

 WEBINAR

Faster Payments

*How to Prepare Your Fraud
Management Program*

VERAFIN

Alacriti

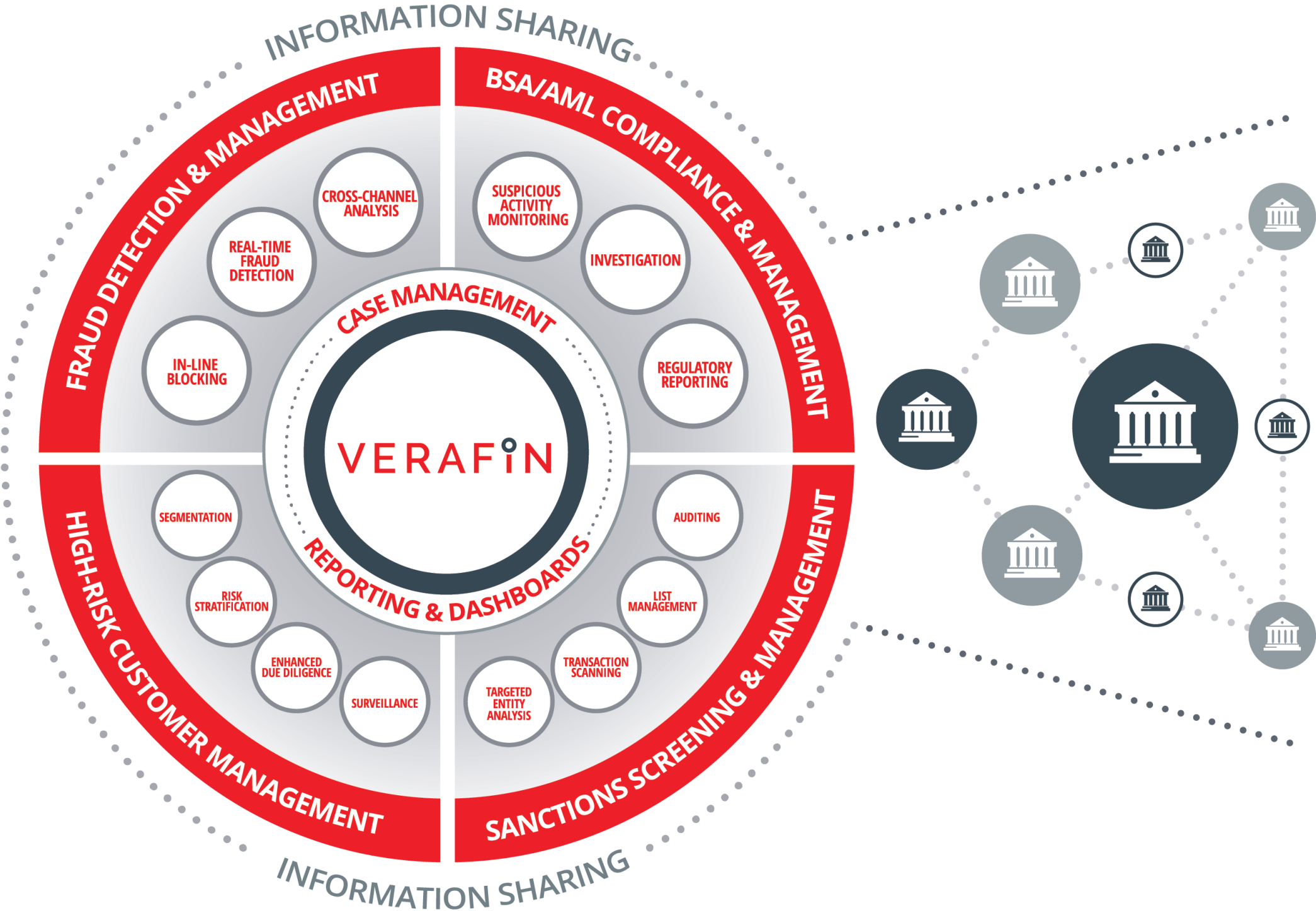


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SVP Faster Payments
Alacriti



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Head, Fraud Product Marketing
Verafin

Financial Crime Management Platform





Alacriti: Payments Modernization. Delivered.

