



2024 Annual Membership Meeting

April 22, 2024

Agenda



| | | |
|---------------------|---|---|
| 8:30 am – 8:55 am | Opening Remarks | Scott Young PacPay President |
| 9:00 am – 9:45 am | Washington Insider: Payments Policy & Politics | William Sullivan NACHA |
| 9:45 am – 10:15 am | FedNow Update & ISO 20022 | Robb Woldman Senior Account Executive, FRB |
| 10:20 am – 10:30 am | Break | |
| 10:30 am – 11:15 am | Pig Butchering | Kayla Shimoda Forensic Accountant – FBI Honolulu WC1 |
| 11:15 am – 11:50 am | Alternative Processing | Robb Woldman Senior Account Executive, FRB Robert Lewis OPN Lisa Coffey Corporate America CU |
| 11:50 am – 12:15 pm | Macha Education Update | Mary Gilmeister Mahca |
| 12:15 pm – 12:30 pm | Closing Remarks | Scott Young PacPay President |

President's Message



As we all seek to adapt to the changes within our industry, PacPay remains a constant source of strength and support for all its members.

- ▶ PacPay (originally the Hawaii Electronic Funds Transfer Association) was formed in 1981 as a cooperative effort to represent all its Hawaii members and establish its own private sector automated clearing house, known as the Hawaii Regional Processing Center in 1984.
- ▶ For 40 years, the RPC has provided efficient and reliable electronic payment processing to all its members.
- ▶ However, just as the RPC was created to meet the needs of our members in 1984, the market and technology have changed so that we all need to take the next step to continue to serve our members and customers.
- ▶ True to its mission as it was before the RPC, PacPay will continue to provide leadership and representation to all its members for what lies ahead. We have modified our Mission Statement to reflect that commitment.

Mission Statement



The mission of the Pacific Payments Alliance (“PacPay”) is to promote the safe, secure, and efficient use of the payment systems that serve our members in the State of Hawaii and the communities they operate in. This mission will be accomplished through a program that seeks to:

- Educate members on the safe and secure use of payment systems.
- Advocate on behalf of the financial institutions in the State of Hawaii in the development of payment system rules and legislation.
- Serve as a unified voice for the Hawaii financial institutions.
- Negotiate for our members to obtain operational support that best meets the special needs of Hawaii financial institutions.

2024 Officers & Directors



Scott Young

PacPay President

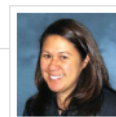
Vice President - Payments Operations
HawaiiUSA Federal Credit Union
(808) 844-8200



Kalei Dagulo

PacPay Vice-President

Senior Vice President
American Savings Bank
(808) 545-6212



Tad Matsubara

PacPay Secretary

Executive Vice President
Support Services
Hawaii Community Federal Credit Union
(808) 930-7608



James Kaneshiro

PacPay Treasurer

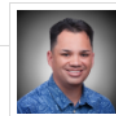
Senior Vice President
First Hawaiian Bank
(808) 844-3881



Jason L. Smith

Director

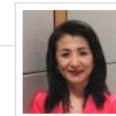
Senior Vice President
Director of Operations
Bank of Hawaii
(808) 694-5804



Antonya (Tony) Uza

Director

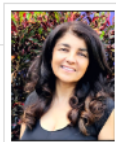
Vice President of Operations Support
Hickam Federal Credit Union
(808) 423-1391



Isabel Navarro

Director

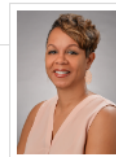
Operations Manager
Hawaii Central Federal Credit Union
(808) 536-3677



Sonya Gomes

Director

Senior Vice President, Loan & Deposit
Operations Division Manager
Central Pacific Bank
(808) 544-0500



2024 Advisors



Kyle Harada

Marketing & Communications Advisor

Director of Marketing
Hickam Federal Credit Union
(800) 432-4328



Wilma Kanda

Education Advisor

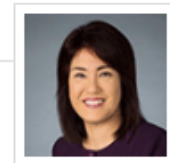
Vice President
Bank of Hawaii
(808) 694-8426



Michelle Machida

Operations & Rules Advisor

Vice President
First Hawaiian Bank
(808) 844-3400



Mahalo For Your

We hope you enjoy retirement!

Service!



