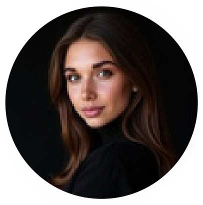
Chiara
Munaretto

Behind the Peg

Stablecoin Insider's Series

How Stablecoin Neobanks Make Money

Revnue Models Behind Stablecoins Neo-Banking



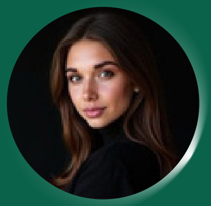
What began as simple crypto wallets has evolved into full-stack financial platforms that aim to unify storing, spending, growing, and borrowing money, all on stablecoin rails.

Stablecoin neobanks *are building integrated ecosystems around payments, trading, lending, and treasury management.*

In this guide:

• How stablecoin neobanks actually generate revenue
• The Store–Spend–Grow–Borrow framework
• Why distribution at the interface layer matters
• Real-world examples across wallets, exchanges, and lending protocols
and much more...

Enjoy the reading.



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What Is a Stablecoin Neobank?

How Stablecoin Neobanks Make Money

A **stablecoin neobank** is a digital financial platform that:

1. **Offers accounts denominated in stablecoins** (USDC, USDT, etc.)
2. **Provides fiat ↔ stablecoin on- and off-ramp**
3. **Enables cross-border transfers**
4. Often integrates cards, wallets, and local payment rails
5. Sometimes integrates yield generation through vaults

Unlike traditional banks:

- They do not hold a banking license (in most cases)
- They operate on blockchain rails for stablecoins transfers
- They partner with banks for custody or use non-custodial wallets

Examples include:

- Kast, Redotpay, Nubank

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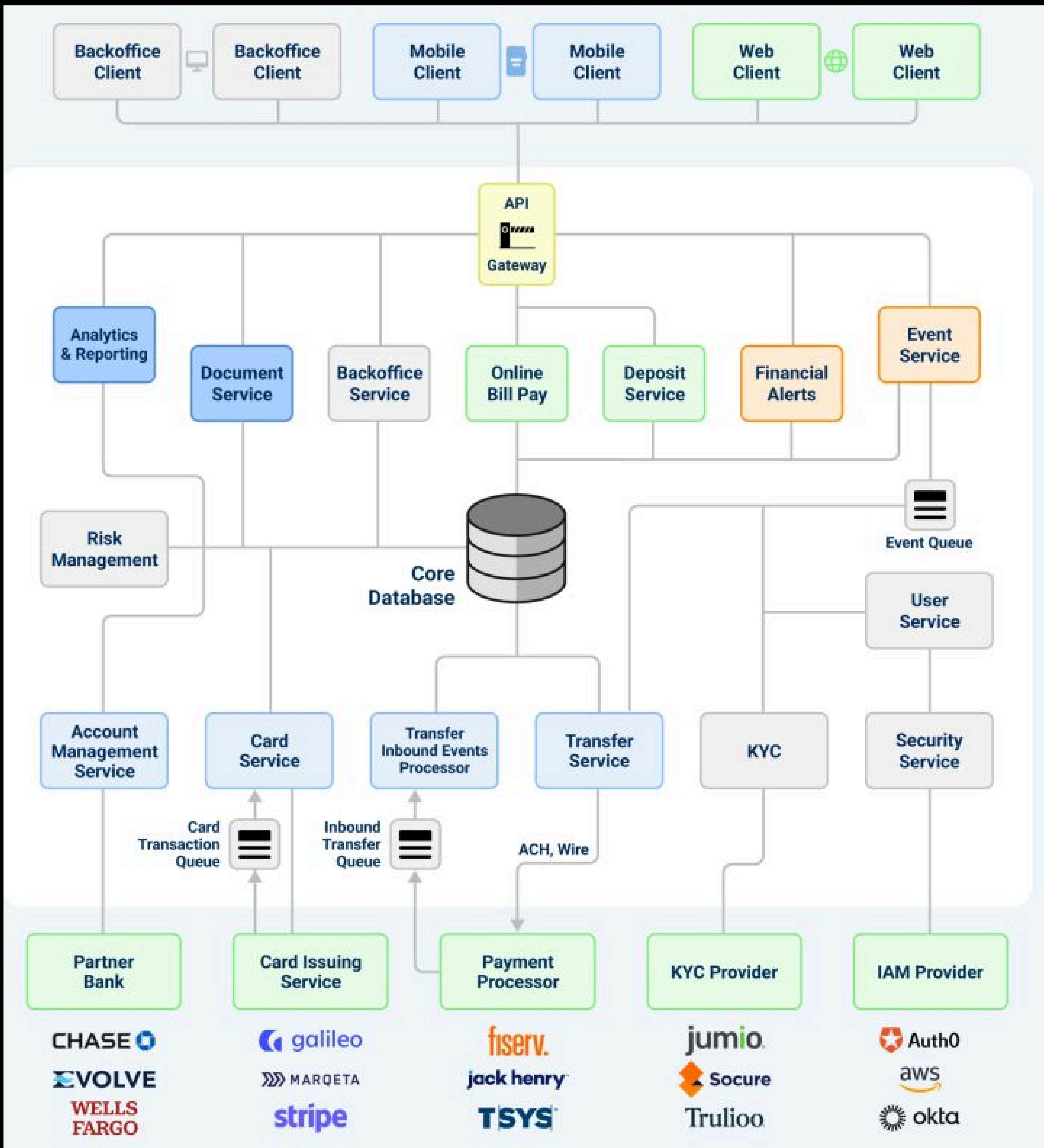
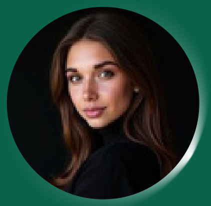
Example of a Neobank system design



