

BBOK Payments Webinar

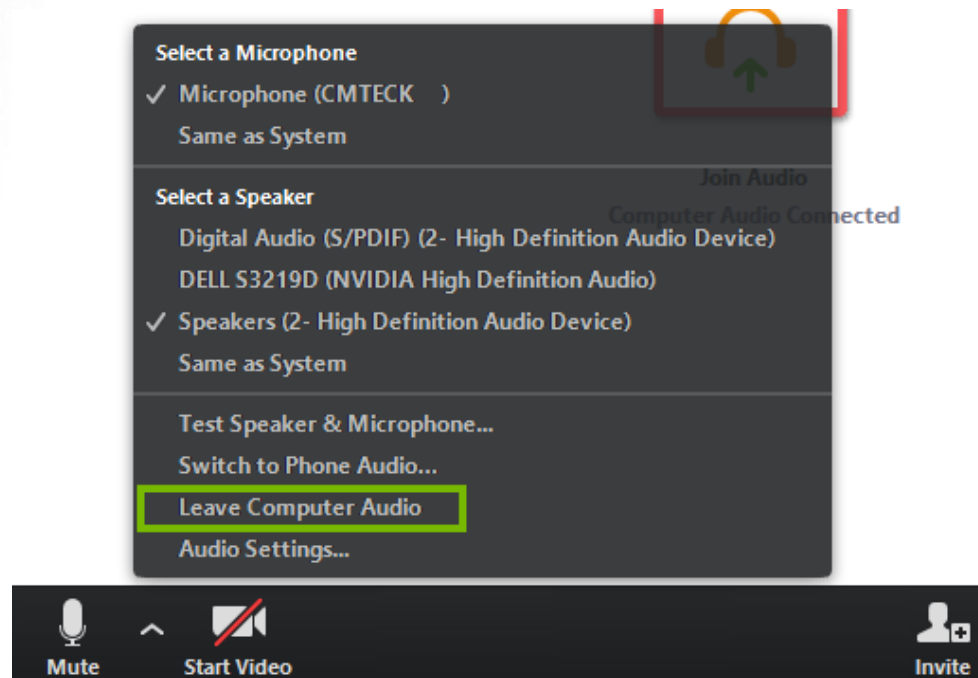


**Tap
Instant
Mobile...**

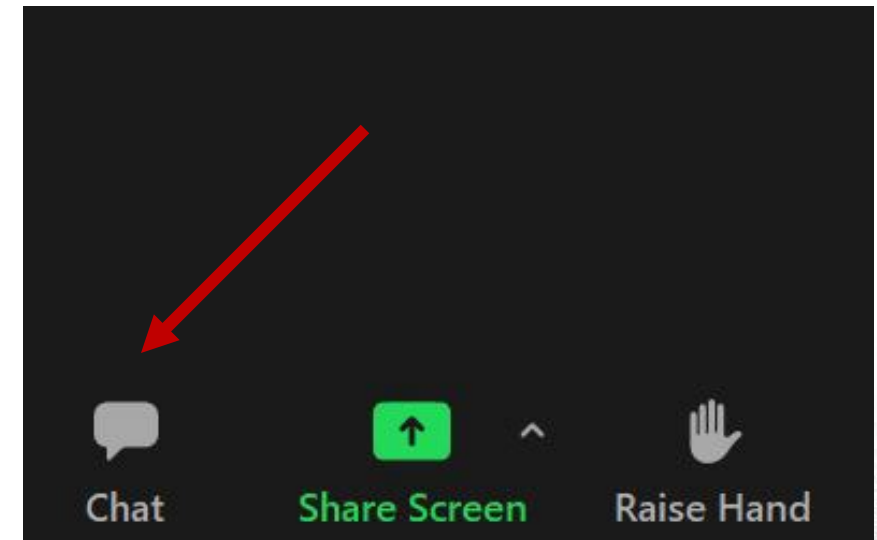
Oh My!

