

Cashplus Bank (F) – £5m Award

Public Commitments Update – Q1 2023

Key Achievements to Date

- Guaranteed Pricing capability has now been delivered.
- Total number of new Lending and BCA customers were c.10% ahead of the quarterly target.
- Cashplus remains on track to deliver its commitment of £13.8m in co-investment and £2.6m in cashback with £1.98m of investment and £382k of cashback delivered in Q1 2023.

COMMITMENT 1 – Expansion of SME lending:

We will deliver an all-new business credit card, with phased rollout through 2022 and delivery of all functionalities by Q1 2023, that will serve as a truly flexible SME credit and payments facility, driving increased choice and more competition in the market.

Combining our unique lending expertise in corporate overdrafts and basic SME credit cards, accompanied with sustainable product economics, we will deliver a new business credit card with a range of valuable features and a market-beating 1% cashback (entirely funded by Cashplus). This product will be an industry-first, truly flexible credit and payment facility with integrations to Open Banking, Faster Payments and Direct Debit and will return up to £2m in cashback to small businesses by 2022. In conjunction with our Business Current account, this product will deliver £300m in spend and lending by the end of 2022, rising to £5bn to the end of 2026.

We commit to acquiring 120K new customers by Q2 2023.

This commitment is on track to be met with delivery of all core functionality already completed and direct payments functionality expected to be live by Q2 2023.

Cashplus has now delivered the key features and functionality for the enhanced business credit card. For the lending aspect, we continue to leverage new distribution channels to acquire new customers and while Cashplus is on track with lending in Q1 2023, macroeconomic headwinds are likely to impact our lending targets in the near term.

COMMITMENT 2 – We will make switching and opening credit products fast, simple, and beneficial for small businesses

Cashplus will remove barriers to switching by making it straightforward and painless for businesses to change providers. We will:

- I. **Launch a bespoke business credit building product to help small businesses access cheaper funding in the future, by the end of Q1 2022.**
- II. **Remove competition barriers by building small business eligibility checks for all credit products, with APIs allowing integration to external data sources, by the end of Q1 2022.**
- III. **Provide customers with guaranteed pricing and credit limits and, through Open Banking, offer guaranteed savings where we can beat competitor costs, by Q1 2023.**
- IV. **Offer free company formation services, alongside our Business Credit Card and Business Current Account, offering a frictionless journey to customers looking to form a company.**

Develop an industry-leading underwriting process, that leverages advanced AI to help customers access funding by the end of Q4 2022

We have met this commitment.

In line with our business case, we have delivered SME credit builder, a unique business credit builder proposition; launched eligibility checker along with providing guaranteed savings via open banking and incorporated additional data sources to enhance our underwriting.

COMMITMENT 5 - Investment

We will invest £10m of our own funds into delivering these commitments, in addition to the 100% of all cashback rewards – up to £2m by the end of 2022 - funded by Cashplus.

We are on track to deliver this commitment to provide match funding of the activity of £10m by 2023 and up to £2m cashback through our Business Credit Card and Business Bank Account. To date we have invested £8.3m of funding and paid out £2m of cashback.