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Winning the front door: Commercial embedded banking

The last-mile disruption impacting the future of B2B(2B)

Contents

The quiet revolution occurring in business-to-business

A quiet revolution is underway in commercial banking. It's not marked by flashy cash management portals or credit products but by banking swiftly moving into the background of everyday business processes and the software that automates critical finance functions. This shift is called embedded banking, and it's changing the rules of the game.

Commercial embedded banking is the seamless integration of banking services into nonfinancial platforms—think treasury tools inside an enterprise resource planning (ERP) system, or invoice financing within a logistics system. No redirects. No toggling between systems. Just banking where the business already works today.

While consumer embedded banking has seen early traction—for example, buy now, pay later (BNPL) and social payments—it's in commercial banking where the transformation cuts deepest. Businesses run on cash flow, complex payments, and daily operational finance. Finance teams and the middle offices are spending countless hours each week reconciling across the applications they use for daily business, bank-provided web portals, and any other array of financial reports saved on their desktops. By embedding banking tools and services into non-bank software experiences and where teams are doing their primary work, customers can unlock new levels of speed, automation, and intelligence to elevate critical finance and treasury management workflows.

As embedded banking continues to gain traction, a set of converging forces is reshaping the commercial banking landscape. Specifically, the emergence of nonbank integrated treasury management platforms, the growing need for real-time application programming interface (API) integration with ERP systems, and the growth of industry-focused software platforms and business-to-business (B2B) marketplaces are at the forefront of this change. These developments are not only transforming how businesses interact with financial services but also challenging banks to evolve their approach to distribution and client engagement.

Figure 1. Last-mile disruptions occurring in commercial banking

Last-mile disruptions occurring in commercial banking

1. Integrated treasury platforms
Reducing the desirability of bank-side treasury platforms

2. ERP demand for API connectivity
Pulling forward treasury capabilities directly into ERP solutions

3. Industry marketplaces
Building new financial economies through industry-specific marketplaces

Treasury disrupted: Why integrated treasury platforms are winning over corporate finance teams

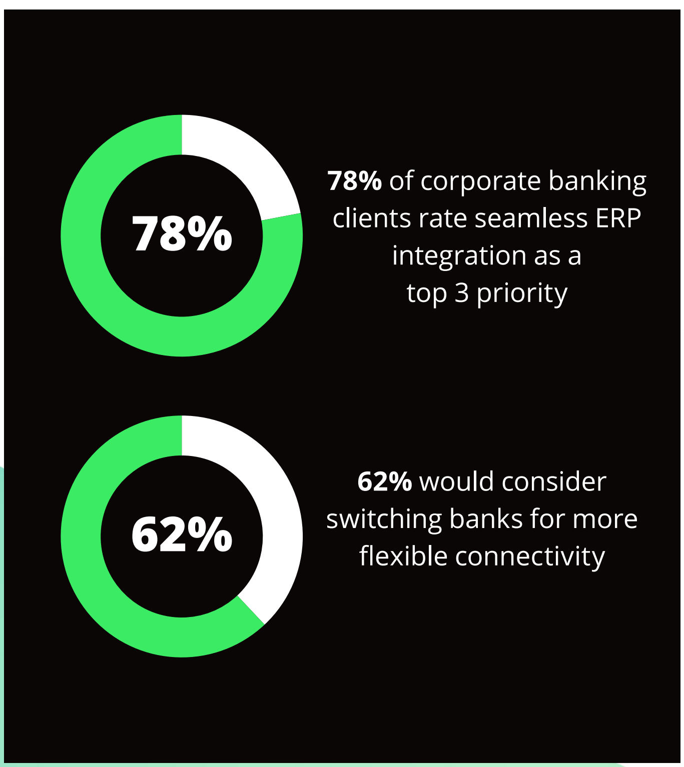
This disruption is unfolding through the emergence of nonbank players competing for commercial treasury management. In recent years, a proliferation of modern third-party treasury platforms has given large commercial clients the ability to own and control their multi-bank treasury experience independently. These platforms allow corporate treasurers to centralize visibility across bank accounts, automate liquidity decisions, and streamline cash forecasting without relying exclusively on any single bank's portal.

These shifts pose a direct challenge to traditional commercial banking portals and treasury management services, where banks historically held a captive user-base. As treasury platforms, ERPs, and industry-specific specialized software tools become the primary interfaces where financial decisions are made, banks risk being abstracted away unless they actively pursue embedded partnerships.

