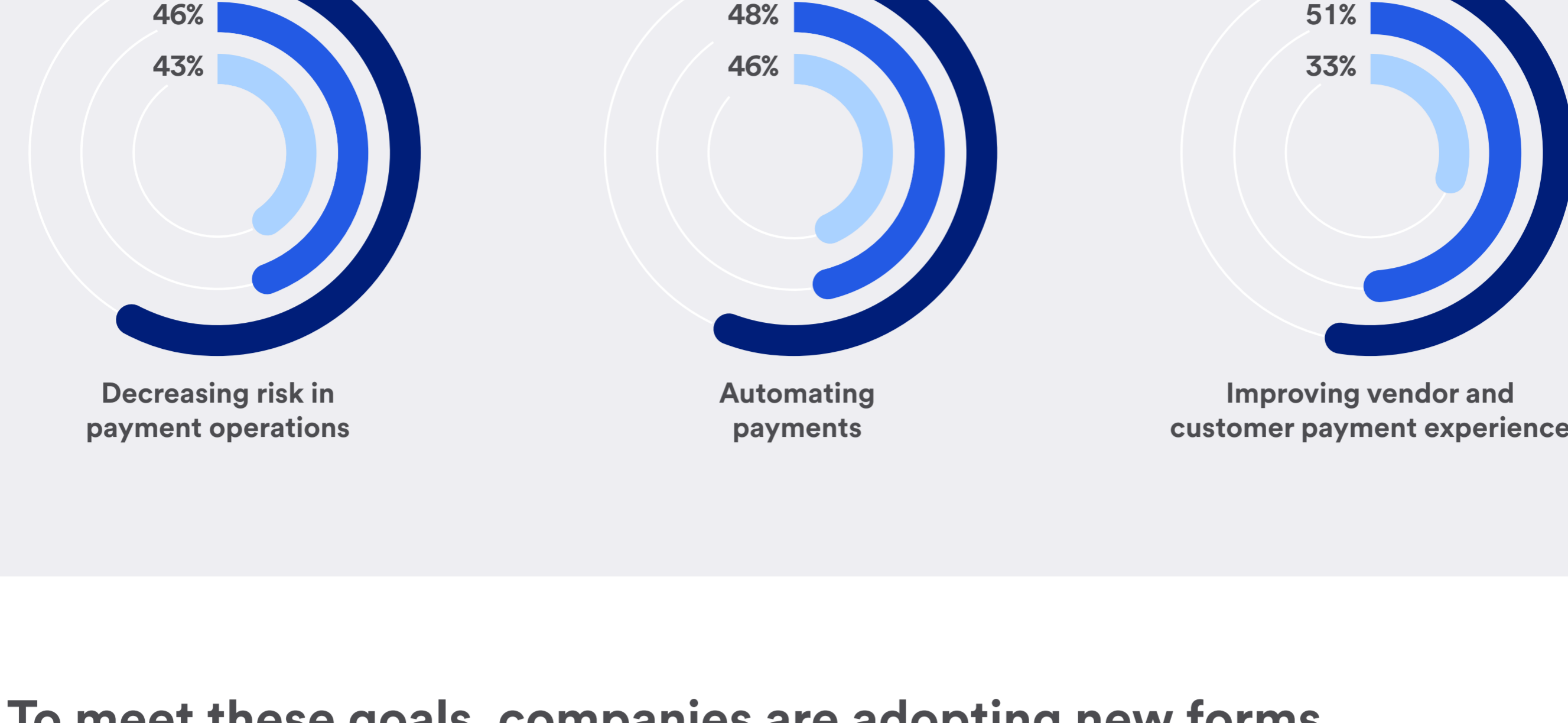


Payments transformation finds a new gear

A new study by U.S. Bank finds that finance leaders are transforming how they send and receive money, with a focus on digital and embedded payments.

