The Future of Embedded Finance:

Which European stakeholders will win or lose?

Solaris

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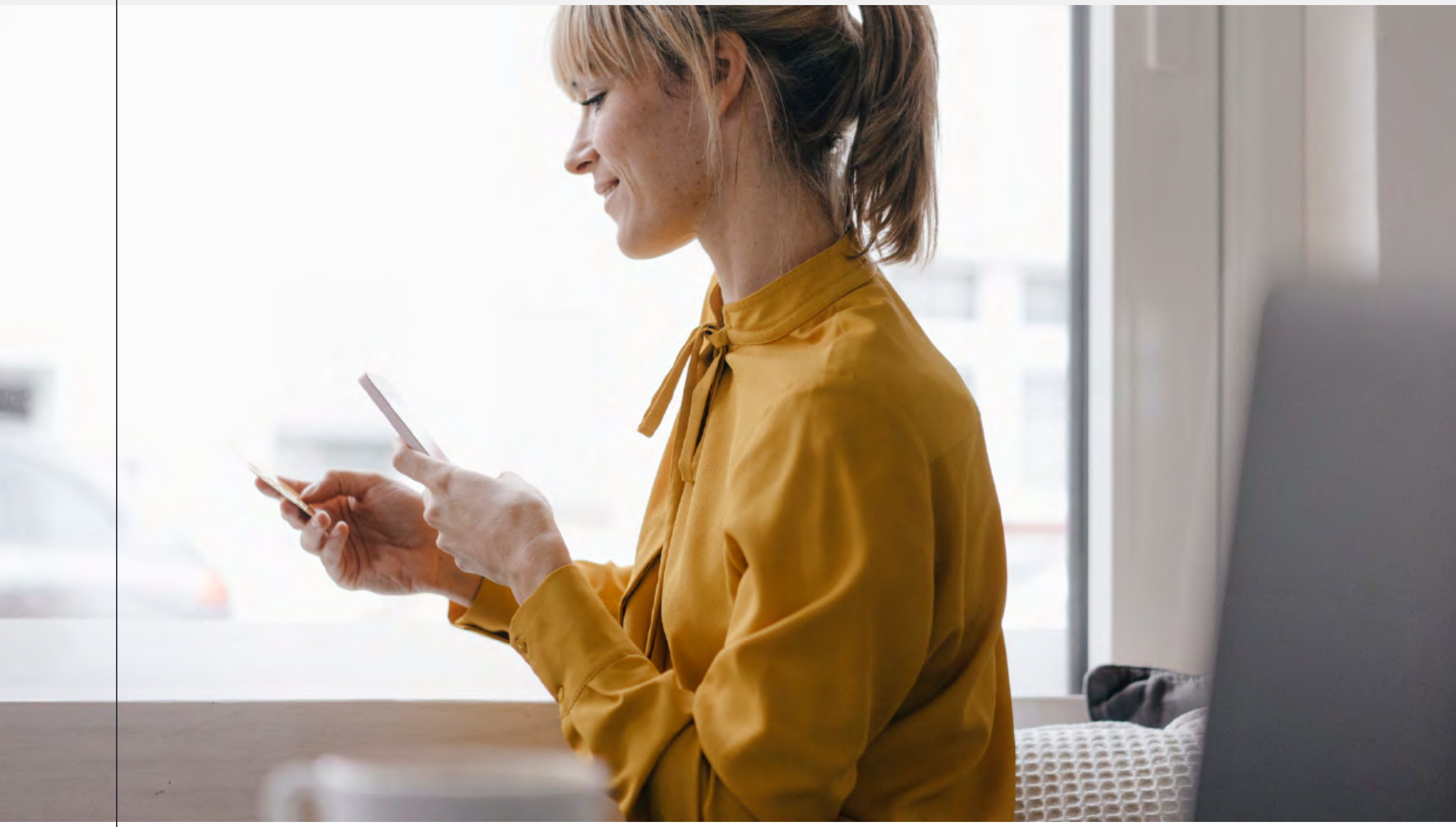
Contents



Bolstering the foundations of embedded finance

Momentum towards embedded finance has been building slowly but surely over the past decade, as demand for seamless e-commerce solutions push both financial and non-financial players to serve their digitally discerning customers more effectively.

In addition to customer expectations driving this evolution, companies have increasingly seen the potential to monetise digital opportunities and the need to reinforce loyalty with a competitive portfolio of services.

The arrival of Covid-19 and the significant shift in consumer behaviour served only to accelerate the growth of embedded finance solutions. With the unexpected global lockdown not only of brick-and-mortar retail, but of countries' entire workforces, the economy was forced to operate differently, and the need for a digital, accessible world became more urgent.

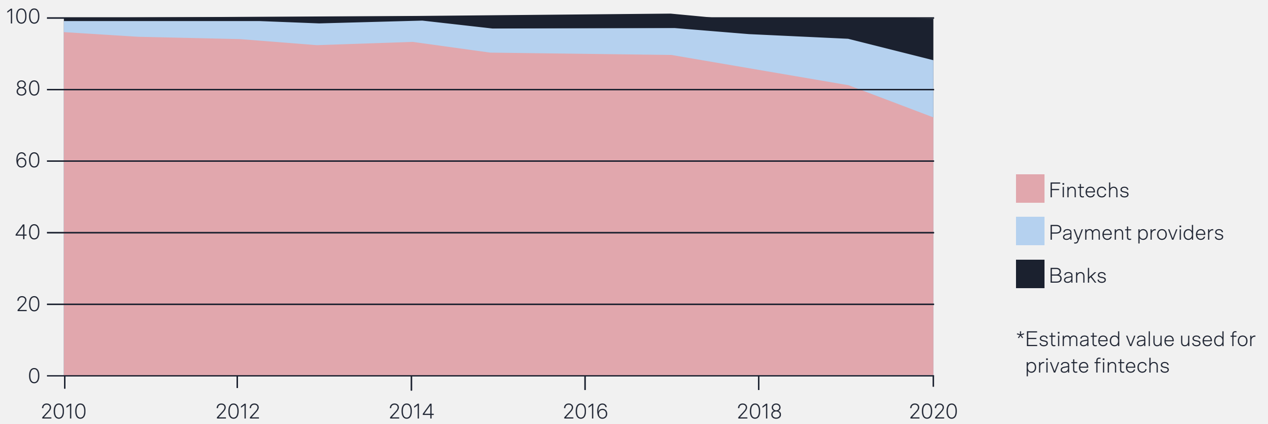
With significant market appetite and foundations for payments solutions already established, the pandemic laid fertile ground for embedded finance to become entrenched in the everyday lives of consumers. Brands around the world are now scrambling to strategise, develop, and implement their journey toward delivering more effective payment offerings to their customers.

