

Embedded Finance Market Size & Share Analysis - Growth Trends and Forecast (2026 - 2031)

> **Industry:** FinTech, Neobanks & Digital Banking (Financial Services & Investment Intelligence)
> **Source:** https://www.mordorintelligence.com/industry-reports/embedded-finance-market
> **Scraped Date:** 2026-09-17

Executive Market Summary

Market Metric	Details
Base Market Size	USD 155.96 billion
Projected Forecast (2031)	USD 155.96 billion
Growth Rate (CAGR)	23.84 %
Largest Market Region	N/A
Fastest-Growing Region	N/A

Market Visualizations & Infographics

- [Major players in Embedded Finance industry](images/chart_2.png)
- [Embedded Finance Market Size](images/chart_3.png)
- [Embedded Finance Market Share by Type, 2025](images/chart_4.png)
- [Embedded Finance Market Share by Business Model](images/chart_5.png)
- [Embedded Finance Market Growth Rate by Region](images/chart_6.png)
- [Embedded Finance Market Concentration](images/chart_7.png)
- [footer background image](images/chart_10.png)
- [Mordor Intelligence on Facebook](images/chart_12.svg)
- [Mordor Intelligence on Pinterest](images/chart_14.svg)
- [Mordor Intelligence on Instagram](images/chart_15.svg)
- [ESOMAR](images/chart_17.png)
- [GPTW](images/chart_19.png)

Comprehensive Research Analysis

Overview Points List Flex 49 Share Feature End

Market Overview

Study Period | 2020 - 2031 |
Market Size (2026) | USD 155.96 Billion |
Market Size (2031) | USD 454.48 Billion |
Growth Rate (2026 - 2031) | 23.84 % |
Fastest Growing Market | Asia Pacific |
Largest Market | North America |
Market Concentration | Medium |
Major Players*Disclaimer: Major Players sorted in no particular order

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Market Overview

Embedded Finance Market Analysis by Mordor IntelligenceThe Embedded Finance Market size is expected to increase from USD 155.98 billion in 2025 to USD 155.96 billion in 2026 and reach USD 454.48 billion by 2031, growing at a CAGR of 23.84% over 2026-2031.

Demand is propelled by merchants and software vendors seeking to keep customers inside their digital journeys, rapid Banking-as-a-Service (BaaS) roll-outs, and open-banking mandates that standardize data sharing. Integration of payment, lending, and investment functionality generates new revenue streams for platforms while simultaneously reducing acquisition costs for regulated financial institutions. North America presently drives adoption thanks to mature fintech rails, whereas Asia-Pacific's mobile-first ecosystems support the fastest expansion. Competitive dynamics remain dispersed across banks, fintech infrastructure providers, and software platforms; tighter supervisory guidance for BaaS arrangements and rising compliance costs are expected to trigger selective consolidation.

Key Report Takeaways

- * By service type, payments led with 43.68% of embedded finance market share in 2025, while the investments category is projected to grow at a 27.66% CAGR to 2031.
- * By end-use industry, retail and e-commerce captured 36.05% share of the global embedded finance market in 2025; the healthcare and pharmaceuticals segment is advancing at a 26.12% CAGR through 2031.
- * By business model, the consumer segment retained 61.52% share of the embedded finance market size in 2025; enterprise-focused propositions are expected to post a 26.25% CAGR between 2026-2031.
- * By region, North America commanded a 39.10% share in the embedded finance market in 2025, while Asia-Pacific is expanding at a 25.72% CAGR to 2031.

Key Market Trends

Global Embedded Finance Market Trends and InsightsDrivers Impact Analysis*

Driver	(~) % Impact on CAGR Forecast	Geographic Relevance	Impact Timeline
Friction-free customer experience in e-commerce & SaaS	+6.2%	Global (North America, Europe lead)	Short term (≤ 2 years)
Digital transformation of financial services	+5.8%	Global	Medium term (2-4 years)
API/BaaS proliferation	+4.9%	North America, Europe, Asia-Pacific core	Medium term (2-4 years)
Vertical SaaS adoption enabling embedded B2B finance	+3.7%	North America & Europe, spill-over to Asia-Pacific	Long term (≥ 4 years)
Open-banking mandates in emerging markets	+2.1%	Asia-Pacific core, Latin America, MEA	Long term (≥ 4 years)
Inclusion of under-banked micro-merchants	+1.6%	Global, concentrated in emerging markets	Long term (≥ 4 years)

Source: Mordor Intelligence |

Competitive Landscape

Competitive Landscape

Competition is layered rather than head-to-head in the global embedded finance market. Card networks, acquirers, and processor giants such as Stripe, Adyen, Pay

Pal, and Block dominate global payment acceptance. BaaS specialists—including Synctera, Solaris, and Railsr—supply charter access, ledger, Know-Your-Customer (KYC), and compliance tooling. Vertical SaaS providers, notably Shopify and Toast, focus on embedding first-party gateways to monetize transaction volume. Traditional banks pursue “embedded-bank” models, renting licenses and balance-sheet capacity while retaining deposit relationships.

