



TEAR SHEET

# Buyers Guide to Banking as a Service 2021



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# 01 Overview

## Introduction

The nature of the financial institution is changing. New technology turns every app, software, retailer and business into a bank. And people are responding in kind — with the uptake of platform functionality, consumers are showing that they want to bank with the brands they love. New solutions allow brands to seamlessly plug into banking plumbing to offer banking products.

**The banking as a service concept encompasses two core components: the ability to integrate financial services with another, typically non-financial, service (e.g. banking services within a ride-hailing app, accounting software or e-commerce platform); and the provision of financial services on a customer's own terms — anytime and anywhere.**

You no longer need to go to a bank to conduct banking activities. Users can save money, move money and invest money through all kinds of apps provided by all kinds of companies, including top retailers, accounting platforms, and transportation companies. Most modern debit cards, when paired with a personal finance app, offer much of the functionality of traditional banks.



Empowering the move to make financial services ubiquitous is a set of technologies called banking as a service. BaaS, as it's known in the industry, is a quickly growing industry. In 2019, we published the first edition of the BaaS Buyers Guide in an effort to organize all the new players and platforms. Since then, thousands of people have downloaded the Guide.

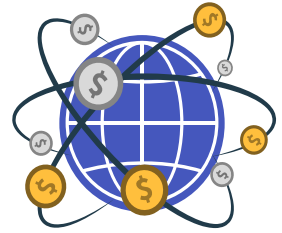
A lot has happened in the industry since then -- existing competitors have rolled out new products and services. New entrants have raised money and moved into the space. More brands are deciding to launch financial products driven by demand and the acceleration of digital platforms during Covid-19.

Tearsheet's newly updated BaaS Buyer's Guide attempts to organize and explain this exciting space and includes profiles on some of the newer BaaS platforms.

# Why BaaS matters?

## Banking is everywhere

BaaS is making a big impact in how both fintech and non-fintech firms launch new banking products. As more and more lifestyle, business, and consumer products embed banking into their offerings, banking has become even more competitive. The overall pie is growing. With firms like Uber, Walmart, Apple, and Intuit now offering financial products, consumers have new banking choices that are more in sync with their apps, shops, and tools they use daily.



## Speed matters

Banking as a Service enables firms to launch financial products quicker and less expensively by partnering with BaaS platforms. Brands can still launch banking products even if they don't want the regulatory and operational headache of running a bank. Plus, they don't have to acquire a banking license if they partner with a chartered entity as part of the banking as a service stack.



## A new direction for banks

With all the new technology, banking as a service ecosystems still require an underlying bank. Forward thinking banks, in particular, small and midsize banks, are partnering with technology companies to reach more customers at a lower cost of acquisition than they would face marketing independently. Partnering with BaaS platforms also gives banks access to new, technology-first customers they likely couldn't reach without a partnership.



## Who can use this guide?

Getting a banking license is hard. Massive companies like Walmart, and capable fintechs like Square have struggled in their attempts to penetrate banking services and get a bank license. In 2020, Varo Bank was the first -- and only challenger bank -- awarded a national charter. It took three years to get there. The learning curve to secure a bank license, along with the ongoing compliance and other related obstacles, make it very difficult for a company to quickly roll out a banking product or feature.

Therefore, we've identified three types of readers who would find this guide especially useful: **Fintechs, brands, and banks.**

## Fintechs

Fintechs need to move quickly while limiting their cash burn. BaaS enables fintechs to provide or model their product around these banking services easily and inexpensively. Whether a debit card is an add-on feature or integral to an offering, upstart financial technology firms can build on top of BaaS platforms to offer the same types of services that banks offer their customers, but integrated more tightly into their own tech stacks.

## Brands

With companies like Uber and Apple offering banking services, many established brands are interested in offering banking services to their current clients. Getting a bank license is an onerous task, and fast-moving firms do not want to lose focus on their core product while navigating the complex banking world. Many of today's top brands have incorporated some form of banking or payments into their platforms, more deeply servicing their customers and diversifying their revenues.

## Banks

Banks can use partnerships with platforms to expand their geographic and demographic reach. There are opportunities for banks to provide the core banking services behind many of today's top Banking as a Service platforms and relationships. Acting as a bank in a banking as a service ecosystem also helps these financial services firms acquire customers they wouldn't normally be able to onboard, at a much lower price than through direct marketing. For example, in 2020, Google revealed its plans to offer its own banking products delivered through a service it's calling Google Plex. Google will provide a banking interface to its Google Pay users and a series of banking partners, including Citi, Stanford Federal Credit Union, and Seattle Bank, will provide co-branded back-end banking services, like debit cards and checking accounts. Bank partners will leverage Google's brand and reach to tap into entirely new pools of customers.



## 02 Defining Banking as a Service

Banking as a Service is a broad family of technologies. Different people mean different things when they describe BaaS. We've defined BaaS as all the components needed to embed banking



There are significant differences between the US and the UK/EU market. This guide focuses on the US banking as a service market. The difference between Open Banking and Banking as a Service.

Open Banking focuses more on the sharing of financial data through use of Application Programming Interfaces, whereas BaaS is transactional. Banking as a Service uses APIs to embed financial services in third party products. These APIs enable brands and fintech firms to focus on their core products and not get distracted by the complexities associated with banking.

BaaS is different than Open Banking in a few fundamental ways. From a functionality perspective, open banking allows read access, while BaaS allows read and write access. So while a spending app would want to use open banking to enable users to view their spending activity on all their credit cards on the app, BaaS would allow the spending app to automate pushing excess money into a savings account, for example.



## 03 Criteria on how to choose a BaaS provider

### How does one choose the best solution?

There are a lot of players trying to help companies build banking products. What they actually need varies from company to company. With all the different companies out there, how does one choose the best solution for his set of requirements?

**Let's say a company wants to be able to store cash for its customers. This may sound easy, but in reality, there are multiple ways to solve this problem.**

A user can be onboarded into a general account where all user funds are kept commingled (in a “for benefit of” or FBO account), you could create an account for that single user, or implement a prepaid card that feels

like an account. So although everyone is trying to solve the same thing — how to store cash — the use cases would require different solutions. The differences become highlighted when you ask the questions, “What is possible, what am I able to build, and how scalable is it?” And most importantly, what is the economic model?

