

Powering the World's Payments Ecosystem

A look at the world's adoption of real-time payments



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General Manager and Head of Pacific, ACI Worldwide





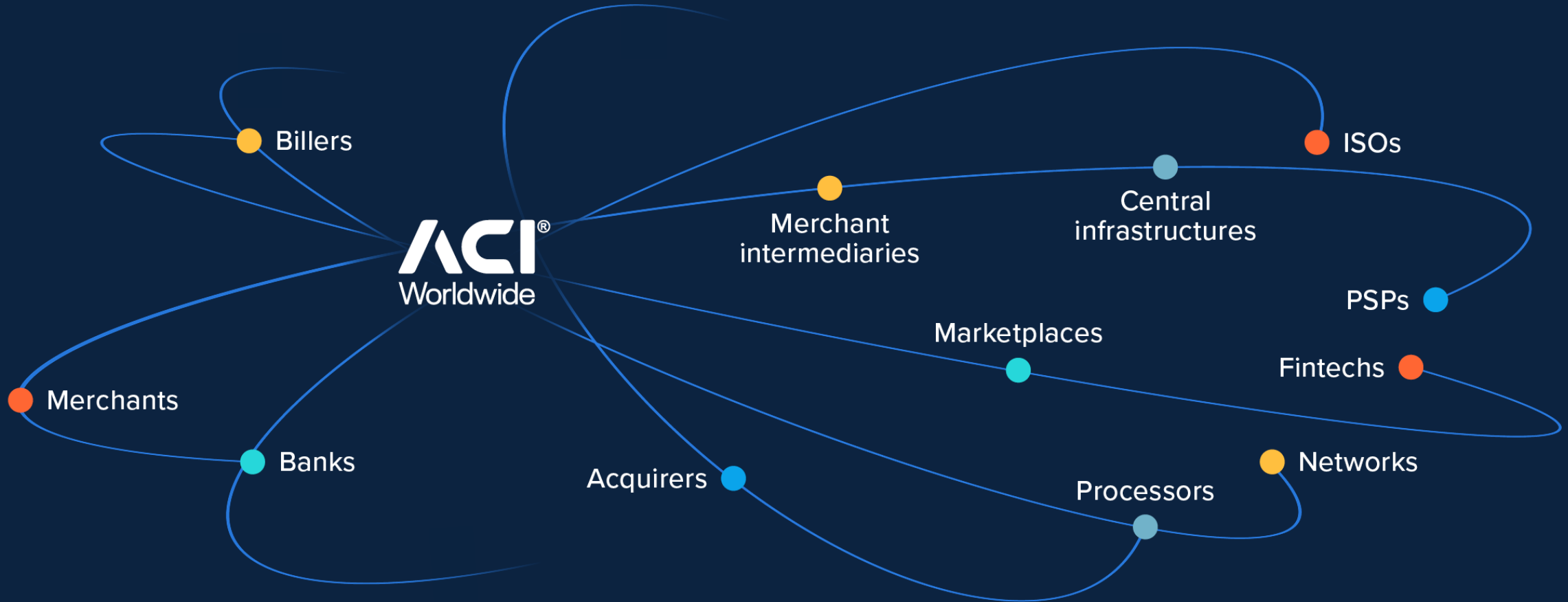
Powering the world's payments ecosystem

ACI Worldwide, an original innovator in global payments technology, delivers transformative software solutions that power intelligent payments orchestration in real time so banks, billers, and merchants can drive growth, while continuously modernizing their payment infrastructures, simply and securely.

With nearly 50 years of trusted payments expertise, we combine our global footprint with a local presence to offer enhanced payment experiences to stay ahead of constantly changing payment challenges and opportunities.


