

Building The Bank Of The Future



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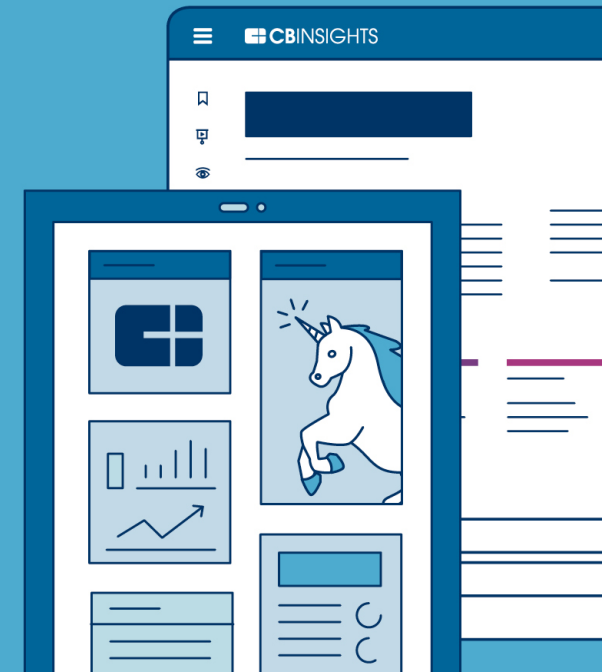
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WHAT IS CB INSIGHTS?

CB Insights is a tech market intelligence platform that analyzes millions of data points on venture capital, startups, patents, partnerships and news mentions to help you see tomorrow's opportunities, today.

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FUTURE OF FINTECH

 **CBINSIGHTS**

June 11 - 13, 2019

New York, NY

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“We use CB Insights to find emerging trends and interesting companies that might signal a shift in technology or require us to reallocate resources.”



Beti Cung, Corporate Strategy, Microsoft



ABOUT THE ANALYST

Max Abramsky



Fintech Analyst

@mabramsky22 | @cbinsights.com

Max Abramsky is an intelligence analyst at CB Insights, where he produces data-driven research reports in the fintech space.

Prior to joining CB Insights, Max worked at Crescent Capital Group where he was a member of the leveraged loan trading team. Max is a graduate of the University of Wisconsin School of Business with a degree in finance.

Most popular analyses by Max:

[How JPMorgan Is Preparing For The Next Generation Of Consumer Banking](#)

[The Square Strategy Teardown: How The Point-Of-Sale Fintech Insurgent Is Quietly Turning Itself Into A Full-Service Bank](#)

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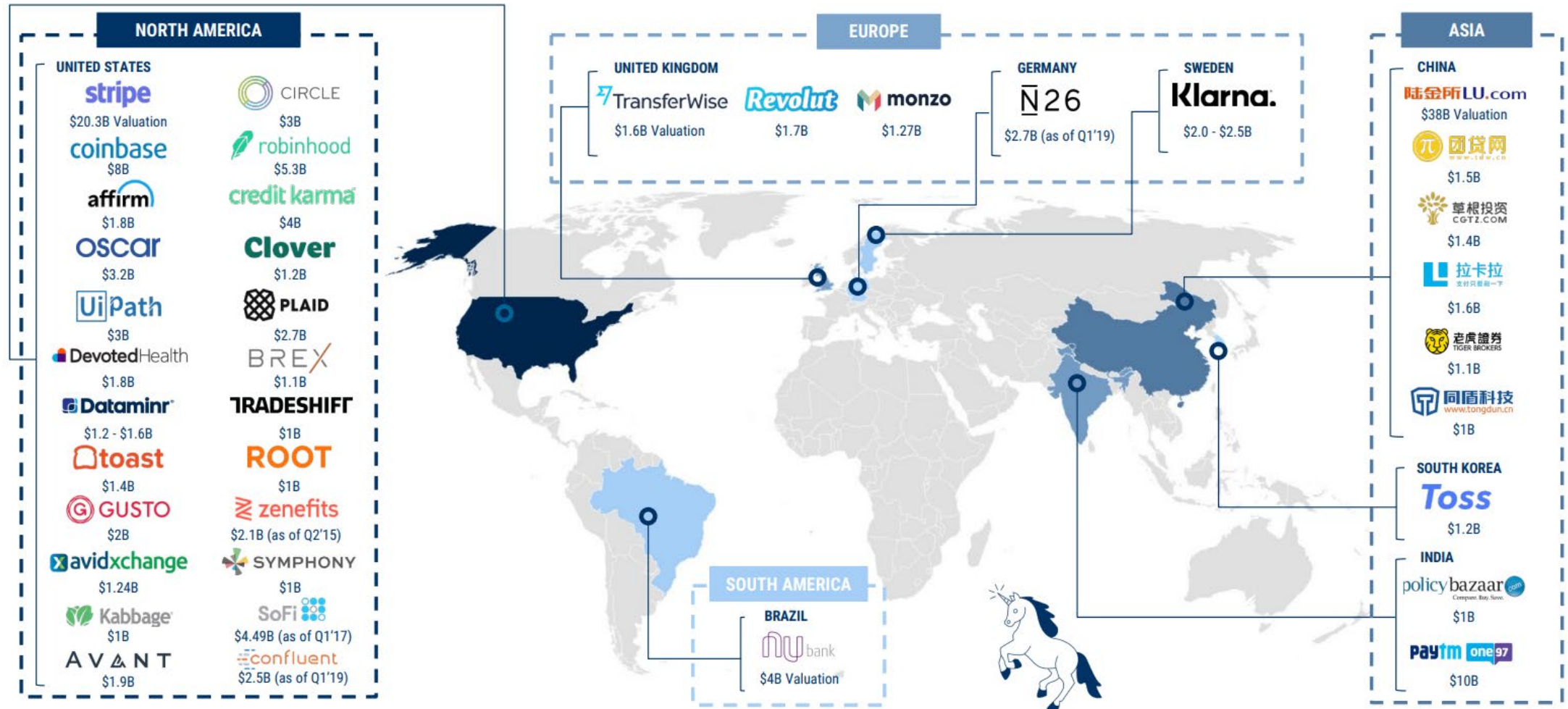
4 3 Fintech rebundling

5 2 Consumer banking products and services

6 6 Tech platforms and large banks want in

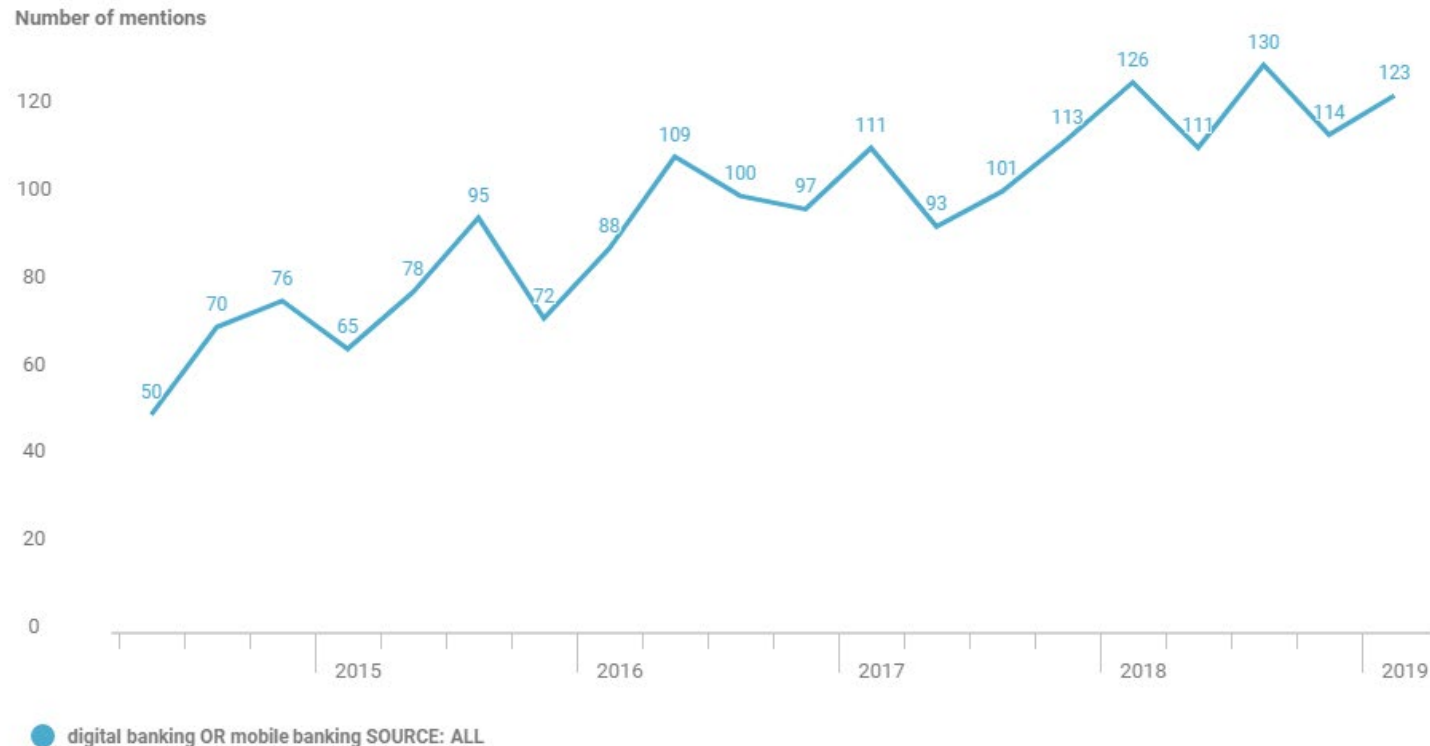
Fintech unicorns span the globe

Global VC-backed fintech companies with a private market valuation of \$1B+ (1/25/19)



