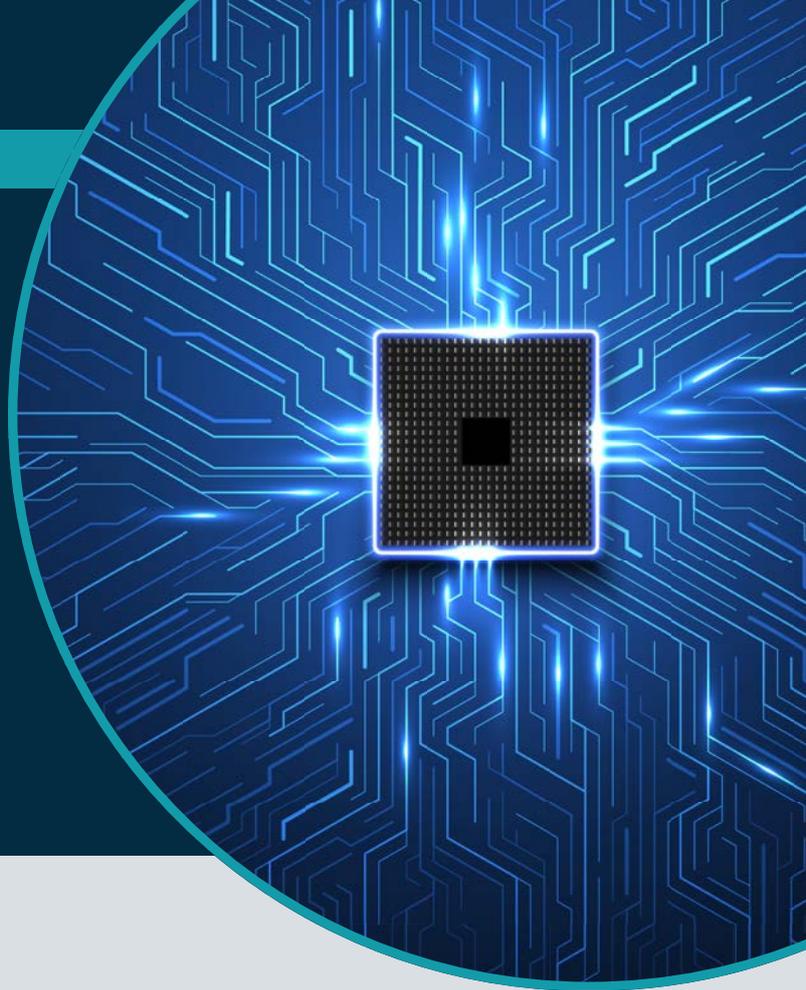


Can APIs Improve Bank Connectivity?



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What is preventing corporates from embracing game-changing APIs? Why are they so hesitant to invest in this form of cutting-edge technology? Patric Leone, Product Manager, PO Connectivity, Fides Treasury Services, offers answers to these questions by revealing the results of a wide-ranging poll – leading to some insightful and surprising conclusions.

In the dynamic realm of corporate-to-bank connectivity, the strategic incorporation of APIs emerges as a pivotal facet, offering the potential to significantly enhance operational efficiency and transparency. The treasury API usage poll, conducted live at AFP 2023 during a session with more than 400 attendees, has brought to light an interesting narrative.

