

Digital Transformation and Card Services

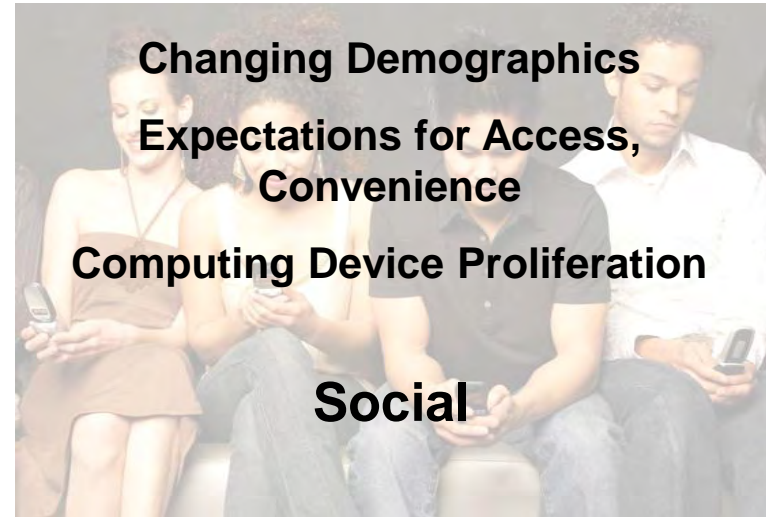
Kevin Gregoire

Change Is Driving the Digital Transformation of Financial Services



Margin Pressures
Increased Non-Bank Competition
Operational Inefficiency
Business Model Change

Economic



Changing Demographics
Expectations for Access, Convenience
Computing Device Proliferation

