



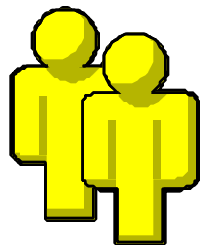
VeriFone[®]

INTERNET COMMERCE

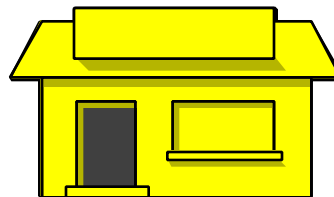
Classical Credit Card Payments

A familiar and well-understood system

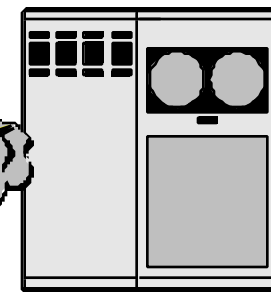
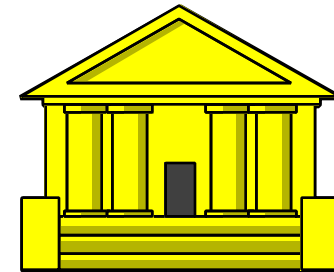
Consumer



Merchant

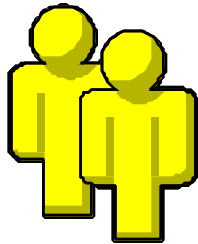


Financial Institution



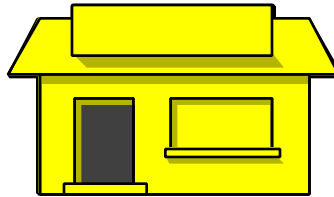
Payment Value-Propositions

Consumer



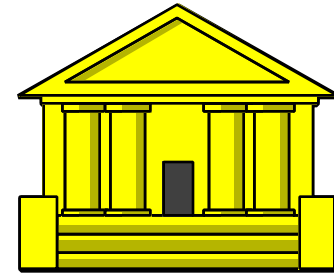
- Convenience
- Security

Merchant



- Customer service
- Competitive edge
- Ease of use

Financial
Institution



- Foundational to merchant services
- Value-add to merchants
- Leverage current infrastructure

Internet Credit Card Payments

Question:

What forces will determine the “shape” of e-commerce; technically, economically, and legally?

Financial Institutions will play a leading role:

- Financial institutions take an active interest in the technical means by which their merchants process transactions.
- Financial institutions resist “intermediation” between themselves and their merchants.
- Online financial transaction processing solutions are deployed as a single solution for merchants and banks.

Merchant Payment Solution

Key Point:

The financial institution's business relationship with its base of merchants is **the** driving factor in the deployment of payment solutions.

Merchant Payment Solution

The financial institution's business relationship is the key to delivering merchant payment functionality

FI's require:

- Differentiation
- A natural distribution channel
- Compatibility with legacy systems

Merchant Payment Solution

Financial institution's system
interface requirements:

- Unique message formats to existing host
- Unique value-added services to merchants
- Merchant payment-management apps
- Deployment consistent with FI's policy

Merchant Payment Solution

Classical Space

Business Relationship

System Interface

Software

Hardware

Security

Communications

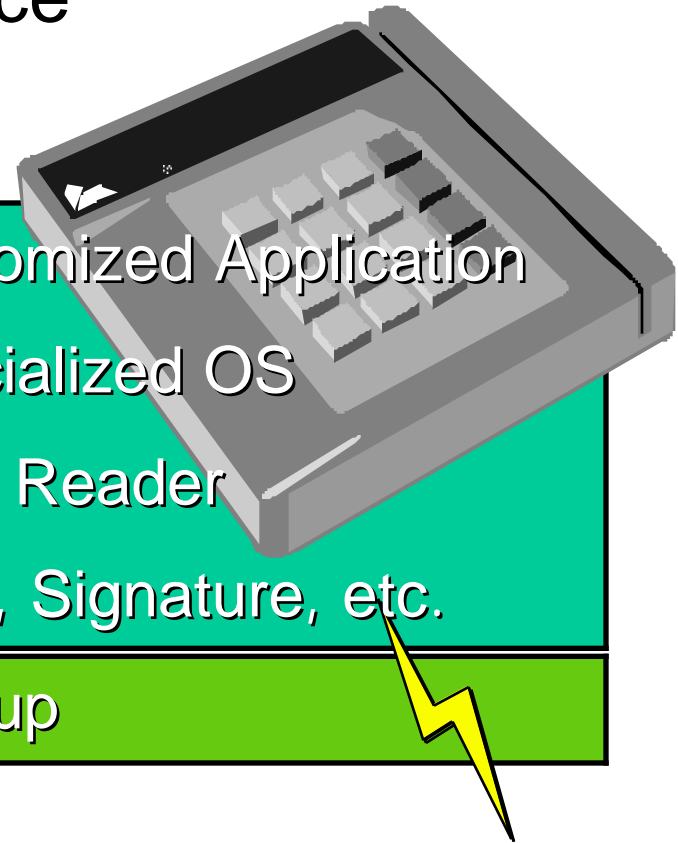
Customized Application

Specialized OS

Card Reader

Card, Signature, etc.

