



The RTP® network Overview & Discussion

ICBA Capital Summit – Committee Discussions

May 13, 2025

RTP® is a registered service mark of the The Clearing House Payments Company

The Clearing House



Heritage



Founded by banks in 1853 to bring order to the chaos of daily exchanges between banks and the industry, especially in times of crisis.

Mission

- Provide safe, reliable, and efficient systems and infrastructure
- Drive adoption of safer, faster, and smarter payments
- Advance national payments agenda in the digital age

Core Payments Networks

RTP® Network

Industry infrastructure that supports real-time payments for all financial institutions

90%

Of participants are credit unions and community banks

CHIPS® Service

Wire payments network with efficient liquidity savings mechanism

\$5B

Annual liquidity savings from patented algorithm

Image Exchange Network

Reliable, scalable check image exchange network

27%

Market share

EPN®

Private sector network for clearing and settling ACH transactions

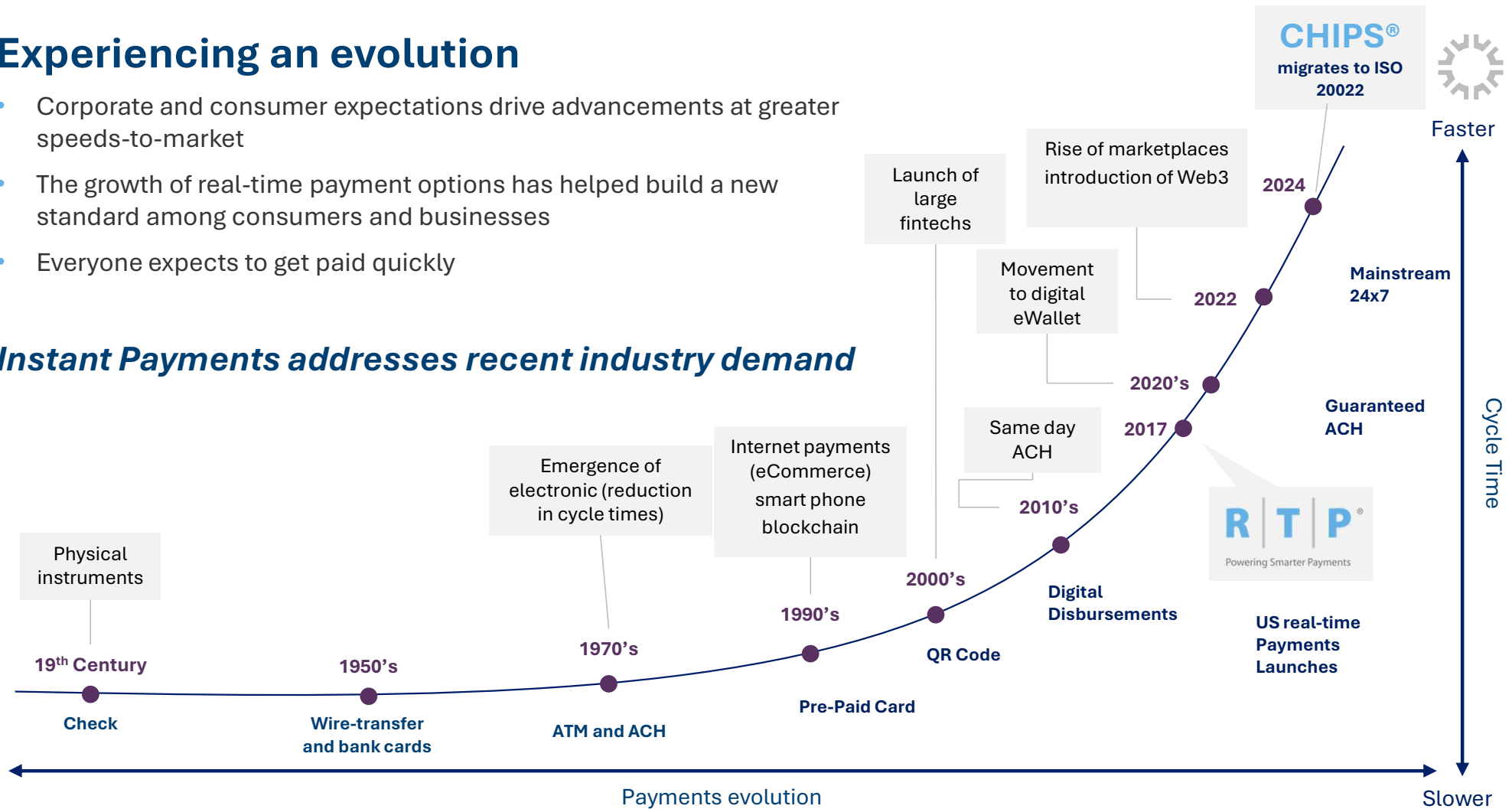
82M

Transactions per day

Experiencing an evolution

- Corporate and consumer expectations drive advancements at greater speeds-to-market
- The growth of real-time payment options has helped build a new standard among consumers and businesses
- Everyone expects to get paid quickly

