



Background

Central Payments, LLC (CPs) was formed in 2014 as a wholly-owned payments subsidiary of Central Bank of Kansas City (CBKC). Created alongside the post-recession rise of fintech, CPs' technology-first approach to fintech/bank partnerships has positioned the company as a top-of-mind partner for fintech and embedded finance. In 2022, Central Payments raised growth capital that spun it out from CBKC.

The company's Open*CP Fintech API MarketplaceSM is one of the only "real" banking-as-a-service (BaaS) payments platforms with issuing capability embedded. Open*CP's vertical integration and its native-to-the-cloud architecture are the drivers responsible for CBKC's rise to the 17th largest prepaid card issuer and the fastest growing issuer since 2015.*

The company's reputation for thought-leadership in fintech also led it to form Falls Fintech, a fintech accelerator, and launch its Fintech Brews & News podcast. Both initiatives have amplified CPs' message that technology can bridge the perceived gap between banking, fintech, and the payments ecosystem.

*Source: The Nilson Report, 2015 to present

Open*CP Fintech API Marketplace

In 2019, CPs launched Open*CP, the cornerstone of the company's platform approach to issuing. The award-winning API platform functions as a single gateway for CPs' partners to reach the payments ecosystem.

Embedded within the platform is connectivity to leading providers in all major functions, including: transaction processing, identify verification, real time payments, cash load networks, and card manufacturing.

The platform was built natively in the cloud beginning in October 2019, and the first transaction took place in April of 2020. API volume CAGR is greater than 100%, with total API calls exceeding 15 million in December 2021.

Partners



Vendors



Technology | Charter | Choice

Fundamental to Central Payments' differentiation is its Technology | Charter | Choice value proposition. No BaaS competitors have emerged that have combined each of these elements, which together have created appreciable differentiation and formidable barriers to entry. By embedding bank charters and bringing choice of leading providers within a scalable technology platform, Central Payments has successfully established itself as a one-stop-shop for fintech and embedded finance.

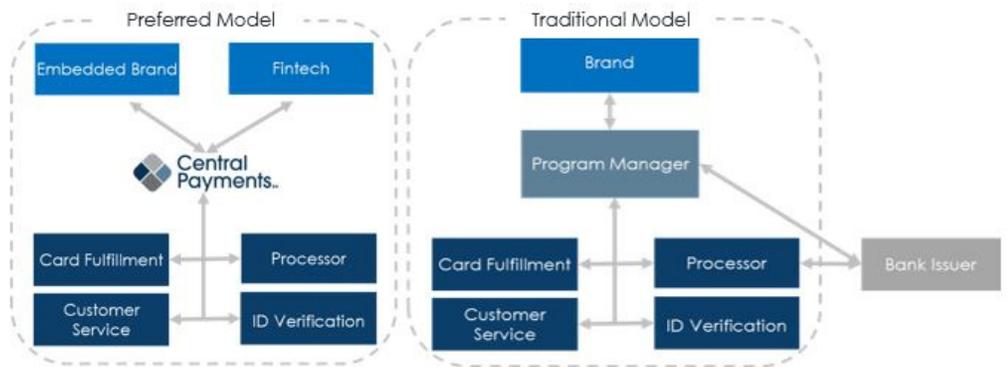
Market Response to Central Payments' Hub vs. Spoke Model

Central Payments' early success can be most readily-attributed to its emergence concurrently with the exploding fintech market during the last half of the prior decade. CPs' decision to be more than a traditional bank sponsor was a realization of the unique needs of fintech and embedded finance. As a single-source provider of technology and back office subject matter expertise, the Central Payments model exposes the shortfalls of traditional models in critical areas such as speed to market, risk management, and financial opportunity. Traditional models typically relegate the issuer to a legally-required, yet indistinguishable component that is detached from day-to-day activity. As such, the issuer is vulnerable to regulatory criticism, competition, and replacement.



Entrenched Relationships

As both issuer and technology gateway to the ecosystem, Central Payments serves as critical infrastructure that cannot be easily replaced or replicated without costly disruption. In this position, Central Payments' partner relationships are deeply embedded and typically more financially beneficial for the partner.



FALLS FINTECH
A CENTRAL PAYMENTS ACCELERATOR

Falls Fintech

In response to early success in its fintech vertical, Central Payments launched Falls Fintech in 2020. The custom, 12-week program for early-stage fintechs is designed to accelerate market readiness for participants and cultivate a major business line for Central Payments. The high-intensity curriculum is delivered by a distinguished group of payments, technology, and banking professionals. At the conclusion of Falls Fintech, successful companies will have completed all the necessary steps to come

to market with access to the payments ecosystem through Central Payments and its Open*CP platform. In 2023, Central Payments will launch Falls Fintech NOW, a subscription service allowing any fintech to easily create and launch basic payments products in a live, production environment. For more information, visit FallsFintech.com.

The Team

The profitability metrics and pipeline created by the successful launch of Open*CP in 2020 led Central Payments to expand staff in critical areas to support growth. During 2021, the company added risk management, project management, information systems and security, and new program implementation staff. Currently, CPs employs 69 full-time employees. Approximately two-thirds of the staff work from CPs offices in Dell Rapids and Sioux Falls, South Dakota, while one-third are remote across eleven states.

The company prides itself on the number of female professionals at CPs. Currently 50% of the executive team, and 61% of the manager-level and above are women. The executive team is made up of ten payments experts with an average of 21 years of experience in banking, payments, and technology. The Central Payments team is led by Trent Sorbe, Founder and CEO, a highly-regarded and recognized banking, fintech and payments professional.

Learn More

Central Payments and Falls Fintech maintain an active social media presence. Interested parties are encouraged to follow the LinkedIn pages for both companies, watch highlights of events on the Falls Fintech YouTube channel, and subscribe to Fintech Brews & News, the companies' podcast available on Apple and Spotify. In the first three episodes, Trent Sorbe and Nikke Rhody delve into the vision of Central Payments and Falls Fintech, the advantages of the "real" banking-as-a-service strategy, and the companies' plans to strengthen its leadership position within fintech and embedded finance.