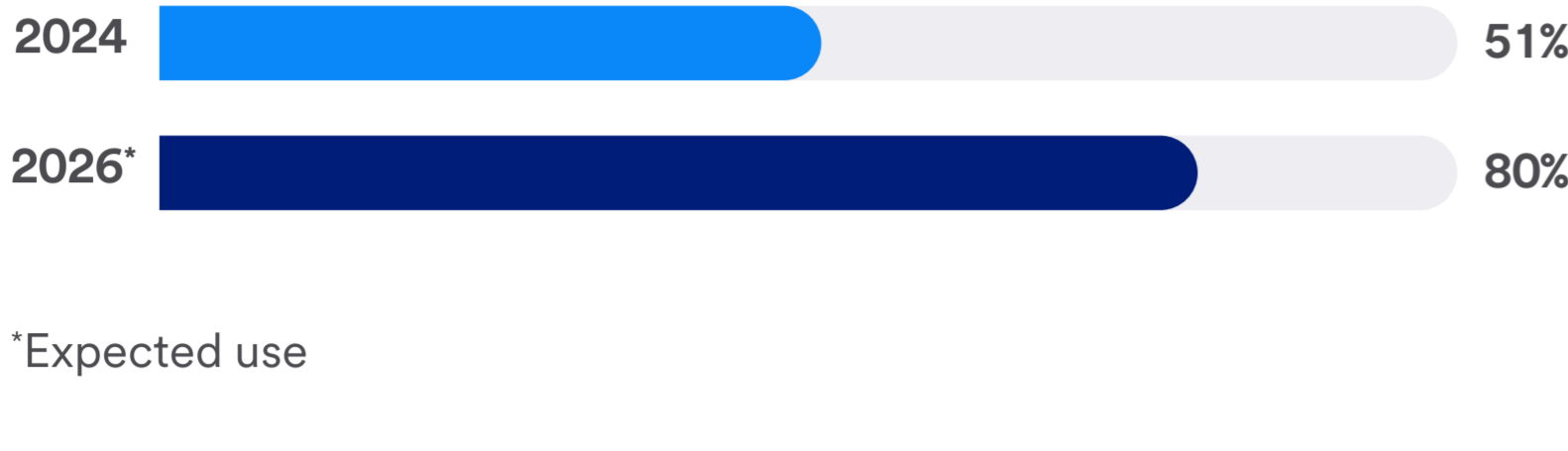
Payment transformation strategies are focused on mitigating risk, automating processes and improving experiences.

Motivations for payments transformation are changing
(Percentages indicate those that say each is an important payment transformation initiative)



To meet these goals, companies are adopting new forms of digital payments at an impressive rate.

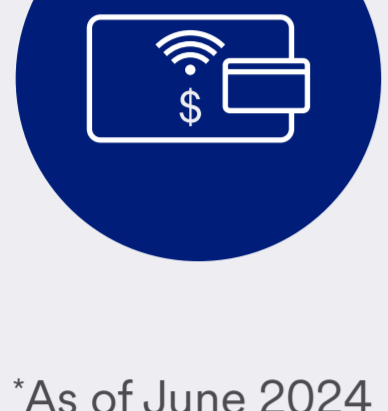
Use of instant payments soars
(RTP® network and FedNow® Service)



Eight in 10 companies expect to use instant payments within two years.

*Expected use

This growth was enabled by the rapid growth of the RTP® network and the introduction of the FedNow® Service in July 2023.



The RTP® network processed **76.5 million** transactions in 1Q24 (+48% year-over-year), with total payment value of **\$42.3 billion** (+72%).



The FedNow® Service has more than **700** participating financial institutions, up from **35** at launch.

