Finastra

Financial Services State of the Nation Survey 2021

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Executive summary

Finastra's research amongst 785 professionals at global financial institutions and banks reveals that most organizations are already deriving the benefits of Open Banking and Open Finance.

Open Finance is also considered the natural evolution or the next stage of Open Banking for the sector, with the Asian markets being at the forefront of this.

Looking at wider technological trends, our research finds that Banking as a Service (BaaS) and embedded banking services will have a notable impact on the financial services sector; with evidence that these initiatives have already started 'paving' the journey to true Open Finance and helping to develop and enhance the services financial institutions are able to provide to their customers.

Despite continued widespread agreement that current global regulatory frameworks are hindering innovation, this is not anticipated to have an impact on the improvement and development of new technology – which is expected to continue at pace for most businesses. Mobile banking, BaaS and AI have been identified as the core technologies which will be improved or deployed in the next 12 months.

With the world adapting to a new normal and a likely 'hybrid' way of working for many organizations in the future, our research finds that collaboration remains important to financial services institutions, though there remain several existing and new barriers surrounding regulation, security, and technology. Linked to this, the benefits of fintech continue to be recognized – with technology acting as an 'enabler' for collaboration.

Finally, our research finds that COVID-19 has had a significant impact, as with every other industry, on the financial services sector. It has acted as an accelerator for businesses to adapt, to invest in new technology, and to counter related threats surrounding cyber security. Linked to an evolving landscape as the industry adapts, financial services institutions are increasingly looking to respond to consumers' changing expectations and better help the communities they serve.

They are therefore increasingly looking at their organizational purpose as part of a 'greater good'. At Finastra, we call this redefining finance for good.

Open Banking and Finance

Open Banking remains very important to financial institutions

Open Banking is a must have/important

Globally, more than 9 in 10 financial institutions agree that Open Banking is important to their organization. Moreover, this year only 1% of financial institutions said that Open Banking has not provided any significant impact to their organization, down from 13% last year.

Open Banking is seen as a 'must have' by over half of financial institutions (51%) around the world, with the UAE leading the way in terms of Open Banking's importance (68% 'must have'), followed by Hong Kong (58%) and Singapore (56%). Whereas, on average, half (51%) of European markets say Open Banking is 'important but not essential' to their organization.

Of the financial institutions who have already integrated Open Banking into their operations, 97% recognize that it has provided benefits to their business, with improving customer service/experience, attracting customers (both new and existing) and delivering new services being identified as the core benefits.

Whilst the overall Open Banking benefits to organizations are consistent, there are differences by market. The UK is unique in that attracting new types of customers was identified as the number one core benefit, whereas most of the other markets opted for two or three benefits which were equally valued.

France and Germany have a strong focus on improving customer service/experience, with the Asian markets (Hong Kong and Singapore) identifying the ability for Open Banking to deliver new services. Finally, the US had an equal focus on customers (both attracting more existing and new customers) and the ability to support the delivery of new services.

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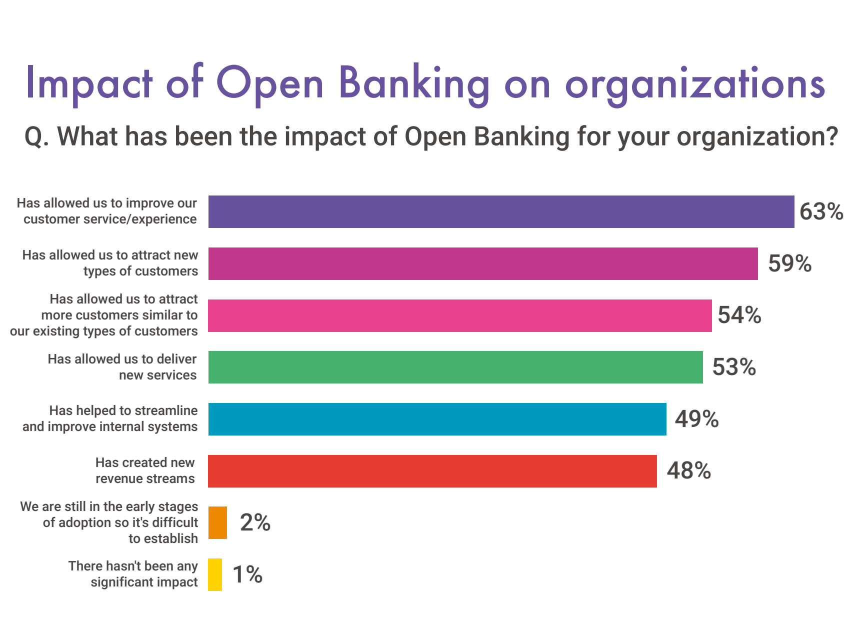

Open Banking will continue to have an impact across financial services

When exploring the areas of financial services in which Open Banking is likely to have the greatest impact, retail banking (49%) was identified as the number one opportunity. This is closely followed by payments (45%) and corporate banking (41%). This is a shift from our research last year, where corporate banking was identified as the number one area (50% in 2020) – potentially suggesting that this sector was an early adopter and has already benefitted.

Across markets, there is a broad consensus from the UK, the US, Hong Kong, and Germany that retail banking will be most affected, whereas other markets such as Singapore and France anticipate that payments will see the greatest revolution. The UAE identifies trade finance as the number one area which could benefit from Open Banking.

