

SMBanking/**FORWARD**

GROW

Dean Jenkins

VP Product Marketing
Q2



Micro and Small Business Banking: A Closer Look at Big Opportunities

Digital user expectations have shifted



If banks cannot truly be customer intimate, they are doomed to be just dumb commodities, acting behind the scenes, like utilities.

- JP Nichols

Companies across the business spectrum

Small Business



Micro Business

Less than 5 employees

Less than \$1M
annual revenue

Limited financial
knowledge

Consumer behaviors

**Limited budget to spend
on financial tools**



Business & Professional

1-20 employees

\$1-5M annual revenue

Limited financial tools

Part-time accountant

Willing to pay for value

Mix personal and
business finances

Wealth Management



Commercial

20-200 employees

\$1-100M annual revenue

Some financial tools/ERP

CFO

Financial approval workflow

Limited cash forecasting

**High online cash
management usage**



Corporate

200+ employees

Greater than \$100M
annual revenue

Sophisticated ERP tools

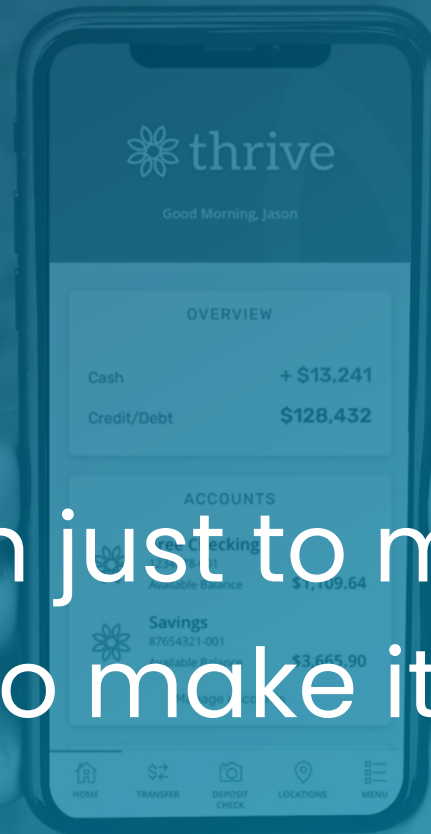
Financial Staff

Looking for efficiency

Intraday investing

**Do not want to log into
bank systems**

It's not enough just to make it **digital**.
You have to make it **personal**.



Small businesses are turning to fintechs.



Expense
Management



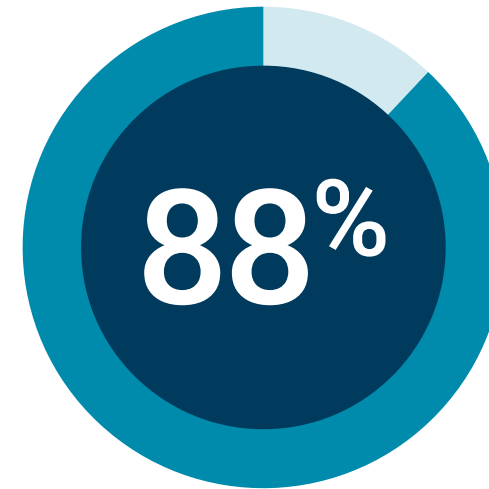
Accounting /
Cash
Forecasting



Invoicing



Payroll



Businesses at least
somewhat willing to pay
for bank products that
save time and increase
convenience

