

**Profitcard 2025**

FORUM 11-C | TUTORIAL

**Embedded Finance – Transformation der  
Wertschöpfungskette der Banken**

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**EMBEDDED FINANCE**

**Transforming The Banking Value Chain**

A report by Mobey Forum's Payments Expert Group



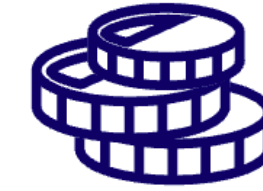
# Zahlen und Fakten



Gegründet  
**1996**  
in der Schweiz



in 19 Städten in  
**10**  
Ländern



Umsatz  
**103 Mio**  
CHF in 2023



Millionen von  
Benutzern auf 6  
Kontinenten  
vertrauen unseren  
Dienstleistungen



Ausgezeichnet mit  
**40+**  
Awards in den letzten  
10 Jahren



**800+**  
Expert:innen



# G+D – ein weltweit führendes milliardenstarkes Sicherheitstechnologieunternehmen und Innovationsführer



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# EMBEDDED FINANCE

## Transforming The Banking Value Chain

A report by Mobey Forum's Payments Expert Group

<https://mobeyforum.org/embedded-finance-transforming-the-banking-value-chain/>

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## Are you a C-level Executive or working in business development or strategy in banking?

- This report explains embedded finance and will arm you with the critical information you need to understand its impact on the financial services industry and beyond.

## ...then you should read this report so that you can make informed decisions about embedded finance ...

- Embedded finance-enabled user journeys are **transforming the strategies of financial institutions** from relationship-driven to capability-driven approaches. Progressive banks are already moving ahead with embedded finance journeys, threatening to leave others behind.
- If your bank is not yet pursuing a well-defined strategy, you should familiarise yourself with the drivers of embedded finance, its relevance and its impact on the industry's traditional value chain. Doing so will help you create a tailored strategy designed to help your institution prosper.

## This report aims to create clarity on embedded finance, by:

- Using its drivers to **define the term of embedded finance.**
- Explaining how the traditional **value chain is changing** and exploring the roles banks can play.
- Outlining the **strategic relevance** and urgency for banks to seize the substantial opportunities in embedded finance.



Article

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2024-09-09 08:04 (GMT+0) Pymnts

Translate

## Deutsche Bank Sees Opportunity in Unlocking Embedded Finance

The value proposition for embedded finance becomes clearer by the day. Businesses see integrated, personalized payments and lending connected directly to their digital platforms.

Consumers see new payment options added to their digital experiences. Nonbank financial institutions can offer new services within existing products. Banks see an opportunity to bring the Banking-as-a-Service (BaaS) model to both business and consumer segments.

If there's any element of that equation that could use a sharper focus, it's banks. As Dee Mitra, global head of product for Banking-as-a-Service, context banking and embedded finance at Deutsche Bank, told PYMNTS, embedded finance allows connection to BaaS APIs and opens up the infrastructure of

PYMNTS

### Lending Provides Global Consumers and SMBs

Provides Global Tailwind for ...

... credit and flexible cash flow management, ...

Solutions for UK and Ireland, Visa

es for individuals and the smallest  
ent marked by relatively high interest

Finextra Predict 2025

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### /payments

News and resources on payments systems

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**Money Mule Defence: Practice and the Role of Technology**  
Free webinar | 30 Jan 2025 at 15:00

**Editorial**  
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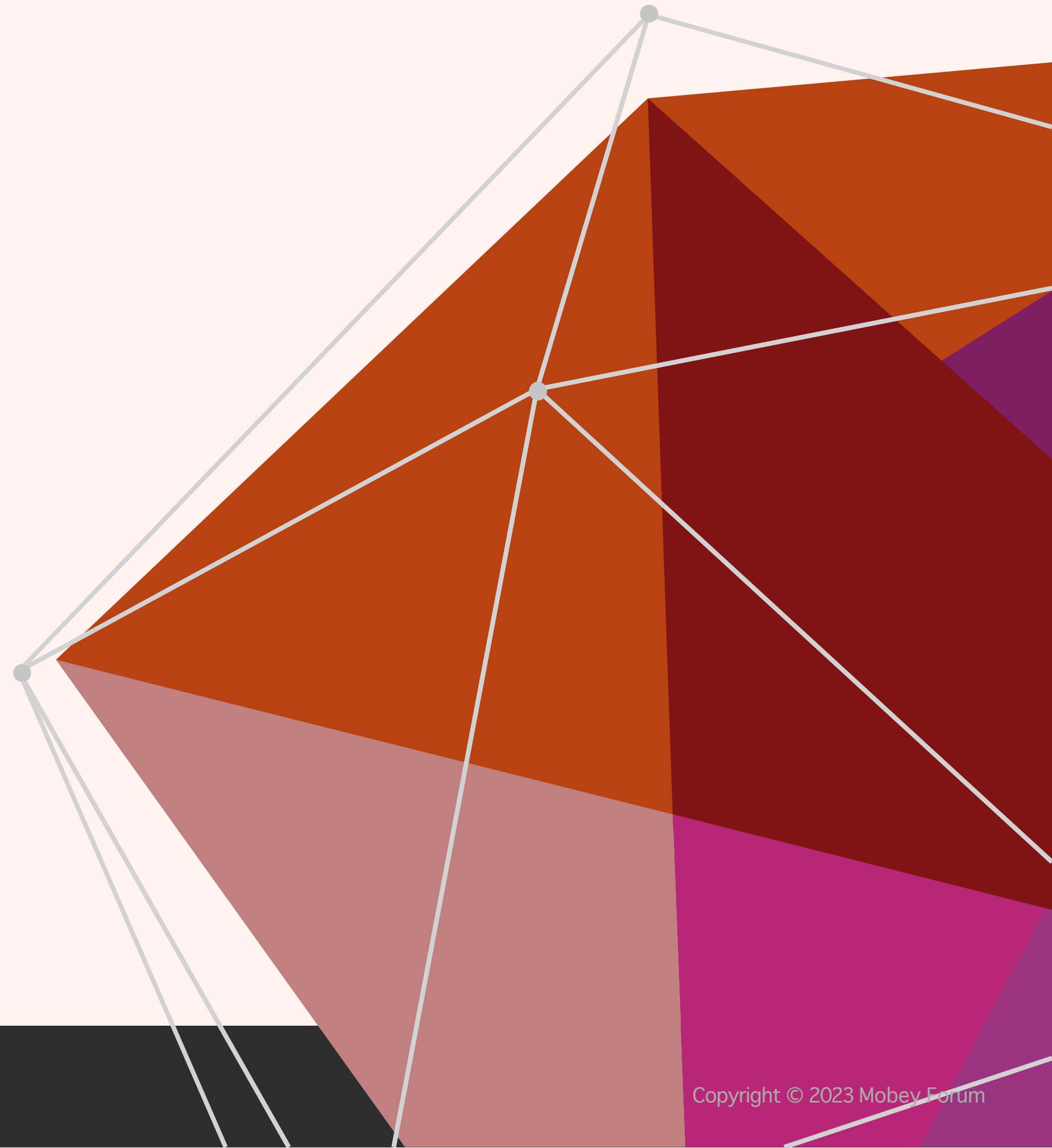
**Worldlir**  
Online F platform

