

Real-Time Payments to Drive Revenue Growth and Provide Launchpad for Innovation, According to More than 80 Percent of Bank Executives in New ASEAN Benchmark Data

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ASEAN spending growth outpaces other regions, as financial institutions seek to leverage real-time payments for payments modernization and innovation, per new benchmark data from Ovum and ACI Worldwide

NAPLES, Fla.--(BUSINESS WIRE)--Mar. 12, 2018-- ASEAN financial institutions are focusing increasing investment on payments modernization, with real-time payments capabilities serving as the first step to digital transformation across consumer and corporate services, per new benchmark data, "2018 ASEAN Payments Insight Survey: Real-Time Payments Modernization and Innovation," from [ACI Worldwide](#) (NASDAQ: ACIW) and Ovum.

ASEAN member states, driven by market forces and developments in the wider Asia-Pacific region, are looking at how real-time payments can act as a catalyst for payments modernization and future innovation – though member states are currently at different levels of technical and economic sophistication, as reflected by investment plans.

Enthusiasm for real-time payments, a clear understanding of the benefits of open APIs – used to connect banking services with instant payment-enabled services – and proactive collaboration between central infrastructures and banks put the ASEAN region in a strong position to realize multi-currency, cross-border real-time payments.

Principal study findings include:

Real-time payments will enable innovative new service offerings and drive revenue growth

- 82 percent of respondents feel that real-time payments will drive revenue growth for their organizations and 77 percent say they will save money.
- 86 percent of respondents overall (100% in Vietnam and Malaysia) believe that real-time payments have, or will, improve their customer services, and 89 percent have developed or are developing new services for consumers based on instant payments.
- 78 percent of ASEAN institutions think that real-time payments will replace the use of payment cards over time.

Clear understanding of benefits of open APIs amongst ASEAN banks

- 97 percent of respondents in ASEAN agree that the business benefits of open APIs are clear, versus 90 percent globally and 88 percent across Asia.
- ASEAN banks are less clear on strategies for the creation of open APIs for third-party use – 84 percent compared to 87 percent globally and 91 percent in Asia.

ASEAN spending growth outpaces other regions

- 64 percent of ASEAN financial institutions forecast investment in payments to increase in the next 18-24 months, compared to 56 percent in the broader Asia region and 53 percent globally.
- Planned payments investment varies widely across ASEAN; 53 percent of Singapore expect investment to increase a lot (5+%) compared to 30 percent in Indonesia and 13 percent in Malaysia and Thailand.
- Reducing total cost of ownership is a top three investment priority for most respondents (47%), with a move away from in-house development toward customized third-party software or off-the-shelf vendor solutions (from 8% to 13% over the next 2 years).

"Short-term investment plans are setting the base for long-term, strategic developments, as many organizations address core 'hygiene' factors to create a sound platform for payments innovation," said Leslie Choo, GM & vice president – Asia, ACI Worldwide. "Getting the house in order will be a precursor to developing services that enhance the customer experience, and truly reaping the benefits of innovation. The prospect of real-time, cross-border payments in the ASEAN region – and beyond – is another reason why ASEAN financial institutions are increasing investment, and the enthusiasm for real-time demonstrates that bank executives see this as a primary catalyst."

"The rapid development of real-time payments – in Asia generally but in ASEAN countries in particular – has lessons for banks, central infrastructure operators and merchant service providers around the world, as they work towards the realization for the first cross-border, multi-currency, real-time payments network," said David Bannister, principal analyst, Ovum. "The survey results show that ASEAN banks are focusing increased investment on ensuring that they are able to participate and compete in the emerging ecosystem; security – a prerequisite in payments – is front of mind for many, but all are looking ahead to the innovation opportunities created by the combination of real-time payments and API-based open banking."

To receive a complimentary copy of the report, please visit: www.aciworldwide.com/money2020asia

* Methodology and Demographics:

For the 2018 Ovum Global Payment Information Survey, Ovum and ACI Worldwide partnered to run a 22 question survey across a sample of retail banks.

Overall, the 2018 Ovum Global Payment Information Survey included a total 1,032 executive respondents across 13 industry sub verticals in 19 countries, resulting in over 225,000 separate data points on current perceptions and investment plans around payments technology on a global basis. This includes 277 retail banks, of which 75 operate in the ASEAN countries.

The aim of the survey was to understand the current attitudes, business objectives and operational pain points facing each respondent company, in turn creating a unique viewpoint on the role that investments in payments technology will underpin both the immediate and future objectives of each institution.

The main topics of focus for the survey include:

- IT investment plans around payment services
- Core business objectives and priorities
- Payment systems architectures including SaaS
- Plans and experiences around both open banking and real-time payments

Fieldwork ran between January 2018 and February 2018, providing a clear insight into current thinking in the industry across financial institutions in the region.

This paper focuses on the survey findings for banks in the ASEAN region. For more details about the findings, please visit www.aciworldwide.com for further information.

**Association of South East Asian Nations (ASEAN) consists of Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Vietnam, Laos, Myanmar and Cambodia.*

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