



CONFIDENTIAL TREATMENT REQUESTED

By Electronic Mail

April 20, 2020

Stephen Lybarger
Deputy Comptroller for Licensing
Office of the Comptroller of the Currency
400 7th St. SW
Washington, DC 20219

Louis Gittleman
Director for District Licensing
Office of the Comptroller of the Currency, Western District
1225 17th St., Suite 300
Denver, CO 80202

Re: Monzo Bank USA, N.A. Interagency Charter and Federal Deposit Insurance Application

Dear Messrs. Lybarger and Gittleman,

On behalf of the organizers of Monzo Bank USA, N.A. (“Monzo USA,” “the Applicant,” or the “Bank”), a proposed *de novo* national bank, please find attached an Interagency Charter and Federal Deposit Insurance Application (the “Application”), which we are formally submitting to the Office of the Comptroller of the Currency (“OCC”).

The attached contains the completed Application form (Packet A), Public Exhibits to the Application (Packet B), and the Confidential Exhibits to the Application (Packet C and Packet D).

We are delighted to have this opportunity to apply for a national bank charter, and hope that this will allow Monzo the opportunity to bring its products and services to the U.S. market. We believe that Monzo will be able to provide American consumers with better banking and financial products than current offerings in the U.S. market, with lower fees and charges, better customer service, and a superior digital app experience that consumers now expect.

* * *

Confidential Treatment Request

The Applicant requests confidential treatment of the Confidential Exhibits to the Application (Packet C and Packet D) and all information contained therein (collectively, the “Confidential Information”). The Confidential Information consists of highly sensitive business and regulatory information that is proprietary in nature and not available to the public. Disclosure of any Confidential Information to the public, to a federal or state government agency, or to any third party could result in substantial harm to the



competitive position of the Applicant and its affiliates. In particular, the Confidential Information includes confidential commercial and financial information that relates to the business, personnel, and financial affairs of the Applicant and its affiliates, the disclosure of which could provide competitors with direct knowledge of the business plans and activities of the Applicant and its affiliates, to the material detriment of their competitive position.

The Confidential Materials contain confidential commercial or financial information, furnished in confidence, that is customarily and actually treated as private for purposes of Exemption 4 of the Freedom of Information Act (“FOIA”), 5 U.S.C. § 552(b)(4). We are providing this information on the basis of the assurances of privacy accorded to such information established in 12 C.F.R. § 4.12(b)(4). *See* Food Marketing Institute v. Argus Leader Media, 588 U.S. ___ (2019) (“[W]here commercial or financial information is both customarily and actually treated as private by its owner and provided to the government under an assurance of privacy, the information is “confidential” within the meaning of Exemption 4.”). The Confidential Materials also include financial records containing sensitive personal information, furnished in confidence, the disclosure of which would constitute a clearly unwarranted invasion of the personal privacy of individuals associated with Monzo for purposes of FOIA Exemption 6. *See* 12 C.F.R. § 4.12(b)(6).

The Confidential Materials accordingly are exempt from public disclosure under FOIA and OCC regulations implementing FOIA. We respectfully request that we be notified in advance and given an opportunity to be heard if it is proposed that the Confidential Materials, or the information contained therein, be made public. *See* Executive Order 12,600 (June 23, 1987).

In addition, we request, pursuant to FOIA and applicable OCC regulations and for reasons including those set forth above, that any memoranda, notes or other writings of any kind whatsoever made by an employee, agent or any person under the control of the OCC (or any other governmental agency) that incorporate, include or relate to any of the matters referred to in the Confidential Materials (i) furnished by the Applicant or its respective employees or agents to the OCC (or any other governmental agency) or (ii) referred to in any conference, meeting, telephone conversation or interview between (a) employees, former employees, representatives, agents or counsel of the Applicant and (b) employees, agents or any persons under the control of the OCC, be maintained in confidence, not be made part of any public record and not be disclosed to any person.

* * *



If you have any questions with respect to the Application, please do not hesitate to contact me at tsanil@monzo.com, or (415) 823-3791, or Thomas George, Director of Operations for Monzo USA, at thomas@monzo.com or +44 7760 556 228.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anil', with a long horizontal stroke extending to the right.

Anil Sai Tummalapalli (TS Anil), CEO, Monzo USA

Enclosures

cc: Michael Nonaka, Covington & Burling LLP
Tom Blomfield, CEO, Monzo Bank Limited, Organizer, Monzo Bank USA, N.A
Gary Hoffman, Chair, Monzo Bank Limited, Organizer, Monzo Bank USA, N.A
Robert Hartheimer, Organizer, Monzo Bank USA, N.A.
Carol Nelson, Organizer, Monzo Bank USA, N.A.
Joel Tashjian, Director, Monzo Bank USA, N.A.

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Packet A

Interagency Charter and Federal Deposit Insurance Application Form

Interagency Charter and Federal Deposit Insurance Application Form

Packet B

Public Exhibits

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2. Bylaws
3. Articles of Association
4. Newspaper Notice
5. Director Residency Waiver Request
6. Director Citizenship Waiver Request
7. OCC Certification
8. OCC Checklist



Confidential Exhibits: (in a separately bound volume)

Packet C

Confidential Business Plan

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4. Section IV - Marketing Plan
5. Section V - Management Plan - Directors and Officers
6. Section VI - Records, Systems, and Controls
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Appendix E2 - Bank Secrecy Act and Anti-Money Laundering Program

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Appendix E12 - Threat and Vulnerability Management Policy

Appendix E13 - Complaints Management Policy

Notes when reading this document:

To avoid confusion, this Interagency Charter and Federal Deposit Insurance Application (the “**Application**”) refers to different business and legal entities as follows:

- When referring to the global operations of the Monzo business or to the operations of the consolidated business in a general, non-geographically specific or entity-specific manner, this document will use the term “**Monzo.**”
- When referring to the existing UK bank, Monzo Bank Limited, and its UK-specific operations, this document will use the term “**Monzo UK.**”
- When referring to Monzo Bank USA, N.A., the proposed *de novo* national bank, this document will use the terms “**Monzo USA,**” or the “**Bank,**” or the “**U.S. Bank.**”
- Sect. III of the Confidential Business Plan (Packet C) provides more detail on the proposed Monzo group structure. When referring to the parent company of Monzo USA this document uses the term “**Monzo Global**”.

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1. Overview

- a. *Provide a brief overview of the application. The overview should describe the institution's business and any special market niche, including the products, market, services, and any nontraditional activities.*

The organizers and Monzo Bank Limited (“Monzo UK”) have prepared this Interagency Charter and Federal Deposit Insurance Application (the “Application”) to request approval from the Office of the Comptroller of the Currency (“OCC”) to organize and operate Monzo Bank USA, N.A. (“Monzo USA” or the “Bank”), which will be a de novo, FDIC-insured national bank.

Overview:

For many customers, banking can be slow, expensive, and frustrating, especially when compared to new digital services offered in other industries. It was with the customer experience in mind that Monzo UK was founded in February 2015, with the aim of building a new kind of bank: one that helps people to better manage their finances and avoid unfair fees and charges, while offering a best-in-class customer experience, all using a fully-featured mobile application on a smartphone. Monzo UK offers a checking account and other banking services to mass-market customers in the UK via a world-class mobile phone application, with 24/7 customer support via phone and in-app chat.

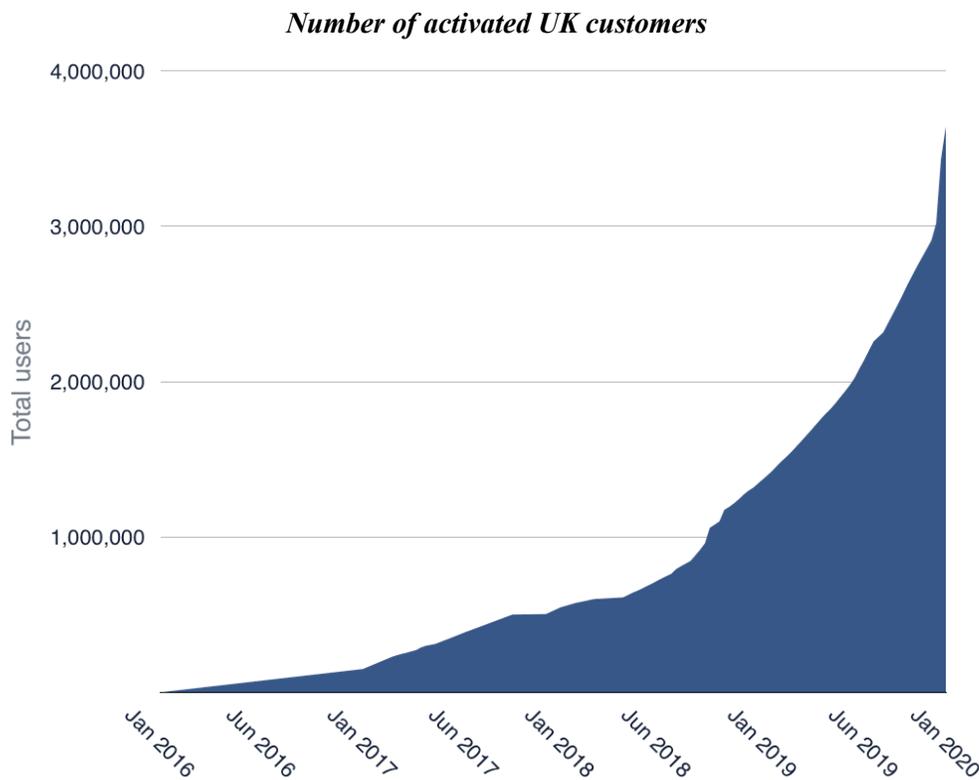
Monzo USA will be headquartered in San Francisco, California and will operate and offer services to customers across the United States. Monzo USA’s initial products will be a fully-featured, digital checking account, combined with flexible credit products such as short-term installment loans and an overdraft line of credit. All our products are accessed and controlled from a smartphone app that also provides intuitive financial control and budgeting tools. During the *de novo* period the Bank will explore expanding its lending products to include longer term installment loans (up to 5 years) and a Monzo credit card, alongside a premium checking account and marketplace features allowing customers to access other financial services from third parties. The Bank’s products will be designed to appeal to consumers across all socioeconomic groups, and with its focus on transparency and customer experience, the Bank will have widespread appeal. Nevertheless, younger and more technology-oriented consumers are more likely to be early adopters of Monzo USA accounts, and these consumers accordingly form Monzo USA’s expected core customer demographic.

The Bank will drive success by using new technologies and innovations, building products and services that are customer-centric, acting transparently, and aiming to genuinely help its customers better manage their money. Monzo puts the utmost emphasis on risk management and compliance to ensure that its business is run in a sustainable and prudent way, and this approach will extend to Monzo USA.

Background information on Monzo UK

Monzo UK is a digital retail bank based in London, United Kingdom, regulated by the Prudential Regulation Authority (“PRA”) and the Financial Conduct Authority (“FCA”), and offers deposits insured by the Financial Services Compensation Scheme (“FSCS”).

Since obtaining a banking charter over three years ago, Monzo UK has demonstrated strong and consistent growth, driven primarily by excellent customer satisfaction scores and word-of-mouth marketing. As of April 2020, Monzo UK had over 4 million customers in the UK.



For a period in Q4 2017, Monzo UK was going through the process of upgrading prepaid customers to a full checking account; during this time, Monzo UK did not accept new customers, resulting in a short plateau in growth.

Monzo UK generates its revenues from traditional banking sources, primarily unsecured consumer lending, debit card interchange, interest from Treasury Investments and deposits at the Bank of England. Monzo UK has also been developing its Marketplace offering, which allows its customers to access third-party financial products through Monzo, and has released a number of savings products provided by third parties through the Monzo app, for which Monzo UK receives a variable commission fee.

Monzo will leverage its experience of successfully launching, growing, and operating a new UK retail bank at significant scale to reduce the risks inherent in launching a *de novo* bank in the United States.

Rationale for entering the U.S. market:

Monzo has identified a compelling customer need in the U.S. market for a bank that offers a better checking account experience than existing offerings. This conclusion is based on Monzo's research and analysis of the U.S. market, its experience from launching a debit card in the United States with a partner bank in late 2019, as well as its experience launching a new retail bank in the UK market.

Monzo's comprehensive market analysis, which included primary and secondary research and data from over 6,700 U.S. banking customers, highlights a changing landscape for retail banking in the United States. There are new demographic and psychographic segments, changing consumer behaviors and preferences, and a lack of trust in the financial services industry. These factors, coupled with increasing demand for mobile banking, a greater need for tools for money management, and desire to avoid fees and unsustainable levels of debt, have left consumers eager for solutions to their unmet needs. Other industry players have not adequately provided solutions, leading to a gap in the market.

With Monzo's delightful, fully-featured mobile banking application, strong customer focus, and fully developed in-house banking technology, Monzo is well situated to satisfy this unfulfilled demand for a customer-centric, fully-featured mobile banking solution.

In addition, Monzo has launched a pilot for its product in the U.S. market through a partnered debit card issued by a third party bank (Sutton Bank, of Attica, Ohio) that is branded with the Monzo name and logo and is accessible through the Monzo app. So far, the results of this trial broadly support the Bank's proposed marketing and product strategy. More information on this pilot is provided in Sect. IV of the Confidential Business Plan (Packet C).

Proposed corporate structure:

Information on the proposed corporate structure is provided in Sect. III of the Confidential Business Plan (Packet C).

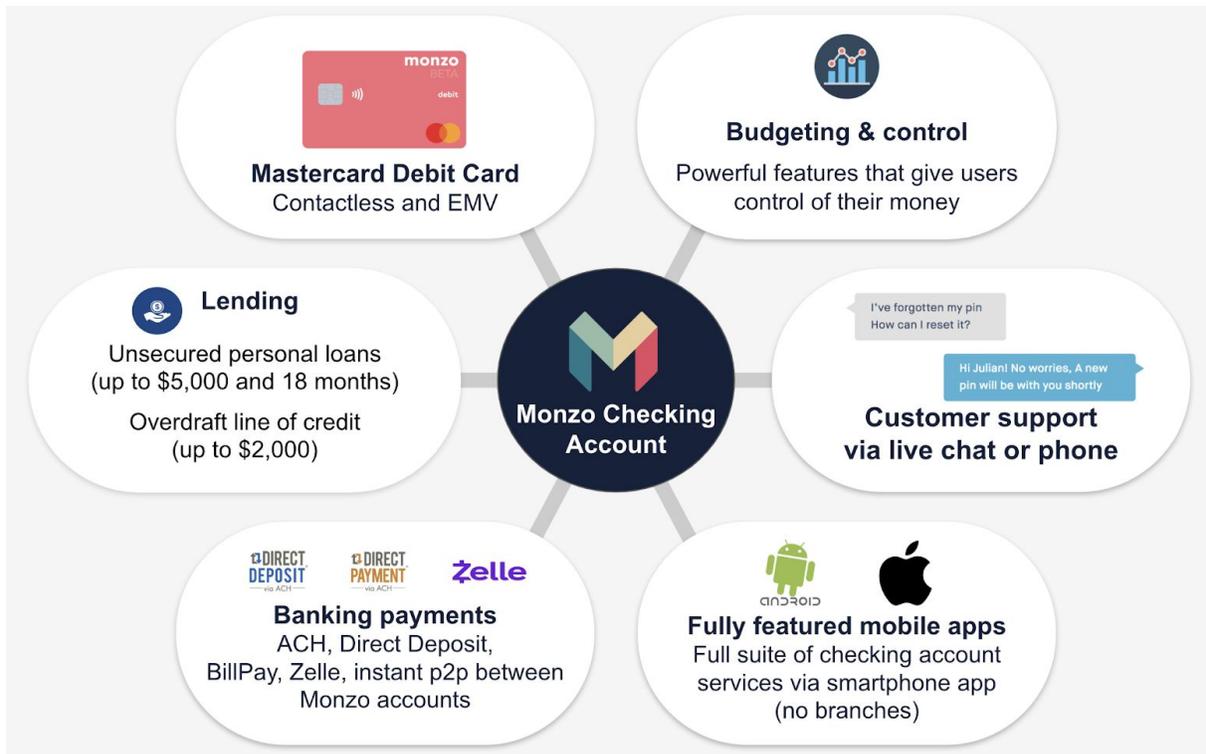
Product offering:

Monzo's mission is to make a positive impact on its customers' lives by making personal finances easier and cheaper to manage. Monzo's goal is to build products that its customers want, based on gaps it has observed in the market and feedback it receives from our customers. Monzo strives to work in its customers' best interests, above and beyond regulatory requirements and expectations, and believes in developing products and services that meet customers' financial needs while avoiding unfair fees, charges, and rates.

