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### **Debbie Guerra**



**Chief Product Officer** 

Debbie Guerra is ACI's Chief Product Officer. In this role, she leads ACI's product management organization, which is focused on strategically deploying our world-class products to maximize growth and profitability. She joined ACI in 2019 and is a seasoned payments industry executive with more than three decades of experience spanning payments, fintech, consulting, and IT services. Prior to joining ACI, Debbie led First Data's small and midsize direct business and merchant portfolios and P&Ls in Brazil and the U.S., while also managing financial institution referral relationships. She is well versed in ACI's unique product portfolio and uses that knowledge to ensure our products are best addressing the needs of the market.

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 This session will provide greater insights into ACl's business segments, our product strategy, and how ACl will remain THE STANDARD for intelligent payments orchestration solutions for Banks, Billers, and Merchants.

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### Setting THE Standard in Modern Payments

- Original fintech innovator in electronic payments
- Driving a new payments paradigm
- Delivering a new vision for the global payments ecosystem

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- ACI is the original fintech innovator that shaped and matured electronic payments globally.
- ACl is in an enviable position of trust and leadership across our business segments.
- Learn about our payments hub modernization journey in our Banking segment, as well as our differentiated Payments Intelligence focus.

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- ACI serves three distinct customer segments: Banks, Merchants, Billers.
- We offer proven solutions to defined target markets and verticals in each area.
- Our software solutions help customers move money across the payments ecosystem.
- Essentially, we orchestrate payments.
- We have an enviable roster of long-term, blue-chip and geographically diverse customers.

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- Solutions we deliver to each segment vary, but there are striking similarities across the customers we serve:
  - 1. ACI serves the largest, most complex businesses in each segment mega banks and Tier 1 banks and processors globally; large, sophisticated merchants globally; and large direct billers in the U.S.
  - 2. Customers in each segment are faced with challenges to address rapidly changing consumer payment preferences, to adopt new payment methods, and to deliver differentiated customer experiences across numerous payment channels.
  - 3. Customers must react to growing threats from fraud and financial crime.
  - 4. Customers must adhere to a complex and changing regulatory and compliance landscape. 5. Our customers are concurrently faced with modernizing their own applications and underlying technologies, with strong focus on moving to the cloud.
  - 6. Our customers are working to harness the power of data to deliver more personalized customer experiences.

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- ACI is proud of our blue-chip, geographically diverse customer base.
- Our solutions are used by the largest global banks and processors to capture and authorize payment transactions across channels, to drive the expansion of real-time payments both globally and locally in more than 90 countries.

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- We focus on Consumer Banking solutions and on Wholesale Banking solutions.
- These are distinct business areas within most banks, but market dynamics are driving change that offers new opportunities.
- ACI provides a common solution for the management and settlement of Instant Payments for Consumer and Wholesale Banking – a solution already live with more than 100 financial institutions.
- Our evolving payments hub is designed to enable banks to run an efficient, modern, cloud-native payments environment fit for the years and challenges to come.
- We deliver a differentiated enterprise fraud management solution across our consumer and wholesale banking solutions.

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### **Consumer Banking – Issuing & Acquiring**

### **Issuing & Acquiring**

- Authenticate, authorize, acquire, clear, and settle electronic consumer payments
- Single card-issuing solution for multiple payment types
- Merchant acquiring solution for all channels and interfaces
- Acquiring solutions to drive ATM and self-service banking

320B

Card transactions processed annually

322 clients

In 74 countries for card processing

1 out of 5

Card transactions processed globally through ACI's card processing software

**Notes:** 

Source: ACI Internal Data, Nielson Repor

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- · ACI has proven Consumer Banking solutions.
- We support authorization, capture, clearing, and settlement of payment transactions for the largest financial institutions and processors in the world.
- The highly configurable nature of our software and its rich functional depth suit the complex needs of customers.
- ACI solutions are reliable, rock-solid and provide high value and peace of mind to our customers.
- Historically, these solutions were sold as software licenses that were implemented, integrated, and managed by customers to run on their own premises.
- Today, these solutions are cloud-enabled and are sold or renewed to run in either public or private cloud instances.
- Additionally, these solutions are being modernized to run cloud-native as an integral component of our evolving payments hub solution.

