Rule the Wallet Through Innovative Payments

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Agenda

- Mobile Payments Update and Apple Pay Statistics
- Fiserv Updates and Plans
- Getting Started – 8 Steps

What is Tokenization?

PAN becomes
Token…

for NFC POS...

In-App…

and eventually
eCommerce…

Pay

with NFC, Passcode, Touch ID
technologies on iPhone 6/6+,
select iPads, Apple Watch
paired with iPhone 5’s or 6’s

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Expansion of Tokenization

NFC-Enabled POS Purchases

- Secure element NFC via the contactless EMV rails
- Physical point-of-sale (POS) purchases

In-App/mCommerce Purchases

- Also known as mobile or m-commerce
- Purchases transacted via an app or ‘in app’

E-Commerce (coming October 2015)

- Purchases made online via a web browser
- Typically use card-on-file
- Out of scope for Phase I
- October availability

Tokenization improves the payments experience across multiple payment channels and devices

Pay | Latest Statistics

- Over 400 financial institutions live with Apple Pay™
- 1M U.S. merchant locations:
  - Chevron (live 7/14)
  - Albertson’s (coming soon)
  - Best Buy (currently in-app, POS this year)
  - Marriott (launching this summer)
- Apple Pay launched successfully in UK (7/14)
  - 8 banks
  - 250,000 stores
- As of August 18th…
  - 68 financial institutions launched with Apple Pay (over 15% of total)
  - 271 clients committed to implement

Apple Pay is a trademark of Apple Inc.

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Fiserv Latest Developments

Tokenization

- First use case Apple Pay for Point-of-Sale & In-App mobile purchases
- Quickly becoming mobile payments security standard with adoption by other wallet providers (i.e. Android Pay™, Samsung Pay™)
- In October, Tokenization will be open to card-on-file or eCommerce purchases
- EMV & Tokenization solve for card present and card not present fraud
- Merchant acceptance for NFC payments is increasing

Android Pay

- Evaluation complete and determination to support
- Continue to gather details from MasterCard® and Visa®
- Next webinar will showcase Android Pay in more detail
  - Including provisioning information