Every company wants to be able to get tons of users by offering awesome products, but people are starting to realize that with a better structure, things are less costly and ultimately result in higher profits.

The following attributes are important to consider when choosing a BaaS provider.

### Budget size

BaaS platforms have different pricing tiers and revenue models, appropriate for different types of customers. Approaching a large BaaS provider that provides a full suite of services may not be a good use of time and resources for a startup on a tight budget.

A better bet would be to select a skeleton BaaS that will allow for connectivity to their APIs to provide banking services to the end customer. On the other hand, a well-capitalized company with lots of existing users likely requires the scalability of a full-service BaaS platform that can support and grow alongside its customers.



## Feature requirements

Some BaaS platforms do one thing particularly well. Others offer a variety of products and services. In choosing a platform, brands should consider the breadth of a partner's offering.

A challenger bank will require comprehensive banking features like account opening, onboarding, savings and checking accounts, and lending products but a money transfer company looking to payout money on a debit card may only need push and pull debit card features.

Some providers offer a much more comprehensive suite of services than others, but will charge more for it. It's easier to choose the best solution if a buyer knows exactly what she wants.

## Compliance knowledge

To service their customers, many BaaS platforms are building deeper regulatory and compliance expertise. This can help accelerate product launch and help clients to steer clear of future mine fields.

If a company wants to offer banking services, it will need to know how to act like a bank in more ways than just offering the services itself. BaaS providers will help, but compliance, regulation, and KYC are all important parts of providing banking services, and not knowing anything about them can present a serious obstacle for a company looking to create a DIY bank or offer a banking product.

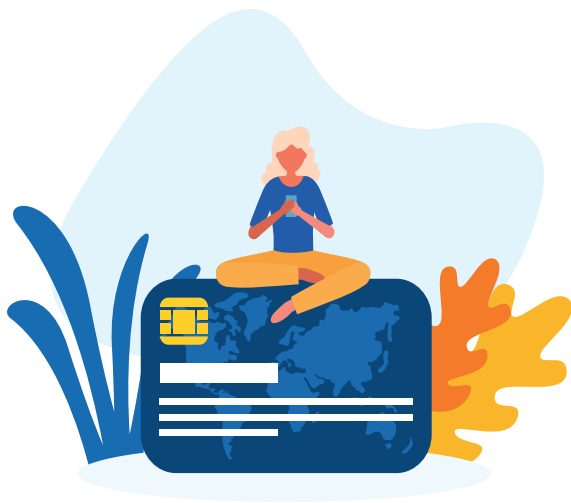


## The importance of branding

Choosing a BaaS platform isn't just about the underlying technology and scalability. Like other technology solutions, partnering with a BaaS provider has an impact on the branding of a company's end product. Do customers receive a metal bank card?

How about dedicated customer service agents for the card? Will customers appreciate well-designed, premium packaging when they receive their cards in the mail?

Some BaaS platforms include some specialization in branding and marketing; others just give what is needed to get started.



## Use case complexity

Among BaaS providers, there is a spectrum of products -- some are built off-the-shelf and others offer a lot of customization. Companies that want to launch a banking product may require a complex use case which would require deeper access to banking and payment APIs.

Others require less in-depth control of components. Based on the complexity of the use case, different solutions will be more or less appropriate.

## 04 Company Profiles

The following section of the Banking as a Service Buyers Guide explores the universe of BaaS providers. Some, like Galileo, Marqeta, Q2 and Green Dot, already support some of the largest brands with financial products. Others, like Unit and Bond, are part of a second generation of BaaS providers that have recently raised investment capital and are just beginning to build their ecosystems.

For this guide, we focused on providers primarily focused on the U.S. market. With its acquisition by PNC Bank, BBVA is leaving the U.S. market, so we've excluded BBVA's Open Platform. Railsbank and Bankable are both European BaaS providers making their way into the U.S. market. We hope to include them in future editions of this guide. As a didn't respond to multiple requests for information, so we didn't include it, either.

### Methodology

Tearsheet asked the top BaaS players to answer a set of questions for us. Their answers provide an overview into how they see the positioning of their platforms and their competitive advantages.

- Your company's history (1 paragraph)
- Services provided by your company
- What makes your product different from competitive offerings?
- Who is your chief competitor?
- Your definition of BaaS (a couple of sentences max)
- Future plans (product, geographic, etc.)
- Can you provide a couple of reference customers and/or case studies?





## Green Dot A Full Service BaaS for Non-Fintechs

<b>Who we spoke to</b>	Alison Lubert, VP of corporate communications
<b>Year established</b>	2004
<b>Bank license?</b>	Yes
<b>API documentation</b>	<a href="https://www.greendot.com/baas/developers">https://www.greendot.com/baas/developers</a> History

### History

Green Dot is a financial technology and registered bank holding company that delivers banking and money movement solutions to low to moderate income consumers, both directly and through its Banking as a Service partners. With over 20 years of experience, Green Dot is a BaaS pioneer in embedded banking and payments, and serves some of the most innovative and respected brands in the world, including Walmart, Apple, Intuit, Stash, Amazon and many more.

### Services provided

Green Dot handles everything needed to run end-to-end embedded financial BaaS programs, including account origination, payments, compliance and fraud, and card issuance. Green Dot offers Restful APIs for customers and can provide white label apps. The company offers a suite of financial products to consumers and businesses, including debit, prepaid, checking, credit and payroll cards, as well as money processing services, tax refunds, cash deposits and disbursements.

With its unique position as a publicly traded bank holding company, Green Dot delivers a breadth and depth of assets in an effort to foster long-term partnerships that can scale with its partners. Green Dot offers solutions that service partners' banking and payments ecosystems in their entirety – operating an integrated bank, managing regulatory requirements, offering a full tech stack – positioning Green Dot as a partner for large enterprises, offering a full tech stack – positioning Green Dot as a partner for large enterprise companies. Companies that compete with Green Dot are typically either traditional banks that are making moves to catch up and

meet the expectations of consumers or newer niche players entering the space, but generally focusing on serving individual parts of what's a very complex ecosystem.

