

zelle®

# Zelle Network®

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# WHAT IS ZELLE®?

Zelle® is a service, offered by Early Warning Services, LLC., that makes it easy for customers to make person-to-person (P2P) and business-to-consumer (B2C) payments.

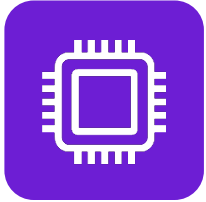
With only the recipient's mobile phone number or email address (a "token" ), customers can send funds directly from their U.S.-based bank account to their recipient's U.S.-based bank account.






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# BUT, WHAT IS ZELLE® EXACTLY?






## TECHNOLOGY

-  Alias-based Directory
-  Immediate messaging
-  Fraud risk management






## NETWORK

-  Governance & rule making
-  Peer-to-Peer (P2P)
-  Disbursements (B2C)

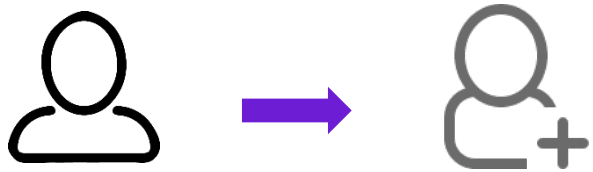


## BRAND

-  Intuitive experience
-  Common across FIs
-  Faster funds

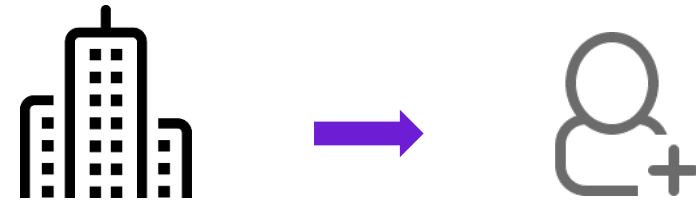
# CURRENT ZELLE® USE CASES

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## Person-to-Person (P2P) Payments

Send and receive money in minutes\* with almost anyone with a U.S. bank account. *Zelle* is a fast, safe and easy way to get money moving in today's modern world.



## Corporate and Government Disbursements

With only a mobile number or email address needed to distribute funds, *Zelle* disbursements is revolutionizing how businesses think of payroll, refunds, tipping, and numerous other payment challenges.

# ZELLE NETWORK® BY THE NUMBERS

## Participating Banks



Over **170**

Financial institutions contracted with **38** live

## Users



**67MM**

Registered users network-wide (Q2'18)



**~2.5MM**

Zelle app registered users



**~110k**

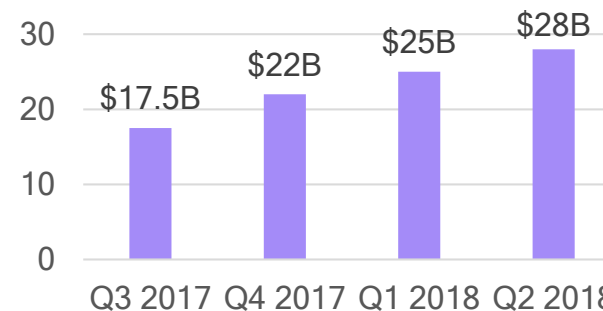
Enrolling daily



**~\$300**

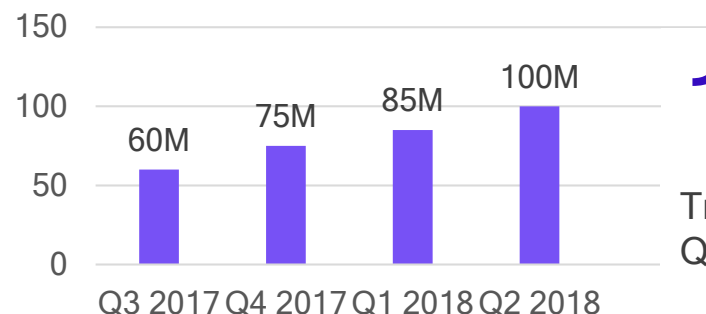
Average Zelle payment

## Transactions



**\$28B**

Transactions processed in Q2 2018



**100MM**

Transactions processed in Q2 2018



> 98% of transactions initiated through a bank app;  
< 2% through the Zelle app

# ZELLE NETWORK®

Now Over 170 U.S. Banks & Credit Unions Signed



Zelle® participants represent nearly 80% of the online DDAs in the U.S. and can reach 97% of the U.S. debit card holders



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\*Not all logos shown  
\*Not all FIs are "Live"

# LIVE ON THE NETWORK – 38 U.S. Banks & Credit Unions Live



AmegyBank.



Morgan Stanley



ZIONS BANK.

FIs live in the Zelle Network® have enrolled more than 67 million tokens.