### **Consumer Banking – Instant Payments** 100+ **Account-to-Account Payments** Customers in on-premise and cloud solutions · Includes instant payments and ACH 18 countries Supports 26+ real-time domestic payment schemes Live on every continent, except Antarctica SaaS service for the FedNow® Service, TCH RTP, UK Faster Payments and 22 of 50 others - supporting >50 institutions 10 real-time payment central Top world banks use account-to-account infrastructures payments from ACI ISO 20022-native messaging · Partnership with Mindgate (India) provides digital overlay services Real-time payments processed monthly Source: ACI Internal Data

- Over the past 10 years, ACI has emerged as a leading provider of instant payments solutions – delivering valuable solutions for financial institutions and central bank infrastructures.
- We support 26 real-time instant domestic payment schemes and 10 real-time instant payment central infrastructures.
- ACI has more than 100 direct participant banks in 18 countries in production with our real-time instant payment solutions.
- We support aggregators and technical service providers to extend this reach to more than 400 participant banks.
- ACI provides a SaaS solution for the FedNow® Service and TCH RTP in the U.S., and UK Faster Payments and SEPA Instant in Europe.

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# Wholesale Banking – Real-Time Payments Real-Time Payments Domestic RTGS payments Wires (high value) ACH Swift/cross-border payments ISO 20022-native messaging 40+ Customers in on-premise and cloud solutions 5 Countries live 66% U.S. Fedwire payments +25% U.S. Swift

- In Wholesale Banking, we provide a robust software solution that powers high-value payments across wires, ACH and Swift/crossborder payment flows with ISO 20022 compliant messaging.
- We process 66% of all FedWire transactions every day and 50% of CHIPS (Clearing House) volumes.
- We facilitate about 25% of all cross-border Swift payments traffic in the U.S..
- Our account-to-account instant payment solutions are available as cloud-native, cloud-enabled, and on-premise software delivery models. We also deliver on-premise software licenses that our customers deploy and operate.

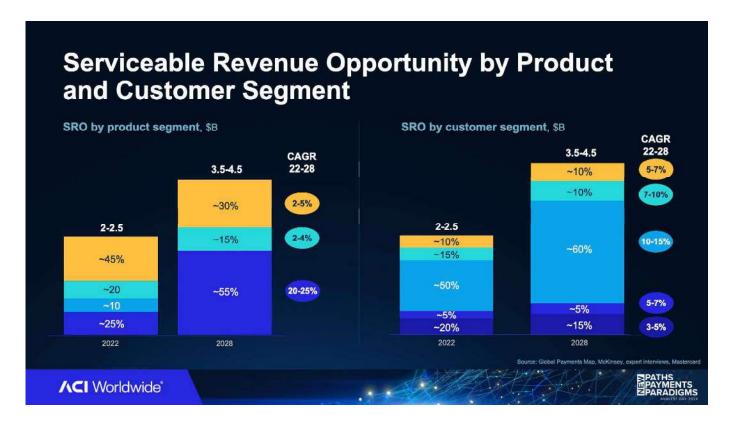
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# Focus on Real-Time Payments "It is increasingly essential that all participants in the payments ecosystem develop a payments modernization strategy that includes real-time payments as a key component of that strategy. The industry is rapidly evolving, and real-time is quickly going to become table stakes for remaining competitive." Reed Luhtanen Executive Director and CEO US Faster Payments Council

 ACI's Prime Time for Real-Time annual primary reports provide an established data source that tracks the growth and impact of realtime payments globally.

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- Serviceable Revenue Opportunity in Banks and Intermediaries is estimated at approximately \$2 - \$2.5 billion today growing at approximately 9% annually to approximately \$3.5 -\$4.5 billion by 2028.
- The market is moving away from the delivery of discrete software solutions toward integrated orchestration solutions (or payment hubs).
- The payments hub space is expected to grow approximately 2-3x faster than other solutions and be >50% of the market by 2028 – in all areas of our serviceable market.
- The payments orchestration hub, which also incorporates consumer banking account-to-account payments, growing 20-25% CAGR through 2028.
- We evolve our focus from Tier 1 customers to also include the "upper end" of mid-market sized banks (\$50-\$250 billion in assets). This is a new addressable market for us.

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Payments Hub – Orchestrating the Global Payments Ecosystem

Payments orchestration and transformation

Any payment type, all channels and endpoints

Freedom to deploy any cloud strategy

Powerful data intelligence

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### **Industry opinions on payment hubs:**

- McKinsey assumes that banking modernization, active planning on cloud strategies, global real-time payments adoption, and continued post-Covid cash decline are all drivers creating tailwinds for payments hub capabilities.
- BCG states that payment hubs are able to address multiple, fragmented payment processes, multiple payment file formats, and send and receive connectivity challenges.
- Celent suggests that a modern payments hub can replace legacy systems with numerous unsupported enhancements that evolved over time and improve payment system implementation and integration timelines.

