



STARLING Bank

The Playbook Behind One of the UK's Most Disciplined Digital Banks

1. How a licence-first, deposit-led, cost-obsessed operating model produced **five straight years of profit?**
2. And why the next act (lower rates, a new CEO, and Engine) will decide **whether and how far the playbook travels?**

Strategy Playbook by

WHITESIGHT

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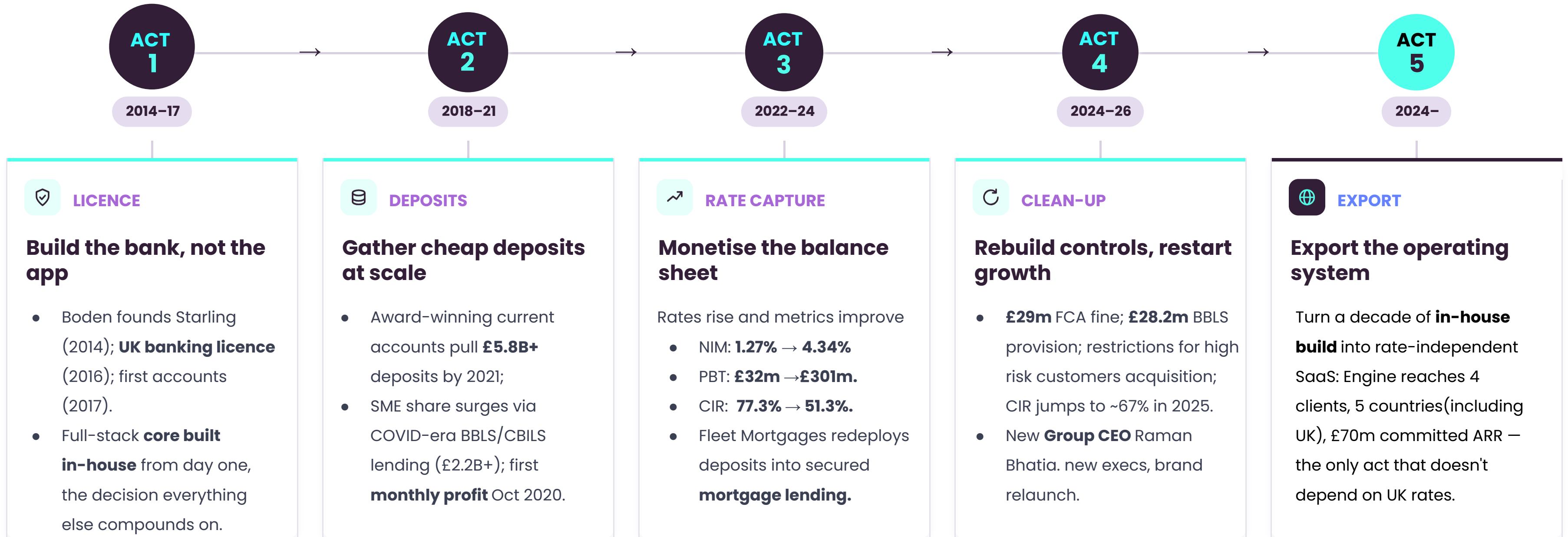
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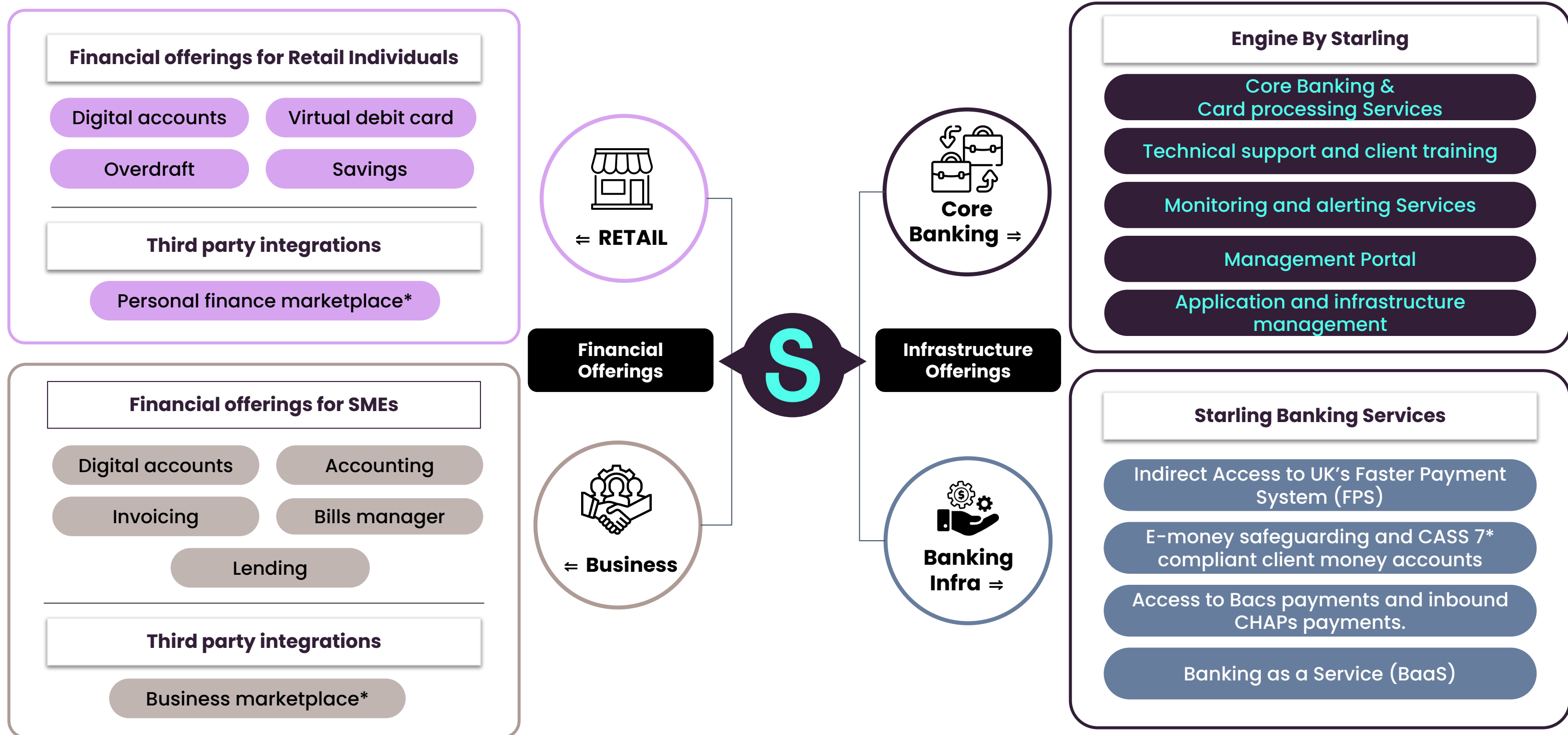
The core story in five acts: **licence** → **deposits** → **rate capture** → **clean-up** → **export**



