



# Countries Shaping Europe's Financial Landscape



Italy

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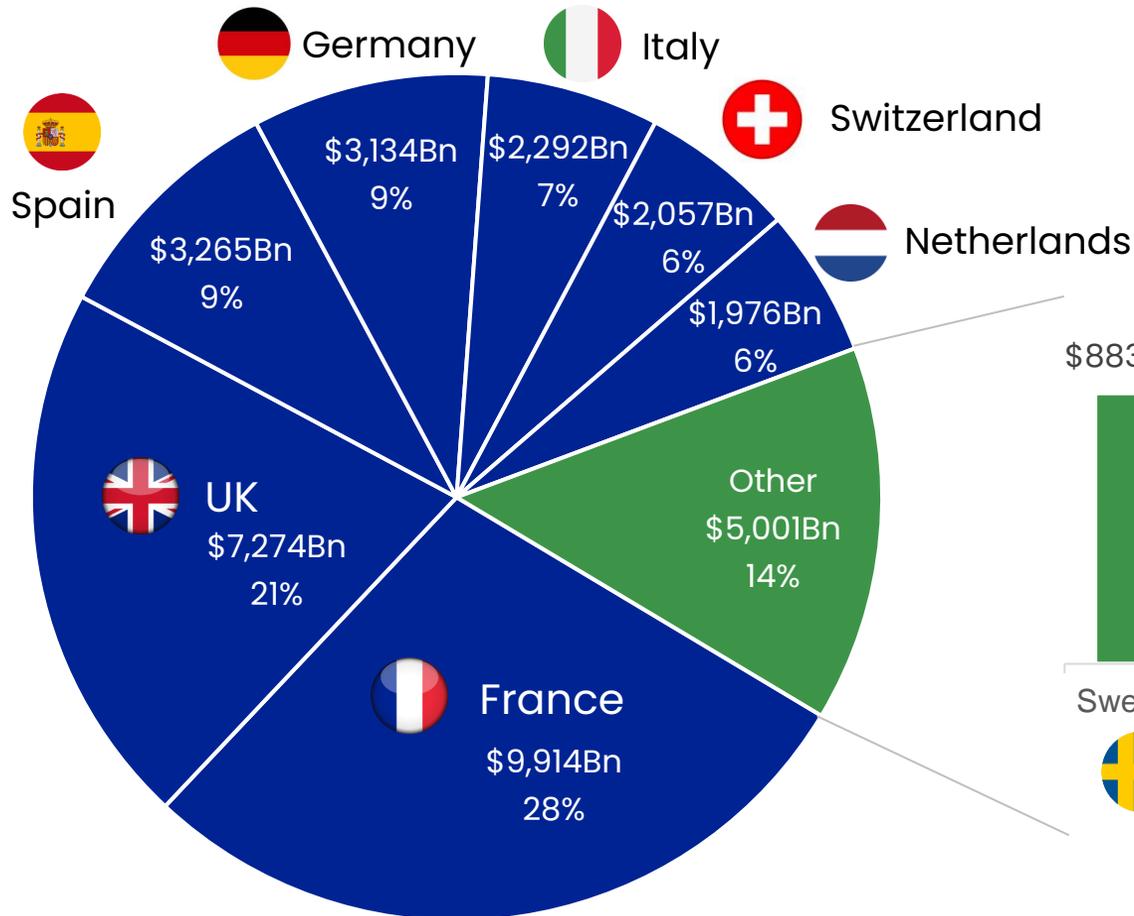
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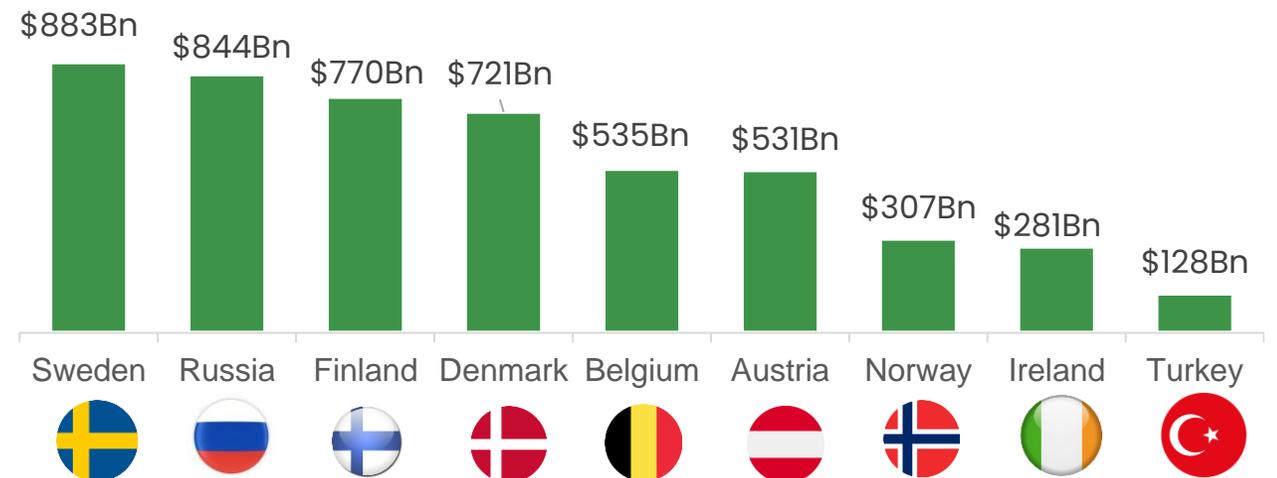
Access to Members Area

Italy's top five banks hold €2.2 trillion in assets, ranking after France, the UK, Spain, and Germany in the top 50 European banks. French and UK banks dominate with nearly 50% of the assets, while Italy's contribution is significant yet lesser.

