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| RESEARCH ARTICLE

The Evolving Role of Treasury Systems: How Banks Can Outpace Fintechs

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| ABSTRACT

Corporate treasury management sits at the intersection of finance, technology, and institutional trust, and it is changing fast. Over the past decade, financial technology companies have reshaped how corporations initiate payments, monitor balances, and manage relationships with multiple banking partners. Their appeal is understandable: fintech platforms are faster to deploy, more intuitive to use, and often far less bureaucratic than the legacy systems offered by traditional banks. But beneath the polished interfaces and compelling value propositions, a structural problem persists. Most fintech treasury solutions are built for one-directional communication, they carry corporate instructions outward to banks but struggle to bring meaningful, real-time feedback back. Transaction confirmations are delayed. Reconciliation is partially manual. Exception handling depends on workarounds. These are not minor inconveniences; for treasury teams managing millions of dollars across multiple currencies and jurisdictions, they represent genuine operational and financial risk. This paper examines that gap and argues that it represents a significant strategic opportunity for traditional banks. Banks are not simply competing with fintechs, they are positioned, structurally and institutionally, to offer something fintechs cannot: a fully integrated, bidirectional treasury ecosystem built on the foundations of regulatory authority, settlement infrastructure, balance sheet depth, and decades of corporate relationship capital. Through a comprehensive review of academic literature and industry practice published between 2016 and 2024, this study develops the Bank Strategic Advantage Framework (BSAF), a five-dimensional model that maps the specific areas where banks hold durable competitive advantages over fintech competitors in the corporate treasury space. The paper further proposes a platform architecture model incorporating Banking-as-a-Service (BaaS) and Channel-as-a-Service (CaaS) frameworks, through which banks can operationalize these advantages into treasury products that rival and surpass current fintech offerings. The findings have practical implications for bank executives, treasury professionals, and policymakers seeking to understand the evolving competitive dynamics of corporate financial services.

| KEYWORDS

treasury management systems, fintech disruption, corporate banking, Banking-as-a-Service, Channel-as-a-Service, bidirectional integration, payment platforms, digital transformation, cash management, SWIFT

| ARTICLE INFORMATION

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1. Introduction

There is a quiet battle being fought inside the treasury departments of corporations around the world. On one side stand the traditional banks, long-established, heavily regulated, deeply embedded in the financial infrastructure that makes the global economy run. On the other are the fintechs, agile, technology-first companies that have spent the last decade chipping away at banking's monopoly on corporate financial services with better software, faster onboarding, and user experiences that actually make sense to the people using them.

For much of that decade, the story told about this competition has been one of inevitable fintech ascendancy. Banks, the narrative goes, are too slow, too siloed, and too anchored to legacy infrastructure to compete meaningfully with

companies built natively on cloud platforms and modern APIs. There is truth in that narrative, but it is not the whole story.

Corporate treasury management is a domain where depth matters as much as agility. Managing liquidity across multiple banking relationships, executing high-value cross-border payments, maintaining real-time visibility into cash positions, and ensuring that every transaction is confirmed, reconciled, and compliant, these are not problems that a slick user interface alone can solve. They require access to core financial infrastructure: settlement systems, regulatory licenses, correspondent banking networks, and the institutional trust that comes with decades of relationship-building at the highest levels of corporate finance. These are things banks have, and that fintech companies, despite their considerable innovations, still largely do not (Philippon, 2016; Lee & Shin, 2018).

The central argument of this paper is that the structural limitations of current fintech treasury architecture, and particularly the persistent gap in bidirectional, real-time transaction communication, create a compelling opportunity for banks to reassert strategic leadership in the corporate treasury market. Not by out-innovating fintechs on product design alone, but by building platform-based treasury solutions that combine technological sophistication with the deep infrastructure advantages that only licensed, regulated financial institutions can bring to bear.

The paper proceeds as follows. Section 2 reviews the relevant academic and industry literature on fintech development, banking strategy, and treasury platform models. Section 3 describes the research methodology. Section 4 presents the core findings, including the bidirectional communication gap analysis and the Bank Strategic Advantage Framework. Section 5 discusses the platform architecture implications, including BaaS and CaaS models. Section 6 concludes with theoretical contributions and practical recommendations.

2. Literature Review

2.1 The Rise of Fintech in Financial Services

Understanding where the fintech-bank competition currently stands requires tracing how we got here. The emergence of fintech as a distinct industry category is relatively recent, the term itself only entered common use in the early 2010s, but the forces driving it have been building for decades. Schueffel (2016) offered one of the most widely cited academic definitions, characterizing fintech as the application of innovative technologies to financial services in ways that improve or automate their delivery and use. What distinguishes the contemporary fintech movement from earlier waves of financial technology adoption is, as Thakor (2020) observed, its fundamental orientation toward disintermediation, the insertion of technology-driven companies between traditional financial institutions and their clients.

The macroeconomic conditions following the 2008 global financial crisis proved particularly fertile for fintech growth. Regulatory tightening made traditional banking more expensive and less accessible for many customers. Public trust in established financial institutions declined sharply. Simultaneously, smartphone penetration, cloud computing, and the maturation of open APIs created the technological substrate on which new financial services businesses could be built at a fraction of the infrastructure cost previously required. Haddad and Hornuf (2019) demonstrated empirically that fintech proliferation is strongest in environments combining progressive regulatory frameworks, advanced digital infrastructure, and active venture capital ecosystems, conditions that characterized many markets in the post-crisis decade.