Monzo's aim is to be a **financial control center** that provides customers with the tools and support to better manage and control their financial lives. To achieve this goal, Monzo USA's primary product will be a fully-featured, digital checking account with unsecured lending products accessed from a smartphone. Over time, the Bank will develop additional features and services that are likely to include a

premium checking account with a monthly fee, a credit card, additional unsecured lending products, and marketplace features that allow customers to access third-party financial products through the Monzo app.

The Bank's initial product offering will include the following:



- **Mobile app:** The primary means of interacting with Monzo USA will be via a fully-featured mobile application that will give its customers all the tools they need to manage their money.
 - Sign-up: Customers will be able to complete sign-up entirely through the mobile app, avoiding the need for paper forms, telephone calls or visits to bank branches.
 - Budgeting and control: Customers will have access to control and budgeting features such as real time balance and transaction updates, budgeting tools, spending analysis, and “Pots,” which are flexible saving sub-accounts.
 - Payment features: Enabling customers to make and authenticate payments from their device, including peer-to-peer payments and the ability to split a recent transaction with other Monzo customers.
- **Payment networks:** Monzo USA will be connected to U.S. payment networks to allow ACH payments to and from other U.S. banks, direct debits and direct credits. The Bank will build bill payment capabilities and features through integration with billers. The Bank will seek to integrate with Zelle, either independently or using a turnkey third party provider.

- **Card payments:** Customers of the Bank will receive a contactless debit card to enable payments in stores and online and make ATM withdrawals, anywhere in the world. In addition, customers will be able to opt in to mobile payments services, such as GooglePay and ApplePay.
- **Lending:** Monzo USA will offer customers a range of unsecured lending options that are appropriate to them, fairly priced, and transparent. These options will initially consist of:
 - an overdraft line of credit; and
 - short-term unsecured installment loans with 3-18 month terms.
- **Customer support:** Customers will receive excellent and rapid customer support via in-app chat or via a toll-free phone line.
- **Free in-network ATM usage:** Customers will be able to make free ATM withdrawals via a partner ATM network.
- **Branchless:** Monzo USA will not open any physical branches, allowing it to run a much lower cost base than traditional banks.

Further product development

Within the de novo period but *after* development of the initial products above, Monzo USA will offer additional products to meet broader customer needs. The Bank's proposed additional products are designed as enhancements to the core product of a checking account with unsecured lending:

- **Premium checking accounts:** Monzo recognizes that some of the Bank's customers will expect more from a checking account that serves as a financial control center. The Bank can offer those customers a premium checking account that delivers features they value, such as travel insurance and greater interest on deposits, for a reasonable monthly fee.
- **Credit cards:** The Bank will explore launching a credit card as an alternative means for customers to access unsecured credit. Customers would use the credit card as an add-on product to their Monzo checking accounts.
- **Medium- and long-term unsecured loans:** The Bank will launch more sophisticated unsecured lending products with longer terms (from 18 to 60 months) and larger principal amounts. The Bank may explore alternative channels or methods of offering and marketing loans to its customers, such as linking credit to a specific transaction, purchase, or retailer.
- **Marketplace:** Through the Monzo application, customers of the U.S. Bank will have the ability to access a range of other financial services from third-party partners, with the convenience and control of managing everything from one place. These services could include savings accounts, bespoke credit products, and insurance, among others.

Governance:

Monzo USA will have its own independent governance structures, including a board of directors. The initial five-person board will include two independent non-executive directors who will oversee and provide effective challenge for the CEO and the rest of the management team, as well as the independent Chair of Monzo UK.

The initial board of directors of the Bank will be:

- Gary Hoffman (Chair of the board)
- Carol Nelson
- Robert Hartheimer
- TS Anil
- Joel Tashjian

Management team:

The organizers of the Bank will be a team of highly-skilled and experienced professionals with backgrounds in U.S. banking and financial services, as well as in the fields of risk management, technology, marketing, and product design.

The U.S. management team will be led by a CEO and supported by an Executive Committee. The initial U.S. management team and officers of the Bank will consist of the following roles:

- Anil Sai Tummalapalli (TS Anil) as Chief Executive Officer and President
- Chief Financial Officer to be hired
- Chief Risk / Compliance Officer to be hired
- General Counsel (Joel Tashjian)
- Chief Auditor to be hired
- Head of Operations to be hired
- Head of Technology to be hired
- Head of Product to be hired
- Head of Marketing to be hired
- Head of People to be hired

In addition, the U.S. management team would work with the UK and global team where beneficial. This relationship will involve knowledge sharing, the adaptation of approaches and procedures that have proven to be effective in the UK, and the establishment of synergies across the business (for example, Monzo USA will use the same technology platform as Monzo UK).

Monzo USA will have succession plans in place to mitigate the impact of the unlikely event of the unforeseen departure of any C-level staff. Given the complementary skills and experience Monzo USA is expected to have across its executive team, and the support of the global Monzo organization, Monzo



USA should be able to cope with the departure of any officer of the Bank without suffering significant detrimental impact.

Financial model:

Monzo’s projections show that it can build a business in the U.S. that is profitable within three years of launch. The Bank’s business case is based on traditional banking revenue sources, but the Bank is expected to have lower operating costs than traditional banks as a result of operating a mobile-only bank with no branches and using Monzo’s modern, proprietary banking technology. Monzo USA will maintain sufficient capital from day one to exceed regulatory capital requirements and expectations for the first three years of operations. Monzo has also stress- tested the assumptions underlying its financial projections for the Bank across a number of conditions and drivers to assess the limits at which the Bank would still achieve profitability and remain well-capitalized during the *de novo* period. The results demonstrate that the Bank’s business model will be stable and highly resilient to various key business risks. In addition to the base case, Monzo has also modeled “stretch” cases to assess the impact on the business model if customer growth were more rapid than forecast. More details can be found in Sect. X of the Confidential Business Plan (Packet C).

Risk management approach:

Risk management is of utmost importance to Monzo and the organizers of the Bank. Monzo UK has developed a robust risk management framework and uses the three lines of defense approach to risk management and governance. As described in Sect. VI of the Confidential Business Plan (Packet C), Monzo USA’s risk management would be based on this approach.

An update regarding the ongoing global COVID-19 health pandemic

The organizers of Monzo USA are aware of the implications of the COVID-19 pandemic on financial services and other industries around the world, and are monitoring developments in the United States carefully.

Many aspects of this business case were prepared in 2019 and earlier, so did not reflect the impact of the current health pandemic. With this in mind, the organizers have spent time considering how the pandemic will impact Monzo's plans in the United States.

In the short term, ongoing business, travel and economic disruption is likely to continue. However the organizers do not believe this should unduly disrupt Monzo's charter application. The Monzo USA team is well prepared for remote and tele-working, and the organizers are committed to working with the regulatory agencies to navigate the short term impacts of COVID-19, for example hosting virtual meetings or providing additional support to enable remote examinations to take place.

In the UK, there has also been an inevitable impact on Monzo's business, along with much of the broader economy, but the organizers, including the representatives from Monzo UK, remain committed to launching in the USA and working with the regulatory agencies to obtain a Federal Bank Charter and Deposit Insurance.

In the medium to longer term, there is greater uncertainty about the impact of COVID-19 (which largely depends on the success of healthcare solutions to allow business and travel to recommence). More detail has been provided in an updated economic forecast, and revised economic assumptions in our financial model, in Sect. IV and Sect. X, of the Confidential Business Plan (Packet C). Whatever the level of impact, the organizers believe that Monzo has a product offering which meets fundamental needs of American consumers, and which will be attractive to customers in a range of economic conditions. Furthermore, the organizers are hopeful that the majority of disruption will have passed by the time that Monzo USA is ready to launch the Bank. As a result, the organizers remain confident in our approach and the underlying assumptions that support this business case, and are committed to continuing the regulatory process and ultimately launching in the United States.

We will continue to monitor the development of this issue closely, and will continue to maintain open dialogue with all regulatory agencies on this matter.

- b. Describe any issues about the permissibility of the proposal with regard to applicable state or federal laws or regulations. Identify any regulatory waiver requests and provide adequate justification.*

The organizers are not aware of any permissibility issues with regard to applicable state or federal law or regulation.

Together with this Application, the organizers are submitting two types of waiver requests to the OCC.

Residency Waiver

First, the organizers are requesting with this Application a waiver of the in-state residency requirements of 12 U.S.C. § 72 for all of the directors of the Bank. A multiple residency waiver for all of the board seats would allow the organizers to serve as directors of the Bank as well as provide the Bank with ongoing flexibility when hiring directors in the future, which is appropriate for a digitally-focused bank that will serve customers across the country. The completed residency waiver request can be found in Packet B below.

Citizenship Waiver

Second, the organizers are requesting with this Application a waiver by the OCC of the U.S. citizenship requirements of 12 U.S.C. § 72 to allow two of the Bank's five proposed directors, Gary Hoffman and TS Anil, to serve on the board. Gary Hoffman is a UK citizen, a director of Monzo UK and Chair of that board. His service on the board of Monzo USA will facilitate effective, coordinated governance throughout the Monzo organization. TS Anil is a US Permanent Resident (green card) and an Indian citizen and will act as the CEO of Monzo USA. The completed citizenship waiver requests can be found in Packet B below.

- c. List and provide a copy of all applications filed in conjunction with this proposal, such as applications for holding company, trust powers, branch offices, service corporations, and other subsidiaries.*

No other applications have been filed in conjunction with this proposal. Before Monzo USA opens for business, Monzo will file an application with the Federal Reserve under section 3 of the Bank Holding Company Act for Monzo Global to become a bank holding company, and will provide a copy of that application to the OCC and FDIC.

- d. When available, provide a copy of all public or private offering materials and the proposed form of stock certificate, including any required restrictive legends.*

Please see Packet B for a proposed form of stock certificate. Monzo Global will be the sole subscriber of the Bank's shares and, as such, no offering materials will be used.

- e. Provide a copy of the proposed articles of association, articles of incorporation, or charter, and proposed bylaws.*

Packet B contains the Bank's proposed Articles of Association and the Bank's proposed bylaws.

- f. Provide a copy of the business plan. The business plan should address, at a minimum, the topics contained in the appropriate regulatory agency's Business Plan Guidelines.*

See the attached Confidential Business Plan in Packet C. The Business Plan contains the below sections plus additional appendices.

Section I - Table of Contents

Section II - Executive Summary

Section III - Description of Business

Section IV - Marketing Plan

Section V - Management Plan - Directors and Officers

Section VI - Records, Systems, and Controls

Section VII - Financial Management Plan

Section VIII - Monitoring and Revising the Plan

Section IX - Alternative Business Strategy

Section X - Financial Projections

2. Management

- a. Provide a list of the organizers, proposed directors, senior executive officers and any individual or group of proposed shareholders acting in concert that will own or control 10 percent or more of the institution's stock. For each person listed, attach an Interagency Biographical and Financial Report, a Fingerprint card and indicate all positions and offices currently held or to be held with the institution's holding company and its affiliates, if applicable. Include the signed "Oath of Director" for each proposed director. For an OTS filing, provide a RB 20a Certification for each person listed.*

The organizers of Monzo USA are:

- Gary Hoffman
- Tom Blomfield
- TS Anil
- Carol Nelson
- Robert Hartheimer

The proposed directors of Monzo USA are:

- Gary Hoffman (proposed Chair of the board of Monzo USA)
- TS Anil
- Carol Nelson
- Robert Hartheimer
- Joel Tashjian

The proposed officers of Monzo USA are:

- TS Anil as Chief Executive Officer and President
- Chief Financial Officer to be hired
- Chief Risk / Compliance Officer to be hired
- Chief Auditor to be hired
- General Counsel (Joel Tashjian)
- Head of Operations to be hired
- Head of Technology to be hired
- Head of Product to be hired
- Head of Marketing to be hired
- Head of People to be hired

Interagency Biographical and Financial Reports and background check forms for the organizers, directors, and senior executive officers named above are attached in Confidential Appendix B (Packet D).

The following individuals named above hold positions with Monzo UK:



Name	Position at Monzo Global or Monzo UK
Tom Blomfield	CEO, Monzo UK Director, Monzo UK
Gary Hoffman	Chair of the Board, Monzo UK

The directors will sign the Oath of Director at the first meeting of the Monzo USA Board.

Monzo Global will be the sole stockholder of Monzo USA. A current list of Monzo UK's shareholders (including those that own more than 10 percent of Monzo UK's stock) is available in Sect. III, D of the Confidential Business Plan. These shareholders will become Monzo Global shareholders upon completion of the restructuring discussed.

- b. Describe each proposed director's qualification and experience to serve and oversee management's implementation of the business plan. Describe the extent, if any, to which directors or major stakeholders are or will be involved in the day-to-day management of the institution. Also list the forms of compensation, if any.*

The Bank's proposed board of directors is highly qualified and experienced to serve and oversee management's implementation of the Business Plan:

Anil Sai Tummalapalli (TS Anil)

TS is a highly respected financial services and payments leader, with over 25 years of retail banking experience. TS Anil will serve as the CEO and President of Monzo Bank USA, N.A. and as a member of the board of directors. TS Anil's experience spans retail banking, credit cards, and payments. He has held senior positions in the financial services industry in the USA and around the world (including roles in Canada, Japan, Singapore, and global roles spanning all continents). He has significant experience launching new businesses and transitioning existing businesses towards new growth opportunities. His experience uniquely positions him to launch and run Monzo USA. He is a skilled retail banker who has proven his ability to run major business lines and regulated entities for some of the largest banks and other financial institutions in the world. He also has a wealth of experience of launching new products, entering new markets, and developing innovative new payment technologies, which he will leverage as Monzo launches in the United States. Finally, TS is recognized in the financial services industry as an effective and inspirational team leader with diverse work experiences from around the world, which have prepared him to help manage a business with operations in both the UK and the United States.

TS's role immediately prior to joining Monzo was as Global Head of Payment Products & Platforms at Visa Inc., where he had responsibility from a business and product standpoint for all the major payment platforms of Visa, including the core Visanet network, one of the biggest payment networks in the world. TS was responsible for delivering Visa's strategy for the future of payments through a combination of building new capabilities (e.g., push payment capabilities) and helping develop new industry standards (e.g., Secure Remote Commerce).

Prior to Visa, TS held senior roles at a number of financial institutions, including at the C-suite level. From 2009 to 2015, he held a number of senior roles at Standard Chartered Bank, including Global Head of Retail Products, Global Head of Retail & Personal Banking, Global Head of Credit Cards, Personal Loans, and Deposits, and Global Head of Credit Cards and Personal Loans. He was based in Singapore, but his roles had a global focus, and he was responsible for developing, launching, and running Standard Chartered's retail banking products (i.e., retail deposit accounts, personal loans, credit cards, and mortgages). He led the bank through a period of great change, while delivering approximately \$5 billion in revenues from a balance sheet of approximately \$250 billion. The Global Head of Retail Products role at Standard Chartered was designed as a "Significant Influence Function" (SIF) and as such he was approved by the UK financial services regulators, the PRA and the FCA.



Prior to Standard Chartered, TS held senior positions at Citigroup focused on the retail credit card market, including CEO and President of CitiCards Japan Inc., which is run as a separate legal vehicle, with solid line management and accountability for all functions of that business including Operations, Technology, Risk, HR, and Compliance. Prior to Citi, TS launched and ran various credit card businesses at Capital One while based out of the bank's headquarters in McLean, Virginia. He was responsible for oversight of major marketing budgets (\$250 million per year), had full P&L ownership (up to \$1 billion), ran major projects that launched innovative new products, and launched new business lines, including Capital One's Canadian subprime credit card. He started his career at Citibank India, where he launched the retail consumer finance business.

