

## Virgin Money – (E) - £45m

### Public Commitments Update – Q1 2023

#### Key Achievements to Date

- Having fully deployed CIF spend, Virgin Money is utilising its remaining matched funding to support the delivery of our commitments.
- We have made continued improvements in our onboarding journeys. March saw record BCA inflows, enabling us to sustain net customer growth. Customer satisfaction for the same month improved to 73%.
- We increased the visibility of Marketplace, making it directly accessible from our main Business Internet Banking page, which, in conjunction with other changes, has seen more Business customers explore and apply for the market-leading solutions available.
- We continue to deliver changes to our digital servicing capabilities, including improved support for making payments in addition to platform stability, leading to better customer experiences and supporting customer growth.

**COMMITMENT 2 - Acquire 100K new SME customers by the end of 2025 (14k by end 2022). That is a 52% increase on our established customer base. Crucially we don't see this as a numbers game, which is why we're proud to serve - and committed to support - SME customers of all sizes. From those at scale right through to the very small businesses that make up the beating heart of the UK economy. Customer acquisition will be enabled by smart digitisation of onboarding and credit decisioning.**

We are on-track with this commitment.

We continue to sustain strong BCA acquisition performance, remaining a net BCA acquirer resulting in positive customer growth overall, in a contracting market, thus improving market share by a further 0.1%. We recently delivered a further improvement resulting in improved conversion performance as well as customer experience. As we continue to invest in our proposition and digital onboarding journeys, we believe we will maintain this momentum throughout 2023 and beyond.

**COMMITMENT 3 - Increase lending by an extra £0.5Bn by the end 2025, providing a much-needed capital boost to the SME market during the difficult years ahead. Within this, more than £100M of our new lending will be to clients pursuing environmental, social and governance aims.**

We are on track with this commitment.

'Business as usual' origination has positive momentum as a result of continued actions taken to support businesses. We continue to see lending attrition as businesses repay government loans (BBLs, CBILs) as well as 'business as usual' lending, however, this is at a lower level than experienced last year, resulting in net growth overall. While current progress is encouraging, we continue to be

cautious in our near-term growth forecast given the unsettled economic environment and trends in repayments for government loan scheme lending.

**COMMITMENT 4 - Invest an additional 150,000 hours of Relationship Manager time per annum from end 2023 to advise clients on how they can improve their working capital health. This will be enabled through an investment in data infrastructure, process digitisation and Working Capital analytics from the BCA.**

We are on track with this commitment.

18 initiatives have now completed in total, enabling a total capacity gain of over c.144,000 hours per annum. Most recently, the improvements delivered in relation to our onboarding journeys have helped to deliver further gains in capacity.

We remain confident in realising the remaining full capacity in 2023.

#### **COMMITMENT 8 – Co-investment**

**We are so committed to this ambition that, distinct from our own investment plans, we will match the CIF award pound for pound through our own investment, taking the total investment to £35M.**

We continue to be on track and remain committed to co-invest £35M of our own funds to this programme. To date we have invested £31.2M of own funds.