In the corporate finance context, fintech adoption accelerated through two primary channels. First, enterprise software companies began embedding payment and treasury functionality into ERP and accounting platforms, reducing corporate dependence on bank-provided systems. Second, specialist treasury technology firms emerged offering multi-bank connectivity, cash visibility dashboards, and payment factory solutions that gave corporate treasurers capabilities previously available only to the largest multinationals with dedicated banking relationships. Gomber et al. (2017) documented this shift in detail, noting that fintech companies effectively democratized access to sophisticated treasury tooling by packaging it as subscription software rather than bespoke bank-delivered infrastructure.

The appeal of these platforms to corporate treasury teams is easy to understand. They offer faster implementation timelines, more intuitive interfaces, and greater flexibility in connecting to multiple banking partners through standardized APIs. Carlin et al. (2019) found that digital treasury adoption correlates positively with measurable efficiency gains, reductions in payment processing costs, improvements in cash forecasting accuracy, and decreases in manual reconciliation effort. For mid-sized companies in particular, fintech treasury solutions opened access to capabilities previously reserved for large enterprises with dedicated banking technology teams.

2.2 Structural Limitations of Fintech Treasury Platforms

Despite their genuine innovations, fintech treasury platforms carry structural constraints that the academic literature and industry practice have increasingly documented. The most fundamental of these is the limitation of unidirectional architecture. Financial Stability Board (2022) observed that a large proportion of fintech business models remain operationally dependent on established banking infrastructure for settlement and custody, creating structural dependency relationships that constrain their operational autonomy. Boot et al. (2021) made a related point: fintech

companies, while effective at the customer-facing layer of financial services, lack the regulatory standing and balance-sheet depth required to function as comprehensive treasury partners for large corporations.

The unidirectional architecture problem manifests most visibly in the feedback loop, or, more accurately, its absence. In an ideal treasury ecosystem, communication between a corporate and its banking partners flows continuously in both directions. The corporate sends payment instructions, transfer requests, and liquidity management commands outward; the banks respond with transaction confirmations, exception alerts, debit and credit advices, and reconciliation data, all in real time, through the same integrated channel. What current fintech platforms typically provide is only the outbound half of that equation. They are well-engineered to collect corporate instructions and route them to banks; they are poorly engineered to carry the bank's response back through the same pipe.

The consequences of this gap are not trivial. Dhar and Stein (2017) noted that corporate treasury teams managing high transaction volumes across multiple banking relationships often rely on a patchwork of alternative communication methods, email notifications, manual portal checks, overnight statement files, to confirm that instructions have been executed and to identify exceptions. Broeders and Prenio (2018) further highlighted that real-time data processing limitations among fintech providers become particularly acute in cross-border payment scenarios, where correspondent banking relationships introduce both latency and complexity that the fintech intermediary is poorly positioned to resolve. The net effect is a treasury information environment that is less real-time, less integrated, and more operationally burdensome than the technology investment would suggest.

A second structural limitation relates to regulatory standing. Many fintech treasury platforms operate by aggregating corporate payment instructions and routing them through licensed banking partners for actual execution. This arrangement works adequately in normal conditions, but it creates a layer of separation from the regulatory and compliance infrastructure that governs payment processing. Kavuri and Milne (2019) argued that this separation becomes a meaningful operational risk in situations requiring direct regulatory interaction, sanctions screening queries, AML exception resolution, cross-border payment compliance, where the fintech's indirect access to regulatory frameworks introduces delays and ambiguities that a bank, operating directly within those frameworks, would not encounter.

2.3 The Strategic Position of Traditional Banks

Against the backdrop of fintech limitations, the competitive position of traditional banks in the treasury market looks considerably stronger than the dominant disruption narrative suggests. Banks possess several foundational advantages that are not simply difficult for fintechs to replicate, they are, in the medium term, practically impossible to replicate, because they are grounded in regulatory authorization and institutional infrastructure that takes decades and substantial public trust to build.

The most important of these advantages is direct access to payment settlement infrastructure. As licensed deposit-taking institutions operating under prudential supervision, banks have direct relationships with central bank settlement systems, RTGS networks, SWIFT messaging infrastructure, and correspondent banking arrangements that form the backbone of the global payment system. Auer et al. (2020) documented how this privileged access translates into execution speed, finality certainty, and compliance standing that non-bank fintech intermediaries cannot match. The Basel Committee on Banking Supervision (2022) further noted that banks' operational resilience frameworks, required by regulators and battle-tested over decades, provide a level of service continuity assurance that remains a significant differentiator for corporate treasury clients.

Equally important is the balance sheet. Banks can offer treasury clients a range of credit products, overdraft facilities, revolving credit lines, trade finance instruments, and foreign exchange hedging, that are integral to holistic treasury management but entirely outside the scope of fintech platform providers. Beck and Casu (2017) argued that this multi-product capability is particularly valuable in the context of treasury relationships, where corporate clients increasingly prefer to consolidate their financial services with a smaller number of deeply capable partners rather than manage a fragmented portfolio of specialist providers.

Relationship capital constitutes a third dimension of bank advantage. Mention (2019) highlighted that established bank-corporate relationships, accumulated over years and often spanning multiple product lines and senior management interactions, create trust and switching costs that are commercially underappreciated in assessments of the fintech threat. In the treasury context, where contract confidentiality, crisis responsiveness, and access to senior relationship managers are genuine requirements, these long-standing relationships constitute a form of institutional capital that cannot be replicated through technology investment alone. Liebenberg et al. (2021) documented the strategic value of this relationship capital in the context of European open banking initiatives, noting that banks that have successfully transitioned to API-enabled platform architectures have tended to retain and deepen existing corporate relationships rather than lose them to fintech competitors.

