



Countries Shaping Europe's Financial Landscape



Spain

Country Profile



SPAIN

TOTAL POPULATION

47 m

ACTIVE POPULATION

23 m

GROSS DOMESTIC PRODUCT

US\$1,43 Tr

GDP Projection (2023)

1.5%

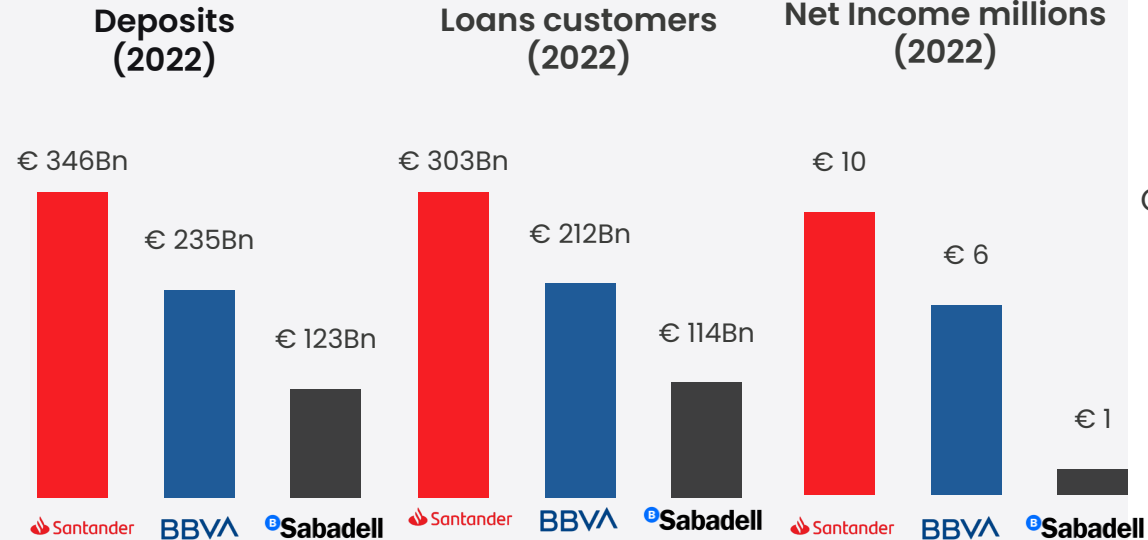
GDP GROWTH

5.5%

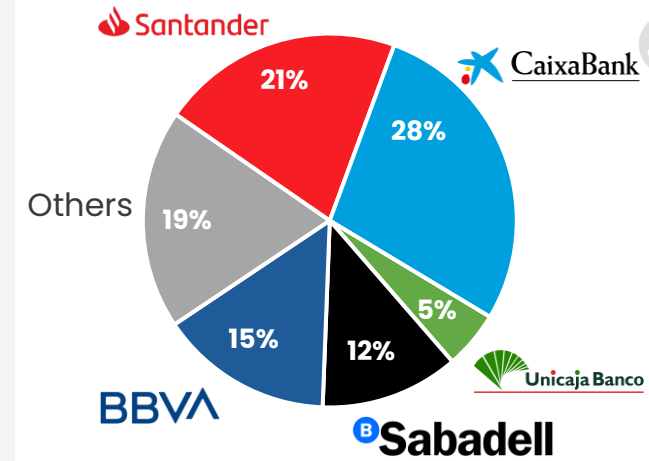
WORLD ECONOMY RANKING

14th

Key Figures of Top Banks in Spain (Billions)



Market share (2021)



Total Lending (2023)

€692.06 Bn
-0.7% YoY

Financial assets (2023)

€2.64 Tr +0.95% YoY

Total Deposits (2023)

€989.8 Bn +2.2% YoY

Return on equity (2022)

10.2%
+470% YoY

Share of assets held in the EU (2022)

