

Managing Account Receivables Risk

Mitigating International FX Exposure

Presented By:

ASCENDANTFX
PAYMENT SOLUTIONS WORLDWIDE



About AscendantFX

AscendantFX is a Payment Solution Provider that combines tailor-made technology, dedicated customer support and seamless accounting integration to deliver speed, comprehensive reporting and clear ROI.



AscendantFX can send your payments to over 235 countries, in 140 currencies



Our business is backed by over 250 years of combined experience in foreign exchange and international payments.



Volume of FX handled in 2016: \$2B

FX Quick Facts:

- The foreign exchange (FX) market is the world's largest financial market; average daily turnover is \$3.2 trillion
 - Indicative and executable pricing shared through electronic dealing platforms such as Reuters, Bloomberg, EBS FX portals and proprietary platforms (bank and non-bank)
 - 71% increase in trade volume from Apr 2004 – Apr 2015 to more than \$10.5 trillion annually. Growing rapidly as more companies source goods and services overseas.
 - General Market Segments
 - Banks/Investment Firms/Hedge Funds/Central Banks
 - Corporate - \$900 billion yearly (2016**)
 - Remittance - \$516 billion yearly (2016**)
- ** Estimate World Bank
- The NYSE daily volume is 1/35th of the size of the FX market
 - The three major FX trading centers are London, New York, and Tokyo
 - FX rates change every 15 seconds, 4 times per minute



Overview of Global Payments & Receivables

AscendantFX can help you with your foreign
transactions

Flow of Funds

Incoming Payments

- **Payment Timing**

Receive immediate credit in your home currency without the cost of managing your own foreign accounts

- **Payment Options**

Giving your customer multiple payment options is an advantage for them, and helps them ensure you receive payment quickly

- **Check Clearing**

Subject to the currency, we can eliminate the wait normally associated with foreign currency checks and transfer the value immediately. Checks drawn on a foreign bank that cannot clear through the U.S. banking system can be sent on collection



Types of International Payments

Send payments over 235 countries, in 140 currencies

Same Currency Transfers

Often known as: SEPA, ACH, EFT

- Typically less expensive to send
- SEPA/EFT: Next day deposit
- EFT: No bank fees
- ACH: Typically deposited 1-4 days

CHECK

- Slower clearing time
- Can be traced
- 5-10 business days to clear



DRAFT

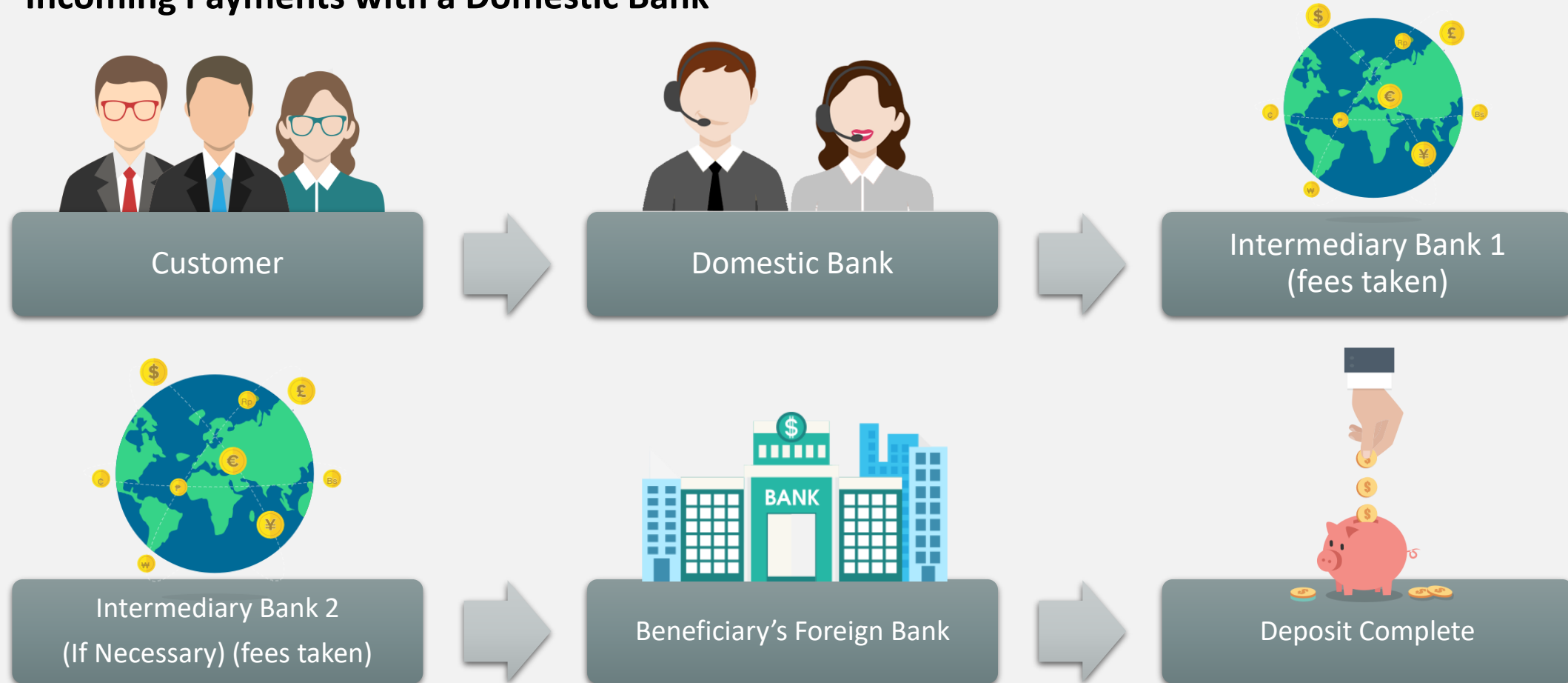
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WIRE