SO WHAT | Each act funded the next — deposits made rate capture possible; rate capture paid for the controls rebuild and for Engine. **Engine is the only act that does not depend on UK interest rates.**

A comprehensive offering across **Financial and Infrastructure Services**

Starling has progressively expanded beyond transactional banking to build a comprehensive financial platform. The combination of banking products, savings solutions, specialist lending, and integrated business services enables the bank to address a wider range of customer needs while creating additional opportunities for engagement and monetisation.

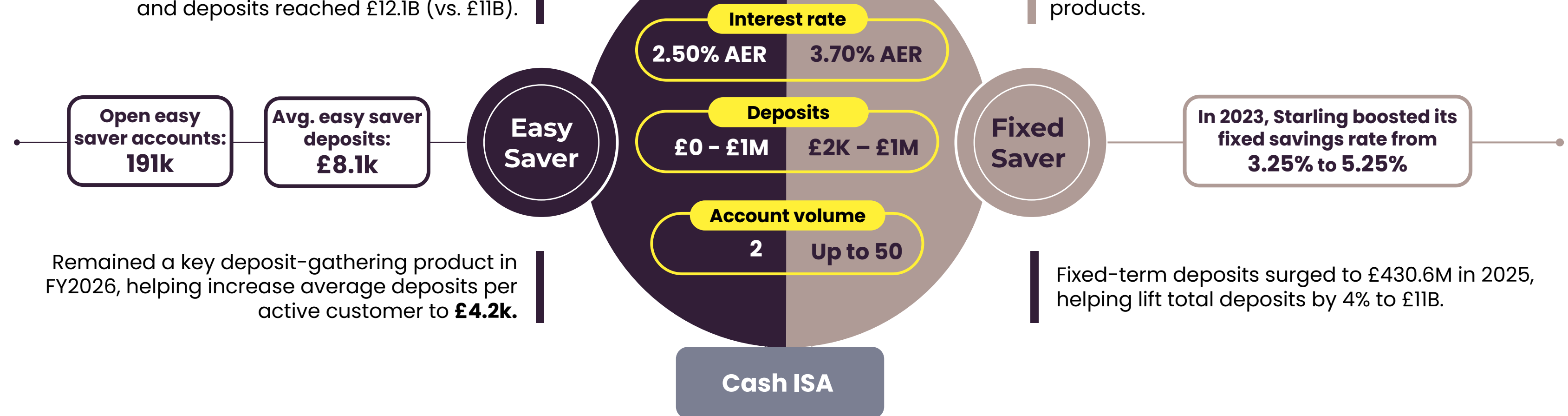


Saving accounts fuel deposit growth

- Starling, having built its foundation on current and business accounts, had yet to expand into savings offerings. That changed in December 2022 with the launch of its first savings proposition. As of October 2025, Starling has two savings products, **Easy Saver** and **Fixed Saver**, which are fueling deposit growth and deeper engagement.
- The launch of Cash ISA further expanded the savings ecosystem, positioning the bank to capture a larger share of customer deposits.

Starling introduced an instant-access **Easy Saver account** with 4% AER and unlimited withdrawals, driving deposit growth and customer acquisition. Total accounts rose to 4.6M (vs. 4.2M in 2024), and deposits reached £12.1B (vs. £11B).

Starling launched retail fixed-term deposits in late 2022, expanding to SMEs in early 2023. From a standing start, deposits reached **£83M by March 2023**, marking the group's first foray into savings products.

