

# SavingGlobal Gets €20 Million in Fresh Funding

Financial technology startup that markets high-interest deposit accounts aims to compete in market dominated by U.S. firms

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FRANKFURT — Two venture-capital firms and a billionaire investor have taken a stake in a SavingGlobal.com, a startup that markets high-interest savings accounts to clients in Germany, giving the fledgling company a boost in a field dominated by U.S. rivals.

California-based Ribbit Capital, European/American firm Index Ventures as well as Russian billionaire Yuri Milner, among others, have invested €20 million (\$21.8 million) in [SavingGlobal](#), the Berlin-based financial-technology firm told The Wall Street Journal.

The venture-capital companies involved have invested in a roster of startups, while Mr. Milner entered the U.S. venture-capital scene with early bets on Facebook Inc. and Twitter Inc.

This latest investment round for SavingGlobal marks a rare success for a German startup, as such companies historically have struggled to tap early-stage funding. Although Germany leads Europe in venture-capital investment for technology firms, most of the money has been spent on later-stage companies, leaving new startups with a funding crunch at a critical time.

SavingGlobal's business model, and attraction for venture capitalists, takes advantage of the European Union's lack of an integrated capital market. The company offers clients in Germany the possibility of placing money abroad in accounts that pay higher interest than at home. It thus allows its customers the ability to take advantage of differing interest rates across the European Union.

There are “vast differences for deposit rates in Europe, and we believe that arbitrage possibility [for savers] will remain in place,” Neil Rimer, co-founder of Index Ventures, told The Wall Street Journal.

Savers in Germany, for example, currently get 0.2% interest on one-year fixed deposits; those in Greece get 1.9%.

Moreover, European savers find it hard to access banking products outside of their country of residence. Most banks are reluctant to accept depositors who aren't resident in the country where the bank operate. [SavingGlobal](#) acts somewhat like a broker, funneling client funds to partner banks that have agreed to accept cross-border depositors.

“Buying financial products from the best financial institutions should be as easy as putting an item into an Amazon shopping cart,” said Tamaz Georgadze, chief executive and co-founder of SavingGlobal, which has about €500 million in deposits.

European startups in general haven't been able to attract funding as well as counterparts in the U.S. or Asia. EU plans for a single digital market are aimed in part at helping relieve that funding crunch.

Indeed, the Frankfurt stock exchange operator Deutsche Börse AG last month launched an online platform to match businesses seeking capital with possible investors, dubbed Deutsche Börse Venture Network. The project will “hopefully give investors more visibility into European startups,” said Steffen von Blumröder of Bitkom, a German association of information technology companies. “There are promising startups and cash-rich investors in Germany, but both sides have been lacking opportunities to meet until now,” Mr. von Blumröder said.

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