

Cost Analysis

Cost Breakdown and Budget Estimates

“ **Architecture alignment note (2026-02-14):** This document is pre-architecture research from the mobilebank-research phase. Drop ultimately chose a **PSD2 pass-through model** — no wallet, no balance held, no own EMI license required for MVP. The pass-through model significantly reduces licensing and BaaS costs compared to the scenarios below. Card issuing is a FUTURE feature. This document is retained as cost research reference — actual Drop cost structure differs.

Table of Contents

- [1. Executive Summary](#)
- [2. Licensing Costs](#)
- [3. Development Costs](#)
- [4. Third-Party Provider Costs](#)
- [5. Infrastructure Costs](#)
- [6. Operational Costs](#)
- [7. Budget Scenarios](#)

1. Executive Summary

Total Investment Range

Approach	Initial (Year 1)	Monthly Ops	Break-even
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BaaS MVP	EUR 150K-300K	EUR 15-30K	18-24 months
Full Build	EUR 500K-1.5M	EUR 50-100K	24-36 months
Enterprise	EUR 1.5M+	EUR 100K+	36+ months

Key Cost Drivers

1. Licensing strategy (own vs. BaaS)
2. Development approach (in-house vs. outsource)
3. Feature complexity
4. Geographic scope
5. Transaction volume

2. Licensing Costs

Option A: Own EMI License

Jurisdiction	Application	Capital	Setup (Legal/Consulting)	Timeline
Lithuania	EUR 1,463	EUR 350,000	EUR 30-50K	6-9 months
Malta	EUR 2-5K	EUR 350,000	EUR 40-60K	6 months
Ireland	EUR 4K	EUR 350,000	EUR 200-300K	12-18 months
UK (FCA)	GBP 5,000	GBP 350,000	GBP 100-200K	6-12 months

Lithuania Breakdown:

- Application fee: EUR 1,463
- Capital requirement: EUR 350,000 (held in local bank)
- Legal/consulting: EUR 30,000-50,000
- Directors/compliance staff: EUR 100,000+/year
- **Total setup: ~EUR 400,000-500,000**

Option B: BaaS Partnership (No Own License)

Provider	Setup Fee	Monthly Minimum	Per-Transaction
Swan	EUR 0-10K	EUR 500-2K	Volume-based
Treezor	EUR 10-50K	EUR 2-5K	Volume-based
Solarisbank	EUR 50-100K	EUR 5-10K	Custom

Savings with BaaS:

- No EUR 350K capital lock-up
- No license application process
- Faster time to market (weeks vs. months)
- Compliance handled by provider

3. Development Costs

MVP Development (4-6 months)

Component	In-House (Western EU)	Outsource (Eastern EU)	Outsource (Asia)
Backend	EUR 80-120K	EUR 40-60K	EUR 25-40K
Mobile (Flutter)	EUR 60-100K	EUR 30-50K	EUR 20-35K
Frontend (Web)	EUR 30-50K	EUR 15-25K	EUR 10-18K
DevOps/Infra	EUR 20-40K	EUR 10-20K	EUR 8-15K
QA/Testing	EUR 20-30K	EUR 10-15K	EUR 6-10K
Total	EUR 210-340K	EUR 105-170K	EUR 69-118K

Feature-Level Costs

Feature	Development Cost	Notes
User onboarding	EUR 8-15K	Auth, registration
KYC integration	EUR 15-30K	Third-party API
Account management	EUR 20-35K	Core functionality
Virtual card	EUR 25-40K	Issuing integration
P2P transfers	EUR 15-25K	Internal + SEPA
Card top-up	EUR 10-20K	Payment gateway
Push notifications	EUR 5-10K	FCM/APNS
Transaction history	EUR 8-12K	UI + backend
Card controls	EUR 10-15K	Freeze, limits

Team Composition (MVP)

