

## **MarketFinance – Public Commitments**

### **£10 Million Award**

MarketFinance was founded in 2011, in the wake of the financial crisis, with a mission to make working capital easily available to the underserved SME market. Since then, we've funded £2bn in invoice financing and business loans across 54,000 transactions, helping thousands of SMEs. As the first FinTech to seamlessly deliver invoice finance and business loans in a single facility, we're perfectly positioned to help UK businesses grow.

With the CIF Pool E award, we'll do three things. Firstly, expand our product range, offering more choice and advice to our customers, while maintaining simplicity and affordability. Secondly, dramatically expand our customer base by starting to serve sole traders, smaller and younger SMEs. Thirdly, bring our solutions to the points of need, digitally integrating with some of the UK's most innovative FinTechs and banks.

### **COMMITMENT 1 – Introduce a product giving SMEs funding tailored to their needs by H1-2021**

We know that customers find it hard to manage multiple products across multiple providers; it's why many stay with the incumbent banks.

We will deliver a solution that radically reduces the complexity of managing finances for our customers, combining the product sophistication of a large lender, with the user- friendliness of a FinTech:

- **3 SOLUTIONS, 1 INTERFACE:** Loans, Revolving Credit, and Invoice Finance in a single interface to meet the varied funding needs of SMEs
- **FRictionLESS EXPERIENCE:** minutes to apply, same day decisions, dedicated customer support team, removing all friction from the process of obtaining finance
- **UNPARALLELED FLEXIBILITY:** fully featured account management portal, giving customers the ability to pay off debt, manage credit limits, and optimise their working capital position with our intelligent Working Capital Manager tool.

### **COMMITMENT 2 – Expand our offering to SMEs who need it most**

Smaller SMEs (<10 employees) comprise >90% of SMEs but are at the greatest borrowing disadvantage. We will expand our target market to include sole traders, low turnover (<£250k) SMEs and startups.

We commit to start lending to all three categories above by Q2-2021.

This will help enable us to lend £1bn+ to >22k SMEs by 2022. We aim to have lent £2.4bn+ to >74k SMEs by 2024.

### **COMMITMENT 3 – Be a catalyst for innovation**

We will collaborate with innovative players to expand our reach to c.2m SMEs through a range of partnerships.

We will create a lending engine that can be simply embedded in the following 3rd party customer journeys:

- 3+ challenger banks who don't have the balance sheet or risk appetite to lend to SMEs, bringing more choice to SMEs and increasing competition in SME lending in 2021
- 5+ SME service providers (e.g. accounting software) by 2022, placing our offering at the point of need (at least one in 2021)
- 1+ major bank, making our offering available to their customers who otherwise face much more limited choice, in 2021
- 2+ innovative suppliers (e.g. API or payments providers) to fuel growth of wider ecosystem in 2021

We aim for 50%+ of our lending to be originated through these partnerships by 2022.

#### **COMMITMENT 4 – Embed the benefits of credit insurance into our products**

We want to transform the way SMEs manage their cashflows through offering a credit-insured invoice finance product, facilitating prompt payment and competitively priced lending for SMEs. We will co-develop this offering with Euler Hermes, the world leader in credit insurance. A joint team will develop a pilot product with the shared aim of a full launch by H1-2021.

#### **COMMITMENT 5 – Expand our geographic footprint to secure the UK's best talent**

We serve SMEs across the UK and will reflect that in our own geographical footprint creating 50+ jobs outside London by 2022, including in our existing Manchester office.

Throughout the next 4 years and beyond we will continue recruiting to support our commitments and aim to create 200+ jobs in total across the UK by 2024.

#### **COMMITMENT 6 – Diversity & Inclusion**

MarketFinance's success to date has been driven by the dynamism that comes with having a highly diverse team. Over 50% of our team are from diverse backgrounds - something we strive to maintain.

We believe in engaging with talent at grassroots levels - and so we commit to partnering with at least 2 organisations promoting underrepresented talent pools.

This will play a key part in facilitating our aim of hiring 20+ new starters (including any apprentices) from diverse backgrounds by 2022.

#### **COMMITMENT 7 – Co-investment**

We will provide at least £14m of our own funding to deliver our commitments outlined above.