Michael Coates
EVP, First Hawaiian Bank



Earlene Barnes-Anderson
VP, Central Pacific Bank



Membership Update

As of January 1, 2024



▶ PacPay Members

- 46, a decrease from 47 at the start of 2023
- Membership is down mostly due to consolidations and mergers of our members

▶ RPC Members

- 22, decreased from 25 at the start of 2023

2023 in Review



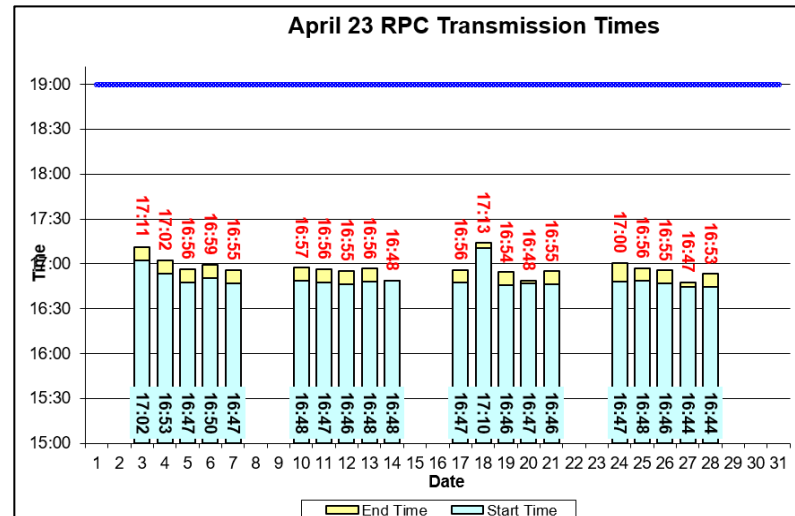
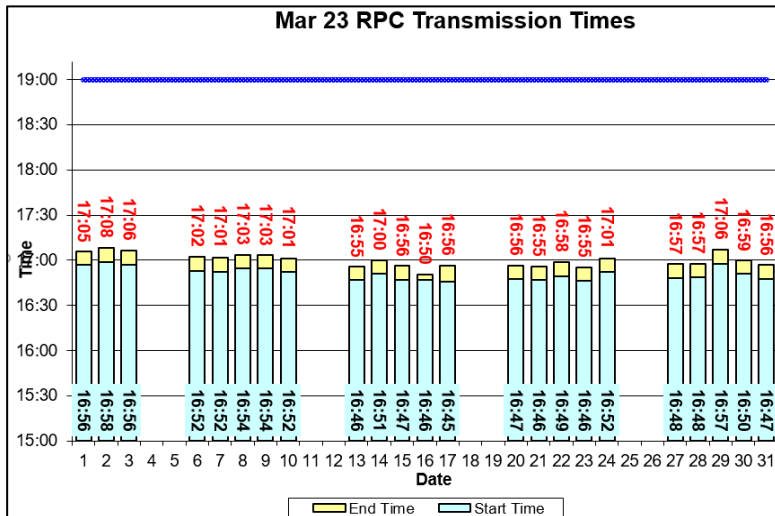
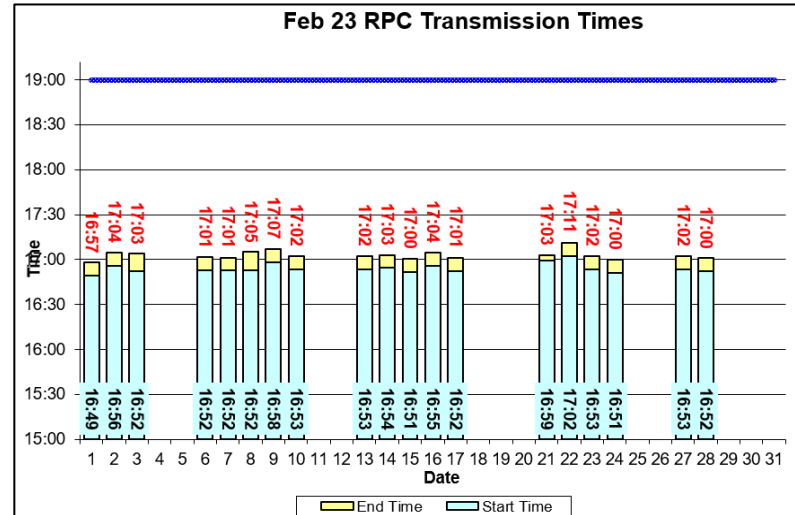
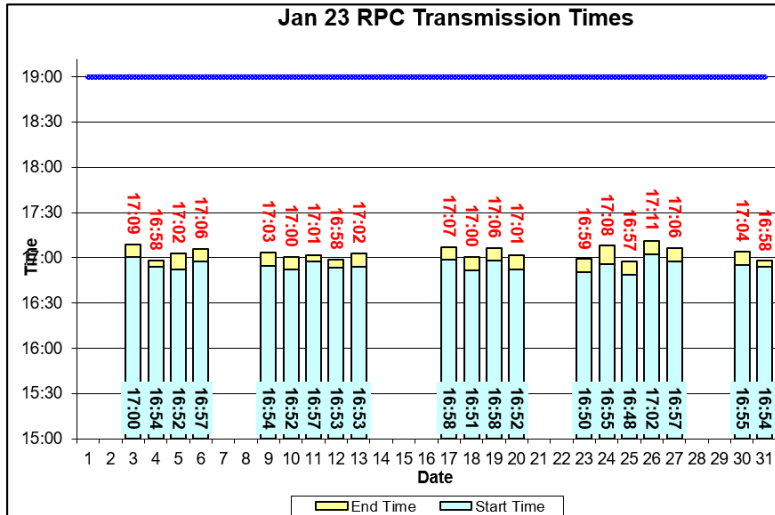
Hawaii Regional Processing Center (RPC) Contract