Social



Error Management
Fraud and Financial Crimes
Regulatory Requirements

Regulatory

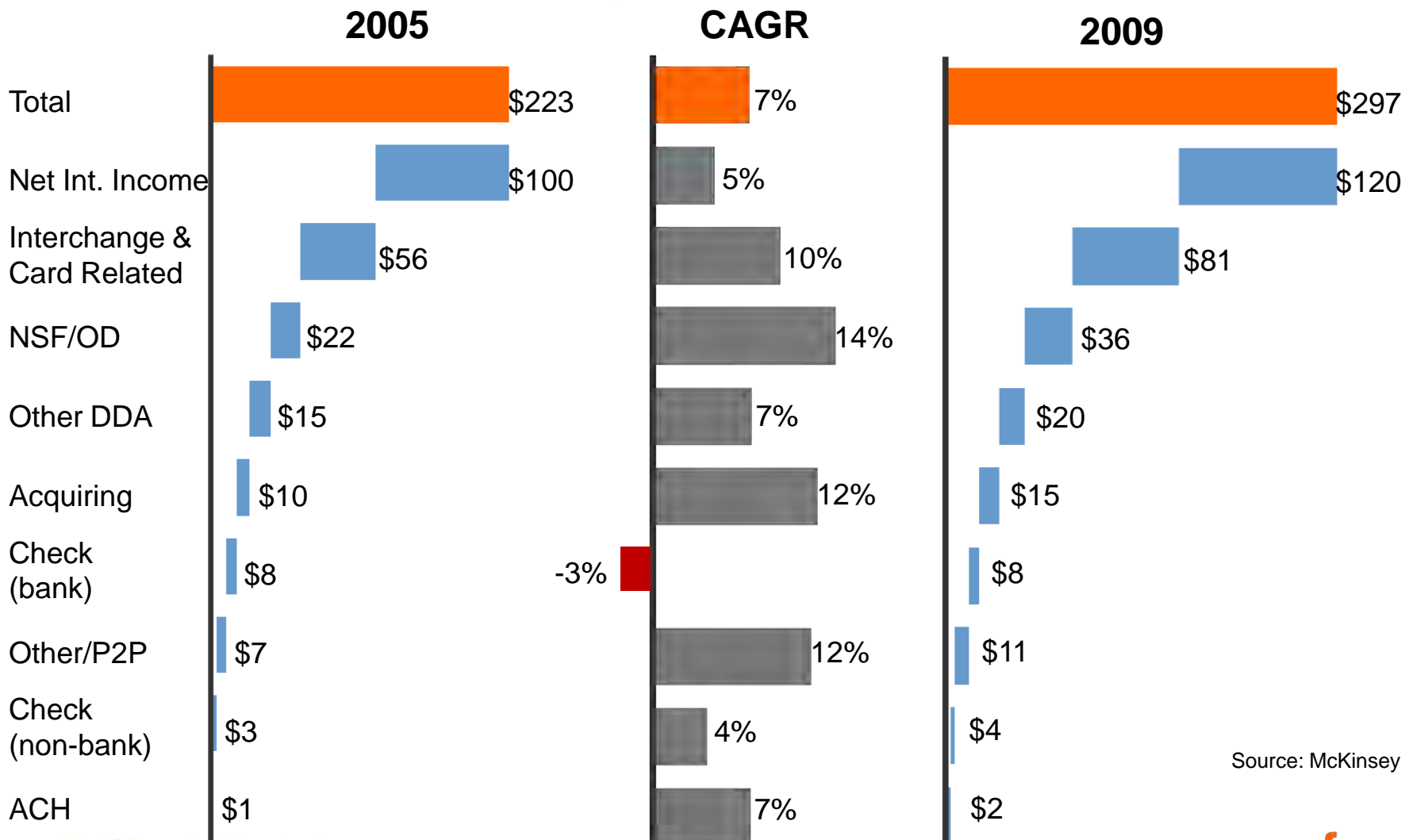


Scalability and Affordability
Channel Complexity
Computing Device Proliferation

