

Innovate.  
Differentiate.  
Grow.

Group results update  
2024

**Clear.Bank**

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# Clear.Bank



# Summary 2024 highlights

## Evolution from UK to international bank

- Successfully became Europe's newest bank as it secured its Credit Institution Licence from the ECB, under the supervision of the DNB, in July 2024
- Established group operating model and governance structure to enable responsible growth in the region
- Went live with first European clients, including OpenPayd, Orbital and Transact Payments

## Considerable growth in commercial KPIs, trusted supplier to fintechs

- Increased scheme payment volumes by 55% to 167m
- Increased customer balances by 77% to £10.8bn, with over 13m accounts open
- Reached more than 250 live clients with live ARR of £124m (up 26% YoY)
- Enabled Revolut and Wealthify (part of Aviva) to launch savings accounts

## Revenue quality enhanced and underlying capital generation maintained

- Grew fee-based income by 63%, driven by increase in embedded banking clients, agency clients and transaction volumes, reducing sensitivity to interest rates
- Reduced client concentration significantly for top 10 and top 20 as new clients were onboarded
- Maintained profitability and remained capital generative, able to fund continued growth and investment
  - Achieved positive group EBITDA for second year running at £10.7m
  - Achieved net profitability in the UK bank for more than two years running
  - Controlled operating expenses to grow at much lower pace (13%) than fee-based income, showing operating leverage

## Solid capital and liquidity positions

- Considerable capital buffers with CET1 ratio of 67%, reflecting the capital held in support of European expansion, including an additional £35m of capital received from our existing investors in September 2024
- Ultra conservative funding and liquidity policies, allowing for very high NSFR and LCR, as clients continued to take reassurance in the safety of their deposits held with the Bank of England

## High growth expected ahead

- Revenue growth expected to be generated significantly from deepening existing live client base relationships as well as new business
- Further growth expected from Corporates segment and European expansion
- Sales pipeline at record level across new business activity, up-sell and cross-sell

# Why ClearBank?



## Cloud-based API

Our API is best in class and had never been done before – until we built it. By using the latest cloud technology, taking a highly resilient approach, and scaling consistently, we give our clients the opportunity to innovate at speed.



## Our people and culture

We've created a business we're proud of and a culture our people love. Our culture is built on trust and through building trust we create an environment where people can innovate and challenge the status quo, deliver on our promises and exceed expectations. For ourselves, and our clients.



## Presence across the UK and EU

Our newly acquired European banking licence on top of our UK one means we are well-positioned to serve our existing clients across Europe and attract new business. Additionally, our successful integration of T2, SEPA Instant, and SEPA CT ensures a seamless, efficient experience for our clients.



## Safe and here to stay

ClearBank is a banking group made up of two fully regulated banks based in the UK and Europe. We securely hold sterling client funds at the Bank of England and euro client funds at the DNB. This ensures that our clients and their customers can have peace of mind, knowing their money is safe.



## Market-leading proposition

We have led a number of market studies during the year and have found it reassuring knowing that our proposition is perceived as premium. Our competitive proposition is also viewed as high quality and our team always receives praise for providing seamless service to our clients.



## Top client credentials

This year, we have been successful in partnering with well-known industry players. New names in 2024 include Wealthify (Aviva group), Airwallex, Trustly, Zen.com, Capital on Tap and, launching savings accounts at the start of 2025, Revolut.



## Operational resilience

We protect against operational risk events by mirroring our cloud-native technology platform in separate zones within Microsoft Azure. This significantly reduces any potential service disruption to our clients.

