Walking the Talk: towards a new banking ecosystem

Edition 2
November 2021

Study on partnership developments in the Dutch banking sector

With this study we provide factual insights on how the Dutch banking ecosystem has been developing over the years 2012-2020 by focusing on partnerships between banks and third parties. Moreover we provide our view on the ecosystem landscape and shed our light on questions that organizations should consider when thinking about building ecosystems.

This study is based on public announcements of partnerships between Dutch banks and Third Party Providers. In addition, we interviewed people who are involved with partnerships at 5 different banks. The sources we used are publicly available sources such as newspapers, bank websites and bank forums available in Dutch and English.

Content

Introduction - walk the talk towards a new banking ecosystem

In search of competitive advantages, banks more than ever before consider partnerships and ecosystems as part of their changing business model. This development is also called 'open banking' and considered by many to be the key to future success. In our view, there are five key trends that spark the emergence of new ecosystems and disintermediation of the integrated bank:

1) **Changing customer expectations are driven by experiences outside the banking sector** with services like, for example, Uber, Spotify and Netflix. More specifically, today, consumers expect instant, easy and secure banking (and beyond) experiences anytime, anywhere. To improve the customer offering and create integrated experiences with other companies/platforms is an important driver for ecosystems and partnerships.

2) **Technological breakthroughs enable disruption and new business model paradigms** (e.g. platformization and 'as a service' business models). A key element of these technological developments (e.g. APIs, cloud computing, AI, blockchain) is that they facilitate real-time exchange of information within and between organizations on a very large scale.

3) **New regulation further accelerates disintermediation of the banking value chains.** In particular, PSD2 regulation gives third parties the right to use bank account information and initiate payments from their platform. Furthermore, there is market convergence towards self imposed market standards like the Berlin Group.

4) **Pressure on business models and hence the search for scale.** Recent EBA and ECB reports stress how much the business model of banks is under pressure. Important for banks going forward is scale (potentially consolidation) and digitalization. Ecosystems can help banks in their search for scale and improve the sustainability of their business model.

5) **In the competitive landscape, FinTech's most powerful weapon is disintermediation.** FinTechs are responding quickly by leveraging technological developments and offering new customer experiences that meet the customers' changing behaviors. In this way, they often position themselves in the value chain between the customer and the bank.

Currently, not much detailed information is available about how these banking ecosystems are taking shape in practice. With this study, we provide factual insights on the Dutch banking ecosystem by investigating the number of partnerships between banks and third parties, based on public announcements. This helps us **understand to what extent the banks are actually walking the talk towards ecosystems.**

Introduction - rise of platform banking and ecosystems

There is a new kid on the block which is called **platformization** strategy. It is the strategy applied by companies that have grown the most over the past decade. Plenty of global examples such as Amazon, Facebook, Google, Apple, Netflix, Airbnb and Booking.com – to name a few – show that digital platform business models turn out to be very rewarding. At least for those who manage to become the go-to platform (also called marketplace) for users and gradually create an ecosystem of partners(services) around it.

Every company has a **business ecosystem** with, for example, its customer, suppliers, competitors and regulators. An ecosystem can be described as a network of organizations that co-evolve their capabilities and roles towards a common goal. This common goal is often directed by one or more leading companies. Collaborations are often structured in **partnerships** (e.g. licensing, joint ventures, referrals, outsourcing, joint product developments, minority equity alliances).

Platform thinking focuses on the **value of that business ecosystem** instead of on just delivering your own products or assets. In the core it means that you set up a marketplace and charge people to use it. The marketplace has two sides: demand (e.g. buyers, guests, consumers) and supply (e.g. sellers, hosts, producers). As the platform orchestrator you facilitate the interaction and transactions between two sides.

Within the financial services sector, we see some very large platform players emerging in Asia such as Ant Financial, PingAn and WeChat. And we see activity in Europe as well such as N26 and solarisBank, though not at scale (yet). Even though banks in essence are (also) platforms facilitating the transfer of money between those who have excess (savings) and those in need (lenders), many of our banking clients ask us what these new digital platforms and ecosystems mean for them and where the industry is heading.

We see that banks can play two roles: 1) become a **platform orchestrator** with a marketplace for financial and non-financial needs (please note that just a few will be successful as it typically is a winner takes it all strategy) and 2) to be a trustworthy **provider of financial services on platforms of others**. Although these roles require different strategies, they have in common that in both cases the bank becomes part of an ecosystem of partners. For this, **banks need to develop new capabilities to be successful.**

Example of the platform business model:

Facebook has consumers on the supply side of its platform who create user-generated content and advertisers on the demand side of the platform who get an audience with a lot of personalized data to run targeted campaigns on. Facebook facilitates the platform with interaction and transactions.

Key findings and insights of our study

187% growth in the number of partnerships formed per year by Dutch banks during 2015-20

We see a substantial rise in the number of partnership announcements in the past 9 years indicating that the Dutch banks are actively building their ecosystems.

In 2020 the banking ecosystem grew with 43 new partnerships. This is almost three times the number of partnerships compared to 2015. At the same time, it is less than the peak in previous years (~25% lower compared to 2019).

Currently we notice a plateau of more than 40 new partnerships per year over the last five years (2016 – 2020).

Access to partner technology is the number one strategic goal of banks to partner (~45%)

The number one strategic goal of partnerships in 2020 was to get access to new technology (46%). This is a clear shift in focus which is in line with the trend to accelerate digitalization without developing all the technology in-house. We see that these technology partnerships are often structured with minority equity alliances. This provides the bank more influence and it means that they have ‘skin in the game’ in their search for new revenue models.

The second priority in 2020 was to improve product offering (26%). This priority declined in 2020 compared to 2019 when it was the number one priority for banks to partner (48%).

Dynamics differ between incumbents and challengers

in absolute terms, incumbents are 4 times more active than challenger banks. However, challenger banks have 21 times more partnerships per employee which underpins the importance of partnerships for their business model.

Improve product offering is by far most important for challengers (75%) as they generally start out with a focused set of products built on a greenfield IT landscape and need to improve from that point forward. Incumbents are more balanced across partnership goals.

