

Annual Report 2025

and Financial Statements for the year
ended 31 December 2025



Monument Bank Limited
Company registration number: 10921940

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Company information

DIRECTORS:

F Pollard
K Kalban
H Mishr
A Piranie
I Rand
C Ashton
S Vig
S Friedlos (ceased as a Director 31 December 2025)
A Likierman (ceased as a Director 30 June 2025)
C Richardson (ceased as a Director 5 December 2025)
M Morley (appointed as a Director 25 February 2025)
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 also referred to in this document as the “Company”, “Bank” or “Monument”, our “Group” which includes its subsidiaries) for the year ended 31 December 2025.

Chair’s statement

Dear Shareholders,

Banking is ultimately a trust business. In 2025, Monument earned more of that trust: from new and existing clients who chose to place their savings with us, from partners who continued to support our lending proposition, and from colleagues who delivered at pace while we kept a disciplined focus on capital and costs.

We operate in a market which is large and attractive, and changing rapidly. Inflation continued to moderate during the year, and interest rates continued to decrease. This benefitted savers through intensified price competition. For challenger banks, it tested the strength of the franchise and proposition. Against that backdrop, Monument maintained momentum while making careful choices about where to invest and how to meet competitive pressures. We passed meaningful milestones in our deposits and lending businesses, and we strengthened our path to sustainable profitability.

We also continued to invest in the technology and people needed to build a dynamic, highly scalable, and well-governed bank for the long term. Our progress was reflected in Monument winning numerous awards and tremendous independent industry recognition for our products and services, our growth rate, and our workplace culture.

The external environment

During 2025, the operating environment remained complex. Many households continued to feel cost-of-living pressures even if headline inflation eased. Competition for savings remained intense, and margin pressure was a feature of the recent cycle. Confidence across the UK economy in the second half of 2025 was tempered by continued policy uncertainty as the UK Government developed and communicated its policy agenda. At the same time, the regulatory direction in the UK became more explicitly pro-growth, with greater emphasis on competitiveness and proportionality for growing banks. For Monument, this reinforces two priorities: maintaining a proactive and transparent engagement with our regulators, and continuing to prove that a well-governed, rapidly growing challenger digital bank can support both its clients and the wider UK economy.

Strategic progress and the foundations we have built

The Board is pleased with the progress made in 2025. Monument continued to deepen its savings franchise, ending the year with savings balances of £7.7 billion and an active client base of over 106,000. On the asset side, we further scaled our lending engine and grew our portfolio of risk-weighted assets to approximately £1.9 billion, of which £323 million was direct lending. We are very pleased to have progressed our Lombard lending proposition (a form of lending secured against clients’ investment portfolios) through a growing network of wealth management partners which we are seeking to scale meaningfully over the coming months and years. In addition, we continued to develop additional fee-based income streams through new products.

Importantly, this progress was delivered through disciplined focus. The Board’s role is to oversee Monument’s growth, always in a thoughtful and sustainable manner, with a focus on strong client outcomes and a driven culture that supports long-term value creation. We have continued to strengthen the Board and its committees with new appointments, and we remain focused on maintaining the highest standards of governance as the business continues to rapidly scale.

Technology and overseas expansion

Technology remains central to Monument’s proposition and operating model. It enables the combination of a modern digital experience with high-quality human service, leveraged by AI and other cutting-edge technologies.

Our research shows us that this combination is highly valued by the community of 8 million mass-affluent UK households we seek to serve. This high-capability technology foundation also frees our teams from routine work and allows us to focus more time on the high-value features and moments that truly matter to our clients.

Our technology subsidiary, Monument Technology Limited (MTL), continues to make excellent progress in leveraging the strategic value of the platform we have built. MTL is expanding its capabilities further to implement its banking-platform-as-a-service for its first client, Ecology Building Society, and has recently secured its second client, Castle Trust Bank, and is working with potential new clients across the Middle East. MTL offers a pathway to create innovative technology, build significant equity value, and deliver additional revenue streams to Monument Bank over time.

During 2025, we also took steps to position Monument for selective international expansion. The incorporation of Monument International Development Holdings (Pte) Limited (MIDH) in Singapore provides a structure through which we can explore overseas opportunities. Our near-term work is focused on regulatory engagement and preparing launch readiness in the Gulf Corporation Council (GCC), with India identified as the next near-term priority.

Capital, shareholders and the year ahead

During the year, we progressed our Series C2 funding round, with a total of £49.2m of capital raised by Feb 2026. We are grateful for the continued support of our shareholders. This provides a strong platform from which to execute the next phase of our strategy and to prepare for our next stage of funding as we continue to scale rapidly while deepening and broadening our product and service offerings.

Looking ahead, my focus as Chair is to ensure that Monument continues to balance ambition with discipline. The Bank will invest in developing strategic new propositions that will broaden and deepen our client relationships and maintain the governance controls that underpin the trust we have earned. The foundations are strong, there remains significant and exciting work to be done, and the Board is confident in the opportunities ahead and in our team who will continue to execute exceptionally.

On behalf of the Board, I would like to thank our clients for their trust, our shareholders and partners for their continued support and our people for their hard work and commitment.

DocuSigned by:

Fiona Pollard

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Fiona Pollard CBE
Chair of the Board

22-Apr-26

Chief Executive Officer's statement

Dear Shareholders, Colleagues and Partners,

Monument exists for a simple reason: mass affluent clients deserve better than a patchwork of siloed financial products and fragmented experiences. Many people with complex financial lives can see their current account in one place, their savings in another, their pensions somewhere else, and their lending and investments across multiple providers. These each come with different interfaces and different service models. The outcome is often the opposite of “wealth management”: it is “complexity management” that takes up valuable time and energy.

Our ambition is to build a connected wealth platform, a single place where clients can understand their personal balance sheets and use banking and lifestyle services to plan, grow, protect and enjoy their wealth. Our goal is to combine elegant digital capability with the peace of mind that comes from responsive human-led service, and to do that in a way that is safe and scalable.

2025: A year of momentum and discipline

2025 was another year of strong progress. We ended the year with more than 106,000 active clients, £7.7bn of savings balances and a total loan book of £323m. During the year we moved closer towards sustainable profitability, including our first months of underlying EBITDA breakeven. This was achieved amid intense competition in the UK savings market and a continued backdrop of macro-economic uncertainty.

The year also reinforced an important point: growth only matters if it builds the right kind of client base. We are not trying to win new clients with short-term promotions. We focus on building straightforward products that create fair value and deliver client service that earns advocacy.

We also received valuable independent recognition during the year. This included being named amongst the fastest growing FinTech firm in the UK by Sifted 250 and the Best UK Savings Provider at the British Banking Awards. This is recognition matter because they signal that we are building something unique and durable.

What we were most proud of in 2025

Client trust, earned daily

The clearest proof of our success is our clients' behaviour and loyalty. More clients chose to place their savings with Monument, and our retention remained strong even as rates decreased and competitors fought aggressively for deposits. That is the result of combining strong products with service that treats clients' time, money, and needs with respect. This trust is also reflected in consistently high client advocacy measures, including ending the year with a Trustpilot score of 4.8 out of 5.

A more resilient earnings engine

We strengthened the foundations of our business model. Our core savings franchise continued to scale. On the asset side, we expanded our capital-efficient forward-flow lending engine, and we continued to develop our Lombard lending proposition in partnership with wealth managers. We also advanced the planning of the next layers of our proposition, including a deepened Lifestyle offering and an Investments platform for our clients. Our long-term opportunity is not simply to be a great savings bank, but to build deeper relationships and increase lifetime value in a way that improves client outcomes.

Significant progress for Monument Technology Limited (MTL)

MTL made significant progress during 2025. It is in the final stage of completing its first client deployment for Ecology Building Society. In addition, it has commenced the implementation of its second client, Castle Trust Bank, and is already working with potential clients outside the UK as it continues to build a broader client pipeline. The strategic significance to the Bank is clear: it validates the quality of what we have built and creates the potential for capital-light growth and revenue diversification, as well as creating the optionality to use broader product capabilities over time.

A culture capable of scaling

High growth can dilute an organisation's culture, which is why we worked hard to do the opposite. During the first half of the year, we reshaped parts of our operating model and aligned our cost base with our strategic priorities. We implemented these changes thoughtfully and with support for colleagues. We also launched and embedded a refreshed set of cultural values to be clear on what behaviours and values will enable us to scale rapidly and bring our vision to life. We were proud to be recognised, for the second year running, by The Sunday Times Best Places to Work ranking, not as an end in itself, but as proof that we are building a culture where colleagues can thrive and perform at their best over the long term.

AI with purpose and safeguards

In 2025, we embedded AI-tools across Monument as core part of how we work, with a focus on tangible impact and safe deployment. We also expanded applied AI use cases across operations and fraud detection, improved productivity and copy-writing, and accelerated software delivery quality. Our next focus is to deepen AI-assisted quality assurance in client servicing and develop AI-powered analytics that help clients make better financial decisions, always aligned to strong governance and risk controls.

Looking forward: the next stage of Monument

Monument's opportunity is substantial and our priorities for 2026 are clear: deepen our core products, broaden our value proposition, and extend our reach, while maintaining discipline on capital and costs.

Deepen our core products

We will continue to strengthen our position in premium savings through product innovation and prudent balance sheet management as the interest rate environment evolves. We will continue to invest in our client servicing capabilities to meet our clients' trust and expectations, both through human-led service and also efficient digital self-service tool for routine queries. Our North Star is that client should never *need* to contact us, but only *want* to contact us. We will also continue to scale lending in a way that is resilient and consistent with our risk appetite, building on the ecosystem we have already created with forward-flow and Lombard partnerships.

Broaden our value proposition

Our long-term ambition is to provide our clients with a fully connected wealth and lifestyle experience. In 2026 we will broaden our proposition through our "Monument Frontiers" product innovation framework, to deepen client relationships and diversify income. This includes (i) building our Investments proposition to enable clients to access investments portfolios through selected wealth partners; (ii) developing innovative ways for our clients to borrow directly in-app; (iii) deepening our Lifestyle proposition through hyper-personalisation, transactional Concierge service, and more interactive features; and (iv) extending the 360 Net Worth and data capabilities which will allow clients to see and understand their personal balance sheet in one place and to support them to take actions that help them save, grow and live.

We will also invest with discipline in strengthening and automating our core operational capabilities, to ensure we are able to deliver on our ambitious growth plans for 2026 and beyond.

Extend our reach

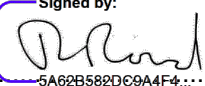
The UK remains our core focus and represents a substantial opportunity in its own right. However, the international opportunity is even larger: independent analysis estimates that the global mass-affluent segment holds c.£80 trillion of investable wealth, of which c.£9 trillion is held in the UK. Against that backdrop, during the year we laid the groundwork for selective international expansion through MIDH in Singapore. Our near-term focus is to build launch-readiness in the GCC region, with a particular focus on Dubai through the Dubai International Financial Centre (DIFC), with India being the next medium-term priority. The objective is to explore and leverage the geographical “corridor” through which our proposition and platform can travel, to enable us to better serve our clients across markets and capture opportunities created through their international lifestyles and financial needs. We expect MTL to provide the technology support needed for the expansion of MIDH internationally, as well as developing its own client pipeline in overseas markets.

Closing thoughts

2025 marked an important inflection point for Monument. We demonstrated a strong product-market fit in premium savings and lending, built a growing client franchise, and put in place the foundations of a broader connected wealth platform. We have done so while strengthening our operating discipline and progressing towards sustainable profitability.

We are now entering the next stage of growth. The theme of 2026 will be to build and deliver a huge leap towards our product vision. We will continue to deepen our client relationships, build brand awareness, and broaden the product set in a carefully sequenced way. Building a connected wealth experience, tailored for the underserved mass affluent, is a deliberate and long-term endeavour. I am excited by the opportunity ahead and inspired by the exceptional team we are continuing to build to bring this vision to life.

I am proud of what our colleagues achieved in 2025. I would like to thank them all for their commitment and relentless focus on doing the right thing for our clients. I am also grateful to our shareholders and Board members for their continued support, and to our partners for the trust they place in Monument. Together, we are building something unique, and we are entering 2026 with clear priorities and significant ambition for the years ahead.

Signed by:

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Ian Rand
Chief Executive Officer

22-Apr-26

Detailed financial review

Income statement

Income statement	2025	2024	Change	
	£'000	£'000	£'000	%
Interest income	279,350	148,993	130,357	87%
Interest expense	(256,155)	(136,868)	(119,287)	-87%
Net interest income	23,195	12,125	11,070	91%
Net fee income	(2,884)	218	(3,102)	-1,425%
Net (losses)/gains from derivative financial instruments	(877)	1,726	(2,603)	-151%
Other operating expense	(628)	(185)	(443)	-240%
Total net income	18,806	13,884	4,922	35%
Administrative expenses	(37,473)	(28,522)	(8,951)	-31%
Impairment charge on loans and advances	(742)	(79)	(663)	-842%
Operating loss before taxation	(19,409)	(14,717)	(4,692)	32%
Taxation	-	239	(239)	-100%
Loss for the financial year	(19,409)	(14,478)	(4,931)	-34%

Summary

Towards the end of 2025 the Bank achieved our first month of EBITDA break-even. This milestone was reached despite significant net interest income headwinds arising from four 25-basis-point reductions in the Bank of England (BoE) base rate during the year.

The loss for the year increased to £19.4 million (2024: £14.5 million), primarily reflecting continued strategic investment in technology, product development and operational capability, alongside margin compression from rate reductions and competitive savings pricing.

Our cost-to-income ratio improved to 185% (2024: 231%), reflecting revenue growth and disciplined cost management as we scaled the business.

Net interest income

Net interest income increased by £11.1 million (91%) underpinned by our strong balance sheet growth.

Continued deposit growth and the ongoing build-out of lending resulted in a higher proportion of balances held at the BoE, which generate a lower Net Interest Margin (NIM) than lending and treasury assets. As a result, overall NIM reduced to 0.36% (2024: 0.39%). This was further impacted by four BoE rate reductions during the year and competitive savings pricing.

Interest income

Interest income increased by £130 million (87%) driven primarily by:

- £110 million increase in BoE reserve interest
- £12 million increase in treasury asset income
- £9 million contribution from lending

Lending growth was mainly driven by forward flow bridging, which expanded over the course of the year through increased activity with two partners. The Buy-to-Let (BTL) portfolio remained stable and is expected to roll off from the end of 2026, to be replaced by higher-yielding assets including forward flow bridging and other lending opportunities.

The treasury portfolio continued to be actively managed to optimise balance sheet efficiency, maintain appropriate hedging and deliver stable yields. This portfolio also provides flexibility to maximise returns as we continue to raise capital.

Interest expense

Interest expense increased by £119 million (87%), primarily driven by a 110% increase in average deposit volumes to £6.4 billion in the year (2024: £3.0 billion). This was partially offset by the impact of BoE rate cut reductions.

