

Finastra survey shows most US financial institutions consider Open Banking essential, with a new focus on shared data and infrastructure

- 56% of US respondents regard open finance as a 'must have', up from 45% in 2021, with 82% believing that shared data and infrastructure will become a key part of the strategy for the move to Open Banking and Finance
- 86% of respondents agree that BaaS and embedded finance are expected by customers; almost half of institutions surveyed in the US (46%) have improved or deployed BaaS in the past year

Lake Mary, FL – December 6, 2022 - Finastra research reveals that views on Open Banking in the United States have matured over the last year, with 68% of respondents considering it either a 'must have' or 'important', up from 48% last year. Of those who have integrated Open Banking, 100% now say there has been a significant impact to their organization.

The 'Financial Services: State of the Nation Survey 2022' finds that as more financial institutions understand the business value of Open Banking and the broader context of open finance, many are now moving into a second phase – focusing on shared data and infrastructure. With 56% of US respondents (up from 45%) saying that open finance is now a 'must have', this suggests that the sector is actively reviewing products and services that would benefit from an ecosystem model.

Although the financial services industry is currently seeing increased constraints and hesitation around investing in technology, the data shows that 82% of US respondents believe that shared data and infrastructure will become a key part of the strategy for the move to Open Banking and finance, emphasizing the steady appetite financial institutions still have in this area.

The research was conducted amongst 758 professionals at financial institutions and banks from August to September 2022 across France, Germany, Hong Kong, Singapore, the UAE, the UK and the US. It explores the Open Banking and finance landscape, the technology and initiatives set to make an impact in financial services over the next year, and the growing importance of ESG.

Other insights include:

- **Banking as a Service (BaaS) and Embedded Finance have become an industry norm** – 86% of US institutions agree that BaaS and embedded finance is already expected/demanded by customers. Almost half (46%) of institutions surveyed have improved or deployed BaaS in the past year. More than a third (35%) have deployed or improved embedded finance.
- **Most financial services firms are now using cloud-based solutions** – half of global respondents (51%) have most or all their software stacks on cloud-based solutions, with a further third (32%) splitting equally between on cloud and on-premises solutions. The US is further along, with 59% of respondents having most or all of their software hosted on cloud-based solutions.
- **Global financial institutions are being prudent with their technology investments** – with 82% noting constraints caused by the current economic situation. Despite the current economic

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uncertainty and wider cost pressures, the majority (74%) forecast that they will have resumed their full investments by the end of H1 2023.

- **Support for ESG is widespread** – There is widespread agreement amongst financial services organizations that ESG is important for the sector, with more than 4 in 5 (84%) saying they strongly agree or slightly agree with this notion. Support for the notion of a duty to the communities that institutions serve has increased in the US (89% in 2022; 84% in 2021).

“Finastra has always championed open finance as the key to unlocking the potential of people, businesses and communities everywhere,” said Simon Paris, Chief Executive Officer at Finastra. “Over the years that we have conducted this survey, we have seen open finance grow from an emerging idea to a clear priority for institutions across the world, enabling, as it does, business model shifts such as embedded banking, as well as financial inclusion and equality.” Access the full report and findings [here](#).

Survey Methodology

- 758 professionals (at managerial level) at financial institutions and banks across France, Germany, Hong Kong, Singapore, the UAE, the UK and the US, were surveyed. These financial institutions represent a gross total of just over USD\$28 billion in turnover over the last 12 months, employ approximately 1.9m staff and have approximately 147 million client/customer/member relationships.
- 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.
- Comparative analysis was made from results of similar surveys run by Finastra in March 2021 and January 2020 which were also conducted online amongst financial institutions and banks across the same markets.
- Research was conducted by Savanta via an online panel (end of August to early September 2022).

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About Finastra

Finastra is a global provider of financial software applications and marketplaces, and launched the leading open platform for innovation, FusionFabric.cloud, in 2017. It serves institutions of all sizes, providing award-winning solutions and services across Lending, Payments, Treasury & Capital Markets and Universal Banking (Retail, Digital and Commercial Banking) for banks to support direct banking relationships and grow through indirect channels, such as embedded finance and Banking as a Service. Its pioneering approach and commitment to open finance and collaboration is why it is trusted by ~8,600 institutions, including 90 of the world's top 100 banks. For more information, [visit finastra.com](https://finastra.com).

