

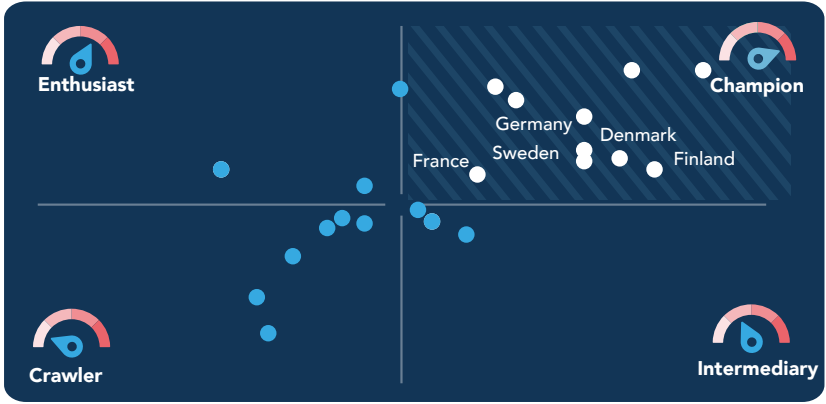
Open Banking Champions of European Union

Twimbit Key Takeaways

Europe benefits from a high degree of harmonization on technical standards. A stronger Europe-wide monitoring authority will be a catalyst and help companies build scale for global success

The key difference in positioning amongst the European Champions is attributable to their progress in policy implementation

These countries represent contrasting approaches. Nordics are the most digitized region in Europe and position themselves as testbeds to try out new tech solutions; they have the most TPPs per million inhabitants. France and Germany have a higher number of FinTechs to serve a bigger domestic market




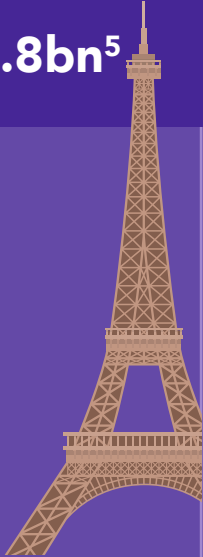



REGULATORY FRAMEWORK

Driven by the second Payment Services Directive (PSD2), designed by EU countries to make payments more secure in Europe, boost innovation, and help banking services adapt to new technologies

Regulators require banks to share customer-permissioned data, third parties that want to access such data are required to register with particular regulatory or supervisory authorities

FINTECH ECOSYSTEM

FinTechs	~132 ²	~193 ²	~296 ²	~882 ²	~900 ²
Investment 2019	US\$84.4mn ³	US\$156.4mn ³	US\$515.6mn ³	US\$1.8bn ⁵	US\$1.5bn ⁶
TPP's	21 ⁴ 	23 ⁴ 	64 ⁴ 	47 ⁴ 	96 ⁴ 
	Finland Its strong position in the quadrant is by virtue of its leadership in implementing PSD2 regulation by amendment of local Act's and establishing of monitoring group.	Denmark PSD2 transposed into the Danish law through a new Act and its readiness for the regulation is supported by Finanstilsynet, the country's financial regulator. It also has an innovation hub helping companies developing solutions.	Sweden PSD2 was implemented in Sweden through a revised Payment Services Act. Relative to other Nordic countries, its growth is driven by market forces independent of localized laws and regulations.	France Implementation has not been very smooth as BaFin which is responsible for Open Banking implementation has asked for additional requirements for banking APIs to meet PSD2 targets.	Germany While ordinance to put PSD2 into regulation is passed, there is limited government involvement and guidance. Initiatives are led largely by STET, a payment processor owned by France's six major banks.

¹Digital Economy and Society Index, 2018 rankings – Source European Commission, 2017
²Tracxn
³FinTech Global
⁴Open Banking Europe
⁵KPMG International
⁶Accenture

INITIATIVES OF LEADING BANKS

API Sandboxes by the leading banks support collaboration with FinTechs

Top banks have over 200 plus APIs

Regional banks enable same set of APIs for multiple markets providing scale