Source: Simon Koci



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Revenue Model Overview

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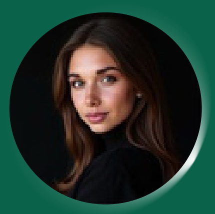
The Core Question: *How do stablecoin neobanks actually generate revenue?*

The answer:
➜ *They monetize the layers around the stablecoin.*

Revenue Model Overview

Stablecoin neobanks typically earn from:

Revenue Stream	**Description**
FX spreads	Fiat ↔ stablecoin conversion
Payment fees	Cross-border transfers
Card interchange	Debit/virtual card usage
Yield capture	Earning on reserves or treasury
On/off-ramp fees	Deposit & withdrawal fees
B2B services	APIs & treasury tools



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FX & Conversion Revenue

How Stablecoin Neobanks Make Money

FX Spreads

Most stablecoin neobanks operate in **high-FX-friction markets.**

= The gap between the price you can buy (ask) and sell (bid) a currency, often hidden in the exchange rate rather than charged as a direct fee. Most FX spreads are variable (floating), changing based on market conditions, liquidity, and volatility.

It happens when users:

- Convert local currency → USDC
- Convert USDC → local currency

Example:
Official FX: 1 USD = 1,000 local currency
Neobank rate: 1 USD = 1,020

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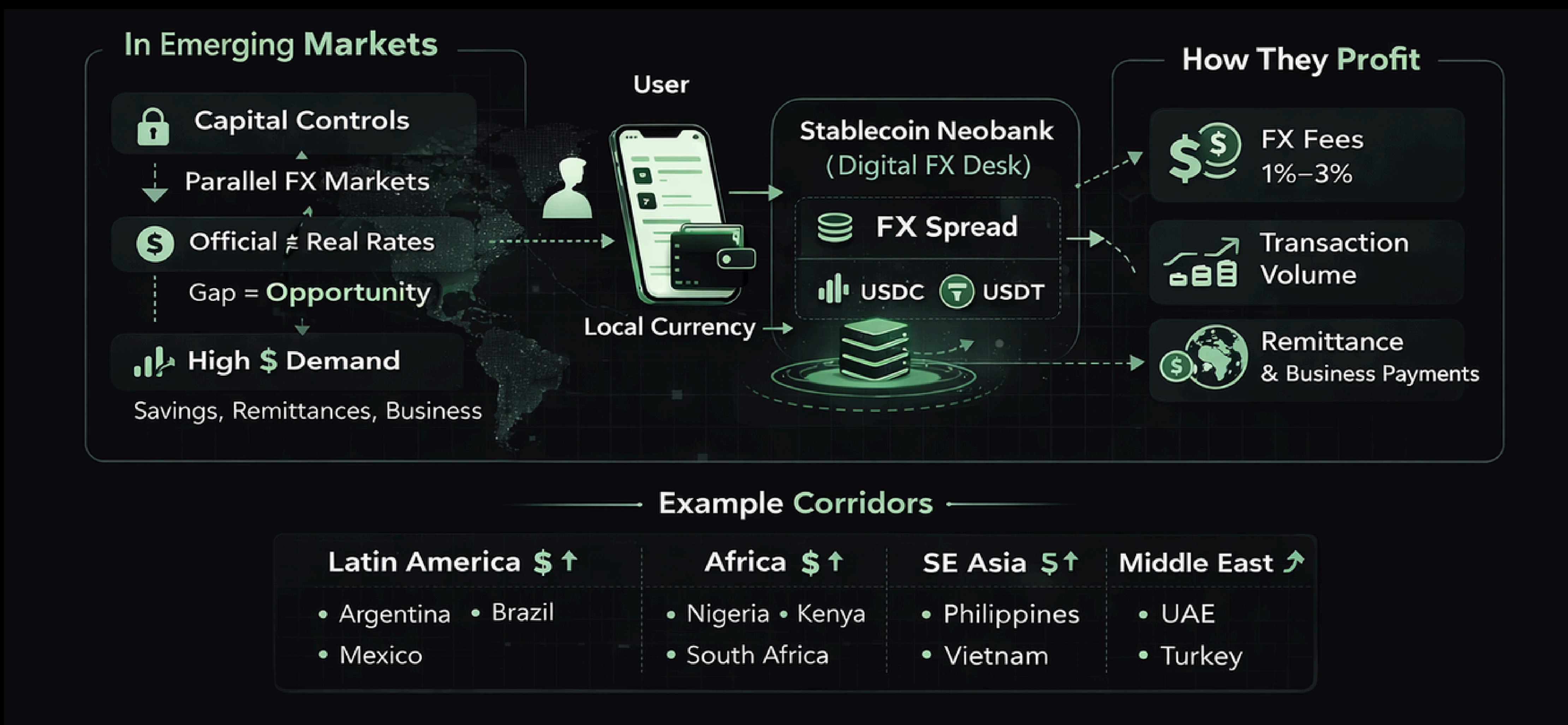
Why FX Is So Profitable

