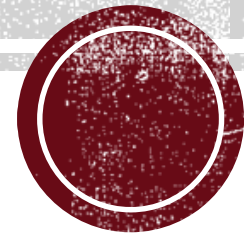


MODERN FINANCE FOR DEVELOPING BUSINESSES

10am-1pm





We
care
about
here

A scenic photograph of a white lighthouse on a rocky shore at sunset. The lighthouse is situated on a dark, rocky pier extending into the sea. The sky is filled with soft, colorful clouds in shades of pink, orange, and blue. The foreground shows large, dark rocks and a small patch of sand. The water is calm and reflects the light from the sky.

Modern Finance for Developing Businesses

Neil Christie, Associate Director Treasury Solutions

About our business

Clydesdale Bank and Yorkshire Bank have a proud history of innovation and support.



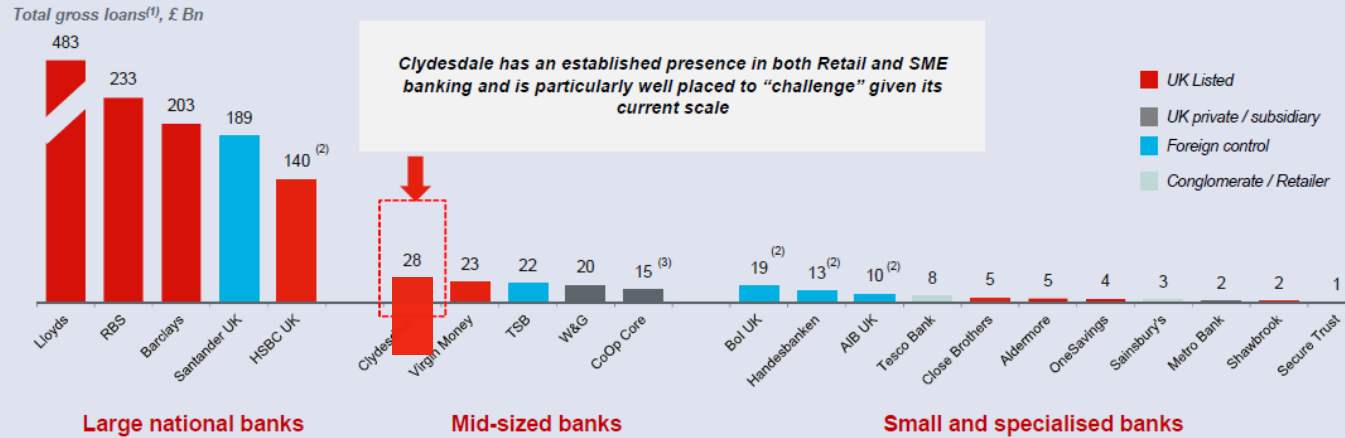
- Clydesdale Bank founded in Glasgow 1838
- Yorkshire Bank founded in Halifax 1859
- Shared history of innovation and support for industry and communities
- Specialists in business and private banking, offering services for small and emerging businesses, commercial enterprises, corporate entities and private clients
- Specialist business banking services delivered throughout our UK wide Business & Private Banking Centres
- Large retail banking network, with 130 local Clydesdale Bank branches and 160+ Yorkshire Bank branches
- Independent FTSE 250 listed company – first time in almost 100 years



About our Business

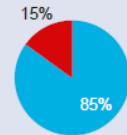
Favourable UK Banking Competitive Landscape

Existing UK banking market participants



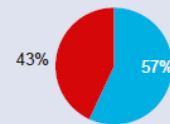
Relatively concentrated market – scope to take market share from “Top 5”

Personal current account market share⁽⁴⁾



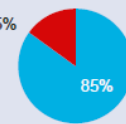
Source: CMA FCA, OFT, Mintel

Mortgage market⁽⁵⁾

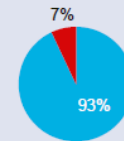


■ Top 5 ■ Rest of market

Business current account market share⁽⁶⁾



SME lending volume⁽⁶⁾

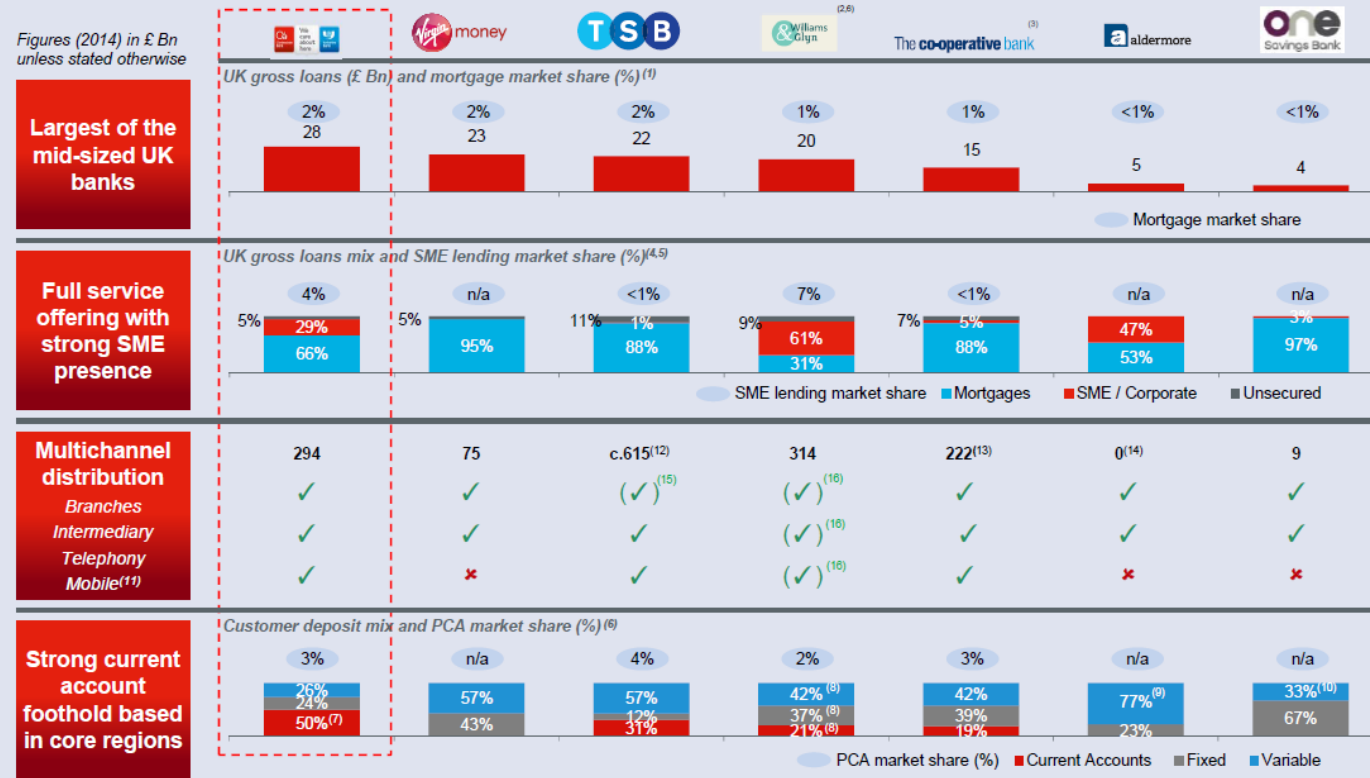


1. Lloyds Banking Group represents total group; Barclays represents UK Personal and Corporate division (excl. Barclays Italy c.£ 14bn loans); RBS represents UK Personal and Business Banking; Santander represents retail and consumer finance division; HSBC represents UK retail and commercial; Nationwide represents Retail and Commercial division. Clydesdale, TSB, Virgin, OSB, Metro, Aldermore and Shawbrook represent the total group. W&G based on RBS FY2014 disclosure, Financials as at 31-Dec-2014 unless otherwise stated. Tesco Bank and Sainsbury's Bank results as at 28-Feb-2015, Close Brothers result as at 31-Jan-2015. Excludes building societies; 2. Results converted to GBP based on exchange rate as at 31-Dec-2014; 3. Excluding Optimum and Non Core Corporate; 4. OFT review of the PCA market (2014); 5. Mintel mortgages review (2013); 6. CMA FCA Banking Services to Small and Medium-Sized Enterprises July 2014, BCA share for England and Wales only



About our Business

Largest mid-sized UK bank with meaningful market shares



The only UK mid-market bank which has material scale, full service capabilities and substantially standalone IT platform

Source: Company Information, Mintel, BBA, Bank of England

1. Clydesdale, TSB, Virgin, OSB, Metro, Aldermore and Shawbrook represent the total group; 2. W&G based on RBS FY2014 disclosure; 3. Excluding Optimum and Non Core Corporate; 4. Based on BBA postcode lending data; 5. Latest portfolio mix disclosure for W&G is as at H1 2012; 6. PCA market share based on Mintel data July 2014. For W&G, based on Santander report, August 2010; 7. Clydesdale PCAs includes non interest bearing demand deposits; 8. Represents RBS UK mix; 9. Amounts repayable within one year assumed as proxy for variable; 10. Includes flexible savings; 11. Defined as mobile banking app available on line with transaction functions; 12. Estimated branches adjusting for announced branch closures post Sabadell acquisition announcement; 13. Core branches; 14. Defined as branches only, not SME centres; 15. Short track record, offering available only since 19 January 2015; 16. All functions embedded in RBS platform with no fully standalone capabilities



About our Business

Our business at a glance

Significant scale (1H2015)

2.8m retail and business customers

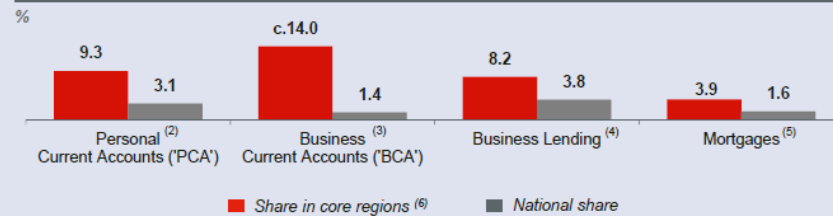
£ 28 Bn customer loans

£ 25 Bn customer deposits

Full service product range

Retail			SME		
PCAs	Savings Accounts & Term Deposits		Payment & Transaction Services	BCAs & Deposits	Term Lending
Mortgages	Personal Loans	Credit Cards & Overdrafts	Working Capital Solutions ⁽¹⁾	Overdrafts	Savings

Strong market shares in core regions

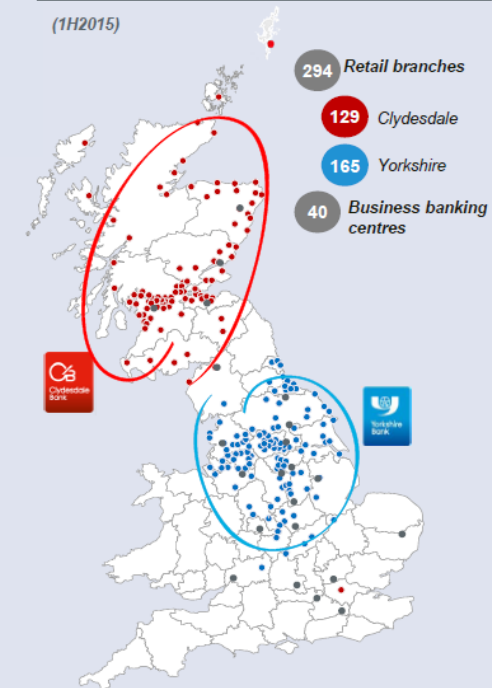


Broad channel distribution capability

Branch Network & Business PB Centres	Telephony / Voice	Internet Banking	Mobile Banking	Mortgage Intermediaries	ATMs	Post Office partnership
--------------------------------------	-------------------	------------------	----------------	-------------------------	------	-------------------------

Established regional franchise

(1H2015)



→ Population of c.19m within a 10 minute drive of a Clydesdale or Yorkshire branch ⁽⁷⁾

1. Defined as asset finance, invoice finance, trade finance, treasury solutions, payment services and international services; 2. CACI (March 2015); 3. Regional market share based on Scotland only as calculated by CMA review (Banking services to small and medium sized enterprises, July 2014), national market share based on BOE 2015 calculation; 4. BBA 2Q14 SME lending stock; 5. Share of stock CML (1H2015), regional based on availability of data (72% of UK market); 6. Defined as Scotland, Yorkshire and the Humber and North-East and North-West England; 7. Based on Experian Branch Catchments (April 2015)



Our approach

A truly integrated banking service and a wide range of product solutions to the Private and SME market.