To maintain relevance and distribution, banks will have to pivot toward integration with these emerging platforms. By embedding bank capabilities—such as account management, payments initiation, FX execution, and working capital solutions—directly within ERP systems or side by side with third-party treasury platforms, banks can ensure their products meet clients where the work is getting done and are available the moment and place the need arises. The strategic directive is clear: Partner deeply within the client-side technology stack or risk being bypassed by infrastructure players who now control the digital front door to treasury decisioning.

Connected banking and ERP: A distinct proposition that makes sense

Despite growing demand for seamless integration, banks today often face significant challenges with ERP connectivity. However, 78% of corporate banking clients now rate seamless ERP integration as a top three priority for their banking partners, and 62% say they would consider switching banks if a competitor offered faster, more flexible connectivity.[1] As competitors and fintechs continue to streamline onboarding through standardized connectors and APIs, banks that cannot reduce integration timelines are finding themselves at a disadvantage in attracting and retaining clients.



Looking forward, as this connected ecosystem becomes more readily available within leading ERP platforms such as NetSuite, Workday, SAP, Sage, and others, the landscape will shift even further. Banks will have unprecedented opportunities to differentiate their connectivity capabilities, moving beyond basic integration to offer tailored, banking-specific solutions embedded directly within ERP environments. This evolution will require banks to adopt more segmented strategies and forge deeper partnerships with ERP providers, focusing on the unique needs of specific industries and client journeys.

For example, banks may develop specialized financial solutions for manufacturing, real estate associations, or legal professional services, leveraging their connectivity to deliver unique value propositions. Deloitte also observes trends in the market demonstrating unique partnerships between innovative banks and ERP platforms to deliver more ERP-connected payments capabilities. These partnerships are enabling integrated payment APIs with cost optimization routing, so clients can initiate and route payments efficiently from within their ERP environment. Additionally, automated forecasting and AI-driven receivables matching are becoming more prevalent, allowing businesses to reconcile incoming payments with outstanding invoices in real time and improve cash flow visibility. Ultimately, the key differentiator for banks will be creating the most seamless corporate customer experience by embedding industry-specific banking services into their day-to-day ERP platforms—allowing innovative banks to stand out in a crowded and increasingly interconnected marketplace.

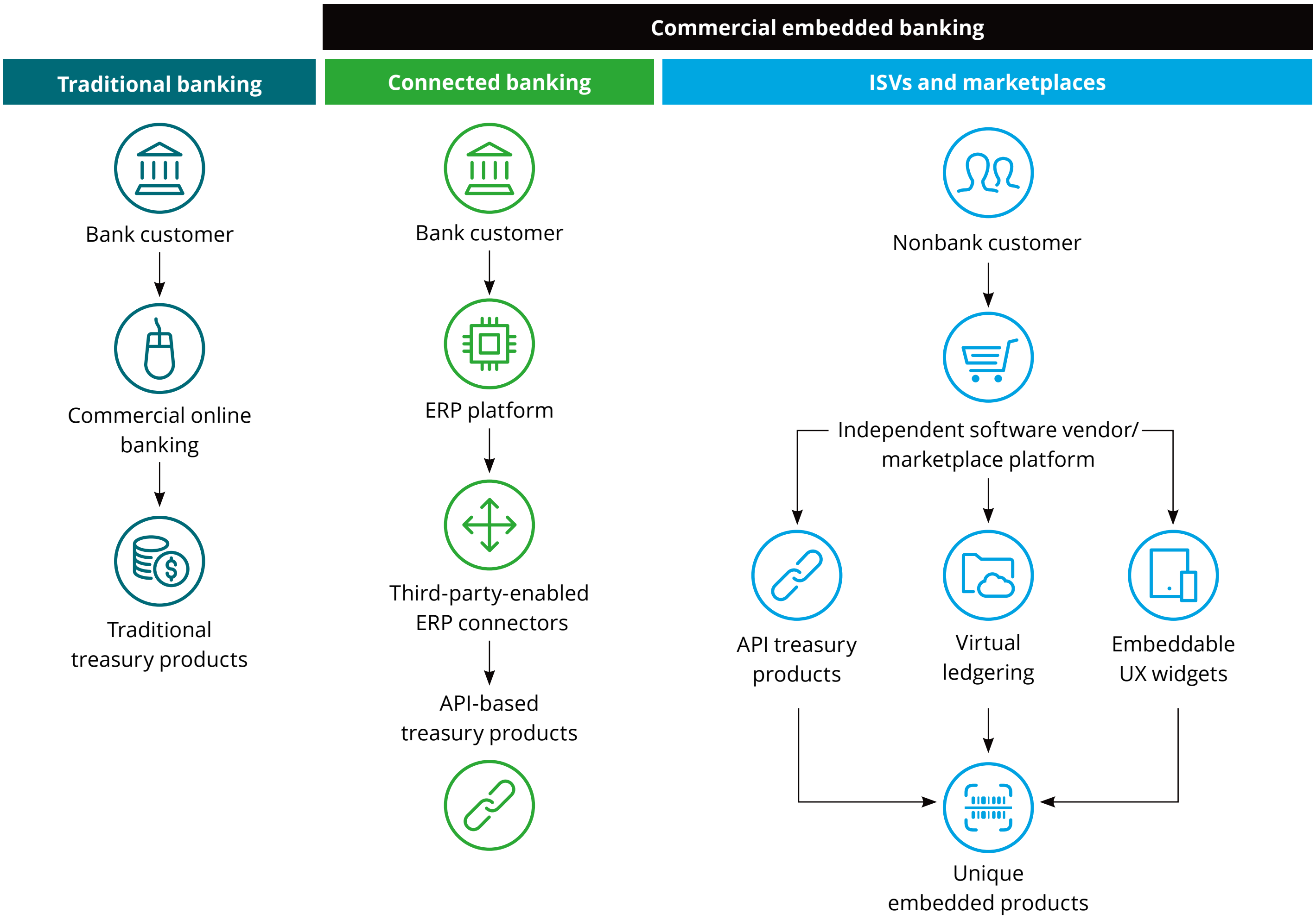
Vertical software-as-a-service (SaaS) and B2B marketplaces: The new frontier