A completed Interagency Biographical and Financial report is included in Confidential Appendix B (Packet D).

Carol Nelson

Carol is a highly respected financial services executive and experienced public and private sector board director. Carol Nelson will serve as one of the organizers of the Bank and as an independent director of the board. Carol has extensive experience in the U.S. banking industry. She was a top executive for KeyBank (NYSE: KEY), a top-30 U.S. banking organization by asset size with a leading commercial and investment banking platform for middle market clients. She served as KeyBank's Pacific Region Executive and Market President, managing KeyBank's brand and success throughout the Pacific Northwest, one of seven regions nationwide. She was accountable for the full P&L of the region, including commercial banking and wealth management. Carol was a member of KeyBank's Executive Council as well as a director and trustee of the KeyBank Foundation, from which she retired in June 2019. During her tenure at KeyBank, Carol was named to American Banker magazine's Most Powerful Women in Banking Top Team.

Prior to KeyBank, Carol served as CEO, President and Director of Cascade Financial Corporation (formerly NASDAQ: CASB) and Cascade Bank for over 10 years. Carol led a regulatory and cultural change to transform the institution from a small savings bank to a \$2 billion community bank. Under her leadership, Cascade Bank earned the No. 1 deposit market share ranking among community banks in its region. She then orchestrated a sale of the bank to Opus Bank in 2011. Previously, Carol worked for 23 years at Bank of America in a number of roles across commercial and retail banking, culminating in her serving as the Senior Vice President for the Northern Region, with responsibility for 42 bank branches in Washington State.

In addition to her banking experience, Carol has extensive board of directors experience from a range of other private and public sector organizations outside of financial services. Her current board portfolio includes serving as a director of Brooks Running (a Berkshire Hathaway company and one of the top manufacturers of running shoes in the world), director of Delta Dental of Washington (the largest dental benefits provider in the state of Washington), Vice Chair and Chair of the CEO Search Committee for United Way of King County (one of the largest United Way organizations in the country), and director for

the Washington State Major League Baseball Stadium Public Facilities District (the owner of T-Mobile Park, home to the Seattle Mariners), a role to which she was appointed by the King County Executive. Her previous board roles include as a director and Chair of the Audit Committee for Premera Blue Cross, and as a trustee and Chair of the Audit Committee for Seattle University.

Carol also has extensive experience of working with financial services regulators and other federal, state, and municipal governmental bodies. She served two terms (from 2007 to 2009 and 2015 to 2017) as a director at the Seattle Branch of the Federal Reserve Bank of San Francisco, and was CEO and Agency Director of the Washington State Department of Revenue from 2013 to 2015.

Carol holds an MBA and a BA with honors from Seattle University. She also earned a Certificate from the Harvard Kennedy School of Government, Executives in State and Local Government in 2014. Additionally, Carol earned credentials as a NACD Board Leadership Fellow in 2012.

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Robert Hartheimer

Robert Hartheimer is a well-known leader in the banking industry. He has spent his career transforming banks and financial services companies, through senior regulatory roles, executive, and board roles, and as an advisor. Robert Hartheimer will serve as one of the organizers of the Bank and as an independent director of the board. Robert has many years of experience in banking and financial technology in executive and non-executive positions at firms such as Sterling Bank (sold to Umpqua Bank), LendingClub, E*TRADE and Cardworks, at the FDIC, and in a regulatory consulting role at Promontory Financial Group.

Robert will bring deep regulatory experience and expertise to the Monzo USA team. He held senior-level roles at the FDIC from 1991 to 1995 and helped build the 350-person Division of Resolutions, which analyzes and sells failing banks, of which he was named division director in 1994. He oversaw the sale of more than 200 banks with approximately \$50 billion in combined assets and personally supervised the sale of 10 large failing banks with \$39 billion in combined assets. He and his team developed and enhanced the resolution tools that are still in use today, such as loss-sharing and bridge banks.

Robert has become well-known and regarded as an expert advisor to banks. In 2002, he helped launch the consulting firm Promontory Financial Group with former Comptroller of the Currency Eugene Ludwig. While at Promontory, Robert managed project teams and helped clients with a variety of regulatory challenges. In 2008, he established his own consulting practice with a focus on financial services regulatory matters and their impact on corporate strategy, compliance, risk management, and governance. In the last four years, Robert has worked with three partners to create a U.S. credit card company, CreditStacks, which provides a MasterCard to prime U.S. customers who are new to credit. CreditStacks



issues its cards through WebBank, and Robert is responsible for managing that relationship and the attendant regulatory obligations as CreditStack Chief Regulatory Officer.

Robert also has deep board experience, having been a director of seven U.S. companies, including three banks, in the last 22 years. He has chaired the Risk Committees at two public companies and chaired Audit Committees at two public companies and their subsidiaries. His current board roles are as an independent director of the parent company of CardWorks, a leading consumer lender, merchant acquiring bank, and loan servicer to regulated financial institutions and non-bank lenders; as a director of Thunder Bridge Acquisition Corp II (NASDAQ: TBRU), a SPAC (special purpose acquisition company); and a director of Repay Holdings LLC (NASDAQ: RPAY) a payments processing company headquartered in Atlanta, GA.

Robert's previous board roles include serving as one of two independent directors of Lending Club Asset Management, a wholly owned subsidiary Lending Club Corporation (NYSE: LC) that managed \$1.5 billion of partnership funds and separately managed accounts. In 2010, he helped recapitalize Sterling Financial Corporation, the holding company for Sterling Bank, and subsequently joined Sterling's board of directors and served as Chair of the Credit and Risk Committee. Robert was brought in to be a board member and Chair of the Risk Committee of Higher One Holdings (NYSE: ONE) to help that financial services company manage emerging regulatory issues with the Federal Reserve Bank of Philadelphia and the FDIC. He helped the company address those issues and the company was ultimately sold. He has also acted as director and Chair of the Audit Committee of Merrick Bank, a credit card bank and wholly-owned subsidiary of Cardworks, and director and Chair of the Audit Committee of E*TRADE's multiple bank subsidiaries, which had total combined assets of over \$50 billion.

In addition, Robert has a range of relevant executive experiences that enable him to effectively oversee Monzo's U.S. business. Robert's early career was in corporate finance, where he worked in the investment banking divisions of Merrill Lynch, Warburg Paribas Becker, Smith Barney and FBR for a total of 14 years.

A completed Interagency Biographical and Financial report is included in Confidential Appendix B (Packet D).

Gary Hoffman

Gary Hoffman is a retail banking veteran with extensive executive and non-executive experience; he currently serves as Chair and an independent director of the board of Monzo Bank Limited. Gary will act as one of the organizers of the Bank and as a member of the board of directors.

Gary's career in financial services spans 36 years, 26 years of which have been in executive-level roles. He also has significant board-level experience, including in the role of board Chairman. He has extensive knowledge and experience in retail financial services, including payments, current accounts, lending (secured and unsecured), deposit taking, credit cards, and insurance.

Gary was appointed to the Board of Monzo Bank Limited in April 2019, following approval by UK regulators. He has led Monzo UK through a period of rapid customer growth and developed the maturity of the bank's governance, controls, and risk management. He has also overseen a number of new appointments to the board, with two new independent non-executive directors joining the board during his tenure.

Gary is also Chair of the board of Hastings Group, a major UK insurance company. Prior to being appointed as Chair, he was Hastings Group's Chief Executive for 6 years and led the business through its initial public offering on the London Stock Exchange, and through significant financial and headcount growth.

Gary spent 26 years at Barclays Bank in the UK in a variety of roles, including many years at Chief Executive, Chairman, and director levels. From 2001 to 2005, he was CEO (and then Chair) for the Barclays credit card business Barclaycard, and was responsible for launching and growing the business in the U.S. market. He led Barclaycard worldwide, and grew the international business (including the U.S.) to over £100 million of profit. His last role was as Group Vice Chairman of Barclays plc – one of the largest global banking groups in the world by assets – where he was Chair of the Group Governance and Control Committee. Other senior roles he held include Chief Executive of Barclays UK retail bank, and Managing Director of Customer Support.

At the height of the 2008 financial crisis, Gary was asked by the UK Chancellor and Prime Minister to help rescue the failing Northern Rock Bank, which had been nationalized. He took the role of CEO, and over the course of three years, helped stabilize the team and created a “good bank” and “bad bank,” enabling the “good bank” to be sold back into private ownership (to Virgin Money) in 2011.

Gary also has non-executive board experience, and is currently Chairman of the board of Coventry Building Society, which is the second largest mutually owned banking organization in the UK with £46 billion of assets. Previously, he was Chairman of the board of Visa Europe, where he was instrumental in driving Visa Europe's sale to Visa Inc., and thereafter was a non-executive director of Visa Inc.

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Joel Tashjian

Joel is an experienced lawyer and financial technology executive with 15 years of corporate and financial legal experience, including five years experience as General Counsel for regulated financial technology companies. Joel will serve as General Counsel of Monzo Bank USA, N.A. and as a member of the board of directors. He has held senior legal executive and strategic roles with financial technology companies in lending, investment advising and broker-dealing, and banking services. He has



experience launching new businesses and new product lines, and scaling high-growth businesses within regulated environments. His experience will help Monzo USA lay a foundation for prudential growth in a regulated and complex legal environment.

Joel's role immediately prior to joining Monzo was General Counsel for Acorns Grow Incorporated (the parent company of the popular micro-investing advisor Acorns), where he was responsible for launching and growing the legal function, helping to reshape the compliance function, executing finance and corporate development transactions, and advising the executive team and board on general strategy.

Prior to becoming an in-house lawyer, Joel spent two years advising the California State Assembly Committee on Appropriations on legislation relating to banking, finance, revenue, and taxation. During that time he drafted legislation, published fiscal and policy analyses of all bills, and advised the Chair and other legislators on policy and fiscal matters relating to those subject areas.

Prior to joining the California state legislature, Joel spent 8 years in London working as a corporate finance and transaction lawyer for Allen & Overy LLP, during which he managed several significant IPOs, other equity financings, debt financings, and public and private M&A transactions.

Joel holds a JD with honors from the University of Chicago Law School, and a BA with distinction from the University of California, Berkeley.

A completed Interagency Biographical and Financial report is included in Confidential Appendix B (Packet D).

Tom Blomfield acts as an Organizer of the Bank, but will not sit on the Board:

Tom Blomfield

Tom Blomfield is the founder and CEO of Monzo UK, and is responsible for product vision and strategy; he currently chairs the Executive Committee of Monzo UK and is a director of the board of Monzo UK. Tom is one of the Organizers of the Bank.

Tom co-founded Monzo in London in 2015 with the mission to transform the banking industry and ‘make money work for everyone.’ Over the last five years Monzo has grown from a prepaid account with 5,000 cardholders to a bank with over 3.8 million customers and 40,000 new users joining every week. Monzo received its full UK banking license in 2017 and to date has raised almost \$400 million in funding from investors including General Catalyst, Stripe and Passion Capital. It is recognised in the UK for pioneering innovative banking tools like the Gambling Block that improve financial inclusion and give customers more control over their finances.

Prior to Monzo, Tom co-founded payments platform GoCardless in 2011 with backing from Silicon Valley’s Y Combinator. Tom spent three years as co-founder of the start-up, in which time the business received £35 million in investment and grew to 100 employees. Since its inception, GoCardless has processed \$10 billion of payments for 40,000 organisations worldwide.

While studying law at the University of Oxford, Tom co-founded his first start-up aged 21 after winning a business plan competition as part of the Oxford Entrepreneurs Scheme. Based on the idea of an ‘Ebay for Students’, Boso.com successfully expanded to 50 universities across the UK between 2004 and 2006. After graduating, Tom embarked on a career in management consulting at international firm OC&C Strategy Consultants where he worked for over two years advising a variety of businesses.

In 2013 Tom was recognised as one of the top five entrepreneurs under 30 by the European Commission. In the 2019 New Years Honors List he was appointed an Officer of the Order of the British Empire (OBE) for services to improving competition and financial inclusion in the banking sector.

A completed Interagency Biographical and Financial report is included in Confidential Appendix B (Packet D).

Monzo USA’s board will have an oversight rather than a day-to-day management role. TS Anil will also have a management role in his capacity as Chief Executive Officer and President of the Bank. Further detail on the roles and responsibilities of the board is included in Sect. V, A of the Confidential Business Plan (Packet C).

Confidential Appendix A4 describes the Bank's general approach to remuneration, and terms of employment for existing employees and directors are disclosed in Confidential Appendix B3.

c. Provide a list of board committees and members.

The board of directors of the Bank will have three committees:

- **Risk & Compliance Committee:** The Risk & Compliance Committee's primary responsibility will be oversight of the Bank's Risk and Compliance functions. This committee will review and approve the Bank's risk management framework and systems. At launch, the members of the committee will be:
 - Robert Hartheimer
 - Carol Nelson
 - TS Anil

- **Audit Committee:** The Audit Committee will oversee the Bank's internal and external audit programs, the accounting and financial reporting processes, the Bank's system of internal controls, and compliance with laws and regulations. At launch, the members of the committee will be:
 - Robert Hartheimer
 - Carol Nelson
 - Gary Hoffman

- **Nominations & Compensation Committee:** Duties of the Nominations & Compensation Committee will include reviewing Board candidates, reviewing and approving senior management appointments, and overseeing the Bank's corporate governance practices. This committee will also oversee the Bank's compensation arrangements. At launch, the members of the committee will be:
 - Robert Hartheimer
 - Carol Nelson
 - TS Anil

Sect. V, A of the Confidential Business Plan (Packet C) provides further detail regarding the proposed board committees. Confidential Appendix A1 (Packet D) provides proposed charters for each committee.

d. Describe any plans to provide ongoing director education or training.

All of Monzo USA's directors and senior executives will have a training and development plan to ensure that they have the right support in place to grow with the business. This plan will help to ensure that the Bank's directors and senior management officials have sufficient in-depth knowledge to oversee the Bank



effectively and understand the legal and regulatory requirements that apply to the Bank and themselves as individuals. Each training plan is expected to be customizable to the needs of each director or senior executive officer and will be finalized prior to the opening of the Bank.

In addition, the directors and senior management team will participate in the same mandatory training as all other staff. Bank-wide mandatory training will include training modules to be completed upon a staff member joining the Bank and on an annual basis thereafter. The Bank will design these modules to ensure that its staff understand the key requirements and expectations associated with working for a bank, as well as Monzo's standard operating rules and policies. Monzo UK's standard training includes introductory sessions with the bank's key teams, led by the relevant team or a senior member of the team, and training modules supported by online tests.

Monzo UK currently has training and interactive online tests developed for the following modules:

- Information Security and Data Protection
- Conflicts of Interest
- Introduction to Financial Crime prevention
- How to treat customers fairly
- How to deal with vulnerable customers
- Whistleblowing
- Market Abuse

Monzo UK staff read training documents and related policies and procedures, and are asked to certify that they understand and will follow Monzo's rules regarding:

- Code of Conduct
- Health and Safety
- Change Management
- Business Continuity Plan
- Outsourcing

Monzo USA will adapt this training program to address key aspects of the U.S. business plan, and as needed, U.S. legal and regulatory requirements and U.S. governance considerations. A more detailed description of the Bank's proposed approach to training is included in Sect. V, C of the Confidential Business Plan (Packet C).



e. Describe each proposed senior executive officer’s duties and responsibilities and qualifications and experience to serve in his/her position. If a person has not yet been selected for a key position, list the criteria that will be required in the selection process. Discuss the proposed terms of employment, including compensation and benefits and attach a copy of all pertinent documents including an employment contract or compensation arrangement. Provide the aggregate compensation of all officers.

Job descriptions for all executive officer positions, including those not yet selected, are included in Confidential Appendix A3 (Packet D). These job descriptions include the criteria and experience we will be assessing candidates against in the selection process for positions that have not yet been filled. Qualifications and experience of the senior executive officers that have been identified are disclosed in Confidential Appendix B (Packet D).