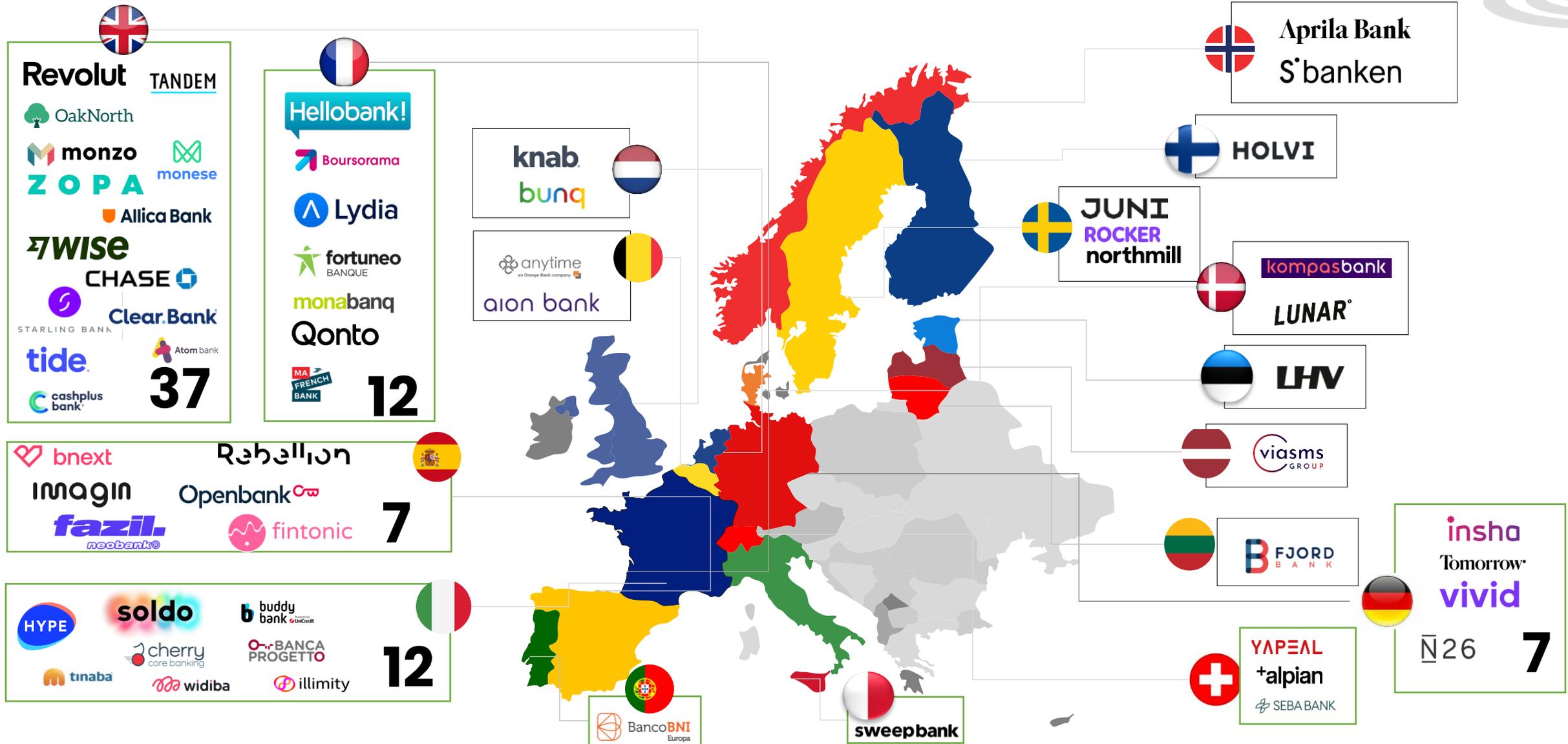
## Aggregate assets of top 50 largest European Banks by country



- France and the U.K., with six banks each represents almost the 50% of total banking assets of Top 50 banks in Europe.
- Spain, Germany and Italy, each have five banks in the ranking, which together hold €3.2 trillion, €3.1 trillion and €2.2 trillion in assets, respectively.



The European digital banking market is now a crowded and highly competitive space.



Source: number of banks

# Country Profile



## Italy

TOTAL POPULATION ACTIVE POPULATION

**59 m** **25 m**

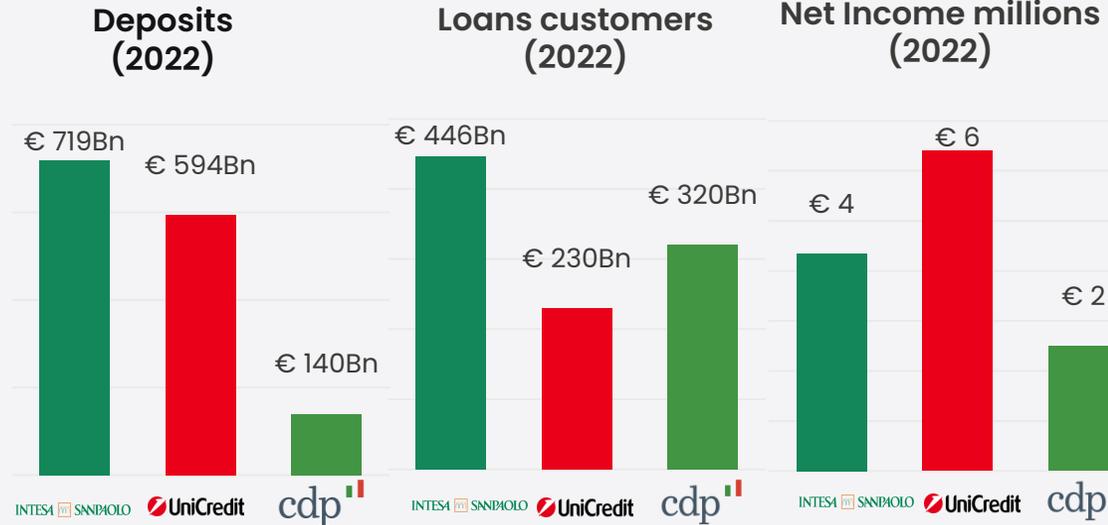
GROSS DOMESTIC PRODUCT GDP GROWTH

**US\$2,11 Tr** **3.7%**

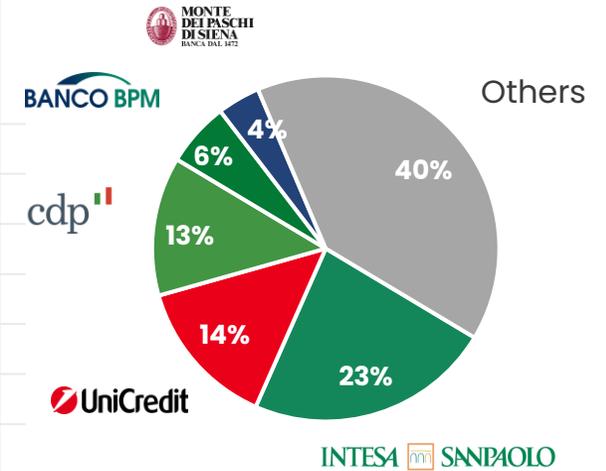
GDP Projection (2023) WORLD ECONOMY RANKING

