



# Interbank ecosystems in Europe

Accelerated transformation through collaboration

April 2021

# Foreword from the CEO of Febelfin, the Belgian Financial Sector Federation



**Karel Baert**  
CEO Febelfin

For many years Belgium has remained at the forefront of European interbank cooperation. Just think of the creation of Bancontact/Mister Cash in the late 80s, and Isabel in the mid-90s. This trend continued into the 2000s with the founding of Febelfin in 2003. As sector federation, Febelfin is committed to innovative interbank collaboration for the benefit of people and society. As the CEO, I can only approve of this study by Deloitte. It provides a clear overview of past and present interbank ecosystems, in which Belgium has clearly played a leading role. However, above all, this study sheds light on the future.

A future that will consist of many challenges. Today's digitisation, as well as changing customer needs and the arrival of new competitive players mean that banks simply cannot become static or rigid. Instead, they must be more innovative and sustainable than ever. Therefore, it is obvious that Belgian banks and by extension European banks will have to show their commitment to new interbank partnerships. These must be more innovative, inclusive, sustainable and customer-centric than ever before.

Deloitte's comparative study also shows that we must dare to broaden our horizons and look at the many opportunities for further cooperation that exist. As Belgium has a long history of successful cooperation, we are particularly well suited to continue to play an important role in the field of digitisation. We should stimulate innovation and focus on expertise, in cooperation with players outside the financial sector, both private and public. Together with them, and with the necessary regulatory coordination, we can push boundaries in order to create added value for the customer – a commitment we are very willing to make. At Febelfin, we look forward to an exciting future.

Sincerely,  
Karel Baert

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# 1. Introduction

Deloitte has been privileged to lead the design, implementation and operation of numerous interbank ecosystems across Europe. This has provided us with distinctive insights and lessons in this domain.

In this paper we aim to combine this experience with a thorough, longitudinal analysis of 205 active interbank ecosystems we identified in Europe. It draws on public sources and many interviews with executives in the field. We defined interbank ecosystems as any active collaboration founded in Europe after 1960 involving at least three banks, and possibly players from other industries, e.g. telecom. This analysis provided exceptional results, to our knowledge never before covered in existing literature.

In addition, we zoomed in on and analysed over 65 banking associations in Europe.

We are grateful for all the support we received from executives leading the interbank ecosystems, from banking association leaders and from Deloitte partners and experts in our European network.

We look forward to presenting and discussing our insights with you.

Best regards,

A handwritten signature in black ink, appearing to read 'Kasper'.



**Kasper Peters**  
Partner  
Financials Services Leader Consulting  
Brussels

A handwritten signature in black ink, appearing to read 'Gerry Pelgrims'.



**Gerry Pelgrims**  
Director  
EMEA Payments Leader  
Brussels



## 2. Executive summary

### Over 200 interbank ecosystems

Banks have a decades-long tradition of collaboration. Since 2014, the number of interbank ecosystems has, however, almost doubled in Europe, counting now more than 200 initiatives across 30 countries.

The majority of the ecosystems focus on payments and cash, but many new domains were added over time (e.g. credits, compliance, open banking, identity solutions, etc.). Most of the ecosystems involve only banks, but governments have started to play a more active role and non-financial players have entered the ecosystems.

For the future, in our opinion, significant opportunities for collaboration remain, including in the fields of beyond banking, data, compliance, financial and digital inclusion.

### 30% in 4 countries

Four European countries are home to 14 or more interbank ecosystems each. These are: Italy (19), Poland (15), Portugal (14) and Belgium (14). Together, they represent 30% of all observed interbank ecosystems in Europe.

Due to the Iron Curtain, Central and Eastern Europe entered late into the game of interbank ecosystems. However, they have been catching up and further growth is expected.

The majority of interbank ecosystems are confined within domestic borders. Less than 5% scale across Europe (or beyond), which is a clear call for action.

### 6 drivers of collaboration

Creating economies of scale in non-competitive areas has traditionally been the main reason for banks to start collaborating (present in 80% of the ecosystems).

However, there are other important drivers for collaboration:

- Increasing market adoption of products with network effects, directly benefiting the end-customers in two-sided markets
- Reducing risk by sharing data and assets
- Generating new revenue streams and/or acquiring data
- Defending market position
- Fostering financial or digital inclusion and education

Interbank collaboration also creates mutual learning effects and increases the sector's position versus the regulators.

We also analysed how ecosystems were created and noted that a clear business case and a shared vision of purpose and governance are essential.

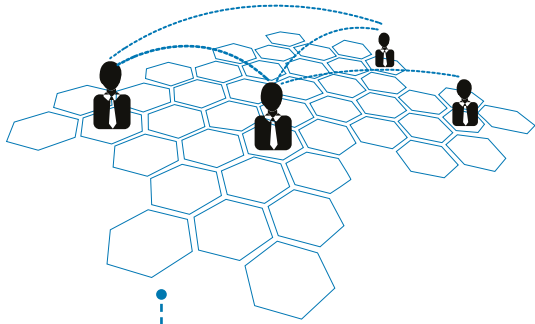
### 69 bank associations

We reviewed 69 bank associations across Europe and analysed the roles they played in the emergence of interbank ecosystems.

These roles can be very diverse, and include:

- Pro-active initiation
- Active contribution
- Passive promotion

Based on interviews with CEO's of bank associations, we expect a more active role of the associations in the creation of interbank ecosystems in the future. The associations can also form the bridge to collaborations with government.



### 3. Reasons for and types of collaboration

Banks have a long tradition of collaboration, but interbank ecosystems have come to the forefront in the last seven years. The number of ecosystems – defined as active collaboration initiatives between three-or-more individual banks, and potentially with players from other industries – has almost doubled since 2014 to more than 205 initiatives across 30 countries in Europe.

It might seem strange that this growth in collaboration is taking place in the era of fintech and bigtech. But this can be easily explained. Fintechs are no longer an imminent, competitive threat in most domains, but instead have become suppliers to banks or acquisition targets.

Bigtechs, on the other hand, are considered a serious threat, especially due to their scale and access to data. Banks risk becoming suppliers to FAANG\*, keeping the financial services infrastructure but losing direct client relationships. So far, banks have not found a compelling response to this threat. But Interbank collaboration could be a part of the solution, especially in the payments domain.

In addition, banks see interbank ecosystems as an answer to compliance and digitisation challenges. During the last years, regulators worldwide have increased pressure on banks to adhere to requirements concerning fraud detection, client monitoring and compliance. To meet these standards, banks are increasingly expected to take on a policing role.

Finally, these ecosystems are directly or indirectly stimulated by (geostrategic) government policies. To fully capture these effects, we systematically analysed more than 200 interbank ecosystems across 30 European countries, the first such continent-wide analysis. This has generated insights never seen before.

