

Regaining fallen revenues in transaction banking

The value in transaction banking

Transaction banking delivers excellent value to financial institutions.



Sticky customer relationships



Low capital requirements



Stable returns



Solid funding source

However, interest rate declines in recent years have been a blow to the sector.

\$12 billion

loss of income in 2020

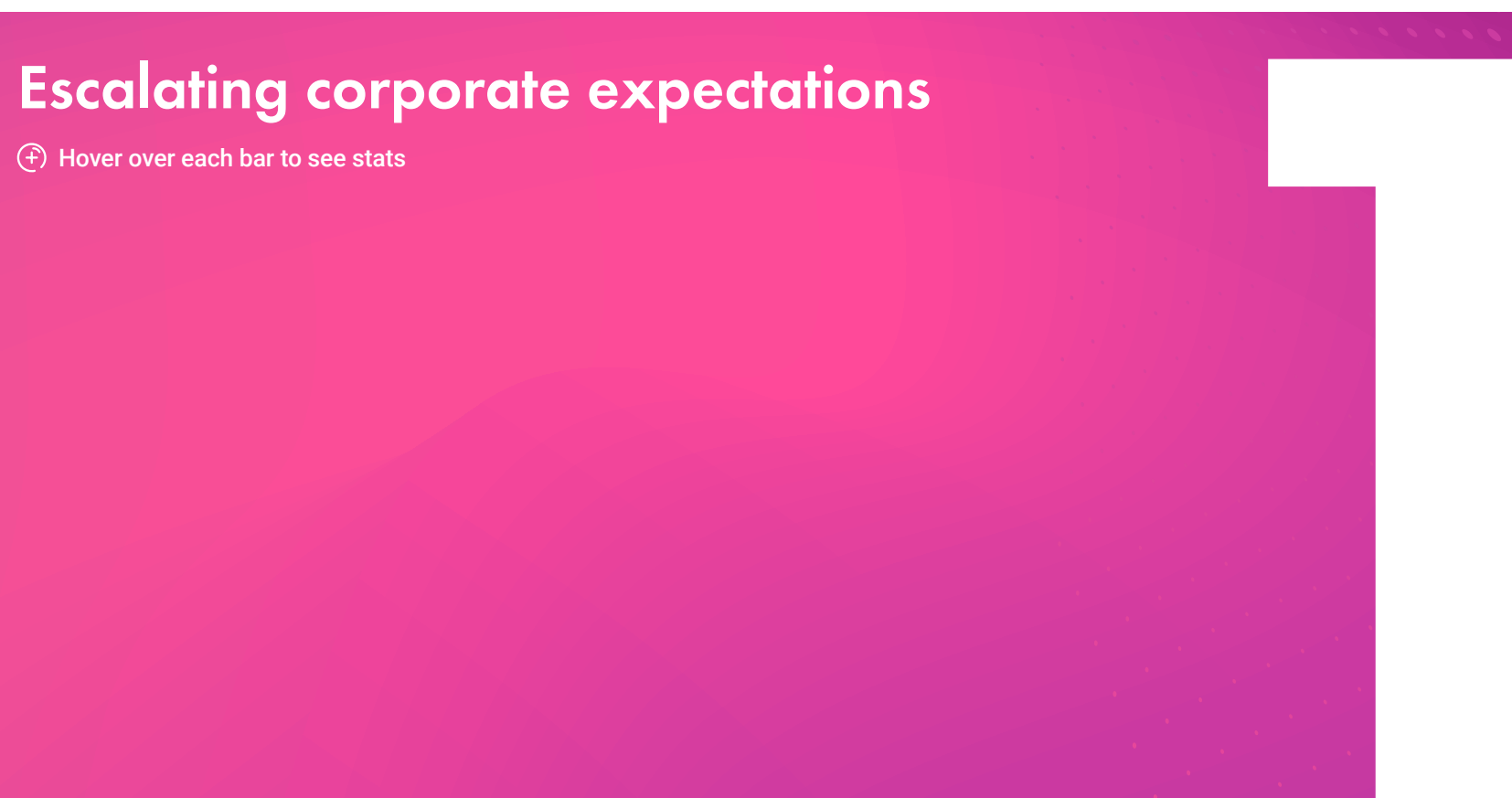


The challenges of transaction banking

Financial institutions face significant headwinds in today's market.