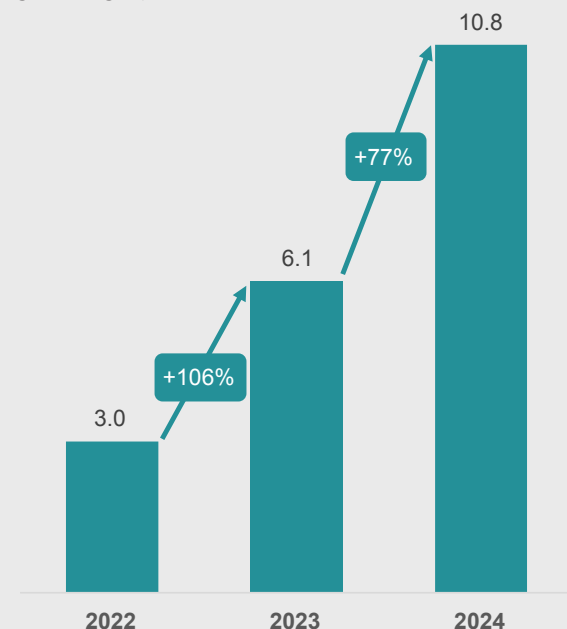


# KPIs Exceptional growth across performance metrics

## Customer balances

(£bn)

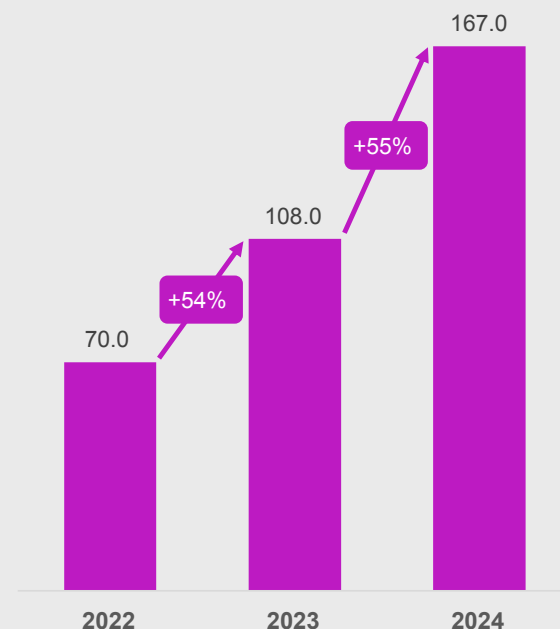
Opened a record number of accounts on behalf of our clients with customer balances growing by 77% in 2024



## Transaction volume

(millions)

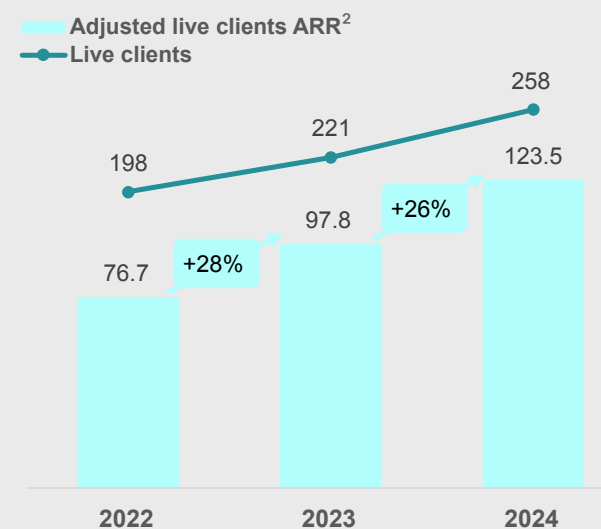
Processed a record volume of transactions, growing again by 50%+ in 2024



## Live clients and live ARR<sup>1</sup>

(£m for ARR and # clients)

Onboarding of Revolut / Wealthify and deepening partnership with existing clients led to outstanding year for live clients growth



### Client wins in 2024

Revolut

Trustly

wealthify

ZEN.COM

capitalontap

Airwallex

**Notes:** (1) Live ARR (Annual Recurring Revenue) is defined as the sum of net fee income and net interest income for December, multiplied by 12. Income is adjusted for any one-off fees or one-off refunds. (2) 2022 year-end ARR adjusted for one-off contractual changes with new terms starting in January 2023.



