Today’s presentation is focused on providing you with an overview of the upcoming conversion to ARP in BBVA Compass net cash and what to expect.

You will receive conversion materials shortly before you are scheduled to convert to the new BBVA Compass RealTime ARP® system. It will not be transparent to you – there are specific steps you need to take to make this a successful conversion.
We will:

- Provide the background on why we developed a real-time ARP system
- Explain the conversion methodology
- Show you what enhancements and improvements you will gain with the real-time ARP system
- Indicate where you will get the information you need
- List the resources you can reference to learn more about our new real-time ARP system

Overview

- Why are we doing this?
- Who will be impacted, and when will it happen?
- What improvements should I expect to see?
- Where will I get my information?
- How can I prepare for this conversion?
We made the decision to build a new ARP system for five reasons:

1. **The current system is check centric.** A secret many national and regional banks don’t want you to know is that the logic on the positive pay systems they use was built the same month that the USA put a man on the moon – July 1969. In fairness, there have been many upgrades since then, but the heart of the system is based on the U.S. payments system in 1969. Back in 1969, checks made up 86% of non-cash payments, so it made sense to have multiple ways in which to look at a check and put everything else into a miscellaneous debits/credits category. Fast forward to 2017, checks are only 12% of non-cash payments, so the miscellaneous debits and credits category has the bulk of payment transactions.

2. **One category for cash, ACH and wire is not sufficient.** Each payment type has specific information that must be tracked which is not captured by putting it in a miscellaneous category. For example, it is important to know the Fed reference number associated with a wire payment.

3. **Customers have come to expect faster settlement periods, notification and reporting, which are difficult to achieve with systems that require overnight processing.** BBVA Compass posts payments in real time; therefore it is the next logical step to ensure that ARP systems can provide consolidated reporting in real time.

4. **Users have different reporting needs.** Some users need to be able to create and download custom reports when they are researching specific transactions.

5. **Visibility into the account reconciliation process is essential.** Customers need a highly
customizable tool that allows them to be proactive rather than reactive through the reconciliation process.
This is a complete replacement of the Account Reconciliation system. The current system will be deactivated once we have converted all customers to the new BBVA Compass RealTime ARP system.

Because we want to make sure that it is a smooth conversion process for all of our customers, we plan to move a few customers at a time over a 4 to 6 month period. It is a time consuming process because we have a lot of diverse information within our data and we need to make sure that we check and double check everything so that things convert and end up on the other side the same as they were before they traveled.

Factors that will influence when we convert your account(s) include your statement cycle cut-off dates, any special files or reports you receive, and where your company is geographically based. We want to make sure we have good coverage from our team members to quickly and adequately answer any questions or concerns you may have.

We will mail you letters and conversion materials approximately 30 days before your scheduled conversion detail. The materials will provide you with detailed instructions on login to the new dashboard plus information on what to expect for the first day on the new system.
We plan to introduce new features and enhancements with the real-time ARP system. Over the next few slides we will cover what new functionality you will gain with BBVA Compass RealTime ARP.

- We are introducing an online, interactive dashboard for RealTime ARP.
- We extensively revamped and restructured account reconciliation reports to work with the updated payment categories.
- We are processing files throughout the day instead of waiting for the overnight batch processing.
- We updated the look and feel of the manual issues and manual voids screens.
- We added ARP specific email alerts to let you know when files or reports are ready for view and/or download.
You will be able to access an online, interactive account reconciliation dashboard. It is available 24 hours a day, 7 days a week.

The main page for the ARP dashboard is called Risk and Reconciliation Overview.

You have the ability to customize the dashboard to your preferences, adding and removing widgets as well as reorganizing them on the page.

You will be able to see your activity on a real-time basis and have the details and subtotals broken up by payment type and locations, if applicable.
You will be able to obtain a real-time statistics view (or snapshot) of the activity on your accounts. The statistics view is shown at the account level.

Here you can see a consolidated view of all or your unpaid items by status, whether the items are issued, stale dated or voided.

You will be able to see the details of the most recent 100 transactions behind each category.
Here you can see a consolidated view of all of your paid items by payment type, providing you totals by check, ACH, and wire, assuming you have activity on all these payment types on your account.

Similar to the Unpaid Items Summary, you will also be able to see the details of the most recent 100 transactions behind each category.
As part of the system replacement, we decided to update all of the standard account reconciliation reports. All of the reports will have a new look in addition to new names.

We broke payments out by type, so you will see subtotals in reports broken out by checks, ACH, and wire.

If you use our High Order Prefix, often called HOP, or our Merchant Reporting options, you will continue to have the category level detail and subtotal reporting. Deposit Reconciliation reports will continue to have location level details and subtotals.

