



YOUR ROADMAP TO PAYMENTS

Payments trends and the strategic initiatives you can use today to help enhance the cardholder experience.

YOUR ROADMAP TO PAYMENTS

PAYMENTS FLEXIBILITY ENSURES EVERYONE WINS

The buy now, pay later (BNPL) market is expected to grow 181% by 2024, according to the 2021 Global Payments Report by Worldpay from FIS. Post-purchase installment programs are not new, but customers' preferring access to easy, flexible and diverse payments options has made them one of the fastest growing segments in payments.

To compete with emergent point of sale (POS) installment loan providers like Affirm, Klarna and Afterpay, along with issuers like Chase, Citi and American Express — which all offer some iteration of a flexible repayment plan — credit and debit issuers must respond with a similar solution.

Post purchase installment offers give cardholders the flexibility to make larger purchases and can help to build cardholder loyalty. By offering both choice and control, issuers can use post-purchase installment loans to add additional functionality to their consumer cardholder portfolio, differentiate their offering, drive revenue and expand cardholder relationships.





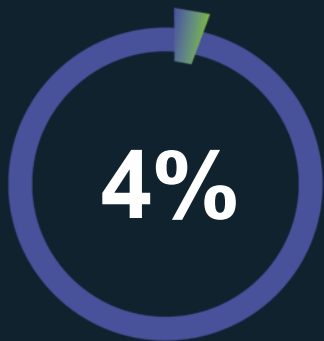
DID YOU KNOW?

BNPL services rose nearly 78% in 2020
— the biggest leap of all payment types.

—2021 Global Payments Report by Worldpay from FIS

Consumers see BNPL as a safe way to spread out interest-free payments, particularly amid continued uncertainty about what a post-pandemic life and economy will look like.





**BNPL will account for 4%
of global eCommerce
spend by 2024.**

— 2021 Global Payments Report by Worldpay from FIS

50%



50% of consumers would use
BNPL for a purchase under \$250.

41%



41% said the same for a purchase
between \$250 and \$999.

— 2021 FIS Generation Pay survey

Consumers perceive BNPL to be a means of
controlling their spending and cash flow, helping
ensure they don't fall into unmanageable debt.

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RELIABILITY AND AGILITY NEED NOT BE MUTUALLY EXCLUSIVE

Moving to the cloud can mean flexibility, scalability and agility. However, a total cloud operating environment, for every business scenario is not yet a practical reality.

That's why strategic organizations like FIS have adopted a hybrid cloud approach. This "best-of-both-worlds" method consciously considers each piece of technology, and where it will serve clients best. If moving a particular function to the cloud yields true customer and client benefit, it belongs in the cloud. If a function is performing better on a system like the mainframe, HP NonStop or Oracle Exadata, it doesn't move just because it can.

Hybrid cloud consciously keeps costs low for FIS clients, and ensures that systems stay secure, robust, and highly available. Hybrid cloud doesn't force a massive migration. It prioritizes what is the best for the client and the end user. When operating in the cloud, technologies associated with the client experience deliver far superior user functionality and a more seamless delivery model. Likewise, the cloud ensures that FIS' services are open API-ready, so that our clients always have access to the latest technology.

Hybrid cloud means moving away from high fixed-cost infrastructures where they are a burden, but making sure every move is thoughtful, beneficial and right for our clients.



DID YOU KNOW?

More than 90% of global enterprises will rely on hybrid cloud by 2022

— IDC's META CIO Survey 2020

The pandemic highlighted the importance of agility and being able to scale up and down with ease. This has led many organizations to realize they'll achieve performance, always-on availability, and better security and compliance by keeping some systems on-premise or in private clouds.

TRUE OR FALSE?

It's more expensive and inefficient to maintain a hybrid cloud approach than to fully embrace public cloud.

FALSE



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EASY PAYMENTS MEAN SEAMLESS EXPERIENCE

The pandemic expedited the need to buy and sell in a way that was easy, fast and secure without requiring physical contact.

While the acceleration of digital, mobile and contactless payments happened in part as a response to this need, it will be a permanent shift. The 2021 Global Payments Report by Worldpay from FIS revealed that digital wallets accounted for nearly 30% of e-commerce spend in North America last year, and spending is predicted to exceed 40% by 2024.