**Embedded**  
Der Studienbericht

# What are the drivers of embedded finance?

- **End-to-end user journeys are taking center stage and integrating financial services**
  - The seamless **integration** of **financial tools** and **services** into user journeys is fundamentally changing how customers consume financial services.
  - Embedded finance is becoming an integral and frictionless part of products and services that customers already use frequently.
- **Organisations with customer touchpoints are in control of the customer journey and extend their role deep into the value chain**
  - Customers increasingly seek effortless and smooth **experiences**.
  - A growing number of companies **integrate financial offerings** into their portfolio to better serve customers' desires.
  - The goal in integrating financial services is to increase product/service desirability, maximise conversion and reduce abandonments.
- **Fueled by new technology**
  - The digitalisation of processes and customer experiences in banking enables organisations to take advantage of the embedded finance opportunity and strategically extend their role in the value chain through modular services.

# The definition





# Embedded finance

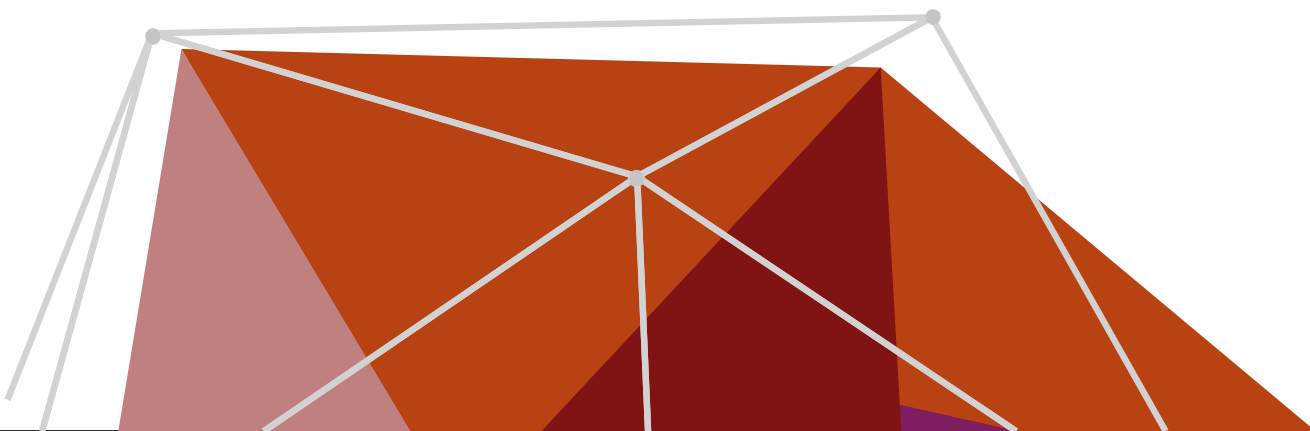
The Mobey Forum  
Payments Expert Group  
definition

**Embedded finance** describes the **integration of financial services** to enhance and complement a **third-party service offering** from a **banking or non-banking** provider.

This creates a **convenient end-to-end journey** with **minimal friction** for the end user, whether they are a **human or machine-based actor**.

# What key market developments drove the definition?

- **Digitisation of services and tokenisation of values** enabling an instant and comprehensive execution of processes and exchange of value.
- **Consumer expectations** shifting for **integrated and single point of service experience** vs. dealing with multiple broken steps.
- **Automation and efficiency** enabled by linking process steps together vs. isolated, manual processes conducted in silos.





# What expert insights shaped the definition?

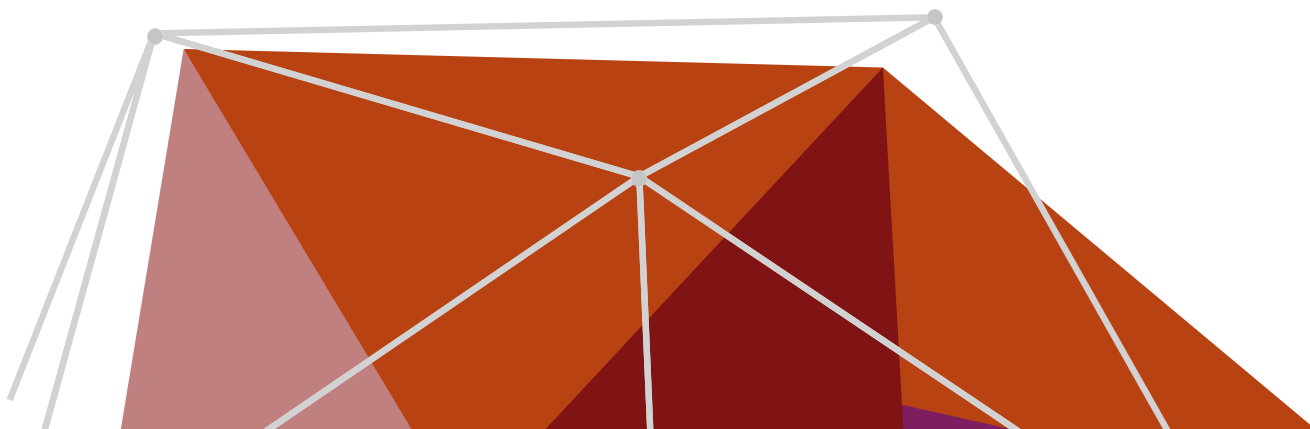
**Embedded finance** – customers do not necessarily need to know a financial service is provided by **someone else** than the use case service provider they are interacting with.

**Financial services** – include banking, lending, insurance services and **extend beyond pure banking**.

**Banking or non-banking** – it is not only embedding financial services in a non-financial service, but **banks can also embed financial services** from other providers.