Technological

The Payments Business is the Most Significant Single Line-of-Business for US Financial Institutions

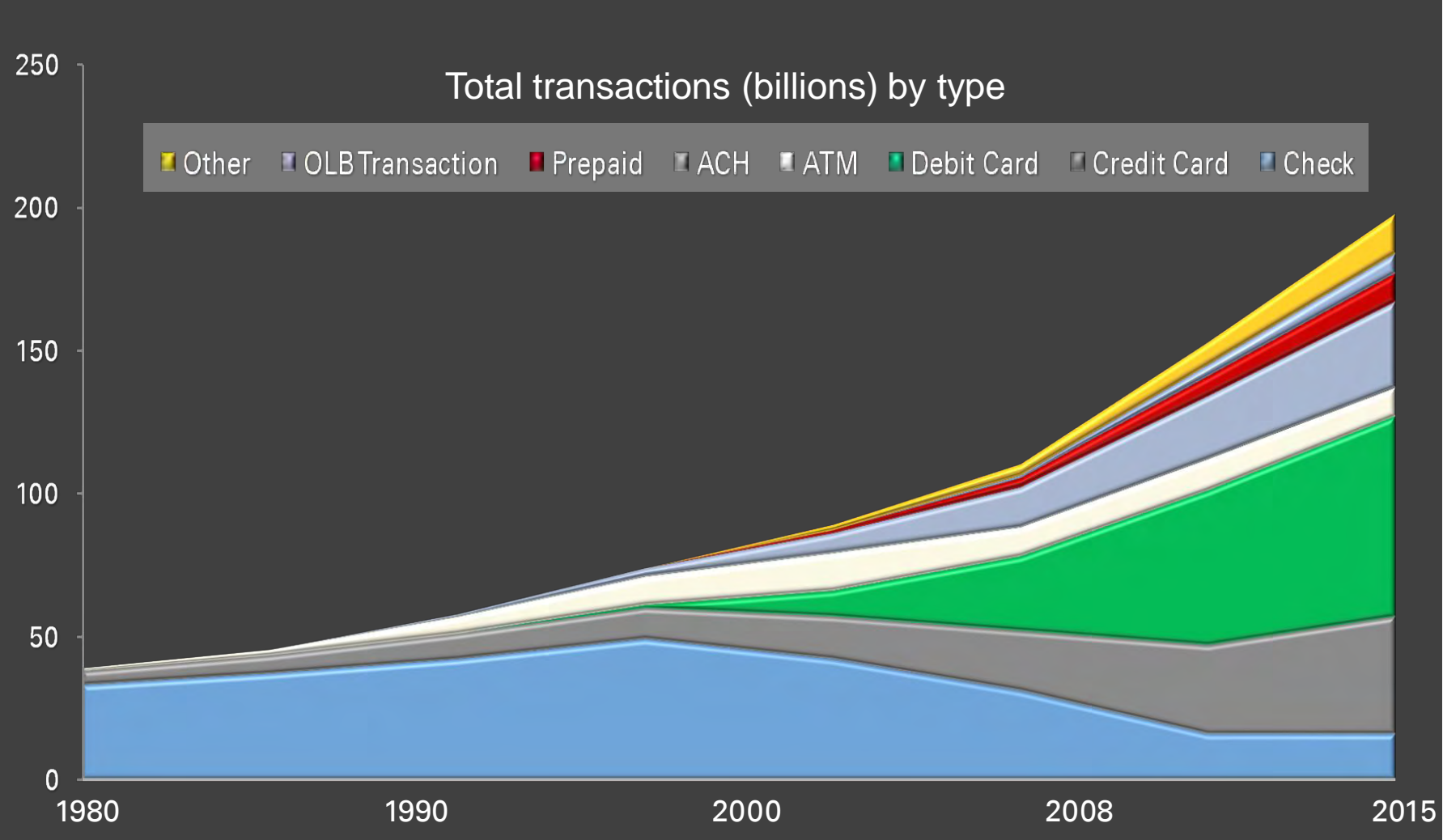
Revenue Growth From Payments Rose 7% Thru 2009 (\$ Billions)