Digital and mobile banking are increasingly being discussed on earnings calls

In total, there have been **2,408** mentions of 'digital banking' OR 'mobile banking' across **1,216** unique transcripts by **277** different companies



Adoption of new products is growing quickly

N26 says it now has more than 2M customers

11/30/2018

 TechCrunch

Challenger bank Chime just added a record-breaking number of accounts in 24 hours following the Wells Fargo outage

2/8/2019

BUSINESS INSIDER

Square's Cash App Reportedly Sees More Strong Momentum

2/5/2019



The Motley Fool

Goldman Says It Has 1.5M Marcus Customers

7/18/2018

PYMNTS.com

New models go mainstream



Cash App 4+
Send, Spend Money, Buy Bitcoin
Square, Inc.
#1 in Finance
★★★★★ 4.6, 136K Ratings
Free

**2018 PEAK:
#1 OVERALL**

10:38
← Apps All Apps

Top Charts

Free Apps Paid Apps

Rank	App Name	Action
1	Cash App Send, Spend Money, Buy Bitcoin	OPEN
2	YouTube: Watch, Listen, Stream Videos, Music and Live...	OPEN
3	BURGER KING® App Coupons & Mobile Order	GET
4	Instagram Photo & Video	OPEN
5	Snapchat Photo & Video	OPEN
6	Messenger Text and Video Chat	OPEN
7	Amazon - Shopping made easy Search, Browse, Shop ~...	OPEN

Today Games Apps Updates Search

TRAVIS SCOTT
@trvisXX

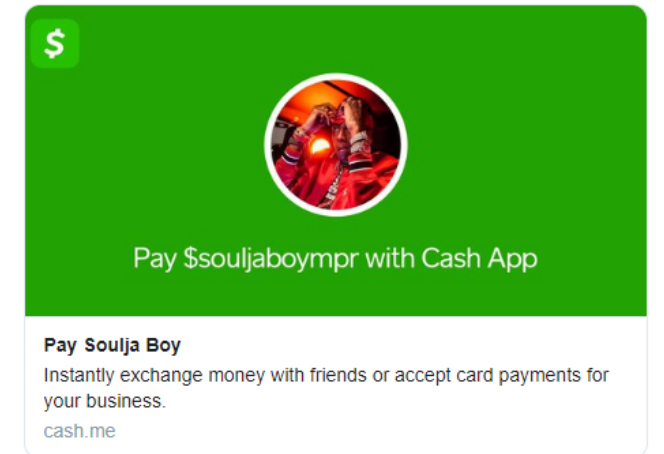
SO I KNOW ITS HARD FOR THE KIDS
SO I DECIDED TO UNLOAD MY BANK ACCOUNT ON U
GUYS. IM BUSTING DOWN \$100,000 AND GIVING AWAY
TO ANY FANS THAT CAN TWEET ME THERE CASH TAG
WITH LYRICS FROM ASTRO. GANG !!



Soulja Boy "Draco"
@souljaboy

All my fans send me something [cash.me/\\$souljaboympr](https://cash.me/$souljaboympr) I will pick a random donator who sends the largest donation and give you a free SouljaWatch and SouljaConsole tweet me when your done!

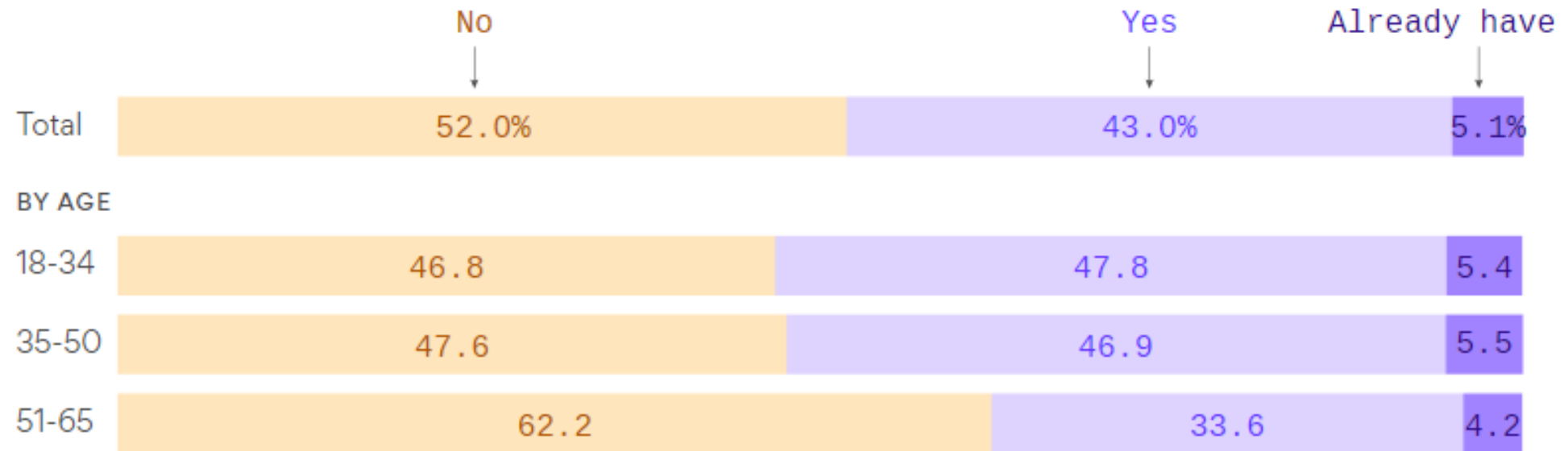
1,192 12:48 PM - Jan 14, 2019



Digital-only banking is inevitable

Would you consider moving your bank to an independent digital-only bank?

Survey of 1,205 U.S. adults conducted Jan. 16-18, 2019



5 trends shaping the future of banking

1. **Banking APIs** are enabling developers to build fintech
2. **Partner bank** model lets tech companies act as banks
3. Fintech unbundlers begin **rebundling**
4. Differentiation in **consumer banking products and services**
5. **Tech platforms** and **large banks** want in

5 trends shaping the future of banking

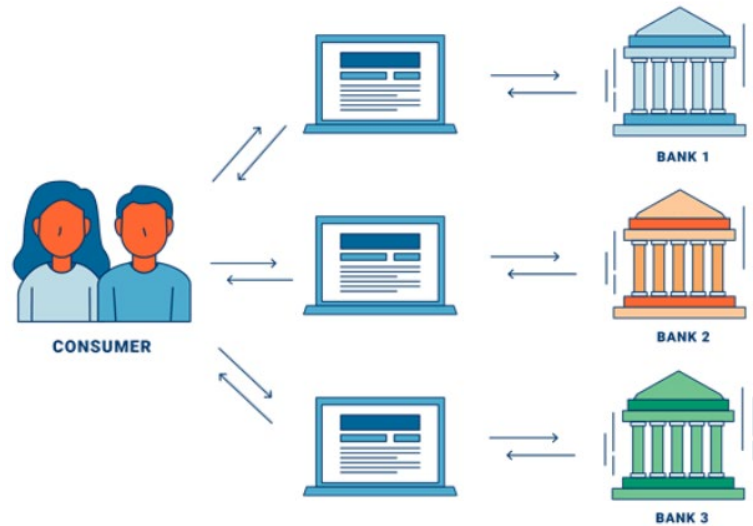
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What is open banking?

Open banking enables the creation of plug-and-play fintech APIs by leveraging open financial data. These APIs enable third-party developers to build applications and services around data from financial institution.

