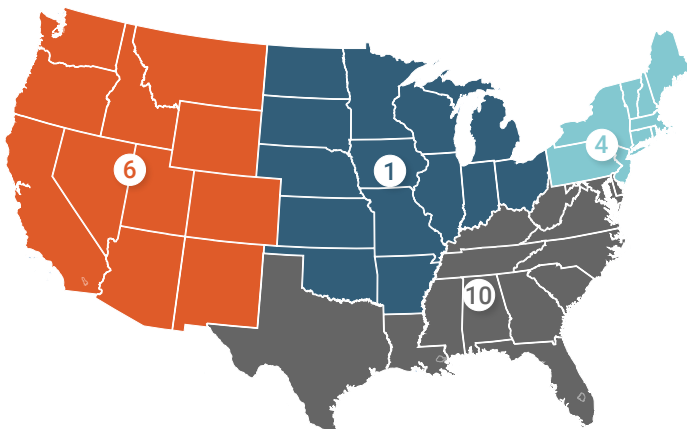


Letter from the CEO

BY FRANK SANCHEZ

This is an especially exciting update that I'm pleased to provide via this newsletter. The third quarter of this year marked an important milestone for Finxact. Over the July 4th weekend, First Horizon Bank converted an existing line of business from the bank's legacy core to the Finxact next-gen, cloud-native core. As described by the bank's CTO, the conversion was performed 'expertly and precisely'. Six weeks later, Live Oak Bank became the first US bank to convert all of its retail and commercial deposits to the Finxact core. Once again, the collective team met the moment, completing the conversion 16 hours ahead of schedule with 100% balance and account accuracy. Many of our clients have very successfully begun their core transformation initiatives with new digital initiatives, but it is especially gratifying to acknowledge banks converting existing accounts to the Finxact core. I congratulate the talented teams at Finxact, and those at our bank clients and partners, on their preparedness and execution. These banks are showing the path forward for the rest of the industry. That path leads to a banking infrastructure that is the source of innovation, rather than an impediment to it. Today, Finxact is a proven platform that is in production, running at scale in the US market, and converting banks from legacy cores. We believe that the production operation of a wide range of banking products for both consumer and commercial accounts is the ultimate measure of capability. Finxact now has 11 clients in production, ranging from one of the fastest growing challenger banks to a number of established US regional banks. Our implementation pipeline confirms that the industry is recognizing the need for a modern core system and eager to transform their legacy infrastructure. Our role extends beyond providing the industry-leading solution to facilitating the migration and operating the most stable, secure, and scalable platform available. Thank you for your interest in our mission. I'll continue to report on our progress here and hope you will stay tuned. There's much more to come.



FINXACT CLIENTS BY REGION

Finxact In the News

LIVE OAK BANK COMPLETES CONVERSION TO FINXACT

Live Oak Bank, the nation's leading small business bank, has successfully converted all of its retail and commercial deposit accounts to the Finxact core.

[Learn More](#)

FINXACT NAMED TO FINTECH 250

Finxact is a member of the 2021 CB Insights Fintech 250 List, which recognizes us as a leader in Core Banking & Infrastructure.

[Learn More](#)

FINXACT FEATURED IN CREDIT SUISSE FINTECH CONFERENCE

Finxact's Mike Sanchez and Christopher McClinton spoke about Finxact at the Credit Suisse 4th Annual Virtual Finxact Conference.

[Learn More](#)

MEET FINXACT AT LEADING OCTOBER EVENTS

Finxact is excited to be back on the non-virtual conference circuit, attending Fintech Futures, ABA Annual Convention, and Money2020. Click to contact us and schedule a meeting.

[Learn More](#)

FINXACT MARKETPLACE WELCOMES FEEDZAI

Feedzai, recently recognized as best-in-class for vendor strength by Aite, has joined the Finxact Marketplace to make its modern cloud-based financial risk management solution accessible to banks running the Finxact core.

[Learn More](#)

FINXACT NAMED A GREAT PLACE TO WORK

Finxact is entering a period of hyper-growth, attracting the best talent in the country. We're doing this by building a great product, AND a great culture!

