MemberPass™

Revolutionizing *Hello* in Banking

CULedger's Milestones

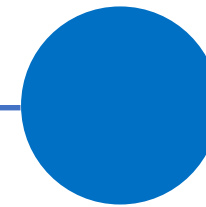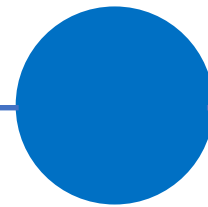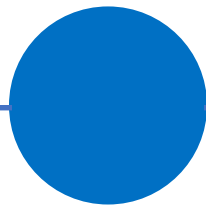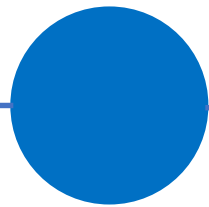## Early 2016
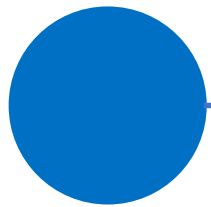
- Began Research-to-Action POC
- $650K in Seed Contributions From 70 CUs & CUSOs

Oct 2017

- Company is Established
- Launched $10 Million Series A

Nov 2018

- $10 Million Series A Fully-Subscribed
- 27 CUs
- 12 CUSOs/Techs

Oct 2019

- MyCUID Live with Three Pilots
- Twelve Other Pilots In-process with CUs and System Cores

Dec 2019

- Additional Pilots in-process with CUs and System Cores

2020

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- MemberPass™ launch
- MemberPass commercialization
- Partner Agreements
- Corporate Rebranding
- CUFX Integration
- Begin Series B Investment Round

CULedger Recognition

CIO APPLICATIONS TOP 25 BLOCKCHAIN TECHNOLOGY SOLUTION PROVIDERS - 2018

the constellation supernova AWARDS — Finalist

NEW CUSO OF THE YEAR RUNNER UP AWARDED BY NACUSO

TAG | FinTech ADVANCE AWARDS

As Published In builtincolorado.com — 50 STARTUPS TO WATCH LOCAL TECH COMPANIES POISED FOR GROWTH IN 2020 — 2020

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The Global Credit Union Industry

86,055 CREDIT UNIONS

SERVING **291,432,972** MEMBERS

FROM **118** COUNTRIES

ON **6** CONTINENTS

WITH A **9.55%** PENETRATION

Transcription Components

You Need To Know Who You're Interacting With

You Need to Document the Transaction

You Need to Exchange Value

Network of Verifiable Digital Exchange

You Need To Know Who You're Interacting With

DIGITAL CREDENTIALS

MemberPass

You Need to Document the Transaction

TRUSTED INFORMATION

You Need to Exchange Value

DIGITAL VALUE

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The CU Member Identification Problem

Existing Member

Branch Transaction	Call Center Transaction	Online Transaction
Authentication Process A	Authentication Process B	Authentication Process C

Prospective Member

Branch	Online	Indirect Lending
Authentication Process D	Authentication Process E	Authentication Process F

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Is This The "New Norm"?

- How will you verify your member's covered face against a physical ID?
- Will your members be comfortable with your staff touching their physical forms of ID?
- How do you trust that the ID you're given hasn't been tampered with?
- What personal health and safety concerns will your members and employees have?

- How will you handle the increase in call center volume?
- What privacy concerns do you have with remote call center employees?
- How can you ensure that your member is not a fraudster?
- How will your members know it's your credit union calling them?

**Member**Pass

Consumer Perspective on Privacy and Control

- 87% of consumers say **data privacy** is a human right

- 84% of consumers say they want more **control** over how their data is being used

- 84% of consumers expect their financial institution to maximize their digital interactions

- 82% of consumers are concerned about visiting their local financial institution

- 78% of consumers are most protective of their financial data

Americans' Concern About Fraud Remains High

How concerned are you that your personal information could be exposed due to a data breach?

