SACRA

EQUITY RESEARCH

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Column

TEAM

Jan-Erik Asplund
Co-Founder
jan@sacra.com

Marcelo Ballve
Head of Research
marcelo@sacra.com

Column

[Visit Website]

Developer infrastructure bank enabling builders to create new financial products and services

#neobank #banking-as-a-service

REVENUE

$55,129,000

2024

GROWTH RATE (Y/Y)

126%

2025

Details

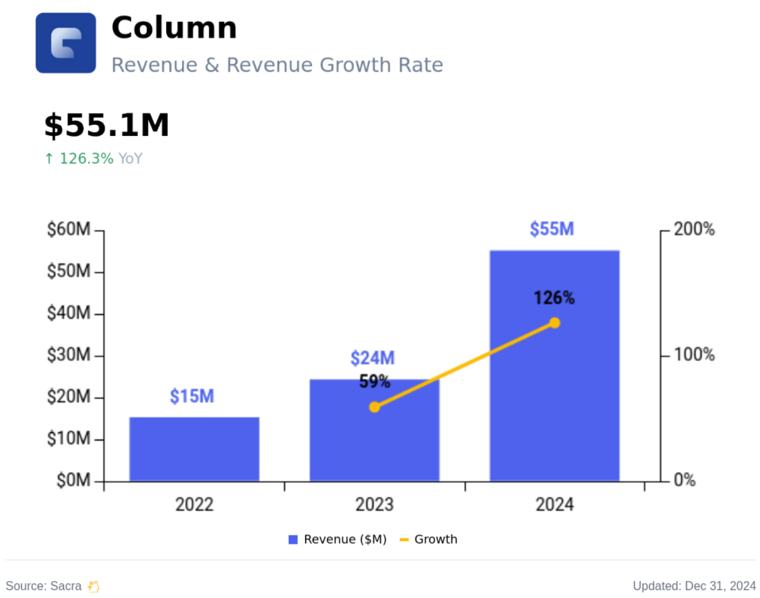
HEADQUARTERS

San Francisco, CA

CEO

William Hockey

Revenue



Sacra estimates that Column generated $55.1M in revenue in 2024, up 126% year-over-year. This growth trajectory has been fueled by Column becoming the banking partner for some of America's fastest-growing fintech platforms.

Revenue is nearly evenly split between two main sources: approximately $28M from interest income on deposits and $27M from non-interest income such as interchange fees and usage-based charges. Column's core business model benefits from alignment with high-growth fintech platforms.

Column's future growth potential is tied to the success of its marquee partners. Mercury reached $500M in annualized revenue in 2024 (up 97% from $254M in 2023), while Brex generated $319M in 2023 (up 48% from $215M in 2022). As these platforms expand, Column's financial performance should continue to benefit through its banking infrastructure services.

Valuation

Column is unique in the fintech infrastructure space as it has not raised traditional venture capital and does not have an established valuation from funding rounds. The company was founded in 2021 by Plaid co-founder William Hockey and his wife Annie Hockey.

The founders self-funded the company's launch with approximately $50 million to acquire Northern California National Bank in Chico, California. This 20-year-old community bank was transformed into Column's foundation.

Column remains entirely founder-owned and employee-owned, with no external investors. This unusual funding structure in the fintech world gives the company strategic flexibility and allows it to focus on long-term growth without external pressure for quick returns.

Product

Column delivers banking infrastructure through a unique vertically integrated approach. Rather than simply connecting fintechs with banks (like traditional BaaS platforms), Column actually owns a national bank charter and has retrofitted it with modern API technology.

A fintech company integrates once with Column to get everything needed to run a banking service. When a fintech's customer opens an account, it's actually opened under Column's national charter with FDIC insurance. Money movements happen directly through payment rails Column connects to (ACH, Fedwire, FedNow), with every transaction tracked in Column's internal system.

This eliminates the typical fragmentation in fintech infrastructure. Instead of working with separate sponsors, processors, and compliance tools, everything runs through Column's unified stack. For example, Mercury and Brex can offer their customers banking services because Column handles the regulated banking side while they focus on user experience and features.

Column's platform allows fintechs to issue branded debit and credit cards, create and manage FDIC-insured accounts, move funds in real-time, and handle compliance requirements—all through a single integration point. This means fintech companies can launch products faster and with better economics than cobbling together multiple vendors.

Business Model

Column's business model is structured around being both the bank and the technology provider in one entity—what industry observers call "vertical integration" of banking infrastructure. This B2B2C model delivers banking capabilities to fintech platforms, which then offer those services to their end users.

The company monetizes through multiple revenue streams. It charges usage-based fees on payment transactions (like $0.50 per ACH transfer or $5 per wire) and imposes monthly minimums to guarantee baseline revenue from each client. Column also earns revenue through interchange sharing on card programs and generates interest income on deposits held at the bank.

Column's cost structure benefits significantly from its integrated approach. By eliminating middleware providers and owning the entire stack, Column doesn't need to split economics with multiple parties. This creates better unit economics compared to traditional Banking-as-a-Service models where revenue is divided between technology platforms and sponsor banks.

The funding model further differentiates Column's approach. With no outside investors or venture capital, the founders have created strategic flexibility to grow at their own pace. Rather than chasing deposits and fees from any available fintech, Column can selectively partner with "blue chip" companies like Brex and Mercury with strong growth trajectories.