**0.7 %** **8<sup>th</sup>**

### Key Figures of Top Banks in Italy (Billions)



### Market share (2021)



Total Lending (2023)  
**€1.29 Tr** +1.4% YoY

Financial assets (2023)  
**€ 5.04 Tr** +0,93% YoY

Total Deposits (2023)  
**€1.2 Tr** -1.8% YoY

Return on equity (2022)  
**5.7%** +470% YoY

Share of assets held in the EU (2022)  
**9.7%**

### Competitive landscapes

**457**

Number of Lending Institutions

**30**

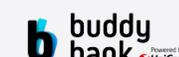
Digital Only Brands in the country



Number of retail products offered by digital brands

### Prominent Digital Brands

Local



Foreigner



1.0m+ users in Italy

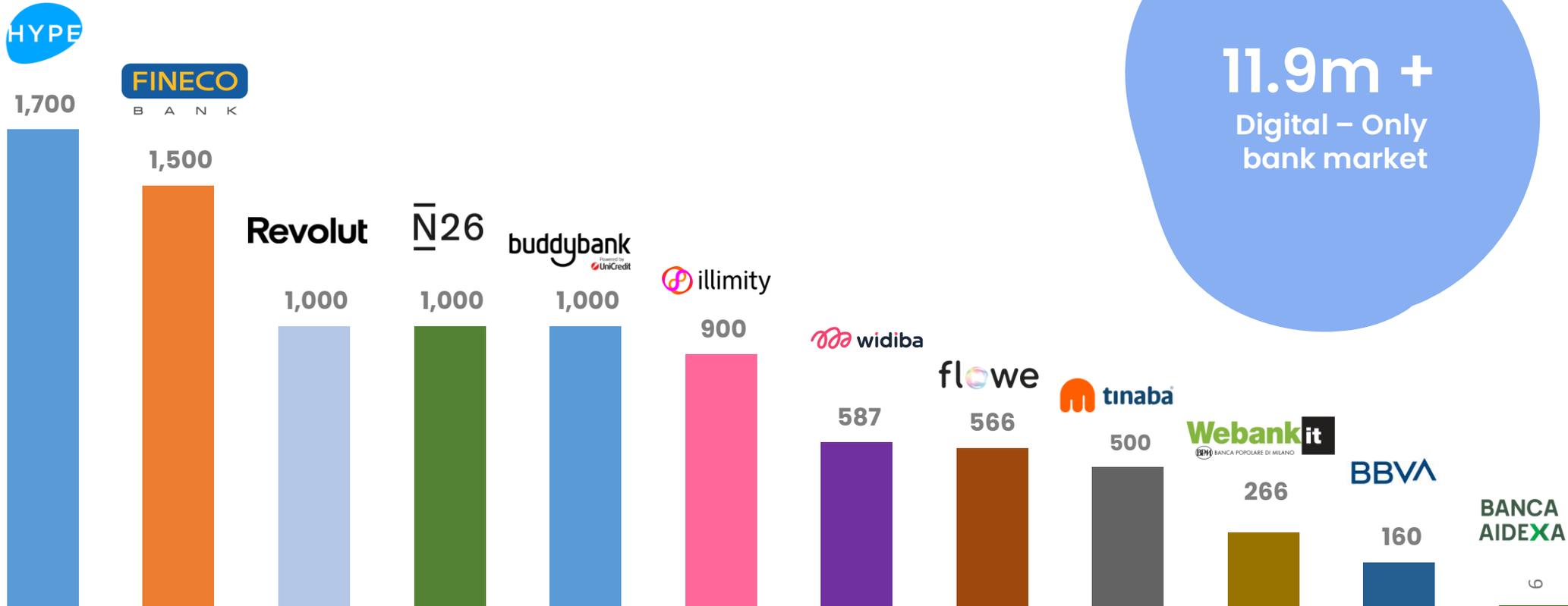
**Revolut**

1.0m+ users in Italy



Italy boasts approximately 12 million digital-only banking users, with Hype leading the market with 1.7 million users. Recognizing the growing demand for digital services, BBVA in 2021 introduced a 100% digital offering to cater to the evolving needs and preferences of Italian customers, enhancing convenience and accessibility.

Number of Users by Digital – Only Banks in Italy (Thousands)

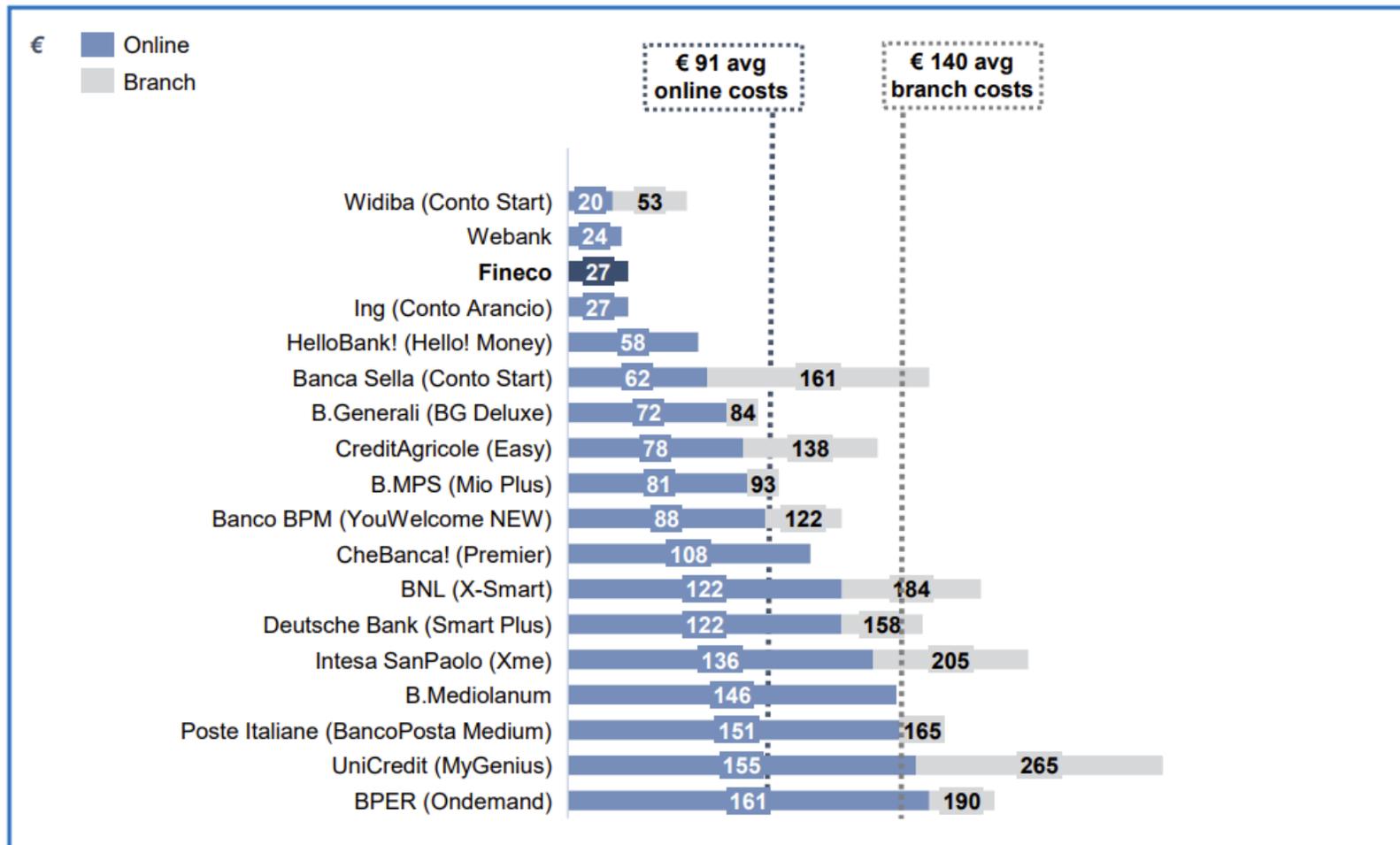


Source: Digital Banks financial results and parent companies financial statements 2022. [statista](#), [FI](#),  
 Note: In 2021 Spanish bank BBVA launched a 100% digital bank offering in Italy.