Source: McKinsey & Co.



Electronic Transactions Are Set for Explosive Growth . . .



Source: Fiserv WorldMap



... Creating Opportunities in Payments

- Changing and Proliferating TouchPoints
- Applications → Apps
- Payment Networks → Information Networks and Communities



Financial Institutions Are Under Pressure . . .

- **CARD Act**
- **Recession**
- **Reg E**
- **Durbin Amendment**



VS.



... and Fiserv Is Responding Aggressively

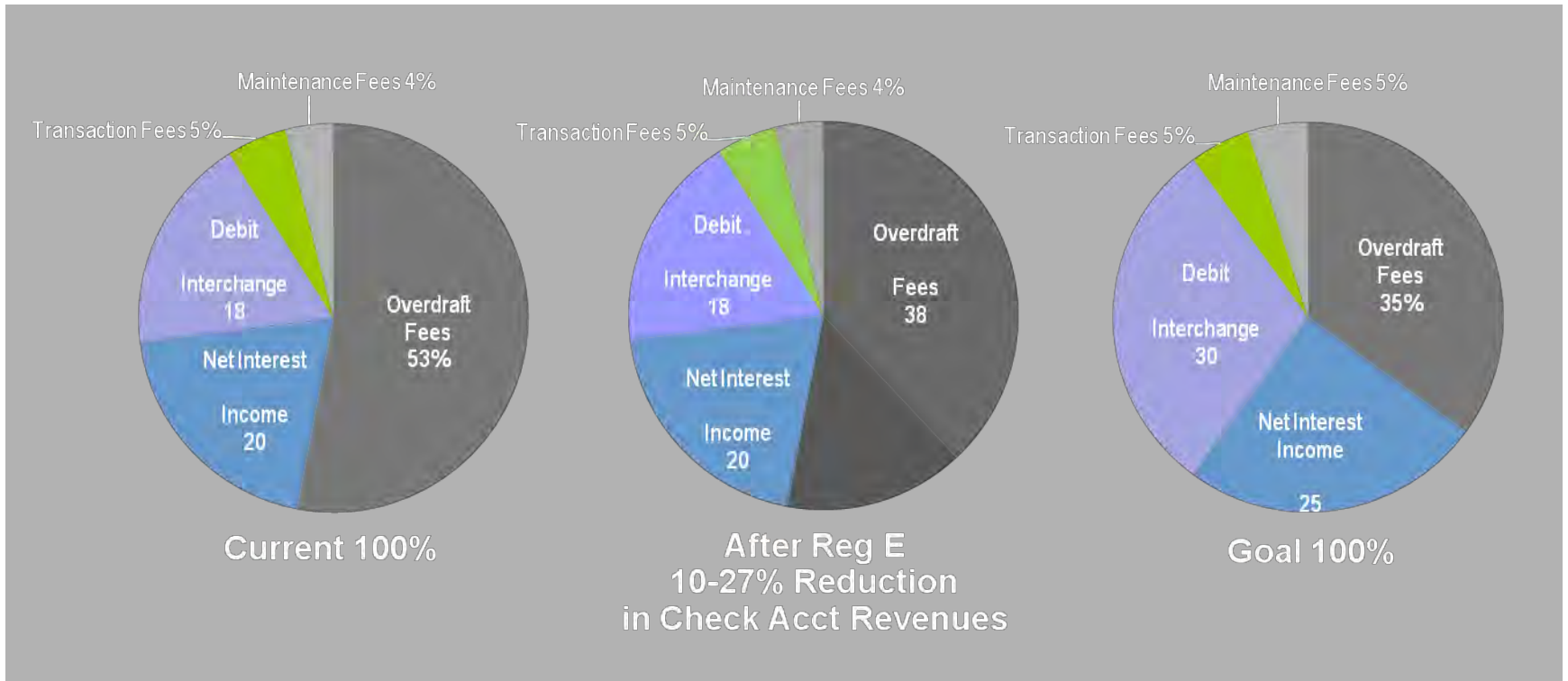
Deposit Transformation

- **Our Strategy**

- The regulatory environment is becoming more difficult
- Revenue replacement and/or enhancement strategies are needed to replace the eventual evaporation of current overdraft revenue streams

- **Fiserv is positioned to help you navigate these challenges and thrive in the future financial services environment**

