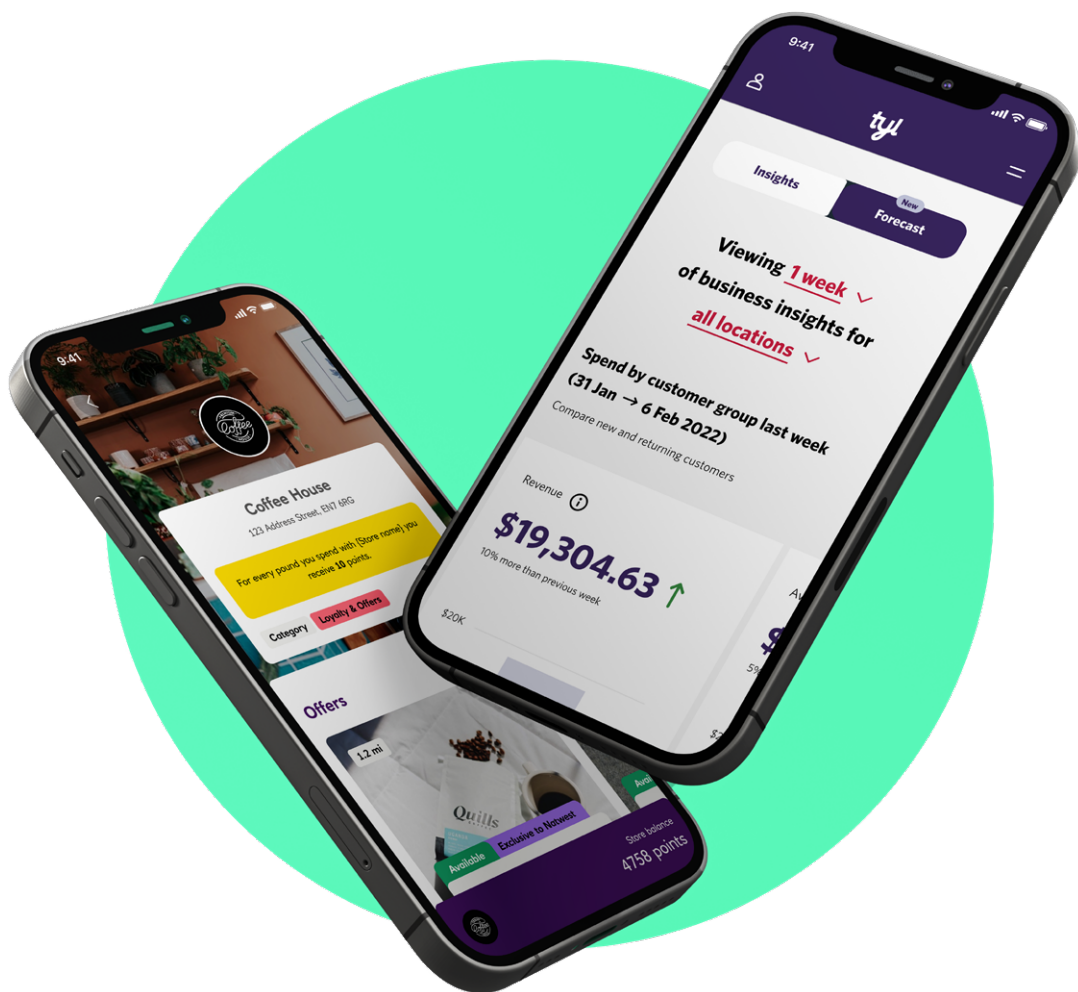

Putting banks at the heart of every business

How Pollinate works in partnership with
banks to build the next generation of data
driven merchant services



Working with Pollinate,
banks can offer their
business customers the
valuable data-driven tools
they need to succeed



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01: Introduction

Pollinate – empowering banks to embrace digital opportunities in payments

The payments industry has had a lucrative decade. Processors like Worldpay and Global Payments continue to expand their offering across the value chain, leveraging their existing economies of scale. Mastercard and Visa both continue to report double digit, year-on-year revenue growth. Payments companies like PayPal, Block (Square), Toast and Shopify have continued to march on, finding ways to monetize the value in their merchant relationships and the associated payments data – and now have valuations that are larger in terms of market capitalization than many banks. Even more significantly perhaps, Apple is offering banking and payment services as they continue to gain rapid traction with consumers.

Despite all of this, banks still remain the bedrock of economic activity – providing the vast majority of the capital and expertise that keeps the wheels of the economy spinning. Not only that, but many banks' assets are stronger than ever, due in part to a higher interest rate environment. Despite this, digitally native disruptors pose a growing risk to banks and the relationships they have with their business customers, chipping away at their lifetime value.