Event Details

Troubleshoot your audio



Ask a question through the Chat feature



Presenters



Teri Ginther
President
Chief Operating Officer



Jen Caughron
Senior Vice President
Bank Card Manager



Candice Jackson
Assistant Vice President
Electronic Banking

Payments and Community Banking

Payments

CASH

CHECKS

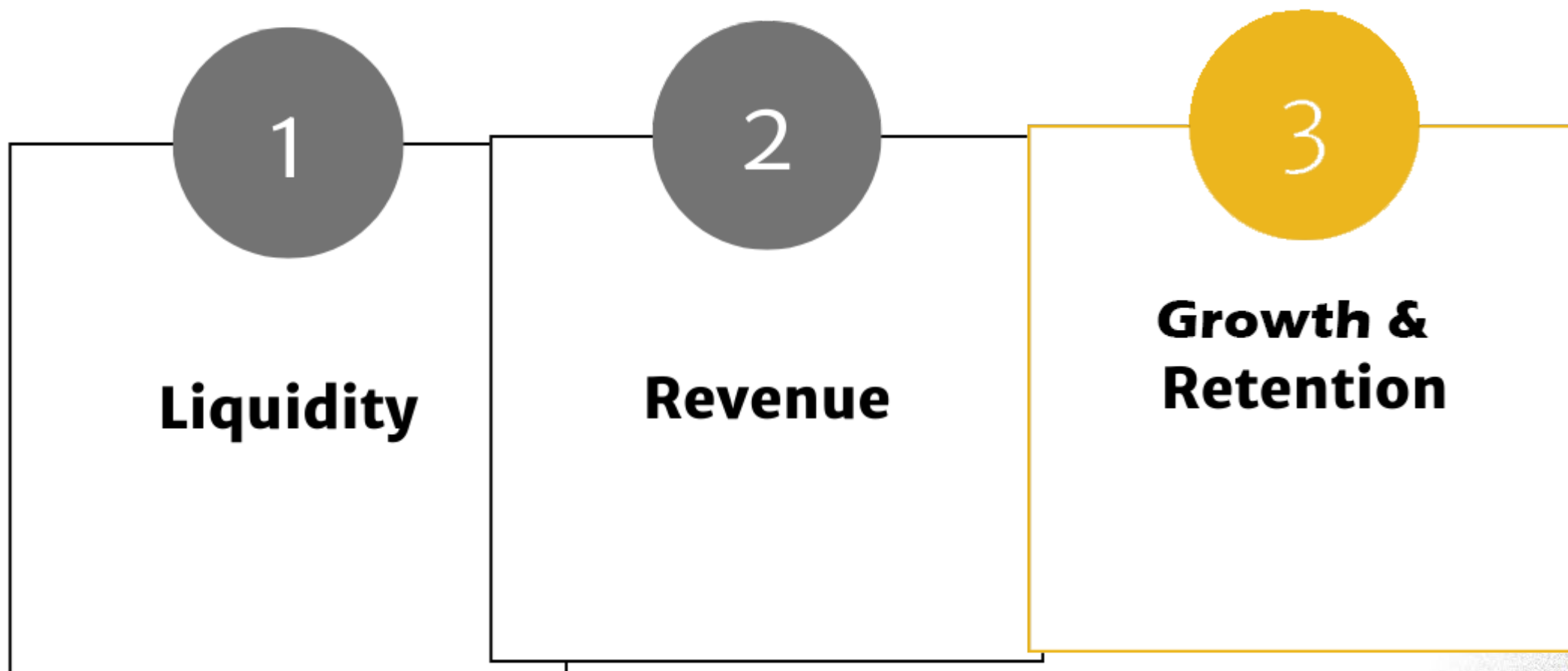
WIRES

ACH

CARDS/POS

INSTANT

Why are payments strategic?