3% 13% 28% 28% 28%
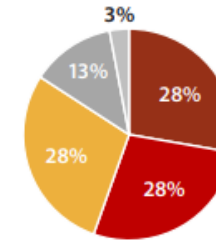
How concerned are you that your personal information could be used by a criminal to open a new financial account?

5% 12% 26% 26% 31%
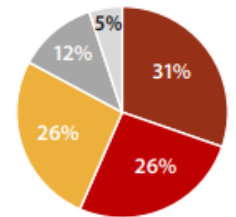
■ Extremely ■ Very ■ Moderately ■ Somewhat □ Not at all

Source: Third Annual Consumer Digital Identity Study, IDology, 2020

How strongly do you feel that it is your personal responsibility to protect your own personal information?

2% 1% 9% 25% 63%

☐ Strongly agree
☐ Somewhat agree
☐ No preference
☐ Somewhat disagree
☐ Strongly disagree
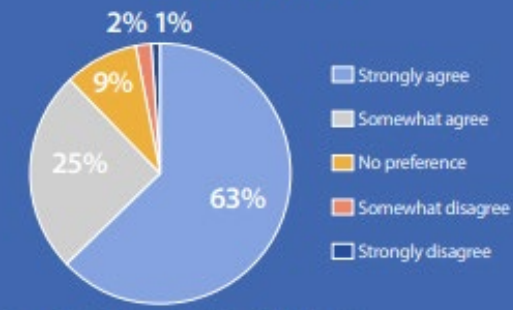
Source: Third Annual Consumer Digital Identity Study, IDology, 2020

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Sources: KPMG, Cisco, RSA, Lightico, PMTS.com

Member**Pass**

The **SIMPLEST**, most **SECURE** way for you to **VERIFY** your members.