The rise of embedded banking is inextricably tied to the explosive growth of both vertical SaaS-focused independent software vendors (ISVs) and B2B marketplaces, each playing a distinct but complementary role in reshaping financial services distribution.

Vertical SaaS ISVs are transforming industry-specific workflows by delivering tailored software solutions for sectors such as health care, legal, construction, and logistics. Their deep integration into daily operations positions them to embed financial services—like payments, lending, insurance, and treasury management—directly within the specialized processes of their users. This approach can create seamless, context-aware financial experiences that address unique industry pain points and regulatory needs, offering banks and fintechs a strategic path to access niche markets and unlock new revenue streams. The vertical SaaS market alone is projected to reach more than $207 billion by 2032, growing at a compound annual growth rate (CAGR) of approximately 19.50% from 2023 to 2032.[2]

In parallel, Digital Commerce 360 reports that there are more than 750 B2B marketplaces now operating globally across sectors including health care, construction, manufacturing, and logistics, and that number continues to rise with growth to exceed more than 1,000 B2B marketplaces by 2027. These platforms have evolved from simple procurement portals into fully integrated ecosystems that support everything including business discovery, procurement, partner connectivity, compliance, and fulfillment to seamlessly engage across the value chain.[3]

Figure 2. Evolution of commercial banking towards embeddable product offerings

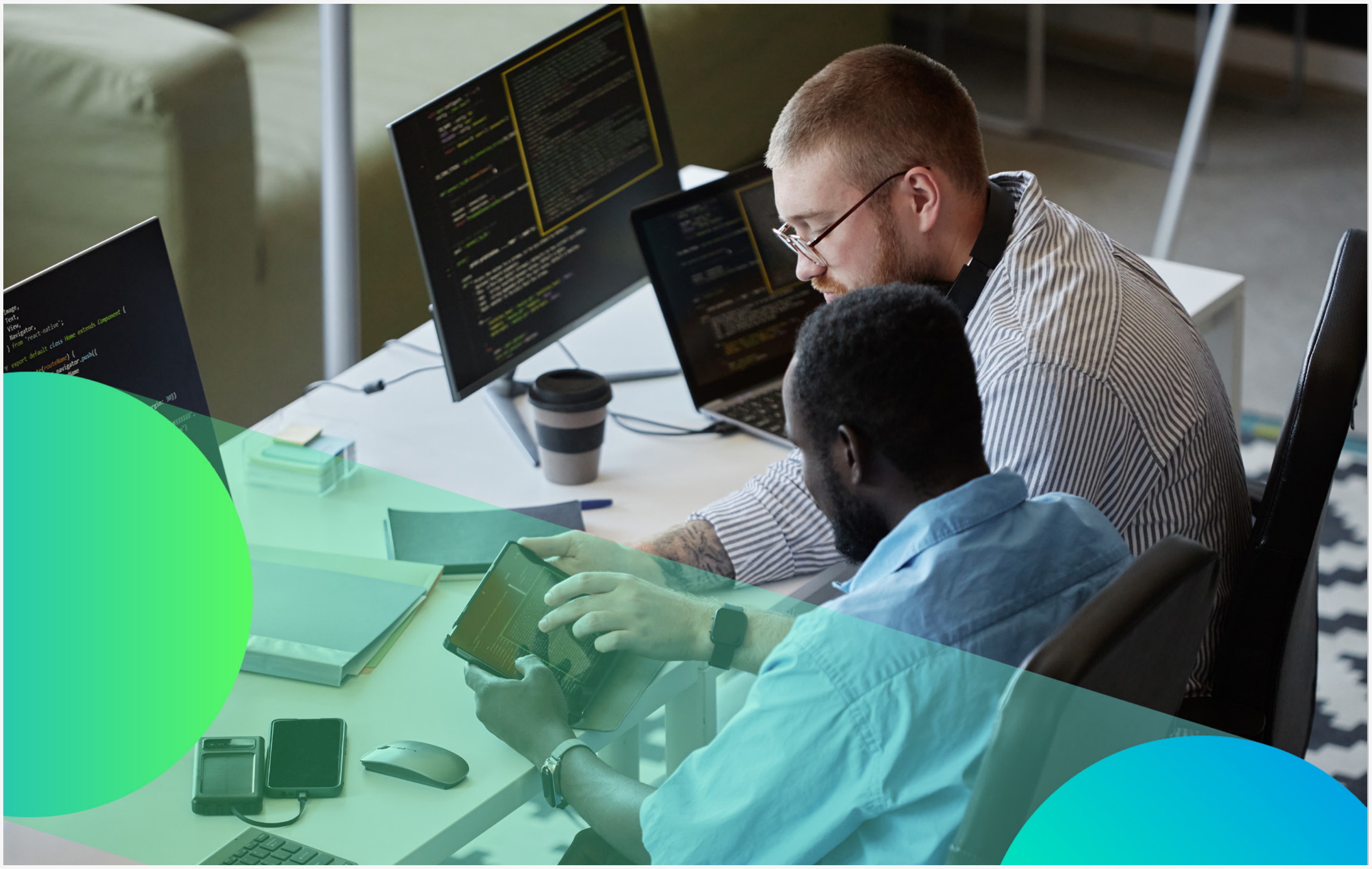