Traditional brands in Italy are creating their own digital brands, to compete with digital players and to enhance customer acquisition costs.

## Digital Brands Vs Branch network cost in Italy





## Case Study – Italy

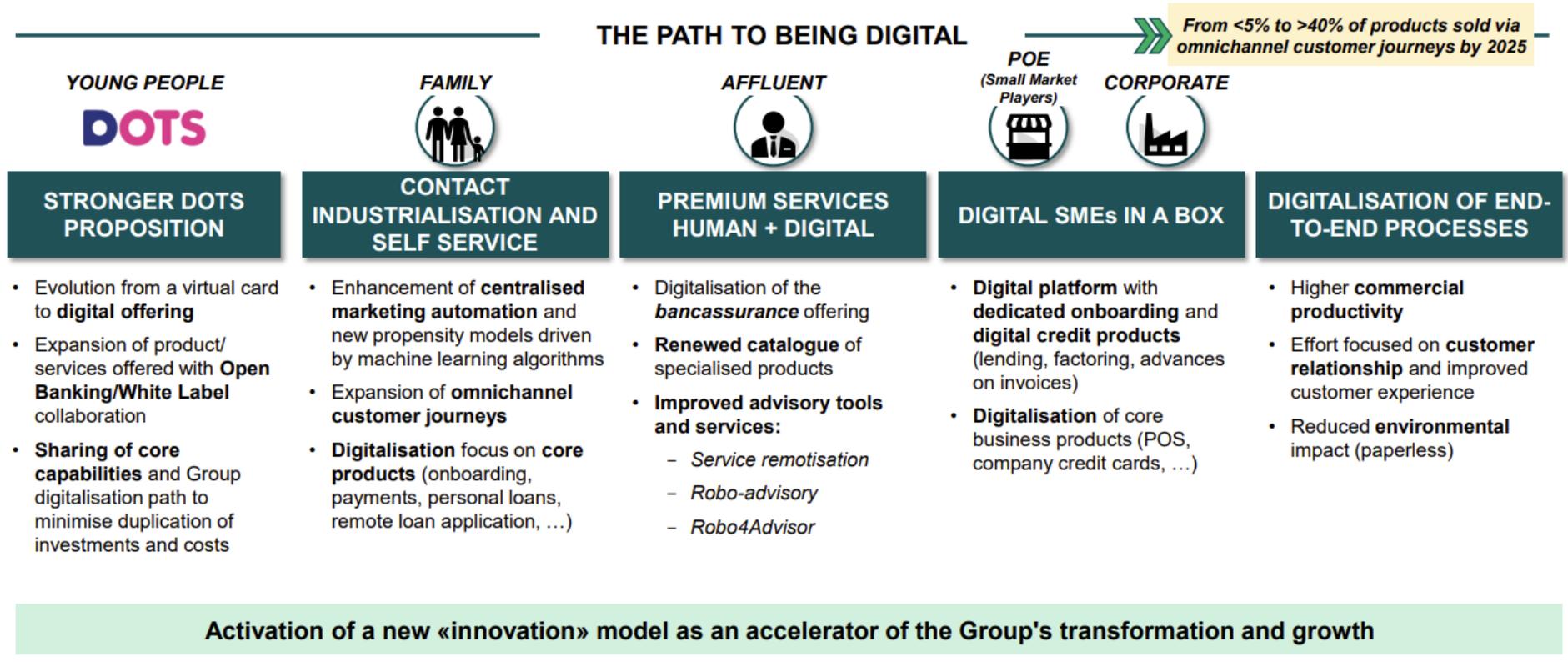
Traditional brands in Italy are creating their own digital brands, to compete with digital players and to enhance customer acquisition costs.

### E-Volution 2022–2025 Business Plan

SIMPLE, DIGITAL BANK

**BPER:**  
Banca

**Stronger digital proposition developed around customer needs, gradual sales increase via the digital channel**





## Case Study – Italy

Intesa Sanpaolo's objective is to achieve Structural Cost reduction through technology-driven strategies by diverting customers from traditional branches.



Launched June 15<sup>th</sup>, 2023

- Targets **4 million** customers
- **€200 million** in annual revenues
- **€800 million** a year cost savings
- **~1,500 branch** reduction



## Key Features



### Cloud-native

In Partnership with



### Digital Service Model

APP, Contact Center, ATM's and Payments via.



### Digital Journeys

Powered by AI Sales



### AI Lab

AI Lab in Turin with ~50 Italian and international experts.



**Value Proposition & App Experience** | It is customer-centric and customer-focused to provide affordable and accessible financial services with improved customer experience.



### Pricing

Digital Challenger Banks have step away from the free only proposition to offer premium services to paid customers, as they widen offering.

Better pricing is reached by leveraging its technology stack and partnerships.



### Accessibility

Delivers full suite of services through mobile device and engage with customers digitally.

Aims to improve accessibility to financial services for the unbanked and underbanked population.

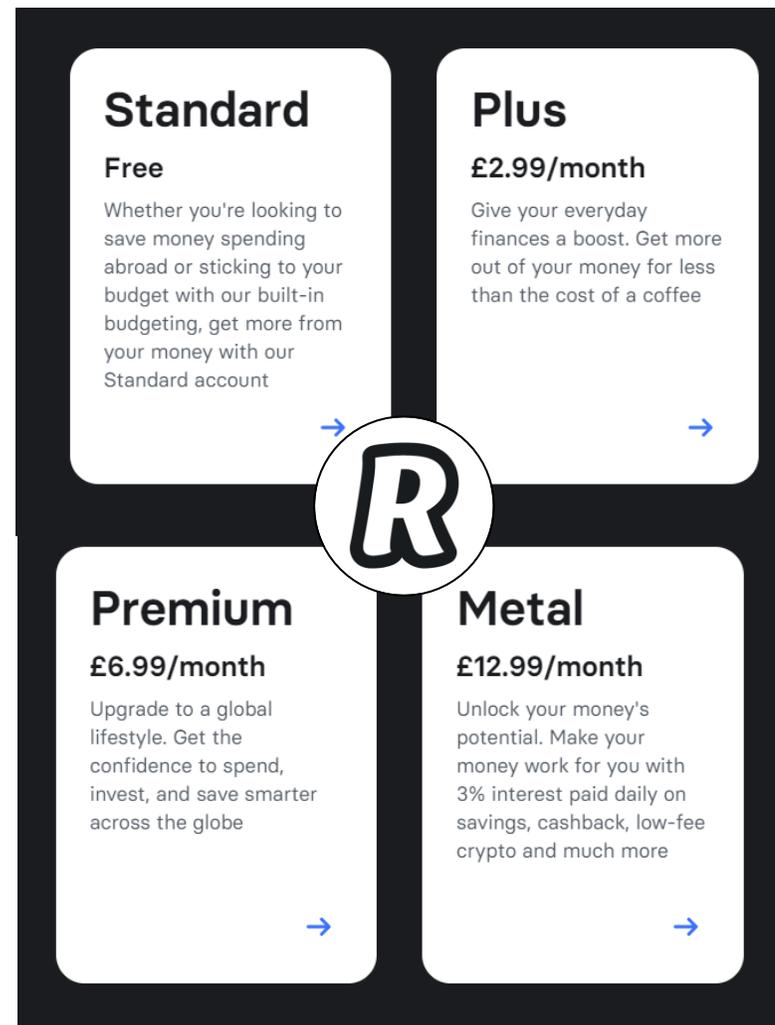


### Experience

Strong focus on customer experience

Leads to greater personalization, ease of use, and a wider variety of product features