Confidential Appendix A4 (Packet D) provides an overview of Monzo USA’s proposed approach to compensation. Terms of employment for existing employees and directors are disclosed in Confidential Appendix B3 (Packet D).

f. Describe any potential management interlocking relationships (12 U.S.C. 1467a(h)(2), 3201-3208 or applicable state law) that could occur with the establishment or ownership of the institution. Include the discussion of the permissibility of the interlock with regard to relevant law and regulations or include a request for an exemption.

None of the proposed directors or senior executive officers of Monzo USA will have a management official position at an unaffiliated depository institution or depository holding company under the Depository Institution Management Interlocks Act, as implemented in Part 26 of the OCC’s regulations.

The following management officials, directors or organizers of Monzo USA hold positions with Monzo UK:

Name	Position at Monzo UK
Tom Blomfield	CEO, Monzo UK Director, Monzo UK
Gary Hoffman	Chair of the Board, Monzo UK

Because these organizations are affiliates, such overlapping roles are not prohibited under the Interlocks Act. See 12 U.S.C. § 3202; 12 C.F.R. § 26.3.

g. Describe any potential conflicts of interest.

No potential conflicts of interest have been identified.

- h. Describe any transaction, contract, professional fees or any other types of business relationship involving the institution, the holding company and its affiliates (if applicable), and any organizer, director, senior executive officer, shareholder owning or controlling 10 percent or more, and other insiders. Include professional services or goods with respect to organizational expenses and bank premises and fixed asset transactions. (Transactions between affiliates of the holding company that do not involve the institution need not be described.)***
- i. State whether the business relationship is made in the ordinary course of business, is made on substantially the same terms as those prevailing at the time for comparable transactions with non-insiders, and does not present more than the normal risk of such transaction or present other unfavorable features.***
- ii. Specify those organizers that approved each transaction and whether the transaction was disclosed to proposed directors and prospective shareholders.***
- iii. Provide all relevant documentation, including contracts, independent appraisals, market valuations, and comparisons.***

Business relationships with holding company and its affiliates:

Sect. III, C of the Confidential Business Plan (Packet C) describes Monzo USA's proposed business relationships with its affiliates. Such transactions will be entered into in the ordinary course of business, will be on at least as favorable terms to Monzo USA as those prevailing at the time for comparable transactions with non-affiliates, and will not present more than the normal risk for such transactions. The Monzo USA board will be fully apprised of these proposed relationships.

Business relationships with holding company shareholders:

It is not contemplated that Monzo USA will have any business relationships with a shareholder that owns 10 percent or more of any class of voting securities of Monzo Global.

Business relationships with organizers:

Certain organizers have employment relationships with affiliates of the Bank, including Monzo UK, and Monzo Inc.

Business relationships with other insiders:

It is not contemplated that Monzo USA will have any business relationships with any other insider.

- i. Describe all stock benefit plans of the institution and holding company, including stock options, stock warrants and other similar stock based compensation plans, for senior executive officers, organizers, directors and other insiders. Include in description:*
- i. The duration limits.*
 - ii. The vesting requirements.*
 - iii. Transferability restrictions.*
 - iv. Exercise price requirements.*
 - v. Rights upon termination.*
 - vi. Any 'exercise or forfeiture' clause.*
 - vii. Number of shares to be issued or covered by the plans.*
- Provide a list of participants, allocation of benefits to each participant, and a copy of each proposed plan. (Plans must conform to applicable regulatory guidelines.)*

The organizers believe that the Bank's employees should participate in its long-term success. Therefore, as is the case with Monzo UK, the remuneration package for Monzo USA employees in key roles will include an equity component in the form of options in Monzo shares.

Details of Monzo USA's stock benefit plans are included in Confidential Appendix A4 (Packet D).

3. Capital

- a. For each class of stock, provide the number of authorized shares, the number of shares to be issued, par value, voting rights, convertibility features, liquidation rights, and the projected sales per price per share. Indicate the amount of net proceeds to be allocated to common stock, paid in surplus and other capital segregations.*

The Bank's proposed Articles of Association provide for authorized capital stock of up to 2,000,000 shares of common stock, with a par value per share of \$0.0001. These shares will have customary voting and liquidation rights associated with common stock, and will not be convertible. The net proceeds from issuance of common stock will be allocated to Monzo USA's equity accounts in the manner described in Sect VII of the Confidential Business Plan (Packet C).

It is not contemplated that Monzo USA will issue any preferred stock.

- b. Describe any non-cash contributions to capital and provide supporting documents for assigned values including and independent evaluation or appraisal.*

No non-cash contributions to capital are planned.

- c. Discuss the adequacy of the proposed capital structure relative to internal and external risks, planned operational and financial assumptions including technology, branching and projected organization and operating expenses. Present a thorough justification to support the proposed capital, including any off-balance sheet activities contemplated. Describe any plans for the payment of dividends.*

In Q2 2019, Monzo UK conducted a "Series F" funding round in excess of \$140 million. The organization has sufficient resources to fund the initial costs of preparation for launching Monzo USA, and to remain well capitalized throughout 2020.

Monzo UK's track record demonstrates that it will also be able to obtain funding to finance its own growth, as well as the initial capitalization and subsequent growth of Monzo USA, over the next several years. More details about future funding rounds can be found in Sect. VII of the Confidential Business Plan (Packet C).

Monzo UK has assessed the regulatory capital requirements that will apply to Monzo USA as a *de novo* national bank, as well as Monzo USA's expected capital needs based on baseline and stressed scenarios, to determine how much capital Monzo will need to raise before launching the U.S. Bank. Monzo will

capitalize Monzo USA before the start of Year 1 with an amount that allows the Bank to maintain sufficient capital to satisfy its risk-based and leverage capital requirements and internal targets throughout the three year *de novo* period. Sect. VII, A4 of the Confidential Business Plan (Packet C) details the amount of capital the organizers consider to be sufficient, and presents justification for Monzo USA's proposed capital levels. Moreover, as discussed in Section X of the Confidential Business Plan, the organizers have stress tested their assumptions across a number of key conditions and drivers to assess the limits at which the business would still be viable. The results demonstrate that the proposed business model for Monzo USA is highly resilient, and that the amount of initial capital proposed is more than sufficient.

There are no current plans for Monzo USA to pay dividends in the first three years of its operation.

d. List all known subscribers to stock. For organizers, directors, 10 percent shareholders, senior executive officers, and other insiders include the number of shares and anticipated investment and the amount of direct and indirect borrowings to finance the investment. Discuss how any debt will be serviced.

Monzo Global will be the sole owner of Monzo USA stock. A current list of shareholders of Monzo UK is included in Sect. III, D of the Confidential Business Plan (Packet C).

There are no plans for Monzo USA to borrow money or issue debt, other than deposits to its retail customers.

e. List recipients and amounts of any fees, commissions, or other considerations in connection with the sale of stock.

There will be no fees, commissions, or other consideration paid in connection with the sale of Monzo USA's stock to Monzo Global.

f. Indicate whether the institution plans to file for S Corporation tax status.

Monzo USA does not plan to file for S Corporation tax status.

4. Convenience and Needs of the Community

a. Market Characteristics

i. Define the intended geographical market area(s). Include a map of the market area, pinpointing the location of proposed bank's offices and offices of competing depository institutions.

Monzo USA will be headquartered in San Francisco, California. Further information about the Bank's local geographical market is included in Monzo USA's proposed Community Reinvestment Act Plan in Packet B.

Monzo USA will be a digital bank, and as such, has no plans to open any branches. However, based on future needs and business considerations, the Bank may consider opening offices elsewhere in the U.S. – for example, in a major East Coast city to attract further banking and executive talent, or in a state with a strong customer support and banking operations talent pool.

ii. Describe the competitive factors the institution faces in the proposed market and how the institution will address the convenience and needs of the market to maintain its long-term viability.

As Monzo USA will be a digital-only bank serving the national market, the competitive forces in the local area of its main office are unlikely to be a key driver of its performance. Sect. IV, D1 of the Confidential Business Plan (Packet C) instead discusses the competitive landscape of the overall U.S. retail banking market, referencing both direct and indirect competitors, such as local and regional banks, large commercial banks, online providers, prepaid card providers, and certain FinTech companies and technology providers.

As discussed in greater detail in the Confidential Business Plan, Monzo USA's checking account and credit facilities will address the convenience and needs of the U.S. market by offering a suite of advanced analytics and payments features, strong customer service, intuitive user experience, and integration with third parties, all provided at low cost to the consumer. These features will make the Bank's proposition competitive against both long-serving and new market competitors, which will offer Monzo USA a platform to reach profitability in a sustainable way and maintain its long-term viability.

Monzo has conducted significant primary research, summarized in Sect. IV, B2 of the Confidential Business Plan, on the needs of the Bank's target market. The research found that even where "banked" consumers are satisfied with their primary financial institution and the digital services it provides, improvement is still needed. While consumers welcome innovation from their banks, they are not receiving products that meet their needs. Monzo USA will be able to offer a checking account and credit offerings via the Monzo mobile app that customers can trust, and place at the center of their financial lives.

iii. Discuss the economic environment and the need for the institution in terms of population trends, income and industry and housing patterns.

We have provided an overview of the general economic outlook for the United States in Sect. IV, C1 of the Business Plan. Further information about the economic environment and banking needs of the local area around Monzo USA's main office is provided in Monzo USA's Community Reinvestment Act Plan (in Packet B).

b. Community Reinvestment Act (CRA) Plan (NOTE: The CRA Plan must be bound separately)

i. Identify the assessment area(s) according to the CRA regulations.

Monzo USA will be headquartered in San Francisco, California and has no plans for branch locations. However, the Bank may employ staff based in other locations in order to access talent and give it national reach, and this may result in it opening additional offices in other major U.S. cities in the future.

Monzo USA's CRA assessment area will be the San Francisco–Oakland–Berkeley Metropolitan Statistical Area.

ii. Summarize the performance context for the institution based on the factors discussed in the CRA regulations.

See Monzo USA's Community Reinvestment Act Plan, found in Packet B.

iii. Summarize the credit needs of the institution's proposed assessment area(s).

See Monzo USA's Community Reinvestment Act Plan, found in Packet B.

iv. Identify the CRA evaluation test under which the institution proposes to be assessed.

The organizers propose for Monzo USA to be assessed under the community development test for limited purpose banks. See Confidential Appendix A (Packet D) for Monzo USA's Request for designation as a limited purpose institution.

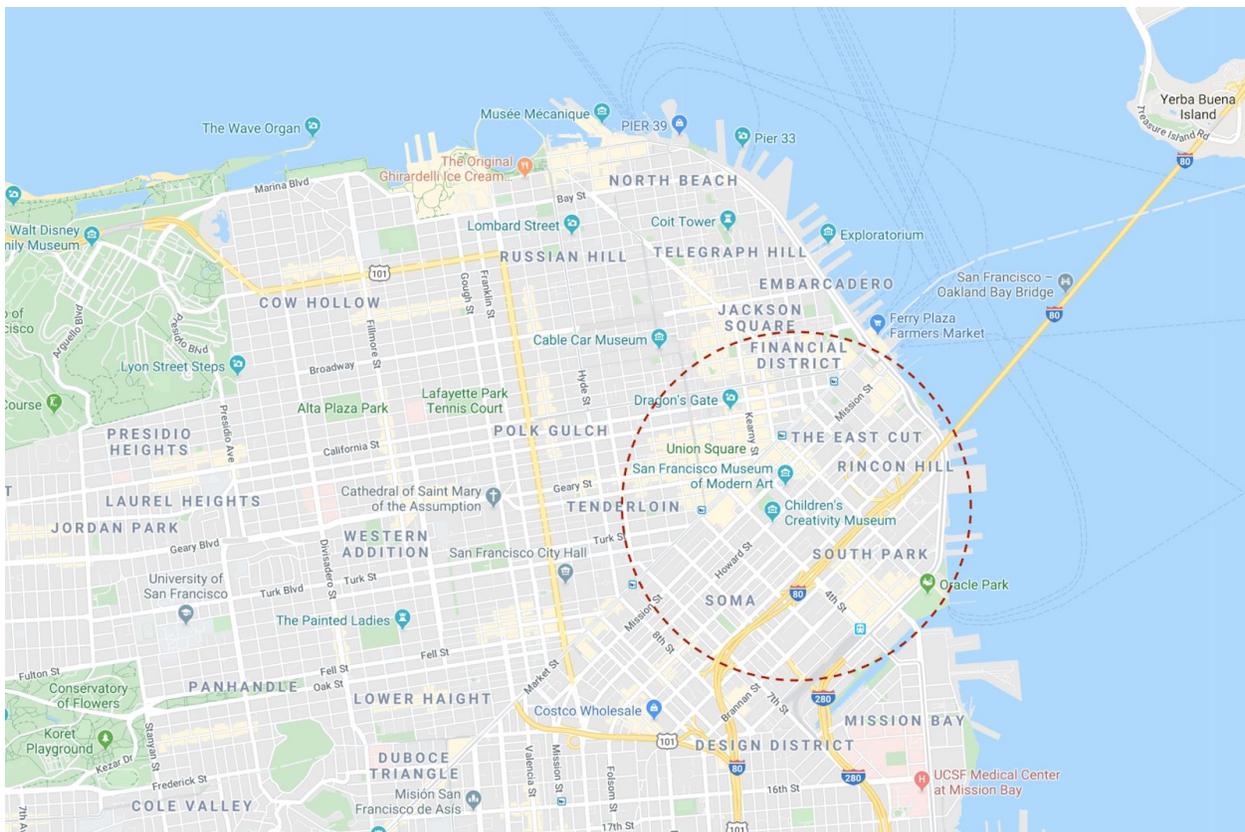
v. Discuss the institution's programs, products, and activities that will help meet the existing or anticipated needs of its community(ies) under the applicable criteria of the CRA regulation including the needs of low - and moderate-income geographies and individuals.

See Monzo USA's Community Reinvestment Act Plan, found in Packet B.

5. Premises or Fixed Assets

- a. Provide a physical description for permanent premises and discuss whether they will be publicly and handicapped accessible. Indicate the level and type of property insurance to be carried.*

Monzo plans to establish a head office location in downtown San Francisco. This central location is in the vicinity of other major national and international corporate headquarters, the Bank's potential service providers, and the local offices of the OCC, FDIC, and Federal Reserve Bank of San Francisco. A downtown location will provide the Bank with easy access to partner organizations and regulatory contacts, and will be convenient for employees. The location will likely be in the vicinity of the marked area in the following map:



The Bank's main office location will comply with Monzo's physical security requirements and be handicap accessible.

Monzo USA will carry sufficient property insurance as required and customary for a digital banking business in each of the locations in which it operates.

- b. If the permanent premises are to be purchased, provide name of seller, purchase price, cost and description of necessary repairs and alterations and annual depreciation. If the premises are to be constructed, provide the name of the seller, the cost of the land, and the construction costs. Indicate the percentage of the building that will be occupied by the Bank. Provide a copy of the appraisal.*

Not applicable. Monzo USA plans to lease its premises for the foreseeable future.

- c. If the permanent premises are to be leased, provide name of owner, terms of the lease, and cost and description of leasehold improvements. Provide a copy of the proposed lease when available.*

The organizers have not yet confirmed the exact location of Monzo USA's initial premises, but will update the OCC and FDIC when the initial main office location is determined and a lease finalized.

- d. If temporary quarters are planned, provide a description of interim facility, length of use, lease terms and other associated commitments and costs.*

The organizers have not yet confirmed the exact location of Monzo USA's initial premises, but will update the OCC and FDIC when the initial main office location is determined and a lease finalized.

- e. State whether proposed premises and fixed asset expenditures conform to applicable statutory limitations.*

There is no present intention for the Bank to make any long-term investments in its premises, nor purchase any fixed assets from insiders. Its premises and fixed asset expenditures will conform to the applicable statutory limitations.