In emerging markets:

- Capital controls create parallel FX markets
- Official rates differ from real rates
- Dollar demand is structurally high

Stablecoin neobanks monetize dollar access. They are effectively digital FX desks.



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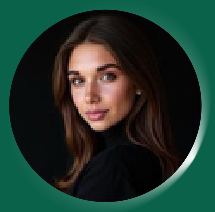

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Payments & Transfers

How Stablecoin Neobanks Make Money

Cross-Border Transfer Fees

Even if blockchain transfers are cheap:

Neobanks charge:

- Flat fees
- Percentage-based transfer fees
- Faster settlement premiums

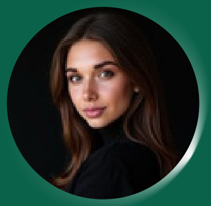
Especially for:

- SME trade payments
- Freelancer payouts
- Remittances

Transfer method and comparision of $500 cross-border payment

TRANSFER METHOD	SPEED	COST	RECIPIENT GETS
TRADITIONAL BANKS	2 – 5 DAYS	$40 + 2% FX SPREAD	$460
REMITTANCE SERVICE	MINUTES – 2 DAYS	UP TO 6% OF THE AMOUNT	$470
STABLECOINS (ON-CHAIN)	SECONDS – MINUTES	$1 – $5 (GAS + ROUTING)	$495 – $499

https://www.axelar.network/blog/stablecoin-remittances-cross-border-payments-opportunity?ref=blog.stakin.com



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Card Monetization

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Interchange Revenue

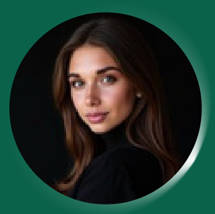
Kast and RedotPay are program managers, not banks. They can't directly access the Visa/Mastercard network.

Usually they need a licensed bank in between, called a BIN sponsor (Bank Identification Number).

What this means financially

- Kast/RedotPay pay the BIN sponsor bank a fee to use their banking license and network access
- The BIN sponsor handles the actual Visa/Mastercard relationship and pays Visa/MC their fees
- Kast/RedotPay then get whatever is left over from interchange after paying the BIN sponsor their cut

Interchange received → minus → BIN sponsor fees → minus → rewards paid out → = their profit