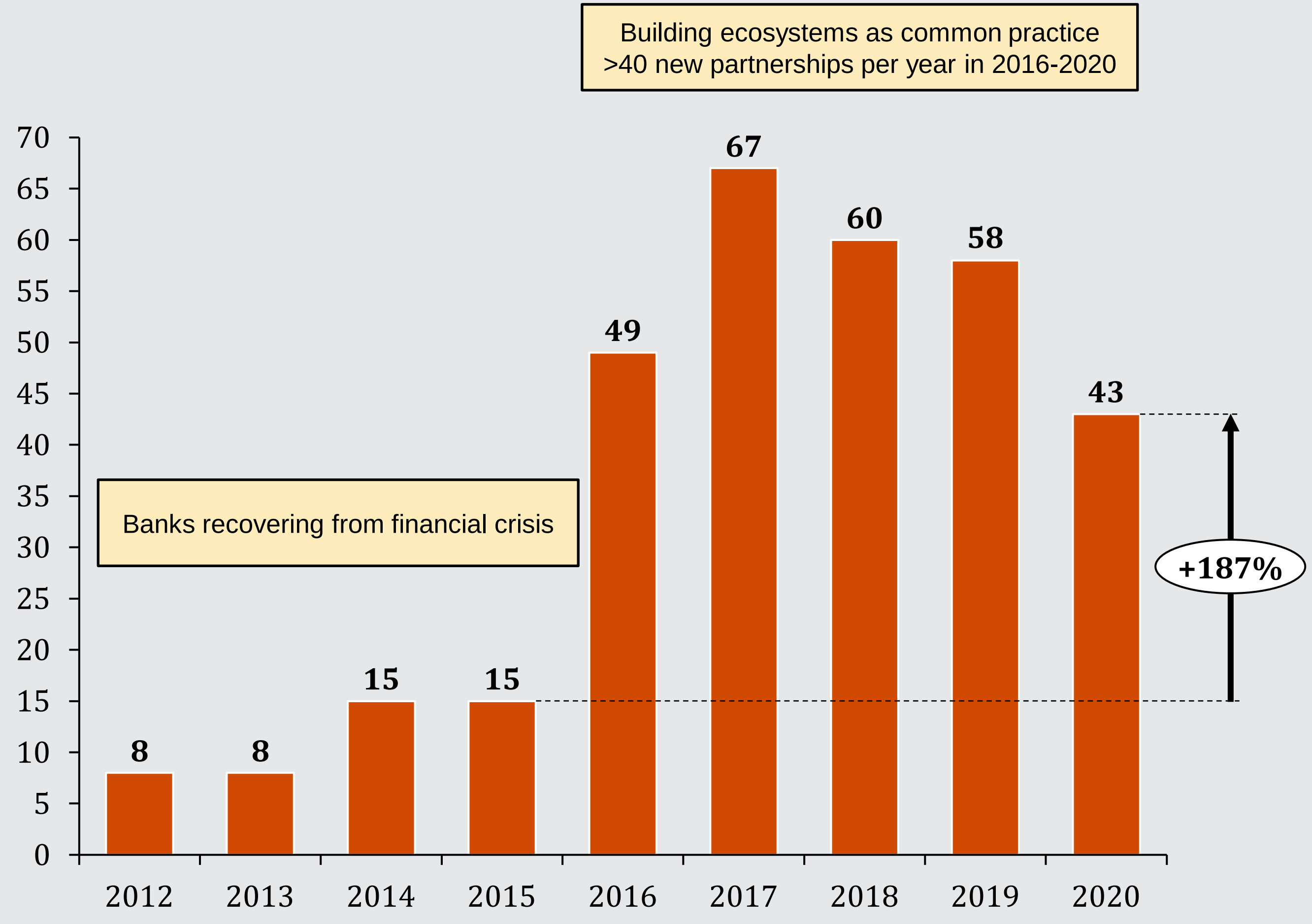
Managing an ecosystem of partnerships becomes crucial and requires new capabilities

To be fit for ecosystem growth, banks should let go of the - disrupted - idea of a vertically integrated bank and view banking as an ecosystem of partners. Ecosystems can help banks in their search for scale and improve the sustainability of their business model.

Growing traction in the number of partnerships shows that the market is moving into that direction.

To be successful, banks needs to sharpen their strategies on where to play in their ecosystem, build/strengthen ecosystem capabilities and align its operating model.

Figure 1: Number of newly formed partnerships (based on public announcements) of Dutch banks 2012-2020



Source for graph: PwC analysis based on public announcements.

Note: partnerships that involve a consortium of banks, such as Payconiq, have been considered as one partnership.

1) Source: PAS 201:2018 obtained from bsi.

187% growth in the number of partnerships established by Dutch banks during 2015 - 2020

The number of newly formed partnerships by Dutch banks has increased tremendous over the past 9 years (see figure 1). This means that **Dutch banks are walking the walk towards banking ecosystems.**

Before 2016, the number of announced partnerships between Dutch banks and Third Party Providers (TPPs) shows minor growth. In these years banks were in the midst of recovering from the crisis, not leaving much room for other improvements.

We see a substantial rise in the number of partnerships from 2016 to 2019, becoming a common practice of growing the ecosystem with ~60 partnerships per year in 2017-2019. In 2020, the banking ecosystem grew with **43 new partnerships**. This is almost three times the number of partnerships compared to 2015 **(+187%).** At the same time, it is less than the peak in previous years (26% lower compared to 2019). The fact that the number of partnerships is less than the peak in previous years can be explained by: 1) banks catching up on partnerships after the credit crisis in the last couple of years, 2) a growing partnership portfolio that needs to be managed and 3) the fact that regulations such as PSD2 with open APIs make partnerships more 'business as usual' without formal agreements and news announcements. Currently we notice a plateau of more than **40 new partnerships per year over the last five years.**

The increase in partnership activity is in line with the changing opinion about FinTechs. Initially, FinTechs were considered a potential threat to banking whereas currently they are often considered as a partnership opportunity – especially in a more open banking landscape.

On the next page, we elaborate on how the rise of partnerships differ between incumbent banks on one hand, and challenger banks on the other.

The number of partnerships per bank shows a steady increase for incumbents during 2012-2019 and afterwards a smaller peak in 2020, while the pattern for challenger banks is more volatile

We differentiate between **incumbent banks** (ABN Amro, de Volksbank, ING, Rabobank, van Lanschot) and **challenger banks** (BinckBank, Bunq and Knab) in the Dutch market. Looking at the average number of partnerships for incumbent and challenger banks, we see a steady increase over time for incumbents. Challenger banks show a different dynamic: a peak in 2016-2017.

Over the last 9 years, we find more partnerships for incumbents than for challengers. This can be explained by the fact that incumbent banks have a broader product portfolio. Furthermore, there is a need at incumbents to get access to new technology, while challenger banks are typically build on modern technology. On top of that, incumbent banks have the **scale and financial means to manage many partnerships.**

