



Investment  
Overview



**Monzo want to provide a  
financial control centre to  
1 billion people worldwide**





## Today, Monzo is a bank that's as smart as your phone

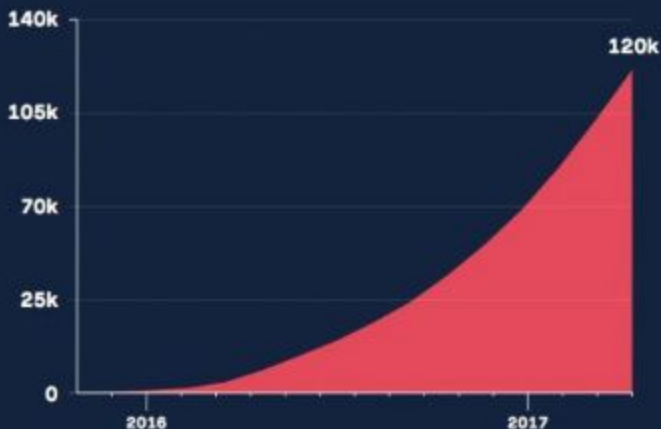
Imagine opening a full bank account in 30 seconds from your phone. Or sending money to friends and splitting bills with a single swipe. Imagine push notifications the second you pay for anything, with your balance always up-to-date. Imagine travelling abroad and being welcomed by your bank on arrival, with zero foreign exchange fees, rather than always having your card blocked for fraud. And if you do lose your card, freeze and unfreeze it with a single tap. It's banking that feels like magic.

Monzo is this bank, complete with a **UK banking licence**, all core **technology built in-house** and a **delightful UX**.

## More than 120,000 people have a funded Monzo account

This has been primarily driven through organic social channels and word-of-mouth referral, at zero cost per acquisition.

PR and press coverage has also been very positive. In March 2016, Monzo broke world records by raising £1 million in 96 seconds via a crowdfunding platform, generating worldwide news coverage.



## Customer metrics are very encouraging



**120,000**

Cards distributed with over  
£100,000,000 spent  
collectively by users



**4.3**

Stars on the  
App Store



**60%**

Of cards being used  
actively (at least once  
per week)



**£370**

Average spend per  
active card per month



**324**

Transactions a year by  
active users (compared to  
UK average of 115)<sup>1</sup>

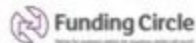
## In the future, Monzo wants to be the marketplace bank for everyone in the world

Extra money sitting in your account? We want to help you move it into savings accounts, P2P lenders or investment funds, all in a single tap. Running short on cash? We'll let you know before you go overdrawn, and give you a range of straightforward borrowing options.

Since we've already taken you through **bank-grade KYC and AML checks**, we'll be able to let you open accounts with other financial services providers in seconds, avoiding long-winded signup processes. Thanks to **open APIs**, you'll be able to manage those providers from within the Monzo app, giving you complete financial control from a single place.

Rather than building a balance sheet, we want to create a **powerful financial control centre** for your money.

The future of personal finance is marketplace banking.



Examples of possible integrations

## The team has the right blend of product, tech, and banking skills.



**Tom Blomfield**  
Chief Executive Officer

Tom was previously co-founder of GoCardless, the payment processor. He was named one of the Top 5 Entrepreneurs in Europe by the European Commission in 2013.



**Paul Rippon**  
Deputy CEO & Co-Founder

Paul has 23 years of retail banking experience, looking after millions of customers at Lloyds, AIB and Natwest. He lectures in Banking Practice at the ifs.



**Gary Dolman**  
CFO & Co-Founder

Gary was previously the CFO of ABN AMRO Transaction Banking overseeing a turnover of \$6bn. He is a qualified chartered accountant.



**Jonas Huckestein**  
CTO & Co-Founder

Jonas graduated from university at the age of 18, and has founded several Silicon Valley-based startups. He's a Y Combinator alumnus.



**Patrick Masserano**  
Chief Operating Officer

Patrick has 20 years of experience in retail banking operations, previously holding the role of Retail Operations Director at Lloyds Banking Group.



**Ole Mahr**  
Head of Product

Ole was previously Product Manager at Skype, where he launched the video calling product globally. He has also held positions at Lulu and CitySocialising.



**Ian Wilson**  
Chief Risk Officer

Ian is a career risk management professional with 35 years of experience. Most recently Ian was CRO of Charter Savings Bank.



**Baroness Denise Kingsmill**  
Chairman of the Board

Denise was previously the deputy chair of the Competition Commission enquiry into Banking and Senior Advisor to RBS.



**Tim Brooks**  
Non-Executive Director

Tim has held senior business leadership roles at JPMorgan Chase & Co and PwC and now continues his corporate contribution as a NED for a diverse range of large companies.