Small & Emerging Business (Direct)

Turnover
<£750k

Lending or Deposits
<£100k



Small & Emerging Business (Relationship Managed)

Turnover
£750k – £2m

Lending or Deposits
£100k – £250k



Commercial

Turnover
£2m – £25m

Lending or Deposits
£250k – £10m



Corporate

Turnover
£25m+

Acquisition Finance

Private Equity backed deals and 'Debt only' transactions.



Private

Gross Salary
£75k+

Joint Income
£100k+

Investable Assets
£100K+



Working Capital Solutions

A truly collaborative service offering a wide range of products and services designed to help you manage your working capital needs

Invoice Finance

Release the value tied up in unpaid invoices:

- Up to 100% of your invoice value
- Immediate access



Asset Finance

Vehicles, machinery, plant and equipment finance:

- Hire purchase
- Lease finance



Trade Finance

International products:

- Guarantees
- Collections
- Letters of credit
- Trade Finance



Treasury

Risk Management Solutions:

- Foreign exchange
- Interest rate
- Commodity exposure



Payments

Process card payments and make payments using internet banking:

- Merchant Services
- BusinessOnline



Listening & Understanding

The following information is a case study on how the theory works in reality

Background to company

- 30 year old retail and wholesale & online business
- £27m+ turnover
- 120+ employees
- Importer of materials and finished goods from Europe, United States and Asia for resale

Financing needs

- Funding to purchase the freehold of the company's trading premises
- Customer requirements:
 - Speed of delivery
 - Capital protection
 - High loan to value mortgage

Pitch scenario

- Existing business customer to a 'Big 4' bank
- Unsatisfied with mortgage proposal presented by the incumbent banking provider
- Bank beauty parade to secure transactional banking relationship



Customer Experience

The following information is a case study on how the theory works in reality



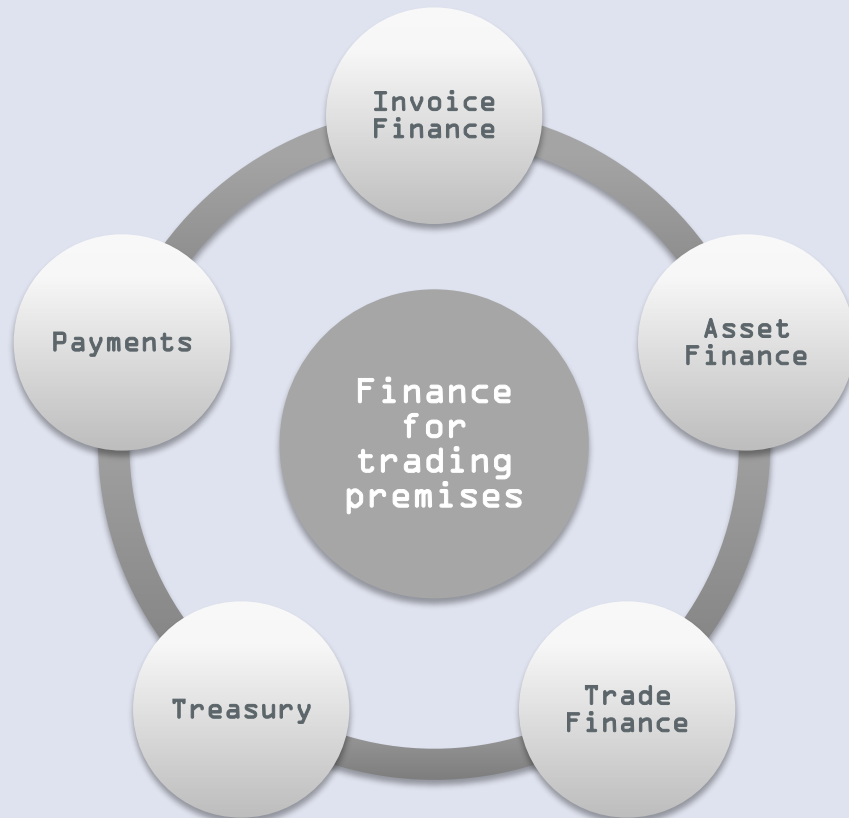
Our approach

- We invested time upfront to understand the short and long term needs of the business
- Specialists within the bank were engaged early to ensure the right level of support was available
- One team approach involving:
 - Relationship Management team
 - Working Capital Solution specialists
 - Credit approval specialists
- Flexible deal structure in place to address immediate needs, with additional solutions proposed to deliver cash flow benefits to the business
- Single credit approval process for the entire deal to ensure speed of delivery and flexibility



Delivering the Solutions

Meeting Current and Future Needs of the business



Our proposal

- 100% loan to value funding for trading premises

Invoice Finance

- Replicated agreement with existing provider
- Invoice Finance Direct

Asset Finance

- Open credit line
- Shadow limit
- Hire purchase

Trade Finance

- Import loan to improve cash flow potential

Treasury

- Currency Management
- Diesel hedging

Payments

- Terminal, online and virtual card acceptance
- BACS salary payments



What our customers say

To help a business, we know we need to fully understand it in the first place. So our Relationship Managers spend time getting to know customers and their businesses. That way, we can offer the right support when it's needed.

"I still benefit today from a working relationship that started over 80 years ago."

Philip Contini – Owner and Grandson of Founder, Valvona & Crolla Ristorante



"It's far more than a conventional banking relationship."

Billy McFadyen – Finance Director, SSE Hydro



"We found a Bank that understood our vision and wholeheartedly bought into it."

Maggie Cornwall – Financial Controller, Isle of Arran Distillery



What our customers say

To help a business, we know we need to fully understand it in the first place. So our Relationship Managers spend time getting to know customers and their businesses. That way, we can offer the right support when it's needed.

"Their understanding of our industry has been instrumental in helping us grow."

Richard McCulloch – Finance Director, CAB Automotive



"They rolled up their sleeves and helped us achieve our goal to open 5 more coffee shops."

Mark Bryan – Managing Director, Optimum Coffee



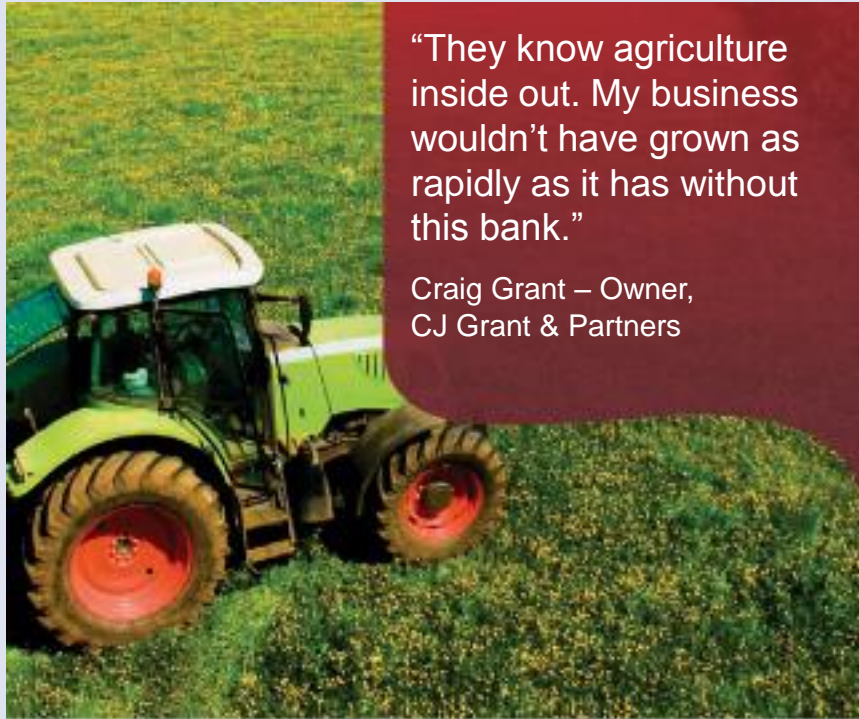
"You need a partner who's always there for the ups and downs, not just a Bank."

Paul Rossiter – Financial Director, Go Ape



What our customers say

To help a business, we know we need to fully understand it in the first place. So our Relationship Managers spend time getting to know customers and their businesses. That way, we can offer the right support when it's needed.



“They know agriculture inside out. My business wouldn't have grown as rapidly as it has without this bank.”

Craig Grant – Owner,
CJ Grant & Partners



“Our Relationship Manager's knowledge of our sector is second to none.”

