



FIFTH THIRD BANK

Commercial Bank Overview

**Florida Government Finance Officers Association
July 2023**

Agenda

- Introductions
- Considerations When Selecting a Banking Partner
 - Collaboration and Strategic Recommendations
 - Thought Leadership
- Digital Transformation
 - Real Time Payments
 - FedNow Payments
 - FinTech Partnerships
- Analysis Statement Review

Introductions



Dawn is a Certified Treasury Professional, Vice President and Commercial Treasury Management Officer with Fifth Third Bank. Dawn joined Fifth Third Bank in 2003 as a Financial Center Manager and then transitioned to the Commercial Treasury Management team in 2006. Dawn is responsible for partnering with various not-for-profits, government, institutional, higher education, and commercial middle market clients to lend experience, give advice, and offer guidance on the best approaches to meet their cash management needs.

Dawn resides in Naples, Florida with her husband and two children. Her son Jared is studying Industrial Engineering at University of Central Florida, and her daughter Sydney is a Junior in high school.



Maria Mason is the Product Manager for Instant Payments at Fifth Third Bank. Her work focuses on developing the best client experiences to move money safely and compliantly 24/7. In her current role she has led the build out of Real Time Payments and is now focused on adding FedNow to create the most comprehensive Instant Payment availability.

Her tenure at Fifth Third has covered roles in various capacities. During her seven years at Fifth Third, she has worked in Audit Governance, moved to IT Project Management, and then took on various roles in Product Management. Prior to coming to Fifth Third Bank, Maria worked for Navient leading integrations of back-office ERP systems.

Maria resides in Cincinnati Ohio with her husband and two dogs. For fun she spends time boating on the Ohio River with family and friends. She is an avid sports junkie and is excited for the Cincinnati Reds current winning streak.

Consideration When Selecting a Banking Partner

Collaboration and Strategic Recommendations



Understands your industry and collaborates with you to meet your financial needs



Robust treasury management solutions



Focus on Liquidity Management



Fraud Mitigation Solutions



Enriched Data to create efficiency



Commercial Card Payments Solutions

Digital Transformation



Continued Focus on Digital Transformation



Digital Payments and the Drive to Real Time



Banks and Fintech Partnerships

Collaboration and Strategic Recommendations

Treasury Management Strategy

It is critical to select a bank that offers your organization innovative solutions to optimize working capital and confidence in strategic decision making for today and into the future.

Receivables



Streamline processes to reduce effort and cost

Information Management



Get data you can manage and control

Liquidity



Maximize returns by getting your funds where they need to be

Risk Management



Protect your information through fraud-mitigating products and services

Payables



Easily track and optimize your payment mix

Managing and accessing your information

Investing, growing and protecting your money

Collaboration with you

Your Treasury Management client experience

Your banking partner should take the time to learn about your organization to recommend the Treasury Management solutions that are the **best fit for you**.

By understanding more about your organization's goals and challenges, your banking partner will be able to provide strategic recommendations.



Solutions that align with your needs for greater convenience in day-to-day operations



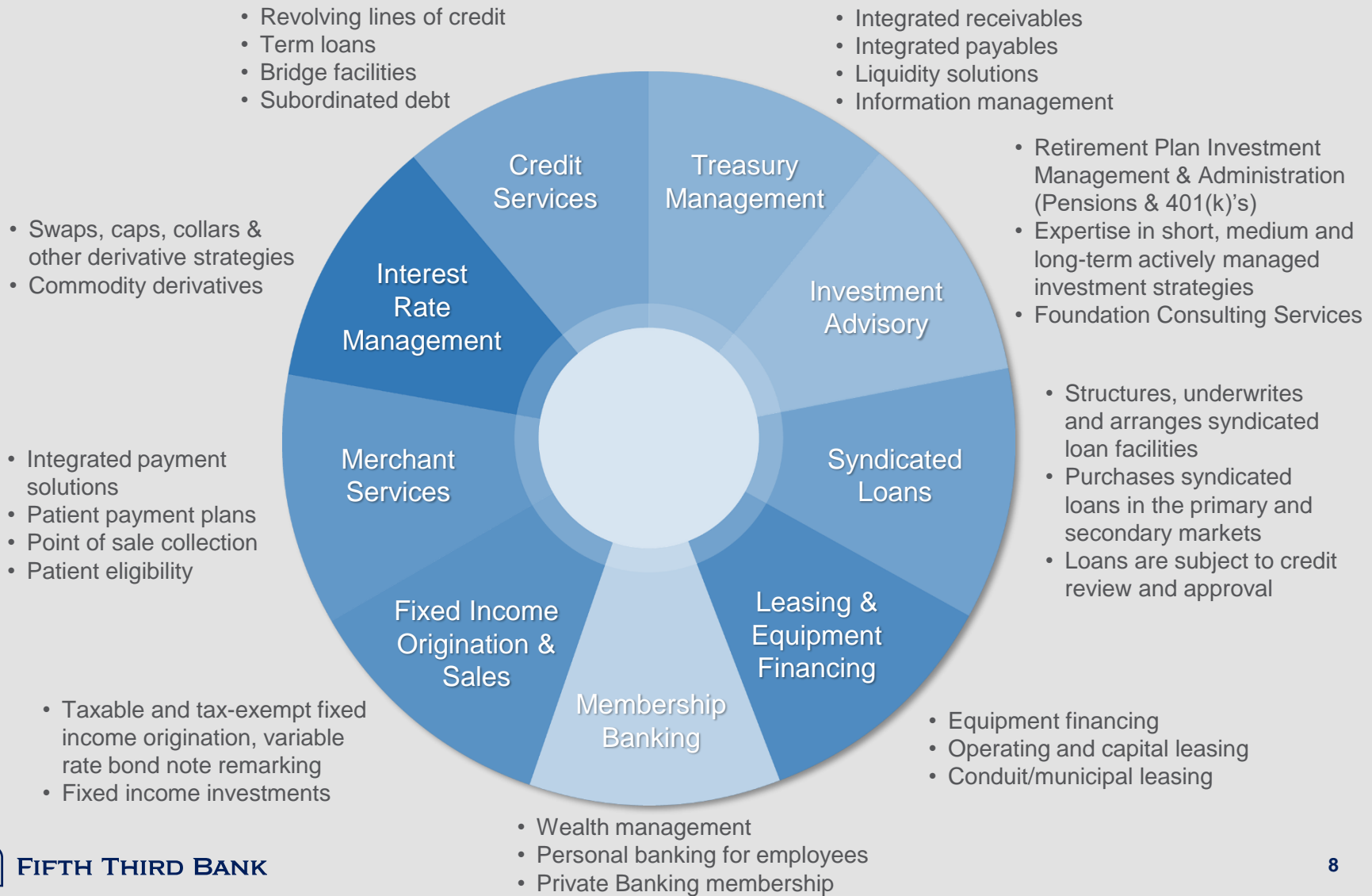
Treasury specialists who advocate on your behalf for optimal onboarding and ongoing support



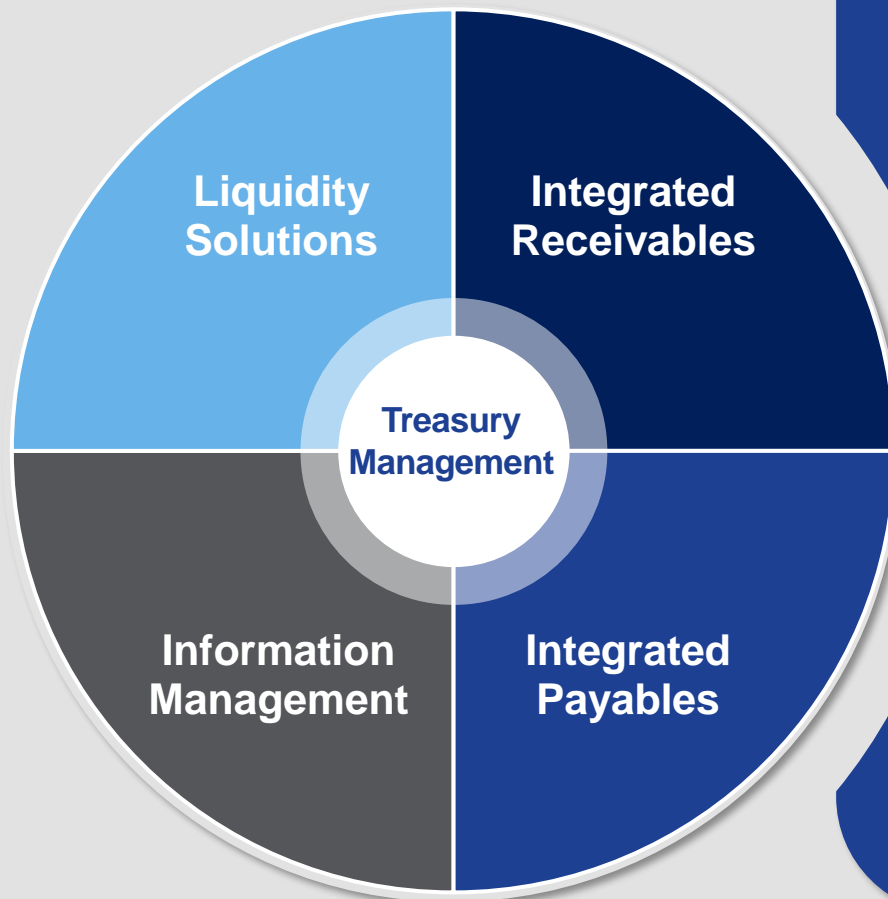
Strategic recommendations that focus on helping you succeed in a dynamic business environment

Full Suite of Products

Offering a comprehensive approach to providing financial solutions



Treasury Management Overview



Integrated Receivables

- Optimize collection services
- Improve cash posting
- Streamline processes

Integrated Payables

- Optimize payment mix
- Improve controls & risk management
- Streamline processes

Information Management

- Manage financial accounts
- Understand transaction details

Liquidity Solutions

- Implement optimal account structure
- Ensure liquidity & maximize return

Robust Treasury Management Solutions

Information Reporting Features to Consider

Holistic view of your relationship

- Provides access to cross functional business products such as Capital Markets, Commercial Card, Treasury Management, Investment Advisors and Commercial Credit.

One payment module for all payment types

- Initiation of ACH, Wires, and Account Transfers all in one place.

Robust administrative model

- Ability to create a business hierarchy and user entitlement structure that fits the needs of every customer.

Business and Transaction Risk Management

- Options to utilize single and dual approval for payments and administration to manage risk.

