Wirecard in Asia Pacific

Introduction

Monica Pranata / Fook Sun Ng / Susanto Chandra
Wirecard’s Presence in Asia Pacific

Singapore
- Head Office Asia Pacific
- WD Asia Pte Ltd
- Systems@Work
- Trans Infotech
- PaymentLink

Indonesia
- PT Prima Vista Solusi
- PT Aprisma Indonesia

Vietnam
- Trans Infotech Vietnam

Malaysia
- WD Malaysia
- Systems@Work
- Korvac Malaysia

Myanmar
- WD Myanmar Ltd (in setup)

Australia
- Wirecard Sales Int.
  - Australia Branch (in setup)
## Wirecard in Asia Pacific

### Portfolio Overview

<table>
<thead>
<tr>
<th>PAYMENT SERVICE PROVIDER</th>
<th>MERCHANT SERVICES PROVIDER</th>
<th>ACQUIRING AND ISSUING PROCESSOR</th>
<th>PAYMENT TECHNOLOGY &amp; OUTSOURCING SERVICE PROVIDER</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Multi-channel payment processing platform</td>
<td>▪ ISO/MSP agreements with leading Acquirers in Singapore</td>
<td>▪ State-of-the-art acquiring &amp; issuing processing SaaS platform</td>
<td>▪ Multi-channel white label payment gateway &amp; switching solutions</td>
</tr>
<tr>
<td>▪ Support for dozens of payment methods on a single platform</td>
<td>▪ Merchant Recruiting &amp; Merchant Management</td>
<td>▪ Comprehensive Managed Services Offering (merchant statement generation, merchant settlement, dispute management, …)</td>
<td>▪ Transaction &amp; Internet Banking Software Solutions</td>
</tr>
<tr>
<td>▪ Integrated fraud and risk management</td>
<td></td>
<td>▪ ATM driving, terminal management, network operations,…</td>
<td>▪ Cash Management Software Solutions</td>
</tr>
<tr>
<td>▪ Comprehensive reporting and analytics functionality</td>
<td></td>
<td></td>
<td>▪ Point-of-Sale Software &amp; Infrastructure Solutions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Mobile payment platform and smartphone apps</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>▪ Mobile acceptance solutions incl. hard-/software</td>
</tr>
</tbody>
</table>

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### Wirecard in Asia Pacific

#### Key Markets & Innovative Market Solution Highlights

**Singapore (1/2)**

<table>
<thead>
<tr>
<th>CONNECTED &amp; COSMOPOLITAN</th>
<th>PRO BUSINESS HUB ENVIRONMENT</th>
<th>STRONG ECONOMIC PERFORMANCE</th>
<th>PAYMENT INNOVATIONS ENVIRONMENT</th>
</tr>
</thead>
</table>
| ▪ 5.5 million population, 1.25 million foreigners, high standards of living | ▪ No. 1 country “Ease of Doing Business”
Doing Business 2013, World Bank | ▪ No. 1 city with the best investment potential
BERI Report 2011-II | ▪ ~ 4m debit, > 5m credit cards, > 12m prepaid cards issued |
| ▪ 156% mobile penetration, 79% homes with computers, 70% Internet users (adults) | ▪ World’s No. 2 and Asia’s No.1 for best intellectual property protection
Global Competitiveness Report 2012 – 2013, the World Economic Forum | ▪ Top 2 most competitive city in the world
Global Competitiveness Report 2012 – 2013 by the World Economic Forum | ▪ ~ 80k PoS for credit cards, ~ 80k PoS for debit/prepaid cards |
| ▪ > 7,000 Multi-national Corporations 60% with regional responsibilities | ▪ >37,000 International Companies | ▪ Top 3 in the world for foreign trade and investment
Globalisation Index 2012 | ▪ Cashless (& contactless) Public Transportation Payments Ecosystem |
| ▪ ~ 80k PoS for credit cards, ~ 80k PoS for debit/prepaid cards |
| ▪ Cashless (& contactless) Public Transportation Payments Ecosystem |
| ▪ Significant „online“ (eCommerce & mobile) affinity & adoption |
| ▪ Numerous Mobile & Contactless Payments Initiatives |
| ▪ “Singapore’s … #1 position in the MasterCard Mobile Payments Readiness Index is a testament to the country’s strengths ….” |