Paul Wilkins – Owner,
V Wilkins & Sons





We care about here



Thank You



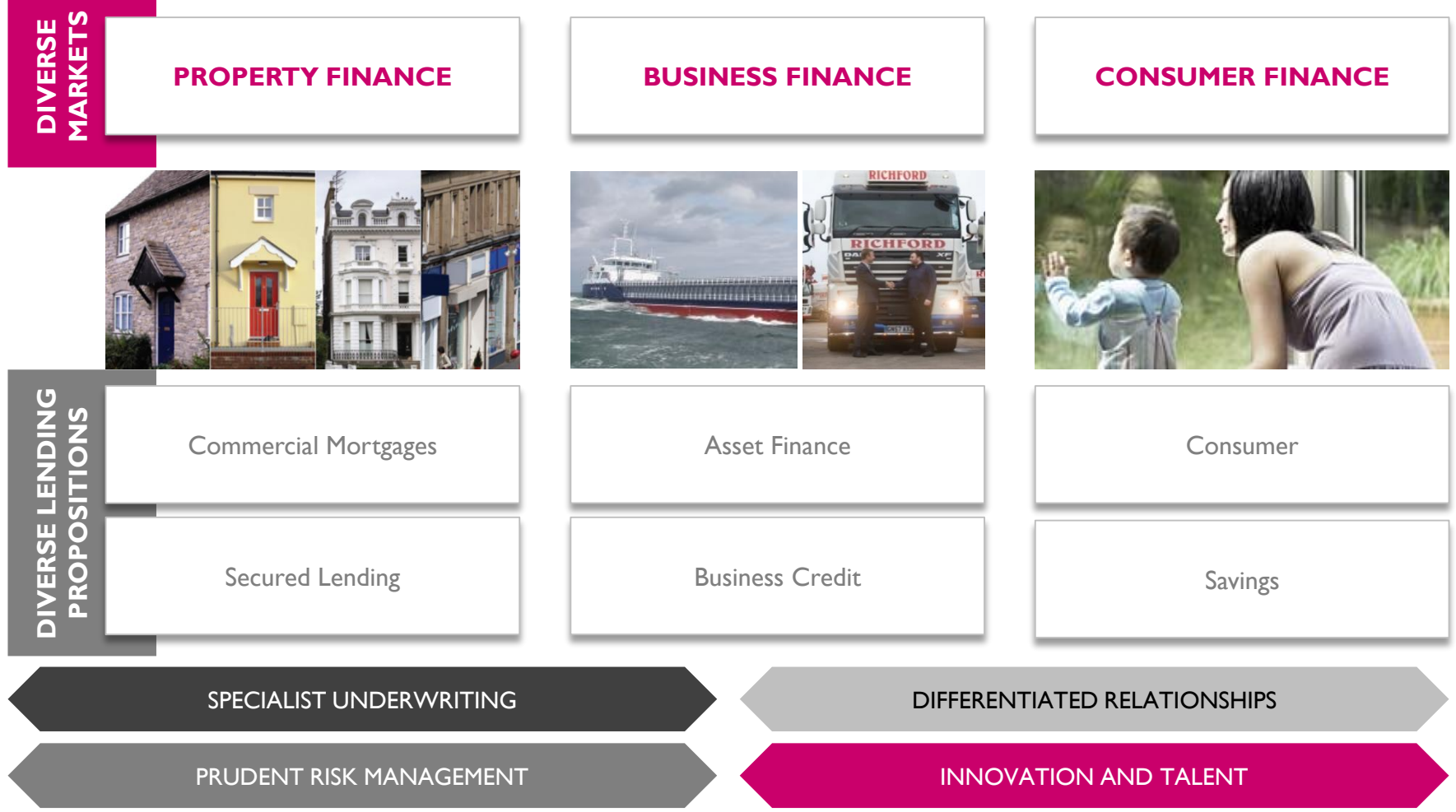
MODERN FINANCE FOR DEVELOPING
BUSINESSES

Lorna Bell - 27th April 2016



SPECIALIST, DIVERSIFIED, RAPIDLY GROWING LENDER

Shawbrook is a specialist lending and savings business with a focus on poorly served customer segments across the SME and Consumer markets in the UK. We use our experience and judgement to make individual decisions that balance risk, return and customer needs



DELIVERING STRONG RESULTS IN 2015

STRONG FINANCIALS

- ✓ 63% increase in underlying PBT
- ✓ 23% growth in organic originations to £1.7bn and total assets of £4 billion

A SUCCESSFUL YEAR

- ✓ Successful IPO in April 2015 and joined the FTSE 250 in June 2015
- ✓ Strong demand in our carefully selected markets as we continue to support the underserved SME and Consumer markets

CONTINUED MOMENTUM

- ✓ New product initiatives and extensive future pipeline of opportunities
- ✓ Investment in our people, processes and technology

AN ABILITY TO MANAGE MACROECONOMIC CHANGES

- ✓ Strong capital ratios supported by maiden Tier 2 public debt issuance
- ✓ Conservative foundations embedded across the bank: Credit Quality, Capital, Funding and Liquidity

REAFFIRM OUTLOOK

- ✓ Ongoing positive momentum reinforces confidence in medium term outlook
- ✓ Continued investment in the business and development of incremental and adjacent growth opportunities

STRONG CUSTOMER ADVOCACY



Best Secured
Loan Provider



Best Bank
Savings Provider



Best
Commercial
Mortgage
Provider



Best Secured
Loans Product
Range



Most
Innovative
Lender
(Commercial)



Best Secured
Loans Lender



Asset Based
Lender of the
year

INNOVATION AND DIVERSIFICATION

Shawbrook's personal, pragmatic, expert and progressive approach has resulted in the successful entry into further adjacent market opportunities and builds the foundations for

DIVERSE MARKETS

PROPERTY FINANCE

- ✓ Successful entry into Short Term Regulated Bridging loans
- ✓ Selective asset acquisition of £0.3bn
- ✓ Delivered enhanced lending process for returning customers
- ✓ Energised product proposition for larger corporate landlord market
- ✓ Successful launch of MCD system. Remained market leader in 2nds
- ✓ 1st to launch E-sig tablet technology

BUSINESS FINANCE

- ✓ One of strongest growth rates across the market (44% origination growth)
- ✓ Wrote more PE sponsored deals than any other competitor. Voted #1 by the UK Intermediaries for 3 years
- ✓ Launched Professional Practices funding
- ✓ Financed the UK's first Proton Beam Therapy clinics
- ✓ Wholesale portfolio reached milestone of £200m
- ✓ Business Credit sales volume £2.7bn demonstrates significant scale

CONSUMER FINANCE

- ✓ Personal Loans rolled out – 141% growth YoY to 31 December 15
- ✓ Key strategic relationships established with partners such as Entu, Sharps, Betta Living and Anglian windows
- ✓ Full open market launch of our Easy Access savings product
- ✓ 94% customer satisfaction rating and NPS of 47 in the Savings division
- ✓ Strong growth in new ISA proposition to over £200m



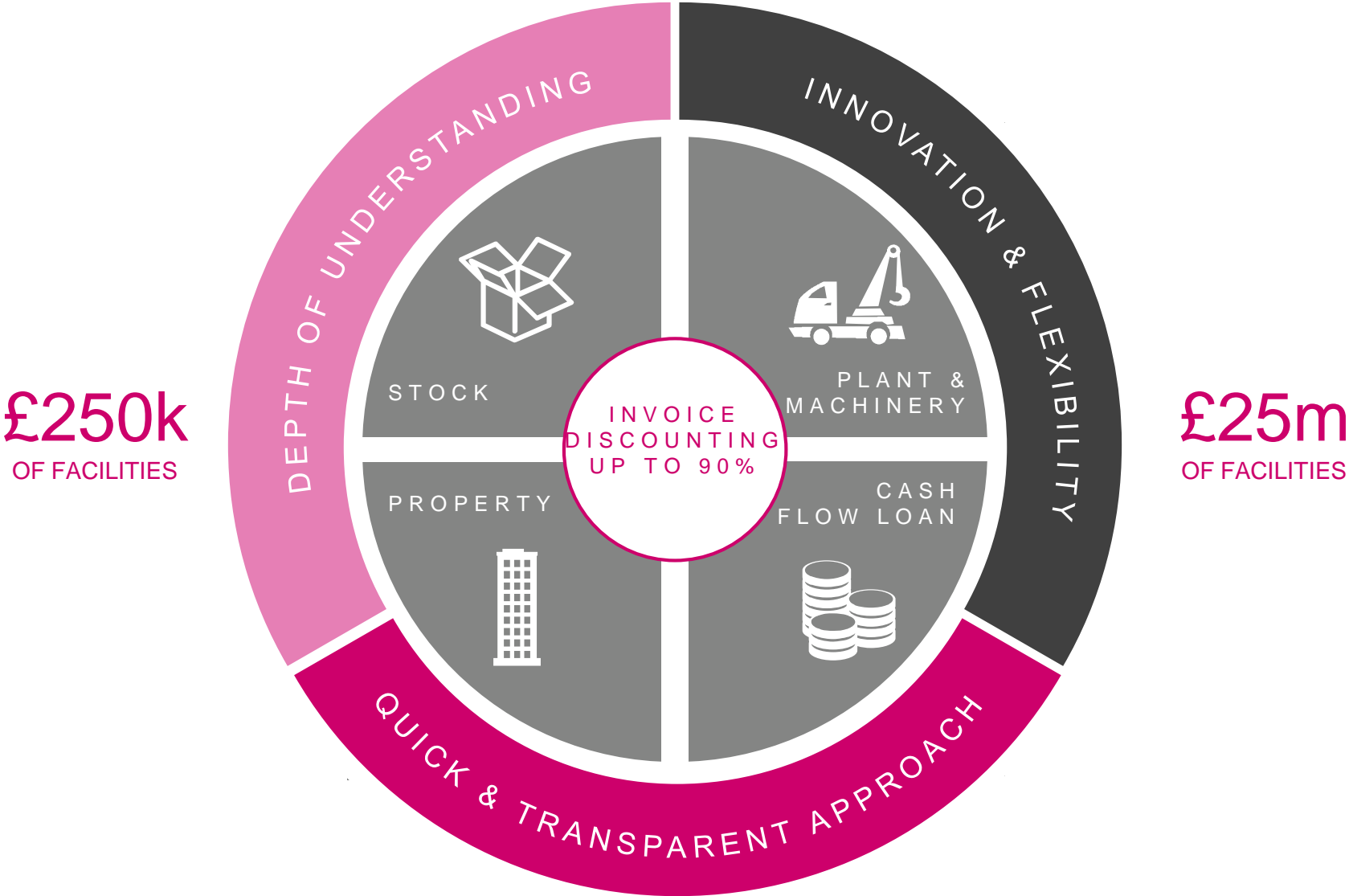
REGIONAL PRESENCE



FOUNDED BY EXPERIENCED ENTREPRENEURIAL
COMMERCIAL FINANCE EXPERTS

HANDS-ON APPROACH

FAST GROWTH BASED ON
TRACK RECORD OF SUCCESS



SECTORS WE FINANCE

- Agriculture
- Automotive
- Aviation & Transport
- Business Services
- Care Sector (Labour Supply)
- Chemists/Pharmacy
- Construction
(Labour Supply, Plant Hire)
- Consumer Debt Portfolios
- Courier/Logistics
- Distribution
- Export
- Facilities Management,
Support Services
- Import
- IT Related
(Computer Hardware, Consultancy,
Labour Supply)
- Manufacturing
(Chemicals, Clothing, Food/Drink,
Furniture, Metals, Packaging, Paper
Products, Plastics, Vehicle Related)
- Printing, Magazine/Newspaper,
Print Finishing, Publishing
- Recruitment
- Service Businesses
- Vehicle Repair
- Wholesalers

SECTORS WE DON'T FINANCE

- Tradesmen
(Builders, Electricians, Plumbing)
- Financial Services
(IFA, Insurance, Other)
- Hotels
- Guest Houses
- Public Houses
- Conference Facilities
- Design
- IT Related
(Software, High Tech Development)
- Property Only
- Retail

CONSTRUCTION SUBCONTRACTOR

FUNDING REQUIREMENT

Installation of temperature controlled environments for data centres, sensitive products etc. Growing business with increasing working capital requirements. Majority of funding relates to “application for payments” as opposed to invoices.

SHAWBROOK SOLUTION

Confidential invoice discounting facility with adequate headroom to enable business expansion.
Asset Finance for company vehicles

BENEFIT

Increased revenues – confidence to court larger jobs, including Europe.

