

## PRESS RELEASE

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### Exploring a collaborative approach for embedded finance

#### Euro Banking Association releases report “Navigating the path to embedded finance”

The Euro Banking Association (EBA) today released a report on “Navigating the path to embedded finance”.

The report is based on research by the EBA’s Open Finance Working Group (OFWG), which aims to provide guidance for EBA members to understand the fundamental mechanisms of embedded finance, grasp the opportunities it provides, identify promising embedded finance use cases and shape their own journey towards embedded finance.

The key objectives of the report are to spark, structure and inform a discussion about how financial institutions will likely be affected by the embedded finance trend and what a collaborative approach in this area could look like.

The thoughts on a collaborative approach to embedded finance do not claim to provide a feasible solution for a joint enabling service but are meant as an impulse for discussions on where collaboration in the realm of embedded finance could make sense to benefit from cost efficiencies and innovation synergies. Whether navigating the path individually or collaboratively, the future of financial service delivery will be – to a growing degree – “embedded”.

“Embedded finance is more than a hype and should be on the board agenda of any bank or other financial institution,” said **Jose Vicente, Chairman of the OFWG**. “A first step towards developing a strategic approach is understanding the basics: how embedded finance works, its significance in relation to the overall market, the effect on value chain dynamics and the potential benefits – as well as the possible threat of not participating in an evolving market.”

Embedded finance integrates financial services into non-financial platforms, offering seamless experiences for customers and monetisation opportunities for providers. Financial institutions can play various roles in the embedded finance value chain, including as providers, enablers, and distributors of financial services.

Embedded finance benefits all stakeholders, enabling financial institutions to extend their reach, platforms to enhance their offerings, and consumers to enjoy integrated services. The embedded finance market is projected to grow significantly, with an emphasis on consumer payments, POS lending, and B2B payments.

The report “Navigating the path to embedded finance” is available for [download](#) for EBA Members.

### **About the EBA Open Finance Working Group (OFWG)**

The [EBA Open Finance Working Group](#) currently focuses on the strategic move from open to embedded finance. The working group has published several papers dealing with various aspects of open banking, especially for corporates as well as small and medium-sized enterprises.

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### **About the Euro Banking Association (EBA)**

The Euro Banking Association (EBA) is a practitioners’ body for banks and other service providers supporting a pan-European vision for payments.

The mission of the EBA is to foster dialogue and experience exchange amongst payments industry practitioners towards a pan-European vision for payments. We pursue our mission through involving member organisations and relevant stakeholders in thought leadership on innovation, helping our members to understand and implement regulation and by supporting the development of market practices.

The EBA has more than 160 members from the European Union and across the world.

For additional information about the Euro Banking Association, please visit [www.abe-eba.eu](http://www.abe-eba.eu) or follow us on [LinkedIn](#) and [X](#).