



## CONSUMER DEPOSIT ACCOUNTS - TRANSACTION PROCESSING ORDER

This Processing Order statement and workflow applies to those depository accounts opened and used for personal, family, or household purposes. To assist you in managing your checking account, it is important that you understand the processing order and sequence in which checks, point of sale (debit card) transactions, electronic items and other debits are to be paid from your account to avoid costly fees such as overdraft charges from being assessed against your account and/or your account being closed by the Provident Bank. When your account is less than the amount needed to cover all transactions presented for payment, your account may become overdrawn, which may result in an overdraft fee being charged.

### PROCESSING ORDER

This section generally describes how Provident Bank (“the Bank”, “we”, “us” or “our”) processes transactions presented for payment from your account. Please note that exceptions may apply and that this process may change from time-to-time, without prior notice to you. Our processing order depends on a number of factors, including when a transaction occurs, whether it has already been authorized/approved in advance by us or represents final payment, the order in which it is presented, the amount of the transaction, and the type of transaction in question, among other variables.

The two basic types of transactions for your account are: (1) credits (deposits) to your account, and (2) debits (withdrawals or payments) from your account. It is important to understand how each is applied to your account so that you know how much money is available to you at any given time.

We process items at the end of a business day, as defined in our Personal Deposit Accounts – Terms and Conditions Agreement, pursuant to the practices described herein. We process credits and debits and pay items being presented for final settlement (final payment) in the following order (some exceptions may apply):

Processing Order	Transaction Description	Processing Activity
1	All Deposits	Credited to your account on the business day of the deposit
2	Account Close-Out Transactions	Conducted upon account holder’s request
	Overdraft Fees from the Previous Day	Processed to the account after nightly processing
3	Wire Transfers	Posted to account in order conducted/requested
3/4	Withdrawals Conducted in Person at a Branch Location	Conducted upon account holder’s request
4	Debit Transactions Processed by Us	Posted to account throughout the business day reducing available balance
	Returned Deposited Payments	Posted to account throughout the business day reducing available balance
	Internal Account to Account Transfers	Posted to account throughout the business day reducing available balance of the “transfer from” account and increasing available balance of the “transfer to” account in order conducted
	Online Banking Transfers	Posted to account throughout the business day reducing available balance of the “transfer from” account and increasing available balance of the “transfer to” account in order conducted
	Bill Pay Transactions	Posted in order conducted – see Online Banking agreement for additional details

Processing Order	Transaction Description	Processing Activity
5	ATM Withdrawals	Posted to account in low to high transaction amount order reducing available balance
	PIN-based Debit Card Transactions	Posted to account in low to high transaction amount order reducing available balance
	Signature-based Debit Card Transactions	Posted to account in low to high transaction amount order reducing available balance
	Pre-authorized Point of Sale Debit Transactions	Posted to account in low to high transaction amount order reducing available balance
6	Pre-authorized ACH Debit Transactions	Posted to account in low to high transaction amount order reducing available balance
	Other Electronic/ACH Debit Transactions	Posted to account in low to high transaction amount order reducing available balance
7	Non-Provident ATM Fees	Posted to account following associated transaction reducing available balance
	Unpaid Returned Item Fees from the Previous Day	Posted to account following associated transaction reducing available balance
	All Remaining Account Fees and Service Charges	Posted to account after transactions referenced above are processed and not already assessed reducing available balance
8	Paper-based Checks or Drafts	in check/draft number order on the day presented for final payment
9	Interest Earned and Cash Back	Credited to your account on the last business day of your periodic statement after all other transactions for the day are processed

NOTE: Zelle® Transactions - If you have linked Zelle to your account, the transaction will process as an Other Electronic Transaction in the order outlined above.

