

HOW THE 'OPEN FINANCE' PARADIGM IS TRANSFORMING FINANCIAL ECOSYSTEMS

- ***In-depth strategic research paper launched by leading professional consulting group and think tank, The European House – Ambrosetti, in partnership with Fabrick and illimity, two key players shaping the open future of finance***

Milan, 19 January 2022 – The objective of a new research paper, ***How the 'Open Finance' Paradigm is Transforming financial Ecosystems*** that has been launched by The European House – Ambrosetti in partnership with Fabrick, a pioneer and ecosystem platform of reference for Open Finance, and illimity, a new high-tech paradigm bank, is to provide a snapshot outlining the present status open finance transformation in the market.

The in-depth research ***How the "Open" Paradigm is Transforming Financial Ecosystems*** encompasses a survey which involved a total of 630 players including fintech, companies, and international start-ups, and was structured in 3 different chapters.

On the 20th of January there will be a webinar presenting the evidence from the first of the three chapters of the study that is focused on the dynamics triggered by the collaboration between incumbents and fintechs, and the results generated to date, with registration to attend available [here](#)*.

The results of the first chapter are based on the responses of the respondents to the survey, including 227 new operators (91 Italian and 136 international operators) involved via collaboration with Fintech District, a Milan-based innovation cluster, was the first Fabrick initiative. The survey had the aim of identifying the logic of the value creation and operating models. From the results it emerges that:

- 46% of fintechs operate on the basis of product innovation as a distinctive element of their offering, while 39% focus on new customer *experience* dynamics. For the 74% of fintechs, development strategies are based on the principles of the Data Economy using non-PSD2 data sources.
- 100% of fintechs believe it is essential for their business to create partnerships with other players and 70% of them have already implemented or intend to implement forms of integration of third-party products / services, considering key partnerships to improve commercial effectiveness (according to 32%). Over the next 3 years, 43% of fintechs see themselves as part of a platform ecosystem.

Paolo Zaccardi, CEO of Fabrick, comments: " *It is now more than evident that the strength of any operator is based on its ability to attract and interact with the customer by building a more personalised way to improve the experience and the fluidity of access to the services offered for incumbents – whether they are financial or corporate operators. For this reason, it is increasingly vital to know how to intercept and integrate new service trends into the offer, also through the development of projects in collaboration with fintechs. In this context, the platform model that concretely allows this type of contamination and co-creation of new business models remains central. It should not be overlooked that if today for the new fintech players this collaboration is*

a commercial boost, soon it may be the traditional players who will find it in fintech. The more banks and corporates will be involved in collaboration projects today, the more tomorrow they will have the strength to continue to design and manage equal partnerships".

This view is also consistently reflected in the responses collected among the incumbent banks. Further data gathered in the survey from respondents shows:

- 48% of incumbent banks say they recognise in the collaboration with the fintechs the possibility of having innovative solutions and as many as 52% recognise their ability to develop disruptive technologies fundamental for product innovation. As a result, 57% of incumbents felt that the fintech offering enables them to gain significant advantages in their cost structures, and 25% also saw the possibility of greater service attractiveness.
- Interesting evidence also emerged from the survey conducted on the Neobank segment for which partnerships or integrations with fintechs represent an opportunity to grow for as much as 44%, reducing the time-to-market according to 31%.

Carlo Panella, Head of Direct Banking at illimity, comments: *"The financial sector is at the center of great changes and equally great opportunities. New technologies and rules have revolutionised traditional logic and today we are faced with an open world, which involves actors from the most diverse industries. Starting new forms of collaboration in Open Finance is the key to creating value for society, offering innovative services capable of satisfying emerging needs. illimity has interpreted this model from the outset by forging partnerships with non-financial operators through illimitybank with companies such as Mimoto and Fitbit, or by integrating the offer with the insurance offer of Helvetia and AON. We recently created the Sport and Health App, to connect Italians to sport, and announced collaborations with Amazon, to contribute to the digitization of SMEs, and with Eni, by joining the Open-es platform for sustainable development. of businesses. With the joint venture in Hype we have also enabled a real exchange of skills, services and products - from the aggregation of accounts, through the psd2, to access to the deposit accounts of illimitybank - with the aim of accelerating the growth of the first fintech Italian. We intend to be part of a change that is only just beginning and, for this reason, illimity is constantly working to develop new models from a "bank as a platform" perspective. We are therefore happy to have collaborated in the realization of this Research together with partners of the highest level".*

- Finally, Fintechs are also central to the development strategies of businesses, 81% of businesses consider them fundamental to integrating the concept of Embedded Finance into their offerings.
- As well as for startups, 87% of which say they want to integrate financial products by collaborating with fintechs to develop customized solutions (42%) and create innovation ecosystems (37%).

