

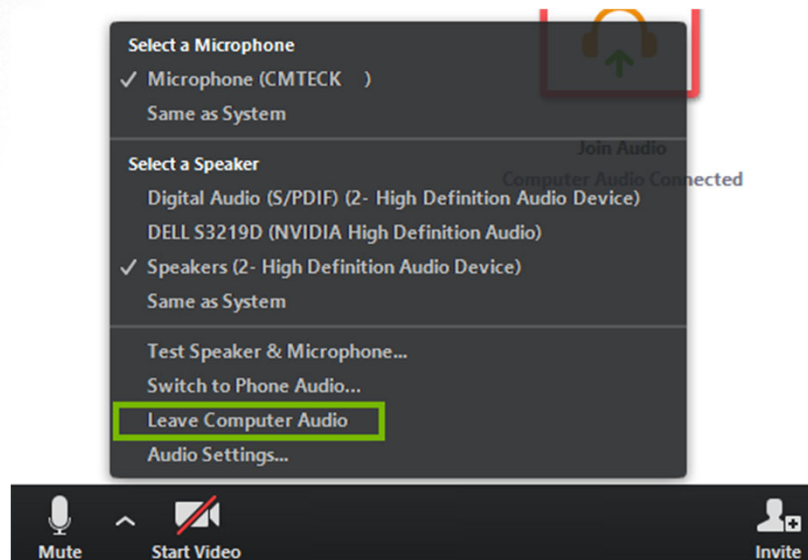
BBOK Payments Webinar



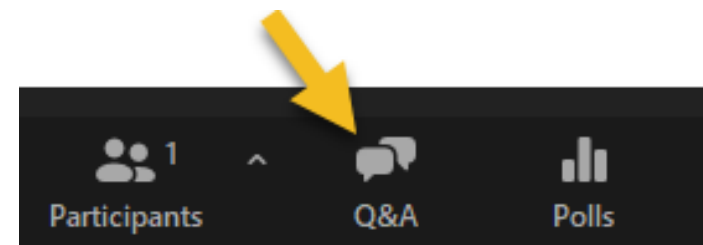
**Dive In to
Instant
Payments:
Receive & Settle**

Event Details

Troubleshoot your audio



Ask a question through the Chat & Q/A feature



Presenters



Tracy Stewart
Business Analyst (AAP)



Eric Dotson
Aptys Payment Solutions



Daniel Hayden
Vice President
Payments and Deposits Manager

Agenda




Instant Payments Overview



FedNow Service Highlight



PATH Instant Pay Module



**Considerations for
Implementing Receive**



BBOK Milestones



**Receive & Settlement (Receive Only)
Through BBOK**

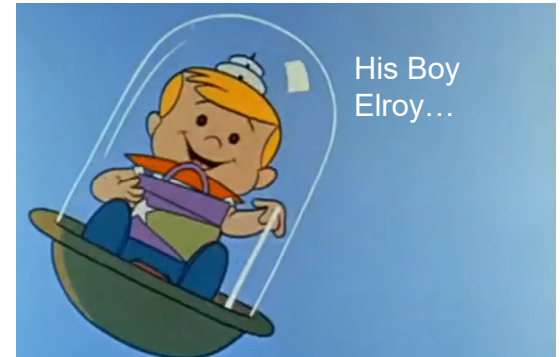


INSTANT PAY | ALL-IN-ONE, REAL-TIME PAYMENT SOLUTION

DIRECT CONNECTION TO THE FEDNOWSM SERVICE & THE CLEARING HOUSE

The Jetsons

First aired:



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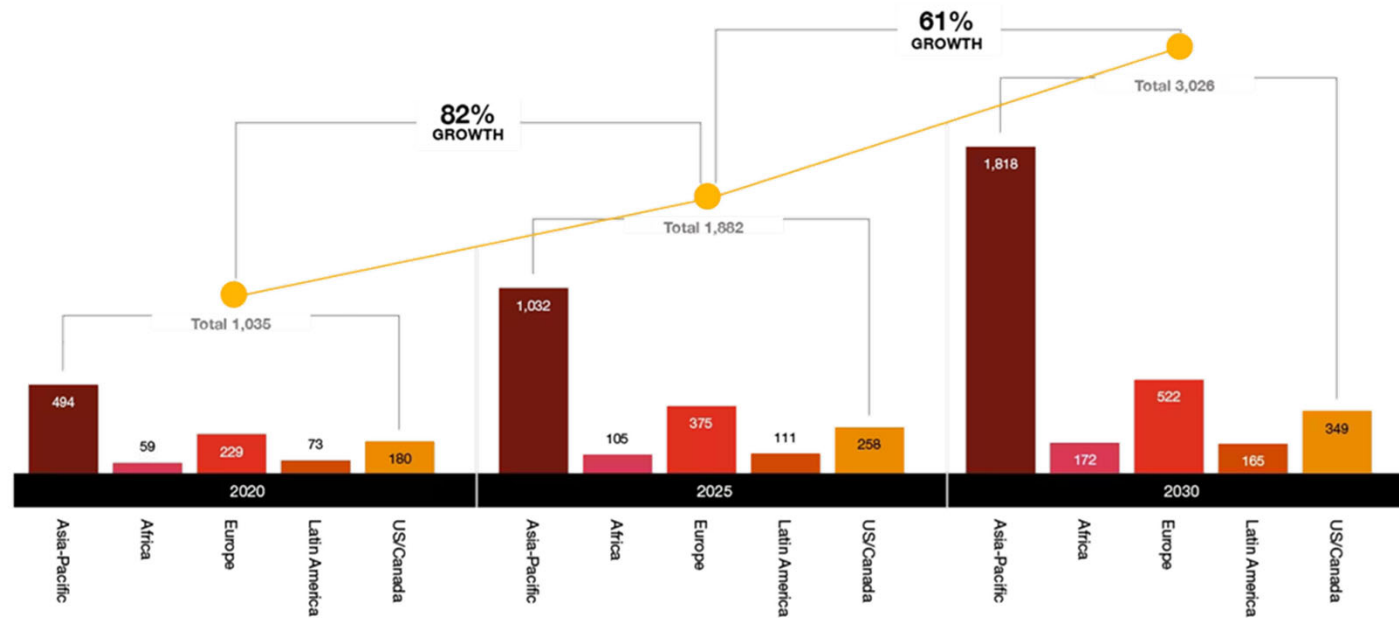
The Jetsons



THE FUTURE OF PAYMENTS

Digital
Faster / Real-time
Mobile
Integration / Open networks
International

Number of cashless transactions in billions



PWC SURVEY

90% of FIs useful customer data comes from payments



42% increase in global cashless payments and an acceleration of cross-border, cross-currency instant and B2B payments



89% the shift to e-commerce would continue to increase



86% agreed that traditional payment providers will collaborate with FinTech providers as one of their main sources of innovation

COLLABORATION PARTNERS

- Aptys and BBOK are your collaborative Fintech partners!



WHAT IS THE FEDNOW SERVICE?

The FedNow Service is a way for financial institutions of every size and in every U.S. community to provide safe and efficient instant payment services around the clock, 365 days a year.

Delivers gross settlement of funds, with integrated clearing functionality, 24x7x365

Enables funds transfers and confirmation of good funds



Offered to all eligible financial institutions to enable businesses and individuals to send and receive instant payments conveniently

Supports a range of use cases

COLLABORATION ACROSS THE ENTIRE ECOSYSTEM

The FedNow Service is being developed by the Federal Reserve to enable financial institutions of every size, in every community across America, to provide safe and efficient instant payment services, around the clock, 365 days a year.



WHAT IS INSTANT PAY?

Instant Pay is a solution from Aptys provided by BBOK to enable end-to-end, real-time payments!