- ▶ In 4Q2023, BOH concluded its evaluation and analysis of their overall relationship with the RPC and ultimately decided to discontinue RPC operations.
- ▶ In January 2024, BOH announced that effective August 30, 2024, RPC services would be terminated.
- ▶ As of April 3, 2024, of the 22 remaining RPC members:
 - 2 FI's have already terminated their relationship with the RPC
 - 7 FI's have scheduled their termination date with BOH
 - 13 FI's have not confirmed their termination date with BOH
 - Aloha Pacific FCU, Catalyst Corp FCU, Ewa FCU, Garden Island FCU, Gather FCU, HI Comm FCU, HI County Emp FCU, Hawaii FCU, Hawaii Schools FCU, Hickam FCU, Hotel & Travel Ind FCU, Maui FCU, Oahu FCU

2023 in Review



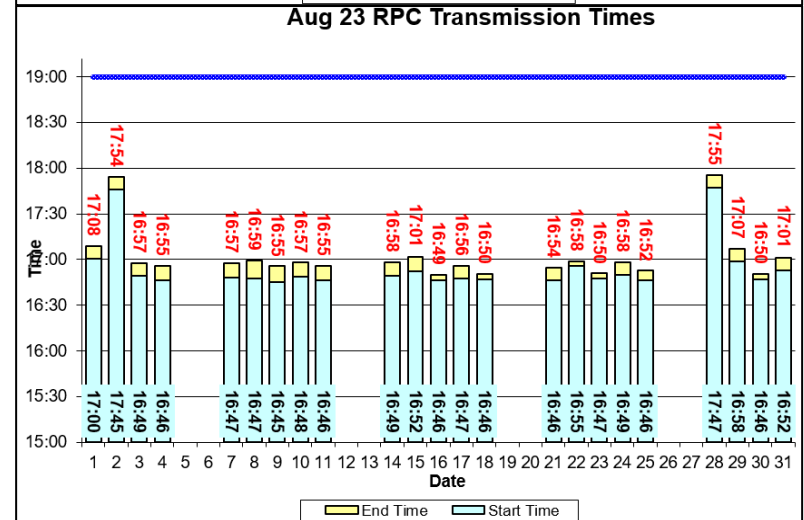
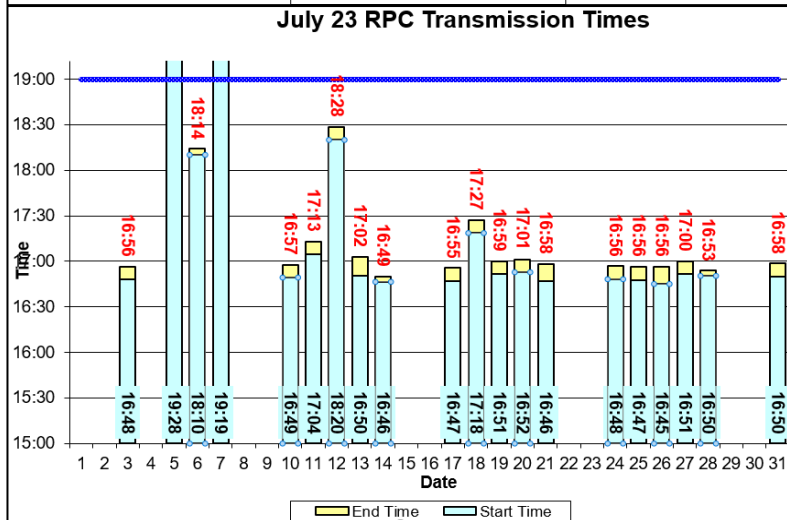
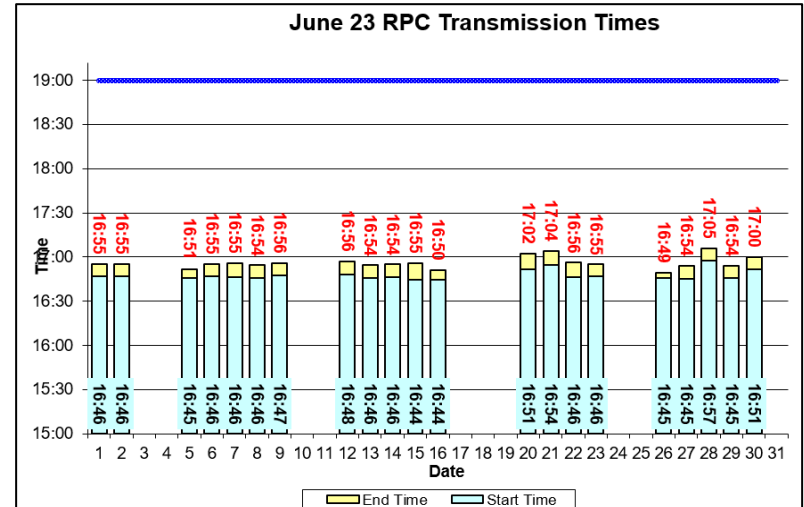
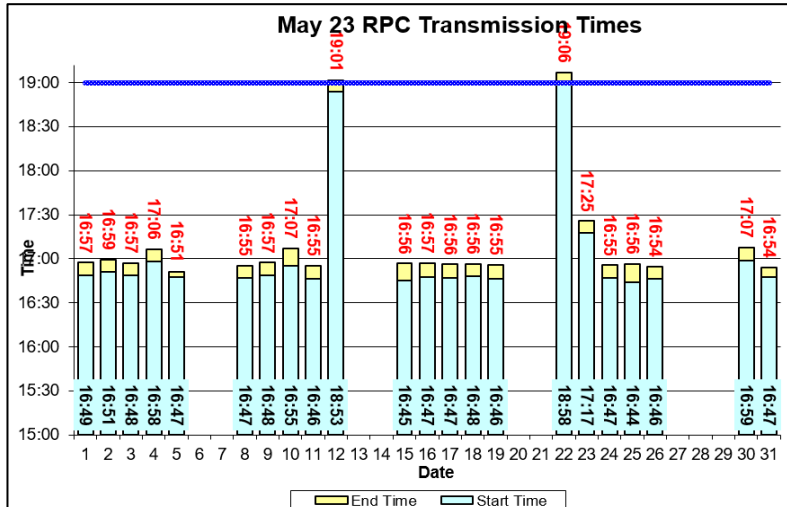
- Started year strong, no processing delays in the first 4 months of 2023!



