



Financial Services Alternative | Toronto, ON | Founded: 2014 | Employees: 50-100 | <https://www.koho.ca>

PHONE: n/a

WIKIPEDIA: [n/a](#)

BLOOMBERG: <https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapid=302724918>

LINKEDIN: <https://www.linkedin.com/company/koho/>

## COMPANY OVERVIEW

KOHO Financial Inc. ("KOHO") is a Toronto-based fintech startup founded by Daniel Eberhard, after he realized the steep fees individuals had to pay to do business with the major Canadian banks. KOHO offers millennials a no-fee alternative to bank accounts, focusing on financial understanding and improved functionality. It brings in several financial services such as an account that allows users to deposit money and monitor what they are purchasing from it instantly, by transaction as well as by categories; and it also lets them create and monitor savings budgets for buying expensive purchases.

### SENIOR MANAGEMENT

**Daniel Eberhard:** Founder, CEO (2014-Present). Previously: Consultant, GasTechno (2013-2014); Vice President and Co-Founder, Kinetico Renewables (2010-2011). Education: Business Administration, Mount Royal University (2010).

**Kris Hansen:** Chief Technology Officer (2017-Present). Previously: CTO, Portag3 Ventures (2017-Present). Education: Bachelor of General Studies, MBA, Athabasca University (2009).

**Lenny Geffen:** VP Product Design (2017-Present). Previously: VP of User Experience & Strategy, OneMethod (2014-2017); VP of User Experience & Design, Digiflare (2011-2013); Creative Director, Pixel Smashing (2008-2012); Interactive Designer, BBDO (2003-2008). Education: Bachelor's Degree, Political Science, Western University (2005).

**Jay Chaney:** Chief Creative Officer (2017-Present). Previously: Chief Strategy Officer, Cossette (2013-2017); Vice President of Strategy, LG2 (2012-2014); Director, Corus Entertainment (2007-2009); Director, Critical Mass (2005-2007). Education: Bachelor of Arts, Communication Studies, University of Calgary (1997)

**Ryan Tevel:** Director of Partnerships (2018-Present). Previously: Consultant and Associate Managing Consultant, Mastercard (2016-2018); Senior Consultant, Carpedia International (2014-2016); Articling Student, McLean & Kerr LLC. (2013-2014); Associate, Satov Consulting (2009-2010). Education: Honors Business Administration, Ivey Business School, Western University (2009); JD, University of Western Ontario (2013).

### HISTORY

Daniel Eberhard realized that the number one investment product sold in Canada will eat up 30-50% of a citizen's retirement. At the same time, two-thirds of Canadians don't have enough for the account minimums that the big 5 banks require to avoid fees. In December 2014, Eberhard started KOHO with a goal to make banking simpler, more transparent, and more cost-effective. Although Eberhard is based in Vancouver, he relocated KOHO to Toronto because of the velocity of growth in the city as well as to embed the startup in the financial services sector more effectively. For example, finding talent was one of them: Eberhard believes that there's an incredible amount of talent in Vancouver but there is not the same velocity and so there's a tenacity to the work in Toronto that Eberhard is fond of. By May 2015, KOHO raised its first \$1 million funding round secured by Power Financial, the company behind Portag3 Ventures.<sup>1</sup> In September 2017, KOHO successfully raised a big round of \$8,000,000 from

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<sup>1</sup> <https://techvibes.com/2015/05/28/koho-2015-05-28>

Portag3 Ventures, while taking on new senior members to its Board of Directors from Portag3 Ventures and Power Financial.<sup>2</sup>

## FUNDING

KOHO has two disclosed funding rounds in addition to two undisclosed investments totaling up to \$10.6 million.

- May 28, 2015: KOHO raises a seed round of \$1 million from undisclosed investors
- September 25, 2017: KOHO raises a venture round of \$8 million, which investment is said to be the second-largest that has been made by Portag3 Ventures — a fund sponsored by Power Financial Corp., IGM Financial Inc. and Great-West Lifeco Inc

## KEY CORPORATE DEVELOPMENTS

Press releases: [n/a](#)

September 25, 2017: [KOHO locks down \\$8M investment from Desmarais-backed venture fund](#)

March 16, 2017: [KOHO, a Modern-day Mobile Hub for Personal Finance, Launches to Public](#)

July 25, 2016: [Power Financial leads KOHO's second financing round](#)

May 28, 2015: [KOHO Raises \\$1 Million to Fix Banking for Millennials](#)

## BUSINESS HIGHLIGHTS

### STRATEGY

KOHO is not a bank as it does not have a license, but it has partnered with Canadian bank the Peoples Trust Company in a white-label deal, along with Visa Inc. (“Visa”), to provide a range of services to its customers including a smart spending account, a mobile app, and a KOHO Visa Card.

