

# How BaaS Generates New Revenue Streams

Breaking down Banking as a Service from a payments perspective

Banking as a Service, or BaaS, refers to an ecosystem where licensed banks enable other businesses (usually non-banks) to integrate banking services such as accounts and payments into their existing products, providing a seamless customer experience for end users.

\*Future Market Insights (Oct 2021)

**\$ 12.2 billion**  
 Forecasted BaaS platform sales by 2031 - a 15.7% CAGR between 2021 and 2031.\*

**26%**

Approximate share represented by fintechs - the expected leading users of BaaS platforms.\*

**17%**

Forecasted CAGR of the BaaS API segment between 2021-2031.\*

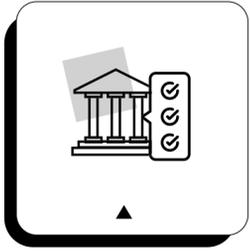
## Why BaaS?

BaaS is being driven by the adoption of digital banking across multiple segments including banks, corporations and fintechs as they race to deliver outstanding digital experiences.

The adoption of blockchain, AI and API services is also expected to boost demand for BaaS.

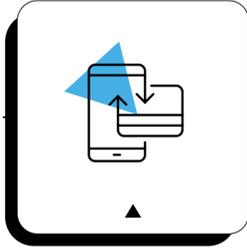
## The BaaS ecosystem

Multiple players work behind the scenes of every BaaS ecosystem, quietly helping drive novel digital financial experiences for end users.



### License Holders

Usually, a bank that's providing its banking license to enable others in the ecosystem to provide financial services.



### Providers

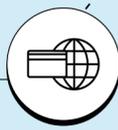
A fintech enabler providing the BaaS platform to the brand, allowing them to integrate various banking and payments services into their offering.



### Brands

The end-user-facing business that embeds digital financial services into a differentiated experience with the help of other ecosystem participants.

i2c helps both of these types of providers by extending modern issuing and processing capabilities to them, often through APIs.



### Licensed Bank

In some cases, the provider is the same license-holding bank with its own BaaS-enabling capabilities.



### Fintech Aggregator

In other cases, the BaaS provider is a specialized B2B fintech that plays an enablement role for multiple brands, hence "aggregator".



### End user

At the end of the value chain is the end user who enjoys the fruit of these invisible collaborations, culminating in innovative and often disruptive digital financial experiences.

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