CLIENTS' POINT OF VIEW

DELIVERY

100% OF CLIENTS SAID THAT SHAWBROOK **'DELIVERED THE DEAL AS PROMISED'**

VALUES

96% FELT THAT **'SHAWBROOK VALUES THEIR BUSINESS'**

CONFIDENCE

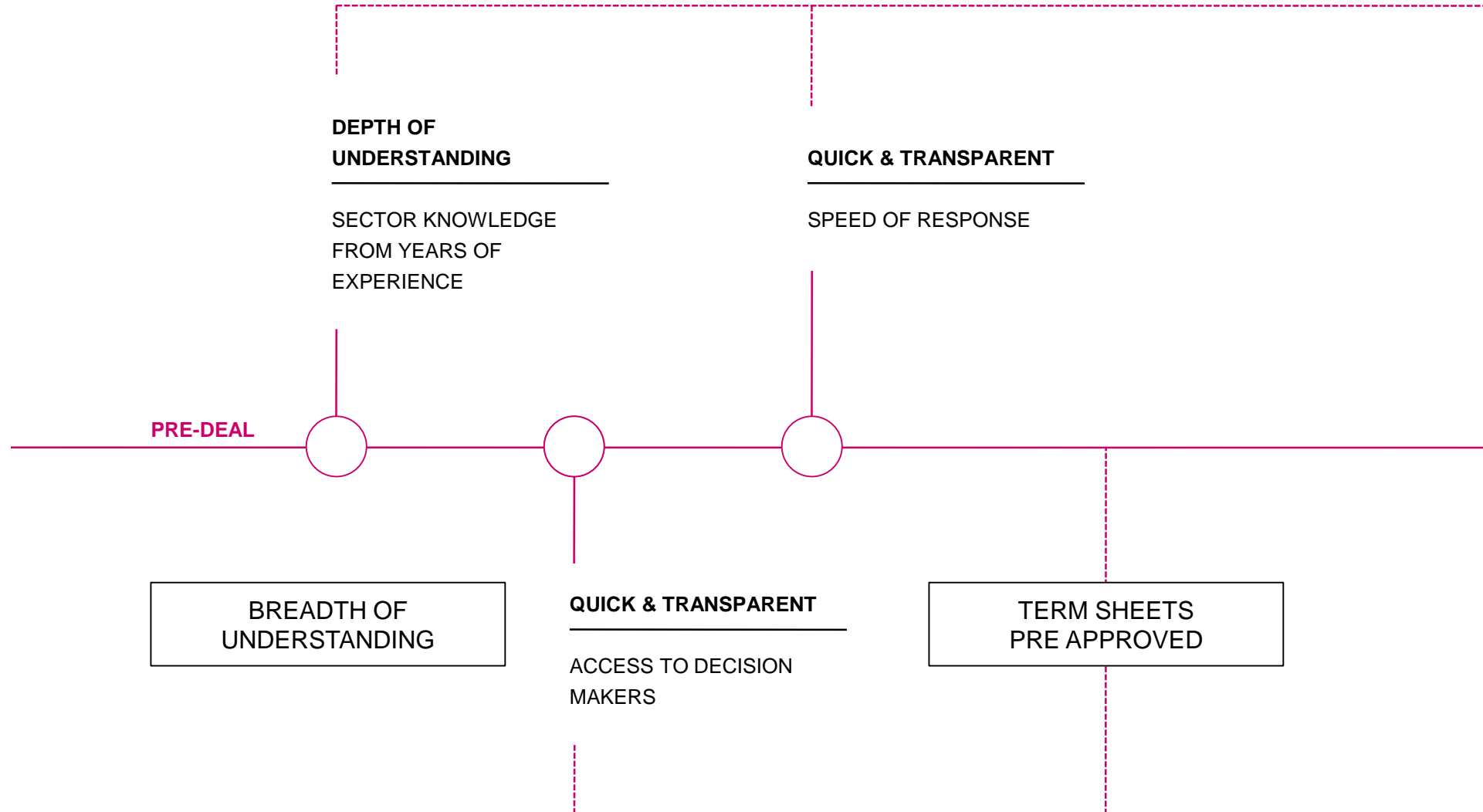
100% COMMENTED THAT **'THE FIRST MEETING GAVE THEM CONFIDENCE'**

ACCESS TO SENIOR DECISION MAKERS

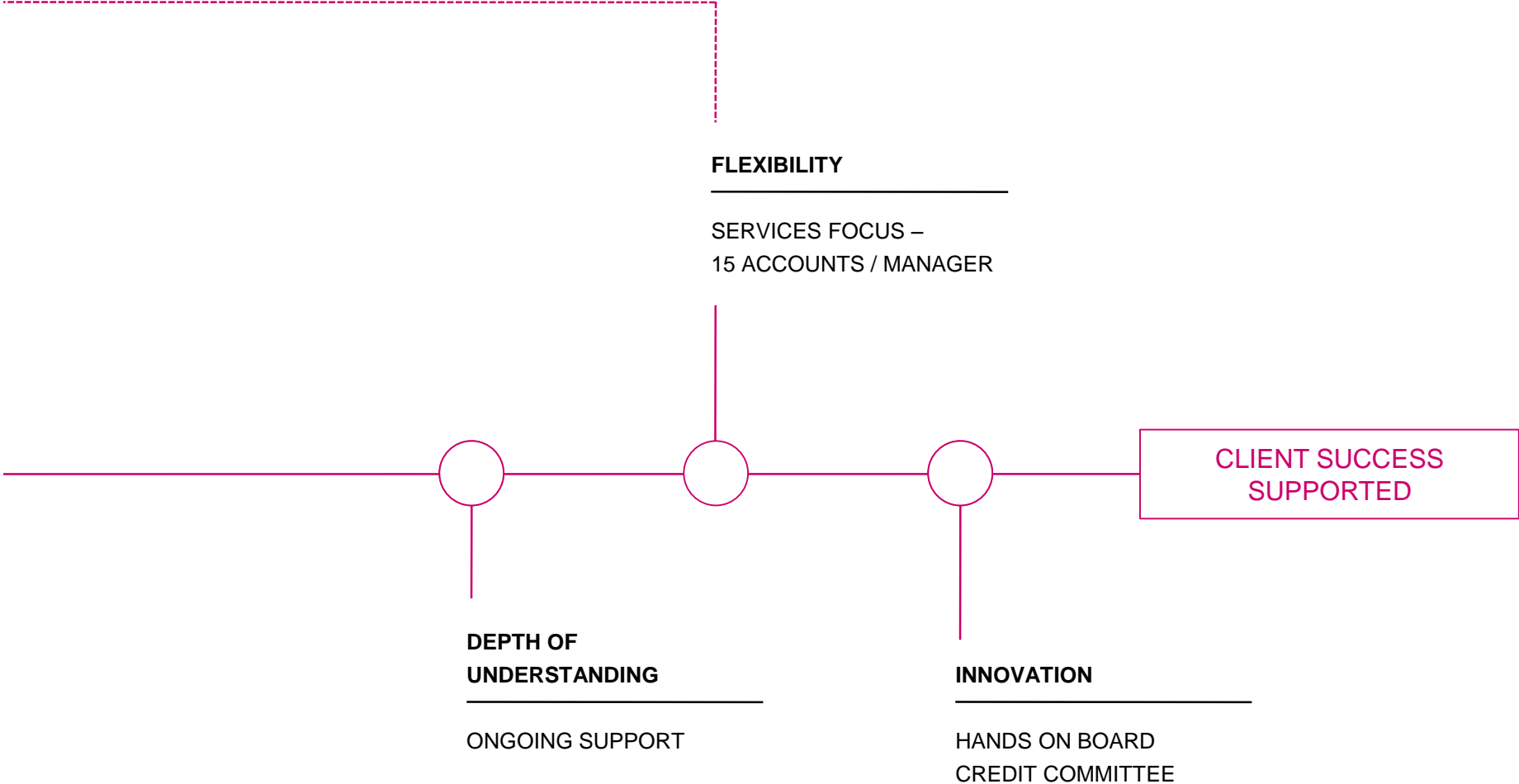
96% WOULD BE **'PLEASED TO RECOMMEND SHAWBROOK TO OTHERS'**



HOW DOES SHAWBROOK DELIVER?



HOW DOES SHAWBROOK DELIVER?



QUANTUM. SPEED. CERTAINTY.

Selected 2015 Transactions



JACOBSON GROUP
Footwear Wholesale
£14,345,000



ASHWORTH
Pipes and Valves Distribution
£9,500,000



BEARMACH
Automotive Parts Distribution
£8,750,000



SPANISH SLATE QUARRIES
Slate Wholesale
£6,000,000



FT SOLUTIONS
Print and Brand Management
£3,900,000



MEDICA PACKAGING
Manufacturer & Distributor
£3,700,000



ADVANCED COATED PRODUCTS
Paper Manufacturer
£2,500,000



TRAFFORD RUBBER PRODUCTS
Rubber Products Manufacturer
£2,431,325



WESTON BODY HARDWARE
Access Control Systems
£2,000,000



POWERPERFECTOR
Energy Efficiency
£1,000,000



E. PEARSON & SONS (TEESSIDE)
International Removal Service
Undisclosed



JACOPA
Waste Water Services
Undisclosed

Find out how our asset-based lending solutions can help your clients realise their business ambitions.

