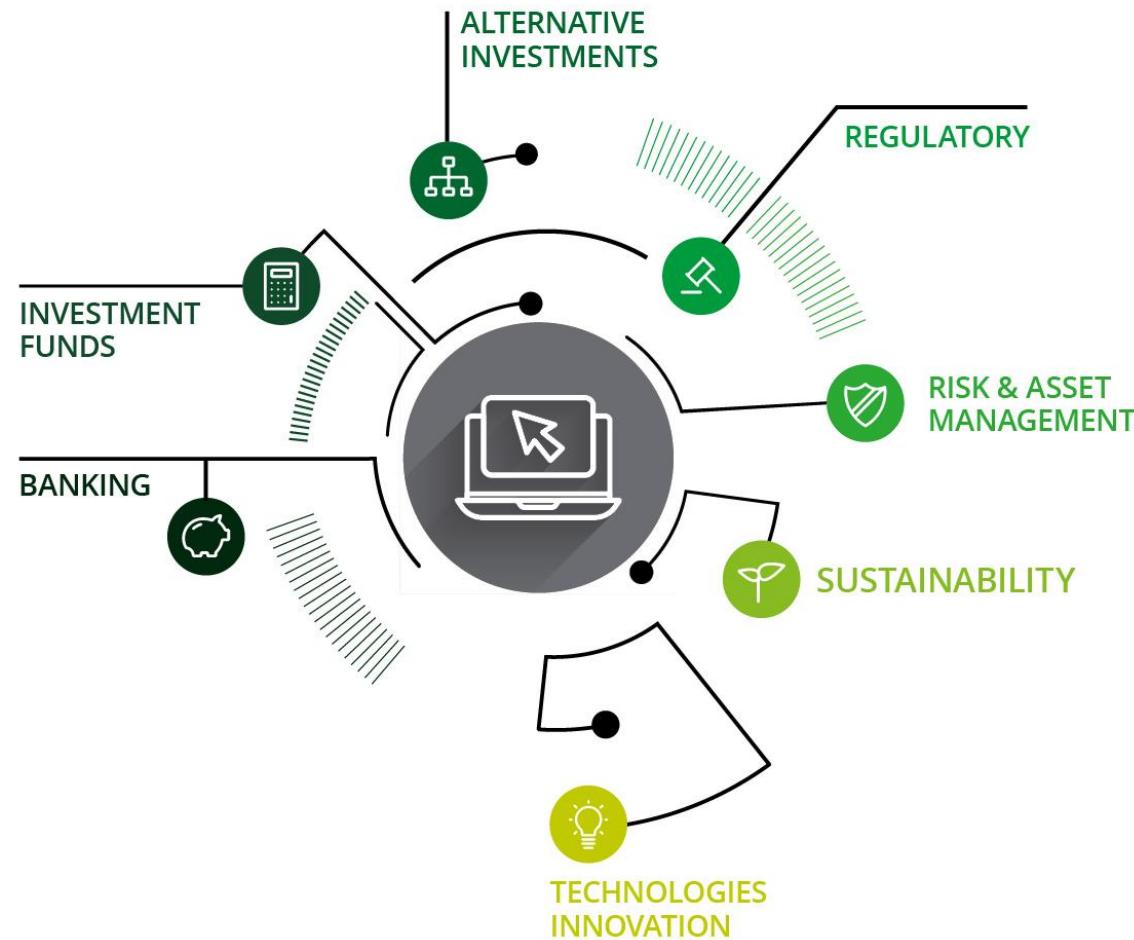


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Banking | FIDA

Link'n Learn – 14 May 2025

Getting started

Here with you today



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- Banking strategy
- Banking benchmark
- Target operating model
- Open banking
- FIDA

Agenda

- 1 Introduction
- 2 Deep dive on FIDA
- 3 Challenges, opportunities and impact
- 4 Conclusion

NOTE FOR THE READER

- *The objective of this document is to present high-level information for awareness purposes*
- *All information included in this document is subject to changes and updates*
- *Proposals of regulatory framework are not finalized yet, so changes may still occur*
- *This presentation and information shared during the session cannot be considered as Deloitte advice*
- *Feel free to reach out to the contact persons mentioned for more information about those topics*