*\*Facebook, Amazon, Apple, Netflix, Google*

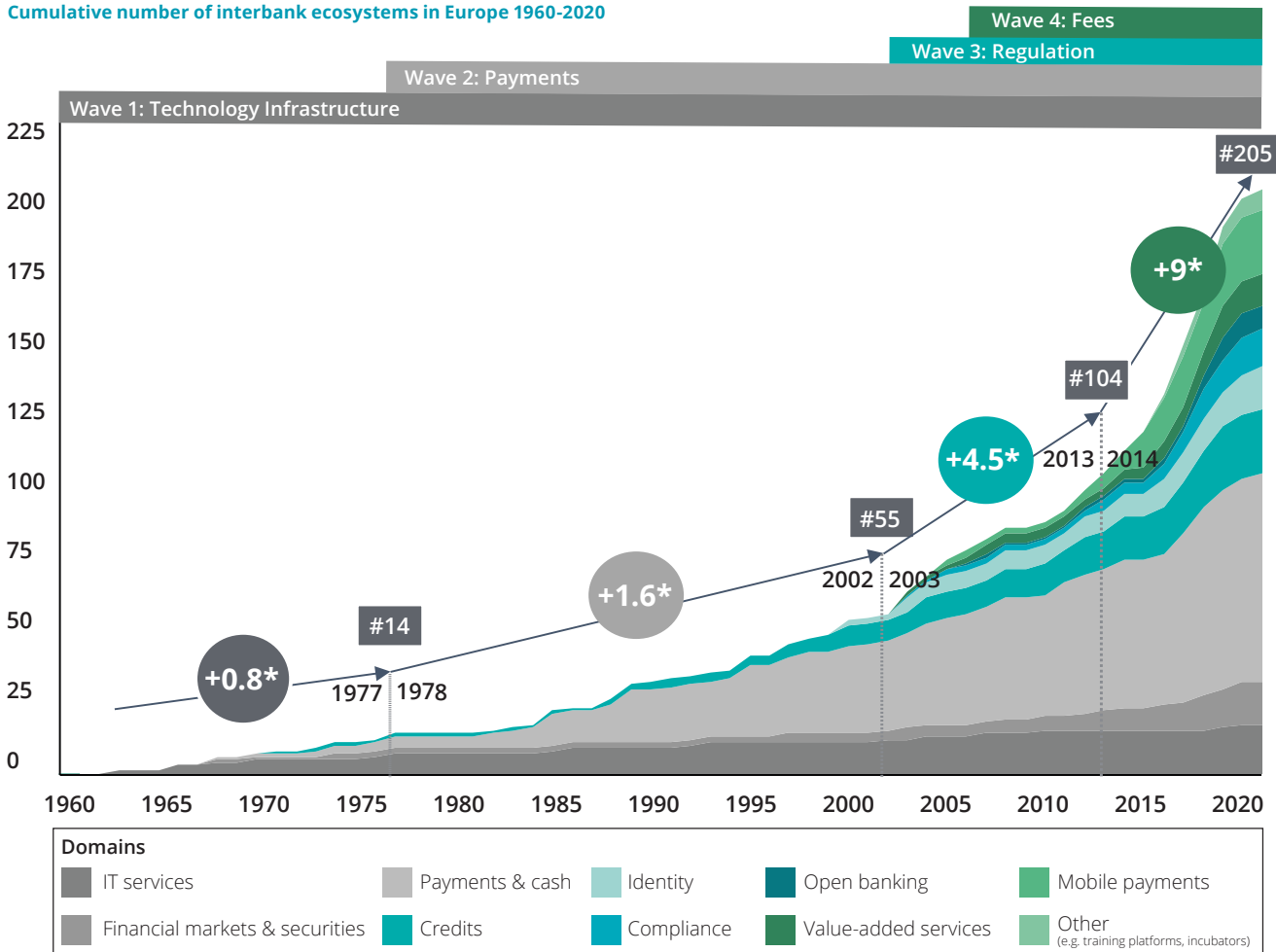
# The number of interbank ecosystems has almost doubled since 2014

We distinguished four waves of interbank ecosystems since 1960, each wave adding new types of collaborations. Also, these ecosystems are segmented in 10 different domains, with Payments & cash being the biggest.

## The four waves are:

<b>Wave 1: Technology infrastructure</b> Initiatives are initially focussed on putting technology in place, enabling the first market infrastructures and shared IT services to be set up <b>Key domains:</b> IT services, financial markets & securities	<b>Wave 2: Payments</b> Interbank collaboration starts to gain traction in 1978 with the set-up of payment infrastructures and shared logistics for retail payments and ATMs. <b>Key domains:</b> payments & cash, (credits)
<b>Wave 3: Regulation</b> As from 2003, interbank ecosystems emerge that aim to meet European and domestic regulatory requirements. <b>Key domains:</b> (credits), identity, compliance	<b>Wave 4: Fees</b> From 2014, collaboration accelerates due to the rise of ecosystems with non-banking players driven by commercial goals. <b>Key domains:</b> mobile payments, value-added services, open banking

Cumulative number of interbank ecosystems in Europe 1960-2020



**Remark:** \*Average absolute yearly increase of interbank ecosystems





#X: number of interbank initiatives identified, still active

# Interbank ecosystems cover various domains













	Domains	Description	Examples	Number of initiatives
Wave 1	IT services 	<ul style="list-style-type: none"> <li>• ICT platform</li> <li>• Cybersecurity</li> </ul>	<p><b>bec</b> BEC (Denmark) is a full-service Danish IT house with more than 50 years' experience developing and operating IT for financial companies, mainly for Tier-two banks.</p> <p><b>sia</b> SIA Group (Italy) provides technology infrastructures and services for financial institutions in the areas of payments, cards, network services and capital markets across 50 countries.</p>	17
	Financial markets & securities 	<ul style="list-style-type: none"> <li>• DCM/ECM platforms</li> <li>• Trading platforms</li> <li>• Exchange platforms</li> </ul>	<p><b>euroclear</b> Euroclear (Belgium) provides securities services to financial institutions located in more than 90 countries.</p> <p><b>Kepler Cheuvreux</b> The role of Kepler Cheuvreux (European initiative) is to provide the research and distribution platform to support each group's ECM business.</p>	15
Wave 2	Payments and cash 	<ul style="list-style-type: none"> <li>• Payment infrastructure</li> <li>• Instant payment infrastructure</li> <li>• ATM network and cash logistics</li> </ul>	<p><b>DIAS</b> DIAS (Greece) has developed and runs the DIAS payment system that services and clears electronic payments both domestic and cross-border, in collaboration with banks</p> <p><b>Bankomat</b> Bankomat (Sweden) is a joint network of ATMs owned by the five largest Swedish banks, achieving lower maintenance costs while assuring ATMs for customers country-wide.</p>	72
Wave 3	Credits 	<ul style="list-style-type: none"> <li>• Centralised credit information hub</li> <li>• Virtual credit cards</li> <li>• Comparator tool for credits</li> </ul>	<p><b>Central Credit Register</b> The National Bank of Hungary operates a website to compare for commercial banks' mortgage offers fulfilling the criteria set by MNB on Consumer-Friendly Mortgages.</p> <p><b>Central Credit Register</b> The Central Credit Register, managed by the Bank of Italy, is a database covering household and firm debt to the banking and financial system.</p>	22
	Identity 	<ul style="list-style-type: none"> <li>• Digital identity</li> <li>• Contracting</li> <li>• Authentication</li> </ul>	<p><b>bankID</b> BankID (Norway) is a citizen identification solution allowing companies, banks and government agencies to authenticate and conclude agreements with individuals over the internet.</p> <p><b>itsme</b> Itsme (Belgium), developed by the leading banks and mobile networks, is the Belgian reference for mobile identity and digital privacy.</p>	17