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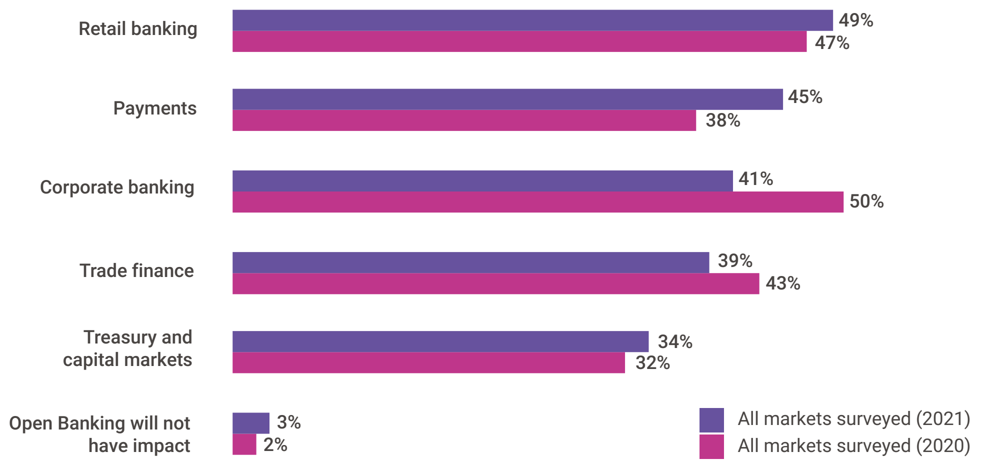
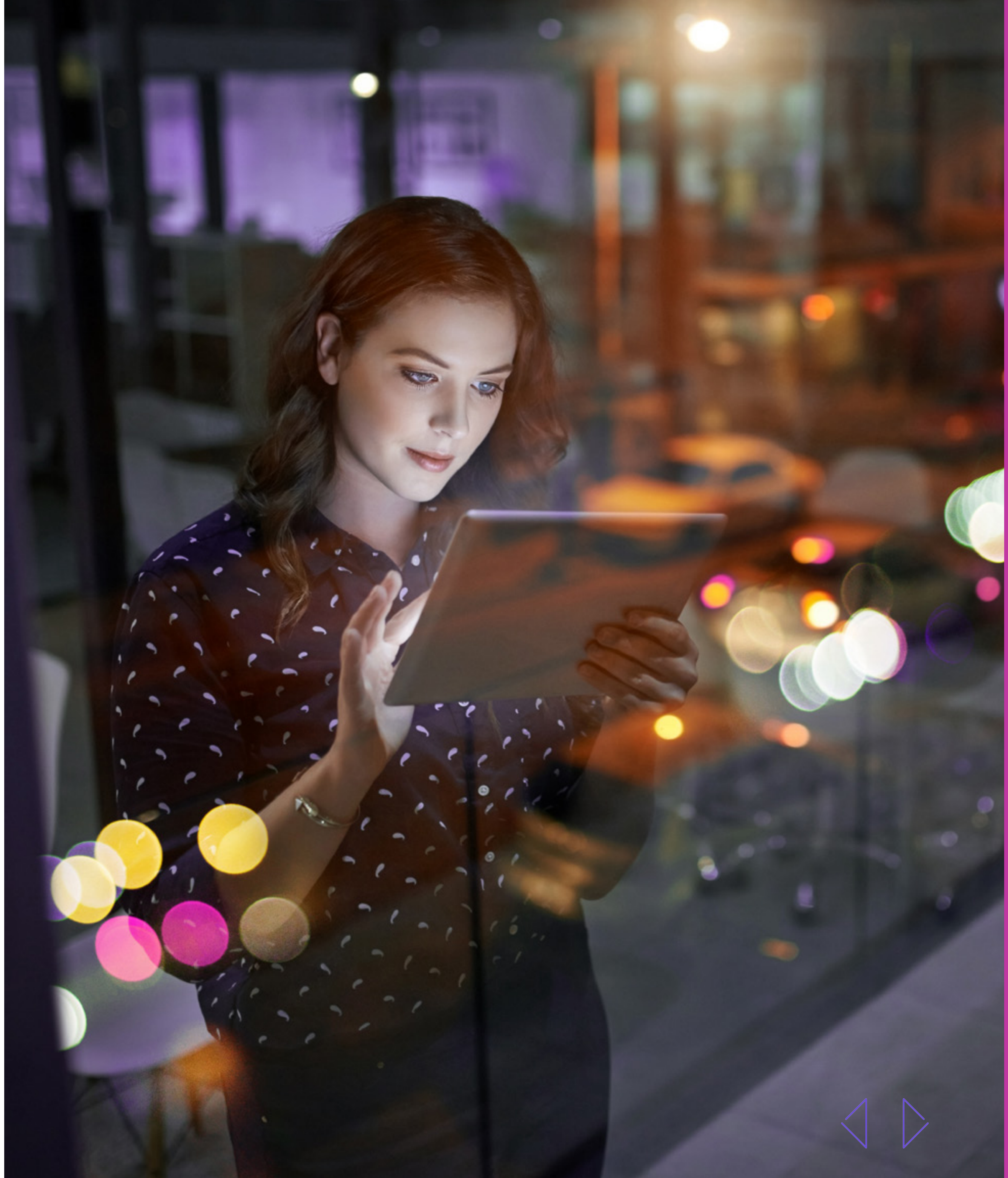
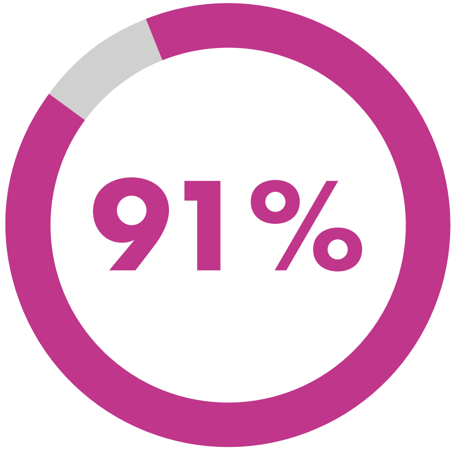
Areas where Open Banking will have the greatest impact

Q. In your opinion, which of the following areas will Open Banking have the greatest impact?





Open Finance is considered the natural evolution of Open Banking



Open Banking is a must have/important

Open Finance is simply taking Open Banking to the next level. Businesses around the globe are giving consumers the ability to share access to all their financial data online, including mortgages and savings, to ensure a seamless experience.

Our research shows a maturing of views towards Open Finance, with 9 in 10 businesses globally viewing it as important. However, Open Finance does lag behind Open Banking in terms of organizations which consider it a 'must have' (38% vs. 51%); a natural difference as businesses need Open Banking to pave the way for true Open Finance, and Open Finance is still arguably in its early stages.

That said, financial services organizations do see the value of Open Finance, with 84% of those surveyed agreeing that Open Finance is the natural evolution of Open Banking and 81% agreeing that Open Finance is the future of banking.

Perhaps linked to the business and regulatory climate, the UAE, Asian markets (Hong Kong and Singapore), the UK and the US are most likely to agree with each of the statements surrounding Open Finance's future impact. The European markets (France and Germany) take a slightly more considered approach, while still recognizing the benefits overall.

How strongly do you agree with the following statements?

	Open Finance is the natural evolution of Open Banking	*Open Finance is the future of banking*
United States	83%	78%
United Kingdom	84%	81%
France	75%	68%
Germany	81%	77%
Hong Kong	85%	84%
UAE	90%	85%
Singapore	87%	87%

Open Finance will bring a number of benefits to financial services, with shared data and infrastructure creating the framework to support this transition

Looking at the wider benefits of Open Finance, 5 in 6 professionals globally (84%) believe it has the potential to bring about the availability of fairer and more equal financial services. The Singapore market (94%) is most likely to agree with the benefit of delivering fairness and equality, which is also seen as the top benefit for the US (85%) and German (84%) markets. Furthermore, there is a broad consensus across markets that Open Finance will give consumers access to a greater range of financial services (84%) and will provide a wealth of opportunities for the finance ecosystem (83%).

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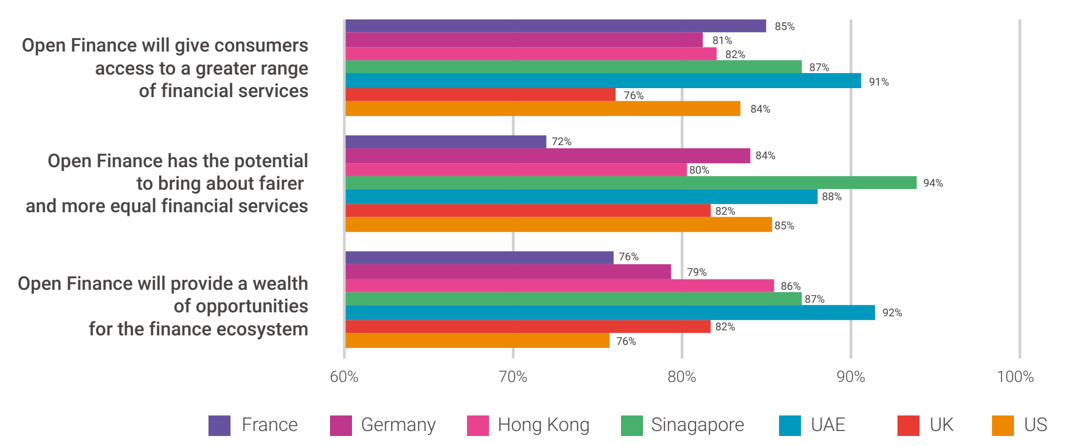
Benefits of Open Finance (% agree - strongly or slightly)

Q: How strongly do you agree or disagree with the following statements?