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\*Not all logos shown

# KEY THINGS TO KNOW ABOUT ZELLE®



## Where to find *Zelle*

- Zelle® is offered through the mobile and online banking apps of U.S. financial institutions, as well as the *Zelle* app available in app stores.
- A depository institution with insured deposit accounts is eligible to become a Zelle Network® participant. Participating banks must adhere to the Zelle Network® Participation Rules. Banks may connect direct or through an approved reseller.



## *Zelle* Users

- Customers of a *Zelle Network* financial institution are referred to as “in-network.” They use their bank app and/or the *Zelle* app.
- Customers of banks that are not participants in the *Zelle Network* are referred to as “out-of-network.” They use the *Zelle* app with an eligible debit card.



## How Money Moves

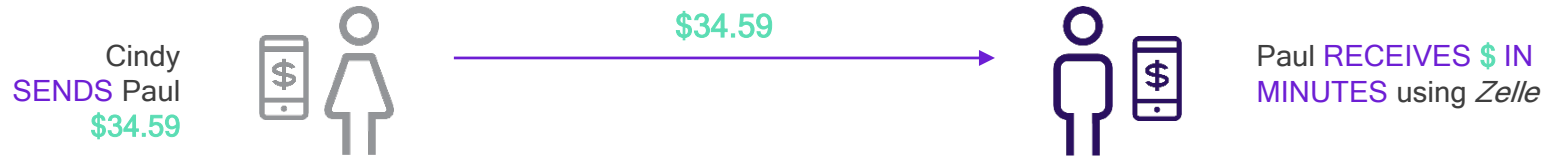
- As the network operator of *Zelle*, Early Warning does not handle funds; rather Early Warning transmits messages to participating financial institutions who execute transfers of funds via ACH, or, for out-of-network transactions, Early Warning serves as a technical integrator to the debit card networks.
- All money moves directly between U.S. deposit accounts held by U.S. financial institutions. *Zelle* does not hold accounts or funds.