In its simplest form, embedded finance can be viewed as the process of non-financial brands seeking avenues to extend their product through financial services, by partnering with banks and specialty finance companies to enable the technological functionalities and regulatory or licensing requirements needed to offer the product.

The push toward digital has resulted in a significant shift in consumer behaviour. With customers seeking the most efficient means to make purchases, their spending habits have naturally transitioned online where offerings can be tailored and timed to the customer's every preference.

Top 500 global banks, payment providers and fintechs*

Share of market capitalization, in %



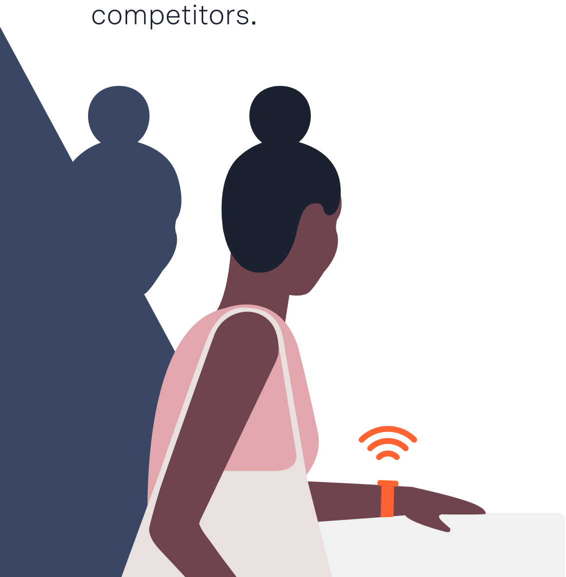
Source: The Economist via Solaris

While this evolution presents a huge opportunity for brands looking to capture this new, insatiable market, the need to improve IT infrastructure capabilities and meet regulatory standards has proved challenging for many institutions.

As supervisory bodies sharpen their focus on building resilience into financial infrastructures and demand higher accountability from the institutions that operate within them, financial and non-financial institutions are making significant investments into their platforms to comply. For instance, the impact of new capital requirements under Basel IV may further constrain traditional financial institutions, requiring banks to review and adapt all capital-consuming products according to a new framework. Basel IV will require banks to allocate significantly more risk and capital to many transactions.

While banks were well capitalised throughout the Covid-19 pandemic due to their higher loss absorption capacity, central banks intervened to support credit markets, and payments systems were considered essential. Acquirers, issuers, and merchants alike were forced to digitise their processes and services to meet the needs of their customers, adapt to the changing landscape and maintain growth in online activity.

The urgency felt by traditional financial institutions to digitally evolve presented an opportunity for neobanks and non-financial brands to leapfrog their competitors.



Being digitally agile and having the technology to be able to quickly deploy and improve SaaS solutions has proved to be the perfect formula to both exploit weaknesses in traditional banks' tech capabilities, while growing market share thanks to ever more personalised and efficient embedded finance solutions.

While these changes may appear at face value to have emerged in reaction to significant global events, the simple fact is that we have long been trending toward a future where customer experience dictates that payments are carried out on their terms. This means prioritising the reduction of friction through automated, embedded solutions that take the complexity of payments away from the consumer, serving them up instead on a technologically bespoke silver platter.

By engaging with experts from leading brands across Europe, this report examines the sector through the lens of incumbent financial institutions looking to capitalise on embedded finance opportunities, in addition to the pace-setting neobanks, the embedded finance providers and the non-financial institutions riding the e-commerce wave.

With some of the largest, most frequently used apps like Uber, Samsung and Shopify expertly leveraging embedded finance solutions, it's clear that embedded finance is already here, the question that remains is where will it take us?

This report includes commentary from BBVA, Illimity, Nomo, Orange Bank and Plaid.

Banking-as-a-Service and the key stakeholders making embedded finance a reality

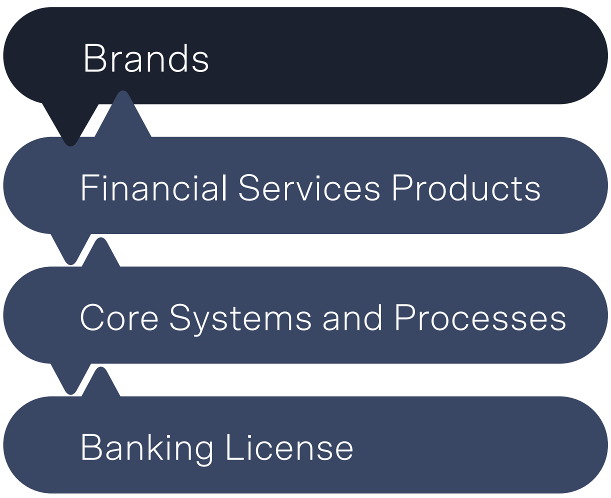
With Banking-as-a-Service or BaaS, brands lease or license services from embedded finance providers or financial institutions, allowing them to embed financial tools within their site. This approach is highly attractive to brands due to compliance, development, speed, and cost efficiencies. The integration of financial services capabilities into existing platforms and applications means that brands are now more equipped than ever before to seamlessly bring the entirety of banking to the customer with ease, speed, and security.

While BaaS is the answer to making embedded finance a reality, it is evident that this model is already being leveraged in the retail sector. For example, financial players are offering interest-free installment loans at point-of-sale, which in turn, is driving the disintermediation of the banking sector. As transformation such as this occurs, traditional banks' revenue streams are under threat and with attempts to level competition with regulations such as PSD2, innovative online payment options and mobile payment channels will come to the fore.

As a result of PSD2 and subsequently, open banking, open access to customer and transaction data has ensured that financial services can be an integral part of other industries and these ecosystems can own their financial processes. Although open banking has unwrapped the potential for expanded access, BaaS has ensured this is a solidified, truly customer-centric use case. Evidence for this can be seen in the neobank and fintech market, where consumers are encouraged to switch accounts and the providers are integrating with partner networks to bolster their offering, and in turn, retention.

