

CAB Payments Holdings plc – H1 2025 results presentation transcript

Gaurav Patel, Head of Investor Relations

Hello, everyone, and welcome to the Cash Payments Holdings 2025 Interim Results Presentation. Joining me today are Neeraj Kapoor, CEO and James Hopkinson, our CFO. Neeraj will start with some opening remarks, followed by James, who will go with the financial performance in the half. And then Neeraj will conclude the presentation with the strategic update. Will then take some questions from the audience online, first by the telephone lines and then written questions over the webcast.

If you are having trouble accessing the Q&A system, please feel free to send an email to the IR inbox on all payments dot com and I will endeavour to read them out over the call. On the 100, it's Neeraj.

Neeraj Kapur, Group CEO

Good morning, everyone. I'm very pleased to say we've made real progress in executing our strategy and we've successfully transformed the business to better serve our clients. Most importantly, we've stayed true to our purpose of delivering prosperity in the emerging markets in which we operate. This means we remain true to our core effects and payments offering enhanced by our banking license.

My leadership team, which underwent significant changes during the second half of last year and the beginning of this year, is now fully formed. And we're united by our common purpose to deliver prosperity in emerging markets. We optimise the use of our network technology and expertise to help governments, institutions and organisations access hard to reach markets and move money where it is needed.

Our focus throughout the year has been on executing and delivering what we committed to do. We've made tangible progress and we're starting to see solid financial momentum and growth in revenue. In September last year and again at the 2024 full year results, I laid out an 18 month roadmap to reshape the business into one, delivering more predictable and attractive long term growth.

We're now about nine months into that journey. The transformation phase is complete. The foundations have been laid and from here we move into the growth through execution phase. I'm particularly pleased by the new things we're achieving constantly pushing the business to new highs. In the first half, we launched a number of firsts, such as processing our first client payments through our visa partnership, conducting our first sale from our trade finance portfolio.

Initial test trades on derivatives with counterparties, as well as switching on new and exciting corridors. Our performance in H1 delivered our expected progress, but I want to make it clear we know there's still work to be done and we're still on a journey to get the performance to the level that we and our shareholders expect from this business.

There are good and solid reasons we're confident about the future. Our client base continues to grow. Adding 52 new clients in the half momentum is building fast. As I outlined out the full year

20 full results. Our business is becoming increasingly relationship led. This means engaging with clients across the full spectrum of what we offer affects payments, trade, finance and deposits all integrated through a more cohesive and coherent approach focussed on providing solutions rather than just products to serve our clients ever evolving needs.

We're enhancing our products from testing effects, derivatives building, guaranteed deposits to enhanced payment capabilities. We're building solutions matching their priorities in parallel with deepening our connectivity in both new and existing markets such as Malawi, Mozambique and Nigeria, giving clients more flexibility, reach and choice. In a moment, I'll describe how our central bank strategy has opened up a new and exciting market.

Our strengthened relationships with central banks have been pivotal to our success in leveraging our privileged position as an economic partner to them. And it's great to see we're being recognised through our win at the 2025 global markets Central Banking Awards. This award reflects not just the progress we're making, but the long term commitment we're showing in supporting emerging markets globally.

You can see we've done what we said we do in H1. Now that's translating to real momentum in terms of performance. Going back to what I said earlier about our foundations being set. Income has stabilised on a half one half basis and it's now showing early signs of growth in support of our strategy. Our cost base has been successfully reshaped.

We restructured our resources to align with our business model, making the business leaner and more client focussed. James will go through the details in a moment. Our revenue sources are becoming more diversified with a good balance between our fixed payments and banking offerings, as well as continuously reducing income concentration. With some strategic hires, we've restructured the sales force to be more specialised, focussed on client growth and increasing share of wallet of existing clients.

The focus is on selling solutions that combine our products on the right. You can see the actions we've taken which underpin our medium term delivery. Our international footprint is expanding. Our European office is already delivering revenue. New York is now operational and our planned office in Abu Dhabi is set to open up access to new clients and new markets, perhaps as soon as H2 this year.

Subject to regulatory approval. Our active client base is growing and crucially, we're building client relationships based on trust and value, not just price. This has helped to secure long term, more sustainable and more valuable revenue streams. We've also made strategic moves in key markets. We've secured an EMT license in Nigeria, giving us greater participation in Nigeria. Flows. We've opened up our office in New York, allowing us to access more flows into and out of LatAm and Africa.