Dial-up



Merchant Payment Solution

Internet Space

Business Relationship

System Interface

Software

Hardware

Security

Communications

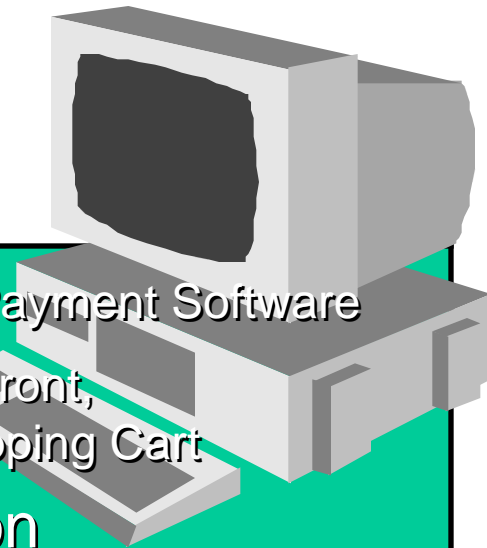
Customized Payment Software

Server, Storefront,
Catalog, Shopping Cart

Workstation

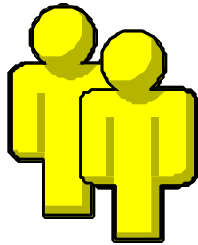
SET

Internet

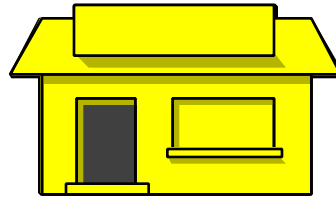


VeriFone's Deployment Strategy

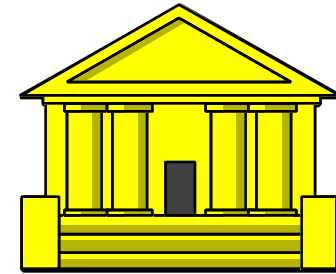
Consumer



Merchant



Financial
Institution

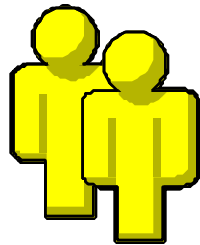


technology deployment model

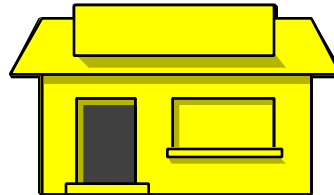
financial distribution model

SET Deployment Configuration

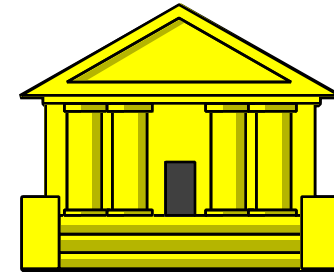
Consumer



Merchant



Financial
Institution



SET-ready architecture

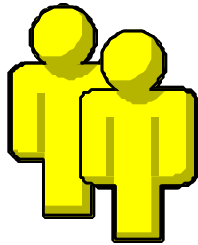
SET-ready architecture

SET

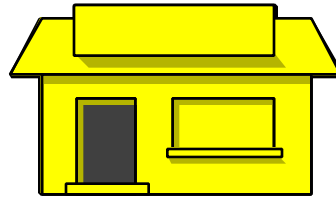
SET

SET Ready Deployment Strategy

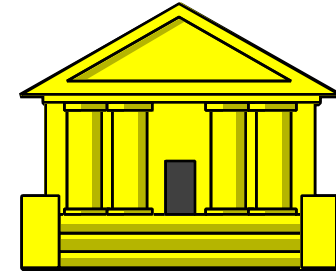
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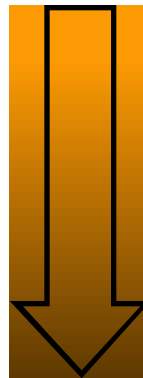
Merchant