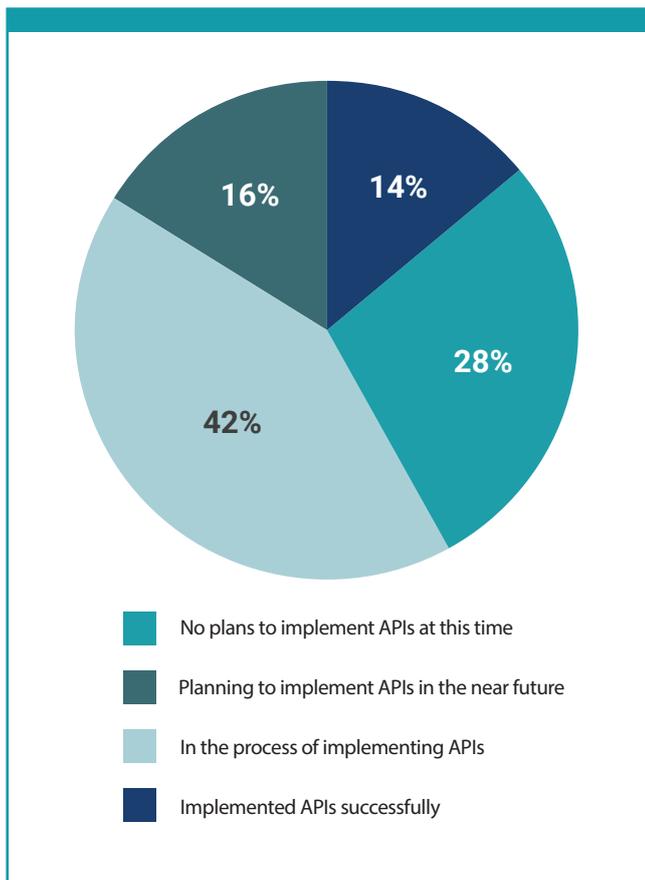
KEY TAKEAWAYS

- **Growing interest in APIs**
 - Poll indicates a rising trend in API adoption among corporate treasury and finance teams
 - 14% of respondents already have APIs, with 42% actively implementing them
- **Current usage patterns**
 - Only 4% of respondents currently use APIs for bank connectivity
 - Many organisations still rely on traditional bank portals for information
- **Demand-supply gap**
 - Disparity highlighted between the demand for and supply of bank APIs
 - Few banks currently offer APIs and existing ones lack standardisation, especially in payments
- **Challenges in API implementation**
 - Knowledgeable IT resources are required for API setup, optimisation, and maintenance
 - External consultants or providers may be necessary, contributing to unanticipated budgetary considerations
- **APIs' transformative potential**
 - APIs promise real-time capabilities, data insights, and increased automation
 - While adoption is slow, APIs can reshape the financial landscape when fully integrated
- **Caution and a strategic approach**
 - Emphasises a phased and strategic approach to API integration
 - Recommends organisations focus on specific use cases and banking partners, whether through APIs or traditional bank connectivity

The reality of APIs in treasury today

Fides asked a broad finance audience about treasury API usage. While a modest 14% of respondents currently have established APIs, a substantial 42% are actively engaged in the implementation process. This trend hints at a growing inclination towards API adoption within corporate treasury and finance teams.

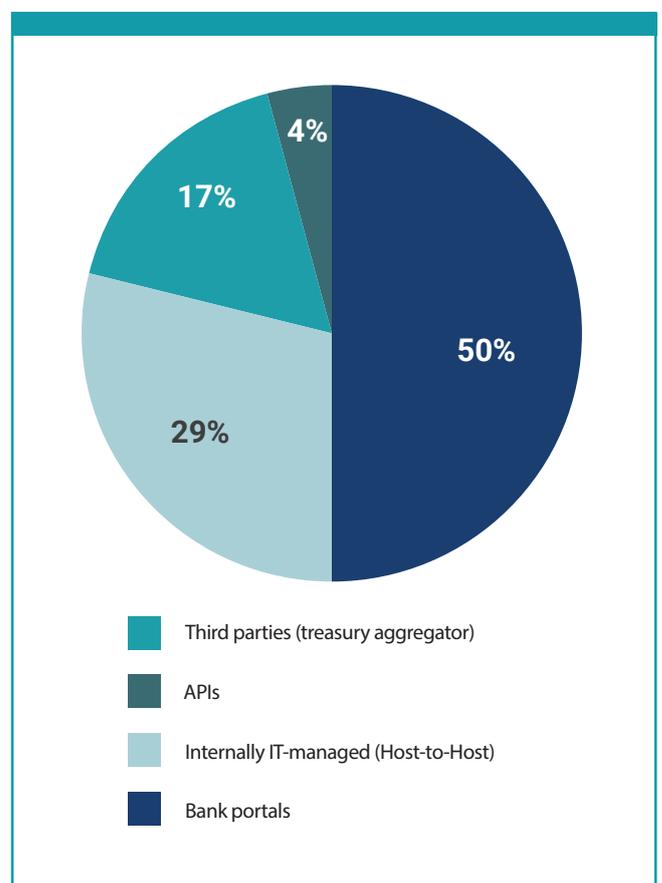
Which of the following best describes your experience with API implementation?



“ In the dynamic realm of corporate-to-bank connectivity, the strategic incorporation of APIs emerges as a pivotal facet. ”

Yet, amid this burgeoning interest, a fundamental challenge looms: the gaping disparity between the demand for and the supply of bank APIs. Treasurers who have successfully integrated APIs acknowledge the stark reality that very few banks presently offer this cutting-edge service. Furthermore, existing APIs often suffer from a lack of standardisation and fall short in providing a comprehensive array of payment options, thereby creating notable gaps in multibank connectivity. The API connectivity implementation challenge is compounded by the prerequisite of knowledgeable IT resources, prompting many organisations to consider allocating additional budget for external consultants or providers.