Instant Payments addresses recent industry demand



RTP at-a-glance

Always on
24 x 7



Credit Push
Only

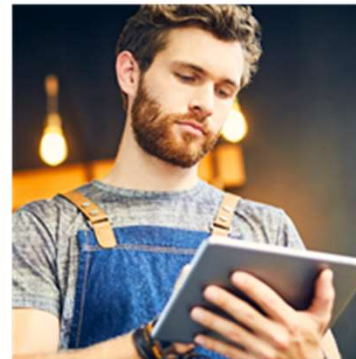
Payment
Confirmation

Final and
Irrevocable
Payment

Immediate
Availability
of Funds

Non-Financial
Messages
(RfP)

\$10 million
Transaction
Limit on RTP®



Global
Ready

RTP® by the numbers



900+Participants: Banks and credit unions of all sizes

90%: Of participants are smaller FIs (less than \$10B in assets)

7+ Years: Continuous operation since 2017

70% Enabled Reach: Percentage of U.S. demand deposit accounts that are enabled to receive RTP® payments

98% Technical Reach: Connect to community banks and Customers

1 million: Average daily volume of transactions

343 million: RTP® payments in 2024

\$246+ billion: RTP® payments value in 2024

300,000: Number of unique business/corporate originators

6+ million: Number of consumer transactions per month

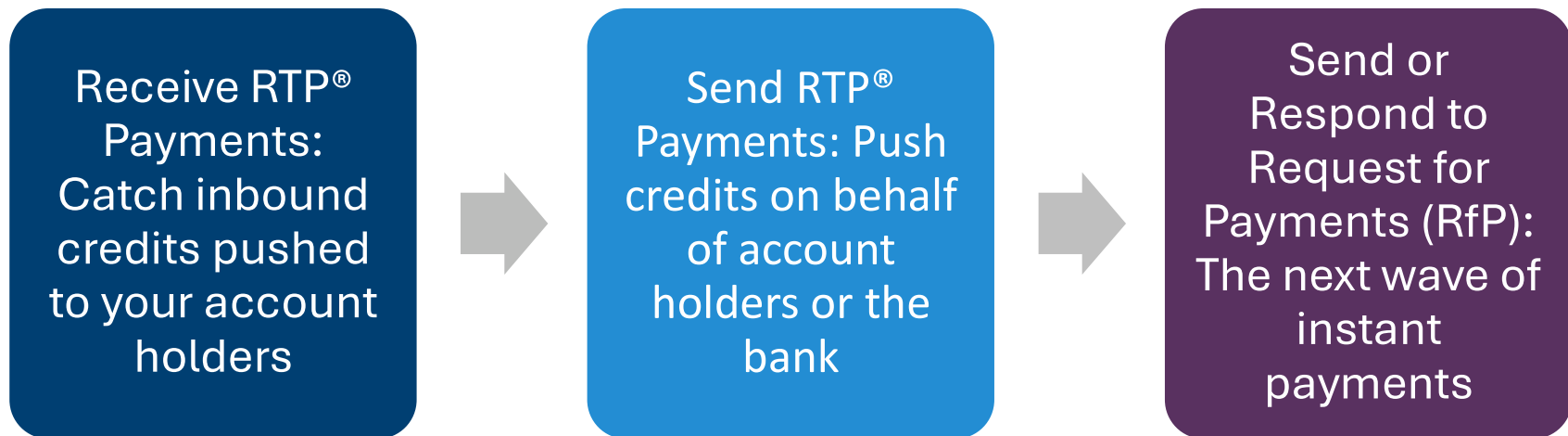
\$10 million: Maximum payment value as of Feb. 9

1+ billion: Total payments on the network

99.6%: Percent of total instant payments cleared on RTP in 2024



Define your role





Building your business case

- **Profile your account holders.**
 - Consumer, business, local government...who do you bank?
 - How are they conducting commerce today? Look at ACH settlement for clues!
- **Seek clarity on your plan/strategy.**
 - Who do you want to bank?
 - What's the 3-year plan?
 - What does senior management and the board suggest?
- **Tell the story and build the plan.**
 - Identify benefits to the bank, businesses and consumers.
 - The importance of receive
 - Compelling cases for send
 - For business customers
 - For the bank