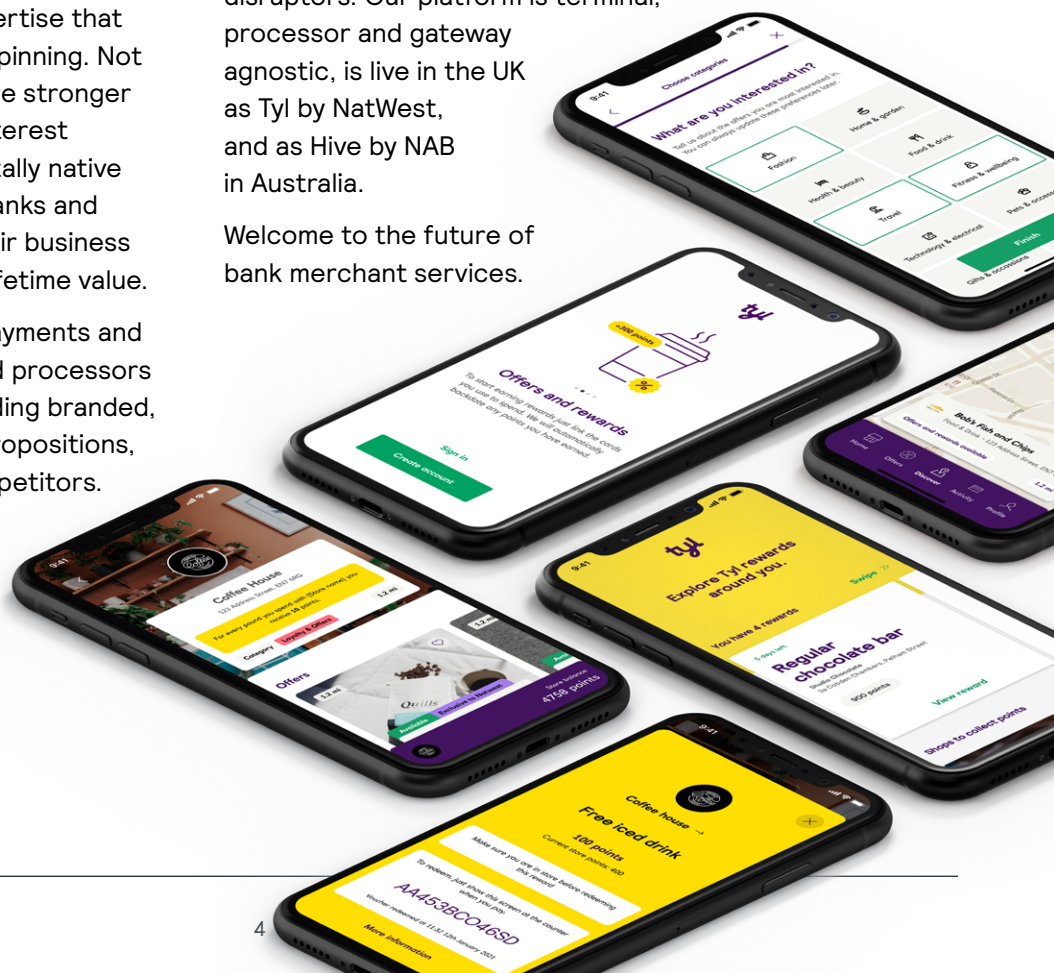
As merchant expectations of the payments and banking experience rises, banks and processors still have significant challenges building branded, integrated and engaging product propositions, compared to their 'digital first' competitors.

Enter Pollinate. Founded in 2017, Pollinate is an award winning global business dedicated to solving this problem for banks around the world. Investors include Mastercard, Insight Partners, NatWest and National Australia Bank.

We believe that while processing itself is important to get right, the rich acquiring data therein is even more critical to unlock a large amount of unrealized value for businesses and banks alike. Banks are uniquely positioned to best provide customers with appropriate, differentiated and valuable products and services powered by this data.

Our expertise in technology, data and digital experiences provides banks with the tools to transform the profitability of their merchant relationships, and fight back against digital disruptors. Our platform is terminal, processor and gateway agnostic, is live in the UK as Tyl by NatWest, and as Hive by NAB in Australia.

Welcome to the future of bank merchant services.



02: The power of acquiring

Pollinate works with leading banks around the world to build the next generation of payment and merchant services for small and medium businesses (SMBs).

Pollinate helps banks benefit from acquiring in three ways:

1. **Transform customer relationships:** combine a superior customer experience with data-driven tools to help business customers succeed
2. **Drive efficiency at scale:** by leveraging the latest cloud technology while ingesting data from legacy systems, banks can digitize and streamline existing processes and lower customer support costs
3. **Unlock new revenue streams:** by building a bank-centric, bank-branded digital hub of related services, an acquiring customer has the potential to deliver 4x-6x revenues from cross-sell, up-sell and affiliate revenues beyond acquiring alone





Tyl by NatWest: re-entering acquiring with ambition

After divesting their merchant acquiring business (Worldpay) following the global financial crisis, NatWest (formerly known as RBS) entered an agreement to refer all inbound acquiring leads. A few years later, to regain customer primacy and widen commercial opportunities, NatWest wanted a solution that served a merchant's broader needs, brought them closer to their customers, and went way beyond the transaction. To develop the solution and take the bank back into acquiring, NatWest formed a partnership with Pollinate.

The result: a new business — Tyl by NatWest. Multi-award winning, setting benchmarks in NPS score and user ratings, and the fastest growing acquiring solution in the UK, Tyl was the start of a new conversation between the bank and its business customers who want a simple, innovative payments solution.



Onboarding
79 NPS

Ease of use
80 NPS

How we delivered value for NatWest

Pollinate provided end-to-end support, not just the technology implementation.

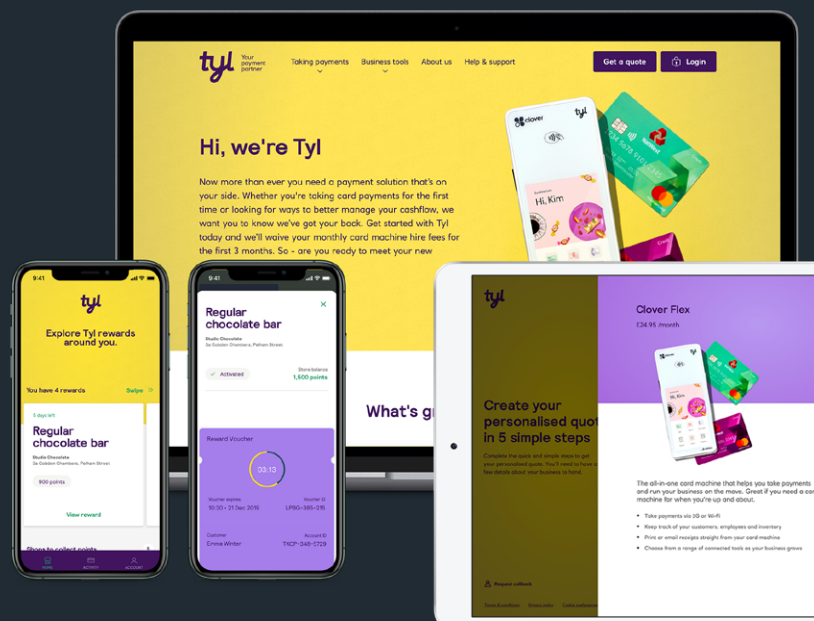
- Creating a new brand and over 100 new business processes with associated policies and documentation
- Running an RFP for processing, gateway and terminals, then integrating with Clover and Ingenico terminals, Clover terminal software and Fiserv's strategic processing and gateway stack
- Deploying the Pollinate platform, including onboarding, merchant and customer service portals, and the consumer app



"This merchant acquiring and payments proposition is an important step forward and reiterates our commitment to harnessing the revolution in new technologies so that our customers can remain focused on growing their businesses."