And our renewed focus on building stronger central bank relationships is opening up more opportunities for us across the emerging markets. We've been proactive in reaching out to the central banks and ministries of finance of various markets, both new and existing. And this refreshed approach helps to establish a meaningful, longer term, sustainable presence. And importantly, we continue to invest in our technologies, further improving our product capabilities and operational efficiencies.

Our enhanced product offerings will improve our client value proposition, helping us to scale and increase the diversity of earnings. All in all, tangible progress, I can confidently say this

shows our plan is working. The team is executing our four pillar strategy well. We've taken action in each area and while there's still work to be done, we head into the second half with increasing confidence in our ability to drive further growth.

So let's look at how this is translating into tangible improvements in key metrics. Our client base continues to grow with 573 active clients now in the platform. We generated a strong H1 client cohort and importantly, many of them are already transacting with us. This, combined with our growing diversity of markets, currencies and products, has helped reduce revenue concentration.

One measure of this, the top five currency corridors, are now only 27% of the total income, down from 32% last year and 49% the year before. Improved efficiency and smoother onboarding processes mean we're transacting with clients faster. Our network of counterparties has also expanded. Now 436 liquidity providers and nostro relationships, enabling us to offer deeper liquidity and sharper pricing.

The platform continues to deliver a holistic solution across effects payments and banking and clients are increasingly treating us as they long term transactional partner. This is reflected in our average deposit balance, which stood at £1.5 billion. Our platform is generating more and more volume. We're now processing around 2600 payments per day, showing a 20% growth over 2020 for enabled by our investment in our technologies, including A.I. capabilities to drive efficient scaling and as previously guided with directing more of our technology investment toward commercially driven initiatives.

In H1, 67% of CapEx was focussed on product enhancements, ensuring our investment continues to support both innovation and revenue growth versus the 29% allocated throughout last year. All in all, I'm pleased with our progress in H1. There's more to do, but I'm confident about what H2 will bring. Now, James will take you through our financial performance for H1.

James Hopkinson, Group CFO

Thank you, Neeraj, and it's great to be here. My first set of results since joining the company. As you can see from the charts, all of the key metrics shown are heading in the right direction, with half one half growth in volumes, income, EBITDA and operating free cash flow effects. Volumes of just below £20 billion have shown sequential growth driven in particular by G10 currencies as we deepened our relationship with emerging market financial institutions.

Emerging volumes were slightly lower in the half, reflecting both US dollar strength against emerging market currencies and the impact of geopolitics on radio budgets. GROSS income of £51.8 million was up 3% in half and half, although it was down 8% year on year. Reflecting both take rate compression through 2024 and the impact of a short lived dislocation in the first quarter of last year.

We've controlled costs well, including executing the strategic restructuring exercise in the first quarter. And as a result, these same factors helped shape the EBITDA Performance of disciplined management of costs and investment has resulted in the business remaining highly cash generative with £9.5 million of free cash flow with a cash conversion level of 72% compared to 50% in both halves of 2020.

For, as you can see, we've delivered half and half growth of 3% in income, 8% in adjusted EBITDA and 9% in adjusted profit after tax, demonstrating that the strategic actions taken have started to generate positive performance momentum for the eagle eyed members of the audience. I wanted to highlight two changes to the presentation of the PNL. First, we've reallocated around £1.1 million of revenue from each of the halves of 2024, from wholesale effects to payments effects.

As this category better reflects the activity generating that particular income. And second, we've extracted IFRS 16 lease interest, which was previously netted from the income line, and we've separately disclosed this on the face of the P&L. Neither adjustment changes the statutory or adjusted profit numbers for any period, but we believe they better reflect our underlying business. Turning to the numbers themselves, an adjusted EBITDA of £13.1 million represents a margin of 25.3% at 1.3 percentage points from the second half of last year.

Depreciation and amortisation increased by 37% compared to the first half of 2020. For an 11%, half on half reflecting the step up in capital expenditure over the last few years and the timing of technology that came online. On the bottom line, we improved adjusted profit after tax by 9%, half on half as operational leverage started to come through with costs growing slower than our income and activity levels.

Now this chart essentially shows that we remain a payments and fixed business enhanced by our banking licence, with around 60% of our income coming from our effects and payments product areas. We're enhanced by banking license as it allows us to take deposits, which in turn feeds our payment services for those clients funds that transactions and in turn enables us to provide trade finance facilities.