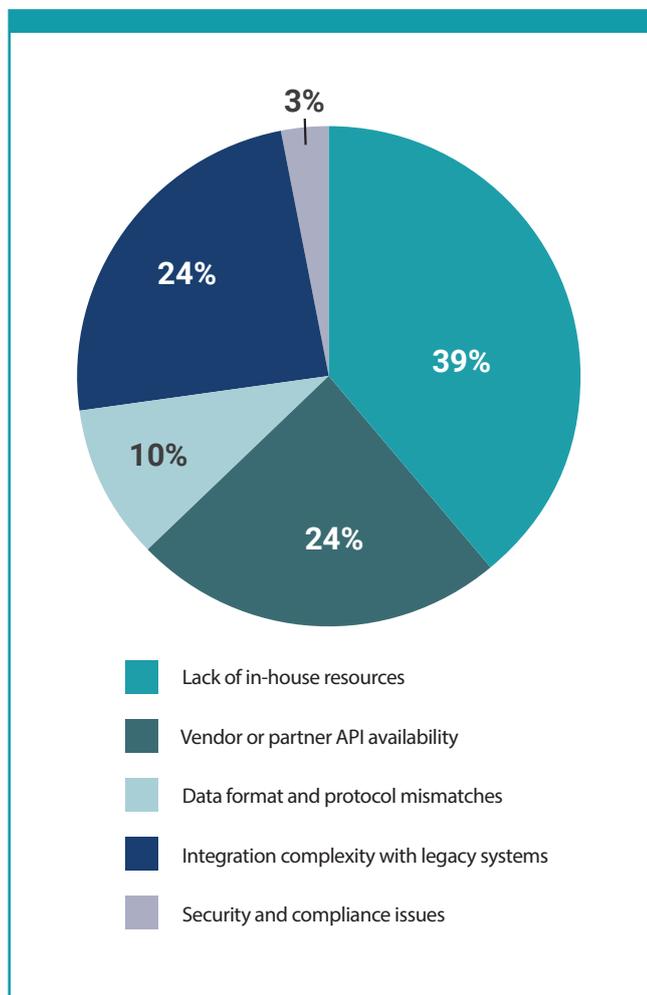
What is the primary method you are using to connect to your banks today?



The revelation that merely 4% of respondents currently employ APIs for bank connectivity underscores the API adoption hurdles. Despite the potential for automation and enhanced cash management through API integration, a significant number of organisations continue to rely on conventional bank portals. This apparent discrepancy may be rooted in the perceived complexity associated with setting up, optimising, and maintaining API connectivity, coupled with a general lack of awareness regarding the manifold benefits it can deliver.

Fides, in its capacity as a treasury aggregator, emerges as a linchpin in addressing these challenges and fortifying diverse forms of connectivity, including APIs. While generic API platform providers furnish rudimentary connectivity, Fides caters to the nuanced requirements of treasury and finance teams. This encompasses facilitating the intricate registration process with each bank for requisite services, such as account reporting or payment processing, and conducting meticulous testing for each specific service.

What is the primary challenge you have encountered when implementing APIs for bank connectivity?



The answers received about API implementation challenges show why only 4% of respondents are using APIs for bank connectivity. It's not that they don't want to, either there just aren't the right resources in house, the right APIs don't (yet) exist, or it's just too much work and effort to deal with issues including legacy systems, format conversions, and protocols.

APIs and existing bank connectivity

One of the advantages of aligning with Fides lies in the company's comprehensive solution for multibank connectivity. Fides eases the hurdles associated with API implementation and also furnishes a singular portal for payments, ensuring centralised visibility into all transactions with diverse banks. This not only streamlines the connectivity process but also guarantees security, compliance, and portability, affording flexibility in transitioning between TMS or ERP systems without sacrificing connectivity.

The sluggish adoption of APIs within the financial landscape, as underscored by the poll results, highlights the necessity for a phased and strategic approach. Fides acknowledges this imperative and champions a diversified strategy, advocating for a blend of solutions encompassing host-to-host connections, SWIFT, Electronic Banking Internet Communication Standard (EBICS), APIs, and more. In doing so, Fides positions itself as a leading multibank connectivity provider, with expertise across all facets of bank connectivity and an expansive global network encompassing banks, financial institutions, and payment providers.

In conclusion, while APIs hold immense promise in reshaping the financial landscape, the current reality dictates a measured and deliberate integration. Fides provides tailored solutions, and ensures seamless multibank connectivity for corporate treasury and finance teams. As the financial landscape continues to evolve, Fides steadfastly supports organisations in navigating the complexities of modern banking connectivity.

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