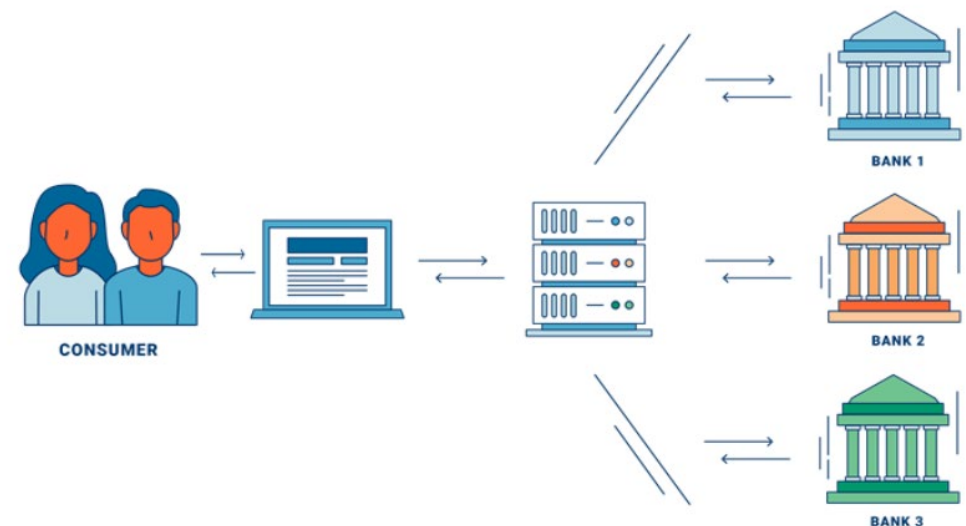
BEFORE:

A consumer's financial data is centrally held in one bank

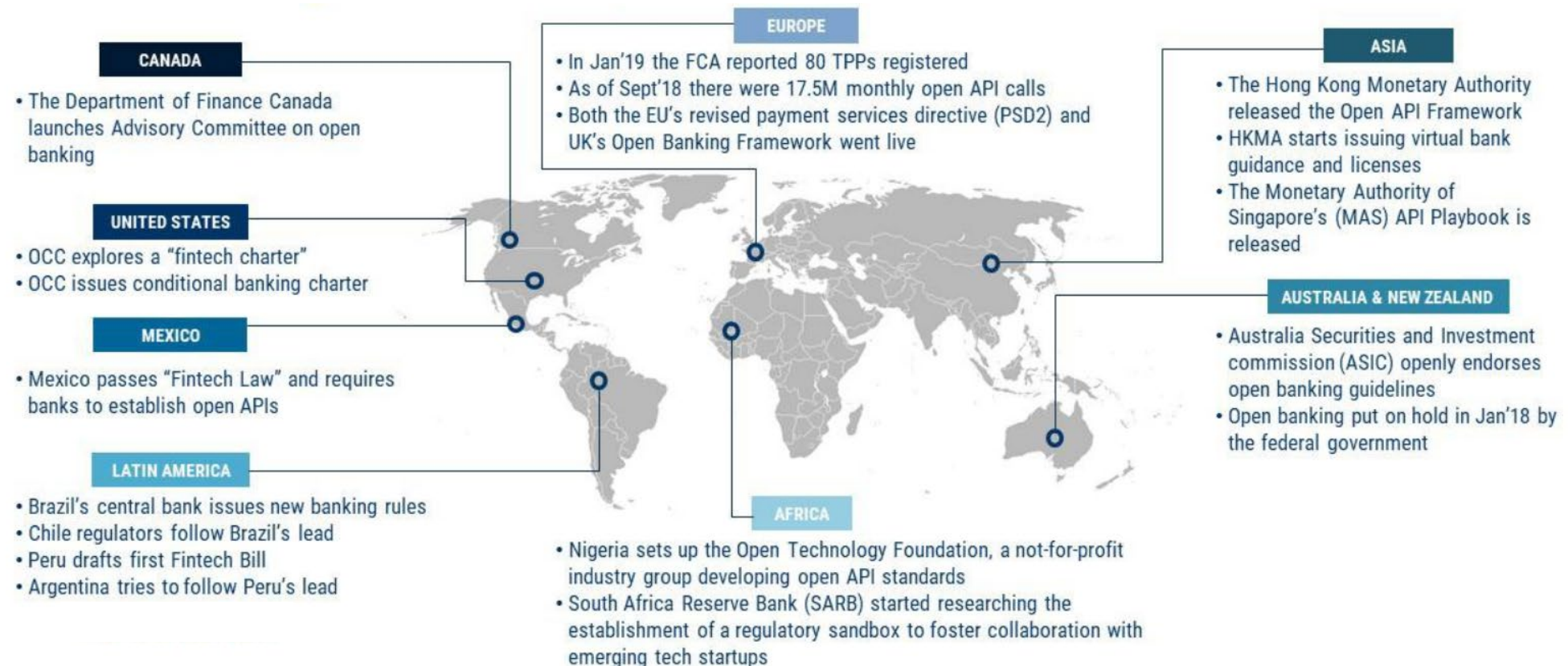


AFTER:

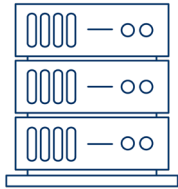
All consumer financial data is callable via a single API



Open banking is spreading beyond Europe and creating new competition for banks



APIs are building blocks for fintech developers



DATA AGGREGATION



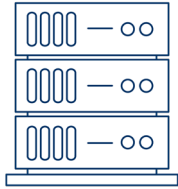
LENDING



ONBOARDING

BANKING APIS

Data aggregation APIs enable developers to access cleaned consumer financial data



DATA AGGREGATION



LENDING



ONBOARDING

Data aggregation startups build the base layer for financial innovation:



Funding:
\$309.8M

Valuation:
\$2.4 - \$2.6B

Select Investors: Andreessen Horowitz, Goldman Sachs Investment Partners, New Enterprise Associates

Region: USA (No open banking)

Plaid is a provider of APIs that power financial services applications and help them connect with user bank accounts.

Plaid is more valuable than international competitors, because the startups aggregates data in a non-regulated environment.



Funding:
\$11.8M

Valuation:
\$38.55M

Select Investors: Anthemis Group, Connect Ventures

Region: UK (Open banking)

TrueLayer is an API platform that offers developers access the bank data they need to build financial apps and services.

TrueLayer is currently available in the UK, beta in Germany, and coming soon to France, Italy, and Spain.



Funding:
\$11.8M

Valuation:
\$273M

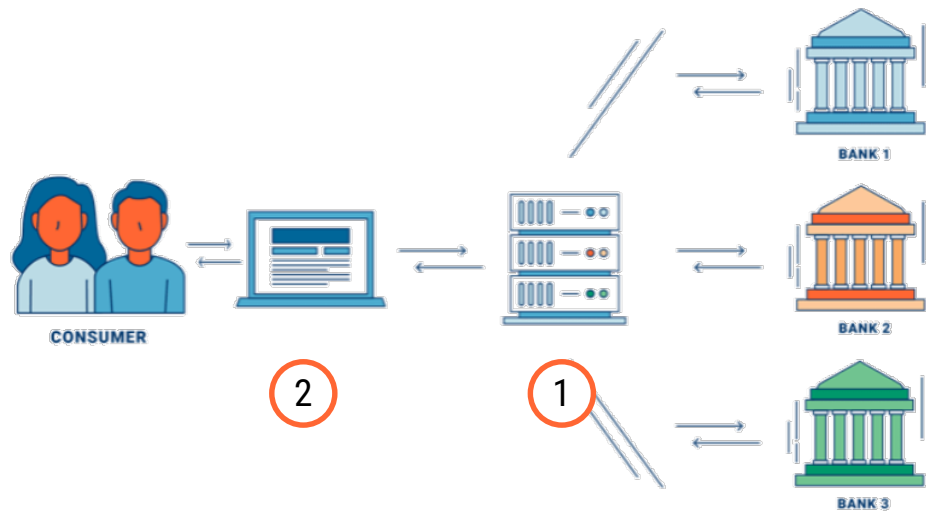
Select Investors: Sunstone Capital

Region: EU (Open banking)

Tink provides APIs as building blocks to create banking services.

Tink says the plan is to get to 20 markets by the end of 2019, targeting a range of customers from big banks to individual developers.