TALK TO US TODAY

T 0330 123 1740
businesscredit@shawbrook.co.uk
WWW.SHAWBROOKBUSINESSCREDIT.CO.UK

SHAWBROOK BANK
BUSINESS CREDIT

THANKS FOR LISTENING

LORNA BELL

lorna.bell@shawbrook.co.uk

07739 831611

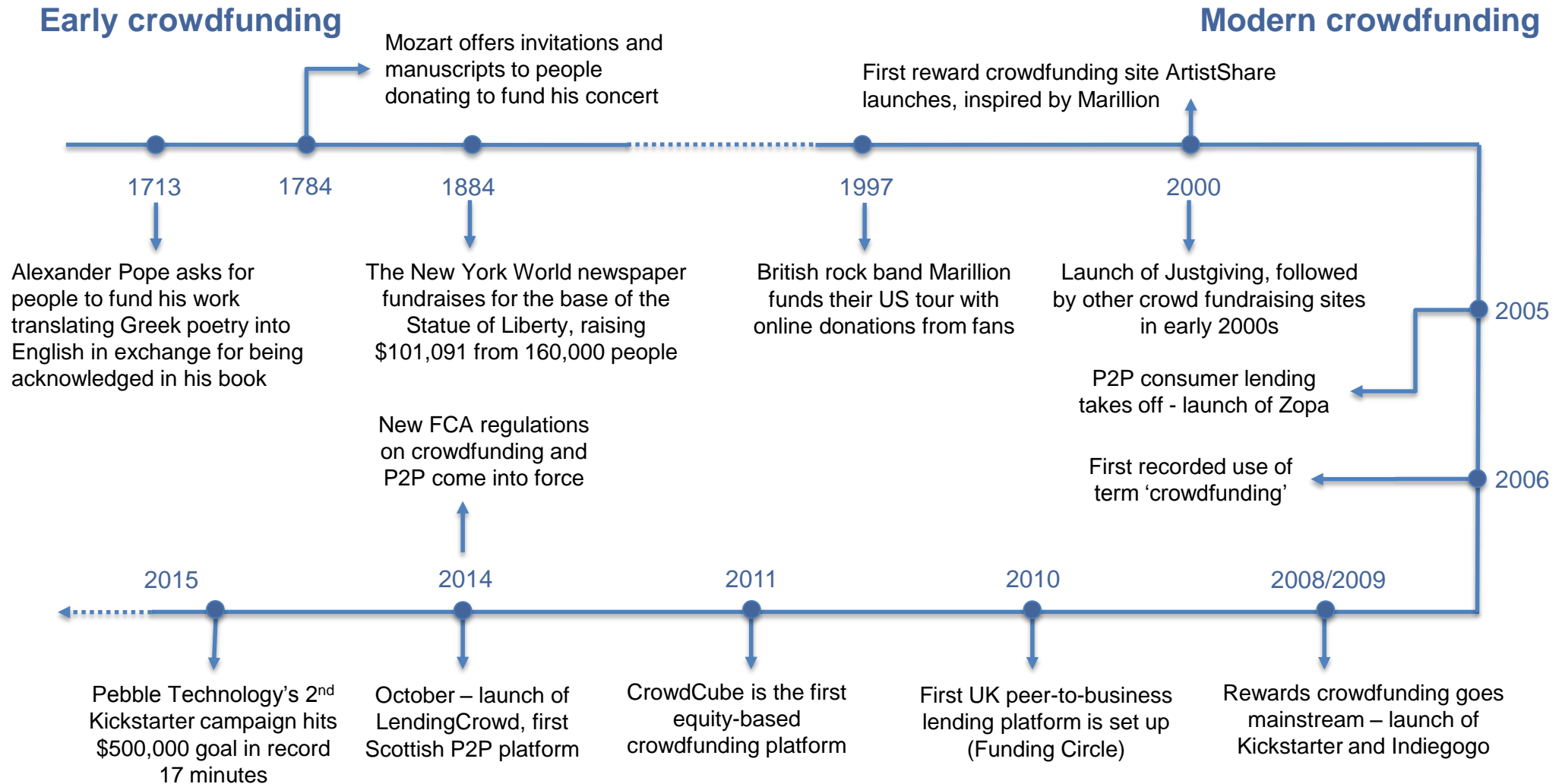


Crowdfunding: An Introduction

Helen McKay MCIBS
Chartered Banker





















Brief history of crowdfunding



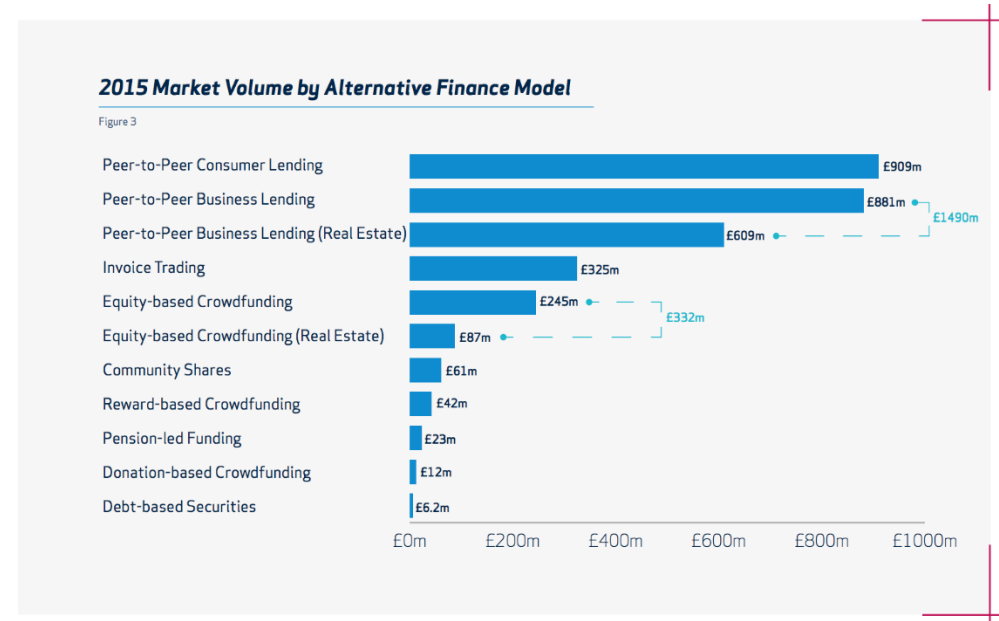
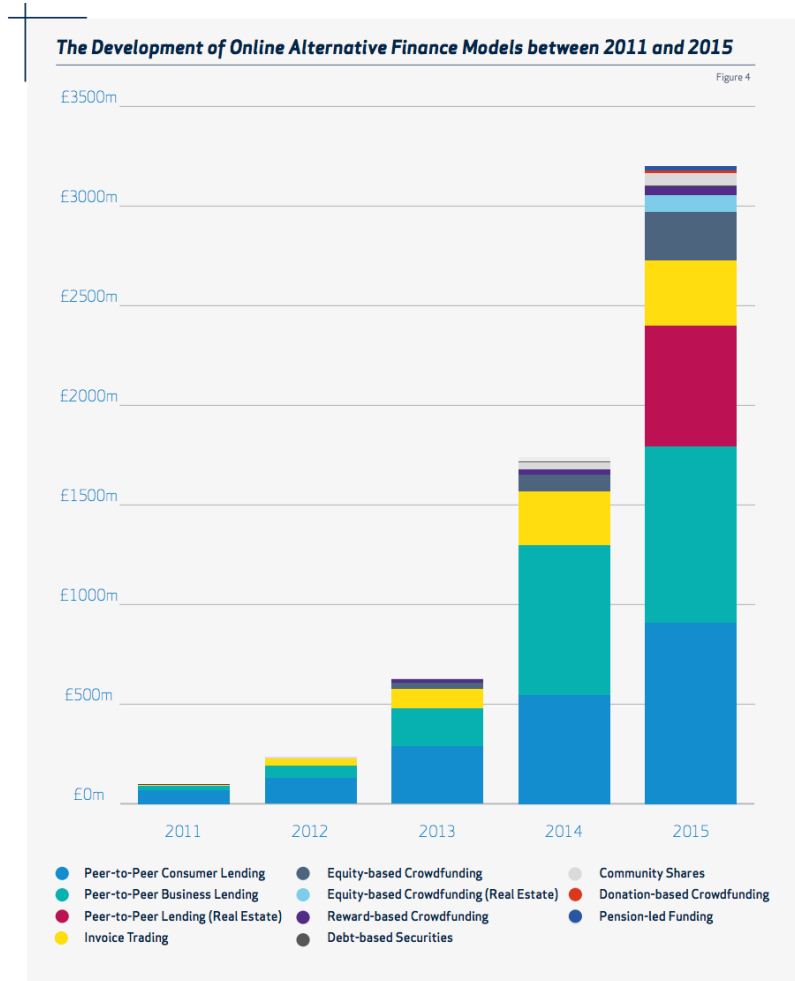
Crowdfunding and non bank finance

www.lendingcrowd.com
@_lendingcrowd

REWARDS	DEBT			EQUITY	
	INVOICE TRADING	PEER TO PEER LENDING			DEBT BASED CROWDFUNDING
Individuals give money in return for a reward or recognition, product or service	Individuals buy invoices at a discount, then sell them back to firms at a profit.	P2P Individuals lend money to other individuals to earn interest and their capital back	P2B Individuals lend money to businesses to earn interest and their capital back	Individuals buy a security, normally a form of bond, to earn interest and their capital back.	Individuals buy shares in early stage businesses for capital growth or dividends
No financial return so not regulated by the FCA	Not regulated by the FCA	These fall under the new regulated activity of Facilitating loans via an electronic platform . The FCA calls this loan based crowdfunding		A regulated activity the FCA includes in Investment based Crowdfunding	A regulated activity that the FCA calls Investment based Crowdfunding
    	 	  	  	 	  

Crowdfunding – A growing market

www.lendingcrowd.com
@_lendingcrowd

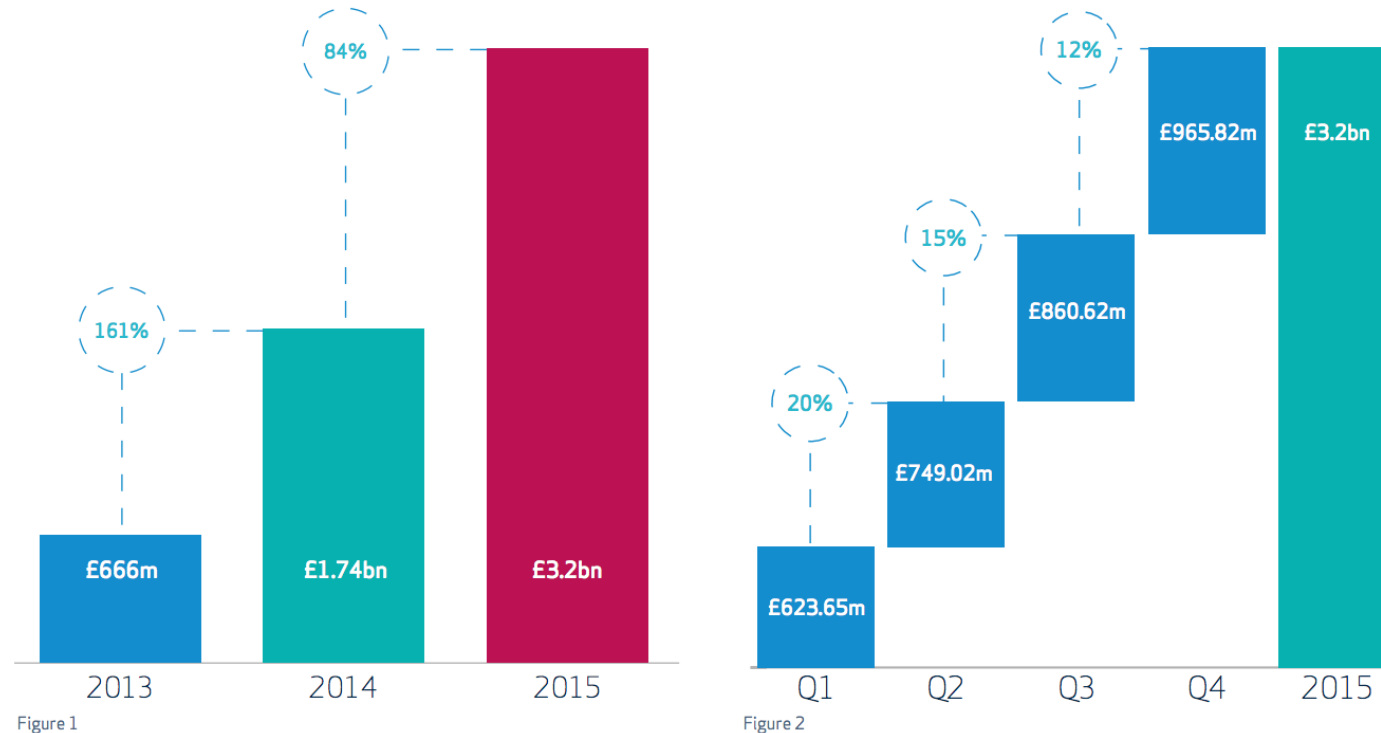


Source: nesta.org.uk

Growth of Online Alternative Finance Market

Total UK Online Alternative Finance Raised Between 2013 and 2015

 Growth Rates



Why are SMEs struggling to raise funds?