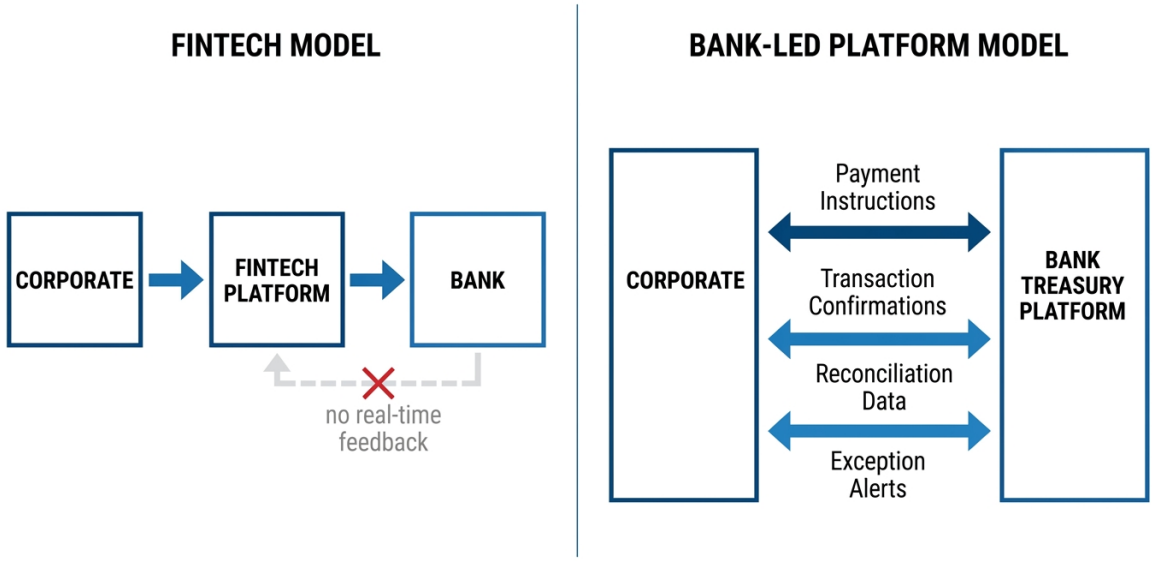

Figure 1: Conceptual Architecture: One-Way Fintech vs. Bidirectional Bank-Led Treasury Integration

2.4 Platform Models in Banking: BaaS and CaaS

The concept of Banking-as-a-Service emerged from the broader platform economy literature, which Gomber et al. (2017) applied to financial services by noting that digital banking platforms exhibit network effects characteristic of marketplace businesses, they become more valuable to each participant as the number of participants grows. In the treasury context, a bank that connects multiple corporate clients with multiple banking partners through a single integrated platform creates exponential value for all users, including for itself through data insight and transaction revenue.

BaaS refers specifically to the delivery of banking infrastructure, payment rails, compliance frameworks, custody, and credit, through APIs to third-party providers and directly to corporate clients, enabling the embedding of financial services into broader enterprise workflows (Wonglimpiyarat, 2017). For corporate treasury, BaaS means that banks can expose their settlement, compliance, and account management capabilities as modular services that plug directly into corporate ERP systems, reducing the need for third-party fintech intermediaries.

CaaS extends this concept by providing a bank-managed connectivity layer that supports multiple communication protocols simultaneously, SWIFT MT and MX messages, ISO 20022 formatted data, SFTP file transmission, and RESTful APIs. Rather than requiring each corporate client to manage separate bilateral connectivity arrangements with each of its banking partners, the CaaS model allows the bank to function as a central connectivity hub. Corporate payment instructions arrive through a single, standardized channel; the bank routes them to the appropriate counterparties; and all response data, confirmations, exceptions, statements, returns through the same unified feed. Saksonova and Kuzmina-Merlino (2017) argued that such standardized connectivity frameworks significantly reduce corporate onboarding costs while improving service reliability in ways that fragmented, point-to-point fintech integrations cannot match.

International Monetary Fund (2019) observed that the transition to platform-based banking is not merely a product innovation, it represents a strategic repositioning of what banks are and what role they play in the corporate financial ecosystem. Banks that make this transition successfully move from being providers of discrete financial products to being the operating infrastructure on which their corporate clients' entire treasury function runs. That distinction matters enormously for the long-term competitive dynamics of the market.

3. Methodology

This study adopts a qualitative research design grounded in a systematic and thematic review of academic literature and authoritative industry publications. The research objective, assessing the structural opportunity for banks to develop competitive treasury platforms and proposing an analytical framework for doing so, is by nature conceptual and exploratory, making qualitative synthesis the most appropriate methodological approach. Empirical quantification of the proposed framework's effects would require primary survey or case study data that lies beyond the scope of this paper; the present work is accordingly oriented toward theory development and strategic framework construction, following the approach adopted in comparable studies by Mention (2019) and Thakor (2020).

The literature review was conducted across multiple peer-reviewed databases including Scopus, Web of Science, and Google Scholar, supplemented by working papers and policy reports from the Bank for International Settlements, the International Monetary Fund, and the Financial Stability Board. The search covered publications between 2016 and 2024, with search terms including combinations of "treasury management systems," "fintech corporate banking," "Banking-as-a-Service," "Channel-as-a-Service," "bidirectional payment integration," "open banking," "ISO 20022," "SWIFT connectivity," "payment factory," "cash management platforms," and "corporate banking digital transformation."
An initial screening of titles and abstracts identified 78 potentially relevant sources. These were subjected to a second screening based on relevance to the research question, methodological rigor, and publication quality, resulting in a final set of 25 references representing a balanced mixture of theoretical contributions, empirical studies, and practitioner-oriented analyses. Thematic coding was applied iteratively to identify convergent findings across sources, which were then synthesized into the comparative framework and strategic model presented in the results and discussion sections.
The study acknowledges the limitations inherent in qualitative literature synthesis, including potential publication bias toward positive outcomes and the absence of primary empirical validation for the proposed framework. These limitations point toward productive directions for future research, in particular, mixed-methods studies incorporating survey data from corporate treasury practitioners and case analyses of banks that have undertaken platform-based treasury transformation. Such work would provide empirical grounding for the strategic propositions advanced here.

