

FinTech Proposal

Investment Programme Proposal

January 2024



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Applicants are asked to ensure that prospective Investment Programme Proposals have been discussed with a member of the BBI Investment Team prior to completing and submitting this document.

When complete please return to: Geoff Whiteland, Fintech Programme Director **geoff.whiteland@bbinv.co.uk** and **InvestmentProgramme.Proposals@BBInv.co.uk**

# 1. Background of the applicant

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| Please provide a background of the applicant |  |
| Please confirm the applicant's: 1. Trading Name;
2. Company Number (or similar);
3. Date and Country of Incorporation;
4. Registered Address;
5. Principal Business Address (if different from registered address);
6. Number of Staff Employed;
7. Legal entity;
8. Type of Organisation (e.g. Partnership, Limited Company).
9. Sector
10. Nature & purpose of organisation
11. Listing status (exchange & ticker ref required, if applicable)
12. Principal Shareholders
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| Please provide a brief overview of the applicant’s history and background. |  |

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| For use of BBI team: |

# 2. How do you address the programme’s criteria?

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| a) Target market |  |
| Please provide details (or an illustration if available) of the applicant's proposed target market, including but not limited to:1. Type of borrowers;
2. Revenue size of borrowers;
3. Industry sector breakdown;
4. Geographical breakdown;
5. Expected costs to borrowers;
6. Key characteristics of borrowers.
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| For use of BBI team: |

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| b) Investment strategy |  |
| Please describe the product types to be funded through a commitment from BBI and the anticipated use of funds by borrowing SMEs. |  |
| Please confirm the expected size and duration range of loans (minimum, maximum and average). |  |
| Please confirm if the applicant performs CDD/AML checks, credit and risk-return analysis. Further details can be provided at the DDQ stage. |  |

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| For use of BBI team: |

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| c) Investment size and tenor |  |
| Please indicate the type of lending instrument or structure being proposed and how BBI would participate. |  |
| Please indicate the amount of commitment being requested from BBI. |  |
| Please confirm the tenor of commitment being requested, identifying the proposed investment period (maximum of 3 years) and period of repayment. |  |

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| For use of BBI team: |

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| d) Deployment of funds (origination) |
| Please provide details on the origination strategy of the applicant to support the proposed deployment forecast. This should identify:1. Structure / location of the origination and portfolio teams;
2. Types of marketing activities undertaken;
3. Different sources of origination (e.g. brokers, direct online, direct team).
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| Please describe the applicant's competitive advantage with respect to deal origination. |  |
| Please give an overview (including amount) of the applicant's current pipeline. |  |

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| For use of BBI team: |

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| e) Portfolio management |  |
| Please describe the applicant's ongoing involvement with portfolio companies / please explain how the applicant manages its portfolio. |  |
| Please provide details of capabilities, controls and capacity in place to manage the investment. |  |

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| For use of BBI team: |

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| f) Match Funding |  |
| Please provide details on the applicant’s current funding structure. |  |
| Please provide details on the applicant's source of match funding, which should include where possible:1. Funders name or type (e.g. Local Authority Pension Fund, Family Office, Government Institution etc.);
2. Amount of commitment;
3. Duration of commitment;
4. Stage or detail of progress of negotiations;
5. Indication as to whether the applicant permits BBI to engage with identified potential funder.
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| Please outline the applicant's proposed fundraising strategy and timeline. |  |
| Please confirm that BBI will be investing on a Pari-Passu basis (i.e. on terms no worse than any match funder). |  |

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| For use of BBI team: |

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| g) Commercial returns and renumeration |
| Please confirm the proposed gross and net return for BBI's investment, including expected losses and recoveries. |  |
| Please confirm the commercial returns for the match funders. |  |
| Please provide a breakdown of fees charged to BBI (including a breakdown of establishment, management and/or servicer fees payable and any caps on expenses). |  |
| Please outline the fees/rates charged to borrowers, indicating whether they are fixed or variable. |  |

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| For use of BBI team: |

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| h) Track record and expertise |
| Please summarise (in excel format, if preferred) current and historic lending activities, including the split by different products or strategies where applicable. This should incorporate the last 3 years as a minimum and outline details of at least:1. Total Amount of Lending (£m);
2. No. of loans;
3. Loan Sizes;
4. Costs to Borrowers;
5. Default and Loss rates;
6. Overall Return Performance.
 |  |
| Please provide a summary of the applicant's senior management team and its stability, including:1. Roles and Responsibilities within the company structure;
2. How long the senior management team have worked together for;
3. Background and relevant experience;
4. Details of any directorships held currently or within the past 7 years.
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| Please describe the applicant's resourcing plan, including any recruitment required, to deliver the investment strategy. |  |

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| For use of BBI team: |

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| i) Operational structure, legal and regulatory |
| Please provide a shareholder and group structure chart. |  |
| Please confirm if the applicant is a financially regulated entity or a wholly owned subsidiary of a financially regulated entity (please enter the full name of the entity). Please also outline details of relevant regulatory authorisations and permissions that allow the applicant to carry out the activities detailed in this proposal. |  |
| Please provide details of any servicing/origination/security trustee arrangements for the applicant. |  |

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| For use of BBI team: |

# 3. Additional considerations

In addition to the Programme's criteria, proposals will be viewed more favourably if they can demonstrate integration of the following factors.

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| 1. Sustainability
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| Please provide an overview of the approach to sustainability/responsible investment/ESG, including considerations and strategies to achieve positive impact, that form part of the applicant’s business strategy, operations and portfolio management, including substantive developments in the last 12 months. |  |
| Please provide an overview of any Net Zero strategy or transition plan in place, and please confirm if the applicant has a target for emissions reduction.If a Net Zero strategy or transition plan is not currently in place, please indicate whether any actions will be taken to develop this over the next 12 months. |  |
| Please explain if any green or sustainability-linked loan (SLL) products are currently offered or plan to be offered by the applicant.If so, please provide details of sustainability outcomes, KPIs, terms and conditions. |  |
| Please describe how sustainability considerations, in particular around climate and diversity and inclusion, is assessed in the applicant’s pre-investment screening, due diligence and investment decisions. |  |
| Please confirm the applicant’s approach to sustainability data collection and reporting at an individual company and portfolio level, in particular:1. Greenhouse gas emissions (scope 3, category 15);
2. Portfolio monitoring on diversity and inclusion metrics.

If not, please advise whether the applicant intends to include any of the above in the future. |  |
| Please provide a summary of the diversity of background of the team, including where relevant, the Board, Senior Leadership Team and/or Investment/Credit Committee. |  |

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| For use of BBI team: |

| SME Loan Book(3 year Historical and 3 year Forecast) |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 2021A | 2022A | 2023A | 2024F | 2025F | 2026F |
| Opening SME Loan Book (£m) [A] |  |  |  |  |  |  |
| New SME Lending Originated in the Period (£m) [B] |  |  |  |  |  |  |
| New SME Lending Originated in the Period (# loans) |  |  |  |  |  |  |
| SME Loan Repayments (£m) [C] |  |  |  |  |  |  |
| Bad Debts, Provisions and Other Adjustments (£m) [D] |  |  |  |  |  |  |
| Closing SME Loan Book (£m) [E] = [A] + [B] + [C] + [D] |  |  |  |  |  |  |
| Total Bad Debts/Provisions at Year End (£m) |  |  |  |  |  |  |

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| For use of BBI team: |

When complete please return to: Geoff Whiteland, Fintech Programme Director **geoff.whiteland@bbinv.co.uk** and **InvestmentProgramme.Proposals@BBInv.co.uk**

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