SMEs are spreading their wings through Crowdlending. It is giving businesses a helping hand to secure finance. Recently, SMEs have experienced difficulties in securing loan finance from traditional sources. Loan approvals were slow and their competitiveness was poor.

SMEs: a key component of the UK economy

47%

of private sector annual turnover
(£1,600 billion).

60%

of private sector employment
(14.4 million people).

Source: Department for Business Innovation & Skills, November 2014
SMEs are companies employing up to 250 people



FINANCE NOT EASY TO SECURE

79% of borrowers had attempted to get a bank loan before turning to Crowdlending, with only 22% of borrowers being offered a bank loan



MANY APPLICATIONS UNSUCCESSFUL

53% of loan applications were successful in the 18 months to Q2 2014, 10% took other funding and 37% ended with no facility

BANK DECLINES DETER BORROWING

5% of all SMEs said that a previous decline by the bank had made them more reluctant to apply for finance

LACK OF AWARENESS

Only 24% of SMEs were aware of Crowdlending in November 2014

Sources: Nesta, Department for Business Innovation & Skills Oct. 2013, bdcrc Continental SME Finance Monitor 2014



The solution?

Crowdlending has become an easy, fast and affordable option for SMEs

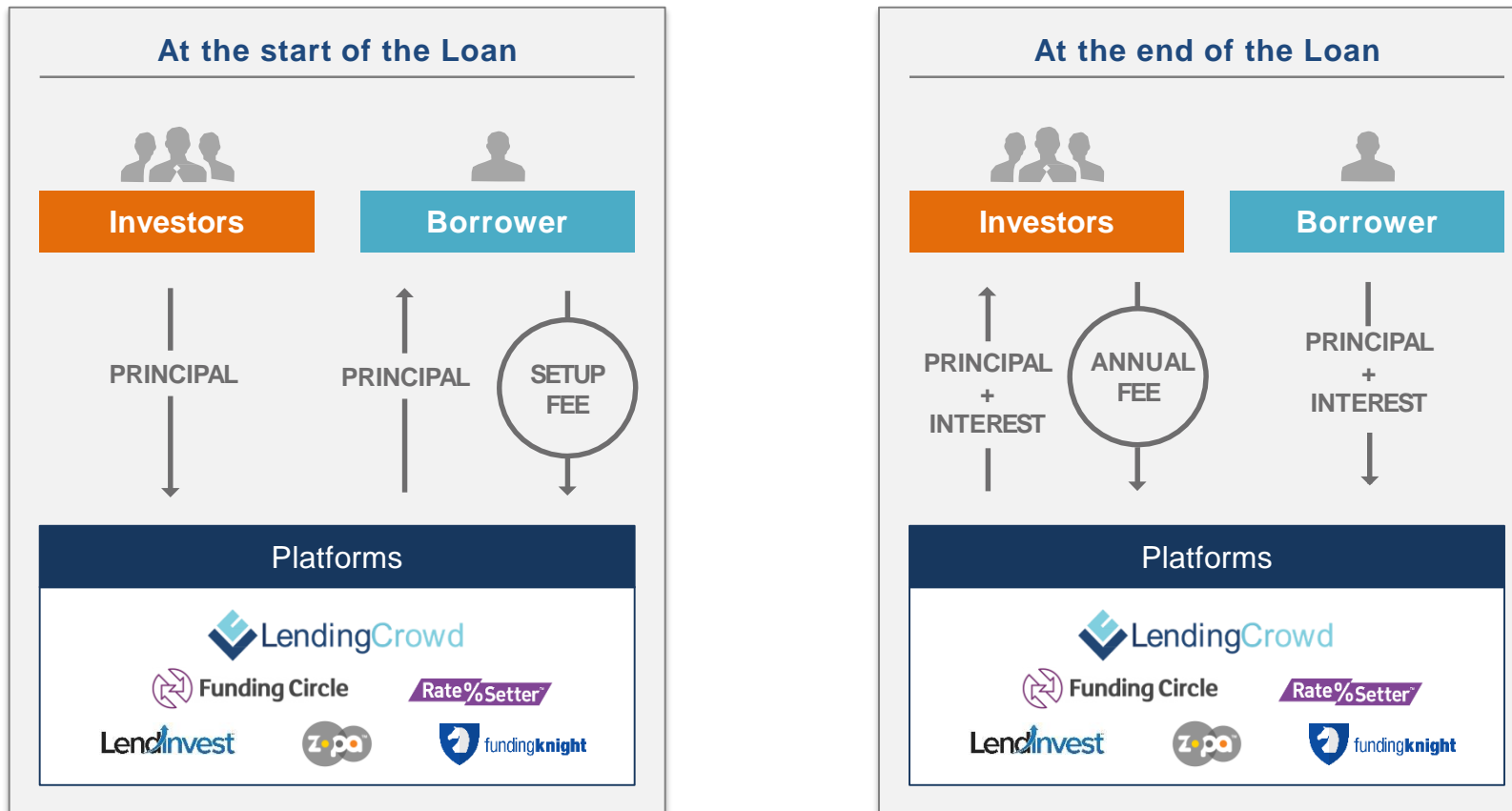
What is Peer-to-Peer Crowdlending?

www.lendingcrowd.com
@_lendingcrowd

As the name suggests, Peer-to-Peer Crowdlending works using a crowd of investors who bid to fund a loan application for a business (or on some platforms, an individual). The borrower has been credit-assessed and given a risk rating with a minimum rate of interest for loan bids.

The result? A competitive and transparent funding model for companies seeking loan finance, and investors looking for a return.

P2P Crowdlending – A simple guide



Borrowers' Requirements

To be eligible for a loan on LendingCrowd's platform companies must meet the following requirements:

1. Limited Company, LLP, Partnership or Sole Trader

Limited or limited liability partnerships with four or more partners, sole traders and partnerships borrower more than £25k

2. Have a turnover of approx. £100,000 per annum or more

By fulfilling this requirement it indicates a business is more established meaning the likelihood the loan will be repaid is higher.

3. At least two years' of accounts







We need at least two years of trading to be able to properly analyse the business' finances.

4. Strong credit history with no defaults or CCJs

Loan Evaluation Process

www.lendingcrowd.com

@_lendingcrowd

-  **1. Initial Criteria**
Meet the Borrower requirements and apply for a loan on [LendingCrowd.com](https://www.lendingcrowd.com)
-  **2. Financial Information**
Provide the required financial documentation and the application is complete
-  **3. Credit Assessment**
LendingCrowd's credit team will assess the application and run it through our bespoke models
-  **4. Credit Band Assignment**
If approved the business will be given a credit score which will range from A+ to C+
-  **5. Security**
A security such as a director's guarantee or debenture may be required depending on the entity
-  **6. Identification**
Identification checks are carried out on all Borrowers or significant shareholders within a business

Credit Ratings

A+

Interest rates from 5.95% to 9.95%

A

Interest rates from 7.95% to 11.95%

B+

Interest rates from 8.95% to 12.95%

B

Interest rates from 10.35% to 14.35%

C+

Interest rates from 12.25% to 16.25%

Poor risk decline

High risk decline

Credit Assessment

Using the information provided on the business our credit team, using our proprietary risk engine, determines a credit rating of the loan application.

Factor influencing the lending decision

Try to avoid

- ✗ Weak cashflow
- ✗ Known industry sector challenges
- ✗ High level of borrowing on the balance sheet
- ✗ Marginal or poor credit history

Good to have

- ✓ Cashflow indicating ability to repay
- ✓ Proven management ability
- ✓ A strong and considered business plan
- ✓ Positive business and industry indicators

Government supports CrowdLending

Supporting Initiatives

- The British Business Bank has been provided with £500 million to promote finance to SMEs
- The first £1,000 of peer-to-peer earnings will be tax-free from April 2016 (capped at £500 for higher rate taxpayers)
- Government has committed funding of between £20-£40 million to Crowdlending providers to create a more effective and efficient finance market to SMEs
- Innovative Finance ISAs introduced this month

Emerging Regulatory Framework

- FCA took regulatory responsibility on 1 April 2014
- Regulated by FCA Policy Statement 14/4 since April 2014 – reviewed in February 2015
- Financial promotion – rules on how benefits and returns can be worded
- Emerging influence of industry bodies, e.g. UKCFA, P2P Association
- Full post-implementation review of the above market and regulatory framework in 2016
- Full FCA permissions to be granted soon

SortMyPC uses LendingCrowd to secure funds for growth

Borrower Overview

- Since 2004 SortMyPC has been providing IT support and solutions to over 1,000 clients (SMEs and domestic users)
- In late 2013 merged with a local IT business, increasing size of the company by approximately 30%.

Loan Requirements

- Loan of £73,000 to fund the acquisition of another business, allowing the company to expand further and increase revenues.

Key info	Loan amount £73,000	Loan term 60 months	Credit band B+
	Interest rate 10.59%	Bids 55	Target reached in 5 weeks

Outcome

- Loan target reached after 5 weeks.
- In August 2015 SortMyPC completed acquisition of another business, advancing growth plans by at least 18 months.
- Funds have enabled the purchase of new equipment, IT hardware and software as required.

“The LendingCrowd team were excellent to deal with and showed great interest in what we were trying to achieve. They worked closely with us to create a solid pitch document in order to get our loan listed in their marketplace. They provided excellent customer service and I can’t recommend them highly enough.”

Gordon Sayers, Managing Director
SortMyPC



Nursery flies high with the support of LendingCrowd

Borrower Overview

- We Care For Children has been trading for the past 15 years as 'Little Flyers Nursery' providing day and out-of-school care for over 300 children aged 3 months to 12 years.
- Operates in six locations in Edinburgh and West Lothian.

Loan Requirements

- £35,000 loan to refurbish a former care home to accommodate a new Little Flyers Nursery.