Cloud-based solution spend

Paid Apps in Firms

2

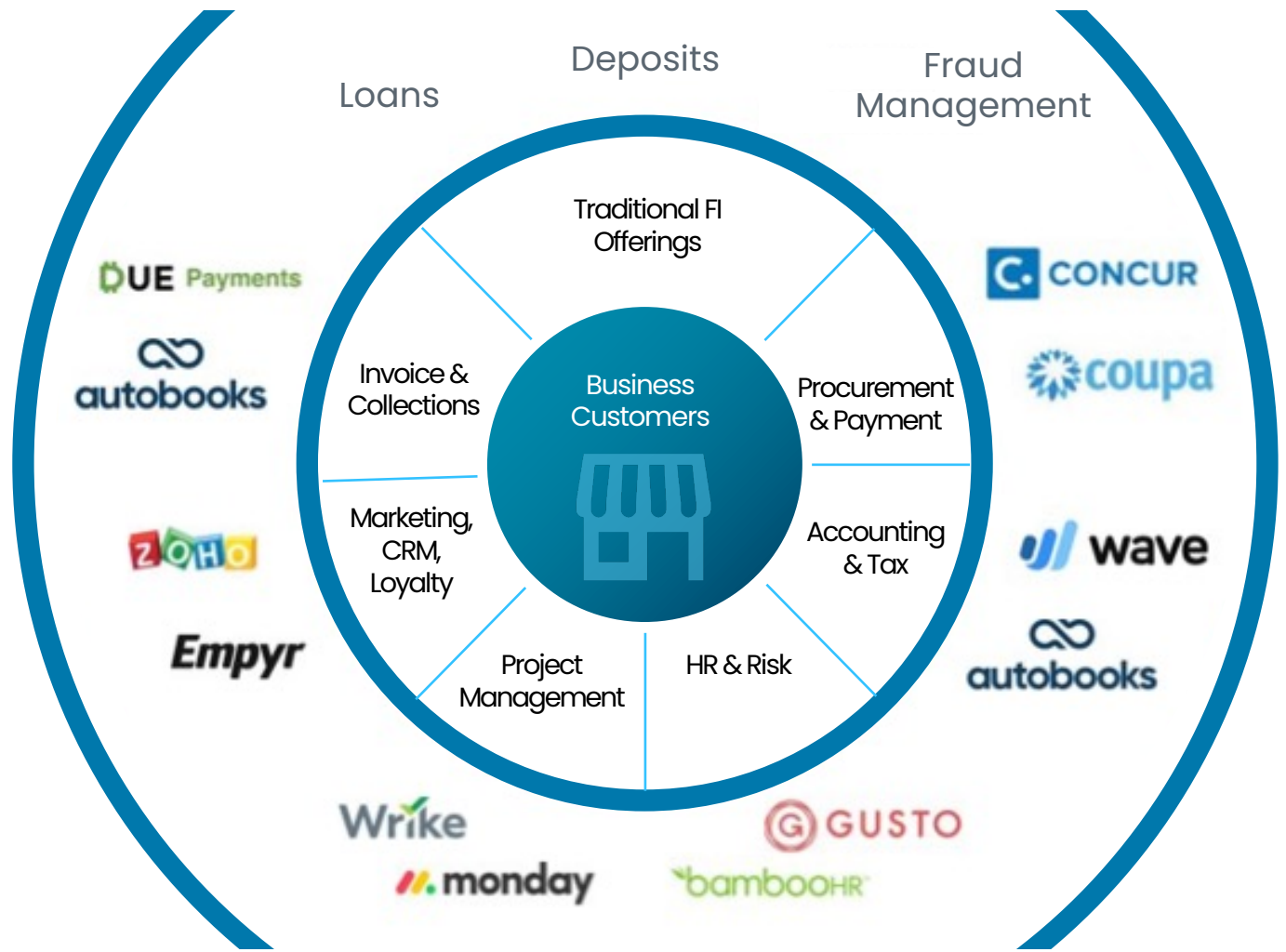
Single-member entities

5

Micro-businesses

20

SMBs



Annual Spend for Apps

\$360

Single-member entities

\$3,225

Micro-businesses

\$185K

SMBs

Digital platform requirements

Financial institutions need to create new revenue streams from new products and services already created by fintech startups, and fintech startups need financial institutions to help them rapidly scale. Until recently, however, there's been a missing piece—a platform for fintechs to integrate into.