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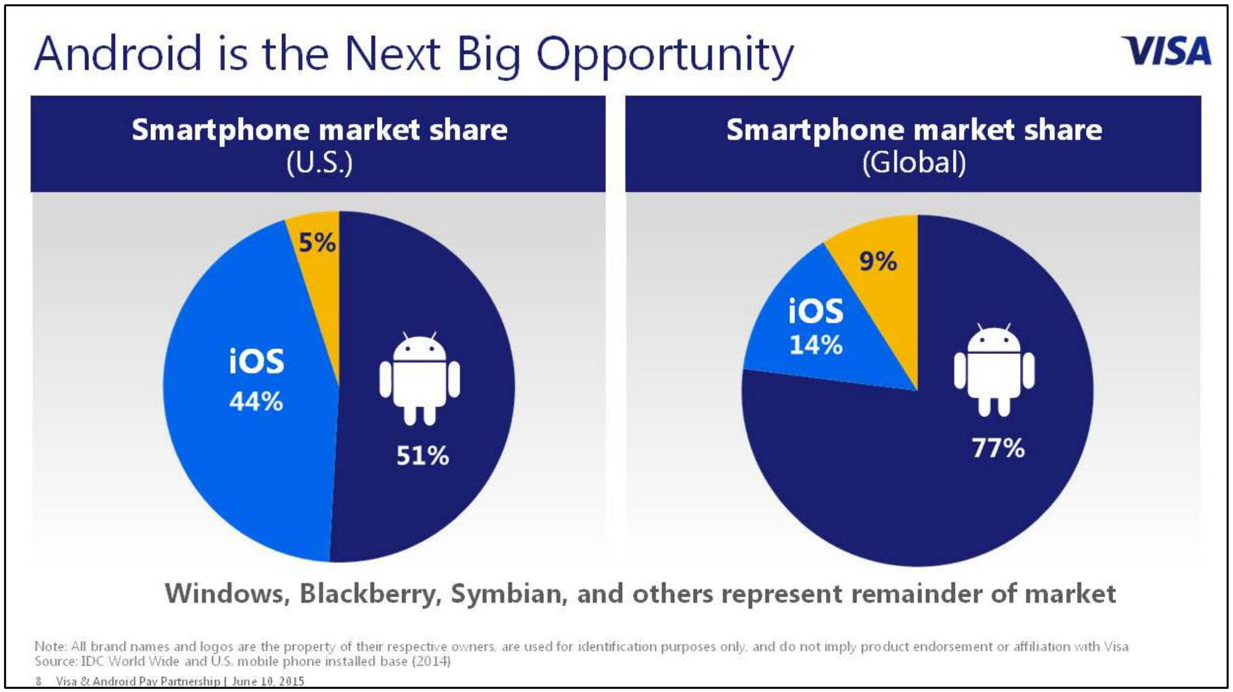
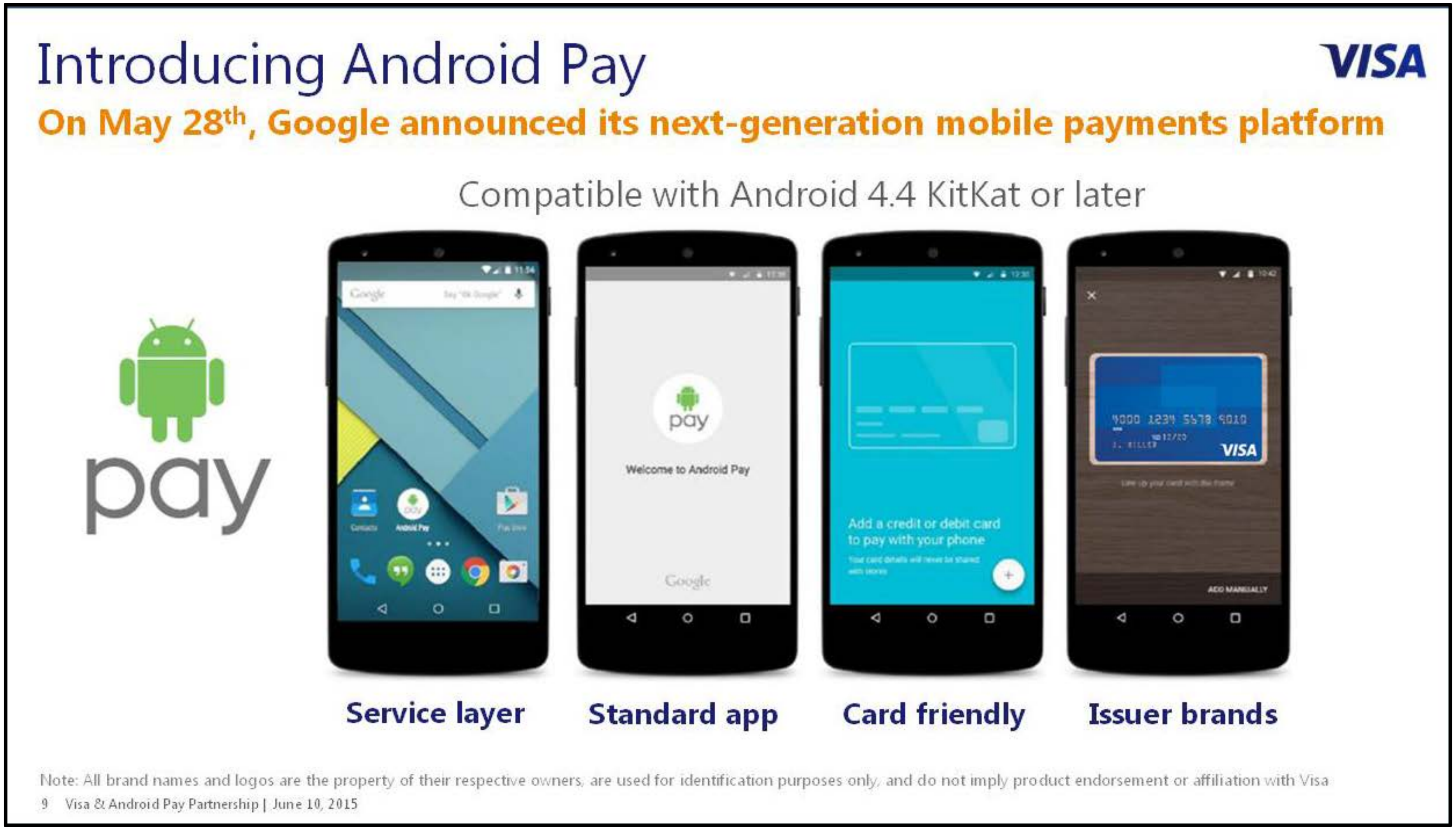
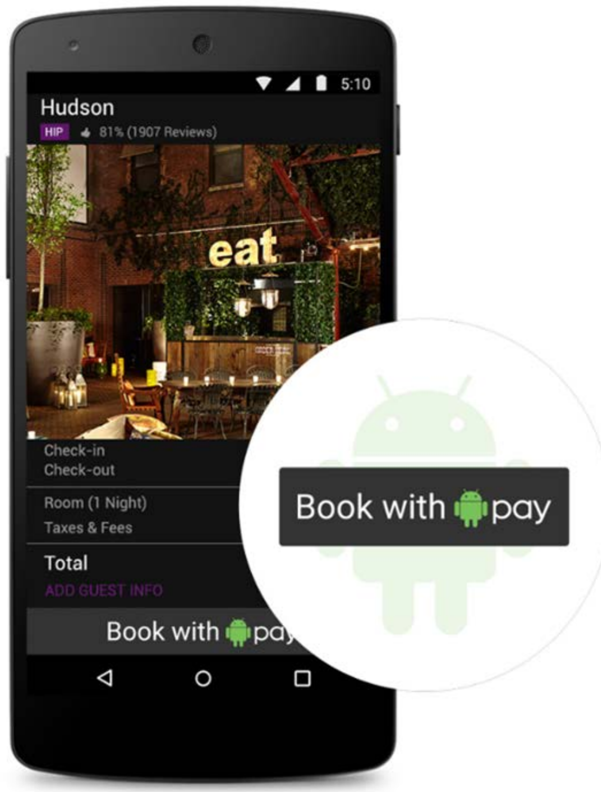
Android Pay Overview