7.3%

Competitive landscapes

242

Number of Lending Institutions

28

Digital Only Brands in the country



Number of retail products offered by digital brands

Prominent Digital Brands

Local Openbank

fintonic



myinvestor

bnc

Foreigner

Revolut

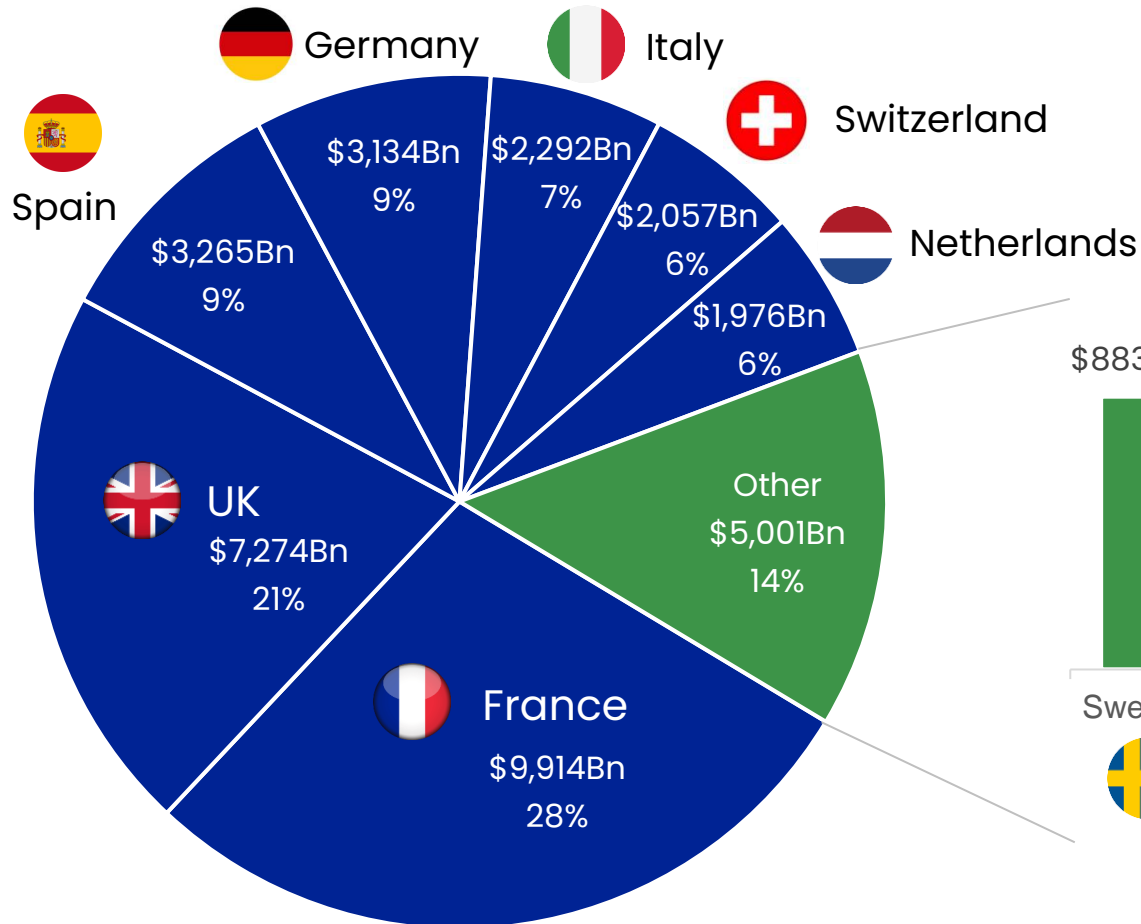
2m+ users

N26

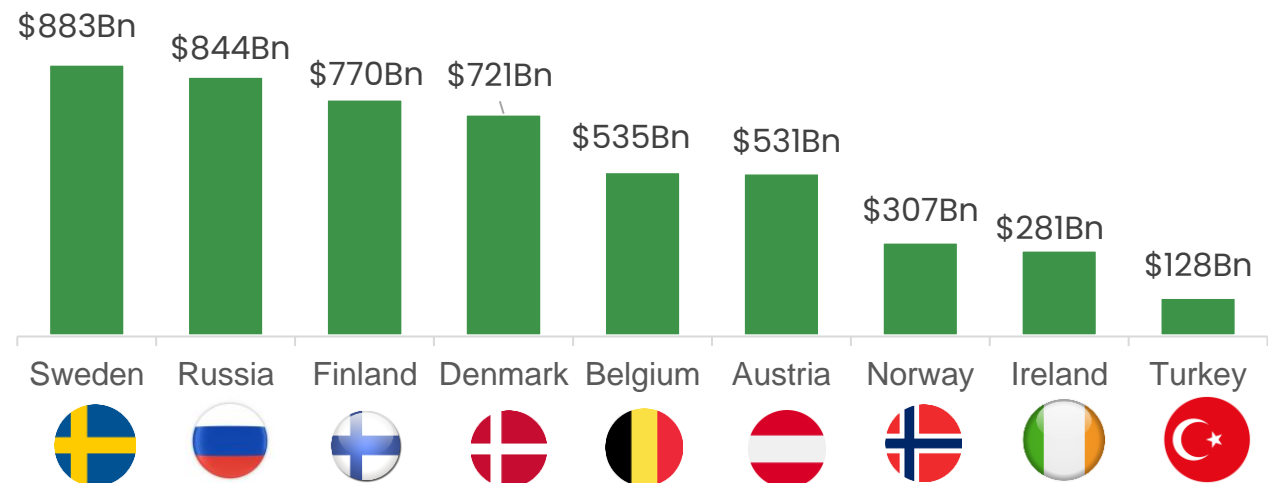
1m+ users

Spain Holds Strong with 9% of Top 50 European Bank Assets, Totaling €3.265 Trillion.

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.