Finastra research revealed that BaaS and embedded banking services will have a substantial impact on the industry in 2022. An average of 85% of survey respondents at global financial institutions expect the impact to be greatest, with 92% of those in Hong Kong, 90% in the UAE and 87% in Singapore. The survey reiterated that organisations leveraging the benefits of open banking and open finance agreed that the initiative enabled them to improve customer experience, with 59% stating that it has helped to attract new types of customers.

Neobanks, challengers and fintech firms can now retain financial processing too, consolidating services so that the relationship between the buyer and the seller is strengthened. Today, customers should be valued with personalised offerings and services that are tailored to niche segments – the fintech industry has proven that this can be done and can be done successfully. For non-financial brands, embedded finance is also a revenue opportunity but at a much lower marginal cost. By tapping into the customer loyalty trends, new and existing customers are rewarded.

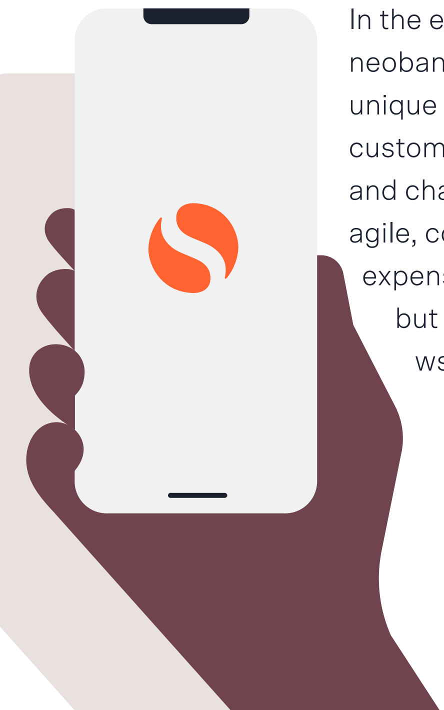


Automation and the future of fully digital

Neobanks, Challengers and Fintech Firms

BaaS platforms are becoming an integral part of the customer journey for newcomers to the financial industry, supporting these firms in their extension of their product offering and innovation for niche groups. While very few traditional banks have completed their migration journey and many still operate with legacy infrastructure, many fintechs were born in the cloud.

APIs enable applications to connect and exchange data in a programmableand automated way: neobanks, challengers and fintech firms also realise that when connecting multiple bank accounts into just one application, the application behind the scenes must connect to the different banks' APIs totrigger and aggregate the data. These technical interfaces have huge business benefits. They are digital products ready to be embedded to deliver and export capabilities enabling new banking customer experiences.



In the early 2010s when the first neobanks were launched, their unique selling point was their customer experience. Neobanks and challenger banks are agile, convenient and are less expensive to run and use, but are yet to capitalise on wscalable profits.

In fact, a 2019 Medici report found that while neobanks will have 85 million customers by 2023, profitability will still be a rare opportunity for the majority.

This is the reason why many newcomers are looking to what is referred to as vertical banking – delivering highly personalised banking experiences to a specific type of customer. By creating a product that meets the tailored needs of a particular audience and targeting psychographic traits such as a shared lifestyle, shared attitudes, and shared beliefs, neobanks are going beyond technological excellence to accelerate progress.

CEO of neobank Nomo, Xavier Capellades, highlighted that embedded finance is

> "the natural way to introduce financial services specifically at this precise moment that users or customers demand them. It doesn't make sense that users need to access their operative banking services through other channels or providers that are not integrated on the natural flow of their activity. The market potential is all the markets!"

> "In the first phase, BaaS has focused on offering some operational financial capacities such as bank accounts or cards, but we need further smart integration to use the new verticals' data and offer more sophisticated solutions. Regulation is a must and it should offer the same guarantee to the final users,"
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> **Xavier Capellades,**
> CEO of Nomo

Carlo Panella, head of direct banking at Italian neobank Illimity states that because of this evolution of the banking industry,

> "70% of the Italian population would consider GAFAs (Google, Apple, Facebook, Amazon) as providers of banking services, a percentage that is even higher than in the United States."
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> **Carlo Panella,**
> Head of direct banking at Italian neobank

Neobanks, challengers, and fintech firms will "emerge as winners in a fiercely competitive arena in which big tech companies will begin to occupy larger shares of the services that are data based," Panella continued that these banks will be those with new, yet sustainable business strategies. There is opportunity for a new ecosystem that is built on a 'platform as a bank' model "in which different forms of openness and collaboration will combine to enhance different competitive advantages within highly differentiated customer experiences" – as Panella explored.

Putting this into practice, Nomo uses BaaS to aggregate over 60 banks into their accounting platform and recently launched a new bank account and virtual debit card with Mastercard that is fully integrated with their accounting software solutions. Their super app or super platform has a holistic vision to integrate all operative financial services with their business management platform so that it can become the key operating system for freelancers and SMEs. In a similar fashion, Illimity has no branches and 80% of new customers are acquired via smartphone, relying on the holistic nature of their cloud-native infrastructure and APIs to enable rapid integration with external partners.

Further to this, sharing data with partners allows innovation to come to the fore and for customers to have access to all their accounts with different banks in one application, personalised tools and tailored profiles that can help them manage their finances and most importantly, ensure information security is strengthened with evolved onboarding processes.

Non-financial brands

In the same way that embedded finance is helping financial brands extend their business models, an increasing number of non-financial brands are also offering financial products today.

According to Accenture's Global Business Perspectives on Embedded Finance survey, 46% of U.S. executives at non-financial companies expect meaningful investments in partnerships, new capabilities, technology, experience design, and other areas to bring embedded finance to the fore.

Accenture's cross industry financial services lead, Ben Brown, shared the perspective that "embedded finance is not a totally new phenomenon. Auto manufacturers have offered loans for almost 100 years and co-branded credit cards have been offered by U.S. airlines since the 1980s. But today retailers, direct to consumer brands and B2B suppliers are increasingly recognising the potential for financial solutions to enhance their core products by helping to solve customer challenges. And new kinds of financial infrastructure are making it easier than ever to create and manage embedded financial products."

