



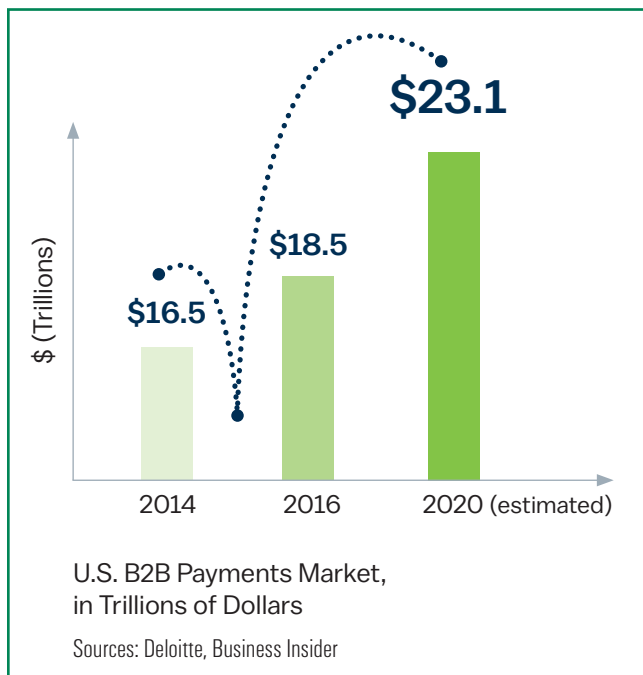
The future of payments.

A connected experience.

Learn about our advanced solutions that align **modern-day** Treasury Management to your **day-to-day** business operations.

Bigger and bigger.

The growing U.S. B2B payments market, specifically commercial payments, is getting bigger and bigger. The potential impact for faster payment technology is enormous. Organizations are racing to a future where payments are more convenient and expedited than ever.



Is your business ready?





IN THIS GUIDE

The evolution of payments 2

The decline of checks.....3

Real-time is the new standard.....4

Rise of same-day ACH6-7

Upgrade in wire services8

Reducing costs with Commercial Card9

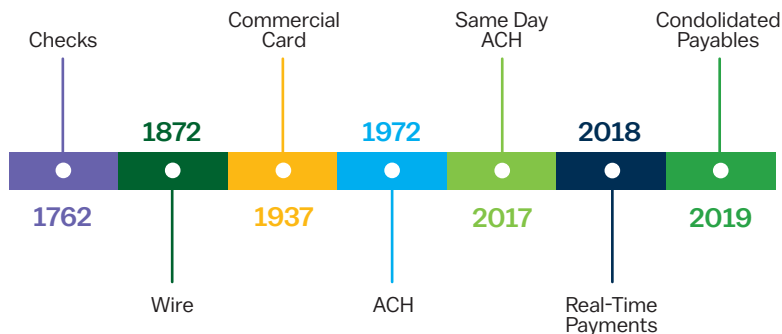
Upgrade your AP with consolidated payables8

Why M&T?..... 14

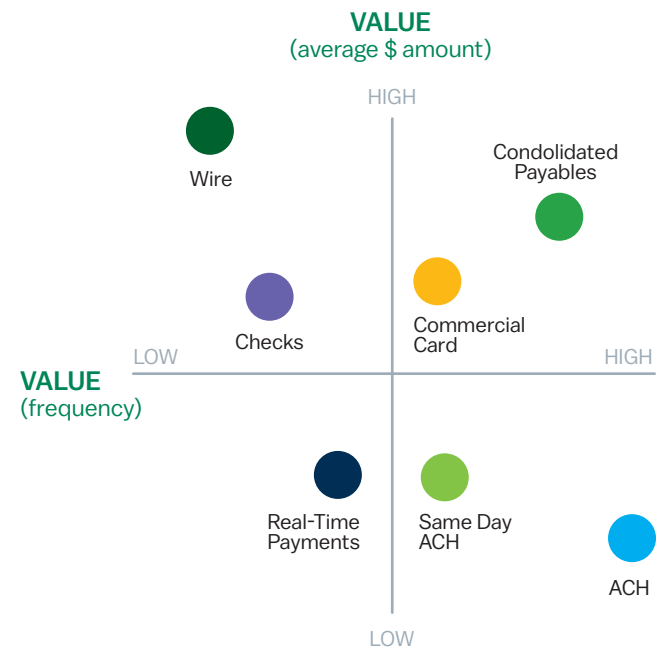
The evolution of payments.