A key part of our strategic agenda has also been to focus our efforts on building client businesses that generate more annuity flows, which can grow in a more predictable and more repeatable way. The red dotted line on the chart highlights the product areas that are traditionally less volatile as we have seen in developed effects, for example, where spreads are more predictable or where the business generates largely annuity like income.

As we can see in our deposits, trade, finance and our growing payments businesses together, these areas are 70% of our income and grew 8%, half on half. Another focus of our strategy is to turn the top most segments of the chart representing emerging effects into a more annuity and fee based business as well. Emerging effects remains at the heart of who we are, but we are starting to do it in a way that drives more sustainable recurring income streams.

We're delivering this by, for example, working hard with our central bank relationships and others to resolve structural issues in markets instead of transacting on a particular deal on a particular day. We're now working to fill a monthly requirement for clients turning a one off transaction into regular daily activity, which can be recompensed by margin or fees. You'll hear more about this from the thread shortly.

Our teams are also driving the business by adding more clients, bringing online more enhanced products and services, and opening up more new markets. You'll also hear from Neeraj that our business is becoming increasingly integrated with more clients using multiple products across fixed deposits, trade, finance and payments. We are a client led business and this is increasingly apparent as we build out our solutions.

Focus, which is largely agnostic to which product category we earn income in. Our volumes have shown sequential growth, despite years dollar strength against emerging market currencies and the impact we've seen to idea activity. These headwinds have been offset by more significant growth in other transacting clients, as mentioned in the last few slides. Take rates are broadly stable in developed effects as they have been for the last few years and emerging effects take rates have remained at around the same levels we exited 2024 with as we expected.

Our increasing focus on structured transactions will generate more fee income from our services, which in turn means that take rates should become less of a key driver of our business going forward. This shift in focus will not only help us build a more predictable income stream, but it is also the way we can build a more sustainable business with our central bank network and with our commercial clients.

Turning to the next page.

Overall, our costs remain well-controlled and we've been repositions to better deliver our strategic priorities and drive operational leverage as we grow. Staff costs were flat, often half and slightly lower than the same period of 2024 as we took action to restructure the business. As part of this process. We've taken out surplus rolls and have now proportionately more resources in client facing and revenue generating teams.

The one off cost of the restructuring exercise was around £2.5 million towards the lower end of the guidance we set out in the full year results in March. And as in previous years, these types of costs have been reflected as non underlying in nature. Importantly, as we set out in the March results presentation, we're maintaining our guidance that staff costs, excluding potential variable pay will be broadly flat year on year for 2025.

Moving to other operating expenses in the first half of 2024, there was a around £600,000 reduction to costs related to a one off VAT refund. When adjusting for this to better reflect our underlying cost trajectory, none staff costs or other operating expenses were up 5% year on year and broadly flat. Half and half The increase in costs year on year largely reflects activity linked costs such as software costs.

As we rolled out new products and third party processing costs like bank charges as we processed 20% more transactions year on year. Overall, we are positioned to deliver better operational leverage through time. We're developing lean principles and using AI technology and applying them to processes to drive greater efficiency. We will continue to work hard to deliver further efficiencies as our platform scales and will also continue to look to invest behind sustainable, profitable client activity where we see good opportunities.

As I mentioned before, we are a payments and fix business enhanced by banking license. It is a real competitive advantage for our business where we compete with non-bank businesses. The license also opens doors across our network, helping us to build a network of over 430 nostro or liquidity provider banks around the world. Taken together with our emerging markets expertise, our business model is very hard to replicate.

But it's also important to remember that we're not a typical bank and have no intention of becoming one. Our revenues are largely capital light and non balance sheet intensive. We remain highly capitalised with a CET1 ratio of 19.5% higher than the market average. Our client

assets to client deposits ratio was around 17%. This means that for every £1 of client deposits with us, we lend out approximately \$0.17.

This is significantly lower than pretty much any other bank out there to help benchmark how capital like we are. The slide shows our stance against a selection of banks that are more international and transaction banking focussed. Our uniqueness is further evidenced by our revenue. Two credit risk RWA ratio around 30%. This is significantly higher return than the same peer group that generates around 12%.

Deploying credit and capital is not the key driver of our income. Where we do use our capital is largely in trade finance, which is diversified, short tenor and generates significant activity in other products. Importantly, there's also positions us for a massive opportunity in Africa. Around 40% of trade is intermediated by banks compared to around 80% worldwide. We can connect this demand with providers of capital in a capital efficient way, and we can have a lasting positive impact on the markets we serve.

