

Dave[®]

The credit-led neobank: How a **\$171M-a-quarter** overdraft machine out-earns its peers

...and what banks and fintechs should do about it.

Prepared for product, growth and strategy leaders at banks and fintechs.

3.08M

Monthly transacting members

44%

Adj. EBITDA margin, Q2'26

\$19

Customer acquisition cost

85%

Of revenue from credit fees

Strategy Playbook by

WHITESIGHT

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Four products, but only one of them is a business: ExtraCash carries the model and everything else feeds it

ExtraCash Up to \$500 of bank-originated discretionary overdraft, no interest, no late fee, no credit check. The average term is about 12 days in Q2 2026, versus approximately 11 days in FY 2025. Priced at 5% with a \$5 minimum.	85% of revenue
Dave Checking Fee-free demand deposit account with FDIC pass-through, Dave Debit Mastercard, ~40K fee-free MoneyPass ATMs.	3.5% of revenue
Membership \$3/month for new members (was \$1) covering ExtraCash access, income services and financial-management tools.	9% of revenue
Budget, Goals, Side Hustle Recurring-charge detection, automated savings, and a gig-work job board. Engagement and data-capture features, no revenue lines.	Not separately disclosed

WHY THE SHAPE MATTERS

The debit card is a retention device, not a revenue engine.
Dave Debit Card spend reached \$530M in Q2 2026, while card-active members generate ~1.8× the monthly ARPU and 11× the transaction volume of non-card users. The economic value therefore comes partly through higher ExtraCash engagement rather than interchange alone.

Membership fee is the highest-quality revenue in the stack.
Near-zero marginal cost, contractually recurring, and now 9% of revenue versus 6% a year ago.

No deposits, no charter, no spread income.
Unlike SoFi or Varo, Dave earns nothing from net interest margin. That removes rate risk and removes a large revenue pool that its charter-holding competitors can access.

19 million sign-ups have produced 3.1 million transacting members – the conversion gap is the opportunity and the risk

19M+ Members signed up since inception

14M+ Have used at least one product

3.08M Monthly transacting members (Q2'26)

~0.95M New members added in Q2'26 alone

74%

of sign-ups have used a product

A high top-of-funnel conversion for a financial app — the ExtraCash offer is the activation event.

22%

of product users transact monthly

3.08M of 14M. Either a large dormant reactivation pool, or evidence that most users take one advance and leave.

\$19

cost to acquire the next member

Flat while acquisition ran at a four-year high — the strongest single signal in the whole model.

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WE'LL LET THE LOGOS DO THE TALKING



Plot monetization intensity against scale and the strategic geography becomes obvious: Dave owns the high-yield, low-scale corner alone