Escalating corporate expectations

👉 Hover over each bar to see stats



2

Increasing competition from challenger banks



Non-banks are operating in the transaction banking space more and more. This has led to around a **20%** decline in traditional bank fee margins over the last four years.

Example:

Customer satisfaction for UK Starling Bank tops traditional financial institutions in critical areas:

- Overall service quality
- Online/mobile banking services
- SME overdraft services
- Loan services

The bottom line:

Traditional financial institutions aren't investing enough in technology to remain competitive in the long run



Financial institutions spend 1%–8% of revenue on innovation across the enterprise



Non-bank, pure-play fintechs spend more than 10%

3

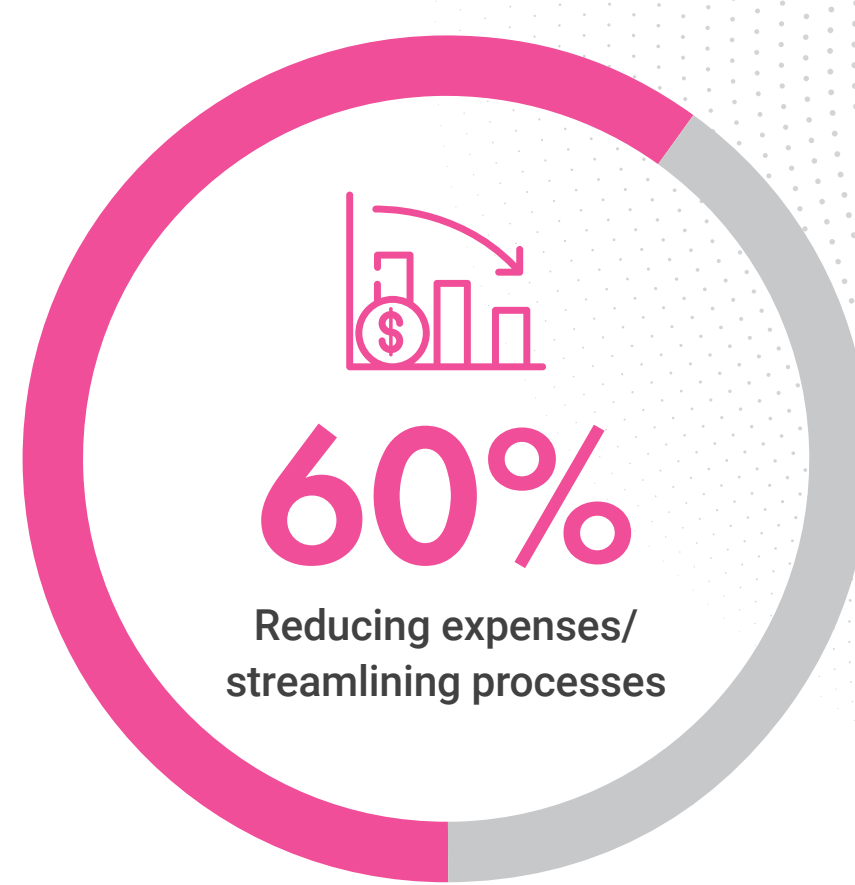
Reimagining the role of technology in transaction banking is the way forward

Financial institutions are waking to the technology promise, increasing investments in priority areas.



62%

Enhancing the client experience



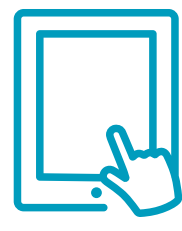
60%

Reducing expenses/streamlining processes

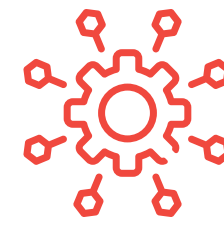
Leading financial institutions focus on priority areas to meet strategic goals.