**Please note that transactions are processed in the order described above. This means that transactions may not always be processed in the order that you initiate the transactions or in the order that we receive them. We cannot control how long a merchant takes to present a transaction for final payment or settlement, or the transaction type the merchant presents for final payment or settlement.**

### ACCOUNT BALANCE

Your account will reflect two types of balances: the Current Balance and the Available Balance.” It is important to understand the difference between these balance types and how they impact your account activity.

Your Current Balance, sometimes referred to as “ledger balance,” is determined at the end of each business day and is the full amount of all credits and debits that have been processed and posted to your account pursuant to this statement/workflow. Your Current Balance will include, for example, funds not yet available to you because of a hold on a deposit as described in our Funds Availability Policy. Your Current Balance does not include any pending items that have not yet posted to your account, inclusive of both debits and credits, and excludes any preauthorized commitments to pay merchants or others. Your periodic account statements, whether sent to you via U.S. Postal Service or provided to online via ProvidentConnect Online Banking and Mobile Banking services will reflect the Current Balance.

Current Balance Example 1: If you have \$100 in your account and you just wrote a check for \$70, then your Current Balance is still \$100 until your \$70 check is presented to us for payment provided that no other transactions are conducted and/or presented to us for payment in the interim.

Current Balance Example 2: Assume you have \$100 in your account and you make a debit card purchase for \$75. Although we may have electronically authorized the transaction as per, the merchant’s request at the time of your purchase, your Current Balance remains \$100 until the debit card purchase is presented to us for settlement by the merchant.

Your available balance reflects the current balance in your account plus transactions conducted during the day

of which we are informed prior to our processing and/or final settlement. The Available Balance is calculated by subtracting any holds placed on the availability of funds as described in our Funds Availability Policy, including for pending transactions we know about and/or we have authorized, and adding deposits and provisional credits. The Available Balance includes deposits you have made after the designated cut-off time for a particular business day and, while the funds are immediately available to authorize ATM or one-time debit card transactions, they may not be available to pay checks or other items presented to us for payment on the same business day.

When you access our ProvidentConnect Online Banking and Mobile Banking services, these systems will inform you of your Available Balance and Current Balance at the time of log-in. It should be noted that overnight processing typically occurs between 9:00 PM ET and 5:00 AM ET on a business day and that online and mobile banking balances may not be updated during this time. You should check your balances outside of this time for the most current information.

Available Balance Example 1: Assume you have a \$40 Current Balance and a \$60 pre-authorized debit for your gym membership is presented for payment by the merchant. Your mobile and online account balances will show this merchant's transaction as pending for payment and will reveal that your then Available Balance will be reduced to a negative \$20, but your Current Balance for that day will remain unchanged. You can bring your Available Balance to an amount equal to or greater than \$0 and avoid the imposition of an Overdraft Fee if you make a deposit of at least \$20 to your account prior to settlement of the pre-authorized debit for the gym membership payment.

Available Balance Example 2: Assume you have a \$50 Current Balance. After close of business, you then deposit \$100 cash into a Provident ATM. Your Available Balance will be \$150. However, your Current Balance will remain at \$50, because you deposited the cash into an ATM after our 3:00 PM ET cut off time.

IT IS IMPORTANT TO UNDERSTAND THAT YOU MAY STILL OVERDRAW YOUR ACCOUNT EVEN THOUGH THE AVAILABLE BALANCE AND CURRENT BALANCE APPEAR TO SHOW THERE ARE SUFFICIENT FUNDS TO COVER A TRANSACTION. Your Available Balance may not reflect all your outstanding checks, bill payments that you have authorized, or other outstanding transactions that have not been finally paid from your account. For example, in Current Balance Example 1 above, the outstanding check will not be reflected in either your Current Balance or Available Balance until it is presented for final payment and paid from your account. In addition, your Available Balance may not reflect all your pending debit card transactions or ATM withdrawals. For example, in Debit Card Transaction Example 2 below, if the merchant obtains initial authorization for the \$50 debit card transaction but does not submit the transaction for final payment within three (3) business days after initial authorization, we may increase your Available Balance by the previously authorized amount. This means that your Available Balance will not reflect the pending transaction unless and until the transaction is presented for final payment and is paid from your account. Even though your Available Balance has increased and is no longer reduced by the pending transaction, your obligation to pay the merchant still applies, and when the merchant presents the transaction for final payment, your Available Balance and Current Balance will be reduced. PLEASE NOTE: Regardless of whether a transaction remains pending or whether the transaction is reflected in your Available Balance, all transactions are processed and paid in accordance with this Processing Order statement/workflow as described above and may overdraw your account and incur an Overdraft Fee or unpaid Returned Item Fee if you do not have sufficient funds when the transaction is presented for final payment and paid or returned by us.