What it says

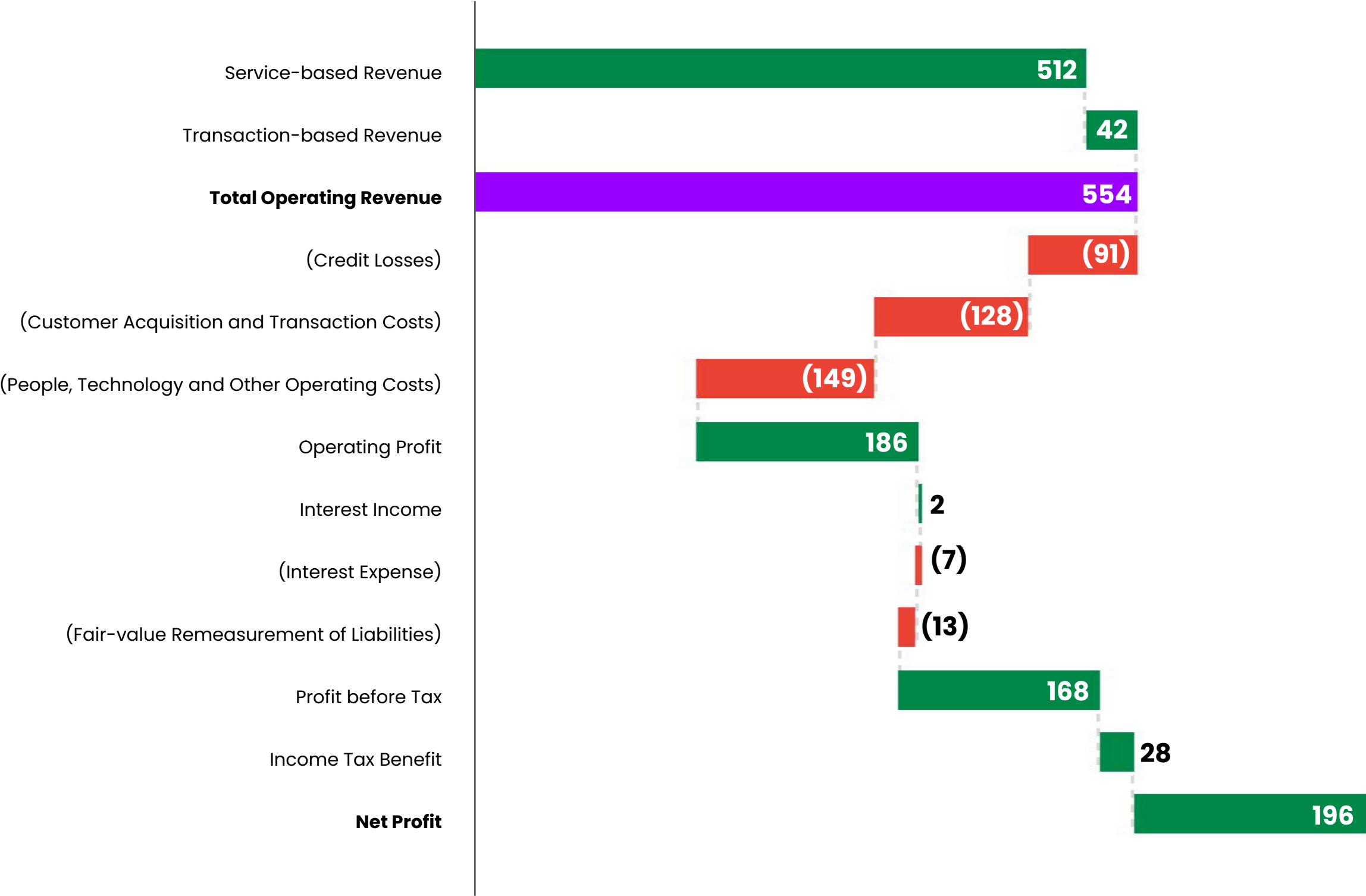
Nobody is competing with Dave where Dave sits. The other direct-to-consumer advance players are smaller and now sit inside larger parents. The scaled neobanks monetize a different way.

The migration path is rightward, not upward. Dave's strategy is to hold its yield while adding users — hence the deliberate ARPU sacrifice in Q2 2026. Chime's is the reverse: hold users and add yield, which is what Chime Prime is for.

The collision is coming in the top-right. If Dave reaches 6–8 million MTMs at this yield, or Chime pushes ARPU past \$320 through credit products, they end up in the same quadrant around 2028.

Dave turns 60% revenue growth into 3× net profit

FINANCIAL PERFORMANCE (IN \$ MILLION)



Dave delivered a sharp profitability improvement in FY 2025, with revenue increasing 60% YoY to \$554M from \$347M in FY 2024.

Service-based revenue remained the core revenue stream at \$512M, led by \$467M of processing and overdraft service fees. Growth was supported by a 17% increase in average Monthly Transacting Members, ExtraCash origination volume rising from \$5.1B to \$7.6B, and the average advance increasing from \$170 to \$205.