4. Results and Findings

4.1 The Fintech Treasury Landscape: Current State and Structural Gaps

The literature review produced a clear and consistent picture of the current fintech treasury landscape: capable at the front end, structurally incomplete at the back end, and systematically dependent on banking infrastructure it does not own. Fintech platforms have genuinely solved important problems in corporate treasury, multi-bank connectivity aggregation, payment initiation workflow, real-time balance visibility, and user experience design have all improved substantially through fintech innovation. But these gains have been achieved in a context of fundamental architectural compromise.
The most consequential of these compromises is the bidirectional communication gap. As Dhar and Stein (2017) documented, the overwhelming majority of fintech treasury platforms are architected around the outbound instruction pathway, they are optimized to receive, validate, and transmit corporate payment instructions to banking partners. What they are not optimized to do is receive and process the bank's response through the same channel. Transaction status updates, debit and credit confirmations, exception flags, end-of-day statements, and reconciliation data all need to find their way back to the corporate treasury team; in most fintech deployments, they do so through secondary channels, email notifications, separate portal logins, overnight batch downloads, that are disconnected from the primary payment workflow.
This is not a peripheral inconvenience. For a multinational corporation processing thousands of transactions daily across multiple currencies and banking relationships, the absence of real-time, integrated transaction feedback creates genuine operational risk. Cash positioning becomes less accurate because actual account balances reflect a slightly older reality than the current moment. Reconciliation requires manual effort because the outbound payment record and the inbound bank confirmation live in different systems. Exception handling is reactive rather than proactive because there is no automated mechanism to flag and route anomalies as they occur. Boot et al. (2021) noted that these operational frictions compound over time, generating cumulative costs, in manual labor, delayed decision-making, and increased error rates, that are often underestimated in assessments of fintech platform value.
The following table synthesizes the key capability dimensions across which current fintech treasury platforms compare unfavorably with what a well-developed bank-led treasury platform could offer.

Table 1: Comparative Capability Assessment, Fintech vs. Bank-Led Treasury Platforms

Capability Dimension	Fintech Platforms	Bank-Led Platforms
Payment Initiation	Strong, multi-bank routing, fast UX	Strong, direct settlement access
Real-Time Confirmation	Weak, limited reverse channel	Strong, direct access to live transaction data

Reconciliation Support	Partial, manual steps often required	Strong, integrated with bank records
Multi-Bank Aggregation	Strong, via API aggregation	Emerging, requires platform investment
Regulatory Compliance	Indirect, dependent on bank licenses	Full, direct regulatory standing
SWIFT / ISO 20022 Access	Indirect, via banking intermediary	Direct, native messaging capability
Balance Sheet Services	None, credit not available	Full, overdraft, FX, trade finance
ERP Integration	Moderate, third-party connectors	Emerging, via BaaS / CaaS models
Relationship Depth	Moderate, newer, single-product	Strong, multi-product, long-standing
Operational Resilience	Variable, not prudentially regulated	High, regulatory continuity standards

Source: Author's synthesis from literature review.

The capability assessment presented in Table 1 reveals a consistent structural pattern. Fintech platforms perform well on dimensions that are primarily software-defined, payment initiation, multi-bank API aggregation, and user interface design. They perform poorly on dimensions that require direct access to banking infrastructure, real-time confirmation, regulatory compliance, balance sheet services, and operational resilience. These are precisely the dimensions on which banks hold structural advantages that technology investment alone cannot replicate.

4.2 The Bidirectional Communication Gap: A Detailed Analysis

If the bidirectional communication gap is the most operationally visible limitation of current fintech treasury architecture, the deeper structural problem is the regulatory and infrastructure distance at which fintech companies necessarily operate. Every corporate payment, whether a domestic SEPA transfer, an international SWIFT wire, or a same-day ACH transaction, ultimately settles through the banking system. Fintech companies participate in this process as intermediaries: they receive and format the corporate instruction, transmit it to the banking partner, and wait for the bank to execute. They are, in the language of payment systems, access providers rather than settlement participants.

This distinction has significant practical implications. Auer et al. (2020) observed that payment finality, the legal and operational certainty that a transaction has been irrevocably settled, is only established at the moment the banking system records the transfer. A fintech that has received and routed a payment instruction has not achieved finality; only the bank that has executed the settlement has done so. For corporate treasury teams managing time-sensitive liquidity positions, this distinction matters enormously.

The regulatory distance problem extends beyond payment execution to compliance. AML screening, sanctions compliance, KYC verification, and cross-border reporting obligations all require direct engagement with regulatory frameworks that are calibrated for licensed financial institutions. Fintech companies operating as payment intermediaries must implement these requirements through their banking partners' compliance frameworks, which introduces both latency and potential inconsistency. As Broeders and Prenio (2018) documented, this indirect compliance model can create ambiguities in cross-border scenarios, which jurisdiction's rules apply, which institution bears primary

responsibility for a given compliance determination, that a bank operating directly within its regulatory framework would not face.

Financial Stability Board (2022) also raised concerns about concentration risk in the fintech intermediary model. As corporate treasury functions become increasingly dependent on a small number of fintech platform providers, the operational resilience implications of platform failure or service disruption become systemic in nature. Banks, subject to operational resilience requirements under prudential regulation, carry minimum service continuity standards that are not uniformly required of technology companies.