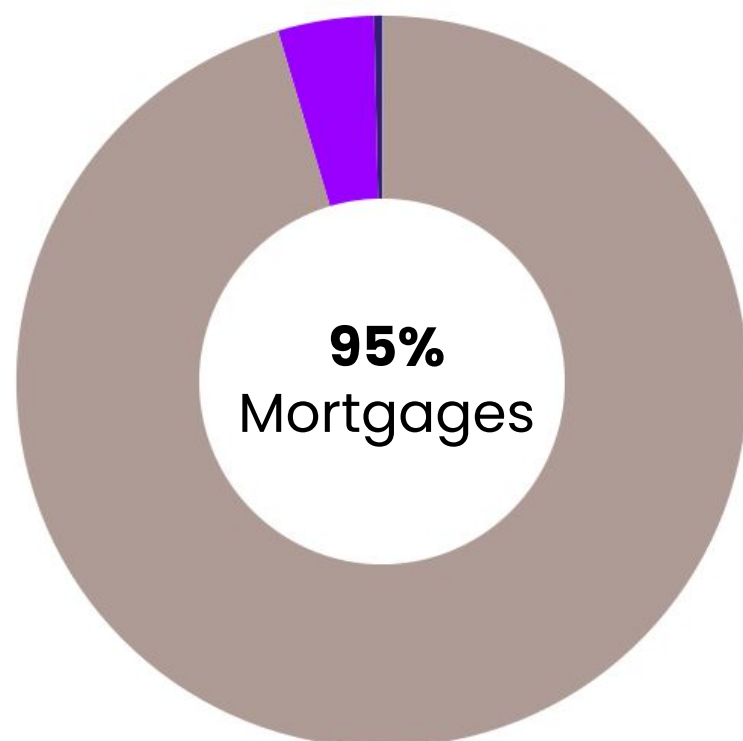


In 2026, Starling **launched its Cash ISA with no minimum deposit requirement and an interest rate of 2.50% AER**, expanding its savings proposition with a tax-efficient savings product that allows customers to hold up to 1 account.

Lending scale is being built through **Fleet-originated mortgages**

Starling's lending strategy has evolved around secured asset growth, with Fleet Mortgages giving the bank a specialist route to scale lending beyond its core current account franchise. Rather than expanding credit evenly across retail and SME customers, the bank has used mortgages as the primary vehicle to build lending scale and deploy balance sheet capacity.

LOANS AND ADVANCES TO CUSTOMERS (IN £ B)



	Lending (£ M)	% of total
• Mortgages	4,988.9M	95%
• SME	222M	4%
• Retail	18M	1%
Total loan book	£5.2B	

- Despite Starling's SME franchise, lending exposure remains concentrated in mortgages rather than SME or retail credit.
- Fleet has become the specialist lending engine behind Starling's balance sheet growth, turning deposits into secured BTL mortgage assets.
- The loan mix suggests Starling is prioritising risk-adjusted secured lending scale over broad-based credit expansion across its retail and SME customer base.

Fleet Acquisition in 2021

Acquired Fleet Mortgages for **£50M**, adding buy-to-let mortgage origination capability

Portfolio Scale-up in 2022, Masthaven

Starling agreed to buy a loan portfolio from **Masthaven** worth about **£500M**, increasing mortgages to £1.2B

Fleet Origination Proven in FY23

Fleet completed **£1.3B of specialist BTL** mortgages, establishing itself as Starling's mortgage origination engine.

Lending Growth Continues in FY24–FY25

Fleet balances grew from **£1.5B to £2.3B in FY24**, and the business added a further £759m to lending assets in FY25 to build a mortgage lending assets of **£4.7B**.

Mortgage-Led Lending in FY26

Fleet delivered **£1B of new originations**, helping total lending reach £5.2B, with mortgages now c. 95% of the book.

Engine is the strategic dividend of a decade of in-house build – **'client zero'** ran the platform before any customer signed

What Engine is

- **Full SaaS digital-banking platform:** cloud-native core + payments + cards + CRM + onboarding/AML workflows + Management Portal – pre-integrated, not a parts catalogue.
- **Target clients:** incumbent banks replacing legacy cores AND greenfield digital launches; a Group subsidiary with its own CEO (Sam Everington) and global offices.
- **Commercials:** multi-year SaaS contracts (implementation + run); the Tangerine deal is 10 years, 2.5m accounts to migrate.

Why Starling launched it

- **The R&D is already paid for** by the bank – every external client is gross-margin accretive and amortises a fixed cost base.
- It diversifies the two concentrations the bank cannot escape: **UK rates and UK customers** – software revenue is geography- and rate-agnostic.