The service provides:

- **Connection to the Federal Reserve's FedNowSM Service for Receiving Instant Payments**
- **Coming Soon! - Connection to the Clearing House's RTP (Real-Time Payments) network**

Instant Pay is an innovative payment service that empowers financial institutions to provide their customers with automated payment processing for a fast, reliable, and secure payment experience.



WHAT IS THE FEDNOW SERVICE?



Angie



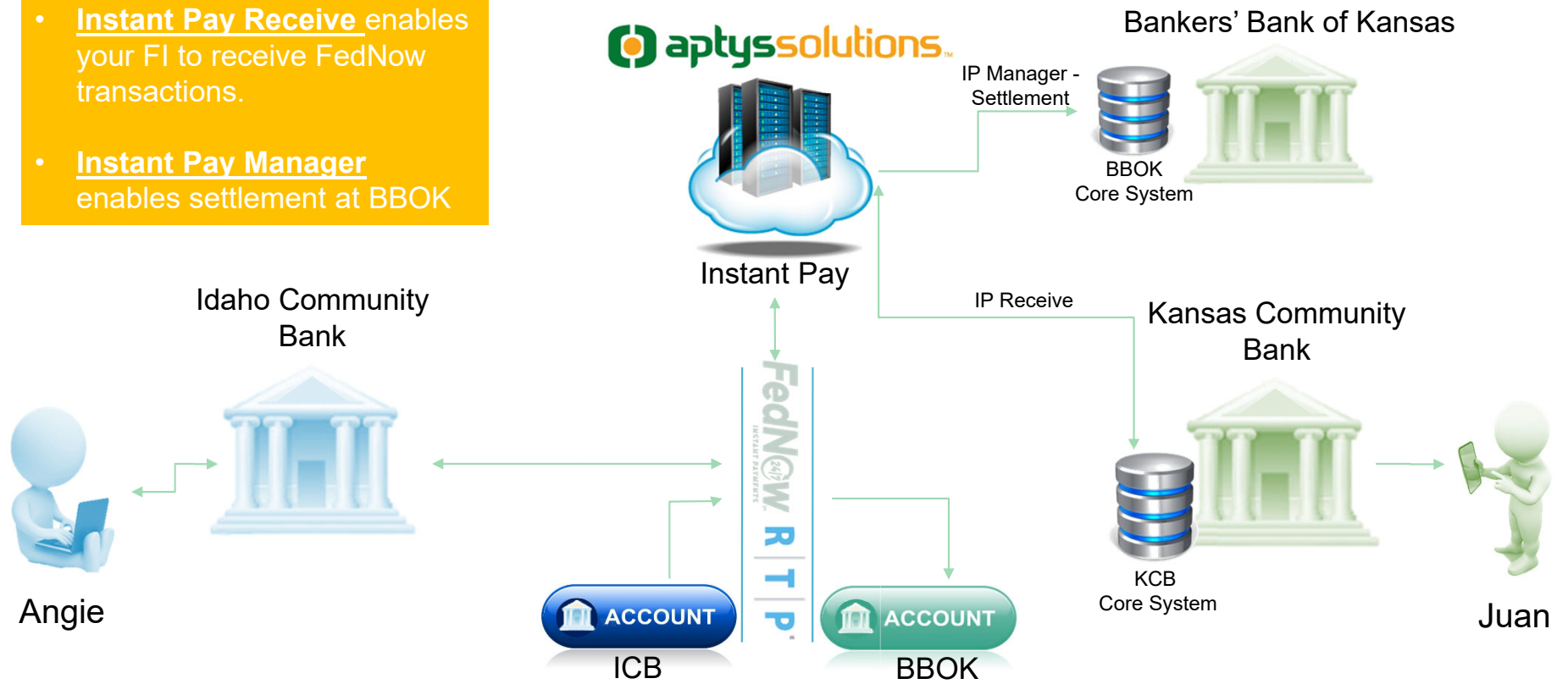
Juan

**FedNow and BBOK's Instant Pay service allows
Angie to pay Juan in seconds!**

KEY DIFFERENTIATOR: Funds are available for immediate withdrawal.

