strategic risk:** To ensure the business strategy could be executed without any significant delays in the plan. A key part of this risk is raising the capital needed to deliver the business strategy and manage any delays or shortfalls. To date, we've been successful in our capital-raising activities and believe we provide a compelling case for existing and new investors.
2) **Operational risk:** The committees looked at the potential for increased frequency or materiality of operational risk events due to rapid growth and the Bank's current maturity level.
3) **External environment risk:** In particular, we considered geopolitical risks and market volatility, for example, following UK and US elections.

We have a process to regularly review potential and emerging/horizon risks, including those relating to regulatory change, with the Executive Committee and the BRC. This process covers identification of different types of emerging risk from various lenses and includes technological, Environmental Social and Governance (ESG) and political/regulatory topics.

We've also established a Risk Management Framework (RMF) designed along the three-lines-of-defence model and built on a robust risk and compliance culture. The purpose of the framework is to ensure relevant and material risks are identified, assessed, reported and managed.

Risk management framework

The Bank is exposed to a variety of risks as part of delivering the business strategy. If these risks are not effectively controlled within our risk appetite, they could undermine our ability to achieve our strategic, commercial and broader objectives. In response to this, we've established a Risk Management Framework (RMF). This defines our approach to managing and controlling risk in a robust, coherent and consistent manner. It also defines how we identify, assess, manage, monitor and report potential and crystallised risk exposure.

The purpose of the RMF is to set the standards of risk management within the Bank, including:

- Governance.
- Risk appetite.
- Risk assessment and measurement.
- Risk monitoring and reporting.

In setting these standards and acceptable tolerances, the RMF enables the Board to set a risk appetite that supports sustainable business development. The RMF is developed in compliance with relevant UK legislation and regulation, taking account of industry standards and codes of conduct. It's also constantly evaluated to ensure it remains fit for purpose, considers emerging issues and meets the needs of evolving regulatory standards and best practices.

Risk strategy and the three lines of defence
The effective management of risk is essential in delivering our business model objectives. We apply industry best practice principles and standards within our RMF, which gives us a comprehensive internal governance and control structure for managing and controlling risks. Our RMF is summarised in the diagram below:

Central to our RMF and our operating model is the application of the three lines of defence model.

- First line of defence includes client-facing and support function employees.
- Second line is the risk and compliance function.
- Third line is the internal audit (currently outsourced).

In this model, the primary responsibility for identification, monitoring and management of risk in the business sits with the first line business functions, who are responsible for identifying risks in their own function. The second line is responsible for identifying risks in their own area, as well as monitoring and challenging the effectiveness of risk management across the whole bank. In developing the RMF, we've taken account of the key risk categories (Principal Risks in the diagram above) that can materially impact our business outcomes.

Capital risk

Capital risk is the risk that we have insufficient capital resources to support our strategy or meet our regulatory capital requirements. This risk can crystallise through the business suffering operational losses or credit losses, by growing rapidly beyond our means or from not raising sufficient capital from investors.

Our Board has no appetite for regulatory capital breaches and will maintain sufficient capital resources to meet capital requirements and regulatory buffers. The Board continues to monitor the developments of Basel 3.1 and Small Domestic Deposit Takers (SDDT) regime.

Business and strategy risk

Business and strategy risk is associated with successfully delivering the future performance of the business plan. This risk could arise from any of the following:

- Changes in the macro-economic environment.
- Changes in business performance against targets.
- Competitor activity.
- New products.
- Regulatory change.
- Financial risks from climate change.
- Environmental, social or governance issues.

We aim to reach and maintain profitability and growth objectives in a sustainable and controlled manner.

Climate risk

We've identified financial risks from climate change (climate risk) as being a key emerging risk. This risk has also warranted increased focus in the financial industry over the last few years. The Prudential Regulation Authority (PRA) categorises physical and transition as two climate change factors that could cause financial risk. Monument has one office and no branches, so our footprint is considered relatively low.

Governance and oversight

Monument has appointed an ESG champion at Board level, along with an Environmental Manager. The Environmental Management System (EMS) details the organisational structure, responsibilities and authorities.

To better understand and address our impact on the climate as a business, the Management team has committed to:

- Maintain ISO14001:2015 level 2 accreditation.
- Maintain carbon neutral status.
- Undertake annual internal audits of our EMS.
- Provide bespoke awareness and legislation training to colleagues, depending on their level.
- Establish an environmental working group that will meet no less than three times per year.

Climate risk categories

Physical: We have minimal exposure to physical risks, as we only have one physical location. Where our business model could be impacted is, for example, if a property we've given a loan for is impacted by a severe climate-related incident. This risk is considered for all loans on an individual basis. We monitor and record the geo-location of every loan but do not yet aggregate this data to track concentration risk.

Transition: We continued to focus on changes that could impact Monument in 2024, as society transitions to a low-carbon economy, and are committed to continuing to do this in 2025 and beyond. As our business model pivots to more bridging and buy-to-let lending, we'll also remain vigilant to any changes that impact this, such as the need for developers to achieve certain Energy Performance Certificate (EPC) levels that increase their costs and squeeze margins. However, we don't foresee meaningful costs or transition risks to us in our business model.

Our ESG approach continues to develop, with climate-related issues now enshrined within our RMF.

Credit risk

We've split credit risk into retail credit risk and wholesale credit risk.

- **Retail credit risk:** The risk a borrower will fail to repay a loan, won't meet contractual obligations or defaults on a loan. This would be for credit such as organically-originated and purchased loans.

We have a very low retail credit risk appetite and seek to lend to credit-worthy borrowers who can afford to repay and have strong collateral against the lending.

- **Wholesale credit risk:** The risk of loss from wholesale credit exposures, such as Residential Mortgage-Backed Securities (RMBS). This includes the risk from non-performing assets and mark-to-market valuation movements such as credit spread widening.

We have an appetite to take wholesale credit risk in the form of high-quality treasury securities. Further requirements are set out in the Financial Risk Management Policy.

We believe the risk of credit default for treasury assets is low. However, a greater risk is credit spread widening, whereby asset valuations change due to market developments. We monitor this on an ongoing basis and perform regular stress testing of the portfolio. We've also invested in a treasury management system and additional team capability to improve our management of the risks associated with these assets.

Concentration risk

Concentration risk is a specific type of credit risk that arises from a lack of asset book diversification or counterparty exposures. This could relate to a single counterparty, connected counterparties, geographic concentration and/or sector concentration. There are two main types of counterparty: retail and wholesale.

- **Retail concentration risk:** This risk relates to our borrowers, which could be individuals or corporate vehicles that have borrowed from Monument.

As a young Bank, we recognise that our lending will be concentrated in the early years. However, we will seek to diversify as the business grows.

- **Wholesale concentration risk**: This risk relates to financial institutions, for instance, treasury assets and commercial banks that hold our liquidity. Please note that counterparty credit risk, with respect to Monument's derivatives (interest rate swaps), is minimised by the variation margin posted between Monument and its counterparties.

We're exposed to a number of counterparties through treasury investments and their placement of operational cash with commercial banks. This risk is minimised by dealing with appropriate counterparties, a diversification of counterparties and limiting exposures – for example as a percentage of capital.

Operational risk
This is defined as the loss resulting from failed or insufficient internal processes, people and systems, or through external events. This includes failure to comply with relevant laws or regulations. Operational risk is partly managed through the Risk and Control Self-Assessment (RCSA) process, which is a bottom-up assessment of operational risks. RCSA is applied across the business by the owners of each business line.

Through robust systems and controls, we'll seek to minimise operational losses within our agreed risk appetite. However, we recognise that operational risk events or near-misses will take place from time to time. When these occur, we'll act swiftly and appropriately to minimise any client harm and/or operational loss.

The operational resilience self-assessment has been updated ahead of the 31 March 2025 regulatory deadline. This included a full refresh of Important Business Services (IBS) and associated impact tolerances, enhancements to the mapping of each IBS, further scenario testing and updated lessons learned. No material vulnerabilities were identified and therefore we can demonstrate that the Bank can operate within impact tolerances.

Conduct and Consumer Duty risk
This is the risk of causing detriment or harm to a client or market. Conduct risk is heightened when interacting with vulnerable clients.

Consumer Duty risk is the risk of unintentionally exposing clients to bad outcomes or harm. This may be through not acting in good faith towards them, causing foreseeable harm or not enabling/supporting them to pursue their financial objectives.

We have a very low appetite for known conduct or Consumer Duty failings. However, we accept that the risk of unknown or unintended failings cannot be completely removed. All of our processes and business practices seek to achieve good outcomes for our clients. We strive to act with good faith, reduce the risk of harm and prevent foreseeable client harm, and to support our clients reasonably to pursue their financial objectives.

Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) risk
There is a risk that the Bank may be used to process illegal sources of funds, facilitate counter-terrorist financing or deal with an individual, company or country on a sanctions list.

We have no appetite for being used for money laundering or terrorist financing. Neither do we have any appetite for breaches to AML/CTF regulations. We do not have appetite for systemic or repeated non-adherence to either financial crime-related regulatory requirements or policy breaches. There may be instances where financial crime occurs, and in such situations, we will act swiftly to contain and mitigate such issues.

Funding/liquidity risk
Liquidity risk is the risk that we will not be able to meet our payment obligations when they fall due or can only do so by bearing unacceptable costs or losses.

Funding risk is the risk that the Bank doesn't have stable sources of funding in the medium and long term. It relates to liquidity risk because it means we won't be able to meet our payment obligations.

Our Board has no appetite for regulatory liquidity breaches and will maintain sufficiently liquid assets and diverse funding sources.

Interest Rate Risk in the Banking Book (IRRBB)

Interest Rate Risk in the Banking Book (IRRBB) is the risk that we will be exposed to capital or income volatility from changes in interest rates due to a mismatch in our banking book assets and liabilities. We do not operate a trading book.

We seek to minimise IRRBB by a combination of natural hedging, capital hedging and hedging through the execution of interest rate swaps to ensure the position remains within Board-approved risk appetite metrics at all times.

Reputational risk

Reputational risk is the risk that an event or issue damages the Monument brand and could result in client and deposit attrition, increased regulatory exposure, lost revenue, increased costs and depletion in shareholder value. This may occur when other risk types crystallise.

We seek to minimise any risk to the Bank's reputation and brand through robust processes, systems and controls designed to mitigate the risks noted above and the wider risk universe to which the Bank is subject.

Section 172 statement

This section of the Strategic report describes how the Directors have considered the matters set out in section 172(1) (a) to (f). It forms the Directors' statement, as required under section 414CZA of The Companies Act 2006.

The Directors consider that they have, in good faith, promoted the success of the Company for the benefit of its members, and in doing so, have regard (amongst other matters) to:

Long-term decisions

In recognising Monument as a long-term investment for shareholders, our management evaluated opportunities for sustained commercial success. This involved a continuous balancing act that considered the needs of clients, shareholders, employees, regulators and other stakeholders. Long-term strategic decisions were made transparently, with the full engagement of the Board and its sub-committees, while ensuring strict adherence to prudential and conduct regulations.

Examples of where the Board and Board Committees have made long-term decisions in the year include:

Board

- The approval of our three-year forecast, including decisions around the investments for the future success of Monument whilst balancing the timing of profitability.
- The start of the formal relationship between the Bank and its subsidiary, Monument Technology Limited. This will monetise the power of Monument's technology platform by providing it as a service to other financial institutions, generating ongoing revenue streams and additional equity value for the Bank and its shareholders on a longer-term basis.
- The Bank beginning to purchase loans originated and serviced by third parties under forward flow agreements. This will increase the loans and advances on the Bank's balance sheet and associated net interest income, without the associated time and cost of building an organic lending team, to accelerate the Bank's path to profitability.
- Considering and approving the Bank's application for a variation of its regulated permissions.
- Considering and approving an amendment of the Articles of Association of the Bank (subsequently approved by special resolution of shareholders) for the purposes of colleague incentivisation.
- Considering and approving the recommendations flowing from the externally-commissioned Board performance review.
- Considering and approving the switching out of a material outsourced function concerning anti-money laundering and know your customer. The largest third-party component swap-out undertaken by the Bank since its inception.

Board Risk Committee

- Advising the Board on the Bank's risk appetite, tolerance and strategy, then assisting the Board in its implementation.
- Reviewing, challenging and recommending for approval to the Board, the Bank's Internal Capital Adequacy Assessment Process (ICAAP), its Internal Liquidity Adequacy Assessment Process (ILAAP), its Solvent Wind Down Plan (SWDP) and associated risk appetite metrics.
- Monitoring compliance with regulatory requirements including those for Consumer Duty, outsourcing and third-party risk, operational resilience and financial crime.

Audit Committee

- Monitoring our internal and external auditor performance, engagement, reporting and recommendations, as well as providing oversight of audit plans, fees and materiality.
- Approving the approach, proposed content and structure of the Strategic report.
- Review, challenge and approval of our accounting policies and key accounting judgements.

Remuneration and Nominations Committee

- Reviewing and overseeing the implementation of our equity remuneration schemes and ensuring the schemes are aligned with the Bank's long-term success.
- Reviewing the colleague remuneration framework and policy, ensuring they align with our culture.
- Selecting a third-party provider to conduct the Board performance review and overseeing the implementation of the review's recommendations.
- Reviewing the Board and Board Committee skills matrices, then making recommendations to the Board for appointment of new Directors.
- Reviewing the Board and Executive succession plans to identify gaps and inform future hiring decisions.

Employees

We place paramount importance on our people, valuing collaborative efforts, innovative technology and a supportive culture. In Q2 of 2025, the Executive team will engage further with the Board to refresh our culture and values, enabling us to best reflect the future trajectory of the Bank. The Board has ultimate responsibility for establishing our culture and values. This includes ensuring conduct risk is embedded throughout the Bank and permeates through culture and practices, with monitoring of fair and good client outcomes.

We also remain committed to diversity, fostering an environment of openness where colleagues feel empowered to bring their authentic selves to work. The Equity, Diversity and Inclusion Group was refreshed in April 2024, with representation from all departments across the Bank, and a renewed desire to drive inclusivity forward in our culture and ways of working.

Our vision is to enable everyone to thrive, personally and collectively, because it's the right thing to do. We're nurturing a culture and workplace where we open each other's minds, establish safety to challenge thinking, and push the boundaries of what inclusivity really means.

The Equity, Diversity and Inclusion Group is diverse in all aspects and meets monthly to discuss important topics raised by colleagues or determined by the group collectively. Updates are shared regularly with the Executive Committee, with all colleagues at quarterly town hall meetings, and with both the Remuneration and Nominations Committee and the Board at least annually.

Recognition from The Sunday Times 'Best Places to Work 2024' was a highlight of the year. While our ongoing measures of engagement continue to be strong, with outstanding survey results.