Customer Expectations

Convenience

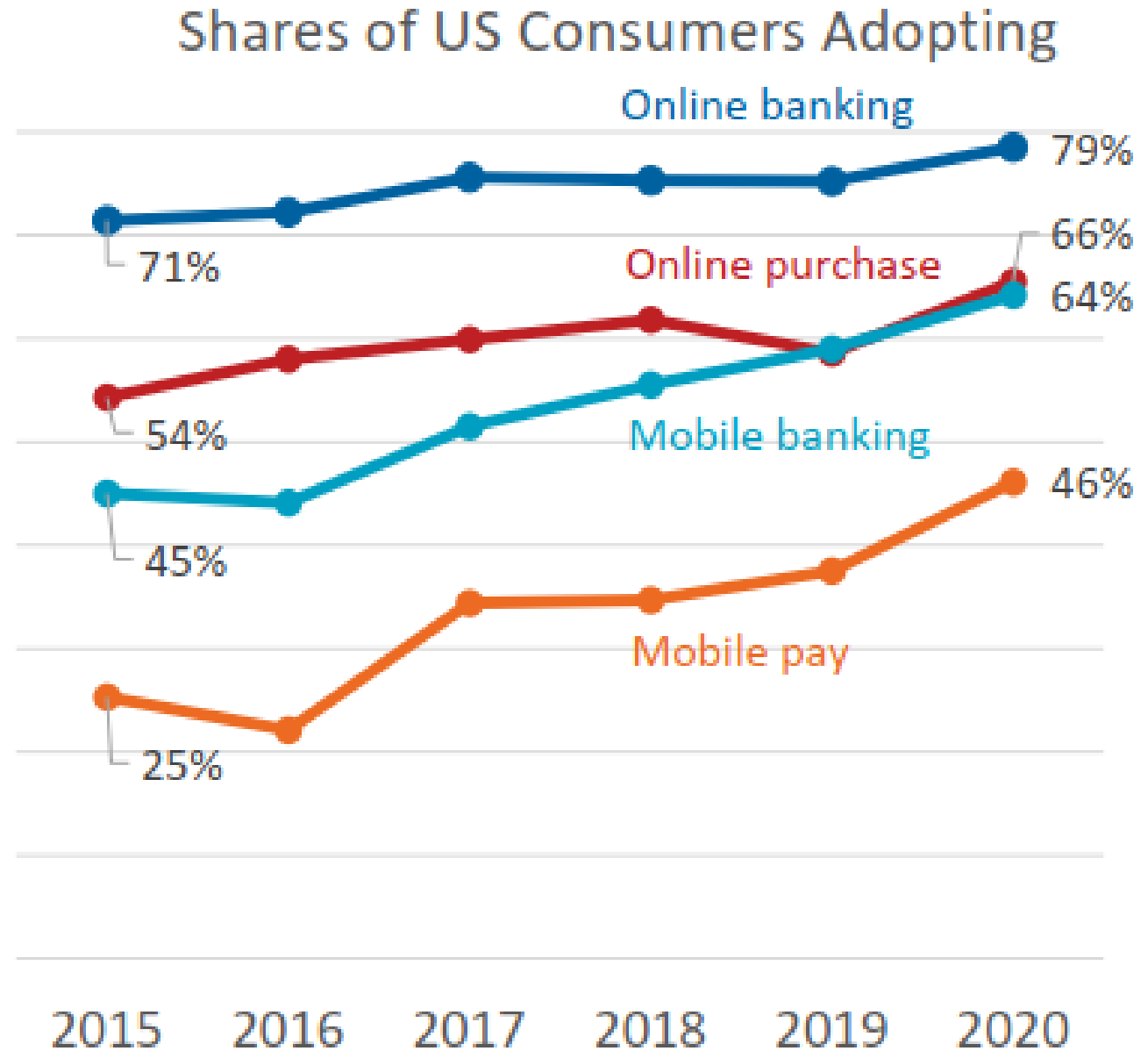
Efficiency

Security

Rewards

Payment Trends

Digital Adoption Rates



Digital Adoption Rates

50%
Baby Boomers (55+)

Digital Adoption Rates

50%

Baby Boomers (55+)

