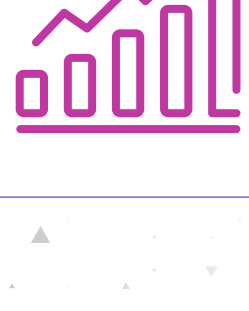


Future-proof your ACH payments services

How to keep pace with continuous transactions volume growth and the rapidly modernizing payments landscape



71.88

ACH traffic keeps on growing, with payment volumes increasing by 71.88% from 2014 to 2023, according to Nacha¹.

2023 ACH Volume



17.74 Billion Debits
13.71 Billion Credits

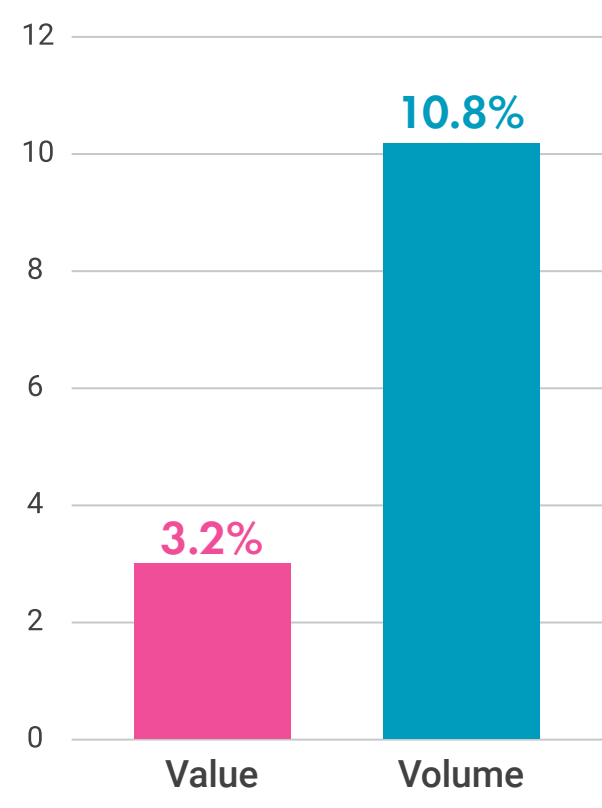
2023 ACH Value



\$27.43 Trillion in Debits
\$52.67 Trillion in Credits

B2B ACH payments value and volume increased in 2023

Business-to-Business (B2B) ACH payments volume continues to increase as companies in the U.S. are actively and constantly shifting their payment methods from checks to digital formats. This trend is highly likely to continue in the coming years.

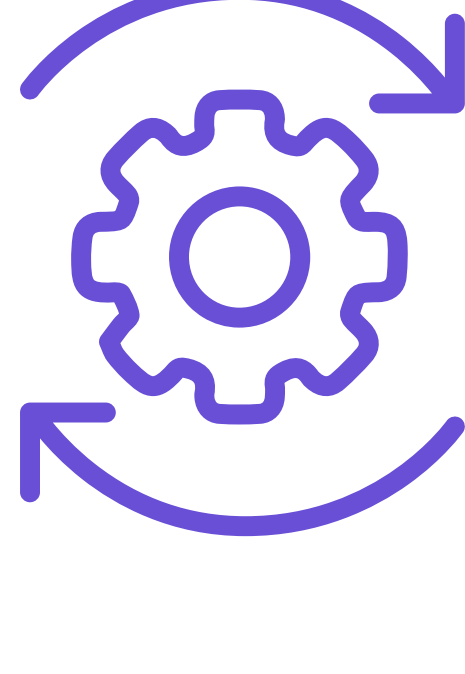


In March 2022, the per-payment limit on Same Day ACH transactions increased from \$100,000 to \$1 million, a ten fold increase to continue servicing the growing demand for ACH payments. That change expanded the use cases and brought new players which has resulted in remarkable year-over-year growth for the payment method.



47%

Adoption of Same Day ACH for B2B payments increased 47% over 1Q 2023/2024



While the U.S. payment industry is excited and focused on the advancement of instant payments and the set of use cases uniquely suited to real-time processing, ACH payments remain a "must-have" service for U.S. Financial Institutions (FIs).

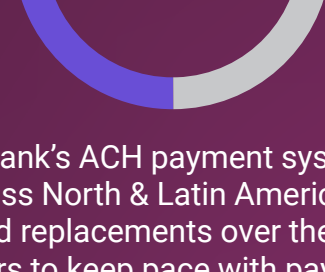
However, FIs are struggling to keep up with the significant increase in ACH payments volume and new ACH services enhancements due to their outdated ACH processing systems which are heavily dependent on proprietary custom code and patches that are not being adequately supported.