Santander, Spain's financial powerhouse, upholds its position among Europe's top 5 banks with a remarkable asset portfolio of €1.734 trillion and a global customer base of 145 million.



Assets: €2.680 trillions
 Revenues: US\$ 51.73 billion
 Customers: 40 millions



Assets: € 2.666 trillions
 Revenues: € 50.4 billion
 Customers: 33 millions



Assets: €2.379 trillions
 Revenues: €22.07 billion
 Customers: 52 millions



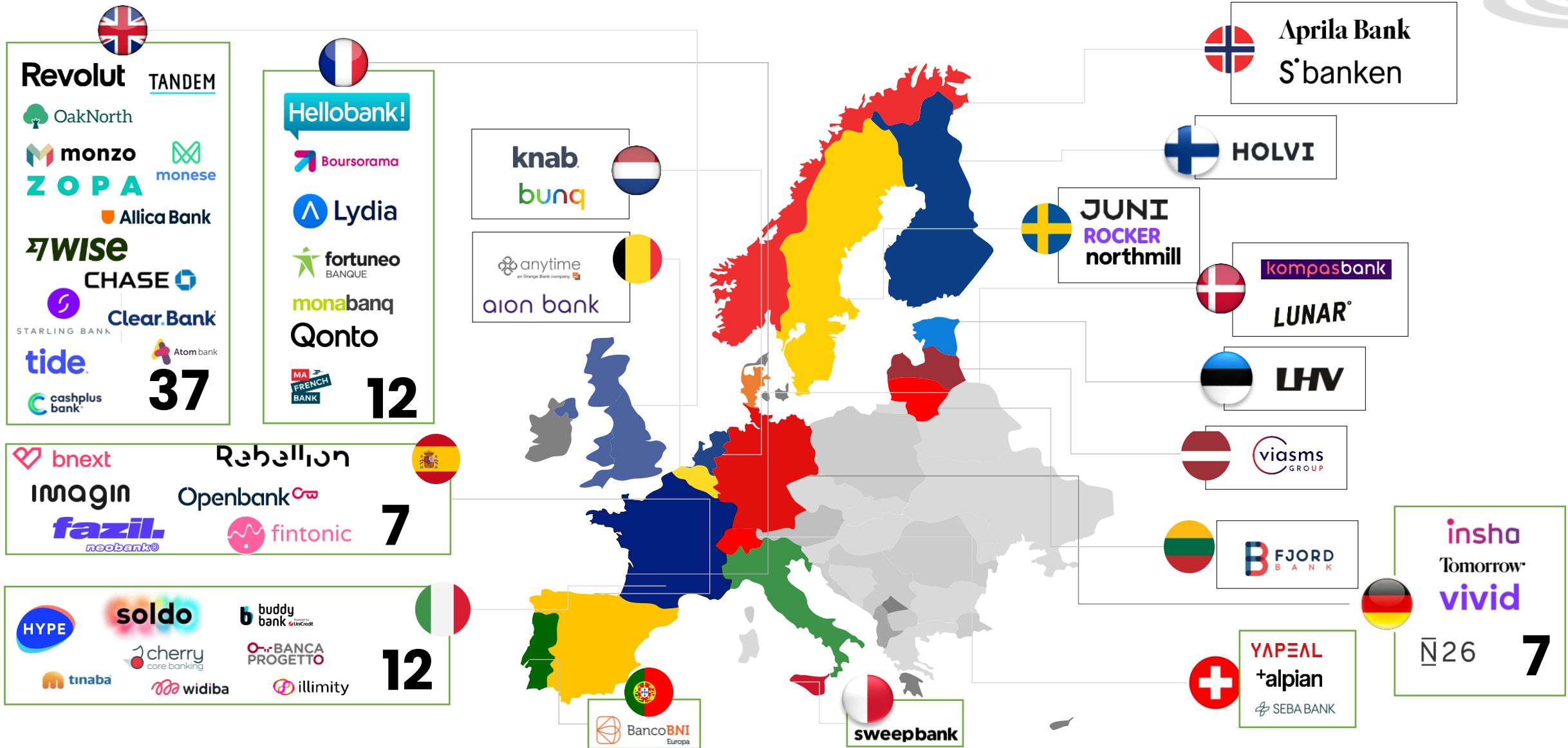
Assets: €1.734 trillion
 Revenue: €41.27 billion
 Customer: 145 millions (46 million in Europe)



