Small Business Banking Trends for Community FIs

TransFund[SM]
making money move

>36M
Small Businesses (SMBs) in the US

SMBs represent **46%** of US private employment

1 in 3 SMBs bank with local FIs, valuing **personalized service** and **local expertise**

Digital-first is Now the Default...

Digital-first banking drives **efficiency, security, and engagement**

- Digital experiences reduce manual processes & branch servicing costs
- Reduce fraud with tokenization & advanced security
- Digital onboarding streamlines experiences and boosts acquisition
- Digital journeys increase card usage and satisfaction

SMBs use **~36 digital applications** on average

60% of SMBs expect to expand payment options due to customer demand

70% of SMBs use **mobile banking monthly,** as the primary way to manage finances

...However, Hybrid Banking is Here to Stay

3/4 SMBs visit branches **monthly**

SMB banking **blends** digital convenience with in-person support:

Digital is used for **routine tasks**

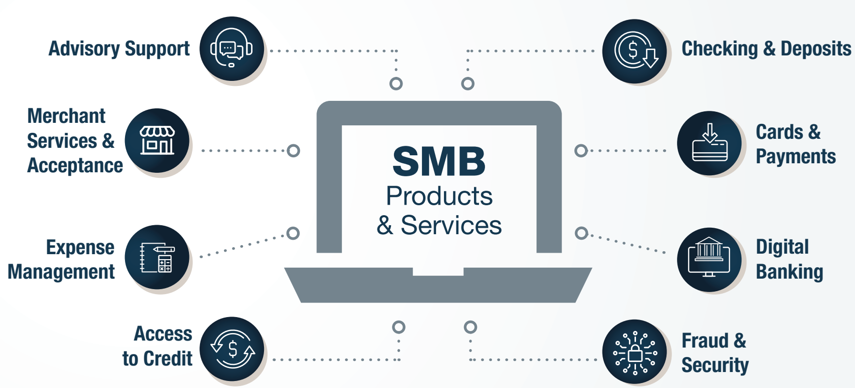
In-person support is used for complex needs (e.g., onboarding, lending)

What Small Businesses Expect From Their FI Partner

SMBs expect seamless digital access, **embedded payments, merchant services & card acceptance**, along with **built-in security** (e.g., fraud monitoring, customizable alerts), MFA (multi-factor authentication))

Differentiation comes from enabling SMBs to:

- Save time with automation
- Manage cash flow in real time
- Access faster credit
- Use integrated tools
- Accept all payments



Community FI's Key Role in SMB Banking

- Community FIs combine digital capabilities with relationship-driven support for SMBs
- SMBs value partners that understand their business & local environment

TransFund helps community FIs integrate services to deliver more relevant, relationship-driven SMB experiences