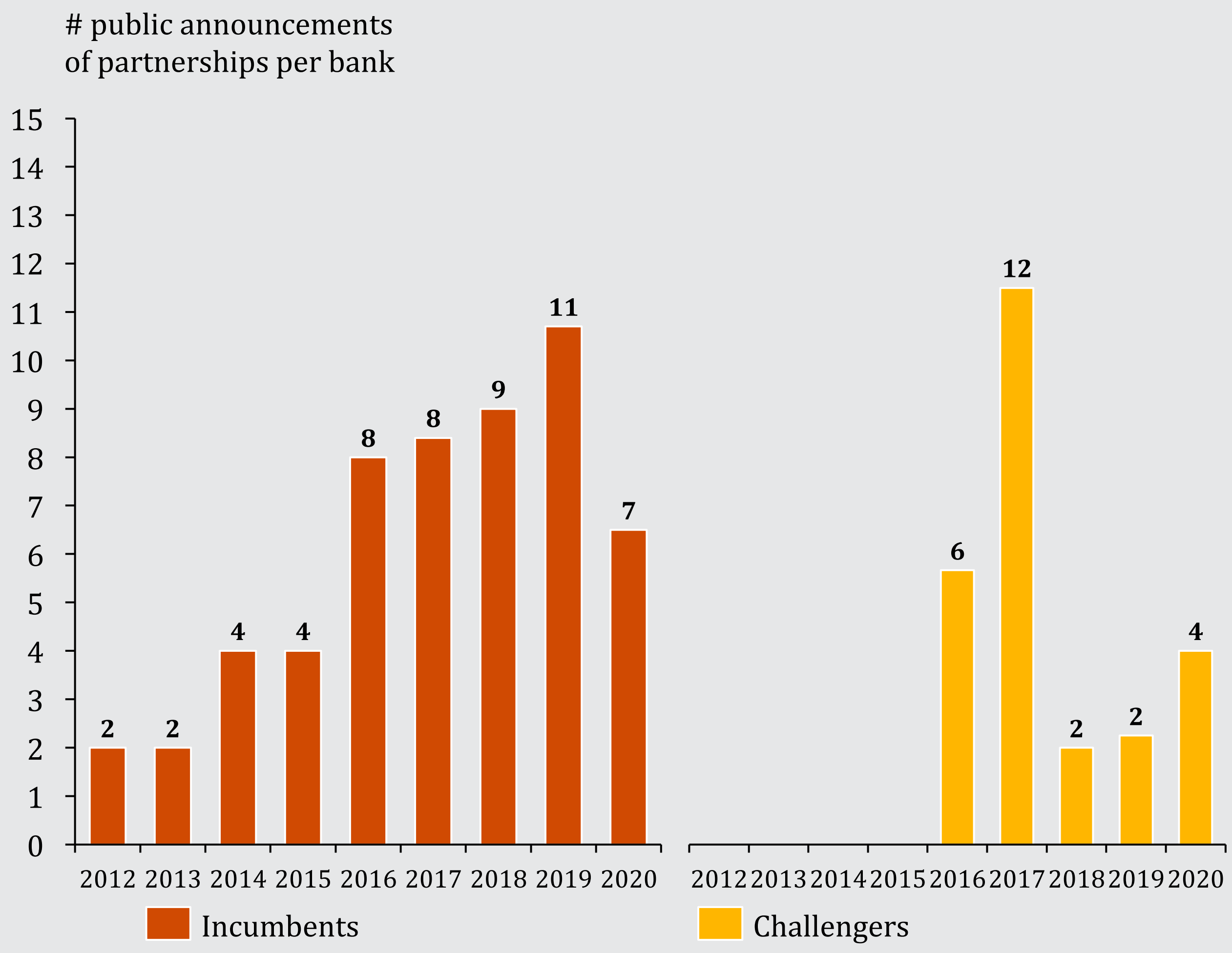
The remarkable spike for challenger banks in 2017 is mainly due to Knab and Bunq partnering with many accounting software providers. Although most incumbents partnered with these TPPs before challenger banks entered the market, this does not imply that incumbents are ahead of challengers as illustrated in the example below.

Example: Bunq and Exact

"Partnering with incumbents evolved into innovating with a challenger"

Partnerships between incumbent banks and accountant software providers had existed for a while, when in 2017 Exact and challenger Bunq improved their joint service by introducing real-time reporting instead of (daily) batches. On their website, Exact mentions that they chose to partner with Bunq to innovate because Bunq has a truly innovative attitude towards banking.

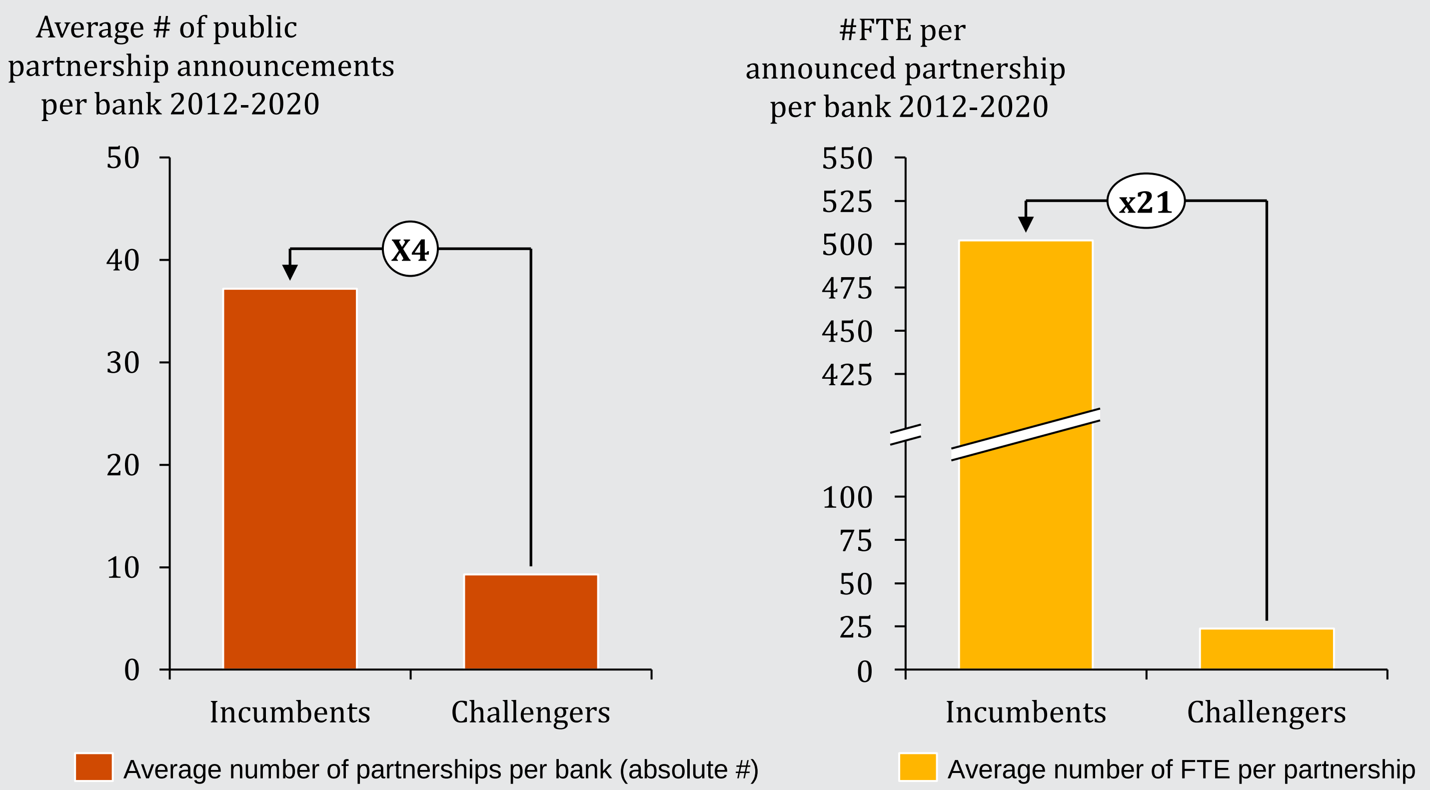
Figure 2: Average number of partnerships per bank 2012-2020, incumbents & challengers



Source for graph: PwC analysis based on public announcements.

Note: Bunq has been included from 2015 onwards. de Volksbank has been included from 2017 onwards.

Figure 3: Number of partnership announcement in perspective, incumbents vs. challengers



Source for graph: PwC analysis based on public announcements.

Note: we accounted for the effect that Bunq and de Volksbank originated after 2012

*We adjust for size based on #FTE per partnership, in which a lower #FTE implies relatively more partnership activity.

Incumbents are more active in absolute terms. Challenger banks have 21 times more partnerships per employee which underpins the importance for their business model

Since the business model of challenger banks evolves around providing banking services together with third parties, we hypothesized that there would be more partnership announcements in which challenger banks are involved than incumbent banks.