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Yield & Treasury

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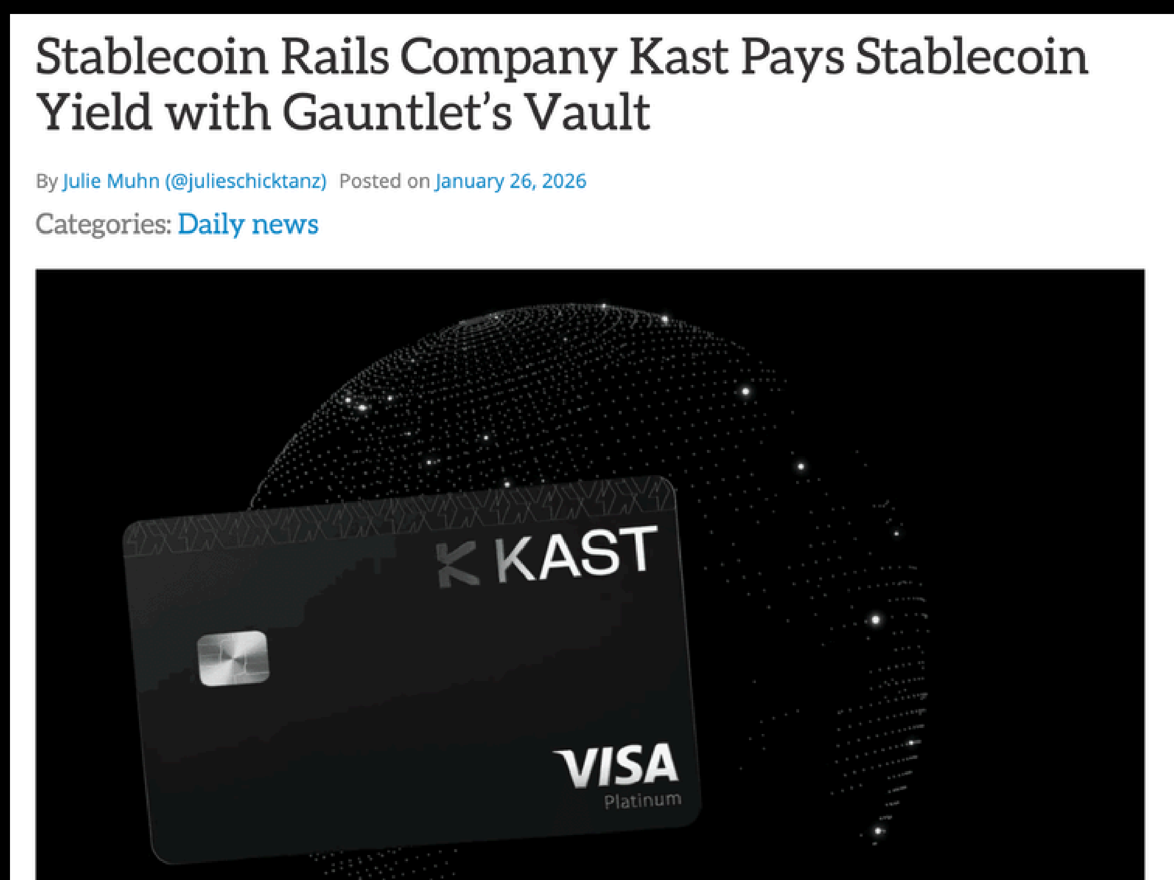
Yield on Treasury Management

Some models generate yield by:

- Holding stablecoin reserves in yield-bearing accounts
- Deploying capital into low-risk DeFi
- Partnering with banks earning interest on custody

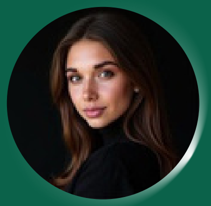
Example: If the neobank holds $100M in user balances and earns 3–5% on treasury placements

Kast launched Kast Earn, powered by Gauntlet, which employs users' deposits for onchain lending, allowing users to earn yield on funds in their account.


Stablecoin Rails Company Kast Pays Stablecoin Yield with Gauntlet's Vault

By Julie Muhn (@julieschicktanz) Posted on January 26, 2026

Categories: Daily news



The Big Promise

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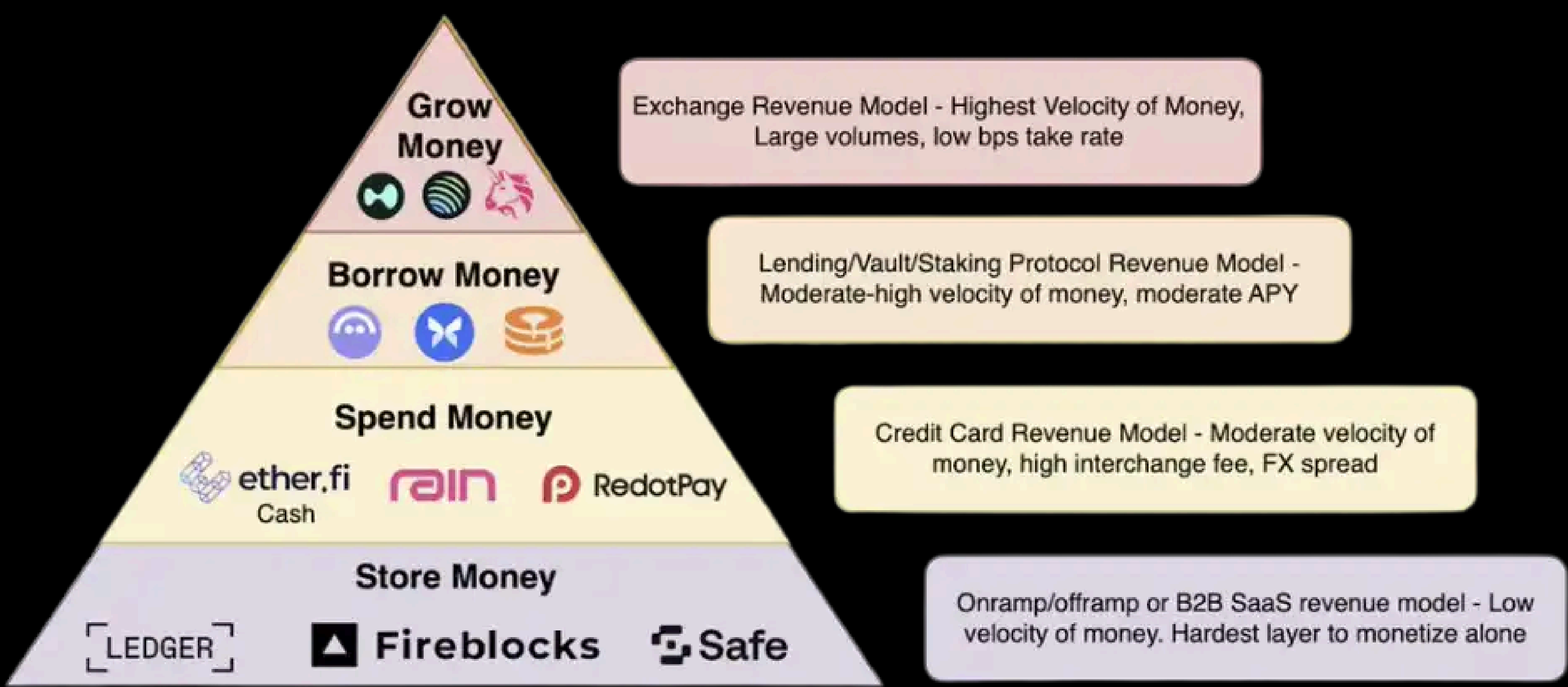
Monetization Model of Crypto Neobanks