Payments focus by Payments Experts

Deliver innovative and frictionless money movement solutions and payment modernization to banks and credit unions and their users.

Market Leading Solutions:

- **Unified Money Movement** (Loan Payments (EBPP), A2A Transfers, Digital Disbursements, New Account Funding)
- **Payments Hub** (TCH's RTP® network, FedNow® Service, Visa Direct, Fedwire, and ACH).

Alacriti

Representative Clients

BANKS

-  BANK OF AMERICA
-  Capital One
-  Comerica Bank
-  Commerce Bank
-  First National Bank
-  Five Star Bank
-  HSBC

CREDIT UNIONS

-  Addition FINANCIAL
-  ALABAMA credit union
-  Credit Union ONE
-  COMMUNITY FINANCIAL
-  CONSUMERS CREDIT UNION
-  Connexus Credit Union
-  EECU
-  FCU

-  Florida Credit Union
-  First Flight
-  FIRST CITIZENS' FEDERAL CREDIT UNION
-  GREATER NEVADA Credit Union
-  HORIZON CREDIT UNION
-  jovia Financial Credit Union
-  LGE Community Credit Union
-  MOUNTAIN AMERICA CREDIT UNION

-  NAVY FEDERAL Credit Union
-  Patelco CREDIT UNION
-  SUMA FEDERAL CREDIT UNION
-  Tower Federal Credit Union
-  techCU TECHNOLOGY CREDIT UNION
-  TTU Federal Credit Union
-  UNCLE CREDIT UNION
-  Veridian CREDIT UNION

Datos Insights

Instant Payments – Summary and Findings



Businesses are investing in payments: 92% of businesses expect payments improvement to be a significant area of investment in the next 12 to 36 months



Businesses are seeking providers with real-time capabilities: Roughly half of businesses globally have moved or will change financial services providers to be able to access real-time payments



Real-time payment volume is growing: (See RTP Update)



Some Businesses do not understand the value: There is an opportunity to educate businesses on how real-time payments work. 43% of businesses not utilizing real-time payments believe they require too much manual processing and 28% of those businesses believe that faster payments are too slow



Real-time payments are NOT just for emergency payments: Objectives are to improve customer experience and that they can equal customer loyalty, strong business partnerships, and attract top talent.



Cross-Border payments are ripe for innovation: More businesses are transacting cross-border payments, and 80% believe they will have increased volume in the next 12-24 months. Removing points of friction is critical, while decreasing cost and increasing value are clear targets.



Instant Payment Value Drivers



Customer experience

Growth and Retention

- New services
- Uniform, innovative, modern experience
- Multiple engagement channels



Financial Management

Liquidity and cash flow visibility

- Liquidity management
- Unified visibility across balances and rails
- Alternative payment methods
- Smart payments routing
- Reduced risk – business rules and limits



Operational Excellence

Cost savings & increased efficiency

- Reduce overhead
- Increase efficiency by streamlining workflows
- Configurable by dept/user
- Leverage existing tech investment while reducing overhead costs (SaaS)



Technology & Scale

Solid, always-on, future-ready

- Pre-built Integration with existing legacy systems
- Microservice-based - limitless use case development
- Scalable and resilience
- Cloud-Native



