

FACT SHEET

YOUR BENEFITS

Increased Sales

Attract customers who typically do not pay by credit card.

Minimized Risk

Our vigilance protects you against loss of revenue and penalties.

Reduced Cost

Minimize costs through single source transaction management.

Optimized Cash Flow

Avoid cash shortages that could cost you your competitive advantage.

Secure Data Transfer

Exchange payment data on robust SSL-encrypted connections and digital certificate-based technology.

High Availability

Submit transactions 24 hours a day, 7 days a week, 365 days a year at a system availability of up to 99.9%.

Easy Integration

Detailed documentation and professional support make the integration of the XML-based client interface quick and simple.

Online Management

Monitor and manage transaction details and histories effortlessly using the Account Manager (ACM).

Scalable Processing

Add transaction parameters vital to your financial supply chain management.

Electronic Funds Transfer

Not everyone has a credit card or wishes to disclose card details on the Internet or phone. For those who don't, Wirecard offers an attractive alternative. Using Electronic Funds Transfer (EFT), customers can make payments directly between bank accounts. EFT operates on a global network supporting local and cross-border B2B and personal payments. It is the umbrella term for payments effected via an electronic terminal, POS, MOTO, or computer, that does not involve the use of a credit card.

Our Services

We help you collect and send funds securely - online and offline. EFT is basically about sending and receiving, paying and collecting funds. On the one side there is the sender or creditor and on the other side the receiver, beneficiary or debtor. With direct debit, wire transfer and cash in advance, Wirecard offers all three major account-based payment methods:

Flexible Payment

- ◆ **Direct Debit.** This service is ideal for any business receiving single or regular payments. You receive your money on time and your customers enjoy an easy and convenient way of making payments. Direct debit or ACH as it is called in the North America requires the consent of the debit account holder. First the account holder must authorize the originator of the request (a business, organization, or government agency) to deduct an agreed amount from his account. This authorization is typically given in connection with the payment instruction itself. Second, the account holder instructs his bank by a so-called mandate to process the debit request sent by the originating entity.
- ◆ **Wire Transfer.** Wirecard offers two options for crediting funds. Wire transfer is one of them. Unlike direct debit, a wire transfer is initiated by an account holder. If the transfer is made between banks, the process is also called bank transfer or bank wire. The sender must provide a remittance advice specifying the banking details and purchase references. Today, most banks allow account holders to initiate a wire transfer over the Internet (online banking).
- ◆ **Cash in Advance.** A variant of wire transfer is cash in advance. Using this form of payment a customer pays the full price for goods or service up-front, meaning before the goods are delivered or the service is provided. It is a desirable payment method since it relieves you the recipient (merchant) of collecting the funds and gives you up-front access to the money.

TERMS EXPLAINED

ACH

Automatic Clearing House. A central clearing facility through which banks and financial institutions send and receive EFT transactions.

ACM

Account Manager. Wirecard's web-based application for managing merchant accounts and monitoring customer transactions.

Credit

A payment initiated by an account holder authorizing his bank to pay a third party on his behalf.

Debit

Process where a person or business instructs his bank to collect funds from a third part account

EFT

Electronic Funds Transfer. A system for moving money between bank accounts.

GuWID

Global unique Wirecard Identifier.

MOTO

Payment option by Mail Order/ Telephone Order.

HTTPS

The secure version of HTTP over a Secure Socket Layer (SSL) with 128-bit RSA encryption.

XML

The eXtensible Markup Language (XML) carries transaction data in predefined platform and application independent format.

SFTP

The Secure File Transfer Protocol is the secure variant of FTP which uses a Secure Shell (SSH) connection with authentication and encryption to transmit sensitive data.

Technical Services

One of our key competencies is to provide standard and customized solutions for national and international EFT payments. We validate all incoming payments, process the transaction requests and forward the data to your bank for settlement.

- ◆ **XML Interface.** Our processing platform communicates with your payment server by XML request/response exchange. For each purchase initiated by your customer you can send us any of the following transaction requests: authorization, debit, credit, or cancellation.
- ◆ **Customized Transactions.** Merchants can include parameters in transaction requests which are specific to their business processes or market segment (e.g. car rental, hospitality, airline) such as order number, product ID, and booking reference etc.
- ◆ **High Performance.** Smooth, reliable, and fast handling of your transactions is our key objective – especially at peak times with high turnover. Redundant hardware with load balancing and failover capabilities which ensures permanent services availability. Based on Service Level Agreement (SLA) and transaction volume system availability can range from 98.5% to 99.5%.
- ◆ **Data Processing.** Our system extracts your customer's personal data and payment details from your XML transaction request and processes your direct debits or wire transfers as defined in the merchant's Service Level Agreement. We accept and process transactions in real-time and batch and support recurring transactions for any type of repeated payment.
- ◆ **Data Storage.** Out of sight, out of mind? Know where your data is and how to retrieve it fast. Our system offers resilient and scalable storage of all your EFT transaction data thereby reducing costs and complexity while providing on demand access.
- ◆ **Encryption.** To ensure that payment details won't fall into the wrong hands all incoming and outgoing data is sent over HTTPS-encrypted connections.
- ◆ **Transaction Tracking.** Each transaction is automatically tagged with a unique tracking ID, allowing you to quickly view, map and query transaction details and initiate refunds.
- ◆ **Data Cleansing.** The process of (semi-)automatically detecting and correcting errors including duplicate detection.
- ◆ **Multiple Transaction Types.** You can send us several types of transactions. Our system for EFT processing is designed to send and receive transactions including Authorisation, Debit, Credit, Cancel and Fetch Foreign Exchange.
- ◆ **Matching and Referencing.** Transactions related to each other are conveniently matched and referenced by a unique identifier.