Shared data and infrastructure is expected to become a key part of the strategy for the move to Open Banking and Finance (77% agree). Moreover, 78% of financial institutions globally agree that it will become the norm across the industry.

Potentially reflecting wider attitudes surrounding Open Banking and Finance and the regulatory environments within which the markets operate, the UAE and Asian markets (Hong Kong and Singapore) are most likely to recognize the importance of shared data and infrastructure in support of Open Banking and Finance. Whilst 2 in 3 do still recognize the importance of shared data and infrastructure, France does lag behind the other European markets and the US.

See data overleaf.

Do you think shared data and infrastructure will become the norm across the industry and a key part of the strategy for the move to Open Banking and Finance?

Shared data and infrastructure will become the norm across the industry (% agree)

United States	United Kingdom	France	Germany	Hong Kong	UAE	Singapore
72%	74%	68%	79%	81%	87%	80%

Shared data and infrastructure will become a key part of the strategy for the move to Open Banking and Finance (% agree)

United States	United Kingdom	France	Germany	Hong Kong	UAE	Singapore
66%	72%	66%	78%	87%	86%	84%

Concluding thoughts

Our research has shown that both Open Banking and Finance are very important to financial institutions, with Open Finance being considered the natural evolution or the next stage of Open Banking.

Of the financial institutions which have already integrated Open Banking into their operations, the benefits are very much apparent; including enabling organizations to provide a better customer experience, attract more new and existing customers and deliver new services.

Moreover, our research has identified nuances between the specific markets, with the UAE, Asian markets (Hong Kong and Singapore) and the UK being most likely to recognize the benefits of Open Banking and Finance. Conversely, the European markets (France and Germany) are taking a slightly more considered approach, potentially reflecting the environments businesses are operating in across each market.

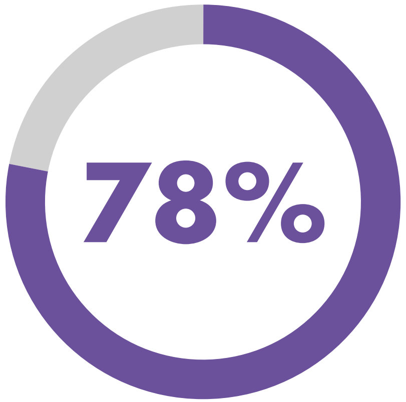
Current industry trends: APIs, Banking as a Service and embedded banking services

Financial institutions are increasingly integrating new technology and innovation to drive and enable true Open Banking capabilities

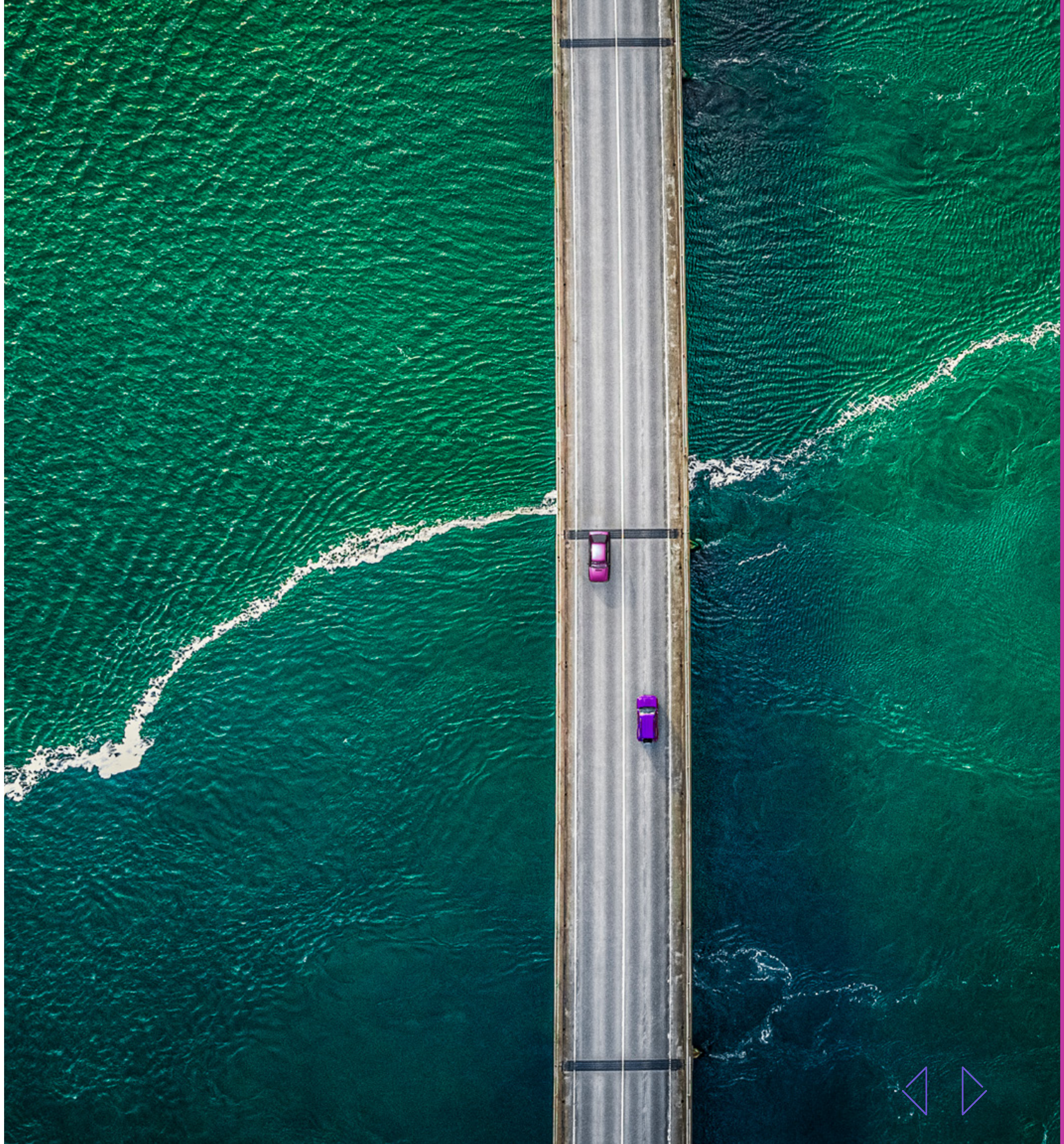
Over the next 12 months the implementation of technology and innovation is set to continue to make an impact, with 85% of financial institutions globally agreeing that 'the integration of technology and innovation should be at the forefront of the financial services industry'. This is a common global theme, with 8 in 10 people or more in the seven markets individually agreeing with this statement.

Our research found that a further 4 in 5 (78%) are looking to use APIs (Application Programming Interfaces) to drive or enable Open Banking in the next 12 months, with 36% of businesses having started this process or having already opened APIs; a comparable proportion was found in the 2020 research (37% of businesses).

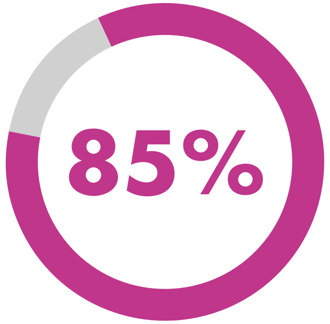
Whilst organizations in Singapore, Hong Kong and the UAE remain most likely to leverage APIs to support Open Banking in the future, only Singapore and Germany have seen small incremental increases since the 2020 research.