- f. Outline the security program that will be developed and implemented, including security devices.*

The Bank's main office location will comply with Monzo's physical security requirements. Details of Monzo's global security program can be found in Sect. VI, A.

- g. Discuss any significant effect the proposal will have on the quality of the human environment. Include in the discussion changes in the air and/or water quality, noise levels, energy consumption, congestion of population, solid waste disposal or environmental integrity of private land within the meaning of the National Environmental Policy Act, 42 U.S.C. 4321, et seq.*



The Bank is expected to lease an office from an existing commercial provider and therefore it is not anticipated that its choice of location will have any impact on the human environment. The organizers will update the OCC and FDIC should this change once a final office location is chosen.

h. Describe any plan to establish branches or relocate the main office within the first 3 years. Any acquisition or operating expenses should be reflected in the financial projections.

There are no plans for the Bank to establish branches or relocate its main office outside of San Francisco within the first 3 years of operation.

It is likely that Monzo USA will expand its physical footprint during the *de novo* period, and will thus lease larger premises close to its initial location in San Francisco. Monzo USA will inform the OCC and FDIC of any proposed change in the location of its headquarters during the *de novo* period in a timely manner.

i. Indicate if the establishment of the proposed main office and/or any branch site may affect any district site, building, structure or object listed in, or eligible for listing in, the National Register of Historic Places pursuant to the National Historic Preservation Act, U.S.C. 470f. (See the Advisory Council on Historic Preservation at www.achp.gov for the Act and implementing regulations.) Specify how such determination was made:

i. Consultation with the State Historic Preservation Officer (SHPO) and/or Tribal Historic Preservation Officer (THPO) (when tribal lands or historic properties of significance to a tribe are involved).

ii. Reviewed National Register of Historic Places (See www.cr.nps.gov/nr).

iii. Applied National Register criteria to unlisted properties.

iv. Reviewed historic records.

v. Contact with preservation organizations.

vi. Other (Describe).

It is not anticipated that the choice of the Bank's main office location will affect any district site, building, structure, or object listed or eligible to be listed in the National Register of Historic Places. The organizers will update the OCC and FDIC should this change once a final office location is chosen.

6. Information Systems

- a. State whether the institution plans to market its products and services (the ability to do transactions or account maintenance) via electronic means. If yes, specifically state the products and services that will be offered via electronic banking or the internet.*

As Monzo USA will be a digital bank with no physical branches, the primary means for customers to interact with the bank will be using the Monzo smartphone application.¹ Accordingly, all Monzo USA products and services will be offered electronically. More detail on the Bank's marketing channels and the Monzo application can be found in Sect. IV, A1 of the Confidential Business Plan (Packet C).

- b. Outline the proposed or existing information systems architecture and any proposed changes or upgrades. The information should describe how: 1. The information system will work within the existing technology, 2. The information system is suitable to the type of business in which the institution will engage, 3. The security hardware, software and procedures will be sufficient to protect the institution from unauthorized tampering or access, and 4. The organizers and directors will allocate sufficient resources to the entire technology plan.*

Sect. VI, A of the Confidential Business Plan (Packet C) offers a detailed description of Monzo USA's overall IT strategy and proposed systems architecture. This includes information regarding Monzo's core banking system, internal tooling, connectivity, management information systems, and physical and cloud-based infrastructure.

- c. Provide a list of descriptions of the primary systems and flowcharts of the general processes related to the products and services. The level of detail in these system descriptions should be sufficient to enable verification of the cost projections in the pro formas.*

A description of each primary system for the Bank can be found in Sect. VI, A of the Confidential Business Plan (Packet C). This section also includes an overview of the operational processes that will form Monzo USA's overall IT Operations. These proposed systems and processes inform the IT cost projections detailed in Sect. X, A1 of the Confidential Business Plan.

¹ Customers can also phone customer support agents for assistance.

- d. Estimate the start-up budget for the information systems related to the products and services and expected annual operating and maintenance costs (including telecommunications, hardware, software, and personnel).*

A detailed breakdown of Monzo USA's IT start-up and maintenance costs can be found in Sect. X of the Confidential Business Plan (Packet C). These costs, which include customer-driven costs, employee-driven costs, fixed IT costs, and payment scheme costs, are included in the overall financial projections.

- e. Describe the physical and logical components of security. Describe the security system and discuss technologies used and key elements for the security controls, internal controls and audit procedures. Discuss the types of independent testing the institution will conduct to ensure the integrity of the system and its controls.*

Monzo USA's proposed information security program can be found in Confidential Appendix E (Packet D). Further information on data protection and the Bank's approach to audit can be found in Sect. VI, A of the Confidential Business Plan (Packet C).

- f. Describe the information security program that will be in place to comply with the "Interagency Guidelines Establishing Standards for Safeguarding Customer Information".*

Sect. VI, A of the Confidential Business Plan (Packet C) covers both cyber and information security and data protection, providing information around the controls and processes the Bank will put in place to ensure it meets expectations articulated in the Interagency Guidelines Establishing Standards for Safeguarding Customer Information.

Monzo USA's draft Information Security Program (and associated policies) and a draft Data Protection and Record Keeping Policy can be found in Confidential Appendix E (Packet D).

7. Other Information

- a. List activities and functions, including data processing that will be outsourced to third parties, identifying the parties and noting any affiliations. Describe all terms and conditions of the vendor management activities and provide a copy of the proposed agreement when available. Describe the due diligence conducted and the planned oversight and management program of the vendors or the services provider relationships (for general vendor management guidance, see the appendix of the FFIEC's guidance, Risk Management of the Outsourced Technology Services).*

Sect. VI, E of the Confidential Business Plan (Packet C) contains a detailed list of services and potential suppliers that Monzo USA will outsource to third parties.² This section also describes Monzo USA's overall outsourcing policy and associated procedures to ensure effective third-party vendor risk management in accordance with OCC Bulletin 2013-29, Third-Party Relationships, OCC Bulletin 2020-10, Frequently Asked Questions to Supplement OCC Bulletin 2013-29, and OCC Bulletin 2002-16, Bank Use of Foreign-Based Third-Party Service Providers. At all times, Monzo USA will remain accountable for its customers' experience and for the correct operation of their accounts. Accordingly, Monzo USA will approach outsourcing not as a series of one-off transactions, but rather, as relationships requiring constant attention and oversight.

- b. List all planned expenses related to the organization of the institution and include the name of the recipient, type of professional service or goods, and amount. Describe how the organization expenses will be paid.*

Details of the expenses Monzo USA is expected to incur are provided in the financial projections included in Sect. X, A1 of the Confidential Business Plan (Packet C).

- c. Provide evidence that the institution will obtain sufficient fidelity coverage on its officers and employees to conform with generally accepted banking practices.*

Monzo USA will provide evidence of fidelity coverage in the organization phase.

- d. If applicable, list names and addresses of all correspondent depository institutions that have been established or are planned.*

² Where appropriate, Sect. VI, E of the Confidential Business Plan lists a selection of likely service providers, or noted that they are to be confirmed (TBC). In large part, the organizers have not finalized the Bank's selection of particular suppliers. These selections will take place during the organizational phase of the Bank.

There are no current plans for Monzo USA to establish a correspondent banking relationship other than with its affiliate, Monzo UK, but the Bank reserves the option to use correspondent depository institutions to perform certain banking services for customers.

- e. Provide a copy of management’s policies for loans, investments, liquidity, funds management, interest rate risk and other relevant policies. Provide a copy of Bank Secrecy Act Program. Contact the appropriate regulatory agencies to discuss the specific timing for submission.*

Management has provided a list of all proposed policies in Sect. VI, and drafts of several policies in Confidential Appendix E (Packet D). Policies not currently drafted will be completed and enacted by the Board in the organization phase. A copy of the Bank’s BSA/AML and Sanctions Policy, and BSA/AML and Sanctions Program is attached in Appendix E.

- f. For Federal Savings Banks or Associations, include information addressing the proposed institutions’ compliance with qualified thrift lender requirements.*

Not applicable.

- g. If the institution is, or will be, affiliated with a company engaged in insurance activities that are subject to supervision by a state insurance regulator, provide:*
- i. The name of the insurance company.*
 - ii. A description of the insurance activity that the company is engaged in and has plans to conduct.*
 - iii. A list of each state and the lines of business in that state in which the company holds, or will hold, an insurance license. Indicate the state where the company holds a resident license or charter, as applicable.*

Not applicable.

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Packet B: Public Exhibits

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Public Exhibit 1

Community Reinvestment Act Plan

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Community Reinvestment Act Plan

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Community Reinvestment Act Plan

1.1. Introduction

The organizers believe Monzo USA’s product and approach are well-aligned with the goals of the Community Reinvestment Act (“CRA”). The organizers aim for the Bank to serve its entire community and to develop a community reinvestment program that genuinely seeks to improve the lives of people through community development activities.

This CRA plan is tailored to the proposed Business Plan for the Bank during the three-year de novo period. The organizers’ vision for Monzo USA beyond the de novo period is described in Sect. II of the Confidential business plan (Packet C).

As discussed below, the organizers are requesting designation of Monzo USA as a limited purpose bank, and the formal request can be found in Confidential Appendix A.

1.2. Assessment area

1.2.1. Location

Monzo USA will be a mobile-only, branchless bank, and its proposed network of deposit-taking ATMs will be operated by a partner network. Accordingly, Monzo USA’s assessment area will initially be limited to the area surrounding the location of its headquarters in San Francisco, California: the San Francisco-Oakland-Berkeley Metropolitan Statistical Area (“MSA”).

Economy:

The San Francisco Metropolitan Area's economy has outperformed the majority of MSAs in the United States over the last five years. It ranks as the seventh largest MSA economy in the country and has the highest growth rate of any of the top ten.² It is primarily composed of high-value service-based industries including professional services, higher education, retail, and financial services, and is supplemented by industries such as construction, manufacturing, and natural resources. The fastest growing segments of the area's economy include information technology, finance, insurance, and real estate services.

Unemployment:

The unemployment rate in the assessment area ranks below the national average. The Bureau of Labor Statistics reports the January 2020 average unemployment rate in the San Francisco Metropolitan Area as 2.9%, compared to a national average of 3.7%.³ This rate is broadly consistent with an economy close to, or at, full employment. Between January 2018 and January 2020 the San Francisco Metropolitan Area experienced job growth of 2.3%, exceeding the national average. Low unemployment rates combined with high housing costs are beginning to pose challenges not only to LMI residents (as discussed below), but also to firms seeking to expand their workforce rapidly. This trend has been catalyzed by the presence of large California-based technology companies with growing footprints and revenue streams such as Facebook and Alphabet (Google). These companies have been consuming increasing amounts of office space and labor, resulting in shortages of both across the region.

Income:

The U.S. Census Bureau reports that the median San Francisco Metropolitan Area household earns \$96,677 per year, nearly double the national median annual income of \$56,617. Wealth distribution, however, is far from uniform across different geographies demographics within the San Francisco Metropolitan Area. Poverty rates, as defined by the federal poverty thresholds, vary significantly across the region.⁴ By county, poverty rates range from a high of 13.8% in San Francisco County, to a low of 8.4% in Marin County. Disparities are more pronounced at the census tract level; for example, San Francisco's Tenderloin area has a poverty rate of more than 50%.⁵

Housing:

The Bank's proposed assessment area is one of the most expensive MSAs in the United States for housing. The 2010 census reports the weighted average of median housing costs to be close to \$650,000. In the San Francisco South MD, the median house prices are now 37% above their 2007 peak. This trend has been primarily driven by a mismatch between employment growth relative to the housing supply. To date, the Bay Area has added nearly two jobs for every house unit built since 1990.⁶ For those in the MSA who have been priced out of the homeowners market, issues with rental affordability are even more acute.

² "Gross Domestic Product by Metropolitan Area, 2016," Bureau of Economic Analysis.

³ Bureau of Labor Statistics.

⁴ "HHS Poverty Guidelines for 2018," Office of the Assistant Secretary for Planning and Evaluations.

⁵ "Poverty in the San Francisco Bay Area," Silicon Valley Institute for Regional Studies, 2015.

⁶ Plan Bay Area 2040 Final Plan.

In San Francisco, average rental prices grew from \$2,200 per month in 2010 to \$3,600 per month in 2017.⁷

House price inflation, driven by a shortage of housing supply and an influx of highly skilled and highly paid workers, has made it increasingly difficult for LMI households to compete for market-rate housing. A recent PolicyLink report suggests that a household of two workers, both making minimum wage, can afford median market rent in only 5% of Bay Area neighborhoods. Of those 5% of neighborhoods, 92% are rated as having very low economic opportunity.⁸ This trend is forcing lower income households to look for housing farther from economic centers in search of affordability, leading to long, expensive, and time-consuming commutes for the less wealthy.

Key Needs of the Community:

The 2015 - 2019 Consolidated Plans for the City and County of San Francisco identifies economic development, housing shortages and homelessness, particularly amongst very low-, low- and moderate-income households, as key areas of focus.⁹ Pressing community development needs include reductions in overcrowding and the relative cost burden of housing among the most vulnerable groups, and greater access to credit for small businesses. Banks have several opportunities to serve these communities, including lending to and investing in projects that finance the construction of affordable housing in innovative and flexible ways, lending to LMI individuals and in LMI geographies, conducting workforce development and education, and making small loans to local micro-enterprises.

There are approximately 95 Community Development Financial Institutions (“CDFIs”) operating in California, a number of which operate solely in the Bank’s proposed assessment area. These organizations are tasked with improving financing options and providing financial services to underserved or disadvantaged locations in specific areas. In 2018, California’s CDFIs made over 28,000 loans and investments, totaling nearly \$11.2 billion. This activity helped finance nearly 16,000 small businesses and over 33,000 housing units.¹⁰

Competitive Environment:

San Francisco is a competitive banking market that is served by a range of providers, from large national banks with dozens of branches in the area to local community banks with a single office location. The organizers are aware that Monzo USA is entering into a competitive market, with competitors that have active community development programs focused on the MSA.

Based on the FDIC Summary of Deposit data as of June 2018, there were 69 different banking institutions with a total of 1,031 physical branch offices in the San Francisco Metropolitan Area. The largest two banks operating in the San Francisco Metropolitan Area (Bank of America, National Association and

⁷ “Homesharing in San Francisco A Review of Policy Changes and Their Impacts,” Bay Area Council Economic Institute, 2017.

⁸ “Solving the Housing Affordability Crisis,” Bay Area Council Economic Institute, 2018.

⁹ “2015-2019 Consolidated Plan,” City and County of San Francisco.

¹⁰ “CDFIs in California,” CDFI.org, available at <https://cdfi.org/california/>.

Wells Fargo Bank, National Association) have more than 50% market share by deposits combined. In total, institutions operating in the area had \$370 billion of deposits from within the market. In addition, given the competitive nature of banking across the United States, and specifically the highly technologically-literate demographic of the Bay Area, we expect that local consumers and businesses are willing to bank with institutions that do not have a physical presence in the San Francisco Metropolitan Area, further increasing the number of potential competitors for Monzo USA.

Many of the institutions that do have a branch office in the San Francisco Metropolitan Area will have well-established CRA programs and conduct activities that support LMI families, affordable housing, and community development services. Given the high average income and lower-than-average unemployment in the San Francisco Metropolitan Area, the CRA programs that exist are likely to be well-funded relative to the scale of the community needs of the area, particularly when compared to other cities.

1.3. CRA Strategy

1.3.1. Overview

Monzo is committed to serving the communities in which it operates. Monzo's mission and values reflect its desire to build a bank that provides differentiated services that help its customers better control and manage their money. Monzo's products give customers access to low-fee, everyday banking and lending options, and tools to help them live better financial lives, delivered conveniently and intuitively using modern technology.

