



FIFTH THIRD BANK

A Conversation in Payables for ICCCF0

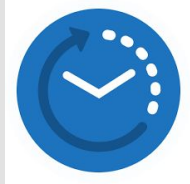
April 22, 2022

Starved Rock Conference Center

Trends in Banking



Continued focus on
Digital
Transformation



Digital Payments
and the drive to real
time



Refocus on
Commercial Card
and Business Card
Payments



Enriched Data in
Demand



Increased focus on
Corporate Liquidity
Management



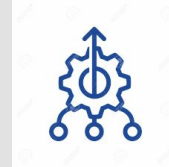
Banks and Fintechs
shifts model for
Fintech partnership



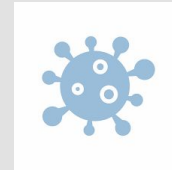
Banking Fraud
Returns



Increase in
regulatory scrutiny



Banking and
Fintech
consolidation



Continued impacts
of COVID

Payables in market today

Key considerations | Challenges

- Changing market landscape
- Regulatory requirements
- Working capital impact
- Costs and efficiencies
- Eliminating paper
- Fraud/Risk management
- Your internal experience
- Your payees' experience



COVID-19 Impact

The New Normal



Covid-19 Impact

28 of companies reported **significant or extraordinary impact on Accounts Payable**¹

53% of companies **altered how and when suppliers were paid** (payment terms was the most common change)¹

-14% **decrease in paper checks** from 2019-2020 (the largest in history)²

%



The New Normal

74% of companies have implemented or plan to implement **stricter compliance on controls and payment verification**³

24% of companies included **implementation of AP automation as a top initiative** in 2021¹

90% of corporate executives envision a **hybrid remote and on-site workforce structure**⁴

Source:

1) Ardent Partners: Accounts Payable Metris that Matter in 2021.