Assets: €1.706 trillion
 Revenue: € 25.0 billion
 Customer: 48 millions

▲ Improved rank compared to 2022
 ▼ worsened rank compared to 2022

The rise in digital banking uptake places Spain as the fourth-largest digital banking market in Europe, following the UK, Italy, and France.

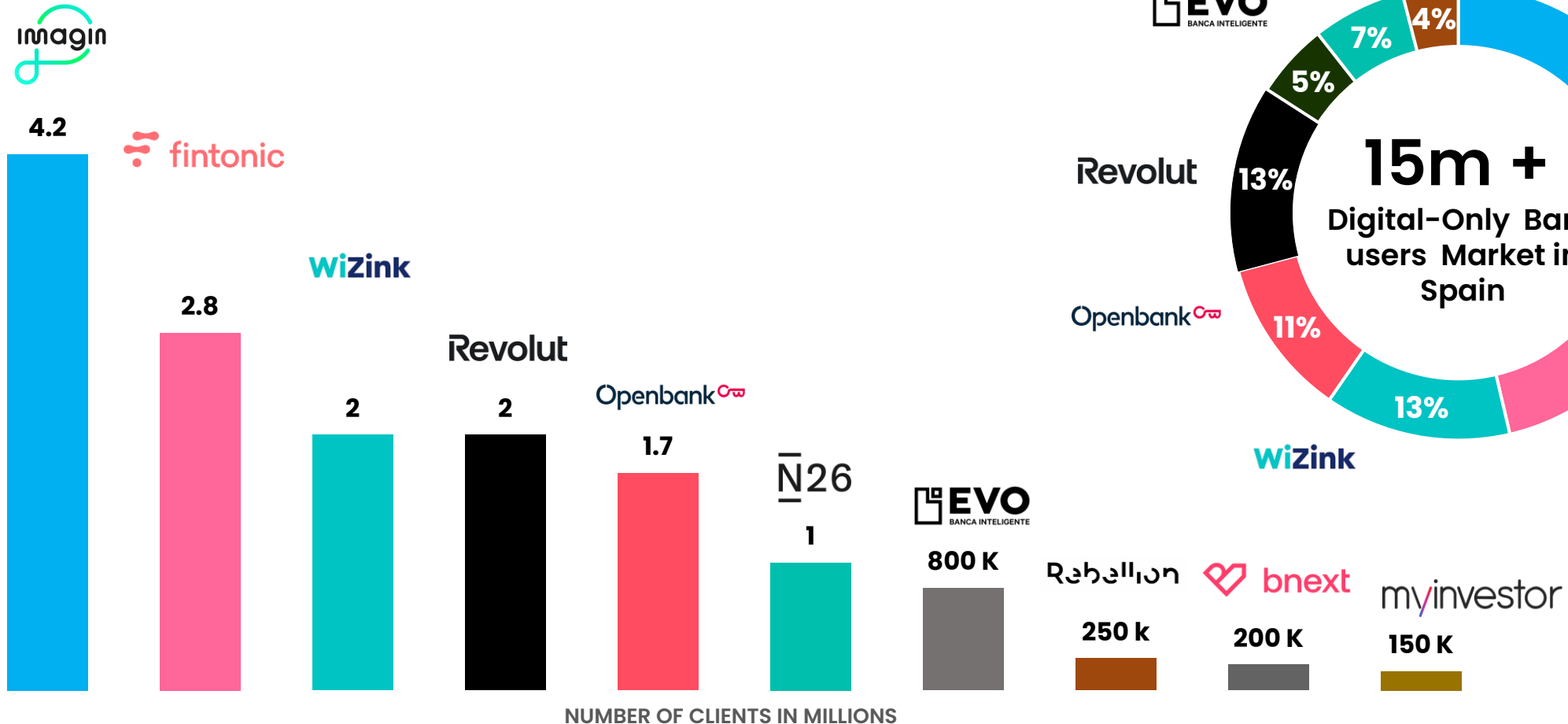


Source: C-Innovation data

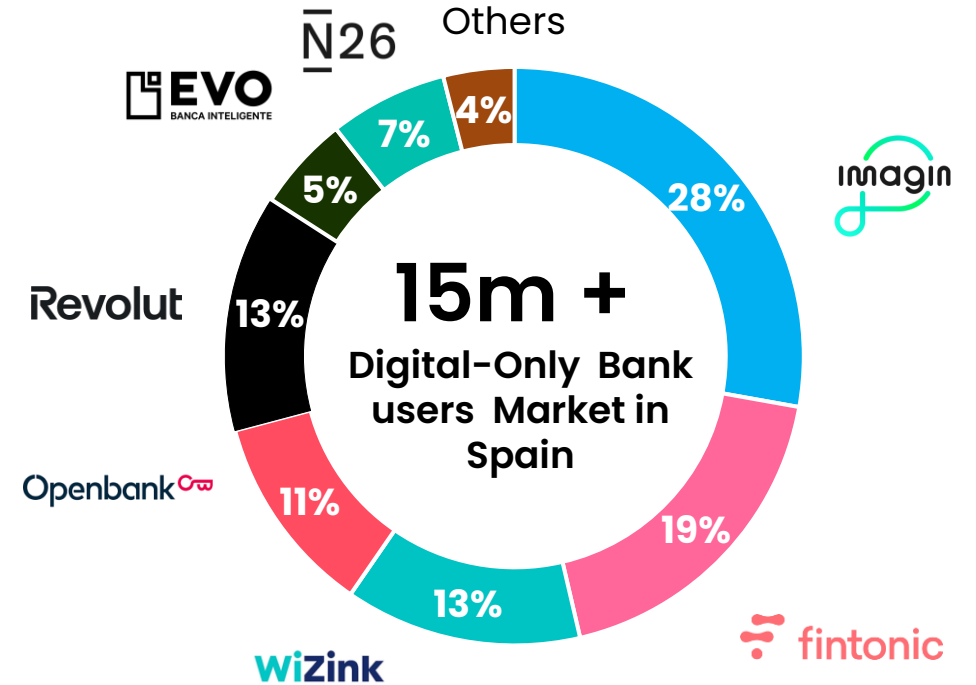


Digital banking in Spain has experienced a significant evolution, with customers increasingly adopting online banking services. Imagin Bank has emerged as a pioneering force, taking the lead in the country's digital banking landscape. Imagin Bank has captured the attention of Spanish consumers, reshaping their banking experiences.

Number of Users by Digital Only Banks in Spain (Millions)

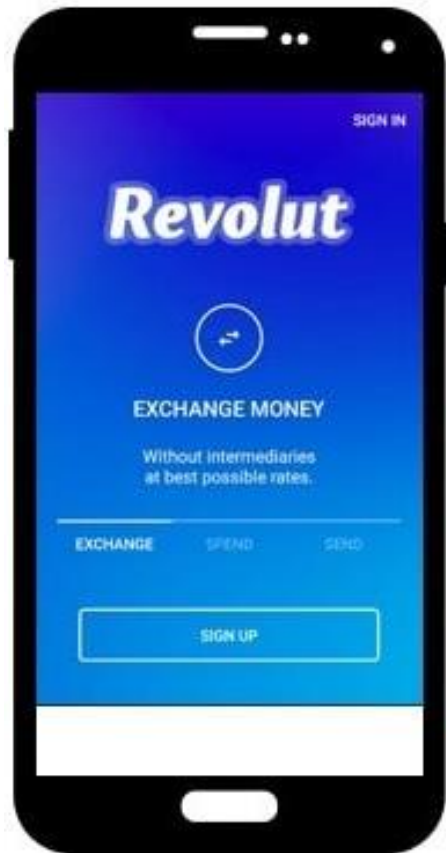


Digital-Only Banks Market Share in Spain



Product Strategy | Typically Startups prioritize rapid growth with simple products and licenses; corporates focus on immediate customer monetization.

Go-To-Market Strategy



Revolut app years back.

Independent Challenger Banks

Quick go-to-market

- Started with payment license (or the equivalent)
- Later acquire a full banking license or partner with a license holder.

Simple offering

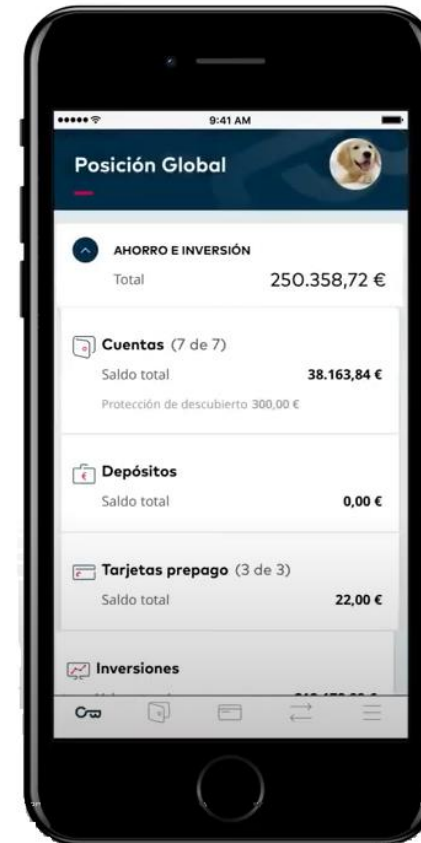
- Typically launched with a transactional product.
- Then extended offering through partnerships

Focused on Acquisition

- Aims to grow user base quickly
- Payment products have lower barriers to adoption

Built New brand

- which helps to rapidly gain insights on customers and the market



OpenBank app by Santander relaunched in 2017.

Backed by Corporates

Leverage Banking License

- Uses parent company banking license or Go-to-market after acquiring a full license, if parent company outside of financial services

Full Product suite

- Usually launch with banking, saving accounts and lending proposition.

Monetization is key





- Broader portfolio enables cross-selling and better credit risk assessments.
- Lending offer high profit margins

Leverage on parent brand

- Brand familiarity and trust enable attraction of deposits, which helps fund lending business