BEHIND THE SCENES – RECEIVING PAYMENTS

- **Instant Pay Receive** enables your FI to receive FedNow transactions.
- **Instant Pay Manager** enables settlement at BBOK



INSTANT MONEY MOVEMENT

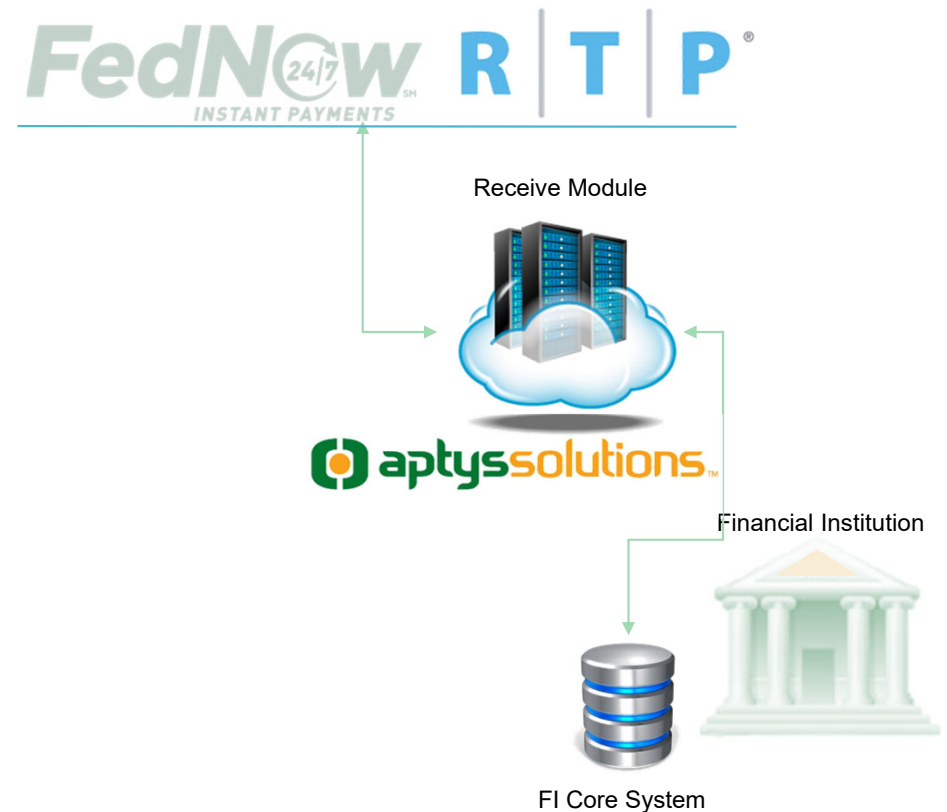
	Angie	ICB	BBOK	KCB	Juan
Sending FI (ICB)	-\$50	+\$50			
FRB		-\$50	+\$50		
BBOK			-\$50	+\$50	
Receiving FI (KCB)				-\$50	+\$50

INSTANT PAY RECEIVE

Instant Pay Receive

Allows your FI to receive transactions from the FedNow Service.

- Connection to the network(s)
- Receive and route all messages
- Core system integration
- Automated posting
- Provide workflow for processing returns







PROVIDING COMMUNITY FIS BENEFITS

As your partner, we have worked to provide reduced cost of operation and settlement services to community financial institutions. This collaboration provides:

- You have the tools to compete with larger FIs
- You, and your customer's, specific needs are met
- Your voice is being heard through our connection to over 5,500 financial institutions
- Offers new use-cases for how payments will be done in the future
- Offer customers full real-time credit transfer services for both the FedNow Service and RTP

Real-time payments are the future in financial services. It is the first new payment rail to be put into operation in over 50 years. Making payments that settle immediately, provide customers with the ability to pay anyone, anywhere, anytime so that funds can move as fast as people.