DCM = Debt Capital Markets,  
ECM = Equity Capital Markets



	Domains	Description	Examples	Number of initiatives
Wave 3	 <b>Compliance</b>	<ul style="list-style-type: none"> <li>Onboarding (KYC)</li> <li>Reporting, fraud (AML)</li> </ul>	<p> The Anti Money Laundering Centre (The Netherlands), was set up in 2013 by multiple government institutions together with financial institutions to manage AML risk.</p> <p><b>In Creation</b> The Centre of Excellence in Anti-Money Laundering (Lithuania) is currently being set up to mobilise public and private efforts to combat money laundering and terrorist financing (AML/CTF).</p>	14
	 <b>Open banking</b>	<ul style="list-style-type: none"> <li>Shared API solutions</li> <li>API management</li> </ul>	<p> LUXHUB (Luxembourg) operates a common API platform, providing PSD2 compliance services and access to upcoming open banking opportunities.</p> <p> PolishAPI is a shared solution that would ensure safe and non-discriminating access for all market participants and reduce the costs of implementing the PSD2 Directive.</p>	8
Wave 4	 <b>Value-added services</b>	<ul style="list-style-type: none"> <li>Loyalty programme</li> <li>E-invoicing</li> <li>Onboarding platforms</li> </ul>	<p> Start (Croatia) aims to connect six relevant institutions into one digital service, which will allow a company to open from anywhere, within 48 hours, by completing one digital form.</p> <p> E-faktura (Bulgaria) is a system for submitting and paying electronic invoices, integrated with online banking channels.</p>	11
	 <b>Mobile payments</b>	<ul style="list-style-type: none"> <li>P2P payments</li> <li>Online payments</li> <li>In-store payments with mobile phone</li> </ul>	<p> Swish (Sweden) is a mobile wallet, developed by a consortium of Swedish banks, facilitating person-to-person and in-store payments utilising customer phone numbers.</p> <p> iDeal (the Netherlands) enables payment within the trusted online banking environment of the customer's own bank, with all transaction details pre-filled.</p>	22
	 <b>Other</b>	<ul style="list-style-type: none"> <li>Fintech incubators</li> <li>Innovation hubs</li> <li>Trainings</li> </ul>	<p> Supernovae Labs (Italy) is a fintech accelerator established in 2016 that aims to facilitate business changes in the banking and insurance markets.</p> <p> PolishCloud Academy provides trainings on cloud adoption for representatives of the banking industry.</p>	7

# Six major reasons drive banks to collaborate, economies of scale being the predominant one

	1	2	3	4	5	6
	Realise economies of scale to benefit customers	Increase market adoption in products with network effects	Cater to & defend local client needs	Generate new revenue streams and/or acquire data	Reduce risk by sharing data & assets	Improve financial & digital inclusion and education
						
Definition	Activities currently not rendering a competitive advantage are mutualised to achieve scale and thereby reduce costs.	Banks collaborate to facilitate a standard that is accepted by consumers and merchants in so-called two-sided markets.	Banks collaborate to create local solutions for clients, often to resist Big Tech or global players.	Banks collaborate to boost their revenues due to pressure on existing activities.	Risk decreases with the volume of data collected, promoting collaboration.	Banks collaborate to enable financial and digital inclusion, especially in smaller client niches.
# initiatives*	165 ~80%	145 ~70%	135 ~66%	58 ~28%	31 ~15%	5 ~2%
Potential client benefit	Guarantee access to services and reduce prices	Accelerate broad user acceptance for new technologies and services	Maintain diversity of choice and protect against higher pricing of dominant players	Maintain diversity of customer choice and/or improve customer service	Increase safety and trust	Guarantee inclusion
Example	 By mutualising the management and maintenance of ATMs, cost savings are achieved and tend-users can continue to access cash.	 Initiatives such as BankID (Norway) and Giro pay ID (Germany) increase user convenience by allowing digital authentication.	 Domestic banks in Belgium joined forces to offer merchants and consumers additional choice in mobile payment solutions via Bancontact Payconiq.	 Joyn (Belgium and the Netherlands) provides a common, digital loyalty card for all kinds of companies and is widely adopted by clients for its convenience.	 The Nordic KYC utility reduces the complexity and repetition of the KYC process and shortens onboarding time.	 Penz7 boosts financial awareness in youngsters, so they feel more comfortable engaging with financial products.

## Additional qualitative benefits:



Mutual learning effect from collaborating



Increase lobbying power with the regulator

\*A collaboration can qualify for multiple drivers; this concerns the ecosystems without banking associations.

# Founded in 1978 as a local payment scheme, Bancontact reinvented itself as a mobile payment solution provider



**Nathalie Vandepuete**  
CEO Bancontact Payconiq



**Bancontact  
Payconiq**  
Company

Name:	Bancontact Payconiq Company
Location:	Brussels, Belgium
Founded:	1978, merged in 2018 with Payconiq
Employees:	~40
Ownership:	Belfius, BNP Paribas Fortis, ING, KBC and AXA bank
Scope:	Electronic and mobile payments

**Nathalie Vandepuete has been the CEO of Bancontact Payconiq since 2018. She has focused on accelerating the adoption of mobile payments in Belgium and beyond.**

Bancontact Payconiq (BPC) was formed through the merger of two distinct companies in 2018, right before Nathalie was appointed as CEO.

Bancontact was founded in 1978 by three banks to set up payment infrastructure and implement the Bancontact local payment scheme. At that time, another interbank collaboration, Mister Cash, operated in Belgium too. In 1989, these initiatives were merged under the Banksys umbrella, part of which was later sold to Worldline. The year 2006 proved pivotal for Bancontact. Belgian banks intended to retire Bancontact and adopt the international Maestro/Mastercard scheme. However, this led to protests by Belgian merchants, who anticipated higher costs. In the end, Bancontact was retained in Belgium.