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[Link: http://mobilereadiness.mastercard.com/the-index]
Key Markets & Innovative Market Solution Highlights

Singapore (2/2)

- Singapore Toll Collection
- MasterCard MoneySend
- Self Service Payment Kiosk
- Contactless Card & Loyalty Programs
- Multi-lane Retail
- Topup stored value card with NFC phone
### Wirecard in Asia Pacific

#### Key Markets & Innovative Market Solution Highlights

**Indonesia (1/2)**

<table>
<thead>
<tr>
<th>ARCHIPELAGO</th>
<th>POPULATION</th>
<th>INTERNET USERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>18,307 islands</td>
<td>250,585,668 people</td>
<td>95M internet users</td>
</tr>
</tbody>
</table>

- Mobile subscribers ~ 285 million
- Credit card issued ~ 14.5 million
- Debit / ATM card issued ~ 20.8 million
- No of ATM >20,000
- No of POS ~ 500,000

- Emerging country, growing middle-class work-force
- Government & banks initiatives towards cashless society
- Continued growth in POS, mobile & internet banking
- Opportunities in ecommerce, mobile payment & security
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Key Markets & Innovative Market Solution Highlights

Indonesia (2/2)

Network Controller, Encryption & Key Management

Biometric Microbanking Solution

Mini ATM & Bill Payment on POS

Cash Management & Internet Banking

Mobile Banking
| Key Markets & Innovative Market Solution Highlights | Vietnam (1/2) |

**POPULATION**
- 89.7 million (2013)
- 14th largest population

**MOBILE PHONE & SMARTPHONE SUBSCRIBERS**
- Mobile Phone: 121.1 million
- Smartphones: 37 million
- 8th highest number of mobile subscribers

**3G SUBSCRIBERS**
- 24 million
- (25.4% growth)

**INTERNET PENETRATION**
- 40 million (2014)
- 40% of online population aged 15 to 24
- 5th highest Internet Penetration in SEA

**State Bank of Vietnam’s goal to increase number of POS terminals and mPOS**

- Advancement in e-banking services
- Opportunities for e-commerce & m-commerce: Emerging trend of online shopping and new media + significant investment in communications infrastructure
- Mobile growth fueled by domestic telcos who incurred infrastructure costs to keep prices low for users

**Key Figures**

- GDP Growth
  - - 5.25%

- Domestic card issued
  - ~ 55 million

- International cards
  - ~ 5 million

- No of ATMs
  - ~ 18,980 units

- No of EDCs
  - ~ 149,000 units

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Key Markets & Innovative Market Solution Highlights

Vietnam (2/2)

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Mpos Solution

Mobile Banking

Contactless Card & Loyalty programs

Bill Payment
### Key Markets & Innovative Market Solution Highlights
#### Malaysia (1/2)

<table>
<thead>
<tr>
<th>CARD PENETRATION</th>
<th>TOTAL ASSETS OF DOMESTIC &amp; FOREIGN BANKS</th>
<th>SMARTPHONE USERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.9 cards per individual (Country with highest card penetration)</td>
<td>~ $615 billion</td>
<td>&gt;10 million (3G subscription)</td>
</tr>
<tr>
<td>Population</td>
<td>~ 29 Million</td>
<td></td>
</tr>
<tr>
<td>Internet Users</td>
<td>~ 66%</td>
<td></td>
</tr>
<tr>
<td>GDP Growth</td>
<td>- 4.7% (2013)</td>
<td></td>
</tr>
<tr>
<td>Mobile penetration</td>
<td>~ 140% (47% Malaysians own &gt;1 mobile)</td>
<td></td>
</tr>
<tr>
<td>Payment cards</td>
<td>~ 50.5 mil (2013)</td>
<td></td>
</tr>
<tr>
<td>Debit card</td>
<td>~ 15m to 18m</td>
<td></td>
</tr>
<tr>
<td>Credit card</td>
<td>~ &gt; 10m</td>
<td></td>
</tr>
</tbody>
</table>

- 3rd largest economy in SEA.
- Newly industrialised market economy, relatively open
- Increasing transaction values at POS terminals & ATMS – Rising consumer preference for cashless transactions
- Opportunities for contactless technology