There were four 25bps BoE rate reductions in 2025 (2024: two reductions). Due to the 14-day customer notice period, there is a timing lag between base rate reductions and repricing of deposits, which temporarily compresses margin. This lag effect is an industry wide dynamic.

Net Fee income

Net fee income decreased to £2.9 million expense (2024: £0.2 million income) driven largely by forward flow servicing and deposit aggregator fee expenses, offset partly by MTL licensing and implementation fee income. In Bank, the fee and subscription income streams remain in the early stages of development. During 2026 the Bank is investing in a number of strategic initiatives to broaden and enhance its product offering.

Operating expenses

Total operating expenses increased by £9 million (31%). MTL added additional expenses of £3.9 million as it accelerated development for future delivery through investment in staff and technology software.

The Bank's remaining cost base increased by £5.1 million. Investment in staff and technology software contributed £3 million and £0.9 million respectively as the Bank built out its digital offering. The Group average headcount increased to 135 (2024: 103) primarily reflecting continued growth in MTL, while Bank maintained a stable year-end headcount through disciplined cost management. The remaining increase was mainly driven by additional £0.6 million in regulatory fees as a result of increased size of the business, and higher amortisation and depreciation of £0.8 million.

The Group plans to increase investment in 2026 to support initiatives to build out new product capability and future revenue streams, along with operational scaling. This will enable the Bank to both deliver on strategy and drive accelerated growth of the business across the plan.

Balance sheet and regulatory metrics

Balance sheet metrics (Group)	2025	2024	Change	
	£'000	£'000	£'000	%
Cash at BOE & Other Banks	5,741,856	3,732,457	2,009,399	54%
Treasury bills	69,051	-	69,051	n/m
Treasury Assets	1,621,079	1,227,659	393,420	32%
Loans	322,771	173,839	148,933	86%
Total Interest-bearing assets	7,754,757	5,133,954	2,620,803	51%
Customer deposits	7,661,982	5,069,724	2,592,258	51%

Regulatory metrics (Group)	2025	2024	Change	
	£'000	£'000	£'000	%
Common Equity Tier 1 capital	84,212	56,324	27,888	50%
Counterparty and credit risk RWAs	413,842	270,331	143,511	53%
Operational risk RWA	11,509	9,755	1,754	18%
Credit valuation adjustment RWA	753	1,670	(917)	-55%
Total RWAs	426,104	281,756	144,348	51%
Core Equity Tier 1 % (CET1)	20%	20%	n/a	-
Leverage ratio	4.1%	3.9%	n/a	0.2ppt
Liquidity coverage ratio	576%	589%	n/a	(13ppt)
Net stable funding ratio	694%	560%	n/a	134ppt

Customer deposits

During the year, our deposit book maintained strong growth in a competitive market, to £7.7 billion by year end (2024: £5.1 billion). This growth was driven by our competitive pricing, and new cash ISA and bonus product offerings. We also increased our funding through deposit aggregators. Direct deposit products contributed approximately 73% of growth in the year, with aggregators contributing approximately 27%.

Cash

Cash at the BoE and other banks grew to £5.7 billion (2024: £3.7 billion). We maintained a balance in other banks to manage intra-day liquidity. Our regulatory liquidity metrics remain high. Liquidity coverage ratio of 576% (2024: 589%) and net stable funding ratio of 694% (2024: 560%).

Lending and treasury assets

On the lending side, the forward flow bridging portfolio has increased to £189 million (2024: £35 million), through two forward flow partners. Lombard lending also commenced towards the end of 2025 (£2 million year-end balance), and remains a key focus for 2026. Similar to last year, our treasury asset portfolio has been utilised to maximise yield, following capital raised throughout the year, while our lending portfolio builds up. This increased capacity has been managed prudently while remaining comfortably within our regulatory limits at all times. Treasury assets were £1.6 billion at year end (2024: £1.2 billion).

Capital and liquidity

The Series C2 funding round raised a total of £49.2 million (gross proceeds, before share issuance costs), comprising £1.6 million in December 2024, £44.6 million in 2025, and £3.0 million in the first quarter of 2026.

Capital raising will continue throughout 2026, ensuring we are well-funded to execute our strategic initiatives and drive continued balance sheet expansion.

We maintain a strong capital position, comfortably above regulatory requirements. The CET 1 ratio at year end was 20% (2024: 20%).

The Group continues to monitor developments relating to Basel 3.1 and the Small Domestic Deposit Takers (SDDT) regime, and has incorporated the expected requirements into its planning in advance of the 1st January 2027 implementation date.

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 can 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 Practice (GAAP) measures, which readers should also consider.

Earnings before interest, tax, depreciation & amortisation (EBITDA)

Loss after tax, adding back interest, tax, depreciation/amortisation.

	2025	2024
	£'000	£'000
(Loss) after tax (a)	(19,409)	(14,478)
Add back:		
Interest (b)	-	-
Tax (c)	-	(239)
Depreciation & Amortisation (d)	4,530	3,634
EBITDA = (a) + (b) + (c) + (d)	(14,879)	(11,083)

Net Interest Margin (NIM)

Net interest income divided by average interest earning assets for the period.

	2025	2024
	£'000	£'000
Net interest income (a)	23,195	12,125
Average interest earning assets ¹ (b)	6,444,356	3,082,726
NIM = (a) / (b)	0.36%	0.39%

Cost/income ratio (CIR)

Administrative expenses divided by net interest income plus net fee income.

	2025	2024
	£'000	£'000
Administrative expenses (a)	37,473	28,522
Net interest income plus net fee income (b)	20,311	12,343
CIR = (a) / (b)	185%	231%

¹ 2025 average = Average of balances at 31 December 2025 and 31 December 2024

2024 average = Average of balances at 31 December 2024 and 31 December 2023

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) is 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 are redefining the financial experience for the UK's ~8m million mass-affluent households, a market that holds 74% of the nation's wealth and represents a large and underserved community of professionals and entrepreneurs who value both their wealth and their time.

2025 was a year of continued progress for Monument. We continued to strengthen our core savings franchise, growing our total deposit balance to £7.7bn, and increased our focus on building a trusted brand through targeted marketing campaigns and deepening client loyalty. We were also encouraged by external industry recognition during the year, including being recognised as the fastest growing FinTech firm in the UK and the best UK savings provider. We are especially proud of the latter, which was voted for by our clients.

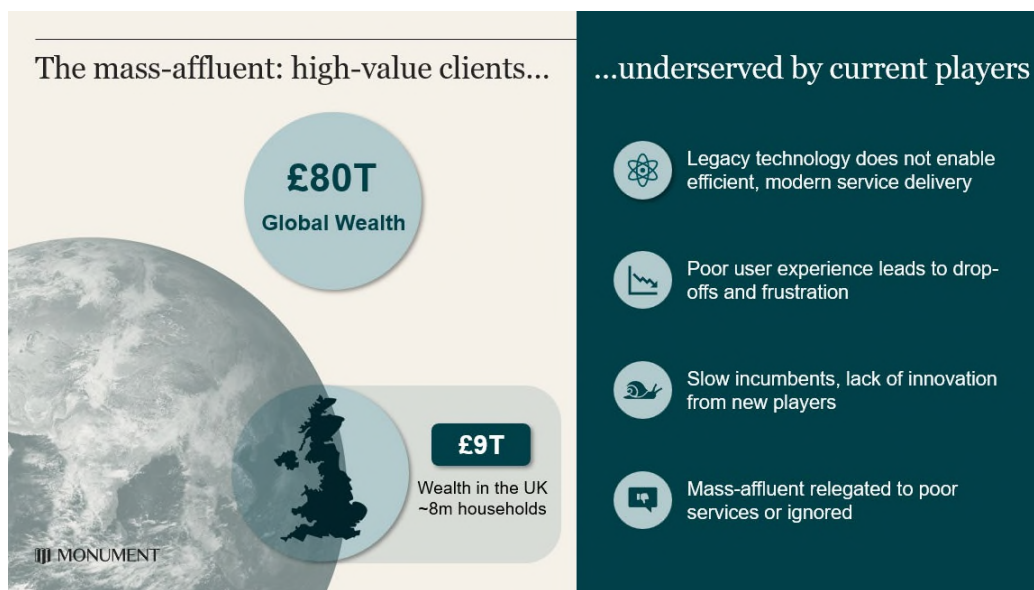
The fact that we managed to grow our client base to over 106,000 active clients and maintain high client satisfaction, as evidenced by our Trustpilot rating of 4.8, reinforces our conviction that our strategy is the right one for delivering exceptional client service and cementing our reputation as the mass-affluent's bank of choice.

For our clients, wealth is a means to an end: protecting what matters, planning with confidence, and making time for the priorities that truly matter to a life well lived. That perspective shapes how we build and serve our clients at Monument. Our role is to help clients put their money to work while removing frictions from everyday financial management, combining market-leading products and simple digital journeys with personal human support.

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 are too sophisticated for retail banking, yet often below the wealth threshold for traditional private banking services.

Independent research estimates that the UK mass-affluent clients hold a total wealth of c.£9tn, underlining the scale of the opportunity to serve this segment via a modern, digital-first banking proposition paired with high-quality human support. For these clients, time is as valuable as money. They want a financial partner that can help them protect their family's future, grow their wealth with confidence, and plan for the long term. Too often, they are offered either mass-market solutions that are too generic for their needs, or they need tailored private-banking models that are out of their reach. This leaves a clear market gap for a more tailored approach, a need which our strategy is determined to meet.



Business model

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 are 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.

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 a range of financial goals, whether it's funding a child's education, buying a new home, or planning for retirement. Clients can choose from Fixed Term Deposits, Easy Access Accounts (including ISAs) and Notice Accounts to achieve their aspirations.

During 2025, we continued to refine and expand this proposition, including new and enhanced savings options and promotional features such as bonus-rate offers to support new client acquisition and a loyalty reward programme designed to support retention through a changing interest rate environment. We added a highly requested feature that enables clients to transfer cash ISAs from other providers into their Monument ISA. We also strengthened awareness of Monument through targeted marketing and increased advocacy from existing clients, supported by a client referral programme.



We generate net interest income by investing surplus deposits in high-quality treasury assets, in line with our Financial Risk Management Policy, and holding cash at the Bank of England. In addition, we are growing our interest-earning assets through partnerships, including forward-flow arrangements with specialist originators, supporting efficient capital deployment and diversification in line with our risk appetite.

We are also developing secured lending propositions such as Lombard lending, which provides clients with access to credit secured against their investment portfolios. This is a product which is often reserved for the ultra-wealthy, provided by Private Banks; a product we believe our community should also benefit from. This supports wallet share and net interest margin growth, with risk managed through appropriate collateral structures and control. The Lombard lending proposition is delivered through a specialist partner ecosystem that serves wealth managers and investment firms managing in excess of £100bn of assets under management.

2. Membership ecosystem – fee income

Building and maintaining wealth can be daunting, particularly when people lack a clear view of their financial progress and must juggle multiple platforms and tools to feel in control of their financial future. The outcome is often the opposite of “wealth management”: it is “complexity management” that takes up valuable time and energy.

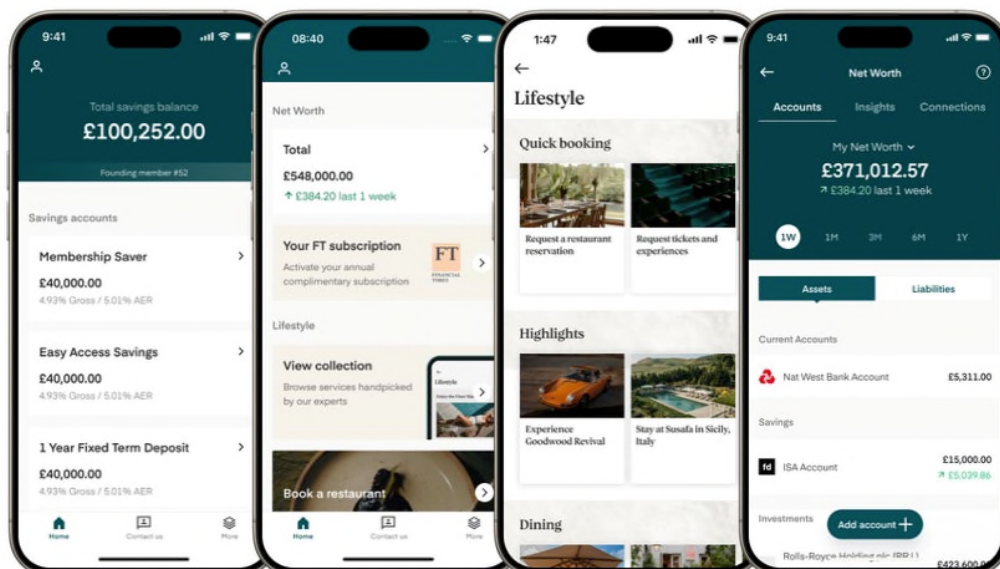
Monument is developing a range of propositions that sit at the heart of our ecosystem which represent a core differentiator in the market. These propositions bring together clients’ financial lives and lifestyle needs through carefully selected services and partnerships selected for convenience and relevance to the UK mass-affluent community.

We launched Monument Membership in late 2024 to differentiate ourselves through a proposition that combines elements of traditional banking with wealth technology, financial planning and private banking-style client benefits. Our aim to deliver the service and support that mass-affluent clients value in a human-led way, while leveraging the latest technologies to deliver this service in the most efficient and convenient manner.

During 2025, we focused on targeted enhancements to strengthen and refine the Membership proposition. We expanded the Membership ecosystem so that clients can connect accounts from more than 100 providers, improving visibility of their overall financial position. Within Lifestyle and Concierge, we continued to evolve the proposition based on member feedback and research. We streamlined and refreshed the Lifestyle catalogue to focus on the categories members value most and to strengthen premium brand alignment.

We also expanded the Monument Concierge service and implemented a scalable operating model that is technology- and AI-enabled, but human-led. Concierge provides high-quality personalised support across areas such as dining, travel, experiences and itinerary planning. This is enabled through improved app navigation, curated categories, and editorial content designed to encourage discovery and help clients make the most of their limited free time. This human touchpoint is a key differentiator and continues to generate strong member feedback, reinforcing our service quality commitment.

Our goal is to create a service that competes with, or exceeds, private banking quality and client benefits beyond financial products, at a price point that’s accessible and appealing to the mass affluent. As some incumbents reduce comparable services, we believe our propositions provide a scalable, differentiated platform for growth, aligned with our premium brand positioning.