Founded by ING in 2015, Payconiq began in the city of Leuven as a payment application based on SEPA Credit Transfer. KBC rapidly joined and within a couple of years the venture had attracted other banks.

Today, five banks are the shareholders of Bancontact Payconiq: KBC, ING, BNP Paribas Fortis, Belfius and AXA Bank Belgium.

For Nathalie, the main reason for BPC's success over the years is the fact that collaboration creates a domestic competitive advantage. "Having a domestic payment infrastructure is extremely important for a country's economy," she says. "It provides a win-win situation. Local merchants can benefit from lower transaction fees due to the lower supplier power domestic banks have compared to big international players, while domestic banks can reap additional revenues by providing these services to merchants."

When asked about the impact of COVID-19 on BPC's operations and results, Nathalie sees both positives and negatives. "Payconiq by Bancontact application downloads increased significantly, as did contactless payments with the Bancontact card," she says.

"Contactless card payments saw a step-change increase in total Bancontact payment volumes in shops from 16% in February to 37% in September. More qualitatively, BPC was featured positively in the press during the COVID-19 crisis as a means of safe, contactless payment."



**Bancontact  
Payconiq**  
Company

“Interbank ecosystems can lead to cost efficiencies across most cost items, as some of these are non-competitive, non-strategic or non-commercial in nature.”

“On the negative side, COVID-19 had a big impact on total ATM withdrawal transactions. The total amount decreased significantly in April and May 2020. Point-of-sales transactions also decreased sharply, as shops were closed for a prolonged period of time.” Nathalie summarises her views on the COVID-19 impact: “In the long run, COVID-19 will be seen as a gift in terms of consumer behaviour and client adoption of a digital and cashless society.”

For the future, BPC will focus on growth. The CEO aims for higher adoption of mobile payments in Belgium, benefitting from the proliferation of P2P payments and the surge of e-commerce, while also improving the in-store customer experience for contactless mobile payments. BPC will work to establish partnerships with other companies, offering additional services within the Bancontact Payconiq app: meal vouchers, car parking spots, loyalty cards, public transport tickets, etc.

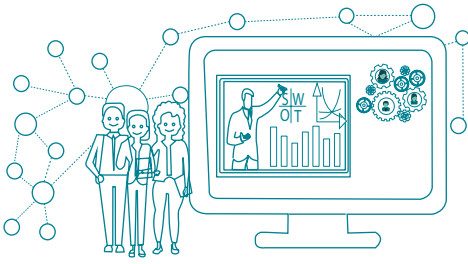
What about growth opportunities abroad?

“Interoperability still remains the biggest challenge to grow across country borders,” Nathalie says. “There are several ongoing initiatives which might help support this – EMPSA and EPI, for example. And there is a big chance of seeing one of them being implemented. Having multiple initiatives is better than having none.”

Regarding the future of interbank ecosystems, Nathalie confirms, “I am sure they will continue to surge in number. Within all banks, there is pressure on costs given the low-interest-rate environment. Interbank ecosystems can lead to cost efficiencies, even for large cost items, as some of these are non-competitive, non-strategic or non-commercial in nature.”

Nathalie cites ATMs, fraud and Know Your Customer (KYC) as the main growth domains for interbank ecosystems.





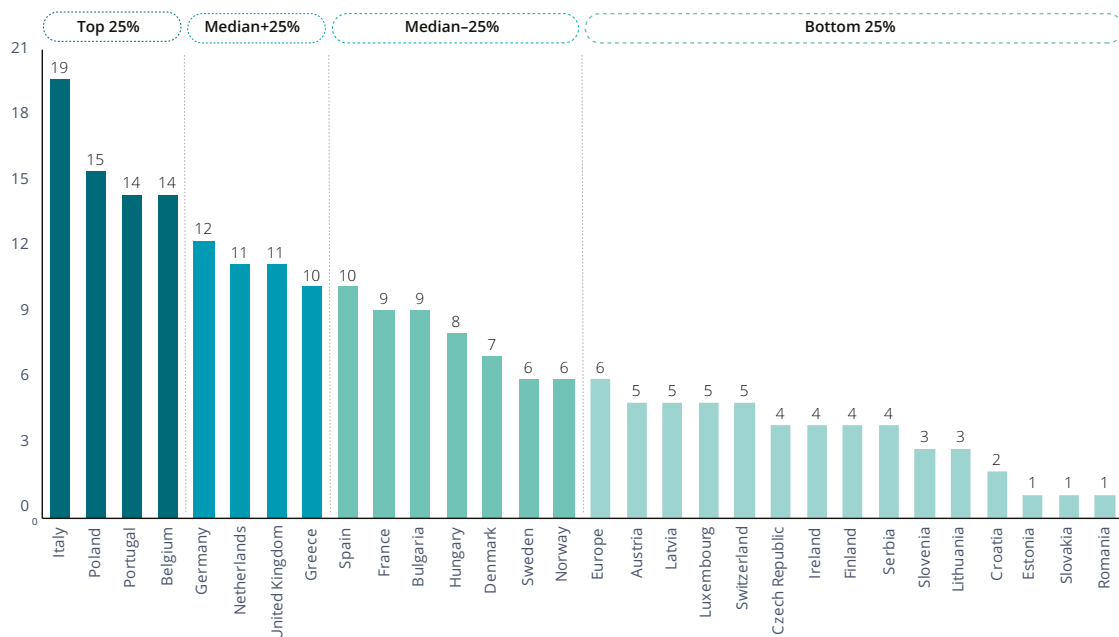
## 4. Country benchmark

We analysed the differences in interbank traditions across 30 European countries. Italy, Poland, Portugal and Belgium lead when it comes to the number of interbank initiatives. These four account for 30% of all active European interbank ecosystems.

The division between Western Europe and Central and Eastern Europe (caused by the Iron Curtain) is still visible in the evolution of interbank ecosystems.

Very few local initiatives manage to scale to a European level. Local replication of initiatives is the norm, often driven by local legislation or local interpretations of European legislation. However, we have recently observed a more proactive stance by European regulatory bodies to promote Europe-wide ecosystems.

Italy, Poland, Portugal and Belgium are the top countries in number of interbank ecosystems. These countries hold 30% of all ecosystem










**Remark:** sum of initiatives of all countries (214) is bigger than the previously reported 205, as some initiatives are active in several countries at once, and were, as such, duplicated (e.g. P27, which exists in Denmark, Norway, Sweden and Finland)

Significant differences exist in the number and types of interbank ecosystems in Europe.