Banks should have a vested interest in shaping their future through instant payments

Legacy batch payments weren't designed for today's growing instant commerce paradigm



Bringing value to financial institutions on the network



Increase Deposits

- New participants typically receive instant payments for their customers on day one
- Financial institutions (FIs) can easily grow their deposit base

Support Customer Retention

- Customers can send and receive instant payments through their FIs rather than from fintechs and other service providers
- Alternative to other digital wallet deposits

Control Over Payments

- Consumers and business payers can manage payments in real time
- Reduce risk of non-sufficient funds/overdraft
- Improves customer satisfaction since they can decide when they want to pay

Capture Revenue Opportunity

- More deposits foster more opportunities
- Additional loan opportunities; more business generally from satisfied customers

RTP® capabilities also bring value to businesses of all sizes



Improve Cash Flow/Working Capital

- Receive instant payments on day one
- Process in real time
- 24x7x365 with precision scheduling
- Improved liquidity forecasting and cash concentration is improved
- Access to sales proceeds is accelerated
- Risk and float time are reduced

Streamline Operations

- End-to-end visibility
- No returns/day-2 exceptions
- Meta data with payments
- Immediate payment confirmation

Better Customer Experience

- Immediate availability of funds received
- Payments can be received outside traditional banking hours (including weekends and holidays)
- Irrevocable
- Instant payments may result in expedited delivery of goods or services



Identify use cases for send

- **Think internally first.**
 - Online bill pay
 - P2P functionality
 - Payroll: emergency and EWA
 - Ability to engage in RfP (request for payment)
 - Other?
- **Consider your corporate customer.**
 - Particular industry verticals
 - Both current and prospects
 - Lead with problem solving



Network is driving value across industry verticals



✓= = 2025 Focus



Account to
Account



Payroll /
EWA



Wallets



Loan
Funding



Merchant
Funding



Insurance
Claims



Gig
Economy



Mortgage
Closing



Cash
Concentration



B2B



Auto Finance
/ Logistics



Bill Pay

Examples of use cases driving significant growth on the RTP® network



Payment Dynamic	Current Use Cases	Description
Account to Account (A2A)	Bank-to-bank	Me-to-me transactions between Demand Deposit Accounts (DDA)
	Bank-to-brokerage	Me-to-me transactions between DDA and brokerage accounts
	Wallet defund	Digital wallet to DDA (moving money that was in a digital wallet back to one's regular account)
Business to Consumer (B2C)	Earned Wage Access	On-demand access to wages earned but not yet received for salaried / hourly workers
	Instant Wage Access	On-demand gig wage payout
	P&C insurers	Disbursements from more tech-forward / agile insurers (e.g., Lemonade)
	Merchant settlements	Flow of funds from acquirer to merchant
	Loans	Auto, mortgage, and personal loan disbursements
Consumer to Business (C2B)	Bank as biller, credit cards	Credit card-issuing banks collecting payment from cardholders with DDAs at other banks
Business to Business (B2B)	Transportation/freight factoring	Freight carriers need fast access to funds to manage operating costs

RfP Bill Pay



**Stay in control of
your bills and get
back to enjoying your
life.**

Example: Request for Payment (RfP) Bill Pay



Although individual biller sites may provide the payment speed and choice consumers expect, the overall experience of having to visit multiple biller sites, enter multiple logins, and navigate through multiple payment portals is far from ideal.

- With in-depth consumer research, collaboration with major banks, and RTP® capabilities (including RfP), The Clearing House defined a new bill pay experience that:
 - puts customers in control
 - improves back-office efficiency for billers
 - provides revenue to consumer bank
- Banks are using the bill pay prototype to improve their bill pay applications

The bottom line

- By the time **corporate customers** inquire about RTP offerings, they are shopping around with competitors, putting your bank 6 to 18 months behind the curve and at risk of losing those clients
- Turning on RTP® receive functionality unlocks new **deposits** that your bank can leverage into additional interest-bearing loans
- Turning on RTP® receive functionality also allows your bank to increase total offered **loans** increasing interest income opportunities and realizing additional revenue
- Onboarding to the RTP® network provides access to 24/7/365 instant settlement simultaneously increasing **liquidity** while decreasing **operational costs** associated with Day 2 Settlement on other digital channels
- Becoming a **send participant on the network** positions your bank for success in meeting and exceeding account holder expectations