We've a flexible approach to remuneration, hybrid working and development, which supports both physical and mental well-being. Our aiming is to cultivate an inclusive workplace with a strong sense of purpose.

Business conduct

The Board recognises the value of a strong reputation for business standards in the highly regulated banking environment, and addresses business conduct matters through comprehensive governance structures and delegation of authority to Executive management. This includes strategic development, continuous monitoring of executive actions, review and approval of client policies, and the creation of frameworks promoting high business standards, culture and conduct risk management. These are tested, at Board and Board Committee level, as part of the Board performance review.

Business relationships with suppliers, clients and others

Our focus is on meeting the needs of the under-served mass affluent population. We understand the importance of putting the client at the heart of our business model, with our Board and Management team aligned in providing an exceptional client experience. The success of this focus, understanding and alignment can be seen in our externally validated customer scores.

Additionally, as a business leveraging SaaS, we collaborate with suppliers to enhance client experience and functionality, emphasising fair and transparent practices. We're fostering deep, collaborative relationships with suppliers to understand emerging needs and mitigate risks in the supply chain. In 2024 we established a new vendor management framework to provide a consistent (but also proportionate) approach to managing and overseeing our 200+ supplier base.

Community and environment

Building a financial experience and community that creates enduring value is something we aspire to. By embracing a digital-first strategy, we're delivering superior client service with a limited carbon footprint. Meanwhile, our corporate social responsibility strategy continues to evolve, shaped by our colleagues and stakeholders.

Interaction between stakeholders

The Board actively pursues fair outcomes for all stakeholders. A tangible example of this commitment is the inclusion of key shareholder representatives on the Board, who contribute diverse experiences, inputs and viewpoints. In addition, the Corporate Development team regularly communicates with shareholders through meetings, webinars and all-shareholder updates.

We hold regular meetings with our regulators. These include meetings between the Chair of the Board, the Chief Executive Officer and other Executives, and our regulators. Feedback from these meetings, along with any formal communications from our regulators, is shared with the Board and factored in when making decisions. This approach ensures a broad spectrum of perspectives in decision-making.

By incorporating stakeholder considerations into our decision-making process, the Board seeks to balance the interests of employees, customers, the local community and shareholders, ultimately making strategic decisions that align with our values and long-term vision.

Streamlined energy and carbon reporting

Our energy and carbon reporting disclosures are presented in accordance with the Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations").

Organisational control boundary
In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those within the UK that come under the operational control boundary.

Reporting period
The annual reporting period is 1 January to 31 December each year.

Quantification and reporting methodology
The Streamlined Energy and Carbon Reporting (SECR) report has been prepared using the UK Government Environmental Reporting Guidelines. The energy consumption data reported is based on our direct use of natural gas in occupied facilities (Scope 1), indirect consumption of purchased electricity (Scope 2) and residual downstream activities (Scope 3). This energy data was converted to carbon emissions using emission factors from the Department of Business, Energy & Industrial Strategy.

Energy usage
During the year, we reduced our kWh consumption from that shown in the 2023 assessment, as well as reducing emissions through reporting the market-based emissions, based on our 100% renewable tariff. Emissions associated with electricity were reduced by 12.63 tCO2e. We lowered emissions further by switching from natural gas (16.41 tCO2e) to biogas (1.44 tCO2e).

Overall, we used **122,861 kWh** (2023: 148,378 kWh) of energy.

Our carbon emissions

Scope		Activity	2024		2023	
			Location	Market	Location	Market
				Total tCO2e		Total tCO2e
1		Site gas	0.02	0.02	20.00	20.00
		Scope 1 sub total	**0.02**	**0.02**	**20.00**	**20.00**
2		Electricity generation	9.50	-	8.08	14.25
		Scope 2 sub total	**9.50**	**0.00**	**8.08**	**14.25**
3	3.1	Purchased goods	1,224.51	1,224.51	951.13	951.13
		Water	0.07	0.07	0.07	0.07
	3.2	Computing	12.79	12.79	24.85	24.85
	3.3	Scopes 1 and 2 – well to tank	3.53	1.42	5.09	5.09
		Transmission and distribution	1.02	-	0.85	0.85
	3.5	Wastewater	0.09	0.09	0.08	0.08
		Flights	84.30	84.30	87.08	87.08
	3.6	Hotel stays	6.41	6.41	3.89	3.89
		Rail	1.19	1.19	0.58	0.58
		Taxi	0.61	0.61	0.33	0.33
	3.7	Commuting	31.63	31.63	15.62	15.62
		Home-working	5.32	5.32	3.65	3.65
		Scope 3 sub total	**1,371.47**	**1,368.34**	**1,093.22**	**1,093.22**
		Total tCO2e	**1,380.98**	**1,368.36**	**1,121.30**	**1,127.47**
		Total tCO2e per employee	**15.69**	**15.55**	**14.95**	**15.03**
		Total tCO2e per £ million turnover	**9.27**	**9.18**	**54.16**	**54.45**

Two key changes for Monument from 2023 to 2024 were (1) a significant reduction in Scope 1 site gas by moving to biogas for heating and (2) the removal of Scope 2 electricity generation emissions due to the office building using electricity only from renewable energy sources. As a result, we've significantly reduced our overall environmental impact for these two scopes, bringing Scope 1 emissions close to zero and Scope 2 emissions to zero on a market-based assessment.

We also reviewed our Scope 3 emissions for 2024. Where possible, we identified which firms were carbon neutral, enabling us to remove their costs. We established three companies that, like Monument, were carbon neutral. A key benefit of doing this is that we didn't need to apply the industry standard of a 50% error margin on their costs and associated emissions.

We also looked to move from a spend-based calculation to an emission-based calculation for products and services, but unfortunately none of our partners could provide this data.

We chose to complete a screening of our greenhouse gas emissions from purchased goods and services to identify which sectors have the most material contribution to this emission category (Scope 3, Category 1). Our spend-based emissions have been calculated using the conversion factors developed by DEFRA in 2024. The factors allow a conversion to kgCO2e/£, per Standard Industrial Classification (SIC) Code, published by the Office for National Statistics (ONS). The total greenhouse gas emissions, based on spend data, was 1,224.51 tCO2e, which is 89% of our total footprint.

Sector summary	Combined (tCO2e)	Contribution %
Computer programming, consultancy and related services	375.19	30.6%
Accounting, bookkeeping and auditing activities such as tax consultancy	276.97	22.6%
Other professional, scientific and technical services	137.31	11.2%
Financial services, except insurance and pension funding	115.09	9.4%
Pension funding	76.39	6.2%
Services of head offices, such as management consulting services	60.93	5.0%
Employment services	58.76	4.8%
Other	123.87	10.2%
Total	**1,224.51**	**100%**

While our emissions increased in 2024, this is in line with the growth we've seen in the business on both a Full-Time Equivalent (FTE) headcount level and the costs associated with our technology investments.

Since 2021, we've offset our carbon footprint by purchasing carbon credits and supporting projects selected by colleagues. We will continue to do this.

On behalf of the Board:

DocuSigned by:

Fiona Pollard

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Fiona Pollard CBE
Chair of the Board
25 April 2025

Chair's introduction

The Board evolved as the Bank grew in 2024, with a number of changes at Director level, further enhancing the skill set available to the Bank.

With the importance of corporate governance being core to our culture, a Board performance review was undertaken by an external specialist in 2024. The main aims of this review were to (a) understand how the Board and its Committees were functioning compared to the Bank's peers, (b) highlight areas for development and improvement and (c) obtain assurance as to the effectiveness of the Board and its Committees in the context of the Bank's strategy.

The review's conclusions and recommendations were discussed with the Chair and the General Counsel before being presented to the Board. The recommendations were then prioritised for implementation. They will be reviewed formally with a further internal Board performance review in 2025.

Details of Directors

The Directors shown below have held office during the whole of the period from 1 January 2024 to 31 December 2024.

F Pollard
A Likierman
S Friedlos
K Kalban
H Mishr
A Piranie
H Brichet
I Rand

Changes in Directors holding office are as follows:

V Gupta ceased as a Director on 18 April 2024
M Hagerty ceased as a Director on 29 April 2024
I Evans ceased as a Director on 30 April 2024
H Brichet ceased as a Director on 21 March 2025
C Ashton was appointed as a Director on 1 March 2024
S Vig was appointed as a Director on 3 May 2024
C Richardson was appointed as a Director on 26 November 2024
M Morley was appointed as a Director on 25 February 2025

Fiona Pollard CBE – Chair
Fiona has served as an Independent Non-Executive Director of the Bank since September 2019. Fiona has held a varied portfolio of Non-Executive Director roles, including Chair of Melton Building Society and the Visit England Advisory Board. In her earlier banking career, she worked for Barclays, Daiwa Europe Bank, NatWest Capital Markets and Goldman Sachs.

Fiona was on the Board of the South East England Development Agency (SEEDA) with responsibility for Business and Tourism. She was also a founder member of the Kent Tourism Alliance, Chair of KM Radio, and one of the Trustees behind the building of the Turner Contemporary Art Gallery in Margate.

Sir Andrew Likierman – Senior Independent Director
A London Business School professor and former Dean, Andrew's past non-executive directorships include the Bank of England and Barclays.

Andrew has won The Sunday Times award for Non-Executive Director of the Year in the public/not for profit sector. In his academic work, Andrew is currently working on how to improve human judgement in public and private life.

Steve Friedlos – Independent Non-Executive Director, Chair of Remuneration and Nominations Committee
Steve brings more than 30 years of technology management experience to the Board. He's held Chief Information Officer positions across investment banks, private banks, brokers and other financial services firms and has led the delivery of complex technology implementations and transformations.

Steve's most recent executive role was as Chief Information Officer at Bupa UK. Prior to that, he was Chief Information Officer and then Chief Operating Officer at The Co-operative Bank, where he led a successful technology migration and was a key member of the Executive team that turned the Bank around.

Khalid Kalban – Non-Executive Director
Mr Kalban is one of the most distinguished executives in the Gulf Cooperation Council (GCC) region. He has a long and successful career in various key management roles across the investment, financial, insurance, real estate, manufacturing and education sectors.

As Vice Chairman and Chief Executive Officer of Dubai Investments for more than 20 years, he led the company through a pioneering journey, successfully growing it into a leading diversified business group in the UAE and across the region.

Mr Kalban also holds the role of Chairman of Al Mal Capital PSC, Board Director of National General Insurance Company (NGI) and Board Director for Arcapita Group, Bahrain and Africa Crest Education (ACE) Holding Co.

He has gained valuable experience through executive positions within the UAE Central Bank in Abu Dhabi, Al Khaleej Investment Singapore and Arab Insurance Group (ARIG) and has previously held Chair and Board Director positions at Emirates NBD, Islamic Bank of Singapore and Ajman Bank.

Mr Kalban holds an Associate Degree of Arts in Business Management from Arapahoe Community College, USA, and a BS in Management from the Metropolitan State College, USA.

Hemant Mishr – Non-Executive Director
Hemant is a global expert in financial markets and co-founder of S CUBE Capital, a Monetary Authority of Singapore-regulated fund management company, after a distinguished 20-year career with Standard Chartered Bank.

He was a member of the SCB Global Leadership team and led the Wholesale banking business for South Asia before assuming responsibility for the Asia-Pacific region.

He brings in-depth investment banking, financial markets, treasury and risk management experience and has served on the boards of Standard Chartered Securities Limited, Standard Chartered Investment and Loans Limited and the Fixed Income, Money Markets and Derivatives Association. He was also the Chair of SCB's Wholesale Banking MANCO and the Treasury Risk Committee.

Sanjay Vig – Non-Executive Director
Sanjay is the Managing Director for Direct Investments and Corporate Advisory Services at Al Mal Capital PSC, Dubai, UAE. A senior professional with over 35 years of Middle East and international leadership experience, he holds extensive expertise in corporate finance, mergers and acquisitions, IPOs and wealth management.

He has advised, arranged and led/managed over USD 30 billion of private and capital market transactions, covering varied sectors that include industrial, education, healthcare, real estate, aviation and shipping. Before joining Al Mal Capital, Sanjay served as Managing Director at Alpen Capital (ME) and was SVP and Head of Capital Markets at Emirates Bank Group.

Ashraf Piranie – Independent Non-Executive Director, Chair of Board Risk Committee
Ashraf has enjoyed a long and successful career in financial services. His experience includes the role of Chief Financial Officer at Redwood Bank, Group Finance and Operations Director at West Bromwich Building Society for six years and Deputy Chief Executive and Finance Director at Nottingham Building Society for 10 years. He's also held positions as Finance Director and Joint Managing Director at Al Rayan Bank (formerly Islamic Bank of Britain) and Director of Finance at Santander (formally Alliance & Leicester).

During this time Ashraf's wide range of responsibilities included strategy (including acquisition and mergers), operations, customer service, change management, IT, branch network, risk, finance and treasury. Ashraf has also led and delivered on long-term wholesale funding programmes and capital raising initiatives.

Ashraf was Deputy Chairman of the Bank of England's PRA Practitioner Panel from 2013 to 2020, and Non-Executive Director of Nottingham Development Enterprise.

Helene Brichet – Independent Non-Executive Director
Helene brought experience gained during her 30-year career in financial services, most recently as Chief Financial Officer at Capital One UK and European Chief Financial Officer at EVO Payments. Her experience spans international blue-chip companies in payments and retail and consumer finance, including at Barclays Bank and a 16-year stint at Visa. She's acquired a strong commercial outlook from senior roles in finance, acquisitions and partnerships, strategy and pricing.

Helene's Non-Executive Directorships include humm UK, the subsidiary of the consumer and commercial finance Australian-listed humm group. Helene is also the Chair of the Audit Committee at the National Bank of Kuwait, the UK subsidiary of one of the largest commercial banks in Kuwait.

A strong advocate of a fairer financial services market, she sits on the Customer Advisory Board of Fairer Finance. Helene is also a Trustee on the EDHEC Business School's foundation, and a certified Senior Practitioner, Executive Coach and Mentor with the European Monitoring and Coaching Council (EMCC).

Caroline Ashton – Independent Non-Executive Director, Chair of Audit Committee
Caroline is a Chartered Management Accountant with more than 20 years' experience as an Executive Director at TD Bank and Tenet Group. She brings in-depth finance, risk and regulatory experience. She also has experience in significant digital projects.