The comprehensive explanation for these differences is complex, but the most important drivers are:

- **Cost/income ratio** of a country's banks. Depending on the pressure banks experience, they can be more or less inclined to collaborate to curb costs.
- **Regulatory pressure.** The more regulatory pressure, the more appetite for collaboration.
- **Proactivity level of the banking federation** in the country, to drive collaboration efforts.
- **Level of innovation.** The more innovative the sector, the more collaboration.
- **Other reasons** include relative importance of the banking sector vs. other sectors in the country, tax incentives (e.g. Italy in the past), population size, country attractiveness for foreign investments, level of trust within the sector, etc.

Most interbank ecosystems remain local, while only 12 ecosystems with a European scale (or beyond) have been identified

	Local platform Local rules	Local platform European rules	European platform European rules
Description	Most initiatives identified since 1960 started on a local level and remain within borders. This is because most adhere to local legislation, limiting their opportunity to scale.	Exceptionally, these initiatives follow European rules while limited in their implementation to country borders. The driving force behind them is the European Commission, which actively pushes to increase the number of EU-wide initiatives.	Only a limited number of interbank ecosystems have been able to scale to a European level (or beyond). Since 1960, solely 12 such initiatives have arisen, clearly showing the lack of EU-wide initiatives.
Market foothold	<b>Nr. initiatives: 157</b> Across all domains	<b>Nr. initiatives: 36</b> Mostly in the domains of VAS (e-invoicing), compliance and digital identity	<b>Nr. initiatives: 12</b> Active in (mobile) payments and cash, financial markets and securities, open banking
Examples	 <p>The <b>Central Credit Register (CR)</b> is a database held by the Bank of Italy together with Italian banks on household and firm debt to the financial system. There is no incentive to collect cross-border credit information.</p>  <p><b>DIAΣ</b>, the Greek umbrella corporation housing multiple initiatives, focuses its solutions on satisfying local needs, making it unnecessary to increase its cross-border operations.</p>	 <p><b>E-faktura</b> is an electronic invoice system integrated with online banking channels. The platform currently operates only in Bulgaria, but the <b>Pan-European Public Procurement Online (PEPPOL)</b> protocol boosts its potential to cross borders.</p>  <p>Dutch banks are implementing a shared <b>AML-transaction monitoring facility</b>. Though the operations are guided by a European directive, implementation remains local.</p>	 <p>The frontrunners are <b>Euroclear and Swift</b>. The two Belgian initiatives started early, in Wave 1, and have reached global scale.</p>   <p>More recently the <b>European Payment Initiative (EPI)</b>, a collaboration between 16 banks and the European Commission, has started working towards a unified European mobile payments scheme.</p>

# Overview for Belgium



## Overview of current ecosystems

**Ranks #3**  (tied) in number of active interbank ecosystems,  
with a total of **14 initiatives**  in **6 domains:** 



### Financial markets & securities



CENTRE FOR  
EXCHANGE  
AND CLEARING



### Payments & cash

isabel

EUROPAY  
International

Jofico

batopin

Bancontact



### Identity

Belgian Mobile ID



### Compliance

kube



### Value-added services

joyn

zoomit



### Mobile payments

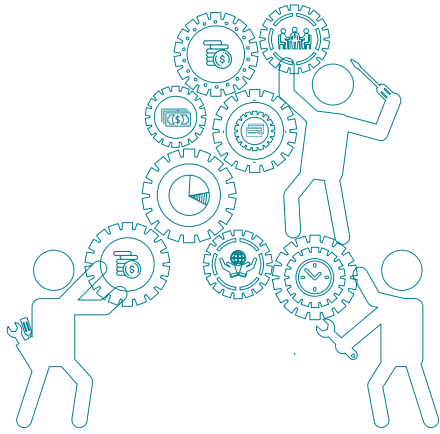
payconiq



### Other



ACADEMY



## 5. Setting up an interbank ecosystem

The typical set-up process of an interbank collaboration ecosystem requires three distinct stages. However, the road to success is usually long and uncertain.

### What makes interbank ecosystems successful?

Having a strong, bulletproof business case is not the only prerequisite for launching a successful interbank ecosystem.

Four key traits can be identified across the interbank ecosystems that successfully completed the set-up process.

Such initiatives distinguish themselves by managing the complex stakeholder structure of multiple corporate parents particularly well.

The interdependence of bank IT systems is often a roadblock. Another major challenge is synchronising IT release calendars.

Many attempts to create interbank ecosystems fail; successful ecosystems have four traits in common





# Isabel Group houses multiple interbank ecosystems and as such, has unique insights into their drivers for success



**Jean de Crane**  
CEO Isabel Group

isabel

Name:	Isabel Group
Location:	Brussels, Belgium
Founded:	1995
Employees:	+300 employees
Ownership:	KBC, BNP Paribas Fortis, Belfius and ING
Scope:	Multibanking, E-invoicing and accounting, KYC, Open banking and digital signature

## Jean de Crane has been CEO of Isabel Group for the past three-and-a-half years.

Belgium's oldest fintech company, Isabel Group was founded in 1995 by Belgium's four major banks (KBC, ING, BNP Paribas Fortis and Belfius) with each holding a quarter of the shares.

The first product Isabel launched was a B2B multi-banking platform that allowed companies to connect with all the different banks they have accounts at. At the time, there were no competitors, as digitisation was still limited. Clearly, Isabel was a pioneer with an innovative product ahead of its time.

Over time, Isabel Group has become a multipurpose ecosystem. It is a utility for interbank activities, housing a wide range of B2B solutions. For example, Isabel 6 provides access to accounts at 26 Belgian banks. Zoomit, an electronic bill payment system on various mobile and online banking platforms, also allows users to also consult payslips, credit card statements, and more. Kube helps banks pool data to vet and validate businesses, speeding up the KYC onboarding.

Jean explains the rationale: "The banking sector has spawned a series of ventures to address merchant and citizen solutions, such as Bancontact Payconiq and itsme. For B2B, we aim to provide a hassle-free experience for the customer by regrouping a vast range of B2B platforms and ecosystems under the same roof."

In addition, Isabel Group hosts autonomous and more commercial activities. Codabox, for instance, provides digitalisation of data flows to the accountancy sector.

Clearfacts is a digital collaborative platform between accounting firms and their clients. Signhere and Trulius are signing and business identification solutions. Ponto and Ibanity XS2A are API-based AISP/PISP services.

Jean explains this two-part structure: "As time goes by, some activities developed on an interbank basis are evolving towards the commercial space. We needed to develop a specific governance model guaranteeing the autonomous development of those different activities, but also allowing cross-pollination and co-development in the interest of the customers."

To help manage these interconnections, Isabel Group has implemented multiple steering boards. One is a global board of directors to manage the overall company. Dedicated steering committees drive co-creation initiatives. A separate legal board addresses legal matters. And a security governance board tackles market-related security.

“Communicate in a timely way to the market, so that the banks are committed to bring the project to a success.”