80%

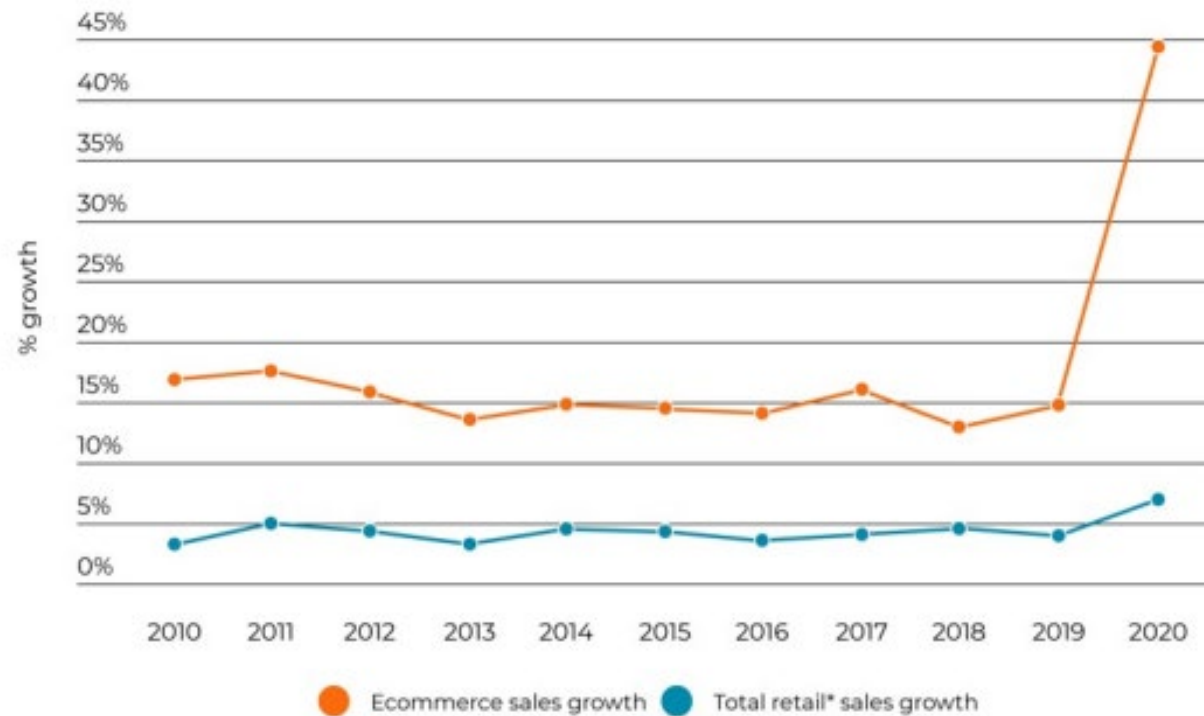
Millennials & Gen Z

Online Spending

Consumers spent
\$791.7 billion
online with U.S.
merchants in 2020

Comparing growth: US **ecommerce** vs. **total retail*** sales

Year-over-year growth, 2010-2020



Source Digital Commerce 360, U.S. Department of Commerce; Updated January 2021

*Total retail figure exclude sales of items not normally purchased online such as spending at restaurants, bars, automobile dealers, gas stations and fuel dealers

Declining Use of Cash

51%

People
using
cash less
often

Declining Use of Cash

51%

People
using
cash less
often

68%

Small biz
taking
fewer
cash &
checks

Speed is Key



1/3 of Americans use a contactless card as their top-of-wallet card

SAMSUNG
pay

G Pay

Apple Pay



Speed is Key



1/3 of Americans use a contactless card as their top-of-wallet card



By 2025, 50% of smartphone users expected to pay with phone at POS

SAMSUNG
pay

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Speed is Key



1/3 of Americans use a contactless card as their top-of-wallet card



By 2025, 50% of smartphone users expected to pay with phone at POS



Contactless payments reduce transaction time by 20-30 seconds over chip-enabled cards

SAMSUNG
pay

G Pay

Apple Pay



Speed is Key

75%

OF CONSUMERS SAY IT'S
IMPORTANT TO RECEIVE
PAYMENTS AND HAVE
INSTANT ACCESS TO FUNDS

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90%

OF BUSINESSES EXPECT TO
INITIATE AND RECEIVE
FASTER PAYMENTS BY 2023

Speed is Key

75%

OF CONSUMERS SAY IT'S
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90%

OF BUSINESSES EXPECT TO
INITIATE AND RECEIVE
FASTER PAYMENTS BY 2023

\$4.2B

U.S. REAL-TIME PAYMENT
TRANSACTION VOLUME
BY 2024

Small Business Growth



3.5M

SMALL BUSINESSES
STARTED DURING
THE PANDEMIC

Small Business Growth



3.5M

SMALL BUSINESSES
STARTED DURING
THE PANDEMIC

543K

NEW BUSINESSES
LAUNCHED
MONTHLY

Small Business Growth



76% say the pandemic prompted them to become more digital

Small Business Growth



76% say the pandemic prompted them to become more digital



82% changed how their business sends and receives payments

Small Business Growth



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82% changed how their business sends and receives payments

