

Press release issued on behalf of BCR

For immediate release: Tuesday 14th May 2019

Banking Competition Remedies Ltd (BCR) announces the awards of Capability and Innovation Fund Pool B

The Board of Banking Competition Remedies Ltd (BCR) today announces the results of the Capability and Innovation Fund Pool B grant process.

The Capability and Innovation Fund Pool B is designed to promote competition in the market for banking services to SMEs in the United Kingdom through the modernisation of existing business current account offerings or the development of new business current accounts or ancillary product propositions for SMEs in the UK.

The grants which have a combined value of £80 million are awarded as follows:

An award of £50 million to Nationwide Building Society

An award of £15 million to Investec Bank plc

An award of £15 million to The Co-operative Bank plc

Each of the three successful applicants will shortly be invited to enter into a Capability and Innovation Fund Agreement with BCR.

As part of the application process, each organisation has provided BCR with a set of public commitments stating what it will deliver with these funds. The commitments of those awarded can be found at <https://bcr-ltd.com/public-commitments/>

Once the Capability and Innovation Fund agreement has been signed, progress against each successful applicant's public commitments will be published on a quarterly basis on the BCR website.

How BCR makes CIF decisions:

As required in the project design, BCR engaged an external contractor, Baringa, with specialist procurement and evaluation experience to deliver the pre-board processes and act as a resource to the BCR board.

The assessment and decision-making processes have been completed on time and adhered to the assessment criteria can be found at <https://bcr-ltd.com/wp-content/uploads/2018/10/Capability-and-Innovation-Fund-Assessment-Criteria-v1.0.pdf>

Consideration by the BCR Board centred on assessment of the extent to which eligible applications advance the objectives of the scheme as clearly set out by BCR and contained within the application process.

More information on the decision-making process can be found at <https://bcr-ltd.com/wp-content/uploads/2019/04/How-does-BCR-make-CIF-decisions-v1.1.pdf>

Commenting on the Pool B grant process, Godfrey Cromwell BCR's Chairman said: *"Pool B is the second group of grants from the Capability and Innovation Fund aimed at increasing competition in the UK business banking market with the overall purpose of improving financial products and services available to SMEs.*

We look forward to these organisations delivering on their public commitments and to further announcements for Pools C and D in the coming months."

BCR received a total of 13 applications from 10 applicants for the Pool B process during an application window between 1st February 2019 and 29th March 2019.

-Ends-

For media enquiries, please contact

Tony Langham; TonyL@lansons.com; 07979 692 287

Maddy Morgan Williams; MaddyMW@lansons.com; 0773 918 4920

Rimmi Shah; Rimmis@lansons.com 07963 014 027

Notes to editors

About BCR

Banking Competition Remedies Ltd (BCR) is the independent body established to implement the £775 million Royal Bank of Scotland (RBS) State Aid Alternative Remedies Package. BCR is independent from RBS and the UK Government. It is governed by an independent board of directors.

The Alternative Remedies Package was negotiated and agreed between HM Government and the European Commission and comprises two RBS funded measures amounting to £775m:

- The **Incentivised Switching Scheme** is allocated up to £275m to assist SME customers within the Williams & Glynn business to move to 'challenger banks.' A further maximum sum of £75m has been set aside within RBS to cover customers' switching costs. A second application window will be taking place 3-14 June with the awards publicly announced on 18 July 2019.
- The **Capability and Innovation Fund** is allocated £425 million to encourage eligible bodies to develop and improve their capability to compete in the provision of banking services to SMEs and develop and improve the financial products and services which are available to SMEs. This is made up of four Pools (A, B, C and D).

Details of the remaining pool are as follows:

Pool C facilitates the expansion of business offerings to include, lending or payments services to SMEs in the United Kingdom or international payments services to SMEs in the United Kingdom. It opened on 1st May 2019 for applications and closes on 28th June 2019.