

Buy Now Pay Later

**Revolutionizing Traditional Credit
With Convenience, Data &
eCommerce**





Sankaet Pathak

Founder and CEO



Sankaet is the Founder and CEO at Synapse. Prior to Synapse, Sankaet was a research assistant at the University of Memphis, where he helped publish 25+ research papers as part of the Physics department. At the University of Memphis, Sankaet became interested in computer science and was inspired to start Synapse after struggling with his own inability to access financial services.

“The origin of Synapse comes from my own inability to access financial services. The company is dedicated to providing access to financial services for people who have been left behind by the traditional banking systems...”

What was the vision behind founding Synapse?

I became interested in computer science while at the University of Memphis. After participating in a hackathon, I came across Simple, a mobile-first neobank.

My friend was able to open an account, but I could not because I was an immigrant and had no credit history. I did not fit into the traditional financial framework, and I realized there must be millions of people who struggled with this same problem.

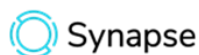
Originally, I just wanted to come up with a more accessible solution than Simple, but quickly realized how much further there was to go—how banking was inaccessible and exclusive at all levels, for both consumers and companies.

The origin of Synapse comes from my own inability to access financial services. The company is dedicated to providing access to financial services for people who have been left behind by the traditional banking systems, and enabling developers to create more creative and accessible financial products on our API infrastructure.

Can you walk us through your three core products, Deposit Hub, Credit Hub, and Crypto Hub?

Deposit Hub allows individuals or businesses to create deposit accounts and includes access to features such as an account number and debit card, checks, bill pay, direct deposit and more. This has been the core of Synapse, ensuring developers have the tools to create financial products that give everyone access to high quality financial services.

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Exclusive CEO Interview – Sankaet Pathak

“Key to our empowering of fintech innovators, Synapse Credit is the lender of record and performs all loan origination, servicing, credit reporting, and monitors the program for marketing and regulatory compliance.”

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Our newest product, Credit Hub, is a full-stack API platform built to support innovative credit solutions for individuals and businesses. Credit Hub gives any company the ability to build white-labeled credit products including card issuance, credit-building tools, lending accounts and cashback rewards, in as little as six weeks.

The newest product that will help us continue to set ourselves apart from other banking-as-a-service providers is our Crypto Hub. Crypto Hub is a platform that allows developers to build accounts that can exchange, hold and transmit cryptocurrencies for individuals or businesses. We created this to build an easy on/off ramp for fintech cryptocurrency adoption.

Credit Hub is particularly interesting given that you are not working with a traditional bank sponsorship model. Why did you decide to pursue this path?

Traditional banks are not known for unsecured, short-term loans at a low cost. In addition, banks are last to introduce innovative underwriting models, bring banking to the masses, eg. immigrants, unbanked consumers, those with lower social-economic status, etc.

Plus, we felt there was a void and opportunity to enable more innovative lending instruments, such as: Open loans, Spend cards, Turnkey Buy-now-pay-later solutions, and Payroll cash advances.

Early on, Synapse recognized these market needs and proactively decided to enable and empower fintech innovators to fill this void.

Key to our empowering of fintech innovators, Synapse Credit is the lender of record and performs all loan origination, servicing, credit reporting, and monitors the program for marketing and regulatory compliance. More information available here: <https://synapsefi.com/credit-hub>.



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“Buy Now, Pay Later is ideal for any company with higher ticket items looking to bring a short-term loan solution to market quickly to drive an increase in sales.”

Talk to us about how Credit Hub can be levered to offer buy-now-pay-later solutions? Who are you targeting with BNPL solutions?

Support for Buy Now, Pay Later (BNPL) products is one of several credit offerings underlying our Credit Hub product. The broader use-case we support with this capability is installment loans, where there is a one time disbursement of funds which is then paid back in equal (pre-defined) installments over time. This loan could be applied for purchases with a single merchant, or multiple merchants. Multiple merchant BNPL can be supported, for example, by funds issued through a card (physical or virtual) or posting funds to an account.

