

# M&T Bank Accelerates Payment Modernization with Real-Time Payments

At M&T Bank, the Commercial Payments Solutions team is committed to advancing its payments infrastructure and providing an exceptional client experience. The team set out to enable faster funds availability to payment recipients, and greater payment transparency and efficiency for its commercial and business banking customers.

The team's strategy was to implement Real-Time Payments through the RTP Network®, with The Clearing House, to take advantage of the industry's first major payment modernization effort to emerge in the last 40 years. Real-Time Payments offer the benefits of instant finality of payment, being always on 24/7/365 and support two-way conversational payments designed specifically for businesses.

## MAJOR CHALLENGES OF 2020

Soon after M&T completed implementation of Real-Time Payments, the first major client use case evolved. The Paycheck Protection Program (PPP) was launched and the bank's teams were able to rapidly deliver loan funding through the RTP Network. The bank took in applications 24/7, processing the loans and continuously funding customers after-hours and over weekends.

This proved to be of great benefit to customers and a competitive differentiator for M&T. The bank was able to provide businesses rapid access to much needed funds, while not being restricted by evening and weekend limitations of other Wire and ACH payment options.

Rapid delivery of loan funds as soon as possible is a tremendous efficiency gain for use cases like advanced loan funding, faster deposits, expedited vendor bill payments and business to consumer (B2C) disbursements.

The bank leveraged [Bottomline's Digital Banking IQ™](#) to import PPP loan files with hundreds of payments per hour into the digital banking system and send the payments to clients within seconds, which was a significant internal innovation. Because Real-Time Payments is integrated into the Digital Banking IQ payments hub, clients can access this plus other payment types in one place, rather than forcing them to work around multiple bank web sites.



## M&T Bank

M&T Bank is a community-focused bank serving New York, Maryland, New Jersey, Pennsylvania, Delaware, Connecticut, Virginia, West Virginia and Washington, D.C. Founded in 1856, the company provides banking, investment, insurance and mortgage financial services to more than 3.6 million consumer, business and government clients.





Bottomline's Real-Time Payments functionality assisted at a critical time when many businesses were in dire need due to the impact the pandemic had on business operations.

The result? In 2020 M&T was able to fund 35,000+ PPP loans totaling over \$7 billion dollars during round one of the PPP. M&T is also using this capability to fund round 2 of the PPP which started in January of 2021.

## SMALL BUSINESS MARKET OPPORTUNITIES

In addition to its commercial platform, the bank launched Real-Time Payments on its business banking web site by leveraging the flexible (API) infrastructure in order to extend the services to the business banking customer experience. A number of these business banking customers are using Real-Time Payments to make invoice payments and payroll to achieve greater payment transparency and improve liquidity through immediate deposits, as well as include supporting messages and information with the transaction.

## WHY DIGITAL BANKING IQ?

The bank's selection team did a thorough review of Real-Time Payments providers and chose Bottomline's Digital Banking IQ as the core channel of choice. The multiyear Bottomline relationship for digital banking and consolidated payables was a major factor in the selection process as well as the ability to provide an integrated client experience.

## NEXT UP FOR M&T

Looking to the future, M&T Bank is taking steps to meet customer demand as Real-Time Payments becomes more widely adopted. By adding functions to the existing "platform" the bank enables customers to see Real-Time Payments flow through the network as part of their cash position. In addition, the team has built a new, innovative customer experience with a centralized payment hub in the flagship product, M&T Bank Treasury Center<sup>SM</sup> for commercial and business clients, as well the Business Banking payment option of BizPay.<sup>1</sup>

Bottomline's expertise and trusted provider status keeps M&T Bank ahead of the market and helps keep them focused on commercial and business banking success.

## Additional RTP Network use cases

The bank is helping their commercial and small business banking customers think through effective Real Time uses, such as a last-minute payment to capture a discount:

- The customer notices an invoice which has a discount if paid immediately
- The payment is sent immediately and received by the payee within 15 seconds. A notification to the receivables manager is immediately sent that the payment was received

	REAL-TIME PAYMENTS	SAME-DAY ACH	WIRE
<b>TYPICAL FUNDS AVAILABILITY</b>	Immediate	During transaction day	Immediate
<b>INFORMATION AVAILABILITY</b>	Immediate	End of day	End of day
<b>PROCESSING</b>	24x7x365	During business hours	During business hours

**CONTACT US**

1. <https://library.mtb.com/ramping-up-preparations-for-real-time-payments/>

