

## ClearBank – £25m Award

### Key Achievements to Date

- A leading SME challenger in terms of BCAs; creating a true SME first alternative to high street banks.
- Already achieved the committed 1% additional the market penetration.
- Have provided opportunities for more than 25 SME partners.
- Exceeded our targets with over 58,000 female and 77,000 BAME entrepreneurs.

### Assessment Period 7 (March 1<sup>st</sup>, 2022 – May 31<sup>st</sup>, 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.**

This commitment had been met.

#### 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. Nearly 3,800 businesses have already connected their non-Tide business bank accounts to take advantage of these features. Open Access Invoicing is the next feature to be made available under Open Access. Next to our Product teams having Open Access enabled further Tide products, our marketing teams have used H1 to optimise their acquisition approach. With these building stones in place, the teams are ready to significantly accelerate adoption in the coming months.

#### 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 in Period 7, our network made £175.4m 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: We completed fast track Confirmation of Payee, an early version of managed services, and the member directory to 2021 and will deliver the remainder in 2022.

The roll-out of Confirmation of Payee (CoP) inbound (when customers of other banks send payments to CTBB members) and CoP outbound has been completed. Request to Pay is in development. For the Digital Cheques the teams continue discovery work. 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 continues to 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. Cumulative spend to Period 7 is £6.3m.

**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.**

This commitment has been met.

**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 stands at 35%. As this is ever changing due to various input factors, we are still actively pursuing our plans to increase this number above and beyond the target ratio to ensure the level remains on target. Cumulative to date in Period 7, based on survey data, 58,365 new members identified as female, achieving our Pool E commitment. With 77,099 new BAME members we have already achieved our Pool E commitment.

**COMMITMENT 8 – Co-investment**

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

On Track: We are pleased to report that we continue to be on track with this commitment.