Non-financial companies can now leverage BaaS infrastructure to provide embedded financial services such as payments and e-money, lending, and digital banking – helping them form valuable connections with their customers through integration. Predictably, the volume of transactions are skyrocketing and Lightyear Capital estimates that by 2025, the amount of additional revenues financial services providers could earn from embedded finance is an eye-watering $230 billion in the U.S.

While BaaS platforms are an important tool for large, established brands to enable their online financial offering, they also provide an appealing proposition for newer, younger companies looking to innovate faster in the creation of new financial services. This sector is ripe for growth, with Insider reporting that embedded finance companies, including those pivoting into the trend, will reach a global market cap of $7.2 trillion by 2030.

However, understanding when and if buying or building BaaS solutions is a wise – let alone feasible – journey is a complex process.

According to a recent report by Plaid and Accenture, if non-financial brands wish to launch embedded finance offerings, they must consider three core qualities:

Trust:
Do customers have enough trust in the brand to interact in a financial context? Will they feel comfortable sharing their financial data with me and trust that their privacy will be protected?

Relevance:
Does the financial solution make sense in the context of my customer experience?

Business impact:
Can the solution provide sufficient value to the customer, such that it incentivises adoption and usage? What is the value that this generates for the business? Will it be meaningful to the business?

Eric Saury, head of corporate development, Orange Mobile Finance and Orange Bank, could not be better positioned within the industry to share an insider's perspective. Orange Mobile Finance itself partners with BaaS providers to widen its portfolio of offerings, to accelerate growth, to benefit from scale effects, and for the natural advantage of what he calls "pure-players" expertise. BaaS providers are pure players in the sense that they are dedicated solely on delivery of a specific blade of service or technology, this targeted focus results in products crafted with a single-minded focus that's uncommon and hard to achieve within larger financial and tech institutions.

In certain situations, Saury explains, such as in a large market or with a high volume (or value) product, it may be preferable to call for internal investment rather than outsourcing a BaaS solution. Yet, he qualifies that building internally can drastically increase time taken to get to market.

When deciding whether to build the BaaS solution internally or to partner with a third-party, he lists a number of factors which tend to influence the decision. These criterias can include the existing capabilities of the firm, resource availability, roadmap congestion with other projects, scale and volume of the planned solution, the time required to gain return on investment, and importantly, the strategic and operational criticality of the operation that is potentially to be outsourced.

Saury notes that while challenges and risks naturally arise with the outsourcing of a strategic and business-critical operation, there shouldn't be concern that distributing products through partners hold the potential of threatening client relationships. This is provided that "it is one-off distribution while the ongoing client relationship remains controlled by ourselves, and if our branding is protected."

This sentiment is shared by Plaid's chief operating officer, Eric Sager, who argues that embedded finance solutions work to improve the consumer experience, creating more value across the business, and allowing a virtuous circle of reinvestment to flourish, rather than threatening any existing relationships.

> "What we are seeing is that the businesses that are really thoughtful about integrating these types of financial solutions at the point of need for customers, are able to build a very meaningful source of revenue. They can then take the revenue and reinvest it into their experience to reduce prices or make other elements of their offering available for free."

In this way, there is no threat of 'self-disintermediation' which might strike fear in the heart of more traditional companies looking to offer these solutions.

Saury believes that the market potential for embedded finance is at the scale of the digitisation of commerce and – even more widely – of all transactions. He sees the digitisation of transactions as well as the switch from ownership of assets to consumption of assets as the macro-trend which is causing fragmentation of certain business processes with specialisation of players.

The context for this potential growth explosion, he argues, is tied to past performance of incumbent banks in their efforts to digitally transform:

> "Few to very few incumbent banks have allocated substantial investment to the in-depth digital transformation required for them to offer a market-competitive BaaS service. When starting from a monolith information system, such transformation would actually be a major rebuild which would hardly be considered. In addition, heavy investments in digital transformation are mainly directed to systems and processes related to their present clients."

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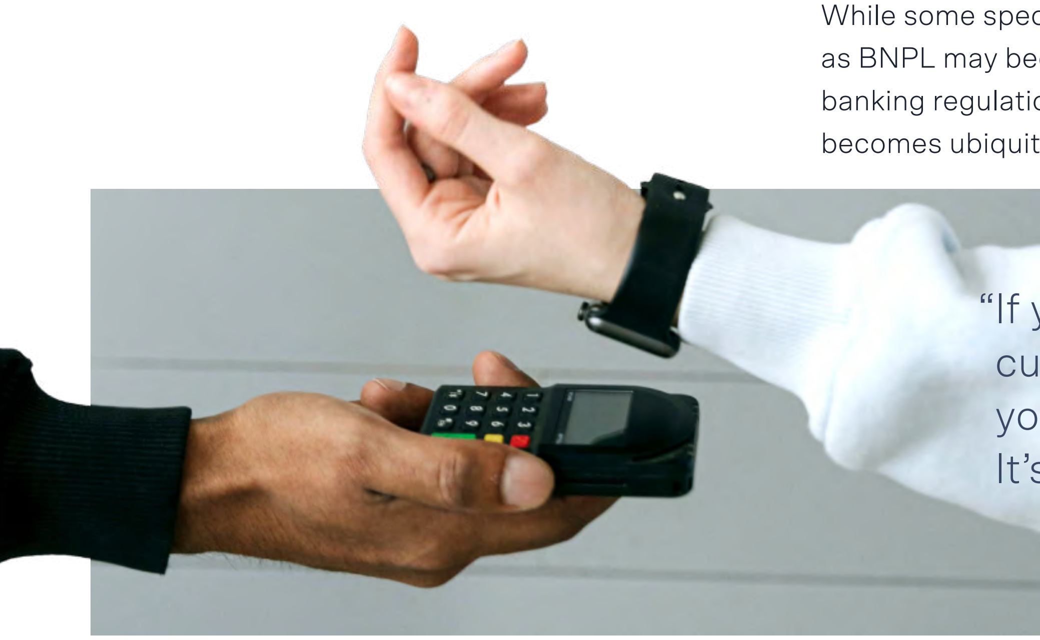
Eric Saury,
Head of Corporate Development,
Orange Mobile Finance and Orange Bank

This gives neobanks an advantage, as for the most part these digital players "have designed-for-purpose IT and processes and are built from a greenfield starting point. They generally are pure-player, whose strategy, operational focus, management, and investors' attention are all solely on BaaS."