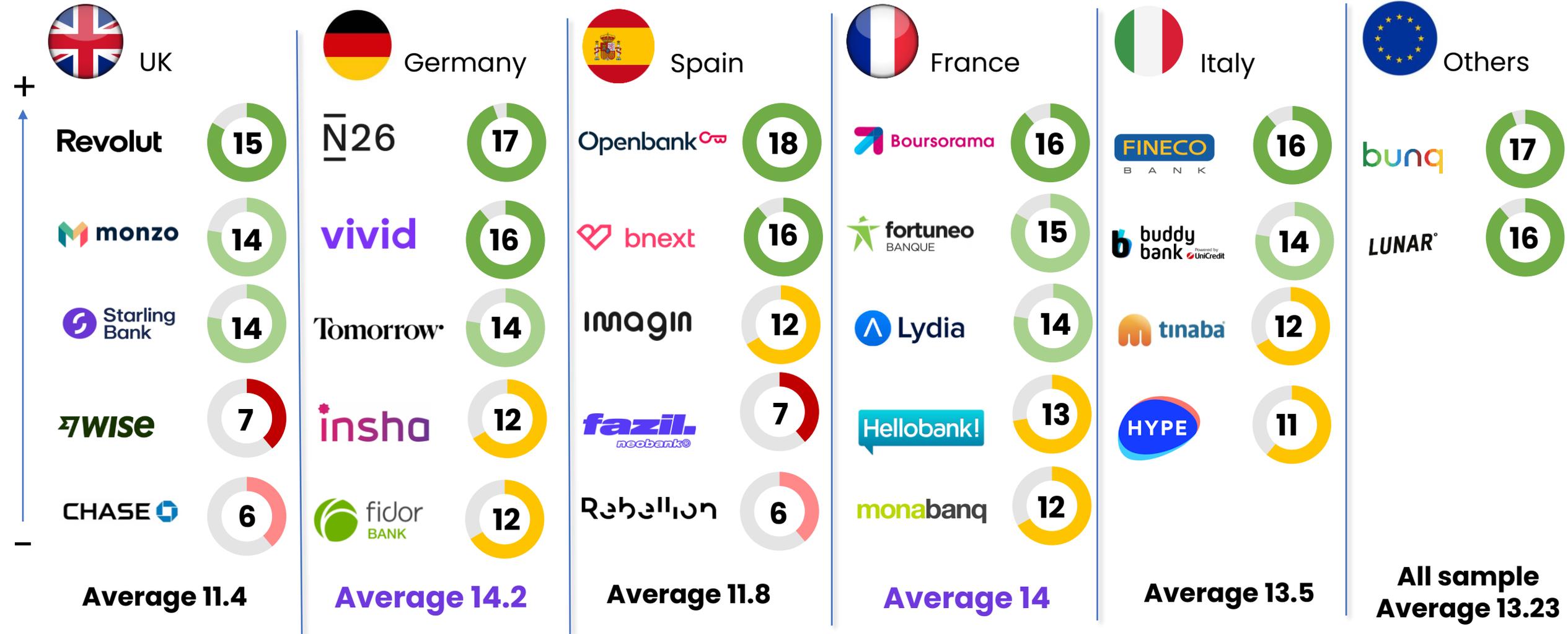
Offers a stronger Experience proposition for users than traditional players



# Value Proposition & App Experience |

France and Germany stand out as countries with the most comprehensive range of products offered by digital banks, providing a diverse and extensive selection to their customers.

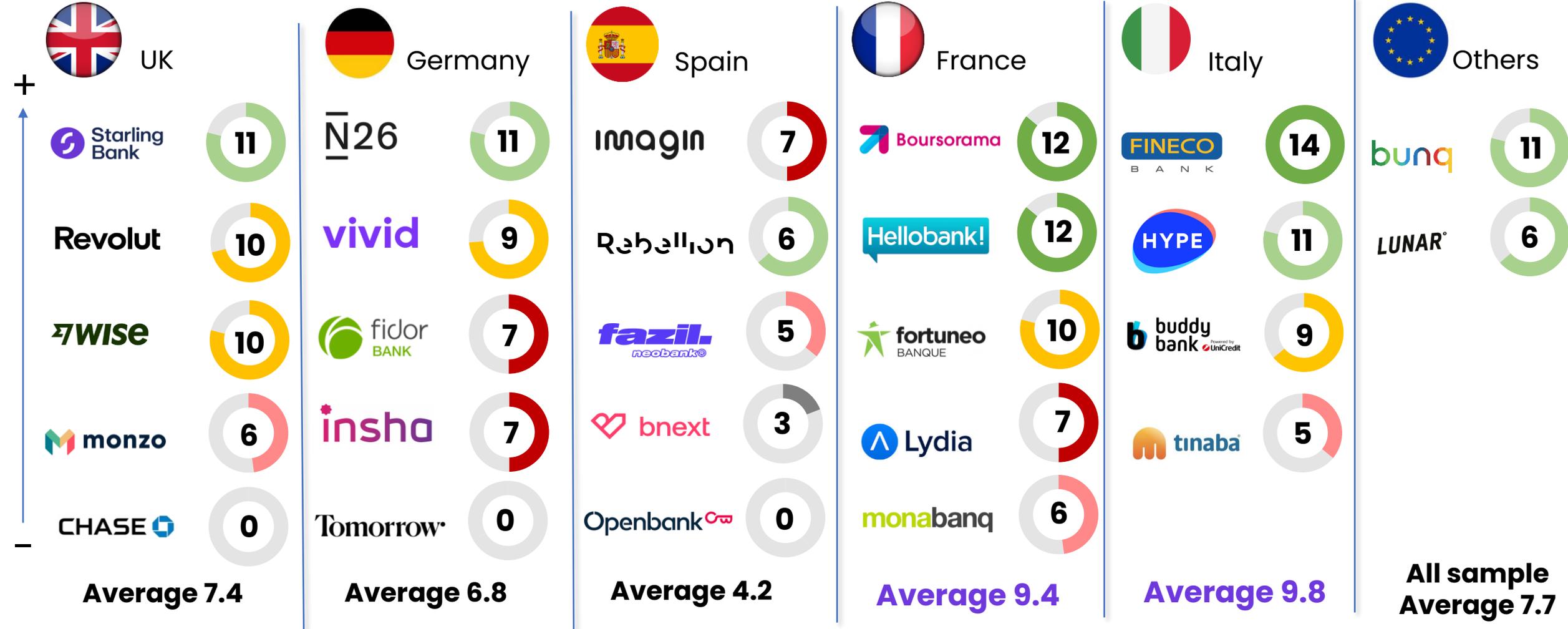
## Personal Banking – Extension of Product offering by Digital player



# Value Proposition & App Experience |

In a bid to increase profitability and broaden their customer base, digital banks have expanded their product offerings to cater to the business banking segment. This strategic move reflects their commitment to enhance the attractiveness of their offerings.

