FINASTRA

Factsheet

Finastra Intelligent Routing

Automate payments route decisioning complexity into predictable payments delivery

Why banks need an Intelligent Routing solution?
As payment infrastructures modernize, banks are confronted with unprecedented complexity:

Fragmented functionality across systems
Large banks typically run multiple transaction banking applications, each duplicating common payment processing capabilities.

Proliferation of payment rails
Domestic and cross-border networks, each with their own rules, formats, and settlement mechanisms, continue to expand.

Siloed routing logic
With routing decisions scattered across multiple systems and channels, banks struggle to implement complex correspondent routing and face duplication of maintenance, inconsistencies, and heightened operational risk.

Evolving customer expectations
High STP rates, precise settlement capabilities, and zero tolerance for payment failures are now baseline demands.

Tightening regulatory mandates
Global regulatory initiatives are pushing for greater speeds, lower costs, and higher transparency in payment flows.

The global average fee for failed or repaired payments has reached USD 12

Source: LexisNexis Risk Solutions, True Impact of Failed Payments Report

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Without a centralized routing intelligence, these pressures manifest as:

Failed or delayed payments caused by lack of visibility into clearing routes

Manual rerouting that adds operational overhead and erodes margins

Inability to react in real time to clearing member availability or outages, dynamic fee structures, or new compliance obligations

High operational risk, with limited transparency across end-to-end payment flows

Inability to provide personalized customer routing for priority corporate customers

Lack of support for weekends, public holidays, and multi-time zone routing, including the inability to override existing static routing conditions

What problems are solved with Intelligent Routing?

What makes routing "intelligent" is not just automation, but: the ability to evaluate, in real time, the best possible way to process a payment. Also, the ability to dynamically embed a rule engine into a payment routing solution enables banks to configure hundreds of rules that personalize routing behavior in real-time. This means dynamically balancing:

Cost and speed

Minimizing fees while meeting settlement deadlines

Customer expectations

Intelligent routing to deliver the best possible experience, whether for corporates or global banks

Business and market rules

Ensuring compliance with bank's processing guidelines and clearing requirements

Risk and transparency

Providing real-time visibility across availability of all clearings and reducing the operational risk of failures, rerouting, or exceptions

Which type of banks and FIs need an Intelligent Routing solution?

Our Intelligent Routing solution is built for banks with complex transaction banking portfolios that:

- Operate across multiple regions, payment rails, and systems including in-house built or third-party
- Require composable, reusable, and centralized payment components to reduce duplication overheads, operational complexity, and offer precise transaction settlement capabilities
- Need a future-proof architecture to quickly adapt to regulatory shifts, scheme upgrades, and evolving customer needs
- Seek to enrich customer channels without embedding complex logic, enabling faster time-to-market and improved operational efficiency
- Prefer incremental payments modernization by enabling selective routing for high-value, critical payments through tried and tested systems and low-priority payments via new modern infrastructure
- Want to supplement their existing payments infrastructure with best-of-the-breed intelligent routing capabilities, offering flexible routing choices for the bank without having to change their existing payments system

The solution

Finastra's Intelligent Routing is a cloud-native, microservices-based, composable solution that provides a standalone capability to determine the most appropriate method of payment (aka payment route) for payments, including deciding complex correspondent banking route, across the entire processing chain within a bank.

It works across all payment types including — high-value, ACH, book transfers, instant, and cross-border — ensuring faster, cost-effective, and compliant processing. Also, the solution can handle incoming, outgoing, and onward payment route identification. In addition to being available standalone, our Intelligent Routing solution is built into Global PAYplus, for customers requiring the additional benefits of a multi-rail, configurable enterprise payments hub.

The solution leverages Global PAYplus's best-of-the-breed business rules engine and allows banks to further improvise best route decisioning based on historical data points around settlement turnaround times, and also on:

- Cost and speed
- Currency and value date
- Reachability of clearing schemes
- Compliance with scheme standards and regulatory guidelines

Using APIs, the solution enables banks and corporates to validate MOP clearing rules and payment party attributes, check clearing memberships, compute complex payment dates attributes and dynamically determine routes that leverage correspondent banking chains, making the solution adaptable across embedded banking channels, order management systems, and traditional payment engines.

For banks with global operations and a complex payment ecosystem, an Intelligent Routing layer is not simply a convenience – it becomes a strategic control point. By centralizing and optimizing routing decisions, offering reusable, API-driven microservices, our Intelligent Routing solution allows banks to reduce complexity, increase automation, enhance reliability, improve operational efficiency, and provide optimized and precise transaction settlement capabilities.