Security & Compliance

Unified visibility to fraud & compliance

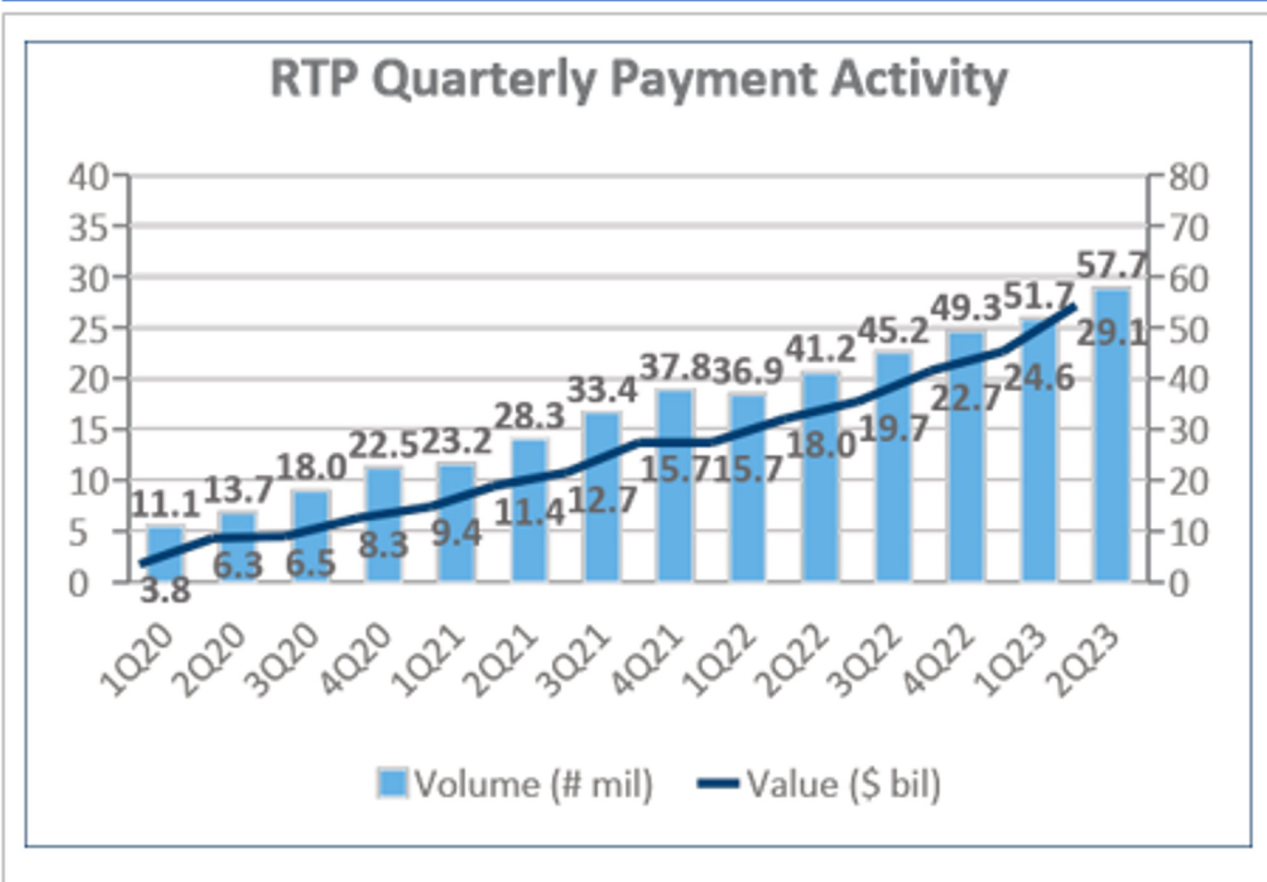
- Regulatory & industry standards: ISO20022, PCI-DSS, NACHA
- Secured transactions: SSO & MFA, Account Validation
- Payment decision engine integrates fraud, AML, real-time screening and detection

Top Banking Trends (SMB Market) Influencing Instant Payment Adoption

Myth	Reality
Same day ACH is good enough for my customer needs	Same day ACH is not 24/7, and doesn't accommodate new instant payment cases
Faster payments means faster fraud	Instant payments can actually be safer
Faster payments are expensive	Pay for what you need with a pricing model that scales with you (and your customers)
Instant payments require more resources for 24/7/365 payments	It's mostly automated on the FI side. Live deployments have shown no extra resources are needed
My customers don't need instant payments	Instant transactions happen on launch. Growing amount of use cases