**The best way to know how much money you have and avoid paying Overdraft Fees and unpaid Returned Item Fees is to record and track all your transactions closely.** Therefore, we encourage you to keep accurate records and practice good account management. This will help you to avoid creating overdrafts or NSF items and potentially incurring the resulting fees and charges.

Point of Sale Debit Card Transactions. When you use your debit card to withdraw funds from your account at an ATM or to conduct a debit card transaction, the withdrawal or transaction is authorized based on your Available Balance. Upon the authorization of the debit card transaction, your Available Balance is reduced by the amount authorized, but your Current Balance is not affected at that moment. A delay may occur between the time a debit card transaction is authorized (the time when you used your debit card at a store, for example) and the time when the debit card transaction is ultimately settled and paid from your account. Settlement delays are common and may be caused by several factors, including, but not limited to, a merchant's delay in submitting a debit card transaction to

us, or if a transaction is authorized on a non-business day or after close of business. If we use your Overdraft Privilege limit to pay any item that otherwise would overdraw your account or to authorize an ATM or debit card transaction, this may result in an Overdraft Fee.

**Overdraft determinations are made at the time of final payment and settlement, not at the time a transaction is authorized.**

For the sake of clarity, at all times, you are responsible for ensuring that your account(s) has a sufficient Available Balance to pay all your transactions, withdrawals, and debit items (including debit card transactions) when they are presented to us for final payment and settlement. In the event your account's Available Balance when a debit card transaction, which was previously authorized, is presented to us for final payment and settlement, we will remit final payment to the merchant and not charge an Overdraft Fee for this transaction. However, other items that are presented for payment on the same business day may overdraw your account and you may be charged one or more Overdraft Fees if we, at our discretion, choose to honor the payment request(s). The number and total Overdraft Fees is dependent on several factors, including the type of item presented, the amount of the resultant overdraft balance, the number of items presented on that business day that were not previously authorized by us, if your account is enrolled in an Overdraft Protection service we offer from time-to-time, etc.

POS Debit Card Transaction Example 1: Assume you begin the business day with a \$20 Current Balance and a \$20 Available Balance, and you do not have one of our overdraft protection services as discussed below. If you try to use your debit card to make a \$90 purchase at a merchant's store (a "POS"), the merchant's attempt to obtain authorization for that POS transaction will be declined. Your Current Balance and Available Balance will remain unchanged, and you will not be assessed an Overdraft Fee or unpaid Returned Item Fee.

POS Debit Card Transaction Example 2: Assume you begin the business day with an \$80 Current Balance and an \$80 Available Balance. Also assume you conduct a debit card transaction at a merchant's store (a "POS") for \$50 during the morning hours, which is authorized and consequently reduces your Available Balance to \$30. (Your Current Balance is still \$80.) During the afternoon, you go to an ATM owned/operated by Provident to withdraw \$80. Unless you have our ODP service and have opted in for coverage of your ATM and one-time point of sale (POS) transactions, your attempt to withdraw the \$80 will be declined because you will not have a sufficient Available Balance. However, if you do have our ODP service and have opted in, then (1) your ATM transaction will be completed; (2) your Available Balance will be reduced; and (3) if the Bank receives the POS transaction that same day for final payment and settlement, then that night, during processing, the ATM withdrawal would post first under this statement/workflow and before the POS debit card transaction and, because your POS transaction was previously authorized by us, your Current Balance is now negative \$50, you consequently would be assessed an Overdraft Fee for the ATM withdrawal transaction.