Engine's clientele



Romania · Apr 2024

Greenfield launch, built in <12 months; **500k+ customers** in year one (~4% of Romanian adults); 700k+ customers and 400M+ in assets by **Dec 2025**



Australia · Feb 2025

A 170-year incumbent's new mobile-first SME & retail proposition; delivered in ~12 months, **on time, on budget.**



Canada (Scotiabank) · Nov 2025

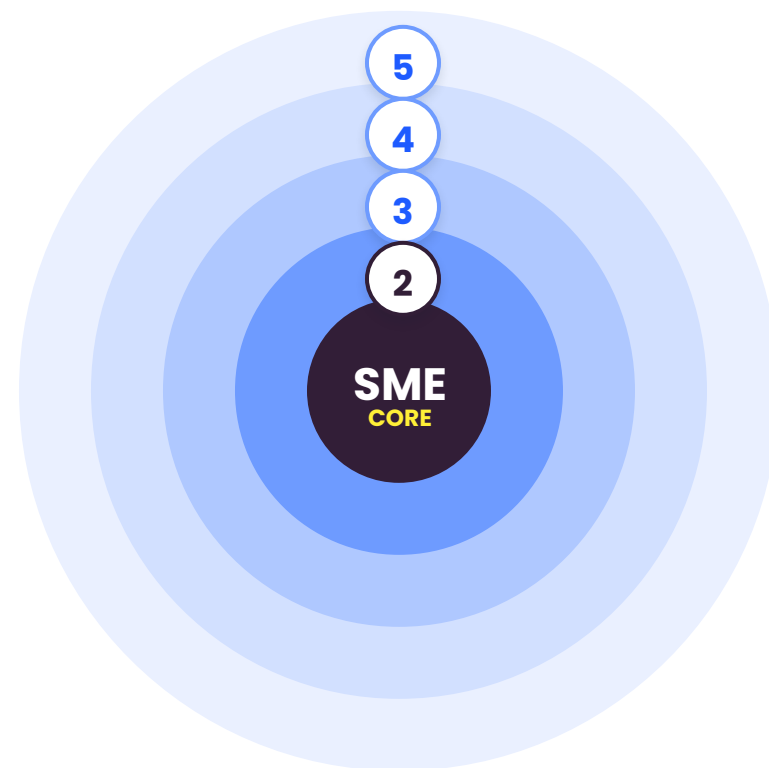
10-year deal; first North American client; 2.5m accounts to migrate; Engine President North America appointed (Jody Bhagat – ex Personetics, ex-McKinsey).



New Zealand · Feb–Mar 2026

Mutual bank, full core migration; **4th client, 5th country, 3 continents.**

SME: from free account to 'office of the CFO': **Each ring of the map deepens lock-in and fee yield**



1	Core account — free business account · 24/7 UK service · multi-director access	Acquisition engine: ~9% of UK SMEs
2	Payments & money movement — bulk payments · cheque imaging · Tap to Pay · multi-currency	Transactional fees + balance growth
3	Admin & tax workflow — invoicing · VAT tooling · accounting integrations · Ember (Aug 2025) · HMRC MTD	Subscription fees; ERP-like switching costs
4	Credit & cash management — overdrafts/term lending (minimal) · working-capital off the £525m surplus	The under-built ring — biggest white space
5	Advocacy & ecosystem — House of Lords SME report · Small Business Britain · Fair Payment Code gold	Brand moat in the segment