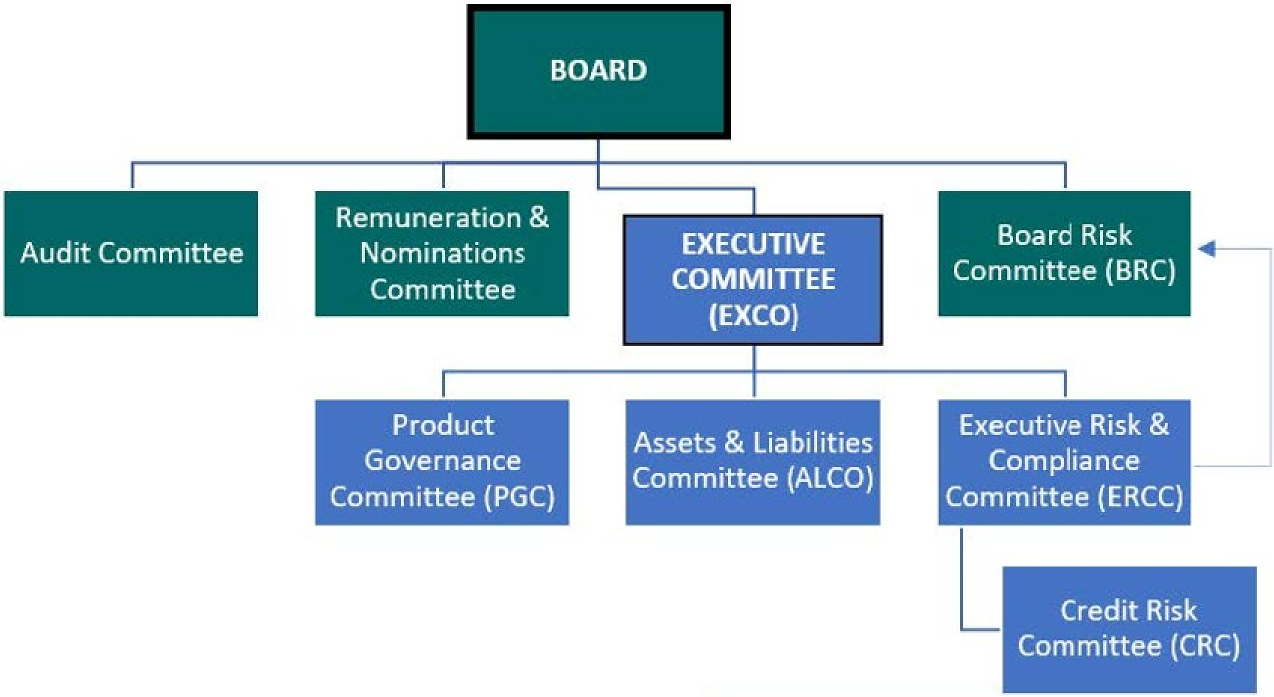
Caroline is a Non-Executive Director at Al Rayan Bank and Loughborough Building Society. She is a Trustee of St Anne's Community Services, which provides supported living and assistance for homeless people.

Ian Rand – Chief Executive Officer
Ian has worked in finance for more than 20 years, including stints with Barclays and JPMorgan in London and New York. Before joining Monument, Ian led Business Banking at Barclays UK, supporting 1 million UK businesses, and during his career has developed two passions – for clients and for transforming the technology that helps them fulfil their ambitions.

Caroline Richardson – Chief Financial Officer
Caroline has spent more than 20 years working in financial services at institutions that include Deutsche Bank, The Co-operative Bank, Arrow Global and most recently as Chief Financial Officer at PCF Bank. Caroline has naturally gravitated towards change and improvement initiatives, whether process, technology or regulatory related.

Corporate governance structure

The Board, with a majority of independent non-executive directors, has great breadth and depth of complimentary experience. This provides the skills needed to govern and oversee the development of our business model. Here is our governance structure:



Board of Directors

The Board of Directors is responsible for the Bank's proper conduct and management, and for creating a long-term sustainable business model that delivers the right outcomes for all stakeholders. It does this by:

- Providing leadership to the Bank and direction to the Chief Executive Officer.
- Setting a clear strategy for the Bank and monitoring progress against this.
- Clearly articulating the risk appetite to deliver the strategy and monitoring this regularly.
- Ensuring adequate resources are available to the Bank to deliver the strategy.
- Establishing the culture and values of the Bank.
- Managing conflicts of interest and balancing the needs of stakeholders, including but not limited to customers, shareholders, employees, regulators and the wider financial system.
- Overseeing the Bank's Environmental, Social and Governance (ESG) strategy.
- Ensuring any specific legal and regulatory responsibilities of the Board are fulfilled.
- Ensuring diversity across the Board, Executives and our people.
- Ensuring the Directors act in accordance with all relevant and applicable legislative and regulatory rules and expectations.

To enable it to provide the appropriate governance and oversight expected of a regulated bank, the Board has established and has regard to advice from the Executive Committee and the Board Risk, Audit, Remuneration and Nominations sub-committees.

Each Board sub-committee deals with a specific area of the Bank's activities, as described below. The sub-committees all have a Chair, clear terms of reference with delegated authorities and meet regularly.

Board Risk Committee
The Board Risk Committee (BRC) is responsible for risk governance and oversight across the business. This is done by:

- Advising the Board on risk strategy, including the oversight of current risk exposures and the conduct of the Bank.
- Developing, for consideration by the Board, the business-wide risk appetite and management framework.
- Overseeing the Bank's credit risk models, the model risk management framework and establishing the metrics to monitor their performance.
- Reviewing the outputs of risk monitoring and assurance activity, challenging proposed actions/remediation when required.
- Reviewing and approving risk matters in line with delegations, and providing recommendations to the Board for approval as required.
- Reviewing business change, risk events, horizon scanning and regulatory updates, providing recommendations to mitigate risk.
- Providing oversight and challenge of the design and execution of stress and scenario testing.
- Reviewing and challenging the effectiveness of the whistleblowing arrangements.
- Delivering advice, oversight and the challenge necessary to embed and maintain a supportive risk culture throughout the Bank, including providing advice on remuneration.

The Board Risk Committee will consider relevant advice from the Audit Committee and the Internal Audit function on the effectiveness of the control framework. The Board Risk Committee is chaired by Ashraf Piranie.

Audit Committee
The Audit Committee provides oversight of the financial reporting process, the audit process and the internal controls framework. This is done by:

- Reviewing, monitoring and challenging the integrity of financial statements and disclosure and reporting requirements, including annual reports and accounts.
- Monitoring the adequacy and effectiveness of internal financial controls, including the mandate and scope of internal and external audit work.
- Reviewing the outputs of internal and external audit activity and any resulting actions required.
- Ensuring the independence and oversight of the external auditor.
- Overseeing the relationship with the external auditor.
- Ensuring the independence and oversight of the outsourced internal auditor.
- Overseeing implementation of accounting policies and policies around income and loss recognition.

The Audit Committee is chaired by Caroline Ashton.

Remuneration and Nominations Committee
The purpose of the Remuneration and Nominations Committee is to develop and maintain the process of making recommendations on appointments and reappointments to the Board, its sub-committees and the Executive. Additionally, it's responsible for reviewing the succession plans for the Executive Directors and Non-Executive Directors. This is achieved by:

- Reviewing the structure, size and composition of the Board and its sub-committees, having regard for Monument strategy and diversity.
- Establishing and embedding the nominations process.
- Overseeing succession planning for the Board and Executives.

The Remuneration and Nominations Committee is also responsible for reviewing and making recommendations to the Board on the remuneration policy, to ensure the right incentives are in place to deliver the strategy within stated risk appetite. This is done by:

- Overseeing the remuneration strategy and associated policies for the Board and Executive Team, as well as the remuneration policies and framework for all colleagues.
- Reviewing the performance of individual executives against objectives to make appropriate recommendations on remuneration.

The Committee will consider advice from the Board Risk Committee. The Remuneration and Nominations Committee is chaired by Steve Friedlos.

Executive Committee
The role of the Executive Committee (EXCO) is to support the Chief Executive Officer (CEO) in implementing the strategy agreed by the Board and to drive business performance. The Executive Committee does this by supporting the CEO in:

- Developing strategy and working with the Board on approval.
- Delivering the approved strategy and annual priorities.
- Reviewing annual capital and revenue budgets, then recommending them to the Board for approval.
- Monitoring performance against key financial objectives, including the delivery of objectives by individual Executive Committee members.
- Reviewing and acting on business and financial reports, including recommendations from external advisors.
- Receiving and considering reports on operational matters and taking action as it considers appropriate.
- Reviewing employee development, performance and succession planning and making recommendations to the Remuneration and Nominations Committee in respect of Executive Committee succession planning.
- Actively promoting Monument's culture and values.
- Receiving reports from and monitoring the performance of the Assets and Liabilities Committee, Executive Risk and Compliance Committee, Credit Risk Committee and Product Governance Committee.

The Executive Committee is chaired by Ian Rand, Chief Executive Officer.

Executive Risk and Compliance Committee
The Executive Risk and Compliance Committee (ERCC) is responsible for managing and monitoring risk management and compliance matters throughout the business, escalating issues as required to the Executive Committee and the Board Risk Committee. It achieves this by:

- Overseeing how the Bank’s risk metrics perform against risk appetite, recommending suitable action where appetite could or has been breached.
- Regularly reviewing key risk areas such as Consumer Duty, operational resilience, financial crime, cyber risk and prudential risk, as well as providing regular management information, deep dives and project oversight.
- Closely monitoring operational risk and the actions taken to mitigate the risk as the Bank grows.
- Reviewing and approving the functional Risk and Control Self Assessments (RCSA) and acceptance of any residual risks.

The Executive Risk and Compliance Committee is chaired by Feike Brouwers, Chief Risk Officer.

Credit Risk Committee
Within Board-delegated authority levels, the Credit Risk Committee (CRC) is the highest-level executive decision-making body for credit decisions.

The Committee is responsible for establishing and embedding credit policies, as well as reviewing and recommending to the Board Risk Committee for approval. It does this by:

- Reviewing credit performance across the credit portfolios, including a review of actual and estimated impairment provisioning and write-offs.
- Review and approving all special cases as stated within the Credit Policy.

The Credit Risk Committee is chaired by Feike Brouwers, Chief Risk Officer.

Assets and Liabilities Committee
The Assets and Liabilities Committee (ALCO) monitors the composition of the Bank's assets and liabilities. It also controls financial, capital, liquidity and treasury risks and reviews control procedures that include limits, reporting lines and mandates. The Committee focuses on managing internal capital and liquidity levels for both current and future activities to maintain balance sheet growth in line with the company's strategy and risk appetite. It does this by:

- Setting transaction parameters and size limits for treasury securities for the Treasury team to transact in the market.
- Conducting detailed monthly portfolio reviews as part of its monitoring functions for the risk management of assets and liabilities within the Bank, including stress testing.
- Setting and monitoring the adherence to funding principles to ensure the Bank has adequate liquidity.

The Assets and Liabilities Committee is chaired by Caroline Richardson, Chief Financial Officer.

Product Governance Committee
The Product Governance Committee is responsible for the review and challenge of significant product and service changes, including new products, withdrawals and changes. The committee reviews client outcomes in relation to products and services and any associated conduct risks of harm. This is done by:

- Establishing policies relating to product governance, product performance and client outcomes.
- Reviewing new products, proposals for significant product changes and withdrawals, and providing challenge and approval where appropriate.
- Reviewing product performance and conduct risk.
- Monitoring Consumer Duty implementation.
- Making recommendations to the Executive Committee where issues are identified.
- Ensuring that products are constructed for the benefit of clients.

The Product Governance Committee is chaired by David Young, Chief Operating Officer.

Directors' report

The Directors present their report with the financial statements of the Company and Group for the year ended 31 December 2024.

Principal activity
The principal activity of the Company in the year under review was banking and membership services, and through our subsidiary, Monument Technology Limited, software licensing. This is covered in more detail in the Business model and strategy section of the Strategic report.

Political donations
We made no political donations (2023: £nil) during the year.

Dividends
No dividends will be distributed for the year ended 31 December 2024 (2023: £nil).

Directors and interest
Directors who served during the financial year to 31 December 2024 are set out in the Details of Directors section within the Corporate governance report.

We've arranged qualifying third-party indemnity insurance for the Bank's Directors and Officers to indemnify them against loss arising from any claim made against them, jointly or severally, for any failure of duty of care in their capacity as Director or Officer of the Company.

Going concern
Companies are required to adopt the going concern basis of accounting, except in circumstances where the Directors determine at the date of approval of the financial statements either that they intend to liquidate the entity or cease trading or have no realistic alternative to liquidation or cessation of operations.

The Board has assessed the appropriateness of the going concern basis of accounting when preparing the financial statements in accordance with accounting standards and guidance from the Financial Reporting Council (FRC). As part of that assessment, the Directors considered whether there were any material uncertainties relating to events or conditions (other than those with a remote probability of occurring) that may cast significant doubt upon the continuing use of the going concern basis of accounting in the period 12 months from the date of approval of the financial statements, and the associated requirements to disclose these.

A material uncertainty is one relating to events or conditions that may cast significant doubt on our ability to continue as a going concern and, therefore, be unable to realise our assets and discharge our liabilities in the normal course of business. The assessment below analyses the uncertainties facing us.

In performing this assessment, the Directors considered all available information about the future. They also performed forecasts, including realistically possible outcomes of events and changes in conditions, and the realistically possible responses to such events and conditions that would be available to the Directors.

During their assessment of our ability to continue as a going concern, the Directors considered a broad range of information and scenarios, including the medium-term business plan, ability to raise capital, falling interest rates, the potential impact on the wider global economy from ongoing conflicts, and the wider geopolitical climate and market volatility.

Below we have detailed the material uncertainty the Directors have considered to be present in the Bank's going concern assumptions.

Regulatory capital requirements
We will need access to further capital in the 12 months from the date of approval of the financial statements to fund our ongoing operations and to enact our growth plans whilst meeting our regulatory capital requirements.

If we cannot obtain further capital, either from our existing shareholders or from third parties, we would potentially need to cease trading.

As well as assessing our capital requirements on a base case scenario, the Board also considered the risks to the base case assessment.

The Directors acknowledged and evaluated the risks involved in relying on the receipt of future equity and our future actions should additional equity not be received.

However, an inherent risk of any new bank is that it may not be able to raise sufficient regulatory capital to meet its business plan and, at worst, to continue as an authorised institution.

As a result, the Board has concluded that, although we're likely to secure the commitment of further equity from both existing and new investors, there remains a material uncertainty regarding its ability to source further additional equity during and beyond the 12 months from the date of approval of the financial statements.

Specifically, future equity capital is not guaranteed, and we are still at risk that the required capital may not be obtained from the wider market. Should future equity raises be unsuccessful, the Directors will consider all necessary actions.

However, the Directors are confident that we can raise the necessary capital to continue to grow and reach profitability. Therefore, the financial statements do not include any adjustments that would result if the Bank was unable to continue as a going concern.