Over 900 billion in payment values moves around the world annually, giving way to a continuum of payment types serving unique purposes and solving industry-specific pain points. With a dramatic shift to digitalization of the payments world, it is not enough for payments to just be “faster” – factors like efficiency, flexibility, transparency, simplicity, and security must also be considered. New innovations in payment systems do not offer a one-size fits all approach: understand how each could be applied to your organization.

What came first?



How do payment options compare?





Checks are currently the most frequently used payment method for B2B transactions.

Countries such as Japan, Sweden and Finland have a faster payment system and no longer use paper checks. In contrast, every year in the United States, consumers and businesses make and receive more than \$140 billion non-cash payments with a total value of more than \$175 trillion using checks, wire transfers and/or credit cards.



However, the percentage of payments made via check has dropped significantly – from 81% in 2004 to 42% in 2019 – a decline of 39%.

2020 AFP Electronic Payments Survey (JP Morgan)



Real-Time Payments (RTP) are changing the reality of payments.

A faster, smarter payment option.

Unlike wire transfers and ACH payments, RTP funds can move at any time – and settle instantly.

- 24/7/365 processing for clients
- Immediate notification and confirmation
- Immediate funds availability
- Irrevocable and certain



85% of U.S. business firms are planning on implementing RTP over the next three years. Immediate access to receiving funds is, by far, the top perceived benefit for customers.

2020 AFP Electronic Payments Survey (JP Morgan)

Real-Time Payments:

USE CASES



B2B

- ▶ Urgent Payments
- ▶ Invoice Payments
- ▶ Payments After Hours



B2C

- ▶ Emergency Payroll
- ▶ Insurance Claims
- ▶ Loan Funding



C2B

- ▶ Bill Payments
- ▶ Funding Account
- ▶ Rent Payments



Steady growth for ACH.

Starting out 2020 strong:

- There were \$6.4 billion payments on the ACH Network in the first quarter of this year – an increase of \$423 million YoY
- ACH volume consisted of \$3.7 billion debits and \$2.7 billion credits
- The total value of these payments was \$14.6 trillion – up 10.3% YoY

	ACH	Same-day ACH	Wire	RTP
Low-to-mid value	✓	✓		✓
Time sensitive		✓	✓	✓
Certainty of payment			✓	✓
Reversible	✓	✓		



In Q1 of 2020, B2B payments increased 11.7% – **with over 1 billion transactions.**



Same-day ACH can offer value to your organization.

TOP 5 USE CASES FOR ORGANIZATIONS:

57% – Last minute bill pay

38% – Emergency payroll

24% – Last minute AP

19% – Routine payments

17% – Trade-partner payments

Source: McKinsey



Same-day ACH payment volume **increased 42% YoY** – from \$52.7 million in Q1 2019 to over \$75 million in Q1 2020.

NACHA.com

“NACHA is addressing one of the main pain points in same-day ACH – the low dollar value,” said Magnus Carlsson, The Association for Financial Professional’s (AFP) manager of treasury and payments. “Increasing the limit for same-day ACH will facilitate a wider range of use cases.”



Wire Services

Ability to disburse payments electronically, quickly and with finality.

- Send high-dollar payments same-day to domestic or international destinations, with irrevocability
- Variety of delivery channels for both initiation and reporting
- Automate repetitive wire payments and send them in fixed or variable dollar amounts
- Transmit electronic files containing wire instructions in batches to achieve greater efficiency

TOP 3 USE CASES FOR ORGANIZATIONS:

- ▶ High volume of paid checks
- ▶ Interest in cross-border payments
- ▶ Critical timing needs for payments (on demand)



**Unlike RTP and ACH –
\$ amount is unlimited.**

“Wire Transfers remain one of the safest and most reliable ways to send funds. Once a wire payment is received, that business has peace of mind that the payment cannot be revoked.”

– Jacqueline Berg, Commercial Product Manager, M&T Bank



Commercial Cards are driving efficiency, while helping companies lower costs.

Implementing a Commercial Card program at your company will help:

- Reduce administrative costs
- Streamline the procurement process
- Reduce the number of steps in payment processing

BEST USE CASES FOR COMMERCIAL CARD:

- ▶ **P-Card:** Purchasing Card for Procurement
- ▶ **T&E:** Travel and Entertainment Expenses



75% of companies said they were able to reduce “labor costs associated with processing transactions” by using commercial cards.