Buy Now, Pay Later is ideal for any company with higher ticket items looking to bring a short-term loan solution to market quickly to drive an increase in sales. Our customers tend to be Neobanks, embedded finance solution providers, small business platforms, gig economy companies and their 1099 contractors, etc. (other solutions we talked about for the website)

Addition underlying credit products supported by Credit Hub include:

Revolving Loans: loans with a fixed credit limit and are either unsecured or secured against collateral. A common use case for revolving loans is issuing credit cards.

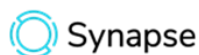
Cash Advances: short-term in nature, typically less than a month. Cash Advances are a fast and convenient alternative to loans due to their simplicity and limited regulatory burden.

Open Loans: revolving loans with a credit limit tied to an underlying reserve balance. Open Loans can be used for secured credit cards or a credit builder product.

Thinking about your product suite more broadly, what is the sweet spot in the market for your solutions?

Synapse serves fintechs and small businesses who require next-gen banking services—however advanced those may be.

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“Our value proposition is that our customers can bring their product to market in weeks as opposed to months or years.”

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These builders could reside in new enterprises - start-ups - or established enterprises and be charged with developing new offering(s) with financial service components. They are typically founders or senior-level decision makers at early-mid level fintech companies. They're looking for a partner or technology solution that will help them get to market fast. They want to avoid the costs and complexity of building from scratch or cobbling different services/providers together and are ready to invest in a complete, one-stop solution to launch their products quickly, and that can effortlessly scale as their business grows.

Our value proposition is that our customers can bring their product to market in weeks as opposed to months or years. In order to start from scratch, a company offering financial products needs to form partnerships and file requests with myriad different entities, including partner banks, card issuers, credit reporting agencies and more. Synapse already has those relationships and offers access to those services via an API, so our customers can launch in less than two months.

Our core product is our Deposit Hub, which includes payment processing, card issuance, etc. This year, we are expanding into a suite of lending products, headed by a Credit Hub and Crypto Hub.

Can you discuss some of your existing customers and how Synapse has enabled their banking solutions?

Quo – A B2C company that offers financial safety membership and provides tools to help you get your finances on track. Quo helps plan spending around the next paycheck - giving you a 5% APR loan when you have an unexpected emergency. Also, they are working on expanding with the help of Synapse's credit hub.

OnJuno – A startup bank offering high-yield checking accounts with no minimum balance that aims to replace savings accounts. OnJuno's targeted users are specifically populations that are historically more prone to use debit and focus on savings, including South Asian immigrants.

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Exclusive CEO Interview – Sankaet Pathak

“With white-labeled APIs for developers, and bank-facing APIs for institutions to automate their back-end operations, Synapse customers can build, launch and scale best-in-class financial products and services.”

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Context:

[OnJuno, a new online bank aimed at Asian-Americans, offers a 2.15% savings rate](#) (Fortune article, Dec. 2020)

[Quo is Changing Predatory Lending by Making Their One-time Loans a Force for Good](#) (March 2021)

How does Synapse differentiate vs. other banking-as-a-service providers? What are your core strengths?

Synapse’s banking-as-a-service platform provides payment, card issuance, deposit, lending, compliance, credit and investment products as APIs. With white-labeled APIs for developers, and bank-facing APIs for institutions to automate their back-end operations, Synapse customers can build, launch and scale best-in-class financial products and services. No other provider can offer such a robust suite of products and have it go to market in six weeks. Synapse’s key differentiators include:

- **End-to-end offering** including banking partner, all integration points, and KYC back office
- **Rapid speed to market** with a modern API-first platform - live in 6-8 weeks
- **Infrastructure focused** so that you can create the best experience for your customers
- **Limitless scale** so that you can grow your business without re-platforming
- **Revenue multiplier** enabling new sources of interchange revenue
- **Market access expansion** so that you can easily expand to new market geographies



Exclusive CEO Interview – Sankaet Pathak

“Our mission is to ensure that everyone around the world has access to best-in-class financial products, regardless of their net worth.”