Subsequent events disclosure

- Since year-end, 61,373 shares have been issued by the Company, with total proceeds of £2.1m.
- Director changes since year-end:
  - 25 February 2025 Appointment of Michael Morley as an Independent Non-Executive Director.
  - 21 March 2025 Helene Brichet stepped down.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the situation of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, BDO LLP, were deemed re-appointed as auditors under Section 487(2) of the Companies Act 2006 in the absence of formal re-appointment during 2024.

On behalf of the Board:

DocuSigned by:
Fiona Pollard
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Fiona Pollard CBE
Chair of the Board
25 April 2025

Independent auditor’s report to the members of Monument Bank Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group’s and of the Parent Company’s affairs as at 31 December 2024 and of the Group’s loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Monument Bank Limited (“the Parent Company”, “the Bank”) and its subsidiaries (“the Group”) for the year ended 31 December 2024 which comprise the Group and Company Statement of Total Comprehensive Income, the Group and Company Statement of Financial Position, the Group and Company Statement of Changes in Equity, the Group and Company Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee

Independence

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 4 January 2021 to audit the financial statements for the year ended 31 December 2020 and subsequent financial periods. We have changed the Responsible Individual for this year’s audit. The period of total uninterrupted engagement including retenders and reappointments is 5 years, covering the years ended 31 December 2020 to 31 December 2024. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

Material uncertainty related to going concern

We draw attention to Note 2.1 of the financial statements, which indicates that the Bank is dependent on further capital from existing shareholders or third parties which is not guaranteed.

As stated in Note 2.1, these events or conditions, along with other matters as set out in Note 2.1, indicate that a material uncertainty exists that may cast significant doubt on the Bank’s ability to continue as a going concern. The financial statements do not include any adjustment that may be required if the Bank were not a going concern. Our opinion is not modified in respect of this matter.

For the reasons set out above, we considered going concern to be a key audit matter.

Our evaluation of the directors’ assessment of the Bank’s ability to continue to adopt the going concern basis of accounting and in response to the key audit matter included:

- Obtaining the Directors’ board paper on their assessment of the going concern of the Bank and challenging the Director’s assumptions and judgements with regards to the forecast for the period and beyond 12 months from the date of approval of the financial statements. This was done by assessing the reasonability of assumptions applied with reference to actual growth trends experienced by the Bank;
- Reviewing the Directors’ forecasted position against capital requirements and the point at which additional capital would be required;
- Challenging the Directors’ board paper in light of our understanding of the Bank’s strategy and assessing the impact of various stress scenarios pertaining to the capital and headroom, for liquidity, we assess the relevant key ratios;
- Evaluate the reasonability of management’s assumptions pertaining to management's proposed actions for ensuring that the Bank remains a going concern such as evaluating the degree of liquidity of treasury assets, assessing the implementation of cost cutting activities, and reviewing terms of the Forward flow agreement as respects a stop purchase event;
- Reviewing the capital raise and forecasts provided in prior period against the Bank’s actual performance for the year to date to assess the reasonableness of the business plan;
- Considering management’s fundraising history as evidence of management’s ability to successfully fundraise;
- Enquiring with the Directors’ and assessing the continued economic impact such as decreasing interest rates on the business, and whether the impact thereof has been adequately factored into their assessment of going concern.
- Reviewing the Bank's regulatory correspondence and discussing with the Prudential Regulatory Authority (PRA) prior to signing the audit report to ascertain if there were any matters that may impact the Bank’s ability to continue as a going concern; and
- Checking that the going concern disclosures were appropriate and consistent with the Directors’ assessment, and the requirements of the applicable financial reporting standard.

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Key audit matters		2024	2023
	Revenue recognition on Treasury assets	✓	✓
	Going concern	✓	✓
	Loan loss provisioning	×	✓
	Intangible asset recognition and assessment for impairment	✓	✓
Materiality	Group financial statements as a whole £973,000 (2023: *£N/A) based on 1.25% (2023: *N/A) of Net Assets. Company financial statements as a whole £870,000 (2023: £536,000) based on 1.25% (2023: 1%) of Net Assets. *This is the first year that group financial statements are being prepared and a group audit conducted.		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Components in scope

The Group consists of two entities: Monument Bank Limited (the Parent Company) and Monument Technology Limited (the subsidiary). The Parent Company provides banking services to the mass affluent community, while the subsidiary provides Banking Platform as a service to other financial institutions. The two companies are separately run, have separate management teams and the same control environments.

As part of performing our Group audit, we have determined the components in scope as follows:

Component	Location	Rationale
Monument Bank Limited	United Kingdom	The Parent Company provides banking services to the mass affluent community. It is the major source of revenue for the Group and the main holding company. This component has sophisticated controls and a strong control environment.
Monument Technology Limited	United Kingdom	The subsidiary provides banking Platform as a service to other financial institutions. It has a consistent control environment to the Parent Company.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- Procedures on the entire financial information of the component, including performing substantive procedures and tests of operating effectiveness of controls to component materiality

Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the following.

Component	Component & Entity name	Group Audit Scope
1	Monument Bank Limited	Statutory audit and procedures on the entire financial information of the component.
2	Monument Technology Limited	Statutory audit and procedures on the entire financial information of the component.

The Group engagement team has performed all procedures directly and has not involved component auditors in the Group audit.

Procedures performed centrally

The group operates a centralised IT function that supports IT processes for all components. This IT function is subject to specified risk-focused audit procedures which was predominantly the testing of the relevant IT general controls.

Changes from the prior year

This is the first year in which group financial statements have been prepared and a group audit performed. This represents the key change from the prior year where financial statements were prepared solely for the Parent Company.

Climate change

Our work on the assessment of potential impacts of climate-related risks on the Company's and Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector;
- Review of the minutes of Board and Audit Committee meeting and any other relevant party and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment as set out in the Strategic Report may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment and climate considerations in management's judgements and estimates in relation to loan loss provision.

We also assessed the consistency of managements disclosures included as Other Information on page 28 within the financial statements and with our knowledge obtained from the audit. Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		**How the scope of our audit addressed the key audit matter**
Revenue recognition on Treasury assets Note 2.4 (accounting policy: page 57) and Note 4.	The risk relating to Income derived from Treasury assets is the existence and accuracy of revenue due to the manual process involving manual calculations and manual journal entries. Accrued interest at year end is fully manual with management assumptions in forecasting the accrued interest at year end. This increases the susceptibility to fraud. In addition, the Group has significantly increased their investment in treasury assets in the financial year, which has led to a significant increase in the revenue recognised. Interest from treasury assets was the bank's largest revenue source, after receipts from the Bank of England. We have therefore identified a significant risk of material misstatement due error and fraud in relation to revenue from treasury assets based on the manual nature and management judgement involved coupled with the high volume of transactions. For these reasons, we therefore consider the existence and accuracy of revenue to be a Key Audit Matter.	We assessed the design and implementation, and operating effectiveness of the custody reconciliation controls implemented over treasury assets throughout the financial year. We recalculated the accrued interest by obtaining independent inputs for cash flow tables from Bloomberg in order to challenge management's assumption. We agreed the year end balances of the treasury assets, to the confirmations from the bank's custodians which supports the occurrence of revenue received on treasury assets held. We assessed the inputs utilised in the interest income computation against data independently obtained from Bloomberg to check their accuracy and validity. These inputs include the interest payment date, notional amounts and sink factors related to the treasury assets. On a sample basis, we recalculated the interest income on the treasury assets. This includes the calculation of the interest received on treasury assets sold in the period. On a sample basis, we agreed the income received in cash on treasury assets settled during the year to the bank statement. We tested the purchase approval control for a sample of treasury assets **Key observations** Based on the procedures performed we did not identify any matter to suggest that revenue recognition on treasury assets was not appropriate.

Capitalisation of software development – £21,7m (2023: 16,3m) Note 3 (accounting policy: page 62) and Note 21.	The capitalisation of software development expenses in respect of internally generated software is recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. The group has significant risks related to the following: **Front End User Interface & Banking Ecosystem** Management judgement involved in determining whether continuous development costs appropriately meets the recognition criteria per the financial reporting requirements. The identified risk encompasses both the risk of error in management's application of the financial reporting requirements as well as a risk of fraud due to management bias involved in capitalising costs incurred. Banking Platform as a Service (BPaaS) Management judgment involved in determining the costs to be capitalised in the development of the Banking Platform as a Service by Monument Technology Limited. The identified risk is the risk of error in management's assessment of capitalising costs incurred in development of the Intangible asset.	We have critically assessed management's methodology and accounting policy for the capitalisation of the intangible assets to ensure that it is following the applicable accounting requirements. We have gained an understanding of the payroll and third party expenditure incurred and the key judgements and assumptions made in applying management's methodology and accounting policy. **Front End User Interface & Banking Ecosystem** We have obtained an understanding of the controls related to software development, and have tested relevant controls for design and implementation and operating effectiveness. These controls include ensuring that all releases of software are supported by an assessment of the future economic benefits associated with the products features rolled out in the software release, the technical feasibility assessment for all code developed in the release, and technical sign offs evidencing that the releases are appropriate for use by its customers. For third party costs capitalised, we obtained the relevant contracts with contractors and invoices for costs which have been capitalised and verified that the costs capitalised are in line with the accounting policy of the Group. We assessed on a sample basis the payroll costs classification of employees as 'development' for the purposes of capitalisation by assessing the staff roles, reviewing payroll contracts and assessing the monthly costs to the payments made to employees. We have enquired with individuals who performed development in the period to corroborate our understanding and the costs that have been capitalised. We performed a substantive analytical procedures to measure the expected development cost for the year.

		Banking Platform as a Service (BPaaS) We have assessed the licensing agreement between the Bank and MTL to establish that the entity owns the intellectual property for the deployable copy of the Bank's core Intangible asset to support that MTL has an identifiable asset which is separately identifiable from the Bank's asset. We have assessed the signed agreement and subsequent invoices between MTL and it's first customer to consider the feasibility of the BPaaS solution and the associated future economic benefits associated with the asset in development in MTL. We have obtained the third party contractor agreement, invoices and timesheets which detail the costs and time spent by resources configuring the BPaaS for use by MTL. The timesheets evidence the split of time spent between capitalisable costs to the BPaaS and those determined by management to be expensed. We have assessed the appropriateness of useful economic life and amortisation calculation. **Key observations** Based on the procedures performed we have not identified any matter to suggest that Groups intangible assets and amortisation is materially misstated.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2024	**2023**	**2024**	**2023**
Materiality	£973,000	N/A	£870,000	£536,000
Basis for determining materiality	1.25% of Net Assets	N/A	1.25% of Net Assets	1% of Net Assets
Rationale for the benchmark applied	Whilst we would expect that as a PIE, the focus of the Group's users would be on a Profit measure, the Bank has only been fully trading for 3 years and Group only for 1 year with neither generating a profit yet. Therefore, Net Assets is considered to be more appropriate benchmark given the continued focus of stakeholders on capital raising in the current year. We have used the current year Net Assets as a base, and the percentage applied of 1.25% considering the more established current strategy of the Bank and our understanding.	N/A as this is the first year in which Group Financial Statements have been prepared.	Whilst we would expect that as a PIE, the focus of the Bank's users would be on a Profit measure, the Bank has only been fully trading for 3 years and is not generating a profit yet. Therefore, Net Asset is considered to be more appropriate given the continued focus of stakeholders on capital raising in the current year. We have used the current year Net Assets as a base, and the percentage applied of 1.25% considering the more established current strategy of the Bank and our understanding.	Whilst we would expect that as a PIE, the focus of the Bank's users would be on a Profit measure, the Bank has only been fully trading for 2 years and is not generating a profit yet. Therefore, Net Assets is considered to be more appropriate given the continued focus of stakeholders on capital raising in the current year. We have used the current year Net Assets as a base, and the percentage applied of 1% has been based on the familiarity with the entity and its existing processes. This further aligns to our methodology for similar entities.
Performance materiality	£729,000	N/A	£652,000	£402,000
Basis for determining performance materiality	This is based on 75% of final materiality.	N/A	This is based on 75% of final materiality	This is based on 75% of final materiality.
Rationale for the percentage applied for performance materiality	This level was selected based on our PM risk factors tending to a lower risk as a result of management's control environment and this being a third-year audit.	N/A	This level was selected based on our PM risk factors tending to a lower risk as a result of management's control environment and this being a third-year audit.	This level was selected based on our PM risk factors tending to a lower risk, as a result of this being a second year audit and management attitude towards correcting misstatements being positive.

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, apart from the Parent Company whose materiality is set out above, based on 90% (2023: N/A) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality has been determined as £870,000 relating to both Monument Technology Limited and Monument Bank Limited (2023: N/A). In the audit of each component, we further applied performance materiality levels of 75% (2023: N/A) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £43,000 (2023: £26,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates and considered the risk of acts by the Group which would be contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Companies Act 2006, the Prudential Regulation Authority (PRA) and Financial Conduct Authority ("FCA") regulations and tax legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management, those charged with governance and Internal Audit regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
- Detecting and responding to the risks of fraud; and
- Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team (including internal forensics experts) as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, the risk of fraud in revenue recognition and intangible asset recognition and measurement.

Our procedures in respect of the above included:

- Assessing whether the judgements made in accounting estimates, including those identified above in our Key Audit Matters related to in revenue recognition and intangible asset recognition and measurement were indicative of potential bias;
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- With the involvement of forensic specialists, we assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Ariel Grosberg
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Ariel Grosberg (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

25 April 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of total comprehensive income

	Notes	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Interest receivable and similar income	4	148,993	20,705	148,993	20,705
Interest payable and similar charges	5	(136,868)	(17,400)	(136,868)	(17,400)
Net interest income		**12,125**	**3,305**	**12,125**	**3,305**
Fees and commissions receivable		603	-	14	-
Fees and commissions payable		(385)	-	-	-
Net fee income	6	**218**	**-**	**14**	**-**
Net gains/(losses) from derivative financial instruments	7	1,726	(2,331)	1,726	(2,331)
Other operating expense		(185)	(49)	(185)	(49)
Total net income		**13,884**	**925**	**13,680**	**925**
Administrative expenses		(28,522)	(20,895)	(26,926)	(20,895)
Impairment charge on loans and advances	16	(79)	(83)	(79)	(83)
Operating loss before taxation	8	**(14,717)**	**(20,053)**	**(13,325)**	**(20,053)**
Taxation	11	239	693	239	693
Loss for the financial year		**(14,478)**	**(19,360)**	**(13,086)**	**(19,360)**
Attributable to:					
Owners of the parent company		(14,024)	(19,360)		
Non-controlling interests	19	(454)	-		
		(14,478)	**(19,360)**		
Other comprehensive income					
Items that may be transferred to the income statement:					
Available-for-sale investments:					
Fair value movements taken to reserves		(813)	553	(813)	553
Amount transferred to income statement		21	23	21	23
Other comprehensive (loss)/income for the year		**(792)**	**576**	**(792)**	**576**
Total comprehensive loss for the year		**(15,270)**	**(18,784)**	**(13,878)**	**(18,784)**
Attributable to:					
Owners of the parent company		(14,816)	(18,784)		
Non-controlling interests	19	(454)	-		
		(15,270)	**(18,784)**		

The above results are derived wholly from continuing activities.