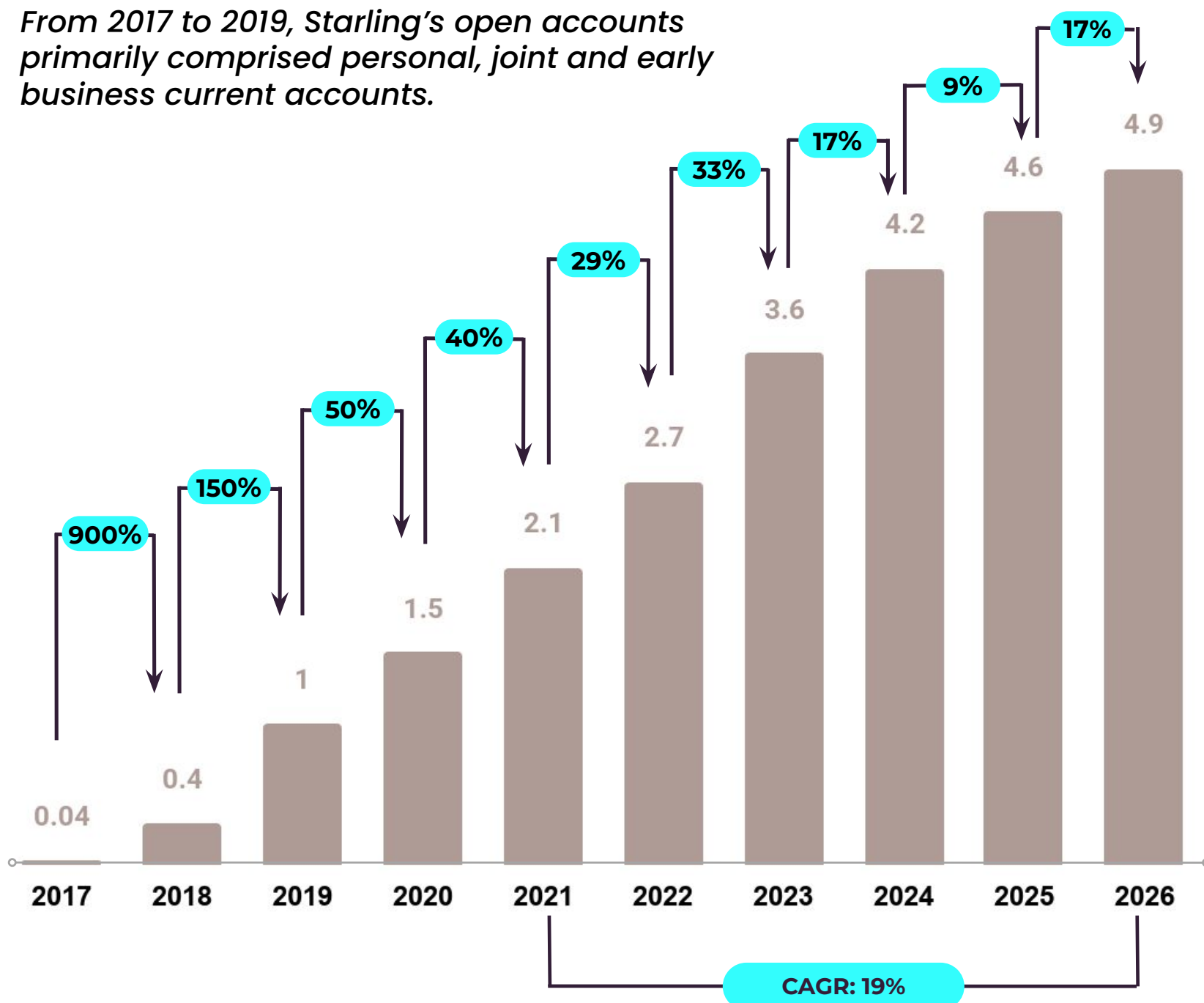
COMPETITIVE READ

Tide matches the workflow rings without a UK balance sheet; Allica owns the credit ring for established SMEs; Monzo Business is scaling fast (625k customers). **Starling is the only player strong in rings 1–3 AND holding the deposits to fund ring 4.**