1. Introduction

The objective of this session is to discuss about open finance and present FIDA including challenges, opportunities and impacts

CONTEXT



- The European Commission published a regulatory proposal for the Financial Data Access (FIDA) regulation
- The European Council reached an agreement on a text in December 2024
- Trilogue discussions started in April 2025 with the EU Parliament, Commission and Council

The main goals of FIDA are to:

- Adapt EU financial sector to the digital era
- Foster innovation in the financial industry
- Improve customer protection and competitiveness of the financial system

OBJECTIVES

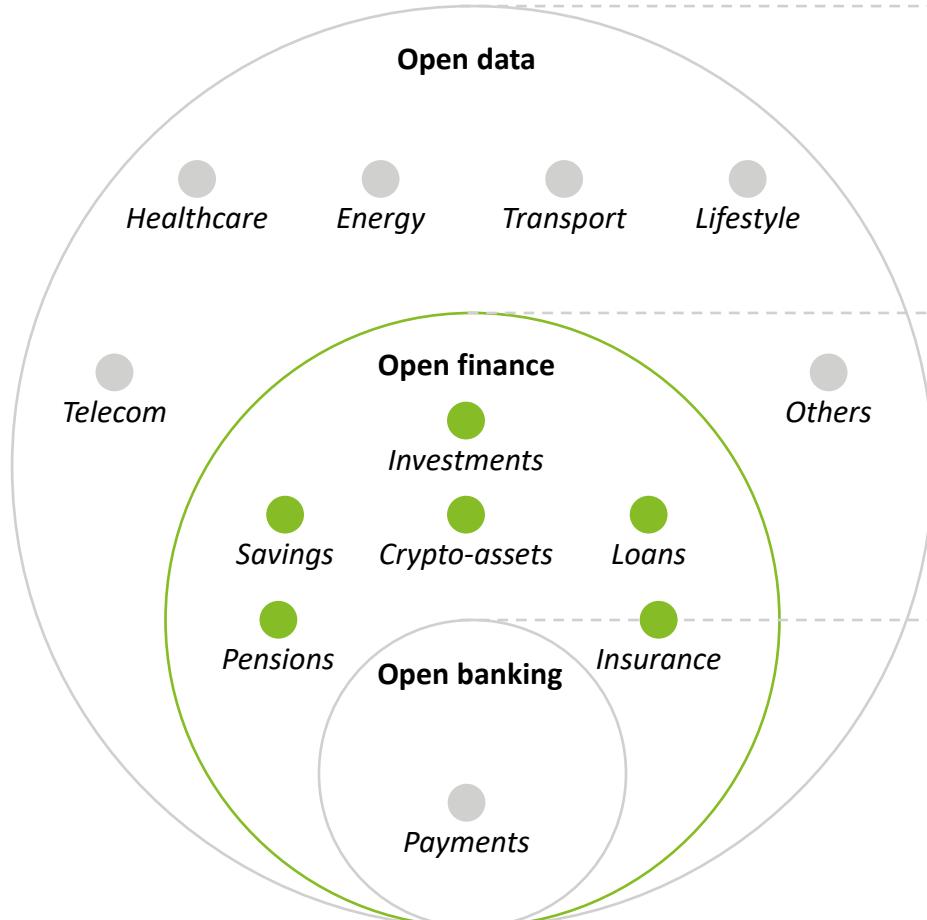


- Present open finance focusing on **FIDA**
- Discuss challenges, opportunities and impacts

Potential changes may occur depending on the outcome of trilogue discussions at EU level (in terms of scope and timeline)

2. Deep dive on FIDA

Under FIDA, the financial sector enters a new era with increased using and sharing of data that opens-up a wide range of opportunities for all actors across industries



Open economy – potential future framework to come

- **Objective:** regulations like the EU data act aim to promote fair data access and use across sectors
- **Data in scope:** other non-financial data
- **Data holders:** businesses
- **Data users:** governments, businesses

Open finance - Financial Data Access (FIDA) - **focus of this presentation**

- **Objective:** FIDA enables third-party data users to access a wider range of customer data
- **Data in scope:** loans, savings account, non-life insurance products, investments, crypto-assets, other
- **Data holders:** banks, payment institutions, insurance companies, investment management firms, other
- **Data users:** authorized data users (FISP)

