

8 Vital Technology Attributes to Support BaaS

Embedded finance is the future of banking services.

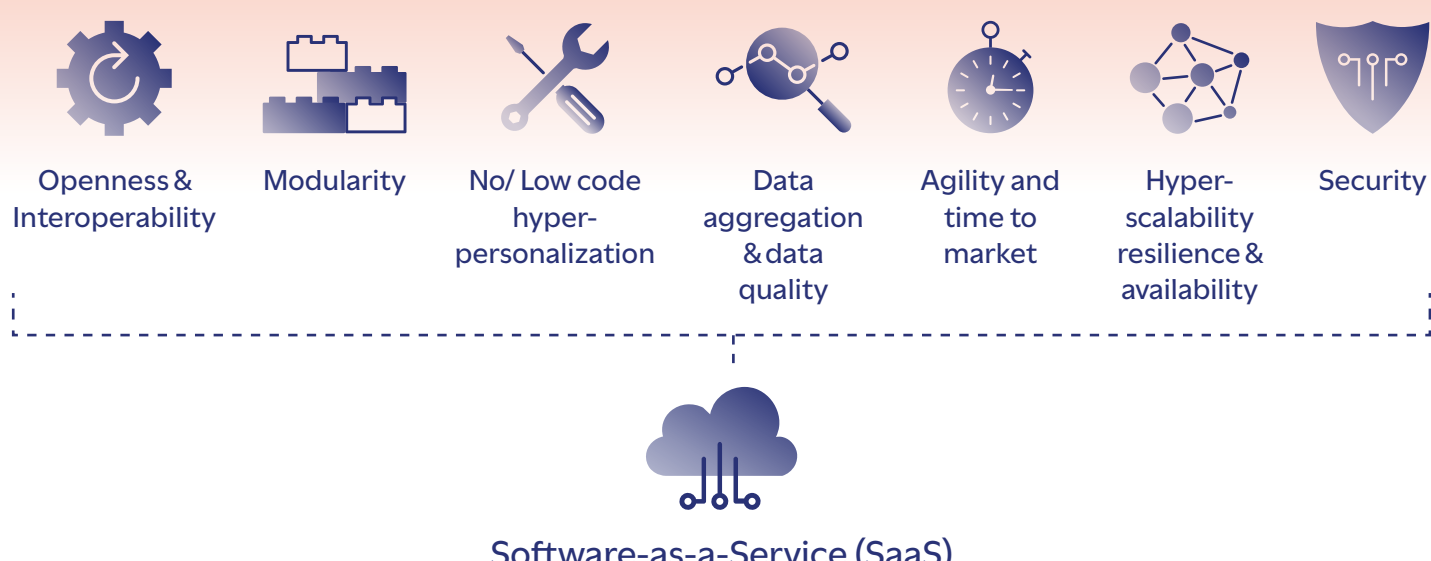


\$3.6trn

the market is set to grow significantly by 2030.

Banks must build a modern digital technology architecture.

8 Vital attributes support open banking and BaaS.



1 **Openness and interoperability:** As well as consume and share APIs, banks and BaaS providers must also adapt their APIs rapidly to changing market and regulatory requirements. Advanced developer portals are a prerequisite.

Modularity: BaaS's plug-and-play, pay-as-you-go service model makes it imperative to have a microservices-based architecture that allows independently deployable services to be launched quickly.



3 **No/Low code hyper-personalization:** BaaS enables brands or embedded finance portals to personalize and differentiate their offerings. This requires software with preconfigured, extensible and re-usable features.



Data aggregation & data quality: To develop personalized propositions and provide valuable insights to partners, banks must aggregate and analyze a mass of open banking data in real-time. The scalability of cloud is key in doing this.



5 **Agility and time-to-market:** BaaS providers need the agility to scale their APIs to enable rapid product launches, geographic expansion, and connecting with partners. Modern software packages come with configuration, migration and extension APIs for fast implementation.



Hyper-scalability, resilience and availability: When banks open up data to third parties, they must handle a surge in queries, and provide 24*7 real-time access for end-customers. Brands consuming BaaS also require industrial-strength resilience with zero outages.



7 **Security:** Open banking exposes customers' personal and financial data to increased risk of unauthorized access. Public cloud infrastructures and cloud-native software provide comprehensive security against cyberattacks.



Software-as-a-service (SaaS): This enables banks and other FS providers to consume, manage and maintain packaged software on a secure, continually evolving, self-service platform – while also developing specific banking models at their own pace.



To compete in this brave new world of BaaS, digital transformation is an imperative, not a choice.

Learn more about the rise of Banking-as-a-Service

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