On the topic of investing in digital financial solutions, Sager puts it simply: "If you're improving the customer experience, you're creating value. It's as simple as that."

He adds that one of the amazing things about many of digital financial solutions is that they can be built and implemented relatively cheaply. "You see this with the proliferation of startups (which in many cases are not large companies). Yet, they've succeeded in building fantastic financial solutions as they're able to take different building blocks and put them together and offer a solution to customers in a way that simply wouldn't have been possible five or ten years ago."

Looking ahead, Saury is unconcerned about the risk of BaaS solutions becoming ubiquitous as the market naturally becomes crowded, arguing that "there will always be room for enriching the service portfolio with differentiating services. While some specific service components such as BNPL may become ubiquitous, heterogeneous banking regulations make it unlikely that BaaS becomes ubiquitous."



> "If you're improving the customer experience, you're creating value. It's as simple as that."

In addition to seeing more and more companies embed financial solutions in a variety of forms into their experiences – via partnerships or through building their own solutions, Sager predicts that we will also see solutions become much more sophisticated and more targeted insofar as delivering the best possible solution for a specific consumer at a specific point in time.

"As we as consumers are going through a flow, the better and more easily we can share relevant data points, the more likely it is that we will get what we truly want. Consumers end up as the winners of this situation. Suddenly they have more choices, the choices are seamless, and because they are seamless there are more of them. This grows competition and competition ultimately leads to better terms for the consumer."

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Eric Sager,
Chief Operating Officer, Plaid

Sager notes that because consumers increasingly love these seamless experiences and demand more of them, we're seeing more and more players enter this space and think about how they can monetise this new demand.

He concludes that the companies that wait too long to do so will find themselves at a competitive disadvantage relative to their peers who are embracing these solutions.

"There is no way we can go back to a world where you as a customer accept something not to be available which you can see is available elsewhere. The key is to invest and accelerate the effort towards financial solutions in order to remain competitive, and to figure out ways to differentiate by building solutions that will blow customers away in terms of the experience that they can deliver."

Traditional banks

What should incumbent banks do to stay abreast of the embedded finance trend? Should they compete with the new entrants and create their own BaaS platform, or should they collaborate?

Only a few major banks have taken a firm stance so far. International Spanish bank, BBVA, for example, became the first bank in the United States to offer a full suite of BaaS products, after its unique API-type model, Open Platform program, moved out of its beta phase in August 2019.

Jose Luis Navarro Llorens, global open banking strategy, BBVA, said that solutions such as this "extend banks' reach beyond their own channels – allowing customers to receive financial services from their favorite apps. We think embedded finance also has tremendous potential to reach the unbanked population and increase financial inclusion."

Indeed, BBVA's Open Platform program supports businesses in markets that aren't so easily served by traditional banking products. In October 2019, BBVA announced it was joining forces with Uber Money in Mexico, to allow "Uber's driver partners to access things like real-time payments and debit card spending within their application."

Such developments are encouraging other incumbents to expedite their digital transformations, and develop a robust API catalogue, in order to stay ahead of the curve.

However, some financial institutions remain concerned that, by distributing their services via third parties, they risk being disintermediated and losing valuable relationships. If mass adoption of embedded finance occurs, however, banks will have little choice but to launch BaaS platforms.

> "Distributing products through partners helps improve the customer experience. Customers will eventually get used to starting banking actions from alternative apps. As such, we see open banking as a strategic opportunity to provide better digital experiences, and support both companies and our own organisation with the digital transformation processes. Our mantra is to get closer to the innovation ecosystem and explore new business model."
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> **Carmela Gomez Castelao,**
> Head of Global Open Banking, BBVA

Indeed, to pull off BaaS seamlessly, banks will also need to consider models such as pay-for-use monetisation, as well as B2B2C and B2B2B capabilities. Yet, offering BaaS comes at a cost. Incumbents will have to restructure their legacy systems, and forge cutting-edge API ecosystems – a transformation that demands considerable human and capital resources. While most European incumbents have already entered the open banking race, only two-thirds of incumbent banks have undergone the digital transformation necessary to be competitive in the BaaS space, according to McKinsey.

> “Developing an open banking strategy is about the end-customer experience. This change in philosophy acts as a lever for transformation, since users – who in previous decades visited the bank – now expect the financial institution to be the one that approaches them, offering everything they need when they need it. This means providing financial solutions on other platforms – even in previously non-banking environments.”
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> **Carmela Gomez Castelao,**
> Head of Global Open Banking, BBVA

To provide financial solutions on alternative platforms, partnering with non-financial firms will be key. This is particularly necessary in markets such as the United States, where non-bank brands can offer financial services, but are regulated against becoming a bank in their own right. In these cases, banks’ end-to-end BaaS infrastructure solutions, coupled with regulatory support and balance sheet or other funding sources to serve their customer bases, is critical, according to McKinsey.

Evidently, there is plenty of land to grab. Big technology companies, such as Facebook and Google for instance, are constantly on the hunt for a single BaaS provider that can facilitate their embedded finance capabilities globally. The financial institutions that can meet this demand – and manage the innumerable complexities of cross-jurisdiction supply – will gain a distinct advantage in the ongoing open banking race.

Securing low-margin, high-volume business such as this is more vital than ever for banks – especially considering the declines projected for banking revenue and profitability. According to McKinsey, the profit of the world’s top banks and insurance companies declined by $800bn and $300bn, respectively, between 2015 and 2018 alone.

To combat these declines, it is in banks’ interest to re-evaluate their cost structures and identify fresh sources of revenue. Incidentally, BaaS models promise to be very advantageous by reason of their scalability and high-volume business potential.

What's more, by collaborating with third parties, incumbents will be able to circumvent a number of heavy costs – particularly those traditionally associated with the distribution of their product suite.

The incentive for banks to digitally transform, however, does not just come from the business side. Regulations such as PSD2 and open banking mandate banks to give third-party service providers (TPPs) access to consumer transaction accounts, via API technology. To recoup the costs affiliated with this IT modernisation, many banks are choosing to expand their business models for BaaS provision.

> "Regulation plays an important role in embedded finance. It can delimitate the playing field, the players and the rules for it. From BBVA's point of view, regulations should be clearly defined and imposed not only to banks but to all companies dealing with customer data."
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> **Carmela Gomez Castelao,**
> Head of Global Open Banking, BBVA

Indeed, since BaaS is distributed via API technology, banks must conduct robust compliance and risk management checks of their embedded finance partners, to ensure optimum security for end-users.