The notes on pages 56 to 80 form part of these financial statements

Statement of financial position

	Notes	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Assets					
Cash and balances at central banks		3,685,561	354,658	3,685,561	354,658
Loans and advances to credit institutions	13	46,895	22,557	39,419	22,557
Treasury bills	14	-	130,102	-	130,102
Debt securities	14	1,227,659	384,491	1,227,659	384,491
Derivative financial instruments	15	1,460	2,423	1,460	2,423
Loans and advances to customers	16	173,839	139,689	173,839	139,689
Other assets	17	3,037	2,522	2,576	2,522
Tangible fixed assets	20	273	164	261	164
Intangible fixed assets	21	13,088	11,184	12,153	11,184
Total assets		**5,151,812**	**1,047,790**	**5,142,928**	**1,047,790**
Liabilities					
Customer deposits	22	5,069,724	990,502	5,069,724	990,502
Derivative financial instruments	15	573	2,178	573	2,178
Other liabilities and accruals	23	3,645	1,417	2,882	1,417
Total liabilities		**5,073,942**	**994,097**	**5,073,179**	**994,097**
Equity					
Called up share capital	24	39	32	39	32
Share premium reserve		129,928	87,459	129,928	87,459
Shares to be issued		48	13,980	48	13,980
Available-for-sale reserve		(216)	575	(216)	575
Accumulated losses		(55,199)	(48,353)	(60,050)	(48,353)
Non-controlling interests	19	3,270	-	-	-
Total equity		**77,870**	**53,693**	**69,749**	**53,693**
Total liabilities and equity		**5,151,812**	**1,047,790**	**5,142,928**	**1,047,790**

The notes on pages 56 to 80 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 25 April 2025 and were signed on its behalf by:

DocuSigned by:
Fiona Pollard
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Fiona Pollard CBE
Chair of the Board
25 April 2025

Statement of changes in equity

Group	Called up share capital	Share premium	Shares to be issued	Available-for-sale reserve	Accumulated losses	Non-controlling interests	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2023	**27**	**61,434**	**2,797**	**-**	**(29,601)**	**-**	**34,657**
Changes in equity							
Loss for the year	-	-	-	-	(19,360)	-	(19,360)
Movement in available-for-sale reserve	-	-	-	575	-	-	575
Employee share scheme charge	-	-	-	-	608	-	608
Issue of share capital	5	26,025	(2,797)	-	-	-	23,233
Shares to be issued	-	-	13,980	-	-	-	13,980
Balance at 31 December 2023	**32**	**87,459**	**13,980**	**575**	**(48,353)**	**-**	**53,693**
Changes in equity							
Loss for the year	-	-	-	-	(14,024)	(454)	(14,478)
Movement in available-for-sale reserve	-	-	-	(791)	-	-	(791)
Employee share scheme charge	-	-	-	-	1,389	-	1,389
Issue of share capital (parent)	7	42,469	(13,980)	-	-	-	28,496
Issue of share capital (subsidiary)	-	-	-	-	5,789	3,724	9,513
Shares to be issued	-	-	48	-	-	-	48
Balance at 31 December 2024	**39**	**129,928**	**48**	**(216)**	**(55,199)**	**3,270**	**77,870**

Company	Called up share capital	Share premium	Shares to be issued	Available-for-sale reserve	Accumulated losses	Non-controlling interests	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2023	**27**	**61,434**	**2,797**	**-**	**(29,601)**	**-**	**34,657**
Changes in equity							
Loss for the year	-	-	-	-	(19,360)	-	(19,360)
Movement in available-for-sale reserve	-	-	-	575	-	-	575
Employee share scheme charge	-	-	-	-	608	-	608
Issue of share capital	5	26,025	(2,797)	-	-	-	23,233
Shares to be issued	-	-	13,980	-	-	-	13,980
Balance at 31 December 2023	**32**	**87,459**	**13,980**	**575**	**(48,353)**	**-**	**53,693**
Changes in equity							
Loss for the year	-	-	-	-	(13,086)	-	(13,086)
Movement in available-for-sale reserve	-	-	-	(791)	-	-	(791)
Employee share scheme charge	-	-	-	-	1,389	-	1,389
Issue of share capital	7	42,469	(13,980)	-	-	-	28,496
Shares to be issued	-	-	48	-	-	-	48
Balance at 31 December 2024	**39**	**129,928**	**48**	**(216)**	**(60,050)**	**-**	**69,749**

The notes on pages 56 to 80 form part of these financial statements.

Statement of cash flows

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Cash flows from operating activities				
Loss for the financial year	(14,478)	(19,360)	(13,086)	(19,360)
Adjustments for non-cash items				
Amortisation charges	3,538	2,794	3,538	2,794
Depreciation charges	95	70	95	70
Impairment charge on loans and advances to customers	79	83	79	83
Employee share scheme charge	1,389	608	1,389	608
Net changes in operating assets and liabilities				
Increase in loans and advances to customers	(34,229)	(46,401)	(34,229)	(46,401)
Increase in customer deposits	4,079,222	842,844	4,079,222	842,844
Increase in other assets	(515)	(1,419)	(54)	(1,419)
Increase/(decrease) in other liabilities	2,228	(256)	1,465	(256)
Decrease/(increase) in derivative financial instruments	(642)	2,331	(642)	2,331
Decrease/(increase) in treasury bills	130,102	(130,102)	130,102	(130,102)
Increase in debt securities	(843,959)	(373,374)	(843,959)	(373,374)
Net cash from/(used in) operating activities	**3,222,830**	**277,818**	**3,323,920**	**277,818**
Cash flows from investing activities				
Expenditure on internally generated intangible assets	(5,442)	(3,418)	(4,507)	(3,418)
Purchase of tangible fixed assets	(204)	(72)	(192)	(72)
Net cash used in investing activities	**(5,646)**	**(3,490)**	**(4,699)**	**(3,490)**
Cash flows from financing activities				
Share issuance (parent)**	31,183	24,618	31,183	**24,618
Share issuance (subsidiary)	9,810	-	-	-
Cost of share issuance**	(2,984)	(1,385)	(2,687)	**(1,385)
Cash inflows from shares to be issued	48	13,980	48	13,980
Net cash from financing activities	**38,057**	**37,213**	28,544	**37,213**
Increase/(decrease) in cash and cash equivalents	**3,355,241**	**311,541**	**3,347,765**	**311,541**
Cash and cash equivalents at beginning of year	**377,215**	**65,674**	**377,215**	**65,674**
Cash and cash equivalents at end of year	**3,732,456**	**377,215**	**3,724,980**	**377,215**
Represented by:				
Cash and balances at central banks	3,685,561	354,658	3,685,561	354,658
Loans and advances to credit institutions repayable on demand	46,895	22,557	39,419	22,557
	3,732,456	**377,215**	**3,724,980**	**377,215**

Contained within cash flow movement is £132,480,000 (2023: £15,646,000* restated from £20,705,000) of interest received, £125,439,000 (2023: £9,567,000* restated from £17,401,000) of interest paid and £nil (2023: £693,000) of taxation received.

*Prior year interest received and interest paid disclosed figures have been restated to exclude accrued interest income, accrued interest expense, debt security premium/discount accretion and other non-cash elements of interest income and interest expense. These amounts were correctly accounted for on the face of the Statement of cash flows in the prior year.

**As prescribed by FRS102, paragraph 7.10, cashflows from the cost of share issuance in the comparative period have been restated and presented separately from the cashflows from share issuance. There is no change in the net cash from financing activities.

The notes on pages 56 to 80 form part of these financial statements.

Notes to the financial statements

1. Statutory information

Monument Bank Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company information page. The principal activity of the Group is that of a Bank.

2. Accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006 (“FRS 102”) in conjunction with IAS 39 'Financial Instruments: Recognition and Measurement' (via the option in FRS 102 paragraphs 11.2 (b) and 12.2 (b)).

The presentation currency of these financial statements is sterling (£).

The financial statements have been prepared under the historical cost convention.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these annual accounts.

Going concern

The financial statements have been prepared on the going concern basis.

Companies are required to adopt the going concern basis of accounting, except in circumstances where the Directors determine at the date of approval of the financial statements either that they intend to liquidate the entity or to cease trading or have no realistic alternative to liquidation or cessation of operations.

The Board has assessed the appropriateness of the going concern basis of accounting when preparing the financial statements in accordance with accounting standards and guidance from the Financial Reporting Council (FRC). As part of that assessment, the Directors considered whether there were any material uncertainties relating to events or conditions (other than those with a remote probability of occurring) that may cast significant doubt upon the continuing use of the going concern basis of accounting in the period 12 months from the date of approval of the financial statements, and the associated requirements to disclose these.

A material uncertainty is one relating to events or conditions that may cast significant doubt on our ability to continue as a going concern and, therefore, be unable to realise our assets and discharge our liabilities in the normal course of business. The assessment below analyses the uncertainties facing us.

In performing this assessment, the Directors considered all available information about the future. They also performed forecasts, including realistically possible outcomes of events and changes in conditions, and the realistically possible responses to such events and conditions that would be available to the Directors.

During their assessment of our ability to continue as a going concern, the Directors considered a broad range of information and scenarios, including the medium-term business plan, ability to raise capital, falling interest rates, the potential impact on the wider global economy from ongoing conflicts, and the wider geopolitical climate and market volatility.

Below we have detailed the material uncertainty the Directors have considered to be present in the Bank’s going concern assumptions.

Regulatory capital requirements

We will need access to further capital in the 12 months from the date of approval of the financial statements to fund our ongoing operations and enact our growth plans whilst meeting our regulatory capital requirements.

If we can’t obtain further capital, either from our existing shareholders or third parties, we would potentially need to cease trading.

As well as assessing our capital requirements on a base case scenario, the Board has also considered the risks to the base case assessment.

The Directors acknowledged and evaluated the risks involved in relying on the receipt of future equity and our future actions should additional equity not be received.

However, an inherent risk of any new bank is that it may not be able to raise sufficient regulatory capital to meet its business plan and, at worst, to continue as an authorised institution.

As a result, the Board has concluded that, although we’re likely to secure the commitment of further equity from both existing and new investors,

2. Accounting policies (continued)

2.1. Basis of preparing the financial statements (continued)

Regulatory capital requirements (continued)

there remains a material uncertainty regarding our ability to source further additional equity during and beyond the 12 months from the date of approval of the financial statements.

Specifically, future equity capital is not guaranteed, and we are still at risk that the required capital may not be obtained from the wider market. Should future equity raises be unsuccessful, the Directors will need to consider all necessary actions.

However, the Directors remain confident that we can raise the necessary capital to continue to grow and reach profitability. Therefore, the financial statements do not include any adjustments that would result if the Bank was unable to continue as a going concern.

The preparation of accounts in conformity with FRS102 and IAS39 requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and assumptions are discussed in note 3 and are based on historical experience and other factors believed to be reasonable under the circumstances. While these estimates are based on Management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Bank and entities controlled by the Bank as if they were a single entity. Control is presumed to exist when the parent company has the power to direct the activities of the subsidiary and is exposed, or has rights, to variable returns from its involvement with the subsidiary. Control is achieved through holding more than 50% of the voting rights or through the ability to govern the financial and operating policies of the subsidiary.

Intra-group transactions, balances and unrealised gains or losses are eliminated on consolidation.

2.3 Non-controlling interests

Non-Controlling Interests (NCI) represent the portion of equity in a subsidiary that is not attributable, directly or indirectly, to the parent company. When our interest in a subsidiary is diluted due to a capital raise by the subsidiary, the NCI is measured based on the non-controlling shareholders' proportionate share of the subsidiary's net assets at book value at the date of the transaction.

We recognise NCI at book value on the date control is no longer 100%, based on the percentage of ownership retained by the parent company following the dilution event. NCI is presented separately from our equity within the consolidated balance sheet.

The share of profit or loss attributable to the NCI is included in the consolidated income statement as a separate line item, after the profit or loss attributable to the equity holders of the parent company. This is calculated based on the non-controlling interest's proportionate share of the subsidiary's profit or loss.

Any subsequent changes in the parent company's ownership interest in the subsidiary, including capital raising, acquisitions or disposals of shares by the non-controlling interest, are accounted for within equity. The difference between the consideration paid or received and the carrying amount of the NCI is recognised directly in equity, with no impact on consolidated profit or loss.

2.4 Interest income and interest expense

Interest income and expense are recognised in profit or loss using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, we estimate future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes those transaction costs and fees paid or received, which are deemed to be an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest income and expense also includes interest on derivatives measured at fair value through profit or loss (FVTPL) using the contractual interest rate.

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful life of each part of an item of plant and equipment at the following rates:

- Fixtures and fittings 4 years
- Computer equipment 4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Tangible fixed assets are reviewed for impairment annually.

2.6 Intangible fixed assets

Intangible fixed assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided to write down the intangible assets, on a straight-line basis over their expected useful economic lives. It is provided at the following range:

- Software development 4-7 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date. Intangible fixed assets are reviewed for impairment annually.

2.7 Investments in subsidiaries

Investments in subsidiaries are stated at cost less any provision for impairment.

2.8 Financial instruments

Recognition

We initially recognise loans and advances, deposits, derivatives and debt securities on the date they are originated. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Classification

Financial assets

We classify our financial assets into one of the following categories:

Loans and advances to customers

Loans and advances to customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that we do not intend to sell immediately or in the near term.

Loans and advances are initially measured at fair value plus incremental direct transaction costs and subsequently measured at their amortised cost using the effective interest rate method. Direct transaction costs include brokerage and arrangement fees.

Debt securities – held to maturity

Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that we positively intend and are able to hold to maturity. Held-to-maturity debt securities are initially recorded at fair value plus any directly attributable transaction costs, and are subsequently measured at amortised cost, less any impairment losses.

Interest income is recognised at the effective interest rate over a debt security's expected life. Premiums and/or discounts arising on the purchase of dated debt securities are included in the interest recognised.

2. Accounting policies (continued)

2.8 Financial instruments (continued)

Debt securities – available-for-sale

Available-for-sale assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that we intend to hold, but may sell, prior to maturity. Available-for-sale assets are measured at fair value based on quoted market prices.

Unrealised gains and losses arising from changes in fair value are recognised directly in the available-for-sale reserve. Gains and losses arising on the sale of available-for-sale assets, including any cumulative gains or losses previously recognised in the available-for-sale reserve, are shown in the Income statement.