If we merely look at the absolute number of partnerships per type of bank, we count approximately **4 times more partnership announcements for incumbents** than for challenger banks.

However, given their size incumbents have more opportunities to partner since they have a wider product portfolio and more people to scout and manage partners. Although true in absolute terms, when we adjust for size – based on #FTE per partnership - we in fact see the reverse. **We find that, calculated per employee, challenger banks are much more involved in partnerships than their incumbent counterparts (by ~21 times).** So indeed it seems that for challengers, partnerships are fundamental to their strategy.

> “Being a techy, I love open APIs. This approach unlocks third-party creativity and brings more solutions than is possible under Bunq’s own steam.”
>
> **Ali Niknam - Founder and CEO Bunq**

We notice a shift in focus in 2020, with the number one strategic goal of partnerships in 2020 to access to new technology (~45%). The second priority is to improve product offering (~25%)

Our research shows that the most important strategic priority of banks to partner with TPPs is to **access new technology.** This is a clear shift in focus which is in line with the trend to accelerate digitalization without developing all the technology in-house. Several challenger banks have entered the Dutch market with a digital approach. These new entrants push incumbent banks to modernize their technology, diversify their products, and rethink the way they serve their customers. These partnerships help them to get the modern technology that they need to stay competitive.

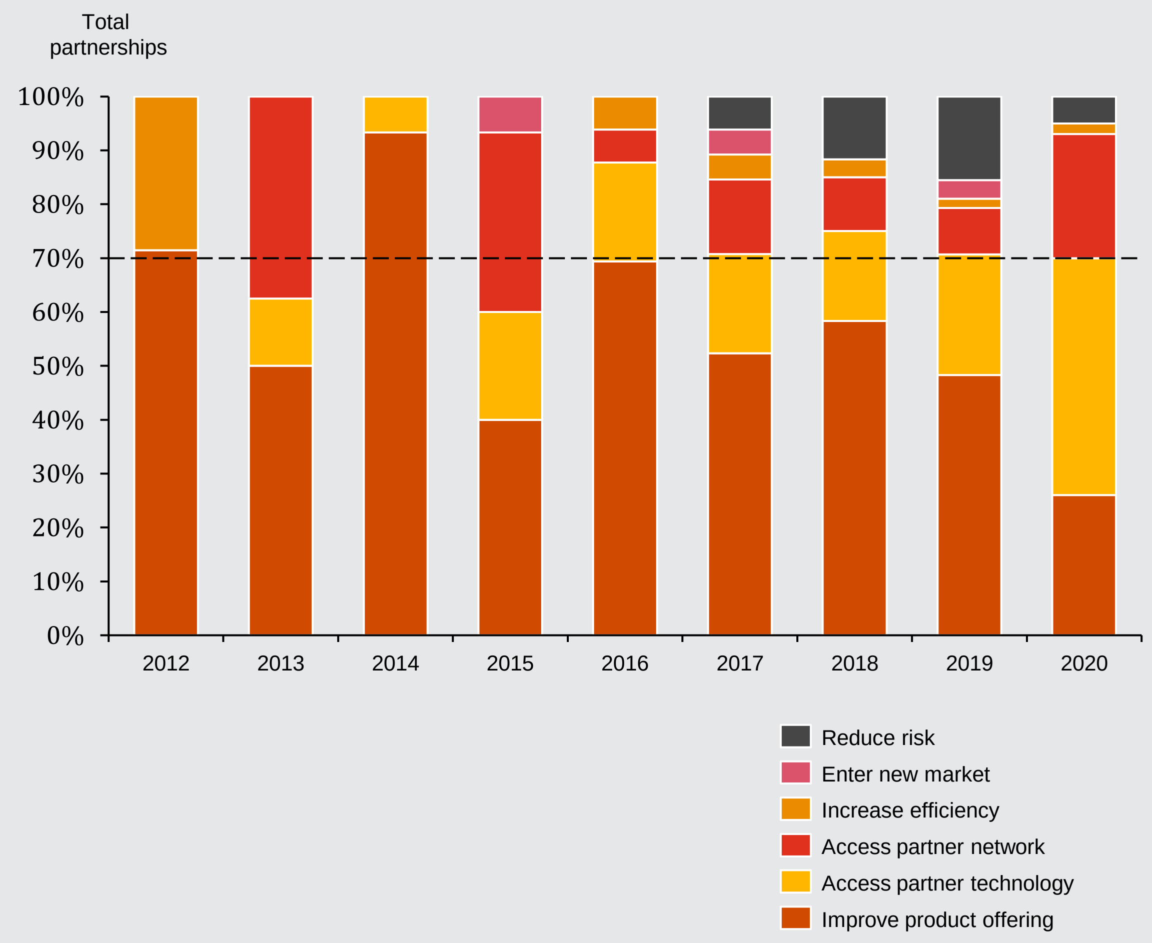
The second priority is to **improve product offering.** This goal relates to one of the aforementioned key drivers of ecosystem thinking, being changing customer expectations. To tap into this opportunity, banks invest in improving and expanding their product portfolio massively. Furthermore, increasing efficiency has become less of a priority for establishing partnerships over the years. This priority declined in 2020 compared to 2019 when it was the number one priority for banks to partner (~50%).

Example: Moneyou and solarisBank

“ABN AMRO’s Moneyou integrates solarisBank’s instant digital loan”

Moneyou customers in Germany can apply for solarisBank loans of between €1k-€35k. The special thing about this loan application is that video identification and digital processes eliminate paper-based form-filling. As a result, customers are promised a decision and fulfillment within seven minutes. Instant digital loan is a new building block for a smart banking concept of Moneyou. This is solarisBank’s first integration deal with a Tier 1 bank, providing endorsement of the company's banking-as-a-service strategy

Figure 4: Partnership strategic goals (between Dutch banks and TPP*)



Source for graph: PwC analysis based on public announcements.
*Please refer to the appendix for definitions.