*As of June 2024

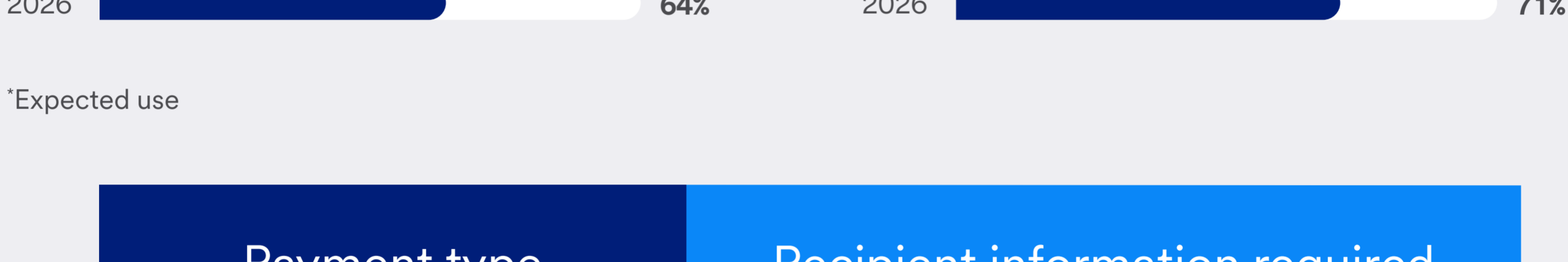
Which industries are leading the way in the adoption of instant payments?

Expected use of instant payments in 2026



Businesses are using multiple forms of digital payments to meet customer preferences and their own needs.