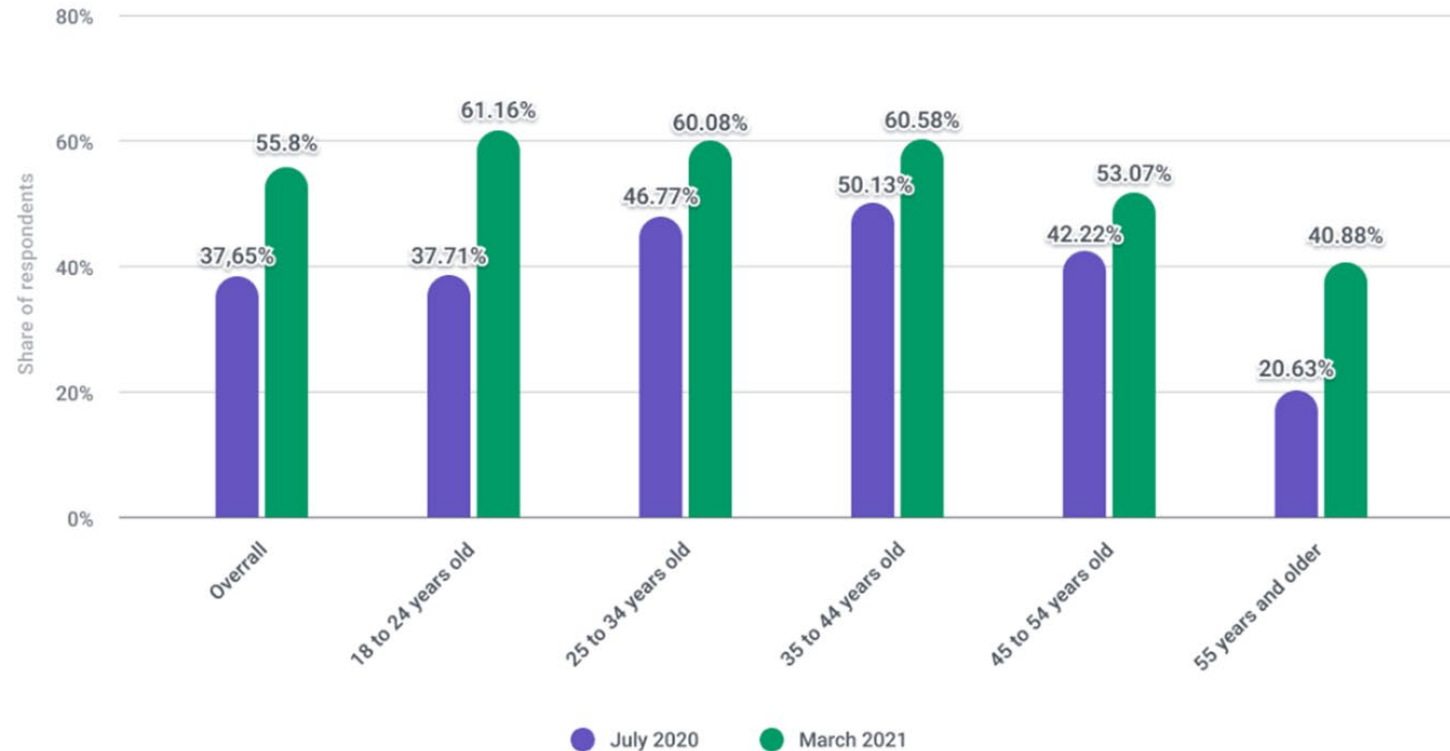


50% added a new digital service for accepting payments

Buy Now Pay Later (BNPL)

BNPL is
growing faster
than any other
lending product

BNPL User Age USA



Non-Bank Competition



Non-Bank Competition

Targeting nearly
**80% of the small
business banking**
revenue pools, including
checking and cards

Network of nearly
3M active sellers
generating **\$4.B in annual
revenue** (2019) and around
**\$100B in annualized card
volume**



BLOCK



Square

 **Cash App**

tbd

Non-Bank Competition



PayPal customers hold about **\$31B in mobile wallets** – nearly triple from 2016

Braintree
A **PayPal** Service

Zettle
by **PayPal**

Provided business owners with over **\$20B in funding** by the end of 2020

xoom
A **PayPal** Service

Crypto as Payment



1 in 5 consumers
interested in using
cryptocurrency for
payments and
rewards redemption