Commercial embedded banking is reshaping the value proposition of B2B marketplaces by weaving financial services directly into the fabric of their platforms. This integration not only can simplify transactions and reduce friction for users but also can enable marketplaces to tap into lucrative revenue streams—such as payment processing fees, interest from supply chain lending, and subscription revenue to treasury management products. By curating a financial ecosystem within their own environment, marketplaces can offer tailored financial solutions that address the unique needs of their industry verticals, further differentiating themselves from competitors and creating deeper engagement as an indispensable partner in their business clients' daily operations.

To quantify this impact, B2B marketplaces are projected to generate more than $4.1 trillion in transaction volume by 2029, reshaping how companies buy and sell goods and services.[4] As these ecosystems mature, the need for embedded financial services such as receivables financing, supply chain lending, virtual cards, and treasury automation becomes critical. Banks should recognize that partnering with these marketplaces should no longer be viewed as optional. It is a strategic imperative.

Importantly, banks must not only serve the marketplaces as clients but also create embedded financial tools that serve the vendors and buyers participating in these ecosystems (B2B2B). The marketplace becomes the distribution channel, and banks that embed their products—eventually augmented by AI-driven insights and industry context—stand to benefit from entirely new revenue streams with greatly reduced customer acquisition costs. This form of commercial embedded banking presents the next evolution of white-labeling and co-branding where the products are not just rebranded, they are deeply integrated, context-aware, and workflow-native.

Banks that recognize this shift have a choice: Become the backbone of future-ready platforms or risk being left behind by their peers that are already building deep, sticky integrations with software vendors.



