

Cashplus Bank (F) – £5m Award

Public Commitments Update – Q2 2023

Key Achievements to Date

- In Q2 2023, Business Credit Card Payments Integration was delivered which concludes delivery of CIF committed functionalities.
- To date, £2.4m of cashback rewards has been credited by CashPlus.
- In Q1 2023, Guaranteed Pricing capability was delivered.

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 partially complete having now delivered the key features and functionality for the enhanced business credit card, including the direct payments initiative which was delivered in Q2 2023.

For the lending aspect, we continue to leverage new distribution channels to acquire new customers; however, significant macroeconomic headwinds that have manifested due to higher cost of living and subsequent increase in interest rates are considerably impacting our lending activity and our ability to meet our lending targets in the near term. The reduced acquisition numbers are also a result of us scaling back to rationalise our overall underwriting strategy for business lending in this environment. Additionally, while our Business Current Account (BCA) acquisitions continue to be strong, increased competition in the market to attract high balance SME current accounts (due to higher interest rates) has impacted our acquisition volumes.

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 with this commitment having now invested £9.8m of our total commitment of £10m of co-investment by Q2 2023.