- Money is deposited in 1-2 business days for most countries and 2-4 days for many developing countries
- Issues can be investigated with traces and recalls where permitted
- Fees to send wires are often higher

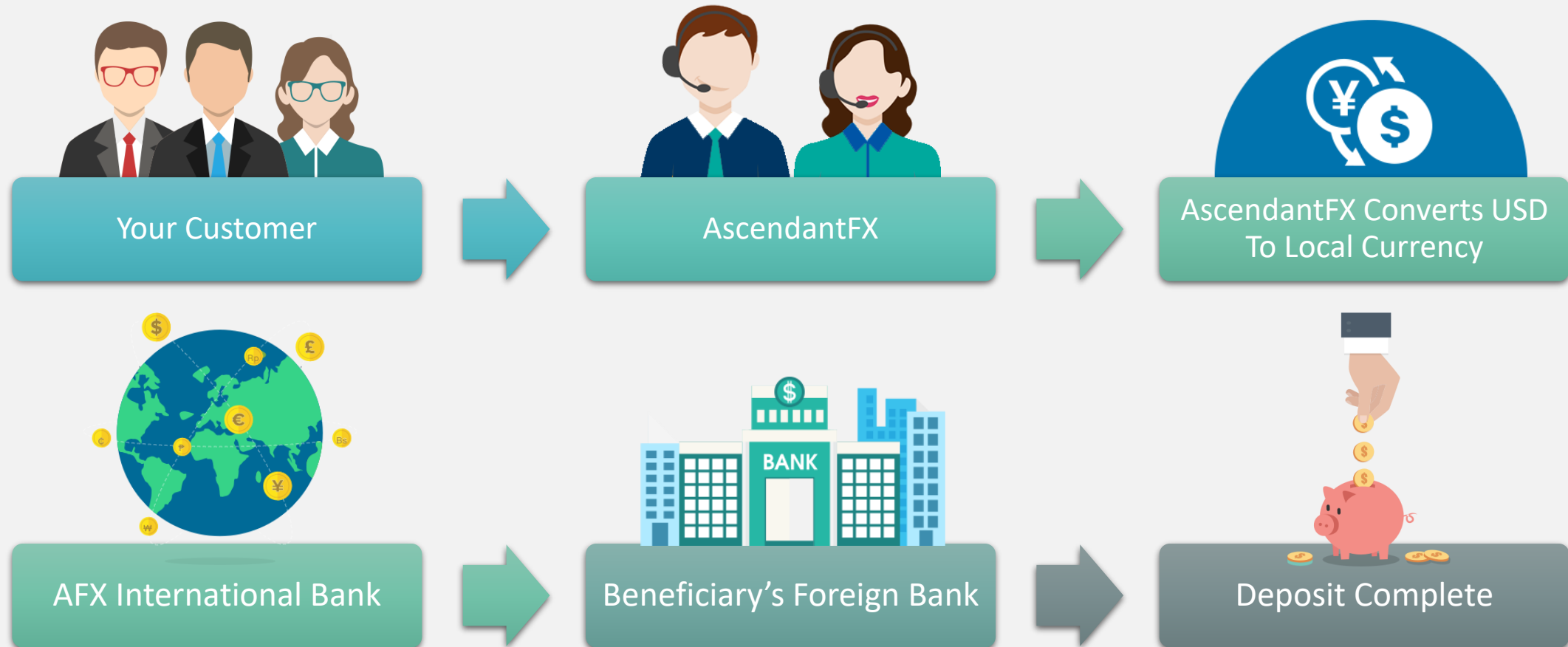
Flow of Funds

Incoming Payments with a Domestic Bank



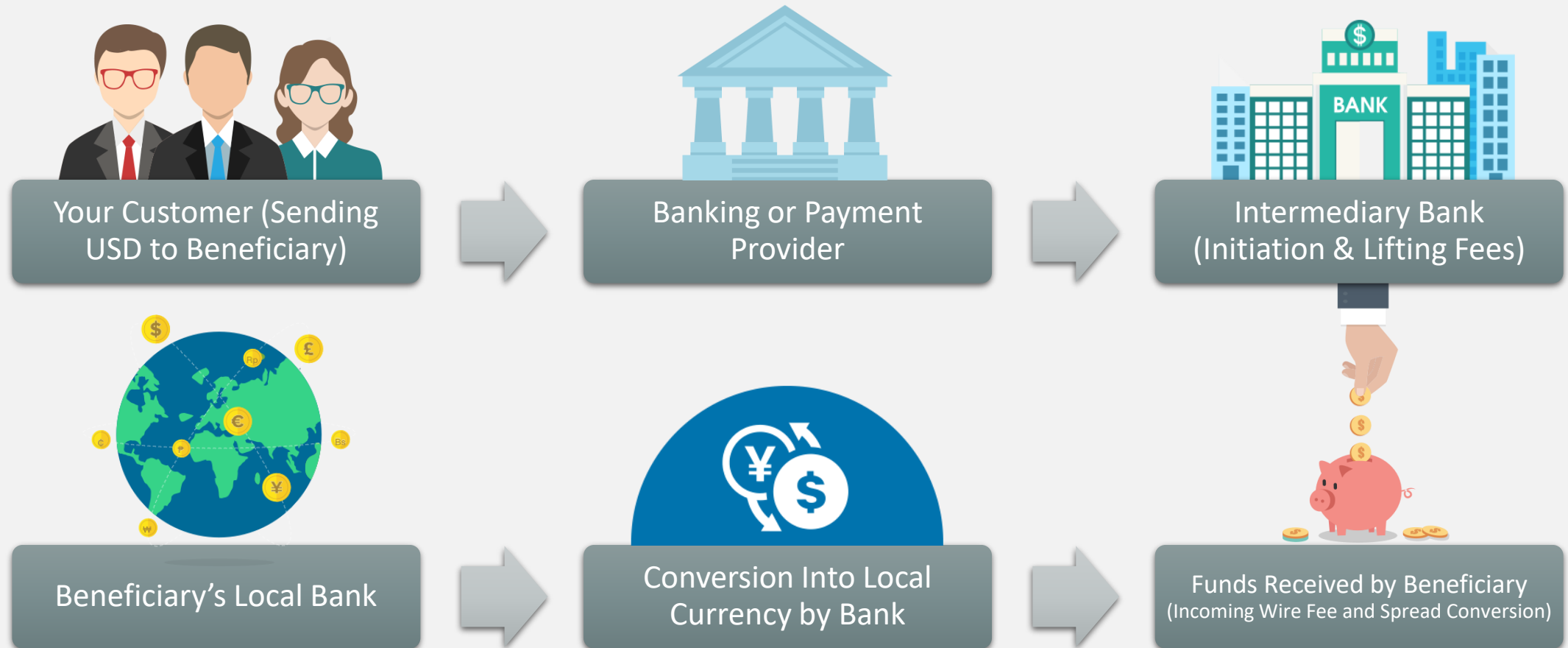
Flow of Funds

Incoming Payments with AscendantFX



Sending FX vs. USD

Outgoing Payments with AscendantFX



Sending FX vs. USD

- When sending a wire in foreign currency, an exact amount of the local currency is forwarded to the ultimate beneficiary and automatically credited to their account
- Sending international payments in the currency of the foreign counter party can lower processing costs, improve execution and delivery
- Money can be saved here by reducing the outgoing wire fees an sending the payment via ACH, SEPA or EFT, which will lower the cost for the beneficiary to receive the payment
- Sending USD internationally can become very expensive
- When a recipient of funds does not hold a USD account, the receiving bank converts the payment at the rate of their choice, giving the local bank valuable control over the exchange process



Receiving foreign currency

- FOREIGN CHEQUE
 - Receive and clear USD check from a local lock box in the USA
 - Faster receiving – NO INTL MAIL
 - Faster clearing – days not weeks
