

Number26 receives banking license N26 Lays Foundation for Europe's Most Modern and Efficient Bank



N26 Management Team left to right: Valentín Stalf, founder and CEO of N26, Maximilian Tayenthal, founder and CFO of N26, Matthias Oetken, CFO/CRO of N26 Bank, Christian Rebernik, CTO of N26, Markus Gunter, CEO of N26 Bank

Berlin, 21 July 2016. Number26 becomes N26 and receives a banking license: only 1,5 years after product launch, the FinTech's N26 Bank is awarded a full German banking license by the Federal Financial Supervisory Authority (BaFin) and the European Central Bank. This provides the regulatory approval to conduct banking operations across Europe. Besides its one-of-a-kind banking products for smartphones, N26 operates Europe's most modern banking technology platform. Combined with a low-cost organization overall, this gives N26 the enormous competitive edge to create sustainable change in the banking value chain beyond a frontend application. In addition, this independence enables an even faster integration of partners onto the N26 platform to accelerate innovation. Real-time credit, increased security through artificial intelligence, and expense sharing are just some of the innovations planned in the next 12 months.

Since product launch, N26 has become one of the leading providers of mobile banking. The combination of its app design, personalized accounts, real-time banking, innovative products like CASH26 (cash withdrawals at retailers) or MoneyBeam (money transfers via SMS or email in just a few seconds) has attracted a base of more than 200.000 customers in eight European countries.

"This banking license is an important additional step for us to sustainably change the value chain in retail banking. This will allow us to significantly enhance the diversity of our product portfolio. For our customers, that means access to the best financial products, right on the app," says Valentín Stalf, founder and CEO of N26. "We are very pleased that the regulators are confident in the success of our business model."



Supporting this endeavor are a team of banking experts, starting with Markus Gunter as CEO of N26 Bank. He brings more than 20 years of banking experience to the table and previously served as managing director of Pioneer Investments and board spokesman of DAB Bank. Serving alongside him as CFO and CRO of N26 Bank is another banking veteran: Risk and Portfolio Management specialist Matthias Oetken.

The banking license was granted by the European Central Bank on 18 July 2016, just 9 months after the agency received N26's application. "We've leveraged the most modern technology to build one of the leanest banks in the world. This significantly sets us apart from competitors and allows us to offer our users the optimal mobile banking experience in Europe. The license will enable us to bring additional innovative products to market, starting in the next few weeks," Markus Gunter explains. "Our core technology is based on modular microservices designed for realtime processing and automation. This infrastructure remains highly scalable, secure and cost efficient."

The banking license empowers N26 to strengthen its platform of banking products. Instead of developing all products in-house, N26 pursues the approach of partnering with the most innovative FinTechs and financial providers around the world. In the future, N26 users will have access to the best savings, investment, credit and insurance products directly in their app with just a tap. Furthermore, the license will also ensure a broader product range in countries outside of Germany. More precisely, the company is planning innovations like real-time credit, greater security through artificial intelligence and expense sharing, which allows a group of friends to split a bill amongst themselves with just a few taps. The business model is primarily based on card transaction revenue and commission income from financial partners. This reduces dependence on fluctuating capital markets.

Following its Series B funding round of USD 40 million in June, and now with the receipt of a bank license, N26 is poised to significantly change the retail banking market in the coming years.

About N26 Group

N26 is Europe's most modern bank, geared especially towards the needs of smartphone users. N26 Group is comprised of NUMBER26 GmbH and its fully owned subsidiary N26 Bank GmbH, which has a full German banking license. Opening a new bank account takes only eight minutes and can be done directly from your smartphone. N26 was founded in early 2013 by Valentin Stalf (30) and Maximilian Tayenthal (36), and is led by the founders and Christian Rebernik (39) as CTO as well as Markus Gunter (49) as CEO of N26 Bank and Matthias Oetken (46) as its CFO. In just 18 months N26 has acquired more than 200.000 clients in 8 countries: Austria, France, Germany, Greece, Ireland, Italy, Slovakia and Spain and currently employs 140 people. Since January 2015, N26 has been available for Android, iOS, and desktop. N26 has raised more than \$53 million from investors including Li Ka-Shing's Horizons Ventures, Battery Ventures and Peter Thiel's Valar Ventures, in addition to members of the Zalando management board, EarlyBird Ventures, Redalpine Ventures, and Axel Springer Plug&Play, amongst others.

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