Data aggregation APIs are decentralizing consumers data – and encouraging innovation



1 DATA AGGREGATION
Data aggregation API startups are creating the pipelines for others to access cleaned consumer financial data – while meeting all compliance standards

2 FINANCIAL APPS
Fintech applications are then able to call consumer financial data via API – and build innovative financial products

Examples of startups building on Plaid:

Use case:

Examples:

Personal finances

 Dave.com

 drop

Lending

 blend

 Upstart

Business finances

 Expensify

 wave

Consumer payments

 TransferWise

 venmo

Banking and brokerage

 robinhood

 coinbase

Lending APIs simplify processes



DATA AGGREGATION



LENDING



ONBOARDING

BANKING APIS

Lending APIs automate funding and debt underwriting

ACCESS TO CAPITAL



Cross River **originates the loans and conducts money transfers** for organizations that don't have banking licenses and the ability to connect to the Federal Reserve banking system.

ACCESS TO UNDERWRITING



Aire's API provides virtual interviews and uses machine learning to **create personalized credit scores** based financial maturity, career and lifestyle.

BANKING APIS

Onboarding APIs provide compliance building blocks for fintech developers



DATA AGGREGATION



LENDING



ONBOARDING

Know-Your-Customer APIs automate the onboarding process for fintech startups



Funding:
\$59.53M

Valuation:
Not disclosed

Select Investors: Wellington Partners, CreditEase Fintech Investment Fund, M12, Salesforce Ventures

Onfido specializes in identity verification, using machine learning to validate a person's identity document and compare it with their facial biometrics.



Funding:
\$23M

Valuation:
\$55.25M

Select Investors: Blumberg Capital, American Express Ventures, BDC Venture Capital

Trulioo is a global ID verification company that provides advanced analytics verify identities online.

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Abroad, softer regulations allow fintech startups to become regulated banks

Number26 [N26] is now a true bank as it now has a full banking license

7/21/2016

TC TechCrunch

U.K. Fintech Revolut Gets European Banking License

12/12/2018

Bloomberg

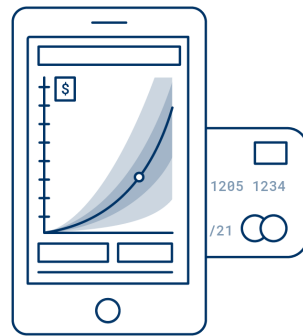
FCA Awards P2P Lender Zopa First UK Banking License

12/4/2018

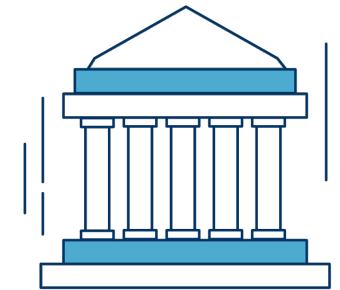
PYMNTS.com

PARTNER BANK

In the US, fintech startups and banks are partnering to leverage each others strengths



FINTECH



BANK

For the two parties this is an ideal partnership because **banks bring regulatory infrastructure**, while **fintechs provide consumer-facing tech, national reach, and distribution**. Banks are enabling fintechs to launch **credit facilities, FDIC checking accounts with branded debit cards, and savings accounts**.

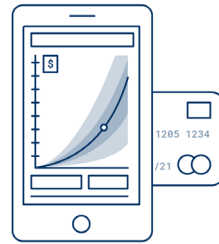
What is Banking-as-a-Service?

BaaS allows companies to add banking services into apps and products – enabling any startup or company to offer banking solutions directly to customers.



BANK ACCOUNTS

- End-to-end checking
- Custom mobile apps
- Customer support
- ATM network



BRANDED CARDS

- In-house design
- Supply chain
- Fulfilment
- Distribution



PAYMENT SOLUTIONS

- Instant payouts
- Mobile/direct deposit
- Virtual account loads
- Online bill pay

PARTNER BANK

Banking-as-a-Service allows companies to launch branded banking products



Green Dot leverages its bank, Green Dot Bank, to offer mobile banking capabilities to third party providers.

Select customer:



In April 2018, StoneCastle Partners and Q2 Holdings announced the launch of Cambr, merging Q2's digital platform CorePro and StoneCastle's digital deposit network of 800+ community banks and relationships with banks of record.

Select customer:



Cross River Bank lets other companies offer banking products to their customers via its APIs.

Select customer:

COMING SOON

BBVA launches a BaaS platform in the US

SOLUTIONS:



Identity Verification

Facilitate your customer's identity verification in one call.



Move Money

Support a range of payment types, including custom ACH and bill pay solutions, through a single endpoint.



Account Origination

Create and manage branded consumer and commercial deposit accounts.



Card Issuance

Design and manage branded customer debit cards.

CUSTOMERS:



BBVA acquired (3/20/2014)



BBVA acquired corporate majority (3/20/2014)



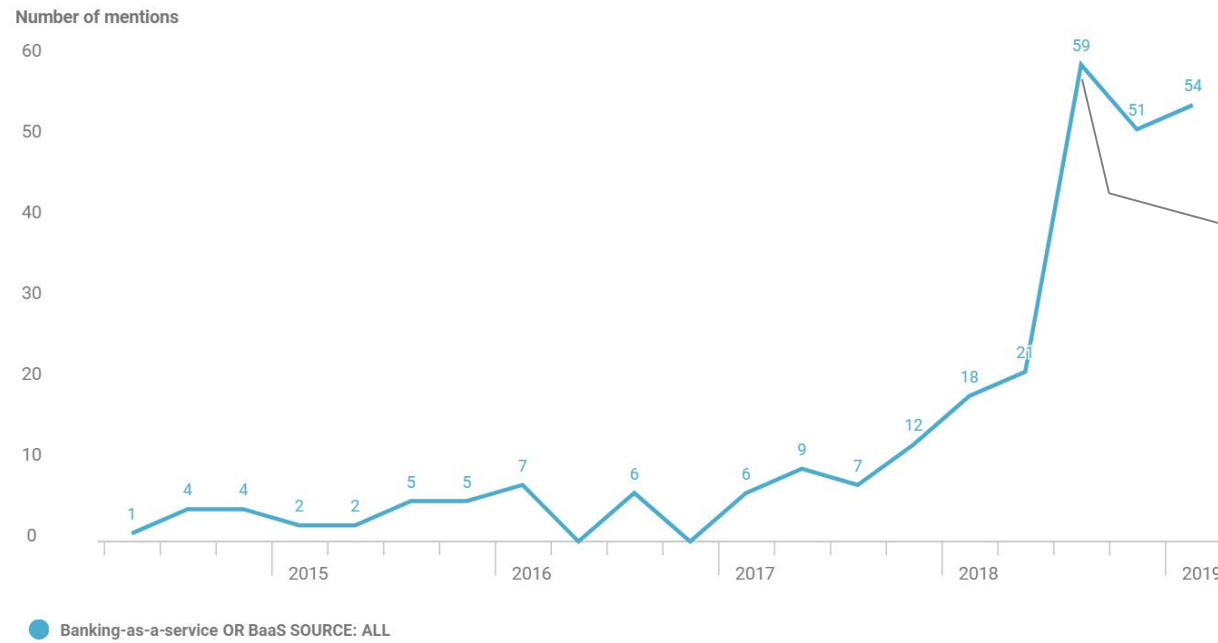
“We are positioning ourselves as a **new bank play**, somewhere **between what a bank should be and what fintech aspires to be.**”

Gilles Gade – President & CEO, Cross River Bank

Green Dot dominates 'Banking-as-a-Service' mentions on earnings calls

Green Dot has mentioned BaaS **183** out of **372** total mentions – including **49** mentions in Q4'18

■ Mentions in Earnings Calls

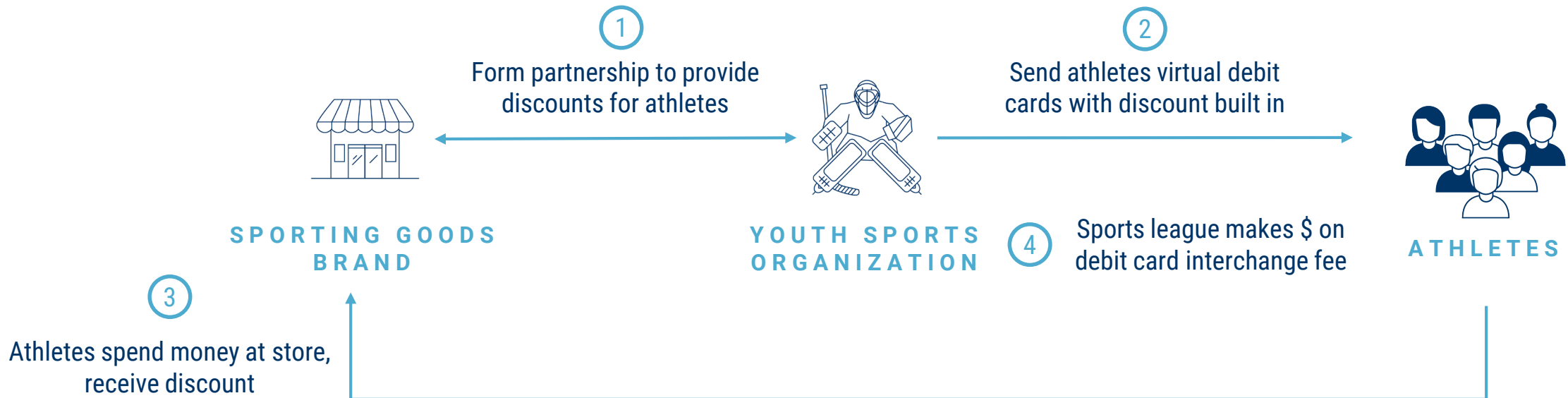


... our **BaaS** platform must continually evolve to ensure that Silicon Valley's best and brightest product designers can have an ever-growing collection of tools and capabilities that allow them to build what they want... **Then once BaaS 3.0 is in production, we then intend to begin work on BaaS 4.0 for release in the first half of 2020.**