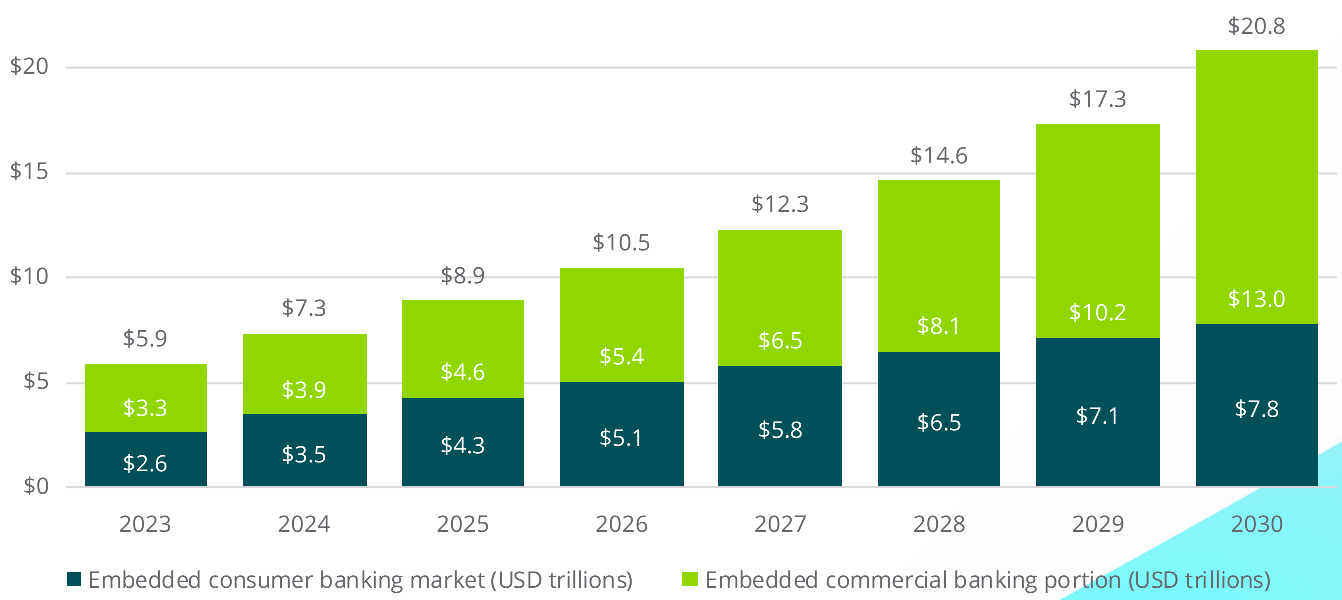
The embedded banking boom: Trillions in play, and the stakes are rising

The embedded banking opportunity isn't just promising—it's enormous.

Deloitte estimates the global embedded banking financial transaction volume will grow from $5.9 trillion in 2023 to $20.8 trillion by 2030, with B2B expected to drive $13 trillion of that value.

Why will the growth in B2B hit exponential growth? Deloitte predicts accelerated bank adoption and major B2B growth events are projected to drive the CAGR from 18% in 2027 to 28% by 2030. Deloitte predicts this future surge will be underpinned by higher bank adoption of emerging fintechs focused on embedded banking; bankwide platform modernization spend enabling faster API extensibility of traditional products; global B2B digital transaction growth; and continued penetration of industry verticalized ISVs and marketplaces. Further, as Fortune 500 companies evolve to become more platform focused and businesses demand more industry-specific solutions, these developments will drive a transformative shift in commercial banking financial services distribution, ultimately reshaping the commercial banking market for decades to come.