Alison Rose

CEO, NatWest Group
2019-2023



03: Owning the merchant relationship

Traditionally, the bank manager would be the first port of call for a local business in need, but a company's options are now far broader. Today's retail environment is more complex, and a plethora of fintechs, ISVs and others having emerged offering services traditionally associated with banks. Therefore, today's business manager has had to become a systems integrator – forced to piece together a set of different and often complex stand alone products. But not for long.

Silicon Valley has recognized the importance of owning the merchant relationship. Payments and payments data are the key components that deliver multiples of value beyond the transaction,

and this is why digital-first innovators like like Square and PayPal are making a landgrab for merchants – trying to push banks down the value chain. And in doing so they have often become more valuable than many banks.

As a result, banks are seeing companies like Square, Shopify and Toast tempt away not only their acquiring customers, but also losing revenues from traditional banking services like lending and treasury services. Banks and their processors have systems with scale and security, but often lack the data capabilities and front end user experience that meets today's ever growing merchant expectations.



04: The importance of SMBs

Globally, SMBs are the foundation of commerce. By any measure, their collective power and importance dwarf that of global corporations. Across the world they account for over 90% of businesses and 50% of jobs, and in the US are even more dominant.

For banks, despite the scale of their retail bank, or noise about the investment bank, SMBs remain an important customer segment with steady Returns on Equity in the high teens. Historically this segment has been very hard to support – with relationship manager coverage being either sparse or expensive. Most banks understandably focused on helping SMBs navigate the bank, rather than risk mis-selling products that were not well understood.

Today the value of the SMB customer is well understood, and they have become easier to serve efficiently at scale through data and digital tools. Through the Pollinate platform, these efficiencies can be unlocked, manual customer support reduced, plus gain increased insight into the banks' customer base.

As well as driving fee-based income, retaining ownership of the merchant relationship gives banks the opportunity to benefit from cross-sell and up-sell opportunities, both of their own products and those of affiliates. Introducing merchants (and consumers) to relevant products and services is not a new idea. But few banks have historically benefited from the rich stream of revenues these connections can provide.

05: Enter Pollinate

Pollinate partners with banks to re-establish their close relationship with businesses

Pollinate gives banks a modern toolkit for businesses. We partner with banks to build or transform their merchant acquiring businesses, so they can compete with digitally native challengers, and to re-establish a central role in the lives of merchants and the communities they serve.

Cloud based and non-intrusive to implement, the Pollinate platform is a data and digital experience layer that can sit on top of existing bank systems.

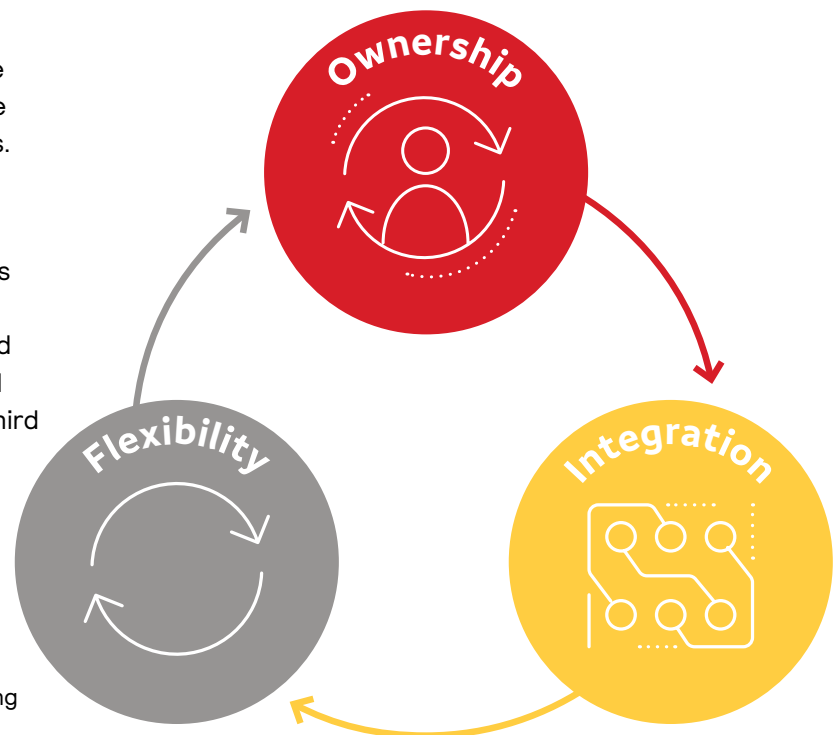
The core proposition gives SMBs the tools they need to manage and grow their businesses in a single place – brought to them by their bank. This includes insights and transaction analysis, and is easily extended with built-in loyalty programs and customer offers to help SMBs grow, and a digital marketplace with a range of relevant bank and third party products.

Own the customer proposition

The ability for banks to own the customer proposition – terminals, pricing, and a portal for them to add in their products

Flexibility

A partnership that has flexible, dynamic and configurable onboarding (assisted and self-service, and combined)



Integrate into wider bank

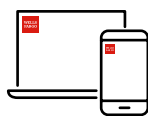
The ability for them to integrate merchant services into other banking services (e.g. integrate merchant services data into a transaction banking portal)

'Expanding share' of SMBs concept



Increase penetration of existing business bank customers to drive revenue growth

Bank branded touchpoints



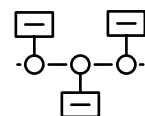
Own the proposition – from onboarding to terminals, transactions to value added services

Flexibility



Develop assets with flexibility built in, to respond to market trends and customer needs

Phased implementation



Phased deployment, leveraging partner technology for fast start, to WF owned front end

06: The Pollinate platform

A data and digital experience layer compatible with any underlying infrastructure and any digital payment