Android Pay Overview

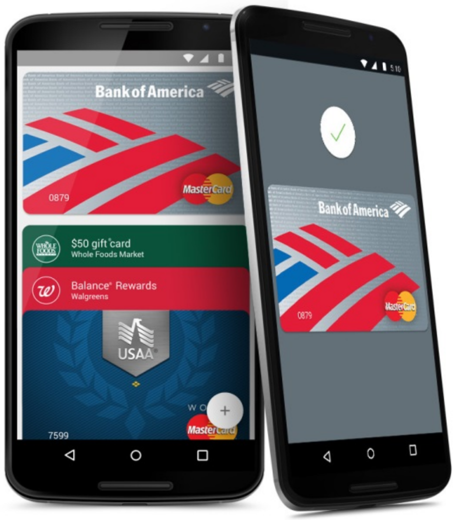


Android Pay Overview



Android Pay Overview

- Google’s answer to mobile payments
- Enabled on any Android device running 4.4 KitKat or higher
  - 51% Android, 80% of these are NFC-enabled
- Leverages NFC technology
- Utilizes Tokenization HCE (Host Card Emulation)
- Initial security with device pin, Touch ID forthcoming
- Use with NFC-enabled POS terminals and possibly In-App
- Estimated launch August 2015 with these partners:
  - BofA, Navy Federal CU, PNC, Regions, USAA & USBank
- Android Pay will use Step up authentication
  - Development work required to support Step up
  - Requirement from Visa to support



Comparing Apples to ~~Apples~~ Android

Wallet Providers	Apple Pay	Android pay
Availability	**Only iPhone 6, iPad Mini, iPad Air 2, iPhone 5 & later w/Apple Watch**	**Android devices running 4.4 KitKat or higher**
How You Use It	Touch ID at POS and in-app purchases	Tap-to-pay at POS and in-app purchases
How It Works	Uses NFC to send your encrypted payment information	Uses NFC to send your encrypted payment information
Security	Most secure. Retailers don't even get your credit card. Utilizes Tokenization SE	Most secure. Retailers don't even get your credit card. Utilizes Tokenization HCE

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Getting Started

Step	Description
1	Confirm eligibility
2	Education and Training
3	Confirm BINs, PINs, CVi access, and Call Center support
4	Confirm Durbin compliance for Debit
5	Confirm card art requirements and source
6	Sign and return Service Request and Agreements
7	Implementation
8	Cardholder marketing, support, and lifecycle management

Confirm Eligibility: 95% Rule

1. Confirm Eligibility

- Issuers must make at least 95% of all eligible cards available for use in Apple Pay. The specific language is provided within Section 5 of the Apple Pay Agreement
- Certain BINs can be excluded from the 95% calculation, as also explained in Exhibit A of the Apple Payment Platform Issuer Terms and Conditions Agreement
- Prepaid programs inclusive of HSA require pre-approval to enroll