Secure single sign-on

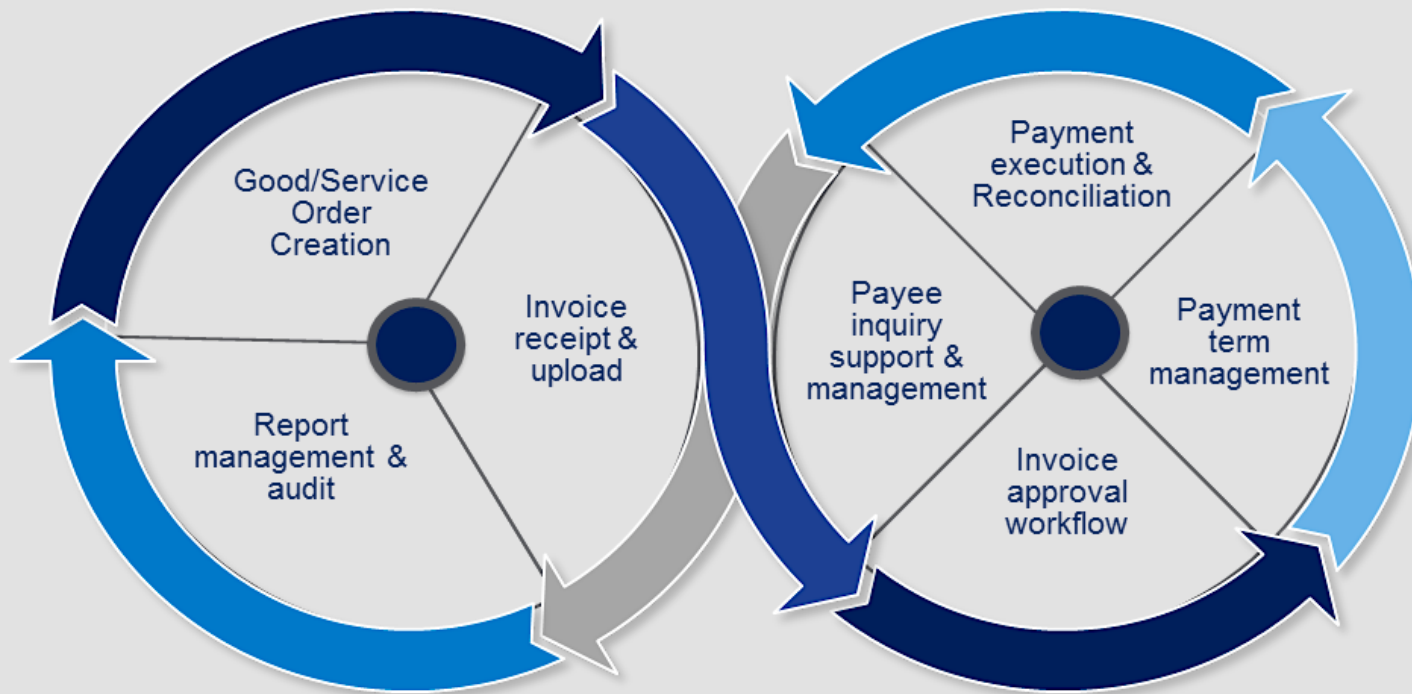
- Multi-factor authentication and tokens ensure only authorized users have access to company information.



Payables

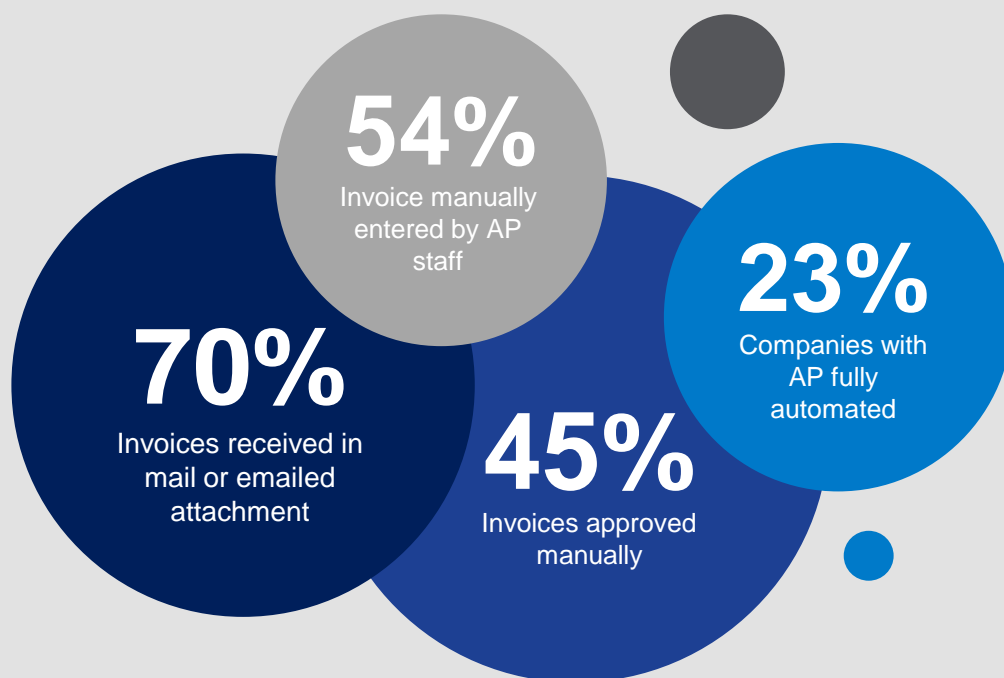
Payables

The core payable functions are consistent across industry; However, an organization's payables strategy and activities taken to execute that strategy create a unique process.



Payables Market Trends:

Invoice Receipt and Management



Impact on Automation¹

16.6	Days to get an invoice approved in an average AP process (manual)
3.6	Days to get an invoice approved in an automated AP process
5x	Improvement of invoice approval time when using an automated AP process

Source: PayStream Advisors, 2018 Payable Insight Report, 2018

Payables Market Trends

Payment Trends

**\$127
Trillion**

in global B2B
payment spend

42%

B2B payments
made via check

\$7.78

Average all in
cost per check

72%

Supplier prefer
electronic payments

All Inclusive Check Cost

- Check volume
- Labor costs
- Checks & envelopes
- Printing/mailling prep
- Lockbox service fees
- Postage fees
- Bank processing fees
- Check reconciliation
- Lost check handling
- Vendor questions

Goldman Sachs: B2B how the next payments frontier will unleash small business, 2018

AFP Electronic Payments Survey Report, 2019

Ardent Partners, State of B2B Payments: Emerging Business Value "Strategies for Success",
2015 & RPMG Survey, EAP Study, 2015

PYMNTS.com What Suppliers Want, 2016

Same Day ACH Transactions

Cost-effective same day disbursements and collections

Benefits

- Expedite payments and refunds for urgent and on-the-fly needs
- Provide convenience and value for your customers paying on due date and reduce late payments
- Access to multiple payment processing windows during the business day

Your Advantage

- Differentiate your company by paying faster – employees, claims, refunds, and rebates
- Accelerate collection of payments

How It Works

- Initiate payments online, via a batch file upload, or automate via file transmission
- Funds are automatically credited or debited from the receiver's account on the same day
- Utilize versatile reporting on payments and returns for reconciliation
- Per transaction limit for Same Day ACH is \$1 million per payment

Timelines | Cutoffs

	Online Direct Send	Funds Available
1st window	Cut off times will vary for each window	1:30pm Local Time
2nd window		5:00pm Local Time
3rd window		Receiving bank end of day processing



Liquidity Management Solutions

Liquidity Continuum

Liquidity Objectives

- Understanding liquidity needs of our clients is vital in order to provide a customized investment solution. Fifth Third delivers a highly customized investment solution to efficiently manage excess cash based on your organization's strategic liquidity requirements.

SEEKING AN INCREASE IN POTENTIAL RETURNS			Strategic Cash
	Operating Cash	Enhanced Cash	Typical characteristics:
	Typical characteristics: <ul style="list-style-type: none"> Cash for primary business purposes. Highly liquid. Typically maintained in TM system. Overnight to 6 months. Examples: DDA, hybrid DDA, IB DDA, and money market funds. 	Typical characteristics: <ul style="list-style-type: none"> Cash not needed immediately; excess liquidity. Seek higher yield. Overnight to 1 year. Examples: MMDA, hybrids, IB checking, and CDs. Capital Markets - Fifth Third Money Market Navigator, Commercial Paper, Agencies, etc. 	<ul style="list-style-type: none"> Cash not needed immediately. Seek higher yield. May be identified for specific use. 6 months to 5 years. Discretionary strategies. Capital Markets - Non discretionary fixed income strategies and ladders.
	Duration: 0 – 3 months	Duration: 3 – 12 months	Duration: 6 months – 5 years
SEEKING INCREASED CREDIT EXPOSURE AND DURATION			

*DDA, Hybrid DDA, and IB DDA deposit products provided by Fifth Third Bank, National Association. Member FDIC. Equal Housing Lender.

**Fifth Third Money Market Navigator offered through Fifth Third Securities. Fifth Third Securities is the trade name used by Fifth Third Securities, Inc., member FINRA/SIPC, a registered broker-dealer and a wholly owned subsidiary of Fifth Third Bank. Securities and investments offered through Fifth Third Securities, Inc.: Are Not FDIC Insured, Offer No Bank Guarantee, May Lose Value, Are Not Insured By Any Federal Government Agency, Are Not A Deposit.



Liquidity Management Solutions

Sweep Accounts

	Commercial Savings/Money Market Sweep	NOW Sweep	EuroDollar Sweep	Repurchase (Repo) Sweep	Fed Funds Sweep	Credit Sweep
Description	An overnight sweep into a savings account.	An overnight sweep into a savings account.	U.S. Dollar denominated deposits held at Fifth Third Bank's offshore account in Grand Cayman. Rates are considered interest and each is a negotiated rate.	An overnight sale/repurchase of agency mortgage securities. Rates are considered interest and each is a negotiated rate.	An overnight sale of Fed Funds. Available only to credit unions and financial institutions.	An overnight sweep to/from a revolving line of credit. Available for commercial loan and floor plan clients.
Collateral & Risk Coverage	Funds are insured up to applicable limits of FDIC coverage, per depositor, per ownership category. Eligible public fund entity balances can be collateralized.	Funds are insured up to applicable limits of FDIC coverage, per depositor, per ownership category. Eligible public fund entity balances can be collateralized.	Balances held in the EuroDollar sweep investment product are not FDIC insured.	Bank may purchase up to 102% of agency mortgage securities pursuant to a repurchase agreement, which includes a fixed rate interest payment.	Balances held in the fed funds sweep investment product are not FDIC insured.	Revolving line of credit (secured or unsecured)

Liquidity Management Solutions

Zero Balance Account

A Zero Balance Account (ZBA)

This automated service links multiple deposit sub-accounts to a single “master” operating account for timely, cost-efficient deposit consolidation into a single concentration account.

Benefits of the ZBA

- Maximize the use of idle balances
- Eliminate the cost and time to transfer funds between accounts
- Reduce the opportunity for overdrafts

Liquidity Management Solutions

Zero Balance Account (ZBA) Structure

Benefits of the ZBA Solution

- Reduce excess balances
- Pools funds to invest or reduce debt
- Simplify cash management
- Reduce transfer costs

Before

Main Account
\$500

Receivables
\$75

Payroll
\$100

Disbursement
\$200

After

Concentration Account
\$875

↑
ZBA
Receivable
\$0
Sends
funds up

↓
ZBA
Payroll
\$0
Pulls down
funds

↓
ZBA
Disbursement
\$0
Pulls down
funds

Question #1 Liquidity Management

Which sweep type is not FDIC insured?