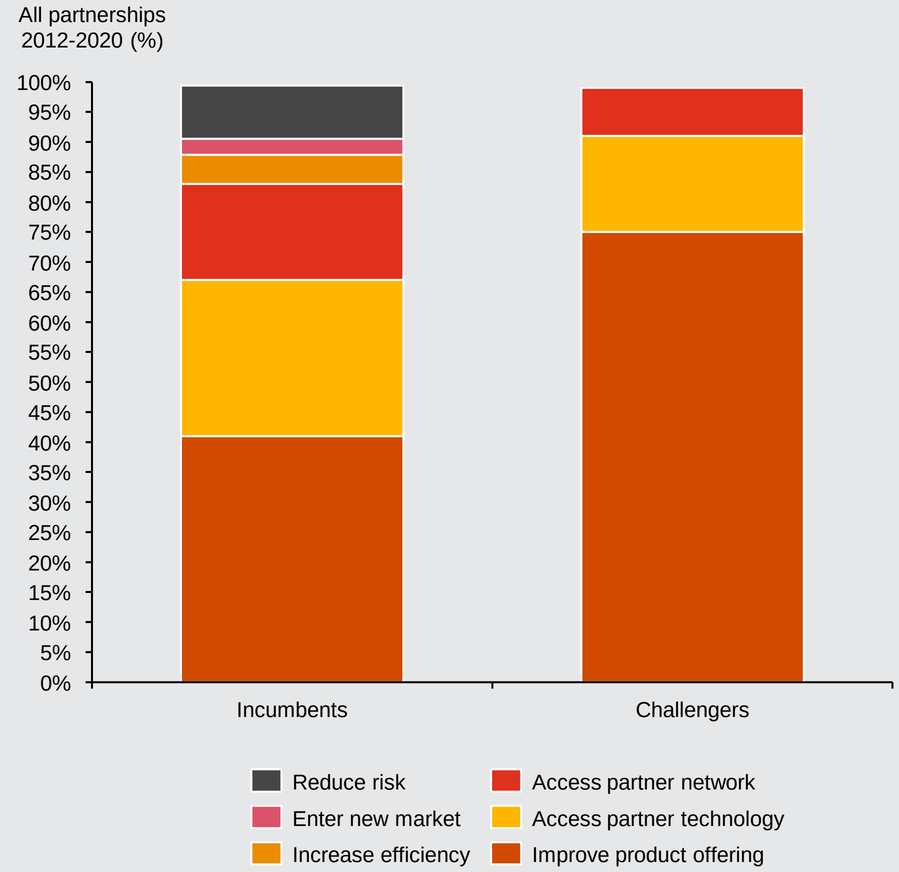
During 2012-2020, improving their product offering was by far most important priority for challengers (75%) to partner with others. This was also the most important priority for incumbents, but in a more balanced way (41%)

We find that challenger banks' primary goal is to **improve their product offering** (75%). While this is also the main priority for their incumbent equivalents (41%), **getting access to the partners' technology** (26%) and **their network** (16%) are also of importance to them. For challengers in turn, these latter two mentioned goals are less relevant (16% vs 8% respectively).

One rationale for these findings is that incumbents already have an extensive portfolio of existing products which they need to maintain and upgrade. Next to that, they have a legacy IT landscape that needs to be managed. Therefore, their partnership goals are more dispersed than the goals of challengers. **Challengers generally start out with a focused set of products built on a greenfield IT landscape**. From this point, they can (almost solely) focus on improving their product offering to enhance their comprehensive customer experience.

From interviews with incumbent banks we learn that an important goal of partnerships is to **'stay ahead of the curve'**, i.e. upgrade their existing products to meet changing customer demands. Other partnership goals are often related to reducing IT legacy or improving the cost/income ratio. From interviews with challenger banks we learn that their primary reason for forming partnerships is to be able to offer additional services (improve product offering), since they are not hindered by (IT) legacy. Challengers aim to increase their share of wallet.

Figure 5: Partnership strategic goals incumbents vs. challengers (2012-2020)



Source for graph: PwC analysis based on public announcements.

In 2020, partnerships are increasingly structured through a minatory equity alliance compared to previous years

Data shows that most of the **minority equity alliances** are partnerships with the strategic goal to access partner technology. This equity partnership structure provides the bank influence on their partner and it means that they have some 'skin in the game' in their search for new revenue models.

Collaboration agreements (42%), **minority equity alliances** (30%) **and technical integrations** (21%) are the most common used structures in 2020. Here, drivers are maturing bank participations in incubator and accelerator programs for startups for collaboration agreements with partners and regulatory developments such as PSD2 for technical integrations. Furthermore, **startup/fintech development** became an important form of collaboration in the year 2016 – 2019, however this trend does not continue in 2020. This might be related to the impact of COVID-19 which created a shift in attention with less appetite to start new development programs for startup/fintech.

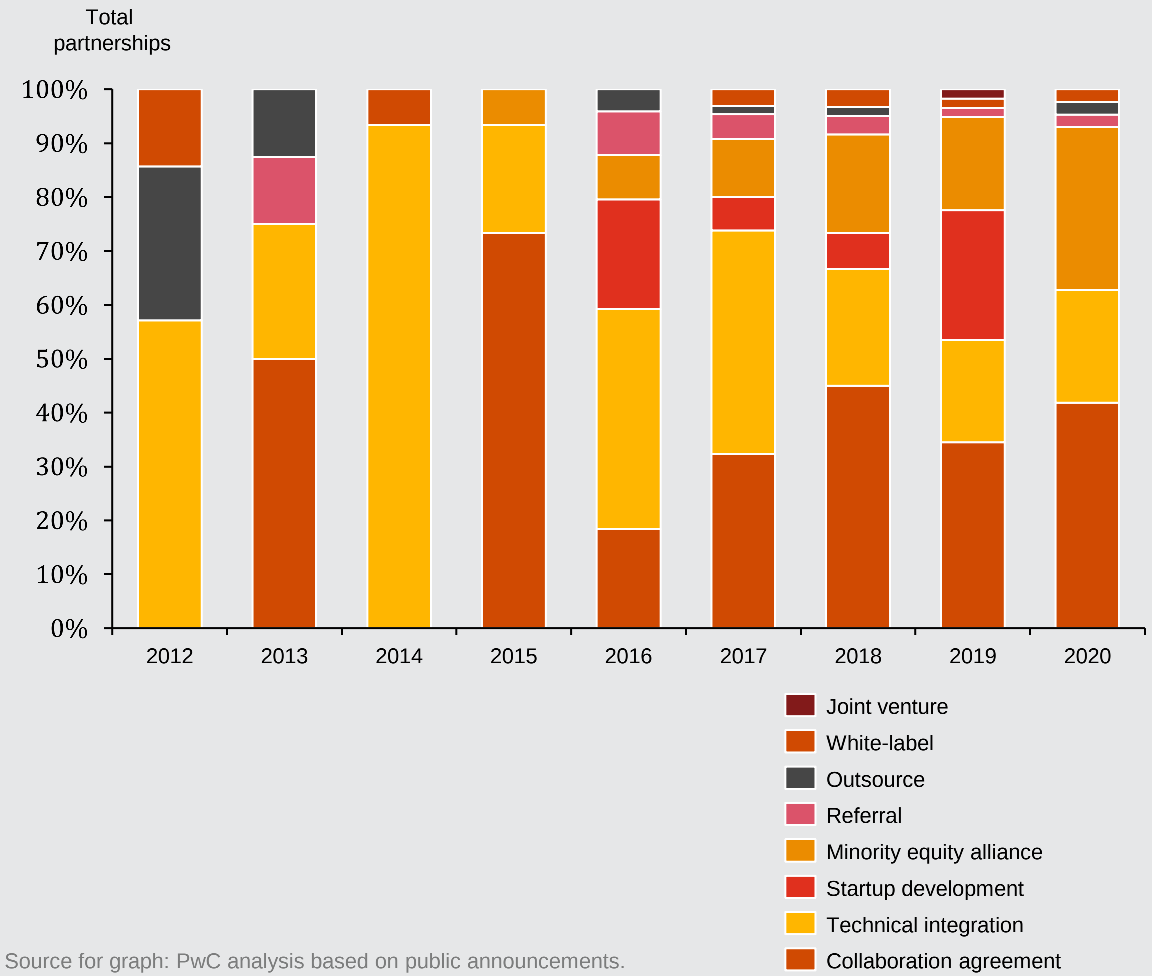
Looking at 2014 we observe a spike in the relative number of technical integrations compared to other partnership structures. The explanation of the choice for technical integrations in 2014 is the trend to integrate online banking products with bookkeeping software providers (12 out of 14 partnerships).