Value Proposition & App Experience |

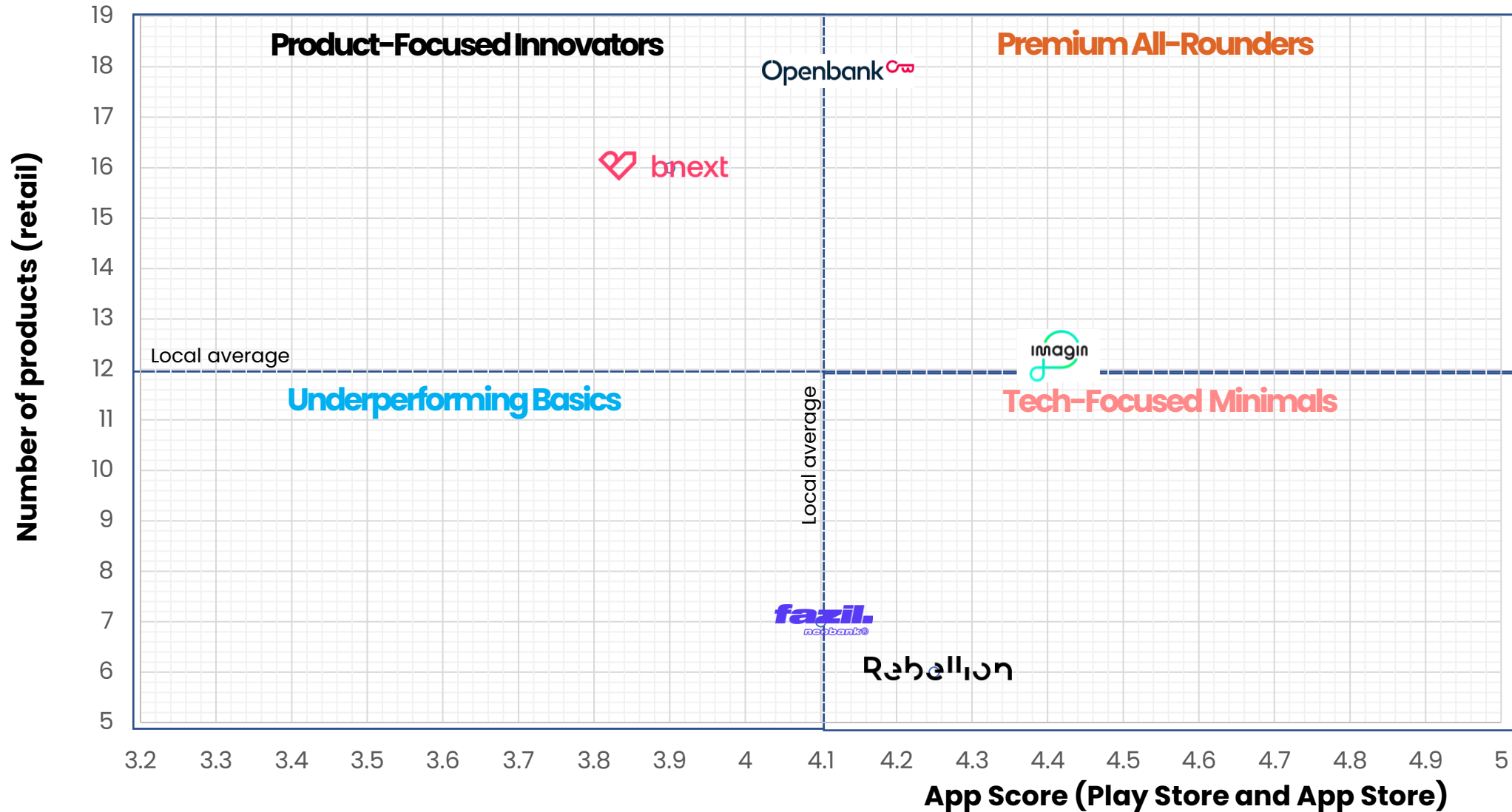
We categorized digital brands into four main themes based on the comprehensive evaluation of their product offerings and the app scores reported by their users.

 <p>Product-Focused Innovators</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 their focus has been primarily on product development 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>Premium All-Rounders</p> <p>Refers to banks that excel in terms of their digital services and product offerings. 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>Underperforming Basics</p> <p>They face challenges with both low average app scores and a limited product offering. These banks have room for improvement in terms of their digital banking capabilities and the range of products they provide to their customers.</p>	 <p>Tech-Focused Minimalists</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 their focus has been primarily on enhancing the technological aspects of their services 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 Spanish digital banking landscape showcases a vibrant and competitive market. Neo-banks and traditional banks alike are leveraging technology to provide seamless digital experiences, personalized offerings, and convenient mobile banking solutions to customers in Spain.



