

TREASURY NEWSLETTER

Now *that's* smart banking.



Pegasus Bank's Treasury Management services help our commercial clients manage day-to-day cash flow as well as long-term financial positioning. Our Treasury Management platform provides a robust, flexible, and scalable cash management solution, delivered with the convenience and accessibility required in today's on-demand environment.

CYBERSECURITY NEWSLETTER

Pegasus Protects.

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We continue to invest in our services and our platform to ensure that we are able to provide our clients with industry-leading offerings. This issue of our quarterly Treasury Management Newsletter highlights upcoming changes to our services and our platform.

Enhancements to Treasury Management Services

Positive Pay – Payee Name Verification (PNV): This enhancement to our Positive Pay Service will compare payee data from your issue file to payee data on checks clearing your account, attempting to detect altered payees on checks.

Changes to Timing of Exception Presentment and Cutoff: Currently, Positive Pay exceptions are presented at 4 a.m. CT., and the cutoff time for customers to work check exceptions is 10:30 a.m. CT. Beginning **October 15, 2021**, we will revise our schedule so that Positive Pay exceptions will be available to clients via our Treasury Management platform at **8:30 a.m. CT**, and the cutoff time to work check exceptions will be **2 p.m. CT**. The later presentment time will allow our Deposit Operations team to perform a review to reduce or eliminate false exceptions.

In the current environment, if a client does not work Positive Pay exceptions by the cutoff time, a member of Pegasus Bank's Deposit Operations team contacts the client via e-mail or phone. Beginning October 15, this practice will be discontinued. Please ensure that you are set up to receive notification via e-mail and/or text that Positive Pay exceptions are available. As a reminder, you can work Positive Pay exceptions either online in the Treasury Management platform or through the Pegasus Bank TMS mobile app.

If your organization currently uses Positive Pay, you have a default decision of "Pay" or "Return." If you are unsure of your organization's default setting, or would like to discuss whether your current default setting is still appropriate, please contact the Pegasus Bank Treasury Management team.

In November, Pegasus Bank will offer a webinar during which clients can learn more about the new PNV offering and other changes to the Positive Pay service, as well as other Treasury Management topics of interest. Stay tuned for further information!

For more information on Positive Pay and Payee Name Verification, please contact **Pegasus Bank's Treasury Management Team at 214-353-3085 or tm@pegasusbankdallas.com**.

Enhancements to the Treasury Management Platform

Pegasus Bank's Treasury Management platform is feature-rich and user-friendly. We continue to enhance the platform to ensure that it remains a leading-edge platform, leveraging the latest in security and technology. In the months ahead you will see changes to authentication and our eStatements.

Two-Factor Authentication (2FA) at Login

In the first quarter of 2022 we will enhance the security of our Treasury Management platform by adding an additional prompt for Two-Factor Authentication (2FA) at the time of login. 2FA requires a user to provide their login credentials in addition to their password, as well as a second factor, which is usually a secure token or a one-time passcode (OTP) verification.

Starting in the first quarter of 2022, all Treasury Management users will be prompted for authentication via Secure Token or Out of Band at the time of login, based on their previously-selected authentication method.

For users of the Treasury Management mobile app, this enhancement will not change the user experience. Mobile users will continue to be prompted to input their user credentials or utilize biometrics.

Important notice for QuickBooks Express Web Connect Users: When 2FA at Login is enabled and you use QuickBooks via Express Web Connect, you will receive an error message blocking your ability to log in. When QuickBooks Online attempts to establish a connection, the interface to bypass tokens during the login process is not available as it is for Web Connect or Direct Connect.

If you have questions about this upcoming security enhancement, please contact **Pegasus Bank's Treasury Management Team at 214-353-3085** or tm@pegasusbankdallas.com. If you are QuickBooks Express Web Connect user, the team can also discuss alternatives with you.

ACH Child Support Payments

Our Treasury Management platform now facilitates ACH Child Support Payments, allowing you to withhold wages of an employee in response to an income withholding order or notice generated from a court, state or local child support enforcement agency. The order/notice instructs you to withhold wages from an employee and serves as your legal basis for doing so.

The Child Support Payments feature provides key functionality that includes:

- Manually enter payments using the "Create Child Support Payments" option.
- Search for Child Support Payments within ACH Payment Activity, using a variety of filters.
- Use the details of a previously-created Child Support Payment to create another payment, and modify payment details during payment review.
- Download Child Support Payments in a CSV, NACHA or PDF format.
- Send prenotifications (prenotes).

Child Support Payments will fall under the same fraud risk controls and levels of approval that you have established for other ACH payments.

For more information on the Child Support Payment function, please contact **Pegasus Bank's Treasury Management Team at 214-353-3085** or tm@pegasusbankdallas.com

eStatements

Coming Soon – Pegasus Bank will be rolling out some much-needed updates to our E-Statements & Notices. Here's what you can expect:

New – An updated look and feel to statements and notices. We are just making them look better!

New – Account Analysis statements will be available online for all Account Analysis clients.

New – Investment Sweep statements will be available online for clients using our Federated Investment Sweep product.

New – Electronic debits will be broken down by debit card number on your statement.

Updated – Only Company Admins or Super Users can enroll or unenroll for E-statements and Notices. All users can still have access through their entitlements.

Stay tuned for more information!