POS Debit Card Transaction Example 3: Assume you begin the business day ("business day 1") with a \$50 Current Balance and a \$50 Available Balance. Also assume you conduct a one-time debit card transaction at a merchant's store (a "POS" transaction) for \$40 during the morning hours, which is authorized and consequently reduces your Available Balance to \$10. (Your Current Balance is still \$50.) During the afternoon, you go to another merchant's store and conduct a different one-time debit card POS transaction for \$20. Unless you have our ODP service and have opted in for coverage of your one-time debit card POS transactions, your attempt to make the \$20 purchase will be declined because you will not have a sufficient Available Balance. However, if you do have our ODP service and have opted in, then your one-time debit card POS transaction will be authorized, and your Available Balance will be reduced to negative \$10. Assume that the next day ("business day 2") your \$20 one-time debit card POS transaction is presented to the Bank for final payment and settlement. That night, during processing, the \$20 one-time debit card POS transaction would post under this Processing Order statement/workflow. Although your Available Balance is negative \$10, your Current Balance is now \$30. The following day ("business day 3") the Bank will refer to your Current Balance, and because your Current Balance plus your available ODP service limit is sufficient to pay and settle the transaction, the Bank will honor that final payment request and not charge an Overdraft Fee that otherwise would be assessed. Later that day, your \$40 one-time debit card POS transaction is presented to the Bank for final payment and settlement. That night, during processing, the \$40 one-time debit card POS transaction would post under this Processing Order statement/workflow, and because this transaction was previously authorized, the final payment request would be honored but an Overdraft Fee would not be charged for the \$40 one-time debit card POS transaction.

As part of our overdraft practices and our ODP service, we will not authorize ATM withdrawals or one-time debit card transactions unless you have a sufficient Available Balance at the time the ATM withdrawal or one-time debit card transaction is initially authorized, or you specifically opted in to our ODP service and have opted in for coverage of your ATM and one-time point of sale (POS) transactions. If you are in our ODP service and have opted in for coverage of your ATM and one-time point of sale (POS) transactions, we will authorize ATM withdrawals and one-time debit card transactions against your Available Balance plus your available ODP service limit. We may also consider other overdraft protection programs, including another deposit account held at Provident or an overdraft line of credit, up to your limits in these programs.

We will not charge a fee if a transaction resulted in your account being overdrawn by \$50 or less or if the transaction causing the overdraft is less than \$50. We will not charge a fee if your account is overdrawn by the assessment of a bank fee. We limit unpaid Returned Item Fees and Overdraft Fees to a maximum of three (3) such charges, in the aggregate, per business day per account.

### **MAINTAINING A POSITIVE BALANCE**

You agree not to overdraw your account. You agree to monitor your account balance(s) to ensure an overdraft does not occur. It is your responsibility to maintain an account with sufficient Available Balance to pay presented items and transactions. If your account lacks a sufficient Available Balance after processing to pay a check and/or preauthorized debit activity (not otherwise a preauthorized one-time debit card transaction) presented for payment, we may (1) return the item unpaid or (2) pay the item, at our discretion. If an item drafted by you (such as a check) or a debit transaction or entry you create is presented for payment in an amount that draws on a deposited item for which we have not yet received final payment or settlement or for which a hold is in place as per our Funds Availability Policy and thereby drawing on unavailable funds, and we decide not to pay the item or transaction, you agree that we can charge you an unpaid Returned Item Fee, in an amount based on our then current fee schedule.