 - Best rates – Cleared locally in the USA, released to you locally in Canada.
- WIRE
 - Receive foreign wires locally in over 20 currencies including USD without opening additional bank accounts
 - Low cost to remitter as a local transfer
 - Low conversion costs as there is no international wire. We receive locally from your vendors country and send the funds to you locally in Canada



Receiving foreign currency

Bank:

- WIRE: Intermediary banks charge lift fees to receive
- WIRE/CHEQUE: Converts currency using large spread over intermarket rates
- CHEQUE: weeks to clear, high fees, high conversion costs
- Increased amount of NSF cheques

AscendantFX:

- WIRE: Local accounts, no lift fees
- WIRE/CHEQUE: Converts currency at a spread lower than banks
- CHEQUE: Days to clear, no fees, low conversion costs
- Decreased amount of NSF cheques

Bank Fees vs. AscendantFX Fees

Bank:

- FX Wire Fee (\$25-\$50) only where wires are available

- Converts currency using large spread over intermarket rates

- Intermediary Bank: Takes fee of \$25 to \$100

- Beneficiary's Foreign Bank: Charges beneficiary a fee to receive incoming wire (other payment options are not available)

AscendantFX:

- \$0 to \$5 per outgoing FX payment (ACH, EFT, SEPA, or wire available)

- Converts currency at a spread lower than banks

- AFX International Bank: No Fees