3. Technology licensing – Banking-Platform-as-a-Service (BPaaS) income

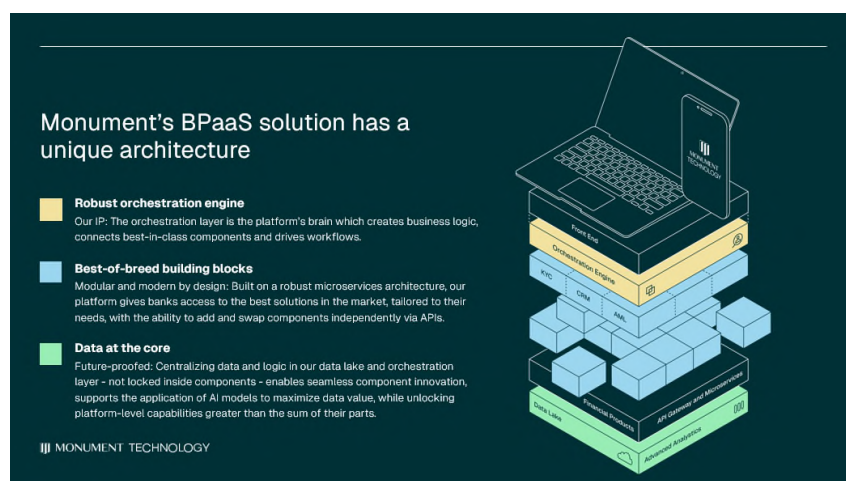
Technology underpins Monument's ability to deliver an exceptional client experience, scale efficiently, and innovate rapidly. Over recent years we have built a modular, cloud-native platform designed for mobile-first journeys, and resilient end-to-end banking operations. The platform has been built to operate in a regulated environment. The platform is designed to be configurable and to integrate with specialist third parties, enabling capabilities to be deployed safely and efficiently. The platform's capabilities have been validated through external third-party due diligence and have attracted interest from financial institutions in the UK and overseas who are exploring banking platform-as-a-service solutions.

To capitalise on this opportunity, we established Monument Technology Limited (MTL), an independently managed technology subsidiary which, underpinned by our technology, licences its banking platform to other financial institutions. Through MTL we:

- **Licence a banking platform** on a BPaaS basis, providing a modular and configurable solution that supports end-to-end banking capabilities.
- **Support implementation and ongoing operations**, including configuration, managed services, and future product development.
- **Build recurring revenue streams** that grow equity value and help us reinvest in our platform as well as accelerate innovation across the Group.

In 2025, MTL implemented its platform with its first client, Ecology Building Society, which is ready for early 2026 go-live. It also expanded its commercialisation activities through an expanded client pipeline and paid-for discoveries with clients in the UK and overseas, as well as broadening the platform's capabilities, scalability and resilience.

The Bank and MTL teams work closely together while remaining operationally independent. This structure allows MTL to pursue BPaaS business opportunities in their own right, while enabling the Group to benefit from shared technology innovation, scalability beyond the UK and, over time, a diversified recurring revenue stream and a valuable equity holding in MTL. MTL's progress was externally recognised in 2025 as the Banking Tech Start-Up of the Year through independent industry awards, reflecting the quality of the platform and the team.



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.
- **From product verticals to an interconnected wealth system:** Helping clients understand where they are today, plan for tomorrow and execute with peace of mind is the essence of Wealth Management.
- **Exceptional service:** Support is always at hand yet never intrusive thanks to our balanced model of digital tools and human expertise.
- **Security and resilience:** We maintain robust controls and monitoring to protect our clients and their assets, including advanced cyber security and AI-powered fraud detection capabilities.

Understand today, plan for tomorrow, execute with peace of mind – and focus on what matters

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, designed to give clients greater clarity and control over their finances. It aggregates a broad view of their assets and accounts in one place, reducing reliance on personal spreadsheets and multiple apps for different accounts. Our proposition is to help clients understand where they are today and make more informed decisions with confidence so they can focus on the things that truly matter.

We go beyond banking. Monument Lifestyle simplifies both the essential and the enjoyable, whether it's financial planning, health, travel or family, helping clients make the most of their time and money. Through services, such as Concierge, we deliver personalised and interactive experiences, building stronger relationships with our clients and establishing ourselves as a convenient and time-saving resource in their busy lives.

Client service is at the core of Monument

Exceptional client service is what Monument is built on. We blend digital innovation with a human connection to exceed expectations. This can be seen in our:

- **Dual support model:** Empowering clients through digital tools while providing human support.
- **Client advocacy:** Our client feedback and Trustpilot reviews reflect our clients' satisfaction and advocacy. We ended the year with a Trustpilot rating of 4.8. We actively monitor and respond to client feedback, and many enhancements implemented are a direct result of client feedback received.
- **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, as well as stronger use of data to improve service, risk monitoring and operational management.
- **Risk management:** Implementing robust systems that safeguard our clients' assets and build confidence, and ongoing workflow automation and straight-through processing to improve operational quality.
- **Continuous improvement:** We continue to enhance efficiency through automation and adoption of new technologies. In 2025, this included enterprise-wide AI tooling underpinned by governance and data security controls, alongside the expansion of applied AI use cases across the business such as fraud monitoring, operational controls and productivity, to enhance speed and quality across key processes.

By safeguarding assets and enabling ambitions, we are providing the foundation for clients to achieve their goals with confidence. With a focused strategy and careful execution, we are 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 distinct 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, API-driven, cloud-native ecosystem. This means it combines our proprietary developed client engagement layer with multiple software-as-a-service components, configured and integrated through our orchestration engine. This allows 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 invested significantly in research and in listening to our clients' needs and feedback and are committed to doing even more.
- **High-touch support, delivered at scale:** Through our Membership model and curated partner ecosystem, we provide a premium concierge-style service alongside our UK-based client services team. By combining digital journeys with human support and expertise, we maintain a high-quality experience while keeping a low cost-to-serve as we scale.

We are building more than a financial institution. We are 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.

People strategy

Our people strategy is anchored in our belief that sustainable high performance is driven by engaged, capable, and supported teams. It supports the delivery of our strategic priorities in a highly regulated and cost-conscious environment, ensuring we have the right capabilities, culture, and controls to execute our growth and transformation agenda whilst delivering sustainable value.

Our colleagues have a relentless ambition to succeed, and we are committed to ensuring we set our teams up for success. We continue to listen to what matters most to colleagues through regular engagement surveys, ongoing internal communications, and active leadership engagement. We continue to invest in the culture and leadership capabilities required to deliver exceptional outcomes for clients and colleagues alike.

Workforce Alignment and Cost Discipline

Throughout the year, we maintained a disciplined approach to workforce planning, aligning headcount and skills to business priorities while managing costs responsibly. We focused on improving productivity through role clarity, streamlined structures, and targeted investment in critical capabilities, ensuring resources were deployed where they deliver the greatest impact.

Attracting and Retaining Talent

We continued to invest in building a diverse, high-performing workforce by refining our hiring processes, strengthening employer branding, and enhancing onboarding experiences. Competitive compensation and a focus on internal mobility supported strong retention and enabled colleagues to grow alongside the organization. Recognition by The Sunday Times' "Best Places to Work" was a key highlight in 2025.

Performance and Reward

During 2025, we continued to strengthen an inclusive, performance-oriented culture where colleagues feel supported, engaged, and empowered to contribute by improving transparency of strategic objectives and identifying opportunities to directly contribute. Our approach to reward has matured, resulting in more consistent, frequent and appropriate recognition for colleagues with peer recognition identified as the most well-received form of recognition.

Strong Risk, Conduct, and Compliance Culture

A strong culture of accountability, ethical conduct, and regulatory compliance remains central to our people strategy. We reinforced clear expectations through leadership behaviours, performance management, and ongoing training, ensuring employees understand their responsibilities and are equipped to manage risk appropriately within the regulatory landscape.

Building an Inclusive and Values-Led Culture

With oversight from the Board and Remuneration and Nominations Committee, we redefined our culture in Q4 and launched our "Be Monumental" initiative. This clearly defined the values and behaviours we feel are imperative to deliver our strategic objectives including strengthening accountability, encouraging courageousness, agility and bolstering creativity whilst retaining historical cultural richness in the form of trust and inclusion.

Through leadership development, employee listening initiatives, and inclusive workplace practices, as championed by our Equality, Diversity and Inclusion working group, we aimed to ensure all colleagues feel valued, heard, and empowered to achieve their full potential and deliver consistently high standards of service for our clients.



Learning and Development

Capability building remained a priority as we adapted to evolving business needs. We expanded learning and development tools and training initiatives with the addition of learning pathways within our preferred learning platform and an increased frequency of bite sized lunch and learn sessions informed by colleague requests.

With qualified practitioners in-house, we rolled out Lumina Spark across the firm to identify more effective ways of working within and across teams and aim to embed this further in 2026.

We also upskilled all colleagues in the effective and responsible use of AI tools, to help improve productivity and increase colleague confidence in the latest technologies.

Board and Remuneration and Nominations Committee

In February 2025 we appointed Michael Morley as Non-Executive Director to the Board and shortly thereafter in May, appointed him as a member of the Remuneration and Nominations Committee. To further strengthen the Board Risk Committee, Caroline Ashton and Michael Morley were appointed members in May 2025.

On 3 November 2025, Stephen Friedlos stepped down as Chair of Remuneration and Nominations Committee with Michael Morley, having held the responsibility in other prestigious firms, assuming the role following regulatory approval.

Key topics of discussion and action throughout 2025 included the formalisation of our Non-Executive Director training agenda for the year which included mandatory training such as Consumer Duty, AML, Whistleblowing etc complimented by strategy-related learning such as AI and machine learning and Cyber Security, delivered by external subject matter experts.

The Remuneration and Nominations Committee fulfilled its duty by monitoring the actions identified in the Board Effectiveness Review, and the resulting action plans, to ensure recommended enhancements were adopted and continuous monitoring for further opportunity for improvement with clear accountability.

The Board continued to provide active oversight of the people strategy throughout the year in the form of monthly updates versus plan and with bi-annual deep dive sessions in relation to all people-related matters including executive succession.

Looking forward

We are now leveraging the strong foundations we've established to take the next step in our strategy. Through our "Monument Frontiers" product innovation framework, we will continue to enhance our client offering by:

- **Scaling the core:** We will continue to refine and expand our core savings proposition, including new and enhanced savings options. Our focus will be on enhancing the experience for our savings clients, developing features that further improve the ease at which clients can manage their savings with us, whilst also developing and launching innovative new products and propositions that support growth of our client base and reward existing clients. In parallel, we will grow our interest-earning assets in line with our risk appetite, including an expanded ecosystem of partner-led asset origination such as forward-flow arrangements and secured lending proposition, including Lombard lending.
- **Expanding the client experience beyond banking:** Through our Frontiers framework, existing core value-generating products, such as Lifestyle and Net Worth will be re-designed and enhanced with engaging features and functionalities which will offer more rewarding client experiences and build stronger, long lasting client relationships. Through new products we will discover additional opportunities to engage the mass affluent and position ourselves as a core part of their day to day lives through financial tools and enriched rewards and services selected to encourage better living. Personalisation through usership and insights will be interwoven among existing and new products to create a truly tailored user experience for each individual client, ensuring our overall offering are relevant to them from the very first interaction.

- **Launching an Investments proposition:** We will develop and launch an execution-only Investments proposition within the Monument app, enabling clients to invest in a curated selection of funds in collaboration with leading external fund managers, with a staged approach to expanding fund selection and capabilities over time.
- **Selective international expansion:** During 2025, we prepared the groundwork for selective international expansion where it supports our strategy through the establishment of our international subsidiary MIDH in Singapore. Our near-term focus is on progressing our go-to-market in the UAE, with India identified as the next medium-term priority. In parallel, we will continue to leverage MTL's proposition to support institutions outside the UK through platform licencing and related supporting services.

On the People front, we will continue to evolve our people strategy to support growth, resilience, and long-term value creation. By investing in our people, while maintaining a strong culture of accountability, we are building a resilient organisation that is adaptable, inclusive, and positioned for continued success.

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 are building that future today.

Principal risks and uncertainties

During 2025, the Executive Risk and Compliance Committee (ERCC) met 12 times, the Assets and Liabilities Committee (ALCO) met 19 times, and the Board Risk Committee (BRC) met 11 times. Each with the purpose of fulfilling their respective oversight and governance responsibilities of the Bank's risk profile.

These meetings focused, amongst others, 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) **Financial risk:** Overseeing financial and balance sheet risks - including (but not limited to) capital, interest rate risk, liquidity risk, credit spread risk and the funding strategy. During 2025, a key focus was maintaining an appropriate balance between asset growth, portfolio quality and sustainable returns, alongside deposit pricing and mix, ensuring pricing remained aligned to market conditions and risk appetite, while supporting growth and sustainable margins. BRC and ALCO also reviewed the Internal Capital Adequacy Assessment Process (ICAAP), Internal Liquidity Adequacy Assessment Process (ILAAP) and Solvent Exit Analysis, providing assurance over capital and liquidity and contingency planning, and the credibility of stress testing and management actions.
- 3) **Operational risk:** Due to the rapid growth of the Bank and various new initiatives, the committees have focused on identifying and tracking key Operational Risk Reduction Initiatives and Objectives ('ORRIO'). To monitor this, we have introduced a new ORRIO dashboard, which is frequently discussed at both the ERCC and at the BRC meetings. During the year, we also performed a comprehensive operational resilience self-assessment, our first such assessment in Business-as-Usual mode following the successful completion of the Operational Resilience Transition Period in March 2025.
- 4) **External environment risk:** We considered geopolitical risks and market volatility. More specifically, we considered the impact of market volatility and credit spreads widening on the Treasury portfolio. This was further informed by way of stress testing of the portfolio.
- 5) **Conduct and Consumer Duty risk:** The risk of failing to meet our Consumer Duty obligations or to deliver good outcomes for our clients is managed through a dedicated Conduct and Consumer Duty Dashboard. This is subject to regular review by the ERCC and BRC and is formally reported to the Board through the annual Consumer Duty report.

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 sources such as geopolitical, legal & regulatory, technological & innovation, environmental, social and governance (ESG) and UK economic risks.

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, managed, monitored and reported as appropriate.

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 bank-wide 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.

