

PAVING THE PATH TO A PAYMENTS AS A PLATFORM STRATEGY

Open APIs are enabling the new era of 'platformification' in banking and payments services. And banks who choose not to participate in this new open API ecosystem face disintermediation.

“ Banks that exploit Open APIs will profit from a potential revenue uplift of 20 percent, whereas those failing to do so risk losing 30 percent to disruptive industry players by 2020.”

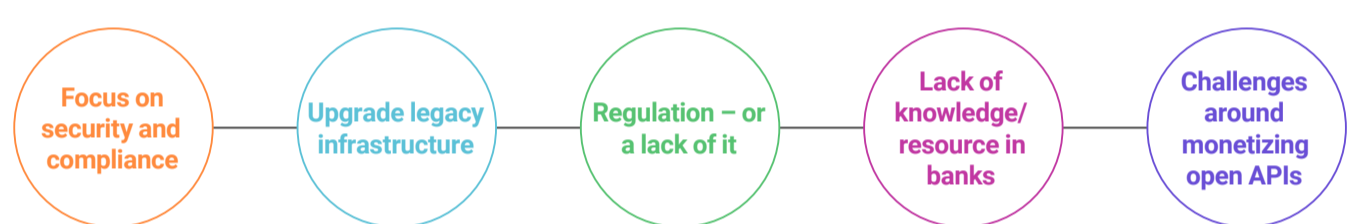
Amit Mallick
Digital Lead, Open Banking and Open APIs, Accenture

How have APIs evolved?
And how do banks embrace this third wave if they want to be part of the future of payments?

CHARTING THE RISE OF APIs

	USE	EMPHASIS	COLLABORATION	TECHNOLOGY
EMERGING: 3RD WAVE	Banking as a platform	Platform	In an ecosystem of partners and corporates across geographies and industries to innovate, standardize, and deliver superior customer experience	Cloud, app economy, API ecosystems, banking as a platform, real-time, open standards ISO20022, AI
TODAY: 2ND WAVE	Increase customer choice and competition	Solution	To develop bank-specific API platforms peer to peer, exposed but in a closed environment	First bank platforms, SOA, PSD2, web/internet, open banking, regulatory focus
1980s: 1ST WAVE	For internal consumption – modernization of IT systems	Individual products – siloed and fragmented	This was the only option for banks looking to collaborate or partner with another entity or system	ERP and customer-specific, proprietary, non-public

Banks which want to ride the third wave have a complex balancing act with the customer at the center:



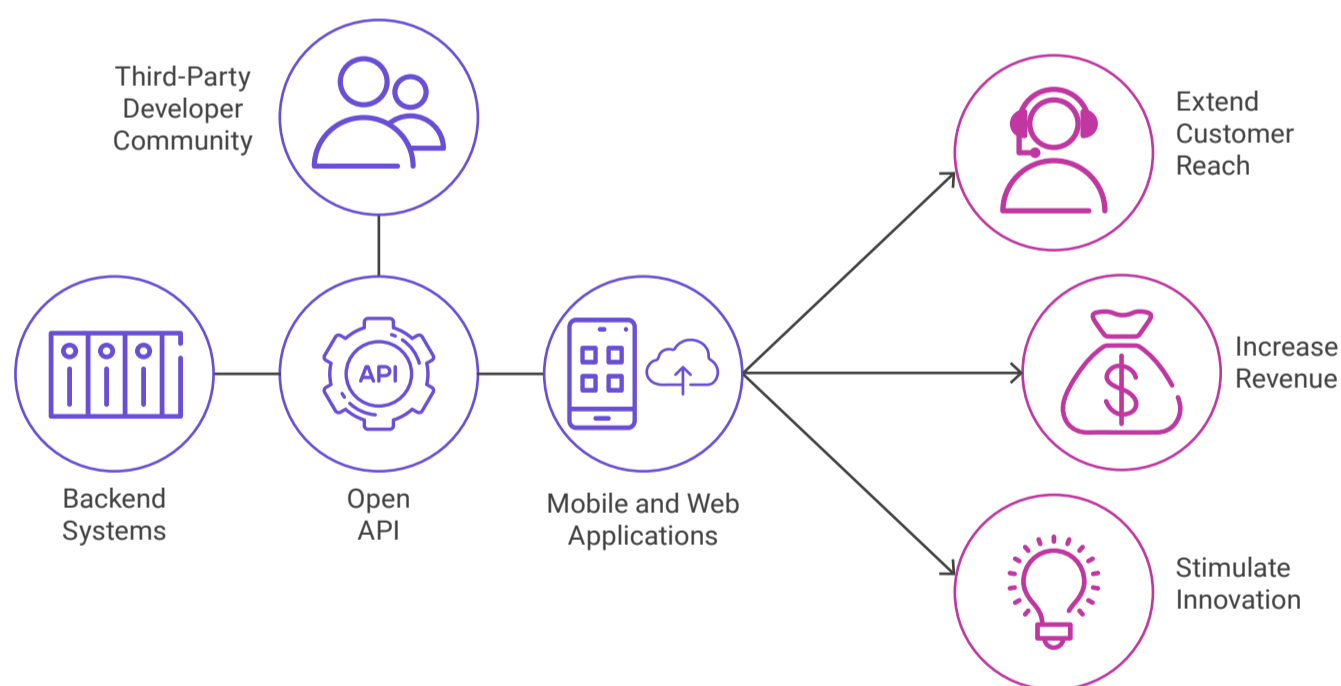
THE SOLUTION IS A PAYMENTS PLATFORM STRATEGY



“ Driven by an ecosystem of API providers that operate in an environment of open collaboration.”