- Beneficiary's Foreign Bank: AFX will send the payment via ACH, EFT, SEPA or Wire to lower the incoming payment costs for the beneficiary

	AscendantFX (SEPA)	Domestic Bank (WIRE)	Sending USD (WIRE)
Fee to initiate payment	None	\$30.00	\$25.00
€100,000 converted to USD	\$108,410.00	\$109,480.00	\$106,810.00
5% Added to Invoice for FX risk	N/A	N/A	\$5,000.00
Total Cost for Sender	\$108,410.00	\$109,510.00	\$111,835.00
Amount Saved with AscendantFX		\$1,100.00	\$3,425.00
Intermediary Bank (Lifting Fee)		€50.00	€50.00
Foreign Bank Converts to Euro			€102,151.08
Amount Received by Beneficiary	€100,000.00	€99,950.00	€102,101.08
Bank Fee for Incoming Payment	€0.05	€25.00	€20.00
Net Amount Received by Beneficiary	€99,999.95	€99,925.00	€102,081.08

Sample Transaction:

ABC Company in the US sends
€100,000 to a vendor in Germany

USD/Euro	Interbank Rate	1.0681
AscendantFx	1.5% Spread	1.0841
Domestic Bank	2.5% Spread	1.0948

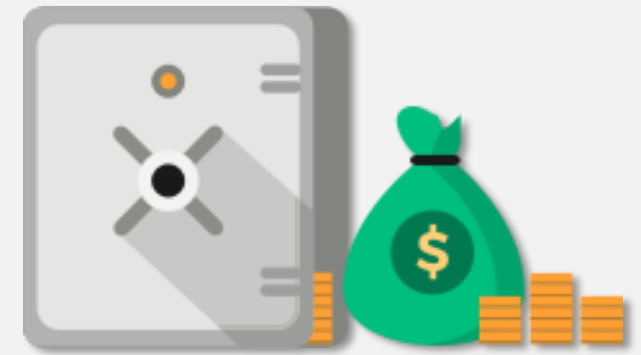
Holding Accounts

- If you have incoming and outgoing payments in the same currency, you can use our holding accounts as an alternative to opening costly foreign currency accounts around the globe
- You can deposit funds into, and make payments from these accounts as needed
- Exchange any amount to your home currency at your convenience
- Robust reporting capability helps reconcile all activity



