



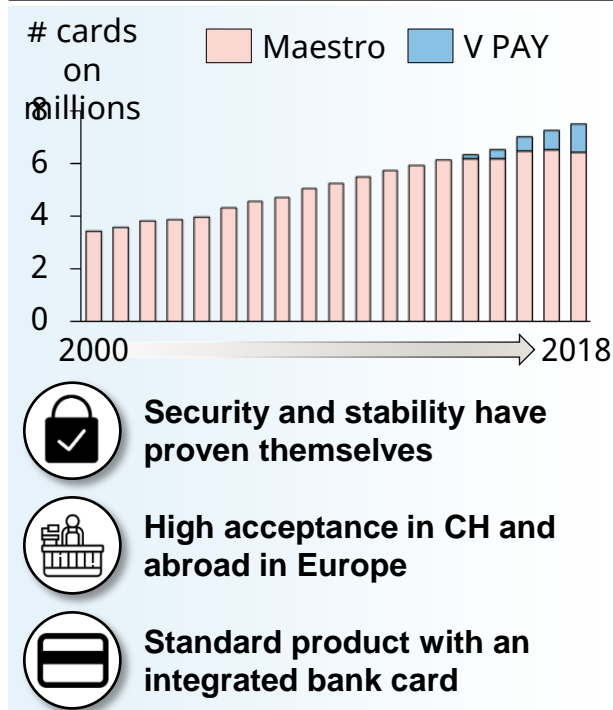
New Debit Card Solutions

Debit Mastercard and Visa Debit are ready
Swiss Banking Services Forum, 22 May 2019

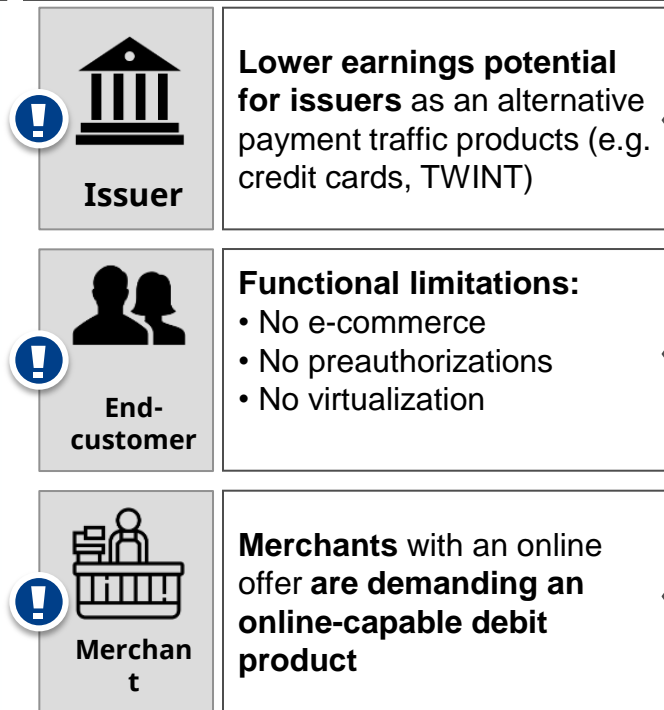
Philippe Eschenmoser, Head Cards & A2A, Swisskey Ltd

Maestro/V PAY Have Established Themselves As the “Key to the Account” – Schemes, However, Are Forcing Market Entry For Successor Products

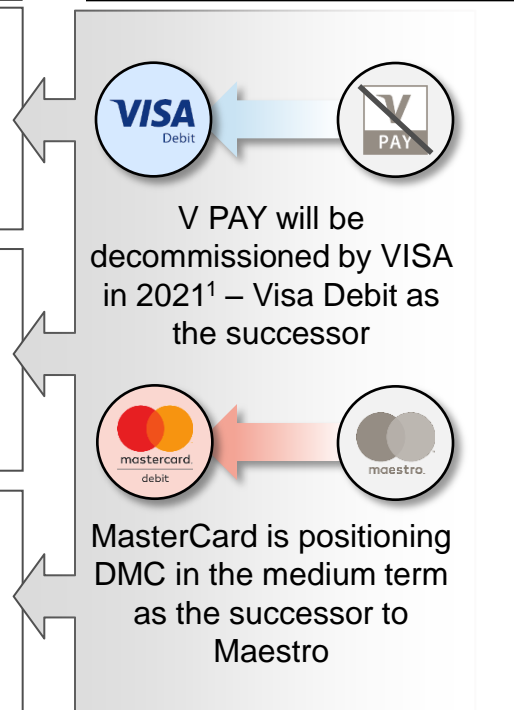
Maestro and V PAY are successful...