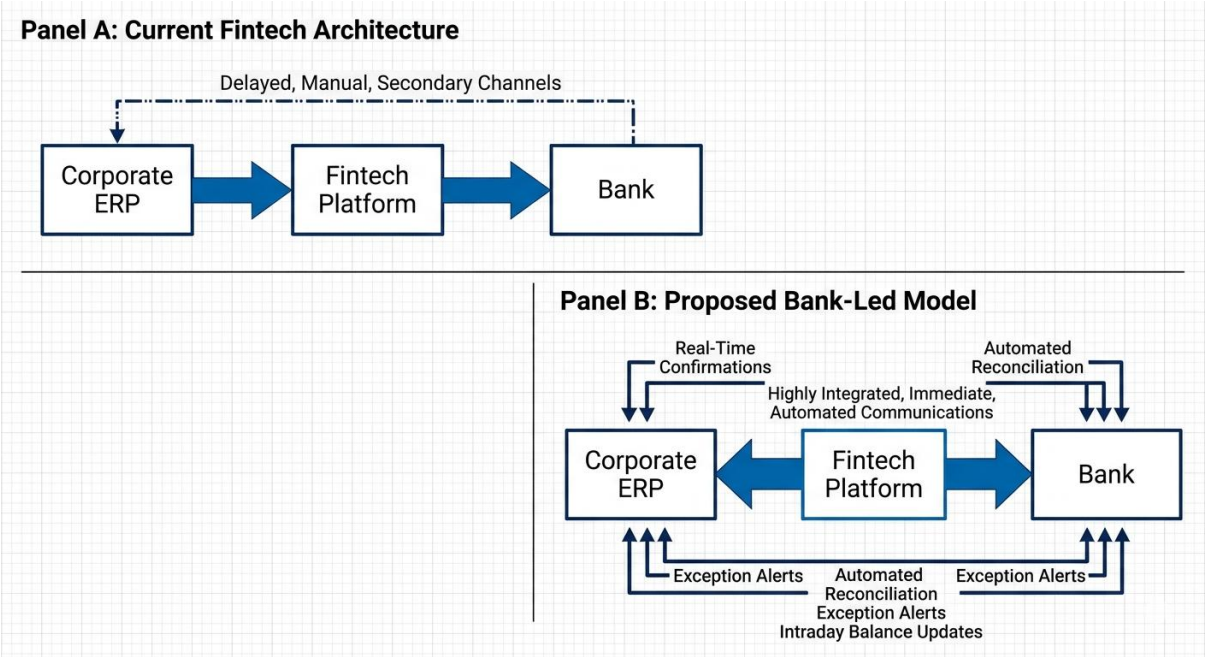

Figure 2: The Bidirectional Treasury Communication Model: Current Fintech Architecture vs. Proposed Bank-Led Design

4.3 The Bank Strategic Advantage Framework (BSAF)

The Bank Strategic Advantage Framework proposed in this study identifies five core dimensions across which banks hold durable competitive advantages in the corporate treasury market. These dimensions are not simply areas of current strength, they are structurally anchored advantages that derive from the nature of banking as a regulated, infrastructure-level industry, and they are therefore highly resistant to erosion by technological competition alone.

The first dimension is regulatory standing. Banks operate under comprehensive prudential supervision and hold payment service licenses that grant direct access to central bank settlement systems, RTGS networks, and correspondent banking arrangements. This regulatory standing is not merely a compliance burden, it is a genuine operational asset, enabling banks to offer payment finality, compliance certainty, and service continuity guarantees that unlicensed fintech intermediaries cannot match. For corporate treasury clients managing regulatory reporting obligations and fiduciary responsibilities, this distinction carries real weight.

The second dimension is infrastructure ownership. Banks own or have privileged access to the core payment rails that underpin global transaction processing, SWIFT messaging infrastructure, domestic clearing systems, and the correspondent banking networks through which cross-border payments flow. Agur et al. (2022) noted that this infrastructure access enables banks to offer capabilities, real-time gross settlement, same-day value confirmation, direct debit authority, that fintech companies can only approximate through banking partner relationships.

The third dimension is balance sheet depth. Banks can extend credit, offer overdraft facilities, provide foreign exchange risk management services, and structure trade finance instruments, capabilities that are integral to comprehensive treasury management and entirely outside the scope of fintech treasury platforms. The commercial significance of this dimension should not be underestimated: a corporate treasury function that manages its payments through a fintech platform still needs its banking partners for credit, FX, and trade products. Banks that successfully integrate these product lines into a unified treasury platform create a compelling value proposition that no fintech competitor can replicate.

The fourth dimension is data richness. Banks hold real-time, comprehensive data on every transaction executed through their systems, account balances, payment statuses, exception queues, intraday liquidity positions. This data is the raw material from which intelligent treasury analytics can be built, and banks are the only participants in the payment

ecosystem who hold it in its complete, real-time form. A bank that channels this data through a well-designed corporate-facing interface can offer cash positioning accuracy, forecasting intelligence, and exception management capabilities that no third-party fintech, working from secondhand data feeds, can match.

The fifth dimension is relationship capital. Mansilla-Fernández (2020) and Mention (2019) both emphasized that the long-standing relationships between banks and their corporate clients represent a form of institutional capital whose value is routinely underestimated in technology-centric assessments of the fintech threat. Corporate treasury teams that have worked with the same banking partners for years, through credit cycles, market crises, and regulatory changes, have built levels of trust and operational familiarity that cannot be replicated through technology investment. These relationships create genuine switching costs that protect established banking positions even as fintech alternatives improve.

Figure 3: The Bank Strategic Advantage Framework (BSAF): Five Dimensions of Competitive Advantage in Corporate Treasury

4.4 Proposed Bank-Led Treasury Platform Architecture

Translating the Bank Strategic Advantage Framework into operational reality requires a coherent platform architecture. Based on the literature synthesis, this study proposes a bank-led treasury platform model organized around four functional layers that together close the bidirectional communication gap and deliver a materially superior treasury information environment.