This deliberate growth strategy enables Column to maintain tighter control over compliance and risk management—critical factors in banking partnerships. The business architecture prioritizes quality of partnerships over quantity, creating a foundation for sustainable growth as fintech adoption continues to expand.

Competition

Middleware BaaS platforms

Column competes with Banking-as-a-Service middleware platforms that connect fintechs with sponsor banks but don't own banks themselves. Companies in this category include Unit, Synctera, Treasury Prime, and Increase. Unlike Column's vertically integrated approach, these platforms act as intermediaries between fintechs and networks of partner banks.

This middleware approach creates a different business structure with distinct tradeoffs. These platforms can offer fintechs access to multiple banking partners (potentially providing redundancy), but they must split economics between themselves and the banks. Synapse, once a leader in this space, filed for Chapter 11 bankruptcy in April 2024, highlighting potential vulnerabilities in the middleware model.

While these platforms generally offer self-service onboarding and broader access to banking services, they introduce an additional layer between fintechs and the underlying banking infrastructure, potentially creating coordination challenges and diffused accountability.

Infrastructure-first banks

A small but growing category of competitors includes other banks specifically redesigned to serve fintech companies. Lead Bank is the closest analog to Column's approach—a community bank acquired and transformed into a tech-forward financial institution focused on banking infrastructure.

Cross River Bank represents another variant of this model, providing banking services to fintech companies but with a different ownership structure and technology approach. These infrastructure-first banks combine banking licenses with technology capabilities, though they may vary in how much of their technology stack is built in-house versus assembled from third-party components.

The field of true infrastructure-first banks remains limited, mainly due to regulatory constraints on new bank formations and fintech acquisitions of existing banks. This creates a potential moat for Column, as the regulatory environment has made it increasingly difficult to replicate its approach.

Traditional sponsor banks

Many fintechs have historically relied on traditional sponsor banks like Evolve Bank & Trust, The Bancorp, and WebBank to provide the regulated banking functions behind their products. These institutions have established procedures for supporting fintech programs but often rely on legacy technology systems.

The regulatory environment for these relationships has become increasingly stringent. Evolve Bank received a cease-and-desist order that prompted Mercury to begin migrating users to Column and other partners. This regulatory pressure highlights the compliance challenges inherent in bank-fintech partnerships.

Traditional sponsor banks typically lack the fully integrated technology approach that Column offers, instead relying on separate technology vendors or partnerships to facilitate API access. This creates potential inefficiencies and slower development cycles compared to Column's unified approach.

TAM Expansion

Embedded finance market growth

Column's upside case involves capturing a growing share of the $66B embedded finance market. This market extends well beyond traditional fintech apps to include any business looking to embed financial services into their products.

The embedded finance trend represents a fundamental shift in how financial services are delivered. Rather than standalone banking products, financial capabilities are increasingly woven into other software experiences. This creates opportunities for Column to serve vertical SaaS companies, marketplaces, and enterprise platforms that need banking functionality.

As more companies across industries recognize the value of embedding financial services, Column is positioned to provide the infrastructure that makes these experiences possible. The embedded finance market is still in early stages, with significant growth potential as adoption spreads across sectors.

Additional service layers

Column can expand its total addressable market by layering additional financial services on top of its core banking infrastructure. Lending-as-a-service represents a significant opportunity, allowing Column to help fintech partners offer credit products to their customers.

Treasury tools represent another expansion vector, providing more sophisticated cash management capabilities for businesses. As companies accumulate larger deposits on fintech platforms, the ability to optimize these balances becomes increasingly valuable.

Compliance infrastructure services could form another layer of Column's offering. Given the regulatory complexity of financial services, Column could leverage its compliance expertise to provide additional tools and services to partners, creating new revenue streams while addressing a critical need.

Partner ecosystem expansion

Column's initial growth has come from partnering with high-profile fintech platforms like Brex and Mercury. As these platforms scale, Column grows alongside them without needing to acquire customers directly.

This partner ecosystem approach can expand to additional categories of fintech companies and beyond. By identifying and partnering with promising platforms in different segments—from small business banking to consumer finance to vertical-specific solutions—Column can diversify its customer base while maintaining its selective approach.

The network effects of this ecosystem strategy become more powerful as the partner base grows. A larger network of fintech partners creates more opportunities for interoperability, shared capabilities, and collaborative innovation, further enhancing Column's value proposition.

Risks

Regulatory scrutiny: Financial regulators are tightening oversight of banking-as-a-service arrangements, as evidenced by the cease-and-desist order against Evolve Bank. Any regulatory action against Column or significant changes to banking partner requirements could disrupt its business model and impact client relationships.

Partner concentration: Column's growth is heavily linked to a small number of high-profile fintech partners like Brex and Mercury. This concentration creates vulnerability if any major partner faces business challenges or decides to change banking providers, potentially causing significant revenue impact.

Competitive convergence: The distinction between Column's vertically integrated model and middleware BaaS platforms could erode as competitors evolve. If middleware platforms acquire banking licenses or traditional banks develop more sophisticated technology capabilities, Column's competitive advantage might diminish and create pressure on pricing or service differentiation.

DISCLAIMERS

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