2) Board of Governors of the Federal Reserve

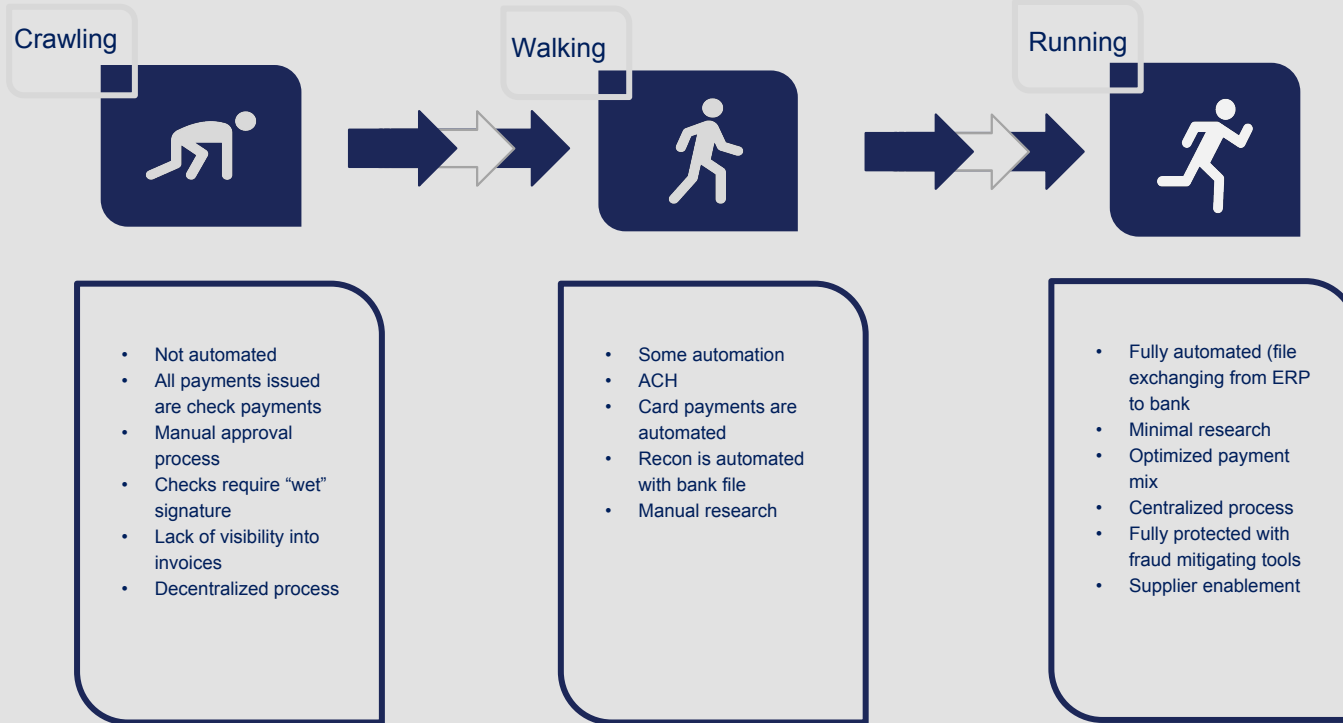
3) AFP COVID-19 Survey 2020

4) McKinsey Global Institute



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Payables Perspective



By The Numbers

Market trends | Invoice receipt and payment management



Manual receipt

70%

Invoices received in mail or emailed attachment

54%

Invoices manually entered by AP staff

42%

B2B payments made via check

\$7.78

Average all-in cost per check

Includes: Check volume, labor costs, checks and envelopes, printing/mailling prep, lockbox services fees, postage fees, bank processing fees, check reconciliation, lost check handling, vendor questions

16.6

Days to get an invoice approved in an average manual AP process

74%

Companies experience attempted check fraud



Automation



72%

Suppliers prefer electronic payments



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

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

Source: 2020 AFP Payments Fraud and Control Survey Report



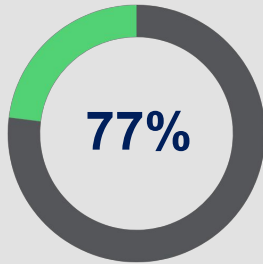
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What Customers Value

74% of global customers say the experience a company provides is as important as its products/services¹

Touchless²

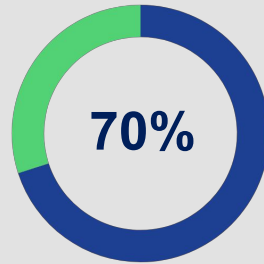
Seek touch-free experiences



of customers prefer a touchless payment experience

Digital³

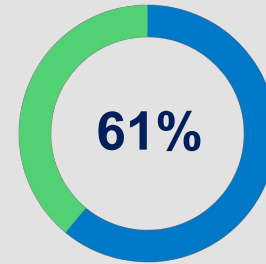
Expect next-gen digital experiences



of customers say their shift to digital payments will be permanent post-pandemic

Security³

Seek greater security



of customers say fraud prevention and account security impact how they pay



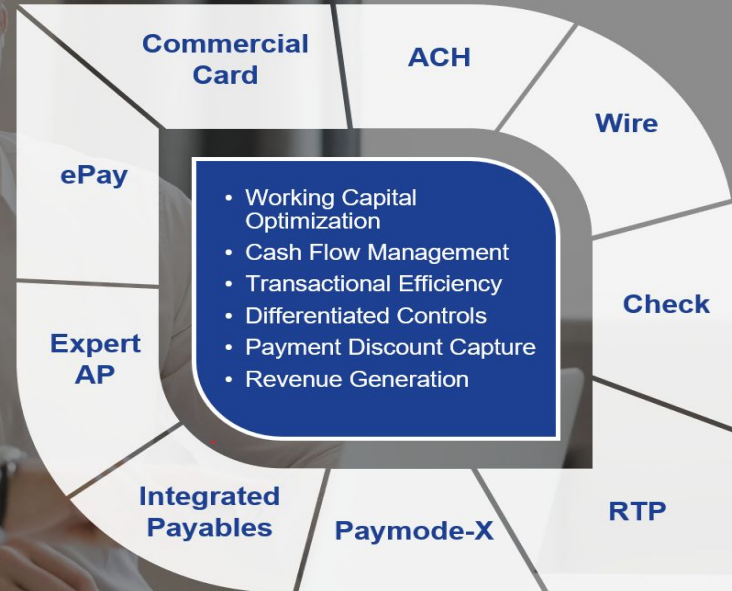
Comprehensive Solution Suite

Fifth Third provides a comprehensive suite of solutions to meet unique client payment needs

Payables Solutions

We're dedicated to providing you with holistic, best-in-class payment and commerce solutions.

Fifth Third offers a complete range of payables solutions, each designed to build improved efficiencies, control and financial benefits for your payment needs.



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