

## ClearBank – £25m Award

### CIF Key Achievements to Date

- On track with all public commitments
- Continued strong governance with independent Grant Steering Committee Chair (Lord Lindsay), quarterly auditing (EY) and a strict “grant for results” release schedule against defined criteria
- Joint number one business banking challenger creating a true SME first alternative to high street banks
- Already achieved a 5th of the market penetration target for Pool E (0.2%), taking total market penetration to 5.2% c310,000 members
- Completed managed services digitalisation prototype
- Integrated four SME solution partners
- Onboarded over 10,000 female & 14,000 BAME entrepreneurs

### Assessment Period 2 (December 1<sup>st</sup>, 2020 – February 28<sup>th</sup>, 2021)

#### 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.**

On track. At the end of Period 2, CTBB had c310,000 members (5.2% market penetration); of which 11,324 members (0.2% market penetration) are attributable to Pool E.

#### 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.**

On track. No deliverables are due until Q4 2021. Tide has received the remaining outstanding license, the AIS/PIS open banking license, required to facilitate BCA embedding.

#### 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.**

On track. We have signed partnership agreements with a further three new lenders including Ultimate Finance and Uncapped, bringing the total to four. Discovery work on overdrafts is continuing. Cumulative to date in Period 2, our network made £4.1m in funding commitments.

**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.**

On track. Good progress has been made in Period 2. On Confirmation of Payee (CoP), development work has begun on the feature. We will first deliver CoP for inbound payments, that is when customers of other banks send payments to CTBB members. Discovery work on a Digital Member Directory has begun, which will allow members (optionally) to create online public profiles and get introductions to other Tide businesses. For the two managed services networks, we recruited the first batch of Service Partners for our first service category (accounting), with a view to going live with 50 service partners in our initial phase later in 2021.

**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.**

On track. Our marketing under Pool E is fully up and running. Cumulative spend to date in Period 2 is £1.2m.

**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.**

On track. In Period 2, we contracted with three new SME partners (Ultimate Finance, Uncapped, and Clearbanc), taking our total to 4 SME partners.

**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.**

On track. Women in Senior Leadership roles stood at 25% and we are actively pursuing our plans to increase this number to the target ratio. Cumulative to date in Period 2, based on survey data, 10,555 new members identified as female and 14,254 as BAME.

**COMMITMENT 8 – Co-investment**

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

On track. We are pleased to report that we can confirm this commitment.