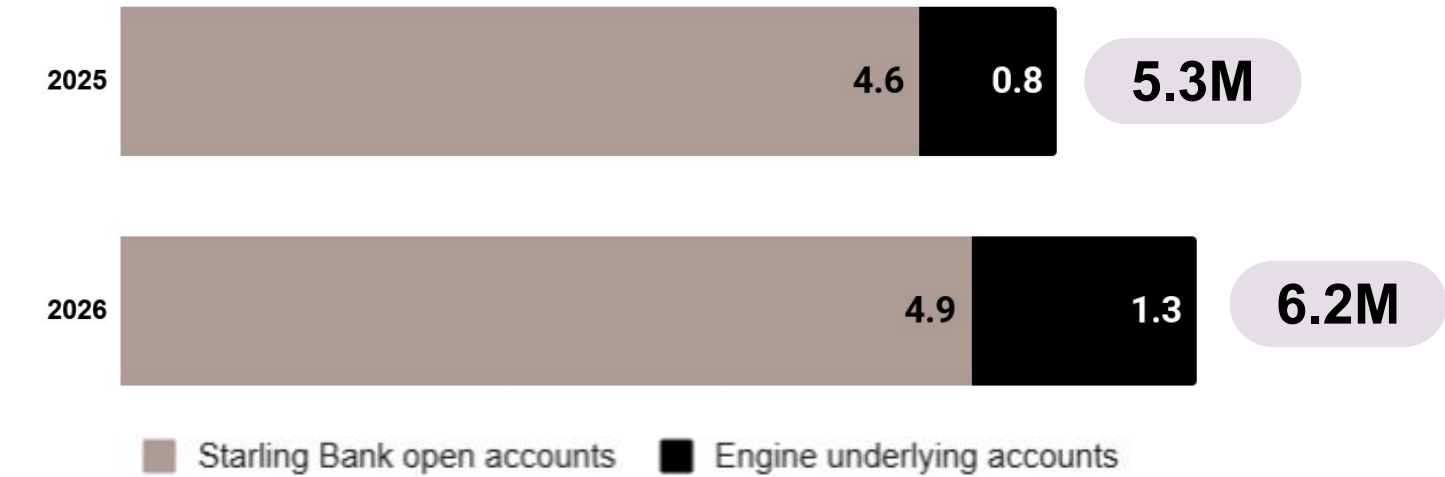
Platform account growth accelerates through **Engine expansion**

OPEN ACCOUNTS (IN MILLIONS)

From 2017 to 2019, Starling's open accounts primarily comprised personal, joint and early business current accounts.



GROUP PLATFORM ACCOUNTS (IN MILLIONS)



In 2026, Starling expanded its account reporting from a UK bank-focused customer base to a broader platform-account model.

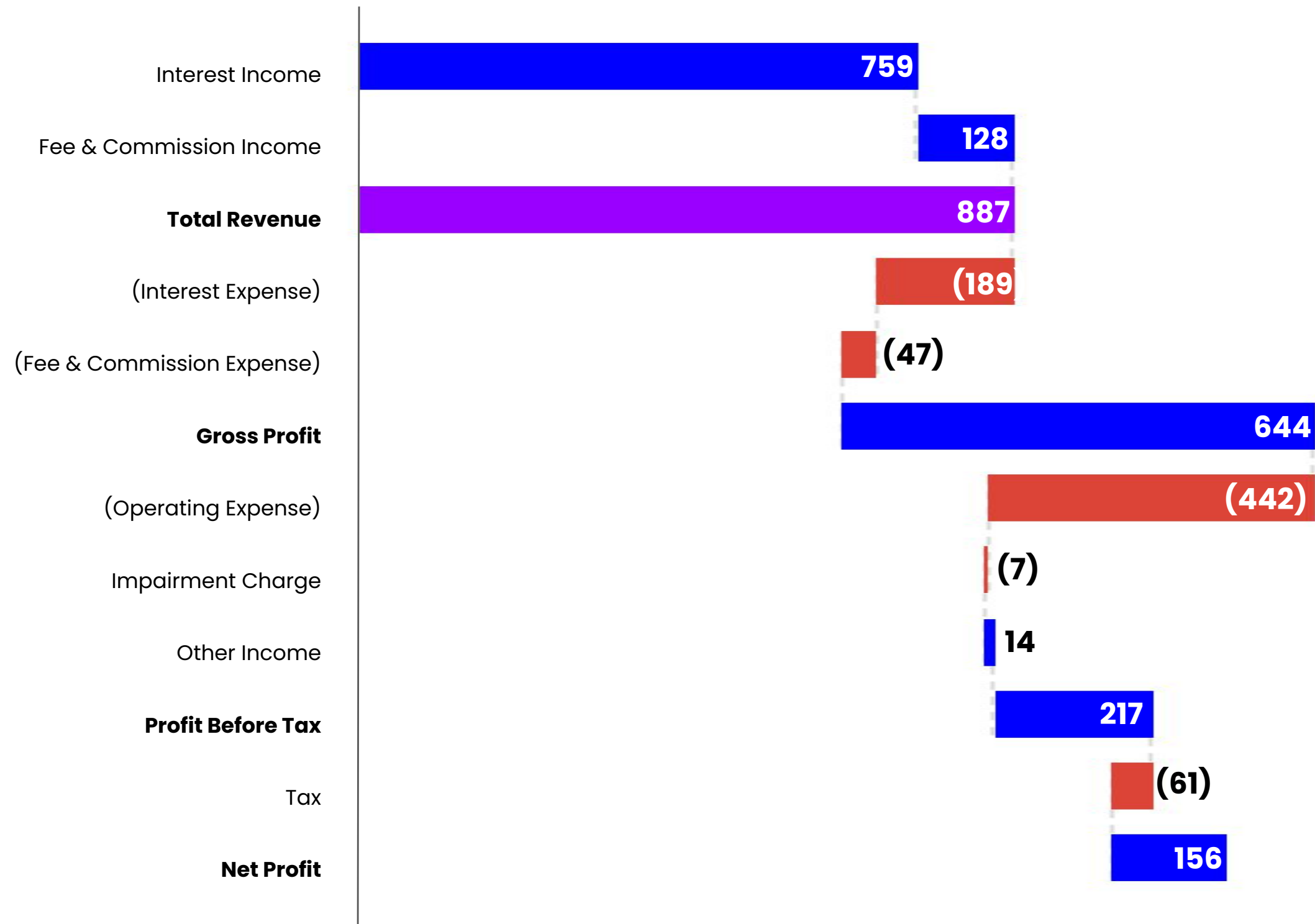
Group platform accounts reached 6.2M, up from 5.3M in FY2025, reflecting both Starling Bank accounts and accounts supported through Engine partnerships.