✓ Works with any underlying infrastructure

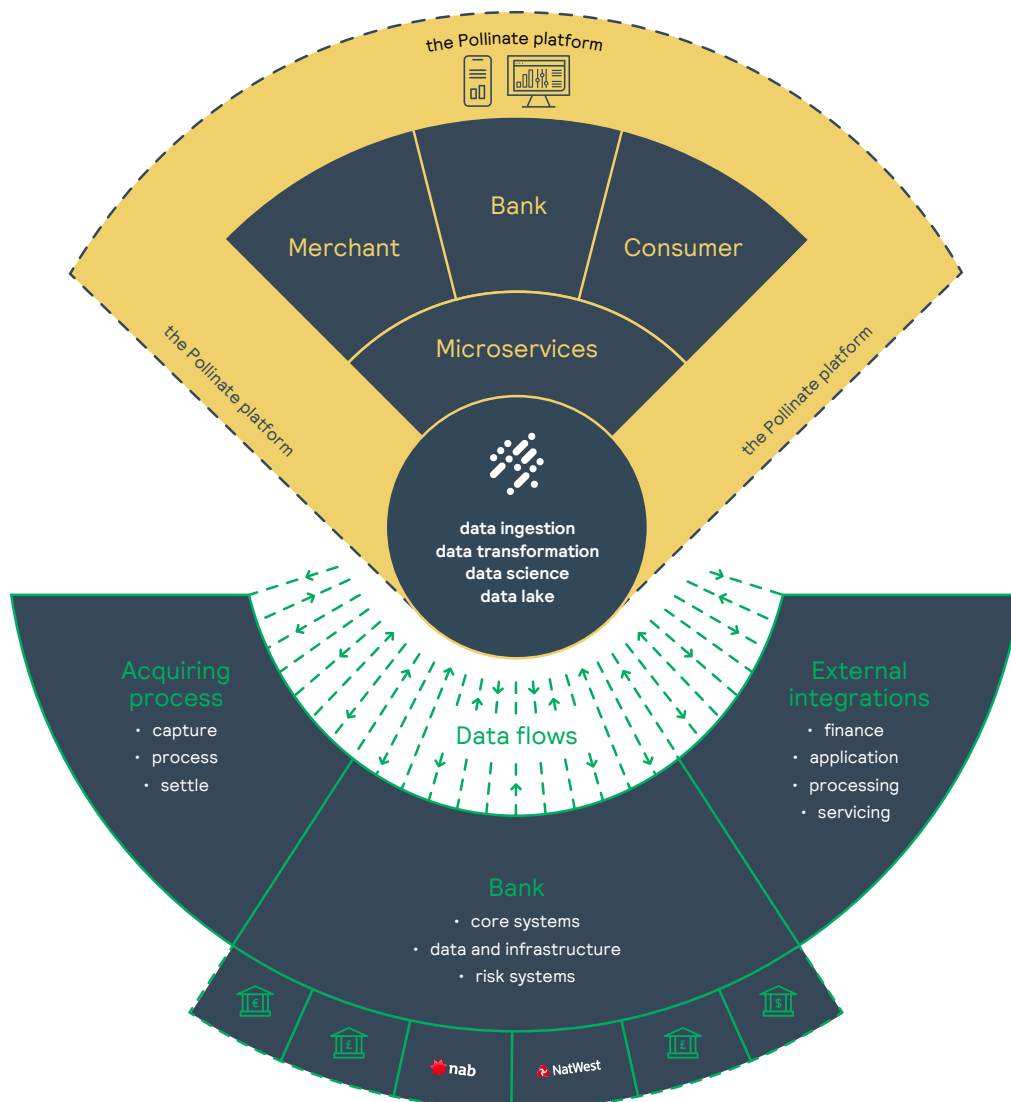
- Cloud-based data and digital experience layer that sits on top of existing infrastructure, e.g. terminal estate, processor(s), gateway(s), bank and 3rd party systems
- Non invasive to implement and remains outside the financial flows

✓ Is bank grade

- Fully compliant with data privacy regulations in each market
- All critical data that resides within the platform minimized, obfuscated and tokenized so that even a breach would not compromise PII
- Each bank has their own segregated version of the platform, in a stand alone cloud instance, locally hosted and operated under bank governance

✓ Puts the bank in control

- Bank chooses the branding
- Bank owns the merchant relationship
- Bank specifies localization requirements, e.g. languages, timezones, currencies etc.



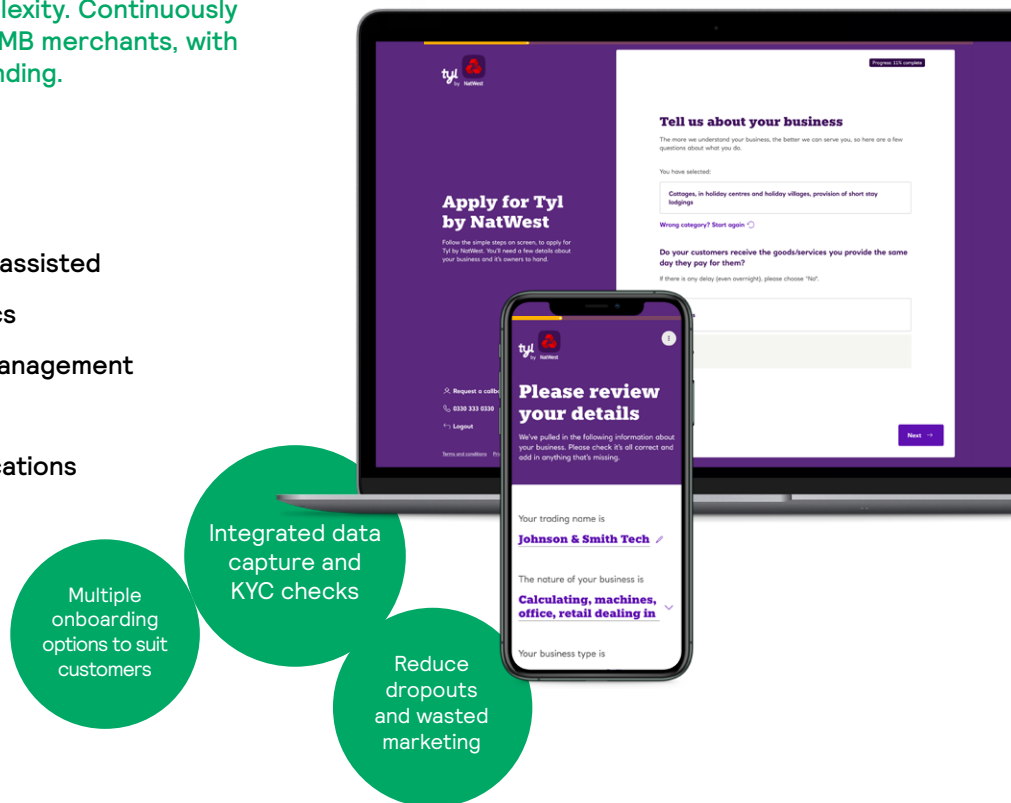
The platform comes to life for merchants, consumers and the bank through a range of powerful, bank-branded digital solutions.