ACI spans the payments ecosystem

Who we serve



Digital Central Infrastructures around the world

The only *one-stop solution* in building a resilient and future-proof infrastructure



11
central infrastructures



>45
Years of enterprise reliability

Powering growth for key infrastructures:

										
Honduras	Peru	Qatar	Oman	Kuwait	France	Thailand	Malaysia	Indonesia	Colombia	Mexico



▶ Powering the World's Payments Ecosystem

Real-Time Payments Transformation

How we built a successful Real-Time Payment Scheme  



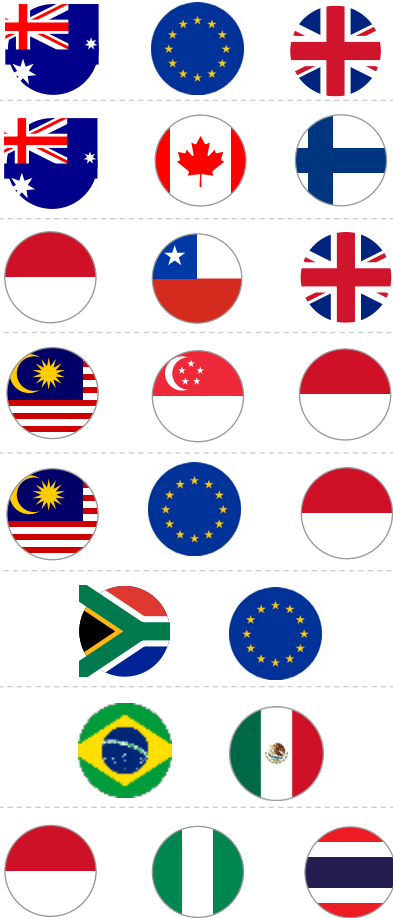
Khai Ru-an Abdul Rahman

Chief Executive Officer and Advisor, NDP | ALTO Group (Djarum)

Key Factors for National Payments Initiative

Key Drivers

- 1 Increased Competition / Innovation
- 2 Cost Savings
- 3 End User Demand
- 4 National Policy / Macroeconomics
- 5 Cross System Interoperability
- 6 Driving Ubiquity
- 7 Systemic Risk
- 8 Reduction of Cash-Based Economy



Opportunities From ISO 20022 Cannot Be Overlooked

ISO 20022 is about innovation and opportunities rather than a pure regulatory and compliance issue