Key info	Loan amount £35,000	Loan term 60 months	Credit band B
	Interest rate 10.75%	Investors 35	Target reached in 8 weeks

Outcome

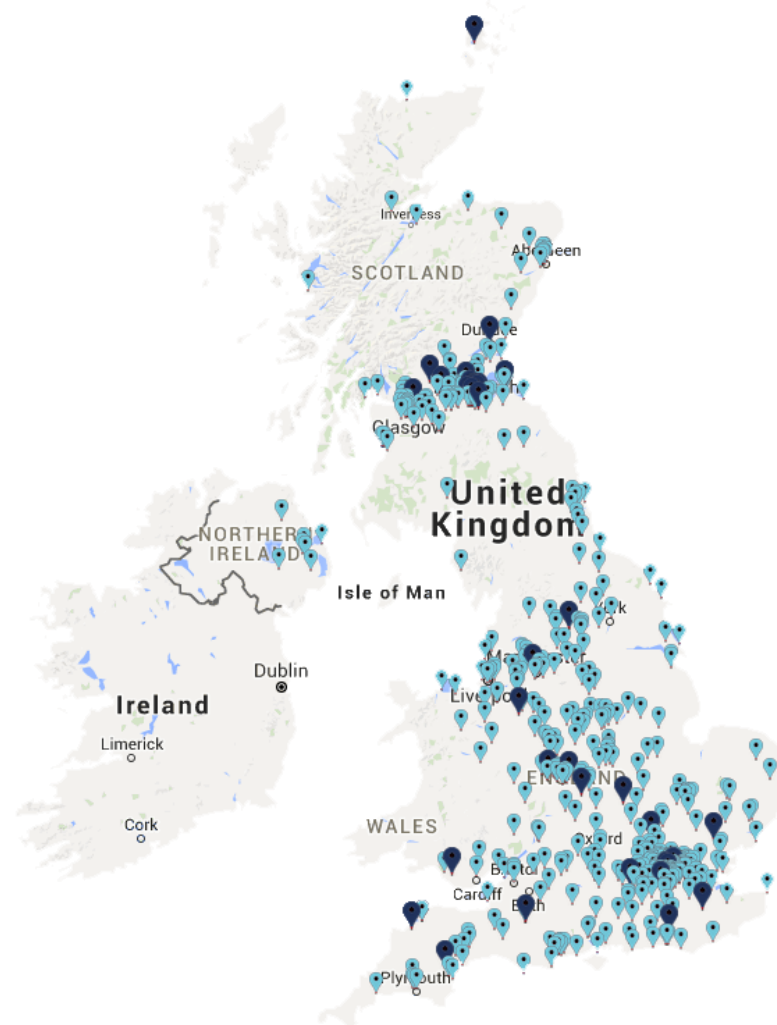
- Loan target reached within 8 weeks.
- Company has refurbished the property in West Calder and the new Little Flyers Nursery opened October 2015.
- Aims to purchase property at the end of the 2 year rental agreement.

“When the banks are consistently refusing to provide you with a loan, you start to doubt your business and your ambitions for it to grow and succeed. Thankfully LendingCrowd shared my vision, enthusiasm and belief in the project. Now we are close to opening our new nursery, I know that securing funding through LendingCrowd was the right decision for our business.”

Sharon Fairley, Founder & MD
We Care For Children Ltd.



Award winning platform

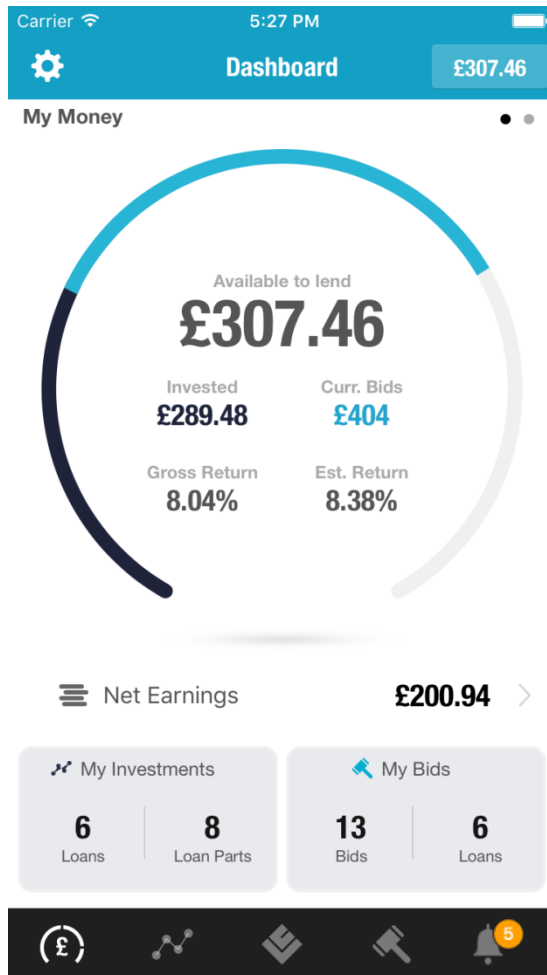


- Over 2000 signed up to date with over 513 actively investing
- £5 million plus on loan to over 65 growing SMEs across the UK

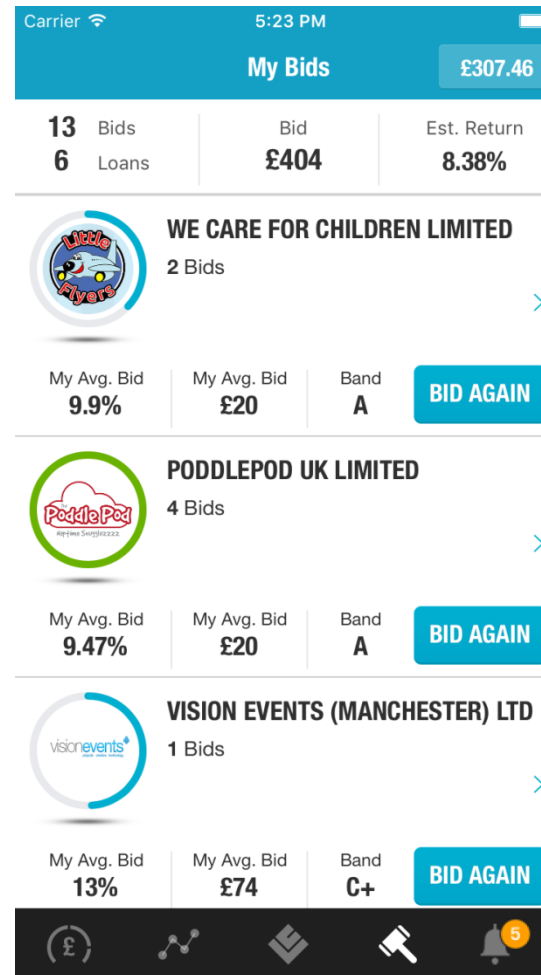


One of the first P2P Lenders in the UK to launch a Mobile App

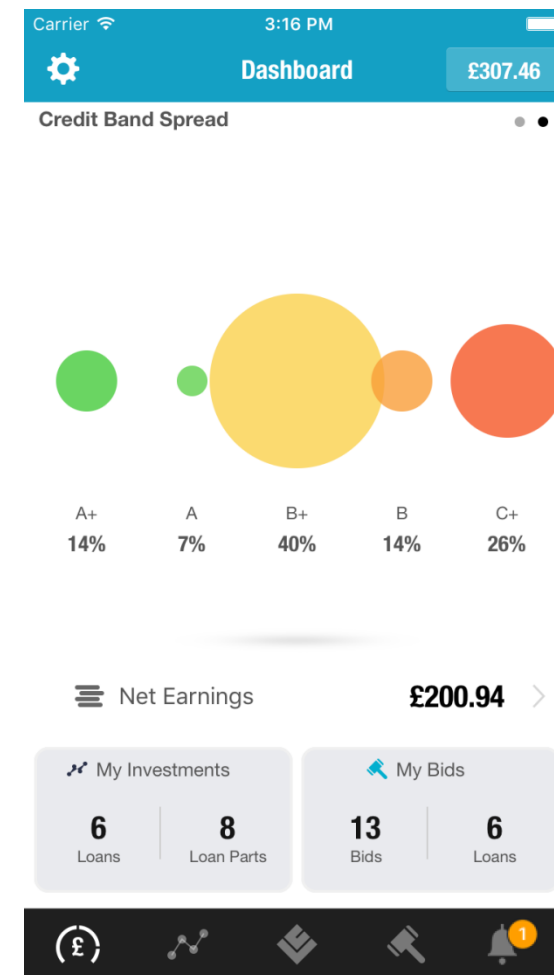
Manage your portfolio



Bid on loans



Monitor your risk



Conclusion

- Is crowdfunding now mainstream rather than alternative?
- Capital constraints, high costs and prescriptive credit policy are still barriers to bank lending
- Internet and on online platforms have provided a democratised revolution in the funding space
- SMEs will look at Crowdfunding as their preferred choice?
- Increased flexibility and choice are opening up opportunities for retail investors to look at this asset class against a backdrop of low yields for near liquid funds



Thank you and Questions?

Register

www.lendingcrowd.com

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Contact Us

contactus@lendingcrowd.com

+44 (0)131 564 1600





Case Study – Funding for Growth

ROB HAMILTON | CHIEF EXECUTIVE | DYNAMIC EDGE

The Dynamic Edge story ...

Dynamic Edge is an Scottish based technology partner for business. We provide complete managed IT services to businesses between 10 and 3,000 PC and/or Mac users. We have adopted a proactive model to our services both in supporting our clients via the latest technology but also by introducing them to solutions that can streamline business and enhance employee productivity.

The Dynamic Edge story ...

- Dynamic Edge was founded in 2009
- Currently have 250+ clients, 70+ of which are on monthly managed service plans.
- Clients mainly in Aberdeen, Aberdeenshire, Dundee, Inverness and the Highlands but support offices globally.
- 24 staff

Stages of Funding – 1. Start Up

- May 2009
- Cash required to kick the business off.
- Start up investment from directors - savings
- Reason:
 - PC's
 - Stationary – business cards, letterheads, etc.
 - Basic website
 - Organisation membership – BNI, Chamber, etc.



Stages of Funding – 2. Safety Net

- April 2010
- The Safety Net
- Bank overdraft
- Reason:
 - Overdraft facility related to monthly cost of the business.
 - Easily accessible funds just in case.

- We NEVER used it!



Stages of Funding – 3. Funding for Growth

- February 2014
- Cash required to accelerate growth
- Funding Circle
- Reason:
 - Cash flow
 - Employ middle management
 - Employ technical resource.
- Did it work? Grew business record 42% following FY



Stages of Funding – 4. Funding for Acquisition

- April 2015
- Cash required to acquire a complementary business
- Bank lending – Term Loan
- Reason:
 - Purchase Inverness business
 - Cash flow
- Did it work? Small profit in year 1 but positioned to grow this FY



Rob Hamilton
Dynamic Edge

rob.hamilton@dynamicedge.co.uk

07775 447356

Twitter: @Dynamic_Rob
@DynamicEdge



Credit4

Flexible funding for your business

Supporting SME Growth in the UK!