Security

- At AscendantFX, we take security very seriously, and have measures in place to safeguard customers against any undue risk. We've adopted rigorous controls and procedures for the transfer, processing, use and housing of all information provided.
- SSL Encrypted Traffic
- WAF Protection
- Strong Password Management and Enforcement
- IP Filtering: Where Possible (User Location Preset and Immovable), IP Filtering is Enabled
- Multifactor Authentication
- User Activity Tracking, Monitoring and Audit
- Penetration and Vulnerability Testing
- Application Hosting Secure Data Center
- Application and Infrastructure Architecture is Designed to Maximize Protection for Non Web Facing Assets



Compliance

AscendantFX:

Maintains surety bonds to protect client funds in the states where we are licensed

Holds client funds in a regulatory trust until a transaction is completed. Funds held always remain the property of a client

Maintains strong internal controls and risk management

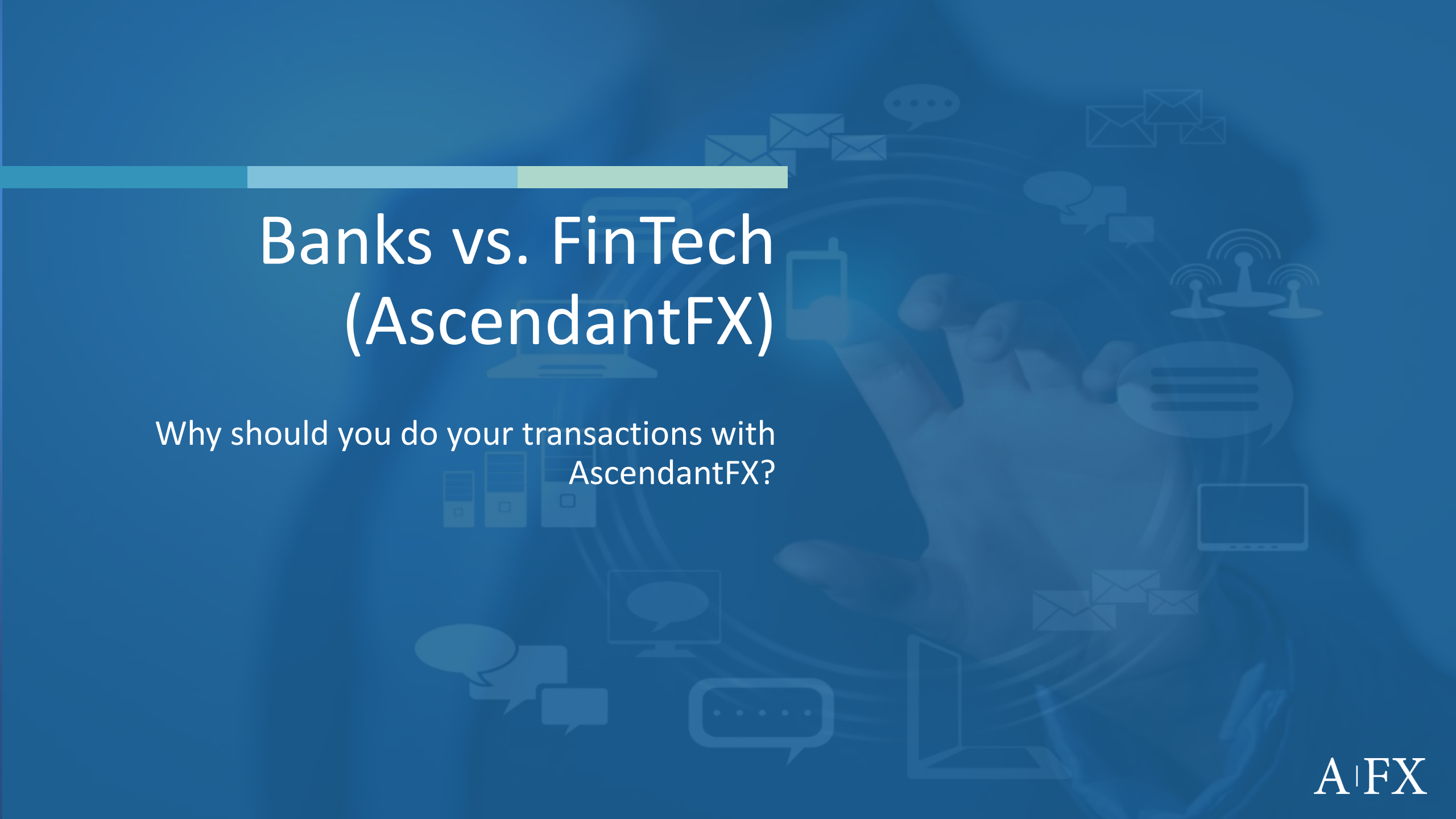
Registers with FinCEN and FinTRAC, government agencies that combats money laundering and promotes national security