CRYPTOGRAPHIC SUPERPOWERS

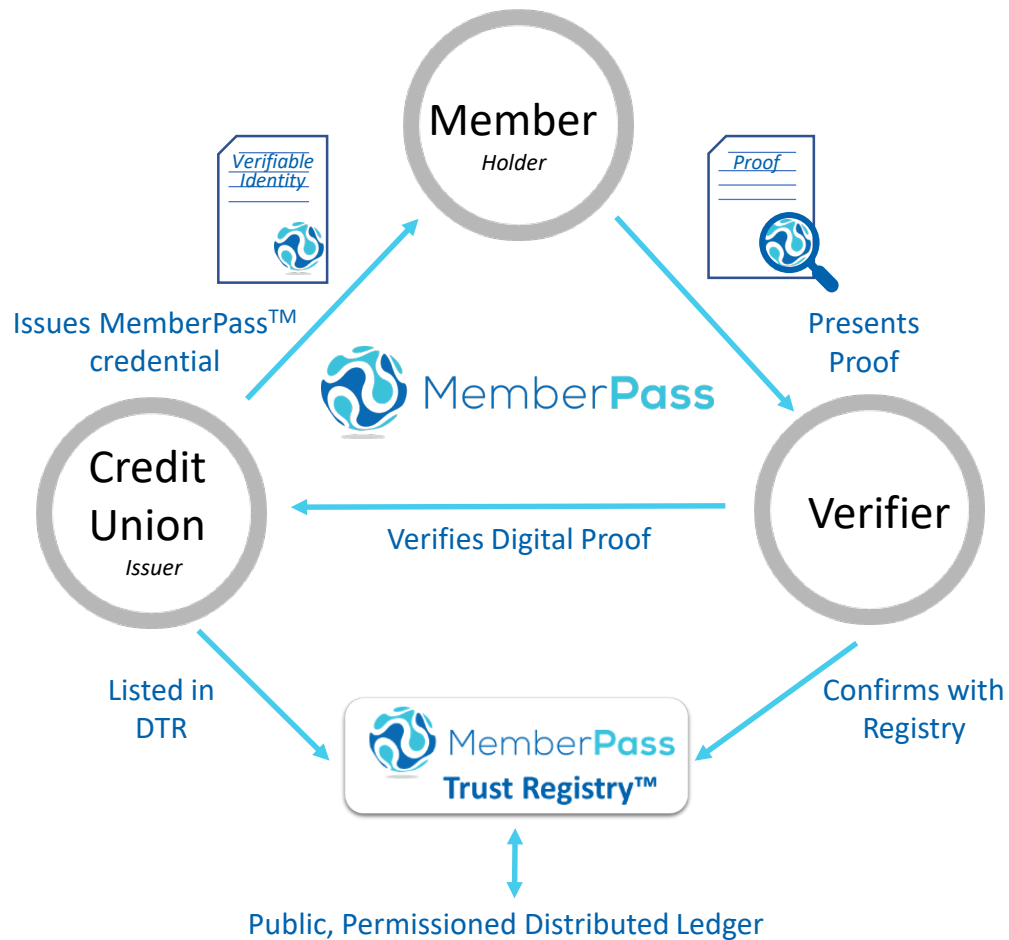Cryptography   Biometrics

Distributed Ledger Technology

Verifiable Exchange Within the Credit Union

Member
Holder

Verifiable Identity

Issues MemberPass™ credential

MemberPass

Proof

Presents Proof

Credit Union
Issuer

Verifies Digital Proof

Verifier

Listed in DTR

Confirms with Registry

MemberPass Trust Registry™

Public, Permissioned Distributed Ledger

Walk-in

Drive-up

Call-in

Video Banking

Log-in

ATMs

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Optimal Omni Channel Member Experience

MemberPass™
Provides a single source of truth

Insurance Services
Fintech Services
Mobile Banking
Lending Services
Online Banking
ATMs
Credit Union
MemberPass
Call Center
Investment Services
Payment Services
Account Services
KYC

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Contact Center Results

Call center authentication reduced to only a few seconds

Reduced call authentication from 80 sec to < 10

Add capacity or reduce staff

Five FTEs could be repurposed

Reduction in multiple types of fraud

Annual fraud reduction of nearly $150,000

MemberPass investment payback in less than a year

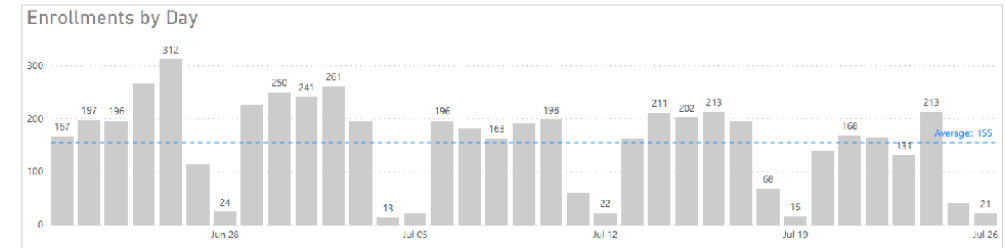*Credit unions with 125K members can save over $425,000 annually!*

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Early UNIFY Results
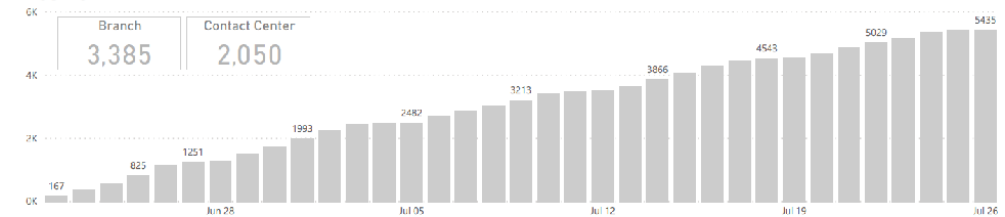

Enrollment Velocity – First 5 Weeks

- Over-achieved enrollment goal in 5 weeks.
  62% branch / 38% contact center

- Over 40% post-enrollment authentications

- 22% of post-enrollment are "cross channel"

- Word of mouth marketing only, no mass promotion

- Team member feedback positive, energy & engagement high

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https://www.youtube.com/watch?v=J6pWDdYq7uk&feature=youtube

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How Does MemberPass Work?