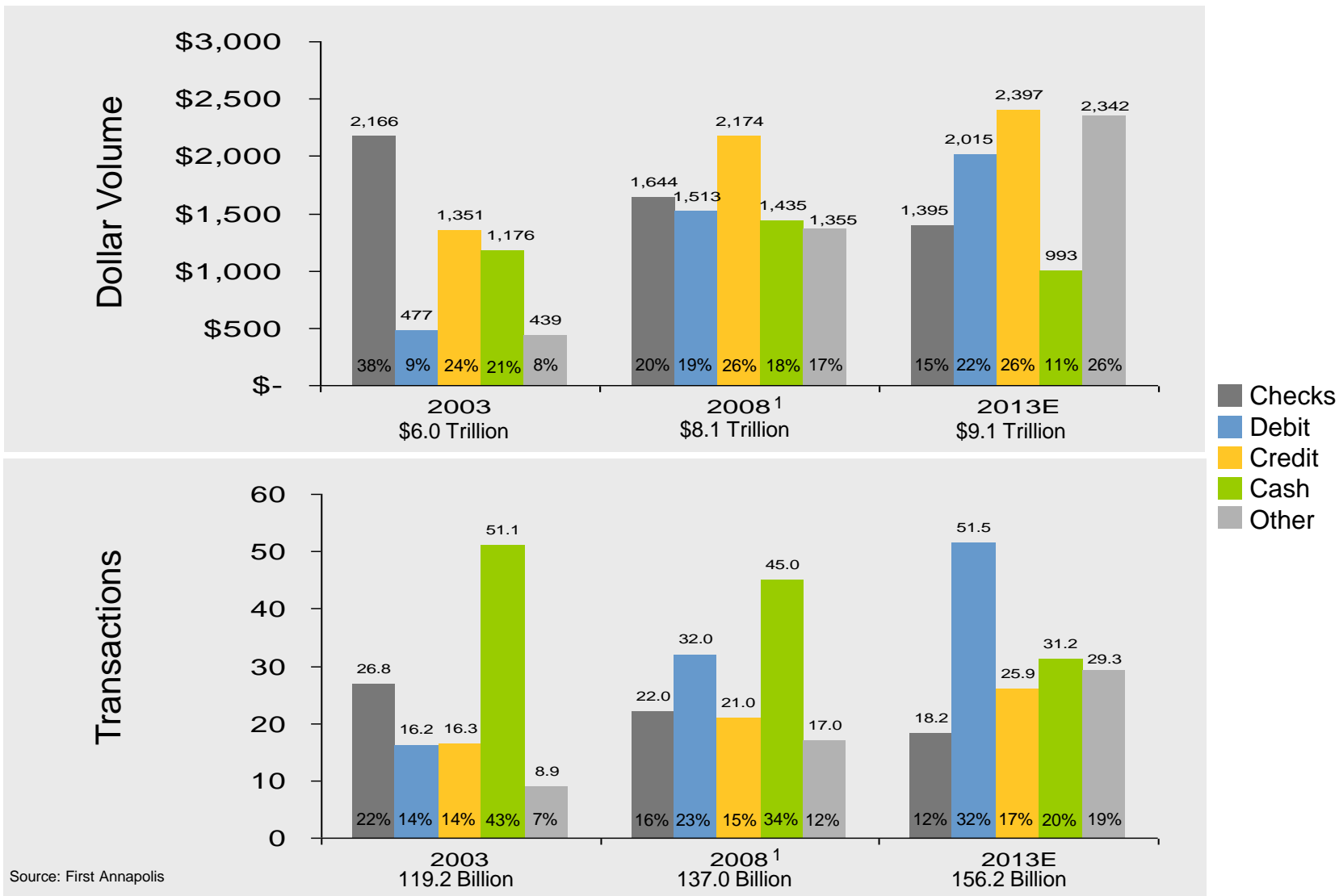
Deposit Transformation Strategies



Approach

- 1) Opt In Optimization – Retain Revenues
- 2) New Products/Pricing Strategies – Replace Revenues
- 3) Alternative Liquidity Options – Augment Revenues

Consumers Continue to Demonstrate a Preference for Cards

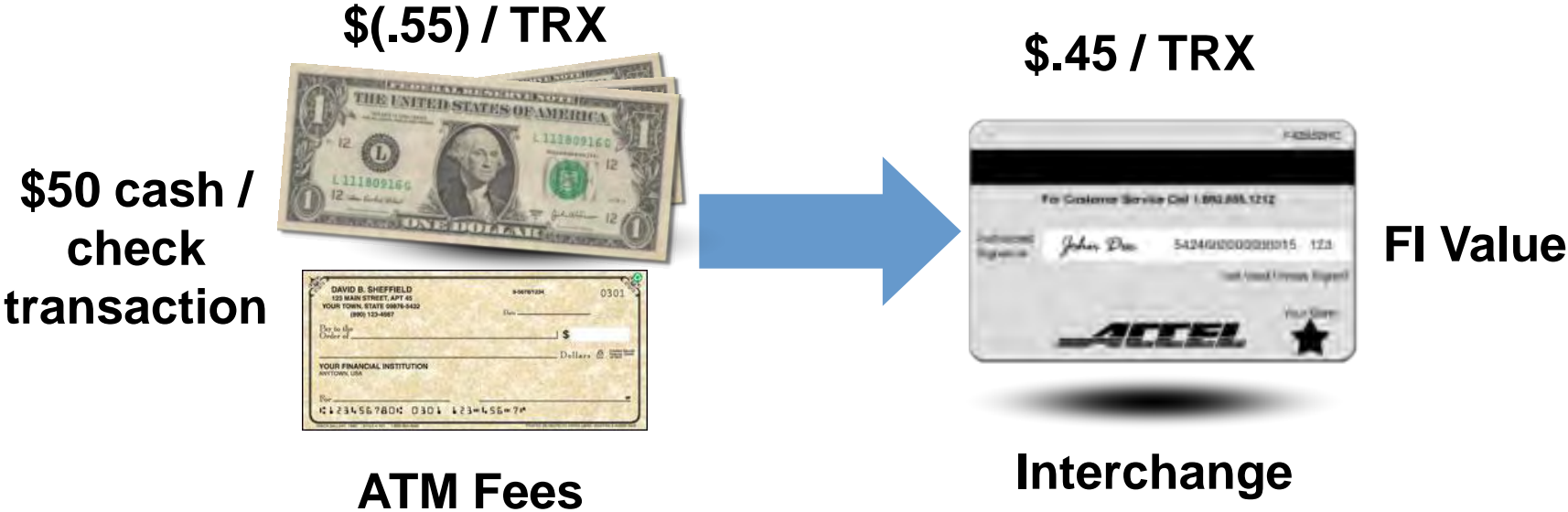


Source: First Annapolis

Note: Debit includes signature, PIN, open loop prepaid, and small business debit. Other includes: Money Orders, Official Checks, Travelers Cheques, Food Stamps, Prepaid Cards, EBT, Preauthorized Electronic Payments, and Remote Electronic Payments. ¹ Credit and Debit are actual figures, reported in The Nilson Report