– Ron Shevlin



Data and Analytics: Translating raw customer data to traits that can be used to identify needs and behaviors



Ecosystem: Open architecture that connects to the broader financial ecosystem that accelerates innovation at scale



Personalization: Provide the right digital experience to the right user at the right time



Targeted Conversation: Align messaging with customer needs to increase awareness and educate on value



Frictionless eCommerce: Enable customers to acquire new banking products and adjacent financial products with easy-to-use seamless purchasing experience

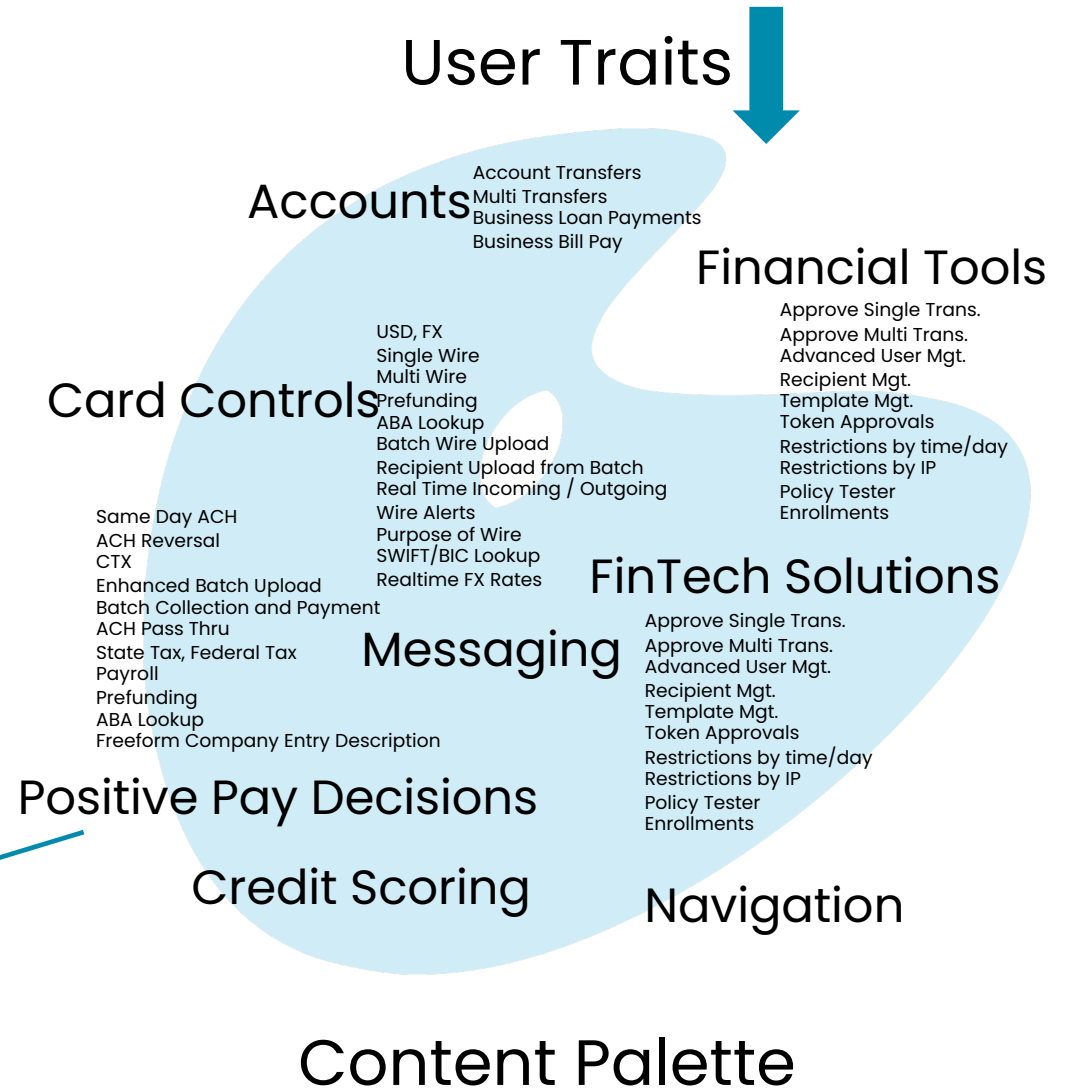
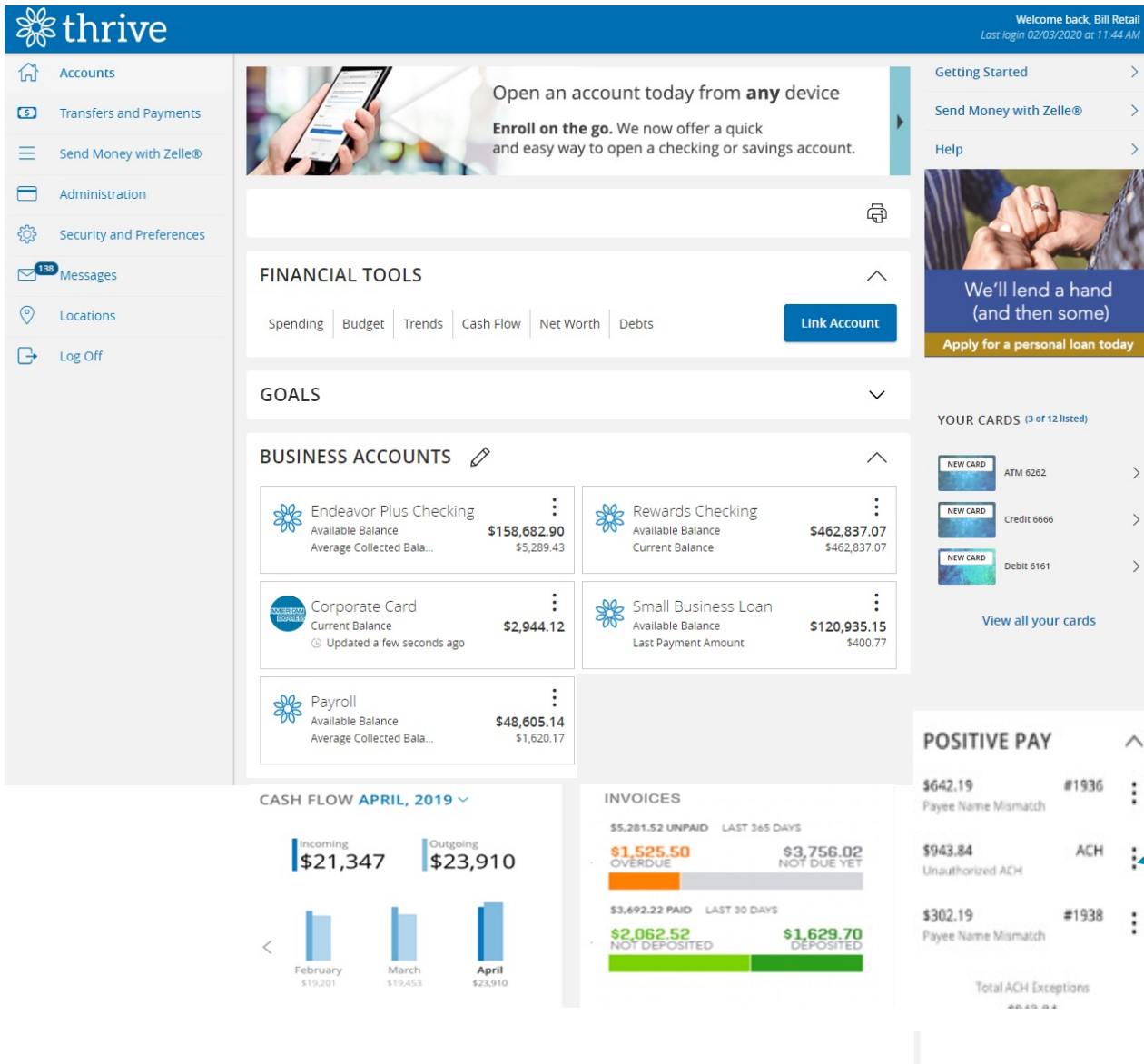


Using the Marketplace, we have seen sales cycles decrease by more than 70% compared to the traditional model. The industry has never allowed us to move this fast. Marketplace is changing the dynamics of our conversations!



