



## Impact Note: New Small Business Neobanks Hit the Market

09 October 2018 By: Ian Benton, Jacob Jegher

In May 2018, Javelin published an overview of the nascent market of small-business-focused neobanks — fintech companies that have built a branchless, mobile-first feature set for business owners while partnering with chartered banks to hold deposits and process transactions.<sup>1</sup> That report focused on three startups of various sizes and stages of development from the U.S and UK: Seed, Azlo, and Tide.

In the four months since that report was published, the neobank space has seen some pivotal developments that signal a shift in how neobanks are perceived by potential customers and investors and could indicate how some banks plan to respond to the undercurrent of desire for mobile banking feature expansion among a large subset of small business owners and freelancers.

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