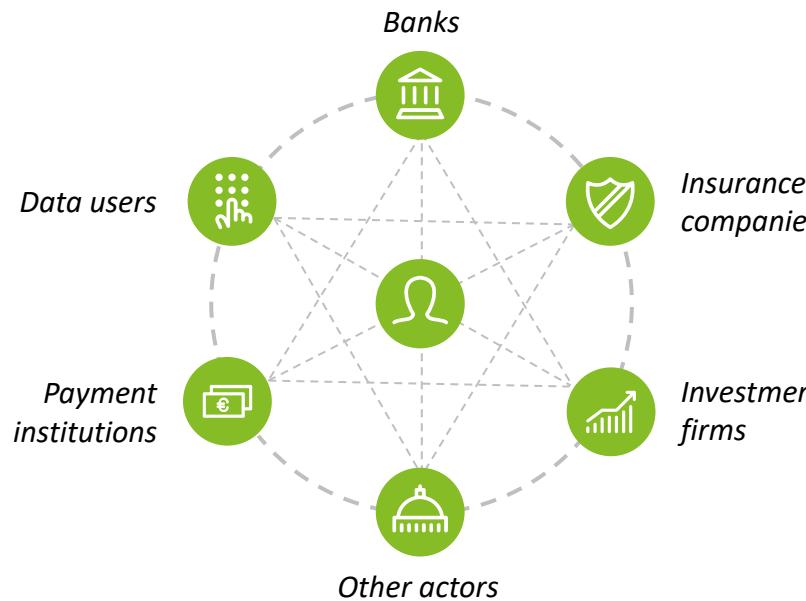
Open banking - Payment Service Directive (PSD)

- **Objective:** PSD2/PSD3 opened-up banking/payment data to third-party service providers
- **Data in scope:** payment accounts
- **Data holders:** banks, payments institutions
- **Data users:** third party providers (PISP/AISP)

FIDA aims to promote digital transformation and speed up adoption of data-driven business models in the financial sector

Context

- **FIDA (Financial Data Access)** is a regulation proposal published by the European Commission in June 2023, **expected to enter into force in 2025 (TBD)**
- FIDA expands open finance by **extending data access across industries and enabling authorized third parties to access customer data**



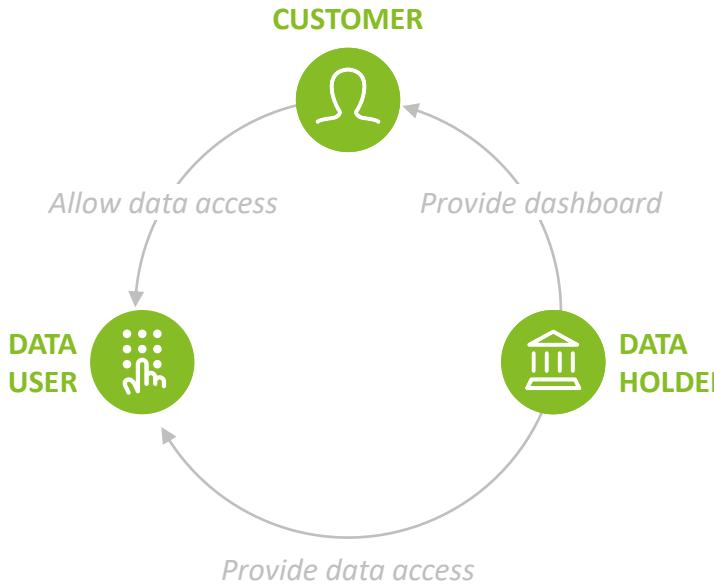
Objectives of FIDA

-  Empower customers with greater control over their financial data
-  Increase competition, innovation and transparency in the financial sector
-  Promote digital transformation in the EU financial sector
-  Ensure that financial data is shared in a safe manner
-  Enable customers to access innovative financial products and services
-  Foster collaboration among financial institutions and third-party providers
-  Establish a robust and harmonized regulatory framework for data access and sharing



Three main categories of actors are impacted by FIDA: data holder, data users and customers