– Kyle Bazzy, Head of Enterprise Growth, Autobooks

Humanizing the digital experience



Partner Marketplace

1. OFFER

Business is presented with targeted offer within the digital platform. Propensity to buy is determined by leveraging data and machine learning.

The screenshot displays the Thrive banking interface. The top navigation bar is green with the Thrive logo and a user greeting: "Good Afternoon, Bill Jones" with a last login time of "10/04/2021 at 3:17 PM". A left sidebar contains navigation links: Accounts, Transfers and Payments, Account Management, Marketplace (highlighted), Store, Security and Preferences, Messages (30), Locations, Direct Deposit Switch, and Log Off. The main content area features a banner for "Simple banking that works for small businesses" with the autobooks logo. Below this, there are sections for "BUSINESS ACCOUNTS" and "PERSONAL ACCOUNTS". The Business Accounts section includes "Business Advantage Checking" (Available Balance: \$19,169.40, Average Collected Balance: \$16,890.10) and "Small Business Loan" (Last Payment Amount: \$400.77). The Personal Accounts section includes "Corporate Card" (Current Balance: \$1,506.21, Updated 35 minutes ago). Below these are two offers: "Link Account" and "Add a Manual Account", both with "Get Started" buttons. On the right, there are links for "Getting Started", "Pay Bills", and "Help". Below these are "YOUR CARDS (3 of 5 listed)" showing a "NEW CARD" Debit 4444, a Credit 2222, and a Credit 3333, all with "View all your cards" link. At the bottom right, there is a "Your Financial Team" section featuring Gabriella Suarez, Account Manager, with contact information: (800) 123-4569 and gsuarez@thrive.com.

thrive

Good Afternoon, Bill Jones
Last login 10/04/2021 at 3:17 PM

Accounts
Transfers and Payments
Account Management
Marketplace
Store
Security and Preferences
Messages 30
Locations
Direct Deposit Switch
Log Off

Simple banking
that works for small businesses

autobooks

BUSINESS ACCOUNTS

- Business Advantage Checking
Available Balance **\$19,169.40**
Average Collected Bala... **\$16,890.10**
- Small Business Loan
Last Payment Amount **\$400.77**
- Corporate Card
Current Balance **\$1,506.21**
Updated 35 minutes ago

PERSONAL ACCOUNTS

- Link Account**
View your balance and history from other banks and credit unions. [Get Started](#)
- Add a Manual Account**
Manually track the value of assets and debts to see your full financial picture. [Get Started](#)

Getting Started
Pay Bills
Help

YOUR CARDS (3 of 5 listed)

- NEW CARD Debit 4444
- thrive Credit 2222
- thrive Credit 3333

[View all your cards](#)

Your Financial Team

- Gabriella Suarez
Account Manager
(800) 123-4569
gsuarez@thrive.com

Partner Marketplace

1. OFFER

2. REVIEW

Business can learn more about the product and how it has helped other businesses.



Autobooks

The easiest way to get paid

Buy Now

A free trial is no longer available since someone at your company tried this product before.

Overview

Edits & Pricing

Features and Benefits

Details and Support

A SIMPLE ACCOUNTING SOLUTION BUILT FOR SMALL BUSINESS OWNERS. SIMPLIFY YOUR BOOKS, MANAGE YOUR CASHFLOW, AND ACCESS THE REPORTS YOU NEED. TRY IT FREE FOR 60 DAYS, THEN JUST \$9.99/MONTH.

No more waiting around for checks in the mail. No third-party credit card processor needed. Try Autobooks free for 60 days!