All Pollinate products are configurable, secure and modular to fit each bank's requirements for their customers.

06.1 Powerful onboarding

Maximize merchant origination and sales conversion, and minimize operational complexity. Continuously researched and refined with SMB merchants, with configurable journeys and branding.

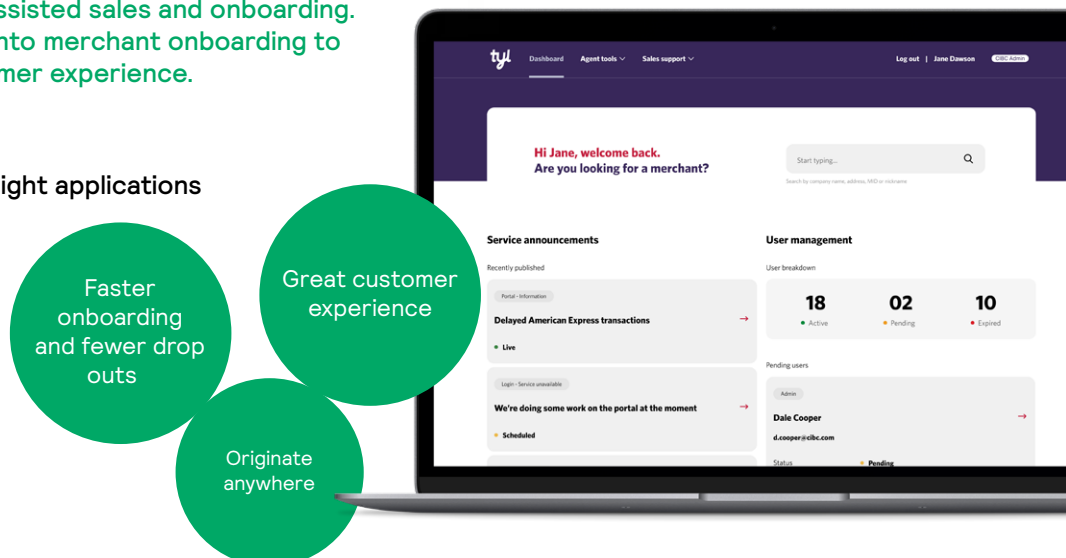
- Highly Configurable
- Bank and non-bank origination
- Any combination of digital and assisted
- Advanced CX data and analytics
- Data capture and document management
- Integrated KYC and Risk
- Covers both quotes and applications



06.2 Agent portal

Your own dashboard for assisted sales and onboarding. All seamlessly integrated into merchant onboarding to provide a smoother customer experience.

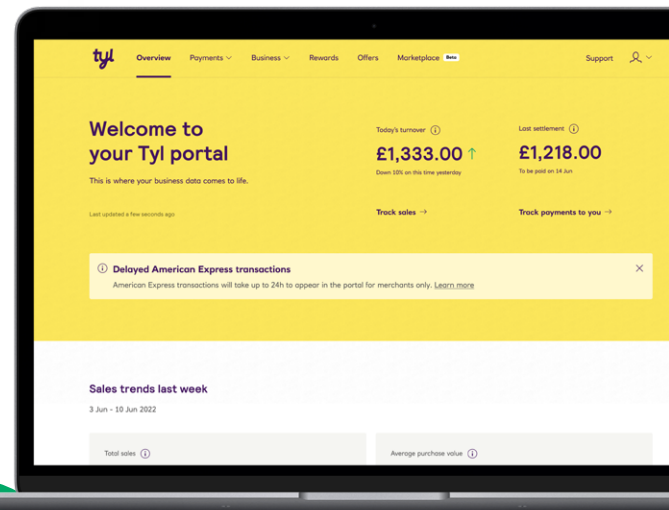
- Secure role based access
- Search and progress / inflight applications
- Track application status
- View AML progress



06.3 A supercharged merchant portal

Delivering daily interactions and customer primacy with business customers. Helping SMBs grow and manage their business in one place, bank branded and continuously developed and optimized.

- A single hub with full transaction management
- Business insights & analytics, customer notifications
- Dispute and chargeback reporting
- Omnichannel, multi-device UI
- Self-service support and maintenance
- Extendable with marketplace tools
- Offers and loyalty integrations



Single hub to increase merchant engagement

Business insights to promote increased card turnover

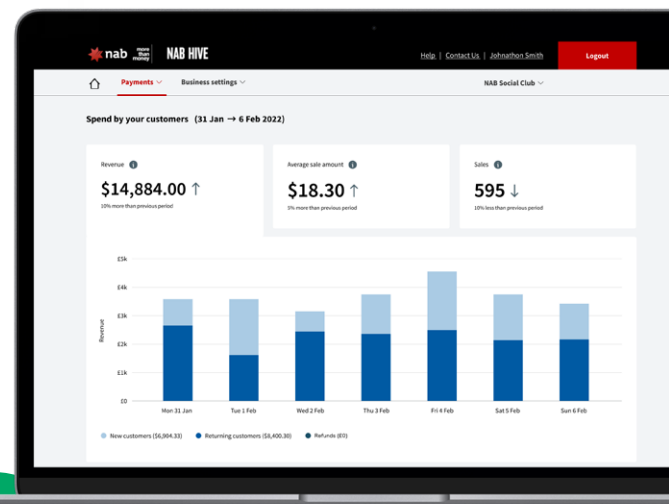
Decrease cost to serve via self service

Differentiate and drive revenues through value added services

06.4 Advanced merchant insights – next generation data engine

Gives the merchant an overview of their business performance and better understanding their customers.

