



EQUITY RESEARCH

UPDATED

05/26/2025

# Cross River Bank

## TEAM

Jan-Erik Asplund  
Co-Founder  
[jan@sacra.com](mailto:jan@sacra.com)

Marcelo Ballve  
Head of Research  
[marcelo@sacra.com](mailto:marcelo@sacra.com)

## DISCLAIMERS

This report is for information purposes only and is not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal trade recommendation to you.

This research report has been prepared solely by Sacra and should not be considered a product of any person or entity that makes such report available, if any.

Information and opinions presented in the sections of the report were obtained or derived from sources Sacra believes are reliable, but Sacra makes no representation as to their accuracy or completeness. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a determination at its original date of publication by Sacra and are subject to change without notice.

Sacra accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that liability arises under specific statutes or regulations applicable to Sacra. Sacra may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect different assumptions, views and analytical methods of the analysts who prepared them and Sacra is under no obligation to ensure that such other reports are brought to the attention of any recipient of this report.

All rights reserved. All material presented in this report, unless specifically indicated otherwise is under copyright to Sacra. Sacra reserves any and all intellectual property rights in the report. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of Sacra. Any modification, copying, displaying, distributing, transmitting, publishing, licensing, creating derivative works from, or selling any report is strictly prohibited. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of Sacra. Any unauthorized duplication, redistribution or disclosure of this report will result in prosecution.



## Cross River Bank

[Visit Website](#)

Banking infrastructure provider offering cards, payments, lending, and compliance via API for fintechs

#fintech #banking-as-a-service

### REVENUE

**\$675,041,000**

2024

### GROWTH RATE (Y/Y)

**-15%**

2025

## Details

### HEADQUARTERS

**Fort Lee, NJ**

### CEO

**Gilles Gade**



## Revenue

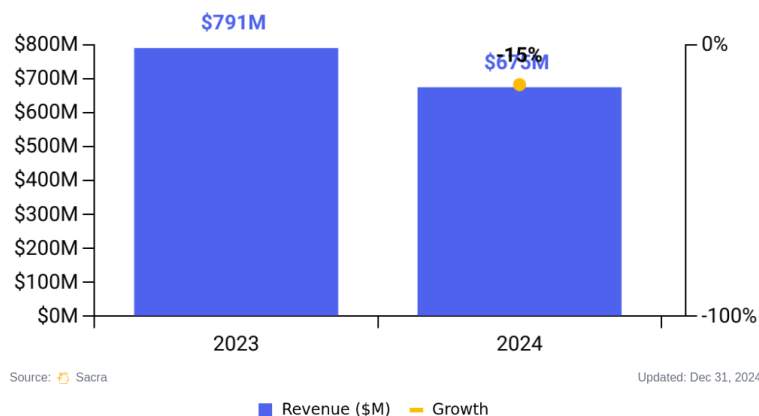


### Cross River Bank

Revenue & Revenue Growth Rate

**\$675.0M**

↓ 14.6% YoY



Sacra estimates that Cross River Bank generated \$675 million in revenue in 2024, down 15% from \$791 million in 2023. The revenue decline was driven primarily by a sharp reversal in non-interest income, which swung from positive \$34 million in 2023 to negative \$41 million in 2024 due to mark-to-market losses and reduced fee-generating volumes from fintech partners.

Despite the overall revenue decline, Cross River's net interest income grew 5% to \$477 million in 2024 and now represents over 70% of total revenue. Income from loans remained the dominant driver of interest revenue at \$632 million, comprising 88% of all interest income, while the bank benefited from deposit stickiness through its fintech partnerships that provided low-cost funding even as market rates rose.

## Valuation

Cross River Bank raised \$620 million in March 2022 in a funding round led by Andreessen Horowitz and Eldridge Industries, valuing the company at over \$3 billion. The round included participation from T. Rowe Price, Whale Rock Capital, and Hanaco Ventures.

The bank has raised approximately \$700-750 million in total venture funding across multiple rounds. In December 2018, Cross River completed a \$100 million round led by KKR, with participation from Andreessen Horowitz, Battery Ventures, and Ribbit Capital. An earlier Series A in October 2016 raised approximately \$28-30 million from Battery Ventures, Andreessen Horenz, and Ribbit Capital.

Key investors throughout the bank's funding history include Andreessen Horowitz, which has led or co-led three rounds, along with KKR, Ribbit Capital, Battery Ventures, and Eldridge. Other notable backers include Cathay Innovation, LionTree Partners, and Alphabet's CapitalG through secondary transactions.

## Product

Cross River Bank operates a comprehensive Banking-as-a-Service platform that allows fintech companies to offer regulated banking products without obtaining their own bank charter. The bank essentially acts as the regulated infrastructure layer while fintech partners handle customer-facing applications and user experience.