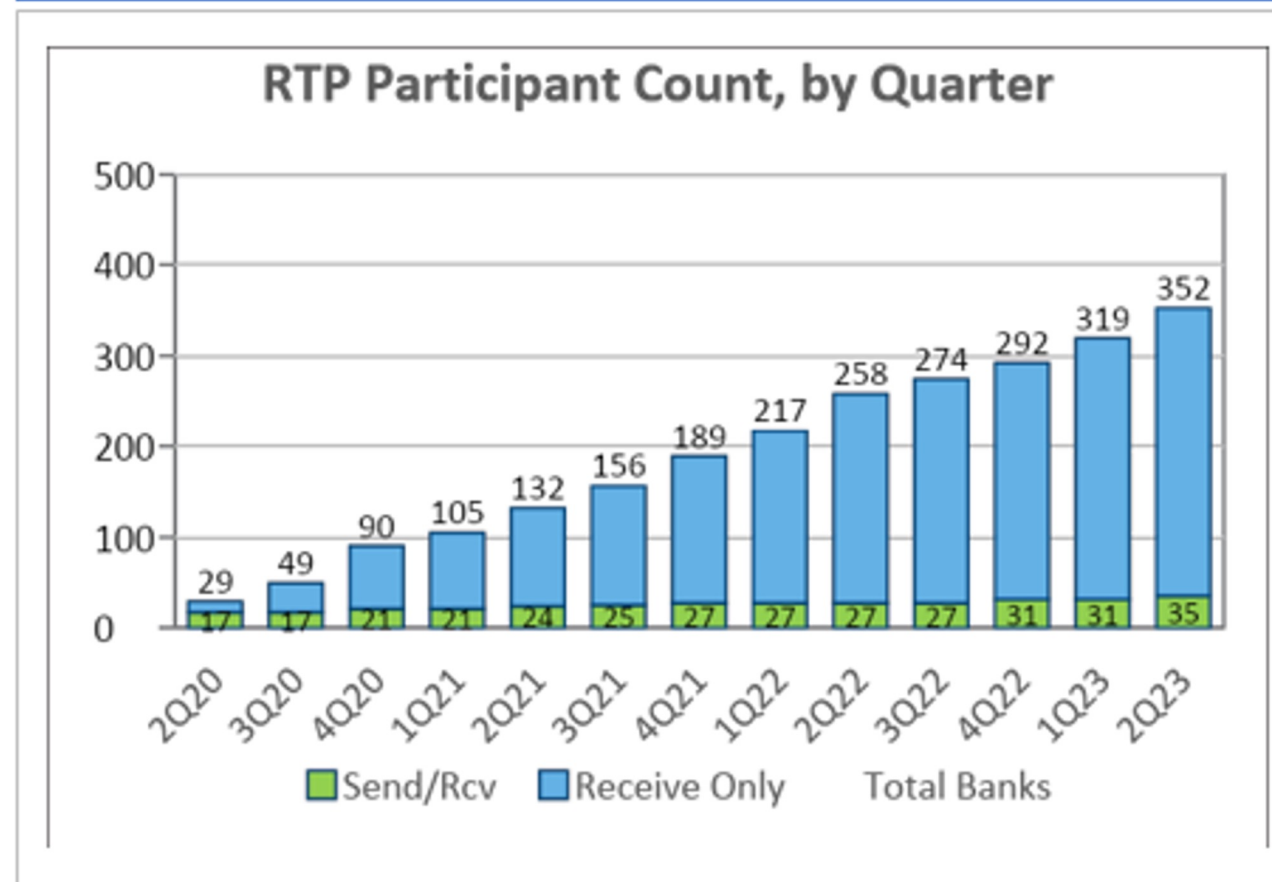
RTP® network continues to grow in volume and reach

VOLUME / VALUE



- July 2023: Processed ½ Billionth RTP Payment
- Targeted to cross 1 Billionth transaction by EOY 2024
- Average RTP Transaction \$406

GROWTH / REACH



- 65% DDA Reach; technical reach >90% via cores/gateways
- Targeting ~500 by yearend 2023 - 1000 by EOY 2024
- 90% of RTP Participants are CUs / Community Banks

Trends in Fraud



Challenges





Account at
Bank A

Consortium Analytics
Insights from over 575M counterparties.



A victim of an authorized push payment scam sends a payment from **Bank A to Bank B.**

Bank A, using Verafin, analyzes the payment in real time.

Safe Account

Payee at bank B as a history of safely transacting within the Verafin Cloud

Payee at Bank B has no history of any type in the Verafin Cloud.

Known Mule Account

Payee at Bank B is a known mule account

High Degree of confidence in accepting a transfer

Explain away alerts

Real-time automated rejection based on specific risk score

Real-time automated rejection

High Degree of confidence in rejecting a transfer



Account at
Bank B



Account at
Bank B



Account at
Bank B

What Happens Next?



Q&A

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Thank You