

*Abstract*— Fintech has experienced rapid growth and has the potential to revolutionize the financial services industry. The penetration of digital technologies in the financial sector has led to the emergence of digital banks, which offer digitalized financial solutions to satisfy the banking needs of small businesses and individuals. The addition of digital banks is not an imminent threat to financial technology companies or fintech lending, but rather an opportunity for collaboration to expand financial inclusion in Indonesia. This study investigates the impact of co-innovation platform models between Fintech and digital banks on firm development via radical and incremental innovation. In this investigation, PLS-SEM is used to test the hypothesis. According to the findings of this study, New Customer Base and New Customer Value are crucial components of the Co-Innovation platform for creating shared value that influences company development via radical and incremental innovation. This study concludes that the Open Finance System can be a form of collaboration between Fintech and Banking that creates added value for both parties and impacts firm development.

*Keywords*—*co-innovation, fintech, digital bank, radical innovation, incremental innovation*