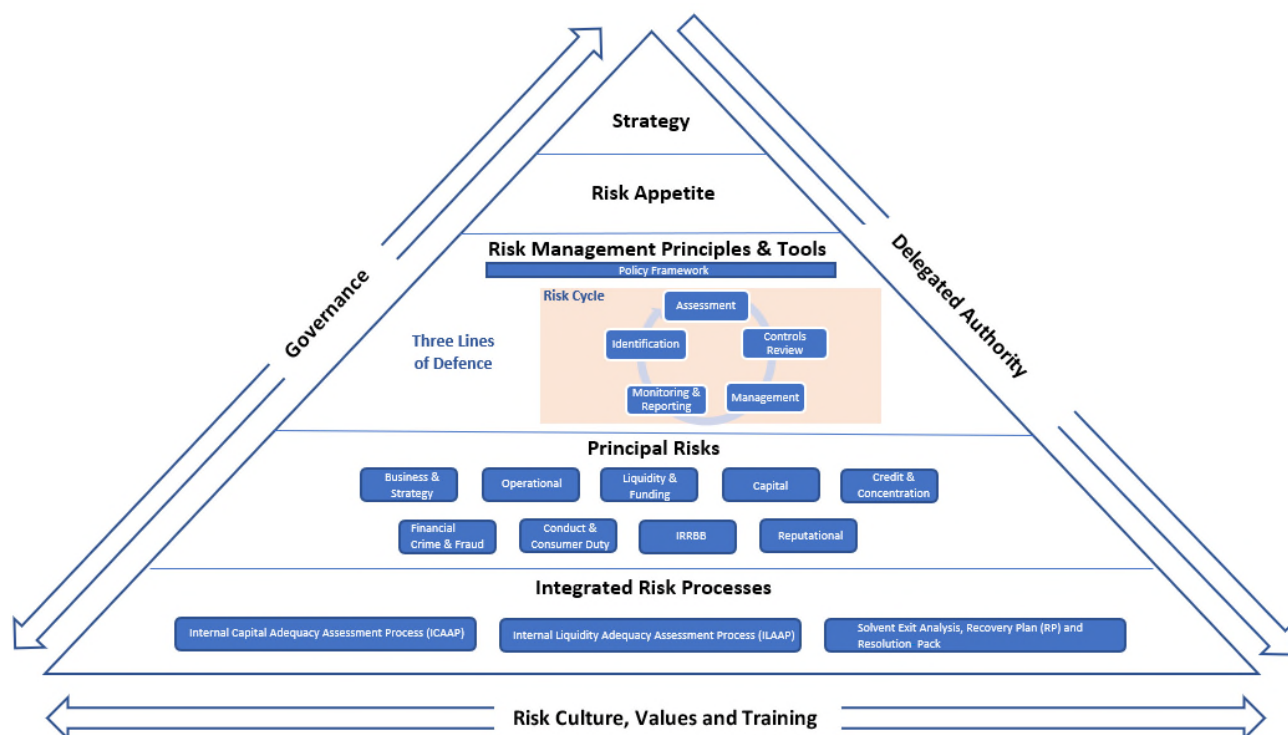
The purpose of the RMF is to set the standards of risk management within the Bank, including:

- 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 and takes account of industry codes of conduct and standards. It is also subject to constant evaluation 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 consider 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 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 losses, such as operational losses or credit losses, growing the business at a rapid rate beyond our means or 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 buffers.

Business and strategy risk

Business and strategy risk is associated with successfully delivering the future performance of the business plan. This risk may arise from a range of internal and external factors, including:

- 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 in a sustainable and controlled manner, supported by disciplined strategic planning, active performance monitoring and appropriate governance and risk management.

ESG and Climate risk

Within business and strategic risk, we have identified ESG matters and the financial risks from climate change as key emerging risks as the Bank grows, reflecting increased industry and regulatory focus in recent years. In line with Prudential Regulatory Authority (PRA) expectations, we consider climate risk through two primary channels - physical and transition - which can drive impacts across credit, operational and strategic risks.

Monument has appointed an ESG Champion at Board level, along with an Environmental Manager who convenes the Environmental Working Group to discuss climate-related topics and report back to the Board ESG Champion.

Management activity during the year included:

- Re-establishment of an Environmental Working Group that meets no less than three times per year.
- Monitoring of our CO₂-equivalent (CO₂e) emissions according to industry standards using a 3rd party service provider and maintaining carbon neutral status by purchasing offsetting credits.
- Monitoring of our waste recycling and provision of new recycling facilities to increase our rate of recycling.
- Monitoring of new regulations related to Climate Risk and creation of an action plan to meet the regulatory expectations.

Climate risk categories

Physical risk: Relates to the increasing severity and frequency of weather-related events (such as floods or subsidence), as well as longer-term climate shifts like changes in precipitation, extreme weather variability, and rising sea levels.

Monument's direct physical footprint is limited given it has one office; however, the principal physical climate risk arises through the property collateral supporting our lending. Physical hazards such as flooding, subsidence and coastal erosion could affect property condition, insurability, valuation and liquidity, with potential impacts on borrower performance and recoveries. We capture property-level geolocation data and use this to support climate hotspot analysis and to identify and monitor concentrations in higher-risk areas, informed by recognised external reference datasets (including Environment Agency flood risk information). As the majority of our new lending is in short-term bridge loans, physical risk is typically considered over shorter time horizons, while we continue to monitor portfolio composition and concentrations as origination continues over time.

Transition risk: Arises from the shift toward a low-carbon economy, which may be driven by changes in policy and regulation, disruptive technologies or business models, and evolving societal preferences. This includes the risk that loans secured against certain properties or assets may become "stranded" - that is, lose value or marketability - due to new climate requirements, sustainability standards, or changes in demand.

For Monument, this could affect borrowers and property collateral through changing sustainability standards and requirements - including Energy Performance Certificate (EPC) expectations. As the majority of our new lending is in short-term bridge loans, such longer-horizon transition drivers are less likely to crystallise within an individual facility; however, transition risk remains relevant in aggregate given ongoing origination through a period of regulatory and market change. We therefore capture and monitor EPC information where available, consider transition-related factors in credit assessment and portfolio monitoring, and review portfolio composition to help avoid undue concentrations in more vulnerable exposures.

Our ESG and climate risk approach continues to develop. As part of this, we have enhanced our risk taxonomy and embedded more detailed ESG and climate-related risk drivers within our Risk Management Framework, distinguishing explicitly between climate change physical risk and climate change transition risk, and reflecting these within governance, horizon scanning and risk reporting in a manner proportionate to the nature, scale and complexity of the bank.

Credit risk

We consider credit risk across two primary categories:

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

We maintain a low retail credit risk appetite and seek to lend to credit-worthy borrowers who can afford to repay and have strong collateral against their borrowing.

- **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.

We have an appetite to take wholesale credit risk primarily through high-quality treasury securities, subject to defined limits and controls set out in our Financial Risk Management Policy.

We consider the probability of credit default on these assets to be low. The more material risk arises from credit spread widening, where asset valuations fluctuate due to market developments or changes in investor sentiment. We monitor these exposures closely, undertake regular stress testing of the portfolio, and have invested in a treasury management system to enhance monitoring, analytics and overall risk control.

Concentration risk

Concentration risk is a specific type of credit risk that arises from a lack of diversification of the asset book 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 relatively 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 (used to hedge key financial risks such as interest rates), is minimised by the variation margin posted between Monument and its counterparties.

The Bank is exposed to a number of counterparties through Treasury investments, swaps and its placement of operational cash with commercial banks. This risk minimised through dealing with approved counterparties, limiting exposures (e.g. as a percentage of capital) and diversification of counterparties.

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.

We have a 'moderate' operational risk appetite given our current rate of growth, size and scale. However:

- We seek to minimise the number of material risk events and operational losses within risk appetite thresholds.
- We recognise that operational risk events or near-misses will take place from time-to-time and where this occurs, we will act swiftly and appropriately to minimise any client harm and/or operational loss.
- We will identify and deliver changes that help to reduce our operational risk profile over time.

Following the 31 March 2025 deadline, the Bank has been focused on embedding operational resilience into the day-to-day business. There were no breaches on impact tolerances for any of the Important Business Services during 2025, demonstrating that the Bank could operate within agreed risk tolerances. The bank also continues to invest in improving resilience across people, processes and technology.

Conduct and Consumer Duty risk

This is the risk of creating 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 cannot be completely mitigated for unknown or unintended failings. All of our processes and business practices seek to achieve good outcomes for our clients, reduce harm, to act in good faith towards our clients, to prevent foreseeable client harm, to support our clients reasonably to pursue their financial objectives.

Financial Crime & Fraud risk

This is the risk that the Bank may be used to process illegal sources of funds, facilitate terrorist financing or deal with an individual, company or country on a sanctions list. The risk type also extends to wider financial crime and fraud.

We have no appetite for being used for money laundering or terrorist financing. Neither is there any appetite for breaches to anti-money laundering (AML) or counter-terrorist financing (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 does not have stable sources of funding in the medium and long term. It relates to liquidity risk because it means we will not 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 are exposed to capital or income volatility as a result of 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 undertaking 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 as a result of other risk types crystallising.

We seek to minimise any risk to the Bank's reputation and ultimately our brand through robust processes, systems and controls 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

- Update and approval of our three-year forecast, including decisions around investments for the future success of Monument whilst balancing the timing of profitability.
- Set up of a subsidiary, Monument International Development Holdings (Pte) Limited in Singapore in preparation for strategic expansion into international markets.
- Continued engagement with its subsidiary, Monument Technology Limited.
- Capital raising, through the C2 round and the start of a partnership with FT Partners to secure additional funds for expansion and maintain shareholder equity balance.
- The Bank scaled forward-flow partnership on originated loans and Lombard lending to diversify income streams and strengthen lending capabilities.
- Considering and approving the Bank's application for a variation of its regulated permissions.
- Considering and approving the recommendations flowing from the internal Board performance review.
- Considering and approving enhancements to cybersecurity defences, technology resilience and mobile app transformation.

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 Exit Analysis (SEA) and associated risk appetite metrics, engaging independent third parties where appropriate for assurance.
- Monitoring compliance with regulatory requirements including those for Consumer Duty, outsourcing and third-party risk, operational resilience and financial crime.
- Approving policies covering product governance, forward-flow credit arrangements and financial risk management, and considering exceptions to stated policies where required.
- Monitoring Consumer Duty and other matters related to regulatory compliance.

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.
- Overseeing compliance and regulatory monitoring.
- Overseeing the approach to ESG, receiving updates from the Environmental Working Group.

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 talent acquisition and retention strategies.
- Overseeing the annual performance management cycle and calibration.
- Conducting an internal 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 prioritise our people, fostering collaboration, embracing innovative technologies, and nurturing a supportive culture. The Board has endorsed a refreshed approach to our culture and values, designed to better represent the Bank's future direction. Ultimately, the Board is responsible for defining our culture and values, including embedding conduct risk across the Bank and ensuring it is reflected in our daily practices. This also involves monitoring outcomes to guarantee fairness and positive client experiences. Our new values embrace learning fast, collaboration, ownership, ambition and putting the client first.

Our revitalised Equity, Diversity and Inclusion Group has been driving for inclusivity in our culture and ways of work. We are committed to diversity and creating an open, empowering workplace where everyone can be themselves.

We continue to foster a working environment where everyone can thrive, personally, individually, and collectively. Through innovative approaches, we are nurturing an appreciation of each person's unique strengths and accelerating collaboration. We are building a culture where minds are open, psychological safety allows challenge and debate, and we continuously push the boundaries of what true inclusivity means.

The Equity, Diversity and Inclusion Group meets monthly to discuss key topics. Regular updates are provided to the Executive Committee, all staff at quarterly town halls, and annually to the Remuneration and Nominations Committee and the Board.

For the second year running, we were recognised by The Sunday Times 'Best Places to Work'. Colleague engagement remains high, evidenced by excellent survey results.

We offer flexible pay, hybrid work options, and development opportunities that support well-being. Our goal is to foster an inclusive, purpose-driven workplace.

Business conduct

The Board recognises that maintaining a strong reputation for high standards of business conduct is essential within a highly regulated banking environment. Oversight of conduct matters is exercised through the Bank's governance framework and the delegation of authority to Executive management. This encompasses setting strategic direction, monitoring management's actions, approving key client-related policies, and ensuring the frameworks that underpin our culture, conduct expectations and risk management are robust and effective. The Board and its Committees periodically review and challenge the effectiveness of these arrangements as part of the Board performance review.

Business relationships with suppliers, clients and others

Our business model is centred on meeting the needs of the under-served mass-affluent population, and we are committed to keeping the client at the heart of everything we do. The Board and management are aligned in prioritising an exceptional client experience, and this focus is reflected in our externally validated customer scores. As a cloud native business, we work with suppliers to improve client experience and functionality while maintaining fair and transparent practices. We continue to foster deep, collaborative relationships with suppliers to understand emerging needs and mitigate risks in the supply chain. We oversee and monitor supplier management through the vendor management framework, which provides a consistent (but also proportionate) approach to managing and overseeing our 300+ supplier base.

Community and environment

We remain committed to responsible environmental management and to creating long-term value for our clients, colleagues and community. Reflecting our size and business model, the Board has adopted a proportionate approach to environmental and climate matters. During the year, this included strengthening our climate-risk capabilities—such as portfolio flood-risk mapping and preparatory work ahead of the PRA's forthcoming climate-risk requirements—to ensure our practices remain robust and evidence-based. Our digital-first model supports a low operational footprint, and our environmental performance remains stable, with ongoing monitoring and targeted improvements, such as enhancements to recycling practices.

Meanwhile, our corporate social responsibility strategy continues to evolve, shaped by our colleagues and stakeholders.

Interaction between stakeholders

The Board is committed to achieving fair outcomes for all stakeholders. Shareholder perspectives are actively built into governance through the presence of key shareholder representatives on the Board, bringing a breadth of experience and insight. Beyond the Boardroom, our Corporate Development team maintains regular dialogue with shareholders through meetings, webinars and periodic updates.

We also engage regularly with our regulators, including meetings involving the Chair, Chief Executive Officer and other Executives. Feedback and formal regulatory communications are routinely reported to the Board and inform its deliberations, ensuring that regulatory expectations and wider stakeholder views are fully considered.

In integrating these perspectives into its decision-making, the Board seeks to balance the interests of employees, customers, the community and shareholders, supporting strategic decisions that reflect our values and long-term objectives.

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 total kWh consumption from that shown in the 2024 assessment, and increased emissions through reporting the market-based emissions, based on our 100% renewable tariff. Emissions associated with electricity were reduced by 1.30 tCO₂e. Emissions associated with site gas were kept constant at 0.02 tCO₂e, based on biogas consumption to which we switched in 2023.

Overall, we used **120,549 kWh** (2024: 122,861 kWh) of energy.

Our carbon emissions

Scope	Activity	2025		2024	
		Location	Market Total tCO ₂ e	Location	Market Total tCO ₂ e
1	Site gas	0.02	0.02	0.02	0.02
	Scope 1 sub total	0.02	0.02	0.02	0.02
2	Electricity generation	8.20	-	9.50	-
	Scope 2 sub total	8.20	0.00	9.50	0.00
3	3.1 Purchased goods	1,795.77	1,795.77	1,224.51	1,224.51
	Water	0.11	0.11	0.07	0.07
	3.2 Computing	11.61	11.61	12.79	12.79
	3.3 Scopes 1 and 2 – well to tank	3.50	1.37	3.53	1.42
	Transmission and distribution	1.04	-	1.02	-
	3.5 Wastewater	0.09	0.09	0.09	0.09
	Flights	131.16	131.16	84.30	84.30
	3.6 Hotel stays	4.78	4.78	6.41	6.41
	Rail	2.62	2.62	1.19	1.19
	Taxi	0.79	0.79	0.61	0.61
	3.7 Commuting	39.98	39.98	31.63	31.63
	Home-working	6.57	6.57	5.32	5.32
	Scope 3 sub total	1,997.99	1,994.82	1,371.47	1,368.34
	Total tCO₂e	2,006.22	1,994.84	1,380.98	1,368.36
	Total tCO₂e per employee	19.48	19.37	15.69	15.55
	Total tCO₂e per £ million turnover	7.18	7.14	9.27	9.18

During 2025 we continued using a 3rd party service provider to provide accurate assessment and reporting of our location and market based tCO₂e emissions. This service platform streamlines our data capture and leverages external expertise to remain aligned with industry benchmark updates, and ensures year-on-year comparability using a consistent methodology.