Payment Method

Credit/Debit

Name on card *

Card number *

Expires on *

CCV *

ZIP code *

CANCEL

TRY NOW

Payment Amount

Invoice Balance \$25.00

Account Balance \$250.00

Other Amount

Share your unique Payment Form link with your customers so they can pay you without an invoice



Send professional invoices right to your customer's inbox



EDITIONS & PRICING



SMBanking **FORWARD**


3. SELECT

Cart

Billing

Review and Buy

Cart


**AUTOBOOKS**
Autobooks

Remove

Recurring Edition

\$9.99 / month

Unlimited Users included in plan

**Autobooks**

Recurring Edition

Monthly fee

\$9.99

Unlimited Users (included)

\$0.00

Apply a discount code

Apply

Due now

\$9.99

Price reflects one-time and prorated recurring charges, if applicable.

Subtotal

\$9.99

Estimated tax


\$0.00

Estimated recurring charges

Due monthly (excluding tax)

\$9.99

Next



Partner Marketplace

1. OFFER

2. REVIEW

3. SELECT

4. CHECKOUT

After selecting the right package, the business proceeds to checkout and purchase

✓

●

●

Cart

Billing

Review and Buy

✕

Billing Details

Visa

Visa ending in 9299

Joe Public

Expires 02/23

Change

Billing address

123 Main Street

Austin, CO

US 57210

8885551212

Autobooks

Recurring Edition

Monthly fee

\$9.99

Unlimited Users (included)

\$0.00

Apply a discount code

Apply

Due now

\$9.99

Price reflects one-time and prorated recurring charges, if applicable.

Subtotal

\$9.99

Estimated tax

\$0.00

Estimated recurring charges

Due monthly (excluding tax)

\$9.99

Next

thrive

Partner Marketplace

1. OFFER

2. REVIEW

3. SELECT

4. CHECKOUT


5. PURCHASE

Business reviews and accepts T&Cs and completes purchase

X

PRODUCTS

CHANGE

 **Autobooks**

Recurring Edition

Monthly fee

\$9.99

Unlimited Users (included)

\$0.00

Apply a discount code

Apply

Due now

\$9.99

Price reflects one-time and prorated recurring charges, if applicable.

Subtotal

\$9.99

Estimated tax

\$0.00

Estimated recurring charges


Due monthly (excluding tax)

\$9.99

☐ I agree to the [terms and conditions](#) and [privacy policy](#).

Note: Q2 Software serves as the merchant for purchases made on the Marketplace. Your credit card statement may show "Q2 Software, Inc." as the merchant for applicable charges.

Complete Purchase



Partner Marketplace

1. OFFER

2. REVIEW

3. SELECT

4. CHECKOUT

5. PURCHASE

6. START USING

Immediately after completing purchase, access to new product is provided and the business can start using the new product immediately

Bill's Small Business

Dashboard

Invoicing

Payment Form

Vendors

Accounting

Reports

Settings

Need Help?

Mobile View

Customer payments

Vendor payments

Incoming payments

Your request to enable payments is being processed. You'll see a notification as soon as it's ready!

Coming due

\$0.00

Past due

\$0.00

Payment Form

Learn more about Payment Form

Send this link to customers to allow them to pay online:

<https://app.autobooks.co/pay/bill-s-small-business-1>

Copy

Summary of last month's invoicing activity

You have sent \$0.00 in invoices. When you send an invoice, it will be paid within 0.00 days on average.

Load more

Customer payment totals

Month-to-date

\$0.00

Year-to-date

\$0.00

Total cash

Commercial Checking (*4321)

\$94,348.20

Commercial Checking (*7777)

\$18,711.45

Retail Checking (*9007)

\$1,231.10

Savings (*6666)



\$54,580.90

Commercial Checking (*8888)

\$88,383.35

Support

Building a business case

New Revenue Sources	New non-interest income from fintech partnerships
Increased Share of Wallet	More primary financial provider relationships  Balances  Transactions
Reduced Attrition	Stickier products that operate the business
New Customers	Better products + better service

New challenges

New approaches, processes, and skills will be needed



Finding the
right partners



Speed



Data Analytics



Key takeaways

- | It's all about the experience.
- | Personalization based on preferences and needs is a must.
- | Fintechs represent a significant opportunity to provide a better experience and deepen customer relationships.
- | Data and an open digital platform are key.
- | The time is **NOW**.

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#SMBForward