Finally, on this slide, in terms of CapEx, we spent £3.5 million in the half in line with our previous guidance, with around two thirds of the spend focussed on continued product development, which will generate further revenue streams in the first half. We delivered good progress as we executed on our strategic priorities and the commitments we've made. We generated approximately £52 million in total income £13 million in adjusted EBITDA and 5.4 million in adjusted profit after tax, all showing growth in the second half of last year.

We are pleased with the progress that we've made as it is building a more diversified business with more clients, transacting more products with us across more markets. Whilst we have more to do, there is evidence the steps we have taken have translated into building momentum for our financial performance. Cost, efficiency and productivity remain a focus for us to deliver operational leverage as we grow.

However, we will continue to invest behind activity that generates sustainable, profitable, client driven revenues. Where we see the opportunities. I'll now hand back to Neeraj, who will describe in more detail the client progress we're making and why we're confident that this should translate into a better performance in the second half of the year.

Neeraj

Neeraj Kapur, Group CEO

Pleasing Progress indeed. It's all about delivering what we said we deliver. It's been a period of intense effort and strategic enhancement which has transformed the business and continues to allow us to deliver on our commitments and to position ourselves for continued sustainable growth. At the last full year results, I laid out an 18 month roadmap to reshape the business and put it on a predictable growth trajectory.

We're now nine months into our journey and I can confidently say we've laid strong foundations. The team have been focussed on execution and delivered. We've established the business, improved our operating model and created the platform we need to grow on. We're driving new client solutions and operational efficiencies through enhancing our technology stack as we offer more digital solutions.

Whilst growth in each was modest, it's turning a corner and we've done well against the exhaustion as factors out of our control and solid foundations are in place. We expect our progress to accelerate in H2. Turning now to our client activity in H1. Activity levels have remained resilient despite ongoing global macro economic pressures. Our strategic focus is starting to show meaningful results, although there's clearly been an impact to our international development organisation Activity levels, which has made about 10% of our revenues historically and now, starting with banks which represent around two thirds of H1 income.

This segment is showing early positive signs of our relationship led model clearly delivering. The bank segment includes both commercial and central banks. This grew 5%, half one half driven by higher fixed volumes, call deposits and an uplift in trade finance activity. Together with successful onboarding of new correspondent, banking relationships in the Nbfc and FinTech segment represent thing just under a quarter of income.

We also showed good sequential progress on income up 5%, half and half. We grew our client base in H1 with a number of significant new clients, all about to go live with us. The ideas sector has been challenged in the period as they felt the impacts of well-publicised geopolitical headwinds. These pressures contributed to a 13% decline in income to £5.9 million.

As we've mentioned at the full year results, we're expanding our reach beyond financial institutions to include large national and international corporates such as airlines, key resource firms and asset managers who can benefit from our integrated effects. Payments and banking solutions are specialisms that we're able to move money to where it's needed, and there are requirements where we can add real value to the markets we serve and the corporates that also do business.

There are all important purpose of bringing prosperity to emerging markets for sustainable growth is grounded in the strength of our platform and technology designed to drive client loyalty and deliver holistic solutions across effects, payments, deposits and trade finance. Our client LED Solutions Focus aims to harmonise the power of all of our products together to work through our client relationships to solve real problems rather than just purely execute a trade.

This is why we've created a structured solutions business. It's also powerful in being able to build a more fee based business model at the same time as increasing share of annuity flows in the fixed product set. I'll go into the power of this solution in a case study shortly. This includes helping clients unlock trapped liquidity and convert to hard currency source liquidity for outbound payments or hedge against volatile currency movements.

All of these are critical pain points which are solutions aimed to solve spot effects remains our core business. However, we're rapidly expanding, offering to meet a broader range of client needs. I'll go through the progress of each of these now. First, enhance payments. Three clients are now live on our automated clearing house or ACA trails with 52 currencies available.

This proposition is now being marketed and is gaining traction, in particular with our idea and Nbfc clients. Next effects derivatives. We've completed successful test trades. Operational readiness is in place and we're talking to a number of clients to get started in the second half of the year. Our approach here is not to carry significant risk on our balance sheet and we'll be hedging our positions in real time than deposits.

We continue to build our deposit book, strengthening our transactional banking relationships, particularly with banks clients. We've also been working on a guaranteed deposit product

through a global banking partner. And finally, trade finance. We have the ability to bring together providers of capital and unsatisfied demand in Africa, LatAm and beyond, for trade finance. This is a capital light business demonstrating our origination capability and is an important first step in helping our markets access international trade, finance, capital providers.