### **OVERDRAFT PROTECTION OPTIONS**

Overdrafts may be covered by our standard overdraft practices available with your account, including our Overdraft Privilege (ODP) service, a link to another deposit account held at Provident Bank or an overdraft line of credit. ODP is our discretionary overdraft program, not a right or obligation to you, where we may approve your reasonable overdrafts including any applicable fees.

At our discretion we may pay and permit transactions when you do not have a sufficient Available Balance after processing. Overdraft Fees and unpaid Returned Item Fees will reduce the availability of your ODP and your account's Available and Current Balance. In accordance with regulatory expectations, our practices differ for ATM and one-time debit card transactions, such as groceries, gasoline or dining out, and recurring debit card transactions, such as a gym membership. In the event your account is overdrawn, our overdraft protection options are as follows:

No Coverage: You have either elected not to link another deposit account held at Provident Bank, hold a line of credit, participate in our ODP service or your product is not eligible for participation in our ODP service. In these scenarios, the Overdraft Fee and/or the unpaid Returned Item Fee may still apply to your account. If we pay an item when you do not have enough money in your account, an Overdraft Fee(s) may be assessed. If we return all returnable items presented for payment, we may charge an unpaid Returned Item Fee for each item returned and for each presentment of an item that we previously returned unpaid.

Link to Another Provident Account: You can minimize risk of overdrafts by choosing to link your checking account to another qualifying deposit account held with us, such that funds are automatically transferred by us in the event of an overdraft situation. If a transfer occurs, the amount necessary to prevent the overdraft is transferred from the linked account to your checking account. Transfers between your accounts are made in the exact amount needed to cover the overdraft transaction. This service may be used in addition to a line of credit or participation in our ODP service and requires a separate agreement between you and us.

Line of Credit: A consumer Overdraft Checking line of credit may be linked to your account to avoid an overdraft or non-sufficient funds situation from occurring. Available credit may automatically be transferred to your account once it is in overdraft status. The amount of the transfer from your credit line may be in the exact overdraft amount or rounded to the amount that you have requested be transferred in accordance with the terms of your line of credit.

This service may be used in addition to our ODP service, with or without coverage for ATM and one-time debit card POS transactions. Transfers made using this service will increase your outstanding loan balance at the time of transfer and may affect your minimum payment. The amount transferred is subject to your specific loan's current terms. This service requires a separate agreement between you and us.

Overdraft Privilege (ODP) service without Opt-In selected: Your account is in our ODP service, but you do not want to authorize ATM or one-time debit card transactions using your ODP limit. At our discretion, all other items may be paid using your ODP limit. You may change your ODP opt-in/opt-out decision at any time by calling us as described in the QUESTIONS section below.

Overdraft Privilege (ODP) service with Opt-In selected: Your account is in our ODP service and you have separately provided your affirmative consent to authorize ATM and one-time debit card transactions using your ODP limit. At our discretion, all items presented for payment or final settlement may be paid using your ODP limit. You may change your ODP opt-in/opt-out decision at any time by calling us as described in the QUESTIONS section below.

#### **WHEN YOU MAY INCUR A FEE**

Generally, under the ODP service, our practice is to pay those items up to the available overdraft limit associated with your account(s). We are under no obligation to do so. Transactions may not be processed in the order in which they occurred, and the order in which transactions are received by us and processed can affect the total amount of overdraft fees assessed. If we pay an item(s) using your ODP service limit that results in a negative Current Balance of less than \$50 or if the transaction causing the overdraft results in an overdraft of \$50 or less, we will not assess an Overdraft Fee. We will charge you up to a maximum of 3 Overdraft Fees per business day per transaction that results in a negative Current Balance greater than \$50. All assessed fees will be in accordance with our then current fee schedule.

#### **QUESTIONS**

If you have questions regarding this Processing Order statement/workflow, our Overdraft Privilege service, your Overdraft Privilege limit, our Overdraft Programs in general, or if you want to change your ODP service opt-in decision, you may call us toll free at 800.448.7768.