

Over the last three months, there has been a slowdown in newly regulated fintech TPPs. In the EEA, there was a net increase of 8, taking the total to 346. In the UK, the number dropped due to 9 TPPs losing their regulatory permissions and now stands at 212. The overall total remains the same as reported in June (559), due to one TPP being regulated by the Gibraltar Financial Services Commission (GFSC).

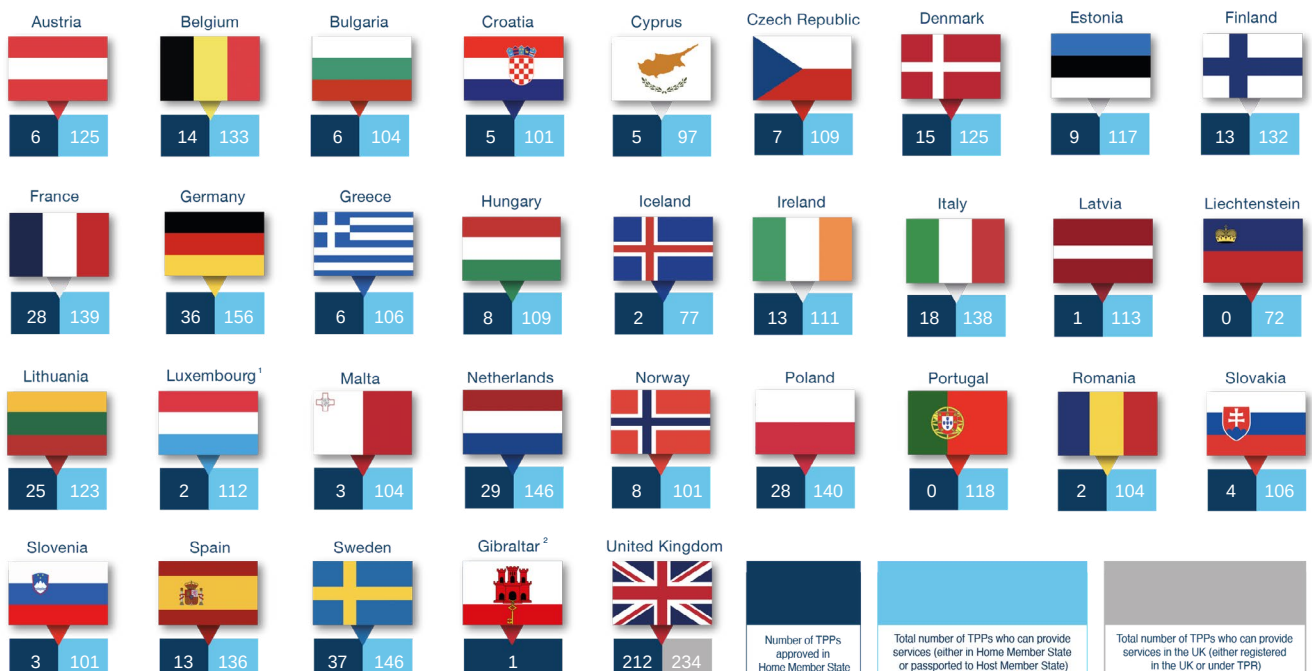
With the market maturing, the increase in passporting approvals has also slowed. During Q2, each EEA country gained on average an additional **9 passported TPPs**, this quarter that number **reduced to 3**. Despite a smaller rise than in previous quarters, there are now **21 countries with over 100 passported TPPs**

These numbers do not mean that activity itself is slowing. At Konsentus, through our Verify platform, we are seeing a steady rise in transaction volumes, likely due to a combination of increased adoption, but also an expanding ecosystem. The ability of TPPs to license their PSD2 permissions to fourth and fifth parties creates a much wider data supply chain and demonstrates the need for robust and reliable processes to minimise risks.