These product enhancements and structures are driven by real client demand, which gives us strong confidence in the acceleration of momentum into the second half. And with a client centric model, we're starting to look at total client wallet rather than just individual product revenues. I want to add some flavour on the work that we're doing and the results we're delivering.

This is a standout example of our relationship led central bank model driving tangible results in one key African market where foreign banks trading local currency effects had been largely prohibited from operating by the Reserve Bank for several years. We very recently successfully re-established ourselves as a trusted economic partner to that central bank with their full support. We're the only foreign bank currently operating in this way, helping the central bank source material levels of valuable US dollar reserve capital on a medium term programmed basis, while also enabling us to provide local currency to our clients.

This isn't just about access, it's about impact. By managing the solution for the central bank. We're generating a stable, fee based income that's a core part of our model. We're providing a valuable service, improving prosperity in that country and not relying purely on spreads. Crucially, this approach has effectively reopened another market for our business. Foreign flows have resumed.

We're helping the market increase its liquidity in both local and foreign currency, as well as supporting the central bank in building up their reserves of US dollar and other G10 currencies and in line with their own monetary policy goals. It's a powerful validation of our purpose and strategic approach and the playbook we're replicating in other markets. We're steadily building a business with an increased global reach, one that's closer to our clients, closer to liquidity and capital flows and better positioned to capture growth in key corridors, a sustainable emerging markets business that makes its money by delivering prosperity in those markets.

Last year we opened Amsterdam as our European hub. I'm pleased to say it's now starting to deliver revenue through new clients. We've expanded the sales force and now have full sales professionals on the ground. With a strong pipeline continuing to build, at the same time, we're delivering on our plans to have more boots on the ground sales operations in Africa and then expanding that model into LatAm, giving deeper access to local financial institutions and large corporates, and ensuring we're better aligned with the needs of each market.

We recently secured Representative Sales office license in New York, and just this week we officially opened its doors. It's a significant milestone which validates our business model, opens up a large new market and brings us closer to key clients and all us clearing banks who provide access to US dollar liquidity in H2 this year. Subject to regulatory approval, we'll be looking to have a sales operation in the AG m in Abu Dhabi, a strategic, equally important location.

We've applied for a Category two license to operate there, recognising the region's role as a critical source of capital flows into Africa and Asia, the capital of capital. Together, these moves

are giving our platform a truly global reach. We're investing to become more scalable, connected and built for long term revenue growth and profitability. We'll continue to update you on our progress.

Our business growth is being powered by the advances we're making in our technology and how we're driving efficiency in our processes. Our efforts in this area have underpinned a significant 20% increase in transaction processing, now handling 550,000 transactions in the first six months of this year with little to no increase in operating costs. As it stands, our platform can handle multiples of this figure as we continue to grow.

To date, approximately 94% of processes and transactions are streamlined via straight through process. We're also really focussed on our customer experience journey, including significantly speeding up how long it takes a client to onboard with us and start transacting. Our platform is also flexible. This flexibility has allowed us to offer new products and functionality to our clients more rapidly.

For example, in this period we configured our system to quote, all currency crosses in Chinese renminbi. We've remained truly customer focussed, ensuring our systems are up and available, maintaining over a 99.7% uptime. Will continue to invest in our technologies and processes, increasing the use of A.I.. This will make us more efficient as an organisation and significantly increase the speed of business which our clients always value.

We're now working very hard to deliver the impact of the efforts in H1 to our clients in H2 and beyond. We closed the first half with strong client driven momentum. This gives us real confidence in our ability to deliver an even stronger performance in the second half of the year. Client growth continues to be a key driver. We added 36 new active clients in H1 and we're seeing strong engagement from across our expanding base.

Our European office is starting to deliver with a growing pipeline of both major and emerging market banks. We're also seeing a real uptake of our new enhanced product suite. Clients are now actively transacting on our improved payment rails with our ACA capability coming online and volumes steadily increasing. As structured solutions, I refer you to the example I shared earlier.

Represent more than isolated wins. They reflect the type of purpose driven, high impact conversations I'm now having with emerging central banks around the world. We continue to increase the reach of our business. New markets are opening up. Europe is scaling well and with our US Representative office license now in place, we're able to begin business development in a major global corridor.

The Americas. It's an exciting time and we're well positioned to make the most of it. I want you to know how good we should all feel about the future of our business. We've laid strong foundations through our drive for growth. From here. It's all about building, scaling and growing, with our purpose being our North Star, delivering prosperity into emerging markets.