[Learn More](#)

NEW PRODUCT UPDATES

Finxact continues to deliver features at a fast pace. Recent enhancements include inactive and dormant support, zero balance account processing, the ability to automatically close accounts when the balance has been at zero for a specified period, and expanded funds availability features to allow for more refined control on ACH and debit card transactions. On the lending side, the focus has been on past due features including billing, late charges, and nonaccrual or charge off status and accounting.

– Amanda Mathis, VP of Product

FROM THE HR TEAM

Finxact has continued to attract the brightest minds and the most innovative customers in banking. We're using unrivaled technology and the most state-of-the-art tooling available to transform the banking industry. We work in a highly collaborative, fast-paced and genuinely rewarding environment. At Finxact, employees are encouraged to challenge the norms of the largely antiquated core banking industry on a regular and on-going basis. That's why I love working here.

– Andrew Weatherl, VP of Solution Enablement

FROM THE SALES TEAM

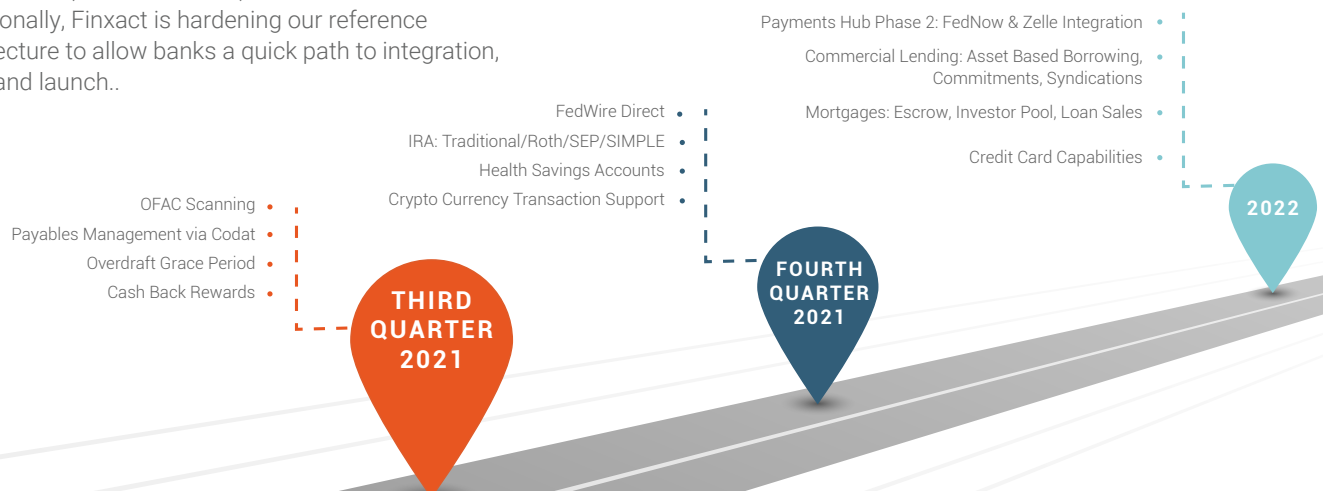
Q3 has been a quarter where Finxact has executed against our key GTM segment, earning the commitment from banks and fintechs to stand up the Finxact core for their particular use case and innovation play. Finxact has also announced and demonstrated key additional marketplace partners that will further enable innovation around the Finxact core. Q4 heading into Q12022 looks to be the most productive since Finxact's inception on key new signings and partnerships. These key signings include starting new digital brands, core conversions, and being the SOR for cutting-edge fintechs and de novos. We have accomplished this while demonstrating Finxact is the de-facto, LIVE, next-generation core with two impressive core conversions within weeks, First Horizon Bank and Live Oak Bank. We continue to appreciate the consideration the market has taken towards Finxact.

– Ryan Victor, Chief Revenue Officer

The Finxact Roadmap

BY DEBORAH KOVACS, CHIEF PRODUCT OFFICER

Finxact continues to expand our payments and platform capabilities to allow institutions access to a full suite of products across retail, small business, and commercial banking. Additionally, Finxact is hardening our reference solution architecture to allow banks a quick path to integration, configuration, and launch..