Anders Olofsson
Business Director of Payments, Finastra

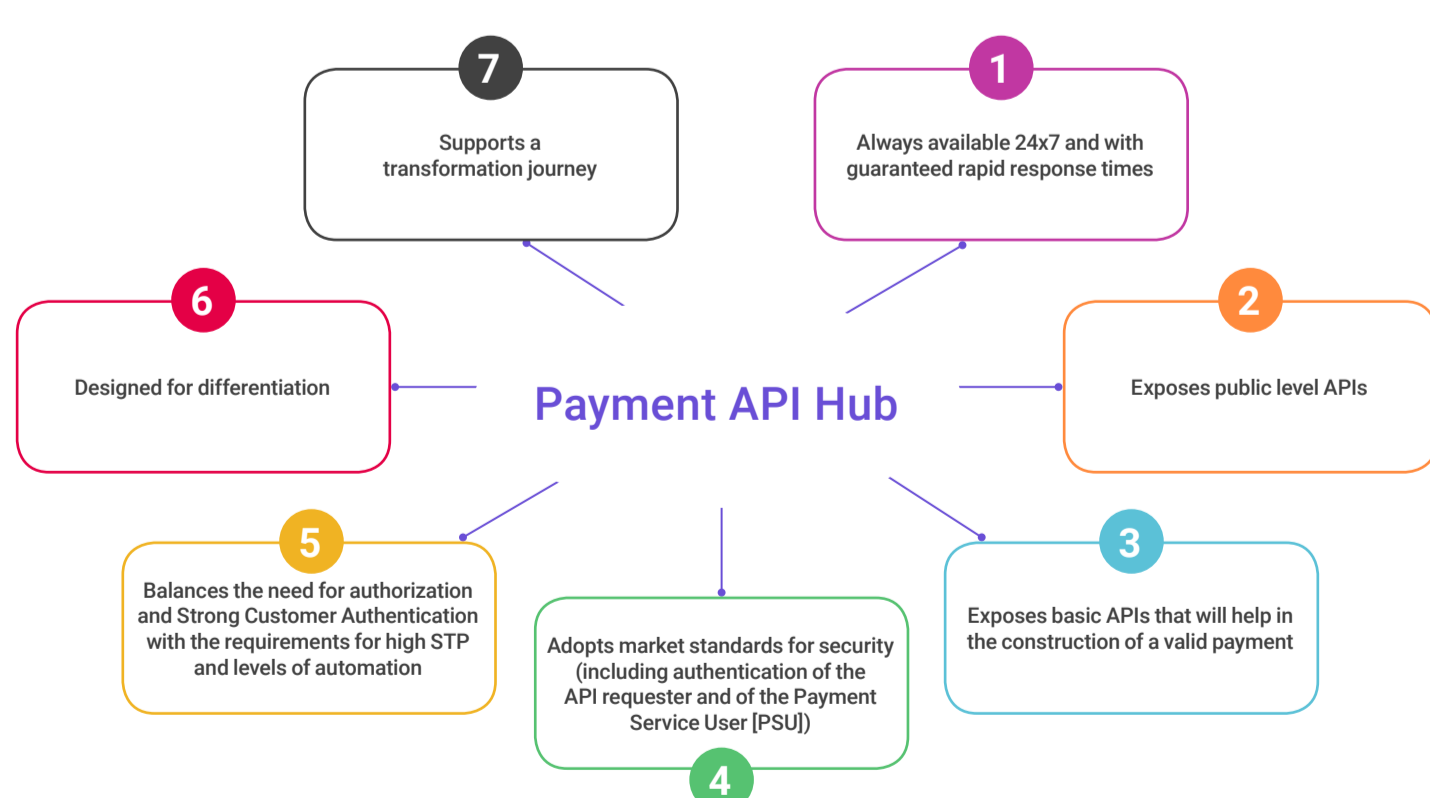
The API Ecosystem that enables the collaboration model



Source: FinTech Futures, Open banking: what you need to know, Jan 2018, www.bankingtech.com

PIVOTAL TO A PAYMENTS AS A PLATFORM STRATEGY IS A PAYMENT API HUB TO ENABLE BANKS TO COLLABORATE TO INNOVATE

A payment API hub has seven characteristics:



Find out more in our joint white paper with Accenture: **PAYMENTS AND API BANKING: RIDING THE THIRD WAVE OF API INNOVATION TO ENABLE THE DIGITAL ECONOMY** on what this journey means for your banking and payment services.

Finastra is changing the way that modern banking software is built and distributed with FusionFabric. cloud, our platform-as-a-service solution that unlocks innovation in financial services.

We are championing collaboration and encouraging innovation by opening up our core systems so third parties can develop applications on top.

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