**Eileen Burbidge**  
Investor Director

Eileen is a partner at Passion Capital and Fintech Envoy for HM Treasury. She has held product roles at Yahoo!, Skype, and Apple.



## Viral growth mechanics can get us to the first million customers

Waiting list

Invites from Monzo users

Golden tickets to skip waiting list

Send and request money







## Monzo Community

We're building a bank with the help of a remarkably engaged community.

Thousands of people inspired by our vision of a 21st century bank are following our story, and helping us with feedback and ideas. This community is key to our success to date, ensuring our users feel a genuine sense of ownership over the product they are evangelising.

**26.9k**

Twitter Followers

**28.7k**

Discussion forum posts

**96 seconds**

£1m raised through crowdfunding

**12k**

Crowdsourced name change suggestions

## Machine learning and product improvements help us operate at scale



### Fraud

From a peak of £40,000 per week, fraud losses have been reduced by more than 95%, helped by machine learning models based on Google's TensorFlow library. We've recently started feeding in geolocation data, which should further reduce card fraud.



### Credit Scoring

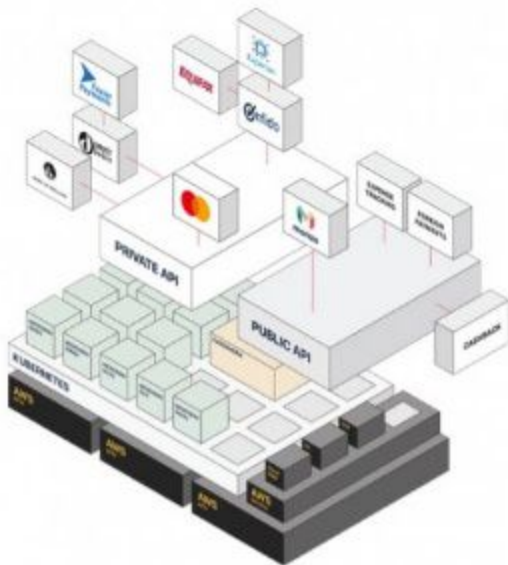
Every Monzo customer interaction is stored in our data warehouse, hosted with Google BigQuery. Combined with social network profiles and data from the Credit Reference Agencies, we will build sophisticated credit scoring models to broaden access to credit and reduce bad debt.

I've forgotten my pin  
How can I reset it?

Hi Julian! No worries. A new pin will be with you shortly

### Customer Support

We currently field about 5,000 queries per week, 99% of which come via in-app text chat. In early trials, our AI has been able to identify 80% of questions correctly. In future, a hybrid AI model will be able to suggest responses to most questions without human intervention.



## We've built 95% of our bank software in-house

As well as a market-leading mobile application, we've built our real time core banking systems from scratch.

The backend systems are primarily composed of Go microservices communicating over Kafka, using Cassandra as the primary data store.

Unlike other challenger banks, we own the full technology stack, giving us the flexibility to react to changes in customer behaviour and demands. Rolling out new functionality is a matter of hours and days, rather than weeks and months.

This technology is highly extensible, allowing us to operate in multiple currencies, connect to multiple global payment networks, and introduce new financial products easily. Running across three AWS availability zones, cloud hosting gives us the ability to scale quickly with demand.



## We received a UK banking licence in August 2016!

A UK banking licence is authorised by the PRA and regulated by the PRA and FCA<sup>1</sup>, allowing deposit-taking and balance sheet lending. Once granted, it allows firms to passport across Europe, accessing 500 million consumers.

Changes in the authorisation regime in March 2013<sup>2</sup> introduced a new two-stage process, under which a firm is first granted a banking licence with restrictions.

This is followed by a "mobilisation" phase during which final capital is raised and IT systems are completed, before launching to the public.

Monzo was granted a licence with restrictions in August 2016 and is planning to launch current accounts in the first half of 2017.

<sup>1</sup> Prudential Regulation Authority, Financial Conduct Authority

<sup>2</sup> <http://www.bankofengland.co.uk/publications/Documents/joint/bankers.pdf>

## How will Monzo make money?



In the short and medium-term, Monzo will make money by lending out deposits, without hidden fees or charges



Long-term, profit sharing and affiliate fees on third-party products will be the main source of revenue

## **Additional capital will allow us to expand into Europe, the US, and Asia**

Further geographic expansion depends on the availability of capital. By 2017, our UK banking authorisation should allow us to operate across Europe under our own licence, generating revenue from personal lending.

A US expansion is possible via sponsor banks. This could take 6 months to get live, and short-term revenue would be generated by higher US MasterCard interchange rates. Medium-term profitability would depend on a partnership with a US-regulated unsecured consumer credit provider or acquisition of a US banking licence.

Asian expansion would be based out of Singapore in the first instance, where the Monetary Authority Of Singapore (MAS) has just launched the FinTech & Innovation Group. Any initial launch would be based on partnership with a local sponsor bank.



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