## Target Customer

Green Dot focuses on partnering with well respected brands. The company also works with high-potential start-ups that align with its core customer and mission to deliver modern banking and payments to low-to-moderate income consumers.

Green Dot will continue expanding its industry-leading BaaS partner program to deliver new and innovative ways to offer banking and payments experiences to their customers.



## Clients and Case Studies

- **Uber** Uber drivers used to wait to get paid. Uber wanted to give its drivers the ability to cash out their earnings instantly. So, Uber partnered with Green Dot to issue debit cards to their drivers, allowing them to get paid up to five times per day. The card also offers discounts and cash back on relevant products, like gas and car maintenance.
- **Stash** The challenger bank wanted to create an all-in-one personal finance app that seamlessly integrates spending, saving, and investing. Green Dot added a Stash banking account to the Stash app and launched The Stock-Back Card, which earns Stash customers rewards in stock from Stash as they spend. Stash also offers mobile deposit, saving goals, and early direct deposit.
- **Intuit QuickBooks** The leading bookkeeping platform for SMBs launched QuickBooks Cash, a business bank account powered by Green Dot. The account includes a Cash, a business bank account powered by Green Dot. The account includes a machine-learning powered finance planner, which helps small businesses plan for the future by making 90-day cash flow projections, including predictions on when invoices are likely to be paid.



## **Q2 BaaS (previously Cambr) The BaaS Built to Scale**

**Who we spoke to**  
**Year established**  
**Bank license?**

Ahon Sarkar, head of product & strategy  
2004

Yes, via fully integrated banks of record; clients are matched with partner banks. Clients also have the option to become the bank themselves, via Q2's FDIC-examined cloud-based core platform.

**API Documentation**

<httpsdocs.corepro.io/api/overview>

### **History**

Q2 was founded in 2004 with a mission to build strong and diverse communities by strengthening their financial institutions. Today, the firm provides digital banking, lending, and banking-as-a-service solutions to more than 1,100 financial institutions and fintech companies.

The firm's 16 years of experience building digital banking products at scale drives its payments, lending, and banking offerings. Q2 is an early pioneer in Banking as a Service and powers clients like Square, Credit Karma, Betterment, Gusto, and Acorns, serving millions of everyday Americans.

### **Services Provided**

Q2 offers a wide array of products needed to build scalable, differentiated banking products. The firm's BaaS solution includes a modular API that enables tech and fintech companies to integrate bank accounts (DDA & Savings), custom physical and virtual debit cards, and unique banking data into their ecosystems.

### **Differentiator**

Q2 BaaS is built on top of 16 years of experience in building digital banking systems, doing system integrations, and deep relationships with experienced banks of record. on flexibility -- clients can get matched with the right partner bank and retain the flexibility to become the bank over time if their business model requires it, without needing to do a data migration. Q2's cloud-based core allows it to extend favorable economics to its clients. Q2 BaaS tech isn't middleware that sits on a legacy core.

### **Chief Competitor**

Q2 BaaS' competitors vary by use case. When a company is looking to build a

debit card only, Marqeta could be a competitor -- a company that's looking for DDA or savings accounts could choose Galileo or Green Dot.

## Definition of BaaS

“Delivering the infrastructure and business model required to build flexible and scalable banking products via API.”

## Target Customer

Q2 BaaS targets tech and fintech companies looking to build custom banking services into their product. It focuses primarily on customers that have a large captive user base, strong customer engagement, and clear value in building a banking product within their existing suite.

## Future Plans

The company's main focus is continuing to enable differentiation and scale for its clients. This includes building new features, flows, and integrations, as well as expanding into new verticals.

## Clients and Case Studies

- **Credit Karma** Credit Karma (now a part of Intuit) is one of the nation's leading personal finance companies, with over 100 million members nationwide. Credit Karma partnered with Q2 to launch both its Savings product and its new Money Checking product. With a focus on member-first design, transparency, and interconnectivity, the products enable users to save easier and spend smarter with features like “Instant Karma”, the firm's savings prizes, and more.
- **Betterment** One of the first robo-advisors, Betterment partnered with Q2 to make highly personalized banking, bridging the gap between investing and banking to allow its users to both manage their money and plan for the future. The work with Q2 created innovative features like “two-way sweep” alongside free ATM access and cash back on debit.
- **Gusto** In 2020 Gusto partnered with Q2 to launch the Gusto wallet and became the first payroll company in the US to offer a true banking product. Gusto offers features like goal-based savings, free ATM access, and competitive interest on all deposits to its clients' employees. “Gusto Cashout” leverages Gusto's unique position as a payroll provider to help users get access to money in between paydays with no fees.





## **Synapse** The DIY BaaS with a broad range of services

**Who we spoke to**  
**Year established**  
**Bank license?**

Sankaet Pathak, founder and CEO, and Sebastian Sutherland, business  
2014

Synapse partners with multiple banks including Evolve Bank,  
Trust and First Horizon Bank

**API Documentation**

<https://docs.synapsefi.com/docs>

### History

The idea for Synapse started when Sankaet Pathak, Synapse's founder, came from India at age 17 to go to university. During his masters, Sankaet founded a closed-loop restaurant payments system, where people could make a direct bank transfer instead of a credit card or debit card payment. Although it didn't go anywhere, he saw the potential for a BaaS style system, where he would provide the infrastructure for banking services and let others build services on top of it.

Originally, Synapse focused on payments, but soon pivoted to the general financial industry, offering products from accounts to crypto payments via API banking through Evolve Bank & Trust. The company has handled over \$10 billion in transactions and employs over 80 people.

### Services Provided

Synapse can white label anything that can be found on a bank's homepage. To date, Synapse has built products in the payments, deposits, and lending categories (which Synapse calls 'Hubs'). Payments include ACH, wire, and card processing transactions; deposits include opening up deposit accounts, account routing numbers, and debit card issuance; and lending includes the ability for any technology company to originate and service a loan. Synapse also offers compliance and verification. Synapse provides additional services including crypto wallets.