What is your revenue model and can you share any KPIs on the business with us?

Synapse’s revenue model is driven largely by two components: SaaS fees and rebates on transactions and deposits. Regarding KPI, we measure the health of the business based on revenue growth, retention, and gross margins. Note however, these are not metrics that we share externally.

What is the long-term vision for the Company? What does the product roadmap look like over the next five years?

Our mission is to ensure that everyone around the world has access to best-in-class financial products, regardless of their net worth. What this means is that we will innovate globally on deposit, credit and investment products. Our guiding principles are to make our products less risky for developers, intelligent for people and easy to use for everybody.

Any product and feature we work on adds into this larger goal. Near-term product introductions will include a Crypto investment platform (Crypto Hub mentioned above), followed by a Global Deposits platform and ID & Risk Score products to minimize financial risk for developer companies. In addition, we plan to add more low-to-no-code capabilities for our customers who wish to have more turnkey solutions without the need to write code.

Buy Now Pay Later Industry Report

Synapse

FINANCIAL
TECHNOLOGY
PARTNERS

Company Overview



CEO: Sankaet Pathak
Headquarters: San Francisco, CA
Founded: 2014

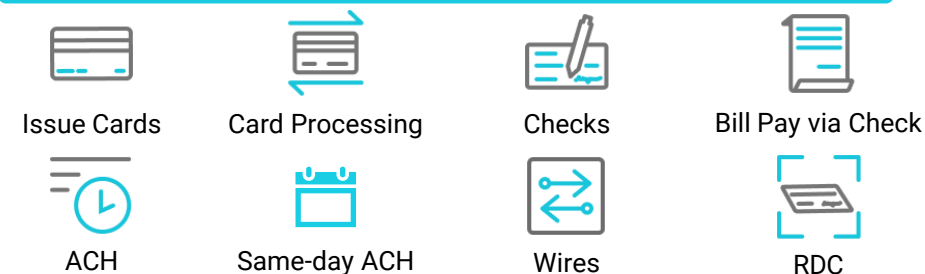
- Synapse is a Banking-as-a-Service provider that enables developers to build and launch feature complete deposit, credit and crypto products in weeks.
- The Company's platform provides payment, card issuance, deposit, lending, compliance, credit and investment products as APIs to FinTech companies and providers of embedded finance offerings who build and launch their innovations on top of its core banking platform.
- Synapse makes it faster and easier for companies to launch and scale financial products to their customers, avoiding the cost and complexity of building from scratch or cobbling different services/providers together.

Selected Financing History

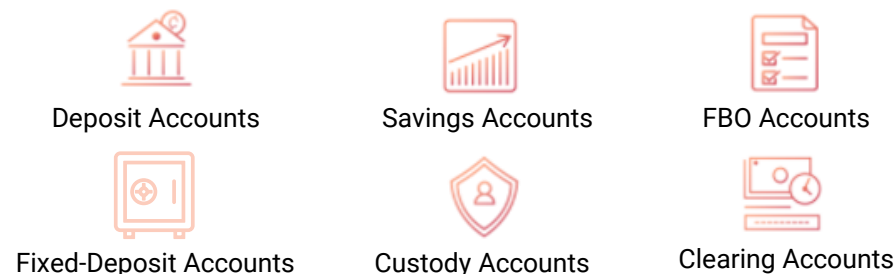
Date	Size (\$ mm)	Investors
06/07/19	\$33	Andreessen Horowitz; Trinity Ventures; Core Innovation Capital
09/06/18	17	Trinity Ventures; Core Venture Capital; Undisclosed Investors
04/01/15	1	Undisclosed Investors

Solutions Overview

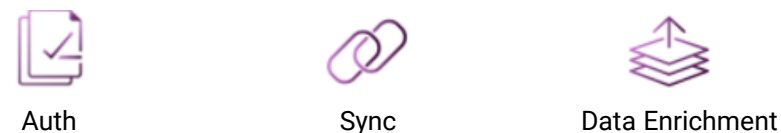
Payments



Deposits



Aggregation



Other