At the core is the Cross River Operating System (COS), an API-driven banking platform built in-house. When a consumer opens a digital checking account through a fintech app like Affirm or swipes a debit card from a neobank, Cross River's systems are executing those transactions behind the scenes. The fintech partner handles the user interface and branding, but Cross River manages the actual account ledgers, compliance checks, and connections to payment networks.

Fintech companies integrate with Cross River through APIs to access a full menu of banking services. These include demand deposit and savings accounts, ACH and real-time payments, push-to-card transfers, debit and credit card issuance, and lending pipelines for consumer and small business loans. The platform supports webhook notifications for instant updates and provides a sandbox environment for developers to test integrations.

For lending partnerships, Cross River serves as the lender of record when companies like Affirm extend point-of-sale loans or Upstart facilitates personal loans. The bank's systems can approve and fund loans in milliseconds through automated underwriting APIs. Cross River handles the regulatory compliance, KYC checks, and fraud monitoring while partners focus on customer acquisition and user experience.

The bank maintains over 80 fintech partnerships including high-profile clients like Affirm, Coinbase, Stripe, Best Egg, Divvy, Rocket Loans, Upgrade, and Checkout.com. Through these relationships, Cross River enables millions of end-users to access banking services digitally without those users necessarily knowing Cross River is involved.

## Business Model

Cross River operates a B2B2C model where fintech companies are the direct customers, but revenue ultimately derives from financial services consumed by those partners' end-users. The bank positions itself as infrastructure middleware, capturing a portion of the economics from every banking transaction or loan facilitated through its platform.

The monetization strategy centers on revenue sharing arrangements across multiple product lines. For lending, Cross River typically originates loans through an originate-to-distribute model, keeping 10-20% on its balance sheet while selling the remainder to investors or back to fintech partners. This generates origination fees and interest income while limiting capital requirements.

For card programs, interchange fees are split between Cross River and fintech partners, with the bank typically retaining 10-30% of interchange revenue. Cross River benefits from higher debit interchange rates as a sub-\$10 billion asset bank exempt from Durbin Amendment restrictions, making these programs particularly profitable.

Payment processing services generate per-transaction fees for ACH transfers, wire transfers, and real-time payments. The bank also licenses proprietary software tools like its Arix loan servicing platform, creating additional software revenue streams beyond traditional banking fees.

Cross River's deposit base has grown dramatically from about \$100 million in 2010 to over \$9 billion by 2021 through fintech partnerships. These deposits provide low-cost funding for the bank's lending operations while generating net interest income on the spread between deposit costs and loan yields.

The model creates a highly scalable business where Cross River gains exposure to millions of customers through fintech partners without direct customer acquisition costs. When a partner grows from 10,000 to 1,000,000 users, Cross River's revenue from that relationship scales proportionally with minimal additional investment.

Cross River has expanded beyond pure banking services to offer strategic advisory services through its investment banking arm CRB Securities and makes equity investments in fintech clients through Cross River Digital Ventures. This deepens relationships while creating additional fee-based revenue streams.

## Competition

### Direct BaaS providers

Cross River faces competition from other community banks that have adopted similar fintech partnership strategies. WebBank in Utah specializes in consumer and small business lending partnerships, serving as lender of record for platforms like PayPal's Working Capital loans. However, WebBank focuses more narrowly on lending rather than Cross River's broader full-stack approach including deposits and payments.

Celtic Bank, also in Utah, competes primarily on the lending side, partnering with companies like Kabbage for SMB loans and previously with Affirm. Celtic tends to hold loans on balance sheet longer and has strength in SBA lending programs.

The Bancorp Bank in Delaware is a major competitor in card issuance and prepaid programs, providing BIN sponsorship for many payment apps. Bancorp has historically powered accounts for fintech brands like early Chime accounts and PayPal's debit card, competing directly with Cross River for neobank and payment app partnerships.

Pathward (formerly MetaBank) in South Dakota specializes in tax refund cards, prepaid cards, and fintech banking programs. It offers comparable BaaS services including deposits, cards, and payments, with particular strength in payroll cards and government disbursement programs.

### Middleware platforms

Non-bank BaaS platforms like Synapse, Treasury Prime, Unit, Bond, and Synctera offer technology layers that connect fintechs to networks of sponsor banks. These platforms compete with Cross River's integrated approach by providing fintechs with flexibility to choose from multiple banking partners and potentially lower costs through competitive pricing.

While Cross River emphasizes direct partnerships and its own core technology, middleware platforms can offer faster time-to-market and reduced integration complexity. However, Cross River counters by positioning its direct model as providing closer partnerships, greater reliability, and unified technology under one roof.