Additional digital payment options are growing in popularity



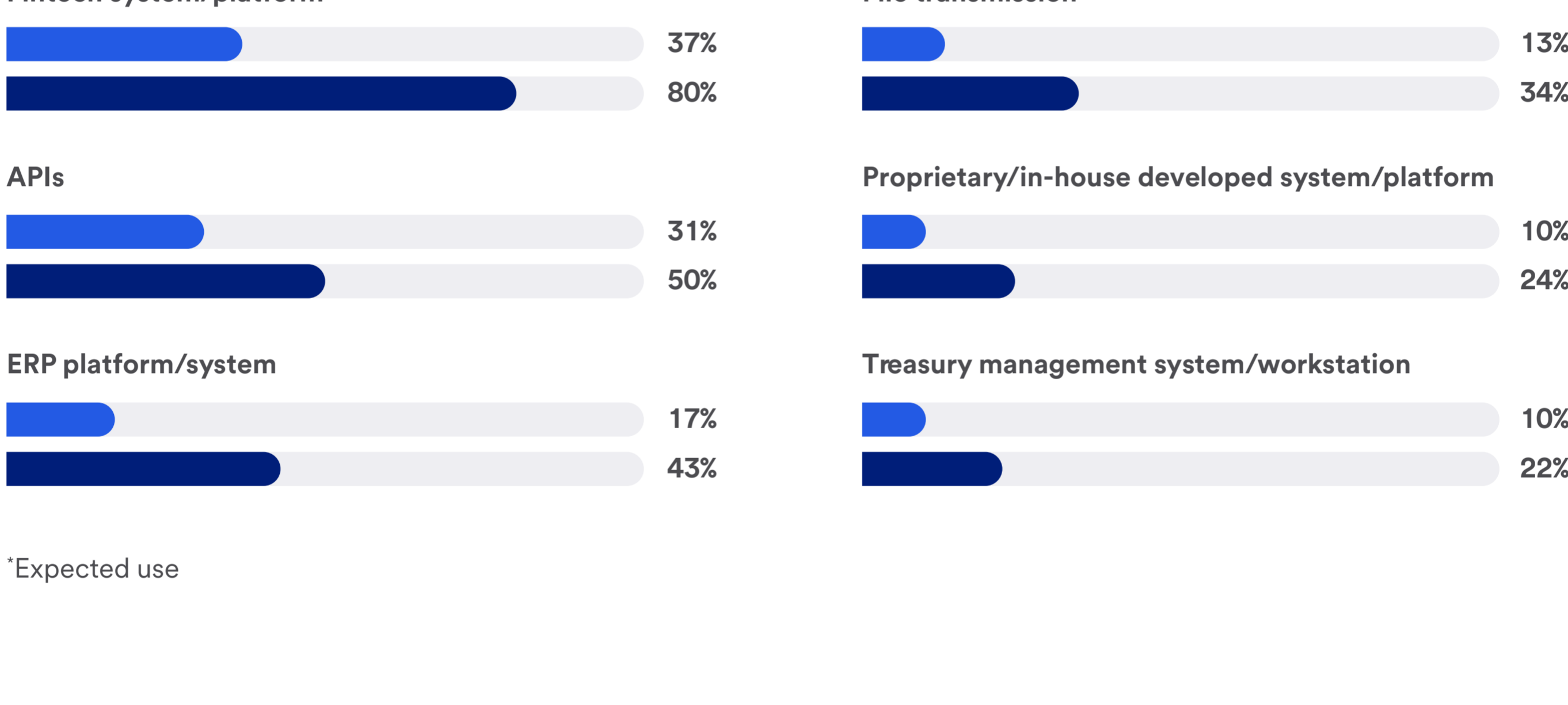
*Expected use

| Payment type | Recipient information required |
|------------------------------|-------------------------------------|
| RTP® network/FedNow® Service | Bank account and routing number |
| Zelle®/Venmo® | Email or phone number |
| Push to debit card | Debit card number |

The next frontier: embedding payments

Growing use of digital payments is prompting many to consider embedding payments into existing systems, including back-office tools used in the finance function and customer-facing applications.

Embedding payments in fintech and ERP systems is expected to surge



*Expected use

“ At its most simple level our customers are not banks, but they want to be able to have the payment options available within the system they use, whether that’s the front office or the back office. ”



Mike Jorgensen
Head of emerging solutions and strategy, U.S. Bank

What are embedded payments?

At its core, embedding payments means integrating the payment capabilities of a business’s financial institution with its existing systems and platforms.

Whether it’s an ERP system, a proprietary platform or any other technology solution which supports day-to-day operations, businesses can create integrated, connected experiences for employees, suppliers and customers to:

- Boost productivity of internal teams with simplified workflows
- Create customer experiences with built-in payment and reporting capabilities
- Provide access to a wide range of payment types

Payments can be integrated in multiple ways, including through existing applications, third-party platforms and customer-facing systems.

“ Customers want to pay online, in real time, in an integrated experience that doesn’t require them to jump between sites or different providers. Embedded payments also help businesses differentiate from the competition and be more efficient. ”