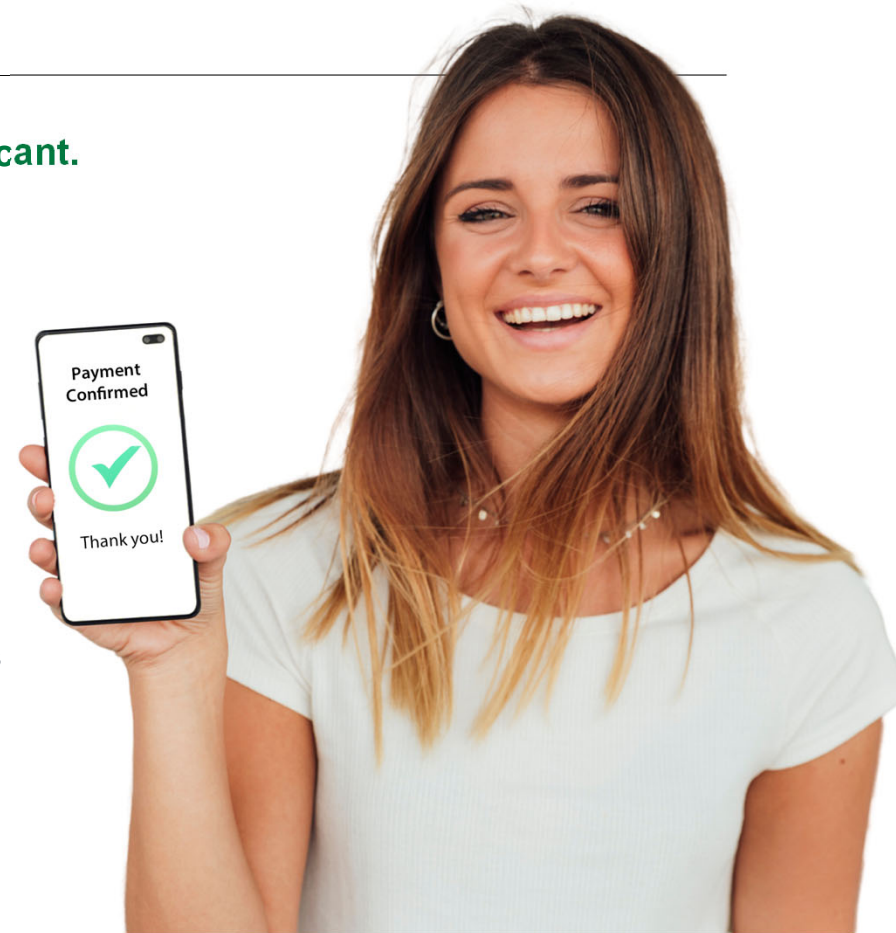
END-USER BENEFITS

The benefits of FedNow for your customers are significant.

FedNow offers convenience, simplicity, and speed

- With real-time payment services, you no longer limit your customers to your hours of operation
- FedNow is 24x7x365
- Your customers have immediate access to their money and can send payments that provide immediate funds...which makes everyone happy
- Customers can make that purchase at 3:00 AM when they can't sleep
- Customers will appreciate that they can rely on you, their trusted financial institution, to provide them with all the payment services they need

With FedNow, consumers and businesses can transact and manage their finances more effectively, without having to wait for funds to clear.





NEW CHALLENGES

Faster payments offer significant benefits for financial institutions and their customers, including convenience, speed, and improved customer experience.

As your partner, BBOK is here to help you overcome those challenges such as:

- Providing simplified onboarding and help connecting to the network
- Assisting with education, knowledge, and expertise
- Providing added service that helps you manage payments 24x7x365
- Strengthening security and mitigating risks
- Helping you meet the challenge of increasing compliance oversight

All of these “challenges” can be solved by working directly through your trusted partner: BBOK

BENEFITS OF GOING THROUGH YOUR CORRESPONDENT

Working with BBOK can help community financial institutions better serve their customers. BBOK can;

- Protect the community FIs data
- Collaborate with leading fintech providers to save time, money, and effort for community FIs
- Relieve pressure and allow community FIs to focus on serving their customers
- Bring new alternative solutions to help the community
- Help FIs compete in the marketplace and offer the latest in faster payment services



AGENDA

- What is Instant Pay
- How do my community FIs customers benefit from it
- Opportunities & Challenges
- How can my correspondent FI help me through the process
- Education & Resources
- How can I get started

USE CASES

Treasury Payments

The US Department of Treasury has indicated they will use the FedNow Service to send payments.