### Large bank initiatives

Major banks have begun exploring embedded finance, though none have replicated Cross River's model at full scale. Goldman Sachs has pursued select partnerships with large technology companies like Apple for the Apple Card, effectively acting as a sponsor bank for Big Tech rather than serving the broader fintech ecosystem.

JPMorgan Chase and Wells Fargo have launched API portals for certain banking services, while other large banks have developed open banking initiatives. These efforts indicate potential competition at the high end of the market, though large banks typically lack the agility and risk appetite to work with early-stage fintechs that represent Cross River's core market.

## TAM Expansion

### New verticals and embedded finance

Cross River's addressable market is expanding as non-financial companies across industries seek to integrate banking features into their offerings. E-commerce platforms want to offer sellers integrated checking accounts and instant payouts, while gig economy apps seek to provide debit cards and bank accounts to drivers and workers.

The bank can leverage its API platform to serve tech companies in retail, travel, healthcare, and enterprise software sectors. Any company with a loyal user base could potentially become a fintech client using Cross River's infrastructure, vastly expanding the addressable market beyond traditional financial services companies.

Cross River has signaled plans for international expansion using recent funding, though its U.S. bank charter limits direct overseas operations. The bank could support U.S.-based fintechs expanding globally or partner with foreign fintechs requiring U.S. banking services for American customers.

### Product expansion and crypto integration

Within existing fintech partnerships, Cross River is pursuing deeper product integration to increase share of wallet. The bank has invested in crypto and digital asset capabilities, becoming a banking partner for Circle's USDC stablecoin and providing automated settlement for stablecoin transactions.

Cross River is positioning itself to capture emerging fintech business in blockchain and DeFi by offering fiat on/off ramps, custody services, and real-time crypto-to-fiat settlements. The bank could enable crypto-related features for fintech partners, such as crypto rewards programs or digital asset custody.

Commercial and B2B fintech represents another growth area, with Cross River expanding beyond consumer-focused partnerships to power embedded banking for business software. This includes helping SaaS companies offer banking to their business clients, such as accounting software providing business bank accounts or marketplaces extending working capital loans to sellers.

### Value chain expansion

Cross River is moving up the value chain by offering capital markets support including loan securitization and investment banking advisory services through its CRB Securities arm. This creates additional fee revenue while making Cross River a more integral partner for growing fintechs throughout their lifecycle.

The bank's venture capital arm Cross River Digital Ventures invests in promising fintechs to generate returns while strengthening strategic relationships. A fintech that starts with Cross River for basic banking services might later use the bank for loan securitization, strategic advisory, or capital raising, increasing lifetime value per partnership.

Risks

**Regulatory scrutiny:** Cross River's rapid growth through fintech partnerships has attracted regulatory attention, with the FDIC citing the bank for fair-lending compliance weaknesses in 2023 and requiring regulatory approval for new partners or credit products. Similar consent orders affecting other BaaS providers highlight compliance costs as a structural challenge that could limit growth or require significant investment in risk controls.

**Partner concentration:** Cross River's revenue is concentrated among a relatively small number of large fintech clients, creating vulnerability if major partners switch providers or face business downturns. The bank's dependence on partner programs means that losing a significant client like Affirm or Coinbase could materially impact revenue, while the overall fintech industry's health directly affects Cross River's growth prospects.

**Asset threshold constraints:** Approaching the \$10 billion asset threshold will subject Cross River to stricter regulatory requirements under enhanced prudential standards and could reduce profitable debit interchange income due to Durbin Amendment restrictions. This regulatory cliff could compress margins and require substantial compliance investments just as the bank reaches significant scale.

## DISCLAIMERS

*This report is for information purposes only and is not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal trade recommendation to you.*

*This research report has been prepared solely by Sacra and should not be considered a product of any person or entity that makes such report available, if any.*

*Information and opinions presented in the sections of the report were obtained or derived from sources Sacra believes are reliable, but Sacra makes no representation as to their accuracy or completeness. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a determination at its original date of publication by Sacra and are subject to change without notice.*

*Sacra accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that liability arises under specific statutes or regulations applicable to Sacra. Sacra may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect different assumptions, views and analytical methods of the analysts who prepared them and Sacra is under no obligation to ensure that such other reports are brought to the attention of any recipient of this report.*

*All rights reserved. All material presented in this report, unless specifically indicated otherwise is under copyright to Sacra. Sacra reserves any and all intellectual property rights in the report. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of Sacra. Any modification, copying, displaying, distributing, transmitting, publishing, licensing, creating derivative works from, or selling any report is strictly prohibited. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of Sacra. Any unauthorized duplication, redistribution or disclosure of this report will result in prosecution.*

*Published on May 26th, 2025*