‘Credit4 entered the alternative finance market to provide innovative financing to UK SMEs for Growth, and it is our intention to continue to develop additional financing solutions for the SME growth market’

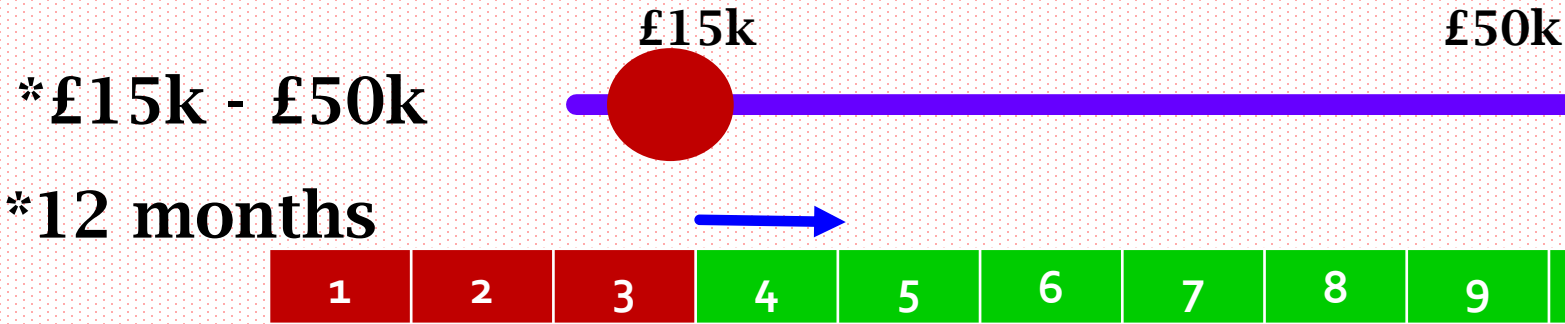
- Established in October 2013- Brief 'to fill the SME growth funding gap
- Start up funding/grants-£25,000 ← **GAP** → 2nd tier funding £150,000+
- To provide innovative products with absolute clarity of pricing
- Credit4's flexible funding is available to a range of UK businesses including

Sole Traders and Partnerships

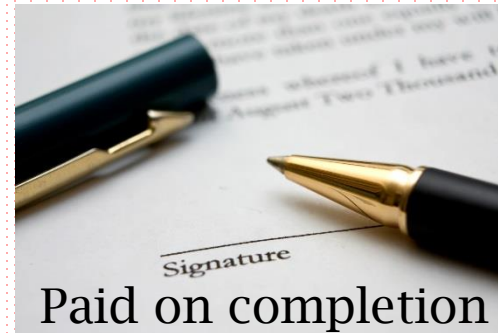
- 70% of 'S' in SME's are sole traders and partnerships!
- Credit4 has two types of funding available

'Flexible Facility' and 'Dual Growth Funding

Flexible Funding



*Arrangement Fee 4%



*Interest serviced fortnightly

*Capital repaid at the end of the term

PAID IN FULL

SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Flexible Funding

Interest calculation example

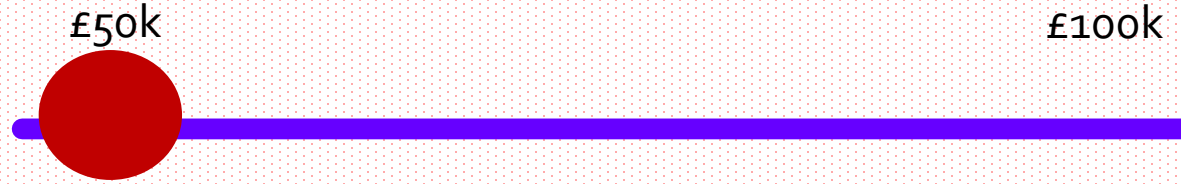
Day	Facility	Transaction	Drawn	Undrawn	Drawn Interest	Undrawn interest	Total daily interest
1	£40,000	Draw £10,000	£10,000	£30,000	£8.22	£4.93	£13.15
2	£40,000		£10,000	£30,000	£8.22	£4.93	£13.15
3	£40,000	Draw £15,000	£25,000	£15,000	£20.55	£2.47	£23.02
4	£40,000		£25,000	£15,000	£20.55	£2.47	£23.02
5	£40,000		£25,000	£15,000	£20.55	£2.47	£23.02
6	£40,000		£25,000	£15,000	£20.55	£2.47	£23.02
7	£40,000	Draw £8,000	£33,000	£7,000	£27.12	£1.15	£28.27
8	£40,000		£33,000	£7,000	£27.12	£1.15	£28.27
9	£40,000		£33,000	£7,000	£27.12	£1.15	£28.27
10	£40,000		£33,000	£7,000	£27.12	£1.15	£28.27
11	£40,000		£33,000	£7,000	£27.12	£1.15	£28.27
12	£40,000	Repay £25,000	£8,000	£32,000	£6.58	£5.26	£11.84
13	£40,000		£8,000	£32,000	£6.58	£5.26	£11.84
14	£40,000		£8,000	£32,000	£6.58	£5.26	£11.84
							£295.25

Drawn Funds interest rate 30% pa Undrawn Funds 6% pa

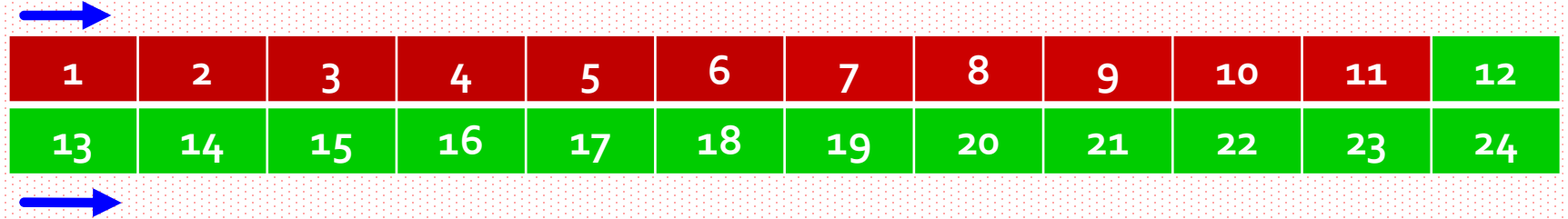
Typically there is a blended rate of interest dependant on the transactional history, it is important that the client / intermediary understands how the interest is calculated when comparing similar products in this space. A typical representative 'APR' for a Flexible Facility fully drawn for half of a 12 month term is **21.97%**

Dual Growth Funding

*£50k - £100k



*12 - 24 months



*Arrangement Fee 3.5%



*FF Interest serviced fortnightly

*Amortising Term Loan repaid monthly

*Capital repaid at the end of the term

PAID IN FULL

SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

There are 4 basic requirements:

Businesses must be UK registered



The funding MUST be used for business growth opportunities



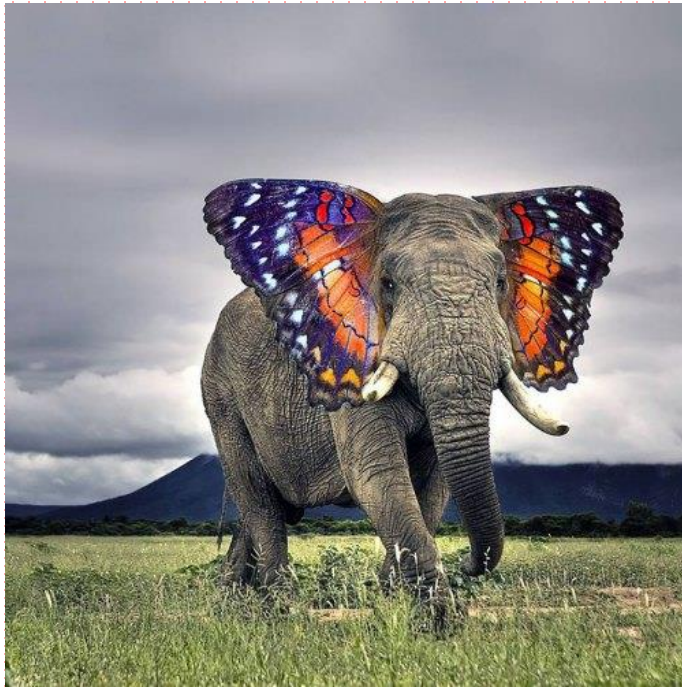
All directors/Owners must provide a suitable Personal Guarantee

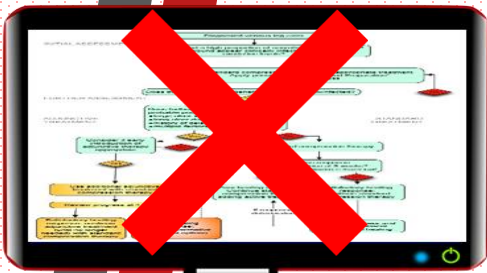


Funding must be for £15,000 - £100,000 over 12 - 24 months




How are we different?





- We do not underwrite by algorithm
- We take time to get to know the business owners and their business
- We get to know the business drivers and understand the growth potential
- We look to support the businesses in their early years and will signpost clients to appropriate funders when applicable

- Supporting UK SME businesses from their 'early years' for Growth
- Filling the 'FUNDING GAP' the currently exists 
- Funding designed to better suit SME business Growth
- Lending in the higher risk sector where traditional funders have withdrawn
- Underwritten by humans not machines – bespoke underwriting
- Funding rates are clear fixed and published on our website, calculators available

www.credit4.co.uk

'Credit4 is built on the principals of transparency in pricing, integrity, and treating our customers fairly.

Trying to ensure that the outcome is right for them is fundamental to what we do'.

Credit4

Flexible funding for your business



*Supporting SME
Growth in
the UK*



DSL

Modern Finance for
Developing Businesses

DSL Business Finance Ltd

Moray Chamber of Commerce – 27th April 2016

Stuart Yuill

DSL Executive Director

About DSL

- Established in 1993 DSL is a N.F.P. organisation.
- Aims to create opportunities for enterprise, grow existing businesses, create and sustain jobs and strengthen the sustainability of local communities.
- A 'lender with social values' – assisting where businesses cannot secure all or part of their funding from a bank or other mainstream lender.
- Over £9.5 million lent to 874 businesses, 1170 jobs created and 1361 sustained.
- Only Scottish Based Delivery Partner for the Start Up Loans Company (SULCo)



Loans for New Start & Existing Businesses via DSL Business Finance Ltd

- Loans of up to £50,000
- Term of up to 60 months
- Security not essential - EFG licence
- Fixed interest rate charges between 9% and 15%
- 2% arrangement fee
- No early repayment fee



Loans for Businesses up to 24 Months Trading via The Start Up Loans Company

- Loans of up to £25,000
- Maximum Loan Term up to 60 Months
- Personal Loan for Business Use
- Fixed Interest Rate Charge of 6%
- No Arrangement Fee
- No early repayment fee



Case Studies

- Client born & bred in Highlands. Trading 3 years.
- Experienced car mechanic/technician.
- Motor Vehicle repair centre.
- Sought assistance to purchase specialist machinery (c£25k) and working capital (£7k).
- Bank was unable to provide funding requested due to a lack of security.
- DSL provided full funding of £32k as EFG loan.



Case Studies

- Client of Polish origin – 9 years in Highland.
- Very experienced tradesman. Good family support
- Made redundant 2013 – commenced trading in own right in 2014.
- Start-up ; no security available and only nominal £1k investment hence Bank unable to assist.
- Sought assistance to purchase taping machine (£7k) and with initial working capital (£6k)
- Agreed a SULCo loan of £12k over 4 year term.



Summary

- Lending policy in line with DSL business aims.
- Chequered personal credit history does not automatically exclude applicants.
- c90% DSL loans use Enterprise Finance Guarantee.
- DSL loans will often form part of a package where a security shortfall exists
- Loans are to the business.
- SULCo are personal loans for business purposes – liability rests with individual/s.
- Max £25k /person /business to max £100k.



Contact Details

For further information please contact either

Stuart Yuill – stuart@dsl-businessfinance.co.uk

0141 425 2935 or 07901 511483

Nicola Cosgrove – nicola@dsl-businessfinance.co.uk

0141 425 2930

www.dsl-businessfinance.co.uk



Simon and Philip Thompson Dornoch Distillery



Thank You

www.moraychamber.co.uk

Twitter: @moraychamber

smedcraf@moraychamber.co.uk