2023 in Review



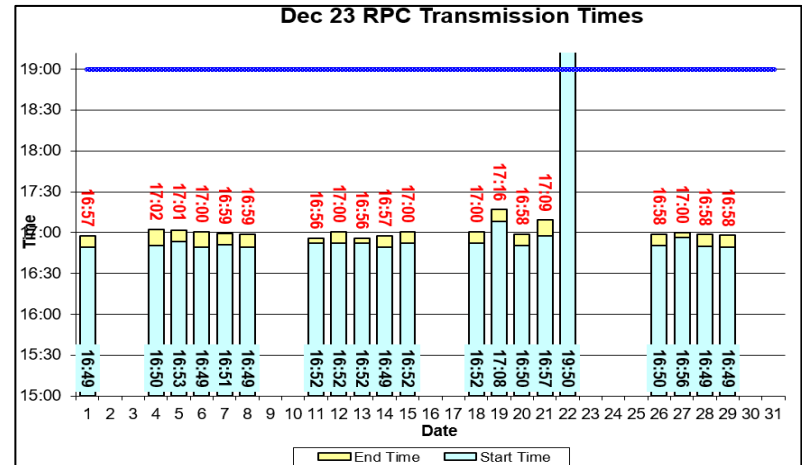
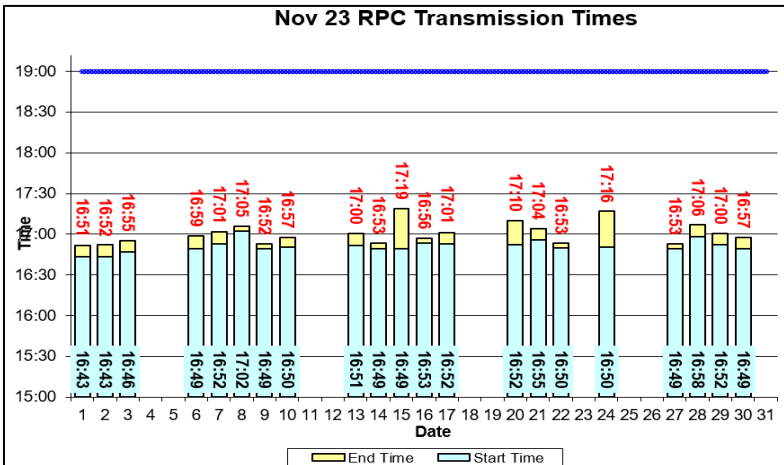
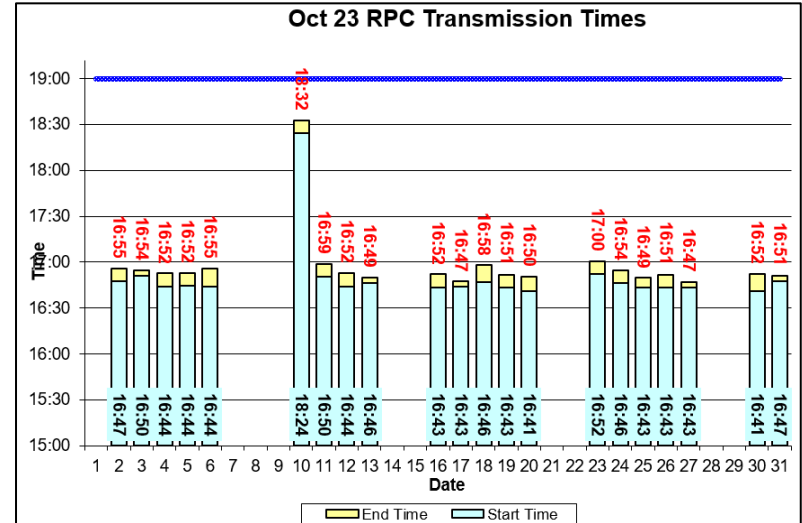
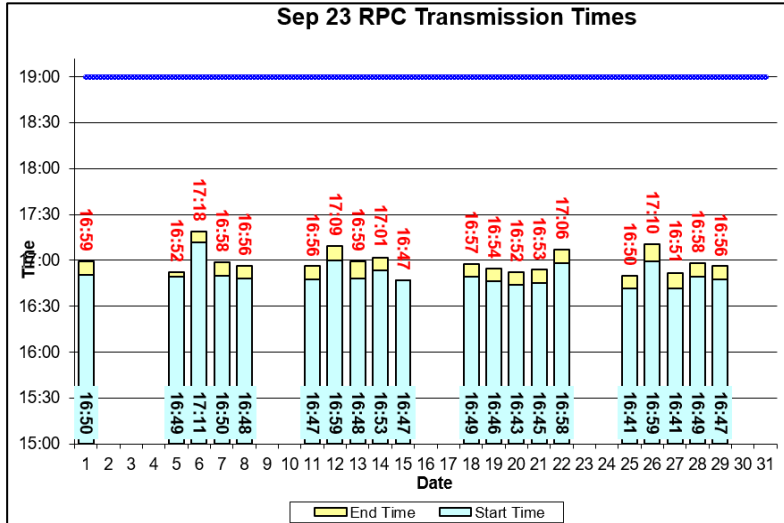
- ▶ May – DR Fortress power outage issue and BOH internal ACH system error attributed to delays
- ▶ July – Nationwide FRB system issue which caused delays in files being received from the Fed