### Differentiator

Synapse differentiates itself in three main ways: the broad range of services it offers, the commercial model of a flat monthly fee for services, and the ability to deploy quickly. Synapse wants to be a one-stop-shop for any fintech to launch banking services.

## Chief Competitor

Synapse wasn't the first to get into this market, and Synapse would consider the BaaS incumbents, like Cambr, WebBank, Cross River, and The Bancorp Bank to be its biggest competitors. But even the smaller community banks that are opening up their APIs could be considered a competitor to some extent -- see CSFB's partnership with Wise (TransferWise). BBVA could be considered a serious competitor as it expands internationally.

## Target Customers

Synapse targets startups looking for speed to scale. While early-stage startups have been a frequent customer, Synapse saw an uptick in mid-stage to enterprise customers coming in to launch products quickly. It works with companies of any industry and size.

## Definition of BaaS

"To enable companies to build and launch best-in-class financial products"

## Future Plans

As Synapse matures, it's going deeper into verticals. In lending, that includes small business lending, secured lending, and mortgages.

This year it plans to launch a multi-currency wallet along with other offerings to support first-in-market financial services products.

## Clients and Case Studies

Synapse has around 500+ clients, with over 7.8 million users, and is adding 2-4 clients per week. The company claims its rate of growth doubles every year.





## Cross River Banker to the biggest digital lenders

Who we spoke to	Eden Mia Hoffman, head of communications
Year established	2008
Bank license?	Yes
API Documentation	<a href="https://www.crossriver.com/api">https://www.crossriver.com/api</a>

### History

Cross River opened its doors in the wake of the Great Recession of 2008 with a new bank charter, a clean balance sheet and fresh capital to deploy. Cross River enables Banking as a Service capabilities to banks and non-banks through an API-driven platform. Clients can leverage Cross River's bank charter, regulatory oversight, and platform to develop customized banking and payments services for their customers.

### Services Provided

Over the years, Cross River has grown to provide a variety of services, including market place lending programs, originating loans for firms like Affirm, Marlette, RocketLoans and Upstart, providing consumers with access to safe and affordable credit. Its platform provides customers with BaaS services such as deposit accounts including savings and FBO, debit card issuance, and credit card issuance. Cross River also offers payments services including ACH, automated wires, push-to-card disbursements, and real-time payments.

### Differentiators

Cross River combines the forward-thinking offerings of a technology company with the established expertise of a bank. Its 'all-in-one' platform utilizes a robust set of APIs from Cross River and trusted partners, allowing customers to build

### Chief Competitor

Cross River finds it difficult to identify specific competitors to its combination of technology and banking expertise all under one roof.

## Target Customer

Cross River wants to be a one-stop shop for firms looking to enable a variety of banking, payments, or lending solutions. As Cross River continues to expand its suite of offerings, it is working to provide all types of companies, not just fintechs, with financial services that meet their business needs.

## Definition of BaaS

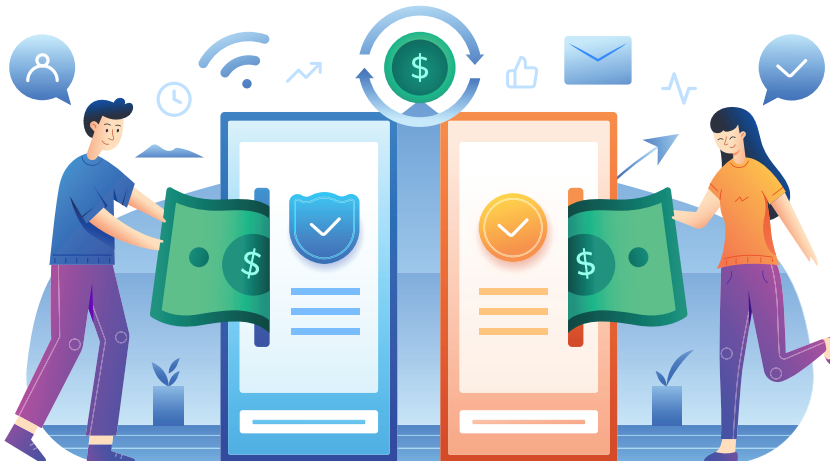
CrossRiver combines the forward-thinking offerings of a technology company with the Cross River and trusted partners, allowing customers to build innovative financial services products.

## Future Plans

Cross River plans to expand its suite of offerings to meet the needs of fintechs, banks, and non-financial firms. Within the past year, Cross River has enabled new services such as real-time payments and credit card issuance, and continues to build on its API platform for customers.

## Clients and Case Studies

CrossRiver works with Affirm, Rocket Loans, Upstart, and Upgrade.





## BankMobile Banking platform for the education system

<b>Who we spoke to</b>	Luvleen Sidhu, Co-Founder and President
<b>Year established</b>	2015
<b>Bank license</b>	Yes, through Customers Bank
<b>API documentation</b>	None publicly available

### History

The BankMobile platform employs a multi-partner distribution model, known as Banking-as-a-Service, that enables the acquisition of customers at higher volumes and lower expense than traditional banks. Its efficient operating model enables partner banks to provide low-cost banking services to low and middle-income Americans who aren't served by the high-fee model of traditional banks.

Today, the BankMobile BaaS platform is provided to colleges and universities. It currently serves over two million account holders and provides disbursement services at 722 campuses, covering one out of three students in the U.S. Additionally, it's collaborating with Google to introduce digital bank accounts to its customers and recently expanded its white-label strategy with T-Mobile for the launch of T-Mobile MONEY.

### Services Provided

Bank Mobile offers a full suite of white-label banking services. Its regular banking services include checking and savings accounts, personal loans, credit cards, and student refinance, as well as custom branded apps and cards, risk management/compliance, customer care, program reporting, membership perks like the passport recognition program, and marketing support.