Valerio De Molli, Managing Partner & CEO of The European House – Ambrosetti, said: *"Data, APIs and artificial intelligence must be considered the tools behind new offerings, new business models and new ecosystems.*

"More than 650 stakeholders, involved by The European House - Ambrosetti in the surveys (630 players including Fintech, Neobank, Companies and Startups) and in the interviews (over 20

incumbent banks), have validated the ecosystem model of Open Finance development that sees Fabrick and illimity as protagonists. For the benefit of the whole country-system, there is an opportunity to promote a very broad ecosystem development with the support of both public actors, as regulators, and private actors. The development of Open Finance according to a platform paradigm addresses the demands of companies and new generations of consumers who require smart services and products that are seamlessly accessible between different devices and capable of offering a 360 ° user experience".

Following the upcoming webinar on January 20, of the presentation of evidence from the first of the three chapters of the research – the overall results of the research in its entirety will be completed and presented during the 33rd edition of the workshop "The Scenario of Economics and Finance" of The European House – Ambrosetti, which will be held on 1 and 2 April.

Notes to editor:

* The webinar will be held in Italian and simultaneous audio translation will be available for international participants joining. To gain access to this R.S.V.P. Carmen Lojacono (tel. 02 46753274 - club@ambrosetti.eu) Registration will be accepted subject to availability

The European House - Ambrosetti

The European House - Ambrosetti is a professional group of about 280 professionals active since 1965 and has grown significantly over the years thanks to the contribution of many Partners, with numerous activities in Italy, Europe and the world. The Group has three offices in Italy and several foreign offices, as well as other partnerships around the world. His strong expertise is the ability to support companies in the integrated and synergistic management of the four critical dynamics of value generation processes: See, Design, Implement and Enhance.

For more than 50 years alongside Italian companies, every year we serve about 1,000 clients in Consulting, carrying out more than 200 Studies and Strategic Scenarios addressed to national and European institutions and companies and about 120 projects for entrepreneurial families. To these numbers are added about 3,000 national and international experts who every year are involved in the 500 events held for over 10,000 managers accompanied in their growth paths.

The Group benefits from an invaluable heritage of international relations at the highest level in the various sectors of activity, including the heads of the main international institutions and individual countries.

The European House - Ambrosetti has also been nominated in 2021, for the eighth consecutive year - in the "Best Private Think Tanks" category - 1st Think Tank in Italy, 4th in the European Union and among the most respected independents in the world out of 11,175 globally in the latest edition of the "Global Go To Think Tanks Report" of the University of Pennsylvania. The European House – Ambrosetti has been recognized by the Top Employers Institute as one of the 112 Top Employer 2021 companies in Italy. For more information, visit the www.ambrosetti.eu website and follow us twitter.com/Ambrosetti_

Fabrick

Fabrick is the open financial ecosystem created to promote Open Finance through the development of innovative digital services, based on the logic of Open Banking. The reality, which operates internationally, allows collaboration between the different actors to co-create solutions that respond to the increasingly advanced needs of end users. Founded in June 2018 for having foreseen well in advance the advantages that the technological and regulatory revolution could bring to all the players in the system, Fabrick supports its customers - banks, institutions, fintechs, large corporations, SMEs, top merchants and startups operating in any sector - in the development of Open Banking and Open Payments projects and providing consultancy. The company has obtained from the Bank of Italy the authorization to operate as a Payment Institution thus adding a further piece to its role as enabler of new business models, it can in fact exercise the activities of Account Information Service Provider (AISP) and Payment Order Service Provider (PISP) to propose "turnkey" solutions and make its license available to customers in "as a service" mode. www.fabrick.com

illimity Bank S.p.A.

illimity is the high-tech banking group founded and led by Corrado Passera, born with the aim of responding to specific market needs through an innovative and specialized business model. In particular, illimity provides credit to high-potential SMEs, buys distressed corporate loans and manages them through its platform – neprix – offering digital direct banking services through illimitybank.com. The Group also includes illimity SGR, which establishes and manages Alternative Investment Funds, the first of which is dedicated to UTP credits. The history of the illimity Group began in January 2018 with the launch of the Special Purpose Acquisition Company SPAXS S.p.A. which closed a record raising on the capital market of 600 million euros. SPAXS subsequently acquired Banca Interprovinciale S.p.A. and the merger between the two companies formally created "illimity Bank S.p.A." which since 5 March 2019 has been listed on Borsa Italiana S.p.A. (ticker "ILTY"), first on MTA and from September 2020 on the STAR segment. The Milan-based banking group already has over 700 employees and closed the financial statements as at 30 September 2021 with assets of over 4.6 billion euros.

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