The Environmental Working Group monitored our carbon emissions during the year, with a particular focus on our Scope 3 emissions and actions we could take to reduce our emissions and energy consumption. During the year, we introduced new office recycling equipment to increase our rate of waste recycling.

Our 3rd party service provider assisted us in completing 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 and updated during 2025. 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 1,795.77 tCO₂e, which is 90% of our total footprint.

Sector summary	Combined (tCO ₂ e)	Contribution %
Financial services, except insurance and pension funding	631.43	35.2%
Computer programming, consultancy and related services	452.76	25.2%
Other professional, scientific and technical services	157.33	8.8%
Accounting, bookkeeping and auditing activities such as tax consultancy	142.66	7.9%
Employment services	77.14	4.3%
Services of head offices, such as management consulting services	66.39	3.7%
Legal activities	54.06	3.0%
Other	214.00	11.9%
Total	1,795.77	100%

While our carbon emissions increased in 2025 (+45.3%), this is in line with the overall growth we've seen in the business. Our carbon emissions per employee increased (+24.1%), but our carbon emissions per £ million turnover decreased (-22%), which reflects the fact that we have grown the business substantially while not increasing our headcount at the same rate.

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:

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Fiona Pollard CBE
Chair of the Board

22-Apr-26

Chair's introduction

With corporate governance central to the Bank's culture, an internally facilitated Board performance review was undertaken in 2025, led by the Company Secretariat and General Counsel. Designed to support the ongoing effectiveness of the Board and its Committees, the review was informed by recognised Institute of Directors governance learning and good practice, with a focus on Board culture, constructive challenge, decision-making and information flows.

The scope of the review included how the Board and its Committees were operating in practice, the progress made since the previous review, and areas for further development to support the Bank's strategy and future growth. Insights were drawn from confidential surveys and interviews with Directors and members of the senior executive team.

Following Board discussion of the findings, actions were identified and prioritised, reflecting the Board's ongoing commitment to maintaining effective governance. Oversight of implementation will sit with the Remuneration & Nominations Committee to ensure changes at Director level further strengthen the range of skills, experience and perspectives on the Board. An internal review will be undertaken in 2026, followed by an externally facilitated review in 2027.

Details of Directors

The Directors shown below have held office during the whole of the period from 1 January 2025 to 31 December 2025.

F Pollard
C Ashton
K Kalban
H Mishr
A Piranie
S Vig
I Rand

Changes in Directors holding office are as follows:

H Brichet ceased as a Director on 21 March 2025
A Likierman ceased as a Director on 30 June 2025
C Richardson ceased as a Director on 5 December 2025
M Morley was appointed as a Director on 25 February 2025
S Friedlos ceased as a Director on 31 December 2025

Fiona Pollard CBE – Chair

Fiona has served as an Independent Non-Executive Director of the Bank since September 2019. She also serves as a Non-Executive Director on the boards of both of the Bank's subsidiaries, Monument International Development Holdings Pte.Limited (Singapore) and Monument Technology Limited, supporting cohesive Group-level planning. 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.

Michael Morley – Senior Independent Director, Chair of Remuneration and Nominations Committee

Michael is a highly experienced financial services executive whose career spans private banking, wealth management and international banking. He is the former Chief Executive of Coutts, having guided its strategic development and strengthened its position as a flagship private bank.

His earlier career included senior leadership roles at Merrill Lynch, Lloyds Banking Group and Barclays Wealth, giving him deep expertise in serving affluent and high-net-worth clients and in operating within complex, regulated environments. Michael brings substantial board and governance experience having served on the Board of Hargreaves Lansdown PLC between 2023 and 2025 and as Chair of the Remunerations Committee. He is currently on the Supervisory Board of Deutsche Bank (DB) in Switzerland and previously served on the DB board in Spain.

Khalid Kalban – Non-Executive Director

Widely recognised as one of the most distinguished executives in the Gulf Cooperation Council (GCC) region, Mr Kalban has built a long and successful career spanning investment, financial services, insurance, real estate, manufacturing and education. His leadership experience is extensive and reflects a consistent track record of guiding organisations through growth and transformation.

Over more than two decades as Vice Chairman and Chief Executive Officer of Dubai Investments, Mr Kalban oversaw the company's evolution into a leading diversified business group in the UAE and across the wider region. Under his direction, the organisation pursued a pioneering growth strategy that strengthened its market position and expanded its sector footprint.

In addition to his executive career, Mr Kalban serves as Chairman of Al Mal Capital PSC and sits on the boards of National General Insurance Company (NGI), Arcapita Group in Bahrain and Africa Crest Education (ACE) Holding Co. Earlier roles within the UAE Central Bank in Abu Dhabi, Al Khaleej Investment in Singapore and Arab Insurance Group (ARIG) further broadened his experience. He also held Chair and Board Director positions at Emirates NBD, the Islamic Bank of Singapore and Ajman Bank.

His academic background includes an Associate Degree of Arts in Business Management from Arapahoe Community College, USA, and a Bachelor of Science in Management from Metropolitan State College, USA.

Hemant Mishr – Non-Executive Director

A global expert in financial markets, Hemant is also the co-founder of S CUBE Capital, a fund management company regulated by the Monetary Authority of Singapore. His distinguished 20-year career at Standard Chartered Bank culminated in a series of leadership roles, including membership on the Global Leadership Team.

With a deep background in investment banking, treasury, financial markets, and risk management, Hemant led the Wholesale Banking business for South Asia before expanding his responsibility to the Asia-Pacific region. He has held key positions on the boards of Standard Chartered Securities Limited, Standard Chartered Investment and Loans Limited, and the Fixed Income, Money Markets and Derivatives Association. Additionally, Hemant chaired both the Wholesale Banking Management Committee (MANCO) and the Treasury Risk Committee at Standard Chartered.

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 brings experience of advising, arranging and leading USD 30 billion of private and capital market transactions, covering varied sectors that include industrial, education, healthcare, real estate, aviation and shipping. Prior to 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 built a long and successful career in financial services, holding a range of senior leadership roles across the sector. His experience includes serving as Chief Financial Officer at Redwood Bank, Group Finance and Operations Director at West Bromwich Building Society, and Deputy Chief Executive and Finance Director at Nottingham Building Society. He has also held senior positions at Al Rayan Bank (formerly Islamic Bank of Britain) as Finance Director and Joint Managing Director, and at Santander (formerly Alliance & Leicester) as Director of Finance. He currently serves as Non-Executive Director of Melton Building Society (including Chair of Nexa Finance subsidiary) and as Non-Executive Director at GB Bank and Connells Group.

Across these roles, Ashraf has been responsible for a broad portfolio including strategy, mergers and acquisitions, operations, customer service, change management, IT, branch networks, risk, finance and treasury. He has also led significant long-term wholesale funding programmes and capital-raising initiatives, bringing deep experience in financial stewardship and organisational transformation.

Ashraf was Deputy Chairman of the Bank of England's PRA Practitioner Panel from 2013 to 2020.

Caroline Ashton – Independent Non-Executive Director, Chair of Audit Committee

As a Chartered Management Accountant, Caroline has 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.

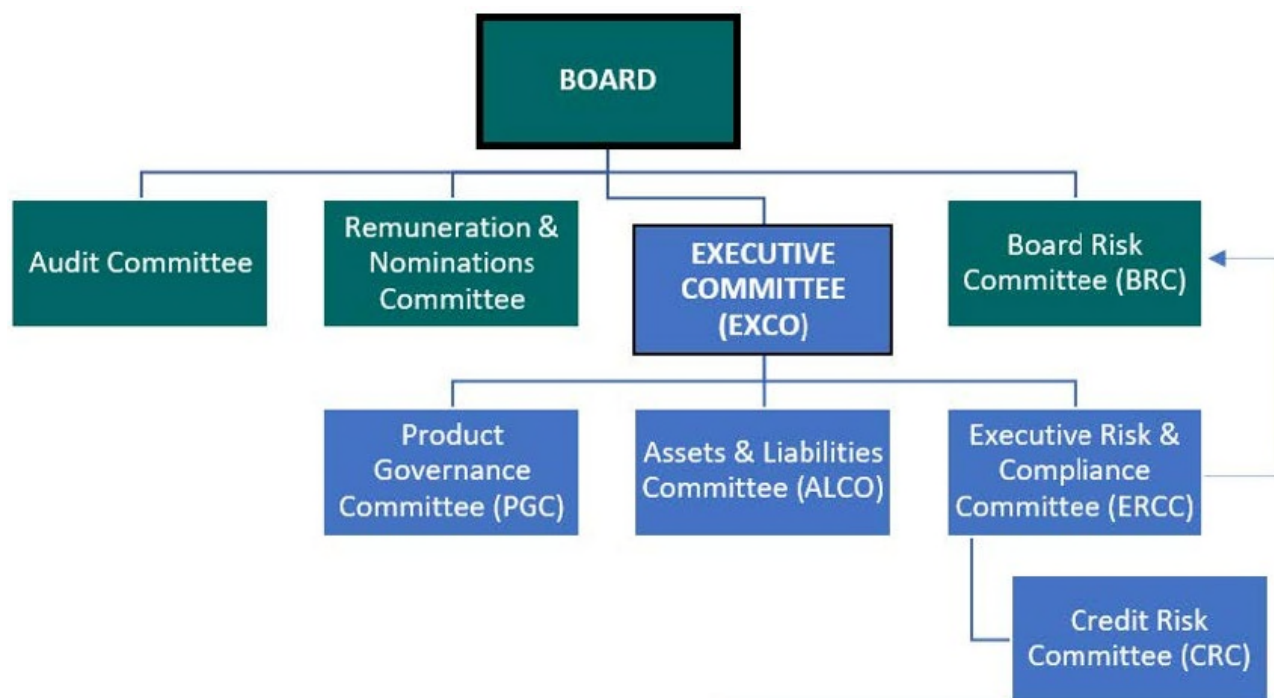
Caroline is a Non-Executive Director at Al Rayan Bank and Loughborough Building Society. She is a Trustee of St Anne's Community Services, which provides supported living and assistance for homeless people.

Ian Rand – Chief Executive Officer

Ian has over 20 years of experience in finance, having worked with Barclays and JPMorgan in London and New York. Before joining Monument, he led Business Banking at Barclays UK, supporting one million businesses. He is passionate about client service and advancing technology to help clients achieve their goals.

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 ensure effective governance and regulatory oversight, the Board draws on the work of the Executive Committee and its Risk, Audit, and Remuneration and Nominations Committees.

These committees, each chaired independently and operating under clear terms of reference, are responsible for specific aspects of the Bank's operations and meet regularly to discharge their duties.

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.
- Providing oversight and challenge of the Bank's operational resilience and Consumer Duty frameworks.

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 compliance and 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
- Overseeing environmental, social and governance strategy implementation.

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 Michael Morley.

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.
- Oversight of subsidiaries
- 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 Marina Gosling, 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 2025.

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. The Company also incorporated a subsidiary in Singapore, Monument International Development Holdings Pte. Limited. The activity of these subsidiaries is covered in more detail in the Business model and strategy section of the Strategic report.

Statement of engagement with suppliers, clients, and others

The Board considers the interests of suppliers, clients and other stakeholders as part of its decision-making. These relationships are fundamental to the Bank's business model and long-term success. The Board receives regular updates on stakeholder priorities, service levels, conduct matters, regulatory feedback and emerging risks, and has had regard to these matters when considering key strategic and operational issues during the year. This engagement informs the Board's oversight of strategy, risk management and operational resilience.

Political donations

We made no political donations (2025: £nil) during the year.

Dividends

No dividends will be distributed for the year ended 31 December 2025 (2024: £nil).

Directors and interest

Directors who served during the financial year to 31 December 2025 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

The Directors, with the support of management and the Board Audit Committee, have performed an assessment of the Bank's ability to continue as a going concern as part of the process to prepare the consolidated financial statements

In assessing the appropriateness of the going concern basis, the Directors have considered the Bank's financial position, regulatory capital requirements, liquidity profile and forecasts covering a period of at least 12 months from the date of approval of these financial statements (the "going concern period").

The assessment includes a review of the Bank's three-year plan, base case forecasts and a severe but plausible downside scenario, incorporating sensitivities to key assumptions including interest rate movements, deposit volumes and margin performance.

Under both the base case and severe but plausible downside scenario, and assuming no additional external capital is raised during the going concern period, the Bank is forecast to remain compliant with its regulatory capital requirements throughout the assessment period supported by management actions, if required.

Liquidity remains strong under all scenarios considered, with regulatory liquidity metrics forecast to remain materially above minimum requirements throughout the going concern period.

While the Bank intends to pursue additional capital in due course to support its longer-term strategic growth objectives, the Bank does not require additional external capital in order to meet its regulatory capital requirements or to continue in operational existence during the going concern period.

After careful consideration of the forecasts, sensitivities and available management actions within its control, the Directors have a reasonable expectation that the Bank has adequate resources to continue its operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

Subsequent events disclosure .

- On 3 February 2026, 42,193 ordinary shares were issued by the Bank.

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 of disclosure of information to the 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 2025.

On behalf of the Board:

DocuSigned by:

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Fiona Pollard CBE
Chair of the Board

22-Apr-26

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

Report on the audit of the financial statements

Opinion

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 2025 and of the Group's and the Parent Company's loss and the Group's and the Parent Company's cash flows 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
- 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 2025 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.

Independence

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 the FRC's Ethical Standard were not provided to the Group and the Parent Company and we remain independent of the Group and the Parent Company in conducting our audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting 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 assessed the relevant key ratios;
- Evaluated management's assumptions pertaining to management's proposed actions which could be needed for ensuring that the Bank remains a going concern such as evaluating the degree of liquidity of treasury assets, the implementation of cost avoidance activities, and reviewing terms of the Forward flow agreement as respects a stop purchase event;
- Reviewing the capital raise and forecasts provided in the prior period against the Bank's actual performance for the year to date to assess the reasonableness of the business plan and management's forecasting ability;
- 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 change of 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;
- Assessing whether the going concern disclosures were appropriate and consistent with the Directors' assessment, and the requirements of the applicable financial reporting standard; and
- Using our Prudential Experts to assess the appropriateness of the risk-weights applied by the Bank in their capital adequacy calculations.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Parent Company's ability to continue as a going concern.

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

Overview

	2025	2024
Key audit matters		
Revenue recognition on Treasury assets	×	✓
Going concern	×	✓
Capitalisation of software development expenses	✓	✓
	<i>Revenue recognition on treasury assets is no longer considered a KAM due to the fact there is minimal management judgement applied to the calculation and recognition of revenue in the current year as a result of the new treasury management system in place which feeds information directly from external sources.</i> <i>Going concern is no longer considered a KAM due to the resolution of material uncertainty as a result of additional capital raised during the period. Refer to note 2.1 in the financial statements.</i>	
Materiality	Group financial statements as a whole £1,434,000 (2024: £973,000) based on 1.4% (2024: 1.25%) of Net Assets Company financial statements as a whole £1,357,000 (2024: £870,000) based on 1.4% (2024: 1.25%) of Net Assets.	