### Differentiators

BankMobile emphasizes its customer safety, security, and innovation. It views itself as an industry leader in developing new ways to fight and prevent fraud. The company is focused on its customers and dedicated to the mission of financial empowerment through its partnerships and collaborations.

## Chief Competitor

BankMobile's model incorporates white-label banking. It doesn't offer any sort of API documentation for other companies to easily connect with and explore.

Its closest competitor would be Green Dot, which has its own white-label products. BankMobile would be on the other end of the BaaS spectrum, offering a complete solution rather than separate, modular banking services like Synapse does.

## Target Customers

BankMobile is strong in the student market and is looking to branch out into other industries. BankMobile's sweet spot appears to be to partner with companies that can provide a high volume of customers at a low cost.

## Definition of BaaS

"Banking-as-a-Service is a win-win model for both companies and customers. Companies win in this model by reduced processing costs for on-partner purchases. Customers win in this model by reaping unique rewards and incentives, having access to virtually free checking accounts and other financial services product) they may not have access to otherwise, and enjoying frictionless account opening with a brand that they are familiar with and trust."

## Future plans

BankMobile is looking to get into new industries, expand with new white-label partners, and continue developing proprietary technology to support collaborations with Google, Mobile, and other digital data acquisition systems.

## Clients and Case Studies

- **T-Mobile MONEY** BankMobile powers T-Mobile MONEY, a checking account with no account fees offered through the mobile phone company, T-Mobile. T-Mobile wireless customers with qualifying service can earn 4% APY on balances up to \$3,000 and 1% APY after that. Everyone else earns 1% APY on all balances. T-Mobile MONEY also offers connectivity to leading mobile wallets, bill pay and mobile check deposits.
- **Google** Through a collaboration with Google, BankMobile is introducing digital bank accounts, which will be available to its customers. Customers who sign up for these accounts will be able to manage their accounts through Google Pay and have access to financial insights and budgeting tools to stay in control over their transactions.



## **Galileo: The platform fintech is built on**

<b>Who we spoke to</b>	Marilyn Bochicchio, svp of product strategy
<b>Year established</b>	2015
<b>Bank license</b>	No
<b>API documentation</b>	<a href="https://docs.galileo-ft.com/">https://docs.galileo-ft.com/</a>

### **History**

Founded in 2000 by CEO Clay Wilkes, Galileo provides a payment processing platform to support the growing recognition that consumers need banking services but not necessarily banks. Galileo is architected for flexibility and scalability, building proprietary APIs and an account structure that enables clients to create financial accounts and deliver physical or virtual payment cards and digital banking capabilities using only a few lines of code. In 2020, Galileo opened its first international office in Mexico City as a base to serve the LatAm fintech market. The firm was acquired by fintech lender SoFi and operates as an independent subsidiary.

Based on an independent study, Galileo supports 95 percent of fintech digital banking in the U.S. This includes Chime, Current, Dave, Greenlight, MoneyLion and Robinhood, and the U.S. operations of international challenger banks including Monzo, Paysafe, Revolut and Wise (TransferWise).

### **Differentiators**

Galileo believes it differentiates itself with the comprehensiveness of its payment processing platform. Galileo combines that with back-office support, giving clients the choice to act as their own program manager with Galileo Pro or to implement the fast-start, pay-as-you-go Galileo Instant product. The company feels top challenger banks choose Galileo because of its capability to support their needs at scale. The company also offers a non-siloed processing environment, which enables clients to create debit, credit, prepaid, and virtual accounts on a single platform.

### **Chief Competitor**

The company views legacy payments processors as their main competition.

## Target Customer

Galileo has three major target companies: fintech startups, large fintechs, and non-financial enterprises.

## Definition of BaaS

“Banking as a service is a modular approach to providing banking processes as a service using the license of a regulated financial institution and an API-driven platform.”

## Future Plans

Galileo plans to expand to new geographies and to integrate select capabilities from SoFi, its parent company, and make them available to its clients.

## Clients and Case Studies

Galileo works with Chime, Current, Dave, Greenlight, MoneyLion, KOHO in Canada, and Uala and Klar in Mexico.





# Rapyd

## Rapyd The global payments platform

Who we spoke to	Tamara Raynor Cote, External PR
Year established	2016
Bank license?	No
API documentation	<a href="https://docs.rapyd.net/reference">https://docs.rapyd.net/reference</a>

### History

Rapyd was founded in 2016 as a fast way for businesses to power local payments anywhere in the world. It was built to help businesses integrate fintech and payment capabilities into any application. The Rapyd platform includes: Collect, which accepts locally preferred payment methods in 100+ countries; Disburse, which enables local and cross-border disbursements using any method, even cash; Wallet, which gives consumers and workers access to digital payments, financial services and cash withdrawals in a white label e-wallet; and Issuing, which issues branded cards in 20+ countries.

### Differentiators

Rapyd differentiates its services as being the only global platform provider. It also has a broad and diversified product offering, including card acquiring, card issuing, payouts and the provisioning of hyper-local account issuance services.

### Chief Competitors

The firm feels it competes with internal build versus buy decisions facing its prospects. In addition, Rapyd competes with point solution providers in certain geographies, like in Brazil.

### Target Customer

Rapyd serves a broad spectrum of clients across multiple industries. Rapyd's clients include e-commerce companies, fintechs, banks, marketplaces, SaaS companies, gig economy platforms and platform providers looking to embed financial and payment services in their offering.

### Definition of BaaS

"Companies need a means to remain compliant, or delegate this function to a

third-party provider, enable a broad set of payments flows and pursue creative solutions rather than be limited to a traditional product set.”

## Future Plans

Rapyd plans to expand its four main product lines with richer features and more geographic coverage. The platform also intends to become more active in its M&A and partnership activities. Rapyd will invest in its self-service offering and further diversify across its different clients. Lastly, to support its growth, Rapyd is building out its team and in its multiple regional offices including in Europe (Amsterdam, Iceland, London, Tel Aviv), Asia (Singapore) and the Americas (Mexico, Brazil, Miami, Denver, San Francisco).