**Minimal friction** – rather than ‘frictionless’, ‘seamless’ or ‘invisible’, which suggest there is no interaction, the consumer generally **knows they are consuming integrated services**.

**Human or machine-based actor** – usually embedded finance is eventually consumed by a human actor, however, services can also be digested by non-human entities such as **IoT** or **robotics**.

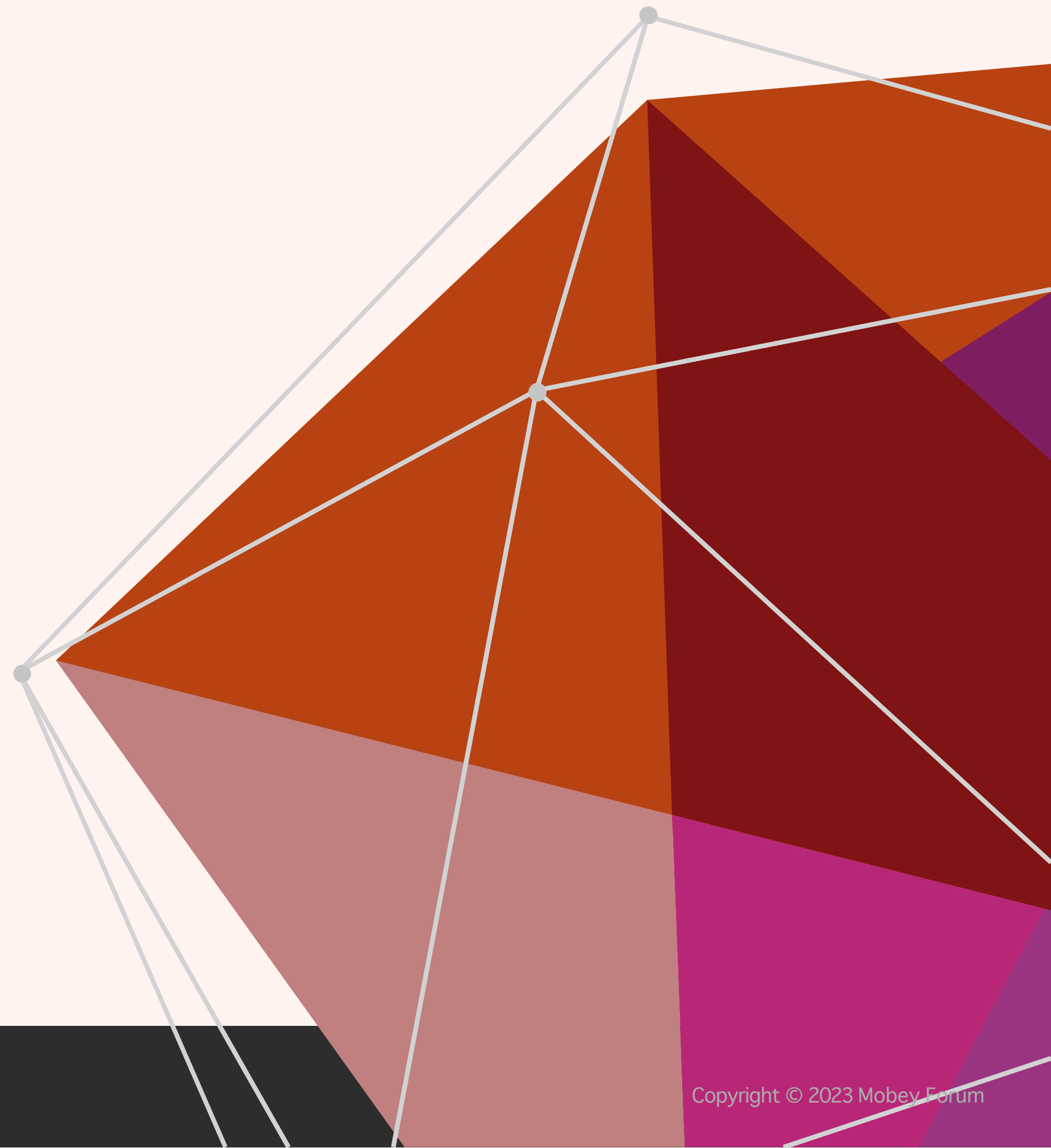


# What is the impact of embedded finance?

- 1** Embedded finance is **already gaining momentum**: The transaction value of embedded finance in the U.S. will surge from \$2.6 trillion (10% of GDP) in 2021 to \$7 trillion in 2026 (Source: Bain).
- 2** Previously, customers accessed financial services from specific providers. Now, customers can access **tailored financial solutions** instantly within the use case, when and where they need them.
- 3** Organisations can realise additional, incremental revenue of between 10% and 100% of the total value created within that value chain. How large this figure is depends on how broad a role an organisation has in that value chain.
- 4** With embedded finance, **integrated financial services** as well as customer services **scale infinitely**, as they are distributed digitally and at marginal cost.
- 5** Taking advantage of the embedded finance opportunity and avoiding loss of business requires a **mindset shift** and executing a well-defined **embedded finance strategy**.