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- ACI is of the opinion that a modern payments hub brings process optimization and automation by modernizing payments by design.
- Associated enhancements include keeping up with regulatory and compliance requirements and improving customer experience.
- ACI's payments hub will include consumer payments for Card Issuing, Merchant Acquiring and ATM driving for self-service banking, particularly spanning authorization, capture, clearing, and settlement.
- It will embed our rich and differentiated payments intelligence and enterprise fraud management solution in the payments hub as combatting fraud is an integral capability.
- Our payments hub solution offers services that each area of the bank can access – but from a common technology platform, offering unique opportunities for banks to modernize while addressing total cost of ownership challenges, they face today.
- Our payments hub features a robust partner ecosystem that will expand value-added services and fintech engagement across our hub – opening paths for new monetization opportunities.

# Payments Hub Delivery Options – Facilitating Choice Public cloud options with top players across the cloud ecosystem Multi-tenant Single-tenant On-premises options for customers to operate in their private cloud environments FACI Worldwide\*

- One key characteristic of ACI's payments hub vision is that it is cloud-native across multiple cloud environments.
- We will enable acquisition of our solution based on customer preference:
  - To run in their private cloud instance
  - In the public cloud as a single tenant solution or multitenant
- Relationships with top players across the cloud ecosystem –
   Microsoft, AWS, and IBM Red Hat ensure that our payments hub solution can offer a critical option to accelerate cloud transition.
- For banks that want to continue to operate on premises, we will support with Cloud Native tooling.

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### Setting a Path for Bank Solution Modernization

- · Deep relationships with leading banks worldwide
- · Growing existing target market
- Payments hub strategy provides unique modernization path for existing customers and opens new addressable market for growth
- Payments intelligence strong differentiator for our banking solutions
- Public and private cloud options



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 ACI has not only strong traction and impact today with the payment solutions we deliver to leading banks worldwide, but we are actively advancing our payments hub solution to offer lower risk modernization paths to existing clients and to address the needs of a new mid-market banking tier.

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- ACI's focus on intelligent payments orchestration plays a key role in the value we deliver to our direct Biller customers (ACI Speedpay®) and how we drive net revenue growth, as we optimize interchange and payment decisions across the payments ecosystem.
- Another area where intelligent payments orchestration is critical is in our Merchant segment.
- Key differences between a direct Biller and a Merchant is that
  a direct Billers take payments after a service is rendered (pay
  later) vs. Merchants that typically take payments when goods or
  services are procured (pay now).

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- ACI serves more than 450 large direct merchants globally some of the largest retailers globally.
- We support more than 80,000 merchants indirectly through payment service providers that white-label our payment orchestration platforms.
- Our global reach of connectors is unrivalled where a connection represents a route for a transaction to a specific country, acquirer for defined payment types and supporting functionality.

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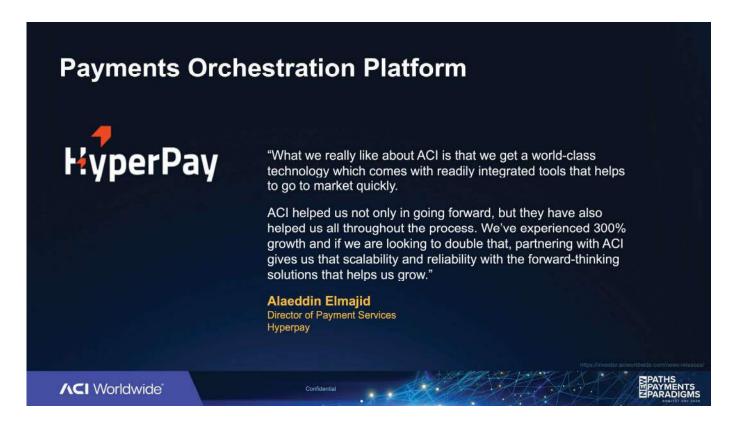
- ACI provides independent intelligent orchestration platform solutions to large, sophisticated merchants that want to own and manage their customers' omnichannel experiences.
- By offering payments orchestration that can deliver multiple acquiring routes, ACI can help merchants best manage cost, but also can differentiate from competitors that are individual acquirers who bundle their standard solutions for their customers.
- Merchants are focused on making decisions to improve transaction authorizations, which drive positive customer experiences and – equally important – bring revenue into their businesses.
- Our solutions span global e-commerce payment orchestration, merchant fraud detection and prevention, and omni-channel payment orchestration.

