

Direct Update

Issue: 1 Take the direct approach to banking

Welcome to *Business Direct Update*

Welcome to the first edition of our Business Direct customer newsletter, *Business Direct Update*. As a valued business banking customer we want to provide you with news and information that will add value to your business.

This publication, which

we'll send you regularly with your statements, is designed to support you and your business. Inside, you will find an article on the hot topic of mortgages, a look at personal protection, plus great offers on business accounting software as well as membership to the Forum of Private Business (FPB).

I do hope you enjoy *Business Direct Update*. If you would like further information on the products and services mentioned in the publication, please do call your Business Advisor. Whatever your requirements we are on hand to address your business needs. Give us a call on 0845 606 4477.

Thank you for your continued business and we wish you a happy and prosperous New Year.



Dan Moore,
Head of Business Direct

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News

Bank sponsors SPL



Business banking in a new league

Clydesdale Bank's sponsorship of the Scottish Premier League (SPL) got off to a flying start following the announcement of Gary McAllister as the Bank's sporting Ambassador.

Gary's role will include helping to raise the profile and awareness of the community initiatives Clydesdale Bank will be running, allowing the Bank to engage the fans and encourage them to get involved. Gary will also make appearances at employee and customer events.

"To have a big brand like Clydesdale Bank think I have the right qualities to represent them and their SPL sponsorship is a real compliment. Getting closely involved in Scottish football again will be a real buzz for me."

The sponsorship of the SPL is for four years and is a substantial investment for the Bank. Steve Reid, Director of Retail Banking said: "More people watch top flight football per head of population in Scotland than any other European country. Our sponsorship of the SPL will take the Clydesdale Bank name into every home in the country."

Every week Gary will be sharing his views on the Clydesdale Bank Premier League. For a chance to win great prizes, all the latest news, results, league fixtures and Gary's weekly predictions, visit www.cbfootball.co.uk



The heart of the matter

Clydesdale Bank has raised £500,000 for the British Heart Foundation (BHF).

Since adopting the BHF as their national charity partner in January 2005, staff, their friends and families, and customers have raised funds in a variety of ways including annual campaigns, payroll giving and entering events such as marathons.

Penny Hamer, Regional Corporate Partnerships Manager

for the BHF, says: "This is a fantastic partnership, a shining example of joint working. Raising £500,000 was beyond our dreams at the beginning of our relationship and is a credit to everyone involved."

All money raised supports the BHF's Heart Nurse Programme, a group of dedicated health professionals who provide support, education and care to people living with heart disease.



Charity No. 225971

Navigate the mortgage maze

Choosing the right mortgage is one of the biggest challenges life can throw at you.

Agreeing to take on substantial debt over 25 years is not to be taken lightly and finding the best mortgage for your circumstances can save thousands of pounds, providing the flexibility and security needed to make the mortgage manageable.

Clydesdale Bank offers a wide range of products to meet the large scope of customers' requirements. Finding the right mortgage is all about clients working out exactly what they need it to do for them. For instance, you may want to know exactly what you will pay each month and guard against interest rates going up in the future – a fixed rate mortgage will offer you that safety net.

For others, a mortgage where the interest rate charged moves in relation to changes made to the Bank of England base rate may be more preferable. And for some, the ability to pay off lump sums in a one-off or monthly basis

will be important, depending on cash flow. For these borrowers, a flexible payment mortgage will give them the freedom they need.

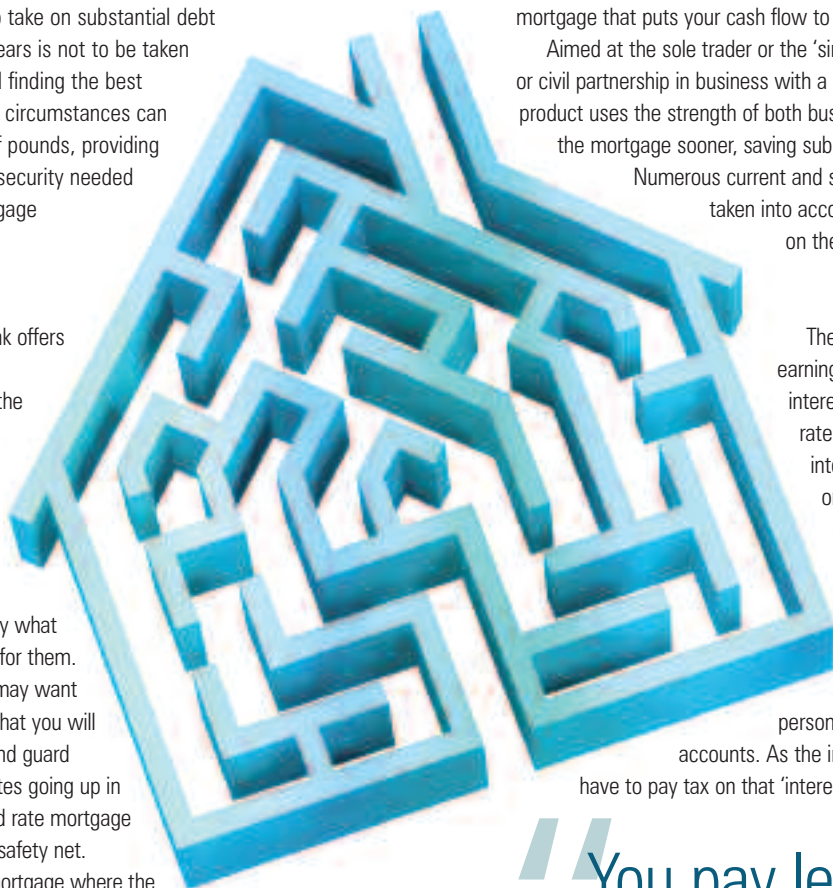
For businesses, Clydesdale Bank has introduced a new business offset mortgage that puts your cash flow to work straight away.