# The evolving value chain and strategic options

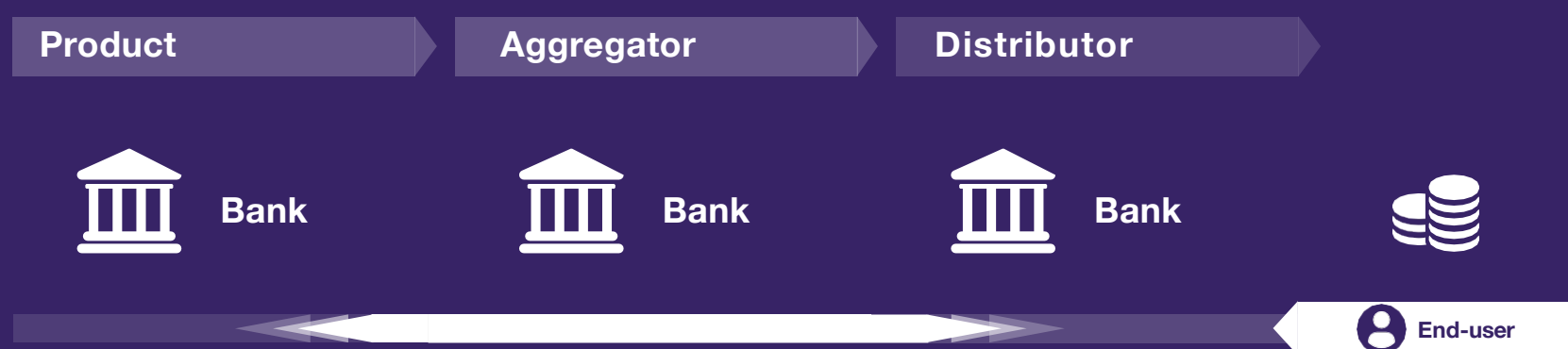


# The banking value chain

# is changing

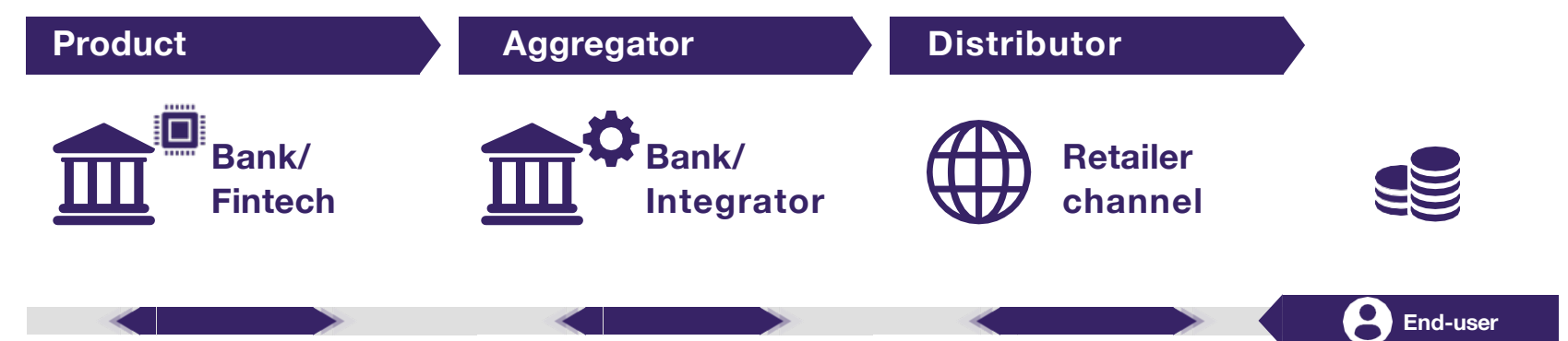
## Traditional - 'user goes to product'

- The bank performs all the roles towards its customers but does not own all the interfaces.
- The bank produces the banking products and also sets up the distribution channels (branches and digital channels).
- The customers visit the bank channels to receive the banking products and services into use – and use them at the retailers.



## Embedded finance - 'product comes to user'

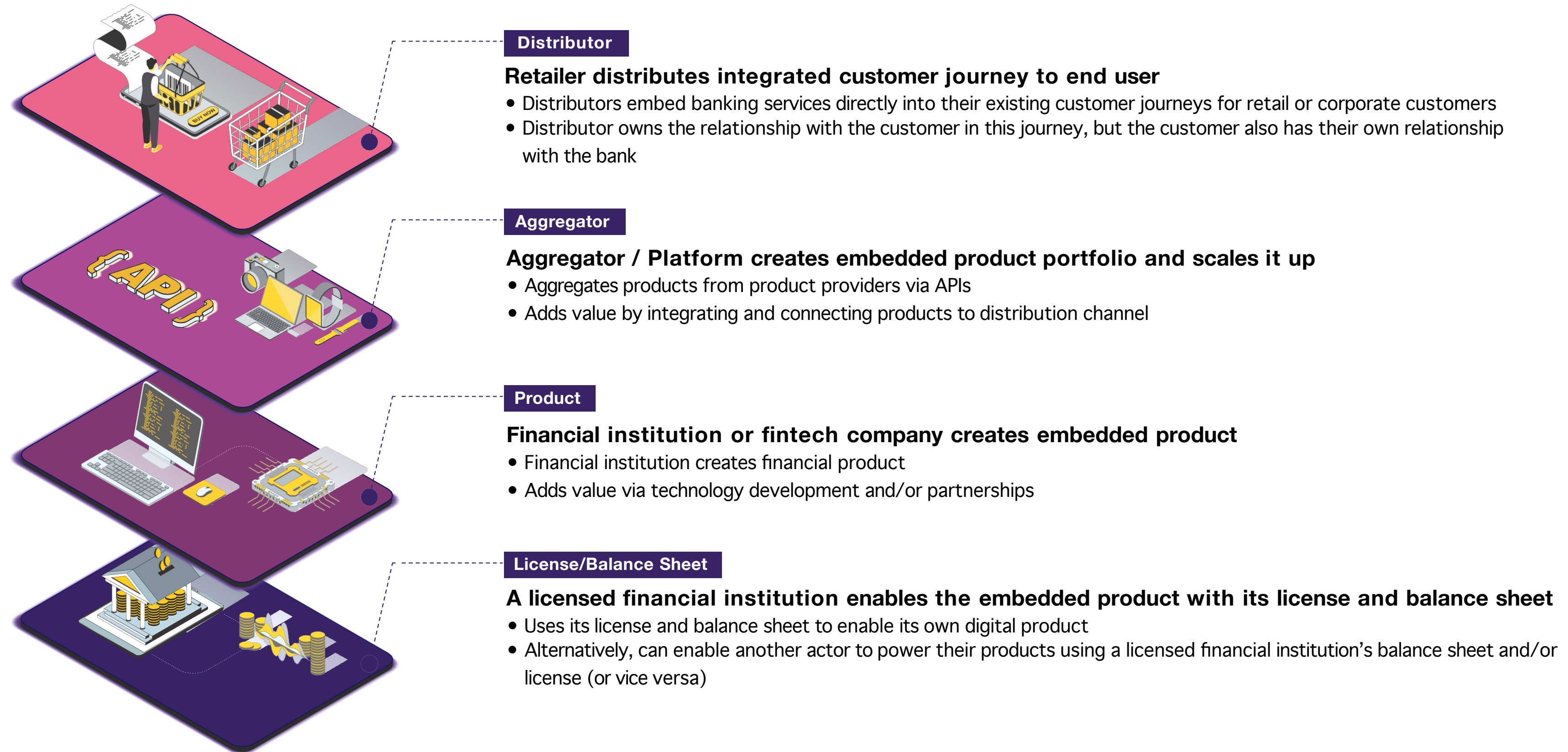
- Bank produces the banking products and services: traditional, as well as new ones.
- Integrators /platforms integrate these products/services and technically support their delivery into the retailers' sales channels.
- Retailers' sales channels are where embedded finance software is hosted and incorporated into customer journeys for distribution.
- Customers can consume the banking products and services directly at retailers, with no need to visit the banking channels.