- A. NOW Sweep
- B. Repo Sweep
- C. Money Market Sweep
- D. EuroDollar Sweep
- E. Both B and D
- F. Both A and B

Fraud Prevention

Payables Market Trends

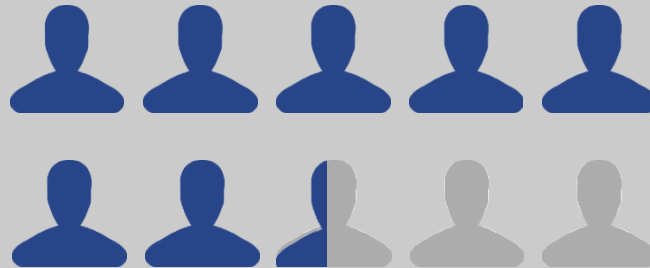
Fraud

71%

of companies experienced
attempted fraud
through BEC

65%

of companies experienced
attempted fraud

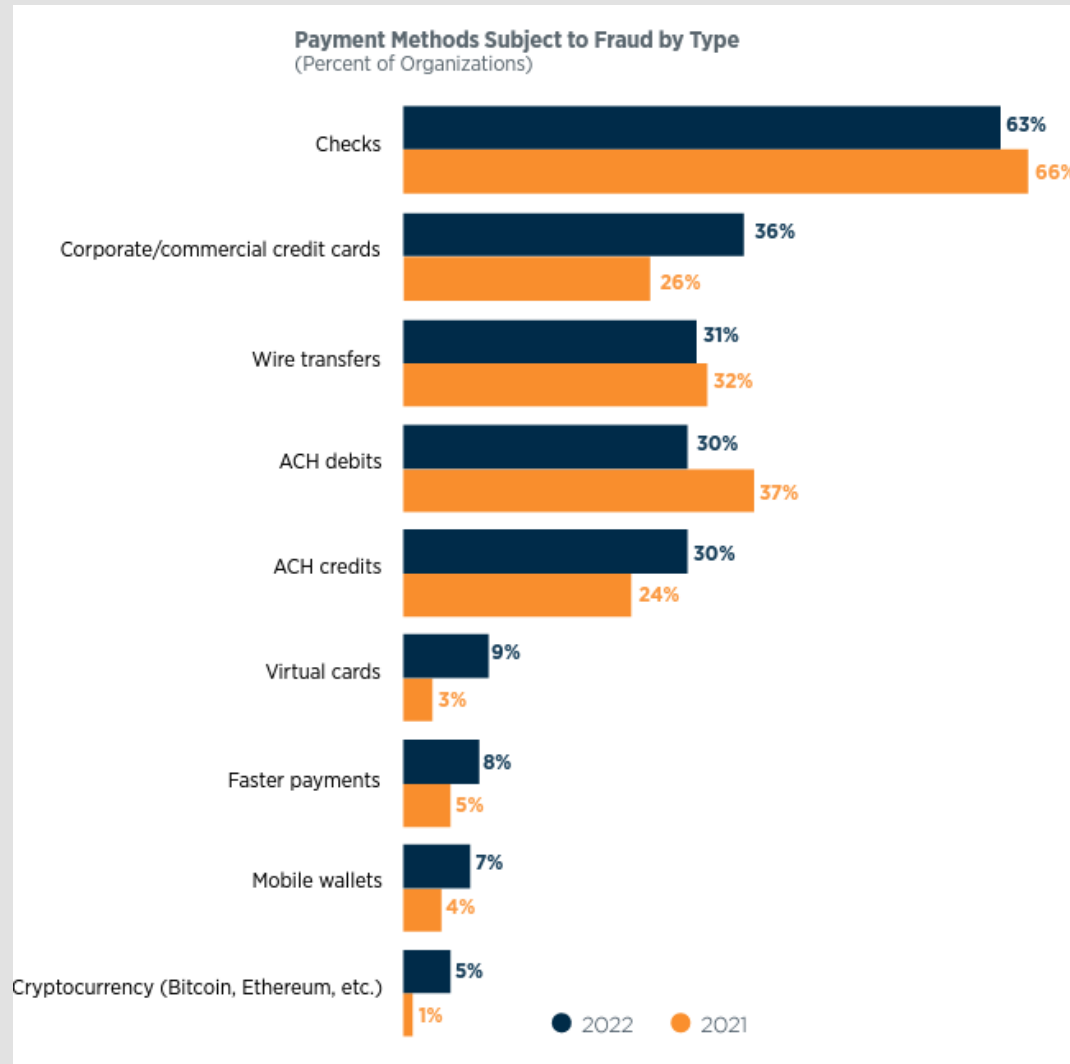


63%

of companies experience
attempted check fraud

Source: 2023 AFP Payments Fraud and Control Survey Report

Payment Methods Most Vulnerable to Fraud



Origination of Payment Fraud

Sources of Attempted/Actual Payments Fraud Attempts in 2022

(Percent of Organizations)

2022		Annual Revenue Less Than \$1 Billion	Annual Revenue At Least \$1 Billion	Annual Revenue At Least \$1 Billion and Fewer Than 26 Payment Accounts	Annual Revenue At Least \$1 Billion and More Than 100 Payment Accounts	2021
Outside individual (e.g., check forged, stolen card, fraudster)	54%	58%	52%	49%	44%	51%
Business Email Compromise (BEC Fraud)	53%	48%	58%	62%	63%	55%
Vendor imposter	37%	29%	46%	49%	48%	—
Bad actor takes over an account, i.e., Account takeover (e.g., hacking a system, adding malicious code – spyware or malware from social network)	20%	19%	23%	17%	30%	16%
Invoice fraud	15%	9%	13%	14%	33%	—
Imposter to client posing as representative from our company	14%	6%	3%	1%	—	—
Third-party or outsourcer (e.g., vendor, professional services provider, business trading partner)	13%	12%	15%	17%	11%	18%
U.S. Postal Service Office interference	11%	7%	13%	9%	22%	—
Organized crime ring (e.g., crime spree that targets other organizations in addition to your own, either in a single city or across the country)	8%	2%	12%	12%	11%	10%
Ransomware	5%	1%	9%	8%	7%	—
Internal party (e.g., malicious insider)	3%	2%	3%	—	7%	2%
Compromised mobile device	3%	2%	2%	3%	4%	3%
Deepfake attempt (e.g., voice and/or video swapping, “deep voice” technology, vishing)	1%	—	—	—	—	—

Source: 2023 AFP Payments Fraud and Control Survey Report

Business E-Mail Compromise

Business E-Mail Compromise Methods

- Spoof email or website- Senders forge email header elements to trick users into thinking they are interacting with a trusted source.
- Domain lookalike- Look-alike domains are used to confuse users into believing that they have reached a legitimate site. Visiting these sites may lead to web traffic diversion and/or malware delivery.
- Access a compromised email account- Fraudsters will sometimes use compromised email accounts to send fraudulent “change of payment” instructions to potential victims.

Mitigation Strategies

- Instituting maximum online security including strong authentication practices on your email and your entire network to mitigate this fraud.
- Do not rely on written email payment orders or faxed payment order requests as your approval as authorization to execute your wires, instead call your Sr. Managers to confirm

Source: 2023 AFP Payments Fraud and Control Survey Report



Recommendations for Electronic Payment Controls

- Implement software to help prevent malware and phishing attacks
- Utilize Dynamic Token for Authentication
- Utilize Dual Control approval entitlements
- Setup users to only have access to wire beneficiary (payee) templates
- Setup intraday reporting to view online notification messages of outgoing wires
- Use online tools to audit your employees' payments
- Set privacy controls on Social Media sites and avoid displaying profile info (i.e. current city)
- Hold internal training about red flags



Fraud Prevention Strategies

Safeguard your business against fraud by monitoring and detecting unusual or unauthorized activities

Control & Tools

- Reconcile accounts daily and monthly
- Create separate accounts for different functions and limit signors
- Safeguard your check stock



Account Blocks

- Check Only
- ACH Debit Only
- Full Account



Positive Pay

- Bank Maintained Check Positive Pay
- Customer Maintained (Reverse) Check Positive Pay
- ACH Positive Pay



Treasury Management Solutions: Security Suite

	Bank Maintained (Full Recon) Check Positive Pay	Client Maintained/Reverse Check Positive Pay	Check Block	ACH Positive Pay
Description	<p>Solution that allows client to:</p> <ul style="list-style-type: none"> • Send a list of checks issued • The bank reviews checks clearing through teller line by comparing account number, dollar amount, check number before cashing checks • Review all exceptions including payee name exceptions through online portal to make decisions to return fraudulent checks or pay acceptable checks 	<p>Solution that allows client to:</p> <ul style="list-style-type: none"> • Review all checks paid through online portal • Make decisions to return fraudulent checks or pay acceptable checks 	<ul style="list-style-type: none"> • Solution that automatically returns checks presented against the account 	<p>Solution that allows client to:</p> <ul style="list-style-type: none"> • Review ACH items through FTD for potentially fraudulent activity
Benefits	<ul style="list-style-type: none"> • Minimize check fraud losses • The bank reviews all items; client only has to review any exceptions found • Clients review checks prior to bank's cutoff time • Reminder email notifications sent each hour until decisions made • Offers dual approval entitlements to protect decisions 	<ul style="list-style-type: none"> • Minimize check fraud • Clients review checks prior to bank's cutoff time • Reminder email notifications sent each hour until decisions made • Offers dual approval entitlements to protect decisions 	<ul style="list-style-type: none"> • Protects accounts that will not have any check activity 	<ul style="list-style-type: none"> • Minimize ACH fraud • Ability to setup filters • Establish blocks by originator • Return individual items

Commercial Card – Employee Awareness is the Key

- Implement multiple approval levels based on the transaction type and amount and the user making a purchase
- Utilize data-rich reporting to help monitor spending and identify unexplained increases in purchases or questionable suppliers.
- Clear logins and passwords, especially if using a public computer
- Be alert for phishing - always verify a site is secure (indicated by https://) when entering card info
- Verify your address with both the post office and your banks; notify card companies prior to a change in address
- Providing effective fraud controls that give your company the ability to create parameters that mandate decline, and set up approval parameters

Dollar Restrictions

- Company or department level
- Cardholder by cycle
- Cardholder per transaction
- Velocity – per day maximums

Merchant Restrictions

- Include or exclude merchant category codes (MCCs)
- Specific merchant blocks or inclusion
- Dollar limits by MCCs



Question #2 Fraud Mitigation

What is the greatest cause of payment fraud?

- A – Business Email Compromise
- B – Internal Theft
- C – Customer Fraud (also known as friendly fraud)
- D – Stolen cards/theft

Question #3 Fraud Protection

I would like to protect my accounts from check fraud and minimize the amount of time spent reviewing cleared checks. What type of Positive Pay would be best for this situation?

- A. Check Block
- B. Bank Maintained/Full Recon Positive Pay
- C. Client Maintained/Reverse Positive Pay
- D. ACH Positive Pay

Commercial Card

Choosing a commercial card solutions to meet unique payment needs

ePay

Provides large scale payment automation and efficiency with secure, controlled virtual card payment

One Card

Improves procurement and travel efficiency, increases spending controls and improves working capital – all on a single card that supports fleet as well

Fleet Card

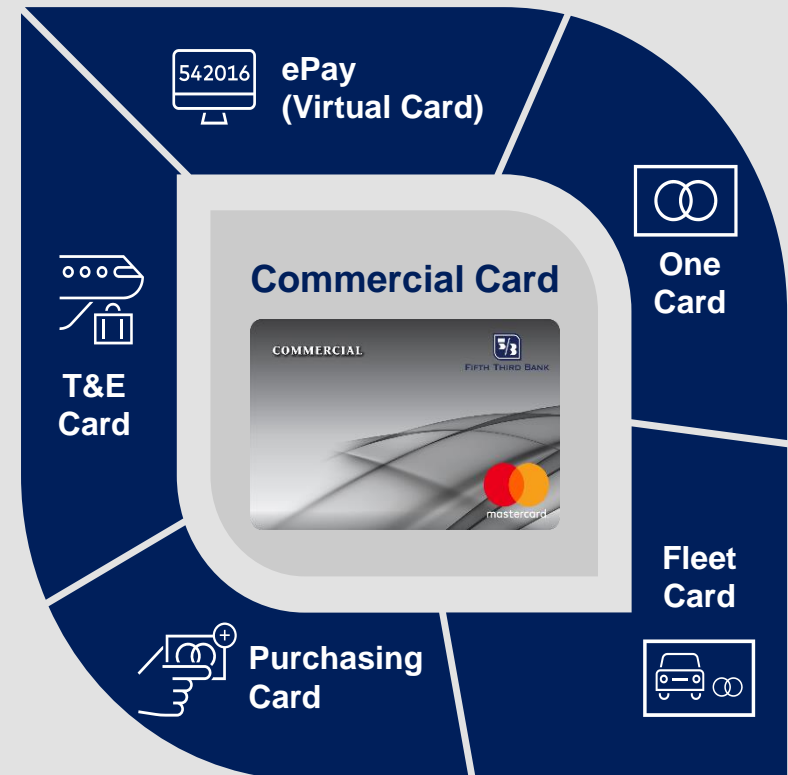
Offers greater efficiencies and control in managing vehicle-related expenses