Aimed at the sole trader or the 'simple' partnership (a husband and wife or civil partnership in business with a shared mortgage), this innovative product uses the strength of both business and personal credits to pay off the mortgage sooner, saving substantial sums along the way.

Numerous current and savings accounts can be linked and taken into account to reduce the interest payments on the mortgage.

The way it works is simple. Instead of earning interest on your savings, you pay less interest on your mortgage. As the interest rate charged is usually higher than the interest earned on your current account or savings accounts, this can be a very efficient way to make your money work effectively and help pay off your mortgage earlier.

Another way of looking at it is that you are earning the mortgage rate on both your personal and business savings and current accounts. As the interest is not actually paid, you won't have to pay tax on that 'interest'. That must be good news.



“You pay less interest on your mortgage.”

Exclusive reader offer

Team up with the Forum of Private Business

Clydesdale Bank has teamed up with the Forum of Private Business (FPB) to offer its customers the benefits of becoming a member of the FPB at a significantly subsidised rate of only £75 a year, a saving of more than £500 on the standard membership fee.

The FPB, formed in 1977, supports the UK's private businesses. Run wholly on the interests of its members, it can save you money, help you grow your business and give you a voice with decision-makers. The FPB provides you with the protection, essential information and specialist services you need to run your business. That's why 25,000 independent businesses already look to the FPB.

At Clydesdale Bank we have negotiated an exclusive membership package with the FPB for our business customers which offers help with all your business needs including:

- Member helpline available weekdays 8am to 6pm.
- Guides to employment law and health and safety.

- Money-saving deals from utilities and telecoms to stationery and office supplies.
- Early warning of changes to legislation.

Dan Moore, Head of Business Direct, adds:

“Smaller businesses are probably at greater risk of falling foul of the law, because they are less likely than larger organisations to have in-house expertise in specialist areas such as health and safety and employment law. Our arrangements with the FPB will give them access to this kind of expertise at relatively little cost.”



Prize draw

We also have 50 free FPB memberships to give away. For your chance to enter the draw, log onto www.CBOnline.co.uk/directfpbprizedraw and complete the short business pulse check survey.

Clydesdale Bank has teamed up with TAS Software to offer a 20% discount

Plan your finances

Running your business can take 100 per cent of your time. Your objective can be making it a success, but how do you know if you are planning properly and ensuring you are ready for all eventualities?

The adage certainly holds true – ‘fail to plan and plan to fail’. This is especially true when addressing your business finances.

You don't need to be an accounting wizard to find out if you are in profit or loss. Indeed, a quick financial health check can ensure you can reveal problem areas before they arise and let you take care of the important aspects - running your business effectively.

Even with today's technology, some accounting packages are still blindingly complicated with too many bells and whistles that you will never need, use or understand. So what if you want to get away from a sales ledger, calculator and a box of receipts and the headache that often ensues?

An easy to use application from TAS Software could be the answer. In order to help you become a master of your business finances, Clydesdale Bank has teamed up with TAS Software to offer you a 20% discount on the price of the TAS BOOKS range of software products, along with great prices for training and business stationery.

TAS BOOKS 1 has been designed specifically with the busy business

person in mind. And the best bit of all – you need little or no accounting knowledge. It ensures you can spend the maximum amount of time running your business and the minimum amount of time on your accounts.

According to Matthew Forrest, Head of TAS Software, all you need to do is concentrate on the day-to-day handling of your customer and supplier records, payments in and out of your bank, and of course, VAT if you need it. But even that can be turned off. “Every important enquiry, drill-down and important reporting feature you need is included. All the essential financial information is easily and readily accessible to help you maximise your business performance.”

TAS Software has won more than 25 awards, recommendations and accreditations.