## isabel

According to Jean, the biggest challenge facing Isabel Group remains balancing its activities as an independent service provider to the market with its work as an interbank collaborative platform in a disrupted market space.

Having to manage several interbank initiatives at once, Jean has a unique insight into what makes them thrive. “Firstly and most importantly, is the alignment of all players to a common objective. It can be related to reducing costs, solving a common pain point or addressing a lack of scale.” Common alignment also means a common commitment to implementing the solution within the roadmaps of all participating banks. “All banks have to pull the same rope,” as he puts it.

“Secondly, you should also be aware of the lifecycle of the solution you are running. This can go both ways. When Isabel Group launched Zoomit in 2007, there was nothing else yet on the market. If you wanted to launch such an initiative today, banks would be able to look at alternatives or consider this as a competitive space, making it more difficult to collaborate. On the other hand, some initiatives have a finite lifespan. Take Proton, which was deemed irrelevant when transaction costs for Bancontact were lowered.”

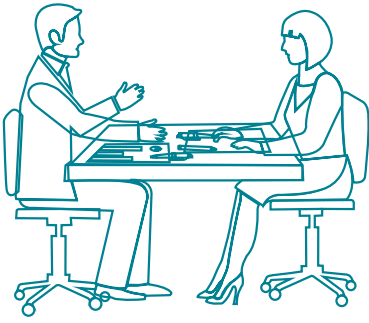
Thirdly, he says, be patient. “It takes a while to identify mutual objectives and benefits across multiple banks. You need to involve all stakeholders to define the common value-add.

By achieving intermediate milestones and even minor successes, you are able to make progress. Somewhere down the line, you will pass a point of no return. After that, everybody will be able to leverage the power of collaboration, where success is the only way forward.”

When asked if Isabel Group could host additional interbank ecosystems in the future, Jean answers positively. “Opportunities lie in working together to address AML and fraud detection challenges, both on KYC or KYT, similar to TMNL in the Netherlands. Isabel is currently not a European player.”

Jean sees international standards as the driver to scale on a European level. “These are popping up, such as SEPA, PSD2, eIDAS or Peppol, to name a few. Coda, for instance, the domestic standard on which many systems have been built over the past decade, now makes it more difficult to scale in Europe and will have to evolve to European standards. However, this knife cuts both ways. It also makes entering the Belgian market more difficult for foreign players.”

Nevertheless, Jean also sees opportunities to expand abroad. “Working with different customers across Europe can introduce opportunities in more competitive spaces such as open banking.” He is positive about the future of interbank ecosystems. “We also see collaborations with non-banking players as key in the coming years.”



## 6. The role of banking associations and public authorities

In the 30 European countries studied, 69 banking associations – the oldest founded in 1905 – were identified, representing the financial sector both on European and national levels.

We interviewed participants from eight banking associations across Europe to get more insights into their roles in the creation of interbank ecosystems.

Public authorities are also increasingly taking part in interbank ecosystems. This participation is both direct and indirect, and occurs in more than 30% of the initiatives identified in this study.

### We identified 69 associations that represent the financial sector at European and national levels

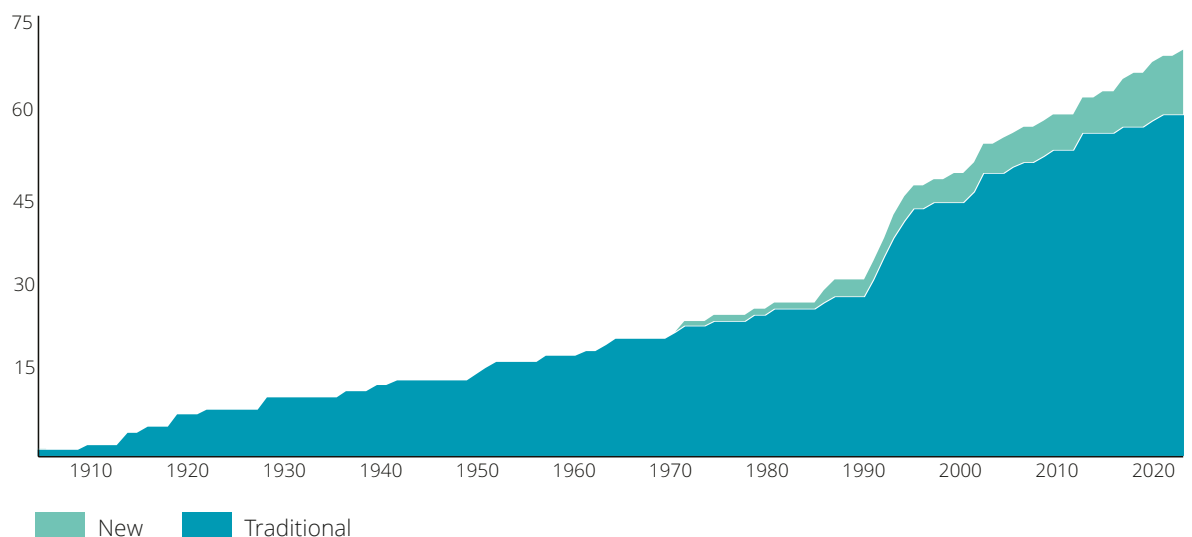
By the early 1900s banks were joining forces to represent the banking sector and lobby governments and regulators.

Several trends can be observed across Europe:

- 1905: The first banking associations appear in the Nordics: Denmark (1905), Sweden (1910) Norway and Finland (1914).
- 1960: European associations start bringing together national banking associations from more than 45 countries (e.g. EBF in 1960).
- 1989: Acceleration in Eastern Europe after the fall of the Iron Curtain.
- Several associations merge, causing a boom in banking associations across Europe (e.g. launch of Febelfin in 2003 as a continuation of the Belgische Vereniging van Banken).
- 2015: New associations emerge to represent innovation & fintech. They are initiated by banks, fintechs or interbank associations themselves (e.g. FPAI in Ireland).




#### Cumulative number of banking associations

1900-2020, Europe



# Banking associations have recently started playing a more active role in setting up interbank ecosystems

## The role of banking associations in interbank ecosystems

	 <b>Initiate</b>	 <b>Contribute</b>	 <b>Promote</b>
Description	Proactively stimulate interbanking collaborations by driving and coordinating shared member initiatives	Actively support initiatives taken by member banks, e.g. by coordinating a feasibility study	Facilitate interaction between banks (and other players) to foster consensus
Examples	NVB (The Netherlands) initiated and coordinated the launch of Transaction Monitoring Netherlands (TMNL) in the collective fight against money laundering and the financing of terrorism.	ABBL (Luxembourg) has conducted surveys of members on potential mutualisation of functions, such as open banking, PSD2, etc. Febelfin (Belgium) coordinated a study regarding ATM optimisation in 2017.	CBA (Czech Republic) plays an important role in the positioning and representation of its members in negotiations with third parties.