The core goal of a crypto neobank is to make money move around faster, using blockchain rails. Some verticals accelerate money more than others, and each has a different monetization model.

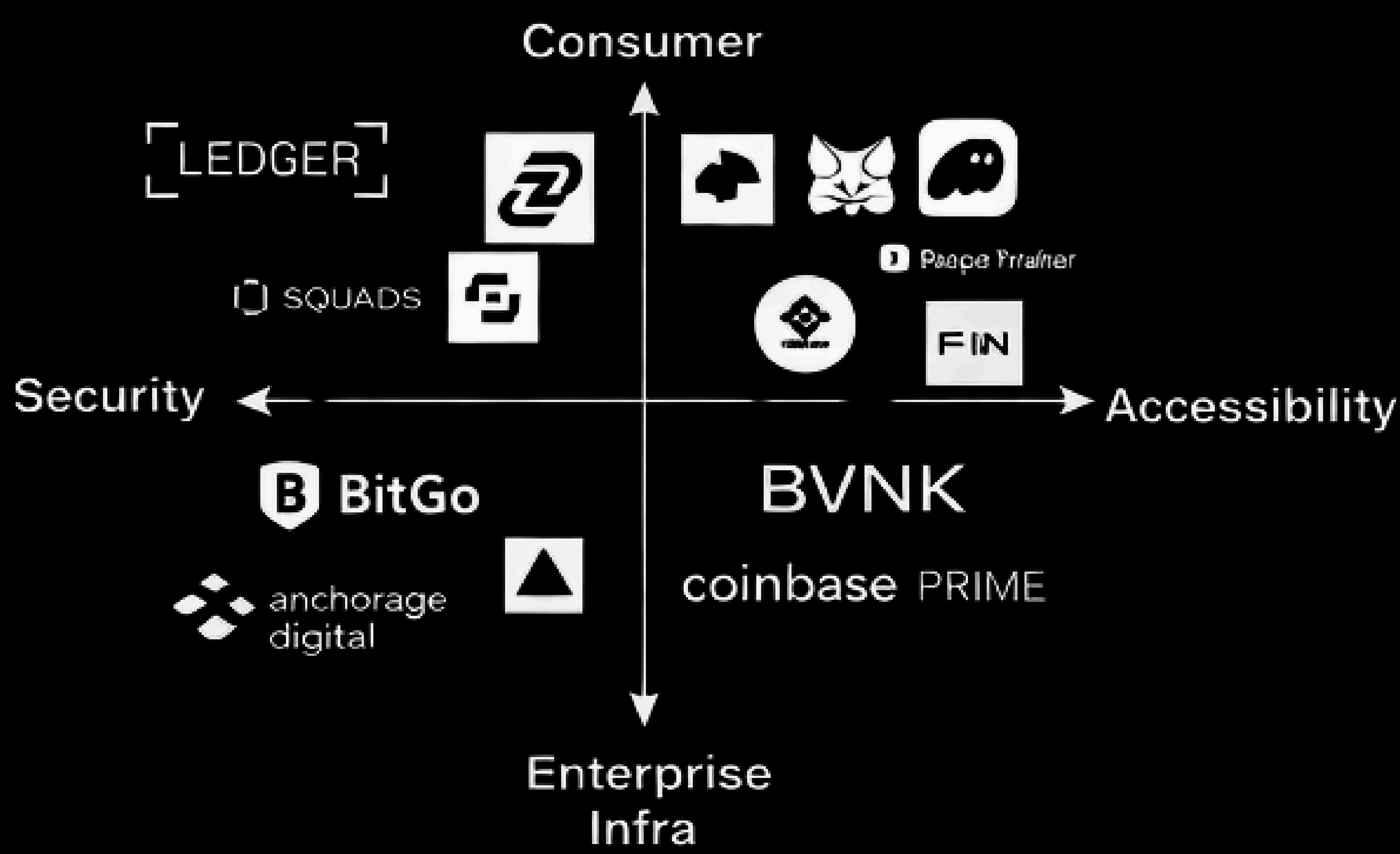
There's a velocity of money pyramid:
Grow > Borrow > Spend > Store.