Simplified overview of actors and interactions



Data holders will have to share customer data upon customer permission granted

Key actors



Data holder *e.g. banks, insurance companies, investment management firms, etc.*

- Financial institutions that collect, store and process customer data



Data user *e.g. fintechs, financial institutions, etc.*

- Entities with lawful access to customer data
- FISP (Financial Information Service Provider): entity authorized as data user to access customer data



Customer *e.g. individuals, businesses*

- Natural or legal person who makes use of financial products and services
- Policyholders for insurance (excluding third-party beneficiaries)



FIDA will impact most actors across the financial industry including banks, investment firms, insurance companies and payment institutions

Simplified overview of actors and interactions



FIDA applies in all EU Member States, institutions can act as both data holder and data user

Note: Some entities fulfilling certain criteria (e.g. limited size, <15 employees) would fall out of scope

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Source: Deloitte analysis 2025, based on current propositions and subject to potential future changes

Category	Entities in scope
 Banking	<ul style="list-style-type: none"> Credit institutions
 Investment Management	<ul style="list-style-type: none"> Investment firms Managers of alternative investment funds Management companies of UCITS
 Insurance	<ul style="list-style-type: none"> Insurance undertakings Insurance intermediaries and ancillary insurance intermediaries
 Payment	<ul style="list-style-type: none"> Payment institutions Electronic money institutions Operators of payment schemes
 Others	<ul style="list-style-type: none"> Crypto-asset service providers Issuers of asset-referenced tokens Institutions for occupational retirement provision Crowdfunding service providers Pan-European Personal Pension Product (PEPP) providers Financial Information Service Providers (FISP) Credit rating agencies



Data in scope of FIDA includes information about accounts, savings, credit agreements, investments, pensions, insurance and more

Simplified overview of actors and interactions



Vast and broad data scope mentioned in FIDA expected to be specified (via RTS, schemes, etc.)

Category	Data in scope	Data out of scope
 Banking	<ul style="list-style-type: none"> • Accounts (incl. balance and transactions) • Savings (incl. term deposits, structured deposits, savings account) • Credit agreements (incl. terms of credit agreements) • Creditworthiness assessment of a firm¹ 	<ul style="list-style-type: none"> • Creditworthiness assessment/credit score of a consumer
 Investment	<ul style="list-style-type: none"> • Investments in financial instruments • Suitability / appropriateness input data • Customer sustainability preferences • Crypto-assets • Insurance-based investment products 	-
 Insurance	<ul style="list-style-type: none"> • Motor insurance • Non-life insurance products • Personal pension products • Insurance based individual pension products 	<ul style="list-style-type: none"> • Life-insurance products • Sickness and health insurance products
 Payment	N/A	<ul style="list-style-type: none"> • Payment accounts (covered in PSD2, PSD3 and PSR)

1. Data collected in the creditworthiness assessment including financial statements and projections, information on financial liabilities and guarantees, ownership and insurance of collateral