BBOK Programs to Meet Your Customers' Needs

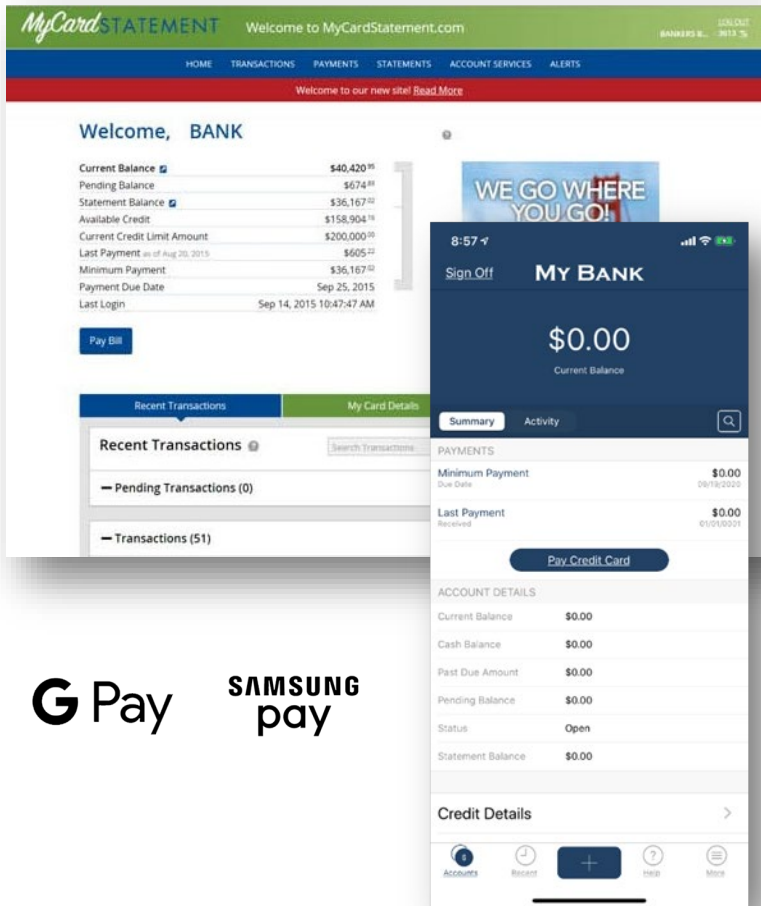
Bank Card Program

Bank-branded
program with
consumer and
business products

150+ participating banks



Bank Card Program



Feature Highlights

- Scorecard rewards program with cash back and gift card options*
- Contactless cards
- Mobile wallet capable
- Mobile application with card controls
- CardUpdatr



Bank Card Program

Program Support

- Bank branded online applications
- Customer Service team
- Robust marketing program
 - Incentive/Usage
 - Onboarding
 - Regular communications
 - Custom programs



Merchant Services



Competitive pricing

Exceptional experience

Two options to fit your bank's merchant services growth strategy:

- ✓ Partner
- ✓ Referral

Merchant Services

Broad-range of technology and solutions, including:

- ✓ Mobile and online payments comparative to Square and other non-financial providers.



Swipe



Dip



Tap



Virtual

Merchant Services

✓ Multiple payment verticals fit the broad range of SMBs, including restaurants, retail, vet clinics, churches, schools and solopreneurs.



SCHOOLS



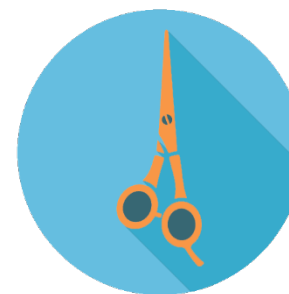
CHURCHES



MEDICAL



RESTAURANTS



SALONS



RETAIL

Merchant Services

Marketing programs

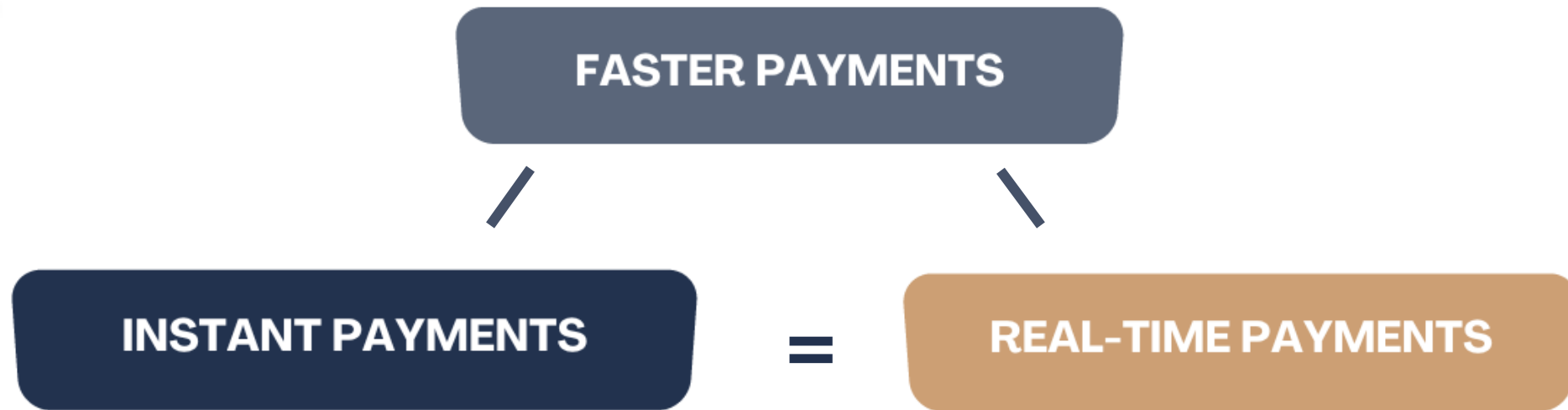
- Welcome kits
- Launch plans
- Sales support tools
- Ongoing resources