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. We identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

- The Group comprises the Parent Company, Monument Bank Limited and its subsidiary, Monument Technology Limited (the 'subsidiary') – the Parent Company and one component. Monument Technology is involved in the provision of Banking Platform as a service (BPaaS) to counterparties in the banking industry;
- Monument Bank Limited consolidates and has a controlling interest in Monument Technology Limited;
- The control environment is consistent between the Bank and its subsidiary for key financial reporting processes.

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

- For Monument Technology Limited, this is based on the nature of key operations relating to the provision of BPaaS to customers. Risks of material misstatement at a group level have been identified across multiple financial statement line items in the component. Additionally, a separate statutory audit is performed for Monument Technology Limited. Therefore, it has been considered material to the group and, accordingly, scoped in as a component.

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:

- Audit procedures on the entire financial information of the component, including performing substantive procedures and tests of operating effectiveness of controls.

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 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. *A separate statutory audit report is produced for this statutory audit

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

Procedures performed centrally

We considered there to be a high degree of centralisation of financial reporting and commonality of controls in relation to administrative expenses, payroll, cash and cash equivalents, accounts payable, accounts receivable and management override of controls. We therefore designed and performed procedures centrally in these areas.

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

How Climate change affected the scope of our audit

The Group has determined that the most significant future impact from climate change on its operations will be from physical and transition risks. Our work on the assessment of potential impacts of climate-related risks on the 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; and
- Review of the minutes of Board and Audit Committee meeting 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.

The management disclosures on page 26 form part of the "Other Information," rather than the audited financial statements. Our responsibilities in relation to the "Other Information" are described in the relevant section of this report and our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained from the audit or otherwise appear to be materially misstated.

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 responded to the risk
Capitalisation of software development expenses – £7.1m (2024: £5.4m) Note 2.7 and 3 (accounting policy) and Note 21.	Management have capitalised significant software development expenses, including staff costs, in relation to Monument Bank Limited's Front End User Interface and Banking Ecosystem, and Monument Technology Limited's Banking Platform as a Service (BPaaS). 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. There is a risk that software development expenses are not capitalised in accordance with the accounting framework. Given the significant management judgement involved in determining the software development expenses to be capitalised, we considered this to be an area that required significant auditor attention and a key audit matter.	We compared management's methodology and accounting policy for the capitalisation of the intangible assets against the applicable accounting requirements. We conducted meetings with the Chief Technology Officer (CTO) and finance staff to discuss how internal and external staff time spent on development activities is recorded to identify the key judgements and assumptions in management's methodology. Front End User Interface & Banking Ecosystem We tested the design and implementation of the following relevant controls related to software development and capitalisation of intangible assets: - all software releases have technical sign offs evidencing they are appropriate for use by customers (User Acceptance Testing (UAT) approval), and - management's review of project assessments for capitalisation, confirming software releases are technically feasible, appropriate for customers, and have associated future economic benefits. We tested the operating effectiveness of the UAT approval control.

		On a sample basis, we evaluated the detail of management's project assessments against the capitalisation criteria in FRS 102. This included confirming the Group's strategic plan and forecasts show future economic benefits will flow to the Group, obtaining the UAT approvals for project related releases, and assessing the measurability of the cost incurred by evaluating the ability and competence of Team Leads to estimate days worked by individuals on each project. For staff with capitalised payroll costs, we assessed whether their role descriptions and employment contracts were consistent with them performing software development. Furthermore, we checked that no costs have been capitalised in respect of individuals with research roles. We also tested the accuracy of capitalised monthly internal staff costs by agreeing them to payments made to employees. For capitalised third-party costs, we obtained the relevant contracts with contractors and, on a sample basis, agreed the accuracy of costs to invoices. We obtained attestations from Team Leads and the Chief Technology Officer over the completeness and accuracy of the time tracking system and the allocation of time to projects. Banking Platform as a Service (BPaaS) We obtained and reviewed the key terms of the signed agreement between Monument Technology Limited (MTL) and its key customer to confirm relevant enhancements to BPaaS were being made. We reviewed the detailed implementation plan outlining all development activity in 2025 for indications of any non-capitalisable activities and challenged management where these were capitalised.
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		We obtained the third-party contractor agreement and all related invoices from management. The invoices detail the costs and time spent on BPaaS, which were traced to capitalisation entries in the general ledger. We assessed the reasonableness of management's estimate of time spent by internal staff on development activities by benchmarking the capitalisation rates to a comparable entity. We conducted interviews with a sample of developers in order to assess the reasonability of capitalised costs to actual activity and the accuracy of the capitalisation rates. Key observations Based on the procedures performed, we consider development costs to have been capitalised appropriately.
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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	
	2025	2024	2025	2024
Materiality	£1,434,000	£973,000	£1,357,000	£870,000
Basis for determining materiality	1.4% of Net Assets	1.25% of Net Assets	1.4% of Net Assets	1.25% 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 4 years and a Group only for 2 years and not 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 1.4% considering the more established current strategy of the Bank and our understanding.	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 a Group only for 1 year and not 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.	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 4 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 1.4% 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 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.
Performance materiality	£1,074,000	£729,000	£1,017,000	£652,000
Basis for determining performance materiality	This is based on 75% of final materiality.	This is based on 75% of final materiality.	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 fifth-year audit.	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 fourth-year audit.	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 fifth-year audit.	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 fourth-year audit.

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above, based on a percentage of between 50% and 80% (2024: 50% and 80%) of Group performance materiality dependent on a number of factors including the level of public interest and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £859,000 to £144,000 (2024: £583,000 to £120,000).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £67,000 (2024: £43,000). 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.

Opinion on other matter prescribed by the Capital Requirements (Country-by-Country Reporting) Regulations 2013

In our opinion the information given on page 84 for the financial year ended 31 December 2025 has been properly prepared, in all material respects, in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

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.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Parent Company and management.

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 and those charged with governance including the Audit Committee 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 meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team 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;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the area most susceptible to fraud to be management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation;
- Assessing whether the judgements made in accounting estimates, including those identified above in our Key Audit Matters related to intangible asset recognition and measurement were indicative of potential bias;
- 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.

Other matters which we are required to address

We were appointed by the Audit Committee of Monument Bank Limited on 15 April 2025 to audit the financial statements for the period ended 31 December 2025.

Our total uninterrupted period of engagement is 5 years, covering the periods ended 31 December 2021 to 31 December 2025.

Our audit opinion is consistent with the additional report to the audit committee.

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

22 April 2026

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

Statement of total comprehensive income

	Notes	2025 Group £'000	2024 Group £'000	2025 Company £'000	2024 Company £'000
Interest receivable and similar income	4	279,350	148,993	279,350	148,993
Interest payable and similar charges	5	(256,155)	(136,868)	(256,155)	(136,868)
Net interest income		23,195	12,125	23,195	12,125
Fees and commissions receivable		2,813	603	120	14
Fees and commissions payable		(5,697)	(385)	(4,610)	-
Net fee income	6	(2,884)	218	(4,490)	14
Net gains/(losses) from derivative financial instruments	7	(877)	1,726	(877)	1,726
Other operating expense		(628)	(185)	(628)	(185)
Total net income		18,806	13,884	17,200	13,680
Administrative expenses		(37,473)	(28,522)	(32,021)	(26,926)
Impairment charge on loans and advances	16	(742)	(79)	(742)	(79)
Operating loss before taxation	8	(19,409)	(14,717)	(15,563)	(13,325)
Taxation	11	-	239	-	239
Loss for the financial year		(19,409)	(14,478)	(15,563)	(13,086)
Attributable to:					
Owners of the parent company		(17,821)	(14,024)		
Non-controlling interests	19	(1,588)	(454)		
		(19,409)	(14,478)		
Other comprehensive income					
<i>Items that may be transferred to the income statement:</i>					
Available-for-sale investments:					
Fair value movements taken to reserves		661	(813)	661	(813)
Amount transferred to income statement		(246)	21	(246)	21
Other comprehensive income/(loss) for the year		415	(792)	415	(792)
Total comprehensive loss for the year		(18,994)	(15,270)	(15,148)	(13,878)
Attributable to:					
Owners of the parent company		(17,406)	(14,816)		
Non-controlling interests	19	(1,588)	(454)		
		(18,994)	(15,270)		

The above results are derived wholly from continuing activities.

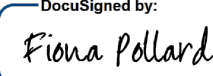
The notes on pages 60 to 84 form part of these financial statements.

Statement of financial position

	Notes	2025 Group £'000	2024 Group £'000	2025 Company £'000	2024 Company £'000
Assets					
Cash and balances at central banks		5,695,104	3,685,561	5,695,104	3,685,561
Loans and advances to credit institutions	13	46,752	46,895	45,222	39,419
Treasury bills		69,051	-	69,051	-
Debt securities	14	1,621,079	1,227,659	1,621,079	1,227,659
Derivative financial instruments	15	797	1,460	797	1,460
Loans and advances to customers	16	322,771	173,839	322,771	173,839
Other assets	17	2,481	3,037	1,844	2,576
Investment in subsidiaries	18	-	-	6	-
Tangible fixed assets	20	239	273	199	261
Intangible fixed assets	21	15,809	13,088	11,317	12,153
Total assets		7,774,083	5,151,812	7,767,390	5,142,928
Liabilities					
Customer deposits	22	7,661,982	5,069,724	7,661,982	5,069,724
Borrowings from central banks	23	5,073	-	5,073	-
Derivative financial instruments	15	787	573	787	573
Other liabilities and accruals	24	3,777	3,645	2,595	2,882
Total liabilities		7,671,619	5,073,942	7,670,437	5,073,179
Equity					
Called up share capital	25	46	39	46	39
Share premium reserve		171,023	129,928	171,023	129,928
Shares to be issued		102	48	102	48
Available-for-sale reserve		199	(216)	199	(216)
Accumulated losses		(71,398)	(55,199)	(74,417)	(60,050)
Non-controlling interests	19	2,492	3,270	-	-
Total equity		102,464	77,870	96,953	69,749
Total liabilities and equity		7,774,083	5,151,812	7,767,390	5,142,928

The notes on pages 60 to 84 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 21 April 2026 and were signed on its behalf by:

DocuSigned by:

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Fiona Pollard CBE
Chair of the Board

22-Apr-26

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 2024	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
Changes in equity							
Loss for the year	-	-	-	-	(17,821)	(1,588)	(19,409)
Movement in available-for-sale reserve	-	-	-	415	-	-	415
Employee share scheme charge	-	-	-	-	1,196	-	1,196
Issue of share capital (parent)*	7	41,095	(48)	-	-	-	41,054
Issue of share capital (subsidiary)	-	-	-	-	426	810	1,236
Shares to be issued	-	-	102	-	-	-	102
Balance at 31 December 2025	46	171,023	102	199	(71,398)	2,492	102,464

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 2024	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
Changes in equity							
Loss for the year	-	-	-	-	(15,563)	-	(15,563)
Movement in available-for-sale reserve	-	-	-	415	-	-	415
Employee share scheme charge	-	-	-	-	1,196	-	1,196
Issue of share capital*	7	41,095	(48)	-	-	-	41,054
Shares to be issued	-	-	102	-	-	-	102
Balance at 31 December 2025	46	171,023	102	199	(74,417)	-	96,953

*Net of share issuance costs.

The notes on pages 60 to 84 form part of these financial statements.

Statement of cash flows

	2025 Group £'000	Restated* 2024 Group £'000	2025 Company £'000	Restated* 2024 Company £'000
Cash flows from operating activities				
Loss for the financial year	(19,409)	(14,478)	(15,563)	(13,086)
Adjustments for non-cash items				
Amortisation charges	4,409	3,538	4,244	3,538
Depreciation charges	122	95	111	95
Impairment charge on loans and advances to customers	742	79	742	79
Employee share scheme charge	1,196	1,389	1,196	1,389
Net changes in operating assets and liabilities				
Increase in loans and advances to customers	(149,675)	(34,229)	(149,675)	(34,229)
Increase in customer deposits	2,592,258	4,079,222	2,592,258	4,079,222
Decrease/(increase) in other assets	557	(515)	732	(54)
Increase/(decrease) in other liabilities	132	2,228	(287)	1,465
Decrease/(increase) in derivative financial instruments	877	(642)	877	(642)
Increase in credit support annex (CSA)*	(1,000)	(2,180)	(1,000)	(2,180)
Increase in borrowings from central banks	5,073	-	5,073	-
(Increase)/decrease in treasury bills	(69,051)	130,102	(69,051)	130,102
Increase in debt securities	(393,005)	(843,959)	(393,005)	(843,959)
Net cash from operating activities	1,973,226	3,320,650	1,976,652	3,321,740
Cash flows from investing activities				
Expenditure on internally generated intangible assets	(7,130)	(5,442)	(3,408)	(4,507)
Investment in subsidiary	-	-	(5)	-
Purchase of tangible fixed assets	(88)	(204)	(49)	(192)
Net cash used in investing activities	(7,218)	(5,646)	(3,462)	(4,699)
Cash flows from financing activities				
Share issuance (parent)	44,595	31,183	44,590	31,183
Share issuance (subsidiary)	1,236	9,810	-	-
Cost of share issuance	(3,541)	(2,984)	(3,536)	(2,687)
Cash inflows from shares to be issued	102	48	102	48
Net cash from financing activities	42,392	38,057	41,156	28,544
Increase in cash and cash equivalents	2,008,400	3,353,061	2,014,346	3,345,585
Cash and cash equivalents at beginning of year	3,729,056	375,995	3,721,580	375,995
Cash and cash equivalents at end of year	5,737,456	3,729,056	5,735,926	3,721,580
Represented by:				
Cash and balances at central banks	5,695,104	3,685,561	5,695,104	3,685,561
Loans and advances to credit institutions repayable on demand*	42,352	43,495	40,822	36,019
	5,737,456	3,729,056	5,735,926	3,721,580

*Comparatives of both the Group and Company have been restated to reclassify amounts held under credit support annex arrangements out of cash and cash equivalents, totalling £3,400,000 in 2024. These balances are not repayable on demand and therefore do not meet the definition of cash and cash equivalents. The loss for the year and net assets of the Group and the Company are not affected.

Contained within cash flow movement is £275,175,000 (2024: £132,480,000) of interest received, £247,397,000 (2024: £125,439,000) of interest paid and £nil (2024: £ nil) of taxation received.

The notes on pages 60 to 84 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 a going concern basis.

In assessing going concern, the Directors have considered forecasts and projections for a period of at least 12 months from the date of approval of these financial statements. These forecasts include both a base case and a severe but plausible downside scenario incorporating sensitivities to key assumptions.

Under these scenarios, and assuming no additional external capital is raised during the assessment period, the Bank is forecast to remain compliant with its regulatory capital requirements and maintain adequate liquidity throughout the going concern period after the execution of management actions, if required

The Directors therefore have a reasonable expectation that the Bank has adequate resources to continue operational existence for the foreseeable future and accordingly have prepared the financial statements on a going concern basis.