Mike Jorgensen
Head of emerging solutions and strategy, U.S. Bank

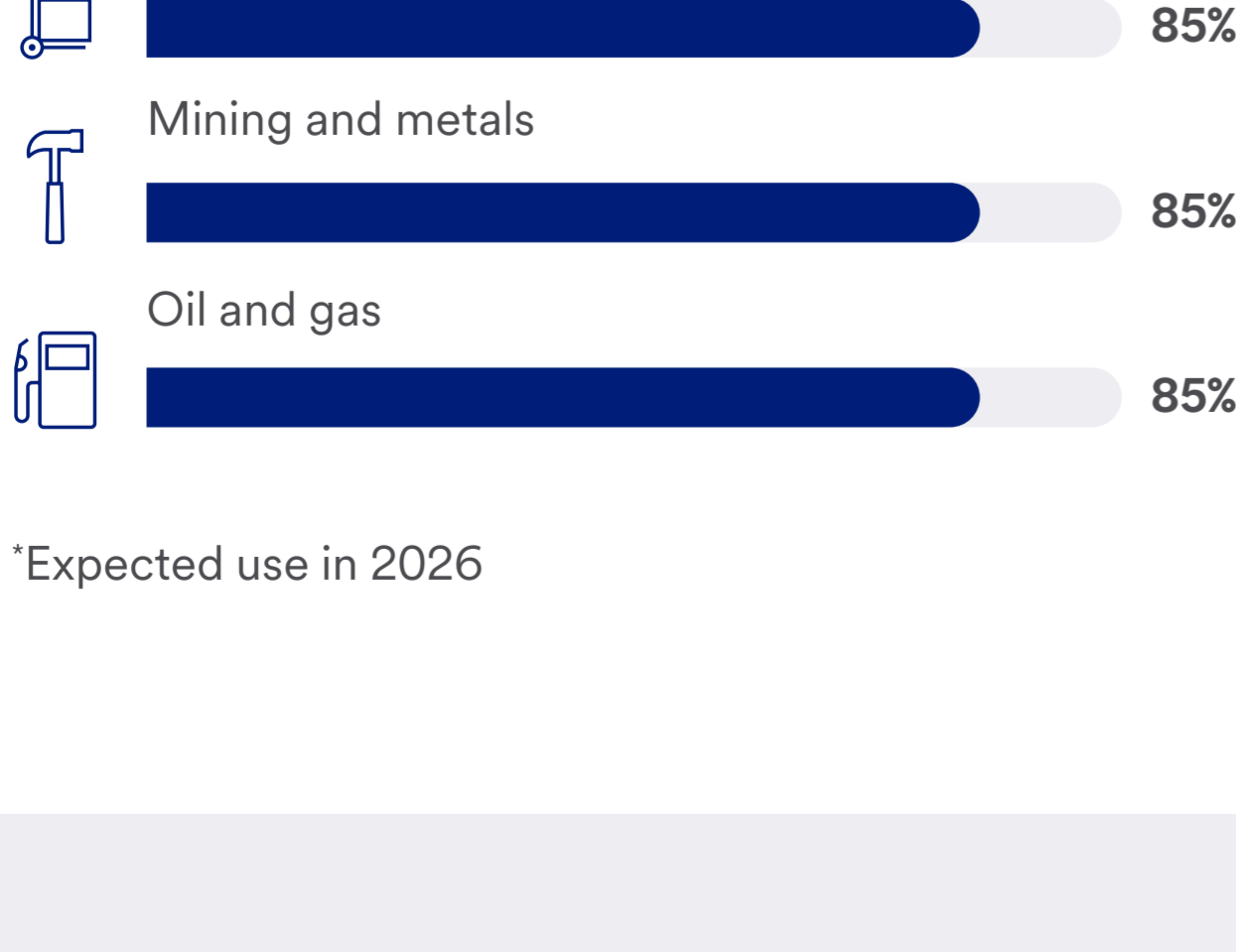
“ Clients no longer have to take part in a disjointed process. Instead, the information from the bank flows both ways – from the origination to the balances – and clients are able to continue working in a world that they’re used to. ”



Anu Somani
Head of global payables and embedded payments, U.S. Bank

Who’s leading the way in embedded payments?

Sectors that are planning to embed payments in fintech platforms*

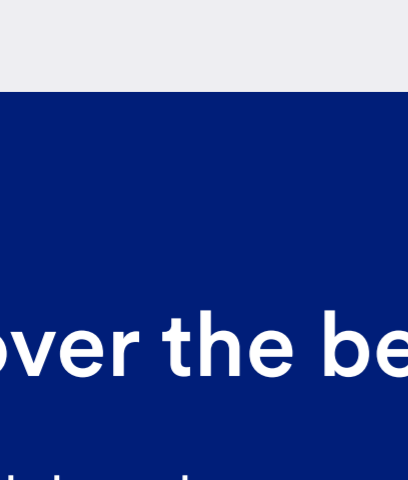


*Expected use in 2026

Sectors that are planning to embed payments using APIs*



“ The clients that transform payments successfully are able to articulate a stated goal, whether that be removing paper from back-office processes or improving net promoter scores. A willingness to change the status quo is vital. ”



Anu Somani
Head of global payables and embedded payments, U.S. Bank

Discover the benefits of transforming your payment processes.

U.S. Bank has the expertise to help your business take advantage of the next generation of payments. Benefit from our innovative solutions designed to meet your unique needs on both local and global scales.

[Connect with a treasury management expert](#)

Disclosures: RTP® is a registered service mark of The Clearing House Payments Company, L.L.C. Eligibility requirements, other conditions and fees may apply. Deposit products are offered by U.S. Bank National Association. Member FDIC. Zelle® and the Zelle® related marks are wholly owned by Early Warning Services, LLC and are used herein under license. ©2024 U.S. Bank