

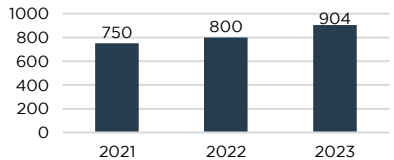
Financial Services

Industry Perspectives and Insights

Market Size

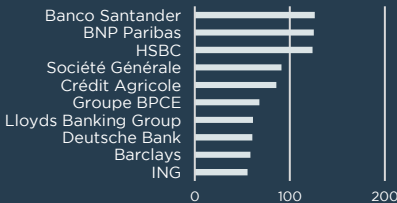
The financial services market size has grown strongly in recent years and is expected to grow further (expected CAGR of 7.2 %). The growth can be attributed to increasing demand for fast & real-time fund transfer, the rise in adoption of blockchain technology, rising use of digital banking services, strong economic growth in emerging markets and rising use of cryptocurrency.

Turnover of the financial service activities (except insurances, pension) in the EU from 2021 to 2023 in € billion



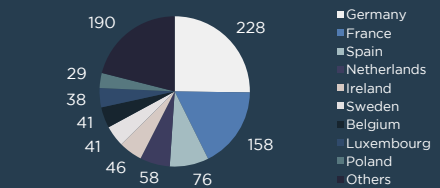
Source: https://ec.europa.eu/eurostat/databrowser/view/sbs_oww_act_custom_15854730/default/table?lang=en, 14.04.2025

Top 10 European Financial Service Companies by revenue in € million



Source: https://fortune.com/ranking/global500/?q=500_industry=Banks%3A+Commercial+and+Savings, 14.04.2025

Turnover of the financial service activities (except insurance, pension) by region in 2023 in € billion



Source: https://ec.europa.eu/eurostat/databrowser/view/sbs_oww_act_custom_15854730/default/table?lang=en, 14.04.2025

Key Industry Trends

- **Generative AI:** the influence on fintech and chatbots on user experience of financial services is expected to grow.
- **Customer experience:** Customer Experience Management (CXM) enhances customer loyalty and increases satisfaction over time.
- **Open banking:** provides secure access to financial data using APIs.
- **Digital currencies:** blockchain is also likely to become more important to managing confidential information and transactions.

Key Market Challenges

- **Regulations and compliance:** one of the most tightly regulated industries.
- **Shifting sanctions:** changes in governments and trade relations are heavily influencing trade policy and sanctions regimes.
- **Cyber security risk management:** cyber threats and fraud are getting more and more complex.
- **Lack of Consumer Trust:** many long-term customers seek alternatives.

Key Market Driver

- **Digital transformation:** revolutionized customer interaction through the proliferation of mobile banking, digital wallets, digital currencies, and increased bank innovation through collaboration between traditional banks and fintech companies.
- **Data-driven insights:** improved risk and process management, understanding of customer needs, and personalization of financial products through access to valuable data on customer habits, financial transactions and other relevant key indicators.
- **Sustainability:** greater focus on sustainability and ESG as customers put more thought into where their money is being used. In addition, banks bear a higher default risk for loans for example real estate and companies in climate-affected areas.
- **M&A:** following the growth in transaction values in 2024, an increase in large deals is forecast.