Example: ING FinTech Village

"ING has set up the ING FinTech Village to explore collaboration opportunities"

The FinTech Village is an accelerator program set up by ING. In 16 weeks, tech start-ups get the opportunity to create Proof of Concepts, coached by sponsors and mentors. The ultimate goal of the ING FinTech Village is to explore whether a collaboration between two parties is mutually beneficial.

Figure 6: Structures for partnerships between Dutch bank and TPP*



Source for graph: PwC analysis based on public announcements.
*Please refer to the appendix for definitions.

Incumbents apply a variety of structures in their partnerships whereas challengers have a strong preference to integrate with partners (55%)

During 2012-2020, incumbent banks have applied a variety of structures in the partnerships that they establish: **collaboration agreement with partners** (42%), followed by **minority equity alliances** (19%), **technical integration** (15%) and **start-up/fintech development** (13%).

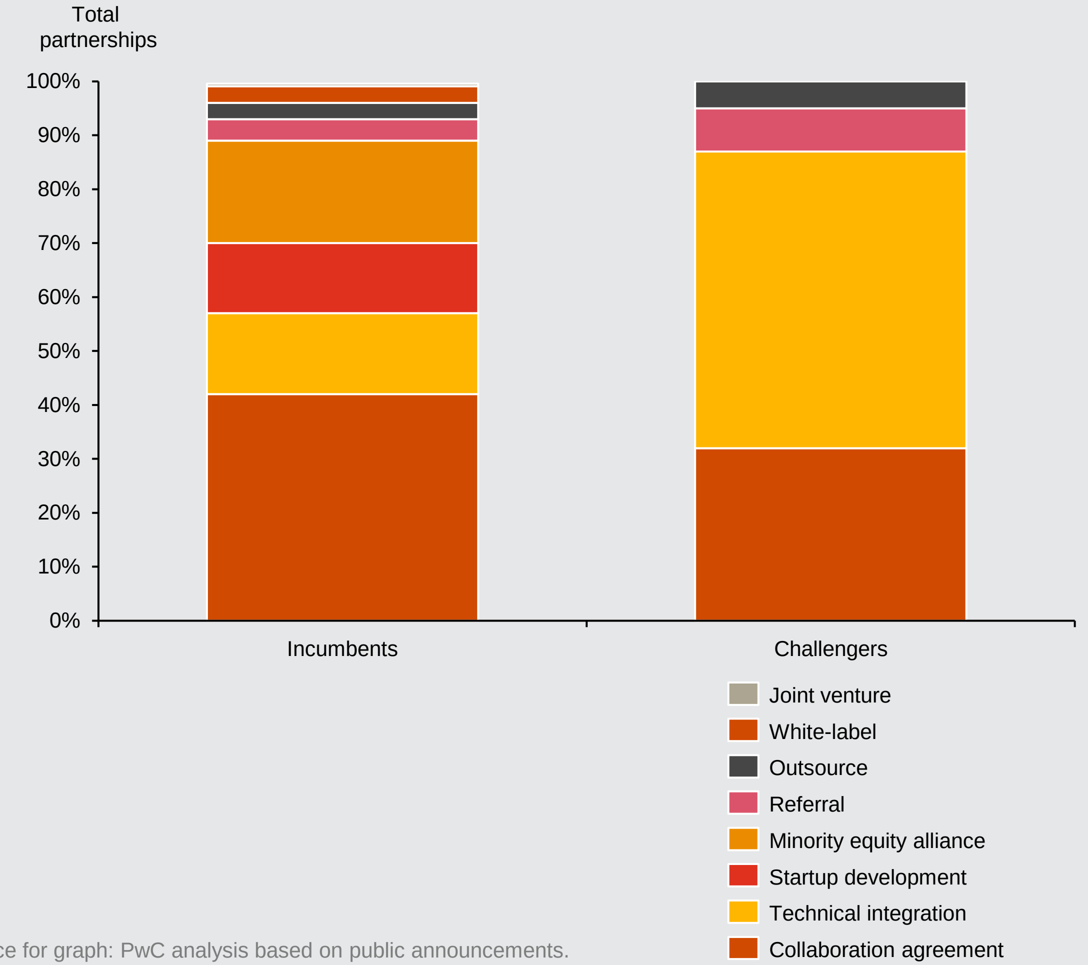
Challenger banks strongly prefer **technical integration** above all other structures (55%). Furthermore, collaboration agreement is their second most-often used structure (32%). This is in line with their business model: challengers typically provide a platform build around their core competences that partners can connect to using APIs. Hence the high share of (API) integrations.

From interviews with incumbents we learned that their preference for collaborations and developments can be attributed to their focus on **innovation** through labs, accelerators, incubators etc. – often innovation in co-creation or co-development with partners. Also, their **IT legacy** is not helping them to integrate TPP's. From an IT point of view, challenger banks started greenfield not too long ago and thus do not have the battle of improving legacy IT. Challengers can thus solely focus on improving their products and services aimed at increasing their share of wallet.

Example: Rabo Frontier ventures

> "Rabo Frontier Ventures provides Rabobank with an added vehicle for working more shoulder-to-shoulder with innovative businesses with the aim of transforming the FinTech and Food & Agri sectors and building a sustainable and future-proof banking model."
>
> **Harrie Vollaard, Head of Rabo Frontier Ventures**

Figure 7: Partnership structures incumbents versus challengers (2012-2020)*



Source for graph: PwC analysis based on public announcements.
*Please refer to the appendix for definitions.
Source for interview takeaways: interviews with partnership or innovation managers at Dutch banks.

Depending on the goal, different structures are used to establish the partnership

If banks desire to **improve their product offering**, **collaboration agreement** is the most commonly used structure (37% of the cases) followed by **technical integration** (23%) and **minority equity alliance** (15%).

When the goals is to **access new technology**, **collaboration agreement** is preferred (34%). An example of such a partnership is the partnership between ING and HSBC/Cargill who conducted the very first commercial trade finance transaction on the blockchain. However, we have seen that in 2020 the minority equity alliance has become the preference for banks to structure these types of partnerships. This provides the bank more influence and it means that they have 'skin in the game' in their search for new revenue models.

