

Starling Bank raises another £40M to help support small businesses

Leading UK digital fintech Starling Bank has raised £40M, in a funding round led by JTC and Merian Chrysalis Investment Company Limited. The investment from Starling's existing investors follows a £60M investment in February 2020, bringing the total raised by Starling in 2020 to £100M. Since its launch in 2014, the bank has raised £363M.

Starling now has more than 1.4M current accounts, including 155K business accounts, since launching its banking app in May 2017. Its deposit base has more than doubled in the last six months and it now holds more than £2.4B on deposit.

“This additional funding from our existing investors demonstrates their commitment both to Starling and to our small business and personal customers

who need our support now more than ever.” – Anne Boden, founder and CEO of Starling Bank

Starling is the fastest-growing bank for small and medium-sized enterprises (SMEs) in Europe and now holds a 2.6% share of the UK's SME banking market. It has almost £500M of SME lending on its balance sheet, with further commitments raising the total close to £1B.

The new funding will enable the bank to continue its rapid growth and help it provide much-needed support to small business customers who have been hit by the coronavirus emergency.

The lockdown has accelerated the shift to digital channels. As an app-based bank, Starling has seen robust customer acquisition since the lockdown, especially in the business account channel, where daily sign-ups have accelerated from the start of the year.

Starling's agile operating model also enabled it to step up its lending to SMEs in May, via a collaboration for £300M under the government-backed Coronavirus Business Interruption Loan Scheme (CBILS) and direct to its customers under its own CBIL and Bounce Back Loan Schemes.

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Article by MADDYNESS