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Key Markets & Innovative Market Solution Highlights

Malaysia (2/2)

- Topup Services
- Cash acceptance in topup and payments
- UnionPay Acquiring
- Terminal Management Services
Wirecard AG

The future of mPayment

Christian von Hammel-Bonten
The future of mPayment

The mobile is converging the channels

... AND CHANGING THE IN-STORE EXPERIENCE

% Smartphone Owners Performing Task in Physical Retail Store
Source: comScore MobiLens, US, 3mo Avg ending Dec 2011

- Checked product availability: 6%
- Researched product features: 9%
- Found coupons or deals: 10%
- Compared product prices: 12%
- Found store location: 13%
- Sent picture of product to: 17%
- Scanned a product barcode: 18%
- Texted or called friends/family: 20%
- Took picture of a product: 22%

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PAYING WITH THE MOBILE WILL BECOME THE STANDARD
WITH NFC AS THE INDUSTRY STANDARD FOR MOBILE PAYMENT AT THE POS.
Mobile payment solutions enable merchants to generate significant value throughout the purchase journey:

before, during, and after payment
Value Added Services are key to drive adoption and usage:

- Loyalty and Coupouning
- Online Payment Interfaces + Virtual cards for secure e-commerce shopping
- Request money from friends and relatives
- Person-to-Person transfers
- and more to come …

Seamless mobile customer experience
The future of mPayment

Mobile Payment Solution: Behind the Scenes

Mobile Network Operator

- Mobile Payment Application
- Wallet
- MNO-TSM*

Over-the-air-Server

Mobile Sign-Up

Service Provider Trusted Service Manager**

Consumer Accounts & Cards Platform

Issuing Processing Host

Couponing and Loyalty

Cardholder Service

* MNO-TSM Management of the SIM-Card – includes a secure access management
** SP-TSM Guarantees a secure and smooth connection between the Issuer and the NFC-Smartphone
What will drive usage?

Use cases, use cases, use cases....
Transport for London and Vodafone SmartPass*

* fully enabled by Wirecard technology and issuing services
The future of mPayment

“PAYMENT IS AT YOUR FINGERTIPS”

m-commerce

e-commerce

POS

In-app

APIs

NFC
Internet technologies will increasingly determine payment functionalities in specific sales channels in the future. Wirecard is driving this trend.

– Dr. Markus Braun, CEO, Wirecard AG
The status quo

New technologies are changing the ways of Point of Sale-business:

- mPOS
- Tokenization
- Bluetooth Low Energy
- Big Data
1. mPOS
A new level for worldwide merchants
Wirecard Card Reader Solution

customer case study: bijlipay
2. Tokenization

Pay-by-App by Wirecard
Pay-by-App

Merchant and customer are identified via different technologies (Server, WIFI, QR, BLE). Payment is been proceeded by tokens of credit card data or bank account details.
Pay-by-App

Concept

- To pay by smartphone, customers simply have to download the app to their phone free of charge, register and provide details of their preferred credit card.
- The payment page securely logs the credit card data and stores it in a PCI-compliant way with tokenization services. This guarantees maximum security for both the customer and the merchant.
- The customer is able to easily pay at the merchant location via QR-Code, BLE, Wi-Fi. The customer simply confirms the fare on their smartphone with their personal PIN.
3. Bluetooth Low Energy
A new contactless standard
**BLE Beacon**

- Beacon - small, inexpensive device transmitting Bluetooth signal (up to 30m)
- Smartphone with dedicated app can seamlessly connect with beacon when within range
- One beacon works approximately 2 years on one battery. Beacons can be also connected to power outlets or even build into them
- Major enabler not only for payment technology, but also proximity marketing and in-store analytics

**Range:**

- **30m**

**Runs on battery for:**

- **2 years**
**BLEpay app**

- App shows nearby stores on “radar” screen
- Customer needs to check-in in store to enable payment
- Proximity notification when user approaches a store
- Push notification requesting payment authorization
- Auto check-in option for returning customers
4. Big data

The Future of Retail
POS goes eCommerce
Wirecard ePOS Platform

- Central platform & data warehouse
- POS connector for item-level shopping information
- Beacon platform
- Couponing & Loyalty
- Payment integration
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