Steve Streit - Founder & CEO @ Green Dot

Green Dot will enable small businesses to launch banking products

bank OS will enable 'anyone' to offer banking products



PARTNER BANK

"We saw fintech coming down the pipeline, and really embraced it as another avenue for us to get deposits"

Scot Lenoir – Chairman, Evolve Bank

PARTNER BANK

Fintechs are partnering with small banks to launch debit cards

COMPANY	 Square	 venmo	 acorns	 STASH	 Kabbage	 TransferWise
PARTNER BANK	 SuttonBank <small>Old-fashioned Innovation</small>	 The Bancorp	 Lincoln SAVINGS BANK	 green dot	 WebBank	 CFSB COMMUNITY FEDERAL SAVINGS BANK
COMPANY	 PayPal	 Uber	 chime	 VARO	 Current	 NOVO
PARTNER BANK	 The Bancorp	 green dot	 The Bancorp	 The Bancorp	 Metropolitan Commercial Bank	 MIDDLESEX FEDERAL <small>We're here to help.</small>

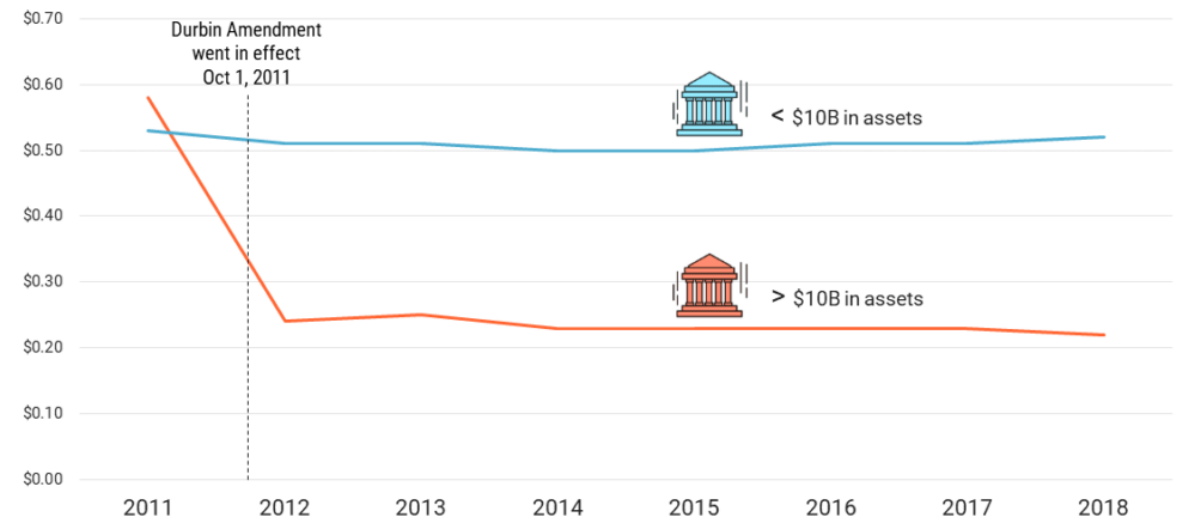
The Durbin Amendment incentivizes fintechs to partner with small banks for debit products

WHAT IS THE DURBIN AMENDMENT?

- The Durbin Amendment, part of the Dodd-Frank law, places a cap on fees charged to retailers for debit card processing.
- The amendment limits swipe fees – or the overall fee a merchant will pay to accept a debit card – on debit cards issued by banks with more than \$10B in assets. Banks with under \$10B in assets remain unregulated.
- In 2018 – 7 years after implementation – the average regulated swipe fee per transaction was \$0.22 for regulated debits, compared to \$0.52 for unregulated transactions.

The Durbin Amendment rewards smaller banks

Average annual debit swipe fee for retailers



Source: Federal Reserve

PARTNER BANK

Partner banks provide the capital behind fintechs innovative lending products

COMPANY



PARTNER BANK



"With a partnership, you're beholden to the success of the bank, anything that they could do right or wrong that could limit your success,"

Colin Walsh – Co-founder and CEO, Varo

Top players
partner up –

THE WALL STREET JOURNAL.

Apple, Goldman Sachs Team Up on Credit Card Paired With iPhone

The companies hope to lure cardholders by offering them extra features on Apple's Wallet app, which will let them set spending goals, track their rewards and manage their balances...

It is a major push by Apple into the financial lives of hundreds of millions of iPhone users. It is also part of Goldman's broader strategy to appeal to rank-and-file consumers.

Cardholders will earn cash back of about 2% on most purchases and potentially more on Apple gadgets and services

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3. **Fintech unbundlers begin rebundling**
4. Differentiation **consumer banking products and services**
5. **Tech platforms** and **large banks** want in

Previously, fintech startups focused on unbundling banks, by focusing on—

- Attacking margins
- Customers needs



Today, fintech startups are rebundling products to further compete with traditional banks

Banks of the Future													
Product offerings by top financial servicers													
Company	Lending Products				Payments				Asset Management				Type of Financial Institution
	Personal / Consumer	Mortgage	Business	Student	Credit Card	Debit Card	Peer-to-Peer	Processing / Gateway	Brokerage	Robo-Advisor	Savings	Crypto	Point of Entry (first product)
CHASE	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		Bank
Bank of America	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Bank
Marcus BY GOLDMAN SACHS	✓		✓		✓	✓		✓			✓		Bank
amazon			✓		✓	✓		✓					Tech Platform
SoFi	✓	✓		✓		✓	✓		✓	✓	✓	✓	Alternative Lending
LendingClub	✓		✓						✓				Alternative Lending
Square	✓		✓			✓	✓	✓				✓	POS Payments
robinhood						✓			✓		✓	✓	Brokerage
coinbase									✓			✓	Crypto Brokerage
affirm	✓					✓		✓			✓		POS Lending
Klarna.	✓					✓		✓					International: POS Lending
Betterment										✓	✓		Robo-advisor
wealthfront	✓									✓	✓		Robo-advisor
PayPal	✓		✓		✓	✓	✓	✓					Payments
acorns						✓			✓				Micro-investing
STASH	✓					✓			✓				Investing
chime	✓					✓					✓		Digital Banking
TransferWise						✓	✓						International: Money Transfer Fintech
Revolut						✓	✓		✓			✓	International: Digital Banking
monzo	✓					✓	✓						International: Digital Banking
N26						✓	✓			✓	✓		International: Digital Banking
stripe			✓			✓		✓					Payments
Kabbage			✓			✓		✓					Business Lending
BREX			✓		✓								Business Banking

Currently available
 Announced

Fintech startups are adding products designed to build new revenue streams



INTERCHANGE FEES

Fintech startups are launching **debit cards** to earn revenue on debit transactions via interchange fees – paid by merchants. Fintechs are able to earn significantly higher interchange fees than traditional banks from the Durbin Amendment



INTEREST ON ACCOUNT BALANCES

Fintechs are launching **checking / savings accounts** to encourage customers to keep higher average account balances. Also, fintechs pushing customers to link paycheck direct deposits.