Growth was supported by three factors:

- The UK bank continued to benefit from strong customer engagement, with Starling remaining a Which? Recommended Provider for the seventh consecutive year and maintaining high customer advocacy scores.
- Starling's SME proposition expanded, supported by the Ember acquisition and a broader accounting and tax offering for small businesses.
- Engine became a larger contributor, with underlying accounts rising from 0.8M to 1.3M as new clients in Canada and New Zealand were added.

Interest-driven growth anchors **fifth year of profitability**

FINANCIAL PERFORMANCE (IN £ MILLION)



FY2026 remained a profitable year for Starling, despite a moderation in revenue as the interest-rate environment normalised. Total revenue declined to £887M from £940M in FY2025, mainly reflecting lower interest income as asset yields came under pressure.

Interest income remained the core revenue driver at £759M, while fee and commission income was broadly stable at £128M, helping partially offset the decline in rate-led income. Cost of revenue also improved to £242M, supported by lower interest expense, although fee expense and impairment charges increased YoY.

Operating expenses fell to £442M, reflecting continued cost discipline even as Starling invested in technology, Engine and operational scale. This helped protect profitability despite lower revenue.

Profit before tax was broadly resilient at £217M, only slightly below £223M in FY2025. After a £61M tax charge, net profit increased to £156M, showing that Starling remained strongly profitable even as the business moved from a high-rate tailwind into a more normalised earnings environment.

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WE'LL LET THE LOGOS DO THE TALKING



🔒 This is a report preview. **Download** the full report to **unlock the complete breakdown**

WHITESIGHT

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This report has been authored by WhiteSight. To access the underlying data with further coverage and references, please reach out to us.

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For the purpose of this report, research was conducted through secondary sources. Desktop research formed the basis of secondary sources, which included analysis of company websites, annual reports, press releases, blogs, social media pages, news articles, industry reports, government publications and statistical data, and information from private databases like Tracxn, Crunchbase, etc. All of the information stated in this report is publicly available information.

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