

# PRESS RELEASE

- **Portuguese online bank Banco BNI Europa directly finances small and medium-sized companies in Germany through Funding Circle's lending platform**
- **Investment will support the funding needs of c. 600 companies and thereby help to create c. 1,500 new jobs\***

*Lisbon, 30 January 2018.* The Portuguese online bank Banco BNI Europa and Funding Circle ([www.fundingcircle.de](http://www.fundingcircle.de)) have entered into a strategic partnership to support the growth of small and medium-sized businesses in Germany. Banco BNI Europa, which is active across all of Europe, is investing in loans originated through Funding Circle, the world's leading small business loans platform.

As part of the agreement, Banco BNI Europa will provide EUR 50 million funding to finance small business loans in Germany over the coming months. This is Banco BNI Europa's largest commitment to German small businesses to date. The investment will provide access to finance for c. 600 companies and thereby help to create c. 1,500 new jobs. The long term goal is to extend the partnership to other countries where FC is active.

Banco BNI Europa is joining a large pool of investors that are supporting growth and innovation of small and medium-sized businesses globally through Funding Circle. This includes 70,000 retail investors and institutional investors such as Kreditanstalt für Wiederaufbau (KfW), the European Investment Bank, the British Business Bank and Dutch financial services firm Aegon.

According to Pedro Pinto Coelho, Executive Chairman of Banco BNI Europa, "an investment in German SME – the staple of European economic stability – is a highly attractive asset class. And Funding Circle is the professional partner that convinced us with their risk assessment and credit analysis. A perfect match: both Banco BNI Europa and Funding Circle have proven that they are able to stimulate local economies through technological and financial innovation"

Thorsten Seeger, Managing Director Germany of Funding Circle: „The partnership with Banco BNI Europa is an important signal for German SMEs – and a further step to establish up to date funding solutions for businesses. The investment of a renowned institutional partner such as Banco BNI Europa is a stamp of approval of our online lending platform model and our mission to facilitate access to finance for small businesses and reduce their dependency on an outdated banking system. Besides delivering attractive returns to investors, we also measure our success through our immediate contribution to stimulating the local economy."

Deteriorating funding conditions particularly for smaller businesses have become one of the main obstacles to innovation and growth over the last 10 years. The younger and smaller the

business, the higher the hurdles – in spite of good creditworthiness. According to a study by KfW, more than 1 in 4 companies with an annual turnover of up to EUR 1 million reported deteriorating access to finance in Germany (\*).

Combining financial expertise and technological innovation, Funding Circle is filling this gap by providing small businesses access to affordable and flexible finance through its online lending platform market place. To date, Funding Circle has facilitated loans to more than 40,000 companies worldwide for a cumulative amount of more than EUR 4.7 billion while generating stable returns for its investors.

By signing the strategic partnership with Banco BNI Europa, Funding Circle is continuing its successful growth story in Germany. In December, the company reached the milestone of EUR 100 million loans funded through its platform in Germany. Shortly before, global loan volumes facilitated by Funding Circle passed the historic USD 5 billion mark.

(\*) Based on average loan size and average number of jobs that have been directly and indirectly created by companies financed by Funding Circle; Source: CEBR study, 2016.

(\*\*) Source: KfW-Unternehmensbefragung 2017

#### **About Banco BNI Europa**

Banco BNI Europa ([www.bnieuropa.pt](http://www.bnieuropa.pt)) was launched in July 2014 and is Portugal's fastest growing digital-only bank.

Banco BNI Europa aims to challenge the traditional banking sector through strategic partnerships with fast-moving fintech businesses to launch new products allowing the use of the most advanced technology in terms of risk analysis, consumer experience and rapid entry into the market. This strategic orientation allows the bank to affirm itself as a "Challenger Bank", based on the logic of open architecture and differentiation. This positioning also allows Banco BNI Europa to stand out as a benchmark in the new generation "Fintech" of European banks and to continue with significant growth rates.

#### **About Funding Circle**

Funding Circle ([www.fundingcircle.de](http://www.fundingcircle.de)) is the world's leading lending platform for small businesses. Since launching in 2010, investors at Funding Circle have now lent more than EUR 4.7 billion to more than 40,000 small and medium-sized businesses globally. More than 70,000 retail investors as well as financial institutions (such as KfW, the European Investment Bank and the British Business Bank) have supported those businesses by providing funding through the Funding Circle platform and thereby contributed to the creation of c. 100,000 new jobs.

The German business of Funding Circle is headed by Thorsten Seeger (previously Barclays and Lloyds Banking Group) and led by a management team in Berlin combining extensive finance and technology expertise. Funding Circle is headquartered in London (Great Britain) and also has operations in the US and the Netherlands. [As of December 2017]

#### **About online lending marketplaces**

Small and medium-sized companies in Germany are finding it more and more difficult to get access to funding through traditional, cooperative and savings banks. Online marketplaces for business loans such as Funding Circle are a reliable alternative to fill this gap. Through its

platform, Funding Circle provides loans of EUR 5,000 to EUR 250,000 to finance growth and innovation of German SMEs – fast, flexible and easy: small business owners will get an offer within 48h, payout typically happens within 7 days and loans can be repaid early at any time free of charge. For retail and institutional investors, investments in small business loans provide access to a stable asset class with attractive returns – and a valuable contribution to the local economy starting from as little as EUR 100.

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