

Margo Bank

PRESS RELEASE

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Margo Bank raises 6.4 million euros in first round of funding to create a new commercial bank catering to SMBs.

Less than one year into its existence, Margo Bank completes a 6.4 million euro funding round in order to create a next-generation commercial bank for European SMBs.

Investors include the venture capitalist firm daphni, which specializes in early-stage funding for innovative companies with European and international ambitions, the company founders, and several business angels including Xavier Niel (Iliad), Marc Simoncini (Meetic, Sensee), Jacques-Antoine Granjon (vente-privee.com), Thibaud Elzière (eFounders), Franck Le Ouay (Criteo), Rachel Delacour (Zendesk), Thierry Petit (Showroom Privé) and Alex Lebrun (Virtuoz, Wit.ai)

In Europe, commercial banks have always played a crucial role in financing the economy, but traditional actors are finding themselves somewhat limited by the internal constraints they have accumulated over the last few decades. Whether these are technological or operational in nature, or stem from the obligation of managing their historical product offerings, the effects can stifle innovation. Furthermore, their services are predominantly geared towards midcap and large companies despite the fact that 99.8% of active businesses in Europe today are SMBs,¹ and 80% of banks considers SMBs to be a segment with high growth potential over the next three years.² Not unsurprisingly, 68% of SMBs admit they would be willing to leave their bank for a competitor offering better financial services.³

Enter Margo Bank. Given this context, it will tailor its deposit, payment, and credit services to the needs of European companies who exceed 1 million euros in annual turnover. To engage this clientele, Margo Bank is taking a two-pronged approach. A team of experienced bankers benefitting from focused and continual training will be dedicated to fostering the client relationship. To complement this personal attention, a streamlined and user-friendly digital experience will be available via web and mobile applications that will be compatible with other products and services (accounting, invoicing, expense reporting, etc.) used by client companies.

This initial round of funding is intended to accelerate the construction of Margo Bank's technical infrastructure and to reinforce the existing team. With no historical deadweight,

¹ Source: The European Commission's Annual Report on European SMEs 2014/2015

² Source: *The future of SME revenue growth opportunity in the digitalization era*

³ Source: *7 Factors Powering the SME Banking Paradigm Shift*

Margo Bank is free to create a bank that is modern from the outset and capable of innovating well into the future. The goal is to develop a flexible and adaptable banking infrastructure in-house, enhanced by intuitive user-interfaces, and incorporating user data as judiciously and effectively as possible – while taking into consideration the security, privacy, and reliability concerns that are fundamental to banking.

During this structural phase, an application for a full banking licence will be made to the *Autorité de contrôle prudentiel et de résolution (ACPR)*, the French governing body for banks and insurance companies, and to the European Central Bank (ECB). In parallel, Margo Bank will also pursue partnerships with European banks and insurers.

“We are convinced that the crux of what banks have to offer lies in the quality of the client relationship, the level of personalized service as well as the simplicity and compatibility of the digital tools designed to facilitate that relationship. To establish the trust that is paramount to these kinds of relationships, we have brought together talent from across risk management, compliance, client relations, and tech to reinvent the banking experience for SMB executives and their teams. We are delighted to have been able to surround ourselves from the very beginning, in this our first funding round, with investors who are excited about the ambition and aligned with the long-term vision of our project,” affirms Jean-Daniel Guyot, co-founder of Margo Bank.

About Margo Bank

Margo Bank, a new banking institution in the process of being created, began in May 2017 as an initiative by tech and banking experts. Behind Margo Bank are the founders and a select group of former employees of Captain Train. They were part of the team who, in under ten years, turned Captain Train into the leading independent platform for purchasing European train tickets (prior to its sale to Trainline in 2016). Former employees of major French financial institutions, as well as risk management and compliance specialists, have also joined the project.

About daphni

daphni is a venture capital firm, which invests in tech start-ups with European DNA and a strong international ambition. daphni has built an international community of entrepreneurs, executives, academics and creatives. Its proprietary digital platform facilitates the management of their investments and the engagement of their community. daphni's first fund of 170 million euros was launched in June 2016 and has already made upwards of a dozen investments.

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