Purchasing Card

Streamlines your procurement process, increases spending controls and improves working capital

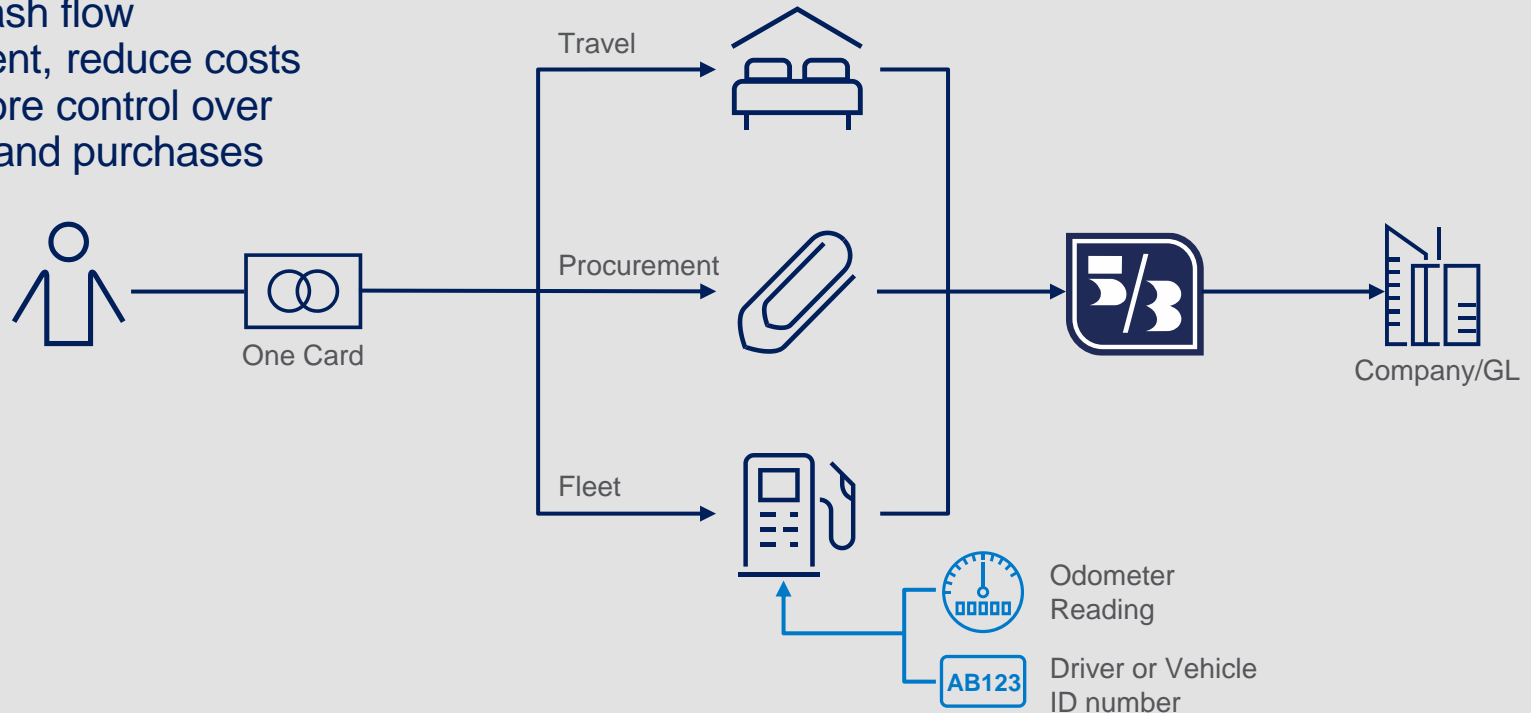
Travel & Entertainment Card

Accommodates business travel purchases, provides comprehensive cardholder benefits and brings efficiency to the expense management process



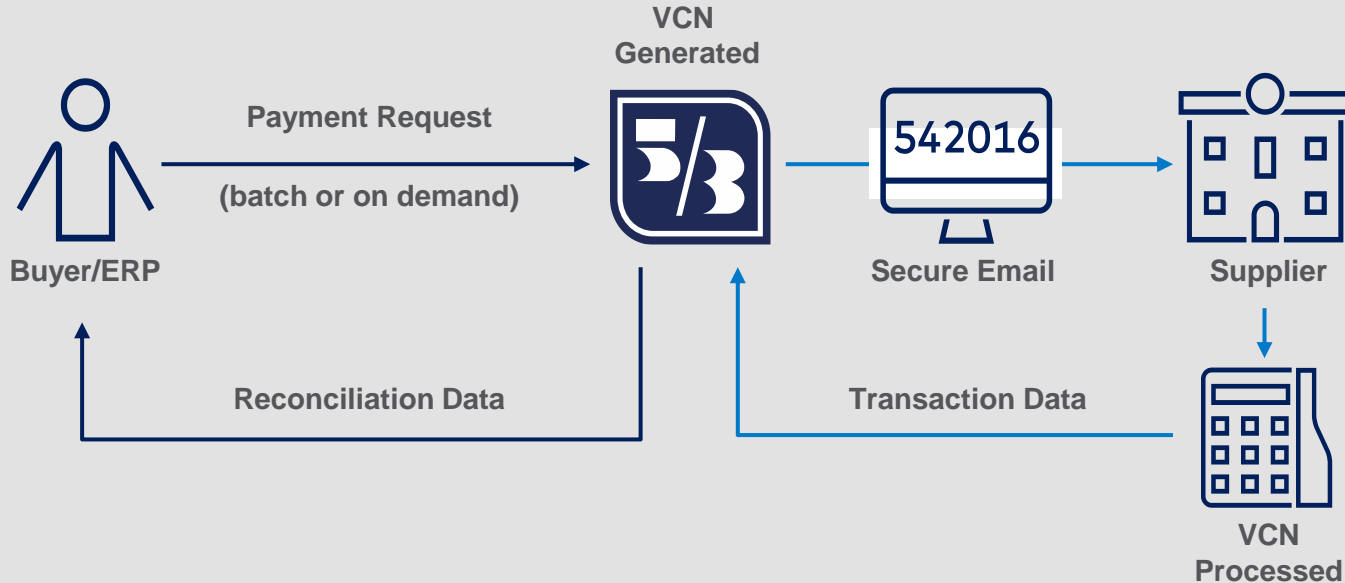
The ability to have one card simplifies management of your current payment needs

Improve cash flow management, reduce costs and get more control over payments and purchases



Convert supplier payments to a streamlined electronic process

Achieve large scale payment automation with secure and fully controlled virtual card solution



Simplify payment while improving transparency into expenses and supplier usage



Improved Supplier Management

With flexible features to match your supplier payment strategy – amount, timeframe, or limited to a specific supplier, as well as dynamic, fixed, or on-demand Virtual Card Numbers (VCNs)



Integration

Designed to work with your pre and post payment processes and integrate with internal financial systems



Enhanced Visibility and Control

Real-time reporting to monitor and track payments as they move through the payables process, e.g., VCN status, expiring payment notification, payments search



Supplier-centric

Improve acceptance by providing simple payment processing with rich remittance detail



Financial Benefits

Optimize working capital and extend Days Payable Outstanding (DPO) while reducing processing costs and generating revenue share



Optimized Supplier Enablement

Full support of supplier enrollment process and multiple supplier payment options



Comprehensive expense management to simplify employee purchasing and payment

- Convenient program management portal for all cardholder profiles
- A single process for cardholder expense reporting/transaction reconciliation

- Customized reports to manage and optimize your program

- Streamlined supplier payments
- Lowered Days Sales Outstanding (DSO)



- Flexible control options: program, cardholder, supplier and transaction
- Reduced risks associated with many common forms of fraud

- Revenue share opportunity
- Better management of supplier expenses and employee spending

- Clearer vision of your overall working capital and extended Days Payable Outstanding (DPO)
- Reduced invoice and payment processing costs with a single monthly payment

Credit products are subject to credit approval and mutually acceptable documentation.
Fifth Third Bank, National Association. Member FDIC.

Reporting & Program Management - Simplify your reporting, with real-time data to drive decision-making



Simple account management

Easy online access to manage the commercial card program is essential.

- **Request** new cards and close current cards with appropriate separation of roles and duties
- **Update** card profiles (monthly spend limit, velocity restrictions, MCC restrictions) in real time to **keep spending needs and control in balance**



Flexible reporting options

Most solutions work within your existing accounts payable system, while letting you configure reporting options in any way you see fit.

- **Standard reports** are available to enable management oversight and decisions in a snapshot
- **Customizable reports** can be easily configured by the user to fit their needs
- **Transaction activity** and management reporting are available at a glance
- **Seamless integration** of daily transaction data into expense reporting systems (Concur) and organization financial systems deliver newfound efficiency



Easy employee expense reporting

Digital reporting solution puts an end to outdated processes, paperwork and delays – to everybody's benefit.

- **Online expense reports** that can be created within the reporting platform or elect to have a direct file feed transmissions into your Expense Reporting Software
- Mobile functionality to enable employees to **upload receipts anytime**
- **Approval workflow** that can be easily customized
- Mileage reimbursement
- **Cash (out-of-pocket)** transactions can be included



Convenient online portal and mobile access

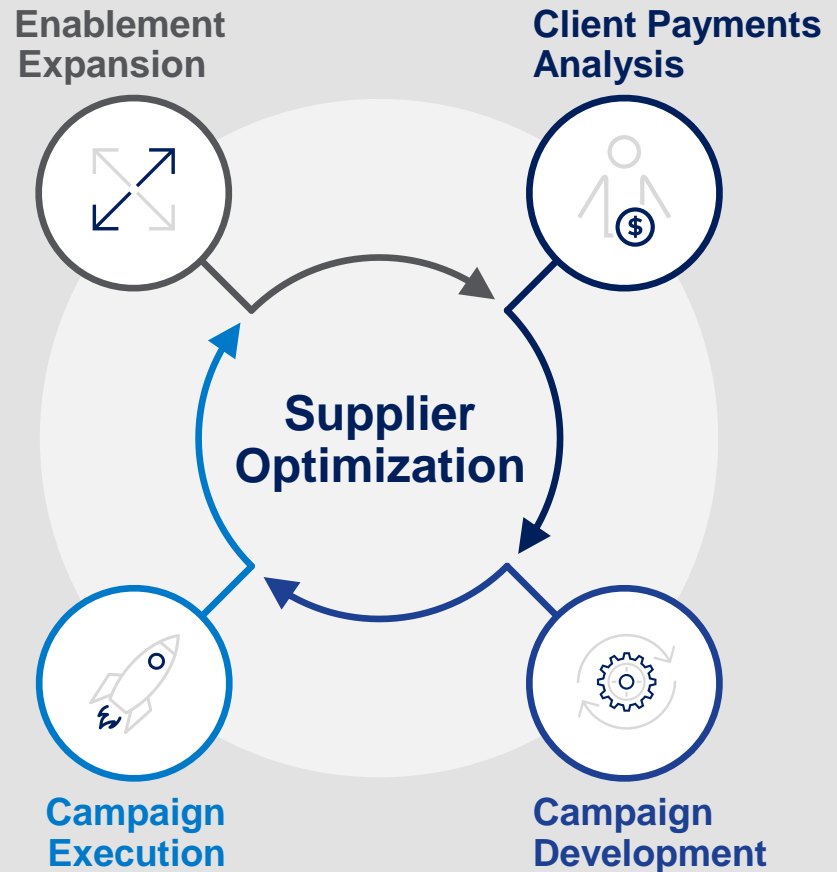
Easy access on phones, laptops or desktops makes reporting spending and overseeing reports simpler and more immediate – for all users.