When considering their place in the Industry 4.0 paradigm, big banks must ask themselves what products they will provide end-users under BaaS, and how quickly they can develop the necessary architecture. In this game of land-grab, incumbents must evolve, or die.

> “Embedded finance will eventually become ubiquitous, in any of its forms – BaaS included. In fact, it will help e-commerce reach the next level, and customer experience will become fully integrated in third-party journeys – without the need to move to the bank web.”
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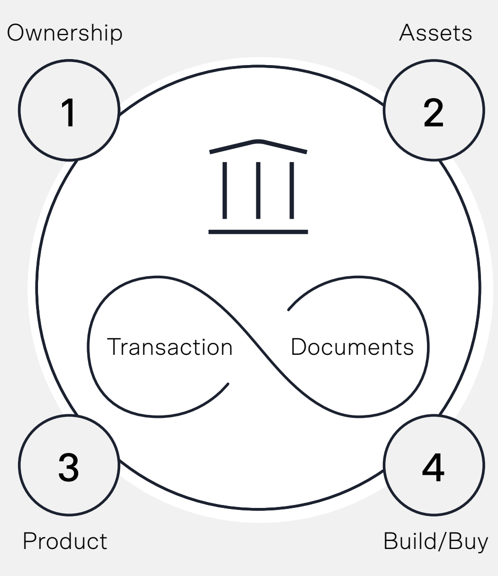
> **Jose Luis Navarro Llorens,**
> Global Open Banking Strategy, BBVA

So, while banking will always be done through banks, it may not always be done at banks. The concept of a silo bank is fading – the new banking is open.

Traditional Bank vs. Platform Business Model

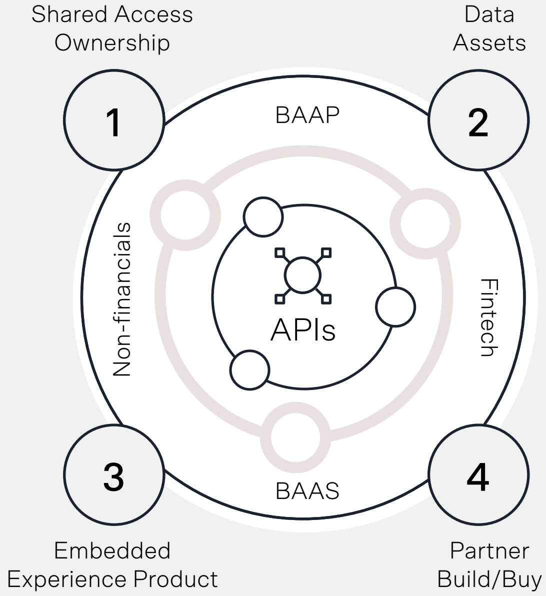
Traditional Banking Model



Direct Monetisation Strategy

- Transaction Fees
- Interest Income / Float

Platform Model



Indirect Monetisation Strategy

- Revenue Sharing
- Processing Fees
- Data Analytics
- Efficiency Gains

Source: MIT Sloan

What's next for embedded finance? An expert view from Solaris

While there's huge interest in embedded finance from banks, fintechs, non-financial brands, and even customers, it's still early days.

To date, most of the momentum towards embedded finance has come in the form of payment solutions: digital wallets, co-branded cards, embedded lending, and, most recently, buy now pay later. But, as Cornerstone Advisers' chief research officer Ron Shevlin recently observed during a panel discussion with Solaris' head of strategy and shareholder relations Layla Qassim,

> "fundamentally, these aren't new concepts. Non-financial brands have been offering products like co-branded credit cards for years."

Embedded finance's true potential lies in integrating any financial service – whether it's payments, lending, or other products like insurance, investments, and even digital assets – deeply into the non-financial brand's user journey, instead of redirecting the customer to a third party for purchase and decisioning.

So how can banks and other financial services providers put themselves in a position where they can gain a first-mover advantage?

And who will be the winners and losers as embedded finance evolves and matures?

A shift in perspective

Much of the hype around embedded finance focuses on its customer-centricity.

Over the past decade, the proliferation of neobanks and digital-first financial services providers has propelled the customer experience to the top of incumbents' lists of priorities. As a result, being able to offer customers a highly personalised product at the moment when they're most likely to need it and on the most relevant channel – like embedded finance does – is hugely appealing.

But the reality is that, because the product is part of the non-financial brand's user journey, banks and financial services providers effectively cede control of the customer experience in an embedded finance scenario.

This is not to say that the customer experience will decrease in importance. In the age of one-click ordering and invisible payments, a smooth, effortless customer journey is non-negotiable.

That said, it won't be enough on its own to secure revenue and growth. To achieve that, banks and financial services providers will need to place renewed focus into creating top-quality and innovative products that cater exactly to the customer's needs.

Collaboration over competition

One of the biggest potential pitfalls for banks and financial services providers is viewing non-financial brands as a threat.

Yes, embedded finance makes it possible for customers to buy financial services products without ever dealing with a bank. But that doesn't mean banks and financial services providers will lose their relevance.

For starters, not everyone wants to use embedded finance. There will still be customers who prefer dealing directly with a bank.

> More to the point, becoming a fully-fledged financial services provider is costly, time-consuming, and may place constraints on operations. So, the much more likely scenario is that non-financial brands will seek out partnerships with banks, financial services firms, and BaaS providers. This is what the likes of Amazon, Samsung, and Google have been doing.

The upshot is that, far from shrinking banks' and financial services firms' reach – or, worse, rendering them obsolete – embedded finance is an opportunity for expansion. A chance to reach new customers on the channels where they're already highly engaged and, so, more likely to take the plunge and try a financial product or service they might not have considered otherwise.

"Embedded finance," Ron Shevlin told us, "is simply a new distribution channel. A mechanism for banks and financial services providers to reach a much wider customer-base than they can on their own."

The earlier banks and financial services firms realise this, the better-placed they'll be to take advantage.