In North America, mobile wallet use at the POS surged 60% last year compared to 2019 levels, and this growth will continue.

While the adoption of contactless payments was slow in the United States compared to other parts of the world, the pandemic has certainly made them part of mainstream payments behavior going forward. According to FIS research of 1,000 Americans conducted in February 2021, the percentage of young millennials who used contactless payments tripled in the last ten months, while the percentage of boomers making contactless payments more than doubled.



Stats: By 2024, digital wallets will account for 52% of global e-commerce payment volumes

— *The 2021 Global Payments Report by Worldpay from FIS*

When safety concerns about using cash arose, **cash's decline** was absorbed in large part by digital and mobile wallets.



Gen Zers and Young Millennials use mobile payment wallets more now than they did **ten months ago.**

— FIS Pace Pulse research, Feb. 2021

In fact, more than ten million consumers made their first digital payment in 2020.

The percentage of Baby Boomers using mobile payments rose by **4X from April 2020 to Feb. 2021.**

— FIS Pace Pulse research, Feb. 2021

YOUR ROADMAP TO PAYMENTS

FULL-SERVICE EQUALS EFFICIENCY AND RELIABILITY

When payment providers have access to a functionally diverse menu of hosted services and support models, payments stop being so demanding.

Futureproofing is no longer a concern. Innovation becomes an organizational opportunity rather than a challenge. Servicing model flexibility ensures partnership. You pay only for what best suits your operating model.

For a smaller financial institution, trusting a partner to handle functions like collections or customer support can relieve huge operational burdens. For a tech giant who wants to get into cards, outsourced card processing and tokenization as a service can be the difference between success or failure.

Such a simple concept. Despite that a shared, hosted platform lets everyone on it operate with ease, many financial technology providers don't offer this kind of support.

At FIS, we've provided a flexible menu of hosted services for years. Clients choose which servicing options support their debit and credit needs best, so they can focus on driving interchange revenue and acquiring and serving clients. When or if those needs change, they can remove or add services just as easily.

It's not another "as a service" offering. It's the freedom to change for the better.



“ Payments can represent as much as **40%** of a bank’s operating cost base...a disproportionate share of effort and resources go to maintaining and managing infrastructure, implementing rule changes and rationalizing legacy technology

—The 2020 McKinsey Global Payments Report



An aerial night view of a city with a network of white lines and dots overlaid on the buildings and streets. The text is centered in the upper half of the image.

“ Deciding on a bank’s future payments operating model first requires determining the bank’s **level of ambition** in payments. ”

—The 2020 McKinsey Global Payments Report

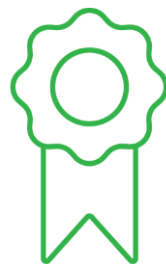
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DRIVE INNOVATION AND SPEED TO MARKET WITH APIS

Payments innovation and APIs work hand in hand, but having APIs is no longer enough. To ensure APIs result in a usable and viable service or product, the documentation must be as good as the functionality of the API. The APIs must deliver dynamic, complex experiences while packaged in such a way that supports speed to market.

That's why FIS' API platform, Code Connect, includes an API gateway, catalog, developer portal, partner program, marketplace and real-time events notification. It provides a central access point to integrate with FIS solutions via APIs so that financial institutions and fintech partners can easily integrate, leverage and deliver solutions across any digital channel, and differentiate their experiences.

We have also developed our APIs to easily integrate with the other technologies we know providers use. This ensures developers can easily search our API library to find the building blocks they need to move quickly, experiment, pivot and enter new markets.



FIS has been recognized for having the **most advanced API** platform and environment of leading U.S core providers

YOUR ROADMAP TO PAYMENTS

WHERE WILL THESE TRENDS TAKE YOUR BUSINESS?

**LET'S REIMAGINE
YOUR PAYMENTS**

ABOUT FIS



FIS is a leading provider of technology solutions for merchants, banks and capital markets firms globally. Our more than 55,000 people are dedicated to advancing the way the world pays, banks and invests by applying our scale, deep expertise and data-driven insights. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers.

Headquartered in Jacksonville, Florida, FIS is a Fortune 500[®] company and is a member of Standard & Poor's 500[®] Index.