2023 in Review



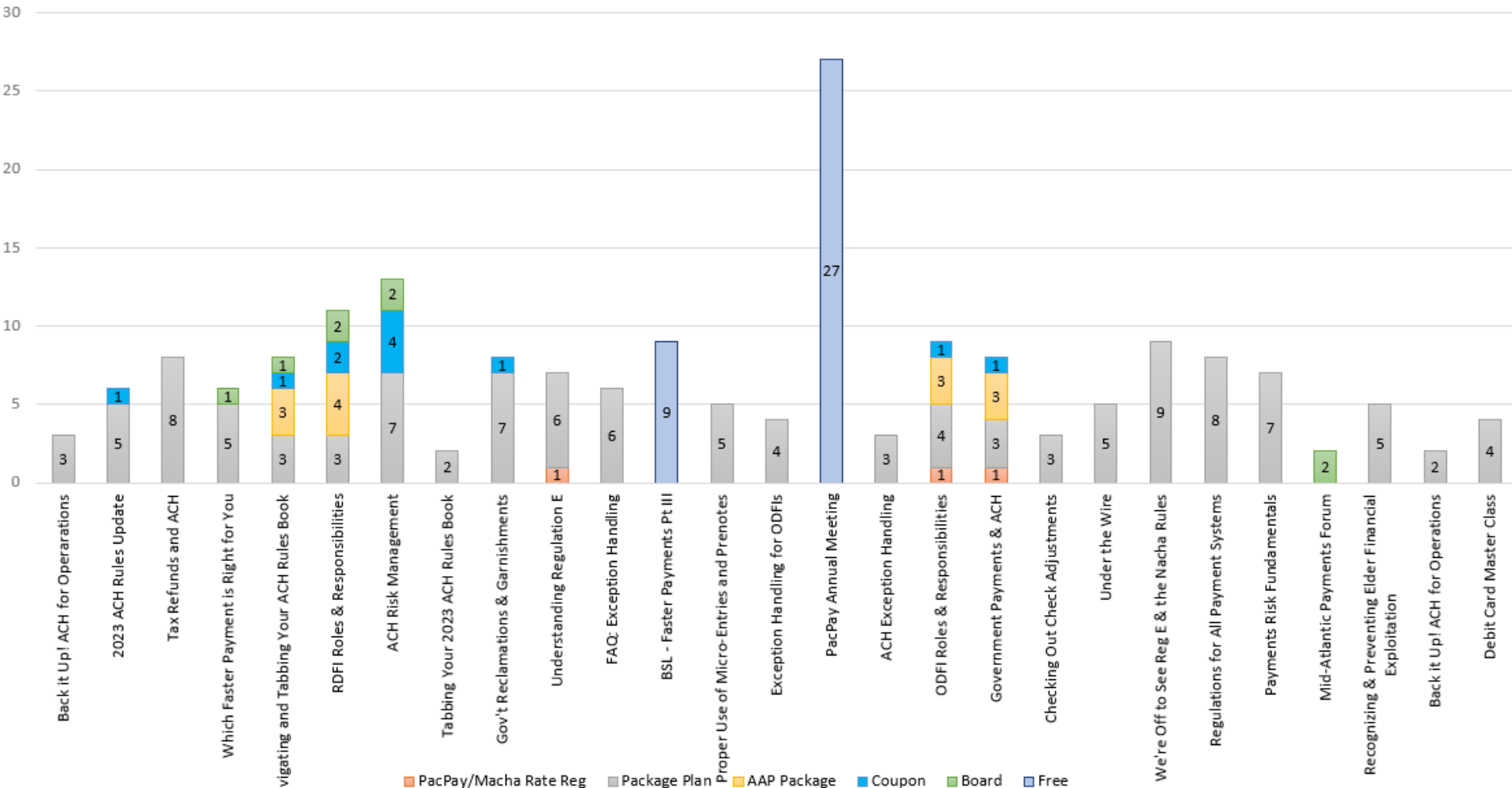
- ▶ December – BOH internal system issue which attributed to the delay in processing