Monzo's Record of Meeting Community Needs in the UK

Monzo UK has demonstrated Monzo's commitment to delivering financial products and services that have its customers' best interests at heart. Some relevant examples are the following:

- **Financial inclusion / “No Barriers to Banking”:** In 2019, Monzo kicked off the “No Barriers to Banking” campaign. Over one million adults in Britain are still unbanked. Monzo's research showed that without a bank account, people find it harder to get a job or receive benefits, and often end up paying more for basic expenses like bills. Monzo worked with a number of financial inclusion charities and organizations to campaign for greater and easier access to basic financial service products in the UK. That meant campaigning to allow individuals to get a bank account without a proof of address or with non-standard identity documents.
- **Financial education:** Monzo believes in educating customers about money and helping them better manage their money. Monzo does not want to make profit from its customers making mistakes. Monzo publishes useful content on its website to help with financial education, and ensures that its customer support agents are able to give insightful and useful answers.¹¹
- **Credit Score:** Monzo UK has built a feature that allows customers to view their credit scores, the main drivers of their scores, and suggestions for how to improve their scores.

¹¹ An example of such a blog post is available at <https://monzo.com/blog/how-money-works>.

- **Support for customers in financial difficulties or having debt problems:** Monzo UK aims to be helpful and responsive to customers who are facing financial hardship or otherwise have problems with debt – whether that hardship is based on the debt they owe to Monzo UK, to other institutions, or both. Monzo’s team has developed relationships with a number of debt advice charities, and Monzo gets customers the help that they need.
- **Support for vulnerable customers:** Monzo UK has invested significantly in building a customer support platform that takes into account the needs of vulnerable customers. These activities include supporting customers with physical and mental disabilities, in financial distress, experiencing illness or other difficult life events, or having other needs that prevent them from using Monzo’s services without special assistance.
- **Gambling block:** Monzo UK built a feature for UK customers that blocks any card transactions with a merchant code related to gambling. Many of its customers had informed the bank that they were working hard to avoid the temptations of compulsive gambling, so Monzo developed a feature that helped them make more careful decisions with their money.

The organizers’ vision for Monzo USA

The organizers believe Monzo USA’s products and approach are well-aligned with the goals of the CRA, because giving customers access to a checking account that is easy to use, with fair and transparent fees, excellent customer support, and technology tools that allow them to better manage their money, will improve their outcomes. Monzo has already spent time engaging with real consumers in the U.S. to learn about the financial problems they need help solving. Monzo has established a U.S. Monzo Community forum page on its website to stimulate debate on how Monzo can serve communities in the United States, and it has held a number of live events to engage with consumers in person.

Monzo will continue to engage with American consumers and communities, both in person and online, to further enhance our understanding of their needs. As the Bank enters the organization phase, management will seek to engage with a diverse set of communities in our assessment area, including those typically underrepresented and underserved by traditional institutions, including recent immigrants to the United States, LGBTQ groups, ethnic minorities, and people with disabilities. In developing the Bank’s CRA plan, management will consult local officials, community development organizations, and other key stakeholders to better understand the needs of local communities and LMI residents within the Bank’s assessment area and ensure the Bank maximizes the value and impact of its CRA efforts.

1.3.2. Community Development Test performance criteria

If designated as a limited purpose bank (see Confidential Appendix A for the formal request), Monzo USA will be assessed on its record of helping the credit needs of its assessment area, or a broader statewide or regional area that includes the Bank’s assessment area, under the Community Development Test.¹² Specifically, the Community Development Test will assess:

¹² See 12 C.F.R. § 25.25.

- The number and amount of community development loans, qualified investments, or community development services.
- The use of innovative or complex community development loans, qualified investments, or community development services.
- The Bank's responsiveness to credit and community development needs.

Under the Community Development Test, Monzo USA will be examined and allocated a rating based on its community development activity in the proposed assessment area, or a broader statewide or regional area that includes the assessment area. Some of the Bank's community development activity may benefit areas outside of its assessment area, but those activities are likely to receive consideration, as the organizers expect that the Bank will more than adequately address the credit needs of its assessment area first.

An overview of the Bank's approach to community development is outlined below, and the organizers and management will finalize the details of the Bank's approach during the organization phase.

1.3.3. Our approach

Based on Monzo's initial assessment of community development needs within the Bank's proposed assessment area, as discussed above, Monzo has developed the following proposed program to meet the Bank's CRA performance goals. This plan will be refined over time as the Bank engages in further community outreach, consults local community development officials and organizations, and refines its overall business plan. The organizers expect the Bank to meet and exceed its community development requirements in its assessment area through:

- **Community development lending:** The Bank may engage in community development lending, potentially including:
 - loans to non-profit organizations that serve LMI housing or other community development needs in its assessment area;
 - loans to local and state governmental entities and other community organizations, such as schools, hospitals, or homelessness or drug rehabilitation centers, to enable such entities and organizations to engage in community development activities; and
 - loans to organizations that construct or rehabilitate affordable housing.
- **Qualified investments:** The Bank is likely to make qualified investments (*e.g.*, direct investments, grants, or deposits) in intermediaries that may include:
 - financial intermediaries such as CDFIs, community loan funds, community development credit unions, and/or minority- or women-owned financial institutions, that primarily lend or facilitate lending in LMI areas or to LMI individuals;
 - community development venture capital companies that promote economic development by financing small businesses; and
 - organizations engaged in construction or rehabilitation of affordable housing.

- **Community development services:** The Bank is likely to engage in community development services, possibly by:
 - providing technical assistance on financial matters to nonprofit organizations serving LMI housing, small business and/or community development organizations, among others, for example by assisting in marketing of financial services, supplying training on financial services, or assisting in fundraising; and
 - establishing school savings programs and/or developing or teaching financial education or literacy curricula for LMI individuals.

The Bank’s CEO and CRA Officer will determine an appropriate level of lending and investment at the start of every year. This level will be based on a number of qualitative and quantitative factors, feedback resulting from the Bank’s community engagement, and further refinement of the Business Plan during the organization phase.

1.3.4. Ratings and expected result

The organizers aim for the Bank to achieve the following results in its CRA evaluations:

Criteria	Description	Target rating
Investment, loan, and service activity	The institution has a high or adequate level of community development loans, community development services, or qualified investments, particularly investments that are not routinely provided by private investors.	Outstanding or Satisfactory
Investment, loan, and service initiatives	The institution extensively or occasionally uses innovative or complex qualified investments, community development loans, or community development services.	Outstanding or Satisfactory
Responsiveness to community development needs	The institution exhibits excellent or adequate responsiveness to credit and community economic development needs in its assessment area(s).	Outstanding or Satisfactory

1.4. Governance

The Bank’s CEO will delegate responsibility for managing community reinvestment to a CRA Officer, who, alongside the Credit team, will be responsible for:

- Developing and refining the Bank’s CRA plan.
- Monitoring the Bank’s ongoing compliance with its CRA plan.
- Managing the Bank’s relationships with third-party community development organizations.
- Reporting on CRA performance to the board of directors.

- Interacting with OCC examiners during the Bank's CRA evaluations.
- Ensuring compliance with all internal policies and procedures while performing community reinvestment activities.

1.5. Risk management

Consistent with the Monzo USA's Risk Management Framework, the Bank will operate a Three Lines of Defense approach to managing CRA performance and risk.

- First Line of Defense: CRA Officer and Credit team
- Second Line of Defense: Risk and Compliance
- Third Line of Defense: Internal Audit

The Three Lines of Defense approach will ensure that the Bank remains compliant with its internal policies and procedures, such as its Outsourcing policy (as the Bank will be working with third party community development organizations such as CDFIs), Credit Risk policies, and Financial Risk policies.

Public Exhibit 2

Bylaws

Monzo Bank USA, N.A.

Bylaws of Monzo Bank USA, N.A.

Version [Number]

Effective [Date]

DRAFT

This is a draft of Monzo USA's Bylaws. This draft will be further reviewed and added to, and is expected to be signed-off during the in-organization phase.

Not to be used without further review and approval.

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CERTIFICATION

**BYLAWS OF
MONZO BANK USA, N.A.**

Charter No. [#]

ARTICLE I - MEETING OF SHAREHOLDERS

Section 1.1. *Annual Meeting.*

The regular annual meeting of the shareholders for the election of directors and the transaction of whatever other business may properly come before the meeting, shall be held at the main office of Monzo Bank USA, N.A. (the “Association”), [address], or such other place as the board of directors of the Association (the “Board of Directors” or “Board”) may designate, at such time and at such date as shall be designated by resolution of the Board of Directors each year. Notice of such meeting shall be mailed by first class mail, postage prepaid, at least 10 days and no more than 60 days prior to the date thereof, addressed to each shareholder at his or her address appearing on the books of the Association. If, for any cause, an election of directors is not made on that date, or in the event of a legal holiday, on the next following banking day, an election may be held on any subsequent day within 60 days of the date fixed, to be designated by the Board of Directors, or, if the directors fail to fix the date, by shareholders representing two-thirds of the shares.

Section 1.2. *Special Meetings.*

A special meeting of the shareholders may be called for any purpose at any time by the Board of Directors or any one or more shareholders owning, in aggregate, not less than 25 percent of the stock of the Association. Every such special meeting, unless otherwise provided by law, shall be called by mailing, postage prepaid, not less than 10 days nor more than 60 days prior to the date fixed for the meeting to each shareholder of record at the address appearing on the books of the Association a notice stating the time, place and purpose of the meeting.

Section 1.3. *Record Date.*

The Board of Directors may fix a record date for determining shareholders entitled to notice and to vote at any meeting, in reasonable proximity to the date of giving notice to the shareholders of such meeting. The record date for determining shareholders entitled to demand a special meeting is the date the first shareholder signs a demand for the meeting describing the purpose or purposes for which it is to be held.

Section 1.4. *Adjournment.*

If an annual or special shareholders’ meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time or place, if the new date, time or place is announced at the meeting before adjournment, unless any additional items of business are to be

considered, or the Association becomes aware of an intervening event materially affecting any matter to be voted on more than 10 days prior to the date to which the meeting is adjourned. If a new record date for the adjourned meeting is fixed, however, notice of the adjourned meeting must be given to persons who are shareholders as of the new record date.

Section 1.5. *Nominations of Directors.*

(A) Nominations for election to the Board of Directors may be made by the Board of Directors or by any stockholder of the Association entitled to vote for the election of directors.

Nominations, other than those made by or on behalf of the existing management of the Association, shall be made in writing and shall be delivered or mailed to the President of the Association, not less than 14 days nor more than 50 days prior to any meeting of shareholders called for the election of directors; provided, however, that if less than 21 days' notice of the meeting is given to shareholders, such nomination shall be mailed or delivered to the President of the Association no later than the close of business on the seventh day following the day on which the notice of meeting was mailed. Such notification shall contain the following information to the extent known to the notifying shareholder:

- (1) The name and address of each proposed nominee.
- (2) The principal occupation of each proposed nominee.
- (3) The total number of shares of capital stock of the Association that will be voted for each proposed nominee.
- (4) The name and residence address of the notifying shareholder.
- (5) The number of shares of capital stock of the Association owned by the notifying shareholder.

(B) Nominations not made in accordance herewith may, in his or her discretion, be disregarded by the Chair of the meeting, and upon his or her instructions, the vote tellers may disregard all votes cast for each such nominee.

Section 1.6. *Proxies.*

Shareholders may vote at any meeting of the shareholders by proxies duly authorized in writing, but no officer or employee of this Association shall act as proxy. Proxies shall be valid only for one meeting, to be specified therein, and any adjournments of such meeting. Proxies shall be dated and filed with the records of the meeting. Proxies with facsimile signatures may be used and unexecuted proxies may be counted upon receipt of a written confirmation from the shareholder. Proxies meeting the above requirements submitted at any time during a meeting shall be accepted.

Section 1.7. *Quorum.*

A majority of the outstanding capital stock, represented in person or by proxy, shall constitute a quorum at any meeting of shareholders, unless otherwise provided by law, but less than a quorum may adjourn any meeting, from time to time, and the meeting may be held, as adjourned, without further notice. A majority of the votes cast shall decide every question or matter submitted to the shareholders at any meeting, unless otherwise provided by law or by the Articles of Association.

ARTICLE II - DIRECTORS

Section 2.1. *Board of Directors.*

The Board of Directors shall have the power to manage and administer the business and affairs of the Association. Except as expressly limited by law, all corporate powers of the Association shall be vested in and may be exercised by the Board.

Section 2.2. *Number.*

The Board shall consist of no less than five (5) nor more than twenty-five (25) persons, the exact number within such minimum and maximum limits to be fixed and determined from time to time by resolution of a majority of the full Board or by resolution of a majority of the shareholders at any annual or special meeting thereof.

Section 2.3. *Regular Meetings.*

Each year, by *[date]*, the Board will determine and approve the dates for the monthly Board Meetings for the ensuing year. The regular meetings of the Board shall be held, without notice, on the dates set by the Board of Directors at the main office of the Association or on or at such other date, time and/or other such place as the Board may designate.

Section 2.4. *Special Meetings.*

Special meetings of the Board of Directors may be called by the Association, or at the request of three (3) or more directors. Each member of the Board of Directors shall be given notice stating the time and place by mailing, postage prepaid, or in person, of each special meeting.

Section 2.5. *Quorum.*

(A) A majority of the director positions on the Board shall constitute a quorum at any meeting, except when otherwise provided by law or the Bylaws, but a lesser number may adjourn any meeting, from time to time, and the meeting may be held, as adjourned, without further notice. If the number of directors is reduced below the number that would constitute a quorum, no business may be transacted except selecting directors to fill vacancies in conformance with Section 2.6.

(B) If a quorum is present, the Board may take action through the vote of a majority of the directors who are in attendance.

Section 2.6. *Vacancies.*

(A) When any vacancy occurs among the directors, a majority of the remaining members of the Board, in accordance with the laws of the United States, may appoint a director to fill such vacancy at any regular meeting of the Board, or at a special meeting called for that purpose at which a quorum is present, or if the directors remaining in office constitute fewer than a quorum of the Board, by the affirmative vote of a majority of all the directors remaining in office.

(B) A vacancy that will occur at a specific later date (by reason of a resignation effective at a later date) may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

ARTICLE III - COMMITTEES OF THE BOARD

Section 3.1. *Audit Committee.*

There shall be an Audit Committee composed of a minimum of three (3) directors, exclusive of any active officers, appointed by the Board of Directors annually or more often. The duty of this committee shall be to examine at least once during each calendar year and within 15 months of the last examination the affairs of the Association or cause suitable examinations to be made by auditors responsible only to the Board of Directors and to report the result of such examination in writing to the Board of Directors at the next regular meeting thereafter. Such report shall state whether the Association is in a sound condition and whether adequate internal controls and procedures are being maintained, and shall recommend to the Board of Directors such changes in the manner of doing business or conducting the affairs of the Association as shall be deemed advisable.

Section 3.2. *Other Committees.*

The Board of Directors may appoint, from time to time, from its own members, other committees of one or more persons for such purposes and with such powers as the Board of Directors may determine.

However, a committee may not;

- (1) Authorize distributions of assets or dividends.
- (2) Approve action required to be approved by shareholders.

- (3) Fill vacancies on the Board of Directors or any of its committees.
- (4) Amend the Articles of Association.
- (5) Adopt, amend, or repeal the Bylaws.
- (6) Authorize or approve the issuance or sale, or contract for sale: of shares, or determine the designation and relative rights, preferences, and limitations of a class or series of shares.

ARTICLE IV - OFFICERS AND EMPLOYEES

Section 4.1. Chair of the Board.

The Board of Directors shall appoint one of its members to be the Chair to serve at the pleasure of the Board of Directors. Such person shall preside at all meetings of the Board of Directors. The Chair of the Board shall supervise the carrying out of the policies adopted or approved by the Board of Directors; shall have general executive powers, as well as the specific powers conferred by these Bylaws; and shall have and may exercise such further powers and duties as from time to time may be conferred upon, or assigned to him by the Board of Directors.

Section 4.2. President.

The Board of Directors shall appoint one of its members to be the President of the Association, who shall be the Chair of the Board unless the Board appoints another director to be the Chair. The President shall have general executive powers and shall have and may exercise any and all other powers and duties pertaining, by law, regulation, or practice, to the office of President or imposed by these Bylaws. The President shall also have and may exercise such further powers and duties as from time to time may be conferred or assigned by the Board of Directors.

Section 4.3. Vice President.