Figure 3. Estimated global embedded banking financial transactions



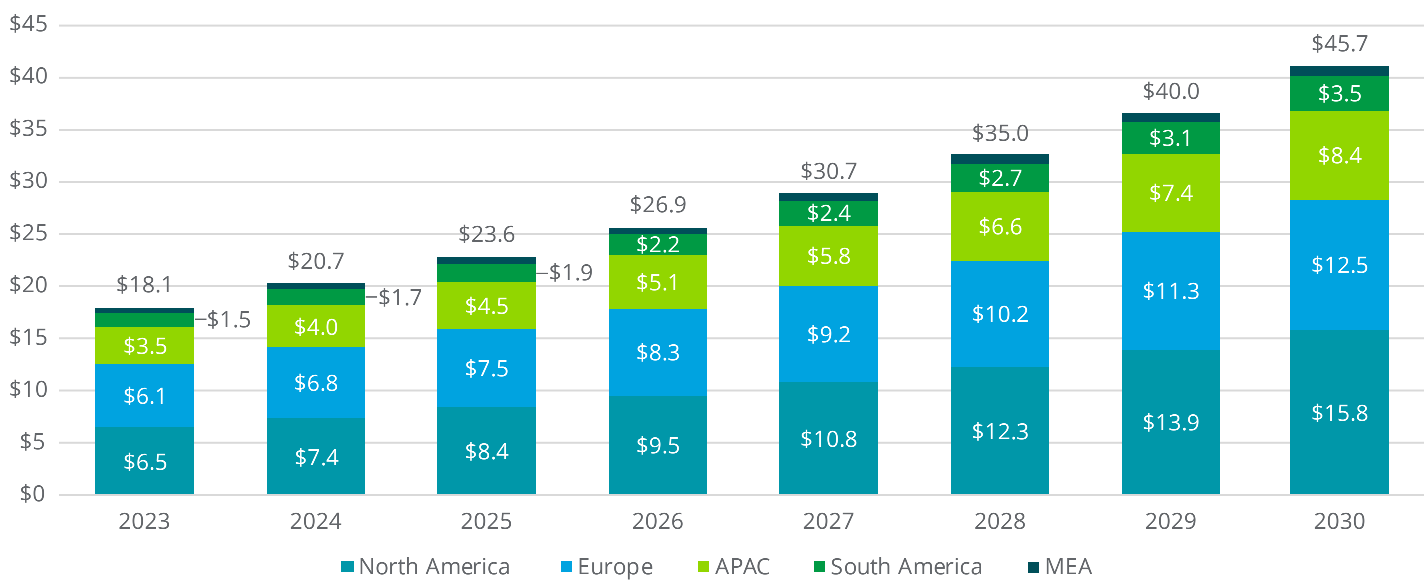
Source: Deloitte analysis

The revenue take made available: Embedded banking service revenue to hit $45 billion by 2030

But here's the emerging headline. Embedded banking platform service revenue is coincidingly surging, with banks and fintechs generating billions as they embed financial services deeper into the digital fabric of business. In 2024, the global market hit $20.13 billion, and it's on track to more than triple to $74.25 billion by 2034.[2] North America isn't just leading the charge—it's setting the pace, fueled by relentless fintech innovation and a banking sector that's finally waking up to the platform revolution. North America alone accounted for over 38% of global embedded banking revenue in 2023, and annual revenue in the region is projected to soar past $28 billion by 2034, with a double-digit CAGR (13.5%) expected throughout the decade.[5]

And let's be clear: this is just the tip of the iceberg. As more industries and software platforms wake up to the power (and profit) of embedded banking, the market's true potential is still vastly untapped. The next decade will see revenue streams explode, new winners crowned, and laggards left in the dust. If you think the embedded banking story is big now, just wait—this wave is only getting started.

Figure 4. Embedded banking financial service revenue forecast (2023–2030), in billions[5]



Assembling for commercial embedded banking innovation and monetization at scale

Figure 5. Modern embedded banking teams

Embedded banking teams

- Strategy
- Product/Design
- Operations
- AI and engineering

Delivering focused strategies and engineering new embeddable financial products

- Marketplace / ISV journey design
- Embeddable banking portals
- Developer experience offerings
- B2B2B and B2B2C offerings
- Industry specialized offerings
- Embeddable AI and data products
- Modular digital banking platform
- SaaS-based pricing arrangements

The window for banks to lead in commercial embedded banking is rapidly closing. Forward-thinking competitors are already rolling out integrated offerings and building powerful new partnerships. With digital platforms now at the heart of business interactions, the old rules of banking engagement are being rewritten—often beyond the bank's own reach. Demand for financial services delivered through innovative, embedded channels is surging, as businesses seek out solutions that enhance convenience and efficiency. Banks that fail to move quickly risk more than lost sales; they risk fading into the background as clients turn to competitors whose products are embedded directly into the platforms they use every day. The call to action is clear: Innovate, collaborate, and empower your clients to champion your products within their own ecosystems.

To capture the embedded commercial banking opportunity, banks must develop a focused digital strategy that treats embedded solutions as a distinct priority, not just an extension of traditional banking and treasury management. Ultimately, winning strategies apply the principles of a SaaS offering—prioritizing user experience, rapid iteration, and modular, subscription-based services. This shift requires a material rethinking of how strategy and platform come together, designing solutions that are flexible, scalable, and able to support both their clients and their clients' customers.

Innovators in this space are assembling dedicated teams spanning strategy, product, design, operations, and engineering to ensure embedded banking receives the specialized focus required to deliver embedded as a scalable profit center. These multidisciplinary teams leverage their expertise not only to facilitate the partner relationships essential for highly targeted, successful connected ecosystem strategies, but also to optimize for re-use—redistributing and extending embeddable client UX front ends; API-based products; data and AI assets; third-party, white-labeled capabilities; and workflows. This approach can accelerate market reach, and it enables seamless integration with new partners and channels.