# We conducted interviews with leading bank associations to get insights on their roles in interbank ecosystems



**Floris Mreijen**  
Deputy Managing Director NVB

## **The Netherlands**

The Netherlands is traditionally characterised by a cooperative culture in which sectors rely on a high degree of self-regulation. As a result, interbank collaborations are relatively common and have tended to be successful.

NVB aims to act as an independent driver and coordinator of shared bank initiatives. Recent examples include Banking Code, which stipulates sector self-regulation, and a shared transaction monitoring function, TMNL. NVB possesses the capabilities to successfully lead such projects.

Towards the future we expect more back-end initiatives such as TMNL. Banks face increased competition and will need to realise strong efficiency improvements in their operations.



**Yves Maas**  
CEO ABBL

## **Luxembourg**

Several interbank collaborations have been developed in Luxembourg, such as LuxTrust, for electronic identity management and trust services, and LUXHUB, an open banking platform.

ABBL actively facilitates the interaction, bringing together banks with fintechs, and supports the collaboration process to bring projects to fruition. An example is LUXHUB, where the ABBL conducted a detailed study of the mutualisation potential around PSD2 and other payment-related topics, leading to interbank cooperation to create the platform.

Interbank collaborations are expected to become increasingly important, particularly in the areas of compliance and cybersecurity.



**Monika Zahálková**  
Executive director CBA

## **Czech republic**

In the past few years, interbank collaboration has become an important element in the Czech Republic for the proper positioning of banks in negotiations with third parties, such as public authorities or other professional associations.

The banking association does not see a pressing need to push further down that road, since there are natural and legislative limits, consisting of the imperative obligation to protect the competitive market environment.

Recently, Czech authorities and banks have been cooperating on the design and implementation of various Covid-19 related relief measures, such as statutory public moratoria and loan guarantees. In those discussions, banks were represented by the Czech Banking Association.

# Public authorities are gradually playing a more prominent role in the interbank landscape, mainly in Central and Eastern Europe

## The role of the government and the regulator

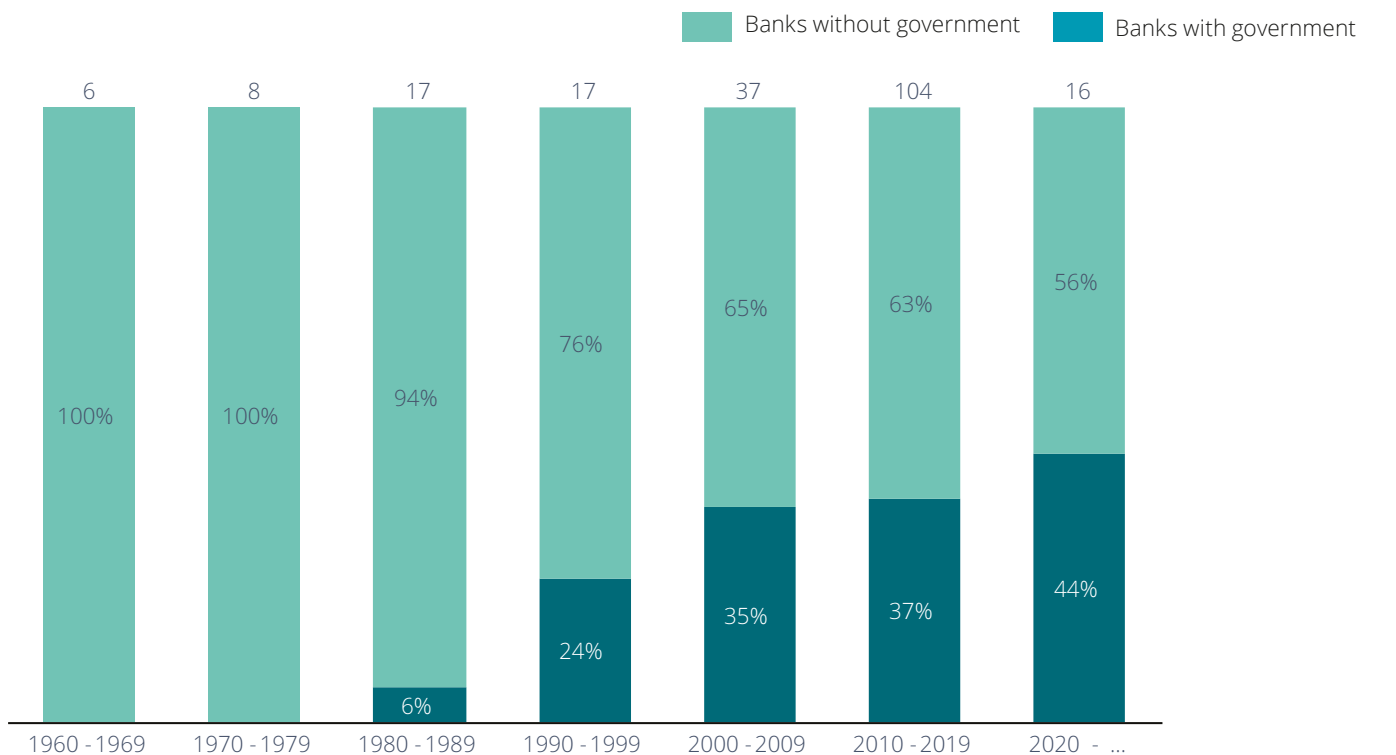
Governments play an important role in the interbank landscape: about one-third of all initiatives analysed received direct or indirect government support or backing. Governments started to be more actively involved in interbank ecosystems in the 90s, mainly driven by Central and Eastern Europe, and by payments and cash, identity, and credit domains.

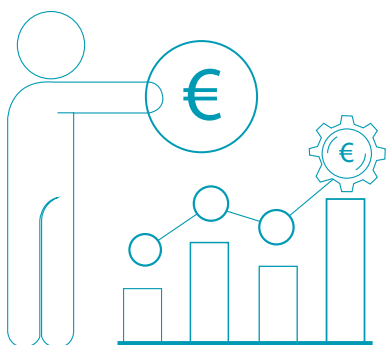
The government can play an indirect role by publishing new regulations or adapting existing legislation. Examples of regulation-driven collaboration include the Anti Money Laundering Centre in the Netherlands, LUXHUB (open banking) in Luxembourg, and regulations for cash transport.

Governments can take an active, direct role through government bodies. They can also provide business incentives, such as a commitment to implement a new solution for government services, or the provision of subsidies to build and roll out the solution. Examples can be found in the areas of identity services (itsme in Belgium), starting an enterprise (Start in Croatia), payments (GiroPay in Germany, PagoPA in Italy) or credits (SISBON in Slovenia).