The connectivity and channel management layer sits at the interface between the corporate and the bank. It supports multiple communication protocols simultaneously, SWIFT MT and MX message formats, ISO 20022 structured data, SFTP-based file transmission, and RESTful API connectivity, allowing corporations with different ERP configurations and technical capabilities to connect to the platform without bespoke integration work. The key design principle of this layer is protocol agnosticism: the corporate should be able to communicate in whatever format its existing systems support, and the platform should handle the translation. Saksonova and Kuzmina-Merlino (2017) noted that this kind of standardized multi-protocol connectivity is a significant determinant of platform adoption speed, particularly among mid-sized corporations without dedicated treasury technology teams.

The transaction processing and execution layer handles the core operations of the treasury function, payment initiation, intraday liquidity sweeps, notional pooling, zero-balance account management, and cross-currency settlement. Critically, this layer includes the reverse communication channel that the bidirectional gap analysis identified as missing from most fintech architectures. Transaction confirmations, debit and credit advices, exception notifications, and reconciliation data are generated and transmitted back to the corporate client in real time through the same integrated channel used for instruction delivery. This closed-loop communication design eliminates the secondary channel workarounds that currently characterize most fintech treasury deployments.

The data aggregation and analytics layer consolidates transaction data, account balance information, and cash flow records into a unified corporate view. Beyond simple data aggregation, this layer can incorporate machine learning-based cash flow forecasting, anomaly detection algorithms, and scenario modeling tools that transform the treasury platform from a transaction processing system into a genuine decision-support environment. Nambiar and Chithra (2021)

found that treasury management systems incorporating real-time analytics materially improve liquidity forecasting accuracy, with direct implications for working capital efficiency and interest cost reduction.

The client interface layer encompasses both a web-based portal for human users, treasury officers, finance directors, and cash managers, and API endpoints for system-to-system integration with corporate ERP platforms such as SAP, Oracle, and Microsoft Dynamics. This dual-interface approach ensures that the platform serves both the operational needs of the treasury team and the broader architectural requirements of the corporate's financial systems landscape.

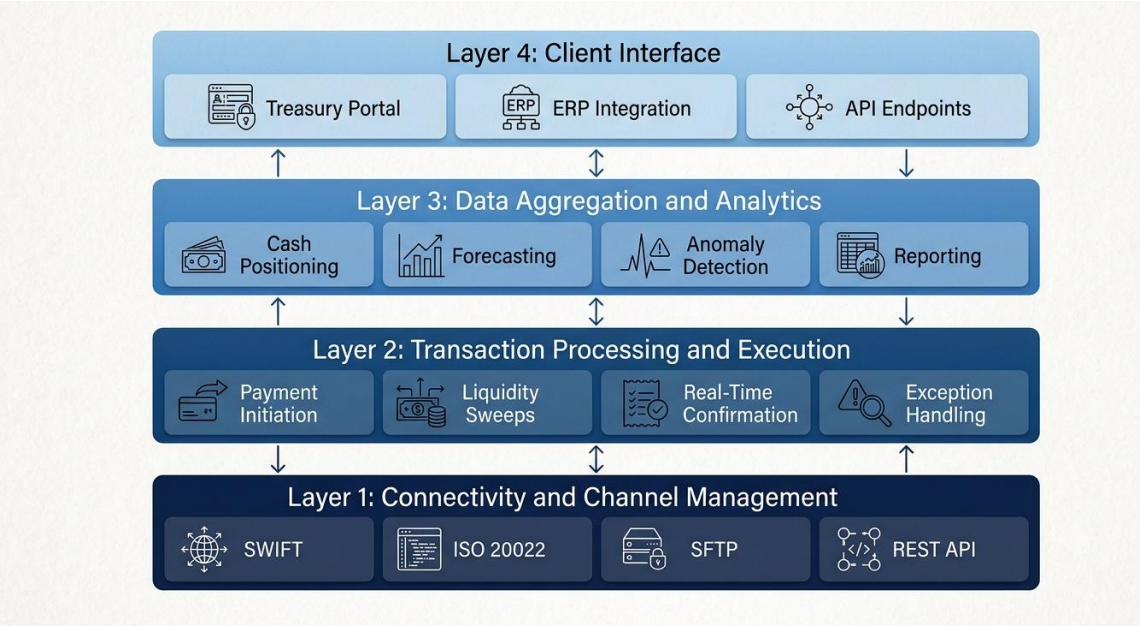

Figure 4: Bank-Led Treasury Platform: Four-Layer Architecture Model

5. Discussion

5.1 BaaS and CaaS as Strategic Enablers

The BaaS and CaaS models represent more than incremental product improvements, they represent a fundamental shift in how banks conceptualize their role in the corporate financial ecosystem. In the traditional banking model, a bank is a provider of discrete products: a current account, a credit facility, a foreign exchange trade. Each product is managed in its own silo, delivered through its own channel, and priced independently. The corporate client assembles these components into a functioning treasury operation, often with significant integration effort and operational friction.

The platform model inverts this logic. Rather than offering components that the corporate must integrate, the bank offers an integrated operating environment into which the corporate connects. BaaS enables the bank to expose its settlement, compliance, and account management capabilities as modular APIs that plug directly into the corporate's existing enterprise systems. CaaS provides the connectivity infrastructure through which the corporate manages its relationships with all of its banking partners, not just the one offering the platform, through a single, standardized channel.

The strategic significance of this shift is substantial. When a bank provides the connectivity infrastructure through which a corporation manages its entire banking ecosystem, it becomes embedded in the corporation's operational architecture in a way that creates switching costs far higher than those associated with any individual product relationship. A corporate that changes its primary transaction bank loses a credit facility and a current account, painful, but manageable. A corporate that changes its treasury platform provider faces the prospect of reconstituting its entire payment workflow, ERP integration, and bank connectivity architecture. That is a fundamentally different commercial proposition, and one that generates the kind of long-term, high-value client relationships that drive sustainable banking profitability.

