



OakNorth
Bank

OAKNORTH

Revolutionising SME Lending in the UK and Beyond

Strategy Teardown by

WHITESIGHT

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Executive Summary


OakNorth is targeting the missing middle in business financing in the UK

Sandwiched between micro-businesses and large corporates, the missing middle of small and medium enterprises (SME) are largely underserved by traditional financial institutions in the UK. Through granular expertise on the segment, OakNorth has effectively leveraged the true potential for the SME economy.




Organic growth and scale through smart products built with a tech-first mindset


With over 80% new lending leads coming through referrals and over 40% repeat borrowers, OakNorth has built a business that can grow and scale organically. Its credit underwriting technology forms the backbone of its well-maintained lending portfolio.



Partnerships are at the core of OakNorth's business model



By forming strategic partnerships for lead generation, both for deposits and lending, and co-lending, the bank is maximising its potential to reach every nook and corner of its target market segments, while keeping costs in control.



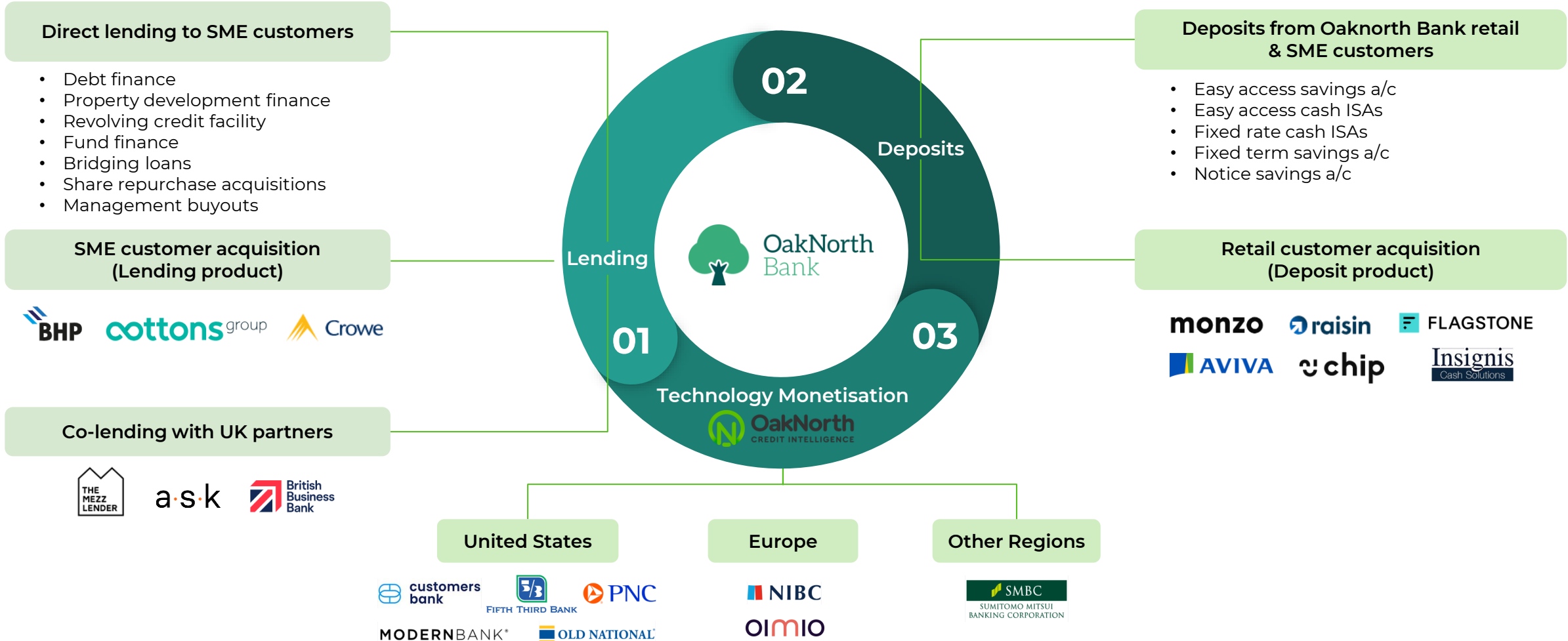
International expansion through technology monetisation

Rather than geographically expanding its core operations as a bank, OakNorth is leveraging its underlying technology and monetising it through a software-as-a-service model to commercial banks and lenders across the globe.









A sustainable business in the true sense of it

OakNorth maintains a strong focus on environmental, social, and governance (ESG) initiatives through the projects it finances and also through its technology platform, which contains a module for climate risk management for commercial lenders.

OakNorth's three-sided business model makes it a winning combination for creating a sustainable and profitable digital business. The fintech as devised its model in such a way all that off its demand and supply factors play into each other perfectly to create a flywheel effect.