A FINXACT ENGINEER SHARES HIS THOUGHTS ABOUT HOW SOME OF THE TECHNICALLY SOPHISTICATED ATTRIBUTES OF THE FINXACT CORE CONFER REAL WORLD BUSINESS ADVANTAGES ON BANKS RUNNING FINXACT.

Core Extensibility

BY STEVEN ZYGLOWICZ, TECHNICAL FELLOW

A sign of a good enterprise software product is that it can be completely customized by a customer to meet their business needs. You can't spell customer without custom after all. Our core extensibility features enable an organization to make powerful enhancements to the Finxact core baseline to satisfy their unique requirements and challenges, but without compromising the ability to receive continuous upgrades. This is not a "stick a fork in it" type of custom solution, but rather a layered, integrated design that empowers the customer to evolve with their core over time. Customers can feel confident accepting new releases from Finxact without a negative impact on custom features and functionality.

Extensibility is managed via our Console front end. It allows the customer to move at the speed of their business via a self-service model. Custom changes can be made at high speed, or slowly and cautiously. Either way, customers can always upgrade their underlying core regardless of how many changes they have made.

EXTENSIBILITY CAPABILITIES

We offer three ways to extend the Finxact core to implement custom solutions: Schema, Configuration-as-Code and Behavior Extensions. Each of these is governed using a distributed version control system that provides a stable and repeatable change management environment which keeps track of all your modifications. These changes as a group can be small, large or anywhere in between. It is up to the customer how granular they want to get when it comes to change management. This approach allows extensibility to follow a standard Software Development Lifecycle as practiced by most professional development teams.

MANAGING PROJECTS

Customers manage and deliver extensions for their environment using the Finxact Console. This front end makes it simple to create and manage your changes using a structured SDLC process. A project can be as simple as a configuration update or as complex as a schema extension with a custom entity lifecycle trigger. In addition, a project can also upgrade the underlying version of the Finxact Core.

The customer will start with their own baseline and create projects to update that baseline with new functionality. That baseline can then be migrated to long-term running environments where the customer can perform verification before promoting to staging and ultimately, to production.

CONCLUSION

Core Extensibility provides for custom enhancements while maintaining the core in a future-proof state. Enhancements include schema upgrades to model your evolving business needs, configuration-as-code for deployment and maintenance, and behavioral modifications to implement custom solutions. Projects provide for a structured SDLC process to get you there safely while ensuring your institution continues to benefit from the continuous delivery of innovation our engineers are building into the Finxact platform.



Q: What does Autobooks do for FIs?

A: By focusing on embedded, solutions-based partnerships, an FI can rethink a variety of legacy products that would better serve their small business customers. With Autobooks, an FI can quickly bring a reliable and proven solution to market that enables business owners to accept online and in-app payments — plus the option to upgrade the solution to include accounting and reporting for an additional monthly fee

Q: How does Autobooks work with Finxact?

A: Autobooks enables Finxact FIs to offer integrated receivables as standard features of online and mobile banking.

Q: What are the benefits of this alignment for FIs?

A: By offering electronic payment acceptance as a foot in the door, a financial institution can lock in primacy with small- and micro businesses as users come to rely on their FI's digital platform to manage a number of ongoing financial needs. This kind of steady usage leads to increased deposits and cross-sell opportunities, not to mention the added non-interest fee revenue streams. Autobooks comes with pre-built integrations to Finxact's industry leading digital banking solution, making it simple for financial institutions to transform existing digital banking channels to better serve and monetize small business relationships.

ABOUT AUTOBOOKS

Autobooks, a Detroit-based fintech, helps small businesses across the country send digital invoices and accept online payments directly through their financial institution. In addition to offering online payment support, Autobooks also provides accounting, bill payment and financial reporting services as part of a single platform that integrates with a financial institution's digital banking ecosystem.



Innovation at the Core of Banking

Finxact is innovating the first enterprise class cloud-native Core-as-a-Service platform with a 100 percent accessible open banking API. Finxact's modern architecture enables banks to rapidly deliver new experiences by creating products on demand and integrating new services as needed. The Finxact team has been at the forefront of banking software for 35+ years, and together with its best of breed partners is disrupting core banking so financial institutions can truly transform on their terms.