KOHO makes money off the interchange fees that merchants are already paying when KOHO users use a card in their shop or for their service. KOHO split the interchange fees with Visa, and then give users a bit too through their PowerUp Credits.

### PRODUCTS / PRICING

- **KOHO Card:** KOHO is working with Visa to issue prepaid credit cards that will function as KOHO customers' primary bank cards, while the financial services provider Peoples Trust Company will hold customers' deposits.
- **KOHO Smart Spending Account:** New KOHO customers can receive up to a \$50 bonus when you sign up using a current customer's KOHO referral code or referral link and meet the qualifications: \$10 for just signing up a new account, and \$40 if users set up a direct paycheque of at least \$500.<sup>3</sup>
- **KOHO Mobile App:** KOHO has a mobile app for iPhone on the App Store, and for Android on Google Play. The app provides features such as “PowerUp Credits” and “RoundUp”, which are designed to help users spend money to the best of their abilities. Within the app, users can also get real-time insights on all their transactions and can use the app to send free e-transfers, pay bills, and set savings goals.

### TECHNOLOGY

KOHO is purely app-based with no access available via the web. Users are able to setup their accounts in under three minutes, according to the company. The target market for KOHO are millennials or younger users, who don't want to step foot into a bank or pay high fees on maintaining a savings or chequing account.

KOHO is not a financial institution. Rather, the mobile app leverages technology in tandem with the KOHO Card to determine the different categories that individual purchases belong in. The more users use KOHO, the smarter it gets, providing users with data on their average weekly and daily spending behavior. It calculates how much they usually spend in a typical week or day, and then also gives them a projected average based on their current behavior.

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<sup>2</sup> <https://techvibes.com/2017/09/25/koho-secures-8-million-investment-from-portag3>

<sup>3</sup> <https://www.maximizingmoney.com/money-service-offers/koho/>

## DISTRIBUTION / LOGISTICS

KOHO works with reliable partners, Visa and Peoples Trust. The money loaded onto their customers' Visa prepaid cards are held at a regulated federal financial institution while Visa's Zero Liability Protection provides extra security against fraudulent use.

KOHO serves Canadian consumers exclusively but has an interest to expand to other countries in the future.

## MARKETING

KOHO provides each user with a unique referral code, who then decide if they want to share the app with their friends, family, and colleagues. When a person who has been sent the referral link signs up, there are financial incentives, thereby reducing the more expensive and traditional forms of marketing tactics.

In addition, the startup has run a digital campaign during summer 2018 as it has released a 13-minute film in cinemas called "Dream Thieves".<sup>4</sup> The short film, first unveiled on July 13 during Toronto's Fringe Festival for the arts, has been circulating online, depicting a dark and broken world in which the big North American banks control the financial system and quietly, yet forcefully, harvest consumers' dreams through the imposition of fees.

## COMPETITORS

A number of competitors of KOHO in Canada offer smart financial services to its users either completely free or for a low cost. A key difference between KOHO and its competitors that offer Visa debit cards seems to be who they are targeting: KOHO seems more fit for daily use with its 0.5% cash-back on all purchases while other companies boast their 0% foreign exchange fee.

1. **Mogo** – (Vancouver, BC) Mogo is Vancouver-based fintech startup listed on the Toronto Stock Exchange, offering a variety of services such as mortgages, fraud protection, Visa Debit card, and credit scores.
2. **STACK** – (Toronto, ON) STACK ("Stack") is partnered with Mastercard to provide members automated savings, instant rewards, and a Mastercard prepaid card. It is the first financial technology company in North America to provide instant access to multi-currency and crypto wallets.

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<sup>4</sup> <https://www.koho.ca/dreamthieves/>