OakNorth's partnership strategy for distribution of its savings products enables it to reach an exponentially large number of potential customers through brands that have existing user bases with need for such products. By offering market-leading returns and digitally-enabled products, it creates a win-win proposition for all parties involved. Going a step further, its partnership with Raisin's savings-as-a-service solution creates even further reaching network effects to integrate with more wealth aggregators.

Partners	Type of product(s) offered	Accessible through	AER offered
 monzo	Easy-access savings account, fixed term savings account and ISAs	'Pots' on Monzo's savings marketplace	2% to 4.05%
 FLAGSTONE	Fixed term savings account with different time periods	Flagstone marketplace	4.42% to 4.82%
 AVIVA	Easy-access and notice accounts	Aviva Save marketplace	0.2% to 2.93%
 Insignis Cash Solutions	Fixed-term deposits to pension savers	Insignis platform	1.1%
 chip	90-day notice accounts	Chip Financial app	1.55%
 raisin	Easy-access savings account	Raisin's savings marketplace	2.93%
 willis:owen (Through Raisin)	Easy-access savings account	Willis Owen savings hub	2.93%
 AJBell (Through Raisin)	Fixed-term and notice accounts	AJBell's Youinvest platform	1.55% to 4.82%

Annual Equivalent Rates (AER) have been sourced from press releases and publicly available information on the OakNorth/partner website.

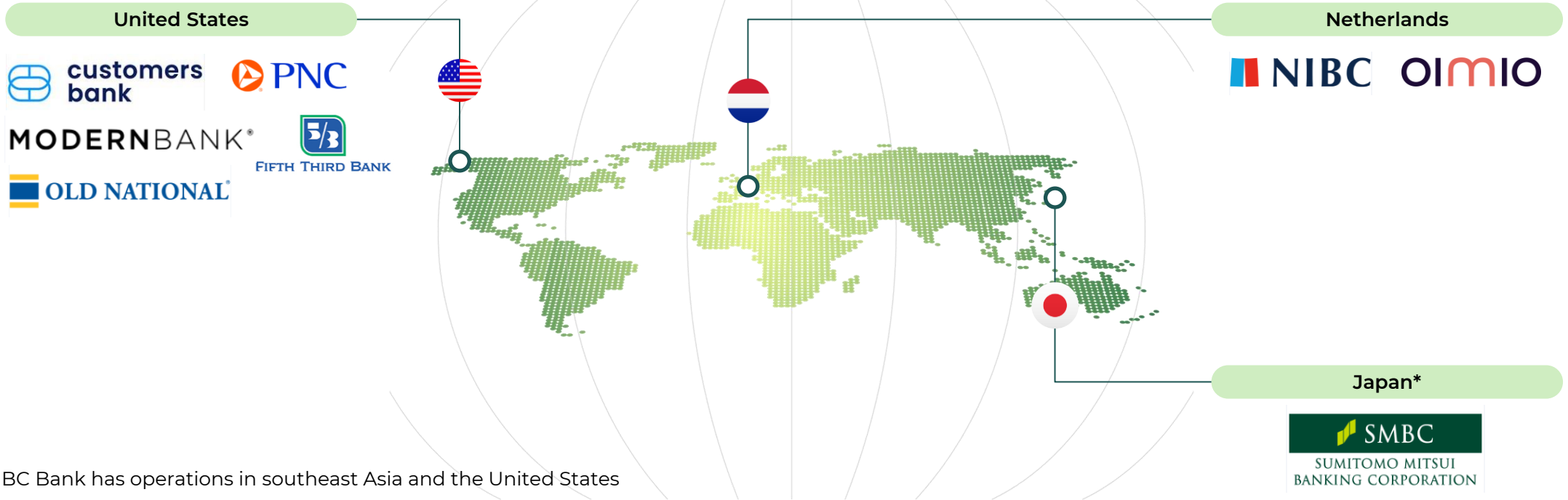


We believe in not distracting ourselves from our core business, which is lending. Instead of us figuring out how to attract all the various different saving demographics out there, **we prefer to partner with someone who's already acquired the same savers**. It's saving us from having to be experts in every single group within the market as a whole, and we can just concentrate on being the go-to fintech provider of savings for the market.

- Amir Nooriala, Former Chief Strategy Officer

OakNorth currently sells its technology outside of the UK with majority of its clients in the US. Almost USD 500 billion of commercial lending in the US is processed by banks using the OakNorth credit intelligence platform.

Notable Clients



*SMBC Bank has operations in southeast Asia and the United States

“ We having our own bank in the UK is a huge competitive advantage. Think about every other SaaS provider selling to banks, they don't speak the same language. They may have people working on their team who used to work in the banks, but we do it every single day. Going through covid and having to identify where the risk lies in the commercial loan book and prioritising it the right order, we can scale and explain the process and build that into the product.
 – Valentina Kristensen, Director of Growth and Communications

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