## Case Studies

Rapyd works with clients like Uber, IKEA, Bnext, Hotmart, and Arcadier.





## Unit New BaaS on the Block

Who we spoke to	Itai Damti, Co-Founder and CEO
Year established	2019
Bank license?	No
API Documentation	<a href="https://docs.unit.co/">https://docs.unit.co/</a>

### History

Unit was founded in late 2019 by CEO Itai Damti and CTO Doron Somech. The company has raised \$18.6 million to date from investors including Better Tomorrow Ventures, Aleph, TLV Partners, Flourish Ventures and Operator Partners, as well as 30 angels, many of whom are fintech operators. Unit's company's Chief Compliance Officer is Amanda Swoverland, who was most recently Chief Risk Officer at Sunrise Banks for almost 10 years, leading the bank's entire risk and compliance organization and designing partner ships with Gusto, Remitly and other large fintechs.

Unit's founders have previously co-founded and spent a decade building Leverage, a market leader in technology for online brokers, which now processes \$100 billion in monthly trading volume.

### Services

Unit helps tech companies build financial features into their products. Its API and dashboard allows clients to quickly embed individual and business accounts, cards, payments and cash advance and lending into their own products.

### Differentiators

Unit bills itself as a plug-and-play platform that helps clients eliminate the vast majority of the cost of offering financial features. To do this, Unit owns the heavy lifting of bank relationships, compliance and technology. This approach has resulted in its clients launching banking experiences in under 6 weeks.

### Chief Competitor

The company sees Synapse as its chief competitor.

## Target Customer

Unit targets funded startups building their first financial features, as well as established companies rolling out banking and financial features to a broader audience.

## Definition of BaaS

The company prefers the term “financial features” which better captures its clients’ intent and desire to serve their audience better.

## Future Plans

The company plans to roll out credit products, including lending and credit cards, as well as new payment networks, like RTP.





## **Hatch Bank** Digital first bank that forms partnerships with fintechs

<b>Who we spoke to</b>	Jer Wood, CEO
<b>Year established</b>	1982
<b>Bank license?</b>	Yes

### History

Hatch was founded in 1982 in San Diego as Rancho Santa Fe Thrift and Loan and has been a subsidiary of Philadelphia-based Firsttrust Bank since 1990. Until the financial crisis in 2008, Rancho primarily focused on regional consumer lending. After the crisis, the bank's board of directors took a pause and explored the bank's next move.

In 2018, with no legacy burdens, the bank was transformed into a technology first bank focused on bringing innovative financial products to market through fintech relationships. In 2019, the bank changed its name to Hatch Bank and began 'hatching' new financial products.

### Services Provided

Hatch can operate as the spine or platform for many financial products, including deposit accounts, debit cards, credit cards, closed-end term loans, lines of credit, and digital payments. It's an issuing bank on both Mastercard and Visa networks.

### Differentiators

Hatch positions its experience in the fintech space as a differentiator for its fintech clients. It has a strong compliance culture and knowledge of the regulatory landscape, which allows programs more leeway for innovation. Hatch has the stability of a large, established bank as its parent, and the ability to focus on fintech execution.

### Chief competitor

Hatch views all banks looking for strategic partnerships with fintechs as competitors. It's chief competitors are primarily the established fintech-friendly banks For deposit relationships, that would include Metabank, Bancorp Bank, and Sutton Bank.

For credit relationships, competition would include banks like Celtic Bank, Cross River Bank, and Web Bank.

## Target Companies

Hatch works with companies that have a compliance focus from the top-down and have products that do good for people and businesses.

## Definition of BaaS

A bank and a fintech company working together to bring innovative financial products to market. The bank focuses on what it does best, and the fintech focuses on what it does best.”

## Future Plans

Hatch plans to launch new products and make new relationships to bring innovative and helpful financial products to the market. It also intends to integrate with more technologies, platforms, and networks to expand its platform offering and capabilities.

## Use Cases

Hatch powers Wisetack and HMBradley.





## Agora BaaS for credit unions and community banks

<b>Who we spoke to</b>	Arcady Lapiro, CEO & Founder
<b>Year established</b>	2018
<b>Bank License</b>	Yes through bank partners like Sterling National Bank
<b>API Documentation</b>	Yes through bank partners like Sterling National Bank

### History

Agora's began as a U.S. joint venture between a veteran fintech entrepreneur Arcady Lapiro and the challenger bank of Group Leclerc, a large retailer with over 130,000 employees and over \$40 billion revenues.

As a fintech entrepreneur, Arcady was part of the founding and management team of Fortuneo, one of the most successful challenger banks in Europe (launched in 2000, profitable since 2004, over \$30 billion deposits).

Agora spun off from its EU partner, and after being selected by Mastercard Start Path and by the ICBA ThinkTECH Incubator program, launched in 2020 targeting community banks and credit unions with its Banking-as-a-Service offering that sits on top of legacy banking platforms. Agora's modular challenger bank platform and tools enable financial institutions to compete with megabanks and challenger banks.

### Services Provided

Agora offers financial institutions access to modular digital banking offerings that include digital onboarding, instant virtual card issuance, card controls, shared account, ledgering, and money pool. Agora also offers fully white label digital bank suites to address specific segments, like Teen Banking (Agora Teenz), Small & Medium Business (Agora SMB), and soon-to-come Older Adults Digital Banking (Agora Senior).

### Differentiators

Agora is a one-stop-shop that includes card issuance (prepaid/debit/credit), bank platform, and BaaS technology for community financial institutions. Agora also provides a UX interface for banking apps and transactional websites, marketing

solutions for its prebuilt use cases and access to a much larger set of products through Agora's own Lab and Fintech marketplace. These additional modules include rewards, BNPL platform, smart lending, instant pay for workers, a retirement platform, FX, mPOS, and a donation platform for charities.

## Chief Competitors

Agora cites BankMobile and Green Dot as its competitors.

## Target Customers

Agora targets community banks, regional banks and credit unions. Agora also offers a white-label partnership program to core banking platform vendors.