3. Challenges, opportunities and impacts

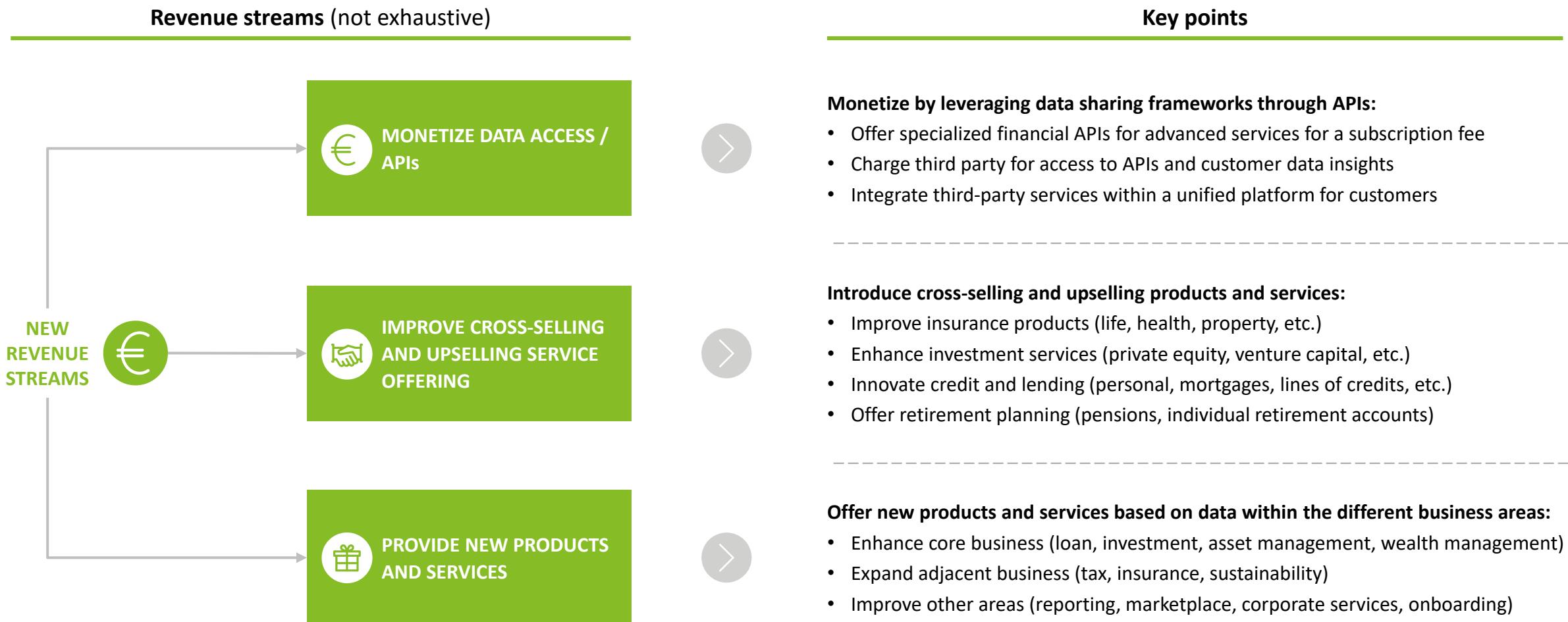
FIDA poses challenges to data holders from various angles with complex implementation foreseen

Categories	Challenges
 COMPLEX IMPLEMENTATION	<ul style="list-style-type: none"> • Challenging implementation timeframe • Broad data scope with highly heterogeneous data • High cost and investments • Complex implementation
 IT AND DATA MANAGEMENT	<ul style="list-style-type: none"> • Implement API interfaces • Put in place permission dashboards • Data protection and cybersecurity risks • Define and implement proper data management rules and permission
 COMPETITIVE ENVIRONMENT	<ul style="list-style-type: none"> • Risk of disintermediation through increased competition with new actors able to access strategic data about customers • Rise of new business models and new products/services • Reduced importance of traditional financial players
 REGULATORY FRAMEWORK	<ul style="list-style-type: none"> • Implement new controls and revamp existing policies • Increase regulatory compliance costs • Strengthen governance models to ensure compliance and data integrity

However, it can bring benefits from a revenue, customer experience and efficiency perspective

Categories	Opportunities
 REVENUE STREAMS	<ul style="list-style-type: none">• Monetize data access / APIs• Improve cross-selling and upselling service offering• Provide new products and services   <i>Deep dive on the next slide</i>
 CUSTOMER TARGETING AND EXPERIENCE	<ul style="list-style-type: none">• Provide tailored advice based on customer data• Consolidate customer data and provide holistic view• Improve customer interaction to boost client engagement
 EFFICIENCY AND COST OPTIMIZATION	<ul style="list-style-type: none">• Optimize risk management with improved data sourcing• Boost efficiency with digital data and processes• Reduce cost of data access and processing

Financial institutions can grow revenue with data monetization and an improved value proposition



FIDA and open finance unlock a vast range of use cases to enhance the current offering and improve internal operations

