

Banking-as-a-Service Market Expected to Reach \$60 Billion by 2033

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NEW CASTLE, DE, UNITED STATES, July 8, 2025 /EINPresswire.com/ -- According to a new report

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Banking-as-a-Service leads the financial industry by driving digital transformation, enabling innovation, & offering a flexible, cost-efficient model for global expansion and fintech collaboration”

AMR

published by Allied Market Research, titled “[Banking-as-a-Service Market](#),” the banking-as-a-service market was valued at \$12.2 billion in 2023 and is estimated to reach \$60 billion by 2033, growing at a CAGR of 17% from 2024 to 2033.

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The banking-as-a-service industry is a transformative segment of the financial sector, enabling non-bank entities

to integrate and deliver banking products and services through API-driven platforms. Businesses such as fintechs, e-commerce platforms, and other non-financial companies embed services such as payments, digital wallets, lending, and account management directly into their offerings by leveraging licensed banks' infrastructure. The growth of the market is driven by factors such as rise in penetration of open banking, surge in demand for embedded financial solutions, and the acceleration of digital transformation. BaaS offers a scalable, cost-effective model that encourages financial innovation and inclusion by lowering entry barriers for businesses and enhancing consumer access to personalized financial services. Key participants include traditional banks providing the regulatory backbone, fintechs innovating customer-facing solutions, and API platforms facilitating integration. The banking-as-a-service market trends includes diverse industries, such as retail, healthcare, and telecommunications, creating opportunities for businesses to differentiate through seamless financial experiences. Despite its growth potential, the market faces challenges such as regulatory compliance, cybersecurity risks, and intense competition. As digital ecosystems evolve, BaaS is positioned to reshape the financial sector by empowering businesses to embed financial services, unlocking significant value in the digital economy. Furthermore, major market players have undertaken various strategies to increase the competition and offer enhanced services to their customers. For instance, in July 2021, Bnkbl Ltd. partnered with Paysafe, a leading payment platform to deliver a

banking as service platform. In addition, the main purpose of the partnership is to help banks and financial institutions in reducing operation cost by using banking-as-a-service solution.

Furthermore, in September 2021, Starling Bank launched a banking-as-a-service package in Europe. With the help of this offering, companies are expected to be able to create their own financial products on the banking platform, including debit cards, kids' cards, integrated digital wallets, and savings or current accounts. With built-in banking, Starling takes care of the technical and legal requirements in the background, freeing up businesses to focus on serving their customers. These strategies reflect the efforts of the banking-as-a-service industry, which helps to expand its global footprint and leverage technology to deliver better services to clients.

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On the basis of end user, bank segment attained the highest market share in 2023 in the banking-as-a-service market, this is attributed to the fact that in the financial sector, traditional banks enjoy a long history of trust and credibility. Owing to the trust created during years of operation, customers, particularly businesses, frequently choose to do business with established banks. Banks looking to enter the BaaS area take advantage of this confidence to get a sizeable portion of the market. Meanwhile, fintech corporations/NBFC segment is projected to be the fastest-growing segment during the forecast period. This is due to their adaptability, creativity in technology, and agility. Such organizations swiftly implement and integrate BaaS solutions as they are not constrained by old systems. As a result, they provide financial services that are customer-focused and flexible, meeting the ever changing needs of the digital economy.

On the basis of region, North America attained the highest banking-as-a-service market size in 2023 and emerged as the leading region in the banking-as-a-service market as the countries have embraced open banking programs, promoting cooperation between established banks and fintech firms. Open banking fosters competition and innovation by enabling third-party suppliers to offer BaaS solutions. On the other hand, Asia-Pacific is projected to be the fastest-growing region for the banking-as-a-service market during the forecast period. This growth is attributed to the fact that a large part of Asia-Pacific is a highly tech-savvy population. Asia-Pacific has seen a rapid adoption of financial solutions. BaaS is being used by fintech companies in the area to provide creative financial services, which help the market expand quickly. The report focuses on the growth prospects, restraints, and trends of the banking-as-a-service market analysis.

The study provides Porter's five forces analysis to understand the impact of several factors, such as the bargaining power of suppliers, competitive intensity of competitors, the threat of new entrants, the threat of substitutes, and bargaining power of buyers, on the banking-as-a-service market growth.

Key Findings of the Study

By component, the service segment led the banking-as-a-service market in terms of revenue in 2023.

By type, the API-based bank-as-a-service segment accounted for the highest banking-as-a-service market share in 2023.

By end user, the bank segment accounted for the highest banking-as-a-service market share in 2023.

By region, North America generated the highest revenue in 2023.

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