> ***"What makes routing intelligent is not just automation, but: the ability to evaluate, in real time, the best possible way to process a payment."***
>
> **Jasmine Merwana**
> Head of Product Modernization, Large Enterprise, Payments, Finastra

Key microservices used in the Intelligent Routing solution and their associated functions

Microservice	Purpose
Routing Orchestration	Acts as a central controller and offers coarse-grained functional APIs to external consumer applications for retrieving payment routes. Internally, it interacts with other underlying microservices to gather domain-specific information required in the API response and compiles routing recommendations.
Method of Payment	Calculates various payment date attributes for each route and validates compliance with clearing scheme rules. It exposes fine-grained APIs tailored to these specific functionalities. It also identifies correspondent banking chains, validates Relationship Management Applications (RMAs), and supports transfer methods (serial/cover) based on Standard Settlement Instructions (SSI) data and the bank's own correspondent network.
Payment Party	Determines transaction direction (inbound, outbound, onward, or book), identifies counterparties, and maps the nearest party in the credit chain. It also manages and loads detailed information about the parties involved, ensuring accurate transaction processing. These functionalities are exposed via fine grain APIs.
Financial Directory	Facilitates simplified transfer of financial institution's reference data in microservice profiles via standard industry upload formats like SwiftRef, Bankers Almanac, etc.

List of APIs used in the Intelligent Routing solution and the supported business use cases

APIs	Business use case(s)
Payment Routing Orchestration	• Selects the 'best' available route (MOP and target chain) for a payment instruction • Derive all available route options for a payment instruction • Validate a pre-defined route in a payment instruction
Get Correspondent Chain	• Generate settlement chain using correspondents between the current processing agent ('local office') and the first in the Chain Party, assuming it is a financial institution
Calculate Payment Date	• Fetch payment date attributes like Release date, Source Value date, Destination Value date, Processing date, and applicable cutoff
Reachability	• Check financial institution's reachability via a clearing scheme
Validate Clearing Scheme	• Validate a payment instruction to ensure that it complies with the clearing scheme rules
Profile Management	• Enables full lifecycle management (CRUD) of business data setups such as FI, Identifiers, SSIs, Own Correspondents, Value Dates, and Clearing Schemes—supporting seamless configuration and maintenance of core operational profiles

Note: A microservice can call/invoke multiple APIs and the list of APIs are not limited to the ones listed in the table.

Business benefits

Deliver better customer experience

By selecting the optimal route across parameters like clearing availability, value date, cost, etc. Intelligent Routing provides a consistent and reliable payments experience. This ensures optimized and predictable outcomes, builds trust, and enhances customer satisfaction — turning a potential point of friction into a value-driven experience.

Reduce complexity and operational risk

Intelligent Routing consolidates routing logic into fewer microservices, reducing duplication across applications. It minimizes the need for manual interventions in handling failed or delayed transactions — this is especially important for high-value (domestic or cross-border) payments which carry systemic risk.

De-risk modernization with intelligent traffic segmentation

Banks can route high-value transactions to trusted legacy systems while testing low-priority payments on new engines — enabling gradual migration, performance validation, and fallback continuity.

Foster innovation

By providing standalone centralized route determination and validation, Intelligent Routing supports rapid development of Banking-as-a-Service (BaaS) use cases. It makes it easier to embed modern payment capabilities into ecosystems and deliver differentiated value propositions.

Improve STP rates and reduce payment failures

The solution dynamically identifies valid paths minimizing the chance of rejection — especially near cutoff times or during system downtimes. This boosts STP rates, minimizes exceptions, and improves settlement certainty.

Decouple routing logic from customer channels

Allows banks to launch new offerings faster by configuring rules centrally — without needing to customize each channel. This leads to increased automation, higher STP rates, reduced operational overhead, and enhanced customer experience.