Customer Centric User Experience

Transparent, secure and faster payments



Global interoperability and standardization

Interlinkage of payment systems domestically and globally



Cost savings and processing efficiency

Automation, centralized processes, improved cash management and liquidity



Data-related benefits

Data-sharing, Business intelligence, insights and analytics



Fraud, anti-money laundering and compliance

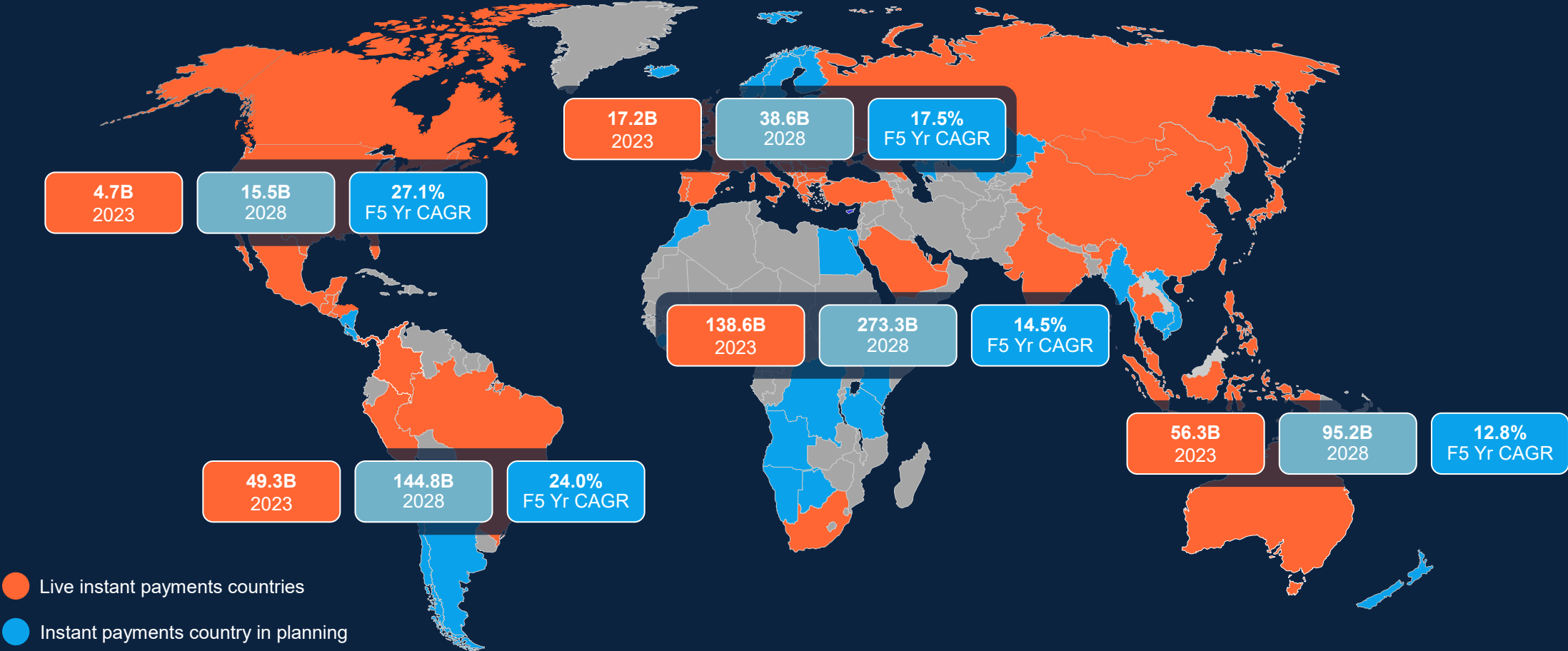
Improve risk management and fraud prevention



Innovation benefits & new revenue streams

New, more value-added and innovative products

Growth forecast across the world



Reference Case: Malaysia

RTP Journey: Malaysia

Market Research

Study Best Practices, Visiting RTP markets, Evaluate Solution Providers
2016

Payments Go-Live

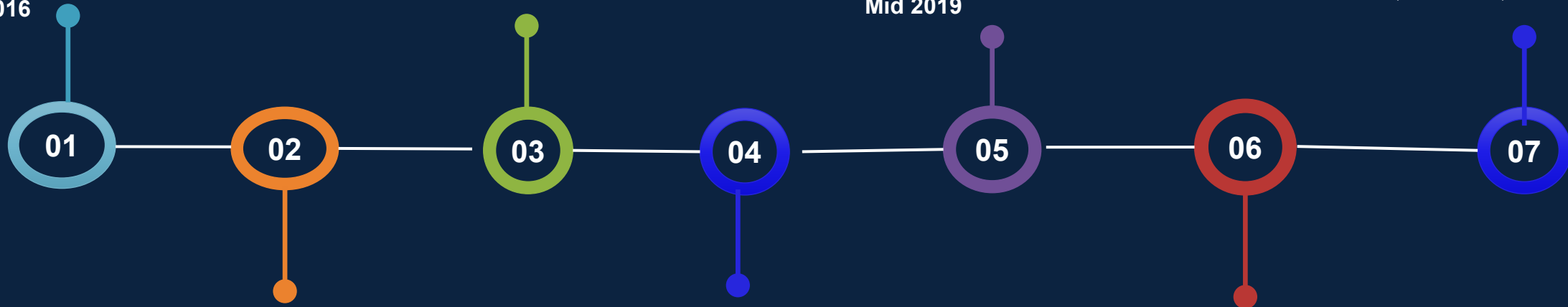
Payments go-live with Instant Credits
Jun 2018

Collections Go-Live

Collection functionality go-live with e-Mandates, Instant Debits and Request-to-Pay (Bill Collection)
Mid 2019