Yes, we are currently considering/have started the process/have opened APIs



Banking as a Service (BaaS) is anticipated to have a significant impact on financial services in the next 12 months



Banking as a Service will have a significant/slight impact in the next 12 months

Considering wider trends for the next 12 months, Banking as a Service (BaaS) is anticipated to have an impact on 85% of global financial institutions, of which 40% say there will be a significant impact.

Whilst all markets broadly expect BaaS to be impactful, Hong Kong (92%), the UAE (90%) and Singapore (87%) expect the impact to be greatest.

The benefits of BaaS are clearly recognized by financial institutions with three quarters or more of global respondents agreeing with 5 out of the 6 statements outlined in the chart. Attitudes around whether BaaS is already disrupting the financial services sector suggest the concept is still embedding itself in the industry, with 66% of respondents of this belief.

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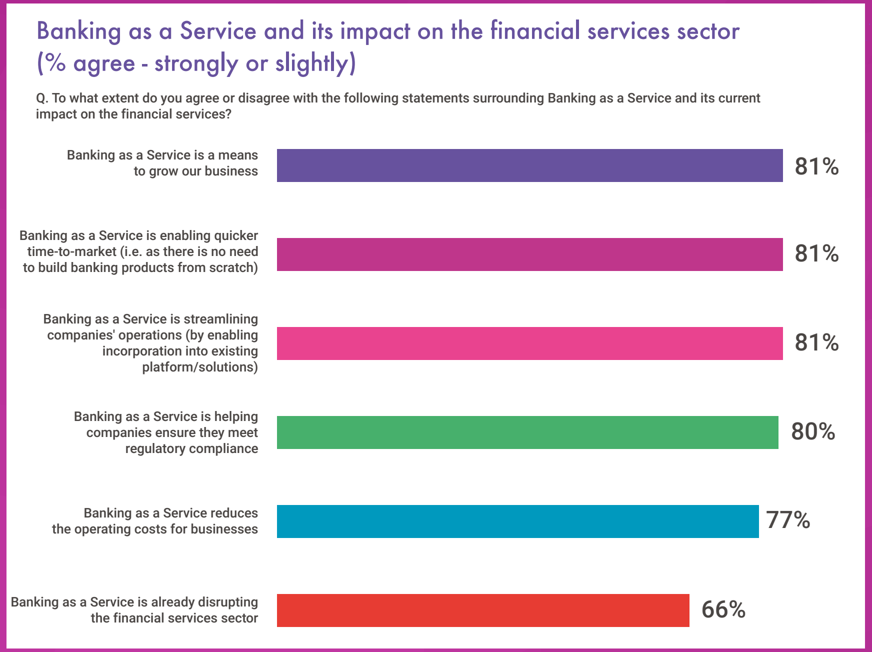
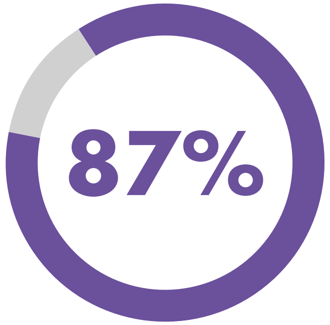
As seen previously, there are differences on a market level, with the UAE and Asian markets (Hong Kong and Singapore) broadly being more likely to identify and agree with the benefits of BaaS. The UK and Germany generally ranked benefits lower, relative to all the other markets, suggesting these markets might be taking a slightly more cautious approach to adopting BaaS and recognizing the benefits it can provide.



Embedded banking services are also anticipated to have a substantial impact on financial services in the next 12 months



Embedded banking services will have a significant/slight impact in the next 12 months

A comparable proportion (87%) also anticipate that embedded banking services will impact the financial services sector in the next 12 months – with 35% anticipating a significant impact.

Similar to the results seen for BaaS, the UAE (98%), Singapore (91%) and Hong Kong (89%) expect this impact to be greatest; along with France (91%) and Germany (90%).

When it comes to these two initiatives, a third of respondents (35%) have improved or deployed BaaS and 32% of financial institutions having improved or deployed embedded banking service technologies within their business in the last 12 months. Financial services institutions are also most likely to do this in collaboration with another organization as opposed to resourcing this process internally (via own internal departments or teams).

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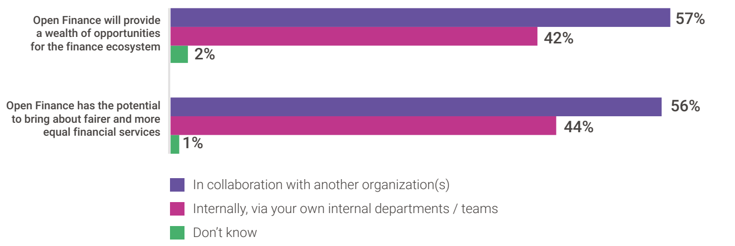
Deployment of embedded banking services & BaaS

Q. You said that your organization has improved or deployed the following technologies in the last 12 months. For each of these statements, was this done...?



Concluding thoughts

Whilst 4 in 5 businesses are still looking to leverage APIs (Application Programming Interfaces) to drive or enable Open Banking in the next 12 months, the number of businesses which have started this process or have already opened APIs appears to have stabilized this year.

A fairly equal share of businesses believe that BaaS and embedded banking services will have an impact on the financial services sector, bringing strong collaborative opportunities for businesses globally. There is evidence that financial services professionals have already worked collaboratively in incorporating both initiatives to help on the journey to true Open Finance in the new landscape. Overall, it is fair to say these services are supporting the financial services industry to revolutionize the sector.

Current industry trends: Wider tech integration

There remains widespread agreement that current global regulatory frameworks are hindering innovation, but the role of technology in fostering collaboration is recognized by financial institutions

Technology adoption drivers
Globally, the drivers for adoption of new technology have shifted slightly in comparison to previous years, with the number one driver in 2021 being to help 'cut cost or improve efficiency' (50%). This is followed by 'growing our business' (46%) and 'meeting current and future customer expectations' (42%).

Staying ahead of competitors, which was ranked number one in 2020, has dropped outside the top three drivers this year. This could potentially be linked to the transformational impact that COVID-19 is having on financial services, with businesses needing to respond by improving efficiencies, growing their business, and proactively managing customer expectations.

Looking across all seven markets, helping to cut cost or improve efficiency was the number one driver for the majority: specifically, the US (58%), Singapore (54%), Hong Kong (53%), France (51%) and Germany (48%).

Potentially linked to recent world events, the UAE (56%), Singapore (47%) and Hong Kong (47%) were significantly more likely to select 'adapting to the challenges brought by COVID-19' as a driver compared to other markets. UK financial institutions identified 'growing our business' (51%) as their number one driver, which could be linked to organizations responding to the threats and opportunities around Brexit.