NOT EXHAUSTIVE

Category	Opportunities	High-level descriptions
 REVENUE STREAMS	Data monetization	<ul style="list-style-type: none"> Monetize data sharing and APIs
	Marketplace	<ul style="list-style-type: none"> Develop APIs marketplace and charge for data/API access
	Cross-selling	<ul style="list-style-type: none"> Integrate third party services and cross-sell other products e.g. insurance
	Tailored products	<ul style="list-style-type: none"> Develop tailor-made financial products based on customer data
	Enhanced reporting	<ul style="list-style-type: none"> Provide enhanced reporting consolidating external data
	Custom investment	<ul style="list-style-type: none"> Offer personalized investment services and recommendations
 CUSTOMER TARGETING AND EXPERIENCE	Personalized loan	<ul style="list-style-type: none"> Offer personalized loans and enhanced creditworthiness analysis
	Tailor advice	<ul style="list-style-type: none"> Provide personalized advice and tailored investments
	Portfolio analysis	<ul style="list-style-type: none"> Perform real-time portfolio analytics to offer tailored advice
	Account aggregation	<ul style="list-style-type: none"> Aggregate accounts including investments, savings, etc.
	Wealth overview	<ul style="list-style-type: none"> Provide holistic consolidated overview of customer wealth
	Budgeting and analytics	<ul style="list-style-type: none"> Proposed advanced budgeting and data analytics
 EFFICIENCY AND COST OPTIMIZATION	Creditworthiness assessment	<ul style="list-style-type: none"> Use additional data to enhance creditworthiness assessment (e.g. SME loans)
	Onboarding/KYC	<ul style="list-style-type: none"> Facilitate onboarding/KYC by leveraging information from other companies

Discussions with FSI actors reveal limited readiness with regulatory uncertainty, while awareness is growing as the entry into force approaches

Insights following discussions with actors

				
Limited readiness	Increasing awareness	Major transformation	Significant challenges	Countless opportunities
<ul style="list-style-type: none"> FIDA readiness remains low due to an unclear timeline Most financial institutions have not analyzed in detail FIDA and its impacts Strategic approaches towards FIDA are still undefined 	<ul style="list-style-type: none"> As expected FIDA entry into force nears, industry awareness is increasing, with multiple use cases being outlined Financial institutions are showing more interest in FIDA and its implications 	<ul style="list-style-type: none"> FIDA represents a major shift towards data sharing and open finance Standardization in data and API across the market is foreseen to be complex New data-driven business models are expected to emerge 	<ul style="list-style-type: none"> Key challenges include data management, implementation and cybersecurity risk Common data-sharing standards must be defined High implementation costs foreseen and challenging timeline 	<ul style="list-style-type: none"> Leverage on open finance for AI and data projects Increase revenue with new offerings and data compensation Improve customer targeting and experience

4. Conclusion

Although uncertainty regarding FIDA remains, the regulation will profoundly impact the financial sector fostering innovation and data driven solutions



Current state of FIDA

- Financial institutions should **share customer data with third-parties**
- **Uncertainty** regarding scope and timeline
- Most market players are taking **reactive approach**



Challenges and opportunities

- Key challenges include **data security, implementation** efforts and challenging **timeline**
- Shared data will **create new opportunities**, enabling market players to **increase revenue** and improve **customer experience**