Source: Jay Yu -Pantera Capital

Store

➜ This is the base layer.



Source: Jay Yu -Pantera Capital

Whoever controls the wallet controls:

1. User flow
2. Transaction routing
3. FX conversions
4. Yield pathways

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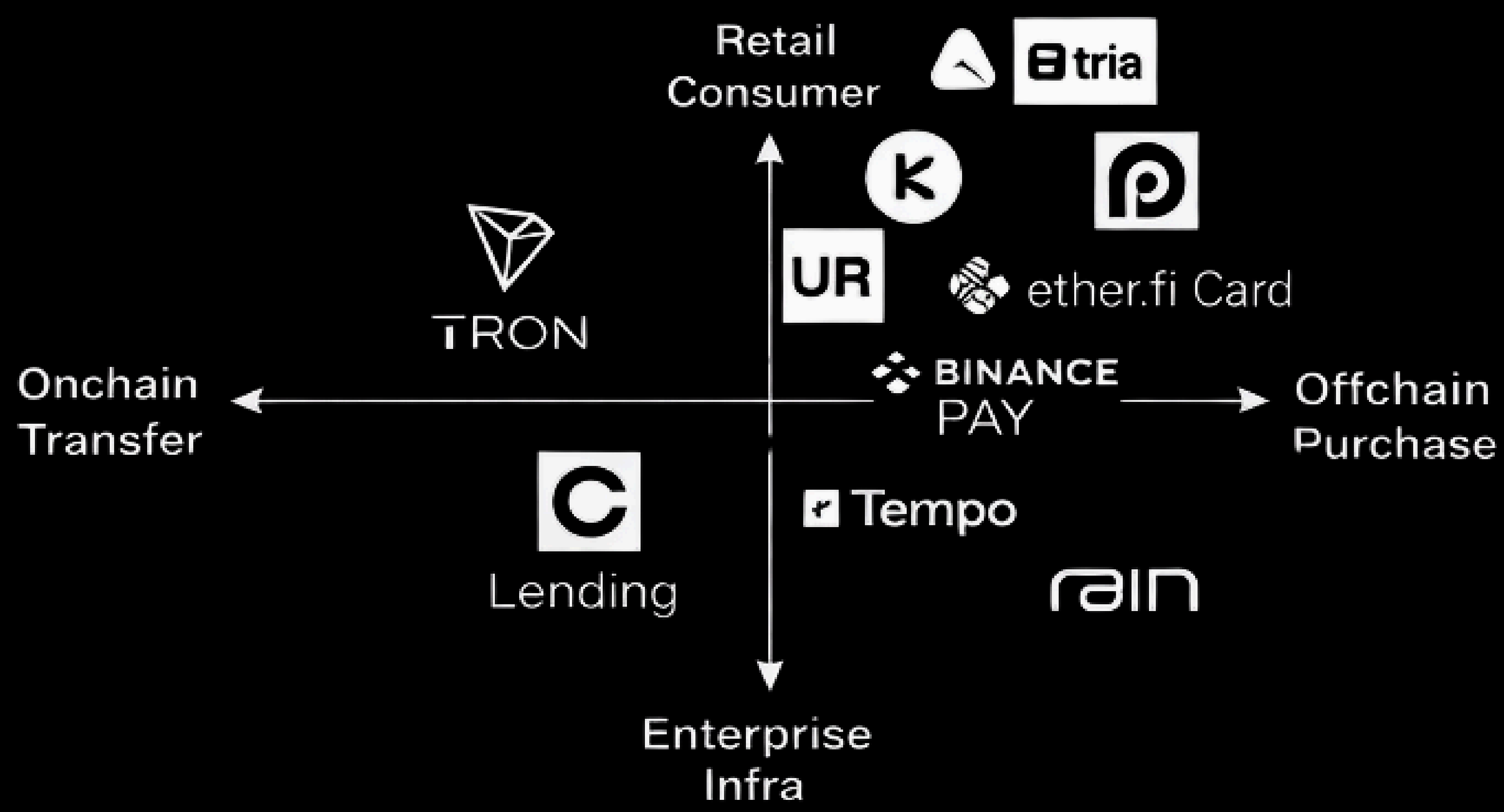
Spend

➜ Spending stablecoins is where crypto meets the real economy.