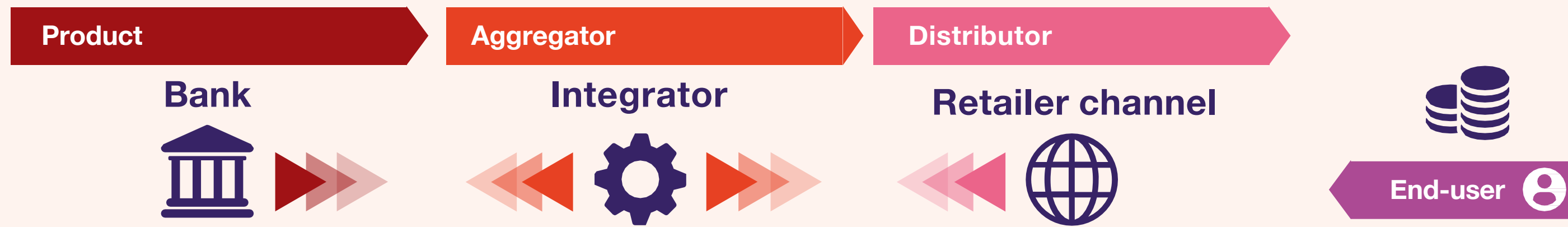




# The layers in the new value chain

## Bank's perspective

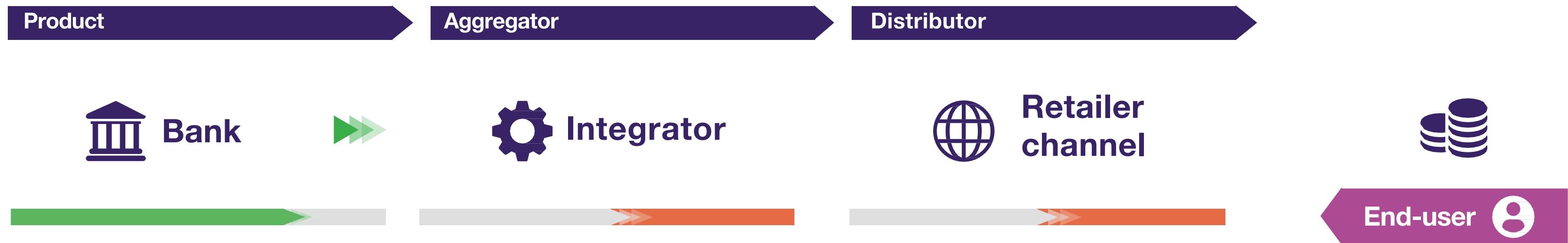




**All actors in the value chain may try to take on multiple roles and capture more value**

## Scenario 1:

Banks can expand their role and aim to be the distribution channel



Banks can capture more of the value chain and set up marketplaces and become distributors for retailers of financial and non-financial products. In this way they can gain a larger share of the revenue within a vertical or across verticals.

### Some examples:

[Revolut offering eSim, shop, stays, miles and other services from within banking app](#)

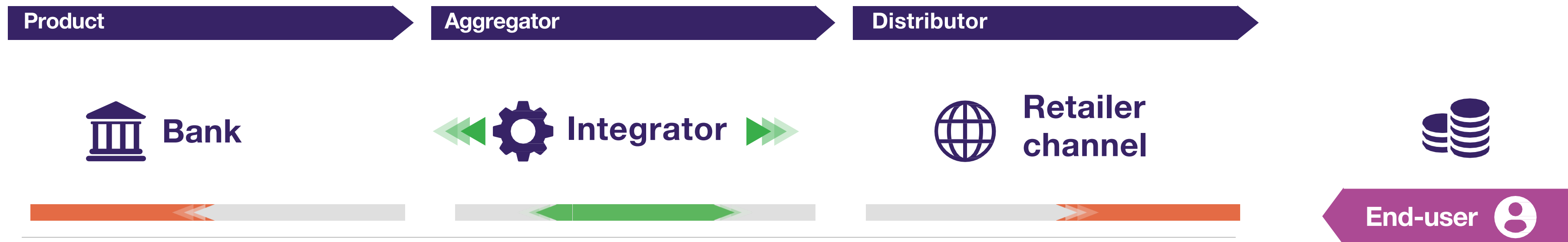
[UK's Starling bank offers a marketplace of financial products](#)

[Singapore's DBS bank has marketplace to trade property, cars etc.](#)



## Scenario 2:

Integrators may aim to expand their role in the value chain by applying for a banking license



Integrators can also move up the value chain to acquire the license for financial products and integrate their own financial products alongside those of other players.

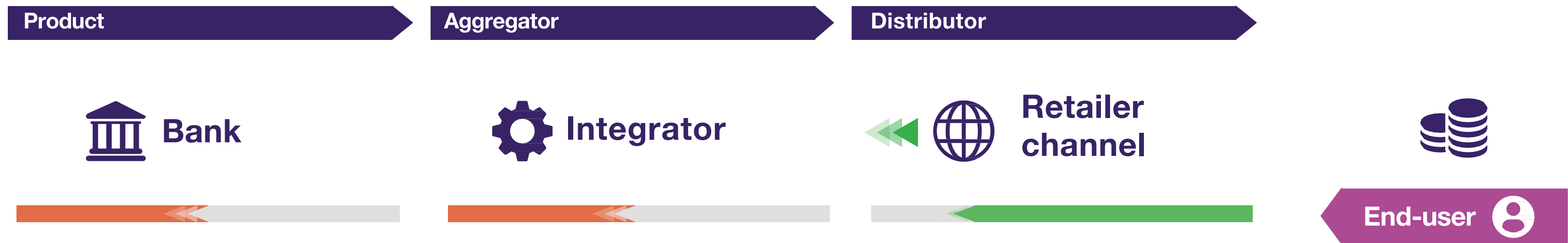
### Some examples:

Klarna has a banking license

[Square has acquired a banking license in the US to provide financial products](#)

## Scenario 3:

Retailers may look to gain a greater share of revenue by applying for a license



Retailers can also take more share of the value chain by expanding their role and integrating and/or offering their own financial and non-financial products.

