

ClearBank – £25m Award

CIF Key Achievements to Date

- A leading SME challenger in terms of BCAs; creating a compelling SME alternative to high street banks.
- Achieved the committed 1% additional market penetration.
- Provided opportunities for 26 SME partners.
- Onboarded over 47,000 female and 63,000 BAME entrepreneurs.

Assessment Period 6 (December 1st, 2021 – February 28th, 2022)

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.

Completed. At the end of February 2022, we have already met this market penetration target of 1%. Switchers accounted for over 25% of those new members.

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

- light frictionless onboarding using open banking,**
- 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,

- expense management,**
- invoicing,**
- accounting,**
- 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. The first version of Open Access was soft-launched mid-November 2021, featuring cashflow prediction and credit products. Over 1,000 businesses had connected their non-Tide business bank accounts to take advantage of these features by the end of 2021. Open Access Invoicing is the next feature to be made available under Open Access.

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

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

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

- one for commercial finance brokers,**
- 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. Cumulative to date (28 February 2022), our network made £169.1m in funding commitments. Development for our overdraft product has been completed and is expected to be launched near term.

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. The roll-out of Confirmation of Payee (CoP) inbound (when customers of other banks send payments to CTBB members) and CoP outbound has been substantially completed. For the Digital Cheques and Request to Pay features the teams continue discovery work. Both Digital Cheque initiatives are to be delivered collectively before the end of the year. The Digital Member Directory has been launched, which will allow members (optionally) to create online public profiles and get introductions to other Tide businesses. Managed Services (named Tide Professionals) is live and will be further enhanced before the end of the Program.

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 well. Cumulative spend to Period 6 is £4.8m.

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.

Completed. As at 28 February 2022, we had already contracted a total of 26 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 stood at 27% and we are actively pursuing our plans to increase this number to the target ratio. Cumulative to date (28 February 2022), based on survey data, 47,884 new members identified as female. With 63,508 new BAME members we have already exceeded our Pool E commitment.

COMMITMENT 8 – Co-investment

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

We are pleased to report that we continue to be on track with this commitment. To date, we have already invested £13.4m of own funds.