- Merchant business insights in one powerful dashboard
- Additional demographic and location based customer insights
- Combines issuing data for even deeper insights
- Leverages partner data, e.g. Mastercard, Dun & Bradstreet
- Gives intelligent business context via benchmarking
- Merchant controlled reports – filtering by date or transaction



Uniquely powerful combination of data sources

Increased customer satisfaction

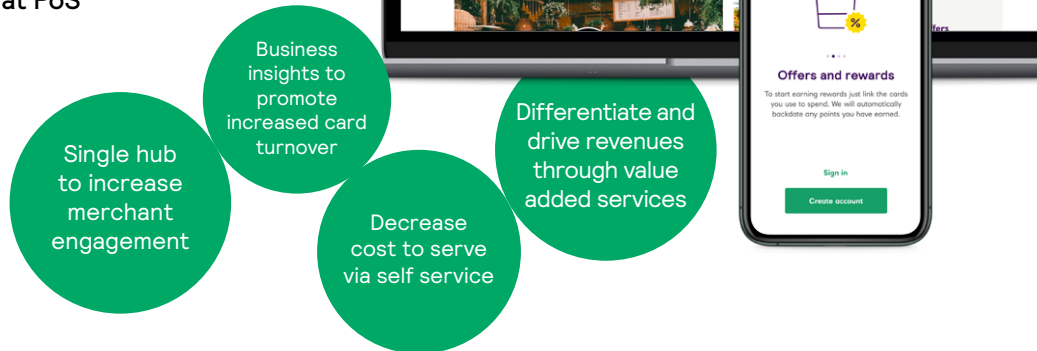
Increases card turnover and cross-sell

Intelligent benchmarking for self-serve business improvements

06.5 Offers and loyalty marketing toolkit

A simple but powerful set of tools to help merchants create offers and loyalty campaigns, and connect and engage their customers.

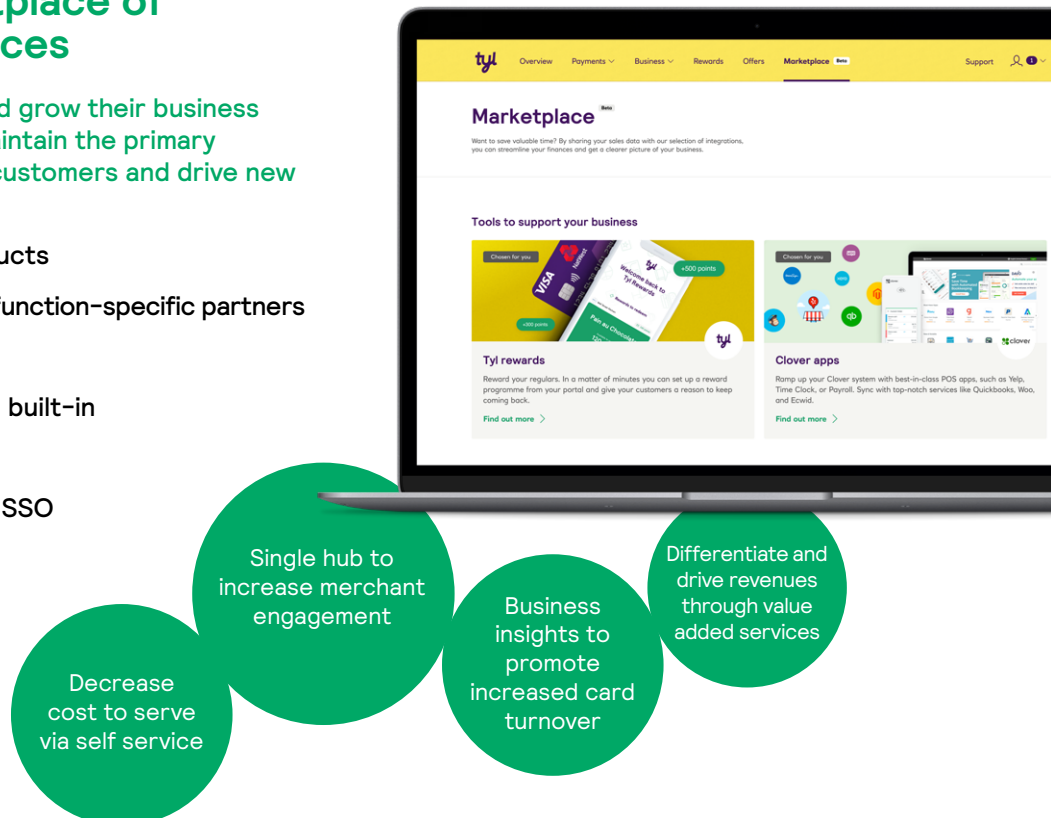
- Accessed directly in the merchant portal
- Campaign management tools
- Bank branded consumer app
- Data led targeting (bank and merchant data)
- Non-integrated redemption at PoS
- Discounts and cashback



06.6 A curated marketplace of value added services

Help merchants manage and grow their business with additional services, maintain the primary relationship with business customers and drive new revenues streams.

- Easily cross-sell bank products
- Select the best sector and function-specific partners
- Data driven targeting
- Seamless exchange of data built-in
- Single billing relationship
- Integrated onboarding and SSO





NAB Hive: Digitally transforming at pace and scale

One-third of Australian SMBs bank with NAB, and supporting them with effective business toolset has never been more important. NAB needed to digitally transform their merchant experience, giving their merchants access to digital tools, insights and payment solutions.

NAB's implementation of Pollinate's global cloud-based platform is helping their SMB customers better manage and grow their businesses, drive significant efficiencies through digitization of customer support and is establishing a new route for the bank to deepen the relationships with their merchants.

Working with NAB's existing merchant acquiring infrastructure – which includes a processing platform, payment gateways and terminals – the Pollinate solution helps NAB extend their lead as Australia's biggest business bank.