## Business Banking – Extension of Product offering by Digital player



## Value Proposition & App Experience |

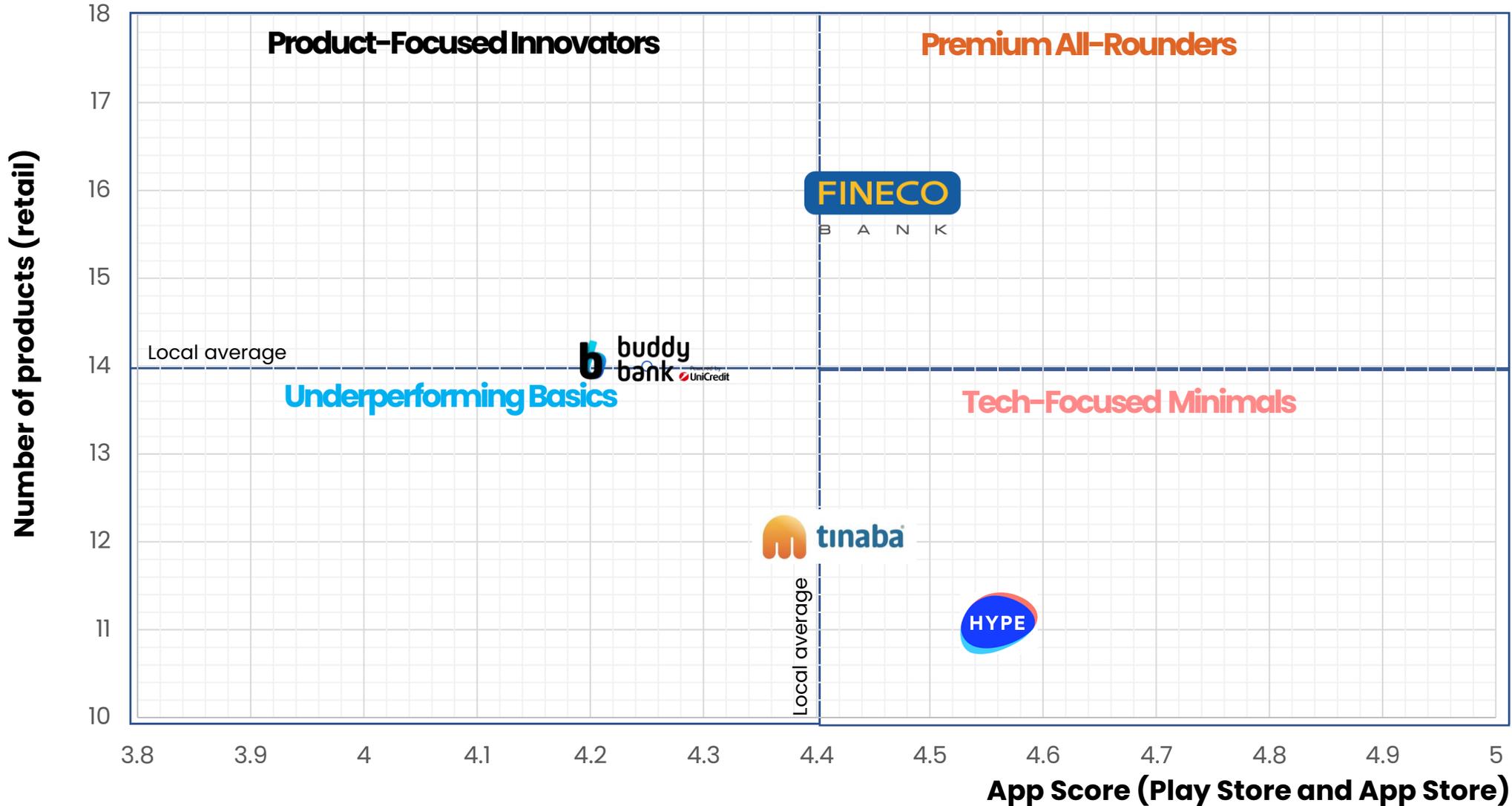
We categorized digital brands into four main themes based on the comprehensive evaluation of their product offerings and the app scores reported by their users.

 <p><b>Product-Focused Innovators</b></p> <p>They prioritize offering a diverse and high-quality range of products to their customers. However, their average app scores may be lower, indicating that <b>their focus has been primarily on product development</b> rather than optimizing their digital banking experience. Despite the lower app scores, these banks are known for their innovative product offerings and the value they provide to their customers.</p>	 <p><b>Premium All-Rounders</b></p> <p>Refers to banks that <b>excel in terms of their digital services and product offerings</b>. They have achieved high average app scores, indicating a user-friendly and technologically advanced banking experience. Additionally, they offer an extensive range of products, catering to the diverse needs of their customers. These banks stand out as top performers in both digital capabilities and product variety.</p>
 <p><b>Underperforming Basics</b></p> <p>They face challenges with both low average app scores and a limited product offering. <b>These banks have room for improvement</b> in terms of their digital banking capabilities and the range of products they provide to their customers.</p>	 <p><b>Tech-Focused Minimalists</b></p> <p>They stand out for their higher average app scores, indicating a strong emphasis on digital banking capabilities. However, their product offerings are relatively limited, suggesting that <b>their focus has been primarily on enhancing the technological aspects of their services</b> rather than diversifying their product range. Despite the limitations in product offerings, these banks prioritize delivering a seamless and efficient digital banking experience to their customers.</p>

# Value Proposition & App Experience |



The Italian digital market is characterized by a blend of traditional banking and innovative fintech solutions, catering to a diverse range of customer needs. Fineco is a prominent example of a traditional bank in Italy that successfully transitioned into the digital banking space.



**30**  
Digital Only Banks operate in Italy

- Fineco's digital banking model showcases the evolving landscape of banking in Italy, where traditional institutions are adapting to meet the demands of a digital-savvy audience.

