The rebundling of SMB banking

And the coming wave of competition...

Omri Dahan, CRO, Marqeta
Technology is eating away at the inefficiencies of managing working capital
Wave 1
The lending revolution
New fintech investment + modern lending tools = revolution!
Personal loan market share

2013

40% originated by traditional banks

5% originated by fintechs

TransUnion data, 2019
Personal loan market share

2018

28% originated by traditional banks

38% originated by fintechs

TransUnion data, 2019
Innovation in SMB banking has ramped up

Historically, SMB lending decisions have been cumbersome and labor intensive.

AI/machine learning is helping SMB banking scale faster than ever.
...but remains a point solution

A merchant loan today represents the same end result it was 20 years ago.

SMB lenders are still at the mercy of the information provided to them.
And remains a fraction of total addressable market

Loans Issued in 2017 (Small Business Association data)

- **Fintech/marketplace lenders**: $26 billion
- **Total SMB loan market**: $600 billion
Wave 2

Connecting cards and loans
Cards are becoming universal in fintech
Cards connect customers and data
Cards enhance the point solution

For lenders, card products lead to:

Increased engagement

Increased data

Increased spend and utilization
...but a card isn’t the end of the story.
Wave 3

The rebundling of SMB banking
Acquirers are starting to provide end-to-end solutions for their customers
Enhance the entire SMB lifecycle

- Point of sale technology
- Access to capital
- Suppliers paid faster
- Easy access to revenue

Enhance the entire SMB lifecycle.
SMB lending is a logical fit and huge opportunity

Stripe Mulls Cash Advance Service For SMBs

PayPal lends £1bn to UK small businesses through its cash advance scheme

How Amazon Is Impacting Small Business Finance
For SMB enterprises, the opportunity is equally large
$825b

Estimated value of unpaid invoices to SMBs
(Fundbox data)
Rebundling combines key services, rich data and seamless user experience

Invoice Factoring  Payment services  ePayables
So... how do I keep up?
Value-added spectrum

Access to capital

Data-driven underwriting

Customer-level insight

USER EXPERIENCE