Risk Protection Services

Prevention is the best cure. Wirecard offers a blend of best practices that proactively support and assist in the prevention of risks revolving around EFT payments. With our protection services you are on the safe side.

- ◆ **Address Normalisation.** Checks if the address is written correctly and corrects spelling mistakes (e.g. city name according to the given post code) so the address and related data can be processed further.
- ◆ **Address Verification.** Checks if the provided name including phone number is registered at the given address. Similar checks can be run on the Social Security Number (SSN),
- ◆ **Account Verification.** Check if the account exists and matches the account holder name.
- ◆ **Blacklist.** Incoming payments are checked against names of risky and therefore undesirable customers.
- ◆ **Global Name List (Sanction List).** With the firm intention to combat the financing of international terrorism, our risk protection includes the check of a globally consolidated list of names of specially designated nationals and entities belonging to or associated with organization sanctioned by international governments, pursuant to UN Security Council Resolution 1373 (2001) and 1267.
- ◆ **IP Check.** We can locate your customers geographically via their Internet Protocol (IP) address, compare the address with those stored in your corporate blacklist and, if necessary, block any related transaction requests.
- ◆ **Scoring.** Know your customers. We give you a better look at your customers by forecasting their preferences, purchase behaviour, and associated payment risks. Using our dynamic scoring model you can easily translate predictive analytics into actionable business strategies.

Financial Services

In close cooperation with Wirecard Bank, we provides many salient benefits including bank accounts for Europe-wide direct debits and wire transfers.

- ◆ **Cash Flow Management.** To stay competitive, the tracking, forecasting and adjusting of you business cash flow requires diligent attention. Our tools and experts help you manage your working capital effectively providing improved cash flow, fast payment, and good business growth potential. Companies that previously processed their debits manually or semi-automatically, are provided with a significant increase in performance.
- ◆ **Refund Handling.** Incorrectly debited funds and overpayments are easily reversed (credited) to the original payer.
- ◆ **Dispute Management.** Our competent financial team mediates and resolves conflict stemming from incorrectly debited, routed and settled payments.
- ◆ **Billing & Payout.** We follow up on all billing and payout of funds relating to direct debits and wire transfers initiated by or on behalf of your customers.

Account Management Services

We keep you involved in and informed about all major processing stages and system activities. We makes sure that the payment process is not a black box to our merchants. Our processes and applications are designed for utmost transparency and convenience.

The web-based Account Manager (ACM) is a powerful, integrated suite for advanced online management of your customers' transactions. It provides accurate, up-to-date and consolidated presentations of your account and EFT transactions.

Checking your account:

The ACM enables you to perform the following key actions:

- ◆ **Track** scheduled, pending, and cleared transaction by amount, date, customer, or transaction parameter (transaction ID, Function ID etc.)
- ◆ **Search** transactions by account number, account holder, and other criteria.
- ◆ **View** transaction histories by date, date range, product ID, etc.
- ◆ **Analyse** transaction activities including reporting of status message, error codes and transaction history.
- ◆ **Download** statements, export reports and cash management statistics.



Making manual transactions:

Using the Virtual Terminal of our ACM, merchants can conveniently service mail orders / telephone orders (MOTO) including fax and email. The tool is simple to use and enables your staff to perform the following manual processes.

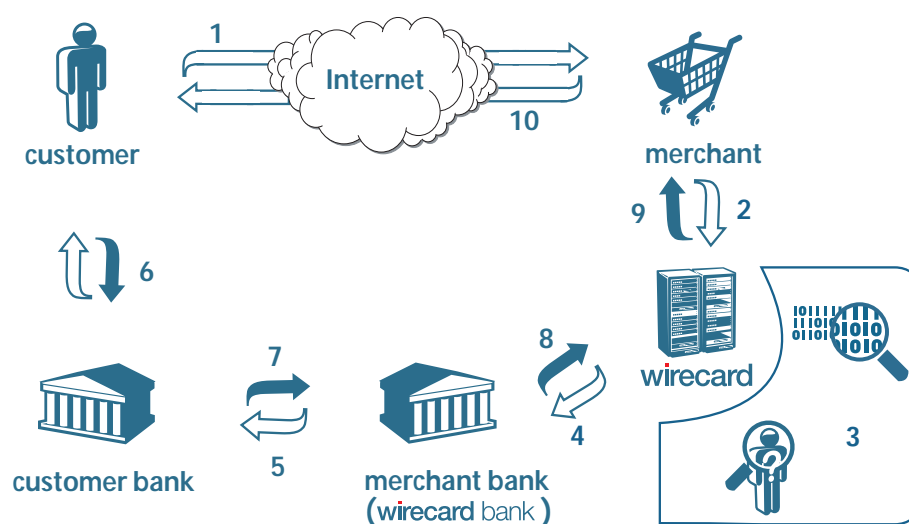
- ◆ **Grow** your e-commerce beyond Internet payments.
- ◆ **Debit** a customer bank account.
- ◆ **Cancel** transactions so they do not show up on the customer's account statement.
- ◆ **Refund** payments by reversing invoked debit transactions.