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- We serve large merchants with annual revenues in excess of \$1 billion in revenues and that desire an independent payment orchestration platform.
- Many operate globally and need a solution with a broad set of connections to numerous countries, payment methods and acquirers.
- ACI will focus our sales into defined Tier 1 countries where our solutions are localized and fit for purpose.

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### Payments Orchestration Platform "ACI supports our strategic goals by offering new solutions based on emerging technologies. It is a valuable partner that not only helps us with day-to-day operational matters but also assists us in shaping payment initiatives for the future. It's about more than technology. With ACI, we also get a strategic relationship that adds value to our business by helping us solve payment challenges, create revenue opportunities, and ensure we're ready to champion change." Xavier Foure Head of Payments Auchan Retail

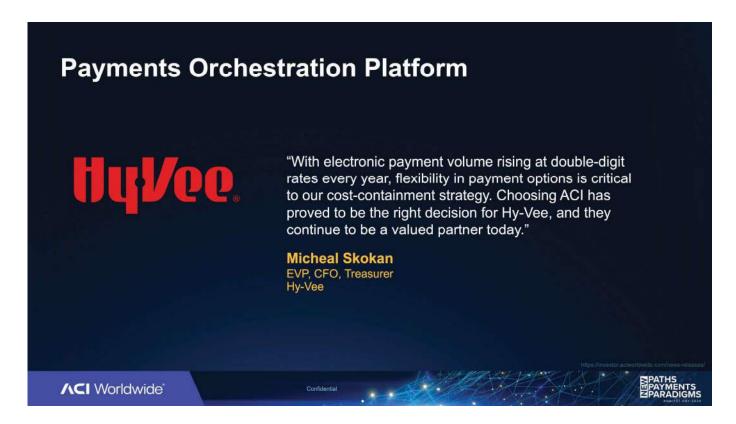
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# Payments Orchestration Platform "We are extremely happy about the successful completion of this very challenging and complex project, for which ACI's support and expertise has been invaluable." Paul Fletcher Head of Payments Co-op Group ACI Worldwide

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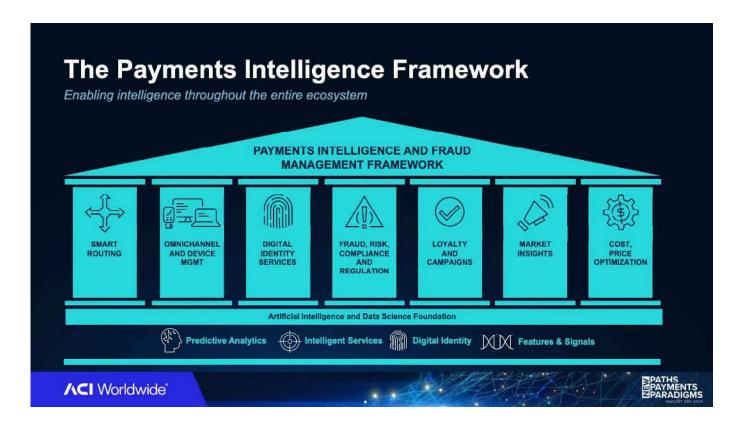


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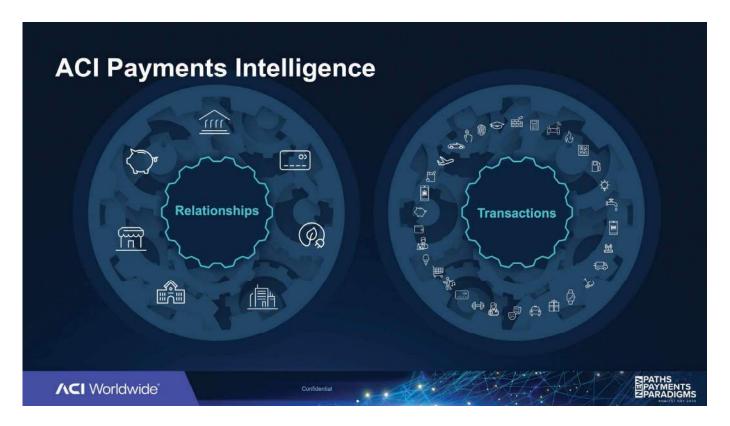
- ACI's most differentiated assets include our AI and machinelearning enabled Ppyments intelligence capabilities.
- These capabilities are grounded in our proven software solutions for enterprise fraud management for Banks, and for fraud detection and prevention for CNP digital transactions for Merchants and Billers.
- ACI is focused on positioning our Payments Itelligence and Fraud Orchestration framework to enable data and intelligence gathering and sharing across the payments continuum.