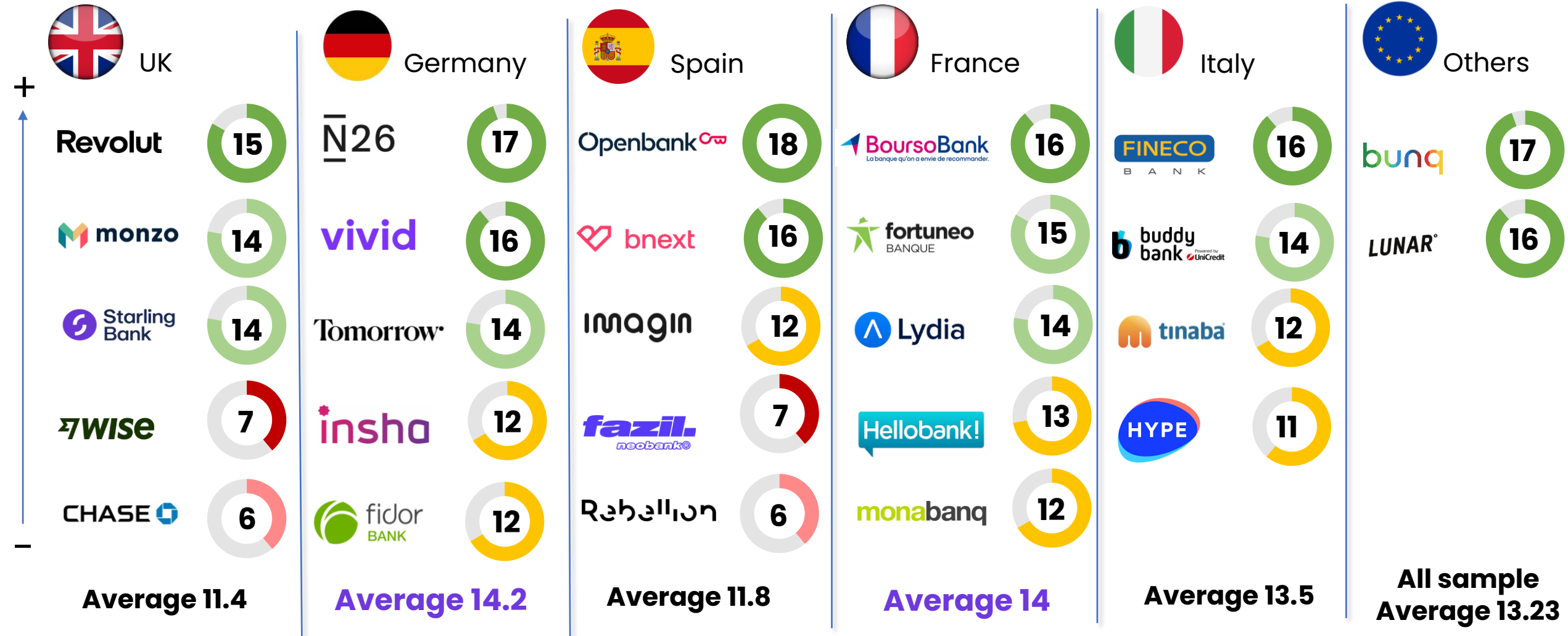
28
Neo-banks
operates in
Spain

- Santander's Openbank and Caxias's Imagin stand out in terms of their comprehensive product offerings and positive app feedback.
- Fazil and Rebellion move into the tech-focused minimal area when compared with local competitors, showing **simplicity and efficiency in their product offerings.**

Value Proposition & App Experience | Retail Offering

Spanish Digital Banks Excel in Product Offering, with Openbank Leading at an Impressive 18-Point Value Proposition.

Personal Banking – Extension of Product offering by Digital player

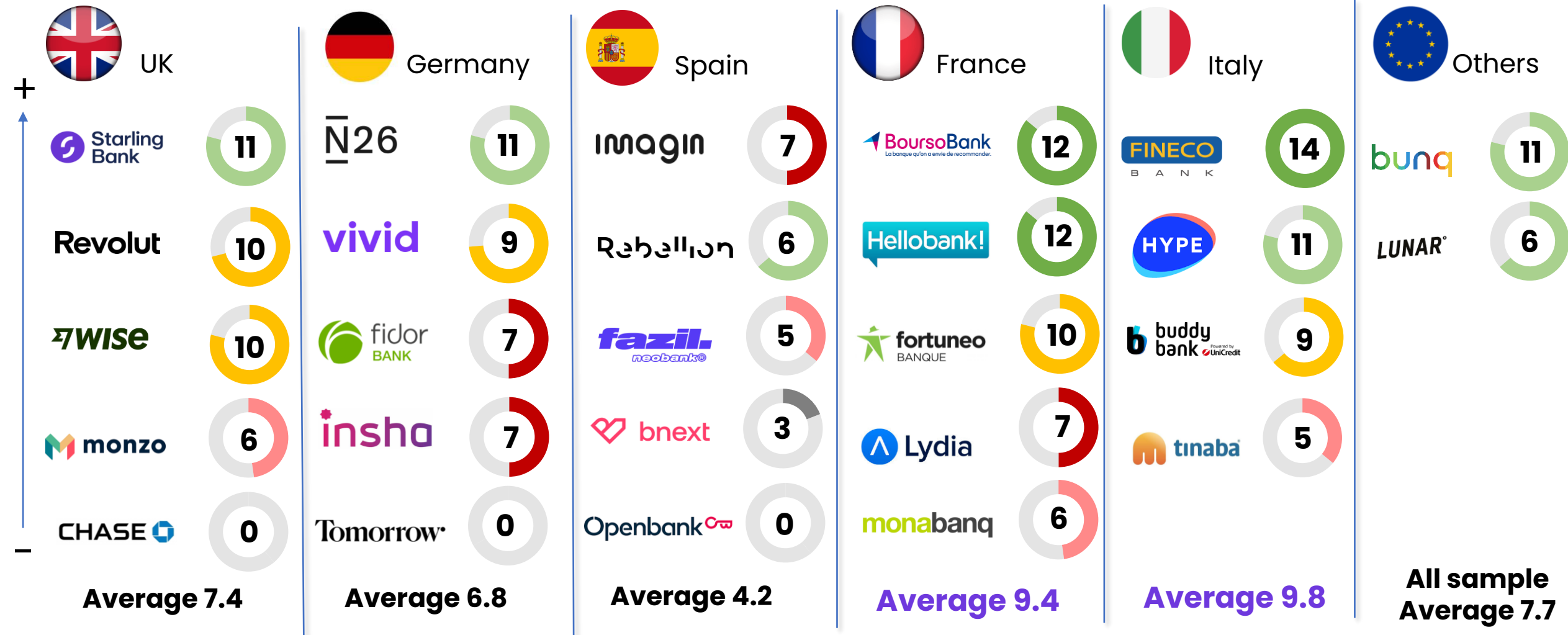


Note: Fidor Bank announced to close its operations this year. Fidor to be liquidated in 2024, current accounts started to be closed beginning of 2023 and Rebellion was acquired by Papara in 2023.

Value Proposition & App Experience | Business Banking

Spanish Digital Banks Show Limited Business Banking Offerings, Reflected in Lower Average Value Proposition Scores.

Business Banking – Extension of Product offering by Digital player



Case Study - Spain



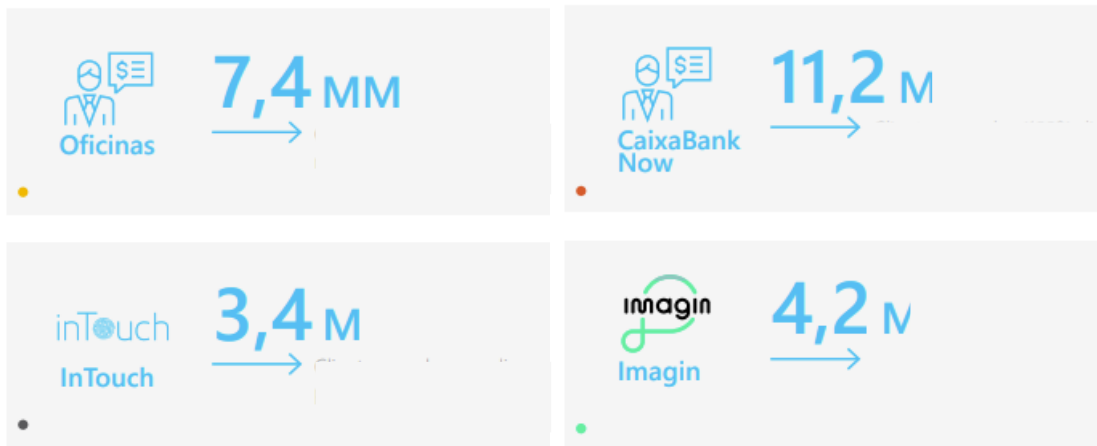
CaixaBank's Tailored Approach: Leveraging Strategic Customer Segmentation and Omnichannel Distribution in Spain with Imagin Bank at the Forefront of Personal Banking.

