

## Vietnamese neobank Timo raises \$20m in Square Peg-led round



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Vietnam-based neobank Timo has raised \$20 million in an investment round led by [Square Peg](#), which has backed a spate of fintech players such as FinAccel, StashAway, Pluang and Airwallex across Asia.

Timo is aiming to leverage the lead investor's fintech expertise to ramp up its operations.

[Jungle Ventures](#), [Granite Oak](#), [FinAccel](#) and Timo's existing backer Phoenix Holdings, and angel investors joined the latest round, the digital bank said in a statement.

Timo had earlier bagged seed funding from the team of local tech investment firm VinaCapital Ventures.

Established in 2015, Timo is Vietnam's first digital bank offering services ranging from payments, cards, to investment, insurance and installment. Timo also claims it is amongst the first banks in Vietnam to offer e-KYC.

Lead investor Square Peg manages over \$1 billion in assets and has invested over \$200 million in SE Asian tech startups. Meanwhile, Timo backer FinAccel [forayed into Vietnam](#) in August through a joint venture with Phoenix Holdings to operate Kredivo's pay-later business in the country.

Incidentally, Phoenix Holdings is run by Timo CEO Henry Nguyen and his wife Nguyen Thanh Phuong, who is the daughter of ex-prime minister Nguyen Tan Dung and a board member at Viet Capital Group.

In 2019, Timo announced a strategic partnership with Viet Capital Bank, which replaced VPBank as its bank partner. VPBank subsequently teamed up with local ride-hailing firm Be Group to introduce digital bank Cake in January last year.

In another partnership in 2017, Canada's Sun Life Financial acquired a 25% stake in Crescent Asia Limited, the holding company of Global Online Financial Solutions (GOFS), which operates Timo. The Canadian firm also forged a three-year insurtech partnership with GOFS.

In a sign of increased traction in the country's digital banking space, incumbents such as TPBank, OCB, HDBank and Techcombank, among others, have also rolled up their sleeves to join the fray.

A McKinsey report on digital banking behaviours last year showed that the number of digital bank users in Vietnam had grown by 41 percentage points between 2017 and 2021, compared to APAC's 33 percentage points.

The model has been proven in other Southeast Asian markets, with major investments into companies such as Philippines-based [Tonik](#) and [Voyager](#), Singapore-based [Tyme](#), as well as the push for applying for digital bank licences in countries like [Singapore](#) and [Indonesia](#).

[Square Peg](#)   [Timo](#)