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. Accounting policies (continued)

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 include interest on derivatives measured at fair value through profit or loss (FVTPL) using the contractual interest rate.

2.5 Fees and commissions

Fee and commission income and expenses are presented separately in the Statement of total comprehensive income. Net fee income represents the difference between fees and commissions receivable and fees and commissions payable for the period.

Platform implementation fees

Fees for platform implementation services are recognised when the related services have been performed. Where services are provided over a period of time, income is recognised by reference to the stage of completion at the reporting date.

Platform licensing income

Licensing income is recognised on a straight-line basis over the term of the licence, reflecting the period over which access to the platform is provided.

Membership income

Membership fees are recognised over the period to which the membership relates, on a time-apportioned basis.

Royalties

Royalty income is recognised in accordance with the substance of the underlying contractual arrangement. Where royalties are based on a percentage of sales or usage, income is recognised as the related sales or usage occurs and when the amount can be measured reliably and receipt is probable.

Fee and commission expenses

Fee and commission expenses are recognised on an accruals basis as the related services are received. Costs directly attributable to delivering fee-based services are recognised in the same period as the associated income where appropriate.

2.6 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. Accounting policies (continued)

2.7 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.

2.8 Investments in subsidiaries

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

2.9 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.

Debt securities and Treasury bills – 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.

2. Accounting policies (continued)

2.9 Financial instruments (continued)

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.

Borrowings from central banks

Borrowings from central banks comprise amounts advanced under repurchase agreements and other secured funding arrangements.

Securities sold under agreements to repurchase at a fixed future date ("term repos") are accounted for as secured borrowings where the Bank retains substantially all the risks and rewards of ownership of the underlying securities. Accordingly, the securities remain recognised on the balance sheet and the consideration received is recognised as a financial liability. Borrowings from central banks are initially measured at the proceeds received 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)

2.9 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.

2.10 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.

2.11 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.

2.12 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)

2.13 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.

2.14 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 shall be recognised in respect of all timing differences at the reporting date, except as otherwise required by FRS102 paragraphs 29.7 to 29.9 and 29.11A. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

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's 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's no longer probable that the related tax benefit will be realised.

2.15 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.

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 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.

3. Accounting estimates and judgements (continued)

Deferred tax

We have 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 2025.

4. Interest receivable and similar income

	2025	2024	2025	2024
	Group	Group	Company	Company
	£'000	£'000	£'000	£'000
Interest on cash and balances with banks	195,598	85,926	195,598	85,926
Interest on debt securities	66,600	54,500	66,600	54,500
Interest on loans and advances	16,432	6,798	16,432	6,798
Other interest income	182	221	182	221
Net income on financial instruments hedging assets	538	1,548	538	1,548
	279,350	148,993	279,350	148,993

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 £278,812,000 (2024: £147,445,000).

5. Interest payable and similar expense

	2025	2024	2025	2024
	Group	Group	Company	Company
	£'000	£'000	£'000	£'000
Interest on customer deposits	255,705	135,669	255,705	135,669
Other interest expenses	359	278	359	278
Net expense on financial instruments hedging liabilities	91	921	91	921
	256,155	136,868	256,155	136,868

The total interest on financial liabilities not measured at fair value through profit and loss was £256,064,000 (2024: £135,947,000).

6. Net fee income

	2025	2024	2025	2024
	Group	Group	Company	Company
	£'000	£'000	£'000	£'000
Fees and commissions receivable:				
Platform implementation fees	2,457	603	-	-
Platform licensing income	308	-	-	-
Membership income	48	-	48	-
Royalties	-	-	72	14
	2,813	603	120	14
Fees and commissions payable:				
Platform implementation expenses	(928)	(385)	-	-
Platform licensing expenses	(159)	-	-	-
Direct Membership expenses	(125)	-	(125)	-
Outsourced loan servicing expenses	(2,719)	-	(2,719)	-
Outsourced deposit servicing expenses	(1,766)	-	(1,766)	-
	(5,697)	(385)	(4,610)	-
Net fee income	(2,884)	218	(4,490)	14

7. Net gains from derivative financial instruments

	2025	2024	2025	2024
	Group	Group	Company	Company
	£'000	£'000	£'000	£'000
Realised gains	-	1,084	-	1,084
Unrealised (losses)/gains	(877)	642	(877)	642
	(877)	1,726	(877)	1,726

8. Operating loss

	2025	2024	2025	2024
	Group	Group	Company	Company
	£'000	£'000	£'000	£'000
The operating loss is stated after charging:				
Staff costs*	18,241	12,969	15,064	12,347
Operating lease charges	206	235	206	235
Audit fees payable to the Company's auditor	693	638	641	638
Technology	7,222	5,246	5,863	4,989
Depreciation	122	95	111	95
Amortisation	4,409	3,538	4,244	3,538
Impairment of loans and advances to customers	742	79	742	79
	31,635	22,800	26,871	21,921

*Total staff costs less amounts capitalised.

The cost spent on technology has been disclosed in the current year. The prior year comparative has been added to allow for better comparison.

9. Staff costs

	2025	2024	2025	2024
	Group	Group	Company	Company
	£'000	£'000	£'000	£'000
Wages and salaries	15,416	11,395	12,170	10,887
Social security costs	2,194	1,481	1,745	1,415
Pension costs	1,749	1,355	1,372	1,307
Share-based payments	1,196	1,389	1,196	1,389
	20,555	15,620	16,483	14,998

Of the total staff costs, £2,318,000 (2024: £2,650,000) for the Group and £1,418,000 (2024: £2,650,000) for the Company were capitalised. See note 21.

Of the total pension costs incurred, £248,000 (2024: £258,000) for the Group and £113,000 (2024: £258,000) for the Company formed part of the capitalised staff costs.

Of the total pension costs incurred, £1,501,000 (2024: £1,097,000) for the Group and £1,194,000 (2024: £1,049,000) for the Company were expensed to the profit and loss account.

	2025	2024	2025	2024
	Group	Group	Company	Company
	#	#	#	#
Average number of employees during the year:				
Non-Executive Directors	6	7	6	7
Executive Committee	9	10	9	10
Colleagues	120	86	92	83
	135	103	107	100

Directors' remuneration:

	2025	2024
	£'000	£'000
Wages and salaries	1,507	1,258
Pension	45	26
	1,552	1,284

During the year, retirement benefits accrued to two Directors (2024: one Director) in respect of defined contribution pension schemes.

	2025	2024
	£'000	£'000
Highest paid Director is as follows:		
Director's remuneration	589	523
	589	523

The value of the Bank's contributions to a defined contribution pension scheme in respect of the highest paid Director amount to £nil (2024: £nil).

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

10. Auditors' remuneration

	2025	2024	2025	2024
	Group	Group	Company	Company
	£'000	£'000	£'000	£'000
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	692	638	640	638
Fees payable to the Company's auditors and their associates for non-audit services	1	-	1	-
	<u>693</u>	<u>638</u>	<u>641</u>	<u>638</u>

11. Taxation

	2025	2024	2025	2024
	Group	Group	Company	Company
	£'000	£'000	£'000	£'000
Corporation tax:				
Research and development tax relief in respect of prior periods	-	(239)	-	(239)
Total current tax	<u>-</u>	<u>(239)</u>	<u>-</u>	<u>(239)</u>

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:

	2025	2024	2025	2024
	Group	Group	Company	Company
	£'000	£'000	£'000	£'000
Analysis of tax charge:				
Loss before tax	(19,409)	(14,717)	(15,563)	(13,325)
Loss multiplied by the standard rate of corporation tax in the UK of 25% (2024: 25%)	(4,852)	(3,679)	(3,891)	(3,331)
Effects of:				
Expenses not deductible for tax purposes	307	352	307	351
Permanent differences	(660)	-	(660)	-
Chargeable gains on warrant issuance	1,074	1,978	1,074	1,978
Unused tax losses	4,131	1,349	3,170	1,002
Research and development tax relief in respect of prior periods	-	(239)	-	(239)
Total tax charge/(receipt)	<u>-</u>	<u>(239)</u>	<u>-</u>	<u>(239)</u>

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 £57,202,000 (2024: £42,726,000).

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 £51,300,000 (2024: £40,645,000).

12. Share-based payments

We operate two equity-settled employee share option schemes: a Non-Tax Favoured Share Option Plan (NTFSOP) that is open to new and existing employees, and a Long-Term Incentive Plan (LTIP) that is open to members of the Executive Committee.

Group and Company

	2025 weighted average exercise price	2025 number	2024 weighted average exercise price	2024 number
	£	#	£	#
Outstanding at the beginning of the year	30.09	262,508	1.43	118,705
Granted during the year	65.77	162,874	49.62	153,011
Exercised during the year	0.59	(36,983)	0.59	(8,242)
Forfeited during the year	37.34	(27,695)	0.86	(3,681)
Other adjustments	-	-	-	2,715
Outstanding at the end of the year	48.67	360,704	30.09	262,508

	Vesting period	Contractual life	Number of options
	Years	Years	#
Weighted average remaining:			
2022 NTFSOP	0.10	6.10	60,042
2023 NTFSOP	0.94	6.94	8,427
2024 NTFSOP	0.78	17.78	36,361
2024 LTIP	1.34	18.34	99,000
2025 NTFSOP	2.55	19.55	90,874
2025 LTIP	2.75	19.75	66,000

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:

	2025 tranche (LTIP)	2025 tranche (NTFSOP)	2024 tranche (LTIP)
Current year grants:			
Option pricing model used	Black-Scholes	Black-Scholes	Black-Scholes
Weighted average exercise price at grant date	£70	£63	£57
Weighted average vesting period	3 years	3 years	3 years
Weighted average contractual life	20 years	20 years	20 years
Expected volatility	33.5%	33.5%	28.81%
Risk free interest rate	3.90%	3.90%	4.00%

	2024 tranche (NTFSOP)	2023 tranche (NTFSOP)	2022 tranche (NTFSOP)
Previous year grants:			
Option pricing model used	Black-Scholes	Black-Scholes	Black-Scholes
Weighted average exercise price at grant date	£33	£2	£2
Weighted average vesting period	2.4 years	4 years	4 years
Weighted average contractual life	20 years	10 years	10 years
Expected volatility	28.81%	10.00%	10.00%
Risk free interest rate	4.00%	5.00%	1.86%

	2025	2024
	£'000	£'000
Share-based remuneration expense:		
Equity settled schemes	1,196	1,389
	1,196	1,389

We did not enter into any share-based payment transactions with parties other than employees during 2025 and 2024.

13. Loans and advances to credit institutions

	2025	2024	2025	2024
	Group	Group	Company	Company
	£'000	£'000	£'000	£'000
Amounts repayable on demand	42,352	43,495	40,822	36,019
Credit support annex (CSA) asset	4,400	3,400	4,400	3,400
	<u>46,752</u>	<u>46,895</u>	<u>45,222</u>	<u>39,419</u>

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 2025, £4,400,000 had been placed (2024: £3,400,000). 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 2025, based on Moody's long-term ratings.

	2025	2024	2025	2024
	Group	Group	Company	Company
	£'000	£'000	£'000	£'000
A1	3,236	2,060	3,236	2,060
A3	6,226	9,735	4,709	2,258
Unrated*	37,290	35,100	37,277	35,101
	<u>46,752</u>	<u>46,895</u>	<u>45,222</u>	<u>39,419</u>

*Unrated amounts represent funds held at ClearBank and Pleo.

14. Debt securities
Group and Company

	2025	2024
	£'000	£'000
Quoted investments		
Available-for-sale:		
Supranational bonds	56,542	-
Covered bonds	451,768	527,712
Residential mortgage-backed securities	982,246	621,466
Asset-backed securities	130,174	78,135
Amortised cost:		
Gilts	349	346
	<u>1,621,079</u>	<u>1,227,659</u>

The fair value of the gilts held at the balance sheet date was £342,000 (2024: £328,000).

15. Derivative financial instruments
Group and Company

2025	Notional amount	Fair value of assets	Fair value of liabilities
	£'000	£'000	£'000
Interest rate swaps	205,000	797	787
	<u>205,000</u>	<u>797</u>	<u>787</u>
 2024	 Notional amount	 Fair value of assets	 Fair value of liabilities
	£'000	£'000	£'000
Interest rate swaps	367,500	1,460	573
	<u>367,500</u>	<u>1,460</u>	<u>573</u>

16. Loans and advances to customers

Group and Company	2025	2024
	£'000	£'000
Gross loans and advances	323,779	174,105
Less allowances for impairment on loans and advances	(1,008)	(266)
	322,771	173,839
Amounts falling due:		
Less than one year	131,087	32,897
More than one year but not more than five years	192,692	141,208
	323,779	174,105

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

Group and Company	2025	2024
Total impairment provisions:	£'000	£'000
Individual impairments	364	-
Collective impairments	644	266
	1,008	266
Individual impairment provision:		
Balance brought forward	-	-
Increase recognised in the income statement	364	-
Utilised during the year	-	-
As at 31 December	364	-

	2025	2024
Collective impairment provision:	£'000	£'000
Balance brought forward	266	187
Increase recognised in the income statement	378	79
Utilised during the year	-	-
As at 31 December	644	266

17. Other assets

	2025	2024	2025	2024
	Group	Group	Company	Company
	£'000	£'000	£'000	£'000
Trade debtors	62	143	-	-
Prepayments and accrued income	1,942	2,003	1,325	1,602
Other debtors	367	542	367	542
Rental deposit	110	110	110	110
Research and Development tax relief receivable	-	239	-	239
Amounts due from group companies	-	-	42	83
	2,481	3,037	1,844	2,576

18. Investment in subsidiary

Company	Investment in subsidiary companies
Cost:	£
At 1 January 2025	10
Additions	5,789
At 31 December 2025	5,799
Net book value:	
At 31 December 2025	5,799
At 31 December 2024	10

Subsidiary undertakings of the Company:

Name	Class of shares	Holding %	Principal activity
Monument Technology Limited (MTL)	Ordinary	56.23%	Software licencing and development
Monument International Development Holdings PTE. Limited (MIDHL)	Ordinary	100%	Market research and public opinion polling

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

Monument International Development Holdings PTE. Limited's registered office and principal place of business is City House 36, Robinson Road, #20-001 Singapore 068877.