- View **dashboard** for all account activity
- **Search** with speed and ease
- **Manage** account profiles
- Make **mobile payments**
- **View** statements and reports anytime, anywhere

Supplier Enablement

Supplier acceptance is key to a successful commercial payments program. Key features to consider for the supplier enablement process include:

- Comprehensive analysis of supplier payments using current acceptance data
- Customized campaign planning based on unique buyer–supplier relationships
- Full enablement outreach support services
- Supplier enablement transaction verification
- Recurring payment analysis for ongoing identification of expansion opportunity
- Ability to offer straight-through processing (STP) and other alternatives to facilitate acceptance

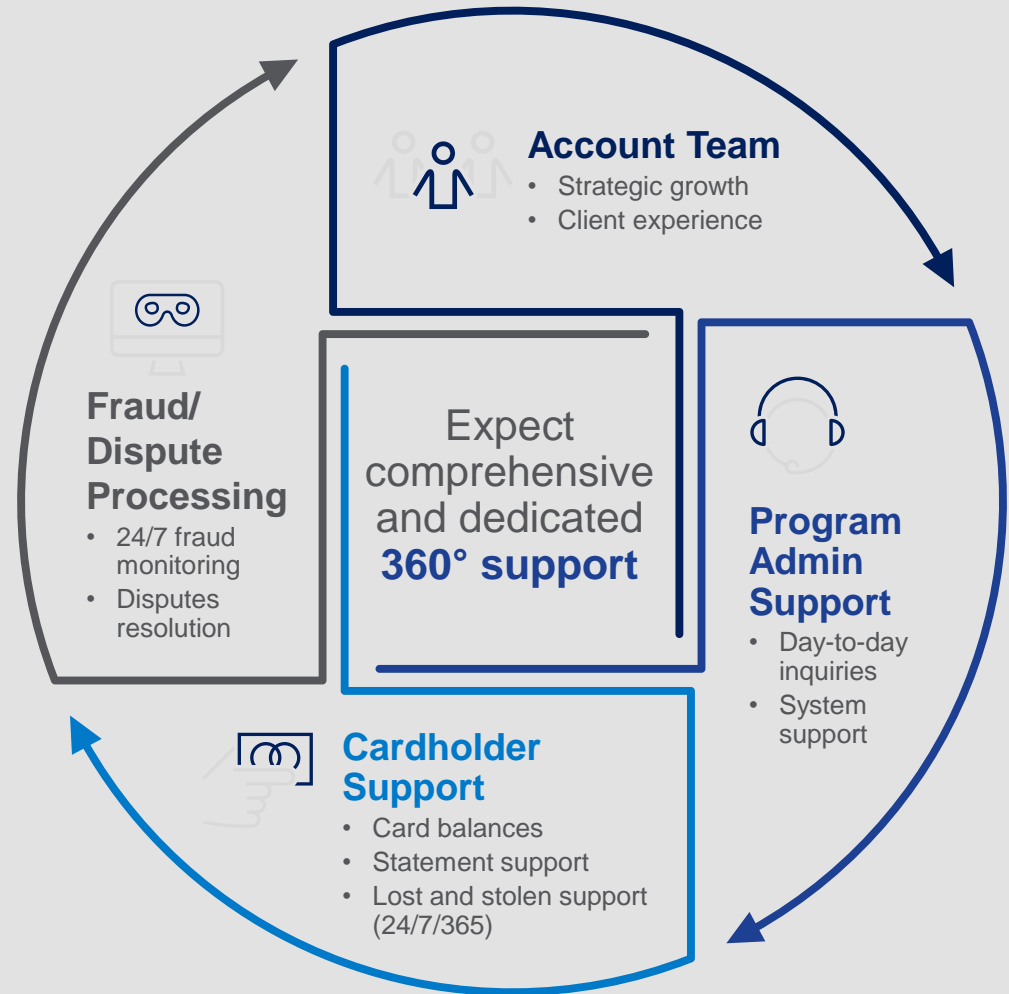


❖ Available feature may vary based on the annual spend of the card program

Program Support

Your card program deserves a team of professionals dedicated to its success.

By investing the time to understand your business, as well as your unique goals and challenges, your banking partner can tailor a highly customized solution – and support it at every touchpoint.

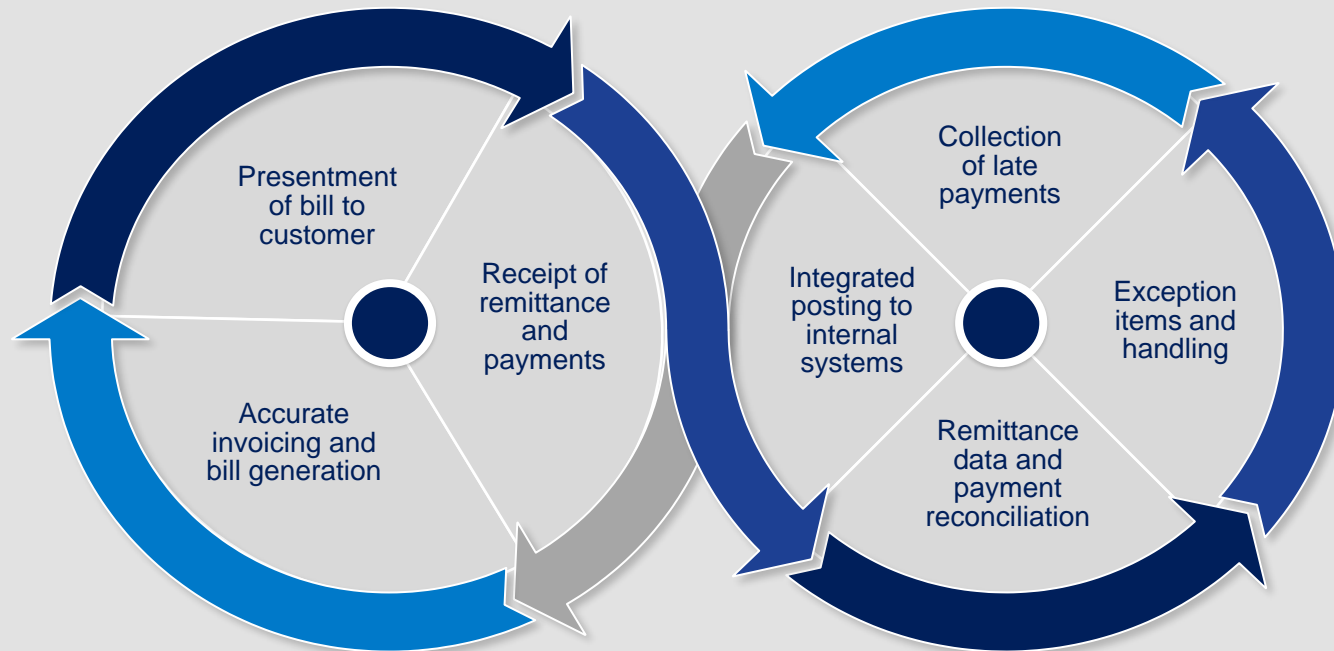


Receivables

Receivables in Market Today

Business Environment

Key receivables functions remain consistent but much more complex with many options and decisions that must be made for your organization and your customers.



Receivables in Market Today

Key Considerations | Challenges

- Consumer payment choices
- Multiple providers
- Changing market landscape
- Regulatory requirements
- Costs and efficiencies
- Reduction in DSO
- Your internal experience
- Your customers' experience



Receivables in Market Today

Evolving Receivables | Emerging Technologies Continue to Impact Receivables

71 % of consumers utilize automatic or reoccurring payments. Online and mobile are the entry points to all other digital services.

Real time payments

- Expectations are highest for younger consumers
- **85%** of Gen Xers say real-time payment delivery is at least somewhat important, and **93%** of millennials agree
- For businesses, **3 in 4** expect to see customer service gains

Wallet

- Consumers who live in urban areas and high net worth individuals are taking up the service at much higher rates than the general population
- Similar to physical wallets, consumers use their digital wallets to store payment information, loyalty programs and coupons

Text

- Mobile users want and use multiple payment options
- Among the many subchannels, about **5%** use text-to-pay

Mobile

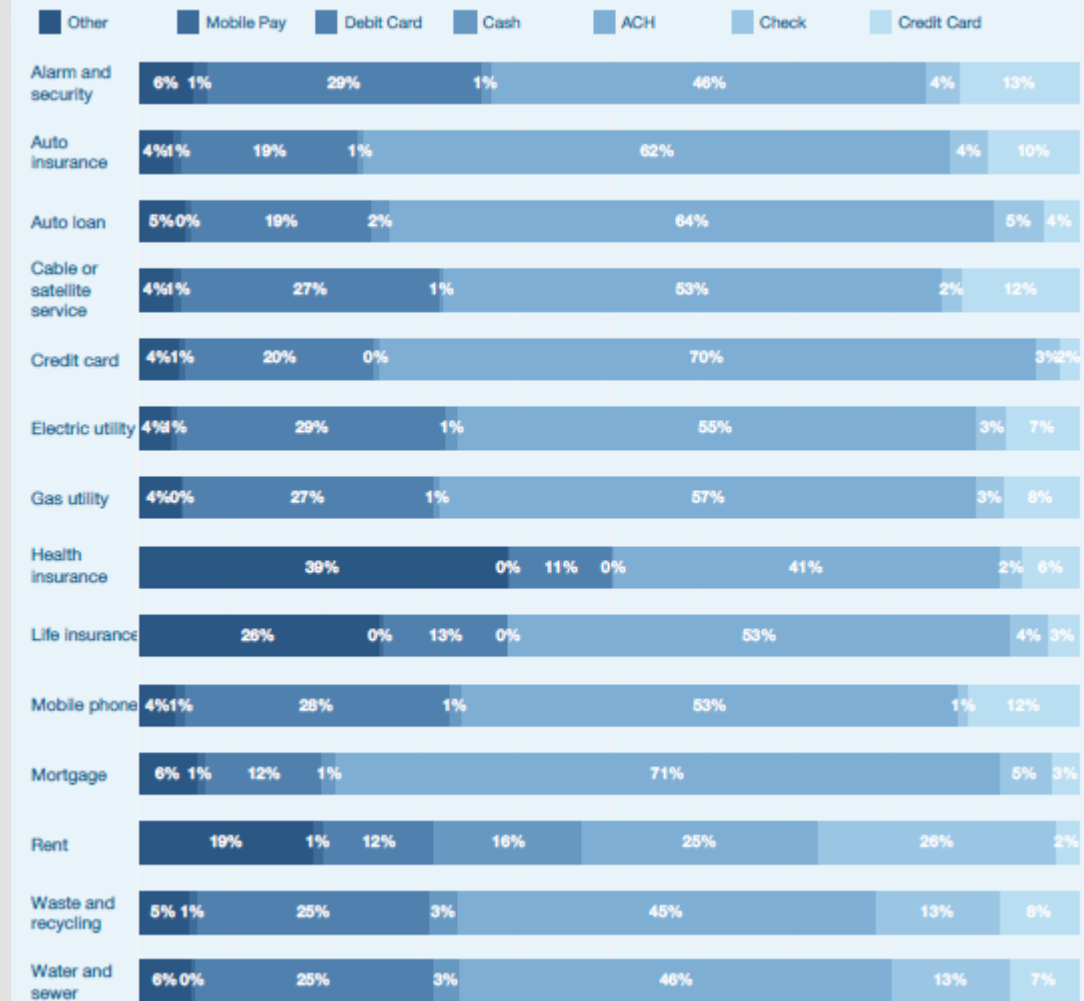
- Payments by online and mobile channels now comprise the majority of all bill payments
- **65%** use mobile bill pay among those who use mobile bill pay