Interest income is recognised at the effective interest rate over a debt security's expected life. Premiums and/or discounts arising on the purchase of dated debt securities are included in the interest recognised.

Derivatives

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Financial liabilities

Customer deposits

Customer deposits are initially measured at transaction value and are subsequently measured at amortised cost, including accrued interest, using the effective interest rate method.

Trade creditors

Trade creditors are initially measured at transaction price plus attributable transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Measurement

Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Fair value measurement

Fair value is the amount for which an asset could be exchanged, a liability settled or an equity instrument exchanged, between knowledgeable, willing parties in an arm's length transaction.

We measure the fair value of an instrument using the quoted price, when available, in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there’s no quoted price in an active market, then we use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would consider when pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, for example, the fair value of the consideration given or received. If we determine that the fair value at initial recognition differs from the transaction price, and that the fair value hasn’t been evidenced by a quoted price in an active market for an identical asset/liability or is based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument, but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

2. Accounting policies (continued)

2.8 Financial Instruments (continued)

Identification and measurement of impairment

At each reporting date, we assess whether there's objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is considered impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s) and that the loss event has an impact on the future cash flows of the asset(s) that can be reliably estimated.

Objective evidence that financial assets are impaired includes:

- Significant financial difficulty to the borrower or issuer.
- Default or delinquency by a borrower.
- The restructuring of a loan or advance by the Bank on terms that we wouldn't otherwise consider.
- Indications that a borrower or issuer will enter bankruptcy.
- The disappearance of an active market for a security.
- Observable data relating to a group of assets, such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

We consider evidence of impairment for loans and advances at both a specific asset and a collective level. All loans and advances are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that's been incurred but not yet identified. Impairment losses on assets measured at amortised cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate.

2.9 Cash and cash equivalents

Cash at central banks, along with loans and advances to credit institutions, comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash with an original maturity of less than three months. These are initially measured at fair value and subsequently recorded at amortised cost.

2.10 Share capital and equity

In accordance with FRS 102.22, financial instruments that we have issued are treated as equity only when they meet these two conditions:

- They include no contractual obligations for us to deliver cash or other financial assets or to exchange financial assets or liabilities with another party under conditions that are potentially unfavourable to us.
- Where the instrument will or may be settled in our own equity instruments, it's either a non-derivative that includes no obligation to deliver a variable number of our own equity instruments or it's a derivative that will be settled by us exchanging a fixed amount of cash or other financial assets for a fixed number of our own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of our own shares, the amounts that are presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

The company may issue equity-settled warrants that give the holder the right to subscribe for ordinary shares at a specified exercise price. Where such warrants are issued for nil consideration and not in exchange for goods or services, they are accounted for as equity instruments. No accounting entry is recorded at the grant date, as the issuance of warrants represents an equity transaction with no corresponding consideration received or expense recognised.

2.11 Operating leases: the Bank as lessee

Leases are classified as finance leases whenever the terms of the lease substantially transfer all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Payments made under operating leases are recognised in profit and loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss over the term of the lease as an integral part of the total lease expense.

2. Accounting policies (continued)

2.12 Pensions

We operate a defined contribution plan for our employees. A defined contribution plan is a pension plan under which we pay fixed contributions into a separate entity. Once the contributions have been paid, we have no further payment obligations.

Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held in independently administered funds that are separate from the Bank.

Contributions to defined contribution pension schemes are charged to profit and loss in the year to which they relate.

All pension costs incurred relate to defined contribution expenses. See note 9.

2.13 Tax

Tax comprises current tax and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax
Deferred tax is provided in full using the liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised in the statement of financial position for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.14 Share based payments

We issue equity-settled share options to some of our employees. Equity-settled share option payments are measured at fair value at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on our estimate of shares that will eventually vest, and adjusted for the effect of non-market-based vesting conditions. The grant date fair value of a share-based payment transaction is recognised as an employee expense, with a corresponding increase in equity over the period that the employee becomes unconditionally entitled to the award. In the absence of market prices, the fair value of the equity at the date of the acquisition is assessed based on the value of the bank-adjusted-for-factors, such as illiquidity, control and exit conditions, with an option price derived from a Black-Scholes pricing model.

The expected life used in the model is based on the Management's best estimate, which considers non-transferability, exercise restrictions and behavioural factors. The volatility measure is also based on the Management's best estimate, as the shares are unlisted and there is no trading.

The amount recognised as an expense in profit or loss is based on amortising the grant date fair value at a constant rate to the vesting date.

3. Accounting estimates and judgements

The preparation of financial statements in conformity with FRS 102 requires the Management, from time to time, to make judgements and estimates that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

These estimates are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Effective interest rate
FRS 102 requires interest and fee income earned from loans and advances to be measured under the Effective Interest Rate (EIR) method. Management must therefore use judgement to estimate the expected life of each financial instrument and the expected cash flows relating to it.

3. Accounting estimates and judgements (continued)

The key assumption applied by the Management in the EIR methodology is in relation to the behavioural life of the underlying loans and advances. The behavioural life assumption can be subject to changes in internal and external factors and may result in adjustments to the carrying value of the loans, which must be recognised in profit or loss.

Due to the immaturity of our lending portfolio, we currently have no historical experience of customer redemption or reversion behaviour. Therefore, we currently calculate EIR over the fixed period of our lending products.

Impairment of financial assets
We've adopted FRS 102 in conjunction with IAS 39 Financial Instruments: Recognition and Measurement (via the option in FRS 102 paragraphs 11.2 (b) and 12.2(b)) and therefore assess the impairment of loans and advances to customers in accordance with IAS 39's incurred loss model. Therefore, our assessment of impairment of financial assets consists of both:

- Individual assessments of impairment of all mortgage loans that are in arrears or where other objective evidence exists that all cash flows will not be received.
- Collective assessments of impairment of mortgage loans that are not subject to individual impairment provisions, where there's objective evidence that credit losses have been incurred but not identified at the reporting date.

On an ongoing basis, we will assess whether there's objective evidence that a financial asset or group of financial assets is impaired. Objective evidence of impairment may include observable data indicating that there has been an adverse change in the payment status of borrowers or economic conditions that correlate with defaults on assets in the portfolio. Assumptions based on historical loss experience for assets with similar credit risk characteristics and external data are used to assess impairment. The methodology and assumptions used for estimating the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Individual impairments
The recoverable amount is typically dependent on the sale of the collateral. The amount recoverable is determined with reference to:

- The property's valuation haircut.
- The time taken to realise the sale proceeds.
- The property's legal and marketing costs.

Collective impairment
A quantitative collective impairment provision assessment is carried out across the loan portfolios, based on risk-graded probabilities of default and the level of exposures that exceed the discounted market value of the property security held. The measurement of the Bank's provision for bad and doubtful debts involves the Management's judgement.

Valuation of share-based payments
Estimating the fair value for share-based payment transactions requires determination of the most appropriate valuation method, which depends on the terms and conditions of the award. This estimate also requires determination of the most appropriate inputs to the valuation model, including the expected life of the share option and volatility and making assumptions about them. We use a Black-Scholes option pricing model for the employee share scheme. The main assumptions are detailed in note 12.

Valuation of intangible assets
In determining the value of the intangible assets capitalised to the balance sheet, we've made estimates with regards to the costs capitalised and the expected useful economic life of the underlying assets. The capitalised costs are based on the value of the relevant purchase invoices from external vendors, and an allocation of time from relevant salary costs.

We've also made judgements as to whether there are any indicators of impairment. Factors taken into consideration during this process include the economic viability and expected future financial performance of the underlying assets.

Deferred tax
We've analysed the recoverability of deferred tax assets, considering the following:

- The availability of sufficient taxable temporary differences.
- The probability that the entity will have sufficient taxable profits in the foreseeable future, in the same period as the reversal of the deductible temporary difference, or in the periods into which a tax loss can be carried back or forward.
- The availability of tax planning opportunities that allow the recovery of deferred tax assets.

It is not considered appropriate to recognise a deferred tax asset as at 31 December 2024.

4. Interest receivable and similar income

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Interest on cash and balances with banks	85,926	6,329	85,926	6,329
Interest on debt securities	54,500	8,057	54,500	8,057
Interest on loans and advances	6,798	4,792	6,798	4,792
Other interest income	221	144	221	144
Net income on financial instruments hedging assets	1,548	1,383	1,548	1,383
	148,993	**20,705**	**148,993**	**20,705**

All revenue was generated by operations within the UK.

The total interest on financial assets not measured at fair value through profit and loss was £147,445,000 (2023: £19,322,000).

5. Interest payable and similar expense

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Interest on customer deposits	135,669	15,999	135,669	15,999
Origination fees	217	181	217	181
Other interest expenses	61	138	61	138
Net expense on financial instruments hedging liabilities	921	1,082	921	1,082
	136,868	**17,400**	**136,868**	**17,400**

The total interest on financial liabilities not measured at fair value through profit and loss was £135,947,000 (2023: £16,318,000).

6. Net fee income

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Fees and commissions receivable:				
Platform implementation fees	603	-	-	-
Royalties	-	-	14	-
	603	**-**	**14**	**-**
Fees and commissions payable:				
Platform implementation expenses	(385)	-	-	-
	(385)	-	-	-
Net fee income	**218**	**-**	**14**	**-**

7. Net gains from derivative financial instruments

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Realised gains	1,084	-	1,084	-
Unrealised (losses)/gains	642	(2,331)	642	(2,331)
	1,726	**(2,331)**	**1,726**	**(2,331)**

8. Operating loss

The operating loss is stated after charging:	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Staff costs*	12,969	10,560	12,347	10,560
Operating lease charges	235	183	235	183
Audit fees payable to the Company's auditor	638	250	638	250
Depreciation	95	70	95	70
Amortisation	3,538	2,794	3,538	2,794
Outsourced loan servicing charges	171	-	171	-
Outsourced deposit servicing charges	139	-	139	-
Impairment of loans and advances to customers	79	83	79	83
	17,864	**13,940**	**17,242**	**13,940**

*Total staff costs less amounts capitalised.

9. Staff costs

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Wages and salaries	11,395	10,006	10,887	10,006
Social security costs	1,481	1,245	1,415	1,245
Pension costs	1,355	888	1,307	888
Share-based payments	1,389	608	1,389	608
	15,620	**12,747**	**14,998**	**12,747**

Of the total staff costs for the Group and Company, £2,650,000 (2023: £2,187,000) were capitalised. See note 21.

Of the total pension costs incurred for the Group and Company, £258,000 (2023: £188,000) formed part of the capitalised staff costs.

Of the total pension costs incurred, £1,097,000 (2023: £695,000) for the Group and £1,049,000 (2023: £695,000) for the Company were expensed to the profit and loss account.

Average number of employees during the year:	2024 Group #	2023 Group #	2024 Company #	2023 Company #
Non-Executive Directors	7	8	7	8
Executive Committee	10	9	10	9
Colleagues	86	68	83	68
	103	**85**	**100**	**85**

Directors' remuneration:	2024 £'000	2023 £'000
Wages and salaries	1,258	1,224
Pension	26	34
	1,284	**1,258**

During the year, retirement benefits accrued to one Director (2023: two Directors) in respect of defined contribution pension schemes.

Highest paid Director is as follows:	2024 £'000	2023 £'000
Director's remuneration	523	495
	523	**495**

The value of the Bank's contributions to a defined contribution pension scheme in respect of the highest paid Director amount to £nil (2023: £3,000).

We consider key management personnel to be the Board Directors, whose remuneration is disclosed above.

10. Auditors' remuneration

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	638	250	638	250
	638	**250**	**638**	**250**

11. Taxation

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Corporation tax:				
Research and development tax relief in respect of prior periods	(239)	(693)	(239)	(693)
Total current tax	**(239)**	**(693)**	**(239)**	**(693)**

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Analysis of tax charge:				
Loss before tax	(14,717)	(20,053)	(13,325)	(20,053)
Loss multiplied by the standard rate of corporation tax in the UK of 25% (2023: 23.52%)	(3,679)	(4,716)	(3,331)	(4,716)
Effects of:				
Expenses not deductible for tax purposes	352	146	351	146
Chargeable gains on warrant issuance	1,978	-	1,978	-
Unused tax losses	1,349	4,570	1,002	4,570
Research and Development tax relief in respect of prior periods	(239)	(693)	(239)	(693)
Total tax receipt	**(239)**	**(693)**	**(239)**	**(693)**

The Group has unused allowable losses carried forward. Deferred tax liabilities that arise have been offset with unrecognised deferred tax assets largely related to tax losses. The total unused taxable losses carried forward are £42,012,000 (*2023: £37,879,000 restated from £49,257,000).

The Company has unused allowable losses carried forward. Deferred tax liabilities that arise have been offset, with unrecognised deferred tax assets largely related to tax losses. The total unused taxable losses carried forward are £40,645,000 (*2023: £37,879,000 restated from £49,257,000).

A current tax review revealed that there were approximately £9.7 million of unused tax losses that existed as at 23 February 2021, which were disallowed due to a change-in-ownership event that occurred under the current tax rules. Prior-year unused tax losses have been restated. This represents the best estimate of the unused tax losses carried forward for the current financial year. The tax rules are complex and open to interpretation, which may result in a change in estimate going forward.

Factors that may affect future tax charges

From 1 April 2023, the main rate of UK corporation tax rose from 19% to 25%.

12. Share-based payments

We operate three equity-settled employee share option schemes: a Company Share Option Plan (CSOP) that was issued to employees joining before May 2021, a Non-Tax Favoured Share Option Plan (NTFSOP) that's open to new and existing employees, and a Long-Term Incentive Plan (LTIP) that's open to members of the Executive Committee.

Group and Company

	2024 weighted average exercise price	2024 number	2023 weighted average exercise price	2023 number
	£	#	£	#
Outstanding at the beginning of the year	**1.43**	**118,705**	**1.38**	**137,614**
Granted during the year	49.62	153,011	2.00	9,990
Exercised during the year	0.59	(8,242)	-	-
Forfeited during the year	0.86	(3,681)	1.40	(28,899)
Other adjustments	-	2,715	-	-
Outstanding at the end of the year	**30.09**	**262,508**	**1.43**	**118,705**

	Vesting period	Contractual life	Number of options
Weighted average remaining:	**Years**	**Years**	**#**
2021 CSOP	0.16	6.16	37,583
2022 NTFSOP	1.14	7.14	62,187
2023 NTFSOP	1.99	7.99	9,877
2024 NTFSOP	1.86	18.86	40,861
2024 LTIP	2.44	19.44	112,000

We used a Black-Scholes option pricing model to value equity-settled share-based payment awards. We decided this approach would give us a materially accurate estimate of the fair value of the options granted. The following information was used in this valuation:

Current year grants:	2024 tranche (LTIP)	2024 tranche (NTFSOP)
Option pricing model used	Black-Scholes	Black-Scholes
Weighted average exercise price at grant date	£57	£33
Weighted average vesting period	3 years	2.4 years
Weighted average contractual life	20 years	20 years
Expected volatility	28.81%	28.81%
Risk free interest rate	4.00%	4.00%

Previous year grants:	2023 tranche (NTFSOP)	2022 tranche (NTFSOP)	2021 tranche (CSOP)
Option pricing model used	Black-Scholes	Black-Scholes	Black-Scholes
Weighted average exercise price at grant date	£2	£2	£0.59
Weighted average vesting period	4 years	4 years	4 years
Weighted average contractual life	10 years	10 years	10 years
Expected volatility	10.00%	10.00%	10.00%
Risk free interest rate	5.00%	1.86%	0.06%

	2024	2023
Share-based remuneration expense:	**£'000**	**£'000**
Equity settled schemes	1,389	608
	1,389	**608**

We did not enter any share-based payment transactions with parties other than employees during 2024 and 2023.