Role	Count	Monthly Cost (EU)
Tech Lead	1	EUR 8-12K
Backend Dev (Senior)	2	EUR 12-18K
Mobile Dev (Senior)	2	EUR 12-18K
DevOps	1	EUR 6-9K
QA	1	EUR 4-6K
Product Manager	1	EUR 6-10K
Designer	0.5	EUR 3-5K
Total	8.5	EUR 51-78K/month

Outsourcing Savings: 40-60% vs. Western EU rates

4. Third-Party Provider Costs

BaaS Provider Costs

Provider	Setup	Monthly	Per Account	Notes
Swan	Free-10K	EUR 500-2K	EUR 0.50-2	Fast integration
Treezor	EUR 10-30K	EUR 2-5K	Included	SEPA optimized
Solarisbank	EUR 50-100K	EUR 5-10K	Custom	Full stack

Card Issuing Costs

Provider	Setup	Per Card	Transaction Fee
Marqeta	EUR 5-50K	EUR 0.50-2	0.5-1%
Stripe Issuing	Free	EUR 0.10-0.50	Included
Adyen	Custom	Custom	Custom

KYC/Identity Verification

Provider	Per Verification	Volume Discount
Sumsub	EUR 0.50-2.00	Yes (>10K/month)
Onfido	EUR 1.00-3.00	Yes

Provider	Per Verification	Volume Discount
IDnow	EUR 2.00-5.00	Yes

Example (10K users/month):

- Sumsup: EUR 5,000-20,000/month
- Volume pricing reduces to EUR 0.30-0.50/verification

Payment Processing

Provider	Setup	Per Transaction	Notes
Stripe	Free	1.4% + EUR 0.25 (EU)	Easy integration
Adyen	Free	EUR 0.10-0.15 + interchange	Enterprise

Virtual IBAN

Provider	Per IBAN	Monthly Maintenance
OpenPayd	EUR 1-5	EUR 0-1
Banking Circle	Custom	Volume-based
Usually included in BaaS	-	-

5. Infrastructure Costs

Cloud Infrastructure (AWS/GCP)

Component	Monthly Cost	Notes
Compute (K8s cluster)	EUR 1,500-3,000	3-5 nodes
Database (RDS/Cloud SQL)	EUR 500-1,500	Multi-AZ
Redis (ElastiCache)	EUR 200-500	Cluster mode
Storage (S3)	EUR 100-300	Documents, backups
CDN (CloudFlare)	EUR 200-500	Pro/Business
Monitoring (Datadog)	EUR 300-800	APM included
Total	EUR 2,800-6,600	Scales with users

Cost Per User

Users	Infrastructure	Third-Party	Total/User
1,000	EUR 3/user	EUR 5/user	EUR 8/user
10,000	EUR 1/user	EUR 3/user	EUR 4/user
100,000	EUR 0.50/user	EUR 2/user	EUR 2.50/user

6. Operational Costs

Monthly Operational Expenses

Category	MVP Phase	Growth Phase	Scale Phase
Team (salaries)	EUR 30-50K	EUR 80-150K	EUR 200K+
Infrastructure	EUR 3-5K	EUR 10-20K	EUR 50K+
Third-party services	EUR 5-10K	EUR 20-50K	EUR 100K+
Compliance	EUR 5-10K	EUR 15-30K	EUR 50K+
Customer support	EUR 2-5K	EUR 10-20K	EUR 30K+
Marketing	EUR 5-15K	EUR 30-100K	EUR 200K+
Legal/Professional	EUR 2-5K	EUR 5-15K	EUR 20K+
Office/Admin	EUR 2-5K	EUR 5-10K	EUR 15K+
Total	EUR 54-105K	EUR 175-395K	EUR 665K+

Per-User Economics

Metric	Amount	Notes
Customer Acquisition Cost	EUR 20-50	Marketing + onboarding
First-year serving cost	EUR 175	Fixed costs
Monthly serving cost	EUR 5	Infrastructure + support
Required spend for breakeven	EUR 750/month	Year 1