...but are not future-capable products



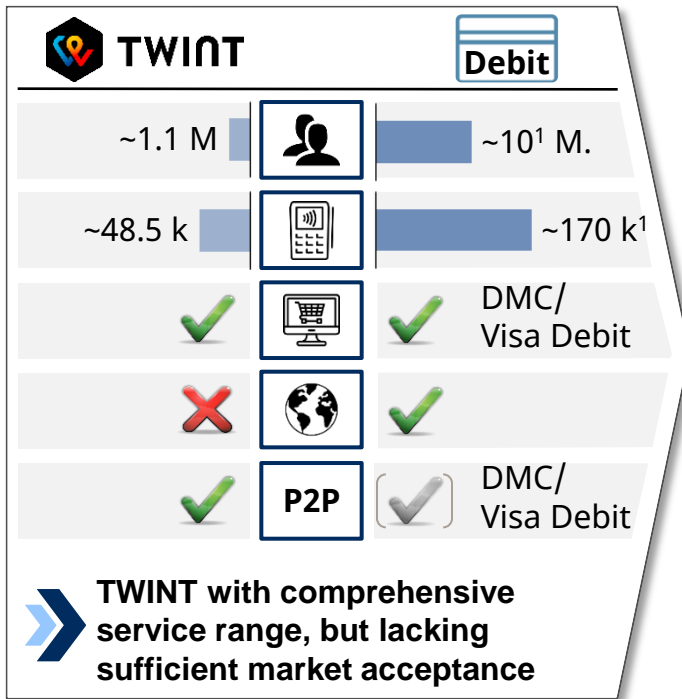
Response from the schemes



² 1: As of 2021 no new V PAY may be issued

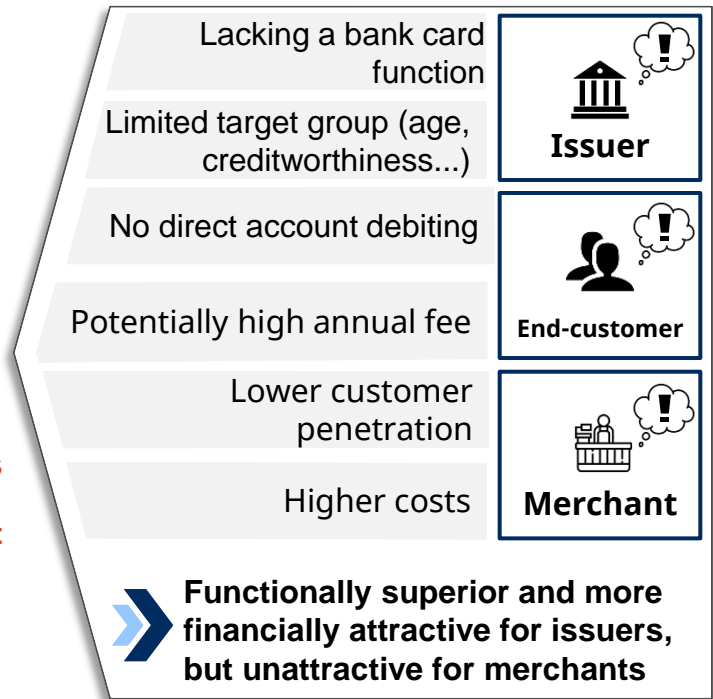
TWINT (Still) No Substitute For Debit Cards – Credit Cards With Divergent Market Perception

TWINT (still) not alternative for debit



Banks and merchants demand an online-capable debit product with wide market acceptance

Credit cards a no alternative for debit



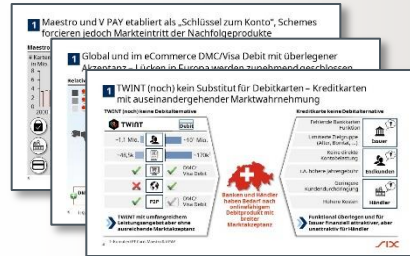
Introduction of DMC/VD With Great Challenges For Banks – SIX Will Develop a Modular Solution in the "Vegas" Project

Dynamic market

Solution

Ambition

Deepened
subsequently



Trend in the direction of Debit MasterCard / Visa Debit – however, currently no complete solution for current Maestro / V Pay issuers

SIX
"Vegas" project

SIX plans...