### Example:

Apple is expanding its financial services offering while acting as an integrator (via Apple Wallet) and product provider (via BNPL), underwriting credit and new savings products.

# Global Mapping and Infographic of Players in Embedded Finance & BaaS 2024-2025

Products & Solutions					
Embedded Finance/Embedded Banking					
	Clear.Bank	ConnectPay	cross river	fincra	FINTECH GALAXY
	Griffin	MAMBU	OpenPayd	PARTES	Solaris
	stripe	TOQIO	Unlimit	weavr	
Banking-as-a-Service					
Atelio	Clear.Bank	CONNECT money	ConnectPay	DOCK	fincra
FINTECH GALAXY	finzly	Griffin	MAMBU	Unlimit	VODENO
Accounts					
Agora	Alviere	Andaria	Bankable	BANKING CIRCLE	Clear.Bank
ConnectPay	cross river	DOCK	erfuca	fabrick	fincra
fintechOS	Griffin	HUBUC	intergiro	MARQETA	Modulr
OpenPayd	PARPERA	pomelo	Starling Bank	synctera	TERN
TOQIO	TREASURY PRIME	treezor	unit	Unlimit	VODENO
	weavr	Xpollens			
Lending/Financing					
Bankable	CHARGEAFTER	codat	cross river	erfuca	fabrick
fintechOS	galileo	Griffin	Jifiti	Lemonero	MAMBU
RAILZ	Starling Bank	SteadyPay	SunTec	swkbank	synctera
TOQIO	unit	VODENO	weavr	YOULEND	YOUNITED

Researched by ©The Paypers, 2024

# Global Mapping and Infographic of Players in Embedded Finance & BaaS 2024-2025

Products & Solutions					
Digital Banking					
Agora	Alviere	Andaria	Bankable	BANKING CIRCLE	ConnectPay
DOCK	erfuca	fabrick	FINTECH GALAXY	finzly	galileo
Griffin	intergiro	MARQETA	SunTec	swkbank	synctera
	treezor	VODENO	Xpollens		
Payments					
Agora	Alviere	Andaria	Bankable	BANKING CIRCLE	Clear.Bank
ConnectPay	cross river	DOCK	erfuca	fabrick	fincra
FINTECH GALAXY	finzly	FORM3	galileo	Griffin	HUBUC
intergiro	wangopay	Modulr	OpenPayd	Paynovate	pomelo
Rainforest	shape	Shaype	Starling Bank	stripe	SunTec
synctera	Thought Machine	TOQIO	TREASURY PRIME	treezor	unit
Unlimit	VODENO	weavr	WORLDLINE	Xpollens	
Card Issuing					
Agora	Alviere	Bankable	BOND	Boxopay	CODEGO
ConnectPay	cross river	DOCK	erfuca	fabrick	fincra
galileo	Griffin	HUBUC	intergiro	MARQETA	
Modulr	PARPERA	Paynovate	pomelo	stripe	synctera
thredd	treezor	Unlimit	VODENO	weavr	Xpollens

Researched by ©The Paypers, 2024



# Global Mapping and Infographic of Players in Embedded Finance & BaaS 2024-2025

Products & Solutions		
B2B Payments		
Alviere Andaria Bankable BANKING CIRCLE codat ConnectPay ROCK erfuice fabrick fincra FINTECH GALAXY galileo Griffin HUBUC mangopay OpenPayd SunTec TOQIO treezor Unlimit VODENO weavr Xpollens		
Credit Disbursements	Crypto	
BANKING CIRCLE erfuice Griffin weavr	erfuice galileo intergiro stripe Unlimit	
Employee Finance/Benefits/Rewards	Benefits & Loyalty Management	
Alviere ROCK erfuice intergiro treezor weavr	ConnectPay fincra SunTec	
Expense Tracking & Management		
Agora Bankable codat ROCK erfuice PARPERA TOQIO treezor unit weavr		
Insurance	Insurtech	ETF Investing
Agora fintechOS	COVER GENIUS	VODENO

Researched by ©The Paypers, 2024

# Global Mapping and Infographic of Players in Embedded Finance & BaaS 2024-2025

Products & Solutions		
AML & KYB		
Agora Alviere Bankable BANKING CIRCLE ROCK erfuice Griffin mangopay Paynovate TREASURY PRIME treezor VODENO weavr Xpollens		
Core Banking		
CODEGO Griffin MAMBU Skaleet Thought Machine vilja		
AML & KYC		
Agora Alviere Andaria Bankable BANKING CIRCLE ConnectPay ROCK erfuice fincra FINTECH GALAXY Griffin intergiro mangopay Paynovate TREASURY PRIME treezor VODENO weavr		
Multi-Currency	AP/AR Payments	
Agora Bankable *	Bankable BANKING CIRCLE codat erfuice treezor VODENO weavr	
Onboarding		
Agora Bankable BANKING CIRCLE codat ConnectPay ROCK erfuice fabrick fincra Griffin intergiro mangopay Shaype TERN unit VODENO weavr		

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# Global Mapping and Infographic of Players in Embedded Finance & BaaS 2024-2025

Products & Solutions					
Payout/X-border					
Alviere	Andaria	Bankable	BANKING CIRCLE	ConnectPay	FOCK
erfuce	fabrick	fincra	mangopay	OpenPayd	TERN
	Unlimit		VODENO		
Accounting			Payroll		
Andaria	codat	erfuce	Alviere	codat	erfuce
			weavr		
Remittances			Salary Advance		
Agora	Alviere	Andaria	Bankable	Bankable	erfuce
BANKING CIRCLE	TERN	treezor	weavr	VODENO	
Security, Compliance & Risk Management					
Agora	Alviere	Bankable	BANKING CIRCLE	ConnectPay	cross river
FOCK	erfuce	fincra	FINTECH GALAXY	galileo	intergiro
mangopay	TREASURY PRIME	treezor	VODENO	weavr	Xpollens
Spend Management			Treasury		
Agora	Bankable	codat	Alviere	Bankable	BANKING CIRCLE
FOCK	erfuce	FINTECH GALAXY	fincra	Griffin	mangopay
treezor	weavr		OpenPayd	SunTec	

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# Global Mapping and Infographic of Players in Embedded Finance & BaaS 2024-2025