Source: Jay Yu -Pantera Capital

Two monetization channels:

Channel	Revenue Source
Card spend	Interchange
FX conversion	Spread

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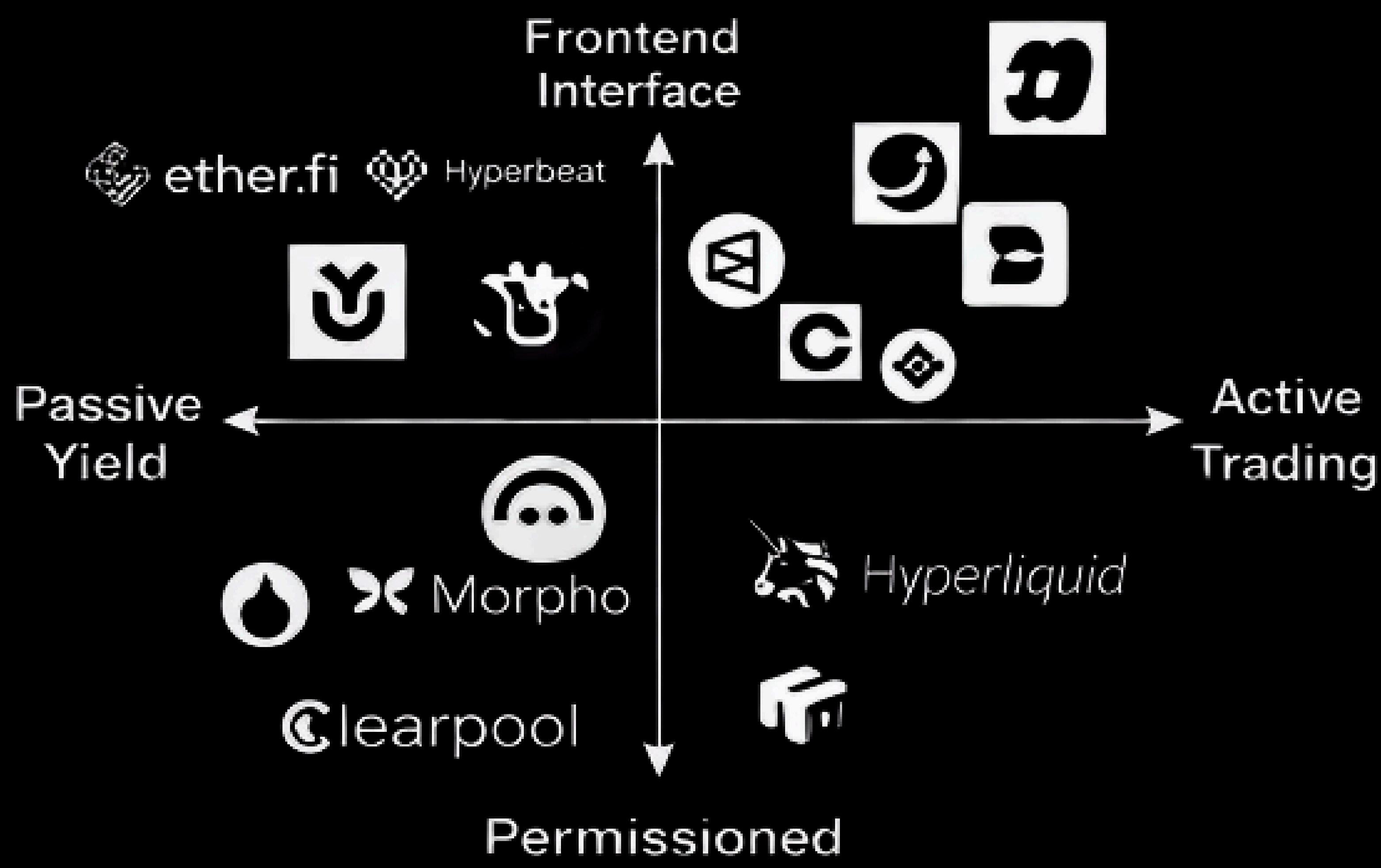
Grow

➜ This is where revenue pools expand.