Enroll

Download the MemberPass Identity Wallet

1. Find your Invitation.
Check your text messages for an invitation request from one of our Enrollment Specialists to download the MemberPass app.

2. Download the App.
Click the text message to be taken to the Apple Store or Google Play Store. Click GET or INSTALL to download the app.

Secure Your App

3. Select Unlock Method.
To open and protect the MemberPass identity wallet, choose a Biometrics (FaceID or TouchID) or Passcode option.

4. Establish Back-up Passcode.
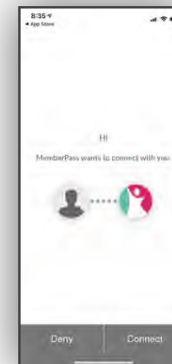In the event the Biometrics of your phone fail, you can open the MemberPass app by establishing a 6-digit passcode.

Connect

Establish a Secure Connection

1. Accept Secure Encrypted Connection.
Once the MemberPass app is installed, an invitation will be sent asking you to connect with our Credit Union. Click CONNECT to approve the connection.

Receive the MemberPass Credential

2. Accept the MemberPass Credential Offer.
After you've established a secure connection with our Credit Union, click ACCEPT to receive your MemberPass credential into your MemberPass-branded wallet.
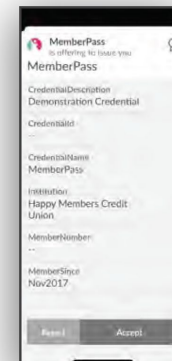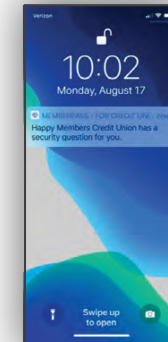
Verify

