

ClearBank Ltd – Public Commitments

£25 Million Award

The ClearBank Tide Business Banking (CTBB) proposition unites the UK's leading challengers in business banking (Tide) and banking infrastructure (ClearBank).

The Coronavirus Crisis has created new barriers to competition in business banking: BBLs will tie many SMEs to the Big 5 for many years to come. At the same time, key SME challengers have withdrawn or reduced their ambitions. The Crisis itself places unprecedented strain on SMEs.

Our Pool E solutions target overcoming this new friction and provide powerful attractors by helping SMEs turn Crisis recovery into an opportunity. We will not only reignite competition, but - as one of the leading BCA challengers and proven deliverers - help to protect the gains made in a more competition-adverse post-Crisis environment.

COMMITMENT 1 – Commitment to BCA Market Share

We will increase market penetration by 1% (a projected 58,600 businesses) and target at least 25% switchers by end 2022.

COMMITMENT 2 – Commitment to Remove Friction through Open Access

We will allow businesses to use their existing third party BCAs on our platform. We will offer

- a) light frictionless onboarding using open banking,
- b) only upgrade to full onboarding later when they source a KYCable product, e.g. a loan.

Businesses will be able to transact via our platform and we will provide advanced access to,

- c) expense management,
- d) invoicing,
- e) accounting,
- f) taxation features.

There will be no need to move their existing BCA. This removes friction leveraging Open Banking, thus reimagining competition. This commitment will be implemented in stages and completed by the end of 2022. We will target at least 100,000 BCA embedders.

COMMITMENT 3 – Commitment to provide unparalleled access to debt and equity

Funding needs are best addressed by matching SMEs with a broad choice of the best providers in the country. We will

- a) add further lenders,
- b) make “beyond Open Banking” data available through a Tide Lending API,
- c) build out our proprietary lending by adding an overdraft product.

For more complex lending and equity solutions, CTBB will launch two managed networks:

- d) one for commercial finance brokers,
- e) one for Angel and VC investors.

The commercial broker network will be live by end 2022, all other solutions during 2021. Partners will be added throughout the program. Excluding BBLs, we commit to £200m funding (cumulative flow of commitments) by end 2022 across intermediated and proprietary credit as well as the debt and equity managed services networks.

COMMITMENT 4 – Commitment to support digital payments and business development

To help SMEs transition to digital payments, we will upgrade our payment functionality to incorporate

- a) request to pay,
- b) confirmation of payee,
- c) digital cheques.

For many b2b members, we can be an introducer of new business facilitating their transition into the digital age. CTBB will

- d) create and curate a digital member directory (optional for members) with public profiles and create two managed services networks:
- e) one for Accountants,
- f) one for Payroll providers.

We will fast track Confirmation of Payee, an early version of managed services, and the member directory to 2021 and deliver the remainder in 2022.

COMMITMENT 5 – Commitment to raise awareness

The best propositions will only be chosen if the appropriate level of awareness is generated. CTBB is committed to spending at least £11m of the grant and own funds contribution by end 2022 on marketing.

COMMITMENT 6 – Commitment to opportunities for partners

As a unique partnership with a platform approach, we commit to integrating at least 25 SME solution partners by the end of 2022.

COMMITMENT 7 – Commitment to diversity and inclusion

We commit to becoming a signatory of the Women in Finance Charter and to joining at least two industry renowned diversity networks. We will target at least 35% of women in senior leadership roles by end 2022 and embrace inclusion in all its forms. We will onboard at least 50,000 female and 20,000 BAME entrepreneurs by the end of 2022 across our Pool E and other member acquisition activities.

COMMITMENT 8 – Co-investment

We will match the BCR award with 100% of our funds.