The Board of Directors may appoint one or more Vice Presidents. Each Vice President shall have such powers and duties as may be assigned by the Board of Directors. One Vice President shall be designated by the Board of Directors, in the absence of the President, to perform all the duties of the President.

Section 4.4. Secretary.

The Board of Directors shall appoint a Secretary, Cashier, or other designated officer who shall be Secretary of the Board of Directors and of the Association, and shall keep accurate minutes of all meetings. The Secretary shall attend to the giving of all notices required by these Bylaws; shall be custodian of the corporate seal, records, documents and papers of the Association; shall provide for the keeping of proper records of all transactions of the Association; shall have and



may exercise any and all other powers and duties pertaining by law, regulation, or practice, to the office of Cashier, or imposed by these Bylaws; and shall also perform such other duties as may be assigned to him or her from time to time by the Board of Directors.

Section 4.5. *Other Officers.*

The Board of Directors may appoint one or more Assistant Vice Presidents, one or more Trust Officers, one or more Assistant Secretaries, one or more Assistant Cashiers, one or more Managers and Assistant Managers of Branches (if any are permitted by applicable law) and such other officers and attorneys-in-fact as from time to time may appear to the Board of Directors to be required or desirable to transact the business of the Association. Such officers shall respectively exercise such powers and perform such duties as pertain to their several offices, or as may be conferred or assigned by the Board of Directors, the Chair of the Board or the President. The Board of Directors may authorize an officer to appoint one or more officers or assistant officers.

Section 4.6. *Tenure of Office.*

The President and all other officers shall hold office for the current year for which the Board of Directors was elected, unless they shall resign, become disqualified, or be removed; and any vacancy occurring in the office of President shall be filled promptly by the Board of Directors.

Section 4.7. *Resignation.*

An officer may resign at any time by delivering notice to the Association. A resignation is effective when the notice is given unless the notice specifies a later effective date.

ARTICLE V - STOCK AND STOCK CERTIFICATES

Section 5.1. *Transfers.*

Shares of stock shall be transferable on the books of the Association, and a transfer book shall be kept in which all transfers of stock shall be recorded. Every person becoming a shareholder by such transfer shall, in proportion to his or her shares, succeed to all rights of the prior holder of such shares. The Board of Directors may impose conditions upon the transfer of the stock reasonably calculated to simplify the work of the Association for stock transfers, voting at shareholder meetings, and related matters, and to protect it against fraudulent transfers.

Section 5.2. *Stock Certificates.*

(A) Certificates of stock shall bear the signature of the President (which may be engraved, printed or impressed), and shall be signed manually or by facsimile process by the Secretary, Assistant Secretary, Cashier, Assistant Cashier, or any other officer appointed by the Board of Directors for that purpose, to be known as an authorized officer, and the seal of the Association shall be engraved thereon. Each certificate shall recite on its face that the stock represented

thereby is transferable only upon the books of the Association properly endorsed.

(B) The Board of Directors may adopt or use procedures for replacing lost, stolen, or destroyed stock certificates as permitted by law.

(C) The Association may establish a procedure through which the beneficial owner of shares that are registered in the name of a nominee may be recognized by the Association as the shareholder. The procedure may set forth:

- (1) The types of nominees to which it applies.
- (2) The rights or privileges that the Association recognizes in a beneficial owner.
- (3) How the nominee may request the Association to recognize the beneficial owner as the shareholder.
- (4) The information that must be provided when the procedure is selected.
- (5) The period over which the Association will continue to recognize the beneficial owner as the shareholder.
- (6) Other aspects of the rights and duties created.

ARTICLE VI - CORPORATE SEAL

The President, the Cashier, the Secretary, or any Assistant Cashier or Assistant Secretary, or other officer thereunto designated by the Board of Directors, shall have authority to affix the corporate seal to any document requiring such seal and to attest the same.

ARTICLE VII - MISCELLANEOUS PROVISIONS

Section 7.1. Fiscal Year.

The fiscal year of the Association shall be the *[calendar]* year.

Section 7.2. Execution of Instruments.

All agreements, indentures, mortgages, deeds, conveyances, transfers, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, schedules, accounts, affidavits, bonds, undertakings, proxies and other instruments or documents may be signed, executed, acknowledged, verified, delivered or accepted on behalf of the Association by the Chair of the Board, the President, or any Vice President, or the Secretary, or the Cashier.

Any such instruments may also be executed, acknowledged, verified, delivered or accepted on behalf of the Association in such other manner and by such other officers as the Board of Directors may from time to time direct. The provisions of this Section 7.2 are supplementary to any other provision of these Bylaws.

Section 7.3. Records.

The Articles of Association, the Bylaws and the proceedings of all meetings of the shareholders, the Board of Directors, and standing committees of the Board of Directors; shall be recorded in appropriate minute books provided for that purpose. The minutes of each meeting shall be signed by the Secretary, Cashier or other officer appointed to act as Secretary of the meeting.

Section 7.4. Actions Without a Meeting; Telephone Meetings.

Unless prohibited by the Comptroller of the Currency, any action that may be taken at a meeting of shareholders or the Board of Directors (or any committee thereof) of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by at least the number of shareholders entitled to vote with respect to the subject matter thereof as provided in the Articles of Association or by all members of the Board of Directors (or such committee thereof), respectively, and such consent shall have the same force and effect as a vote of the required number of shareholders or directors, as the case may be, at a meeting duly called and held. Unless prohibited by the Comptroller of the Currency, shareholders and the Board of Directors (and any committee thereof) of the Association may participate in and hold a meeting of such shareholders and such Board of Directors (and such committee thereof), respectively, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of all business on the ground that the meeting is not lawfully called or convened.

Section 7.5. Corporate Governance Procedures.

To the extent not inconsistent with applicable federal banking statutes or regulations, bank safety and soundness, the Articles of Association or these Bylaws, the corporate governance procedures of the Delaware General Corporation Law, Del. Code Ann. Tit. 8 (1991, as amended 1994, as amended thereafter) will be followed.

Section 7.6. Indemnification.

(A) The Association may make or agree to make indemnification payments to an institution-affiliated party, as defined at 12 U.S.C. § 1813(u), for an administrative proceeding or civil action initiated by any federal banking agency, that are reasonable and consistent with the requirements of 12 U.S.C. § 1828(k) and its implementing regulations.

(B) The Association may indemnify an institution-affiliated party, as defined at 12 U.S.C.



§ 1813(u), for damages and expenses, including the advancement of expenses and legal fees, in cases involving an administrative proceeding or civil action not initiated by a federal banking agency, in accordance with the Delaware General Corporation Law, Del. Code Ann. Tit. 8 (1991, as amended 1994, as amended thereafter), provided such payments are consistent with safe and sound banking practices.

ARTICLE VIII - BYLAWS

Section 8.1. *Inspection.*

A copy of the Bylaws, with all amendments thereto, shall at all times be kept in a convenient place at the main office of the Association, and shall be open for inspection to all shareholders during banking hours.

Section 8.2. *Amendments.*

The Bylaws may be amended, altered or repealed at any meeting (or by any action equivalent to any meeting) of the Board of Directors by a vote of a majority of the total number of the directors, provided that the following language accompanies such change:

CERTIFICATION

I, _____, certify that: (1) I am the duly constituted (*Secretary or Cashier*) of Monzo Bank USA, N.A. and Secretary of its Board of Directors, and as such officer am the official custodian of its records; (2) the foregoing Bylaws are the Bylaws of the Association, and all of them are now lawfully in force and effect.

I have hereunto affixed my official signature on this _____ day of _____.

(Secretary or Cashier)

Public Exhibit 3

Articles of Association

Monzo Bank USA, N.A.

Articles of Association

Version [Number]

Effective [Date]

DRAFT

These proposed Articles of Association remain subject to further revision and certain information is yet to be determined.

Not to be used without further review and approval.

Articles of Association of Monzo Bank USA, National Association

For organizing an association to perform any lawful activities of national banks, the undersigned enter into the following Articles of Association:

FIRST. The title of this association shall be Monzo Bank USA, National Association.

SECOND. The main office of the association shall be located in the city of San Francisco in the County of San Francisco and State of California.

The general business of the association shall be conducted at its main office and its branches.

THIRD. The board of directors of this association shall consist of not less than five nor more than twentyfive persons. The exact number is to be fixed and determined from time to time by resolution of a majority of the full board of directors or by resolution of a majority of the shareholders at any annual or special meeting thereof. Each director shall own common or preferred stock of the association or of a holding company owning the association, with either an aggregate par, fair market, or equity value of \$1,000. Determination of these values may be based as of either (i) the date of purchase, or (ii) the date the person became a director, whichever value is greater. Any combination of common or preferred stock of the association or holding company may be used.

Any vacancy in the board of directors may be filled by action of a majority of the remaining directors between meetings of shareholders. The board of directors may not increase the number of directors between meetings of shareholders to a number which exceeds by more than two the number of directors last elected by shareholders.

Directors shall be elected for terms of one year and until their successors are elected and qualified. Terms of directors, including terms of directors selected to fill vacancies, shall expire at the next regular meeting of shareholders at which directors are elected, unless they resign, are removed from office.

Despite the expiration of a director's term, the director shall continue to serve until his or her successor is elected and qualifies or until there is a decrease in the number of directors and his or her position is eliminated.

Honorary or advisory members of the board of directors, without voting power or power of final decision in matters concerning the business of the association, may be appointed by resolution of a majority of the full board of directors, or by resolution of shareholders at any annual or special meeting. Honorary or advisory directors shall not be counted to determine the number of directors of the association or the presence of a quorum for any board action, and shall not be required to own qualifying shares.

FOURTH. There shall be an annual meeting of the shareholders to elect directors and transact whatever other business may be brought before the meeting. It shall be held at the main office or any other convenient place the board of directors may designate, on the day of each year

specified therefore in the Bylaws, or if that day falls on a legal holiday in the state in which the association is located, on the next following banking day. If no election is held on the day fixed or in the event of a legal holiday on the following banking day, an election may be held on any subsequent day within 60 days of the day fixed, to be designated by the board of directors, or, if the directors fail to fix the day, by shareholders representing two thirds of the shares issued and outstanding. Notice shall be mailed to shareholders of the time, place, and purpose of all shareholders' meetings at least 10 days prior to the meeting by first class mail, unless notice of such meeting is waived in accordance with these Articles of Association and the Bylaws or the OCC determines that an emergency circumstance exists.

In all elections of directors, the number of votes cast by each common shareholder will be determined by multiplying the number of shares he or she owns by the number of directors to be elected. Those votes may be cumulated and cast for a single candidate or may be distributed among two or more candidates in the manner selected by the shareholder. If, after the first ballot, subsequent ballots are necessary to elect directors, a shareholder may not vote shares that he or she has already fully cumulated and voted in favor of a successful candidate. On all other questions, each common shareholder shall be entitled to one vote for each share of stock held by him or her.

Nominations for election to the board of directors may be made by the board of directors or by any stockholder of any outstanding class of capital stock of the association entitled to vote for election of directors. Nominations other than those made by or on behalf of the existing management shall be made in writing and be delivered or mailed to the president of the association no less than 14 days nor more than 50 days prior to any meeting of shareholders called for the election of directors; provided, however, that if less than 21 days notice of the meeting is given to shareholders, such nominations shall be mailed or delivered to the president of the association no later than the close of business on the seventh day following the day on which notice of the meeting was mailed. Such notification shall contain the following information to the extent known to the notifying shareholder:

- (1) The name and address of each proposed nominee.
- (2) The principal occupation of each proposed nominee.
- (3) The total number of shares of capital stock of the association that will be voted for each proposed nominee.
- (4) The name and residence address of the notifying shareholder.
- (5) The number of shares of capital stock of the association owned by the notifying shareholder.

The chairperson of the meeting may, in his/her discretion, disregard nominations not made in accordance herewith. The vote tellers may disregard all votes cast for each such nominee. No bylaw may unreasonably restrict the nomination of directors by shareholders.

A director may resign at any time by delivering written notice to the board of directors, its chairperson, or to the association, which resignation shall be effective when the notice is delivered unless the notice specifies a later effective date.

A director may be removed by shareholders at a meeting called to remove him or her, when notice of the meeting states that the purpose or one of the purposes is to remove him or her, if



there is a failure to fulfill one of the affirmative requirements for qualification, or for cause, provided that, however, a director may not be removed if the number of votes sufficient to elect him or her under cumulative voting is voted against his or her removal.

FIFTH. The authorized amount of capital stock of this association shall be 2,000,000 shares of common stock of the par value of \$0.0001 each; but said capital stock may be increased or decreased from time to time, according to the provisions of the laws of the United States.

No holder of shares of the capital stock of any class of the association shall have any preemptive or preferential right of subscription to any shares of any class of stock of the association, whether now or hereafter authorized, or to any obligations convertible into stock of the association, issued, or sold, nor any right of subscription to any thereof other than such, if any, as the board of directors, in its discretion may from time to time determine and at such price as the board of directors may from time to time fix. Preemptive rights also must be approved by a vote of holders of two-thirds of the bank's outstanding voting shares.

Unless required by law, (1) shareholders owning a majority voting interest in the outstanding voting stock must approve all matters requiring shareholder action, including amendments to the Articles of Association, and (2) each shareholder shall be entitled to one vote per share.

Unless otherwise specified in the Articles of Association or required by law, all shares of voting stock shall be voted together as a class, on any matters requiring shareholder approval. If a proposed amendment would affect two or more classes or series in the same or a substantially similar way, all the classes or series so affected, must vote together as a single voting group on the proposed amendment.

Shares of one class or series may be issued as a dividend for shares of the same class or series on a pro rata basis and without consideration. Shares of one class or series may be issued as share dividends for a different class or series of stock if approved by a majority of the votes entitled to be cast by the class or series to be issued, unless there are no outstanding shares of the class or series to be issued. Unless otherwise provided by the board of directors, the record date for determining shareholders entitled to a share dividend shall be the date authorized by the board of directors for the share dividend.

Unless otherwise provided in the Bylaws, the record date for determining shareholders entitled to notice of and to vote at any meeting is the close of business on the day before the first notice is mailed or otherwise sent to the shareholders, provided that in no event may a record date be more than 70 days before the meeting.

If a shareholder is entitled to fractional shares pursuant to a stock dividend, consolidation or merger, reverse stock split or otherwise, the association may: (a) issue fractional shares; (b) in lieu of the issuance of fractional shares, issue script, or warrants entitling the holder to receive a full share upon surrendering enough script or warrants to equal a full share; or (c) remit the cash equivalent of the fraction to the shareholder. The holder of a fractional share is entitled to exercise the rights for shareholder, including the right to vote, to receive dividends, and to participate in the assets of the association upon liquidation, in proportion to the fractional interest. The holder of script or warrants is not entitled to any of these rights, unless the script or warrants explicitly provide for such rights.

The association, at any time and from time to time, may authorize and issue debt obligations, whether or not subordinated, without the approval of the shareholders. Obligations classified as debt, whether or not subordinated, which may be issued by the association without the approval of shareholders, do not carry voting rights on any issue, including an increase or decrease in the aggregate number of the securities, or the exchange or reclassification of all or part of securities into securities of another class or series.

SIXTH. The board of directors shall appoint one of its members president of this association, and one of its members chairperson of the board and shall have the power to appoint one or more vice presidents, a secretary who shall keep minutes of the directors' and shareholders' meetings and be responsible for authenticating the records of the association, and such other officers and employees as may be required to transact the business of this association. A duly appointed officer may appoint one or more officers or assistant officers if authorized by the board of directors according to the Bylaws.

