

## The Currencycloud Group Ltd - £10M Grant

### CIF Key Achievements to Date

- We have launched Currencycloud Spark, a solution enabling banks and Fintechs to provide multi-currency accounts to their business customers to collect, store, convert and pay in more than 35 currencies. Setting up bank accounts in foreign countries is a complicated and expensive process and far beyond the means of many businesses. With Currencycloud Spark, SMEs will be able to easily create receivables accounts around the world, manage multiple currencies, and instantly move money between accounts, meaning financial institutions such as banks and Fintechs can provide business customers with total flexibility in how they manage their international payment flows with their customers.
- We have significantly improved the speed of international wires processed through our platform as a result of our SWIFT gpi membership and product integration. At launch, 38% of international wires sent through our platform were completed (i.e. payments credited the beneficiary account) in 5 minutes. Completion rates increase to 55% within 60 minutes and 93% within 24 hours. We anticipate the completion rates and share of wires processed in real time to increase significantly over the course of the year as more banks globally adopt SWIFT gpi ahead of the November 2020 deadline.
- We have become one of the first non-banks to introduce self-service payment tracking via API in partnership with SWIFT. The solution will enable customers to track a payment as it moves around the world in real time, much like an Amazon parcel. Through this solution, customers will be able to identify where a payment may be held, or where it may have failed, in a matter of seconds – immediately removing the need for lengthy investigations to trace the payment with correspondent banks. By using this solution internally, we have reduced time to resolution for payment tracking more than ten-fold; we anticipate even further improvements as we provide this capability as a self-service module to our customers.

### Assessment Period 2 (January 1<sup>st</sup>, 2020 – March 31<sup>st</sup>, 2020)

#### **COMMITMENT 1 – HELP 10% OF UK SMEs TRADING INTERNATIONALLY ACCESS BETTER CROSS-BORDER EXPERIENCES**

**We commit to powering cross-border payments for 40,000 UK SMEs by 2024 – 10% of all UK SMEs that trade internationally.**

We are on track to deliver this commitment.

#### **COMMITMENT 2 – EXPAND OUR PRODUCT**

**We commit to providing our customers a Global Transaction Banking platform through:**

- **Addition of alternate payment methods to support the next generation of international business payments: instant payments, mobile wallets and cards.**
- **Geographic expansion of our collections product, a receivables solution allowing UK SMEs to accept payments from their international customers via local accounts abroad.**
- **New features to address common pain points for UK SMEs trading internationally, such as 24/7 currency trading and 'request to pay' functionality enabling SMEs to take full control of their accounts receivable and initiate payments directly from their international customers.**

We are on track to deliver this commitment. We are assessing the evolving customer needs in response to the COVID-19 crisis and macroeconomic outlook and will be prioritising those features that are most likely to attain adoption and drive customer impact in the difficult times ahead of us.

### **COMMITMENT 3 – CONNECT TO ACCOUNTING SOFTWARE**

**We commit to integrating our platform into three major accounting software solutions within a year of receiving the grant. These integrations will provide our clients with another way to access our product, alongside our API and white label platform. SMEs will benefit from easier access to international payments, ability to seamlessly link payments to invoices, and instant reconciliation within their accounting software.**

We anticipate delays to this deliverable. In response to the challenging financial reality for the Fintech and SME sectors in the UK, we will prioritise other features that will generate tangible customer benefits more quickly and require less of an investment to drive SME customer adoption.

### **COMMITMENT 4 – DISTRIBUTE NEW PRODUCTS WIDELY TO SMEs**

**We commit to continuing to power both FinTech innovators and traditional financial institutions striving to keep up with the pace of change. Enabling the disruptors and the disrupted alike to leverage our platform to develop new products would introduce more choice for UK SMEs and widen the access to cross-border payments – a true multiplier effect on competition.**

We are on track to deliver this commitment.

### **COMMITMENT 5 – CO-INVEST**

**We commit to investing £30m of our own funds, alongside the £10m CIF grant, in pursuit of making our ambition a reality for SMEs.**

At the moment, we are on track to deliver this commitment. In Q1 2020, we invested over £1.8m of our own funds towards our strategy supported by BCR. At these investment levels, we remain cautiously optimistic about our ability to invest £30m of our own funds towards this strategy over five years.

### **COMMITMENT 6 – PROTECT THE INTEGRITY OF THE FINANCIAL SYSTEM**

**We commit to upholding our obligations on transaction monitoring, safeguarding of client funds, security and data protection to ensure the cross-border payments ecosystem is a safe space for our SME customers and partners within our global network.**

We are on track to deliver this commitment.