Despite it being a difficult period for the markets, alongside internal complexity and uncertainty, we've still delivered our growth objectives and everyone in the business has navigated this with professionalism and determination so well done to the team. We're passionate about driving prosperity in our chosen markets. As we build a more scalable, profitable business, we'll be able to increase our reach and the positive impact on the emerging markets we serve.

Technologies key to this as we enhance our product set, as well as drive further operational efficiencies in our business, we're halfway through an 18 month journey to drive sustainable growth. And already we're seeing solid and tangible progress, progress that's starting to come through in our financial performance and is setting the tone for what's ahead. My team and I are wholly focussed on execution and delivering on our commitments.

We have real momentum heading into the second half and strong confidence in our ability to deliver further growth in H2 and beyond. So looking ahead, we remain focussed on full year delivery and we'll update you on our 2026 plans at the time of our full year results. Right. Let's take questions.

Thank you very much. Firstly, let's go to the phone lines and take questions from there before taking questions via the Web portal Operator. If you go ahead with the first question, please.

Operator

Thank you. If you wish to ask a question, please press star followed by the one on your telephone keypad. If you change your mind and wish to remove your question, please press star followed by two. When preparing to ask your question, please ensure that your phone is unmuted locally. To confirm that staff followed by one to ask a question.

Vivek Raja, Shore Capital

First question is from Vivek Raja. Sure. Capital. Hi. Good morning, chaps. Thank you for your presentation. Three things I want to explore, if I can. The first one is I appreciate H1 external conditions were challenging to meet your unchanged guidance of. I think you describe it as modest income growth in quite some time does entail a sharp improvement in the second half.

What do you need to see to to see in the business that H2 uplift? And what I just wondered if you can just give us some more notes of confidence from you that that give you the sort of well, more confidence in meeting your unchanged guidance.

My second question was about the connections and integration across the different strands of the business.

I think you've sort of talked at length about that today and how the business is better connected. I just want to could you give us a sense of sort of wallet share metric to explain how that works? And where do you think the scope to integrate the business across across the different revenue streams more as we go forward?

And then the last question was about active client numbers and the new client additions. Could you just square those for us, please? So you're sort of 50 odd new club positions and then the active client base for the year is, has there been any attrition there? Where have you seen that attrition? And what could you do in future to mitigate that?

Neeraj Kapur, Group CEO

Thanks, Vivek. Good morning. Good morning, everyone. So I think that on the H1 H2 confidence point is that, as I've said in the presentation, that we have built some real momentum, a real bad wave in the first half that hasn't necessarily delivered its results in the first half. So the 36 new clients, the opening of the US office, the momentum with the European growth in customer numbers and our our approaches in various other markets and our products that we are starting to put on to into our client base right now, they haven't actually delivered anything in H1 or very limited amounts and therefore our momentum going into H2 is the reason for the confidence and

It is based on real confidence and real customers that we have brought on board that want to transact on that really kind of and I'll leave James to give you the reconciliation of numbers on numbers on the on the clients. But the real thing is that the clients themselves are all transacting with us, and that's an important point.

So the point raised onboarding and speed of onboarding is quite critical to us to make sure that once we've got clients and bear in mind our clients are generally quite complicated. They can be central banks or banks in nature and they're never simple to onboard. But we have done amazingly well. The way that we can speed up that onboarding and get them to income generation.

And that is the point that again provides us confidence for H2 and the way that we need to to deliver that. On the connections and integrations, I think it's really important that our clients understand that we bring more to the table than just a product, and by understanding their needs better, we can also provide them with better solutions from everything that we can do product wise, but also it helps us to enhance our product base and be more focussed on a demand led basis which which you will which you will have noted that I mentioned earlier.

So I think that's a very important part of our development in terms of the way that we, we deal with customer need. Now the other thing about that, and I'm glad you asked the question about wallet share. So whilst the business previously has focussed on product metrics and and you will just seen in the last presentations a lot more emphasis on product KPIs, here we are moving towards, as I say, more relationship built model which requires us to understand client dynamic and client wallet share.

And as we move to the full year, you'll see more information brought on that particular basis to these type of presentations to demonstrate how we are doing with wallet share and the way that we operate generally with customers. So James, you want to talk about the numbers on all customer numbers.

