

# Banking-as-a-Service Market Growth Trends, Size, Share and Forecast

*Banking-as-a-Service Market expands as fintech firms and traditional banks collaborate on digital solutions.*

AUSTIN, TEXAS, UNITED STATES, June 19, 2024 /EINPresswire.com/ -- Market Scope and Overview

The [Banking-as-a-Service Market](#), as per the SNS Insider report, reached a value of USD 25.79 billion in 2023. This market is projected to climb to a staggering USD 86.33 billion by 2031, reflecting a steady Compound Annual Growth Rate (CAGR) of 16.3% throughout the forecast period (2024-2031).

The Banking-as-a-Service market presents a dynamic landscape characterized by moderate fragmentation. Numerous companies compete for market share, constantly innovating and expanding their product portfolios to cater to the evolving needs of businesses. Technological advancements are further fueling market growth, as both domestic and international players leverage these advancements to secure new contracts and expand their reach into previously untapped markets. Additionally, initiatives like the expansion of fund transaction services across the US and emerging economies contribute significantly to the overall market's positive trajectory.

For instance, in October 2023, financial technology giant FIS, a leading provider of core banking and payment services, acquired BaaS provider Bond, signifying the growing consolidation and strategic partnerships within the market.

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Some of the Key Players Studied in this Report are:



- Green Dot Bank
- Solarisbank AG
- PayPal Holdings
- Fidor Solutions AG
- Moven Enterprise
- The Currency Cloud Ltd
- Treezor
- Match Move Pay Pte Ltd
- Block
- Bnkbl Ltd
- Others

## Recent Developments

□ In March 2024: Hong Kong made significant strides in strengthening its sustainability reporting framework in 2024. The HKSAR Government issued a vision statement, pledging to align local regulations with the international ISSB standards. This move underscores Hong Kong's commitment to global best practices.

□ In March 2023: ICICI Bank, a leading Indian financial institution, launched a suite of digital solutions specifically designed for capital market participants and their custody clients. These solutions cater to the banking needs of various market players, including stockbrokers, portfolio management service providers, and foreign portfolio investors.

## Market Segmentation Analysis

**By Component:** The platform segment dominates the market, accounting for over 59% of the global revenue in 2023. This dominance can be attributed to the crucial role BaaS platforms play in enabling companies to embed banking services like account opening, card issuance, and even loan processing directly into their existing software. This results in a more streamlined and user-friendly experience for customers.

**By Product Type:** The cloud-based BaaS segment reigns supreme, holding the largest share over 58% and projected to witness the fastest growth rate throughout the forecast period. Cloud-based solutions offer numerous advantages, including faster deployment of new features, robust security protocols, and improved scalability, making them a compelling choice for businesses of all sizes.

**By Enterprise Size:** Large enterprises hold the dominant position, accounting for over 64% of the global revenue in 2023. Recognizing the potential of BaaS to enhance customer offerings, many large companies are actively integrating BaaS capabilities into their operations. Research by Finastra, a leading financial IT software provider, revealed that 85% of surveyed corporate executives planned to implement or were already utilizing BaaS solutions.

By End-User: The banks segment leads the market, capturing over 37% of the global revenue in 2023. BaaS offers banks a valuable opportunity to generate revenue while simultaneously reducing operational costs. By leveraging BaaS partnerships, banks gain access to pre-developed solutions, eliminating the need for significant investments in technology infrastructure. This collaborative approach is expected to play a significant role in shaping the future of the banking industry.

Market Segmentation and Sub-Segmentation Included Are:

By Product Type

- API
- Cloud-based BaaS

By Component

- Platform
- Services

By Enterprise Size

- Large
- SME

By End-User

- Banks
- FinTech Corporation
- NBFC
- Others

Regional Outlook

North America capturing a commanding share exceeding 36% of global revenue. This leadership position can be credited to the presence of well-established technology companies like PayPal Holdings, Inc. and Green Dot Bank. These players were instrumental in spearheading the development of BaaS solutions within the region. For Example, the collaborative effort undertaken by Finastra (a UK-based company) and Microsoft in April 2022. Through BaaS, this partnership facilitated the offering of alternative lending solutions specifically designed to meet the needs of Small and Medium Enterprises (SMEs).

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