Cross Border QR
Singapore, Thailand, Indonesia

Cross Border RTP
China, Vietnam, South Korea



RPP Core Design & Build

Design & Build of RPP Core Infrastructure and Payments & Addressing Functionality,
Nov 2017

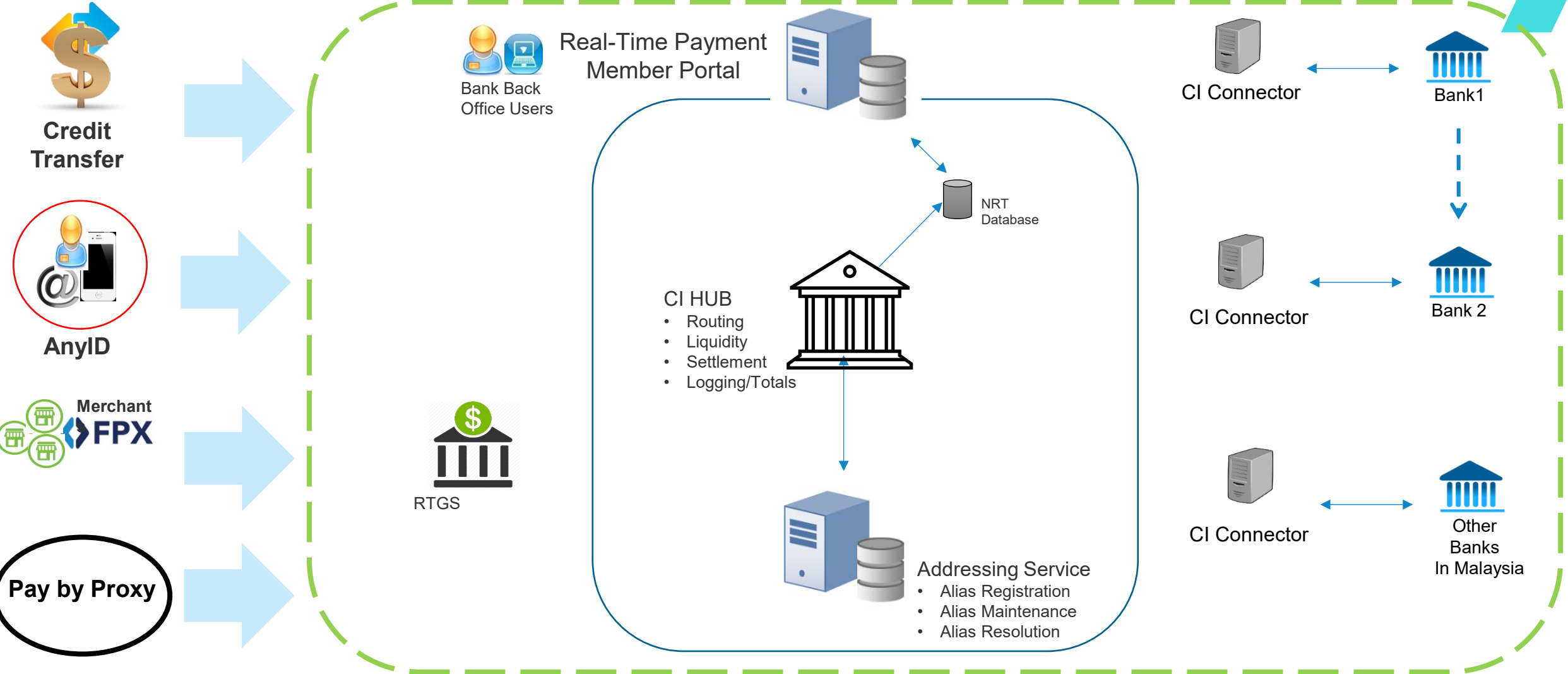
Proxy Payments Go-Live

Aug 2018

Cross-Border Go-Live

Go-live for cross-border Instant Credits and Proxy Payments with Singapore & Thailand,
End 2019

Malaysia – RTP Ecosystem



All 40 + Member Banks are mandated to participate in the scheme

Learnings...

