

The Currencycloud Group Ltd - £10M Award

CIF Key Achievements to Date

- We processed cross-border payments for 8.9% of all UK SMEs trading internationally (over 30,000 UK SMEs) over the last twelve months.
- We continue to distribute our services widely to UK SMEs, having onboarded 149 financial institutions serving UK SMEs and UK Fintechs since January 2020.
- We have complemented the BCR grant funding with over £26.8m of additional investment to date to deliver a global transaction banking platform for UK SMEs.
- We continue to enhance our cross-border payments proposition, having launched Currencycloud Spark, Weekend FX, SWIFT collections, one new local collections route (CAD), five real-time payment routes (GBP, EUR, SEK, DKK, SGD), self-service payment tracking (first non-bank to market with SWIFT GPI API), and real-time crediting of inbound customer funds and margin balances.

Assessment Period 10 (January 1st, 2022 – March 31st, 2022)

These Public Commitments are based on The Currencycloud Group Ltd's Updated Business Case which was approved in July 2020 and Revised Business Case approved in March 2021. The former Public Commitments, including rationale for the changes can be viewed [here](#) for the July 2020 update, and [here](#) for the March 2021 update.

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. As of Q1 2022, over 30,000 UK SMEs have used our cross-border payments platform – 8.9% of all UK SMEs trading internationally.

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. In 2020, we launched Currencycloud Spark, our multi-currency proposition for financial institutions. With Currencycloud Spark, financial institutions can offer each of their customers a unique IBAN that can be used to receive international payments in 34 currencies via SWIFT international wires and local account details in GBP, EUR, USD, and CAD, enabling SMEs to transact internationally more quickly, easily, and affordably. In addition, we have made a significant transition towards real-time cross-border payments, connecting into SWIFT gpi and five real-time payments routes (GBP, EUR, SEK, DKK, SGD) to date. Finally, we have launched Weekend FX, enabling our clients to offer currency trading to their customers when FX markets are closed over the weekend, without bespoke development work or risk of currency volatility.

Some of our new product initiatives (e.g., pay to card) are taking longer than initially anticipated. We are regularly revisiting our delivery plans to address systemic blockers and deliver the greatest impact for our customers.

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. In Q1 2022, we signed 8 financial institutions serving UK SMEs and UK-based Fintechs, bringing our total to 149 signings since January 2020.

COMMITMENT 5 – CO-INVEST

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

We are on track to deliver this commitment. As of Q1 2022, we have invested over £26.8m of our own funds towards our strategy supported by BCR. We expect to exceed the £30m co-investment commitment over the five-year period.

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. We make ongoing enhancements to our security, safeguarding, and AML compliance systems and processes to keep our clients and their money safe, while preventing criminal activity. In Q1 2022 specifically, we made significant improvements in our cybersecurity program, improved our service availability and latency, and delivered targeted automation in the client onboarding processes to improve customer experience, speed and efficiency without sacrificing quality or reliability.

COMMITMENT 7 – RELEASE WORKING CAPITAL BACK TO UK SMEs

We commit to developing our technology and risk management practices to release working capital to UK SMEs using our platform for cross-border payments as quickly as possible. SMEs will benefit from instant FX trade settlement and updates to their customer balances and margin accounts, whilst Currencycloud will manage the FX, liquidity and credit risks associated with FX trading and funds in transit. These enhancements will help alleviate working capital challenges for UK SMEs in the aftermath of the COVID-19 disruption and during an economic downturn.

We are on track to deliver this commitment. We have made inbound customer funds instantly available for onward use, effectively releasing working capital that would have otherwise been held up in various accounts around the world or in transit back to the UK. More than 90% of inbound customer funds are available in real-time. In addition, we have enabled customers to top up their margin accounts instantly and recover deposit on cancelled trades automatically, improving the speed of currency conversions on our platform. Finally, we have provided our clients with greater visibility of their margin and reconciliation accounts, enabling them to make better decisions.

COMMITMENT 8 - REDUCE BARRIERS TO ACCESS

We commit to reducing barriers to access for SMEs by automating our onboarding and account activation process, delivered via an eKYC API. This will enable unregulated companies (e.g. software providers, lending platforms, marketplaces) to offer transaction banking services to their SME customers without having to invest in regulation, compliance or payments infrastructure.

We are on track to deliver this commitment. We are making ongoing enhancements to our onboarding journey and decision time, which has helped embed cross-border payments into a growing number of unregulated platforms.