Maintains shareholders' equity in an amount prescribed by the state

Provides financial and transactional reports to state regulators

Undergoes regulatory examinations by the state Department of Banks and Financial Institutions



The background is a solid blue color. In the center, there is a faint, stylized illustration of a hand holding a globe. Surrounding the hand and globe are various white icons representing technology and communication, including smartphones, laptops, speech bubbles, and Wi-Fi symbols. At the top of the slide, there is a horizontal bar composed of three segments in different shades of blue and green.

Banks vs. FinTech (AscendantFX)

Why should you do your transactions with
AscendantFX?

Fees and Rate Structures

AscendantFX	Banks
No charge for system implementation, integration or training	Annual system fees
No monthly or annual system maintenance fees of any kind	Fee per user
No minimum transaction volume requirements	Minimum transaction volume requirements to use system



Customizable Platforms

- Customize AFXOnline to your company's needs
- Add new fields
- Approval process/permission levels

The screenshot displays the 'Add Payee' form within the AFXOnline application. The form is organized into several sections with expandable/collapsible headers. The 'Payee' section is currently expanded, revealing fields for Payee Name*, Nickname, Internal Reference*, Bank Country*, Payee Email Address, Payee Instructions, and Sending Bank instruction. Below these are fields for Address 1*, Address 2*, City*, Postal Code/Zip Code, and Country*. A 'Total Characters Allowed: 105' counter is visible on the right side of the form. The 'Payee Bank' section is also expanded, showing fields for Swift Code*, Routing Type*, Bank Name*, and Account No./IBAN*. A 'Validate IBAN' button is located at the bottom right of the form. The interface includes a sidebar on the left with navigation links and a top navigation bar with a 'User' profile icon.

API Integration

- AscendantFX offers a number of options to manage payments- many of which integrate with existing systems

System Solutions

AFXOnline

- Accessible directly through the internet 24/7. Payments can be made with a few clicks.
- Best for recurring payments that are few in number



AFXOnline Upload/Download

- A payment file can easily be uploaded into AFXOnline from your ERP system.
- The order is then booked and a file can be downloaded to transfer the information back to your system.
- Best used for multiple payments with multiple currencies

White Label

- Brand all of the services offered through AFXOnline with your own company information.
- Best if you want to look as if you are offering these services to your customer, and the customer has direct access to the online system

Single Sign On

- The online system can be accessed indirectly through a partner's internal network and treasury software.
- A user only has to login to their treasury software once, and click on the AFX link to access the payment function.
- Best used for partners that want to simplify the transition process between systems.

AFX Link

- An integrated module that communicates directly with a partner's internal payment software through an API model.
- Best used for partners wishing to offer this service to their customers through their own portal

Payee Intelligence

- With Payee Intelligence, our customers get prompted for mandatory information (ie. CLABE numbers and IFSC codes) based on the currency and the country of the payment. It ensures that payments are sent out correctly BEFORE they are transmitted to ensure that payees receive their money on time and with the least amount of effort.
- Our customers can take advantage of this service in multiple ways:



1. Online

When setting up a beneficiary online, the tool will prompt the user for required information



2. API

License the tool to check all payment details before transmitting them to the provider of your choice



3. Clean-up Tool

Send AscendantFX your current payee data and receive a file outlining all payees that require additional information for successful transmission