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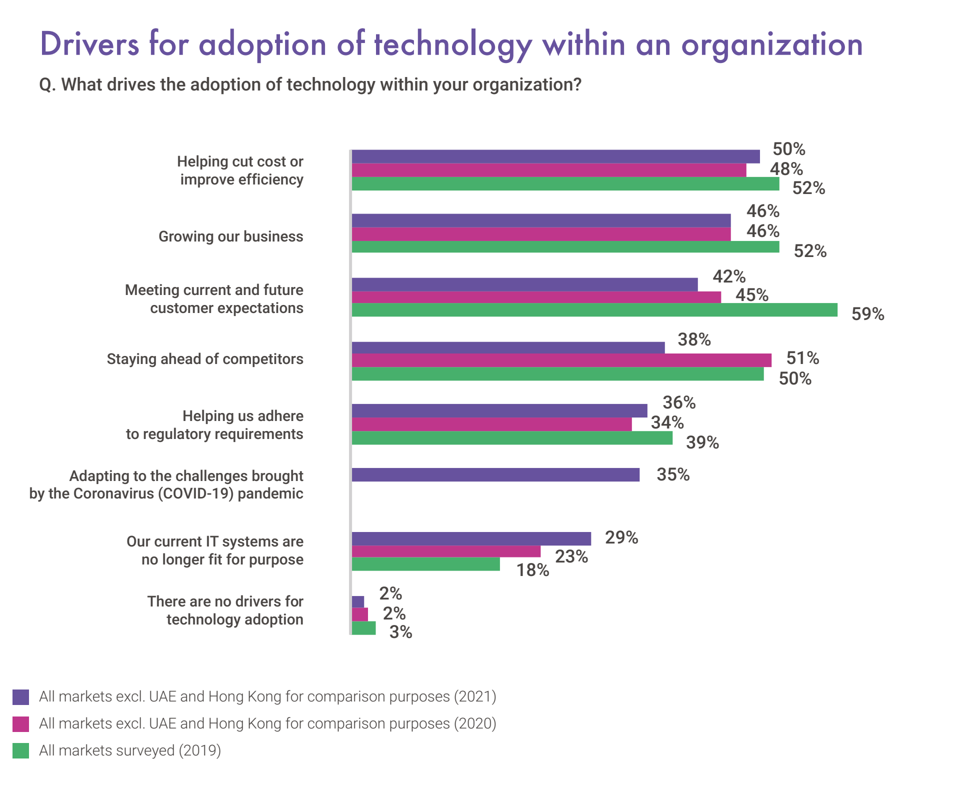

Barriers to innovation

Looking at barriers to innovation, perceptions surrounding existing regulation haven't changed and these remain a concern for 95% of organizations (96% in 2020). It is also fair to say that wider market events and the effect of COVID-19 are yet to impact the underlying barriers to integrating technology, which remain broadly consistent.

Like previous years, the cost of development/expense, regulations being too tight and management or decision maker thinking remain core barriers. However, the cost of development/expense of R&D is a growing concern year on year – previously 37% in 2019, 43% in 2020 and now at 47% this year.

Across all seven markets, the UAE, the UK, Singapore, Hong Kong, France, and Germany were all most likely to have selected either the cost of development/expense, or management or decision makers' thinking as the number one barrier to innovation. Interestingly, the stringency of regulation was identified as the number one barrier in the US (50%); and it also features highly in Singapore (53%).

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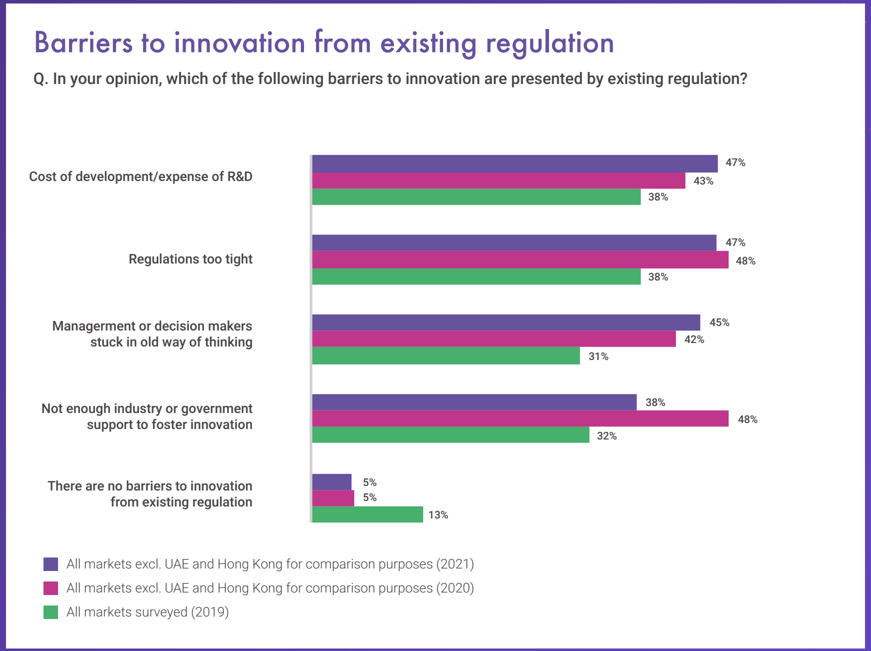

The improvement and development of technology is anticipated to continue at pace in the next 12 months, with mobile banking, BaaS and AI as the key drivers

Looking to improve or deploy new technologies in the next 12 months

Most financial institutions have improved or developed new technology in the past 12 months (96%) and this trend is anticipated to continue over the next year with an equal proportion (95%) forecasting that they will look to improve or develop technology in this period.

Across the globe, mobile banking, BaaS and AI technology are the areas of greatest development this year. The UAE (44%) and Hong Kong (42%) lead the way when it comes to interest in mobile banking, compared to an average of 36% across all seven markets.

With Asian markets often being at the forefront of technological innovation, Singapore (45%) and Hong Kong (40%) are most likely to improve or deploy BaaS; with the UAE being most likely to improve or deploy AI technology (51% vs. a 35% average for all seven markets).

Despite broad plans to improve or deploy new technology in the next 12 months, our research suggests that, in reality, a number of these plans could be constrained by cost pressures. Three quarters (76%) of financial institutions agree that their organizations' investments in technology and digital banking are constrained by cost pressures, with 1 in 5 (21%) saying they are heavily constrained.

Despite having a greater focus on technological innovation and development, Hong Kong (86%), Singapore (81%) and the UAE (78%) are most likely to be constrained by cost pressures; whereas the UK and US are relatively least likely (both 69%).

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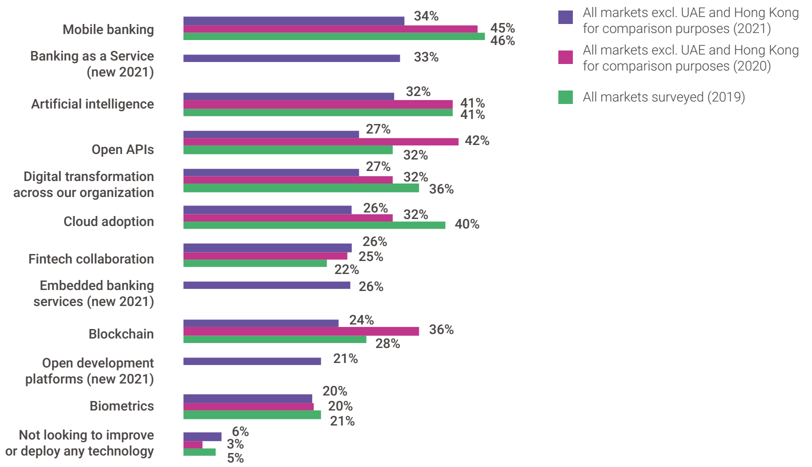
Technologies planning to deploy or improve in the next 12 months

Q. Which of the following technologies is your organization looking to improve or deploy in the next 12 months?



Improving data security is the #1 area where financial technology can help support fintech collaboration

Despite the realities of improving or deploying new technology, the role that technology can play to make fintech collaboration happen is recognized by financial institutions; with 96% of respondents or more across all seven markets recognizing technology's role in fostering collaboration.

