

Embedded Finance Driving Growth of Digital Ecosystem: Part II - Key Products

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INTRODUCTION

Scope

Key findings

Why relevant for regulators, financial services, non-financial services and manufacturers?

Formulate embedded finance strategy based on expertise and operational cost

Review internal and external factors regularly to change business models

Products lay the foundation and build the key pillars of embedded finance model

EMBEDDED DOMESTIC PAYMENT

Embedded payment development in cards, QR and fast payment

Leverage partners' channels to drive co-branded cards' sales and usage

Global and local card operators support digital wallets, BNPLs and digital banks

Stripe powering a variety of payment methods for businesses

Stripe enabled Singapore firms to accept payments in WhatsApp chat

Stripe expanding to embedded charge cards

Curve powers Samsung Pay+ aggregating most types of card in one app

Debit and credit cards are critical funding sources for digital wallets in 2023

QR payment solutions to accelerate financial inclusion and promote competition

Card operators and banks enabling linking cards to QR digital wallets

EMBEDDED DEPOSIT

Embedded deposit powers partners' deposit offerings and saving features

Embedded deposit cases: Apple Savings, Samsung Money, UOB TMRW's Auto-Save

EMBEDDED LENDING

Embedded lending: Collaboration on customer acquisition, data and credit decisioning

Embedded lending cases: CIMB, Klarna

Platform lending (1): Financial institutions contribute the majority of the syndicated loan

Platform lending (2): Automated credit monitoring, servicing and collection

Implication from tightened online lending regulations in China on embedded lending

EMBEDDED INSURANCE

Embedded insurance: From distribution model to tech-driven white label business model

Digital bancassurance starts from strategic partnership

Bancassurance: Purchase NTUC Income Insurance within Trust Bank app (digital bank)?

Lemonade's international expansion: "Embedding" into partners' channels

Bancassurance: OCBC digitalising insurance purchase journeys with Great Eastern

Embedded insurance cases: Qover , PasaPolis , eTIQa

Platform insurance: Large-scale, superior actuarial analytics and AI are critical

EMBEDDED INVESTMENT

Embedded investment: Teamwork to address the unique needs of customers

Embedded investment cases: Alpaca, Fullerton and DriveWealth

Platform investment: FinTech capabilities and strategic partnership critical to start

KEY TAKEAWAYS

Interest and conflicts between stakeholders

Key actions

APPENDIX

Definitions

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