Source: "Expectations and Experiences: Consumer Payments" Fiserv 2020

Receivables in Market Today

Evolving Receivables | Emerging Technologies Continue to Impact Receivables

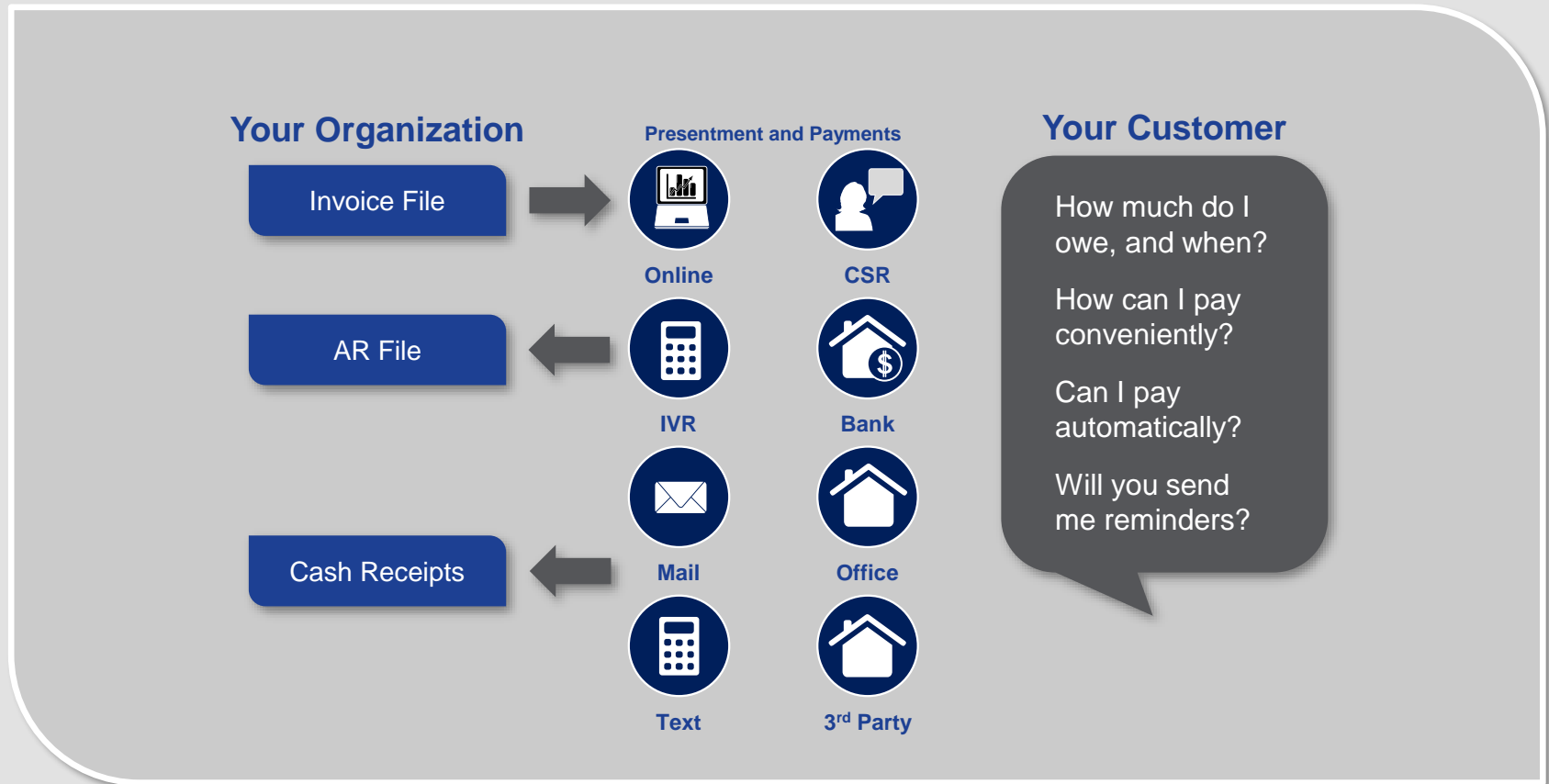
What payment method do consumers use to pay their bills?



Source: "How Americans Pay Their Bills" Survey by doxo 2023

Total Receivables

Your banking partner should address the full spectrum of your Receivables process, as well as your customers' questions and concerns.



Total Receivables

How to address key receivables business functions

Single Provider

- Reduce the complexity of your payment options with a single provider to support your billing and payment functions.

Flexibility & Scalability

- Configurable solutions to meet the needs of your customer base and your industry.

Paper-to-Electronic Enablement

- Approaching Paper and Electronic payments together provides the ability to reduce operational expense and convert more paper to electronic.

Customer Experience

- One provider simplifies your payment operations and reduces complexity of your payments.

Return-on-Investment

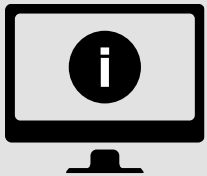
- Focusing on reducing operating expense through greater paper to electronic migration and the reduction in exceptions, your organization will realize a return on your investment.



Self Service Payment Options

Redefine Your Customer Experience

A technology driven bill presentment and payment solution that improves your customer experience by offering more payment options to your customers.



Electronic Delivery of Statements or Invoices allows your customers to see summary or detail billing information & due dates



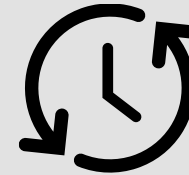
Self Service - Recurring Payments gives customers the ability to set a payment and receive reminders when payments are made.



Pay anywhere and with any device from Mobile, Mobile Wallet, Text, Call Center, IVR, Online or Tablet for the ultimate in access and convenience.



Provide text or email **Payment Notifications** to remind customers to pay their bills eliminating negative experiences with late payments.



Robust Online Portal allows customers to have **real-time visibility** into their payments, eliminating the need to call customer service.



Complete Payment Options including ACH Debit, Recurring Payments, and Card allows customers to pay the way they want.

Text Notifications and Text-to-Pay

- Text notifications provide the ability for your customer to receive text messages when a new bill/record is loaded and reminders to pay it when due or past due
- Text-to-Pay allows your customer to respond to text notifications with instructions to pay. Payments made using the "Text to Pay" option will also receive a Payment Confirmation via Text.



Text notifications
drive enhanced
customer communications



Text-To-Pay
drives payment ease
and speed



Receive Notification



View Detail



Pay Bill

Mobile Wallet

Mobile Wallet enables direct digital engagement with your customers through their smart devices. Push bills and timely notifications directly to their device's wallet application that conveniently connects to your payment site.



Add to Wallet



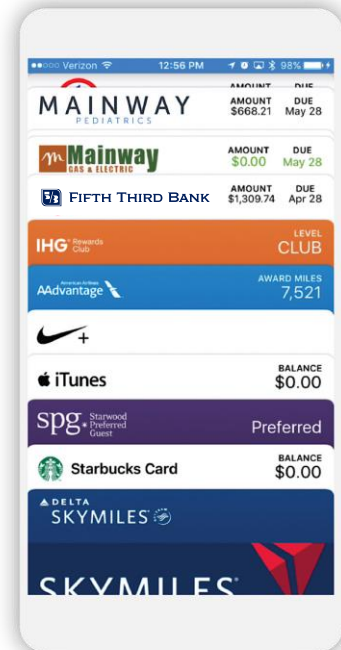
Get Notification



View Bill Detail

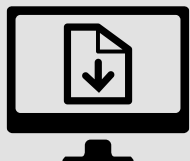


Pay Bill



Interactive Voice Response (IVR)

Interactive Voice Response (IVR) is a secure, data-driven automated call flow to accept payments over the phone simply and securely. Using IVR, customers can access bill information on demand and make payments over the phone 24/7/365 without speaking to a representative.



Biller Setup

- Streamlined biller setup process with customizable elements for introduction, authentication, and customer service
- Data integration using internal billing system or existing website



Customer Call

- Easily accessible from any phone using a dedicated toll-free number or from a CSR transfer
- Customers securely authenticate to access account information like outstanding balance and due date



Customer Payment

- Payments are made using a bank account (ACH), credit card, or debit card
- Customer options to complete the call, pay another bill, or transfer back to a CSR



Confirmation & Reconciliation

- Biller reporting shows real-time data posting of successful payments
- Remittance file includes bill and payment data for straight-through processing and automated reconciliation

Customer Service Portal (CSR Portal)

The Customer Service Portal (CSR Portal) is a full-featured electronic payment and billing tool that provides customer service representatives with the ability to initiate and accept payments, access and manage customer account information, and improve operations through reporting.

The screenshot displays the Mainway Customer Service Portal (CSR Portal) interface. The top navigation bar includes the Mainway logo, a search bar labeled "Q CSR Portal Search", and links for "Main Menu" and "Initiate CSR". The main content area is titled "Account Overview" and is divided into two primary sections: "ACCOUNT INFORMATION" and "LATEST INVOICE".

ACCOUNT INFORMATION:

- PHOEBE PINCHON**
4379 Turnwind Avenue
Madison, NJ 08056
USA
- 999-999-9990
jmetzger@transactis.com
- Account Number: 88888
- Buttons: [Email](#), [Create Auto Debit](#), [Send Enrollment](#), [View Account](#)

LATEST INVOICE:

- Amount Due: **\$460.44**
- Account Number: 88888
- Due Date: 11/15/2018
- Statement Date: 10/26/2018
- Billar Invoice No: 713
- Buttons: [Pay Now](#), [Pay My Bill](#), [Add Invoice](#), [View Invoice](#)

PREVIOUS PAYMENTS

PAYMENT ACCOUNTS

© 2004-2018 Transactis Inc. All Rights Reserved | [Terms of Service](#) | [Contact Us](#) | [Privacy Policy](#) | [Help](#)

City:
State:
ZIP Code:

ACCOUNT INFO

- Billar: 88888888
- Account Number: 88888
- Other Data: 00000

By providing the information you're provided on the above account to be used for creation of a charge to the account listed above. You also affirm that the information you provided is correct, that you are a signer on the account above and there are available funds to cover the amount of any transactions that you authorize.