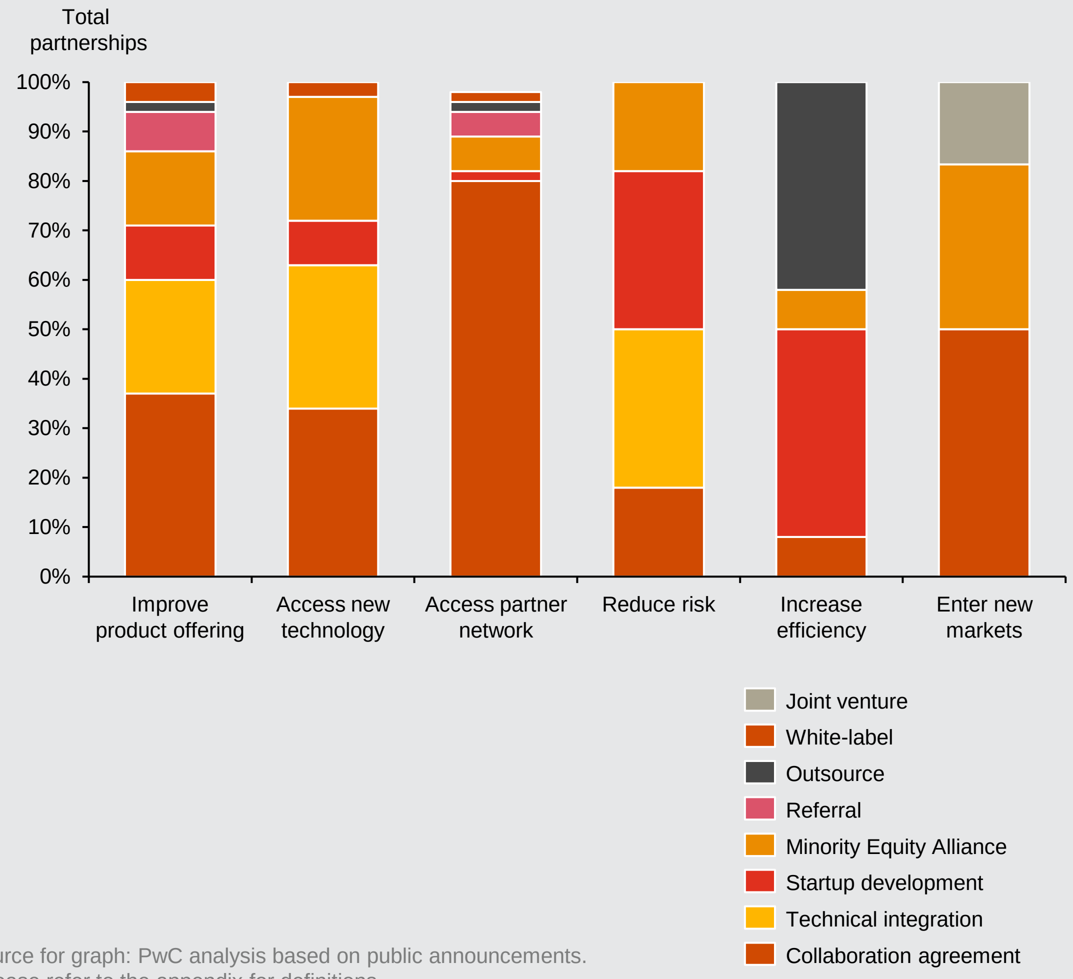
When the goals is to **access partner network** then a **collaboration agreement** (80%) is by far the preferred structure. Collaboration agreements are less used for reducing risk and increasing efficiency. For those partnerships goals banks often choose to work with **start-up development structures**, **minority equity alliances** or **joint ventures**.

Example: Van Lanschot and Fidor

"Van Lanschot partners with Fidor to replace their payments system"

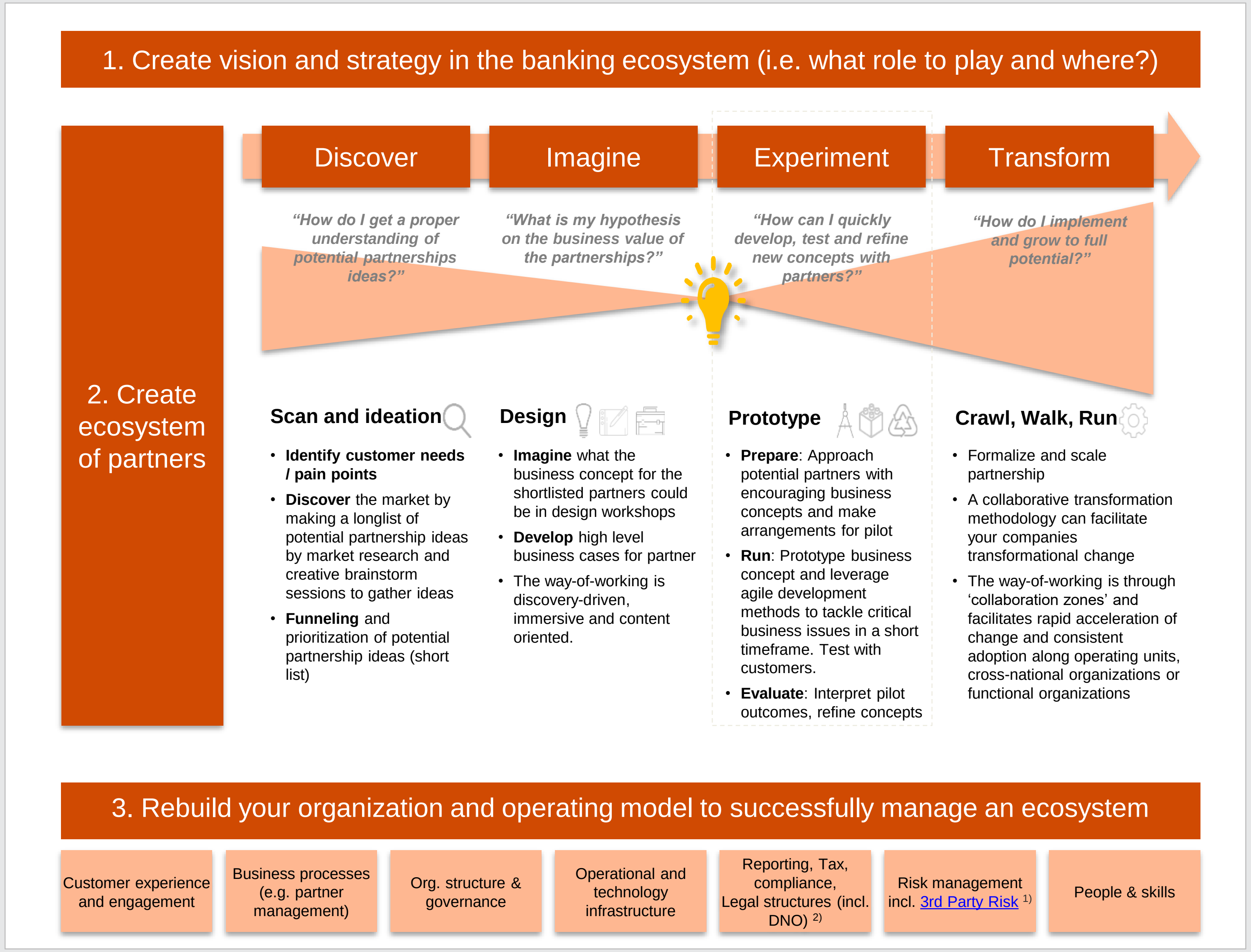
The partnership will enable Van Lanschot to upgrade their payments software and infrastructure using the Fidor digital banking solution. Fidor will manage user and account data. In addition, Fidor will modernize the user experience. This partnership marks the launch of Fidor's Payments Avenue, which will be extended to other European countries and offered to banks that wish to join the payment business model as a service.

Figure 8: Partnership goals in relation to partnership structures*



Source for graph: PwC analysis based on public announcements.
*Please refer to the appendix for definitions.

Figure 9: PwC's ecosystem approach in 3 steps



1) Link: https://www.pwc.com/us/en/services/governance-insights-center/library/risk-oversight-series/overseeing-third-party-risk.html

2) Partnerships in the vital part of institutions might require a DNO (declaration of no objection) from the regulators.