INTESA SANPAOLO

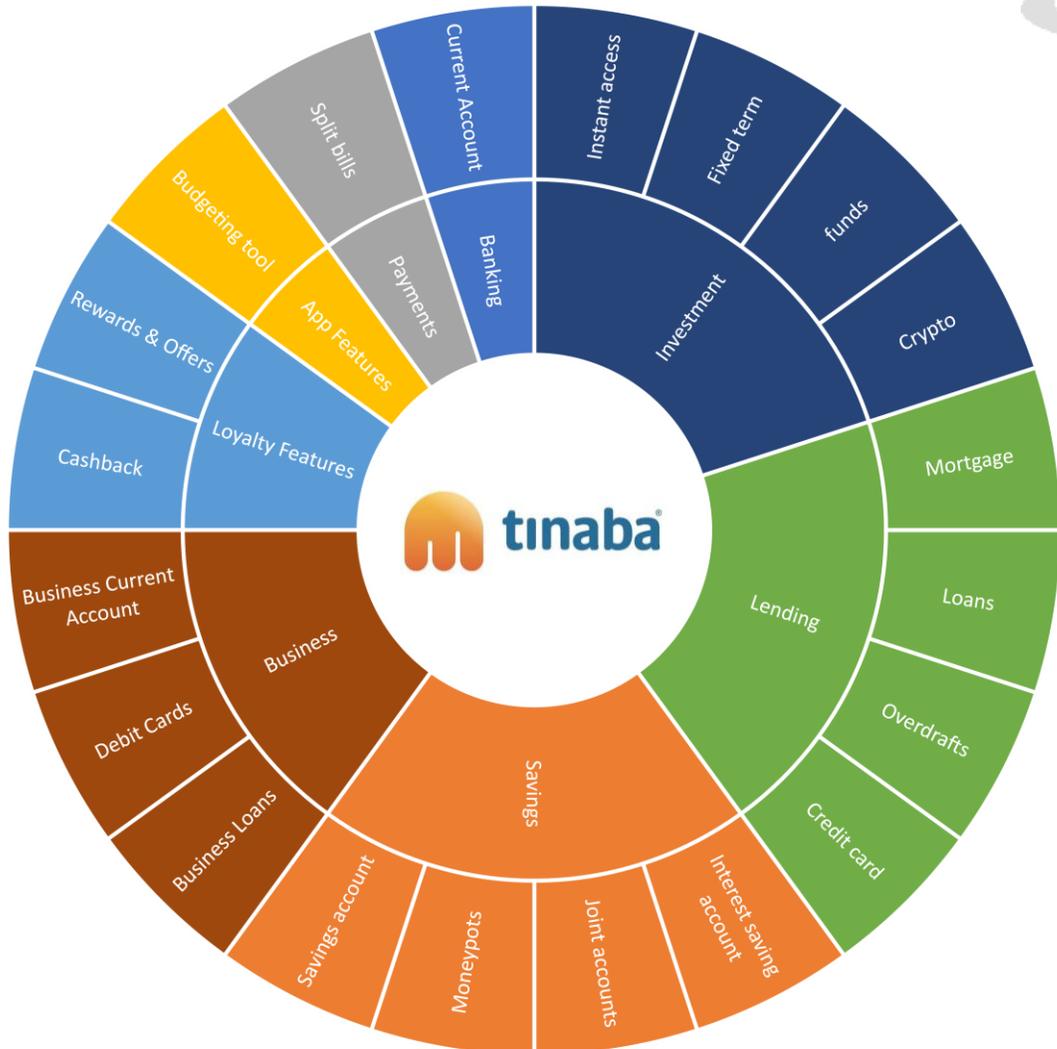
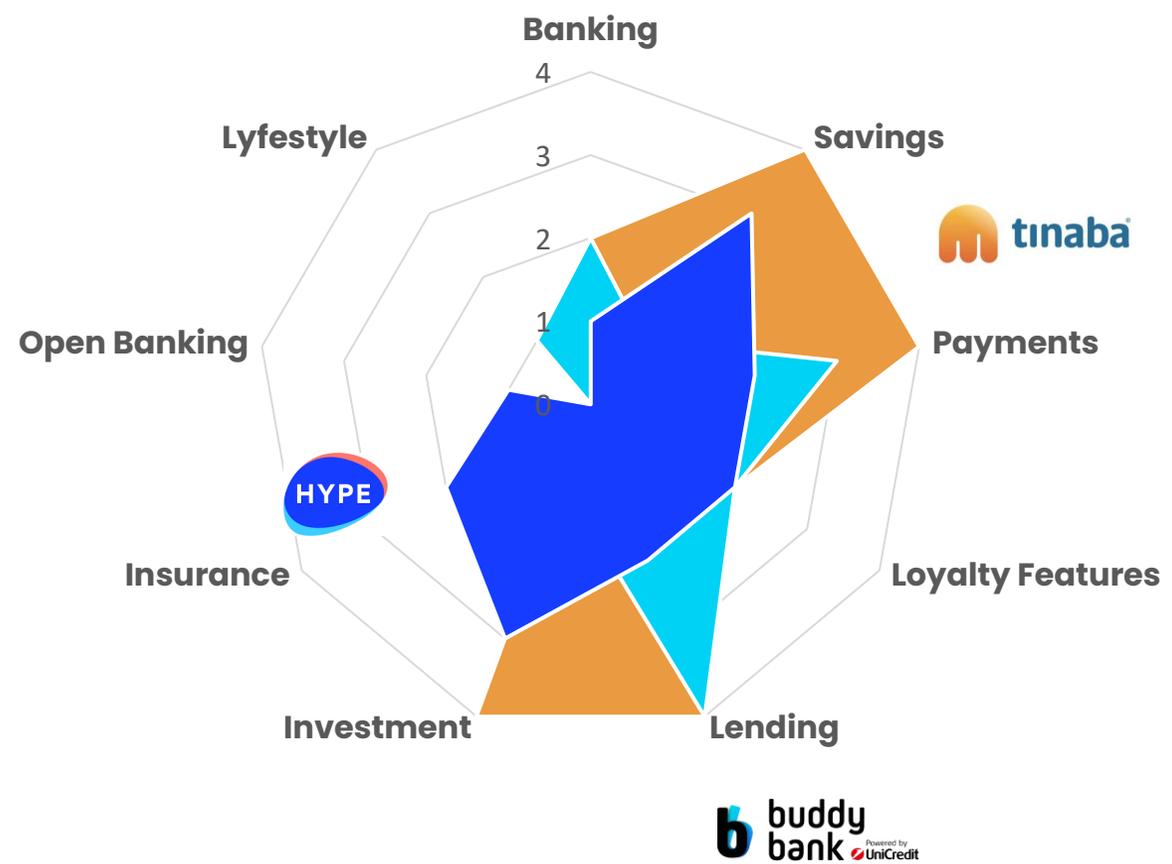
- Invested €650m in a new digital bank
- Is to be launched summer 2023.
- It targets international growth and cost reduction.

isybank

# Value Propositions of Selected Digital Banks in Italy



## Value Proposition across Retail Offering



Each brand charted unique trajectories in their product offerings.