13. Loans and advances to credit institutions

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Amounts repayable on demand	43,495	18,337	36,019	18,337
Credit support annex (CSA) asset	3,400	4,220	3,400	4,220
	46,895	**22,557**	**39,419**	**22,557**

Our derivative activity is entered into under an International Swaps and Derivatives Association (ISDA) Master Agreement. A Credit Support Annex (CSA) has been executed in conjunction with the ISDA. Under a CSA, cash collateral is passed between counterparties to mitigate the market contingent counterparty risk inherent in the outstanding positions. As at 31 December 2024, £3,400,000 had been placed (2023: £4,220,000).

Independent amounts of £4,350,000 (2023: £4,350,000) are maintained as cash security by the swap counterparties. The holders of the collateral cannot sell or repledge in the absence of default.

The table below presents an analysis of loans and advances to credit institutions by rating agency designation as at 31 December 2024, based on Moody's long-term ratings.

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
A1	2,060	2,870	2,060	2,870
A3	9,735	2,448	2,258	2,448
Unrated*	35,100	17,239	35,101	17,239
	46,895	**22,557**	**39,419**	**22,557**

*Unrated amounts represent funds held at ClearBank.

14. Debt securities

Group and Company

Quoted investments	**2024**	**2023**
Available-for-sale:	**£'000**	**£'000**
Treasury bills	-	130,102
Covered bonds	527,712	29,490
Residential mortgage-backed securities	621,466	293,840
Asset-backed securities	78,135	35,404
Amortised cost:		
Supranational bonds	-	20,414
Gilts	346	5,343
	1,227,659	**514,593**

The fair value of the gilts held at the balance sheet date was £328,000 (2023: £5,301,000).

15. Derivative financial instruments

Group and Company

2024	**Notional amount £'000**	**Fair value of assets £'000**	**Fair value of liabilities £'000**
Interest rate swaps	367,500	1,460	573
	367,500	**1,460**	**573**

2023	**Notional amount £'000**	**Fair value of assets £'000**	**Fair value of liabilities £'000**
Interest rate swaps	510,500	2,423	2,178
	510,500	**2,423**	**2,178**

16. Loans and advances to customers

Group and Company	**2024**	**2023**
	£'000	**£'000**
Gross loans and advances	174,105	139,876
Less allowances for impairment on loans and advances	(266)	(187)
	173,839	**139,689**
Amounts falling due:		
Less than one year	32,897	2,411
More than one year but not more than five years	141,208	137,465
	174,105	**139,876**

The above analysis is based on contractual maturity and may not reflect actual experience of repayments, as loans can be repaid early.

Group and Company	**2024**	**2023**
Total impairment provisions:	**£'000**	**£'000**
Individual impairments	-	-
Collective impairments	266	187
	266	**187**
Individual impairment provision:		
Balance brought forward	-	-
Increase recognised in the income statement	-	-
Utilised during the year	-	-
As at 31 December	**-**	**-**

	2024	**2023**
Collective impairment provision:	**£'000**	**£'000**
Balance brought forward	187	104
Increase recognised in the income statement	79	83
Utilised during the year	-	-
As at 31 December	**266**	**187**

17. Other assets

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Trade debtors	143	-	-	-
Prepayments and accrued income	2,003	1,034	1,602	1,034
Other debtors	542	1,378	542	1,378
Rental deposit	110	110	110	110
Research and Development tax relief receivable	239	-	239	-
Amounts due from group companies	-	-	83	-
	3,037	**2,522**	**2,576**	**2,522**

18. Investment in subsidiary

Company	**Investment in subsidiary companies**
Cost:	**£**
At 1 January 2024	10
Additions	-
At 31 December 2024	10
Net book value:	
At 31 December 2024	**10**
At 31 December 2023	**10**

Subsidiary undertakings of the company:

Name	Class of shares	Holding %	Principal activity
Monument Technology Limited (MTL)	Ordinary	59.52%	Software licencing and development

Monument Technology Limited has the same registered office and principal place of business as Monument Bank Limited.

The aggregated value of the share capital and reserves as at 31 December 2024, and of the profit or loss for the year ended on that date for the subsidiary undertaking, was as follows:

	31 December 2024 aggregate of share capital and reserves £'000	31 December 2024 profit/(loss) £'000
Monument Technology Limited	7,887	(1,392)
	7,887	**(1,392)**

19. Non-controlling interests

Non-Controlling Interests (NCI) in the Group's subsidiary:

Subsidiary name	Country of incorporation	Percentage of equity held by NCI %	NCI share of loss for the year £'000	NCI share of total comprehensive income £'000	Accumulated NCI £'000
MTL	UK	40.48%	(454)	-	**3,270**

Movement in non-controlling interests during the year:

Opening NCI balance £'000	Share of profit/(loss) £'000	Share of other comprehensive income £'000	Additional investment by group £'000	Dilution of group ownership £'000	Accumulated NCI £'000
-	(454)	-	-	3,724	**3,270**

20. Tangible fixed assets

Group	Fixtures and fittings	Computer equipment	Total
Cost:	**£'000**	**£'000**	**£'000**
At 1 January 2024	41	278	319
Additions	67	137	204
Disposals	(4)	(25)	(29)
At 31 December 2024	**104**	**390**	**494**
Depreciation:			
At 1 January 2024	24	131	155
Charge for year	18	77	95
Disposals	(4)	(25)	(29)
At 31 December 2024	**38**	**183**	**221**
Net book value:			
At 31 December 2024	**66**	**207**	**273**
At 31 December 2023	**17**	**147**	**164**

Company	Fixtures and fittings	Computer equipment	Total
Cost:	**£'000**	**£'000**	**£'000**
At 1 January 2024	41	278	319
Additions	67	125	192
Disposals	(4)	(25)	(29)
At 31 December 2024	**104**	**378**	**482**
Depreciation:			
At 1 January 2024	24	131	155
Charge for year	18	77	95
Disposals	(4)	(25)	(29)
At 31 December 2024	**38**	**183**	**221**
Net book value:			
At 31 December 2024	**66**	**195**	**261**
At 31 December 2023	**17**	**147**	**164**

21. Intangible fixed assets

Group	Software development
Cost:	**£'000**
At 1 January 2024	16,282
Additions	5,442
At 31 December 2024	**21,724**
Amortisation:	
At 1 January 2024	5,098
Charge for year	3,538
At 31 December 2024	**8,636**
Net book value:	
At 31 December 2024	**13,088**
At 31 December 2023	**11,184**

Company	Software development
Cost:	**£'000**
At 1 January 2024	16,282
Additions	4,507
At 31 December 2024	**20,789**
Amortisation:	
At 1 January 2024	5,098
Charge for year	3,538
At 31 December 2024	**8,636**
Net book value:	
At 31 December 2024	**12,153**
At 31 December 2023	**11,184**

During the year, £2,650,000 (2023: £2,187,000) of staff costs were capitalised. See note 9.

		Carrying amount		Weighted average remaining amortisation period
		2024	2023	
Individual material assets within software development:	**Entity**	**£'000**	**£'000**	**Years**
Front end user interface - (IOS and Android)	MBL	4,694	4,719	2.5
Banking ecosystem	MBL	7,459	6,465	5.1
Banking platform as a service (BPaaS)	MTL	935	-	n/a*

*As at 31 December 2024, the BPaaS had yet to be brought into use.

22. Customer deposits

Group and Company	2024	2023
	£'000	£'000
Instant access	3,204,938	241,381
Notice accounts	1,424,863	188,480
Fixed term deposits	439,923	560,641
	5,069,724	**990,502**

Group and Company	2024	2023
Agreed maturity dates or period of notice by remaining maturity:	£'000	£'000
Not more than three months	4,711,527	565,007
More than three months but not more than one year	322,225	391,079
More than one year but not more than five years	35,972	34,416
	5,069,724	**990,502**

23. Other liabilities and accruals

	2024 Group £'000	2023 Group £'000	2024 Company £'000	2023 Company £'000
Trade creditors	1,251	667	706	667
Other creditors	668	406	857	406
Accruals	1,726	344	1,319	344
	3,645	**1,417**	**2,882**	**1,417**

24. Called up share capital

Allotted, issued and fully paid:

Number of shares	Class	Nominal value	2024	2023
#		£	£'000	£'000
3,924,816	Ordinary	0.01	**39**	**32**

718,271 ordinary shares of 0.01 each were allotted and fully paid for cash during the year.

Ordinary shares are non-redeemable and have attached to them full voting rights, dividend rights and capital distribution (including on winding up) rights.

25. Warrants

We've granted equity-settled warrants to specific investors for nil consideration as part of our fundraising. These warrants give the holders the right to subscribe for ordinary shares at a fixed exercise price in the future.

Group and Company	Number of warrants	Weighted average exercise price
	#	£
Outstanding as at 1 January 2024	**417,889**	**57.00**
Granted	758,699	59.88
Exercised	(48,736)	57.00
Lapsed/expired	(369,209)	57.00
Outstanding as at 31 December 2024	**758,643**	**59.88**

Long stop expiry dates of the warrants outstanding at the balance sheet date:

Number of warrants	Long stop expiry	Exercise price
#	Date	£
561,404	31/12/2027	57.00
197,239	20/05/2029-29/07/2029	68.08

26. Risk management

The main areas of risk the business is exposed to are:

- Credit risk.
- Funding/liquidity risk.
- Interest Rate Risk in the Banking Book (IRRBB).
- Operational risk.
- Capital risk.

Credit risk

Credit risk is the risk of suffering financial loss should borrowers or counterparties default on their contractual obligations to the Bank. All loans are manually underwritten, taking into consideration the specific circumstances of each borrower. Credit risks are managed by the Credit Risk Committee and overseen by the Executive Risk and Compliance Committee.

Loans are secured on properties solely located in the UK and concentration risks are monitored by the Credit Risk Committee. Credit exposures are diversified by geographical sector.

	2024	**2023**
Lending by geographical location value (Group and Company):	**%**	**%**
Greater London	64	75
East of England	10	12
South East	10	8
West Midlands	9	2
North West	4	2
North East	2	1
South West	1	-
Total	**100**	**100**

	2024	**2023**
Lending by loan size (number of loans) (Group and Company):	**%**	**%**
£0-£250k	14	11
£251k-£500k	21	24
£501k-£1,000k	21	21
£1,001k-£2,000k	28	28
£2,001k-£3,000k	8	6
£3,001k-£4,000k	4	5
> £4,001k	4	5
Total	**100**	**100**

	2024	**2023**
Lending by LTV ratio (Group and Company):	**%**	**%**
< 55%	14	16
55-65%	25	42
65-75%	61	42
Total	**100**	**100**

26. Risk management (continued)

Our maximum exposure to credit risk is the carrying value of our financial assets, without taking account of any underlying collateral and contractual commitments, which represent agreements entered into but not advanced, as at 31 December 2024.

	2024	2023	2024	2023
	Group	Group	Company	Company
Assets:	£'000	£'000	£'000	£'000
Deposits at central banks	3,685,561	354,658	3,685,561	354,658
Deposits at other banks	43,495	18,337	36,019	18,337
Loans and advances to customers	173,839	139,689	173,839	139,689
Treasury bills	-	130,102	-	130,102
Covered bonds	527,712	29,490	527,712	29,490
Residential mortgage-backed securities	621,466	293,840	621,466	293,840
Asset-backed securities	78,135	35,404	78,135	35,404
Supranational bonds	-	20,414	-	20,414
Gilts	346	5,343	346	5,343
Derivative financial instruments	1,460	2,423	1,460	2,423
Credit Support Annex (CSA) asset	3,400	4,220	3,400	4,220
Trade debtors	143	-	-	-
Other debtors	542	1,378	542	1,378
Rental deposits	110	110	110	110
Accrued income	156	68	14	68
Maximum exposure to credit risk	**5,136,365**	**1,035,476**	**5,128,604**	**1,035,476**

As at 31 December 2024, the total collateral held against retail lending secured against residential property was estimated to be £283.7 million (2023: £234.3 million).

Credit risk exists with treasury assets where we have acquired securities or placed cash deposits with other financial institutions. No assets are held for speculative purposes.

The credit quality of our on-balance sheet treasury and lending assets:

		2024	2023	2024	2023
		Group	Group	Company	Company
Assets by counterparty credit rating:	**Rating**	£'000	£'000	£'000	£'000
Residential mortgage-backed securities	Aaa/AAA*	614,715	293,840	614,715	293,840
Asset-backed securities	Aaa/AAA*	78,135	35,404	78,135	35,404
Covered bonds	Aaa/AAA*	527,712	29,490	527,712	29,490
Supranational bonds	Aaa/AAA*	-	20,414	-	20,414
Residential mortgage-backed securities	Aa1-Aa3**	6,751	-	6,751	-
Deposits at central banks	Aa3**	3,685,561	354,658	3,685,561	354,658
UK treasury bills and gilts	Aa3**	346	135,445	346	135,445
Deposits at other banks	A1-A3**	11,795	5,318	4,318	5,318
Derivative financial instruments	A1-A3**	1,460	2,423	1,460	2,423
Deposits at other banks	Unrated	35,100	17,239	35,100	17,239
Loans and advances to customers	Unrated	173,839	139,689	173,839	139,689
		5,135,414	**1,033,920**	**5,127,937**	**1,033,920**

Unrated amounts represent funds held at ClearBank.

*Ratings based on either Moody's, S&P's or Fitch's credit ratings.
**Ratings based on Moody's long-term credit rating.

26. Risk management (continued)

Liquidity risk

Liquidity risk is the risk that we won't be able to meet our current and future financial obligations as they fall due, or we're only able to meet them at an excessive cost. Our liquidity is managed by the Assets and Liabilities Committee, with oversight from the Executive Committee.

We've developed comprehensive funding and liquidity policies to ensure we maintain sufficient liquid assets to be able to meet all of our financial obligations and maintain public confidence.