- 1 ...MVP¹ with complete **Maestro / V PAY** range of services, including **new use cases** (reservations, eCom...)
- 2 ...continuing to ensure the position of the **banks as issuers** of the debit product...
- 3 ...a **parameterizable standard product** for the entire market...
- 4 ...to offer a **central, modular and open 3D Secure solution** for debit cards...
- 5 ...establishment of **processing readiness** for Debit **MasterCard and Visa Debit** by Q1 2020...

1 Beyond E-Commerce, Debit MasterCard and Visa Debit Will Offer Additional New Use Cases

✓ Mandatory from the schemes

New use cases in comparison to Maestro / V PAY

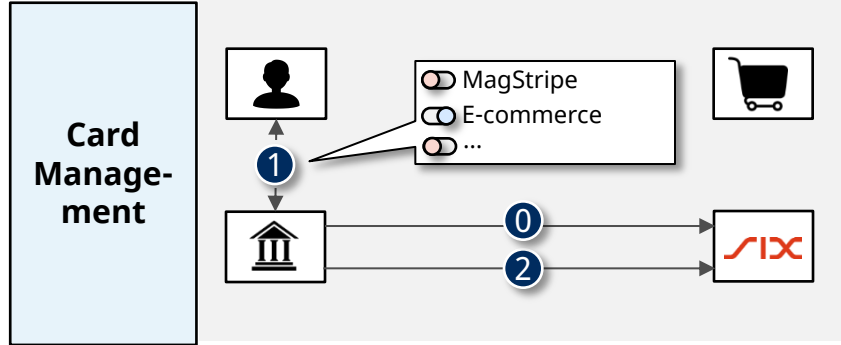


Magnetic stripe
Purchase with cash back (PWCB)
E-Commerce payment
Recurring payments
Pre-authorization
MOTO
Split transactions
P2P payment
Gaming repayment
Tips in restaurant
Paper slips
Update card information
Emergency cash advance

✓	✓
✓	optional
✓	✓
✓	✓
✓	✓
✓	✓
MoneySend ✓	Visa Direct ✓
receive mandatory	optional
✓	✓
✓	✓
"Billing updater"	
with embossment	with embossment
✓	Optional
✓	Optional ¹

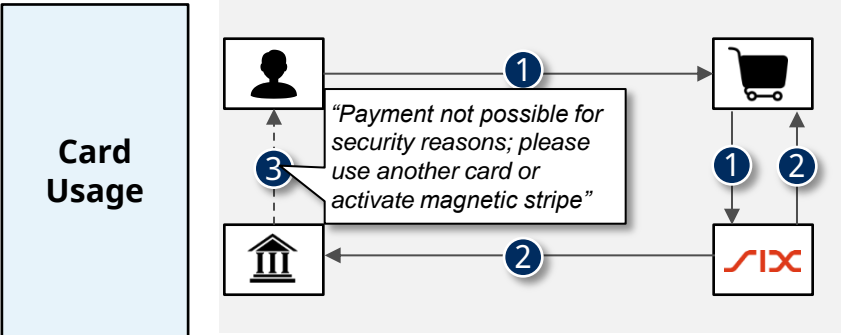
3 SIX Plans to Provide a Hub for Individual Management of the Functionalities Down to Card Granularity

Target solution (example)



Explanations

- 0 Bank parameterizes default functionalities for card
- 1 Customer can individually set functionalities at the issuer (e.g. geo-blocking)
- 2 Issuer stores card settings at SIX



- 1 Merchant queries transactions with MagStripe
- 2 SIX rejects transaction, since MagStripe is deactivated for this card and transmits a notification to the issuer
- 3 Issuer sends notification to customers (e.g. push message, SMS)

Maximum convenience and security for customers

4 SIX Enables a Wide Range of Implementation Possibilities Including the Entire User Experience in a Branded Bank Environment

Registration in the online portal¹



First user identification possible through...