☐ **Agree and Add Account**

Electronic Lockbox

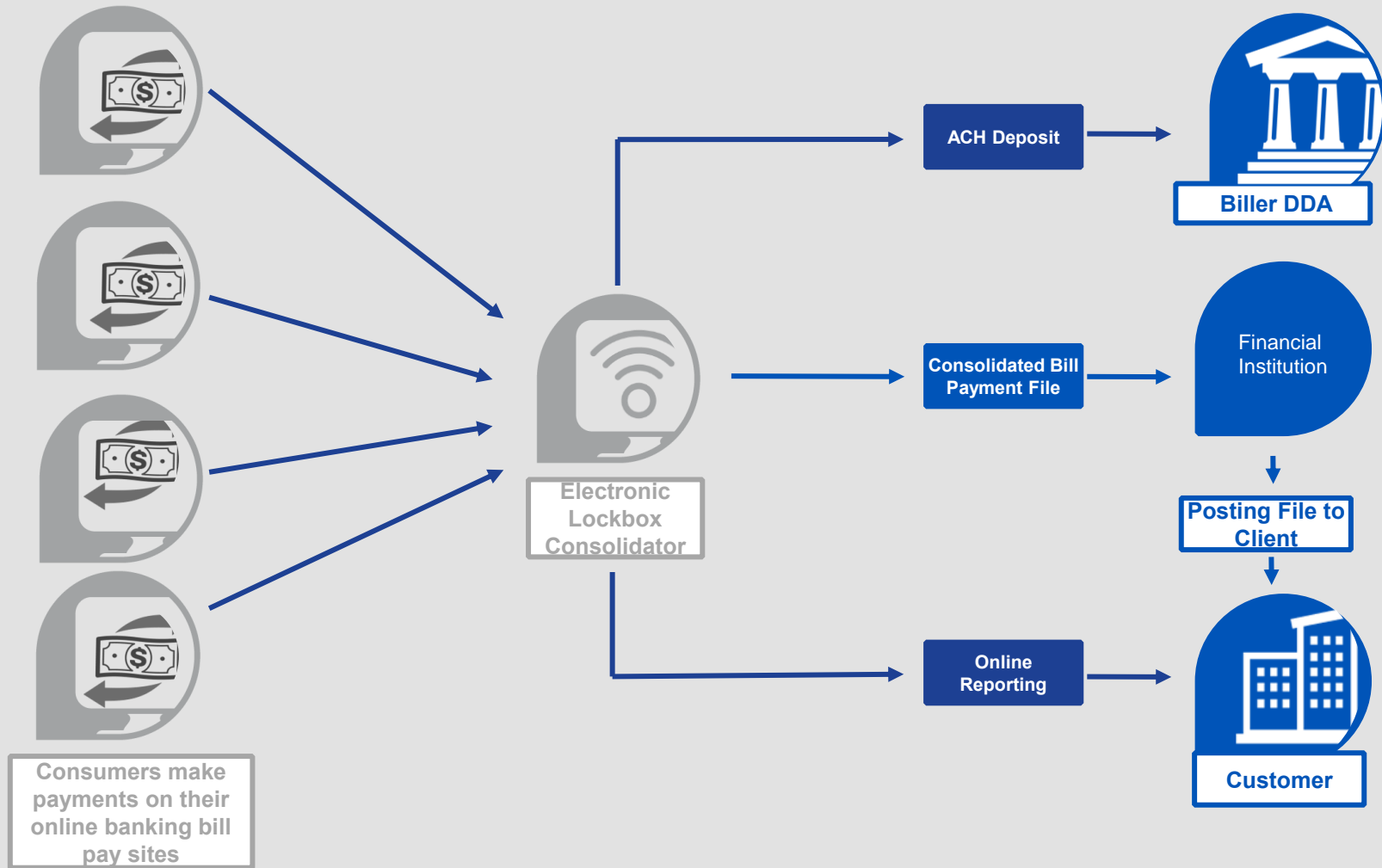
Electronic Lockbox Solution Overview

Electronic Lockbox gives your organization the opportunity to eliminate the paper checks received from customer bill pay sites and replace them with a single ACH credit deposited directly into your bank account.

Your organization is established as an “Electronic Biller” and can be paid electronically by customers via the online banking sites of financial institutions across the country.

Your organization receives a single ACH credit to your account and can view the corresponding payment information on a reporting portal, as well as receive a data transmission file of payment details.

Electronic Lockbox Process Overview

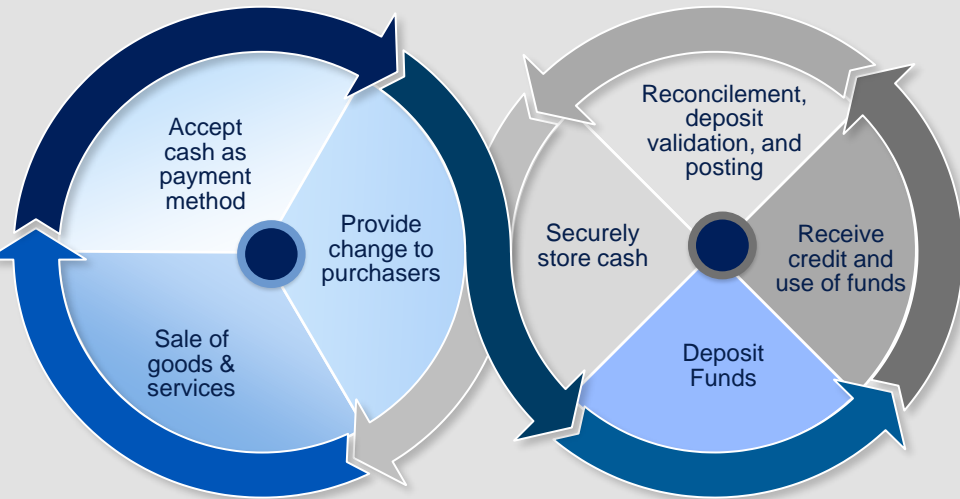


Cash Logistics

Cash Handling Functions

Process Considerations

Management of cash is necessary - but can be complex and cumbersome



Process Considerations

- Security for cash storage and staff safety
- Extensive deposit validation process
- Counterfeit detection
- Labor costs
- Loss & shrink prevention
- Accuracy of deposits
- Timely access to funds usage
- Reconciliation & reporting
- Multiple cash handling touchpoints
- Managing multiple banking relationships
- Managing armored courier relationships

Cash Solutions

Depository

Branch



Vault
Deposit



Smart Safe
Solutions



Established Industry Standards

Emerging Evolutionary Solutions – Challenging the Industry Standard

Change Orders

Branch



VRU
Orders



Smart Safe
Solutions



Established Industry Standards

Emerging Evolutionary Solutions – Challenging the Industry Standard

Question # 4 Receivables

Which solution allows you to receive a payment electronically when it is paid via your client's online banking payment portal?

- A. Electronic Lockbox
- B. Mobile App
- C. Customer Service Online Portal
- D. IVR- Interactive Voice Response System

Digital Transformation & FinTech Partnerships

Instant Payments

API Service Channels

What is API?

- Application Programming Interface (API) is an approach to simplify integration between applications
- A key building block that enable today's cloud and mobile technologies

Why is API important for TM?

- Clients are shifting for a more real-time banking experience
- Clients are seeking a digital alternatives beyond traditional file-based integration as their ERPs and TM systems migrate to the cloud

What is the Client Value?

- More seamless integration into the client's platform
- Accelerate onboarding process with robust testing capability
- Simplifies change management



Our API Journey

API is a channel as much as it is a Product!!

Strategy

Define a clear strategy for internal and external API's based on client and business value creation.

Approach

As part of our digital transformation, API will be available as one of our channel service to access TM products.

Initial Launch

Real Time Payment (RTP) will be our first API offering in mid-2021.

Expand

Expanding product offerings through a strong culture focusing on exposing services and data.

Instant Payments

- **What are Instant Payments?**

- Instant Payments is a category of money movement in the US in which funds settle immediately (outside of traditional banking hours).
- These funds are initiated via API and move over new two networks
 - The Clearing House with Real Time Payments
- These payments are based on ISO20022 messaging and are considered the fastest settled payments in the US.
- Funds are considered irrevocable and final within seconds of the transaction.
- To utilized Instant Payments the sender and recipient would need to be with banks that are on one of the networks.

Instant Payments

- **Who can use Instant Payments?**

- The networks were designed in a way that can safely and compliantly send or receive funds in a variety of use cases
- Each of the use cases provide benefits and challenges to discuss
 - Person to Person (consumer initiated)
 - Business to Consumer
 - Consumer to Business
 - Government to Consumer
 - Consumer to Government

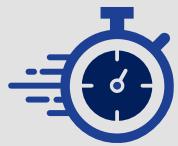


Instant Payments

What is it and why is it important?

- **What are the advantages of using Instant Payments**
 - The ability to conveniently send and receive immediate funds transfers directly from accounts at financial institutions
 - Instant settlement of funds improves liquidity, planning and reduces the delays due to back-office efforts associated with other payment rails
 - By embedding an Instant Payment API in an application or website, it makes the ability to move money effortless and creates a great internal or customer experience.
 - Adding Instant Payments as a payment option for customers reduces collection efforts and improves flow-through processing

Instant Payments enable businesses to move money NOW



All Domestic
5/3 Accounts

Benefits

- 24x7
- Immediate confirmation
- End-to-end initiation and settlement
- Built-in fraud and data protection
- Delivers payment information with the transaction
- Provides instant settlement of funds
- Reduces back-office delays



Roadmap

Features and Functionality

- 2022: RTP send API
- 2023: RTP Request for Payment (RFP)
- 2024: FedNow send API
- 2024: FedNow Request for Payments (RfP)
- 2025: Expected 100% coverage of DDAs



Industries
and Use
Cases

Opportunities

- Account to account
- B2B payments
- Insurance claims
- Merchant funding
- Payroll
- Disbursements
- Request for Payment (RfP) – bill payment
- Digital wallet load and unloads



Available to
~65% of US
DDAs*

Things to Think About

- Credit transfer limit of \$1 Million per transaction
- Not all banks and accounts are Instant Payment ready yet
- Routing and transit information required
- All messages are based on ISO 20022 standards

Request for Payments (RfP)

Instant Payments

Request for Payments

- **What are Request for Payment transactions?**
 - Request for Payments (RfPs) are payment requests sent over ISO20022 messages to collect funds for a variety of reasons
 - These are considered non-monetary messages that are sent with the following data:
 - RT/DDA in which funds are being requested
 - Specific amount requested
 - Instructions on if the request amount can be modified to pay more or less than originally requested
 - When does the request expire
 - Information on what specifically is the request
 - Information on the sender of the request

- **Who can use Request for Payments (RfP)?**

- Sender must have a US Domestic bank account and have a bank on the Instant Payments Network
- Sender must have an approved use case
 - B2C or G2C – recurring bill payment
 - B2B – request payment for goods or services
 - P2P – fund a digital wallet from a DDA
- The receiver must be on a bank that has enabled a response to Request for Payment
 - Currently approximately 35% of US DDAs are enabled with the ability to respond

Request for Payments

Why send them?

- **What are the advantages of sending an RfP?**
 - Just in Time invoicing allows control of when you get paid
 - COD
 - Businesses (home services) get paid at confirmation of service
 - Support customers who are behind on a bill or had an ACH debit returned by integrating RfP
 - Irrevocable and good funds when approved by the receiver
 - No need to hold funds prior to disbursing on a collectable
 - Reduction of time/effort to clear receivables by using data with the transaction
 - Reduce the space in which a fraudster intervene in a transaction
 - Reduce costs over credit card interchange fees

Request for Payments

Why respond to them?

- **What are the advantages of responding to pay via RfP?**
 - Allow the greatest control of your money.
 - Prevent companies from automatically debiting your account
 - Approve each expense and pay when you want
 - Fund a digital wallet with an RfP
 - Understand who is sending the request and what it is for prior to responding
 - The ability to pay when it is convenient and take advantage of payment terms
 - If my bill is due on the 10th, I can now respond at 11PM or 5AM on the 10th and ensure my payment is on time

Request for Payments (RfP) enables businesses to receive money NOW



All Domestic
5/3 Accounts

Benefits

- 24x7
- Immediate confirmation
- End-to-end initiation and settlement
- Built-in fraud and data protection
- Delivers payment information with the transaction
- Provides instant settlement of funds
- Reduces back-office delays
- Reduce cost of transactions (wires or interchange)



Roadmap

Features and Functionality

- 2023: RTP Request for Payment (RFP)
- 2024: Biller Direct integration with RfP
- 2024: FedNow Request for Payments (RfP)
- 2025: Expected 75%+ coverage of DDAs



Industries
and Use
Cases

Opportunities

- Account to account
- B2B payments
- Title Closings
- Request for Payment (RfP) – bill payment
- Digital wallet load and unloads



Available to
~65% of US
DDAs*

Things to Think About

- RfP response amounts vary by FI
- Not all banks and accounts are RfP ready yet
- Routing and transit information required
- All messages are based on ISO 20022 standards
- Must have a way to respond to consumers who claim (after a payment) that it was done in error or fraudulently

Question # 5 Instant Payments

On average, how many Instant Payments are sent in a month?