James Hopkinson, Group CFO

Yeah, I'd love to and it is a little bit like Sudoku and so we had 546 active clients at the end of last year, of which we've added 52 clients. Of those, 52, 21 are active with us at the half year. So you got another 50% of those clients that are going to start transacting with us after the 30th of June, which also gives us confidence.

The second half, we also have 15 clients that were brought on last year and are now active this year. And then there are nine clients where we took the decision to exit off board them from the

platform for various different reasons, not predominantly because they we weren't transacting sufficiently with them. So those are the reconciling items to get from 546 to 573.

And that's the number of clients.

Neeraj Kapur, Group CEO

Great. Thank you. Shall we go to the next question? Thanks, Vivek.

Gregoire Hermann, Barclays

Next question is from Gregoire Hermann, Barclays. Good morning, everyone. Thanks for taking my question. The first one would be, I mean, you've reported a positive growth of active customers in H1, so maybe could you maybe remind us of what other decisive agreements that enable you basically to win against competitors? And maybe you talked about specific solutions or additional products that you have added to your portfolio and which ones basically exactly you need to make a difference to clients, if any.

And then potentially lead to this. Question, Would you describe 2025 as a year of product launches? Can you can you tell where do you stand right now on your portfolio roadmap and the number of products that have been delivered and how much you are expecting to deliver further in 2025 and the speed with which you actually expect this product or solution to translate into further revenue generation, please.

Neeraj Kapur, Group CEO

No, thank thank you for the question. On the on the growth point. Yes. I think that, you know, the customers and the way that we approach them is the way that we are getting them to understand that we can deliver solutions to the problems that they have. So rather than just operate on the basis of, say, a fixed spot effects on a daily basis, we can now offer them solutions that take their problems and say, for example, they have particular currencies in particular jurisdictions that they're finding hard to move out of them.

We can find ways to do that through the demand that we have from other customers that we deal with. So we have a network that we're bringing to bear in some in some cases. In other cases, it's a case of just understanding the fact that with our relationships and the way that we have dealt with other customers, that we can bring those solutions to these newer customers.

And these new customers want these solutions. I think that what we're finding whilst I've been travelling around the world is that a lot of the needs of the emerging markets are quite similar. They are all commodity driven economies. We deal with the ones that grow the fastest, that have the strongest economic KPIs and political stability, and that allows us to therefore use our playbooks across those different economies rather than inventing new things for each one separately.

And what we found a lot we've what we found is a lot of success through being able to do that. So I think that is something that we will continue to do. And as we open up new offices, especially in the US where we started work already, that we will start using that approach more

so with the idea of clients and the clients that sit in the LatAm region both in and out of the US.

So these are all things that will allow us to generate more clients based on the fact that we have experience of their needs. On the 2025 launch of product, as I say. I would say that I would say the emphasis on products is probably not the most important part, although, you know, derivatives are being now and these are very specific to what we do and they are obviously very collateralised in the way that they approached.

But having said that, there are other things that we're doing which is more about joining up the products that we already have and making them work for our clients. Our clients have specific needs and the speed of delivery that you ask about is the fact that we can come to them with a solution that works pretty much immediately.

So what we've gone through their governance procedures to be onboarded with them as well as them being all onboarded with us, then we can get to work very, very quickly. And that's why the focus on onboarding customers is a key one for us, because the quicker we do that, the quicker we can better our products into that market and create value both for our customers and for us.

Anything to add?

James Hopkinson, Group CFO

Well, I think that was an excellent summary. I would just add maybe some capabilities that we talked about in the presentation. So we're building out our deposit product base and to enable all of our clients to use our services, we've now got HGH rails that are up and live and we have started selling that to our client base that has 52 currencies capabilities around the world, and that's going to help underpin further growth.

We've had 20% volume growth in our payments year on year already. I think that's going to really help drive that and actually just underpin the flexibility of our systems. We're now able to quote Chinese renminbi crosses against all currency pairs and that was actually a relatively easy update to our system. So good flexible systems are helping to underpin our client proposition.

Neeraj Kapur, Group CEO

Great. Thank you. Thank you for the question.

Operator

Thank you. Next question is from Portia Patel, Canaccord. Morning. Can you hear me?

Portia Patel, Canaccord Genuity

Morning. Thanks for taking my question. I just got one. Um, I was interested to hear you talk about fee based income. So apologies if you did mention this, but interested to know what

percentage of the revenue in H1 was what you'd call fee based and how you expect the revenue mix to evolve in the fullness of time between fee based and affects payments volume base, if that's the right way to think about it.