## Percentage of government involvement

1960-2020, active collaborations, Europe





## 7. Conclusions and future outlook

Over the past 60 years the driving forces to establish interbank ecosystems have shifted significantly, from economies of scale to regulatory pressure to revenue generation.

Looking ahead, we anticipate a strong push by Bigtech in financial services and continued pressures from regulation, digital transformation and cost control. In this context, a continued growth of ecosystems is expected, mainly in 5 domains: financial crime, sustainability, financial and digital inclusion, data hubs and beyond banking services.

There is a thin line in the heads of bank CEO's between the visionary necessity for collaboration and the innate urge to compete. Many interbank collaboration initiatives fail to see the light, sometimes after substantial investments. The ones that are successful, however, often take years to be established. In the transformative context of the banking sector, with Bigtech quickly moving into the most attractive parts of the value chain, banks don't have the luxury any more to spend years to define and implement how to collaborate.

By joining forces, opening up to other sectors and to public authorities, banks can continue to build credible ecosystems that will make them prosper and benefit their clients and society.





## 1. Further growth interbank ecosystems

Over the past 60 years the driving forces to establish interbank ecosystems have shifted significantly, from economies of scale to regulatory pressure to revenue generation.

Very few ecosystems have been stopped (exceptions include PattiChiari in Italy, Laser in Ireland or Proton in Belgium).

Looking ahead, we anticipate a strong push by Bigtech in financial services and continued pressures from regulation, digital transformation and cost control. In this context, a continued growth of ecosystems is expected, mainly in following domains.

### Expected areas of growth

<b>Financial Crime</b> 	<ul style="list-style-type: none"> <li>There is still significant untapped potential for fraud and anti-money laundering initiatives, given the increased focus of regulators on these areas, as well as the high cost of failure in adhering to these regulations.</li> </ul>
<b>Sustainability</b> 	<ul style="list-style-type: none"> <li>Sustainability remains high on the agenda for society as a whole, and permeates in all banking processes, presenting new requirements for banks.</li> <li>Some of these requirements can be tackled more easily by collaborating (e.g. central database on EPC certificates to depict a house's energy consumption).</li> </ul>
<b>Cybersecurity and Identity</b> 	<ul style="list-style-type: none"> <li>Collaboration in the field of cybersecurity – linked to identity – is expected to grow, a.o. due to COVID.</li> <li>Example: Confiban: confirm the IBAN number of SME's.</li> </ul>
<b>Administrative simplification</b> 	<ul style="list-style-type: none"> <li>Collaboration between notaries, banks and governments to simplify administration for individuals and businesses.</li> <li>Example: start upDigital shareholder register, UBO.</li> </ul>
<b>Financial and digital inclusion</b> 	<ul style="list-style-type: none"> <li>The financial and digital inclusion domains remain largely untouched, with less than 2% of the initiatives identified accounting for this category. Often, specific needs (and small client numbers) must be met.</li> <li>Examples: leveraging technologies such as AI to provide speech recognition and digital assistants to improve financial inclusion and decision-making, or easy-to-use applications for people with poor eyesight.</li> </ul>
<b>Data hubs</b> 	<ul style="list-style-type: none"> <li>To defend banks' existing client relationships against new rivals entering the banking landscape, non-financial data must be integrated in banking services.</li> <li>The objective is the collection, centralisation and sharing of non-banking data across multiple institutions (e.g. by capturing data via IoT).</li> </ul>
<b>Beyond banking services</b> 	<ul style="list-style-type: none"> <li>Beyond banking initiatives (e.g. mobility, entertainment,...) are today seen as a competitive space.</li> <li>In the future, white-label variants of certain services could be developed to keep up with competition (e.g. by a consortium of tier 2 banks).</li> </ul>
<b>Payments &amp; Cash</b> 	<ul style="list-style-type: none"> <li>Payments &amp; cash (management) will remain a very important domain for future interbank collaborations.</li> <li>Example: mutual procurement of cash-in-transit services (cash-as-a-service).</li> </ul>





## 2. Rise of multipurpose vehicles

The scope of interbank ecosystems has expanded considerably over the last decades to span multiple domains today: payments and cash, credits, compliance, beyond banking, etc. Often, separate vehicles were created for each of the ecosystems.

In the future, we believe consolidation is likely to happen, by clustering or M&A acquisitions. Existing interbank ecosystems will start operating in multiple domains and hence housing several distinct initiatives under one consolidated roof.

The merger of the payment and identity services Vipps, BankID and BankAxept in Norway is one of the first examples towards emerging multipurpose vehicles clustering multi-domain initiatives.



## 3. European scaling

So far, ecosystems have rarely been able to scale to a European (or global) level. We.trade (2017) is one of the few recent examples.

In the next years, ecosystems at European level will probably become more common. At one hand, we notice a more active attitude by the European institutions, driven by geo-strategic reasons, esp. in the payments area.

At the other hand, European scaling is also expected in existing utilities facing falling demand. Today, cash demand has already significantly decreased compared to several years ago, leading to the joint organisation of ATM networks. Within the next five-to-ten years, demand for cash will continue to drop, forcing banks to collaborate on an even higher level to cover costs. Further consolidation of ATM networks could be the answer to keep cash available to all.



## 4. Acceleration in mixed ecosystems

Over the last years, we witnessed the emergence of mixed ecosystems, involving players from different industries. Examples include Alastria in Spain, Solus in the Czech Republic, Viamo in Slovakia, etc.

As beyond banking continues to blur the lines between industries, this trend will further accelerate, esp. in industries like media, telecom, accountancy, retail shopping, etc.

We also believe public authorities will play an even more active role.



## 8. Appendix

- A. Methodology & sources
- B. Contributors
- C. Authors



# Methodology & sources

## Scope of collaborations

In this analysis, more than 200 collaborations across Europe were identified. Interbank initiatives were categorised into 10 domains. For inclusion in the study, a collaboration had to have been launched after 1960, still be active, and involve three-or-more banks. This could mean the creation of a joint venture (with shares held by the founding companies, e.g. Bancontact Payconiq). Or it could include a partnership between banks based on specific agreements (e.g. to use a specific protocol for interbank transactions, or to share customer credit history).

In addition, banking associations were also included in the study, whether created by banks or other financial services institutions (e.g. fintechs).

A specific category of interbank ecosystems was excluded from this study, despite meeting the above criteria. These collaborations are initiatives in which banks collaborate with governments to steer funds to end-customers. They include pension payments, pay-out of subsidies for loans, credit lines to grant loans, allowance schemes (e.g. for young families), incentive schemes, state guarantees for loans, lending programmes (e.g. student loans), etc.

Data was gathered through both desk research and input directly from individual countries within the scope of this study.

If you have suggestions for additional ecosystems or associations for inclusion in future updates, or have comments on the content, please send an email to Kasper Peters ([kapeters@deloitte.com](mailto:kapeters@deloitte.com)).



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