Liebenberg et al. (2021) documented this dynamic in the context of European open banking, noting that banks that successfully transitioned to API-enabled platform architectures reported stronger corporate client retention metrics than those that continued to operate on traditional product-silo models. Wonglimpiyarat (2017) made a similar observation in the BaaS context, arguing that platform-based financial service delivery creates self-reinforcing competitive advantages that compound over time as the platform accumulates data, integrations, and client relationships.

5.2 Competitive and Commercial Implications

The commercial implications of the bank-led treasury platform model extend well beyond the treasury product line itself. When a bank serves as a corporate client's primary treasury platform, it occupies a position of unparalleled visibility into that client's financial operations. Every payment, every liquidity position, every cash flow pattern flows through the bank's systems, generating data insights that can be leveraged for intelligent cross-selling, credit risk assessment, and relationship management in ways that fragmentary product relationships cannot support.

The revenue implications are significant. A corporate that manages its treasury operations through a bank-led platform is likely to consolidate a larger share of its financial services with that bank, not because it is required to, but because the integration benefits of doing so are compelling. Payment processing fees, foreign exchange revenues, trade finance income, and credit facility utilization all increase as the platform relationship deepens. The International Monetary Fund (2019) observed that this multi-product revenue capture potential gives banks an economic rationale for treasury platform investment that pure-play fintech companies, operating on subscription and per-transaction models, cannot match.

The competitive implications for the banking sector more broadly are equally important. As multiple banks develop and deploy treasury platform offerings, the market will move through a period of intense platform competition before consolidating around a smaller number of dominant providers. The banks that invest early in platform capability, building out connectivity, analytics, and client integration depth, are likely to emerge from this consolidation period with stronger competitive positions, not weaker ones. Those that delay, hoping to preserve revenue from traditional product relationships, risk finding themselves disintermediated not by fintechs but by other banks that have made the platform transition.

Diemers et al. (2022) highlighted another dimension of the competitive implications: the role of fintech partnerships in bank platform strategy. Rather than treating fintech companies purely as competitors, banks that are building treasury platforms can selectively partner with specialist fintechs to accelerate capability development in areas where the bank lacks in-house expertise, advanced analytics, user experience design, or specialist payment routing. These partnerships allow banks to combine fintech agility with banking infrastructure depth in ways that neither party could achieve independently.

Table 2: Revenue and Relationship Implications, Fintech-Led vs. Bank-Led Treasury Platforms

Performance Dimension	Fintech-Led Model	Bank-Led Platform Model
Primary Revenue Source	Subscription fees + per-transaction charges	Multi-product cross-sell + transaction income
Client Switching Cost	Low, replaceable by competing fintechs	High, deeply embedded in operations
Data Insights Available	Limited to platform-transacted flows	Comprehensive, full account portfolio
FX Revenue Capture	Zero, routed to banking partners	Full, integrated FX desk
Credit Product Integration	None	Overdraft, revolving credit, trade finance
Long-Term Relationship Depth	Single-use-case focus	Multi-product, multi-year engagement

Regulatory Trust Premium	Absent	High, bank-grade compliance assurance
Platform Stickiness	Low, easy to switch	High, infrastructure-level dependency

Source: Author's synthesis from literature review.

Table 2 makes the commercial logic of the platform transition explicit. Fintech-led treasury models generate value primarily through efficiency and user experience improvements; they capture a narrow slice of the corporate financial services revenue opportunity. Bank-led platform models, by contrast, have the potential to capture a substantially larger share of corporate financial activity, not only through direct transaction fees but through the cross-sell of credit, foreign exchange, trade finance, and advisory services that naturally flow from a deep, infrastructure-level platform relationship.

5.3 Implementation Challenges and Risk Considerations

The strategic rationale for bank-led treasury platforms is strong, but the path to execution is genuinely difficult, and it is important to be clear-eyed about the implementation challenges that banks must navigate.

Legacy technology infrastructure is the most frequently cited barrier, and for good reason. Many commercial banks, particularly those that grew through merger and acquisition activity over the 1990s and 2000s, operate core banking systems that were built for a pre-digital world and have been extended, patched, and interfaced over decades to support modern banking requirements. These systems are not well-suited to the real-time, API-driven, microservices architecture that an effective treasury platform requires. Modernizing them while maintaining the operational continuity that regulatory and corporate clients demand is a genuinely complex program management challenge that requires sustained capital investment, strong technical leadership, and careful sequencing.

Organizational culture presents a second major challenge. Building and operating an integrated treasury platform requires a level of cross-functional collaboration, across product, technology, compliance, operations, and client relationship teams, that is alien to the silo-based organizational structures of most traditional banks. Technology teams are accustomed to building systems to internal specifications; product teams are accustomed to managing revenue lines; relationship managers are accustomed to serving clients within defined product boundaries. Bringing these groups together around a shared platform vision requires organizational redesign, incentive realignment, and cultural change that takes time and leadership commitment to achieve.

Regulatory complexity adds a further layer of difficulty, particularly for banks operating across multiple jurisdictions. Treasury platform architectures that work smoothly in a single-market context may require significant adaptation to satisfy data residency requirements, cross-border payment reporting obligations, and digital banking licensing conditions in different markets. Agur et al. (2022) noted that navigating this regulatory complexity without fragmenting the platform into a collection of locally incompatible variants is one of the central design challenges of multi-jurisdictional treasury platform deployment.