## Definition of BaaS

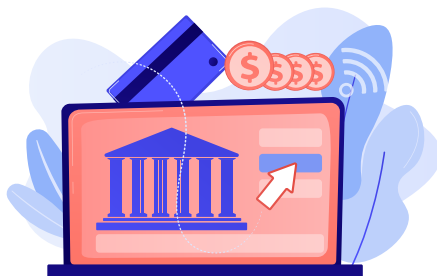
An end-to-end platform allowing banks and third parties to integrate via API's to provide a fully transparent banking experience to customers."

## Future Plans

Agora is going to deploy the Older Adults Banking solution and P2P through Mastercard Send as FX capabilities in the second half of 2021. It also plans to expand to other geographies (LatAm/Africa/MENA) through partnerships.

## Case Studies

Agora works with Sterling National Bank and NBF Holdings, the holding company for NewBank, a denovo bank that has filed to form a nationally chartered bank in Delaware. It's also in discussions with several community banks and credit unions through partnerships with several core banking platform vendors.







## **Radius Bank A forward thinking digital bank with a BaaS**

<b>Who we spoke to</b>	Kathleen Barrett, vp of marketing
<b>Year established</b>	1987
<b>Bank license?</b>	Yes
<b>API</b>	<a href="https://radiusbank.com/business/api">radiusbank.com/business/api</a>

### **History**

Radius was founded in 1987, and over the past 33 years a traditional bank has transitioned into a completely digital bank, providing a full banking-as-a-service experience to its clients. Radius is able to operate in the market directly with its clients and also indirectly via APIs through its fintech partnership channel. Its banking as a service platform enables its clients to experience an easier way of banking that saves them time and money.

### **Services Provided**

In addition to API banking deposit products and card offerings, Radius provides digital onboarding, a streamlined account opening that allows customers to open a personal or business account in minutes from anywhere, including the front-end application, automated back-end KYC decisioning tool, or both if needed. Radius allows its BaaS clients to connect any user interface to its core infrastructure using its digital account management. Its partnerships are supported by a Radius project management team and additional support can include call center, operational, data management and fraud mitigation.

### **Differentiators**

Radius first built its services for use with its own Direct platform Prime, the firm combines experienced banking and technology teams. and client base. It's taken these learnings and applied it on the indirect side. With its technology partner, Treasury Prime, the firm combines experienced banking and technology teams.

### **Chief Competitors**

Radius believes it most closely competes with Synapse and Green Dot.

## Target Customer

Industry-agnostic, Radius wants to service B2B and B2C companies with bank products and services. It also targets companies looking for an advanced corporate banking solutions, where they can manage their accounts via APIs versus relying on the bank's proprietary online/mobile banking platform.

## Definition of BaaS

“BaaS allows companies to easily plug into a full suite of bank services, ranging from digital account opening to account management, while still owning the front-end online and mobile experience with its client base.”

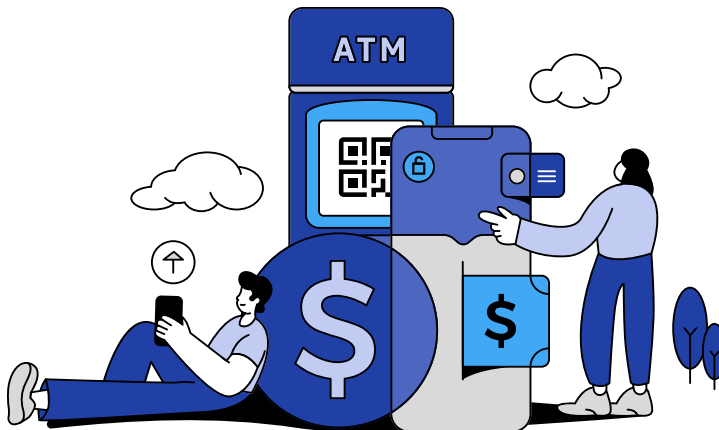
## Future Plans

Radius plans to roll out card and payments enhancements in addition to lending capabilities.

## Case Studies

### Treasury Prime

In October 2020, together with its technology partner, Treasury Prime, Radius launched its Commercial API Banking Platform and corresponding sandbox testing environment. Radius expanded its Banking as a Service digital platform by giving commercial clients technology to help facilitate and simplify their corporate banking needs. The sandbox is critical because it enables developers to explore Radius' APIs for their particular use cases and test how the API would work in their application.





## **Marqeta** The modern card issuing platform

<b>Who we spoke to</b>	Jason Gardner, CEO
<b>Year established</b>	2010
<b>Bank license?</b>	No, they partner with banks
<b>API Documentation</b>	<a href="https://www.marqeta.com/api">https://www.marqeta.com/api</a>

### History

After Jason Gardner, Marqeta's founder & CEO, sold a previous payments company to MoneyGram in 2010, he realized that while there was a lot of innovation in the acquiringspace such as Checkout.com and Stripe, there was little innovation on the issuing/processing side, and he decided to build a modern platform from scratch.

Marqeta is a modern card issuing platform, providing advanced infrastructure and tools for building highly configurable payment solutions. With its open API, the Marqeta platform is designed for businesses that want a tailored way of managing payment programs so that they can create world-class experiences and power new modes of commerce.

### Services Provided

Marqeta's platform enables businesses to create customized payment card products for unique use cases that leverage Just-In-Time funding features, authorizing their end-users'transactions in real-time. Integrated with major global and local card networks, Marqeta allows companies to build payment solutions to their exact specifications and launch them globally. The firm offers virtual and physical card issuance, instant tokenized card issuance for Apple Pay and Google Pay, real-time transaction approvals, spend controls issuance for Apple Pay and Google Pay, real-time transaction approvals, spend controlsCustomers can also leverage rich transaction data via API and webhooks to manage their card programs.

### Differentiators

Marqeta emphasizes that it's one of the first companies to build APIs for issuing

processing natively as a core processor. It also differentiates in that it allows companies to get deep into the card issuance core, enabling advanced business and consumer payment use cases across multiple verticals. Marqeta was also the first company to enable JIT Funding, which puts customers in the authorization flow, and push provisioning, which allows card issuers to push cards directly into digital wallets of their users via tokeniza.