Improving data security (59%) is seen as the number one role technology can play to enable fintech collaboration, with improving openness and sharing of data between financial institutions (51%) and making it easier for start-up tech companies and innovators to access financial institutions (51%) being selected by a majority of respondents.

On an individual market level, improving data security is the number one role identified across all markets except the UAE, where improving openness and sharing of data between financial institutions (61%) was identified as the core role of technology in enabling fintech collaboration.

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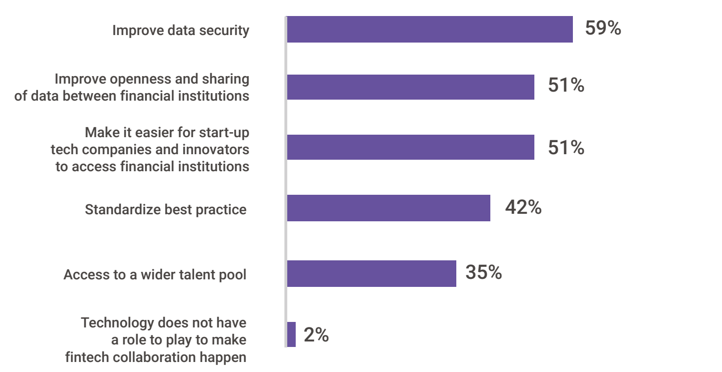
Role of technology in fintech collaboration

Q. What role can technology play, if any, to make fintech collaboration happen?



Concluding thoughts

COVID-19 continues to disrupt financial services, reflected by 'helping to cut cost or improve efficiency' becoming the number one driver for the adoption of new technology this year (as organizations look to respond to market challenges).

Similar to previous years, there remains widespread agreement that current global regulatory frameworks are hindering innovation, with the cost of development/expense of R&D continuing to grow as a barrier year on year.

Despite the challenges of regulation and cost constraints, most financial institutions anticipate improving or deploying technology in the next 12 months, with the value of technology in enabling fintech collaboration being recognized by most financial services organizations.

Current industry trends: Collaboration

Collaboration remains important to financial services, although some barriers remain

Collaboration is very /somewhat important

Collaboration continues to be important to financial services institutions, with most (94%) agreeing it is very or somewhat important. Moreover, 2 in 3 (66%) say it is very important.

These trends are broadly reflected across the individual markets, with six out of seven markets considering collaboration very important.

Despite the clear importance of collaboration to financial services, there remain several existing and new 'overarching' barriers:

Regulation: Complex regulations have been identified as the number one barrier overall this year, with 40% of global financial institutions agreeing. Intricate regulatory frameworks and differences between markets within the financial sector are also illustrated by France (47%), Singapore (45%) and Germany (44%) selecting complex regulations as their number one barrier.

However, this is a wider financial services challenge, with 50% of global organizations agreeing that regulators need to provide more visibility and information on collaboration requirements, with 45% stating that regulators need to ease the burden of regulations and allow experimentation of new ideas or services, and 44% recognizing that standardized industry best practices should be created.

Security: New to our research this year and reflecting wider trends surrounding the increase in security risk (and the potential impact of COVID-19), security has been identified by 39% of global financial institutions as a barrier. Security risk was the number one barrier in the US, Hong Kong and the UAE (all at 40%).

Technology: Dipping from the overall number one barrier in 2020, legacy systems/IT has been identified as a barrier by 35% of global financial institutions. In the UK, this continues to be mentioned as the number one barrier (48%), compared with only 30% in France.

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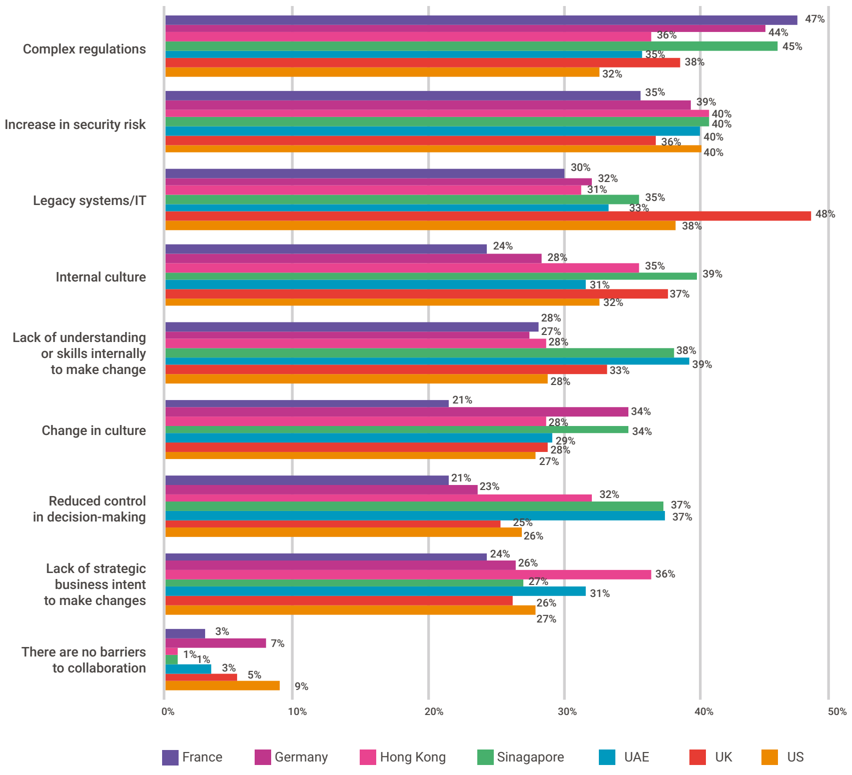
Factors that are barriers to collaboration

Q. Which of the following, if any, are barriers to collaboration?



Despite challenges, the benefits of fintech collaboration continue to be recognized

There remains widespread agreement by global financial services institutions that fintech collaboration has made their businesses more efficient, has been a driver for success, and that the benefits of collaboration outweigh its costs; with 8 in 10 or more of all global financial services institutions agreeing with each of the statements.

Following on from our 2020 research, the European markets and the UAE have narrowed the gap with the US and Asian markets (who were the early forerunners) with all markets broadly recognizing the benefits of collaboration to financial services businesses.

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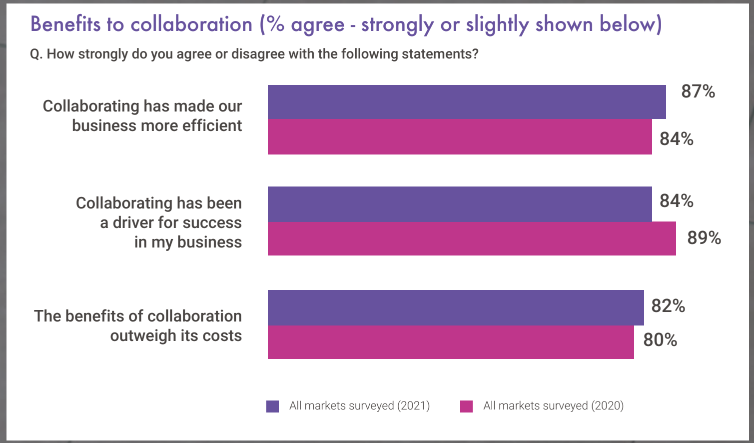


Whilst collaboration continues to bring wins in the form of efficiencies, financial institutions are continuing to look towards opportunities to add value through innovation and adoption

