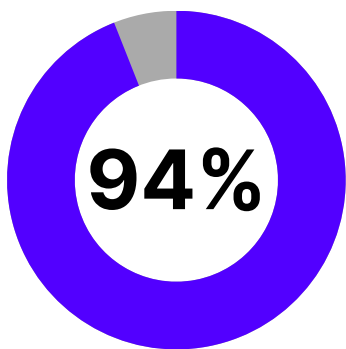


ISO 20022: The Untapped Opportunity for Financial Institutions

The migration of Fedwire to the new ISO 20022 standard enables financial institutions (FIs) to enhance automation, provide value-added services, and increase their competitiveness against fintechs. Here's a summary of the opportunities FIs can seize as business interest in the benefits of this new standard continues to grow.

Businesses to Increase Investment in Payment Technologies



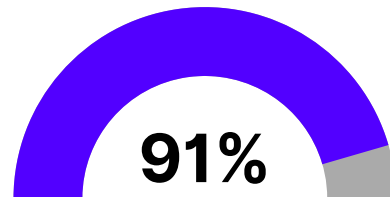
94% of businesses expect significant investment in payments technology in the next 24-36 months*

A vast majority of businesses are investing in modern payment systems, including the integration and modernization of their accounting and ERP systems. Financial institutions leveraging ISO 20022 standards can effectively position themselves to not only meet but also drive this market evolution, ensuring seamless interoperability and enhanced financial management capabilities for their clients.

ISO 20022: Fulfilling Automation Demands

>60% of businesses want their payables & receivables automated*

ISO 20022 messaging enhances payables and receivables reconciliation, a "sticky" service crucial for FIs in retaining corporate clients, while meeting rising corporate demands through automated reconciliation.



91% of businesses are aware of ISO 20022*

Many FIs believe that businesses may not yet be ready or interested in adopting ISO 20022 standards, which could deter financial institutions from prioritizing them in their strategic plans. However, recent research indicates otherwise.

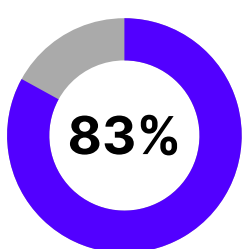
Fintechs Leveling the Playing Field



65% of businesses use fintechs for payments and cash management*.

Fintech companies are revolutionizing the payments landscape with user-centric products for businesses, challenging traditional financial institutions' market positions. As businesses increasingly turn to fintechs, several FIs are adopting ISO 20022 native solutions to offer services that rival or surpass those of fintechs.

Financial Institutions' Readiness for ISO 20022



83% of FIs say they are ready for ISO 20022*

FIs are actively strategizing for the migration of Fedwire to ISO 20022, aiming to eventually integrate all payment rails onto a unified ISO 20022-native platform for enhanced interoperability, increased Straight Through Processing(STP) and better efficiency.

Top Challenges for Adoption**

Limited understanding

Resource constraints

Vendor's unpreparedness

Integration challenges

To address these challenges, FIs are turning to modern, Fed-certified vendors offering native ISO 20022 data capabilities instead of superficial translation. These vendors not only provide seamless API integration with existing systems but also allow FIs to leverage enhanced data for ongoing innovation.

ISO 2022 Migration Approaches for FIs

TACTICAL

Better data

Meet compliance deadlines

STRATEGIC

Improved risk management

Increased Straight Through Processing

Advanced cross-border capabilities

Intelligent routing

Data monetization

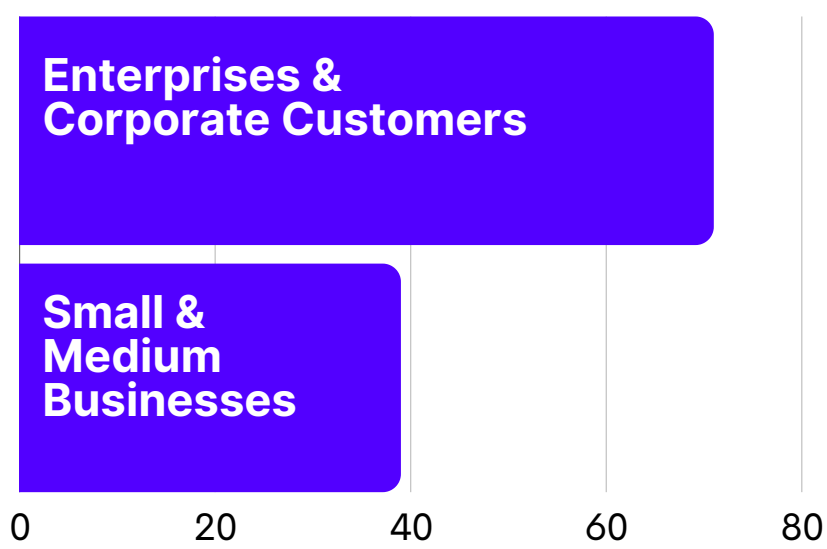
Flexibility for value-added services

83%

of FIs view ISO 2022 as an engine for innovation & a catalyst for growth**

This suggests that FIs see ISO 2022 as a key driver for growth, enabling them to deliver seamless, transparent, and superior customer experiences. The standard enhances transaction accuracy, boosts fraud detection, and supports personalized financial solutions.

Main Beneficiaries of ISO 2022**



When asked about the main beneficiaries of ISO 2022, many FIs believe that enterprises, corporate customers and SMBs will see substantial benefits from improved automation and advanced analytics. ISO 2022 plays a vital role in leveling the playing field by freeing enterprises and large corporations from relying solely on large banks, allowing FIs of all sizes to better serve the needs of small and medium-sized businesses.

Source of data: *Datos Insights, **Finzly internal research

finzly

**Supercharge your
ISO 2022 migration**

www.finzly.com/solutions/fedwire connect@finzly.com