Banking-as-a-Service

Who benefits from BaaS?

- Financial institutions
- Digital banks
- Financial inclusion initiatives, such as SACCOs and MFAs
- Alliance banking schemes
- Agency banking
- National regulators
- Neobanks

Traderoot BaaS empowers you to:

- Support multi-tenancy
- Service new entrants to the market
- Grow bespoke customer or SME communities
- Enable participants to achieve unique selling points and scale without the burdens of technical and regulatory compliance

Built on solid foundations

In addition to providing financial services, Traderoot BaaS provides a means of managing, deploying and delivering the environment in which the services run.
Traderoot BaaS has over a decade of combined in-house experience, backed up by proven technology with a stellar track record in the financial industry. By shifting the focus onto BaaS, we are extending a range of products that have already stood the test of time.

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What is Banking-as-a-Service?

Banking as a Service (BaaS) is a progressive approach to banking technology that uses the cloud-based concepts of Software as a Service (SaaS) to reinvent the way financial institutions and FinTech companies provide services to their customers. BaaS offers lower barriers of entry to prospective financial services participants, which makes it easier to acquire new customers and easier to offer them compelling products that take full advantage of rapidly developing technology.

Traderoot's BaaS offering, Traderoot Online, offers agile, modern technology, hosted in a secure environment, that is perfectly suited to large financial institutions that are looking to modernise and optimise their operations and costs.

For example, banks who want to refine their digital banking offering can do so much more easily by using BaaS than by setting up a new in-house department with all the necessary infrastructure and personnel. BaaS can save them this cost and risk, while enabling them to experiment and adapt their offering until it best matches their needs and those of their customers.

At the same time, Traderoot Online is also beneficial for disruptive entrants into the market, such as Financial Technology start-ups. It presents a softer entry point for companies seeking readily available, secure and agile technology that will enable innovative business services while simultaneously reducing their cost per account metric.

An interoperability engine

Traderoot Online is BaaS middleware that establishes connections between banks and a variety of FinTech service providers in a highly scalable value network. It provides a secure common platform through which these diverse parties can communicate without having to integrate with each other directly.

Using BaaS to interoperate with everyone else in the value network can greatly reduce the time, cost and effort required to set up a service offering – both for the banks and for the smaller FinTech start-ups.

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Regulatory compliance made easy

The most common challenges faced by banks and other financial institutions are operating costs, skill shortages, and being weighed down by expensive technology that has to comply with complex security requirements such as PCI DSS.
In addition, banking and financial services are subject to national and regional regulations according to the jurisdiction in which the services are offered. Regional variations mean that localisation is necessary if services are offered in multiple regions.
Global AML, CTF and KYC compliance is mandatory for financial institutions, and the resources for adequate compliance are costly and exhaustive.
Traderoot BaaS presents a way of addressing these issues, since these financial institutions can now mitigate the workload of compliance by leveraging world-class technology and hosting capabilities while maintaining complete control of their business in a way that cannot be done by outsourcing.

From the largest to the smallest

Everyone stands to benefit from using Traderoot Online, from individual customers to the very largest financial institutions. For example, a leading financial services corporate is about to subscribe to Traderoot Online and is projected to contribute between R10 million and R20 million revenue alone. At the same time, a Traderoot partner is procuring a Johannesburg-based microfinance bank, which will run on a BaaS model.

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Reaching the developing world

BaaS is very well suited to the challenges to extending financial services into developing countries, where legacy technology and shortcomings in infrastructure can make the collaboration between banks and business difficult. It aligns the service providers with the banks and paves the way for productive collaboration.

Traderoot Online leverages Traderoot's extensive experience in African markets and is tailor-made for the requirements of reaching the developing world.

Adapting to change

The banking world is changing. BaaS offers banks and issuers the opportunity to compete in the same space as mobile networks by subscribing to FinTech companies. This allows banks to regroup, seek opportunities, and choose their partner brands.

Traderoot Online offers the following key elements which are essential to the success of BaaS-based FinTech banking:

- A core financial platform configured from scratch
- An API layer to connect to third parties
- A compliance and KYC infrastructure and processes
- A banking licence, ensuring independence from other banks and the ability to hold client funds without restriction
- A customer base or CRM, meaning that the FinTech bank will have customers and a support team