REBUNDLING FIN SERVICES

Debit cards encourage active users

Banks of the Future													
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Company	Lending Products				Payments				Asset Management				Type of Financial Institution (First product)
	Personal/Consumer	Mortgage	Business	Student	Credit Card	Debit Card	Peer-to-Peer	Payment Gateway	Brokerage	Robo-Advisor	Savings	Crypto	
CHASE	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		Bank
Bank of America	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Bank
Wells Fargo	✓		✓		✓	✓		✓		✓	✓		Bank
Marcus by Goldman Sachs	✓				✓					✓			Bank
amazon			✓		✓	✓		✓					Tech Platform
SoFi	✓	✓		✓		✓		✓	✓	✓	✓		Alternative Lending
LendingClub	✓		✓			✓			✓				Alternative Lending
Square	✓		✓			✓	✓	✓				✓	POS Payments
robinhood						✓			✓			✓	Brokerage
coinbase						✓			✓			✓	Crypto Brokerage
affirm	✓					✓		✓		✓			POS Lending
Klarna	✓					✓		✓					International POS Lending
Betterment										✓	✓		Robo-advisor
wealthfront	✓									✓	✓		Robo-advisor
PayPal	✓		✓		✓	✓	✓						Payments
acorns						✓			✓				Micro-investing
STASH	✓					✓		✓					Investing
chime	✓					✓				✓			Digital Banking
TransferWise						✓	✓						International Money Transfer Fintech
Revolut						✓	✓		✓			✓	International Digital Banking
monzo	✓					✓	✓						International Digital Banking
N26						✓	✓			✓	✓		International Digital Banking
stripe			✓			✓		✓					Payments
Kabbage			✓			✓		✓					Business Lending
BREX			✓		✓	✓							Business Banking

Currently available Announced



Cash App

Dec 2017
Cash App had **7M** MAU

Dec 2018
Cash App had **15M** MAU

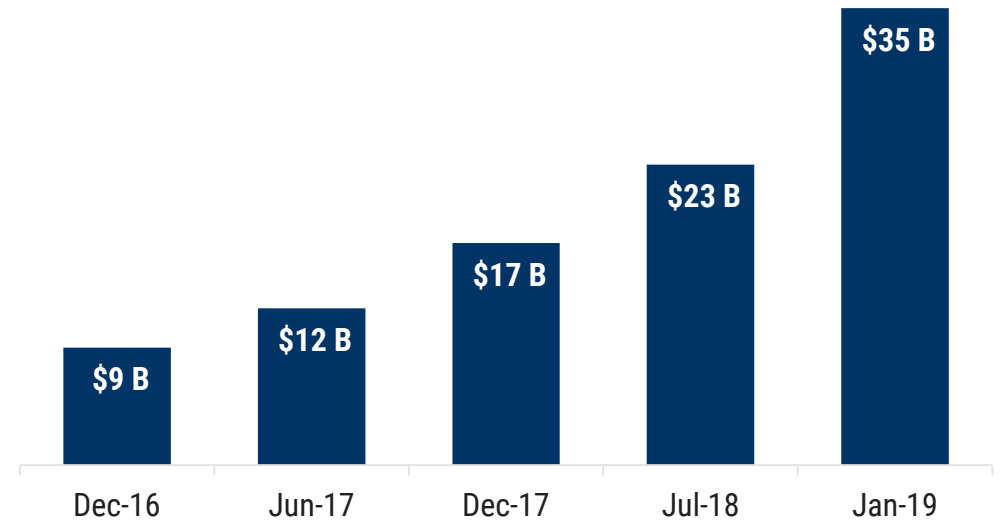
REBUNDLING FIN SERVICES

High-interest savings accounts attract new customers

Banks of the Future													
Product offerings by top financial servicers													
Company	Lending Products				Payments				Asset Management				Type of Financial Institution
	Personal / Consumer	Mortgage	Business	Student	Credit Card	Debit Card	Peer-to-Peer	Processing / Gateway	Brokerage	Robo-Advisor	Savings	Crypto	Point of Entry (first product)
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Bank of America	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		Bank
	✓		✓		✓	✓					✓		Bank
Marcus by Goldman Sachs					✓						✓		Bank
amazon			✓		✓		✓						Tech Platform
SoFi	✓	✓		✓		✓		✓	✓	✓	✓	✓	Alternative Lending
LendingClub	✓		✓					✓	✓				Alternative Lending
Square	✓		✓			✓	✓	✓				✓	P2P Payments
robinhood						✓			✓			✓	Brokerage
coinbase									✓			✓	Crypto Brokerage
affirm	✓					✓		✓				✓	P2P Lending
Klarna	✓					✓		✓					International P2P Lending
Betterment									✓	✓			Robo-Advisor
wealthfront	✓								✓	✓			Robo-Advisor
PayPal	✓		✓		✓	✓	✓	✓					Payments
acorns						✓			✓				Micro-investing
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stripe			✓			✓		✓					Payments
Kabbage			✓			✓		✓					Business Lending
BREX			✓		✓								Business Banking

Currently available Announced

Marcus by Goldman has \$35B in deposits
2.25% APY



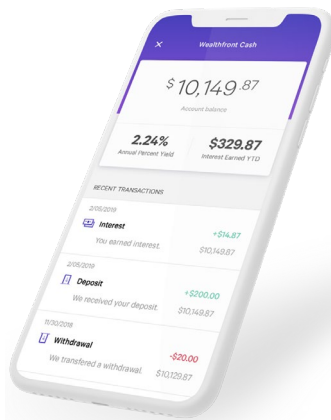
REBUNDLING FIN SERVICES

Robo-advisors add savings accounts to further automate financial services

Cash held at robo-advisors no longer needs to be moved to a brokerage to earn interest



2.24% APY



Betterment

2.23% APY

80% Treasuries and 20% high-grade corporate bonds

SMART SAVER:

Betterment offers a **two-way cash sweep**. When a customer links their checking account, Betterment analyzes activity and constructs an upper and lower bound for projected balance. If the balance goes lower, cash will be transferred from Smart Saver account to bank. When it goes higher, excess cash is added to Smart Saver.


REBUNDLING FIN SERVICES

Affirm announces savings accounts and will operate more like a traditional bank



REBUNDLING FIN SERVICES

SoFi is building a full-scale banking platform for its 500,000+ members

Company	Personal / Consumer	Mortgage	Business	Student	Credit Card	Debit Card	Peer-to-Peer	Processing / Gateway	Brokerage	Robo-Advisor	Savings	Crypto	Point of Entry (first product)
SoFi 	✓	✓		✓		✓	✓		✓	✓	✓	✓	Alternative Lending

SoFi Plans New Lending Products and Move Into Stock Trading

2/15/2019

Bloomberg

Millennial online lender SoFi to offer zero-fee ETFs, an unexpected rival for index fund giants Vanguard, iShares

2/25/2019

 **CNBC**

Are you ready to ditch your bank? SoFi is betting its future on it

6/19/2018

FAST COMPANY

SoFi rolls out mobile checking account aimed at millennials

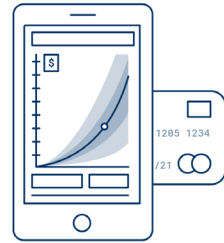
6/19/2018

TS
TEARSHEET

5 trends shaping the future of banking

1. **Banking APIs** are enabling developers to build fintech
2. **Partner bank** model lets tech companies act as banks
3. Fintech unbundlers begin **rebundling**
4. Differentiation in **consumer banking products and services**
5. **Tech platforms** and **large banks** want in

Differentiation in consumer banking products and services:



HYBRID CHECKING ACCOUNT



DEBIT REWARDS



EARLY ACCESS TO PAYCHECKS

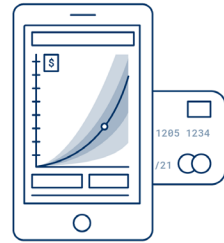


CREDIT FOR CONSUMERS WITH NO CREDIT HISTORY



LOYALTY REWARDS

Differentiation in consumer banking products and services:



HYBRID CHECKING ACCOUNT



DEBIT REWARDS



EARLY ACCESS TO PAYCHECKS



CREDIT FOR CONSUMERS WITH NO CREDIT HISTORY



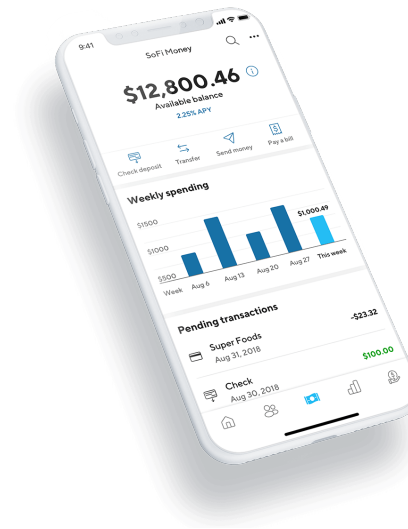
LOYALTY REWARDS

SoFi Money offers customers a checking account with 2.25% APY



SOFI MONEY:

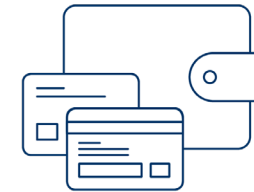
- Debit card spend
- 2.25% interest APY
- Unlimited ATM fee reimbursements worldwide
- Zero fees
- P2P transfer (within SoFi ecosystem)
- Bill pay
- Mobile check deposit



Differentiation in consumer banking products and services:



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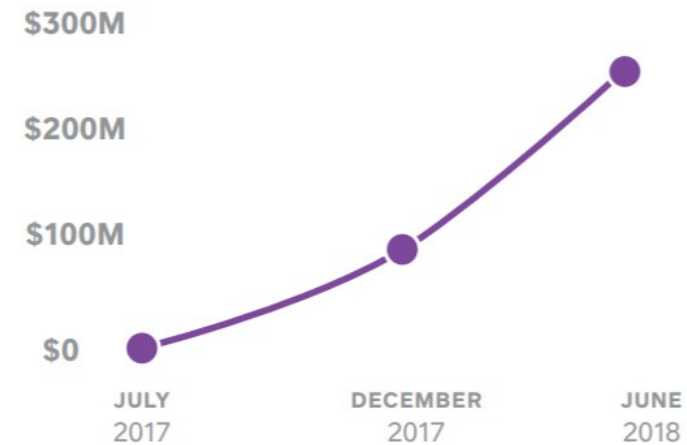
LOYALTY REWARDS

Square Cash Card's instant rewards program has proven to be successful

CASH CARD REWARDS PROGRAM



MONTHLY CUSTOMER SPEND ON CASH CARD



Acorns and Stash launch debit rewards programs to encourage further investing



Acorns' Found Money turns "cash back" into "cash forward" investments



Airbnb will invest 1.8% of your service fee into your future.



Hilton will invest 6% of your purchase into your future.



Expedia will invest 4% of your purchase into your future.



Jet will invest 2% of your purchase into your future.



Macy's will invest 5% of your purchase into your future.



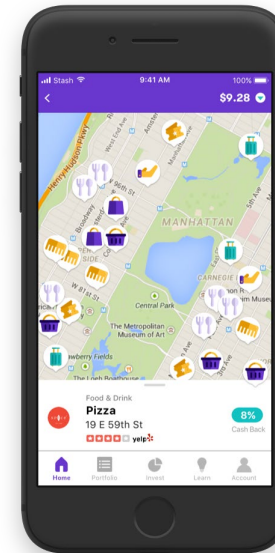
Sephora will invest 3% of your purchase into your future.

STASH



Automatically earn cash back to invest.

Enroll your debit card or credit card and shop at over 7,000³ stores and restaurants to automatically earn up to 10% cash back through Stash to your investment account. No points. No couponing. Just an easy way to keep investing.



Differentiation in consumer banking products and services:



HYBRID CHECKING ACCOUNT



DEBIT REWARDS



EARLY ACCESS TO PAYCHECKS



CREDIT FOR CONSUMERS WITH NO CREDIT HISTORY



LOYALTY REWARDS

earnin

Funding:
\$125M

Valuation:
\$120M

Select Investors:

Andreessen Horowitz, Ribbit Capital, Felicis Ventures

Description:

Earnin is a free service – tip-only model– that lets consumers get paid for the hours they work. Earnin’s service is D2C.

How Earnin works:

1. Share bank detail
2. Tell Earnin where you work
3. Earnin uses your location to note how long you’re at work
4. When you tap ‘Cash Out’, Earnin sends your earnings to your bank account
5. Your job pays you as usual, and Earnin deducts the amount cashed out

50M Hours a month	At 50K+ Companies	In 50 States Nationwide
--------------------------------	---------------------------------------	--

Startups are enabling companies to pay workers instantly for completed work



caviar

(acquired by SQ in 2014)

Caviar couriers using Cash App are able to access funds immediately after completing a delivery.



Marketplaces using Stripe Connect can send Instant Payouts to sellers or service providers on their platform.

Select partners:



Uber

Uber and GoBank partnered to provide Uber drivers a GoBank checking account and debit card, which gives drivers instant access to accrued funds. This debit card also has rewards.



Gusto, a payroll and HR benefits provider lets employers pay employees after work in complete. The solution called Flexible Pay, must be switched on by an employer, and is free.

Differentiation in consumer banking products and services:



HYBRID CHECKING ACCOUNT



DEBIT REWARDS



EARLY ACCESS TO PAYCHECKS



CREDIT FOR CONSUMERS WITH NO CREDIT HISTORY



LOYALTY REWARDS

CREDIT FOR CONSUMERS WITH NO CREDIT HISTORY



Funding:
\$80.6M

Valuation:
\$106.78M

Select Investors:

Brooklyn Bridge Ventures,
Great Oaks Venture Capital,
Guild Capital

Description:

Provide credit cards to young people and others who lack a credit history. Petal's cards link to a mobile app which enables users to track what they spend and what they can afford.



Differentiation in consumer banking products and services:



HYBRID CHECKING ACCOUNT



DEBIT REWARDS



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LOYALTY REWARDS

Startups are enabling silent loyalty programs



Funding:
\$27.27M

Valuation:
\$70.68M

Select Investors: ff Venture Capital, New Enterprise Associates, White Star Capital

Drop is an iOS app that allows users to earn rewards and points on top of what current card reward programs already provide. Users link their credit or debit to the app, and every earn points for whenever they spend with Drop's merchant partners.



Funding:
\$99.35M

Valuation:
\$300M

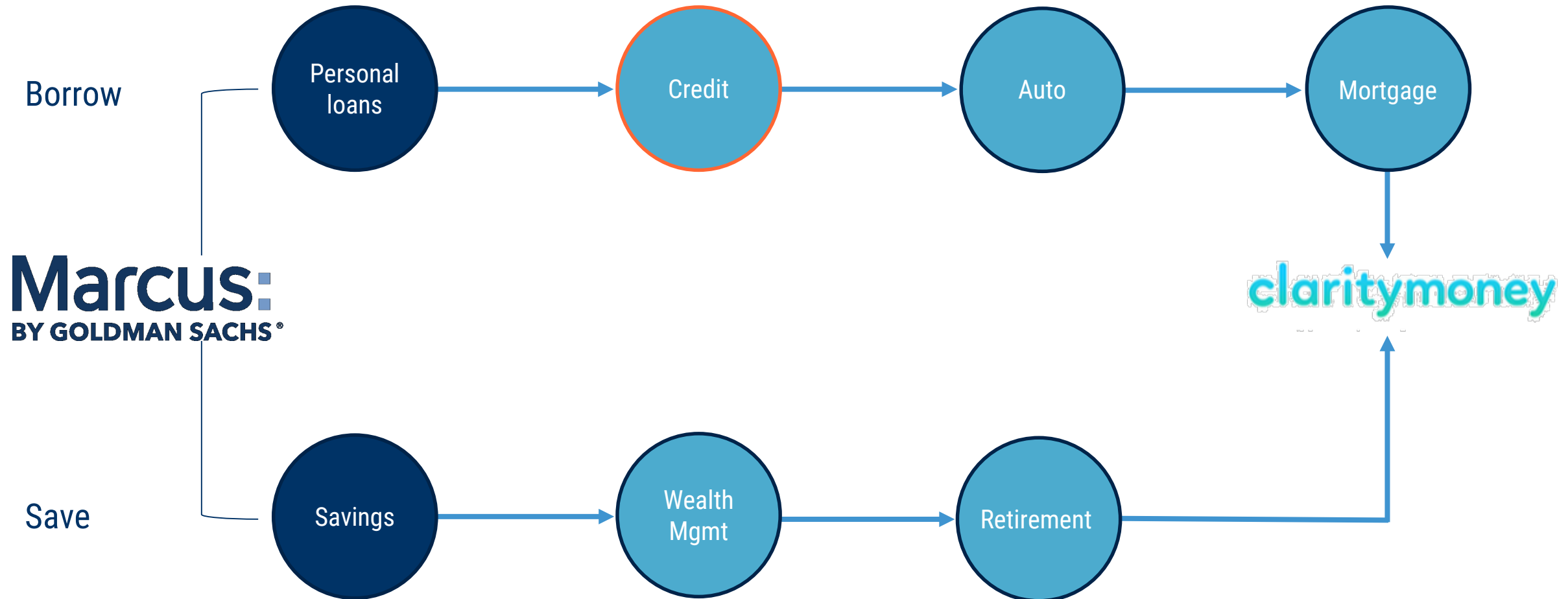
Select Investors: Goodwater Capital, PayPal, BAM Capital

Dosh enables consumers to instantly get cash back from merchants and brand, through any credit or debit card. Dosh helps merchants understand customer behaviors.