Matthew Forrest is serious about providing excellent customer service from first contact, through to setup and ongoing support. “We don't spend a huge amount on advertising and it's mainly through personal recommendations that we get new customers. Keeping the customer happy is a top priority for us. I hope many Clydesdale Bank customers decide to see for themselves what TAS BOOKS can do,” he says.

- For further information on this limited offer, please contact your Business Advisor.

Critical illness and life cover

Are you protected?

It's vitally important for small business owners to limit their personal risks with financial planning.

“Being the boss of your own business – often as a sole trader or simple partnership – can mean you don't benefit from sick pay, death service benefits or any of the protective perks that come with being employed by a large organisation,” explains Stuart Newlands, the Bank's Head of Financial Planning.

Protection is a key element of financial planning, according to Stuart, with few small business owners having sufficient life or critical illness cover. “Protection is particularly useful for small business owners as they know how

seriously they could stumble if they're ill for any length of time. For instance, if you couldn't work for a lengthy period of time, would you have enough money to pay your mortgage and other financial commitments, let alone pay someone to keep your business going until you get better? If the answer is no, then you have insufficient critical illness cover.”

The same goes for life cover. “Nobody likes to think about, let alone prepare for death,” adds Stuart. “Unfortunately these are issues that have to be faced. Most of us will have to come to terms with how we might manage if our partner dies unexpectedly, or how our family might cope if something happened to us. It's



vital that you consider how your family will cope financially if you are no longer there.”

There are a number of areas where the Bank is able to protect both your personal and business needs. Whichever options are chosen, the cover is tailored to suit your circumstances.

- Speak to your Business Advisor to arrange an appointment with one of our Financial Planners.



There is a growing consensus within business that reducing the environmental impact of your business is good news.

Go green and make a difference

Not only is it a morally responsible business decision, it can help you comply with legislation, reduce overhead costs, and gain an edge on those competitors that refuse to adopt sustainable practices.

Just about every business within every industry can have a positive impact while benefiting financially and complying with legislation such as the climate change levy and landfill tax.

Small actions, like saving energy and greening transport, can reap instant financial benefits. And longer-term measures like changing corporate behaviour and investing in new climate change technologies can help firms to take the competitive edge and position themselves for

emerging opportunities.

For businesses to make good environmental practice governance a key priority, there obviously needs to be a motivation. Research from the Pew Center on Global Climate Change found the three main drivers for businesses to reduce their environmental impact are cost savings, social responsibility and reputation enhancement.

There are various ways to reduce your impact on the environment, from simple energy

saving measures (see below) to offsetting your carbon footprint by supporting climate-friendly projects around the world. Organisations such as the Carbon Trust and the Energy Saving Trust are government funded companies which help businesses and the public cut carbon emissions and can advise you on how to take the next step.

For more information visit www.energysavingtrust.org.uk or www.carbontrust.co.uk

Going greener quick wins

Cost savings to help protect or improve your bottom line can come into play very rapidly. Quick wins include:

Energy management

Turn down heating and cooling systems. Turn off lights and office equipment during non working hours.

Energy investment

Make small investments like low energy bulbs and slimline lighting tubes. Install better insulation and double glazing. Consider solar panelling and other forms of renewable energy.

Waste management

Recycle waste types such as paper, glass and plastic. Buy products in bulk to cut down on

packaging. Reduce water usage with dual flush loos and push button taps.

Greener transport

Curtail short distance trips for internal meetings and use the phone, when possible. Use fuel efficient and therefore lower tax cars.



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Clydesdale Bank PLC is authorised and regulated by the Financial Services Authority. Credit facilities other than regulated mortgages are not regulated by the Financial Services Authority No 121873.

All credit facilities are subject to status and applicants must be aged 18 and over. Security may be required. Terms and conditions apply.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE

Clydesdale Bank is a member of the National Australia Bank group.

This publication is available in large print, Braille and audio. Speak to a member of staff for details.

www.CBOnline.co.uk
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There are challenges ahead

Small businesses in the UK are readying themselves for what the British economy throws at them over the coming 12 months. Figures revealed in Clydesdale Bank's inaugural Business Confidence Index found that more than half (54%) of all businesses surveyed felt that the market in which they operate is tougher than five years ago.

Dan Moore, Head of Business Direct commented: "It's hardly surprising that small businesses in the UK are expecting a bit more turbulence in their markets. For the past five years the UK has been both economically and politically stable. However, in the last year we've seen five rate rises, the US sub-prime market collapsed and some banks, particularly on complex and high-value deals, started to look closely at their lending criteria."

However, contrary to their short term concerns, small businesses are optimistic about the longer term, with 46% saying they are optimistic about the prospects for their business overall. "UK businesses are realistic about the economy and how changes in stability could affect them, but at the same time they are prepared to tackle these challenges head on," continued Dan Moore.