Key Challenges Faced

- **Resistance to Change**- Participants may have different business priorities, Participant's familiarity with ISO 8583
- **Technology Overhead** – Many Financial Institutions have legacy systems and need modernization.
- **Market Awareness**- Banks, Merchants, and Fintechs must be continuously updated and educated on the product and services.
- **High Stake System**- Stringent Expectations from the Central Bank for scalability and resilience.
- **Fraud Prevention**- The platform safeguards customers through strategic security checkpoints, balancing seamless transactions with prudent measures such as cooling-off periods and name verification to prevent fraud.

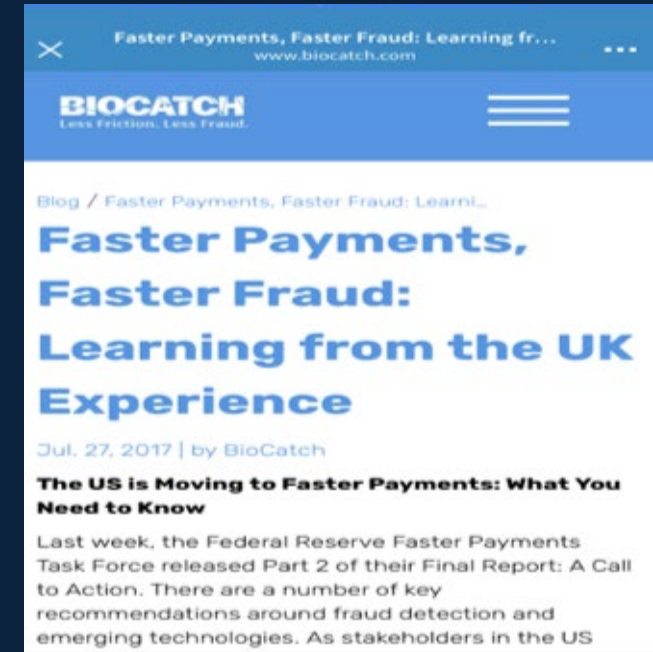
Key Success Factors

- **Vision Clarity** – Malaysia's central infrastructure published a 5-year Roadmap for the industry before the launch and remained Committed to it.
- **Communication with Industry**- Closely work with Solution Providers, Participants, and have Regular Industry Events.
- **Design Clarity** – Centralized vs Decentralized approach, Toolkit for Self Development and Faster GTM, SandBox for Industry.
- **Standardization** – Payment Scheme Connector, UI Design Guidelines for the industry
- **Speed**- Do things Fast, One of the fastest Industry Implementation
- **New Service Launch** – Providing regular updates to member banks to maintain the service level of the industry.

Fraud Management

When the Faster Payments initiative was launched in the UK in 2008, online banking fraud losses surged from £22.6 million in 2007 to £52.5 million in 2008, and further increased to £59.7 million in 2009. However, enhanced security measures eventually brought fraud rates down*.

* Industry Perspective, Immediate Need for Fraud Prevention, Best Practice for Presenting Fraud in a Real-Time World – ACI Worldwide