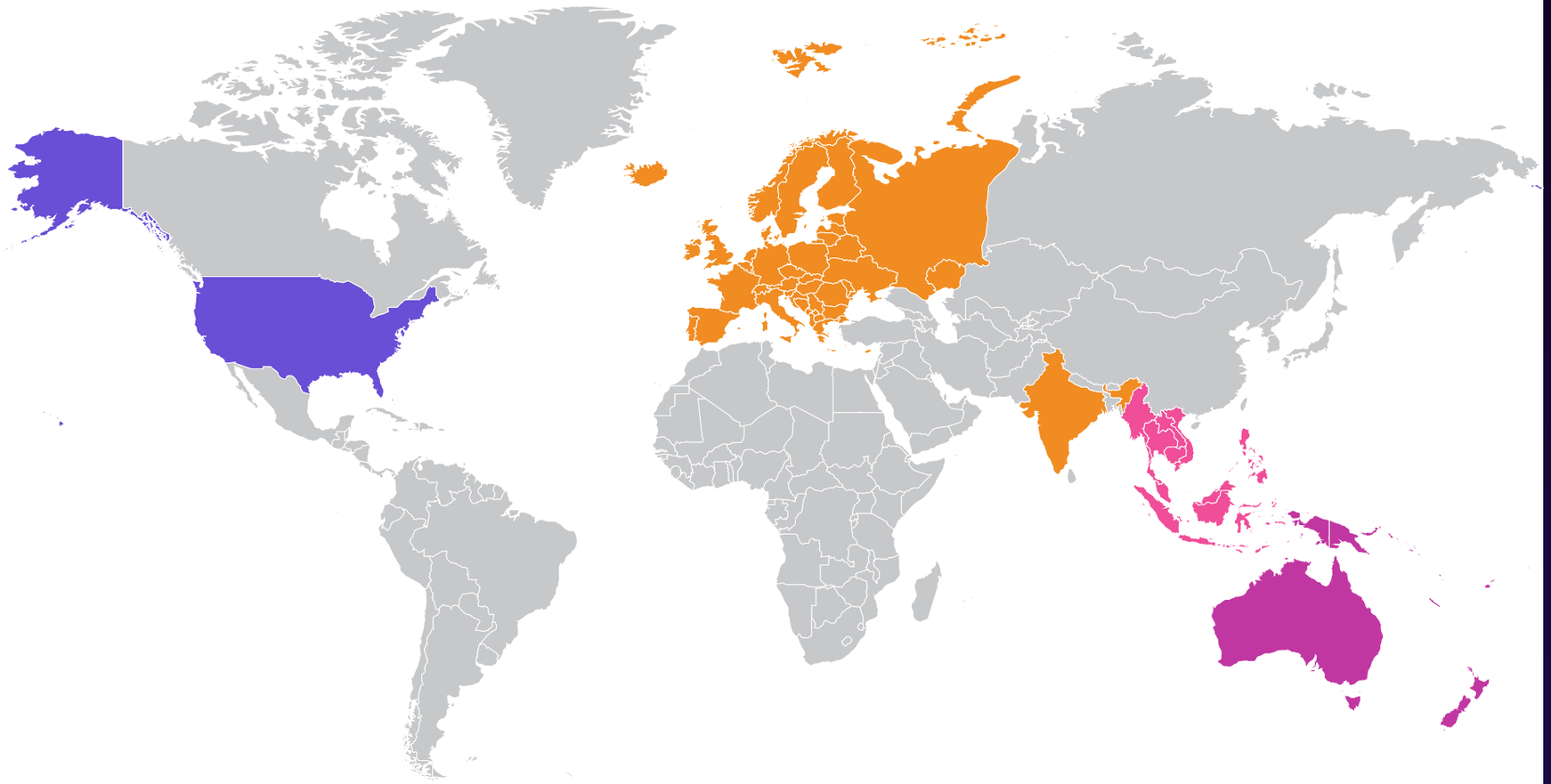
Future-proof payments architecture

API-driven, reusable services allow banks to add new rails, adapt to regulatory change, and modernize incrementally without re-engineering multiple systems. The architecture scales as market and business needs evolve.

Scalable architecture

Intelligent Routing leverages a modular, microservices-based architecture that dynamically scales based on transaction volume. Instead of provisioning excess hardware for infrequent peak loads—such as processing large payment files, the solution invokes only the necessary routing services in real time. This ensures optimal resource utilization, reduces infrastructure costs, and maintains high performance during critical periods.

Intelligent Routing – *Customer success stories*



Australia:

For our customers in Australia, we're routing inward Swift payments through the New Payments Platform (NPP), Australia's domestic instant payments infrastructure. This enables real-time cross-border transactions, enhancing customer experience and liquidity management.

Europe to India:

A Tier 1 bank in Europe is delivering real-time cross-border payments (routing Swift payments through instant payments) to India by integrating iUPI into Global PAYplus platform, becoming the first bank in the region to offer this service for both retail and corporate customers. They've also implemented all three rails (High Value, Instant, and Mass Payments) on a single instance of Global PAYplus.

South-East Asia:

For Tier 1 bank in South-East Asia, we're routing bulk payments and inward remittance flows through the region's real-time payment scheme, enabling high-volume and value transactions to be processed instantly and securely.

America:

Our banks can support complex settlement and value date requirements—for example, payments initiated on Fridays to settle on Sundays in the Middle East, despite Sunday being a non-business day in the U.S. Also, institutions with multiple Nostro relationships can dynamically configure which agent bank's Nostro account to use for specific payments. This enhances flexibility, improves liquidity management, and ensures real-time access to funds.

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