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Eligibility: 95% Rule

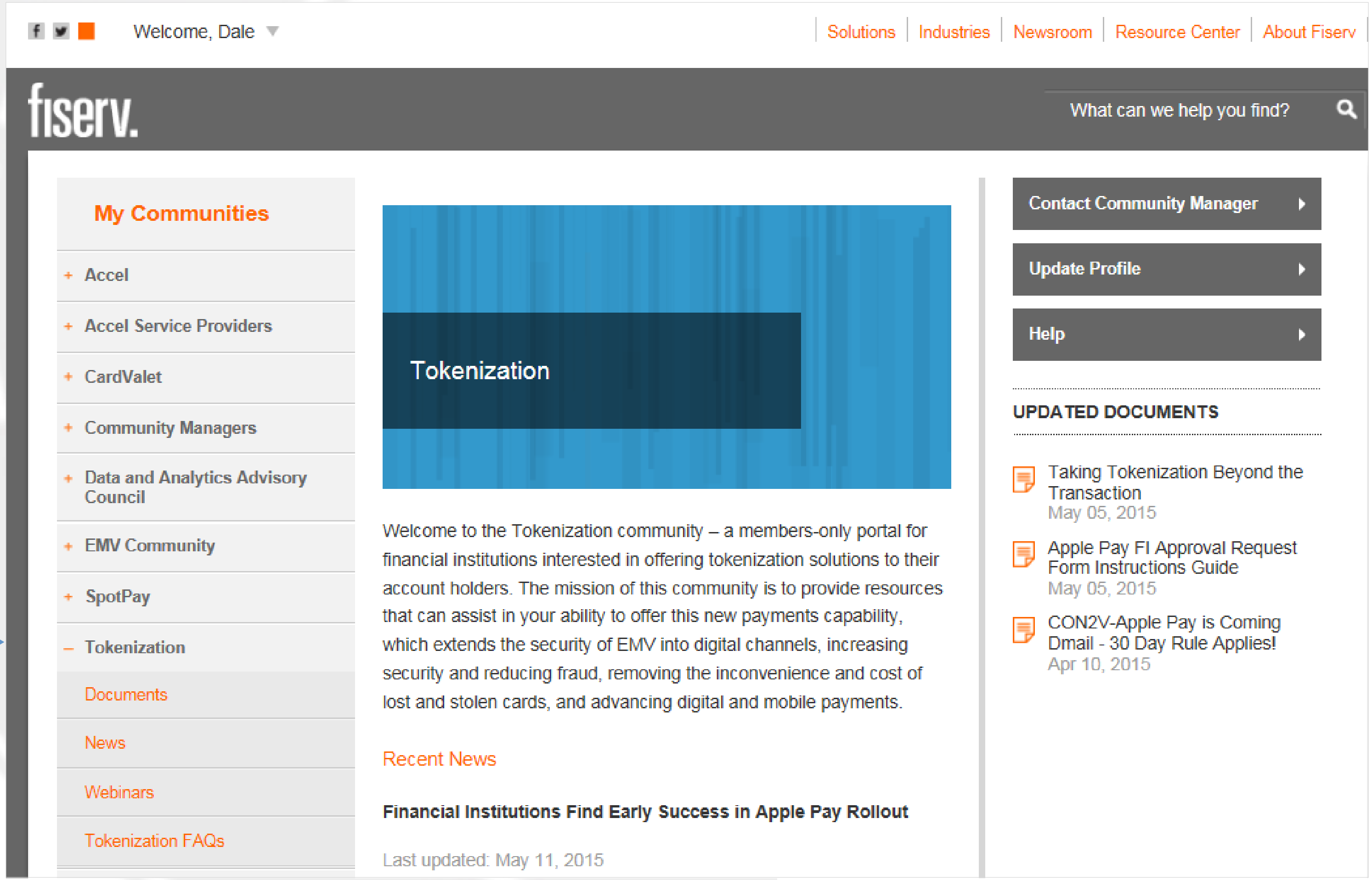
1. Confirm Eligibility

- Section 5 of the Apple Payment Agreement requires that at least 95% of all issuer's eligible cards (within a single brand) must be available for use in Apple Pay
- Eligible cards – generally relates to consumer debit and credit BINs within a single brand (MasterCard and Visa are considered separately)
- Other types of BINs may be tokenized but they are not required and are not considered in the 95% rule
- Prepaid programs inclusive of HSA require pre-approval to enroll