Scope of work

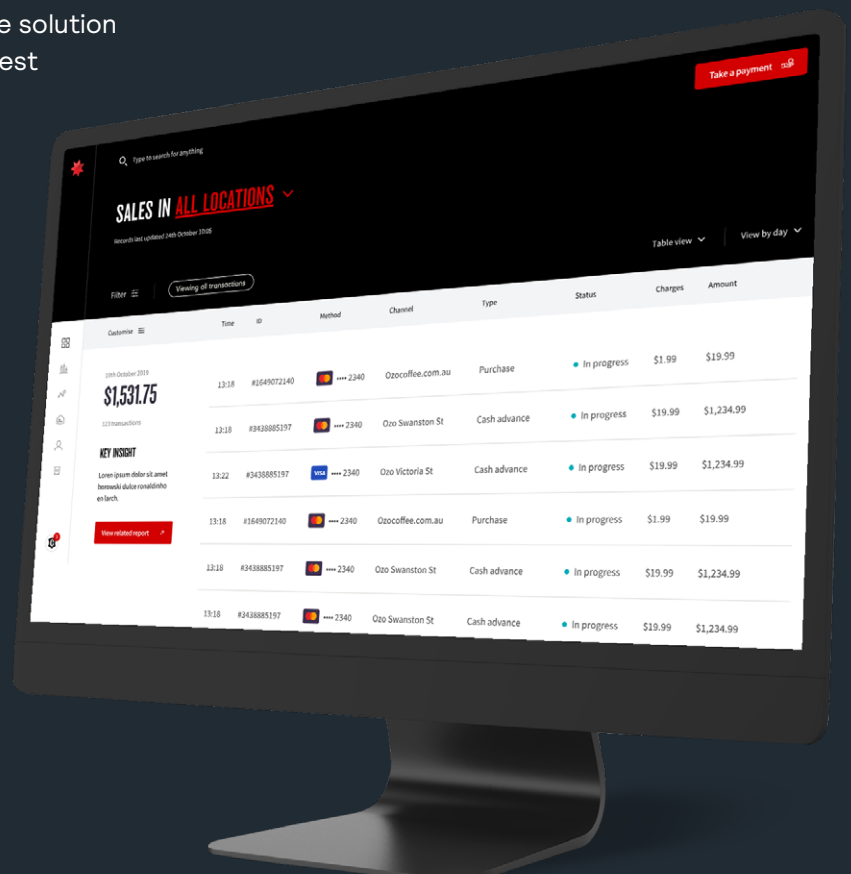
NAB is a sizable existing acquirer with hundreds of thousands of merchants. Pollinate is working with NAB to digitally transform their business bank, with the following benefits:

- Reduction in call volume, saving millions of dollars per year
- NPS improvement
- New products to drive increased market share



“Leveraging Pollinate’s platform, NAB will be able to give businesses the information they need to make decisions about their daily sales at their fingertips.”

Andrew Irvine
Group Executive, Business Banking
& Private Banking, NAB



07: Transforming profitability

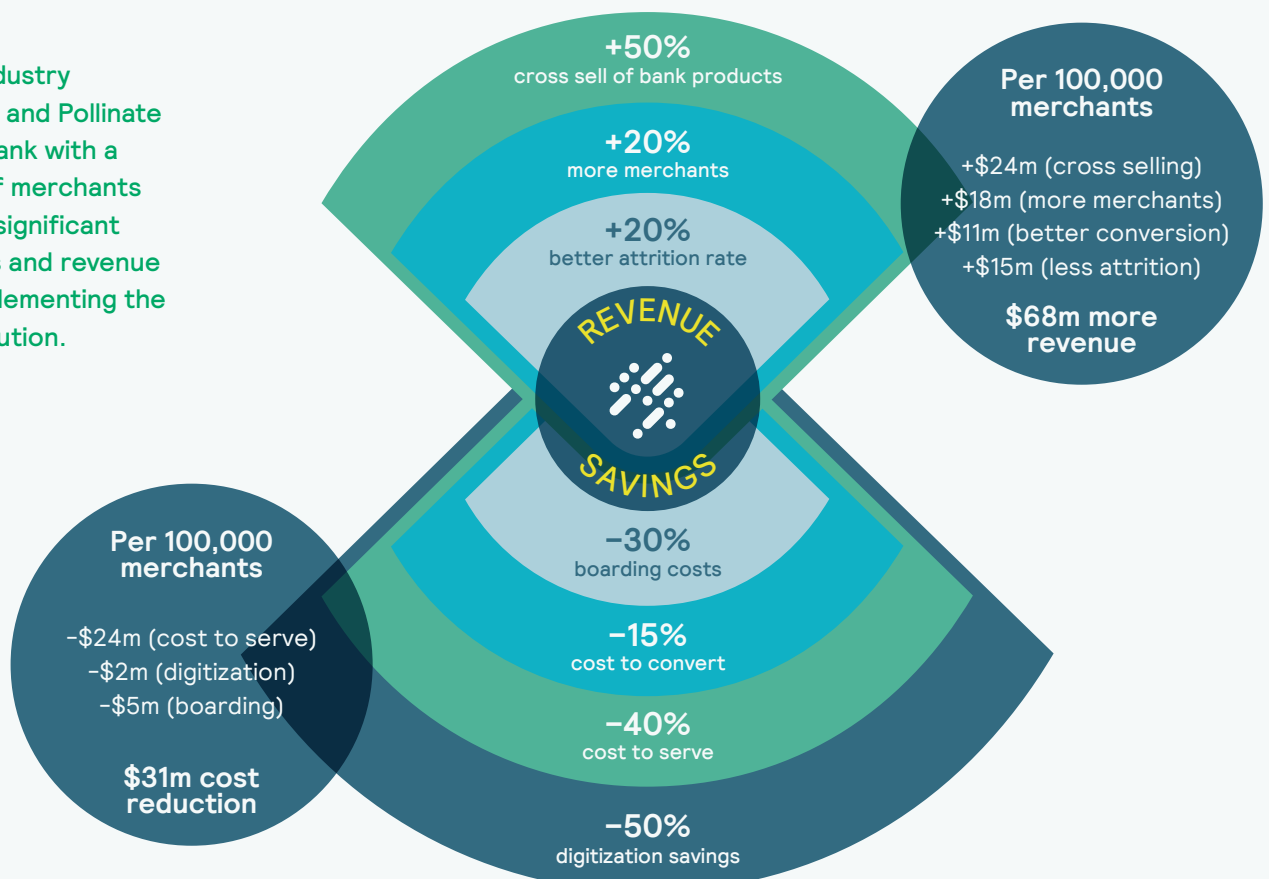
The Pollinate platform not only provides the digital experience layer that merchants now expect, it also transforms the profitability of a traditional acquiring business. It does this by driving operational efficiencies that make the merchant relationship cheaper to acquire and maintain, and by creating a bank-branded *shop window* that drives new revenues from existing customers and is more attractive to new customers.