Compliance Costs

Item	Annual Cost
Compliance Officer (FTE)	EUR 80-120K
AML monitoring tools	EUR 20-50K
External audits	EUR 30-60K
Regulatory reporting	EUR 10-20K
Training & certification	EUR 5-10K
Total	EUR 145-260K

7. Budget Scenarios

Scenario A: Lean BaaS MVP

Assumptions:

- BaaS partnership (Swan)
- Outsourced development (Eastern EU)
- 6-month timeline
- Target: 5,000 users Year 1

Category	Year 1	Monthly (Avg)
Development	EUR 150,000	-
BaaS setup + fees	EUR 20,000	EUR 2,000
KYC (5K verifications)	EUR 10,000	EUR 1,000
Infrastructure	EUR 36,000	EUR 3,000
Operations (lean)	EUR 120,000	EUR 10,000
Marketing	EUR 60,000	EUR 5,000
Legal/Compliance	EUR 30,000	EUR 2,500
Buffer (15%)	EUR 64,000	-
Total Year 1	EUR 490,000	EUR 23,500

Scenario B: Standard Build

Assumptions:

- Own EMI license (Lithuania)

- Mixed team (in-house + outsource)
- 12-month timeline
- Target: 20,000 users Year 1

Category	Year 1	Monthly (Avg)
EMI License	EUR 450,000	-
Development	EUR 300,000	-
Card program	EUR 50,000	EUR 5,000
KYC (20K verifications)	EUR 30,000	EUR 3,000
Infrastructure	EUR 72,000	EUR 6,000
Operations	EUR 480,000	EUR 40,000
Marketing	EUR 200,000	EUR 17,000
Legal/Compliance	EUR 150,000	EUR 12,500
Buffer (20%)	EUR 346,000	-
Total Year 1	EUR 2,078,000	EUR 83,500

Scenario C: Enterprise Launch

Assumptions:

- Own license (Ireland for prestige)
- Full in-house team
- Custom core banking
- Target: 100,000 users Year 1

Category	Year 1
EMI License (Ireland)	EUR 800,000
Development	EUR 800,000
Core banking platform	EUR 300,000
Card program	EUR 150,000
KYC (100K verifications)	EUR 100,000
Infrastructure	EUR 300,000
Operations	EUR 1,500,000
Marketing	EUR 1,000,000
Legal/Compliance	EUR 400,000
Buffer (25%)	EUR 1,337,500

Category	Year 1
Total Year 1	EUR 6,687,500

Cost Optimization Strategies

Development

- Outsource to Eastern EU (40-60% savings)
- Use BaaS to reduce custom development
- Cross-platform mobile (Flutter) vs. native

Licensing

- Start with BaaS, migrate to own license later
- Lithuania over Ireland (70% cheaper)
- Small EMI if eligible

Operations

- AI chatbots reduce support costs 60%
- Automated KYC reduces manual review
- Cloud-native for elastic scaling

Marketing

- Referral programs (lower CAC)
- Partnership distribution
- Niche targeting

Financial Model Summary

Unit Economics Target

Metric	Target
CAC	< EUR 30

Metric	Target
LTV	> EUR 150
LTV:CAC	> 5:1
Payback period	< 12 months
Gross margin	> 60%

Revenue Model

Stream	Revenue/User/Year
Interchange	EUR 15-30
FX markup	EUR 10-20
Premium subscription	EUR 60-120
Interest income	EUR 5-15
Total potential	EUR 90-185

Break-even Analysis

Scenario	Users Required	Timeline
BaaS MVP	5,000-10,000	18-24 months
Standard	20,000-30,000	24-36 months
Enterprise	50,000+	36+ months

Sources

- [Neobank Development Cost - ITExus](#)
- [Banking App Development Cost - Leanware](#)
- [EMI License Costs - Tangle.ee](#)
- [Neobank Industry Statistics - Coinlaw](#)
- [Start a Neobank Guide - RND Point](#)
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