

Donut reinvents savings accounts with banking and crypto services

Industry | Consumer Fintech

Benefits | Technology Product Breadth Partnership

Products & Features | Deposit Hub Crypto Hub



Very low interest rates created a generation that doesn't save. Donut wants to help them find financial independence with high-yield savings accounts tied to decentralized finance (DeFi) markets.

The average savings account earns only 0.04% APY. If you save \$1,000 for a year at that rate, you'll earn only \$1,000.40. Donut saw this dilemma and began searching for a solution that would give customers a way to save and earn much higher yields. They found a way with DeFi markets.

Banks lend and borrow to fund their financial models. DeFi replaces that process with software which leads to more efficient borrowing than the banks can precipitate. To enable the savings accounts, Donut's customers consent to have their US dollars automatically converted to stable coins such as DAI. Donut's partners lend those dollars through a global pool of lenders and borrowers resulting in high yield savings accounts that generate returns of a fixed 4% APY and a variable rate of up to 10% APY.

When a Donut customer opens a savings account, they are opening a connected digital bank and cryptocurrency account powered by modern technology. With Donut, customers have the freedom to securely move their savings in or out with no fees or fixed terms.

Donut partners with Synapse to connect digital banking with crypto fusing the on-ramp and off-ramp of the fiat to provide the bridge from traditional banking to DeFi for their customers.

CHALLENGE

The challenge for Donut is to attract and convince millennials, GenZ, and FIRE* movement members to allocate a portion of their cash to a high-yield, DeFi powered savings account. Without Donut they would have to put their money in a traditional savings account for far less interest and little flexibility. With Donut customers can link their bank accounts to add funds instantly and generate fixed or variable rates up to 20x a traditional bank.

Financial Independence, Retire Early (FIRE) is a **movement dedicated to a program of extreme savings and investment that allows proponents to retire far earlier than traditional budgets and retirement plans would allow. (Investopedia)*

To deliver this vision, Donut needed to find a partner with:

- Deep experience with crypto products
- A wide range of financial products
- A shared vision to innovate new services
- Experience getting new ideas to market quickly
- Full compliance and KYC services



Banking and crypto exist in two different worlds. Synapse makes it possible to connect the two worlds for our customers.

Neel Popat, CEO



SOLUTION

The Operating System For Modern Banking

Vertically Integrated Technology

Customizable integrations are straightforward and fast with Synapse's platform and APIs. Before Synapse it took years to get from idea to launch with partnerships and program management, compliance, operations and support, and bank integrations. With Synapse, Donut built connected services from an all-in-one infrastructure layer.

Wide Range of Financial Solutions

Synapse's infrastructure layer powers customizable solutions that grow by adding services like building blocks to enhance customer experience and tap new revenue streams. Donut leveraged Synapse's wide range of products to design a connected banking and crypto product that has attracted millions in deposits. Our stack gives Donut the option to develop significantly more features and products with us as they grow.

Partners in Innovation

Donut approached Synapse with a responsibility to arm a generation with the tools they need to achieve financial independence. Synapse advances and effectuates the charge to innovate in the cryptocurrency space, bridging banking, and DeFi for a unique offering that distinguishes Donut's brand in the market.



DeFi was the solution for our high-yield savings account, but we needed a way to make DeFi simple and deliver a great user experience. Synapse made that possible.

Neel Popat, CEO



Synapse Products Powering Donut



ACH



KYC Checks



(External) Crypto Deposits



Same-Day ACH



Digital (Crypto) Wallets



User Deposit Accounts



Debit Card Processing



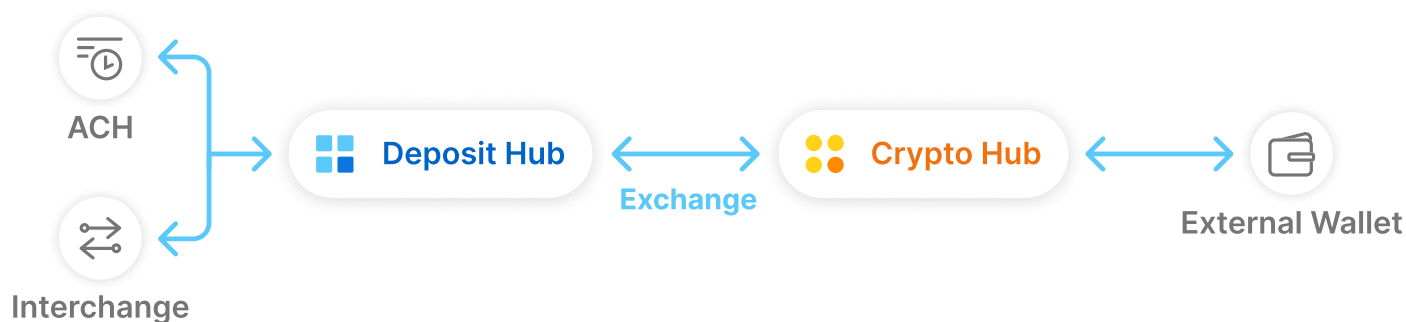
SRN Transfers



Account & Routing
Numbers Subnets

RESULTS

Founded on the question, how can we help build financial independence for a generation that is used to earning only \$1.00 in interest over three months, Donut started from the ground up working with a partner who was just as invested to build a connected banking and crypto product that produced up to 20x rates than traditional banks.



Today, Donut is attracting wealth-builders and those on their first journey into savings who are ready to earn higher yields securely and with greater flexibility.

About Synapse

Synapse empowers companies of all sizes and across all industries to become innovative financial partners for their customers. With Synapse's APIs, companies can design products and services that raise access to financial services for all. We provide modular building blocks to develop and launch custom suites of financial services to embed banking products, issue cards, provide next-generation loans, and more, quickly, reliably, and securely.