



Banking Canvas



Key Partnerships

Big Banks traditionally partner with entities and groups at a national and international level that allow them to expand their footprint.

Local Credit Unions have a different structure and tend to partner more with entities and groups at the local provincial/state level.

Fintechs typically start in specific markets and look for partners who give them regulatory advantages or access to consumers in new markets.



Key Resources

Brand, Balance Sheet, Digital Platform

- Brand trust is a key resource for banks
- Capital to invest in new ventures or make acquisitions is an advantage
- Digital platform allows rapid scaling



Key Activities

Tech Innovation, M&A, Partnerships

- Design of new digital products and better UX is key
- M&A will help the industry consolidate and improve products/services
- Partnerships are key for expansion



Value Proposition

Provide retail and commercial banking services to citizens at a local, national, and international level.

- retail banking services including bank accounts, loans, credit cards, mortgages, and wealth management services
- commercial banking services including business bank accounts, loans etc.



Customer Relationships

In-Branch and Online

- Many relationships with banks are long-term, developed at local branches
- Online banking products create need for 24/7 support



Channels

Retail Branches, Online Platforms/Apps

- Branches are major touchpoint for relationship banking
- Online platforms create low-fee alternatives & engagement methods



Customer Segments

GenZ > Boomers, SMEs

- The younger generations (Gen Z, Millennials) lean towards mobile products, creating a need for more digital-first products & investment tools
- Gen X and the Boomers engage more with banks at a physical level, and still require human advisors and touchpoints
- SMEs are becoming more automated & digital. Fintechs for SMBs are a high-growth segment



Cost Structure

Branches/Platform - banks spend a lot of money on their retail branches and/or digital platforms for consumers

Operations (Staff, Developers, etc) - running banking operations requires multi-disciplinary staff, large Dev teams

Regulatory/Legal - huge regulatory barriers exist for upstart Fintechs to get banking licenses. Large legal teams required.



Revenue Streams

Net Interest Margin (NIM): banks biggest profit centers is the spread between the interest rate they lend money out at and the rate they pay depositors. Average NIM for US Banks in 2018 was 3.3%

Retail, Commercial, Capital Markets+ banks can also earn money through account fees, investment banking, trading, etc.