

Varo Raises \$240 Million Series D as it Moves Closer to Being the First Fintech to Become a National Bank

Gallatin Point Capital, TPG's The Rise Fund, HarbourVest Partners and Progressive Insurance back Varo's commitment to financial inclusion for all Americans

SAN FRANCISCO, June 3, 2020 – Mobile banking company [Varo Money, Inc.](#) today announced it has closed a \$240 million USD Series D round, co-led by new investor Gallatin Point Capital and existing investor The Rise Fund, co-founded by TPG, U2 lead singer Bono and Jeff Skoll, a global entrepreneur, impact investor and movie producer. Other new investors joining the round include HarbourVest Partners and Progressive Insurance. J.P. Morgan served as the sole placement agent for the transaction.

The investment will be used to fuel Varo's growth and to help Varo innovate across a range of financial products to build the financial resilience of everyday Americans. To date, Varo has raised a total of \$418 million and is poised to become the first and only fully digital bank to receive a national charter.

“The COVID-19 pandemic and the subsequent economic impact have hit the fast forward button on consumer-driven transformation across many industries. Trends we did not expect to see for ten years are happening now. More than ever, consumers are seeking the safety and convenience that digital banking provides,” said Colin Walsh, co-founder and CEO of Varo. “Since our inception, we have been laser-focused on becoming the first fully digital bank, giving us greater opportunity to deliver the affordable financial services that all Americans need today. This new investment will enable us to complete the chartering process and leverage our modern banking technology to build on our track record of innovation.”

“In the midst of all the economic challenges people are facing right now, the digital economy can still be a force for good. Varo's focus on financial inclusion and the support they offer people to help manage their finances and reduce financial stress really matters at a time when so many American families are struggling in a volatile economy. And that's why RISE chose to partner with the team at Varo,” said Bono, co-founder of The Rise Fund.

Varo is a standout leader in the digital banking space. During the COVID-19 crisis, Varo has worked proactively to support customers by prioritizing the processing of electronic and paper check Treasury payments and providing individuals who have direct deposit early access to stimulus and unemployment relief funds*. The company increased both deposit and ATM limits and accelerated key partnerships that provided direct benefits to customers impacted by the pandemic, including with job platforms Steady and Wonolo.

Varo built its fully digital banking solution from the ground up faster than originally planned. The Company officially launched its banking services in July 2017, offering premium banking products through The Bancorp Bank, to help Americans stretch their money with bank and savings accounts that have no minimum balance requirement and no monthly account fees. Varo's No-Fee Overdraft allows qualified customers to overdraw their bank account up to \$50** with no fees. Varo also offers fee-free ATM withdrawals with its network of more than 55,000 Allpoint® ATMs worldwide.

“We’re excited for the opportunity to invest in Varo and look forward to exploring a commercial relationship,” said Progressive’s Chief Strategy Officer, Andrew Quigg. “We understand consumers’ needs continue to evolve and Varo provides a convenient, cost-effective way for all consumers to bank. We like to partner with strong, experienced management teams and believe that our investment in Varo aligns well with this strategy.”

Varo is in the final stages of its national bank charter application and pending completion of the conditions of the OCC, the FDIC and the Federal Reserve, Varo will receive approval to be a national bank which is expected in summer 2020. Upon charter approval, Varo will expand its services to offer credit cards, loans, and additional savings products.

“Varo has had tremendous success in building a next-generation financial services firm that gives customers the tools they need to build their savings and manage their finances,” said Lee Sachs, co-founder and Managing Partner of Gallatin Point Capital. “We look forward to partnering with Colin and the Varo team at this exciting stage as Varo transitions into a nationally-chartered bank and expands its product offering to better serve its growing customer base.”

“We have long believed that Varo’s strong management team - a mix of experts from technology and banking - paired with their strategy of being a fully chartered bank, was the right path to build a sustainable business. This funding round validates Varo’s mission and progress to achieve meaningful impact for millions of Americans who need a better bank. We look forward to supporting its continued growth.” said Cary Davis, Managing Director at Warburg Pincus. Warburg Pincus has been a backer of Varo since the Series A round in May 2016.

About Varo

[Varo Money, Inc. \(“Varo”\)](#) is on a mission to help people make progress with their financial lives. In one mobile app, Varo offers customers premium bank accounts that have no minimum balance requirement or monthly account fee, high-interest savings accounts, and tech-first features to help people save and manage their money more easily. As a fintech leader, Varo has been

granted preliminary approval for a de novo national bank charter by the Office of the Comptroller of the Currency (OCC), and is working to become the first mobile-centric national bank in U.S. history. Varo Personal Loans are offered by Varo Money, Inc., under state licenses, subject to application approval. For more information, visit www.varomoney.com, like Varo on Facebook, and follow us on Instagram and Twitter [@varomoney](https://twitter.com/varomoney).

Bank account services provided by The Bancorp Bank; Member FDIC.

**Faster access to funds is based on comparison of traditional banking policies and deposit of paper checks from employers and government agencies versus deposits made electronically. Direct Deposit and earlier availability of funds is subject to payer's support of the feature and timing of payer's funding.*

***To be eligible for No Fee Overdraft, customers must make at least 5 qualifying debit card purchases each calendar month; receive payroll or government direct deposits of at least \$1,000 each calendar month into their Varo Bank Account or Savings Account; and opt-in to the program via the app on their mobile device.*