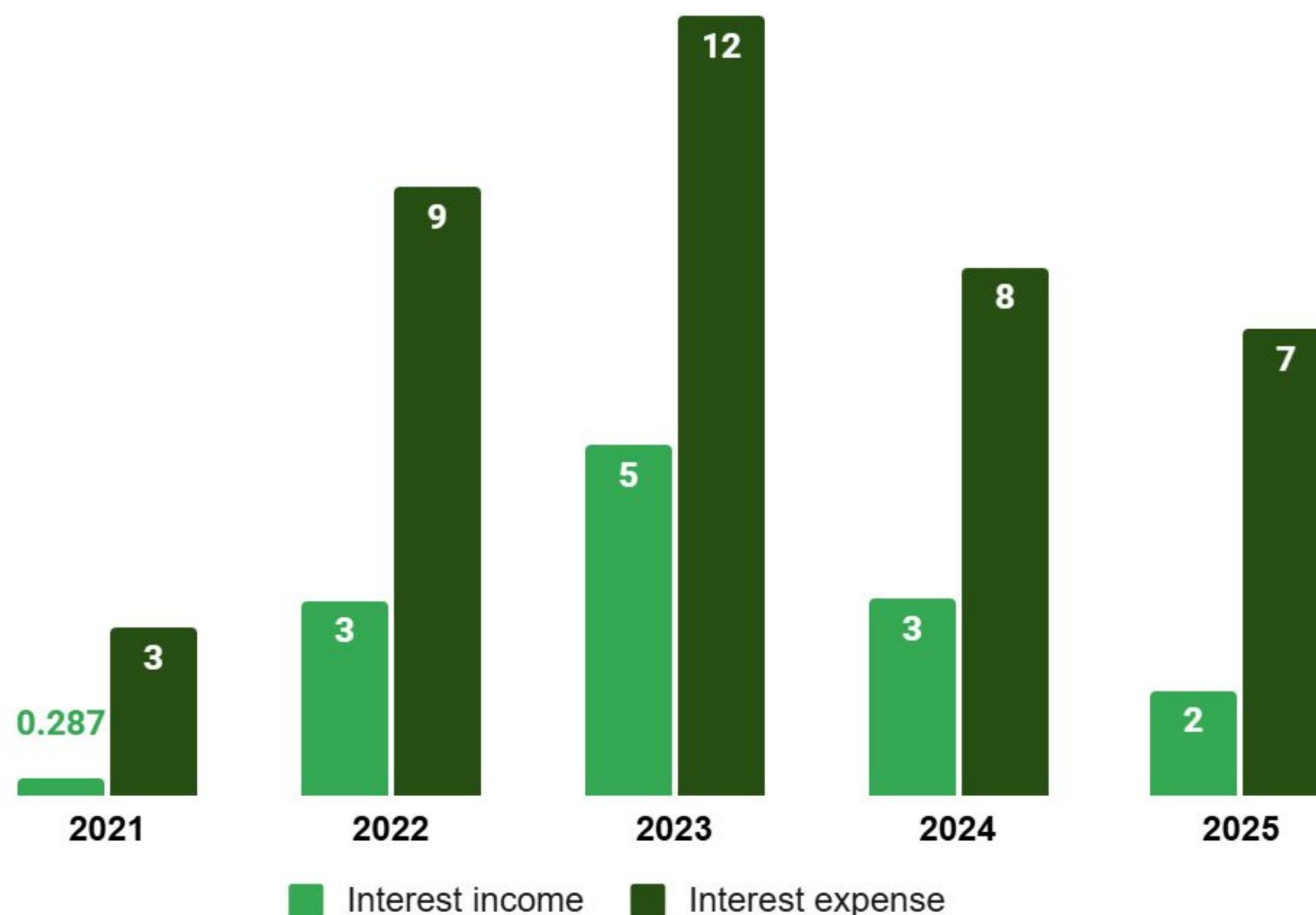
Operating expenses increased to \$368M, including \$91M of credit losses, \$128M of customer acquisition and transaction costs, and \$149M of people, technology and other operating costs. Higher credit-loss provisions largely reflected the expansion in ExtraCash originations.

However, revenue grew considerably faster than expenses, lifting operating profit from approximately \$35M in FY 2024 to \$187M in FY 2025. This highlights the operating leverage created by Dave’s digital cost base and stronger ExtraCash monetization.

After \$18.6M of net other expenses, including interest and fair-value remeasurement of earnout and warrant liabilities, profit before tax reached \$168M, compared with \$60M in FY2024.

Lower rates reduce both **investment income** and **funding costs**

Interest income and expense (In \$ MILLION)



Interest income increased from \$0.3M in 2021 to \$5.3M in 2023, supported by higher yields on investments and rising interest rates. It subsequently declined to \$3.0M in 2024 and \$1.6M in 2025 as average investment balances fell and market rates moderated.

-70%

Interest income decline, FY2023 → FY2025 (\$5.3M → \$1.6M), on lower average investment balances and falling rates

-40%

Interest expense decline, FY2023 → FY2025 (\$11.8M → \$7.0M), as rates eased and the FTX Ventures note was retired

Debt costs eased after the FTX note repurchase:

- Interest expense peaked at \$11.8M in 2023, reflecting higher borrowings, the FTX convertible note and elevated interest rates.
- It declined to \$8.0M in 2024 after Dave repurchased the FTX note and fell further to \$7M in 2025 as prevailing rates decreased.
- Dave recorded \$5.4M of net interest expense in 2025, compared with \$5M in 2024.

Interest remains a non-core earnings item:

- Interest income is generated primarily from Dave's cash and investment balances, while interest expense relates to its borrowing facilities and historical financing arrangements. Both remain small relative to Dave's operating revenue and do not represent a core revenue stream.

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This report has been authored by WhiteSight. To access the underlying data with further coverage and references, please reach out to us.

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