

COMPANY ANALYSIS: CHIME

OVERVIEW

Chime, a leading fintech company based in San Francisco, offers a suite of financial products aimed at simplifying and democratizing banking for everyone, particularly targeting those traditionally underserved by conventional banks.

KEY FEATURE OVERVIEW:

- **Early Salary Access:** Chime allows users to receive their paycheck up to two days early when they set up direct deposit
- **Credit Building:** Chime provides a Credit Builder credit card that helps users build their credit score with no interest or annual fees, catering to those new to credit or looking to improve their credit history.
- **Security Features:** Chime focuses on security with features like instant transaction alerts and the ability to block a card directly from the app

VALUE PROPOSITION FOR CUSTOMERS:

- Chime provides no-fee checking accounts, high-yield savings accounts, and automated savings features that help customers save money effortlessly.
- Known for its user-friendly app and lack of overdraft fees, which appeals to a broad customer base seeking transparent and cost-effective banking solutions



FOUNDER

Chris Britt and Ryan King

- **Experience:** Senior product and marketing positions at Visa and Green Dot Corporation
- **Education:** Colgate University, University of Missouri

NOTABLE PARTNERSHIPS

- **The Bancorp Bank:** Allow Chime to offer FDIC-insured banking services
- **Stride Bank:** Collaboration that provides banking infrastructure, enhancing Chime's ability to offer seamless financial services.

INVESTORS AND ACCELERATORS

- Sequoia Capital
- Dragoneer Investment Group
- Menlo Ventures
- General Atlantic

FUNDING TO DATE

- **Series E:** Raised \$500 million in a round led by Dragoneer Investment Group.
- **Series F:** Raised \$485 million in a round led by Coatue Management.
- **Series G:** Raised \$750 million in a round led by Sequoia Capital Global Equities.

OPPORTUNITY AND RISKS

OPPORTUNITIES:

- Chime has significant opportunities to expand into new geographic markets and demographic segments, capitalizing on the global trend towards digital banking.
- Introducing investment, loan, or personal financial education services could broaden Chime's customer base and loyalty.
- Continued innovation in AI (for credit review and analysis or investment recommendations) can enhance Chime's customer service and user experience, reinforcing operational efficiency.

RISKS:

- Changes in financial regulations could impact Chime's business model, especially if they do choose to expand internationally.
- The digital banking sector is highly competitive, with many players vying for market share. Sustaining growth requires constant innovation.

COMPETITORS:

Note: Global expansion will increase competition.

- Varo Bank
- Simple (now phased out)
- Current
- Ally Bank
- Cash App (offering banking services)