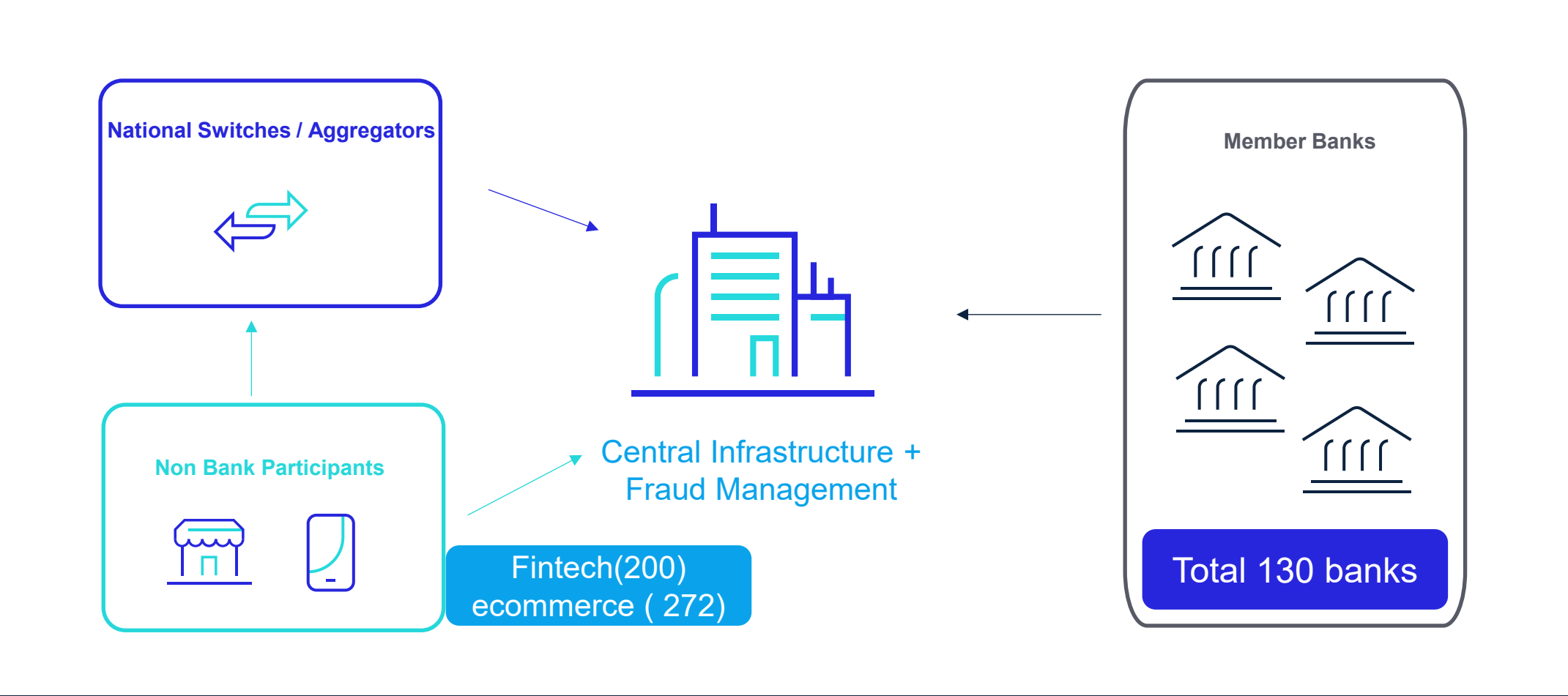


Fraud Management is among the top priority for Financial Institutions. Central Schemes around the global are looking to create fraud prevention infrastructure for the industry.

Drawing from Malaysia's implementation of real-time payments, the orchestration of fraud prevention mechanisms demonstrates a sophisticated multi-layered approach, combining robust pre-emptive authentication protocols with centralized fraud monitoring capabilities across the banking network.

Reference Case: Indonesia 🇮🇩

Indonesia – RTP Ecosystem



One of the fastest implementations of a country's real-time central infrastructure ecosystem on record: less than 9 months

Looking ahead



Behavioral forecast

- Cards will continue to dominate simplicity and rewards
- Slow adopters of real-time payments could become irrelevant financial service providers
- Embedded finance will drive payments innovation
- Banks + fintech collaborations will simplify payments
- Consumers will choose merchants based on how they can pay



What's to come with real-time

- New overlay services will drive adoption
- Merchants want instant payment services
- Request to Pay is going to be niche for a while, but Pay by Bank will resonate first
- Real-time payments will fast-track the growth of cashless economies
- Countries will continue to see a positive impact on their GDP with real-time payments



▶ Real-time Payments Use Cases - Accelerating Global Commerce

ACI Worldwide®

Thank you