All consumer BINs within a single brand must be launched on the same live date

Join Our Tokenization Community

2. Education & Training



How to join? Send an email to Lori.Hanna@Fiserv.com

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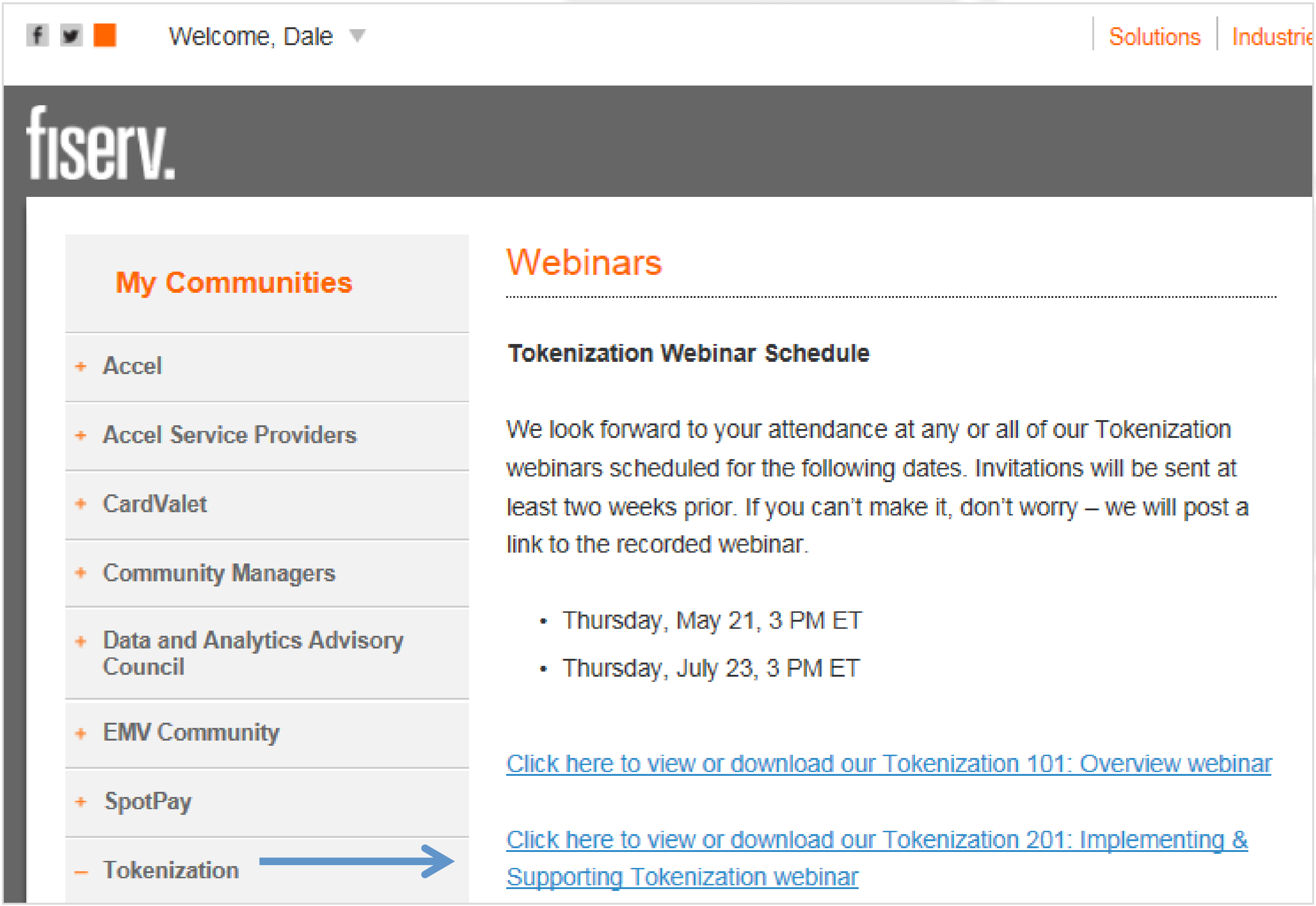
Listen to Our Recorded Webinars

2. Education & Training



"Tokenization 101" and "Tokenization 201" webinars now available!

Browse Our Most Critical Resources

2. Education & Training

		Title	Category	
	[+]	Your Partner for the New Way to Pay - Sept 2014	Presentation	Download
	[+]	Fiserv Financial Institution Clients Can Keep their Cards at the Top of the Mobile Wallet with New Tokenization Capabilities	Press Release	Download
5	[+]	Apple Pay FI Approval Request v1.3	Resources	Download
3	[+]	Fiserv Provisioning Notification Guide	Resources	Download
6	[+]	Tokenization FAQ	Resources	Download
	[+]	Apple Pay FI Approval Request Form Instructions Guide	Resources	Download
2	[+]	Fiserv Authentication Service Description	Resources	Download
1	[+]	Tokenization Guide	Resources	Download
4	[+]	Fiserv Token Lifecycle Management Guide	Resources	Download
	[+]	Tokenization Enrollment Quick Reference	Resources	Download

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Confirm BINs, PINs, and CVi Access

Your Account Executive will help you confirm:

- Which BINs are to be tokenized
  - Refer to the information gathered in step 1
  - Consider the 95% rule
- How PINs will be validated for PIN-Based transactions
  - Tokenized transactions do not include PINs within the authorization request
  - This may require a Service Request to load PINs to your database
- How Cardholder provisioning information will be reported
  - Clients using the RAS reporting system may want access to CVi reports

Confirm plans for Yellow Path Authentication

Determine how you will support Yellow Path Authentication

- When cardholders add cards to Apple Pay, Apple and the networks will perform checks to ensure the requester is the valid card owner
- If any of the checks fail, the cardholder will be directed to what is referred to as “yellow path” authentication
  - The cardholder will be directed to contact their financial institution; the device will display the phone number for the cardholder to call
  - The financial institution or their yellow path authentication service provider will be required to authenticate the cardholder using standard authentication procedures
  - If the cardholder is authenticated, the token status will need to be changed to “active” via the Visa or MasterCard Life Cycle Management tool
- The Fiserv Card Services Call Center can provide these services 24/7
- The Tokenization SR includes optional enrollment in the Call Center

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Ensure Durbin Compliance for Debit BINs

4. Durbin Compliance

Durbin Compliance is required on token BINs just as it is on "real" BINs

- Durbin compliance is each Issuer's responsibility, but if a bank participates in the Accel® debit payments network we must add tokenization to their Accel setup to ensure compliance
- Banks who will tokenize BINs through networks other than Accel, MasterCard, or Visa must work directly with those networks
- Accel members who do not use Fiserv as their EFT processor must work with their EFT processor for information related to tokenization

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Confirm Source of Card Art

5. Card Art

FI must determine the card art/service images to be displayed when cardholders digitize their cards

- MasterCard issuers must provide their own program-specific card art
- Visa issuers can use their own program-specific card art *or* they can use Visa-provided card art
- Program-specific card art images must comply with the requirements specified by the TSPs and wallet providers
- FIs using Fiserv Output Solutions for card personalization and/or production can obtain card art from Output Solutions – The FOS charge is $600 per image set. Our implementations team will pass the lead to FOS, FOS will bill the client directly.