Includes:

- IRS Refunds
- Social Security monthly payments
- Veteran Affairs payments
- FEMA payments
- Defense spending
- Others





USE CASES

Payroll

Nowadays many people depend on real-time everything. Having access to money daily is a life saver for many people.

Many people work as Uber/Door Dash drivers as the job is flexible and provides some income for essentials. Having access to the money in real-time allows them to pay for gas and food each day.

USE CASES

Loan Payoff

When it comes time to pay off a loan, the last thing a person wants to do is add up the accrued interest to cover the days from the day the check goes in the mail to the day the check is processed.

Instant pay allows a person to pay the loan off instantly, saving time, money, and frustration.





USE CASES

Last minute payments

Did you wait until the last day to pay the monthly light bill? Heating bill? Visa card bill? Make those payments immediately and avoid late fees with Instant Pay. Make sure the lights stay on.

Considerations for Implementing Receive

What is your timeline?

Is my bank going to receive instant payments?

We are unsure at this time.

We will implement in 2024.

Yes, we are ready to implement now.

Is my bank going to receive instant payments?

You are not behind!

We are unsure at this time.

Continue gathering information – look to BBOK

Assess customer needs (Use Cases)

Develop an implementation plan

Is my bank going to receive instant payments?

We will implement in 2024.

Vendor Unknown

Vendor Known

Vendor Unknown

Select Vendor
- Consider BBOK for Receive -

Ensure the vendor you select can integrate with your core.

Initiate paperwork with the Fed.

Designate BBOK as your Settlement Agent (Receive Only)

Determine your technology needs for providing customer notifications.

Is my bank going to receive instant payments?

We will implement in 2024.



Vendor Unknown



Vendor Known

Vendor Known

Initiate paperwork with the Fed.

Designate BBOK as your Settlement Agent (Receive Only)

Determine your technology needs for providing customer notifications.

Is my bank going to receive instant payments?

Yes, we are ready to implement now.

Contact BOK for Settlement (Receive Only)

BBOK Milestones

BBOK Instant Pay Milestones

Receive / Receive Settlement – in process of implementing module

- **Anticipate Third Quarter 2023 availability**
- **Timing is unique to each bank and all parties involved**

Send / Send Settlement / Liquidity Management – coming soon

- **Anticipate Fourth Quarter 2023 / First Quarter 2024**

RTP integrated in to Instant Pay – coming soon

The "PATH" Forward With BBOK

BANKERS' BANK
— OF KANSAS —

When you're ready to implement Receive & Settlement (Receive Only)...

Contact BBOK

- ✓ We will work with you on core integration needs.
- ✓ We can discuss how you will provide customer notifications.
- ✓ BBOK will participate with you in a call with your Fed Rep to initiate/finalize paperwork.
- ✓ BBOK will provide Service Addendum and schedule of fees for review and signature.

When you're ready to implement Settlement (Receive Only)...

Contact BBOK

- ✓ BBOK will participate with you in a call with your Fed Rep to initiate/finalize paperwork.
- ✓ BBOK will provide Service Addendum and schedule of fees for review and signature.

BBOK Checklist: Settlement Only (For Receive Transactions)

- ✓ Contact BBOK to share your interest in implementing Settlement (Receive Only).
- ✓ Schedule a joint call with your Fed Rep and BBOK.
- ✓ BBOK will provide Service Addendum and schedule of fees for review and signature.

Questions?

Contact Information

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Payments Resources

<https://www.bbok.com/payments-resources/>