Products & Solutions					
Wealth		Card-as-a-Service			
Griffin	SunTec	FOCK	erfuce	FINCI	intercash
			openway	Skaleet	
Banking-as-a-Technology					
avalog	FINASTRA	FIS	fiserv.	MAMBU	Sopra Banking Software
			temenos		
Licence					
Banking Licence					
Alviere	Bankable *	Clear.Bank	cross river	Griffin	Solaris
	Starling Bank	swkbank	VODENO		
Electronic Money Institution (EMI)					
Andaria	Bankable *	ConnectPay	FOCK	erfuce	HUBUC
intergiro	mangopay	Modulr	OpenPayd	Paynovate	Solaris
treezor	Unlimit	weavr	Xpollens		
Payment Institution				Financial Institution	
Bankable *	erfuce	fabrick	pomelo	treezor	OpenPayd

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\* Via Proxy

# Global Mapping and Infographic of Players in Embedded Finance & BaaS 2024-2025

Licence	
Mastercard Principal Membership	Visa Principal Membership
 Bankable *   	 Bankable  
AISP (Account Information Service Provider)	PISP (Payment Initiation Service Provider)
 Bankable *  	 Bankable *   
Credit Institution	Insurance Intermediary
	
Payment Solution Service Providers (PSSP)	Money Service Business (MSB)
	

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\* Via Proxy



# How to pivot your strategy?

**Defend**  
or  
**Extend**  
and/or  
**Create new**

## 1 Assess opportunity

- Assess strengths, capabilities and risks for current business and new opportunities.
- Evaluate where it is feasible to directly connect with customer facing parties and where it is possible to scale with partners.

## 2 Define role in value chain

- The role impacts the revenue share, customer relationship control, and the degree of power in choosing partners for complementary capabilities that help complete the value chain.
- Define how to best serve the customer.

## 3 Define strategy for chosen role

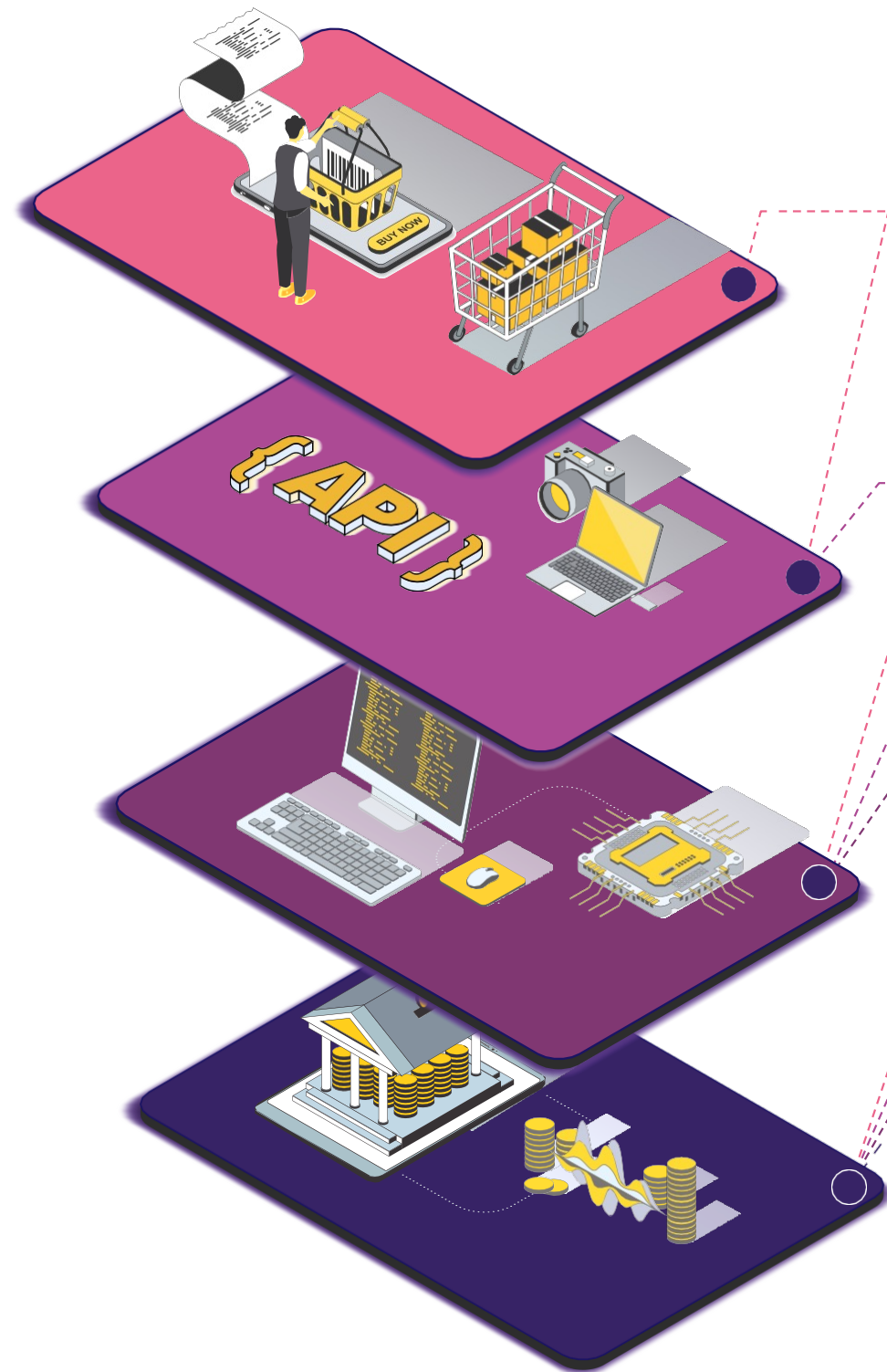
- Based on the chosen role, define how to play and elaborate the strategy based on your areas of strength, your capabilities and your risk appetite:
  1. Defending current positions
  2. Creating new growth engines by disrupting a vertical industry; or
  3. Extending reach into various verticals via a platform approach

## 4 Downside risks if no action taken

- Lack of a defined strategy can result in significant erosion of existing revenues and downward pressure on margins due to competition, digital build and distribution.

# Key strategic options for banks

As institutions define the breadth of their role in embedded finance, it informs the strategic options available to them to pursue. The more willing banks are to play a broader role, the more options become available to them.