Receive a Verification Request

1. Find your Verification Request.
Check your text messages for a notification question from us to verify that it's you interested in conducting a transaction.
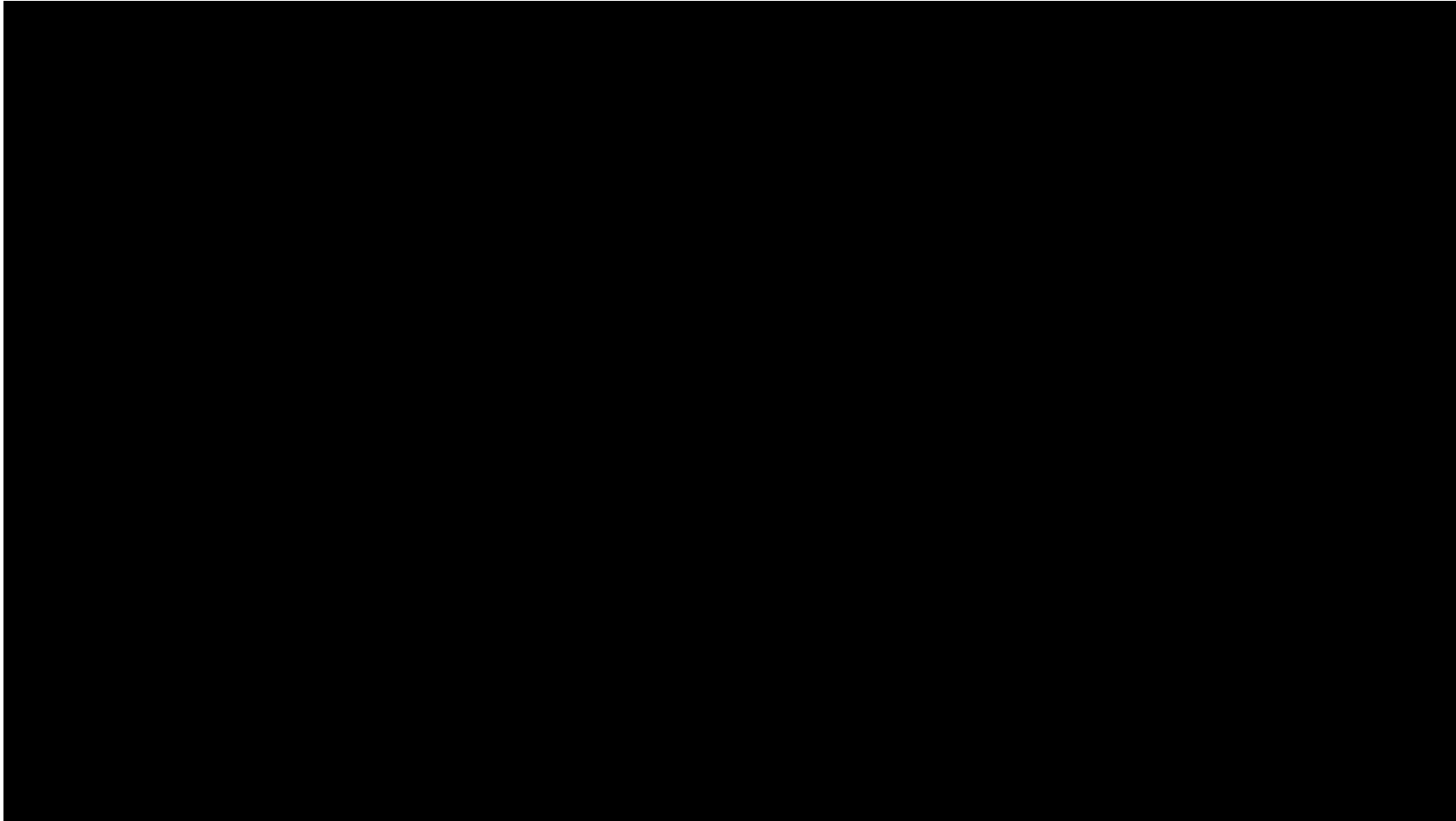
Accept Verification Request

2. Send your MemberPass Credential.
We will send you a verification request in the form of a question to verify that it's you with whom we are interacting. Click YES I AM to approve the request and to continue with your transaction.

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For more videos, visit https://www.memberpass.com/how/#memberpass-in-action
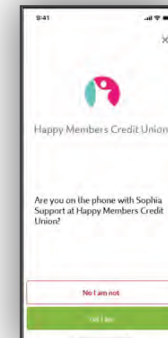
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Consumer Research Summary

- 70% of respondents agree that "*MemberPass addresses a safety concern that I had when identifying myself*"
- 75% of respondents would increase their satisfaction in their FI if MemberPass was available to them (in all four scenarios)
- 67% of respondents would sign up for MemberPass if it was available to them
- Over 60% would recommend MemberPass to a friend or a family member
- About half of the respondents report changing their preferred way to interact with their FI in the last year.
- About a third has experience identity theft, and half of all respondents experienced account fraud (two thirds within the last year in both cases)

MemberPass Traction

- 70 credit union investors

- 12 LIVE credit union deployments or implementations scheduled
  - 2 credit unions deployed in multiple use cases
  - 4 credit unions deployed in October
  - 3 credit unions deploying in Q1 plus a CUSO off-hour integration
  - 3 credit unions deploying in Q2, including 5th largest CU in US

- 23 priority customers

- ~ 10,000 MemberPass credential issued

MemberPass

We are just getting started, the time is NOW

WHAT members receive:

- Provides a simple, seamless authentication experience across all channels

- Protects against identity theft

- Addresses fears for personal health, safety & privacy

- Ability to own & control personal information

WHY should credit unions implement?

- Creates an omni-channel authentication experience

- Reduces fraud

- Safer for employees--contactless

- Reduces time and money in member authentication process

- Builds digital trust with their members

MemberPass

Thank You

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