# Financials

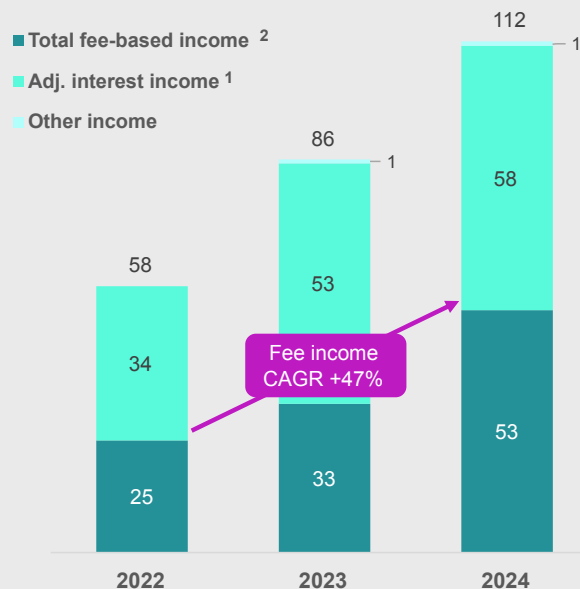
High growth in fee income, significantly improved revenue quality and maintained profitability

## Revenue (Pro-forma<sup>1</sup>)

(£m)

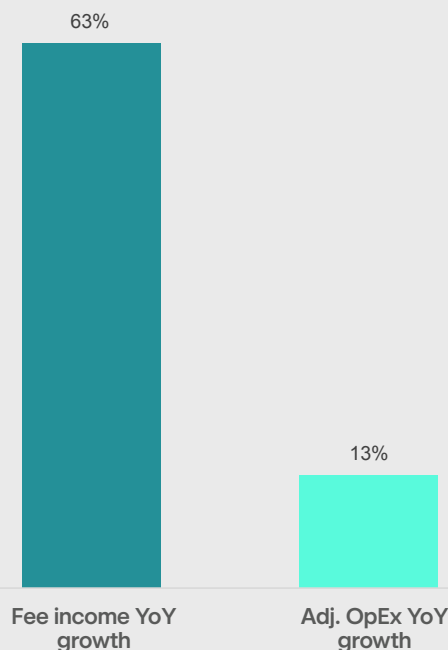
Improved revenue quality with reduced sensitivity to interest rates

Fee-based income<sup>2</sup> more than doubled from 2022 to 2024



## Fee-based income<sup>2</sup> vs operating expenses<sup>3</sup> 2024 growth (%)

Greater operating leverage (total operating expenses growth relative to fee-based income growth)

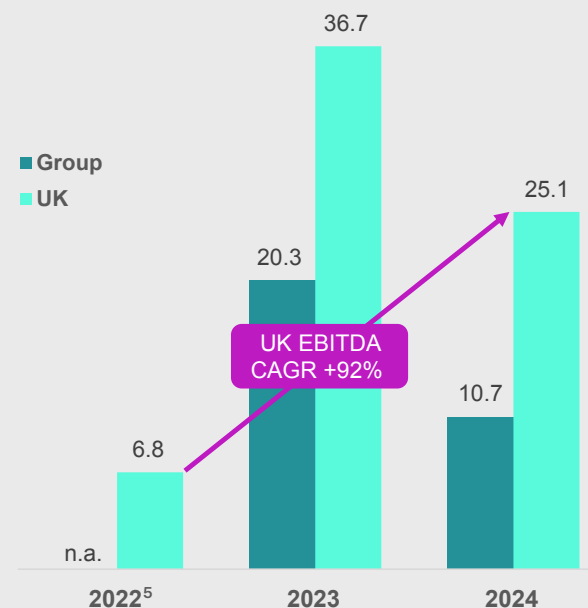


## Group and UK EBITDA<sup>4</sup>

(£m)

Continuing profitability and capital generation whilst investing in European operations