Finally, the risk of platform commoditization deserves attention. As more banks develop treasury platform capabilities, the risk increases that the platforms themselves become undifferentiated, offering similar connectivity options, similar analytics, similar user interfaces, and competing primarily on price. Sustaining competitive differentiation in a mature platform market requires continuous investment in capability development, user experience improvement, and data analytics sophistication. Banks that treat treasury platform development as a one-time technology project rather than an ongoing strategic investment are likely to find their competitive advantage eroding over time.

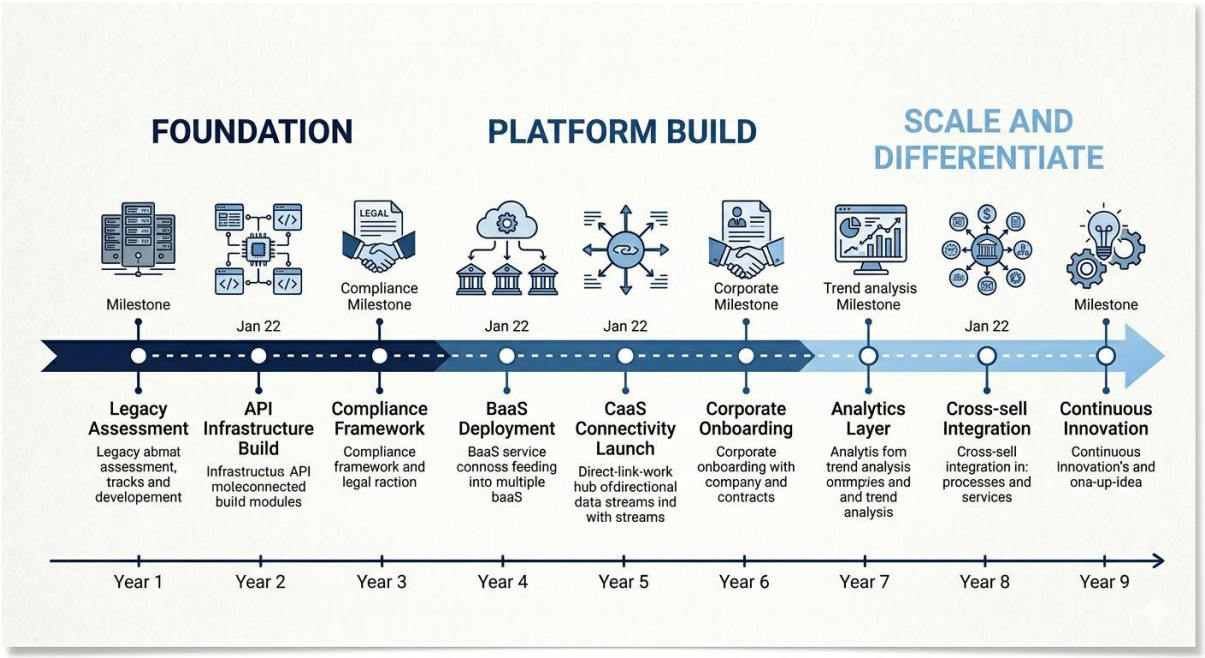

Figure 5: Bank Treasury Platform Implementation Roadmap: Legacy Transformation to Integrated Platform Model

6. Conclusion

This paper set out to examine the structural opportunity for traditional banks to reclaim strategic leadership in the corporate treasury market by developing platform-based treasury solutions that address the fundamental limitations of current fintech architecture. The analysis has produced a clear and, the authors believe, important finding: banks are not simply competing with fintechs in the treasury market, they are competing from a position of structural advantage that, properly leveraged, places them in a genuinely superior competitive position.

The bidirectional communication gap, the absence of real-time, integrated feedback from banking partners through the same channels that carry corporate payment instructions, is the most visible symptom of a deeper architectural problem in fintech treasury platforms. Fintechs have built impressive front-end experiences, but they have built them on top of banking infrastructure they do not own and cannot control. The consequence is a treasury information environment that is less real-time, less integrated, and more operationally burdensome than the technology investment would suggest.

The Bank Strategic Advantage Framework developed in this study maps the five dimensions, regulatory standing, infrastructure ownership, balance sheet depth, data richness, and relationship capital, across which banks hold durable competitive advantages that fintech companies cannot replicate through technology investment alone. These advantages are not simply areas of current strength; they are structurally anchored in the nature of banking as a regulated, infrastructure-level industry. They will not erode on their own.

But they will erode if banks fail to operationalize them into competitive products. The BaaS and CaaS platform models proposed in this paper represent a strategic path through which banks can convert their structural advantages into treasury offerings that not only match fintech competitors on user experience but decisively outcompete them on integration depth, information quality, and long-term relationship value. The commercial logic of making this investment is compelling: treasury platforms generate multi-product revenue, deepen client relationships, create high switching costs, and provide data insights that compound in value over time.

The implementation challenges are real, legacy infrastructure, cultural inertia, regulatory complexity, and the risk of commoditization all require careful navigation. But these are challenges of execution, not of strategic logic. Banks that commit to the platform transition, invest consistently in platform capability, and build the organizational structures required to deliver a genuinely integrated treasury experience are likely to emerge from the current competitive period not as laggards, but as the primary architects of the next generation of corporate treasury infrastructure.

The theoretical contribution of this paper lies in the development of the BSAF as a structured framework for analyzing bank competitive advantage in the treasury domain, and in the articulation of BaaS and CaaS as the operational models through which that advantage can be translated into market-winning products. Future research should focus on empirical validation of the framework, through corporate treasury practitioner surveys, banking case studies, and quantitative assessment of platform adoption outcomes, as well as on the specific organizational and technology transformation pathways that banks have navigated successfully in making the transition to platform-based treasury services. The competitive dynamics of the corporate treasury market will continue to evolve rapidly; understanding them with

precision and analytical rigor is of significant importance to banks, corporates, regulators, and the financial system as a whole.

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