# HOW ZELLE® WORKS: IN-NETWORK TO IN-NETWORK BANK

## In-Network to In-Network Experience

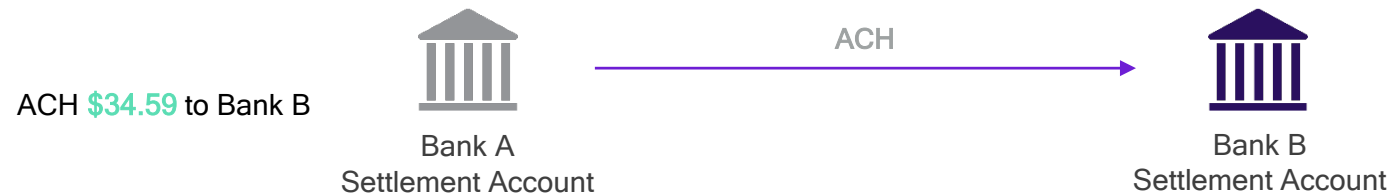
### USER EXPERIENCE



### FUNDS POSTED



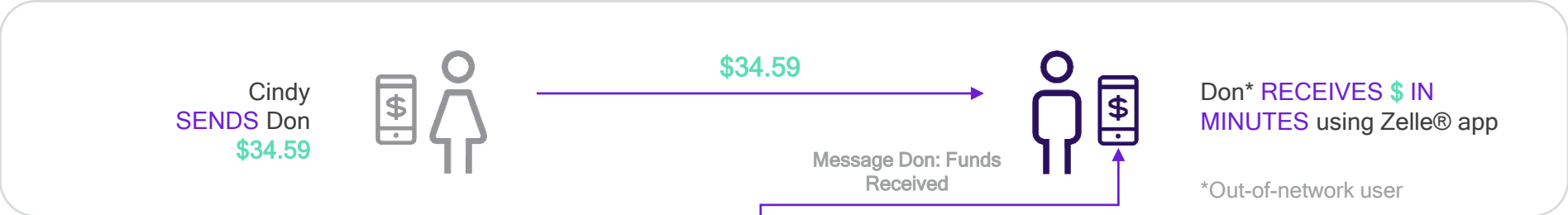
### SETTLEMENT



# HOW ZELLE® WORKS: IN-NETWORK TO OUT-OF-NETWORK

## In-Network to Out-of-Network Experience

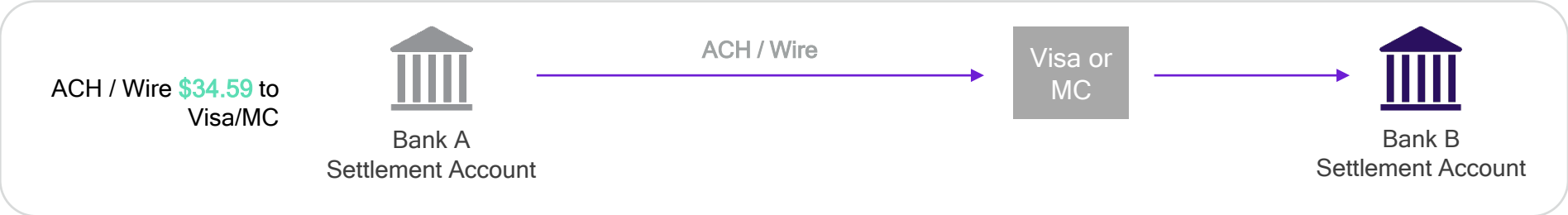
### USER EXPERIENCE



### FUNDS POSTED



### SETTLEMENT



# HOW ZELLE® WORKS: DISBURSEMENTS

In-Network to In-Network Experience

## USER EXPERIENCE

Insurance Company  
SENDS Paul \$2,350  
post-accident



\$2,350



Paul RECEIVES \$ IN  
MINUTES using Zelle®

## FUNDS POSTED

- Debit acct. \$2,350
- Message *Zelle Network*
- Funds moved to settlement account



Messages

**zelle**®

Messages



- Credit Paul's acct. \$2,350
- Message Paul Funds Rec'd
- Message *Zelle Network*

## SETTLEMENT

ACH \$2,350 to Bank B



ACH



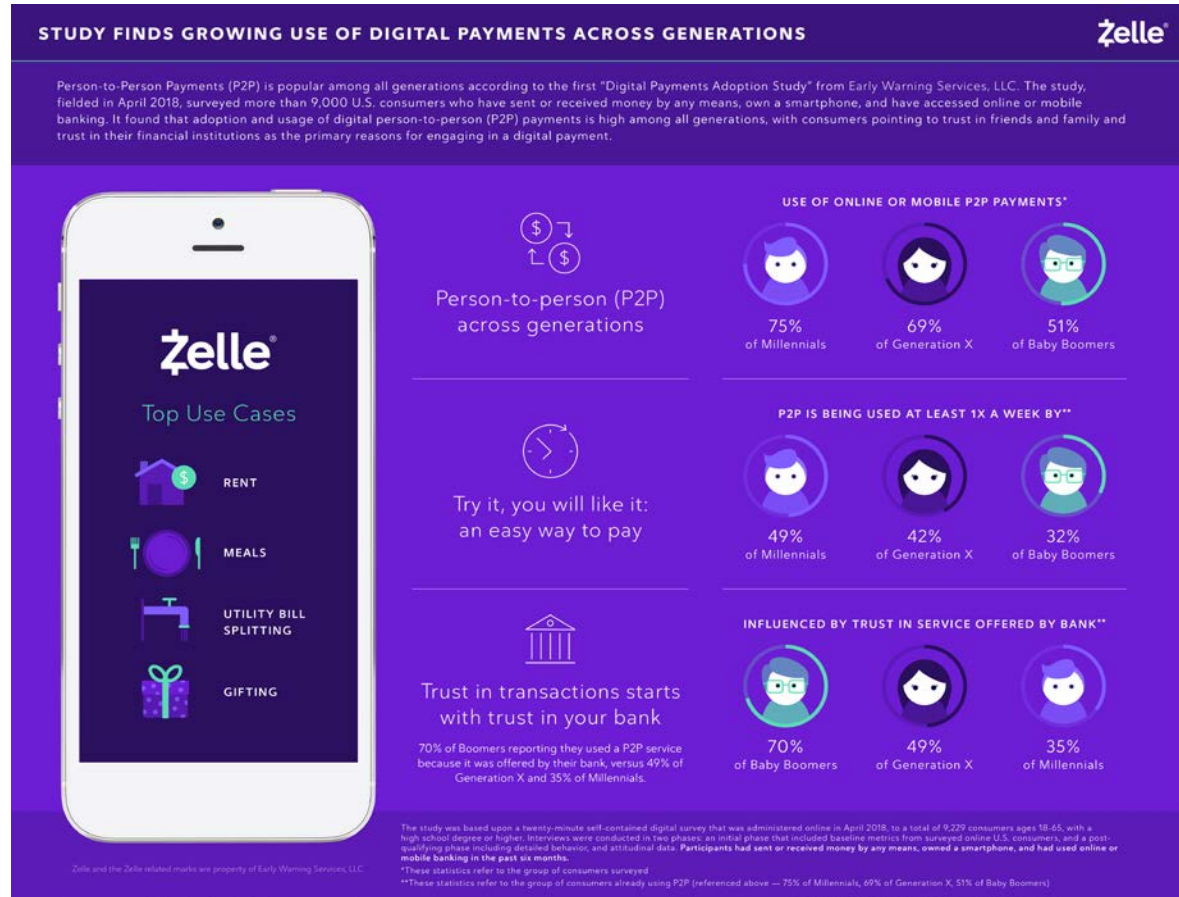
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\* Transactions between enrolled *Zelle* users typically occur in minutes. If a recipient is not enrolled with *Zelle*, it could take 1 to 3 business days to receive the money once enrollment is completed.