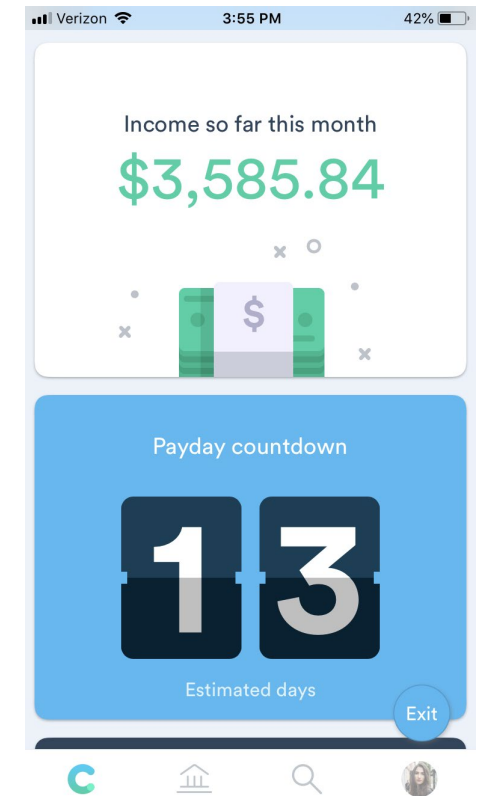
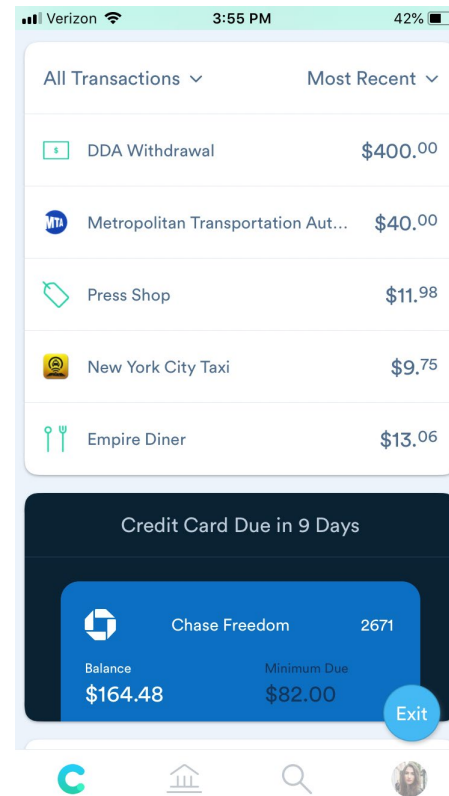
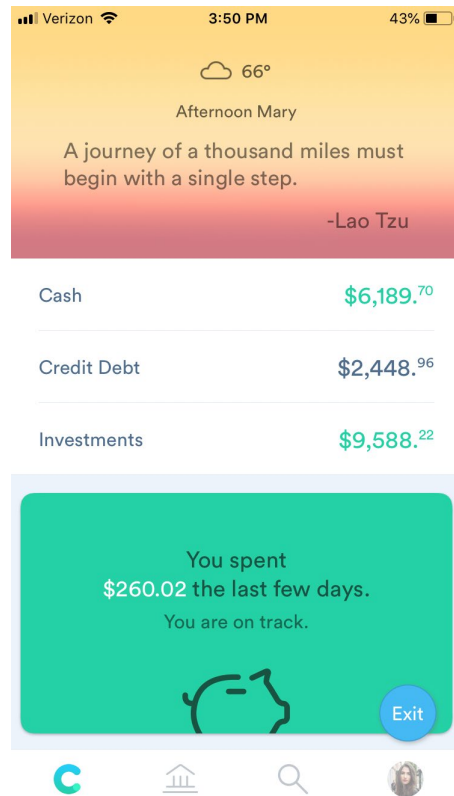
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Marcus' strategy: build out products



Clarity Money will likely become Marcus' mobile app



What will the Goldman and Apple partnership look like?

**Goldman
Sachs**



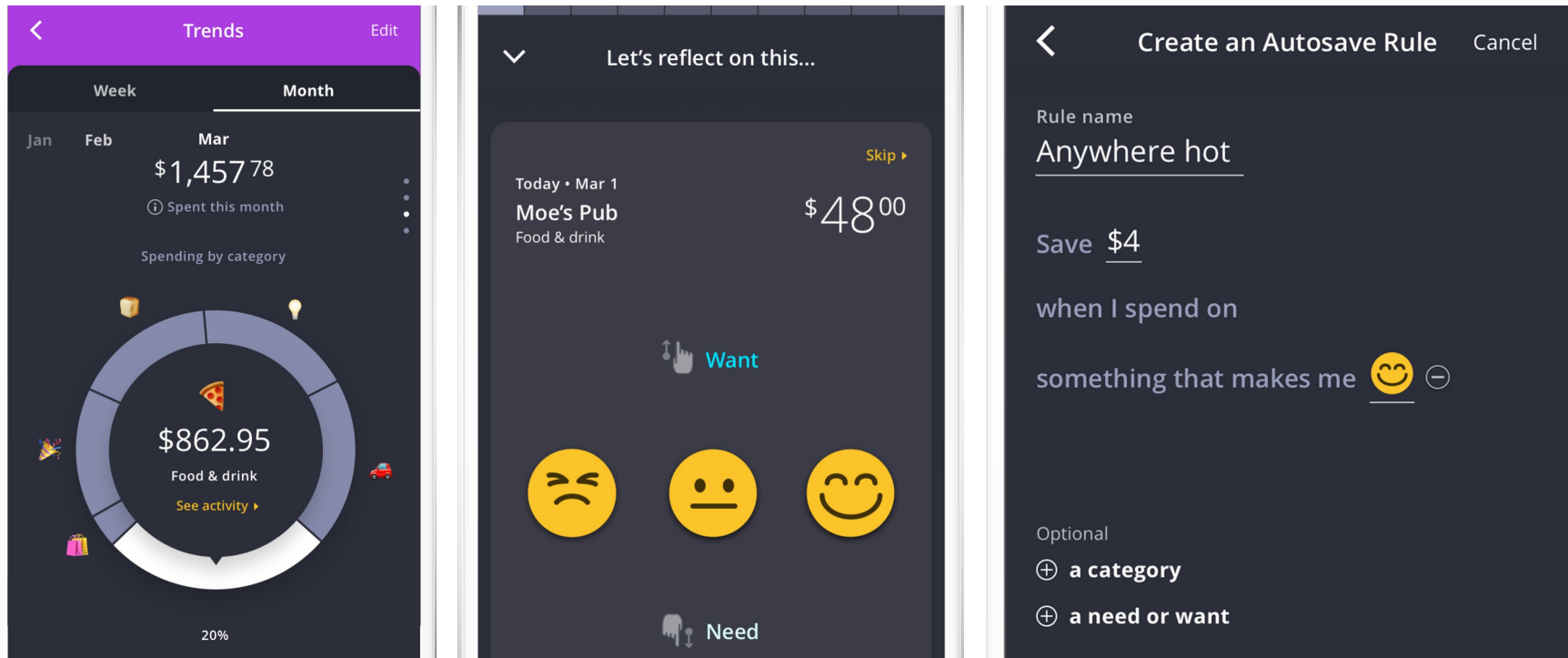
Confirmed:

- Apple-branded Goldman credit card with 2% cash-back
- Goldman will bank Apple's digital wallet and facilitate text money feature

Speculation: In-store Marcus loans to Apple customers

Speculation: Apple Pay and Clarity Money integration

JPMorgan launches Finn as an A/B test



"While I like the idea of Chase competing in the online bank space, the way they are approaching it doesn't make much sense."

The only real benefits will be the ability to open the checking account outside of a Chase serviced state and the new mobile app has arguably less useful functionality than the Chase Mobile app."

Facebook
wants your
banking data

THE WALL STREET JOURNAL.

**Facebook to Banks: Give Us Your Data,
We'll Give You Our Users**

The social-media giant has asked large U.S. banks to share detailed financial information about their customers, including card transactions and checking-account balances, as part of an effort to offer new services to users.

Facebook has talked about a feature that would show its users their checking-account balances, the people said. It has also pitched fraud alerts, some of the people said.

Will Amazon
get into
banking?

THE WALL STREET JOURNAL.

Next Up for Amazon: Checking Accounts

Amazon.com Inc. is in talks with big banks including JPMorgan Chase & Co. about building a checking-account-like product the online retailer could offer its customers, according to people familiar with the matter.

Last fall, it put out a request for proposals from several banks for a hybrid-type checking account and is weighing pitches from firms including JPMorgan and Capital One Financial Corp. , some of the people said.

Questions?

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