Q3 Highlights (EEA)

- **Sweden** has the highest number of Home TPPs for the third quarter running, despite one TPP losing its PSD2 permissions.
- **Spain** continues to have the highest number of passported-in TPPs (123) and now also ranks in the top 10 by Home TPPs due to an additional 2 TPPs gaining regulatory approval over the last three months.
- **8 countries** gained a total of 11 newly regulated TPPs: Cyprus (+1), Spain (+2), Finland (+1), Croatia (+2), Italy (+2), Sweden (+1), Lithuania (+1), Slovakia (+1).
- **TPPs from 2 countries** had their open banking permissions removed: Sweden (-1) and Lithuania (-1).
- Despite having no Home regulated TPPs (alongside Liechtenstein), Portugal once again is one of the highest ranking countries by passported-in TPPs, enabling consumers in the market to enjoy open banking services provided by fintechs regulated in other markets.
- **Croatia** records the highest percentage increase in Home TPPs this quarter, with 2 newly regulated fintech TPPs taking its total to 5.

Rise in Passported TPPs



¹ Luxembourg records one less TPP this quarter due to the CSSF re-categorising one TPP as a branch of a Belgium Credit Institution.

² There is no publicly available Temporary Permissions Register (TPR) in Gibraltar, therefore we are only recording Home TPPs regulated by the Gibraltar Financial Services Commission (GFSC).

Key Changes

Spain & Finland
 Enter the Top 10 by Home TPPs (13)
 (joining Ireland)

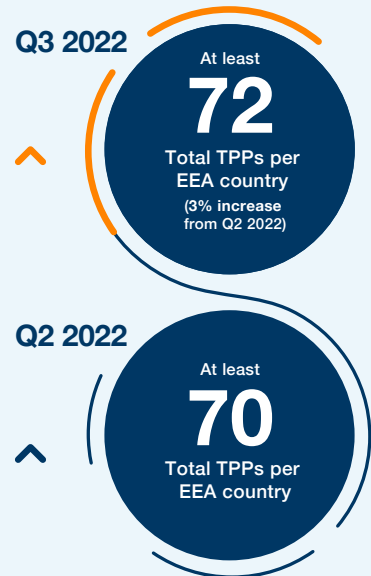
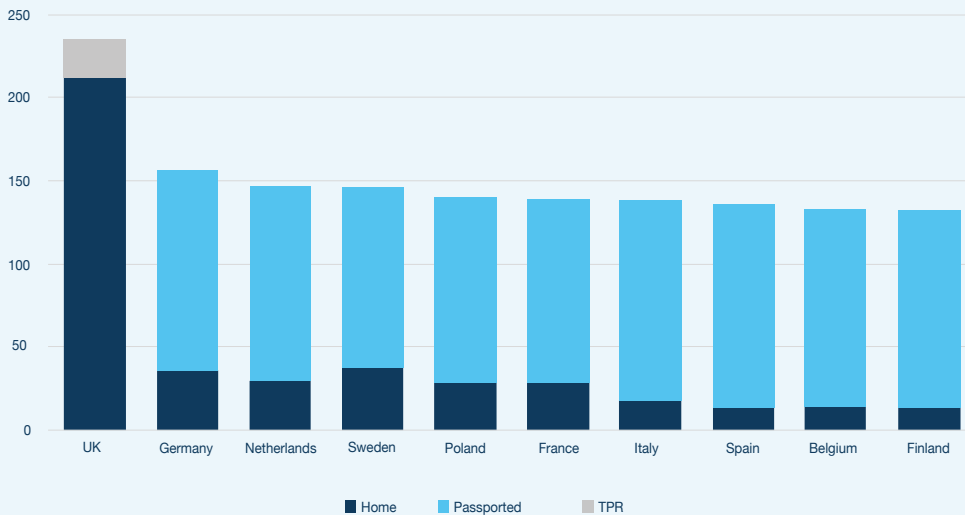
France
 Has the highest increase in passporting TPPs (6)

Germany
 Moves from 4th to 2nd by Passporting TPPs (sharing 2nd place with Italy)

The Netherlands
 Joins Sweden in 2nd place by total number of TPPs (EEA Home + Passporting)

Total Number of TPPs (EEA + UK)