RPMG Study

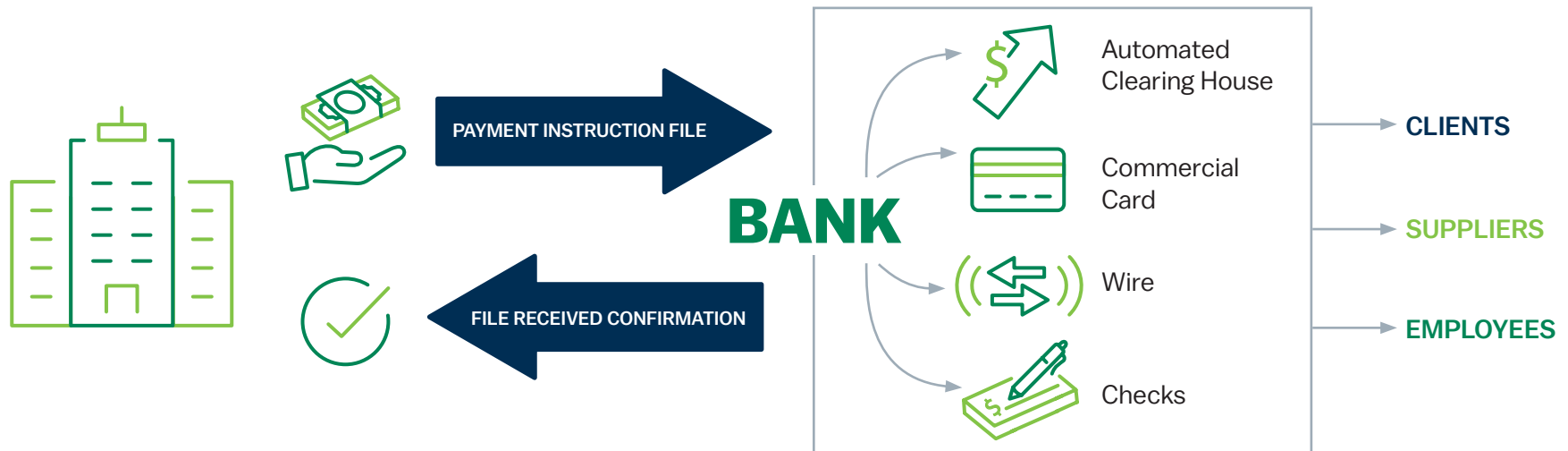
“We’re seeing a movement towards using virtual card accounts to make B2B payments, particularly AP transactions, which is driving a noticeable increase in average transaction size.”

– Doug Dunbar, Head of Commercial Cards & Payables Automation, M&T Bank

Consolidated payables

Centralize the origination of your payments.

- Send a single file containing Commercial Card, ACH, wire, and check payments
- Reduce costs and gain efficiency in operations
- Increase automation with straight-through processing
- Reduce IT effort – no longer need to maintain multiple payment process, files, and transmissions



“There’s a growing trend of businesses looking to connect systems for streamlined, yet sophisticated data exchanges.”

– Mike Allen, Head of Commercial Digital/Payables Product, CTP, M&T Bank

Let's recap...



Trend #1

Checks are the most frequently used payment method for B2B transactions – totaling 43% of transactions.



Trend #2

Check use is declining – the percent of payments made via check has dropped from 81% in 2004 to 42% in 2019.



Trend #3

Financial professionals believe that within the next three years, a majority of payments will be via electronic payments.



Trend #4

85% of business are implementing RTP in the next three years.



Trend #5

75% of companies said they were able to reduce labor costs by using Commercial Card.



Trend #6

Same-day ACH payment volume increased 42% YoY – \$52.7 million in Q1 2019 to over \$75 million in Q1 2020.

How can M&T help? Keep reading.



At M&T, we're deeply committed to providing you and your business:

Relationship-driven service.

You'll work with dedicated professionals and product specialists who will listen, guide, and support you every step of the way.

Reputation for excellence.