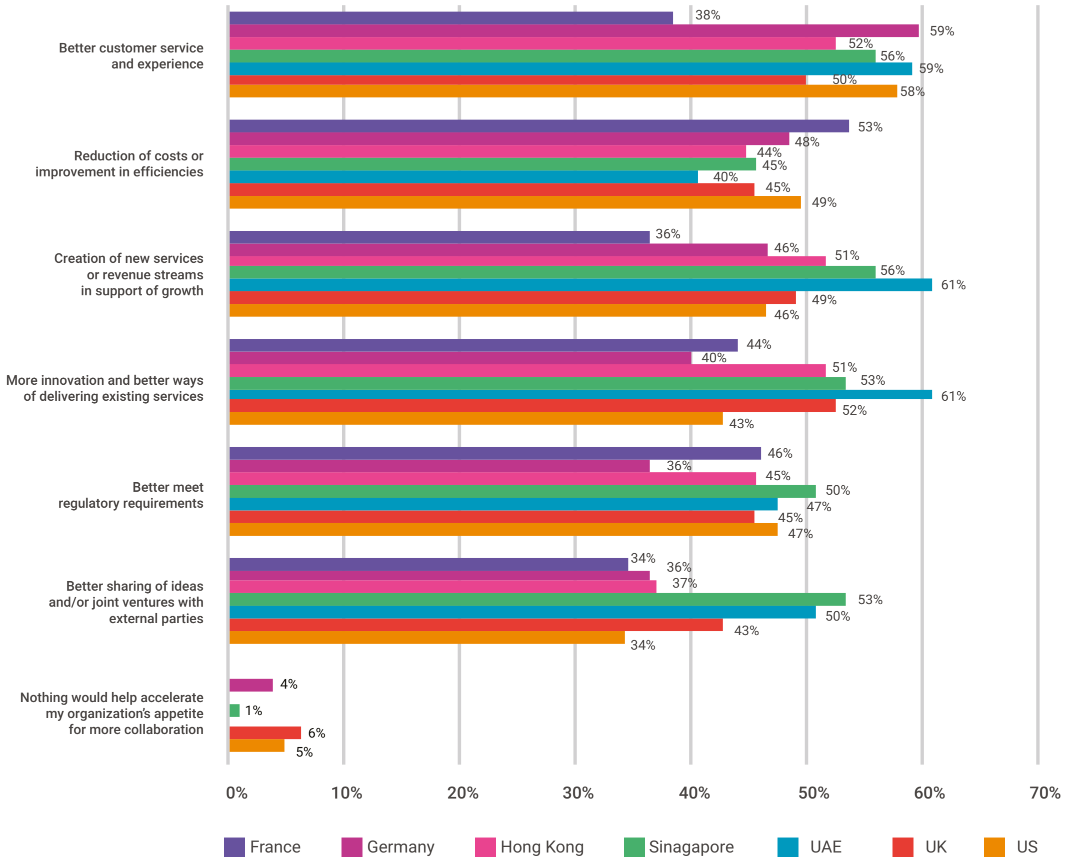
When asked 'which factors would accelerate your organization's appetite for more collaboration with other financial institutions and the developer community', 53% of global financial institutions cited better customer service (52% in 2020), 50% cited the creation of new services or revenue streams in support of growth (48% in 2020), and 49% identified more innovation and better ways of delivering existing services (48% in 2020).

Whilst this overall profile remains remarkably consistent year on year, there are nuances between markets around the core motivators to accelerate collaboration. Better customer service and experience was identified as number one in Germany (59%), the US (58%), Singapore (56%) and Hong Kong (52%); whereas the UAE (61%) and UK (52%) identified with more innovation and better ways of delivering existing services.

The creation of new services or revenue streams in support of growth was a joint core factor in both the UAE (61%) and Singapore (56%). Finally, France saw the key accelerator being identified as the reduction of costs or improvement in efficiencies (53%).

Factors that accelerate collaboration

Q. Which of the following, if any, would accelerate your organization's appetite for more collaboration with other financial institutions and the developer community?



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Concluding thoughts

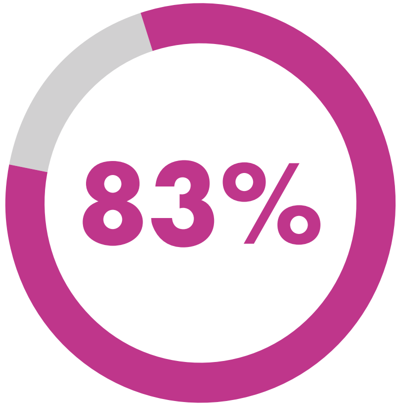
Collaboration remains important to financial services institutions, but regulation, security, and technology remain overarching barriers inhibiting future collaboration.

However, the benefits continue to be recognized and it remains well underway. Moreover, the European markets and the UAE have closed the gap with the early forerunner markets of last year (the US and Asian markets), with all seven markets now broadly recognizing the benefits of collaboration to financial services.

Reflecting wider themes, financial services institutions are most likely to accelerate collaboration where it can demonstrate delivering a better customer service/ experience, reducing the cost or improvements in efficiencies, and creating new services or revenue streams.

Impact of COVID-19 on financial services and business purpose

There is widespread agreement concerning the impact COVID-19 has had on financial services



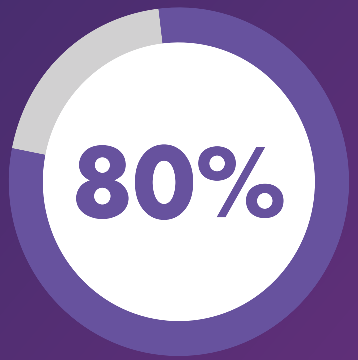
Agree (strongly or slightly) that COVID-19 has resulted in an increased focus on cyber security

As we might expect, there is a consensus that the Coronavirus (COVID-19) pandemic has impacted and disrupted every market across the globe, with businesses worldwide significantly affected; from the increasing prevalence of homeworking and the use of technology to support this, to the increasing frequency of related cyberattacks and scams, and large sectors of countries' economies having to temporarily 'lock down'.

Our research shows that the financial services sector is no exception, with 8 in 10 businesses (83%) having increased their focus on cyber security as result of COVID-19 (i.e., having to respond due to related attacks and scams).

Whilst all markets surveyed have broadly increased their focus on cyber security, the UAE (87%), the US (83%) and Asian markets (Singapore, 85%; Hong Kong, 81%) are at the forefront of this increased focus.

The financial services industry broadly agrees that COVID-19 has acted as an accelerator for the integration of new technology and innovation



Agree (strongly or slightly) that COVID-19 has acted as an accelerator for the integration of new technology and innovation

As businesses across the globe adapt to new ways of working and the opportunities and challenges this presents, a similar proportion (8 in 10) agree that the Coronavirus pandemic has acted as 'an accelerator for the integration of new technology and innovation within our business'.

This finding echoes recent wider reported trends in terms of COVID-19's impact on businesses introducing long-term working from home or flexible working practices, and implementing the technology required to facilitate and support this.

Respondents in Singapore (87%), the UK (82%) and the UAE (82%) are most likely to agree that COVID-19 has acted as an accelerator for the integration of technology and innovation within their business. Germany and France register at 69% and 77% respectively.