## Role in the value chain

## Strategy

**Broadest Role – offering product to distribution**

**Platform incorporating**  
 ● Financial and non-financial products for end users

**Focus on banking products and/or aggregation**

**Verticalised offerings: integration of financial and /or non-financial products**

**Focus on banking products**

● **API driven banking, banking as a service**

**License and balance sheet**

● **License partner (for compliance, capital etc.)**

These strategic options can be pursued either individually or as a combination. Operationalisation of the options can be enabled in-house and/or through partnerships.

As the breadth of roles increase, more strategic options open up. A financial institution can opt to combine multiple strategic options for its business lines.

Be proactive!  
Your role determines  
whether embedded finance  
is an opportunity or a threat.

## 1 Customer relationships with financial services will be redefined

- Embedded finance is set to redefine how consumers and businesses build and manage relationships with financial services.

## 2 Revenue pools will shift depending on the chosen role in the value chain

- Research predicts embedded finance transaction value in the U.S. will grow to USD \$7 trillion by 2026; revenue opportunities for software platforms and enabling infrastructure providers that power embedded finance will reach USD \$51 billion;\* and the total market will grow by up to ten times, reaching USD \$230 billion by 2025.\*\*.
- In Europe, revenue pools with embedded finance present huge growth opportunities and are expected to account for up to 15% of revenues by 2030.
- Revenue opportunity that can be captured also depends on the role(s) that the player decides to play in the value chain.

## 3 Payments and lending are most impacted segments

- Payments and lending will be the largest segments of embedded finance, with expected growth in insurance, tax, accounting, and other services.

Sources:

\* Bain & Company: <https://www.finextra.com/newsarticle/40953/embedded-finance-set-for-explosive-growth>

\*\* PwC Strategy & <https://www.strategyand.pwc.com/de/en/industries/financial-services/embedded-finance.html>

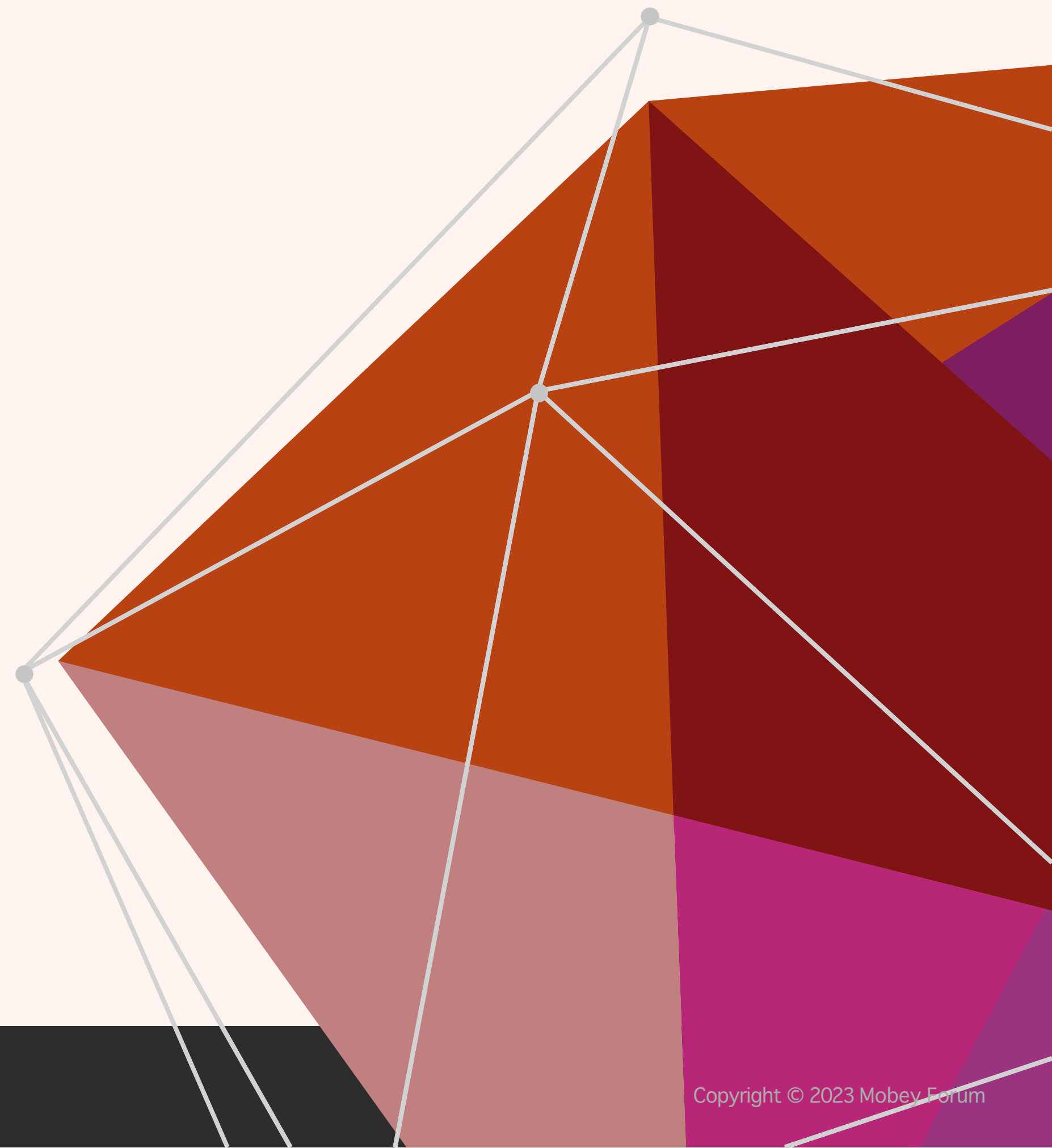


# Coming up next

Stay tuned for the Payments Expert Group's next report that will cover the strategic options you can execute to succeed in embedded finance.

You will learn the concrete strategic options and their respective business models that will thrive and generate revenue opportunities:

- Use cases in the market
- Deep dive into business models
- Operationalisation of embedded finance



# Join Mobey Forum

This report is produced by Mobey Forum's Payments Expert Group and the findings here are based on the discussions in the Expert Group.

This paper covers the main findings but is by necessity a summary. To get the full benefit of the Mobey Forum Expert Group, we strongly encourage you to join the organisation and actively participate in the work to gain the full range of insights.

Joining Mobey Forum also helps increase your international network and professional profile as an industry expert on embedded finance or other topics in the industry.

The close community of experts at Mobey Forum allows you to bring forth your own questions and leverage decades of combined experience in navigating challenges and searching for opportunities.

For more information, contact [mobeyforum@mobeyforum.org](mailto:mobeyforum@mobeyforum.org)



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