Source: Jay Yu -Pantera Capital

Velocity of Money = Monetization

Activity	Revenue Mechanism
Trading	Fees + spreads
Lending	Borrow rate margin
Yield vaults	Management fees
Liquidity routing	Flow capture

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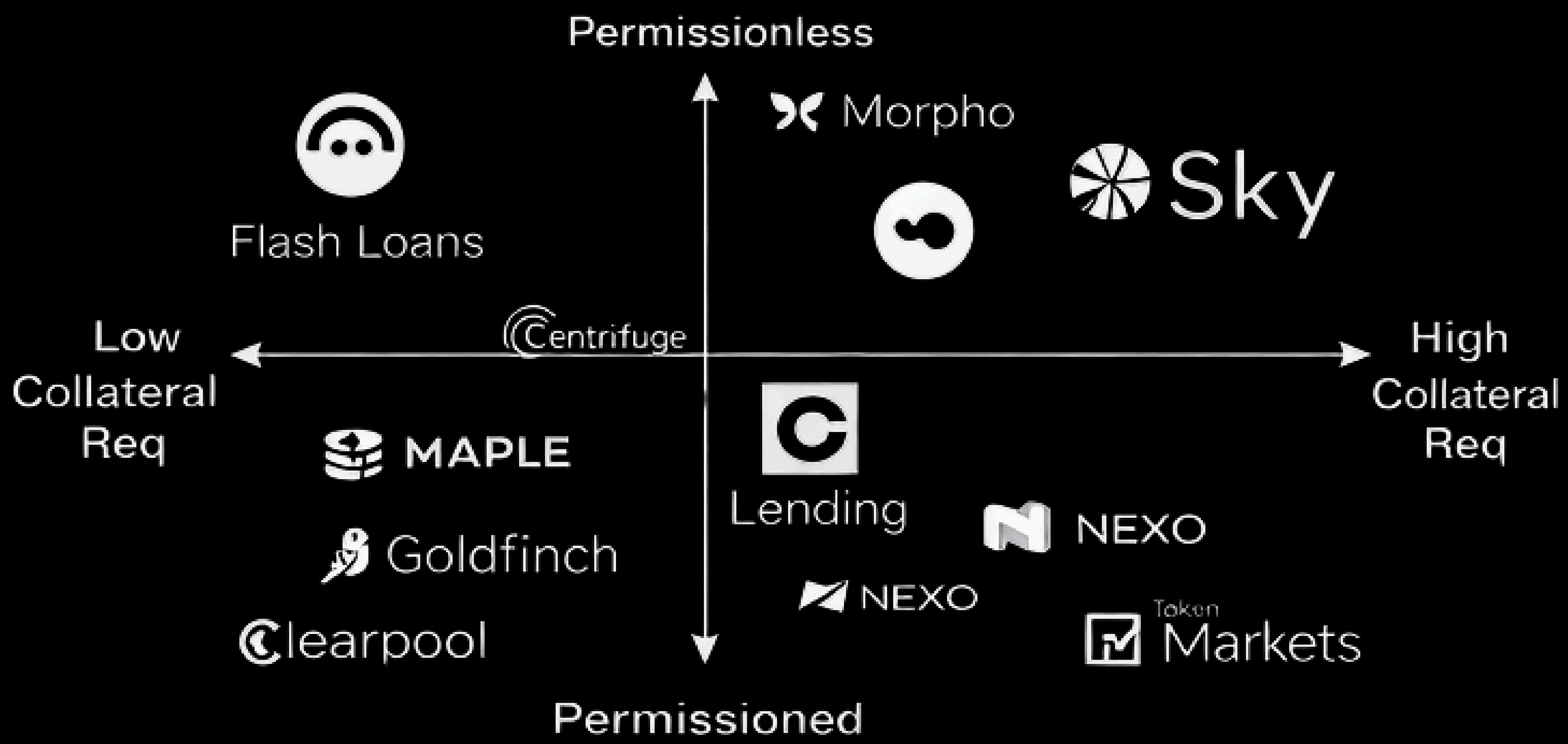
Borrow

→ This is where revenue pools expand.



Source: Jay Yu -Pantera Capital

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Comparing with Traditional Neobanks

Neobank	Market Valuation	Initial Wedge	Growth & Expansion
SoFi	$33.82B market cap	Started as a platform to help students refinance their student loans	Gradually grew from debt optimization to help users "get their money right" with refinancing, investing, credit, and full-stack banking.
Revolut	$75B private valuation	Began as a low-fee foreign exchange app for European and international travelers	Built wedge around instant, cheap payments, relied on viral referral marketing and community growth, then expanded into crypto trading and became a full-stack neobank.
chime	$9.10B market cap	Started offering early paycheck access and zero-fee overdrafts	Grew on a financial inclusion narrative for the underbanked and aligned revenue model with user incentives.
wise	$11.64B market cap	Entered through cross-border payments targeting expensive and slow remittance processes	Expanded into an international financial layer with debit cards, business accounts, and payroll solutions.
nu bank	$80.82B market cap	Initially offered no-fee credit cards	Expanded into savings accounts, personal loans, and investment products, becoming the largest neobank in Latin America.

https://en.theblockbeats.news/news/61303

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Good knowledge is built together.

Feel free to send me feedback, ideas, topics you would like to read more, or directly collaborate with me on the next post.

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