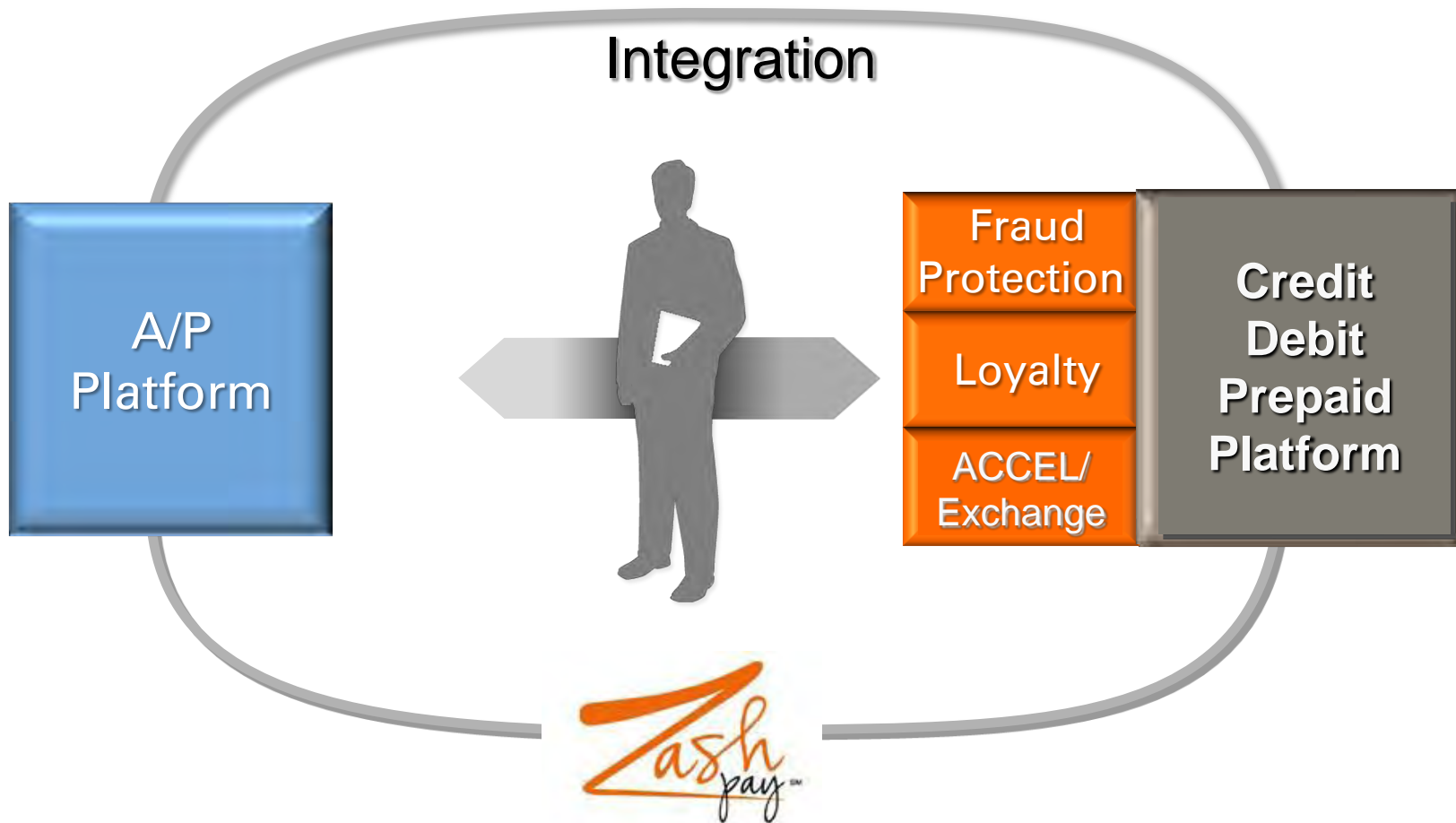


Debit is Very Good for You



Fiserv Card Services' Strategy

Integrated Card Services Value Proposition



Capitalizing with Fiserv Card Services

- **Card Services can help you improve long-term non-interest income opportunities**



Let's talk

Card Payments 2010

A Fiserv Client Conference

Partners in Possibility

fiserv.