CaixaBank Business Model Overview

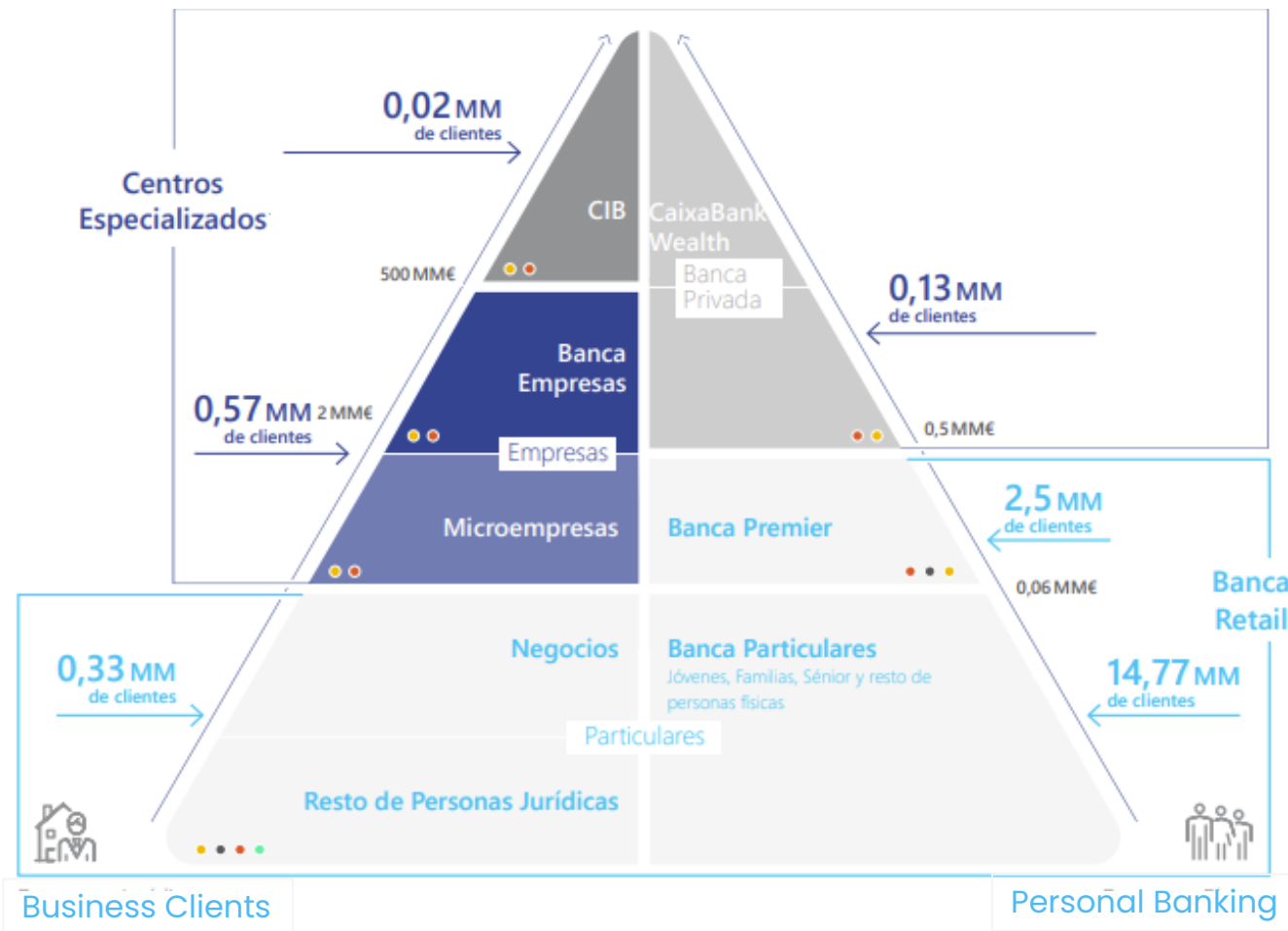
Number of Clients in Spain



Distribution Channels



> Business Model



Case Study - Spain



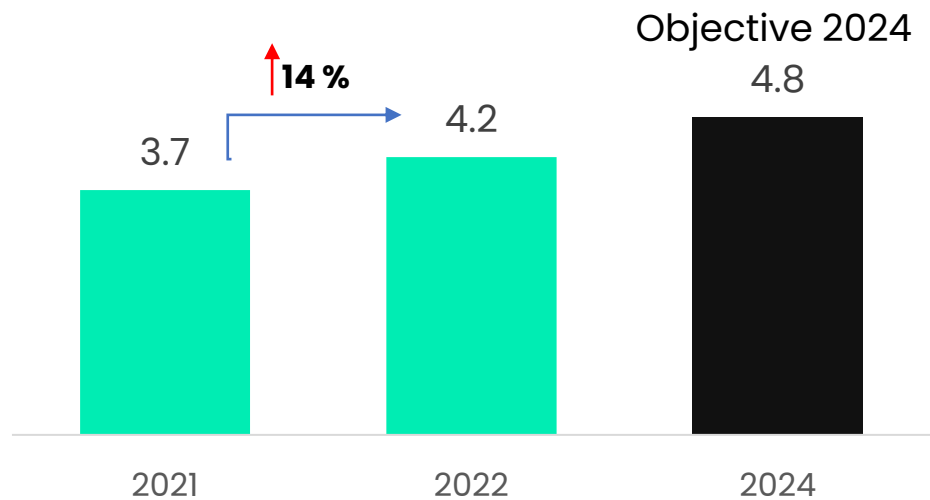
Imagin Bank: Pioneering Commission-Free Digital Banking and Expanding Services with E-Commerce Integration"

Imagin Digital Bank Overview



By CaixaBank

Number of users (Millions)