The aggregated value of the share capital and reserves as at 31 December 2025, and of the profit or loss for the year ended on that date for the subsidiary undertaking, was as follows:

	31 December 2025 aggregate of share capital and reserves	31 December 2025 profit/(loss)
	£'000	£'000
Monument Technology Limited	5,511	(3,846)
Monument International Development Holdings Pte Limited	6	-
	5,517	(3,846)

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	NCI share of total comprehensive income	Accumulated NCI
		%	£'000	£'000	£'000
MTL	UK	43.77%	(1,588)	-	2,492

Movement in non-controlling interests during the year:

Opening NCI balance	Share of profit/(loss)	Share of other comprehensive income	Additional investment by group	Dilution of group ownership	Accumulated NCI
£'000	£'000	£'000	£'000	£'000	£'000
3,270	(1,588)	-	-	810	2,492

20. Tangible fixed assets

Group	Fixtures and fittings	Computer equipment	Total
Cost:	£'000	£'000	£'000
At 1 January 2025	104	390	494
Additions	4	84	88
Disposals	(4)	(16)	(20)
At 31 December 2025	104	458	562
Depreciation:			
At 1 January 2025	38	183	221
Charge for year	25	97	122
Disposals	(4)	(16)	(20)
At 31 December 2025	59	264	323
Net book value:			
At 31 December 2025	45	194	239
At 31 December 2024	66	207	273
Company	Fixtures and fittings	Computer equipment	Total
Cost:	£'000	£'000	£'000
At 1 January 2025	104	378	482
Additions	4	45	49
Disposals	(4)	(16)	(20)
At 31 December 2025	104	407	511
Depreciation:			
At 1 January 2025	38	183	221
Charge for year	24	87	111
Disposals	(4)	(16)	(20)
At 31 December 2025	58	254	312
Net book value:			
At 31 December 2025	46	153	199
At 31 December 2024	66	195	261

21. Intangible fixed assets

Group		Software development
Cost:		£'000
At 1 January 2025		21,724
Additions		7,130
At 31 December 2025		28,854
Amortisation:		
At 1 January 2025		8,636
Charge for year		4,409
At 31 December 2025		13,045
Net book value:		
At 31 December 2025		15,809
At 31 December 2024		13,088
Company		Software development
Cost:		£'000
At 1 January 2025		20,789
Additions		3,408
At 31 December 2025		24,197
Amortisation:		
At 1 January 2025		8,636
Charge for year		4,244
At 31 December 2025		12,881
Net book value:		
At 31 December 2025		11,317
At 31 December 2024		12,153

During the year, £2,318,000 (2024: £2,650,000) of Group staff costs and 1,418,000 (2024: £2,650,000) of Company staff costs were capitalised.

		Carrying amount		Weighted average remaining amortisation period
		2025	2024	
Individual material assets within software development:		£'000	£'000	Years
Front end user interface - (IOS and Android)	MBL	2,909	4,694	2.4
Banking ecosystem	MBL	8,407	7,459	4.8
Banking platform as a service (BPaaS)	MTL	4,492	935	5

22. Customer deposits

Group and Company		2025	2024
		£'000	£'000
Instant access		6,169,506	3,204,938
Notice accounts		757,634	1,424,863
Fixed term deposits		734,842	439,923
		7,661,982	5,069,724
Group and Company		2025	2024
Agreed maturity dates or period of notice by remaining maturity:		£'000	£'000
Not more than three months		7,044,681	4,711,527
More than three months but not more than one year		582,486	322,225
More than one year but not more than five years		34,815	35,972
		7,661,982	5,069,724

23. Borrowings form central banks

Group and Company	2025	2024
	£'000	£'000
Indexed Long-Term Repo (ILTR)	<u>5,073</u>	<u>-</u>
Agreed maturity dates or period of notice by remaining maturity:		
Not more than three months	<u>5,073</u>	<u>-</u>

At 31 December 2025, securities with a carrying value of approximately £5.1 million (2024: £nil) were pledged as collateral in respect of these borrowings. The Group retains substantially all the risks and rewards of ownership of the pledged securities.

The Group maintains a broader pool of pre-positioned collateral with the Bank of England that exceeds the amount drawn at the reporting date.

24. Other liabilities and accruals

	2025	2024	2025	2024
	Group	Group	Company	Company
	£'000	£'000	£'000	£'000
Trade creditors	1,095	1,251	729	706
Other creditors	238	668	330	857
Accruals	1,829	1,726	1,536	1,319
Deferred income	615	-	-	-
	<u>3,777</u>	<u>3,645</u>	<u>2,595</u>	<u>2,882</u>

25. Called up share capital

Allotted, issued and fully paid:

Number of shares	Class	Nominal value	2025	2024
#		£	£'000	£'000
4,636,294	Ordinary	0.01	<u>46</u>	<u>39</u>

A total of 711,478 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.

26. Warrants

We have 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 2025	758,643	59.88
Granted	256,483	72.00
Exercised	(263,158)	57.00
Outstanding as at 31 December 2025	<u>751,968</u>	<u>65.02</u>

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

Number of warrants	Long stop expiry	Exercise price
#	Date	£
298,246	31/12/2029	57.00
197,239	20/05/2029-29/07/2029	68.08
256,483	28/07/2028-21/11/2028	72.00

27. 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. Credit risks are managed by the Credit Risk Committee and overseen by the Executive Risk and Compliance Committee.

Loans are secured on UK-located property or on eligible financial assets under Lombard lending arrangements. Concentration risks are monitored by the Credit Risk Committee, and credit exposures are diversified by geographical and asset sector.

	2025	2024
Lending by geographical location value (Group and Company):	%	%
Greater London	60	64
East of England	12	10
South East	6	10
North West	6	4
West Midlands	5	9
South West	5	1
North East	2	2
East Midlands	2	-
Wales	1	-
N/A (Lombard lending)	1	-
Total	100	100
Lending by loan size (number of loans) (Group and Company):	%	%
£0-£250k	35	14
£251k-£500k	20	21
£501k-£1,000k	16	21
£1,001k-£2,000k	16	28
£2,001k-£3,000k	5	8
£3,001k-£4,000k	4	4
> £4,001k	4	4
Total	100	100
Lending by LTV ratio (Group and Company):	%	%
< 55%	12	14
55-65%	26	25
65-75%	47	61
75-85%	15	-
Total	100	100

The table is representative of loans that are neither past due nor impaired.

27. Risk management (continued)

Our maximum exposure to on balance sheet 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 2025.

	2025	2024	2025	2024
	Group	Group	Company	Company
Assets:	£'000	£'000	£'000	£'000
Deposits at central banks	5,695,104	3,685,561	5,695,104	3,685,561
Deposits at other banks	42,352	43,495	40,822	36,019
Loans and advances to customers	322,771	173,839	322,771	173,839
Treasury bills	69,051	-	69,051	-
Covered bonds	451,768	527,712	451,768	527,712
Residential mortgage-backed securities	982,246	621,466	982,246	621,466
Asset-backed securities	130,174	78,135	130,174	78,135
Supranational bonds	56,542	-	56,542	-
Gilts	349	346	349	346
Derivative financial instruments	797	1,460	797	1,460
Credit Support Annex (CSA) asset	4,400	3,400	4,400	3,400
Trade debtors	62	143	-	-
Other debtors	367	542	367	542
Rental deposits	110	110	110	110
Accrued income	60	156	14	14
Maximum exposure to on balance sheet credit risk	7,756,153	5,136,365	7,754,515	5,128,604

The Group's and Company's maximum exposure to credit risk at the reporting date is represented by the carrying amounts of financial assets recognised in the statement of financial position and the contractual amounts of off-balance sheet financial instruments.

As at 31 December 2025, the Group and Company had undrawn committed loan facilities of £23.1 million (2024: £3.7million).

As at 31 December 2025, the total collateral held against retail lending secured against residential property and eligible financial asset under Lombard lending agreements was estimated to be £586.5 million (2024: £283.7 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:

		2025	2024	2025	2024
		Group	Group	Company	Company
Assets by counterparty credit rating:	Rating	£'000	£'000	£'000	£'000
Residential mortgage-backed securities	Aaa/AAA*	968,430	614,715	968,430	614,715
Asset-backed securities	Aaa/AAA*	130,174	78,135	130,174	78,135
Covered bonds	Aaa/AAA*	451,768	527,712	451,768	527,712
Supranational bonds	Aaa/AAA*	56,542	-	56,542	-
Residential mortgage-backed securities	Aa1-Aa3**	13,816	6,751	13,816	6,751
Deposits at central banks	Aa3**	5,695,104	3,685,561	5,695,104	3,685,561
UK treasury bills and gilts	Aa3**	69,400	346	69,400	346
Deposits at other banks	A1-A3**	9,462	11,795	7,945	4,318
Derivative financial instruments	A1-A3**	797	1,460	797	1,460
Deposits at other banks	Unrated	37,290	35,100	37,277	35,100
Loans and advances to customers	Unrated	322,771	173,839	322,771	173,839
		7,755,554	5,135,414	7,754,024	5,127,937

Unrated amounts represent funds held at ClearBank and Pleo.

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

**Ratings based on Moody's long-term credit rating.

27. Risk management (continued)
Credit quality of loans and advances to customers:

Group and Company	2025	2024
	£'000	£'000
Neither past due or impaired	310,185	174,105
Past due but not impaired		
Upto 1 month	899	-
More than 1 month but less than 3 months	7,228	-
More than 3 months but less than 6 months	1,042	-
Individually impaired		
Upto 1 month	-	-
More than 1 month but less than 3 months	59	-
More than 3 months but less than 6 months	4,366	-
	323,779	174,105

LTV grading of past due loans and advances to customers:

Group and Company	2025	2024
	£'000	£'000
Past due but not impaired		
< 55%	3,026	-
55-65%	1,084	-
65-75%	5,060	-
Individually impaired		
65-75%	4,425	-
	13,595	-

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 are 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 have 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 Liquidity Coverage Ratio (LCR) at 31 December 2025 was 576% (2024: 589%).

27. Risk management (continued)
Analyses of the contractual undiscounted cash flows of our financial assets and liabilities:

Group 2025	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
	£'000	£'000	£'000	£'000	£'000
Assets:					
Cash and balances at central banks	5,695,104	5,695,104	-	-	-
Loans and advances to credit institutions	46,752	46,752	-	-	-
Loans and advances to customers	322,771	44,768	104,117	200,588	-
Covered bonds	451,768	4,850	13,427	473,387	22,139
Residential mortgage-backed securities	982,246	118,642	256,935	684,882	-
Asset-backed securities	130,174	18,761	61,506	55,553	-
Treasury bills	69,051	-	70,000	-	-
Supranational bonds	56,542	351	23,663	40,093	-
Gilts	349	-	1	351	-
Derivative financial instruments	797	106	533	190	-
Trade debtors	62	62	-	-	-
Other debtors	367	367	-	-	-
Rental deposits	110	-	-	110	-
Accrued income	60	60	-	-	-
Total assets	7,756,153	5,929,823	530,182	1,455,154	22,139
Liabilities:					
Customer deposits	7,661,982	7,048,426	597,703	36,765	-
Borrowings from central banks	5,073	5,099	-	-	-
Trade creditors	1,095	1,095	-	-	-
Derivative financial instruments	787	86	343	367	-
Other creditors	238	238	-	-	-
Accruals	1,829	1,829	-	-	-
Total liabilities	7,671,004	7,056,773	598,046	37,132	-
Net liquidity gap	85,149	(1,126,950)	(67,864)	1,418,022	22,139

Company 2025	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
	£'000	£'000	£'000	£'000	£'000
Assets:					
Cash and balances at central banks	5,695,104	5,695,104	-	-	-
Loans and advances to credit institutions	45,222	45,222	-	-	-
Loans and advances to customers	322,771	44,768	104,117	200,588	-
Covered bonds	451,768	4,850	13,427	473,387	22,139
Residential mortgage-backed securities	982,246	118,642	256,935	684,882	-
Asset-backed securities	130,174	18,761	61,506	55,553	-
Treasury bills	69,051	-	70,000	-	-
Supranational bonds	56,542	351	23,663	40,093	-
Gilts	349	-	1	351	-
Derivative financial instruments	797	106	533	190	-
Other debtors	367	367	-	-	-
Rental deposits	110	-	-	110	-
Accrued income	14	14	-	-	-
Total assets	7,754,515	5,928,185	530,182	1,455,154	22,139
Liabilities:					
Customer deposits	7,661,982	7,048,426	597,703	36,765	-
Borrowings from central banks	5,073	5,099	-	-	-
Trade creditors	729	729	-	-	-
Derivative financial instruments	787	86	343	367	-
Other creditors	331	331	-	-	-
Accruals	1,536	1,536	-	-	-
Total liabilities	7,670,438	7,056,207	598,046	37,132	-
Net liquidity gap	84,077	(1,128,022)	(67,864)	1,418,022	22,139

27. Risk management (continued)

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
	£'000	£'000	£'000	£'000	£'000
Assets:					
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
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
	£'000	£'000	£'000	£'000	£'000
Assets:					
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

27. 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.

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 £1,882,000 (2024: £700,000) increase in economic value, while a -200 bps shock would result in a decrease of £1,953,000 (2024: £718,000).

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.

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).

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 have 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 2025, our capital base was made up of £83.9 million of Tier 1 capital (2024: £56.3 million). Our regulatory capital consists of the following:

	2025	2024
	£'000	£'000
Regulatory capital:		
Ordinary share capital and share premium	171,069	129,967
Available-for-sale reserve less Prudent Valuation (PruVal) adjustment	(1,431)	(1,440)
Accumulated losses	(74,418)	(60,050)
Deductions: intangible assets	(11,317)	(12,153)
Total Tier 1 capital	83,903	56,324

27. Risk management (continued)

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	2025	Level 1	Level 2	Level 3
Financial instruments measured at fair value:	£'000	£'000	£'000	£'000
Covered bonds	451,768	451,768	-	-
Residential mortgage-backed securities	982,246	982,246	-	-
Asset-backed securities	130,174	130,174	-	-
Treasury bills	69,051	69,051	-	-
Supranational bonds	56,542	56,542	-	-
Derivative financial assets	797	-	797	-
Derivative financial liabilities	(787)	-	(787)	-

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)	-

28. Commitments under operating leases

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

Group and Company	2025	2024
	£'000	£'000
Within one year	150	167
Between one and five years	75	225
	<u>225</u>	<u>392</u>

During the year, £206,000 (2024: £235,000) was recognised as an expense in the statement of profit and loss in respect of operating leases.

29. Post balance sheet events

Further capital investments in cash amounting to £2,938,000 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 were allotted on 3 February 2026. The total number of ordinary shares issued was 42,193.

30. Related party transactions

Monument Technology Limited (MTL) and Monument International Development Holdings Private Limited (MIDHL) are subsidiaries of Monument Bank Limited (the Bank).

At the year end, the Bank was owed £48,000 by MTL. During the year, the Bank recognised royalty income of £72,000 (2024: £14,000) from MTL.

At the year end, the Bank owed £6,000 to MIDHL.

31. Ultimate controlling party

There is no ultimate controlling party.

32. Country by Country Reporting

The Capital Requirements (Country by Country Reporting) Regulation 2013 places certain reporting obligations on financial institutions that are within the scope of Capital Requirements Directive ("CRD IV").

The objective of the Country by Country Reporting requirements is to provide increased transparency regarding the source of the financial institution's income and the locations of its operations. The Bank is a UK-registered entity.

The Bank is a deposit taker and lender and operates only in the United Kingdom.

	2025	2024
	£'000	£'000
Turnover	23,195	12,125
Profit before tax	(19,409)	(14,717)
Corporation tax charge	-	(239)
Average number of employees	135	103

Turnover is defined as total interest income less interest expense.