Macha Training Review



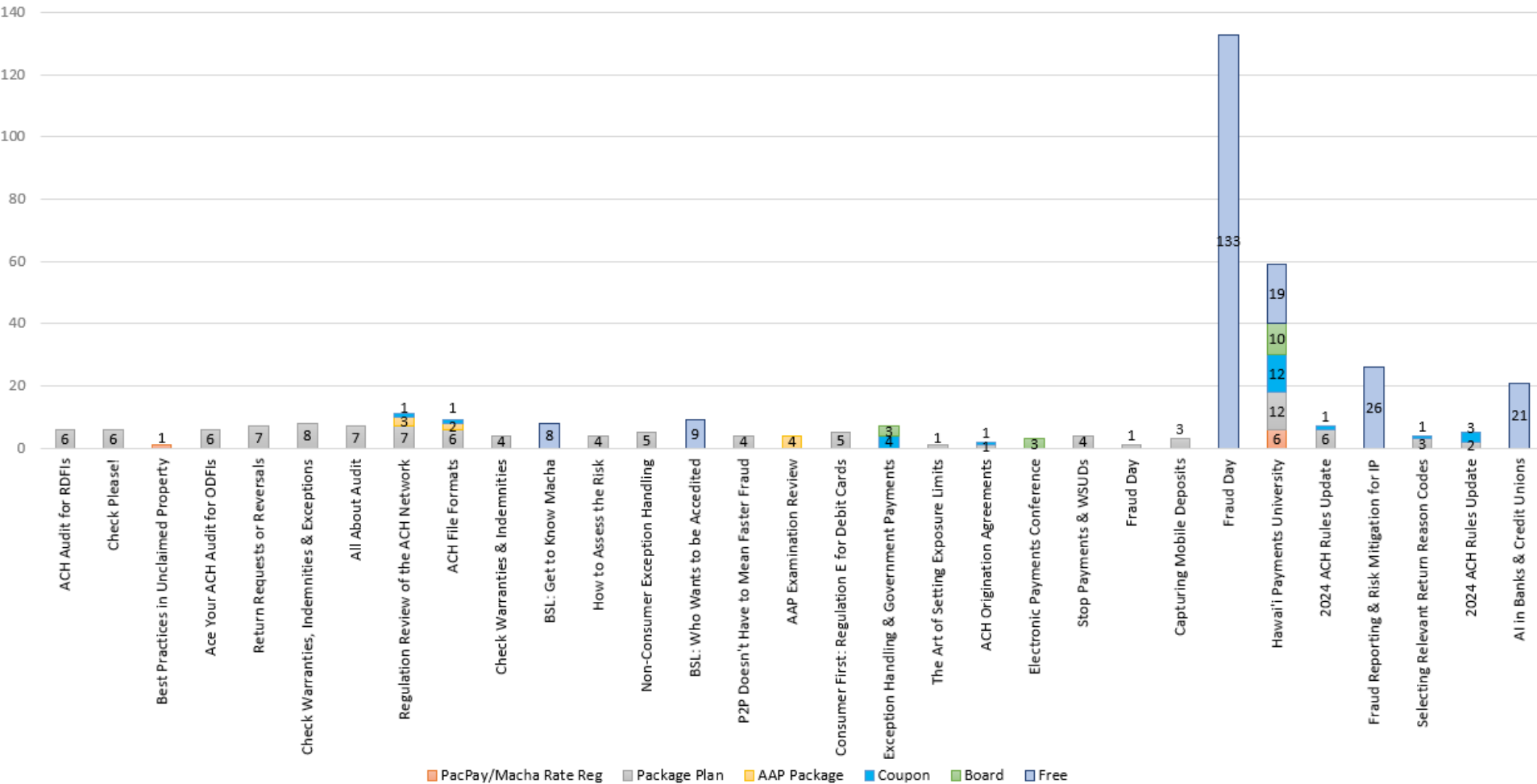
January through June 2023



Macha Training Review



July through December 2023



2024 Education Calendar



Remaining In-Person Education Events Scheduled for Hawaii

| Date | Session | Macha AAP Guarantee |
|----------------|---|---------------------|
| April 23 | ODFI Roles & Responsibilities | Required* |
| April 24 | Federal Government Payments and ACH | Required* |
| August 5 | Dealing with the Most Common Check Issues | |
| August 5 | Exception Handling | |
| August 6 | Regulation Review for the ACH Network | Required* |
| August 7 | ACH File Formats | Required* |
| November 12 | Hawaii Fraud Day | |
| November 13-14 | Hawaii Payments University | |

PacPay and Macha will gladly arrange for training dates and times for the Islands of Hawaii, Maui and Kauai directly for each Island.

*Training costs are covered under Macha's AAP Guarantee Package.

Payments University 2024



- Nov. 13 & 14, 2024
 - Bank of Hawai'i's Ka Nu'u Ho'oulu I Ka Ho'olōkahi Mau Conference Center
- Payments University is an intense, collegiate-style learning environment structured to provide holistic, concentrated payments education. Whether you are new to the payments industry or desire a higher-understanding of payments, the multi-track agenda provides targeted education through fundamental and advanced courses. General Sessions are attended by all participants, then everyone can choose which sessions to attend based on desired topics.