The cream rises

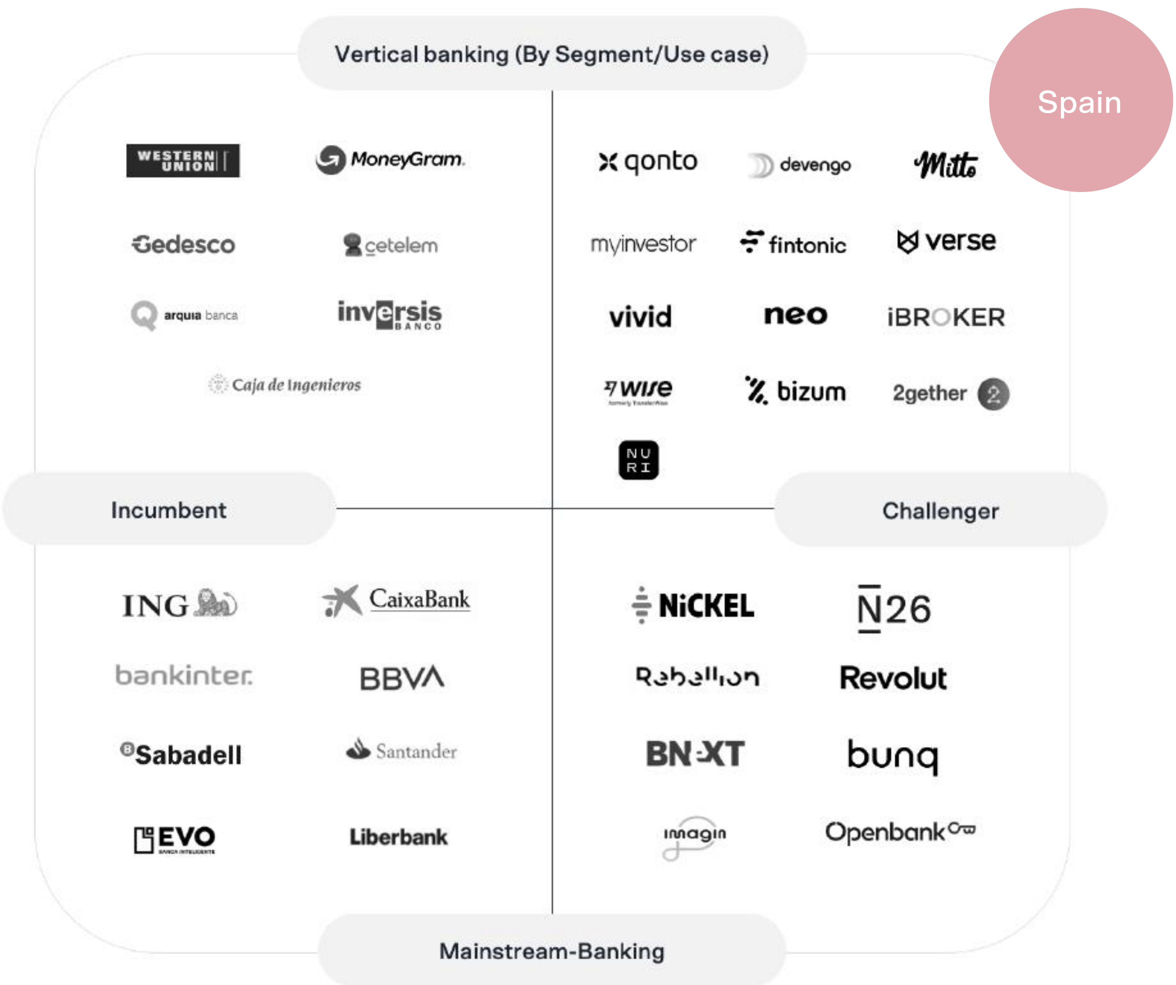
While banks and financial services providers with innovative products and strong partnerships will be best placed to capitalise on the embedded finance opportunity in the years ahead, technology providers will also benefit.

With incumbents still hampered by their legacy infrastructure, it's likely that few will go it alone, choosing instead to partner with BaaS infrastructure providers.

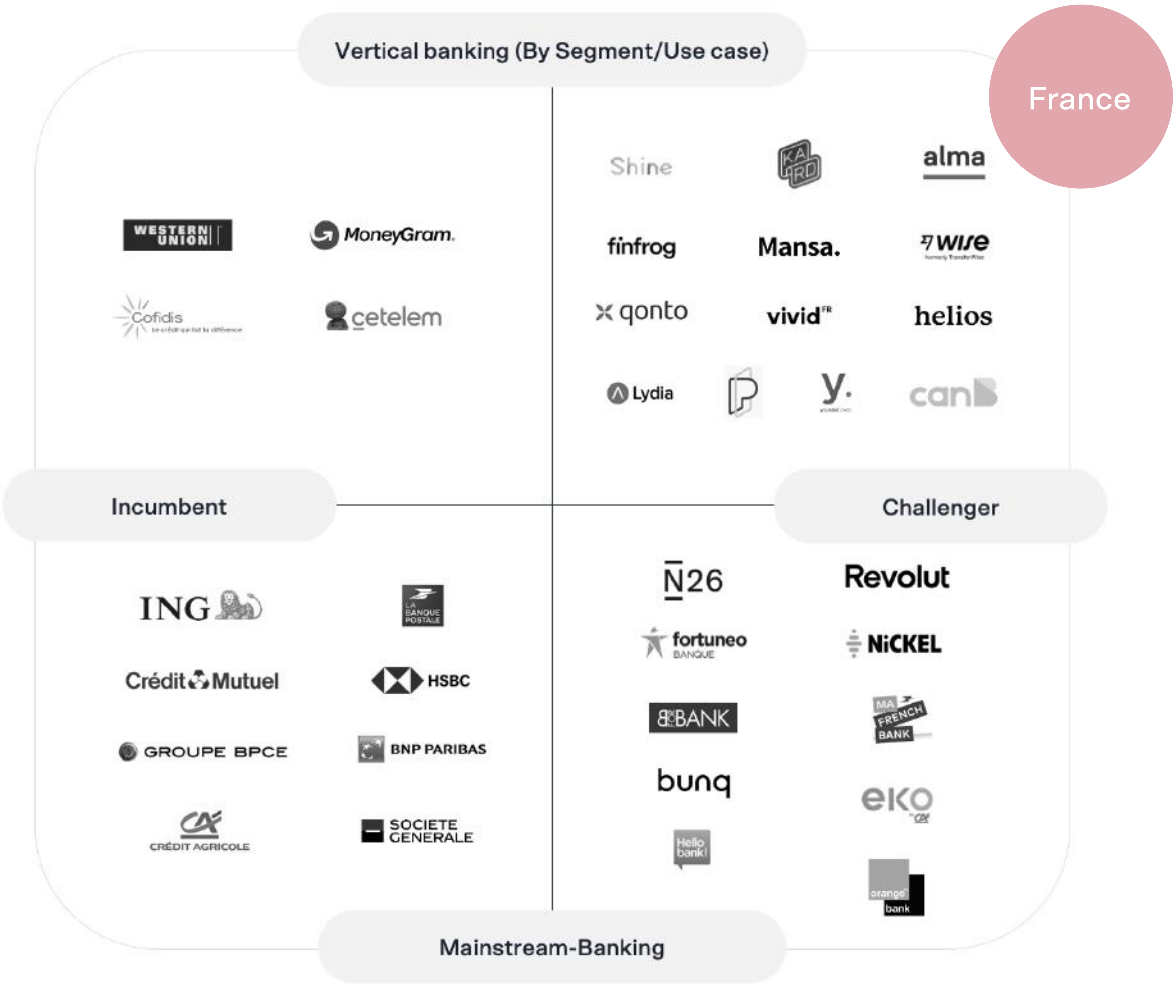
Intermediaries, particularly those offering orchestration layers and integration capabilities, have a critical part to play, because they're effectively building out the embedded finance ecosystem.