Market response

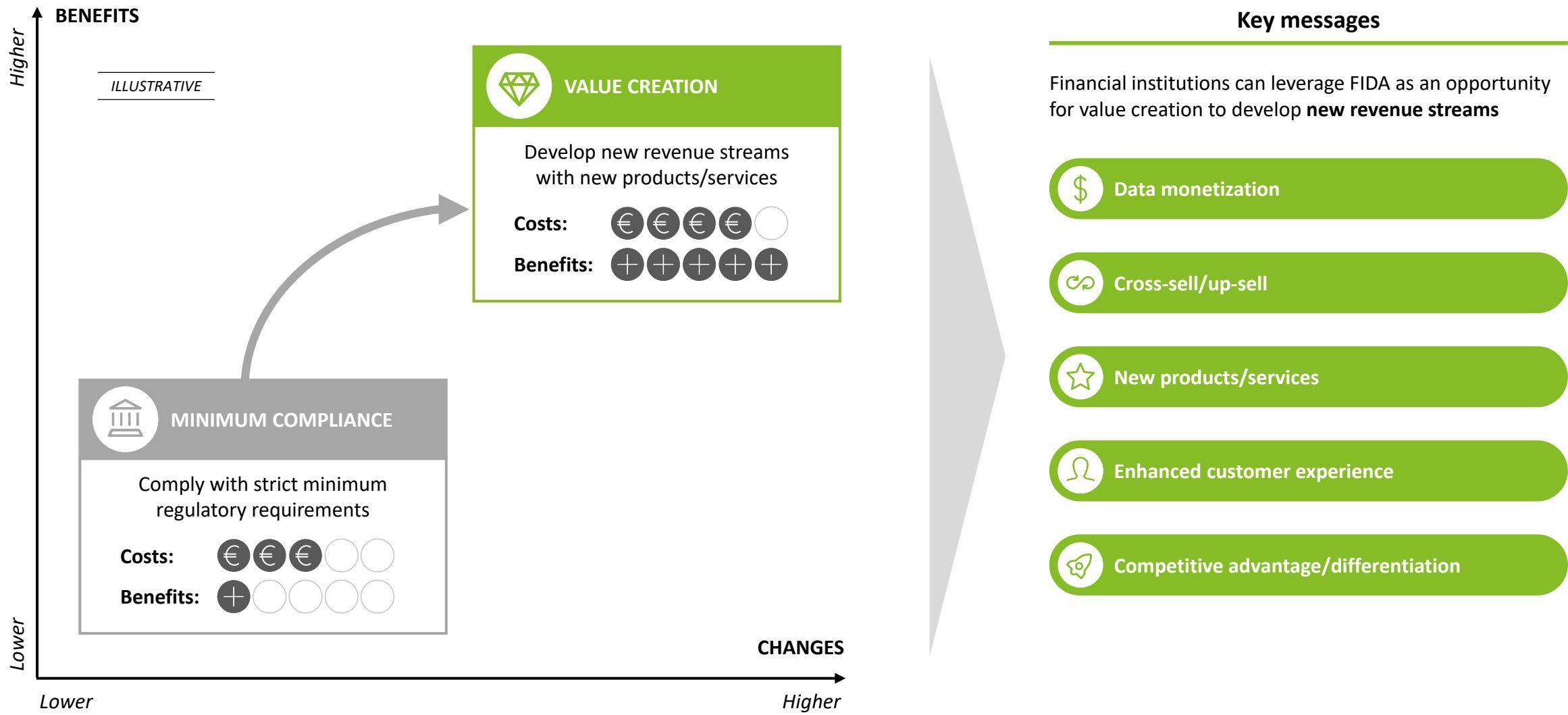
- Financial institutions raised concerns about FIDA's deadlines and scope
- Fintechs support FIDA but suggest **improvements** in customer data control



Expected impact

- FIDA will cause a **shift towards open finance**
- Financial institutions must adapt **processes, technology** and **customer engagement**
- Impacted actors should prepare

Financial institutions can go beyond minimum regulatory compliance and leverage FIDA as an opportunity to develop new revenue streams and value creation products/services



Financial institutions should now start working on FIDA to prepare, assess impact and leverage opportunities

Topics	Next steps (Not exhaustive)
 DEFINE STRATEGIC POSITIONING	<ul style="list-style-type: none">Understand and document current internal data practicesMonitor regulatory developments, analyze market trends, peer initiatives and perform benchmarkAssess required changes and their business impactCollaborate within the industry to mitigate compliance risk and spread upfront costs
 IDENTIFY/PRIORITIZE OPPORTUNITIES	<ul style="list-style-type: none">Assess the new revenue streams and models (data access, APIs, cross-selling, new services)Evaluate the business case for becoming both data holder and data user, developing high-quality APIsLeverage improved data management rigorously to increase customer centricity
 ASSESS READINESS	<ul style="list-style-type: none">Evaluate data maturity to ensure preparedness, review data privacy and cybersecurity measuresInternally assess the bank's regulatory compliance and perform high-level gap analysisAssess the impact of the required changes on banking and investment management processesReview the necessary licensing and authorizations needed to operate under the updated business model
 PREPARE FOR IMPLEMENTATION	<ul style="list-style-type: none">Define project management approach in line with business objectives and action planImplement a governance model promoting transparency and efficiencyDefine change ownership and identify key stakeholder, from geographical and business function point of view

Feel free to reach out for more information or if you have additional questions



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