

**Virgin Money: Capability and Innovation Fund Pool E
Public Commitments Update
February 2024**

Commitment 1: Having launched “Working Capital Health” for SMEs in 2021, with digital onboarding and the Working Capital Wellness tracker delivered within the first year of receiving investment, this new BCA will provide SMEs with real time insight into current and forecasted working capital requirements, helping them improve margins and providing them with predictability and confidence over their financing. The BCA will be supported by fintech partners, providing access to a business and financial services marketplace.

This commitment has been met.

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.

Having successfully achieved our 2022 growth milestone, we are not currently on-track with the 2025 commitment, although we expect to continue closing the gap in the near-term and based on our plans we’ve sufficient confidence that we’ll deliver the commitment by the end of 2025. We continue to sustain strong BCA acquisition performance, remaining a net BCA acquirer for over 2 years, resulting in positive customer growth overall. Our propositional strength as well as continued investment in our onboarding journeys, we believe, will enable us to maintain and build on this momentum throughout 2024 and 2025.

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.

This commitment has been met.

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.

This commitment has been met.

Commitment 5: Develop a partner ecosystem, enabling initially 10 solution partners to launch services by 2022. We will power our solutions through a unique partnership network, spending at least 30% of the CIF Grant on UK based SMEs, and working with our partners to develop their businesses through ours, supporting their business growth and development. These partners will both deliver innovation and enable the platform and marketplace to launch at a rapid pace. We will release media announcements on at least one new Partner every month from October 2020 until April 2021.

This commitment has been met.

Commitment 6: More than 80% of our new customers will be based outside of London at all points through to end 2025. We will push beyond our existing regional heritage and strengths to serve customers up and down the country. Digitisation will remove our geographical barriers to entry, and we will play our full part in the UK government’s drive towards the ‘levelling-up’ agenda, reconfiguring our regional economy post COVID-19/Brexit.

This commitment has been met.

Commitment 7: We commit to enabling business customers and colleagues in an inclusive manner. It's not only written in our values; diversity and inclusion is at the heart of our culture. That's why we will continue to support the Race at Work and Women in Finance charters. We are "Disability Confident" and a proud Stonewall diversity champion. We commit that we will maintain over 40% of our senior roles in the Bank being filled by women, and we will maintain and publish stretching targets for other dimensions of diversity. For customers - and with our enhanced capabilities - we will measure diversity and inclusion characteristics of newly acquired customers. Our aspiration is to ensure alignment between the growth of our business with the diversity of the people and communities we serve, taking action to improve and learn. This capability will be in place from end 2021.

This commitment has been met.

Commitment 8: 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 £70M.

This commitment has been met.