Price Changes for Pegasus Bank Treasury Management Services

Among Pegasus Bank's priorities is providing commercial clients with best-in-class products and services at competitive prices. In the last year the bank has made significant investments in technology, staff additions and other improvements related to treasury management. We have:

- Upgraded the treasury management platform to a "next generation" system, that has greater functionality and is easier to use.
- Rolled out an enhanced treasury management mobile app which facilitates payment approval and mobile remote deposit capture (mRDC).
- Enhanced the reporting to allow users to download a number of reports in BAI2 format.
- Extended the cut-off time for Same Day ACH items from 11:30 a.m. to 2 p.m. CT, allowing more flexibility in originating ACH items.
- Added Wire File Upload to allow clients who initiate high volumes of wire transfers to upload multiple wires at once from a CSV file.
- Worked to launch additional services this year, including automated file transfer through Secure File Transfer Protocol (SFTP) and the addition of Payee Name Verification to the Positive Pay service.

The bank's Treasury Management pricing has remained largely unchanged for several years; however, in light of these investments it has become necessary to increase some of our fees. Market research indicates that, even with these increases, Pegasus Bank's fees remain competitive with those charged by other financial institutions. An important part of Pegasus Bank's value proposition is the extremely favorable Earnings Credit Rate (ECR) that allows **Pegasus customers to reduce or eliminate actual monthly service charges. Pegasus Bank's current ECR is .75%, which is two to three times greater than the ECR at competitor banks.**

In addition, the bank is lowering pricing on some treasury management services by eliminating or reducing fees associated with the Positive Pay service. Industry research indicates customers are writing fewer checks. According to the Association for Financial Professionals (AFP) **2019 Electronic Payments Report**, 42% of organizations reported using checks for business-to-business (B2B) payments in 2019, down from over 80% in 2004. However, according to the AFP's **2021 Payments Fraud and Control Survey**, checks continued to be the payment method most impacted by fraud activity in 2020 (at 66%). To provide clients a low-cost opportunity to protect their businesses against potential check fraud, Pegasus Bank will make two significant changes: (1) eliminate the monthly fee associated with the Positive Pay service; and (2) cut the fee for an exception item paid in half. As mentioned above, the bank is also enhancing the Positive Pay service by including the Payee Name among the fields the service attempts to match.

¹ Same Day ACH items are currently capped at \$100,000 per item, but NACHA members recently approved a measure to increase that cap to \$1 million per item, effective March 18, 2022. For information on this and other updates to the NACHA Rules, visit our web site.

Below is a list of the price changes that will be effective December 1, 2021:

Service	Current	New
Balance Reporting	\$37.50	\$50.00
Business Bill Pay	N/A	\$10.00
Mobile Remote Deposit Capture (mRDC) – Item Deposited	\$0.10	\$0.25
Remote Deposit – Monthly Maintenance – Single Feed Scanner	\$20.00	\$30.00
Remote Deposit – Monthly Maintenance – Multi-Feed Scanner	\$40.00	\$50.00
Return Item – Redeposits	\$5.00	\$7.00
Return Item – Chargebacks	\$5.00	\$7.00
Wire Transfer – Manual Outgoing	\$12.00	\$15.00
ACH Item Originated – Credit or Debit	\$0.10	\$0.12
Same Day ACH Item Originated – Credit or Debit	\$0.10	\$0.50
Positive Pay – Monthly Maintenance (Per Account)	\$10.00	No Charge
Positive Pay – Payee Name Verification	N/A (New in 2021)	No Charge
Positive Pay Exception Item	\$1.00	\$0.50

If you have questions regarding any of the fee changes, please contact **Pegasus Bank's Treasury Management Team at 214-353-3085 or tm@pegasusbankdallas.com.**

Our Treasury Management team has a combined experience of more than 50 years and a service mindset.



Matt Davies

Director of Treasury Management

mdavies@pegasusbankdallas.com

Matt Davies joined Pegasus Bank in 2020, and has more than 23 years of banking, payments and product management experience. Prior to joining Pegasus, Matt spent a total of 19 years with the Federal Reserve Banks of Kansas City and Dallas. Matt holds a bachelor's degree from William Jewell College, in Liberty, Missouri, and is a graduate of the Graduate School of Banking at the University of Wisconsin, Madison.

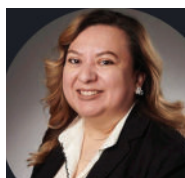


Amber Neroes

Vice President

aneroes@pegasusbankdallas.com

Amber Neroes has been with Pegasus Bank since 2015, and has served in several roles including personal banker before becoming a Treasury Management officer. Amber holds a bachelor's degree from Boise State University and a master's degree from Texas A&M Commerce.



Elisa Arellano

Assistant Vice President

earellano@pegasusbankdallas.com

Elisa Arellano joined Pegasus Bank in 2019, bringing with her 21 years of experience in banking and Treasury Management at another local financial institution. Elisa is bilingual, speaking both English and Spanish, and, in addition to her Treasury Management responsibilities, serves as an international banking specialist.



Kailey McCaw

Assistant Vice President

kmccaw@pegasusbankdallas.com

Kailey McCaw joined Pegasus Bank in 2018 as a personal banker, and joined the Treasury Management team in 2020. She received a bachelor's degree from The University of Texas at Tyler, and holds the Series 6, 7 and 63 licenses.

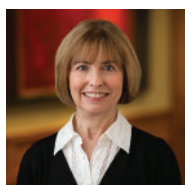


Justin Fitzgerald

Digital Banking Manager

jfitzgerald@pegasusbankdallas.com

Justin Fitzgerald has been with Pegasus Bank since 2017. In addition to his responsibilities as part of the Treasury Management team, Justin is also responsible for the oversight of the bank's consumer online banking platform.



Missy Percy

Senior Vice President

mpercy@pegasusbankdallas.com

Missy Percy has been with Pegasus since its founding. She is a graduate of The University of Arkansas.

Contact Us: Need Help? Contact **Pegasus Bank's Treasury Management department at 214-353-3085**. This will ensure your phone call will get routed properly.
Or if your question is not urgent, please email us at: tm@pegasusbankdallas.com.



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