We hope to see you either in-person or virtual!

Macha Call Support

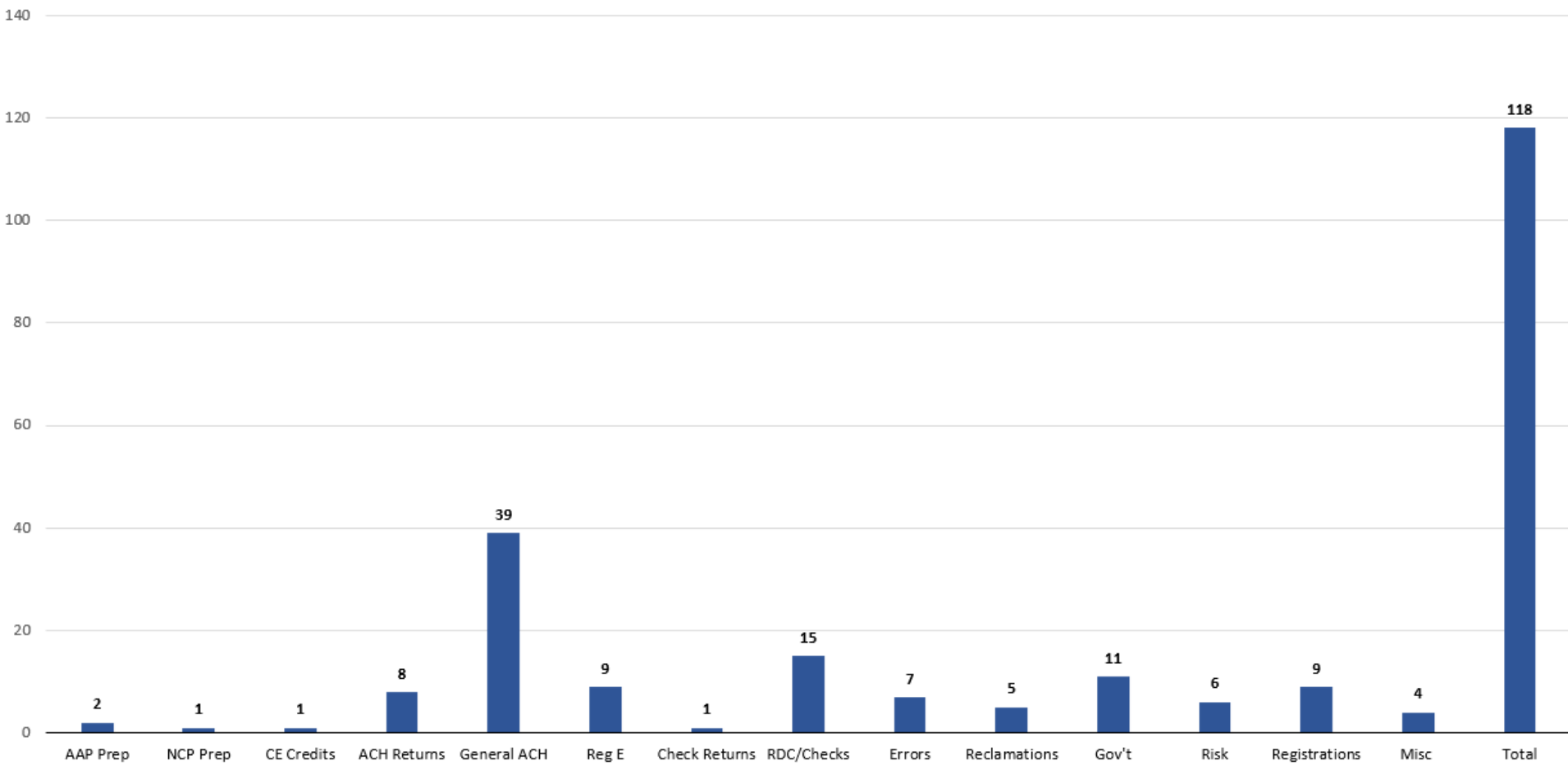


- Phone numbers:
 - Direct: 410.859.0090
 - Toll Free: 800.453.1843
- Support hours:
 - 3:00 am - 4:00 pm HST
- Phone calls are answered by the second ring
- Guaranteed follow-up responses within two hours
- Chat feature also available

Macha Call Support



Macha's 2023 Phone Support



Questions?





PacPay
PACIFIC PAYMENTS ALLIANCE

“Your Payments Journey Starts Here”



@pacpayhawaii