

The Growth of Embedded Finance

The term embedded finance was everywhere in 2023. Defined as the integration of financial services or products into a non-financial company's value chain, embedded finance can encompass everything from payments, to insurance, to lending. Consumer demand for a seamless, interconnected buyer journey is prompting retailers, ISVs, SaaS providers and more to embed financial products into their platforms – creating up-sell opportunities, a new source of revenue and a multi-billion dollar market.

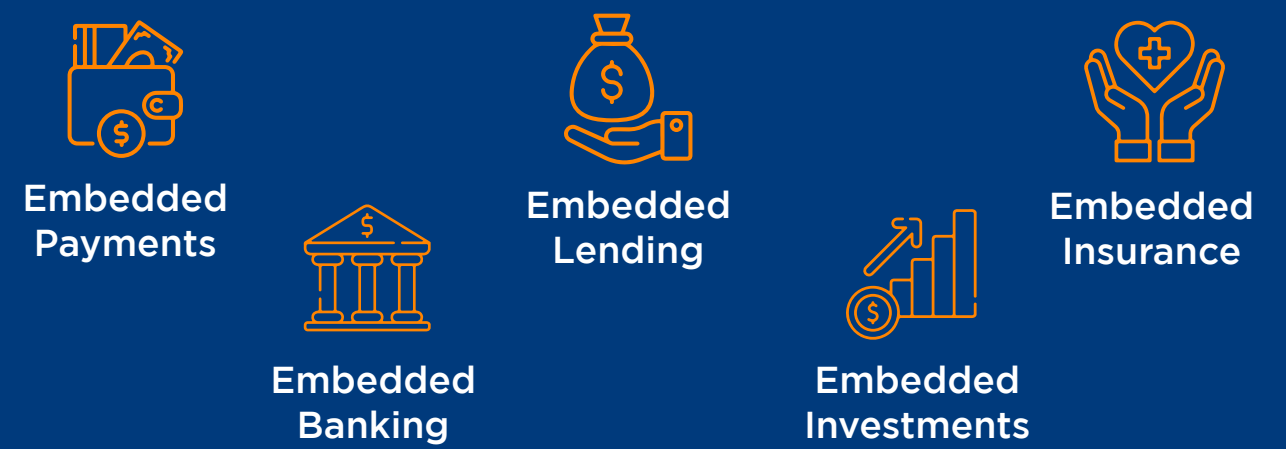
Embedded Finance's Explosive Growth

Increasing digitalization across industries, including banking and finance, is propelling demand for embedded financial products, with a CAGR of 32.2% from 2023-2030.

Embedded Finance Market



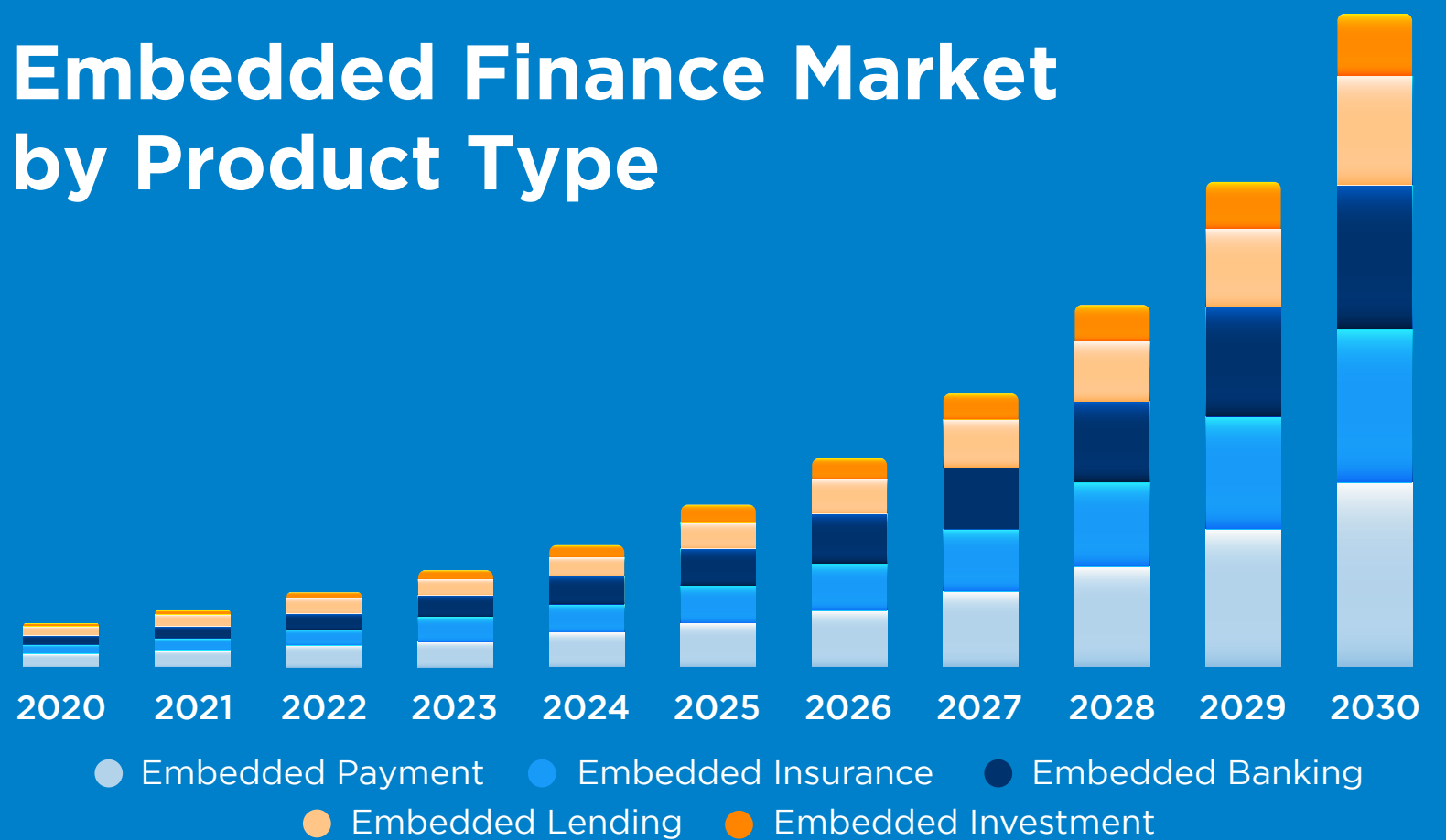
Types of Embedded Finance Products



Embedded Payments is the Leading Product Type

According to Grandview Research, the embedded payment segment dominated the embedded finance market in 2022, with a share of over 28%. Increased consumer demand for quick access to funds is also expected to accelerate the adoption of embedded lending.

Embedded Finance Market by Product Type



Embedded Finance – Adoption and Drivers

Increased digitalization and Ecommerce growth has provided companies a captive audience for embedded finance products, particularly in retail. Additional key drivers include demand for seamless payments and increased partnership between non-financial platforms, payment providers and banks.

Adoption Across Industries (2022)

- Retail
- Travel & Entertainment
- Logistics
- Healthcare
- Manufacturing
- Others



Key Market Drivers

- Increased digitalization across industries
- Growth in Ecommerce
- Adoption of mobile and digital banking
- Demand for faster and more efficient payments
- Desire for quick access to funds
- Availability and scalability between partners