That said, some level of consolidation is going to be inevitable. "In the early days of the personal computer, there were many different operating systems – not just MS DOS. But, over time, the infrastructure settled on just a few providers," Shevlin said.

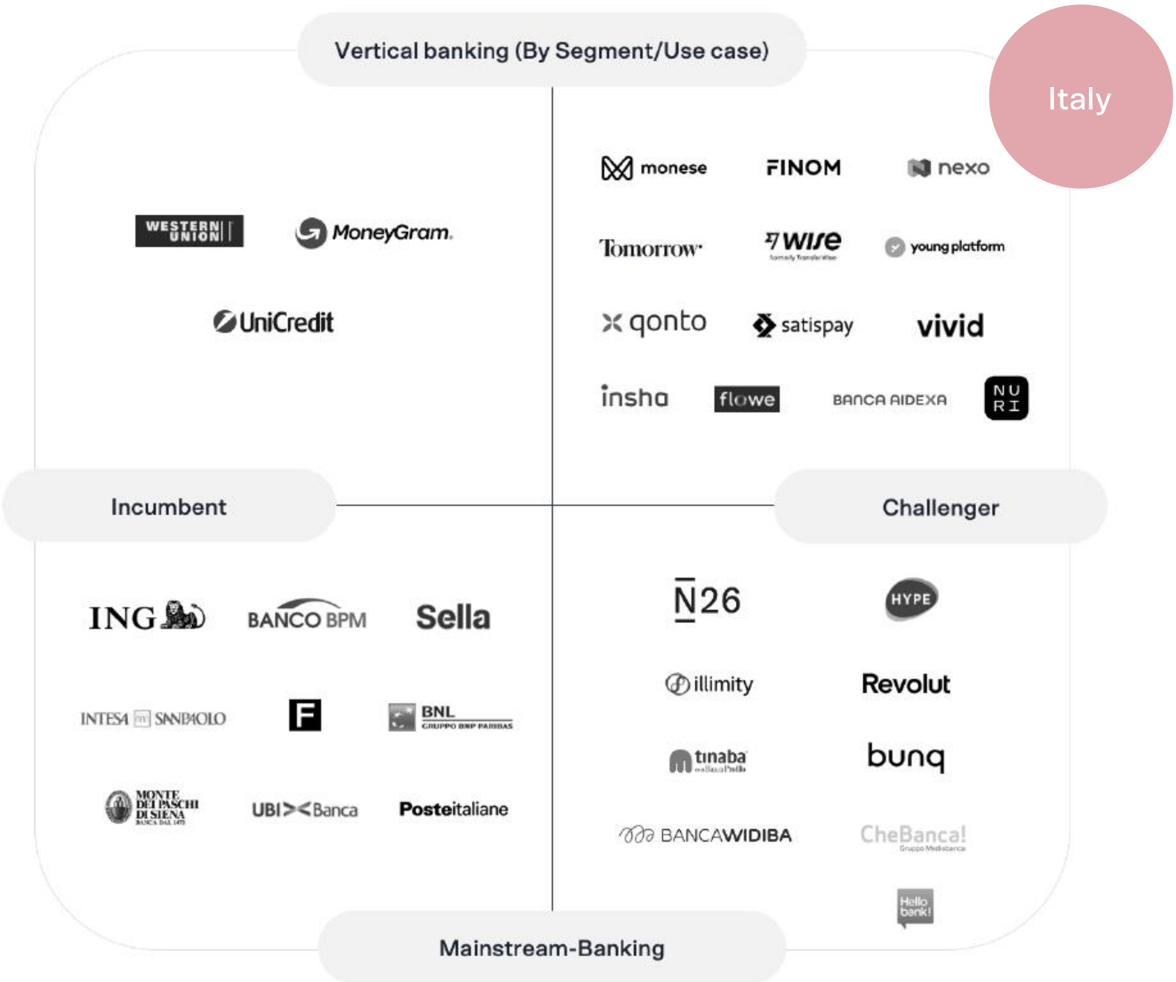
It's likely that this will happen in the embedded finance space too. Some technology providers will scale and become major players, while others will either fall by the wayside or become niche offerings.



Source: Solaris



Source: Solaris



Source: Solaris

About Solaris

Solaris provides Europe's leading Banking-as-a-Service platform. We enable other businesses to offer their own financial services both rapidly and compliantly in the EEA and UK. Via APIs, our partners can integrate modular financial services directly into their own product offering.

Our services cover fiat and crypto assets, lending as well as payments, card issuing and processing. In 2021, we opened up branches in France, Italy, and Spain to offer local IBANs, providing access to local financial ecosystems in Europe's largest markets.

Headquartered in Berlin, our group now boasts over 700 employees at eight locations in Europe and in India. Combined net revenues in 2021 amounted to around EUR 100 million, representing over 90 percent year-on-year growth.

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