Liquidity stress testing is conducted under a variety of scenarios, covering both normal and more severe market conditions.

Our European Banking Authority Liquidity Coverage Ratio (LCR) at 31 December 2024 was 589% (2023: 1,093%).

Analyses of the contractual undiscounted cash flows of our financial assets and liabilities:

Group 2024	Carrying amount	Less than 3 months	3 months to 1 year	Greater than 1 year but not more than 5 years	Greater than 5 years
Assets:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash and balances at central banks	3,685,561	3,685,561	-	-	-
Loans and advances to credit institutions	46,895	46,895	-	-	-
Loans and advances to customers	173,839	2,515	34,197	155,481	-
Covered bonds	527,712	6,953	19,583	551,793	36,505
Residential mortgage-backed securities	621,466	83,615	161,591	430,618	3,821
Asset-backed securities	78,135	6,000	20,953	57,413	-
Gilts	346	-	1	351	-
Derivative financial instruments	1,460	241	519	766	-
Trade debtors	143	143			
Other debtors	542	542	-	-	-
Rental deposits	110	-	-	110	-
Accrued income	156	156	-	-	-
Total assets	**5,136,365**	**3,832,621**	**236,844**	**1,196,532**	**40,326**
Liabilities:					
Customer deposits	5,069,724	4,719,062	330,444	39,059	-
Trade creditors	1,251	1,251	-	-	-
Derivative financial instruments	573	92	146	342	-
Other creditors	668	668	-	-	-
Accruals	1,726	1,726	-	-	-
Total liabilities	**5,073,942**	**4,722,799**	**330,590**	**39,401**	**-**
Net liquidity gap	**62,423**	**(890,178)**	**(93,746)**	**1,157,131**	**40,326**

26. Risk management (continued)

Liquidity risk (continued)

Company 2024	**Carrying amount**	**Less than 3 months**	**3 months to 1 year**	**Greater than 1 year but not more than 5 years**	**Greater than 5 years**
Assets:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash and balances at central banks	3,685,561	3,685,561	-	-	-
Loans and advances to credit institutions	39,419	39,419	-	-	-
Loans and advances to customers	173,839	2,515	34,197	155,481	-
Covered bonds	527,712	6,953	19,583	551,793	36,505
Residential mortgage-backed securities	621,466	83,615	161,591	430,618	3,821
Asset-backed securities	78,135	6,000	20,953	57,413	-
Gilts	346	-	1	351	-
Derivative financial instruments	1,460	241	519	766	-
Other debtors	542	542	-	-	-
Rental deposits	110	-	-	110	-
Accrued income	14	14	-	-	-
Total assets	**5,128,604**	**3,824,860**	**236,844**	**1,196,532**	**40,326**
Liabilities:					
Customer deposits	5,069,724	4,719,062	330,444	39,059	-
Trade creditors	706	706	-	-	-
Derivative financial instruments	573	92	146	342	-
Other creditors	857	857	-	-	-
Accruals	1,319	1,319	-	-	-
Total liabilities	**5,073,179**	**4,722,036**	**330,590**	**39,401**	**-**
Net liquidity gap	**55,425**	**(897,176)**	**(93,746)**	**1,157,131**	**40,326**

Group and Company 2023	**Carrying amount**	**Less than 3 months**	**3 months to 1 year**	**Greater than 1 year but not more than 5 years**	**Greater than 5 years**
Assets:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash and balances at central banks	354,658	354,658	-	-	-
Loans and advances to credit institutions	22,557	22,557	-	-	-
Loans and advances to customers	139,689	1,403	6,819	154,997	-
Treasury bills	130,102	46,000	86,000	-	-
Covered bonds	29,490	419	1,257	30,021	5,586
Residential mortgage-backed securities	293,840	29,278	98,161	184,907	2,982
Asset-backed securities	35,404	537	6,927	31,525	-
Supranational bonds	20,414	229	907	15,884	7,217
Gilts	5,343	5,003	1	353	-
Derivative financial instruments	2,423	404	1,004	1,166	-
Other debtors	1,378	1,378	-	-	-
Rental deposits	110	-	-	110	-
Accrued income	68	68	-	-	-
Total assets	**1,035,476**	**461,934**	**201,076**	**418,963**	**15,785**
Liabilities:					
Customer deposits	990,502	563,900	400,758	38,510	-
Trade creditors	667	667	-	-	-
Derivative financial instruments	2,178	151	131	2,086	-
Other creditors	178	178	-	-	-
Accruals	344	344	-	-	-
Total liabilities	**993,869**	**565,240**	**400,889**	**40,596**	**-**
Net liquidity gap	**41,607**	**(103,306)**	**(199,813)**	**378,367**	**15,785**

26. Risk management (continued)

Interest rate and basis risk

Interest rate risk is the risk of loss arising from adverse movements in interest rates that cause a mismatch between the rates banks set on client loans and deposits. This risk is managed by derivatives (interest rate swaps) with established risk limits, reporting lines, mandates and other control procedures.

Basis risk is the risk of loss arising from changes in the relationship between interest rates that have similar but not identical characteristics (for example, Sterling Overnight Index Average (SONIA) and the Bank of England's Bank Rate). This is monitored closely and regularly reported to the Assets and Liabilities Committee. This risk is managed by matching, where appropriate and necessary, with established risk limits and other control procedures.

Our forecasts and plans take account of the risk of interest rate changes and are prepared in line with Prudential Regulatory Authority (PRA) guidance.

Our interest rate sensitivity exposure at 31 December 2024 was:

Group 2024	**Within 3 months**	**Greater than 3 but not more than 12 months**	**Greater than 1 year but not more than 5 years**	**Greater than 5 years**	**Non-interest bearing**
Assets:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash and balances at central banks	3,685,561	-	-	-	-
Loans and advances to credit institutions	37,160	-	-	-	9,735
Loans and advances to customers	4,085	28,812	140,942	-	-
Covered bonds	-	-	492,634	35,078	-
Residential mortgage-backed securities	45,718	92,775	477,620	5,353	-
Asset-backed securities	-	977	77,158	-	-
Gilts	-	-	346	-	-
Derivative financial instruments	33	-	1,427	-	-
Trade debtors					143
Other debtors	-	-	-	-	542
Rental deposits	-	-	-	-	110
Accrued income	-	-	-	-	156
Total assets	**3,772,557**	**122,564**	**1,190,127**	**40,431**	**10,686**
Liabilities:					
Customer deposits	4,711,527	322,225	35,972	-	-
Trade creditors	-	-	-	-	1,251
Derivative financial instruments	2	73	498	-	-
Other creditors	-	-	-	-	668
Accruals	-	-	-	-	1,726
Total liabilities	**4,711,529**	**322,298**	**36,470**	**-**	**3,645**

Company 2024	**Within 3 months**	**Greater than 3 but not more than 12 months**	**Greater than 1 year but not more than 5 years**	**Greater than 5 years**	**Non-interest bearing**
Assets:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash and balances at central banks	3,685,561	-	-	-	-
Loans and advances to credit institutions	33,760	-	-	-	2,259
Loans and advances to customers	4,085	28,812	140,942	-	-
Covered bonds	-	-	492,634	35,078	-
Residential mortgage-backed securities	45,718	92,775	477,620	5,353	-
Asset-backed securities	-	977	77,158	-	-
Gilts	-	-	346	-	-
Derivative financial instruments	33	-	1,427	-	-
Other debtors	-	-	-	-	542
Rental deposits	-	-	-	-	110
Accrued income	-	-	-	-	14
Total assets	**3,769,157**	**122,564**	**1,190,127**	**40,431**	**2,925**
Liabilities:					
Customer deposits	4,711,527	322,225	35,972	-	-
Trade creditors	-	-	-	-	706
Derivative financial instruments	2	73	498	-	-
Other creditors	-	-	-	-	857
Accruals	-	-	-	-	1,319
Total liabilities	**4,711,529**	**322,298**	**36,470**	**-**	**2,882**

26. Risk management (continued)

Our interest rate sensitivity exposure at 31 December 2023 was:

Group and Company 2023	Within 3 months	Greater than 3 but not more than 12 months	Greater than 1 year but not more than 5 years	Greater than 5 years	Non-interest bearing
Assets:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash and balances at central banks	354,658	-	-	-	-
Loans and advances to credit institutions	21,459	-	-	-	1,098
Loans and advances to customers	-	2,411	137,465	-	-
Treasury bills	45,739	84,363	-	-	-
Covered bonds	-	-	24,433	5,057	-
Residential mortgage-backed securities	20,674	61,074	204,863	7,229	-
Asset-backed securities	951	-	34,453	-	-
Supranational bonds	-	-	13,207	7,559	-
Gilts	4,998	-	345	-	-
Derivative financial instruments	22	244	2,157	-	-
Other debtors	-	-	-	-	1,378
Rental deposits	-	-	-	-	110
Accrued income	-	-	-	-	68
Total assets	**448,501**	**148,092**	**416,923**	**19,845**	**2,654**
Liabilities:					
Customer deposits	565,007	391,079	34,416	-	-
Trade creditors	-	-	-	-	667
Derivative financial instruments	107	336	1,735	-	-
Other creditors	-	-	-	-	178
Accruals	-	-	-	-	344
Total liabilities	**565,114**	**391,415**	**36,151**	**-**	**1,189**

There were no off-balance-sheet items in 2024 or 2023.

We actively manage our exposure to IRRBB. One of the key metrics we use to assess interest rate risk is the Economic Value of Equity (EVE) sensitivity, which measures the impact of interest rate movements on the present value of future cash flows of assets and liabilities.

At the reporting date, the impact of a +200 bps parallel shock would result in a £700,000 (2023: £126,000) increase in economic value, while a -200 bps shock would result in a decrease of £718,000 (2023: £130,000).

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with our processes, personnel, technology and infrastructure, as well as from external factors other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risk arises from all the Bank's operations.

Our objective is to manage operational risk to balance the avoidance of financial loss and damage to the Bank's reputation with overall cost-effectiveness and innovation. Bank policy requires compliance with all applicable legal and regulatory requirements.

The Board of Directors has delegated responsibility for operational risk to the Executive Risk and Compliance Committee, which is responsible for the development and management of controls to address operational risk.

Compliance with standards is supported by a programme of periodic reviews undertaken by our internal auditors. The results of internal audit reviews are discussed by the Audit Committee.

The operational resilience self-assessment has been updated ahead of the regulatory 31 March 2025 deadline. This included a full refresh of Important Business Services (IBS) and associated impact tolerances, enhancements to the mapping of each IBS and further scenario testing and updated lessons learned. No material vulnerabilities were identified and therefore we can demonstrate that the Bank can operate within impact tolerances.

Capital risk management

Our objective in managing our capital is to maintain appropriate levels of capital to support our business strategy and meet regulatory requirements, including holding capital for undrawn credit lines.

Our capital resources are comprised of a minimum of 75% CET1 and a maximum of 25% Tier 2 regulatory capital (any Tier 2 capital that's more than 25% of the total capital is considered ineligible for capital purposes).

26. Risk management (continued)

We manage our capital under the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (together referred to as CRDIV). The framework is enforced by the Prudential Regulatory Authority (PRA), which sets and monitors our capital requirements.

The PRA's approach to the measurement of capital adequacy is primarily based on monitoring the relationship of the capital resources requirement to the available capital resources. The PRA sets the Total Capital Requirement (TCR) for each bank in excess of the minimum resources requirement of 8%. Key to the TCR-setting process is our Internal Capital Adequacy Assessment Process (ICAAP).

Our policy is to maintain a strong capital base to maintain investor and market confidence and to sustain the Bank's future development.

We've chosen to use the standardised approach for credit risk. Under CRDIV, we must set aside 8% of our total risk-weighted assets to cover its Pillar 1 capital requirements. We must also set aside additional Pillar 2 capital to provide for additional risks. This is calculated by multiplying the Pillar 1 capital by the TCR ratio. The TCR ratio is based on the various risks the Bank faces and is agreed by the PRA. Our capital base exceeded the minimum required under the TCR throughout the year.

As at 31 December 2024, our capital base was made up of £56.3 million of Tier 1 capital (2023: £28.0 million). Our regulatory capital consists of the following:

	2024	2023
Regulatory capital:	**£'000**	**£'000**
Ordinary share capital and share premium	129,967	87,491
Available-for-sale reserve less PruVal adjustment	(1,440)	82
Accumulated losses	(60,050)	(48,353)
Deductions: intangible assets	(12,153)	(11,184)
Total Tier 1 capital	**56,324**	**28,036**

Fair value hierarchy

The level in the fair value hierarchy, within which the financial asset or financial liability is categorised, is determined based on the lowest level input that is relevant to the fair value measurement. Financial assets and liabilities are classified in their entirety into one of the three levels. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (such as prices) or indirectly (such as those derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The objective of the valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Group and Company	**2024**	**Level 1**	**Level 2**	**Level 3**
Financial instruments measured at fair value:	**£'000**	**£'000**	**£'000**	**£'000**
Covered bonds	527,712	527,712	-	-
Residential mortgage-backed securities	621,466	621,466	-	-
Asset-backed securities	78,135	78,135	-	-
Derivative financial assets	1,460	-	1,460	-
Derivative financial liabilities	(573)	-	(573)	-

Group and Company	**2023**	**Level 1**	**Level 2**	**Level 3**
Financial instruments measured at fair value:	**£'000**	**£'000**	**£'000**	**£'000**
Treasury bills	130,102	130,102	-	-
Covered bonds	29,490	29,490	-	-
Residential mortgage-backed securities	293,840	293,840	-	-
Asset-backed securities	35,404	35,404	-	-
Derivative financial assets	2,423	-	2,423	-
Derivative financial liabilities	(2,178)	-	(2,178)	-

27. Commitments under operating leases

Minimum lease payments under non-cancellable operating leases fall due as follows:

Group and Company	**2024**	**2023**
	£'000	**£'000**
Within one year	167	183
Between one and five years	225	392
	392	**575**

During the year, £235,000 (2023: £183,000) was recognised as an expense in the statement of profit and loss in respect of operating leases.

28. Post balance sheet events

Further capital investments in cash amounting to £2,076,000 were received by the Bank post year end.

These capital investments, in addition to the shares to be issued held at the balance sheet date and 31,864 exercised CSOP options were allotted on 31 March 2023. The total number of ordinary shares issued was 61,373.

On 9 April 2025, the Company announced a restructure resulting in a provision of £500,000 being made. This is a non-adjusting post balance sheet event.

29. Related party transactions

Monument Technology Limited is a subsidiary of Monument Bank Limited.

At the year end, Monument Bank Limited was owed £83,000 by Monument Technology Limited.

30. Ultimate controlling party

There is no ultimate controlling party.