Routing and Processing

The routing and processing of an EFT payments involves five players: customer, merchant, Wirecard, merchant bank and customer bank. The following graph illustrates how a direct debit payment order is routed, processed and settled.

Direct Debit

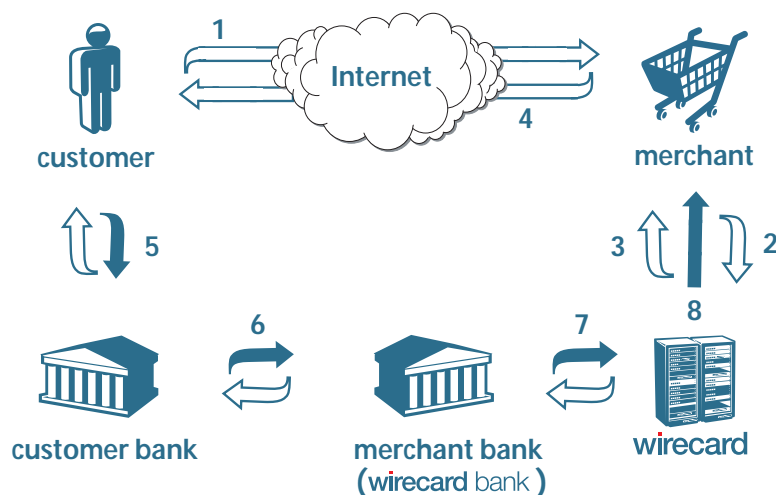


How it works:

1. The shopper places a mail, telephone or Internet order and enters the payment details in the web browser. The data is then sent from the shopper's computer via the Internet to the merchant system.
2. The merchant collects the data and instantly posts it as debit or authorization request to the Wirecard system. Alternatively, the merchant uploads the debit/credit transactions to an sFTP account on the Wirecard system.
3. Wirecard runs risk and fraud screening checks and processes the data.
4. Wirecard posts a transaction request to the merchant bank.
5. The merchant bank checks the debit instructions and notifies the customer bank indicating that they have been authorized by customer mandate to debit specified account.
6. The customer bank draws the funds from the customer's account.
7. The customer bank credits the merchant account as requested. In the United States, interbank transactions are routed through an ACH operator. The funds clearing period varies by country and typically takes between 2 to 5 days for national and 5 to 8 days for European cross-border transactions.
8. The merchant credits the end total minus the Wirecard processing fees to the merchant account and informs Wirecard of the completed transaction.
9. Wirecard sends a payment notification with status code to the merchant system. In addition, the Wirecard system imports all payment data to the web-based account management tool (ACM) or makes them available as report files.
10. Finally, the merchant sends the customer an email or on-screen message, confirming the order has been successfully processed.

Wire Transfer

A customer can also opt to transfer money to a merchant account by bank wire. This alternative is often used where direct debit is not available or allowed under national banking regulations. When money is sent by the customer rather than debited by the merchant, the payment is routed as illustrated below.



How it works:

1. The shopper places a mail, telephone or as illustrated above an Internet order and enters the payment details in the web browser's payment window. The data is then sent from the shopper's computer via the Internet to the merchant system.
2. The merchant collects the data and instantly posts it for authorization to the Wirecard system.
3. The Wirecard system generates a reference ID which is returned with the authorization response message to the merchant.
4. The merchant now sends the reference ID to the customer.
5. The customer creates a wire transfer payment with remittance advice containing the reference ID and other relevant details including purchase price, product ID etc. With the remittance advice the customer instructs his bank to wire the agreed retail price to the merchant bank
6. The customer bank credits the merchant account (e.g. a Wirecard Bank account) as instructed. The transfer fee is paid by the customer. In the United States, interbank transactions are routed through an ACH operator. The funds clearing period varies by country and typically takes between 2 to 5 days for national and 5 to 8 days for European cross-border transactions.
7. The merchant bank credits the end total minus the Wirecard processing fees to the merchant account and informs Wirecard of the completed transaction.
8. Wirecard system imports and matches all received wire transfers, represents them for monitoring and general management in the ACM or makes them available in file/report format.

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More Information

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