

The Dynamic Banking Advantage

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Bank connectivity has evolved from branch-based interactions and internet banking to file transfer, Swift and rapidly growing API adoption. Yet the objective has remained constant: to give decision-makers timely information and relevant context to act on. The next advantage will not come from adding another channel, but from dynamically combining channels so each treasury task receives the right data, speed and level of control.

That context may include account information, transaction activity, liquidity positions and market data, enabling organisations to review and respond more effectively. APIs allow systems to access information in real time and embed bank capabilities directly into client workflows, increasing automation. Although APIs are the fastest-growing channel, the future of bank connectivity will be dynamic and multi-channel, with each channel serving different client needs, levels of technical readiness and operating models.

As artificial intelligence (AI) transforms financial services, bank connectivity becomes even more important. AI systems depend on high-quality, often real-time contextual data to generate meaningful insights and support approved actions. In an AI era, connectivity is no longer simply about moving information between systems; it can enable more intelligent and increasingly automated banking. Banks that make connectivity easy to establish, govern, evolve and scale will be best positioned to deliver the next generation of AI-powered client experiences.

HSBC's Treasury Pulse Survey, capturing the views of more than 500 companies across 33 countries, shows that treasury teams are balancing three closely connected priorities: reducing operational costs (53%), lowering financing costs (50%) and adopting new technologies (48%)¹. Together, these findings point to a common imperative: treasury functions need to become more efficient without sacrificing the agility to adopt new capabilities and respond to increasing complexity. Dynamic connectivity addresses that tension by allowing teams to modernise selected tasks without replacing every existing channel or system.

Dynamic connectivity is the ability to combine and adapt digital bank channels around a treasury, finance or operational outcome, using the appropriate connection for each task while maintaining consistent data, permissions and controls.

Against this backdrop, the right bank connectivity is more than a technology choice: it is a strategic enabler of efficiency and growth. It allows treasury teams to adopt new capabilities and respond to changing business needs without the cost and disruption of significant re-engineering. This matters when more than half of treasury functions operate with fewer than ten full-time staff worldwide, intensifying the need for smarter systems that reduce manual effort and accelerate decision-making without demanding heavy implementation ². Multinational treasury teams manage multiple bank accounts and banking partners, different ERP and TMS platforms, and high volumes of multi-currency transactions every day. They need to understand their global cash position, execute payments efficiently, manage working capital and FX risk, and deploy surplus liquidity. Although the data required to support these activities exists, it is often fragmented across multiple systems. This creates delays in assembling a complete picture for business-critical decisions.

Consider an intraday liquidity shortfall. A file-based connection may provide the broad cash position, an API can surface a material exception as it occurs, the ERP or TMS can combine that bank information with internal forecasts, and an interactive channel can route an authorised response for approval. The advantage comes from the coordinated outcome, not from any one channel.

Dynamic banking: Matching the connection to the treasury need

The value of dynamic connectivity lies not in the number of channels available, but in the ability to match each treasury need to the right connection. Clients receive timely bank information within the systems and processes they already use, reducing manual intervention and creating a more complete basis for decisions. As operating models, technology environments and priorities change, the connectivity model changes with them.

- High-volume processing: Host-to-host and Swift connections can support file-based payments, reporting and reconciliation at scale.
- Real-time needs: APIs can provide on-demand balances, payment status, validation and exception information, helping teams automate processes and respond sooner.
- Human-led activity: Desktop and mobile channels remain important where people need to review, approve or investigate, and they provide continuity when other channels are unavailable.
- Embedded workflows: Bank information can be delivered into ERP, TMS, spreadsheet and AI-enabled environments, where it can be combined with internal data and used in context.

Bringing bank information to where business happens

From our experience, the preferred system of work for most treasury and finance teams is the ERP or TMS rather than a banking portal. Bringing balances, transaction details, payment initiation and exception information into these environments reduces the need to move between systems and assemble information manually. It also allows bank data to be combined with forecasts, payables, policies and internal approvals, giving teams richer context for faster, better-informed decisions.

Dynamic connectivity may combine host-to-host, Swift, APIs and MCP*, with interactive channels supporting activities that require human judgement. Mobile can enable approvals, while desktop channels can provide continuity and support exception handling. The mix should reflect the treasury task, required speed, volume, control environment and implementation capacity.

* Model Context Protocol (MCP) gives AI agents structured, authenticated access to services and data, enabling clients to retrieve trusted information and initiate services using natural language within their preferred LLM.

Adoption should begin with a high-value treasury task and expand through reusable patterns, consistent controls and incremental delivery.

- Start with a high-value treasury task. Identify where fragmented information, manual intervention or delayed action has the greatest business impact.
- Match connectivity to the required outcome. Consider the speed of information, transaction volumes, whether the process is batch-based or event-driven, where users need to work, and the level of automation and control required.
- Build for reuse and scale. Use repeatable connections, consistent identity and entitlements, and testing

so successful use cases can extend across entities, systems and markets.

- Evolve incrementally. Protect existing investments while adding new capabilities where they create clear value, rather than attempting to transform every connection at once.

For treasury leaders, the strategic question is therefore not “Which channel should we adopt?” but “Which treasury outcomes need to improve, and what combination of connectivity, data and controls will deliver them?” This reframes connectivity investment around business value rather than technology preference.

The appropriate model depends on the treasury outcome required. Established direct connections suit high-volume, standardised processing; APIs suit real-time or event-driven tasks; ERP, TMS and third-party integrations bring bank capabilities into existing workflows; and interactive or AI-assisted experiences support investigation and guided action. Many organisations will combine these models according to the required speed, degree of automation, control environment, existing technology and implementation capacity.

As treasury teams adopt AI, the same principle becomes even more important: intelligence is only as useful as the information and context available to it. Whether AI capabilities sit within a client-owned tool, an ERP or TMS platform, or a bank channel, they require timely data, clear permissions and auditable controls. Dynamic connectivity provides the foundation by allowing information and approved actions to move securely between these environments as needs evolve.

From connectivity infrastructure to treasury advantage

For treasury leaders, the opportunity is to move from a channel-by-channel approach to a dynamic connectivity strategy. Start by identifying where fragmented information, manual intervention or delayed action has the greatest business impact. Match each priority to the most appropriate connectivity model, then ensure that data, permissions and controls can scale as new capabilities is decision speed, automation, resilience and control.

Connectivity then becomes more than infrastructure: it becomes the foundation for a more efficient, responsive and intelligent treasury. The organisations best positioned for the next era will not be those that simply add new interfaces or AI tools. They will be those that can establish, govern, evolve and scale connectivity securely, giving treasury teams the flexibility to turn information into action with confidence.

References

- <https://www.business.hsbc.com/en-gb/insights/2026-economic-outlook-impact-on-treasury>
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