Digital client onboarding



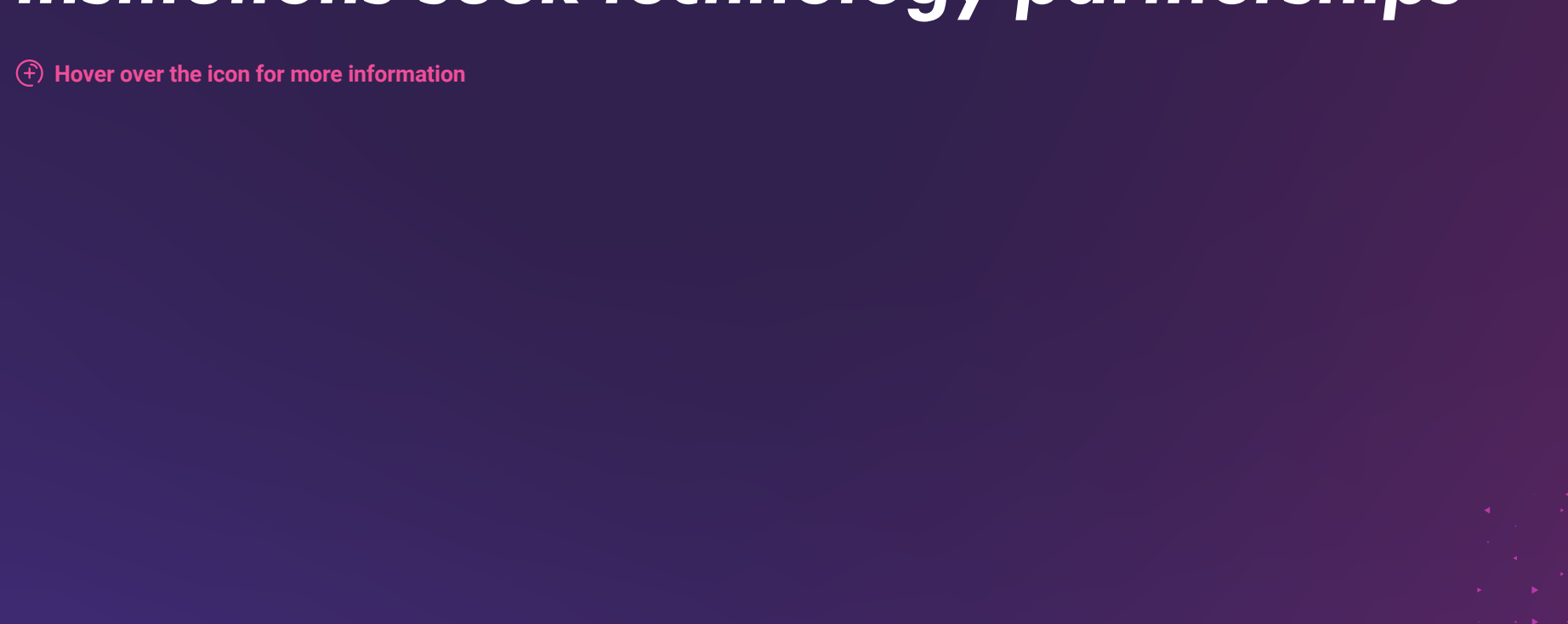
Digital client self-service



Product innovation

To increase competitiveness, financial institutions seek technology partnerships

👉 Hover over the icon for more information



“...Established solution providers are taking a marketplace approach to bringing fintechs and banks together... This arrangement is especially beneficial for banks without dedicated innovation teams or with limited technology resources to handle integration.”

Celent Report

“Optimizing, Expanding, and Monetizing: Retaining transaction Banking Revenue Momentum”

Winning with a marketplace advantage

Accelerating digital transformations.



“We pride ourselves on providing the broadest, deepest software applications and connectivity to marketplaces, partners and fintechs through our open platform, orchestrating the future of financial services.”

Veena Rao
Vice President and Business Head, Connected Corporate Banking and Corporate Channels, Finastra