The board of directors shall have the power to:

- (1) Define the duties of the officers, employees, and agents of the association.
- (2) Delegate the performance of its duties, but not the responsibility for its duties, to the officers, employees, and agents of the association.
- (3) Fix the compensation and enter into employment contracts with its officers and employees upon reasonable terms and conditions consistent with applicable law.
- (4) Dismiss officers and employees.
- (5) Require bonds from officers and employees and to fix the penalty thereof.
- (6) Ratify written policies authorized by the association's management or committees of the board.
- (7) Regulate the manner in which any increase or decrease of the capital of the association shall be made, provided that nothing herein shall restrict the power of shareholders to increase or decrease the capital of the association according to law, and nothing shall raise or lower from two-thirds the percentage required for shareholder approval to increase or reduce the capital.
- (8) Manage and administer the business and affairs of the association.
- (9) Adopt initial Bylaws for managing the business and regulating the affairs of the association that are not inconsistent with law or the Articles of Association.
- (10) Amend or repeal the Bylaws, except to the extent that the Articles of Association reserve this power in whole or in part to shareholders.
- (11) Make contracts.
- (12) Generally perform all acts that are legal for a board of directors to perform.



SEVENTH. The board of directors shall have the power to change the location of the main office to any authorized branch within the limits of San Francisco, California without the approval of the shareholders, or with a vote of shareholders owning two-thirds of the stock of such association for a relocation outside such limits and upon receipt of a certificate of approval from the Comptroller of the Currency, to any other location within or outside the limits of San Francisco, California, but not more than 30 miles beyond such limits. The board of directors shall have the power to establish or change the location of any branch or branches of the association to any other location permitted under applicable law, without approval of shareholders, subject to approval by the Comptroller of the Currency.

EIGHTH. The corporate existence of this association shall continue until termination according to the laws of the United States.

NINTH. The board of directors of this association, or **any one** or more shareholders owning, in the aggregate, not less than **50** percent of the stock of this association, may call a special meeting of shareholders at any time. Notice of the time, place, and purpose of all shareholders' meetings shall be mailed to shareholders at least 10 days prior to the meeting by first class mail, unless notice of such meeting is waived in accordance with these Articles of Association and the Bylaws or the OCC determines that an emergency circumstance exists. Unless otherwise provided by the Bylaws or the Articles of Association, any action requiring approval of shareholders must be effected at an annual or special meeting. If action requiring approval of the shareholders is effected at an annual or special meeting, the meeting must be duly called.

TENTH. The bank may make or agree to make indemnification payments to an institution-affiliated party, as defined at 12 USC 1813(u), for an administrative proceeding or civil action initiated by any federal banking agency, that are reasonable and consistent with the requirements of 12 USC 1828(k) and the implementing regulations there under.

The bank may indemnify an institution-affiliated party, as defined at 12 USC 1813(u), for damages and expenses, including the advancement of expenses and legal fees, in cases involving an administrative proceeding or civil action not initiated by a federal banking agency, to the fullest extent permitted by the Delaware General Corporation Law, Del. Code Ann. tit. 8 (1991, as amended 1994, and as amended thereafter), provided such payments are consistent with safe and sound banking practices.

ELEVENTH. These Articles of Association may be amended at any regular or special meeting of the shareholders by the affirmative vote of the holders of a majority of the stock of this association, unless the vote of the holders of a greater amount of stock is required by law, and in that case by the vote of the holders of such greater amount. The association's board of directors may propose one or more amendments to the Articles of Association for submission to the shareholders.



In witness whereof, we have hereunto set our hands this _____ of _____,
_____.

Public Exhibit 4 Newspaper Notice

Newspaper Notice

**An Application to Organize a National Bank
has Been Filed on the Date of this Publication
with the Office of the Comptroller of the Currency**

We, the undersigned, intending to organize and operate an insured national bank according to the provisions of the National Bank Act, as amended, submit an application to the Office of the Comptroller of the Currency for permission to organize an insured national bank, and propose as follows:

1. That the main office of the national bank be located at a location to be determined in San Francisco, of San Francisco County, California.
2. That the national bank will have the following title:

Monzo Bank USA, N.A.

3. That Anil Sai Tummalapalli (TS Anil) of Palo Alto, California, will act as sole and exclusive correspondent to represent and appear for the undersigned before the Office of the Comptroller of the Currency, and to receive all correspondence and documents for this application. In witness whereof, the undersigned have signed this document on the date set forth above.

TS Anil, Palo Alto, California
Tom Blomfield, London, United Kingdom
Gary Hoffman, London, United Kingdom
Carol Nelson, Edmonds, Washington
Robert Hartheimer, Washington, D.C.

The holding company of the national bank will be Monzo Bank Limited, of London, United Kingdom, or an affiliate of such entity.

Any person desiring to comment on this application may do so by submitting written comments within 30 days of the date of publication of this notice to the Director for District Licensing of the Western District of the Office of the Comptroller of the Currency, 1225 17th St., Suite 300, Denver, CO 80202, or we.licensing@occ.treas.gov. A person who wishes to view the public file should submit a written request to the district licensing office.

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Public Exhibit 5

Citizenship Waivers

Citizenship Waiver request

Applicant, Parent Company information and Contact person

Please use the same details as for the charter application

Name of board member(s) seeking waiver

Gary Hoffman (UK citizen)

Anil Sai Tummalapalli (TS Anil) (US Permanent Resident (green card) and an Indian citizen)

Include a discussion of the qualifications and experience of the proposed director(s) and how they apply to the bank's services, business plan goals, or market areas.

Gary Hoffman

Gary is a citizen of the United Kingdom. Gary's experience and expertise, gained from 35+ years in retail banking and associated fields is highly relevant for Monzo USA. Furthermore Gary is chair of the Monzo UK board, allowing him to sit on both boards will facilitate effective governance throughout the organization and promote the safety and soundness of Monzo USA. Detailed biographical information can be found in Packet A.

TS Anil

TS is a citizen of India and is a US Permanent Resident (green card holder). TS's unique experience and expertise in banking and financial technology were key to his selection as CEO of Monzo USA. He has held senior positions in the financial services industry in the USA and around the world, which will allow him to be an effective leader in an international business like Monzo. Detailed biographical information can be found in Packet A.

The biographical portion only of the Interagency Biographical and Financial Report for each proposed director

See Confidential Appendix B

Upon election to the board of directors and upon approval of this request, indicate the number of directors who are United States citizens and the number of directors who are not United States citizens.

Three of the five directors meet the citizenship requirements:

- Bob Hartheimer
- Carol Nelson
- Joel Tashjian

Two of the five directors do not meet the residency requirements:

- Gary Hoffman (UK citizen)
- TS Anil (US Permanent Resident (green card) and an Indian citizen)

I certify that the bank's board of directors, shareholders or a designated official has authorized



the filing of this application. I certify that the information contained in this application has been examined carefully and is true, correct, complete and current as of the date of this submission. Additionally, I agree to notify the OCC if the facts described in the filing materially change prior to receiving a decision or at any time prior to consummation of the action contemplated herein.

I acknowledge that any misrepresentation or omission of a material fact with respect to this application, any attachments to it, and any other documents or information provided in connection with this application may be grounds for denial of the application or revocation of its approval, and may subject the undersigned to legal sanctions, including the criminal sanctions provided for in Title 18 of the United States Code.

I acknowledge that the approval of this application is in the discretion of the OCC. The activities and communications by OCC employees in connection with the filing, including approval of the application if granted, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. I further acknowledge that the foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

A handwritten signature in black ink, appearing to read 'Anil Sai', written over a horizontal line.

President or other authorized officer

Typed Name: Anil Sai Tummalapalli (TS Anil)

Title: CEO and President

Employer: Monzo Inc.

Public Exhibit 6

Residency Waivers

Residency Waiver request

Applicant, Parent Company information and Contact person

Please use the same details as for the charter application

For multiple waivers:

If seeking multiple waivers of the residency requirement of 12 USC 72, so that a majority of the bank's directors will not be required to satisfy the residency requirement, indicate the number of board of directors who meet the residency requirements and number of directors who do not.

Monzo USA requests a residency waiver for all current and future directors. Monzo USA will have a national business with no geographic concentration, and this will allow the Bank to recruit and secure experienced and talented directors throughout the United States and abroad. At present, three proposed directors reside outside the State of California.

Two of the five directors meet the residency requirements:

- Anil Sai Tummalapalli (TS Anil) is resident in Palo Alto, California
- Joel Tashjian is resident in Pasadena, California

Three of the five directors do not meet the residency requirements:

- Bob Hartheimer (resident in Washington DC)
- Carol Nelson (primary resident in Edmonds, Washington, although Carol also has a second home in California in La Quinta)
- Gary Hoffman (resident in the UK)

For all waivers:

Upon election to the board of directors and with the approval of this request, indicate the number of directors who reside in the state(s), territory, or district in which the bank has its main office or branches, or within 100 miles of the national bank's main office for at least one year immediately preceding their election, and the number of who do not.

As in the prior question

Include a discussion of the proposed director's specific qualifications and experience, how (he, she, they) will carry out (his, her, their) duties and responsibilities effectively to ensure that the bank is meeting its operating goals, and how this waiver will support the safety and soundness of the bank.

Each of the proposed Board members has agreed to travel to San Francisco, California as required for regular board meetings and other meetings (for example with the regulatory agencies). In addition Monzo uses video teleconferencing, collaboration and file sharing tools (including a Board portal), and real time communication platforms, like Slack, to enable our team to work together seamlessly from anywhere in the world.

Carol Nelson

Carol lives in the State of Washington (a short flight from San Francisco) and intends to travel regularly to Monzo Bank USA, N.A.'s headquarters in San Francisco to attend regular board meetings and as needed on an ad hoc basis. This waiver will support the safety and soundness of Monzo Bank USA, N.A. by allowing the Bank to leverage Carol's unique experience and expertise, including as CEO and President of a regional bank and as a member on a number of boards. Detailed biographical information can be found in Packet A

Bob Hartheimer

Bob lives in Washington, D.C. and intends to travel regularly to Monzo Bank USA, N.A.'s headquarters in San Francisco to attend regular board meetings and as needed on an ad hoc basis. This waiver will support the safety and soundness of Monzo Bank USA, N.A. by allowing the Bank to leverage Bob's unique experience and expertise, that includes senior regulatory roles, executive, and board roles, and as an advisor to banks. Detailed biographical information can be found in Packet A

Gary Hoffman

Gary lives in London, United Kingdom and intends to travel as needed to Monzo Bank USA, N.A.'s headquarters in San Francisco to attend board meetings and on an ad hoc basis. This waiver will support the safety and soundness of Monzo Bank USA, N.A. by allowing the Bank to leverage Gary's unique experience and expertise, as well as Gary's intimate knowledge of Monzo as chairman of Monzo UK. Detailed biographical information can be found in Packet A

Other Information

Monzo certifies it is aware of the citizenship and stock ownership requirements of the persons nominated to serve as directors on its board and will review their qualifications to ensure compliance with those requirements in 12 USC § 72.



I certify that the bank's board of directors, shareholders or a designated official has authorized the filing of this application. I certify that the information contained in this application has been examined carefully and is true, correct, complete and current as of the date of this submission. Additionally, I agree to notify the OCC if the facts described in the filing materially change prior to receiving a decision or at any time prior to consummation of the action contemplated herein.

I acknowledge that any misrepresentation or omission of a material fact with respect to this application, any attachments to it, and any other documents or information provided in connection with this application may be grounds for denial of the application or revocation of its approval, and may subject the undersigned to legal sanctions, including the criminal sanctions provided for in Title 18 of the United States Code.

I acknowledge that the approval of this application is in the discretion of the OCC. The activities and communications by OCC employees in connection with the filing, including approval of the application if granted, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. I further acknowledge that the foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

A handwritten signature in black ink, appearing to be 'Anil Sai', written over a horizontal line.

President or other authorized officer

Typed Name: Anil Sai Tummalapalli (TS Anil)

Title: CEO and President

Employer: Monzo Inc.

Public Exhibit 7

OCC Certification

OCC CERTIFICATION

We, the organizers, certify that the information contained in this application has been examined carefully and is true, correct, and complete, and is current as of the date of this submission. We also certify that any misrepresentations or omissions of material facts with respect to this application, any attachments to it, and any other documents or information provided in connection with the application for the organization of the proposed financial institution and federal deposit insurance may be grounds for denial or revocation of the charter and/or insurance, or grounds for an objection to the undersigned as proposed director(s) or officer(s) of the proposed financial institution, and may subject the undersigned to other legal sanctions, including the criminal sanctions provided for in 18 U.S.C. 1001, 1007, and 1014. We request that examiners be assigned to make any investigations necessary.

We acknowledge that approval of this application is in the discretion of the appropriate federal banking agency or agencies. Actions or communications, whether oral, written, or electronic, by an agency or its employees in connection with this filing, including approval of the application if granted, do not constitute a contract, either express or implied, or any other obligation binding upon the agency, other federal banking agencies, the United States, any other agency or entity of the United States, or any officer or employee of the United States. Such actions or communications will not affect the ability of any federal banking agency to exercise its supervisory, regulatory, or examination powers under applicable law and regulations. We further acknowledge that the foregoing may not be waived or modified by any employee or agent of a federal banking agency or of the United States.

Signature	Date	Typed Name
	17th April 2020	Tom Blomfield

OCC CERTIFICATION

We, the organizers, certify that the information contained in this application has been examined carefully and is true, correct, and complete, and is current as of the date of this submission. We also certify that any misrepresentations or omissions of material facts with respect to this application, any attachments to it, and any other documents or information provided in connection with the application for the organization of the proposed financial institution and federal deposit insurance may be grounds for denial or revocation of the charter and/or insurance, or grounds for an objection to the undersigned as proposed director(s) or officer(s) of the proposed financial institution, and may subject the undersigned to other legal sanctions, including the criminal sanctions provided for in 18 U.S.C. 1001, 1007, and 1014. We request that examiners be assigned to make any investigations necessary.

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Signature	Date	Typed Name
	04/17/20	Anil Sai Tummalapalli (TS Anil)

OCC CERTIFICATION

We, the organizers, certify that the information contained in this application has been examined carefully and is true, correct, and complete, and is current as of the date of this submission. We also certify that any misrepresentations or omissions of material facts with respect to this application, any attachments to it, and any other documents or information provided in connection with the application for the organization of the proposed financial institution and federal deposit insurance may be grounds for denial or revocation of the charter and/or insurance, or grounds for an objection to the undersigned as proposed director(s) or officer(s) of the proposed financial institution, and may subject the undersigned to other legal sanctions, including the criminal sanctions provided for in 18 U.S.C. 1001, 1007, and 1014. We request that examiners be assigned to make any investigations necessary.

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Signature	Date	Typed Name
	17/04/2020	Gary Hoffman

OCC CERTIFICATION

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Signature	Date	Typed Name
<i>Carol Nelson</i>	April 16, 2020	Carol Nelson

OCC CERTIFICATION

We, the organizers, certify that the information contained in this application has been examined carefully and is true, correct, and complete, and is current as of the date of this submission. We also certify that any misrepresentations or omissions of material facts with respect to this application, any attachments to it, and any other documents or information provided in connection with the application for the organization of the proposed financial institution and federal deposit insurance may be grounds for denial or revocation of the charter and/or insurance, or grounds for an objection to the undersigned as proposed director(s) or officer(s) of the proposed financial institution, and may subject the undersigned to other legal sanctions, including the criminal sanctions provided for in 18 U.S.C. 1001, 1007, and 1014. We request that examiners be assigned to make any investigations necessary.

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Signature	Date	Typed Name
	04/17/20	Robert Hartheimer

Exhibit 8: OCC Checklist

EXHIBITS (check all that apply)

- Business Plan
 - Financial Projections
- CRA Plan
- Articles of Association, Articles of Incorporation, or Charter
- Bylaws
- Oath of Director
- Interagency Biographical and Financial Reports
- Fingerprint cards (appropriate regulatory agency)
- Publication Certification/Affidavit/Notice of Publication
- Copies of contracts/agreements
 - Employment/compensation
 - Service providers
 - Other
- Stock Benefit Plans
- Economic survey or market feasibility study
 - Market Area Map
- Waiver request, specify: Residency Waiver and Citizenship Waiver attached
- Offering Materials
- Proposed stock certificate
- Corporate or holding company audited statements or financial reports
- OCC/OTS/state filing fee
- Copy of policies, specify: Draft Policies and Programs can be found in Confidential Appendix E (Packet D)

OTS ONLY:

- RB 20a Certification