

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.
- Now joint number one SME challenger in terms of BCAs; creating a true SME first alternative to high street banks.
- Already achieved 5.8% the market penetration, 346,872 members.
- Built significant awareness at 40% prompted brand recognition.
- Recruited the first 25 managed services partners.
- Integrated four SME solution partners.
- Onboarded over 21,000 female and 28,000 BAME entrepreneurs.
- On track with all public commitments.

Assessment Period 3 (March 1st, 2021 – May 31st, 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 3, we had 346,872 members (5.8% market penetration); of which 48,238 members (0.8% 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. Implementation work has commenced and on track for delivery in Q4 2021.

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.

We have added Start Up Loans to our funding network. Cumulative to date in Period 3, our network made £13.9m 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 3. On Confirmation of Payee (CoP) inbound (when customers of other banks send payments to CTBB members), development work is now complete and we are moving into testing before going live. Once this is launched, we will move to CoP for outbound payments in Q4. The teams remain in the early discovery stage for Digital Cheques. Discovery work has begun on a Digital Member Directory which will allow members (optionally) to create online public profiles and get introductions to other Tide businesses. For Managed Services, we finalised and distributed the Service Partner Policy containing terms for potential service partners. Our dedicated Partnerships Manager recruited 25+ Service Partners within our initial category (accountancy), ready for the initial platform launch in Q4 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 progressing at scale. Cumulative spend to Period 3 is £4.3m.

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. At the end of Period 3, we had already contracted a total of four SME partners. We have signed RSW Technical Solutions and Sardison Capital as partners following the end of the period.

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 28% and we are actively pursuing our plans to increase this number to the target ratio. Cumulative to date in Period 3, based on survey data, 21,710 new members identified as female and 28,359 as BAME.

COMMITMENT 8 – Co-investment

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

We are pleased to report that we have already invested £5.1m of own funds and are on track with this commitment.