We have an ARP Reports Side by Side Comparison document on our conversion landing page website that you can download. This document will explain the new reports in detail and show you where you can find the information you were used to seeing on the old reports. The conversion letter you receive will provide you with information on how to access the conversion landing page.
Sending out ARP reports each month to customers translates to the consumption of several hundred trees each year for paper. In an effort to reduce our environmental footprint and eliminate mail delays, we will deliver all ARP reports via the BBVA Compass net cash Risk and Reconciliation ARP Dashboard.

Any user that has the ARP Report service and Alerts can be configured to receive a notification when the ARP reports are available for viewing and download. You will have the ability to select which specific ARP report(s) you wish to download. Reports will be in PDF format with each report having a separate downloadable file.

Your outstanding check information will be carried over to the new system and will be included in your cycle end reports.

Your paid check history for the current cycle will be included in your cycle end reports. We will convert up to 6 months of paid check history. Post conversion, the history will continue to build up to two years.

We will maintain ARP reports on the system for two years, searchable in 90 day increments.
You will continue to have the ability to add manual issue and manual void information online using a pre-populated template.

We made a very important update to the void functionality based on customer feedback. In the new RealTime ® ARP system, voids will never expire and will not drop off at the end of the current reconciliation cycle. The significance of this update is that if a check is presented for payment against an issue with a void status, it will be reported as an exception item with the reason of “void/cancel on file”. This eliminates the problem of having to remember which voids were submitted if a check is presented for payment in a cycle after the void has dropped from the system.

RealTime ARP has a new category called "void unmatched“ and it will only cancel an issue if it matches an existing check issue with the same check number and dollar amount. This means that it is critical to send in void/cancel information with the correct dollar amount to match your outstanding issue. If you send in a void/cancel with a zero dollar amount but the check was issued for another amount (for example: $123.45), it will not match up against the issue in your reconciliation and you will see the void/cancel listed in a "void unmatched" category.

You can still send an unlimited number of voids at no charge.
In the real-time ARP system, issue files will be processed throughout the day instead of being held until the overnight batch processing. If you use Positive Pay, your issue files will be due a minimum of 30 minutes prior to checks being distributed. This applies 6:00 a.m. to 9:00 p.m. Central Time, Monday through Friday.

Your account(s) will be converted as-is to the existing delivery channels. The format of your files and the frequency of delivery will not change. If you wish to update the delivery channel of your output file(s) to the online BBVA Compass net cash ARP Dashboard, you can contact your treasury management officer post conversion.

If any record(s) within an issue file fails to load, for any reason, there is a new online Issue Item Repair feature that enables you to determine the disposition of the exception record(s).

If there are problems processing your check issue file, we will send you a real-time alert the same business day.
You will have the ability to run queries to see what issue files you have submitted. The queries must be done in 60 day increments, but the database will build up post-conversion to show all files submitted within the last two years. Please note that this will only show files uploaded through net cash and will not display files sent via Compass e-Access.
We will convert your outgoing (output) files as-is and you will not need to make any change to existing automated tasks you may have to upload the files to your treasury workstations or ERP systems.

While the file format will remain the same, it is important to note that we will now identify void and electronic items as specific transactions rather than just a miscellaneous debit or miscellaneous credit.

If you have a custom file format that includes the block-and-sequence number of a check payment, this information will no longer be included in the output file. If you are impacted by this, we will contact you separately. In talking to our customers, we learned that the use of the block-and-sequence number is primarily limited to bank personnel.

If you wish to have net cash as a file delivery channel instead of your existing file delivery channel, such as Compass e-Transmit or File Transfer Services, you will need to wait until after your account is converted to RealTime ARP before contacting your treasury management officer.
We have added alert notifications to let you know when ARP reports and files are ready for download.

If you subscribe to Alerts on Compass e-Access, you will have the ability to setup Alerts on BBVA Compass net cash. The same notification methods for alerts on Compass e-Access will be available on the BBVA Compass net cash platform.
The RealTime ARP Dashboard will be available through BBVA Compass net cash.

It is important to note that BBVA Compass net cash will use different login credentials than Compass e-Access, and you will need to set them up prior to the conversion.
Please be on the lookout for your conversion letter(s), brochures and/or emails. It is important to read the letters carefully and follow the instructions in order to ensure a smooth conversion process.

Do not hesitate to visit the conversion landing page website, where we will have side-by-side comparison documents to highlight the differences between the current ARP system and the new BBVA Compass RealTime ARP system.

If you have any questions about this upcoming conversion, please contact your treasury management officer.
Thank You for Your Interest in our BBVA Compass net cash Product

For customized treasury management solutions, contact a BBVA Compass treasury management professional at 1-888-558-7568. Or visit us on the web at www.bbvacompas.com.

BBVA Compass is a trade name of Compass Bank, Member FDIC.