UK EBITDA more than tripled from 2022 to 2024



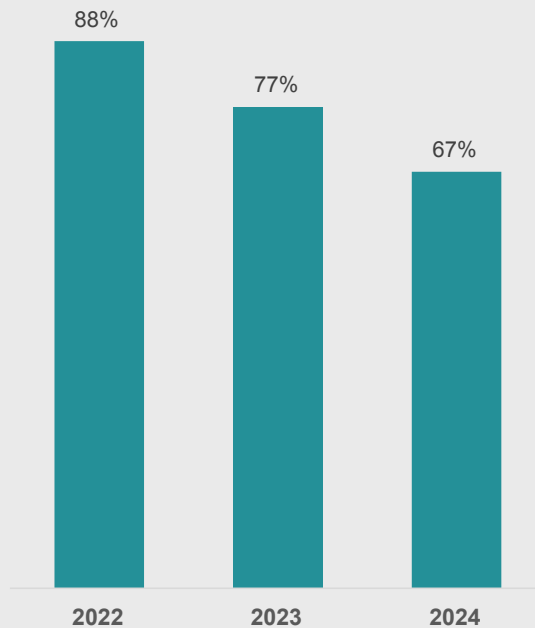
**Notes:** (1) Pro-forma 2023 interest income is adjusted for one-off contractual changes relating to interest share agreement. (2) Fee-based income is comprised of (i) fee income from transaction and platform fees and (ii) spread-based fee income from accounts under ClearBank's Embedded Banking offering. (3) Operating expenses exclude Share-Based Payment (SBP) costs. (4) EBITDA excludes SBP costs. (5) Group structure fully implemented from 2023 onwards hence Group EBITDA not applicable ("n.a.") for 2022.

# Capital and funding

Solid balance sheet and ample buffers

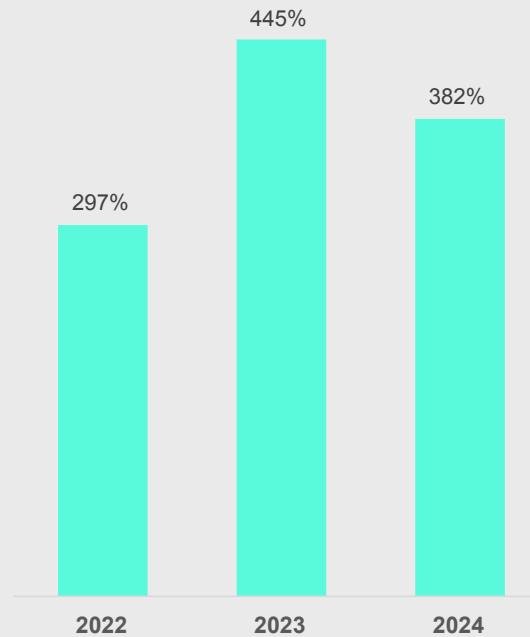
## Common Equity Tier 1 (CET1) Ratio (%)

Conservative capital management with significant buffers at group level helped by 2024 organic capital generation



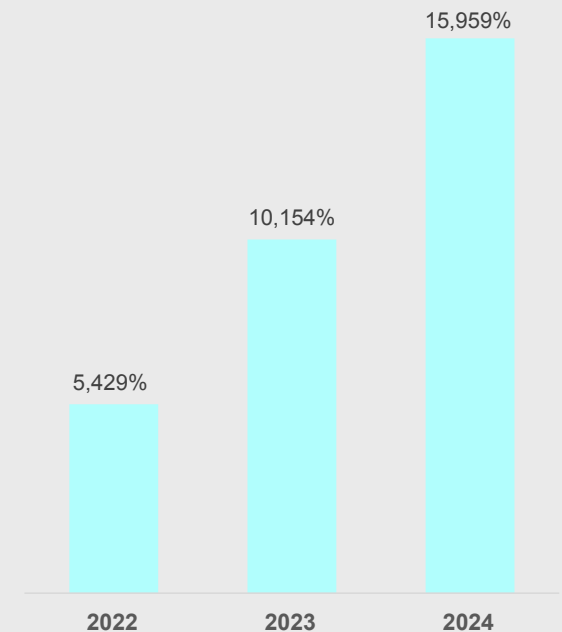
## Liquidity Coverage Ratio (LCR) (%)

Highly liquid balance sheet with ample liquidity coverage, complemented by more stringent internal stress model



## Net Stable Funding Ratio (NSFR) (%)

Required stable funding levels extremely low as a majority of assets are highly liquid and unencumbered



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