The outcome may be a suite of differentiated embedded commercial banking capabilities, each intentionally crafted to deliver tangible value—whether by enhancing embedded client experiences, improving partner onboarding operational efficiency, or expanding product distribution reach. Together, these capabilities support innovative monetization models, including the recurring, scalable revenue streams characteristic of leading technology firms.
The rewards for moving quickly are significant: recurring revenue, deeper client engagement, lower acquisition costs, and increased customer retention. Monetization levers include revenue sharing with software partners, subscription models for cash management and treasury APIs, and volume-based pricing tied to client usage. Banks can further amplify revenue by monetizing data, expanding their ecosystem through open APIs and partnerships, and offering white-label solutions to other platforms.

Winning the embedded battle: Differentiation strategies in embedded commercial banking

There will be winners and losers. The winners won't just be fast—they'll be smart. To stand out, banks need to think like product companies and act like platforms.

Embedded success is achieved when banks move beyond simply providing out-of-the-box solutions and instead become co-builders of their clients' financial technology roadmaps to unlock deeper, long-lasting relationships. Strategic decisions—such as selecting the right partners, choosing an effective go-to-market model, investing in scalable technology, and embedding strong risk and compliance frameworks—are essential to maximizing long-term value.

As digital ecosystems expand, banks have a unique chance to set themselves apart. There are several competitive advantage levers in embedded commercial banking that can be leveraged to unlock new value for clients.

Competitive advantage levers in embedded commercial banking

Instantly connected everywhere: Robust ERP and integrated treasury connectivity—with seamless onboarding for even your largest corporate clients reduced to weeks/days rather than months.

Embeddable payment and commercial data products: Commercial integrated payment and data products designed with API-first thinking at the foundation.

ISV/marketplace-specific: Generic treasury won't cut it. Build features that map to the logic of ISV/marketplace platform needs from embedded marketplace banking hubs to entitlements engines that can handle complex B2B(2B) use cases.

Vertical-specific: Build industry-specific features that seamlessly support financial economics around legal, property management, SaaS, logistics, or health care.

ISV/marketplace onboarding: Fast-track ISV/marketplace/fintech onboarding with prebuilt compliance and onboarding flows.

AI and predictive insights: Use embedded transaction data to offer proactive credit, dynamic pricing, and treasury forecasts.

Regulatory layering: Offer embedded compliance-as-a-service to ease the burden on your partners.

Partner success teams: Invest in dedicated teams to manage ISV growth, much like a B2B SaaS company.

As commercial embedded banking teams build deeper ISV partnerships, the next frontier extends well beyond the traditional product set of merchant services, deposits, cards, and lending.

Rather, these innovative teams will have an opportunity to co-create new, intelligent products that leverage large language models (LLMs) trained specifically on proprietary commercial banking data and client behaviors. Banks sit on a wealth of proprietary transaction, industry, and treasury data that can power AI products uniquely suited to commercial clients when integrated into their ISV partner's workflows. These LLMs, fine-tuned for financial decisioning, compliance guidance, risk forecasting, and cash flow management, offer banks a chance to differentiate on intelligence—not just access.

To bring this point to life, imagine a bank that partners with a vertical SaaS provider powering a marketplace of health care focused companies. This ISV platform serves a wide range of businesses from home health providers to diagnostic labs—each managing complex cash cycles, payer reimbursements, and compliance-heavy operations.

By embedding a bank-trained LLM into the ISV's marketplace, the bank enables health care CFOs and controllers to:

- Anticipate and manage revenue disruptions by forecasting cash flow variability tied to payer behavior, case milestones, and insurance settlement timelines.
- Propose tailored working capital solutions that are surfaced precisely when claims reimbursement gaps or payroll constraints emerge.
- Act on intelligent financial insights through conversational prompts like "Will delayed Medicaid payments impact our ability to fund payroll next month?" with answers grounded in real-time financial and trust account data.

This isn't banking-as-usual. This is banking that augments human decision-making, fits seamlessly into daily workflows, and uses the bank's proprietary intelligence to deliver value others simply can't replicate.

In an era where differentiation is measured by intelligence and integration, commercial banks that lead in developing embeddable agentic AI capabilities will shape the future of business banking. By embedding proprietary insights deep within the platforms their clients rely on every day, these banks transform from service providers to essential intelligence partners, empowering clients to anticipate risk, unlock new value, and make smarter decisions at every turn. The banks that act now will not just keep pace with industry disruption; they will define what it means to deliver truly embedded intelligence at scale.