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- Our unique value is our embedded infrastructure that powers all aspects of the global payments ecosystem, from Central and Commercial banks to Merchants, Billers, and many players in between.
- To effectively address the growing impact of fraud and financial crime – and at the same time to harness the power of payments data – our customers are challenged to unify immense volumes of diverse data across the payments ecosystem, in real time, to facilitate precise, intelligent decision-making with optimal efficiency.
- In 1998, ACI began delivering AI competencies as part of our enterprise fraud solutions for Banks, leveraging neural networks developed originally by Nobel Prize winner, Dr. Leon Cooper.
- Since then, with the impact of years of learning, rigorous governance, advances in technology and the efforts of our experienced data scientists, ACI developed and received a patent for our AI-enabled incremental learning solution that uses AI, so that our fraud models learn and adapt over time – driving the efficacy of our real-time fraud decisioning and the life span of our models.

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- We have deep experience in the use of machine learning and Al – and applying that to address very real and accelerating challenges impacting our customers.
- Today, Payments Intelligence is delivering predictive modelling with multiple AI models running in parallel to address the top 4 fraud trends: Anomaly Detection, Account Take Over, Pre- and Post- Authorization for Bank Declines, Friendly Fraud.
- Our solutions alert on the specific fraud type by classification for faster informed decisions and higher precision; we run different types of models in parallel focused on specific trends across segments as a classification.
- The power of the data we harness goes beyond just addressing fraud and financial crime.

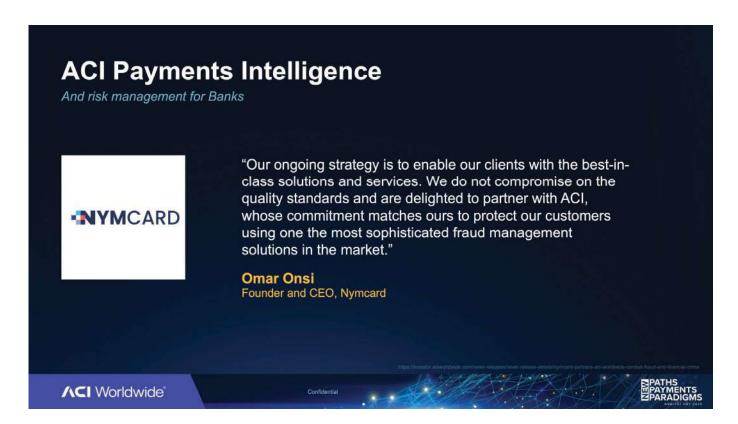
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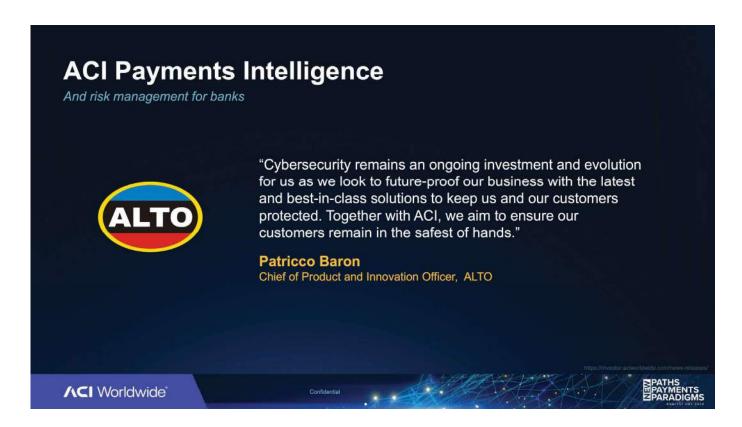
- We see significant growth in the unique fraud and payments intelligence total addressable market.
- ACI is well-poised as we reposition our payments intelligence solutions more directly in the market and also expand our reach, as payments intelligence becomes an integral component of our go-forward payments hub.
- We expect to see associated revenue growth from these solutions reflected in our three segments.
- The growing size of this total addressable market is indicative of just how challenging and serious the issues facing our customers really are.

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- ACI has excellent growth opportunities across all three of our segments – where we provide intelligent payment orchestration solutions that meet our customers' needs.
- Our solutions result in the movement of money and increasingly, the data –associated with each transaction.
- Through focus, speed and new partnerships ACI will continue for the next 50 years as the STANDARD in payments and money movement.

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