- E-/m-banking
- Via the postal service
- Existing mobile phone number

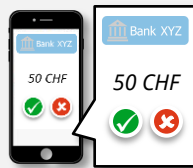
SIX offers issuers a diverse choice of authentication solutions

1  **White label app**



- Central “SIX” app in the app store
- Branding of the app by entering the PAN
- Registration of multiple cards from various banks possible

2  **SDK in issuer app**




- Integration of the authentication solution from SIX in the existing issuer app
- Enhanced convenience through an app
- Greater flexibility in app design

3  **SMS OTP**



- Authentication via SMS for users who do not have a smartphone
- Fallback option in case app is offline
- Maximum customer penetration possible

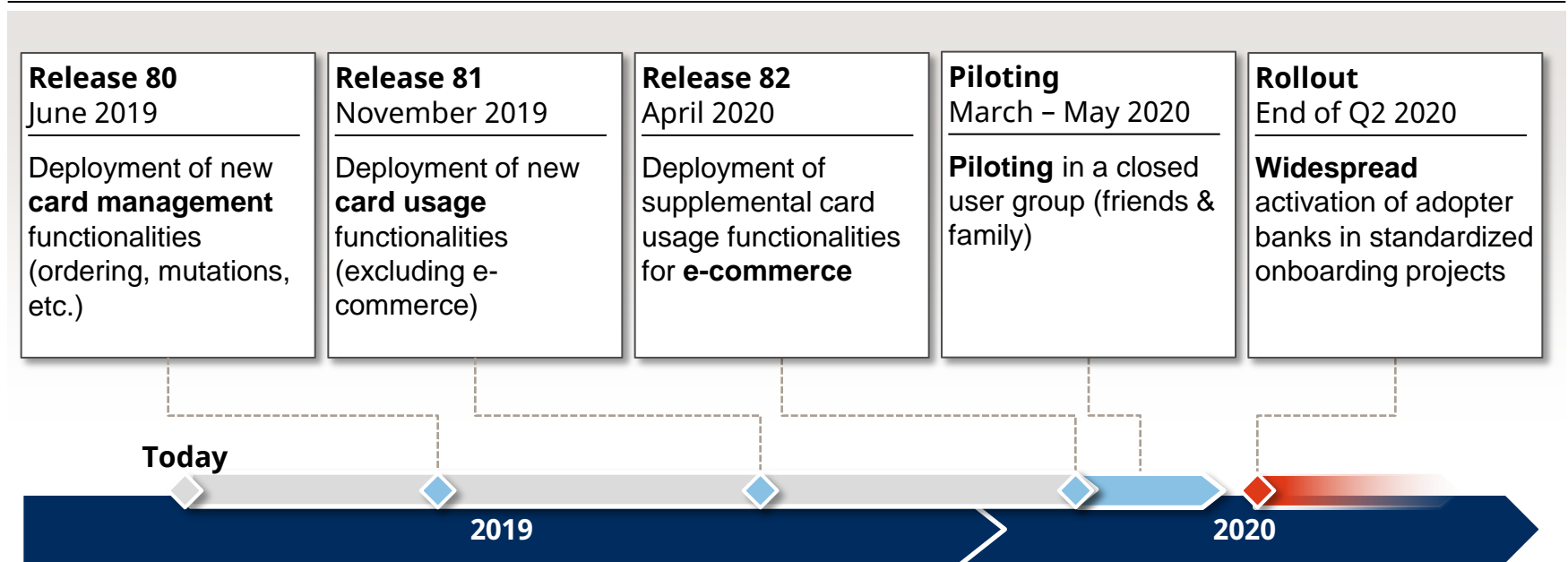
+  **Issuer 3DS app**

- Connection of existing issuer internal 3DS app to the SIX ACS possible

7 1: Registration also possible through online banking | 2: Not necessarily a brand from SIX – neutral branding also in discussion

5 SIX Plans to Pilot Debit MasterCard/Visa Debit At the Beginning of 2020 – Implementation in Close Coordination With Issuers

General roadmap



SIX Is Convinced That They Offer Banks an Attractive Offer for Debit MasterCard and Visa Debit

DMC / VD at SIX



Added value from SIX

Banks are issuers

Broad, modular offer

Competence and scaling effect

Existing interfaces

Existing business relationship

Explanation

- Banks as issuers retain **customer interface**, **product sovereignty** and the **complete card revenues**
- SIX offers a **modular service** offer for card management, card usage, scheme management and operations services
- As the largest **issuing processor** in Switzerland, SIX can realize **effects of scale** and leverage **existing competences**
- **Existing interfaces** (Debit Online, XML, OTIS and KTB) can continue to be used
- New products can be built upon the **existing business and contract relationships** between SIX and issuers

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