Return Agreements – Service Request

6. Sign & return SR

- Your Account Executive will send a package of information that you will review, sign, and return. The package will include:
  - A Service Request for the Tokenization project
  - Possible Service Requests for PIN or CVi projects
- You will review, and sign the Service Request, and return it along with the appropriate Network and TSP (Token Service Provider) Agreements:
  - Visa Token Service Issuer Participation Agreement
  - Apple Payment Platform Issuer Terms and Conditions
  - Fiserv Authorization Agreement

Estimated Boarding Timeline

7. Implementation

Pre-Boarding Preparation	Boarding Preparation	Token Service Provider	Apple Submission	Live
• Request invitation to join Community (lori.hanna@fiserv.com) • Register for and attend webinars • Review Apple T&Cs	• Service Request received/processed • Boarding packet delivered to client • Completed boarding packet returned by client • Contents validated, overlay signed by client, boarding info submitted to Token Service Provider	• Receive, review and validate boarding info. • Configure boarding • Assign token BINS and supply to client • Execute or validate client production testing	• Submit to Apple	• Card program available for cardholders to digitize • Perform in store and in app purchases • Business processes must be deployed
• Initiate "Load Your Card" marketing campaign		• Initiate "Apple Pay Coming Soon" marketing campaign		• Initiate "Apple Pay is Here" marketing campaign
Est. 1 week	Est. 2 - 4 weeks	Est. 2 - 4 weeks	2 weeks before scheduled date	1st & 3rd Tuesday of every month

8-12 weeks

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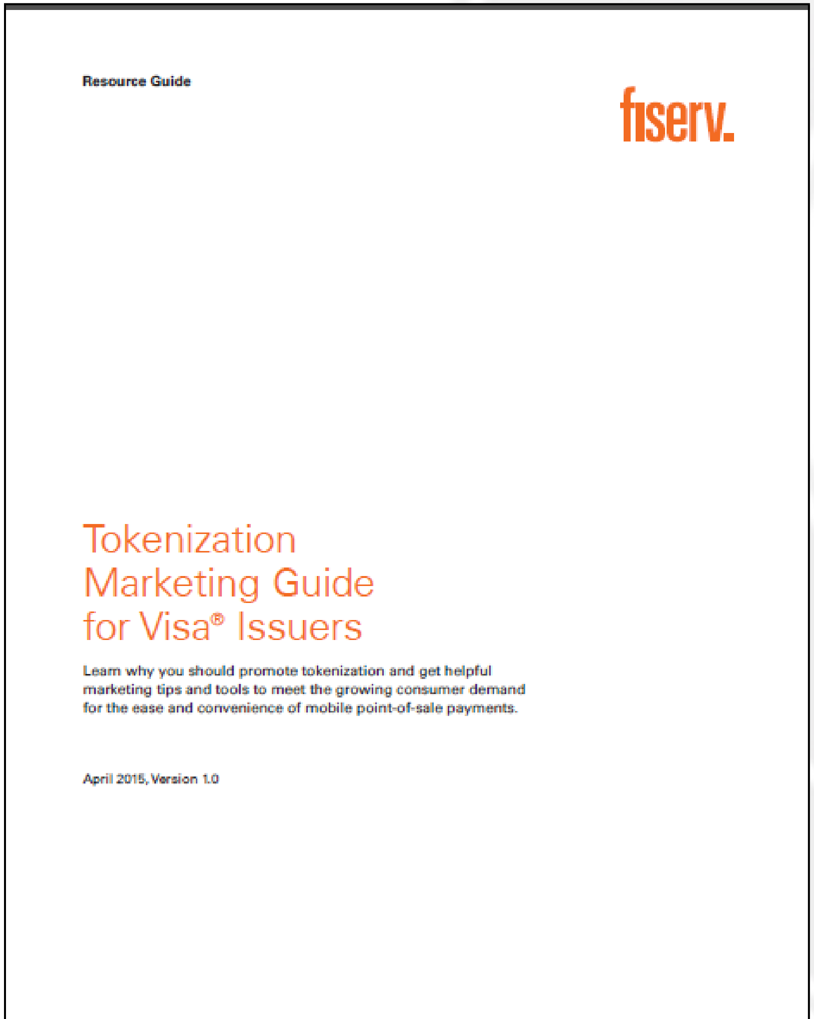
Cardholder Support

Support will most likely fall under three categories:

- Cardholder Authentication:
  - Authenticating cardholders when provisioning new cards for wallets
  - Cardholder Provisioning Notice - required by Apple
  - Refer to *Fiserv Authentication Services Guide* for details
- Token Lifecycle Management:
  - Provisioning, suspending, re-activating, or deleting tokens through MDES and VTS Token Lifecycle Management (LCM) tools.
  - <u>Training and support for the Tokenization Lifecycle Management system will be obtained through MasterCard and/or Visa.</u>
- Cardholder Marketing:
  - Rule the wallet through innovative payments

Consult Your Fiserv Marketing Guide

8. Cardholder Marketing


Resource Guide

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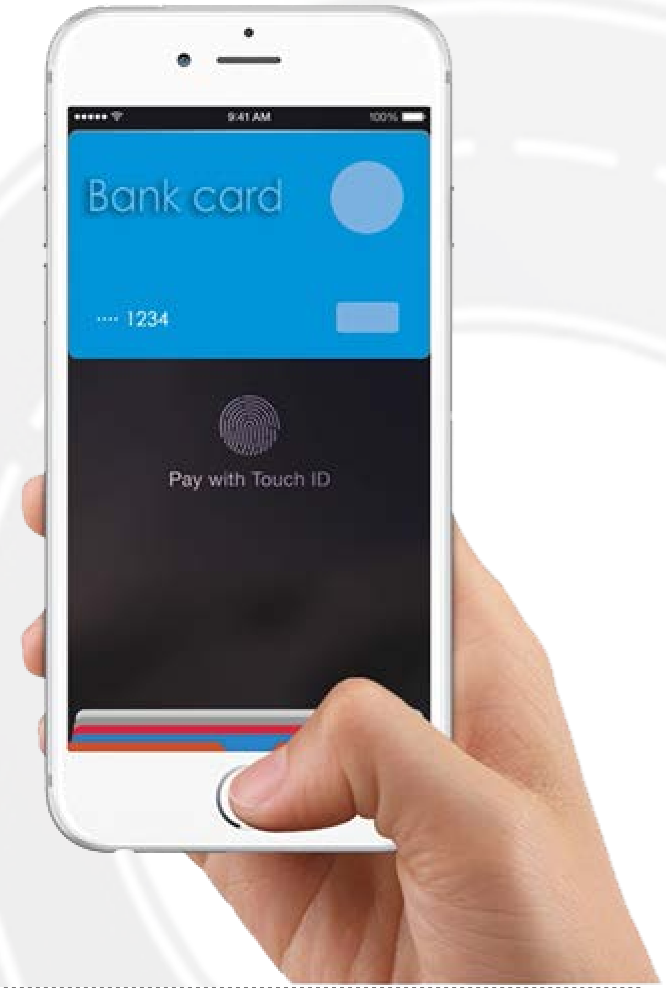
Tokenization
Marketing Guide
for Visa® Issuers

Learn why you should promote tokenization and get helpful marketing tips and tools to meet the growing consumer demand for the ease and convenience of mobile point-of-sale payments.

April 2015, Version 1.0

Access Apple Marketing Materials

- **Available through Visa**
  - Apple Pay Marketing Guide
  - General Language Guidance
  - Media Guidelines
  - Issuer Statement for Website – available upon signing
    - ***Apple Pay is Coming***
  - Press Release Template – available when FI goes live
    - ***Apple Pay is Now Available***

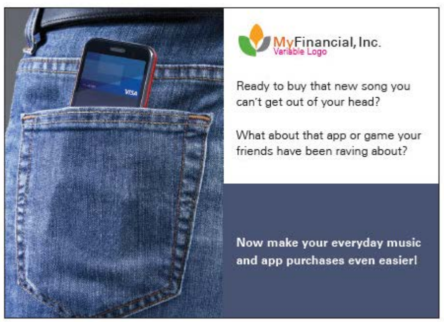


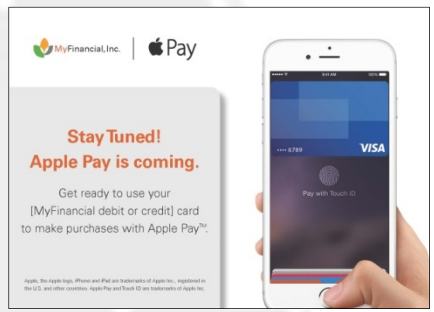
Access Fiserv Marketing Materials

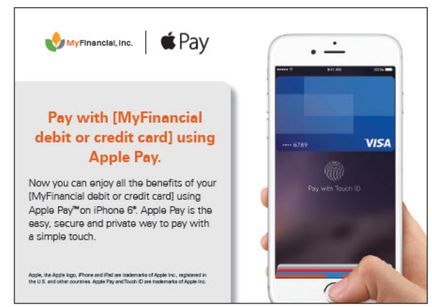
Three-Phase Cardholder Marketing Campaigns:

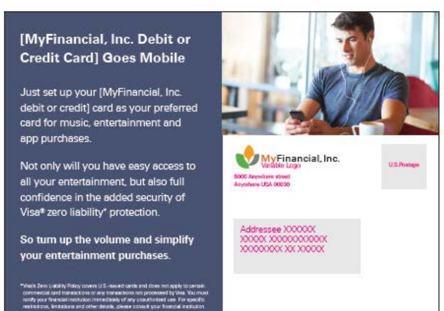
- Postcards, emails, web banners available for each campaign

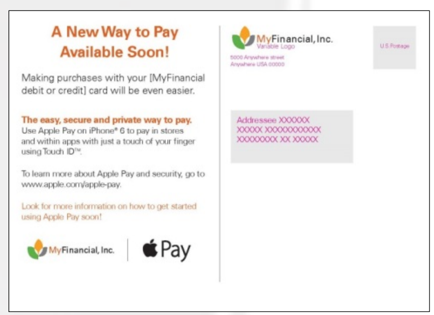
"Load Your Card"	"Apple Pay is Coming"	"Apple Pay is Here"

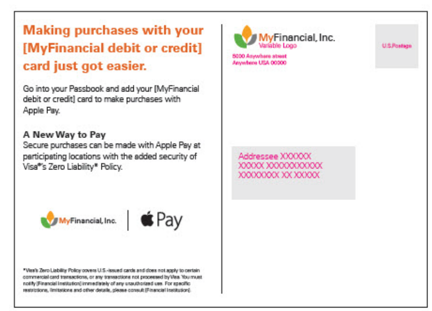












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Access Fiserv Marketing Materials

8. Cardholder Marketing

- **Successful Provisioning Email and Letter Templates**
- **FAQ**

You're now ready for a new way to pay

View this email in your browser

Your logo

Pay

Your [FI] card ending in #### has been added to Apple Pay™

Now, whether you are paying in a store or within apps, you can pay with just a touch of your finger on your supported Apple device.

How to Pay?

To pay, just hold your iPhone® 6 near the contactless reader with your finger on Touch ID. You don't even have to look at the screen to know your payment information was successfully sent. A subtle vibration and beep let you know. In apps, tap the "Buy with Apple Pay" button, verify your information, and then place your finger on Touch ID to complete the purchase.

Where to Pay?

You can pay anywhere Apple Pay contactless payments are accepted. Look for one of these symbols at checkout.

Pay

You can also make purchases within participating apps on iPhone 6, iPad Air® 2, and iPad mini™ 3 with more stores and apps to come.

Sincerely,

[FI Contact]

Apple, the Apple logo, iPhone and iPad are trademarks of Apple Inc., registered in the U.S. and other countries. Apple Pay and Touch ID are trademarks of Apple Inc.

Your logo

Pay

ions

What is Apple Pay and how does it work?

To use Apple Pay for purchases in-store, you must first add your eligible debit or credit card[s] on your iPhone® 6 or Apple Watch™ 5 or 6 using the Passbook application running on iOS 8.1 or later. Once your card has been added, you can hold your device near the contactless reader. Then, place your finger on "Touch ID™" and hold the iPhone near the reader until you see "Done" and a checkmark on your screen which indicates that your payment is complete. If "Touch ID" doesn't work, or you do not have it enabled, you will need to enter your device passcode.

To use Apple Pay for purchases within participating merchant apps [or in-app], you must first add your eligible card on your iPhone 6, Apple Watch 5 or 6, iPad® Air 2 or iPad mini™ 3 in "Settings" on your device. Once your card has been added, look for the "Apple Pay" button at checkout. Simply tap the "Apple Pay" button and review your payment information and contact details to complete your purchase. You will see "Done" and a checkmark on the screen when your payment is complete.

How can I add my card to Apple Pay?

To add an eligible card[s] on iPhone 6, Apple Watch, iPad Air 2 or iPad mini 3, go into "Settings," open "Passbook & Apple Pay" and select "Add Credit or Debit Card." On iPhone, you can also open the Passbook app to add a card.

When adding your card, you can choose to add the card you already have on file with iTunes® or add new cards by manually entering your card information or taking a picture of your card.

Which devices are eligible for Apple Pay?

In order to use Apple Pay, you need to have iPhone 6 , iPhone 6 Plus, or Apple Watch 5 or 6 running on iOS 8.1 or later for contactless and in-app payments. You can use iPad Air 2 and iPad mini 3 for in-app payments only.

Where can I use Apple Pay?

You can use Apple Pay to make payments in stores with your iPhone 6 wherever contactless payments are accepted. Just look for the contactless and/or Apple Pay symbol at checkout.

Pay

You can also use Apple Pay in participating merchant apps with iPhone 6, Apple Watch 5 or 6, iPad Air 2 and iPad mini 3. Look for the "Buy with Apple Pay" or "Apple Pay" button at checkout within the apps.

Buy with Pay

Pay

Visit Apple (www.apple.com/apple-pay) for a recent list of merchants where payments are accepted.

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For assistance with Tokenization, please contact your Fiserv Card Services Account Executive