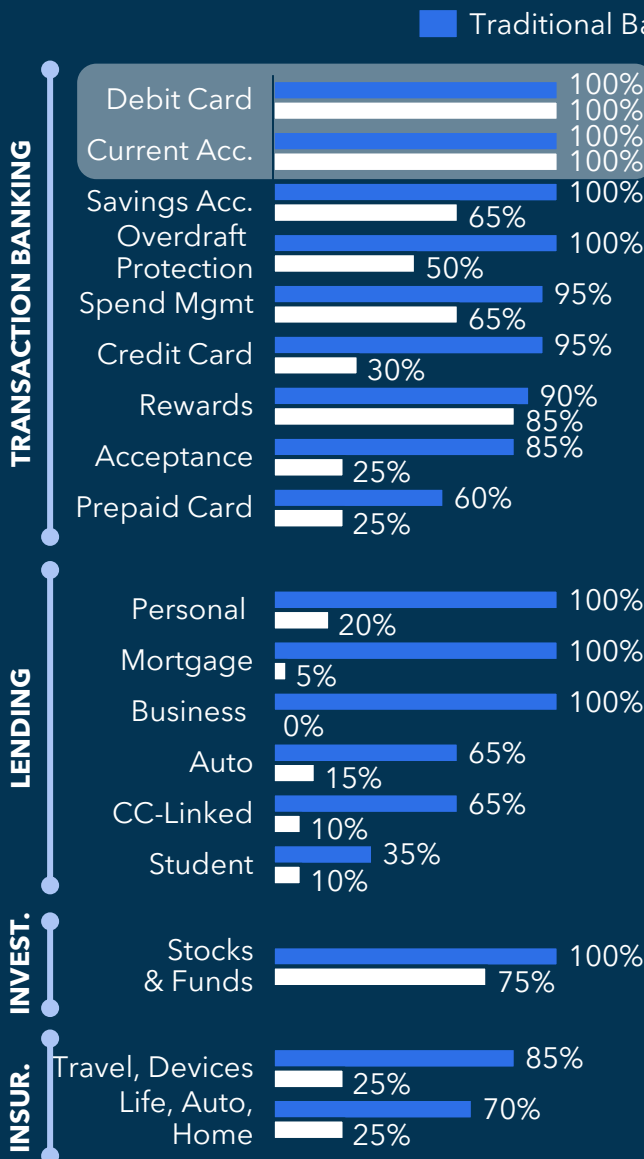


Traditional vs. Neobank Product Sets in North America

Neobanks continue to experience healthy growth and financial backing. We know that Neobanks' digital user experience and overall convenience plays a large role in their success, but what about meaningful product differentiation? We explore this question below:

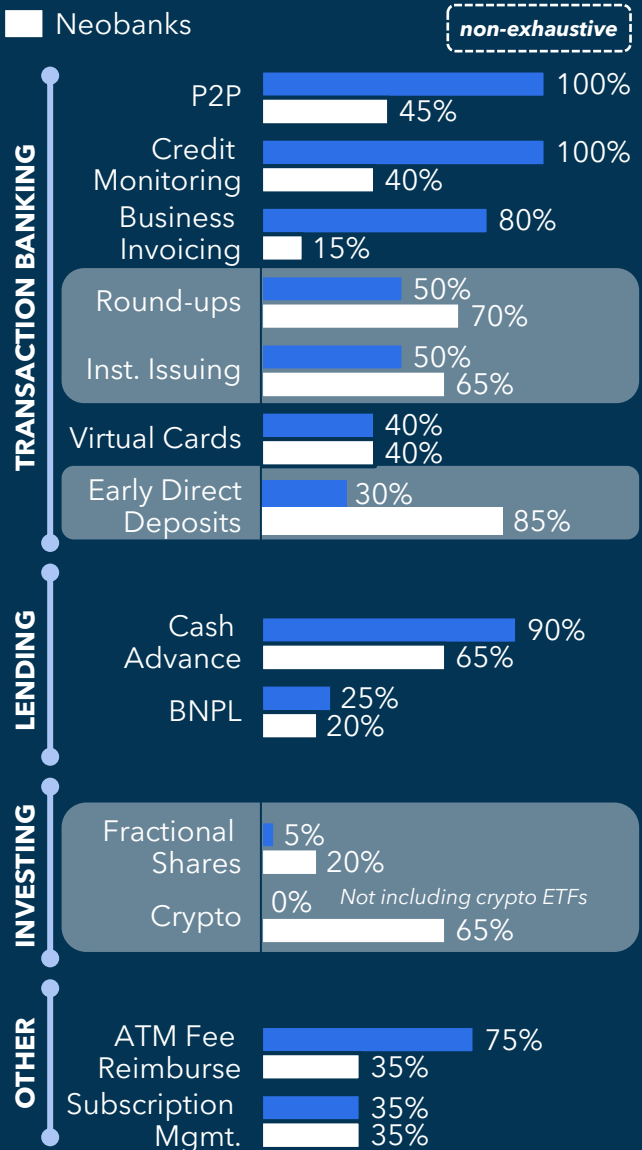
1 PENETRATION OF TRADITIONAL BANKING PRODUCTS

(% of institutions offering the product/service, n=20 for each cohort)



2 PENETRATION OF FINTECH PRODUCTS

(% of institutions offering the product/service, n=20 for each cohort)



OBSERVATIONS:

- **Neobank success is not attributed to exhaustive banking product/service menus** (less penetrated than traditional banks in more than 70% of product categories)
- Neobank differentiate with digital products like **crypto investing** and **early direct deposit** wrapped around **debit card-linked current accounts**
- **Traditional banks still have much broader product sets**, particularly in lending, and are quickly catching up on fintech products

Methodology: Flagship selected the top 17 U.S. and top 3 Canadian banks by total assets and top 20 neobanks by number of active users. Benchmarked publicly-marketed product/service offerings across commonly observed domains.