Technology is an increasingly decisive moat. AI-based fraud mitigation, real-time credit adjudication, and adaptive checkout flows deliver measurable uplifts. Stripe’s Optimised Checkout Suite, which pairs network tokenization with ML-driven dynamic retry logic, has boosted merchant revenue by an average of 11.9%. Similarly, leading BNPL firms marry underwriting models with robust merchant networks to improve approval rates without elevating losses. Compliance know-how is equally critical: BaaS providers that pre-package Bank Secrecy Act tools and transaction-monitoring dashboards reduce the burden on brand partners.

Capital pressures and new supervisory frameworks could accelerate consolidation in the embedded finance market, particularly across under-capitalized platform banks and regional BaaS players. Larger processors may pursue acquisitions to obtain licenses or specialized vertical expertise. Conversely, niche insurance and investment-API vendors are expected to thrive by addressing focused use cases with high margin potential. The net result is likely to be a moderately concentrated landscape anchored by a handful of full-stack platforms and numerous specialized micro-service vendors.

Embedded Finance Industry Leaders* Stripe

- * PayPal
- * Adyen
- * Block (Square)
- * Shopify

* *Disclaimer: Major Players sorted in no particular order

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Scope Methodology P Space

Our study views the embedded finance market as the gross revenue earned when non-financial platforms weave payments, lending, insurance, investment, or banking rails into their native user journeys through application-programming interfaces and Banking-as-a-Service partnerships.

Scope exclusion: We exclude pure-play fintech apps that operate as stand-alone wallets or neobanks without third-party embedding.

Segmentation Container

- * By Type* Payments
- * Insurance
- * Lending
- * Investments
- * Other Service Types
- * By End-Use Industry* IT & Telecommunication
- * Manufacturing
- * Retail And E-Commerce
- * Healthcare And Pharmaceuticals
- * Travel & Hospitality
- * Transportation & Logistics

* Other Industry Verticals

- * By Business Model* Retail Consumers Businesses

- * By Region* North America* United States
 - * Canada
 - * Mexico

- * South America* Brazil
 - * Argentina
 - * Chile
 - * Colombia
 - * Rest of South America

- * Europe* United Kingdom
 - * Germany
 - * France
 - * Spain
 - * Italy
 - * Benelux (Belgium, Netherlands, and Luxembourg)
 - * Nordics (Sweden, Norway, Denmark, Finland, and Iceland)
 - * Rest of Europe

- * Asia-Pacific* China
 - * India
 - * Japan
 - * South Korea
 - * Australia
 - * South-East Asia (Singapore, Indonesia, Malaysia, Thailand, Vietnam, and Philip pines)
 - * Rest of Asia-Pacific

- * Middle East and Africa* United Arab Emirates
 - * Saudi Arabia
 - * South Africa
 - * Nigeria
 - * Rest of Middle East and Africa

Frequently Asked Questions

How fast is the embedded finance market expected to grow?

The embedded finance market is forecasted to expand from USD 155.96 billion in 2026 to USD 454.48 billion in 2031, delivering a 23.84% CAGR over 2026-2031.

Which service type currently dominates embedded finance?

Payments led with 43.68% of embedded finance market share in 2025, owing to wide spread integration of native checkout, in-app wallets, and card-issuing capabilities.

Why is Asia-Pacific forecast to be the fastest-growing region?

Mobile-first consumer behavior, super-app ecosystems, and regulatory programs such as India's UPI and Singapore's PayNow drive adoption, supporting a 25.72% CAGR to 2031.

What are the primary challenges for companies embedding finance?

Data-privacy compliance, integration complexity across multiple partners, and increasing regulatory oversight of BaaS arrangements are the main headwinds.

Which industries beyond retail are poised for high growth?

Healthcare is predicted to grow at a 26.12% CAGR as providers incorporate patient-financing, embedded insurance, and real-time eligibility checks into digital health platforms.

How does embedded finance benefit B2B platforms?

B2B marketplaces that integrate payments, lending, and treasury tools improve seller retention and revenue while automating reconciliation and cash-flow analytics.