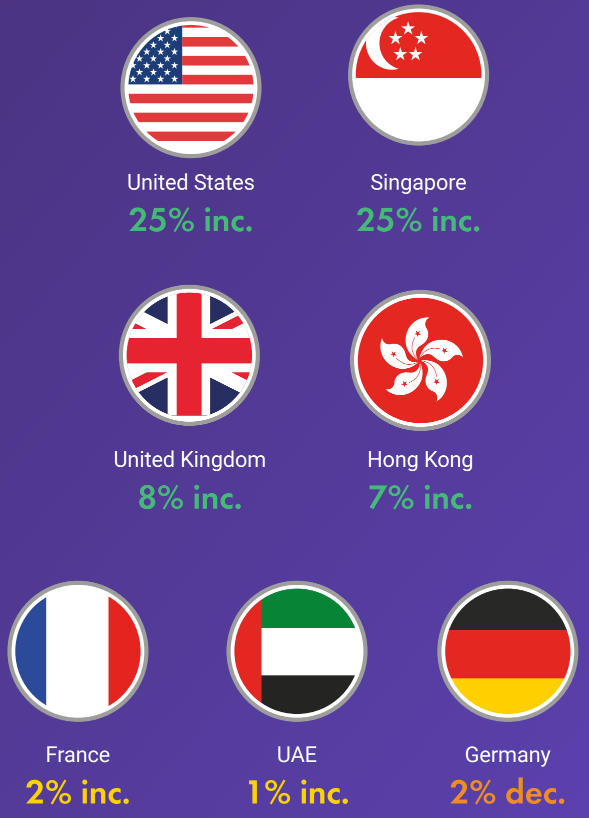
The impact of COVID-19 will also be reflected in budgets and spending

Despite businesses recognizing the impact of COVID-19 and the importance of technology to help navigate these threats and opportunities, businesses in the financial services sector appear to have been fairly slow, or focused on other immediate priorities, when it comes to increasing their spending to counter the impact of the pandemic. Surprisingly, this is noted particularly around their digital banking and technology investment in the past 12 months.

Overall, a net 9%* of businesses have increased their spending over the past 12 months. However, not all markets are equal in terms of their investment response to COVID-19. The US and Singapore both report a net 25% increase. Potentially reflecting the wider attitudes to technological investment, businesses operating within the UK and Hong Kong have seen a smaller net increase in spending (8% and 7% respectively), whereas spending has remained broadly stable or dipped in France, the UAE and Germany.

Has the Coronavirus (COVID-19) pandemic influenced your organization's spend on digital banking and technology over the last 12 months?

**NB. Net score calculated by removing 'decreased' % from 'increased' %*



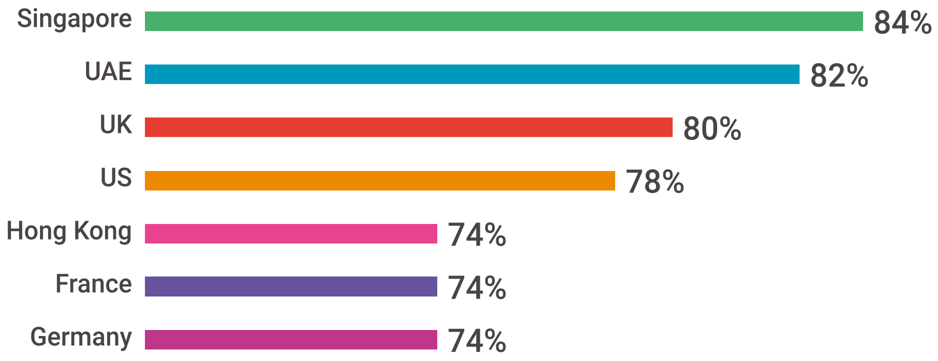
However, reflecting on the realization that COVID-19 is anticipated to result in long-term transformation (and not just be a short-term disruption), 8 in 10 businesses (78%) agree that they will 'increase their internal investment/budgets to respond to the challenges and opportunities arising from the pandemic'.

Singapore (84%), the UAE (82%) and the UK (80%) are the most likely to increase their investment/budget; but 3 in 4 or more of respondents in the remaining markets will also do so.

Hover over image to enlarge

Our organization has increased its internal investment/budgets to respond to the challenges and opportunities arising from the COVID-19 pandemic (% agree - strongly or slightly shown below)

Q. How strongly do you agree or disagree with the following statement?



Businesses are increasingly focusing on their organizational purpose and helping the communities they serve

Our research has also found that financial institutions are increasingly placing greater value on their organizational purpose and helping the communities they serve. Aside from the fact that consumers are increasingly realigning their expectations surrounding the brands they purchase from and the values they stand for, it is the right thing to do.

Reflecting this, our research suggests that the financial services sector will become increasingly focused on the communities it serves, as well as wider environmental and corporate social responsibility; with 8 in 10 or more businesses agreeing with each of the following statements:

86% agree (strongly or slightly)
'financial services and banking is about more than just finance, and we have a duty to support the communities we are serving'

86% agree (strongly or slightly)
'improving financial literacy and supporting vulnerable audiences should be a key focus for the financial services and banking sector'

83% agree (strongly or slightly)
'it's important for financial services and the banking sector to be seen as supporting the environment and wider CSR (Corporate Social Responsibility) initiatives.'

Concluding thoughts

Similar to trends seen across many business sectors, COVID-19 has acted as an accelerator for financial services, resulting in an increased focus on integrating technology and innovation into businesses. New cyber security risks have also come to the fore.

However, in the past year businesses have been fairly cautious, or just focused on navigating the core threats and opportunities from COVID-19, so their current net increase in investment has been limited to date.

That said, and potentially recognizing that the implications of COVID-19 are here to stay and will have a transformational impact on financial services, most businesses do anticipate increasing their investment/budgets to respond to COVID-19 in the future.

Our research has also found that financial services companies are increasingly looking at their organizational purpose and helping the communities they serve – as part of a 'greater good'. At Finastra we call this redefining finance for good.

Definitions used in the survey

- **Open Finance:** Open Finance is the move beyond Open Banking towards financial transparency and inclusion, with greater innovation that creates better opportunities and experiences in financial services.
- **Embedded banking services:** seamless joining of traditional financial services, such as payment processing, with other services; often non-financial apps or websites.
- **Banking as a Service (BaaS):** the provision of complete banking processes, configured as a service using an existing licensed bank's secure and regulated infrastructure with modern API-driven platforms.

Survey methodology

1. 785 professionals (at managerial level) at financial institutions and banks across France, Germany, Hong Kong, Singapore, the UAE, the UK and the US, are included in our 2021 research. These financial institutions represent a gross total of just over USD$34 billion in turnover over the last 12 months, employ approximately 2.4m staff and have approximately 237 million client/customer/member relationships.
2. As a result of rounding up percentage results, the answers to some questions might not always add up exactly to 100%. Respondents were also able to select more than one answer for some questions.
3. Comparative analysis was made from results of similar surveys run by Finastra in January 2020 and March 2019 which were also conducted online amongst financial institutions and banks across the same markets (the 2019 survey did not include the UAE or Hong Kong).
4. Research was conducted by Savanta via an online panel (during March 2021).

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Finastra is unlocking the power of finance for everyone by creating a platform for open innovation in the world of financial services.

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About Finastra

Finastra is building an open platform that accelerates collaboration and innovation in financial services, creating better experiences for people, businesses and communities. Supported by the broadest and deepest portfolio of financial services software, Finastra delivers this vitally important technology to financial institutions of all sizes across the globe, including 90 of the world's top 100 banks. Our open architecture approach brings together a number of partners and innovators. Together we are leading the way in which applications are written, deployed and consumed in financial services to evolve with the changing needs of customers. Learn more at **finastra.com**

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