The Top 10



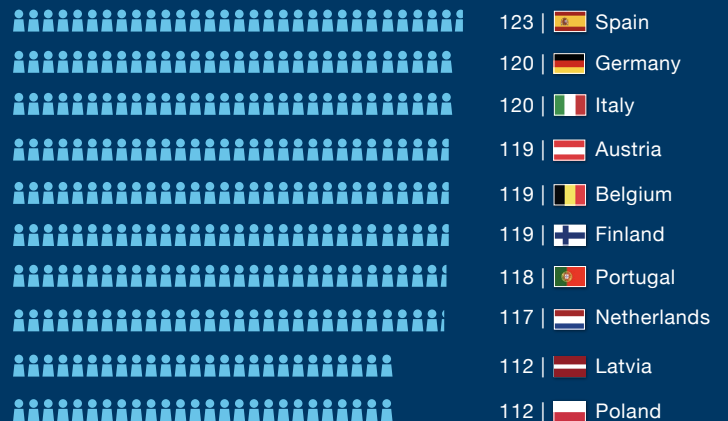
EEA Top 10

Home Registered TPPs



EEA Top 10

Passported TPPs





164
TPPs passport within the EEA

90%
of EEA countries have over 100 TPPs in total

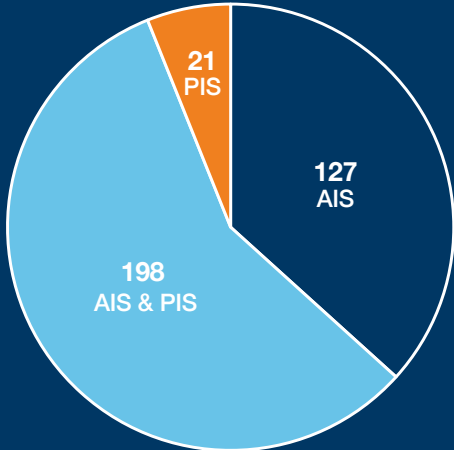
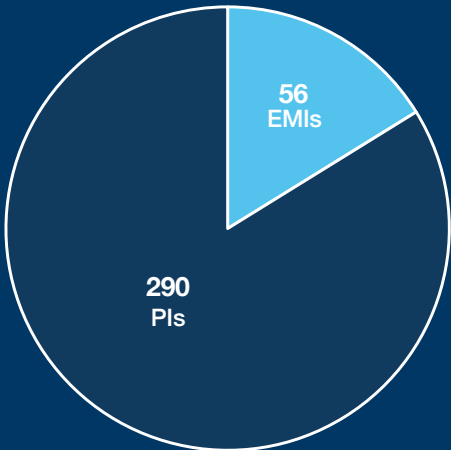
11
newly regulated TPPs across the EEA

9 TPPs
lost their regulatory permissions in the UK

Last quarter, **77%** of EEA countries has over **100 TPPs** authorised to provide open banking services. At the end of Q3, that figure had risen to **90%**, with only Cyprus, Iceland and Liechtenstein having a lower number.

The number of TPPs providing Payment Initiation Services (PIS) remains steady at **63%**. This is despite a lower proportion of the newly regulated TPPs being authorised for these services than last quarter.

Types of TPP in the EEA



Services that TPPs are regulated to provide in the EEA



Mike Woods
CEO, Konsentus

“ **What’s noticeable this quarter is the marked difference between what we’re seeing in the EEA compared with the UK.** This quarter, all newly approved TPPs are regulated in mainland Europe, but of those that lost their permissions, three-quarters of them are regulated by the UK’s Financial Conduct Authority (FCA).

As we’ve said for a long time, the EEA has been playing catch-up and we’re now really seeing that play out. The EEA now accounts for 62% of all fintech TPPs in Europe, a rise of 4% from a year ago. And, the average total number of TPPs in any given EEA market now stands at 117, a 30% increase from this time last year.

The successful fintechs are embedding themselves into the ecosystem and those that are unable to compete on their own are either being acquired by larger organisations or going out of business. What’s going to be interesting is to see how these larger organisations partner with other parties, outside of the regulatory framework to expand their service offerings. ”