# GROWING THE ZELLE® NETWORK



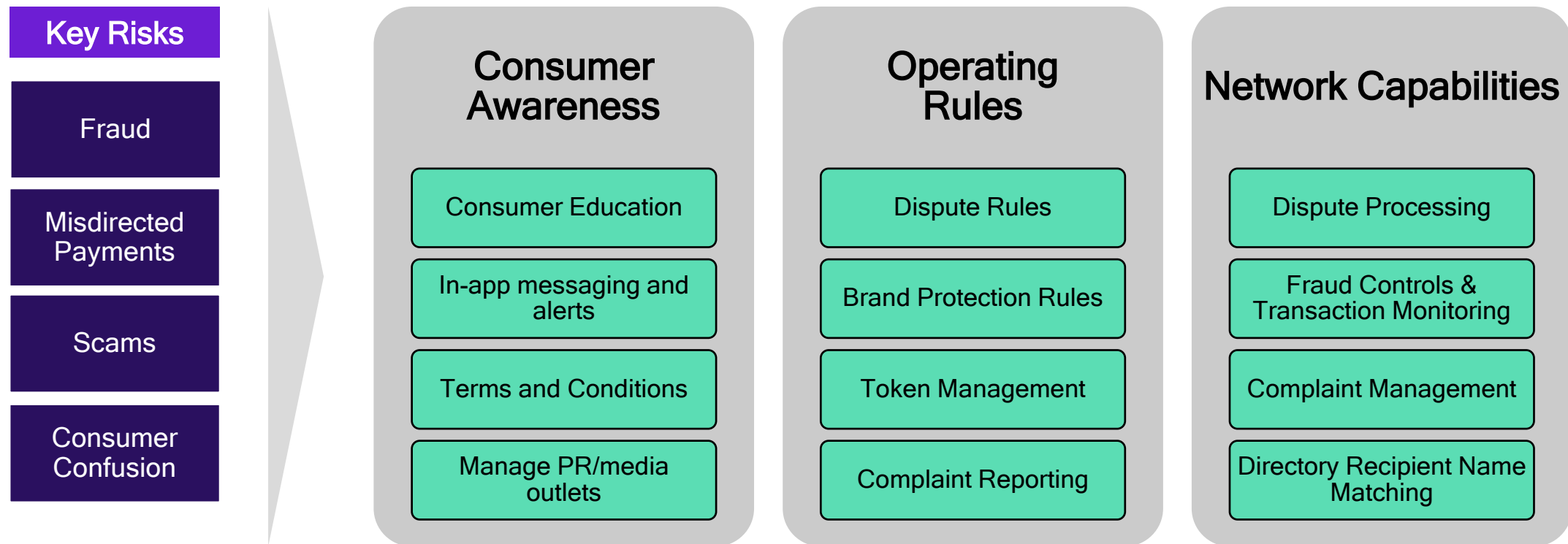
# FROM MILLENNIALS TO MAIN STREAM



## All ages are adopting Zelle®

- Digital Tracker Study of 9000 consumers who have sent or received a payment, owns a smart phone and access mobile or online banking.
- P2P is being used at least once a week by 49% of millennials, 42% of Gen X and 32% of Baby Boomers.
- 70% of Boomers reported they used a P2P service because it was offered by their bank.

# CONSUMER EXPERIENCE RISK MITIGATION



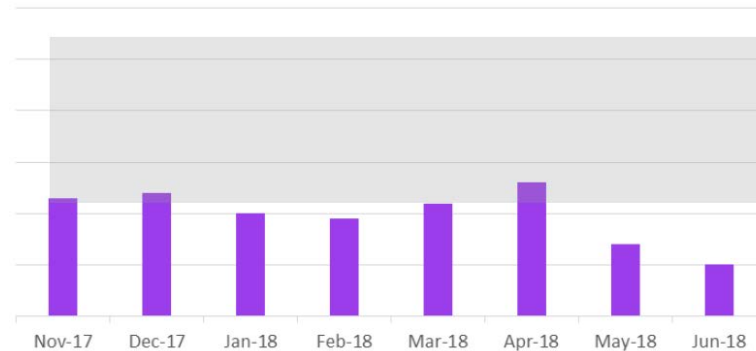
# REPORTED FRAUD TO DATE IS BELOW BENCHMARKS

Fraud rates below industry and internal estimates and trending lower



**Fiction:**  
Depictions of widespread fraud on the *Zelle* Network

P2P Fraud Loss Rates in \$ Basis Points  
Zelle vs. Peer Group



**Fact:**  
Fraud is below industry and internal benchmarks

zelle

THIS IS HOW MONEY MOVES®