At the same time, most of the FIs in the U.S. are also investing in supporting instant payments as well as meeting their end-users' demand for faster, frictionless, and more transparent payment capabilities.

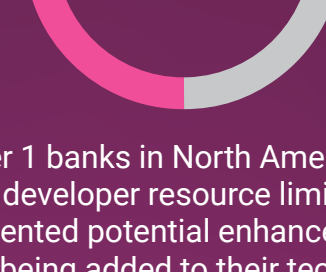
A new survey conducted by Celent² shows the impact of payments modernization on FIs in the U.S.



72% of North American banks believe the pace of change will increase



56% of bank's ACH payment systems across North & Latin America will need replacements over the next 5 years to keep pace with payments modernization



66% of Tier 1 banks in North America said that developer resource limitations prevented potential enhancements from being added to their technology roadmap leading to missed revenue opportunities

For many FIs it has become extremely complicated and costly to update and upgrade existing payment systems to support their evolving payments business needs.

Furthermore, manual management of highly complex and fragmented payment services, and continuously changing customer demands are undermining the ability of banks not just to innovate, but also to deliver and operate existing services in a timely and efficient manner.



To meet these challenges³



58%

of banks will increase their spend on payment orchestration/payment hubs in 2024

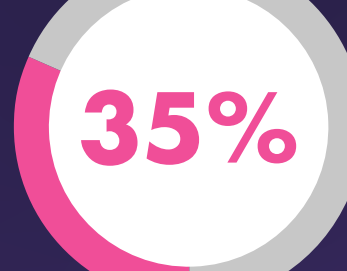
Banks indicated the following priorities for their investments in payments infrastructure³