Neeraj Kapur, Group CEO

Thank you. Yeah. Thanks, Portia. I'll let James tell you the statistical side of it. I think from our perspective, as I answered the first question, it's very important to look at customers from what they need rather than the types of income that we produce. And to some degree, a large chunk of our income is fees, whether they are through effects or through other means.

The only real net interest income that we produce is through our deposits and some trade finance activities that we take part in which are ultimately quite limited. So I think that the real thing is that the way that we want to consider fees going forwards is really through that wallet share by client and really understand how we're making money for from that client to help them with what they need and how they can get maximum value from what we provide to them.

And that then gives us a much better outcome because some of the things on their own have limitations. So it affects fees from effects through take rates have a limitation, whereas value that we can provide through providing solutions is related to the value that the customer sees and therefore can drive a much higher margin in terms of what we can obtain in terms of value.

Value share based on that equation. So that's kind of the move. And I think that whilst we continue to increase the customer base and see the customer for all of the things that we can provide them through that wallet, I think we will get to a point where whilst we are more focussed on total income, the actual split of whether it is from fees or from net interest income becomes less of our concern, but more about the share of wallet.

Do you want to add anything James?

James Hopkinson, Group CFO

Yeah, absolutely. So in the half we made about just under £8 million in revenue from fees, which is up 4%, half on half from the second half of last year. I think the key point is that a lot of what we talked about in the presentation is a business activity that really is starting to grow.

And as we look at the results of June, July and as we go into August, we are seeing that three come through quite strongly.

Portia Patel, Canaccord Genuity

Great. That's helpful. Thank you.

Neeraj Kapur, Group CEO

Thanks, Portia.

Operator

Next question. Next question is from Paul Bryant. Equity development Day.

Paul Bryant, Equity Development

Good morning. Thanks for the presentation. Two questions, please. And specifically with regard to the Amsterdam and New York offices, I appreciate New York in very, very early days. Could you give us any feedback from the sales teams in terms of what clients are finding attractive about this new kid on the block where they moving business from?

Or is it more you're enabling them to do more, more for their clients and. And then the second one is Stablecoins. There's tons of talk in articles about the impact of them on cross-border payments. Are you seeing anything in your space and anything going on within the web to look at that? Thank you.

Neeraj Kapur, Group CEO

Thanks, Paul. Good questions. On the first question around the the the new offices that we have, Amsterdam and CAB Europe, as it's known, is has been around now for just over a year and has started to really grow its customer base. And what we're finding is that one obviously in Europe, our presence isn't as well known. And now that we are actually actively marketing ourselves over there and finding that our specialism in emerging markets is a very important factor in winning business, and there are less competitors from what we can see in Europe that deals specifically in the markets that we dealing.

And clearly having those deeper relationships with some of the emerging markets that we deal in creates that specific uniqueness that those customers are looking for. So we are very focussed on that and we are finding more and more customers that wish to be involved in those emerging markets from Europe. It's a big place and we're very focussed on delivering those clients that provide us with maximum value in the shortest time.

So that's kind of there on the US side, you say very early days. We've only just started. We have a team, some very, very small team out there right now which will grow over time. There a focus on idea flows because there is notwithstanding the the well-publicised US cuts in development funding and that kind of thing is that there are still many organisations in the US that are operating into emerging markets that we we can help them with, but also the focus on Latin America.

We have been building our presence in Latin America from London. That can be enhanced both in terms of time and proximity by operating out of the US office and growing that business specifically as well. On the Stablecoin side, I mean, that's a very interesting point and we have been looking at this very carefully for certainly the 18 months I've been here and maybe longer.

And as that becomes something that is developing into a workable product, I mean, you won't be surprised to know that we are working very hard to understand exactly how we can take part through our products in markets, using stablecoins and blockchains to help our clients transact more simply, more cheaply, more efficiently, and again, delivering again more prosperity into the markets that we deal in, which is very important to us.

Bear in mind, most emerging markets, if not all, operate on the basis of trading some kind of commodity that they're taking out, of taking out of their country. And therefore stablecoin isn't something that we can ignore in helping them do that more effectively.

Paul Bryant, Equity Development

Thank you. Thank that. Helpful.

Gaurav Patel, Head of Investor Relations

I don't think we've got any more questions over the call and I can't see any questions over the Web portal. So with that in mind. Thank you, everyone for tuning into our results today. Please feel free to reach out to the IR team should you have any further questions or about the results or our business. With that, will close call here.