## Chief Competitors

Marqeta's competitors include FIS, Fiserv, TSYS, Stripe Issuing, and Galileo.

## Target Customers

Marqeta targets customers looking for modern infrastructure and flexible tools for building highly configurable payment solutions.

## Plans for the future

Marqeta is expanding its infrastructure for digital banks as well as large traditional financial institutions that want to modernize their offerings. And as more countries continue to move away from cash, Marqeta aims to expand support for additional modes of money movement across the world.

## Clients and case studies

### **Marcus by Goldman Sachs**

Marcus is partnering with Marqeta to launch its upcoming digital checking product with a debit card as part of its digital-first banking initiatives.

### **J.P. Morgan**

J.P. Morgan uses Marqeta's unique card Tokenization as a Service capability for its commercial card programs, allowing it to instantly issue its existing card programs into any mobile wallet.

### **DoorDash**

Marqeta enables DoorDash, an on-demand delivery company, to make sure its delivery staff pays for orders accurately, picking up the right order at the right time for the right amount with real-time verification at the point of sale.



## **Bond** A second generation BaaS platform

<b>Who we spoke to</b>	Roy Ng, Co-Founder & CEO
<b>Year established</b>	2019
<b>Bank license?</b>	No

### History

Founded by industry veterans from Twilio, SoFi, Goldman Sachs and Blackrock, Bond is building a modern and comprehensive embedded finance platform. The company's vision is to "bring banking to life" with a developer-first platform that enables digital brands to quickly build, offer and manage compliant financial products to create a much more integrated customer experience and own more of the customer journey.

Bond has raised over \$40 million to date with investors such as Coatue, Canaan, Goldman Sachs and Mastercard. The Company has over 50 team members in the San Francisco Bay Area, Salt Lake City and New York City.

Bond wants to lower the barrier to entry for brands to embed finance in their product. Bond wants to lower the barrier to entry for brands to embed finance in their product. The company's current roadmap is focused on issuance of card-based solutions, including prepaid, debit and credit for its brands. Bond is also adding a variety of funding and disbursement methods to help its brands meet their consumers' needs.

Through Bond's platform, brands can embed multiple debit, credit, and other products from one unified platform. The Bond platform also streamlines tedious and repetitive compliance and reporting tasks so that brands can focus on driving user adoption and optimizing their users' experiences.

### Differentiators

Bond differentiates itself with its single API integration from build to launch, that allows its customers to issue new cards in as quickly as 3 days, and scale to hundreds of thousands of cards seamlessly.

With Bond's API platform, brands can rapidly experiment with ideas, launch and scale compliant enterprise-grade financial products. The Bond OS platform acts as its customer's new back office, with a variety of powerful tooling, including auto mated compliance management workflows, a developer console, monitoring and report ing dashboards.

Bond enables clients to launch with no upfront outlay, with the ability to earn 100% of net interchange. Bond has a seasoned issuing team, having launched and managed programs at Square, Affirm, SoFi, Credit Karma and Brex.

## Chief Competitor

Bond feels its approach is unique in the market. The company's business model is also unique in enabling its brand customers to capture all of its interchange revenue.

## Target Customer

Bond's customers are brands, which include fintechs and challenger banks, as well as any digital brand looking to offer financial products to augment their core services to enhance their customers' experiences.

## Definition of BaaS

"BaaS platforms enable non-financial institutions to offer financial products through a set of tools that allow them to build and offer to their end users integrated and compliant financial product experiences."

## Future Plans

Bond plans to enable its brands to offer products such as installment lending and lines of credit, as well as cash management services like high yielding sweep accounts. It also has international expansion to key markets outside of the US market in its sights.





## Treasury Prime: BaaS connecting banks and fintechs

**Who we spoke to**  
**Year established**  
**Bank license?**

Clarissa Horowitz, Vice President of Marketing  
2017  
No

### History

Treasury Prime was founded in 2017 by Chris Dean and Jim Brusstar after running the fintech group at Silicon Valley Bank. Their vision was to modernize the banking system to deliver new value to everyone: consumers, businesses, financial technology companies and banks. Treasury Prime closed its series A round in 2020 and the company's investors include Deciens Capital, Nyca Partners, QED Investors, SaaStr Fund, Susa Ventures, and Combinator.

### Services Provided

Treasury Prime gives fintechs access to a full suite of banking services including commercial and retail accounts, card issuing, payments, remote deposit capture, KYC and compliance tools, customizable ledger, and real-time account management. Treasury Prime is also integrated with best-in-class providers Alloy, Marqeta, Middesk, and Plaid so customers can easily access these services via Treasury Prime's API.

Treasury Prime enables banks to accelerate their processes without changing any systems. This includes account opening and client onboarding, connecting with all payment gateways, servicing accounts, and streamlining back office and compliance workflows.

### Differentiators

Treasury Prime believes the company's focus on making both sets of customers — banks and fintechs — successful sets it apart. Treasury Prime integrates into providers like FIS, Fiserv, and Jack Henry without requiring any internal systems or putting vendor contracts at risk. For fintechs, Treasury Prime helps companies get to market with a usage-based pricing model to support them at all stages of growth. Through multiple bank partners, the company matches fintechs with suitable banks that understand and support their businesses.

## Chief Competitor

The firm's clients are looking at all sorts of solutions from companies like Galileo and Synapse, doing a direct integration with a bank, or building a banking services stack in-house.

## Target Customer

Treasury Prime works with banks and with any company looking to embed financial services natively in their own applications.

## Definition of BaaS

“BaaS gives a company or organization the ability to embed secure banking services from a chartered bank into their product, application, or service.”

## Future Plans

Treasury Prime is focused on expanding its bank partnerships, adding new fintech clients, releasing new features and capabilities including credit and lending, and building out its developer tools.

## Clients and Case Studies

**Banking clients:**

- BankProv
- Radius Bank
- Pacific Western Bank
- Piermont Bank

**Fintech clients:**

- Alto
- Brex
- NorthOne





T E A R S H E E T