- A – 2 Million
- B – 5 Million
- C – 10 Million
- D – 20 Million

Question # 6 Instant Payments

Who can use Instant Payments?

- A – Person to Person (consumer initiated)
- B – Business to Consumer
- C – Consumer to Business
- D – Government to Consumer
- E – Consumer to Government
- F – All of the above

Fintech Partnerships

Selecting a banking partner that is committed to investing in technology and innovative partnerships to better serve their clients

Continued investment to build and modernize digital capabilities across front, middle, and back-office



Partner with FinTech businesses, driving partnership alignment at the highest levels



Customer-facing digital capabilities

Digitizing all core consumer, commercial loan, and deposit products; differentiated **payable and receivable solutions**.

Data and predictive analytics

Leveraging data and analytics to help customers make the best product choices for their specific needs.

Architecture modernization and security

Migration of legacy infrastructure to **open-source solutions**; Advanced **AML and fraud detection** analytics.

transactis
mastercard

xavidxchange™

bill.com

Paymode-X

versapay™

AP/AR solutions

ApplePie
CAPITAL

Franchise financing

commonbond

Education finance solutions

Lendeavor

Healthcare practice financing

GreenSky®

Consumer POS financing

Health iPASS
Better Check-Ins, Better Revenue

Healthcare patient AR solutions

trust
&will

Estate planning solutions

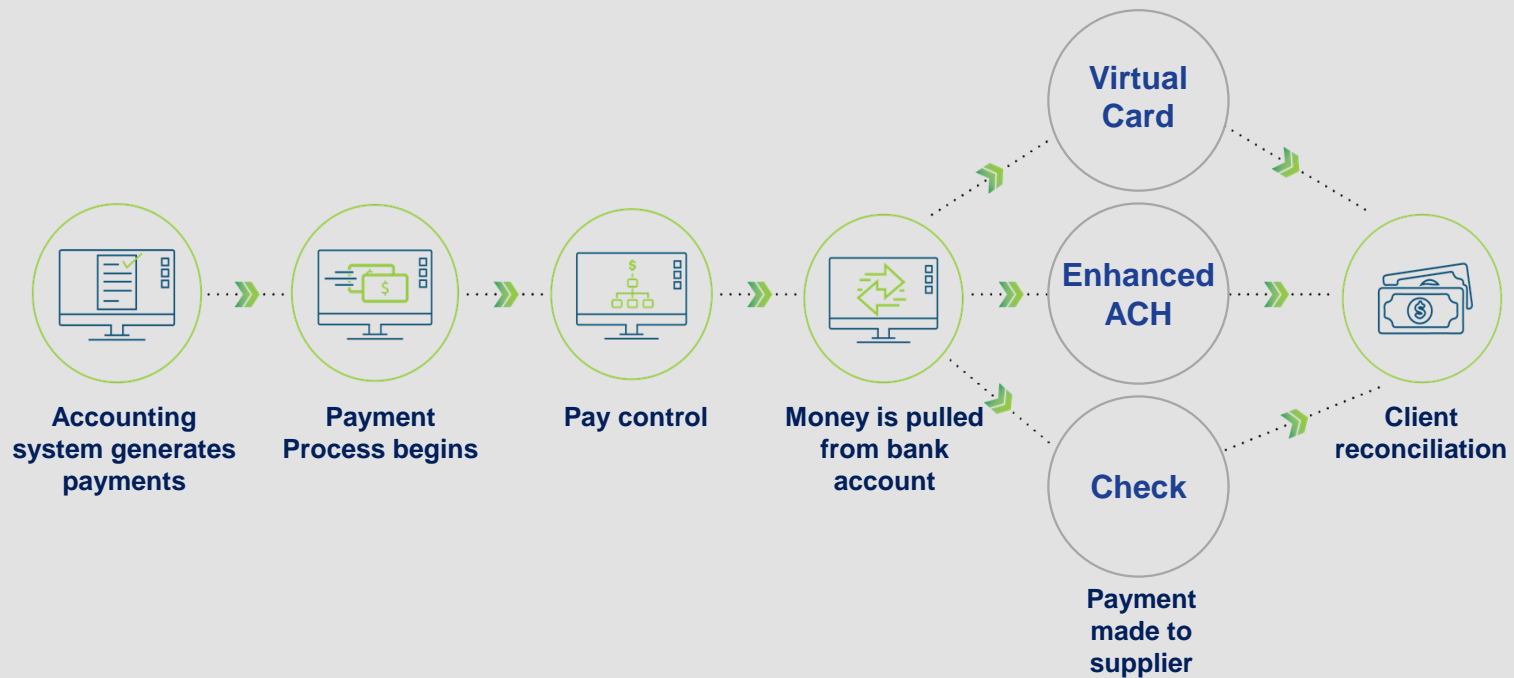


FIFTH THIRD BANK

FinTech AP Automation Overview



Outsourced Pay Network: The Process



Receivables Matching Technology

How it Works

- 1 Extract open invoice records from your ERP Application.

- 2 The bank will load open invoice records and payments into the receivables matching.

- 3 You banking partner can provide Integrated Receivables Output Files and deposit funds from each payment workflow.

Customer Data



Accounting system load file (Open invoices)



Emailed remittance

Matching Technology



Payment Data



Remote Deposit Capture



Lockbox



Electronic Payments (ACH/Wire)



Lockbox



Remote Deposit



Electronic Payments (ACH/Wire)

Pre-Deposit vs. Post-Deposit

Analysis Statement Review

Analysis Statement Overview

FIFTH THIRD BANK
FIFTH THIRD BANK (CINCINNATI)
MADISONVILLE OPS CENTER, 1MOC21
CINCINNATI, OH 45263


FIFTH THIRD BANK

ABC COMPANY
GENERAL ACCOUNT
1234 MAIN ST
CINCINNATI OH 45245

ACCOUNT ANALYSIS PAGE 1
COMPOSITE STATEMENT
PERIOD 03-01-13 THRU 03-31-13
ACCOUNT NUMBER 999123456

999 002 C 999123456

RELATIONSHIP SUMMARY						
BANK	ACCOUNT NUMBER	NAME	NET AVERAGE COLLECTED	EARNINGS CREDIT	BALANCE REQUIRED	ANALYZED CHARGES
002	00000000012345678	ABC COMPANY	12,997,673	1,922	1,422,951	233.91
002	00000000055555555	ABC COMPANY	511,741	75	148,798	24.46
002	00000004444444444	ABC COMPANY	437,058	64	197,221	32.42

AVERAGE BALANCE ON DEPOSIT

AVERAGE NEGATIVE COLLECTED BALANCE	0.00
AVERAGE POSITIVE COLLECTED BALANCE	13,946,472.84
INVESTABLE BALANCE BASIS	13,946,472.84
- FEDERAL RESERVE REQUIREMENT (10.000000%)	1,394,647.28
INVESTABLE BALANCE AVAILABLE FOR SERVICES	12,551,825.56

Composite Account Number

Monthly Account
Balance Position

Only includes balances
eligible for an earnings
credit allowance



Analysis Statement Overview

Services Provided Detail

Actual + Waived

SERVICES PERFORMED	AFP CODE	UNITS	UNIT PRICE	SERVICE CHARGES	REQUIRED BALANCE
ACCOUNT SERVICES					
STANDARD					
DISB CHECKS PAID	15 0100	286	0.1050	30.03	182,682.40
ELECTRONIC DEBITS TRANSACTIONS	15 0100	39	0.1050	4.10	24,941.66
COMMERCIAL DEPOSITS	01 0101	33	0.3700	12.21	74,277.46
CHK DEPOSIT ITEMS REJECTED	10 0230	8	0.3150	2.52	15,329.99
COMPOSITE GROUP	01 9999	1	0.0000	0.00	
DISB CHECK PAID MICR REJECT & RE	15 0300	1	0.3750	0.38	2,311.67
CHK UNENCODED ITEMS DEPOSITED	10 0222	134	0.1050	14.07	85,592.45
MONTHLY MAINTENANCE	01 0000	3	13.2500	39.75	241,812.36
CHK PAPER CHECK ADMIN FEE	10 1030	134	0.0105	1.41	8,577.50
ACH CREDIT RECEIVED	25 0201	87	0.0630	5.49	33,397.48
ACH DEBIT RECEIVED	25 0200	42	0.0630	2.64	16,060.00
ACH ADDENDA RECEIVED	25 0202	13	0.0893	1.16	7,056.66
ACH POSITIVE PAY					
ACH POSITIVE PAY MO MAINT	25 1050	1	10.2500	10.25	62,354.13
ACH					
ACH ORIGINATED - ONLINE					
ONLINE ACH MONTHLY FEE	99 9999	1	19.0000	19.00	115,583.27
ACH CREDIT ORIGINATED	25 0101	6	0.0525	0.32	1,946.67
ACH DEBIT ORIGINATED	25 0101	6	0.0525	0.32	1,946.67
ACH ADDENDA ORIGINATED	25 0102	4	0.0893	0.36	2,190.00
ACH FILE PROCESSED	25 0505	6	0.0000	0.00	
REPORTING SERVICES					
ACH RETURN/NOC RPT VIA WEB	25 0400	1	0.0000	0.00	
CASHIERING					
BANKING CENTER CASH DEPOSITS					
BKG CNTR DEPOSITED CASH	10 0015	12,571	0.0016	20.11	122,335.77
INFO REPORTING					
AA - PRIOR DAY					
ONLINE AA PRIOR DAY REPORTING	40 0052	1		21.00	127,749.93
ONLINE AA PRIOR DAY PER ACCOUNT	40 0272	3	7.9000	23.70	144,174.93
ONLINE AA PRIOR DAY DETAIL	40 0272	900	0.0105	9.45	57,487.47
MISCELLANEOUS					
LEGACY					
ACH POSITIVE PAY SETUP	25 1055	1	10.2500*	10.25 W	62,354.13
MULTI SIGNER PER ITEM	15 0210	286	0.0525	15.02	91,371.62
MULTI SIGNER BASE CHARGE	15 0210	1	26.2500	26.25	159,687.41
PORTAL					
AA					
ONLINE AA ACH MODULE	25 1110	1	21.0000	21.00	127,749.93
Total Charges This Cycle				290.79	
Less Waived Charges				10.25	
Actual Analyzed Charges				280.54	1,768,971.56

Waived charges appear with "W" but are not included in Total Analyzed Charges

Analysis Statement Overview

Actual + Waived

ONLINE AA ACH MODULE	25 1110	1	21.0000	21.00	127,749.93
Total Charges This Cycle				290.79	
Less Waived Charges				10.25	
Actual Analyzed Charges				280.54	1,768,971.56

Total Required Balance					1,768,971.56
Balance Available for Other Services					10,782,854.00
Earnings Credit Allowance	2,063.31				
- Less Actual Analyzed Charges	280.54				
Net Position	1,782.77				
Analyzed Results Transferred In			1,782.77		
Total Analyzed Result			1,782.77		
Credit waived				1,782.77	
\$1.00 Of Unit Price Is Equal To 6,083.33 Of Composite Balance					
Investable Balance Receives An Earnings Credit Of 0.200000%					



Thank you for your time.