44% Launching innovative new products/services to respond to competition



40% Improving customer experience

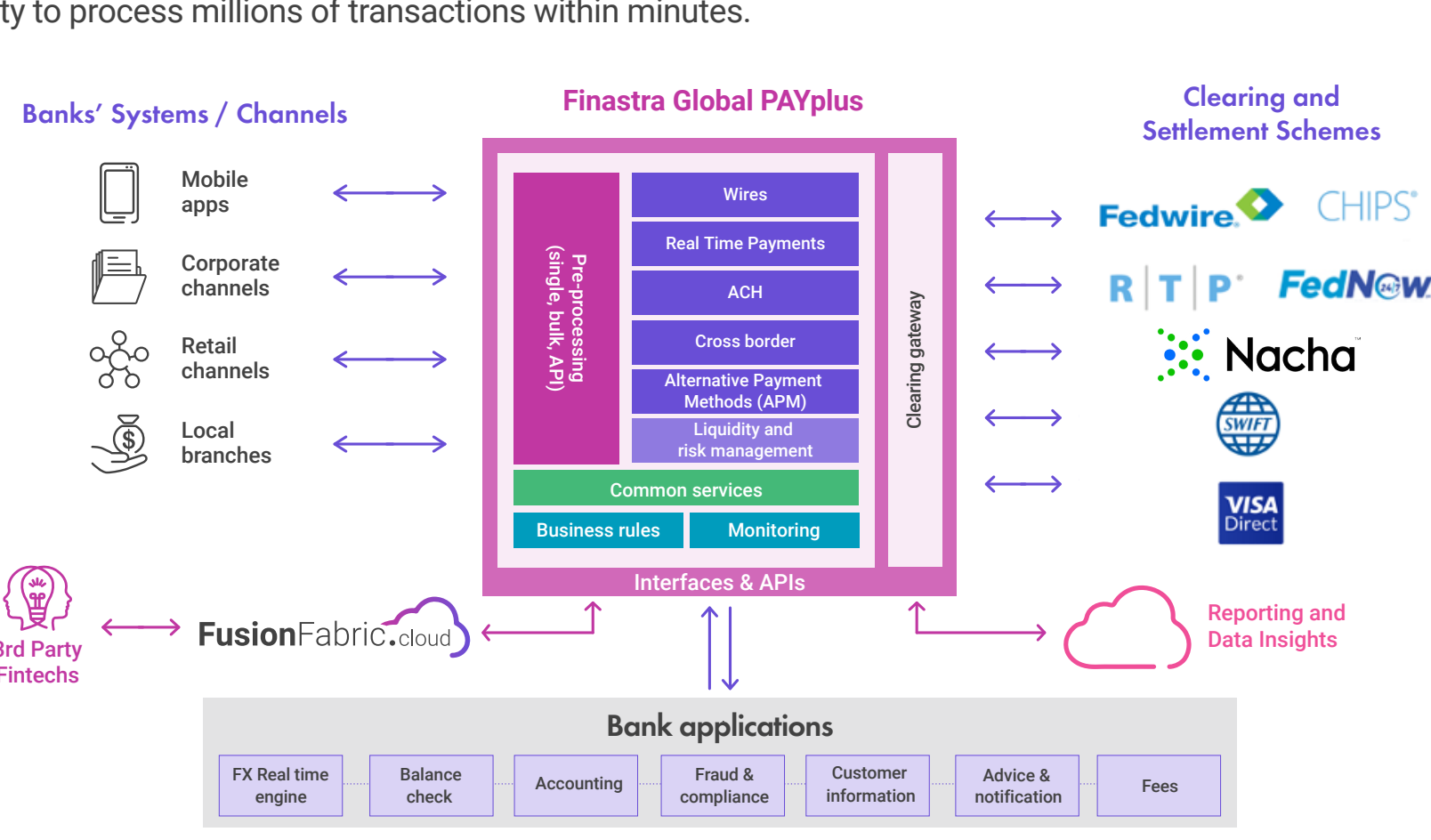


35% Improving operational efficiency

Payment Hubs are increasingly becoming the solution of choice for modernization projects

Finastra's modern payment hub solution, Global PAYplus, consolidates the processing of multiple payment types - Wires (Fedwire and CHIPS), ACH (FedACH and EPN), instant payments (RTP and FedNow), and cross-border - onto a single central, standardized, enabling financial institutions of all sizes to modernize, and cross-border their payments business. The centralized and modular hub solution not only helps improve processing efficiency and reduce operating costs, but it can also be a foundation for competitive differentiation as it enables FIs to deliver faster time to market for new products and value-added services.

Furthermore, as cloud adoption becomes mainstream, many FIs are adopting our microservices-based payments hub solution to modernize their payments architecture in line with their business and operational needs. For example, in the area of ACH transactions, implementing our solutions means that you're future-proofing against upcoming business changes such as increased transaction limits or additional/extended operating windows for Same Day ACH. Also, the solution supports multiple deployment options - including on-premises and as a managed service on cloud. The solution is highly stable, resilient, scalable, secure, and reliable with capability to process millions of transactions within minutes.



Future-proof your ACH and other payments processing



API and microservice-based, scalable and modular architecture enables the addition of new payment rails and services as needed

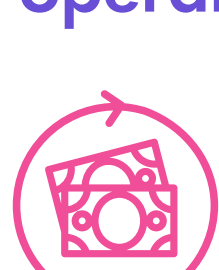


Supports ISO 20022 and Nacha formats, RTP, Fedwire, and CHIPS



Mandated regulatory and compliance updates

Boost operational efficiency



A unified system for handling all payment types



Boost productivity and STP rates through end-to-end payment processing automation



Centralized control and tracking of payment operations

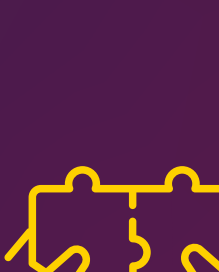
Accelerate innovation and time to market



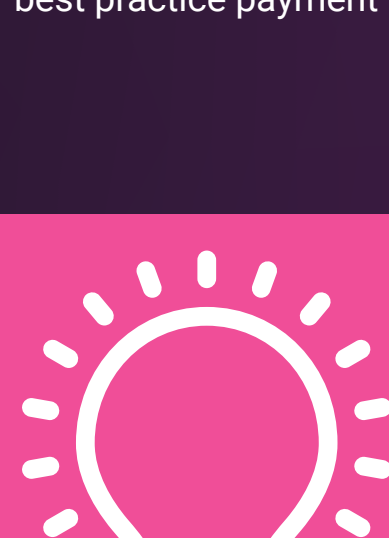
Comprehensive pre-configured, best practice payment workflows



Highly configurable business rules and intuitive UI



Pre-integrated with FusionFabric, cloud, offering the necessary tools and technologies to co-create and co-innovate through our value-added fintech partners



Learn how Finastra can help future-proof your ACH payment processing

1. Nacha

2. Celent, The imperative for payments modernization: Doubling down before it's too late

3. Omdia, Embracing the revenue-generating opportunities of a modern payment hub

Finastra unlocks innovation across the world of financial services, through our trusted software and open platform. To find out more, visit finastra.com