How to position your firm for success

To be fit for growth, banks should let go of the - disrupted - idea of a vertically integrated bank and view banking as an ecosystem of partners. However, growing your business alone in today's rapidly changing, tech-filled environment can be tough. Especially in the world of ecosystems, where success is no longer defined by traditional success factors, leaders should consider at least the following three perspectives:

1. Is your overall **vision and business strategy** in line with the new ecosystem development? What role do you want to play?
2. How to create an ecosystem of partners? Which type of (innovative) partnerships fits best with what you want to achieve and who are **potential partners** to team up with?
3. Are your **organization and operating model** (people, skills, structure, processes, technology) ready to build an ecosystem of partners in order to gain full advantage?

Our new research shows that the market continues to grow its banking ecosystem. To be successful in growing the banking ecosystem and tapping into new innovative technologies we see three key steps for banks to take:

1. Sharpen your strategy on where to play in the various ecosystems and define clear partnership priorities to stay ahead of the competition.
2. Execute by creating the right partnerships to deliver on the strategy.
3. Rebuild your organization and operating model with the (new) required capabilities to manage your growing portfolio of partnerships successfully.

Figure 10: PwC's lessons learned

Key lessons learned from developing banking ecosystems and platforms:

1. **Get sponsorship from C-level to break through the barriers.** Even though a partnership could entail high strategic value for the whole organization in the longer term, individual business units and support functions might not see the (immediate) benefit for them and thus not prioritize initiatives around this partnership.

2. **Cannibalization as a reason not to innovate:** innovations – especially around becoming a platform or ecosystem orchestrator – could cannibalize your current business model. Address (and size) this effect early in the process to include it in decision-making. But remember that if you can come up with the platform or ecosystem idea, someone else probably can as well.

3. **Do not do everything yourself, focus on the ecosystem value you can create:** don't try to build everything yourself, but see what you can use from others and create a win-win-win loop (for customers, partners and you). Many organizations have a 'do it ourselves' culture to create business and it is important to break-through this line of thinking.

4. **Be clear upfront about your reputational risk appetite when considering potential partners.** Typically disruptive companies are not liked by everyone. Think about your reputation risk appetite upfront and be clear about this from the start. No one likes a potential partnership to end at a later stage because you did not consider your reputation and did not manage expectations.

5. **To develop partnerships fast and successfully, you need to rethink your organization.** Many innovative (tech) companies make sure that the people who are sitting at the table are also the ones who can take the decision to go ahead (fast). Make sure you do the same and consider the (new) roles and responsibilities needed for that. The ecosystem approach fits with an Enterprise Agility operating model (or something like it).

Where to start

The approach to ecosystems has three elements (see figure 9) which are connected: strategy development, partnership execution and rebuilding the operating model for ecosystems.

First, from our experience we recommend to make sure that there is C-level sponsorship. Next we suggest to apply an iterative approach, get inspiration and learn by doing from the partnerships and ecosystems that you have created.

- **Discover:** Get your inspiration by discovering a concrete ecosystem and what is already happening around you. Where are the mega trends moving towards and how could your (future) customers benefit from the value of an ecosystem? Typically we use a discover workshop to explore this and generate a long list of ideas.
- **Imagine:** Select 2-3 of these potential ideas and put these into practice by conducting a design sprint. From this you will get a good view of the expected value that you intent to create and how it solves a customer need.
- **Experiment:** Test the value that you intend to create with potential customers and partners. Be creative in designing the experiments in such a way that they maximize your learning on the riskiest assumptions that you have made (and limit the investment needed in this stage).
- **Learn and transform:** start incorporating the learnings from the partnership and ecosystem experiments into your strategy (what role to play and how to win) and operating model (what to change and build to be successful). See figure 10 for lessons learned from our experience.

In this way you will learn what banking ecosystems and platforms can do for your business to remain relevant in the future.

Contacts

Pieter Verheijen
Director, PwC Netherlands
pieter.verheijen@pwc.com

Bauke Sprenger
Partner, PwC Netherlands
bauke.sprenger@pwc.com

Eric van Gool
Senior Manager, PwC Netherlands
eric.van.gool@pwc.com

Appendix A: Partnership goals

Access new technology: engaging in a partnership with the goal of gaining knowledge or getting access to new technologies, such as: a partnership to expand knowledge about AI-powered identity verification and re-authentication solutions.

Access partner network: establishing a partnership to gain access to the network (i.e. access to FinTech incubators or accelerators) of the partner, such as: a partnership between a bank and an accelerator, so that the bank has access to a network of potentially interesting startups.

Enter new markets: starting a partnership with as main reason to expand products or services to a new country or region.

Improve product offering: setting up a partnership to increase the amount and variety of products offered to attract new customers or increase benefits realized by existing customers.

Increase efficiency: setting up a partnership with the focus on helping to run certain processes or operations with less time and effort.

Reduce risk: setting up a partnership with the goal of mitigating potential risks, such as: a partnership between a bank and a FinTech that helps to manage and automate regulatory compliance.

Appendix B: Partnership structures

We define a partnership as any form of collaboration between a bank and another party, including but not limited to collaboration agreements (e.g. joint product development), licensing, joint ventures, referrals, outsourcing and minority equity alliances. When a consortium of banks is involved in a partnership (e.g. in the case of certain Blockchain innovations or Payconiq) then we count these partnerships once. Full acquisitions (100% ownership) and sponsorships are not considered relevant partnerships for this study and are thus excluded. Each partnership is categorized as one of the following structures:

Collaboration agreement: Collaboration covers a wide range of possible partnerships. These involve the co-creation of certain products or accessing each other's networks.

Joint Venture: Setting up an independent company with a specific purpose, where risks, costs, revenues and customers of the venture are shared between participating partners.

Minority Equity Alliance: Involves an equity stake investment by a bank in a third party provider or FinTech to have some kind of access to their intellectual property and also benefit from any rising value of their investment.

Outsource: Involves the outsourcing to trusted partners such that the bank can focus more on their customer-facing (high value) roles while low value activities are taken over by a specialized partner; increasing operational efficiency and lower operating costs. This type of partnership is only considered as relevant for this study in case both parties have to work together intensively.

Referral: Referral is an agreement between two parties where if one party cannot provide their customer/client with the specific financial solution needed, the bank will refer them to a trusted partner who does specialize in whatever they need. Each referral is often rewarded with a referral compensation or discount for the customer.

Start-up development: This includes any partnerships agreed upon by the bank and startup/emerging FinTech or third party provider where the bank offers their guidance and expertise of the financial system along with boosting the startup's access to the banking network and potential customer base.

Technical integration: Integration of third party provider or FinTech services into an existing bank's infrastructure. It is not co-labeled by the bank, leaving it under the name of the third party provider or FinTech.

White-label: Licensing agreement where a company uses a proven technology where they can customize the front-end such that it looks like it’s offered by the bank.

Appendix C: About this research

This study is based on public announcements of partnerships between Dutch banks and Third Party Providers. In addition, we interviewed people who are involved with partnerships at five different banks.

The sources we used are publicly available sources such as newspapers, bank websites and bank forums available in Dutch and English. This research is based on press releases that are publicly available, no internal data has been used.

Top three news sources that were used beside corporate websites and Google News:

fd.

Banken.nl

Emerce

Additionally we interviewed partnership managers from the following banks:

ABN AMRO

Binck Bank

de Volksbank

ING

Knab