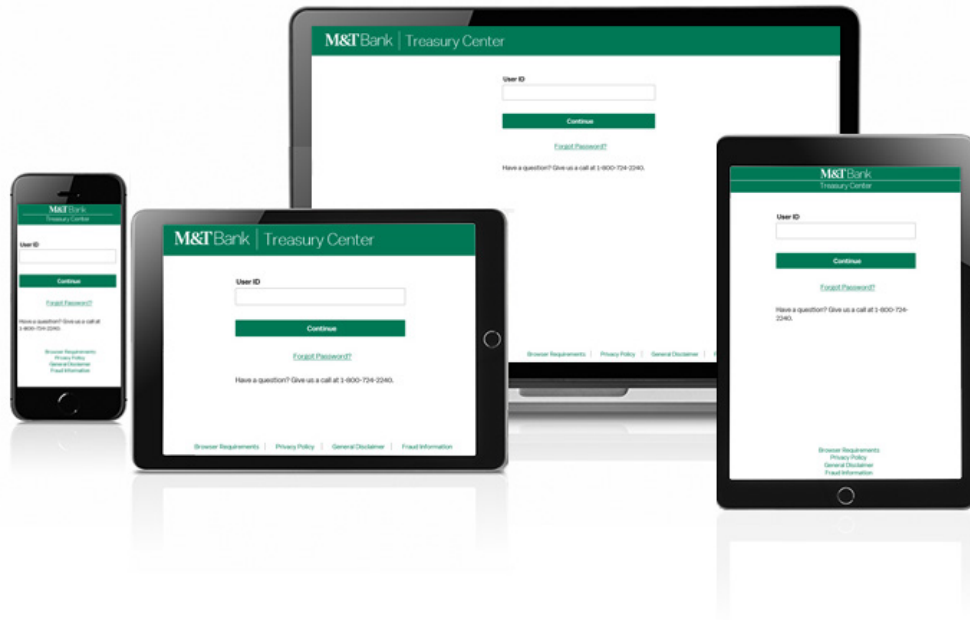
We have a long-standing reputation of excellent banking, earned by providing quality products and superior service.

Commitment to the community.

From local decision making, one-on-one personal service, to charitable giving, our business customers know M&T's commitment to communities sets us apart.

M&T Bank | Treasury CenterSM

Everything you need in one place.



CAPABILITIES:

- ACH
 - Same-Day
 - International
- Wire Origination
- Real-Time Payments
- Commercial Card
- Consolidated Payables
- Fraud Management

SECURITY:

- Token Options
- Secondary Payment Approval
- Dual Administration
- Set Permissions/User Entitlements
- Email & Text Alerts



Treasury Center offers one, convenient channel with simple workflows to **originate, approve and manage** all your payments. Personalize your workspace and get access anywhere, anytime. **LEARN MORE.**

Why M&T?

Don't take our word for it...

M&T holds #1 or #2 deposit share in the majority of our largest markets and we have the highest possible Community Reinvestment Act (CRA) rating awarded by the Federal Reserve on every exam since 1982.



Excellence:
Overall Satisfaction

Excellence:
Likelihood to Recommend

Excellence:
Cash Management,
Overall Satisfaction

Best Brand:
Trust

2019 Greenwich Awards for U.S. Middle Market Banking.
2019 Greenwich Awards for U.S. Small Business Banking.



Forbes Top 50 of
America's Best Banks



Global Service Quality
recognized by Visa

M&T Designated a Best Place to Work for
LGBT EQUALITY

M&T Designated a Best Place to Work for
DISABILITY INCLUSION

M&T GIVES BACK:

- In 2019, M&T Bank contributed over \$34.3 million to more than 3,500 nonprofit organizations across eight states and the District of Columbia
- M&T Bank has donated more than \$247.5 million to nonprofits over the past decade
- 2019 Community Reinvestment efforts of \$1.7 billion in community development loans and investments, focused on low- and moderate-income areas
- Our employees reported spending 293,848 hours volunteering in their communities in 2019

We gave you the trends.
Is your business ready?

Call your Treasury Management Consultant
or Relationship Manager/Team today to
learn more.

mtb.com/treasurycenter

M&T Bank
Understanding what's important®



Equal Housing Lender.

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All products and services are subject to eligibility and restrictions may apply.

All M&T Treasury Management services are subject to M&T's standard Treasury Management Services Agreement and Treasury Management Services Product Terms and Conditions for that service.

Unless otherwise specified, all advertised offers and terms and conditions of accounts and services are subject to change at any time without notice. After an account is opened or service begins, it is subject to its features, conditions, and terms, which are subject to change at any time in accordance with applicable laws and agreements. Please contact an M&T Bank representative for full details.

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