This shop window is used to promote functionality native to the platform (e.g. loyalty, insights), existing bank products (e.g. lending, treasury) and also third party products (e.g. accounting, invoicing) to the right merchants at the right time. This allows banks to tap in to the well established and highly lucrative affiliate marketing industry, in a responsible and relevant way.

A traditional acquiring business has the following revenue streams:

- Card transaction fees: A card transaction fee (or merchant service charge) is the fee that the merchant pays every time they accept a card payment. The implementing bank fully controls their own pricing, but in most markets, this is likely to be 60%-70% of the net revenue stream.
- Acquiring value added services: An acquiring value-added service is every other service that a merchant might need to take payments and that complement the core activity of accepting card payments (e.g. POS terminal rental, PCI compliance services, or Dynamic Currency Conversion).

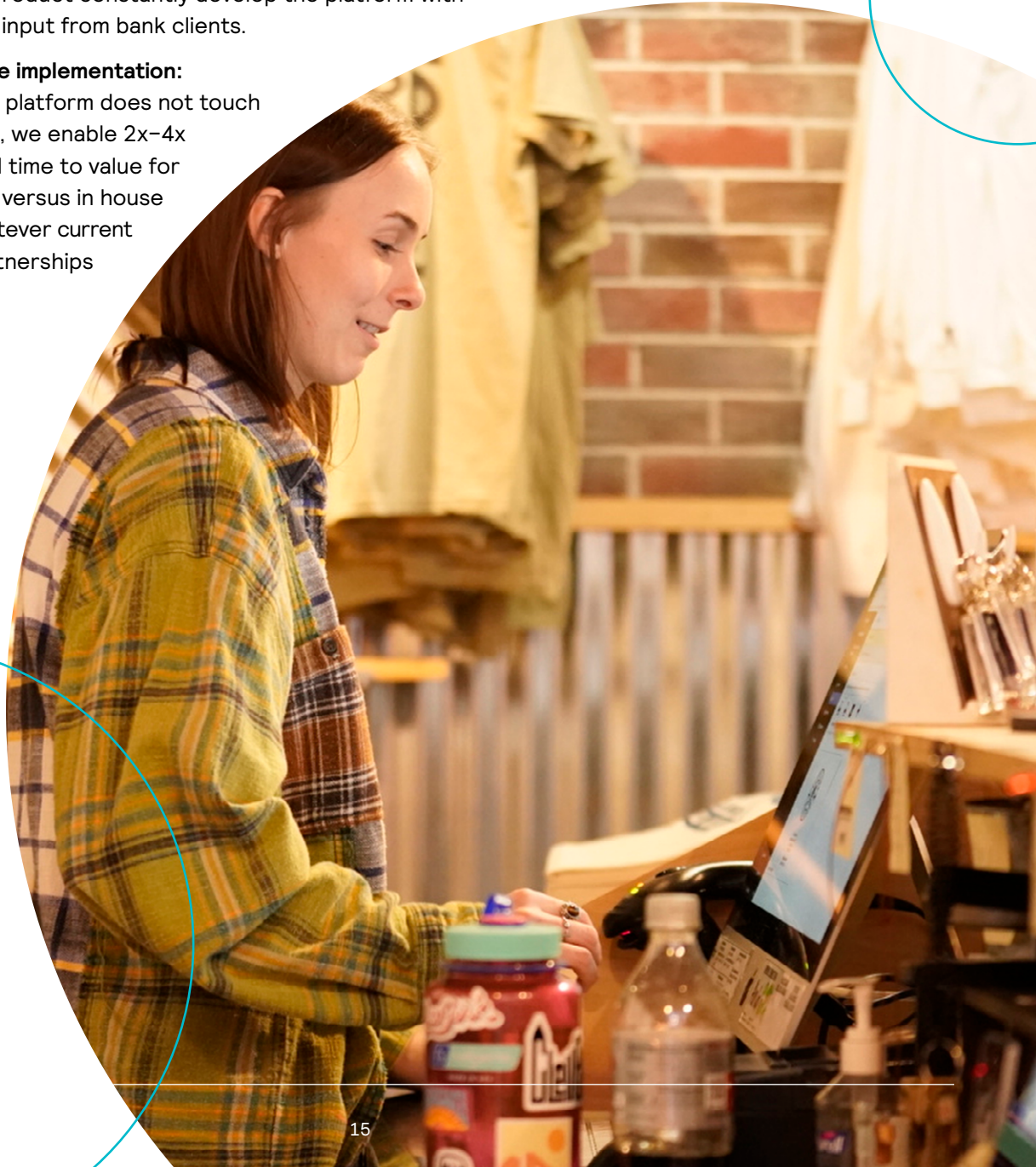
Based on industry benchmarks and Pollinate analysis, a bank with a backbook of merchants can expect significant cost savings and revenue gains by implementing the Pollinate solution.



08: A partnership that scales

Pollinate licenses its platform to our partner banks. To enable faster and cheaper innovation, we have a single platform for all to benefit from. Specifically:

- **Single platform:**
All bank partners share the same core platform configured to their specific needs. The platform is hosted in separate instances (specific to each bank) to protect data privacy and conform to local requirements.
- **Maximum flexibility:**
Dedicated teams for development, customer and UX research, architecture and product constantly develop the platform with SMB research and input from bank clients.
- **Rapid non-intrusive implementation:**
Since the Pollinate platform does not touch the payments flow, we enable 2x-4x faster delivery and time to value for our bank partners versus in house development, whatever current technology or partnerships are in place.



The time for banks is now

Digital disruptors continue to gain market share. But banks remain key to merchants, consumers and local communities.

In these turbulent times, businesses have rediscovered the critical role that banks play, and more than ever need a true, trusted partner who can help them to survive and thrive now and into the future.

Today, banks have a unique opportunity to become the central hub for business customers, driven by cloud technology, great user experience and payments data, unlocking future success and amazing new tools for both bank and customer.



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