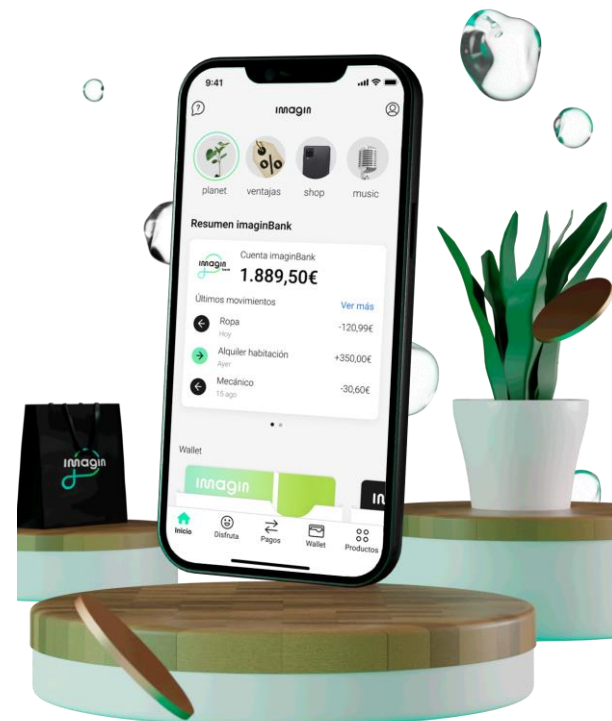


- 2021: Bcorp Certificate, We are imaginPlanet, We are already 3 million
- 2022: Launch of digital volunteering, Travel Card. MyCard, MyMonz, Investment, Mortgages, We are already 4 million, More coming soon

Positioning as a free banking offering

Product diversification. New products such as mortgages, insurance, and investment funds.

Value proposition is complemented by the e-Commerce shop, Wivai.



Company Overview

Openbank is the digital arm of Santander, which provides a range of online banking services to individuals.



1995

Founded



Belongs to
Grupo
Santander



398

Employees



2m

Customers



\$302m

Profit in 2022



5

Countries

Products offered:



PERSONAL:

Multi-currency account, teen account, open banking.



PERSONAL:

Savings, investments, credit, debit cards and personal loans*



BUSINESS:

Multi-currency business account, cards, access to Open APIs

Openbank

Tools and features for retail customers

Lifestyle

Savings accounts

- Current account
- Payroll account
- Savings welcome (1,25%)
- **Savings welcome with payroll (5,12%)**
- Savings openbank (0,20%)
- Saving openyoung (0,15%)
- 150+ currencies supported for spending

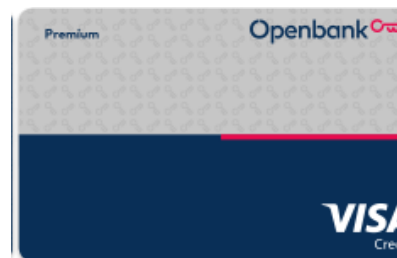
Budgeting and analytics

- Set spending limits
- Notifications when nearing their limit
- Smart analytics breakdown
- Insights into spending habits
 - Manage subscription
 - Bill's pockets

Open Banking

- Connect all your bank accounts for full visibility
- all-inclusive analytics

- Rewards
- Donations
- Hotel Booking
- Gifting
- Pet Insurance
- Airport Lounge (premium & metal plans)



Credit *

- Personal loans
- Mortgage
- Simulators

Instant payments worldwide

- International transfers in 30+ currencies
- Currency exchange
- Follow Forex in real-time
- Send and request money using payment links or flash QR codes
- Request money with a tap using Apple or Google Pay.
- Split bills feature

Wealth

- Global stocks investing
- Buy, sell, and send digital currencies
- Buy cryptocurrencies
- Invest in commodities
- Put money aside using Vaults with up to 2.5% annual interest paid daily

Credit cards

- Focused on travelers
- Opencredit for starters
- Reading club with benefits for readers
- Visa diamond infinite with insurance and high capacity.
- Traveler R42 for travelers with insurance.
- Rewards
- Virtual free credit card
- Via T, affiliated with parking and tolls.

Company Overview

Recent events

- 'Welcome' bank account that provides for the first semester an interest rate of 2,66% AER
- Openbank opened 3 technological hubs in Mexico, Argentina and USA.
- For the first quarter of 2023, Openbank businesses, achieved an attributable profit of €244 million, down 12%
- Exceeds two million customers after attracting 300,000 in one year
- In March 2023 brought a fixed term account with interest 2,75 AER.

Product score compared to competitors on C-Innovation sample.

Retail products



Out of 20

1st position in retail products offer in our sample.

Business products

None

Out of 14

Openbank



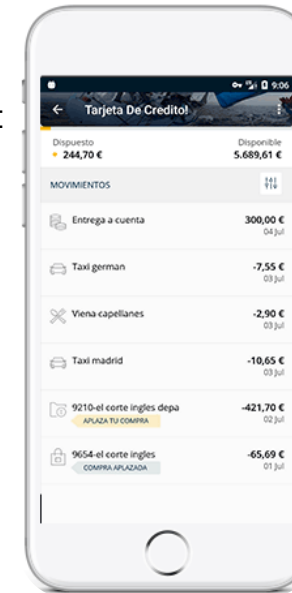
Santander

Strategy

Focused on customer and deposit growth and American expansion

Success Factors

- An independent subsidiary of Santander since 1995, underwent complete overhaul and rebranded in 2017.
- Customers can customize their debit and credit card, family-friendly feature in the app – a prepaid debit card for kids, user friendly app, customer centric approach.
- The bank offers a 24x7 service to all its customers allowing them to be in permanent contact with the branch, by telephone, email or chat.



Opportunities

- Launch digital lender Openbank by the end of March 2024 in Mexico, to offer checking accounts, credit cards and other services
- Leaving business customers behind is losing the opportunity to attract millennials that work as freelancers and look for a digital option.
- Compared to other digital banks, Openbanks has little presence in Europe countries outside of Spain.

C-innovation Analysis

By leveraging its customer-centric strategy and strengthening its presence in Europe, Openbank has the potential to emerge as a formidable competitor in the retail banking sector.

Stay tuned for more!



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