Offerings encompass the core aspects of savings, lending, and investment. It could benefit from expanding their portfolio to include insurance, lifestyle-centric and loyalty features

# Appendix II – Scope of Product analyzed

## Retail Products Analyzed

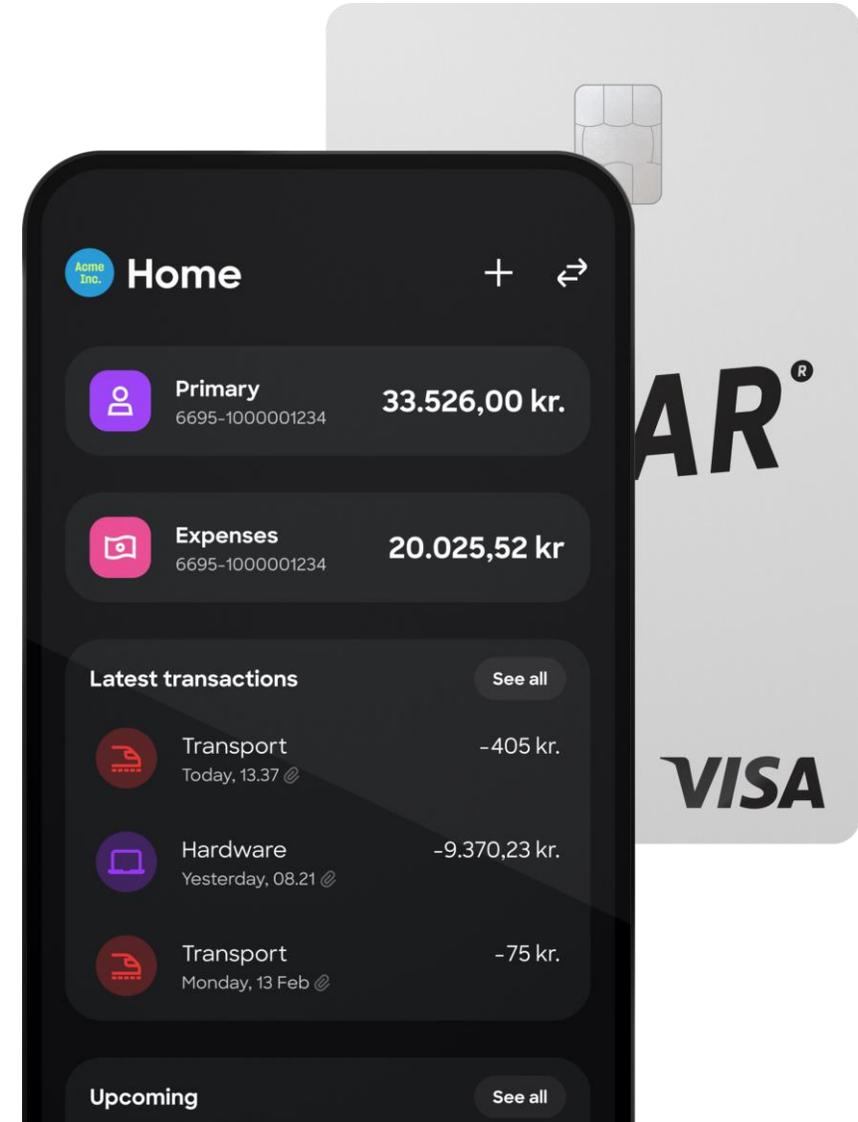
- **Mobile App**
- **Current Account**
- **Joint Account**
- Teen / Kids Account
- Multi-currency Account
- **Savings Deposits**
- **P2P Payments**
- Cross-border Payments
- **Debit Card**
- Credit Card
- Personal Loans
- Overdraft
- Residential Mortgages
- Stock Trading
- Cryptocurrencies
- Commodities
- **Insurance**
- Rewards & Offers
- Third-party Marketplace
- Account Aggregation

**Bold products are the most common in retail app.**

## Business Products Analyzed

- **Mobile App**
- **Web App**
- **Business Current Account**
- Multi-currency Account
- Savings Deposits
- **International Payments**
- **Debit Cards**
- Credit Cards
- Business Loans
- Business Overdraft
- Business Tools
- Rewards & Offers
- Third-party Marketplace
- Open API

**Bold products are the most common in business app.**



# Appendix III – Scope of Product analyzed

## Savings

- Savings account
- Money pots
- Split bills
- Budgeting tool
- Rewards
- Set limits
- Interest saving account
- Cashback
- Group Saving interest
- Joint accounts

## Lendings

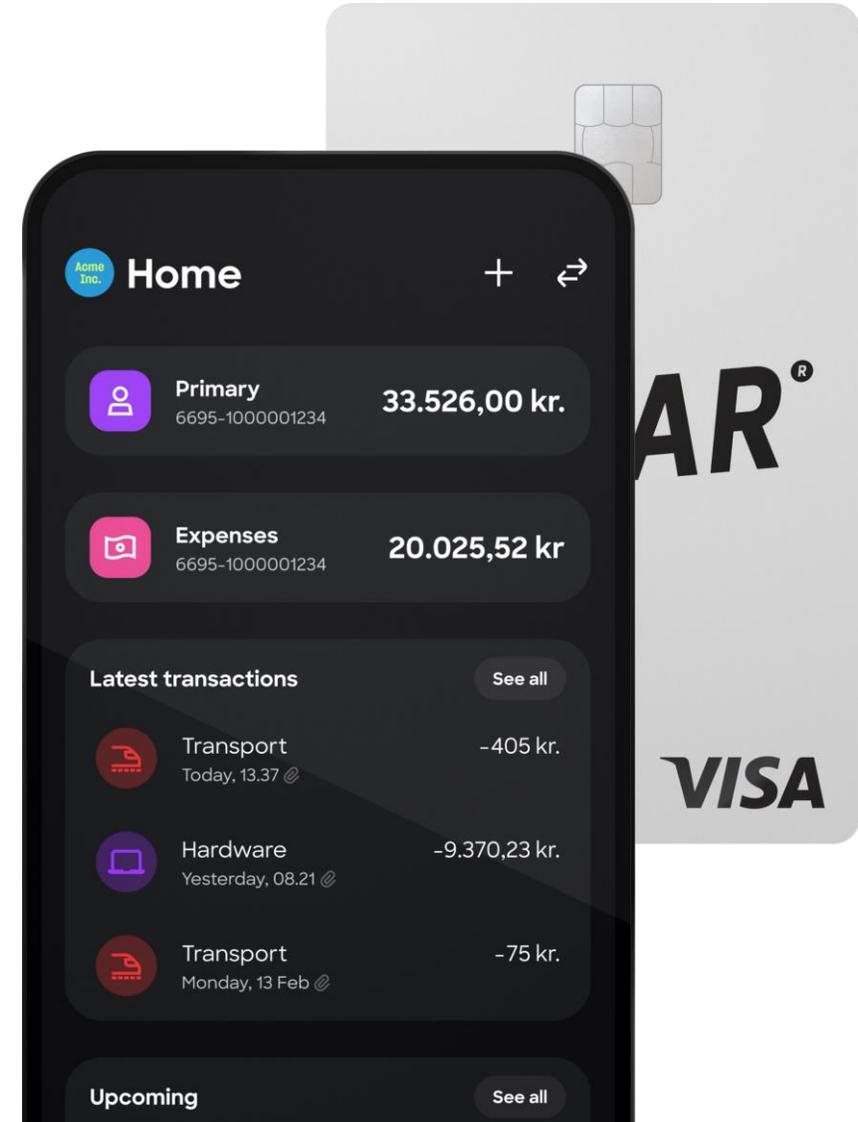
- Credit card
- Overdrafts
- Loans
- Mortgage

## Investment

- Crypto
- Stocks
- Commodities
- Fixed term
- Instant access

## Insurance

- Pets
- Home
- Phone (stolen or damaged)
- Health
- Life
- Car
- Travel



Stay tuned for more!



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