Quick Poll:

**Tell us about your banks
instant payment plan**

Instant Payments



Instant Payments

To be classified as an instant payment, the payment option must:

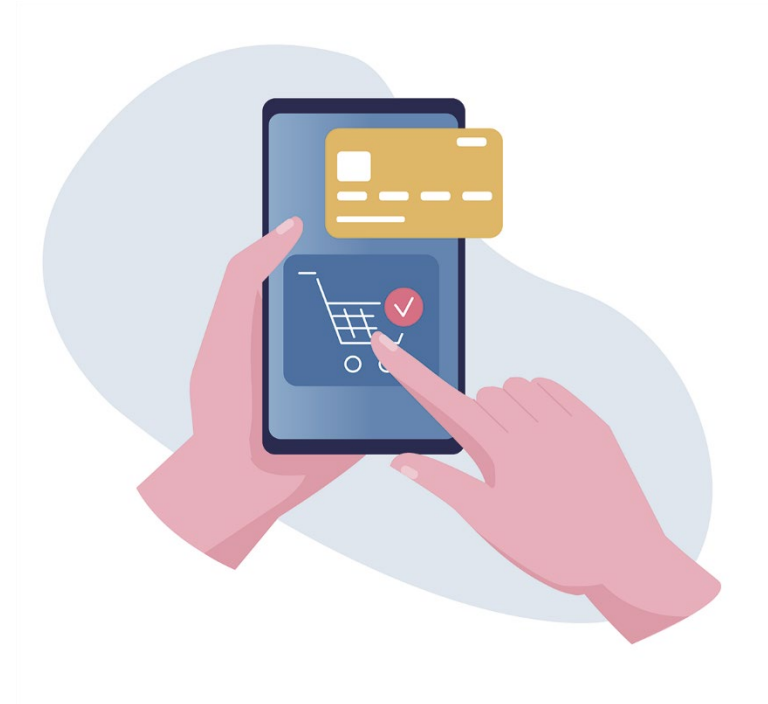
1. Enable both payer and payee to see the transaction reflected in their accounts



Instant Payments

To be classified as an instant payment, the payment option must:

2. Provide funds the payee can use directly after the transaction



Instant Payments

Available with the launch of FedNow Service.

A2A

Account-to-Account



C2B

Consumer-to-Business



Instant Payments

P2P

Person-to-Person



Government & Municipal



Instant Payments

B2C

Business-to-Consumer



B2B

Business-to-Business



Instant Payments

RTP®
Network

BBOX has signed up to be a funding/liquidity agent

- RTP® Network is currently live
- Before BBOX can take the next step with implementation we need a customer who wants to sign up with RTP®

Instant Payments

FedNow
Service

**BBOK is participating as a
FedNow Pilot Participant**

FedNow service is still under development with an estimated live date of 2023 (Date TBD)

Instant Payments



Success Strategies

Success Strategies

Bank Card & Merchant Services

1

Add a program to deepen customer relationships.

2

Retrain staff on features & benefits.

3

Display programs on your website, highlighting in-demand features.

4

Include products in your annual marketing plan.

Success Strategies

Instant Payments

1

Access educational resources on instant payment options and opportunities.

2

Identify payment options that make sense for you and your customers.

3

Look to Bankers' Bank of Kansas as your trusted partner through the journey.

Q&A

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