Figure 6. ISV/marketplace platform supported by embedded banking

ISV/MARKETPLACE PLATFORM SUPPORTED BY EMBEDDED BANKING		
	Bank-provided UX widgets	
ISV/marketplace onboarding	ISV/marketplace client onboarding and servicing portal	
Pricing and subscription model	API and microservices layer	
Developer portal and sandbox management	Unified data and AI hub	**Fintech partner network**
Product and technology operating model	Agentic layer	
Fintech partner onboarding	Core banking and virtual ledgers	
Regulatory licensing	Cloud and infrastructure	
ENABLERS	**TECH FOUNDATIONS**	**PARTNERS**

How Deloitte is accelerating client success in embedded banking

Deloitte is at the forefront of helping banks and financial institutions reimagine their embedded commercial banking strategy and execution. We bring end-to-end capabilities—from strategic vision to engineering innovative platforms that enable differentiated, scalable offerings in market. We uniquely understand the technology barriers to entry and have designed solutions that solve for B2B(2B) ecosystems in mind. Our work spans:

- **Strategy and partner ecosystem design:** Helping clients identify high-potential ISV and marketplace partners, define distribution strategies, and architect monetization models.
- **Platform design and engineering:** Designing composable banking infrastructure tailored for embedded banking and modern commercial banking vertical use cases.
- **Product, user experience design, development, and launch:** Launching embedded offerings from concept to market-ready with speed and compliance.

To accelerate delivery, Deloitte brings software assets that allow our clients to reimagine the future quickly and move the starting line to achieve value faster.

Our flagship digital banking solution, Converge BankingSuite, is a composable and modern digital banking tech stack that is purpose-built to assist our clients in realizing innovative value propositions in the market within months versus years. Our team of digital banking specialists can quickly help you with:

- Rapid deployment of contextual treasury and credit API services.
- Commercial payments information reporting and origination API services.
- Plug-and-play integration with ISVs via reusable modules.
- Advanced data intelligence and AI to power proactive financial products.

Focused on building the right foundations for commercial embedded banking first? Deloitte has you covered.

Our teams have been hard at work building scalable commercial banking–focused technology foundations to help our clients seamlessly migrate into cloud-based environments. Have you invested in certain domains but you're feeling suboptimal in others? BankingSuite is completely decomposable. Take only what you need, and we can help integrate any of our modern digital banking foundations into your existing tech stack to complement your investments. These include:

- **Modern experience layer:** Modern and open-source experience layer of pre-developed, micro front ends supporting innovative, commercial-oriented journeys.
- **Composable microservices and API layer:** Bundles of production-ready API products that are product- and process-context bound and designed through our leading digital banking architecture teams.
- **Unified commercial banking data and AI hub:** Migrate your commercial banking and payments data to a modern cloud data environment with standardized data products ready for real-time consumption and AI enablement.
- **Agentic backbone:** Utilize a scalable foundation of vertical and horizonal agentic capabilities to support standardized interfaces for context-aware system consumption and agent-to-agent connectivity.
- **Modern core banking:** Connectivity to modern, digitally native core banking platforms to deliver innovative product offerings and virtual ledgering needed to support the emerging embedded client.
- **Preconfigured cloud environments:** Our cloud environments are fully configured with complete continuous integration and continuous delivery capabilities and purpose-built with enterprise banking in mind.

By combining strategic guidance, deep engineering capabilities, and accelerators like BankingSuite, Deloitte enables our clients to move fast and lead in the platform era of commercial banking.

The time to act is now

Embedded commercial banking is not a passing trend—it's the new competitive frontier. And the time for passive observation is over. Software platforms are rapidly embedding financial services. Some banks are already inside, powering that change, and have moved well beyond experimentation by prioritizing embedded as a business unit poised for mainstream adoption. Others are watching from the outside. The next generation of banking leaders will be those who move now, differentiate boldly, and scale with precision. The foundations are being poured today—in APIs, ISV contracts, and data integrations. For those who hesitate, the cost will be exclusion from the next era of distribution. But for those who act, embedded banking is the growth engine of the future.

Get in touch

Stephen Popiela
Principal, Digital Banking Leader
spopiela@deloitte.com

Shailender Sidhu
Principal, Cloud, AI, and Data Leader
ssidhu@deloitte.com

Lauren Holohan
Principal, Treasury Management Leader
lholohan@deloitte.com

Kurt Anderson
Managing Director, Digital Banking Leader
kuanderson@deloitte.com

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