Financial
Institution



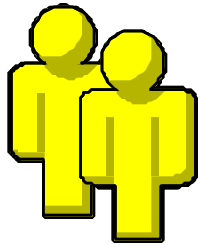
Initial Rollout



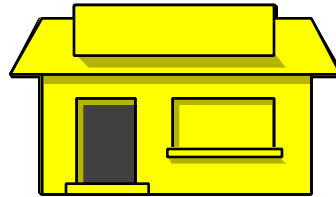
Evolution

SET Ready Deployment Strategy

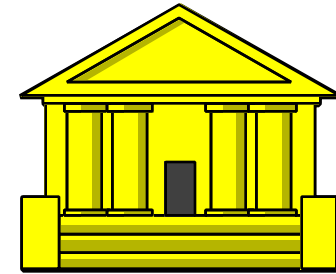
Consumer



Merchant



Financial
Institution



Initial Rollout

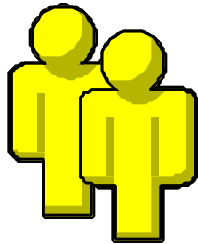
SET-ready architecture

SET-ready architecture

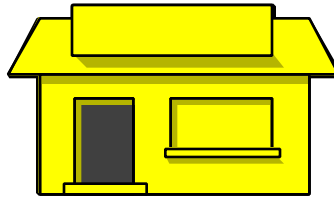
Evolution

SET Ready Deployment Strategy

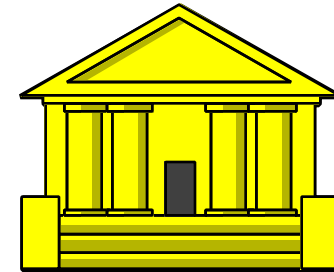
Consumer



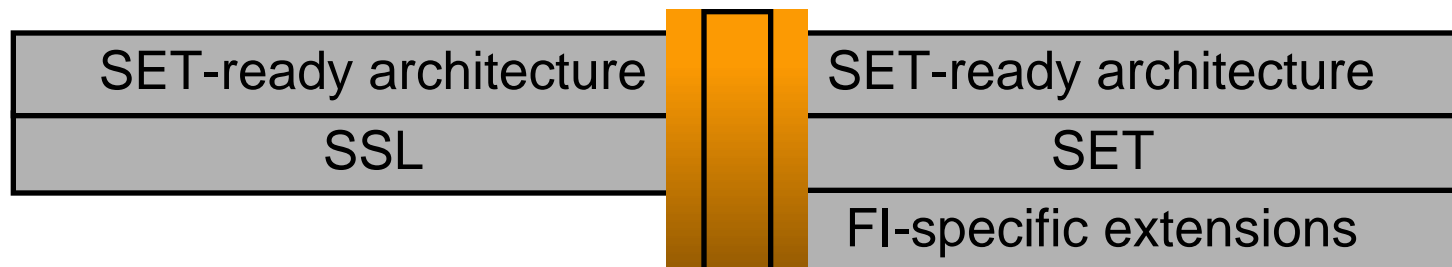
Merchant



Financial Institution



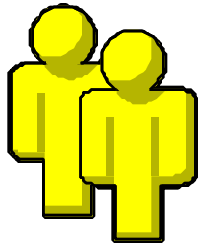
Initial Rollout



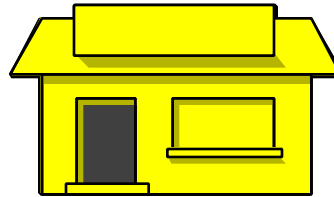
Evolution

SET Ready Deployment Strategy

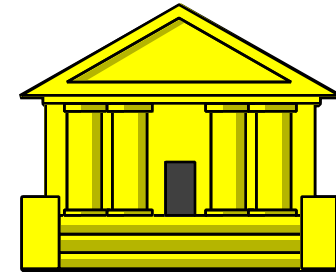
Consumer



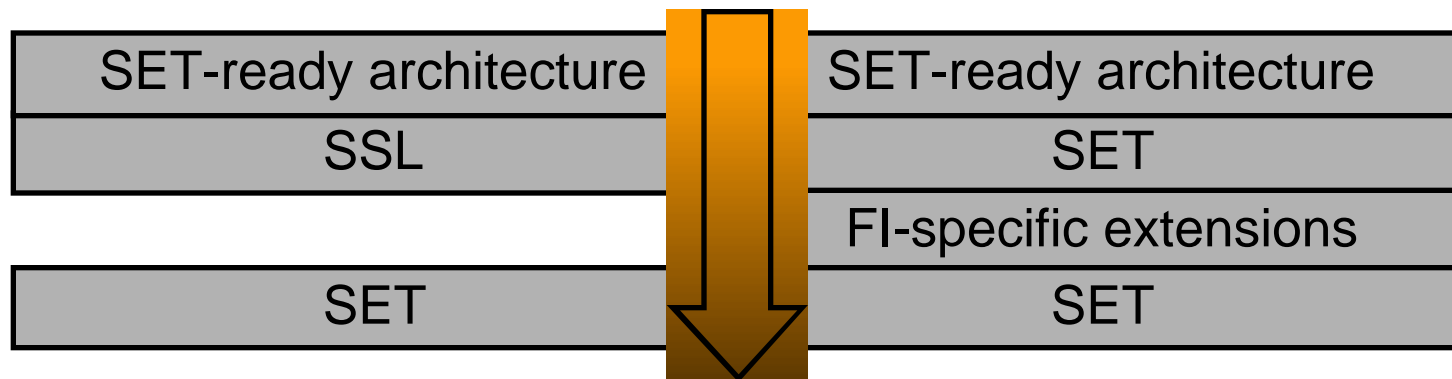
Merchant



Financial
Institution

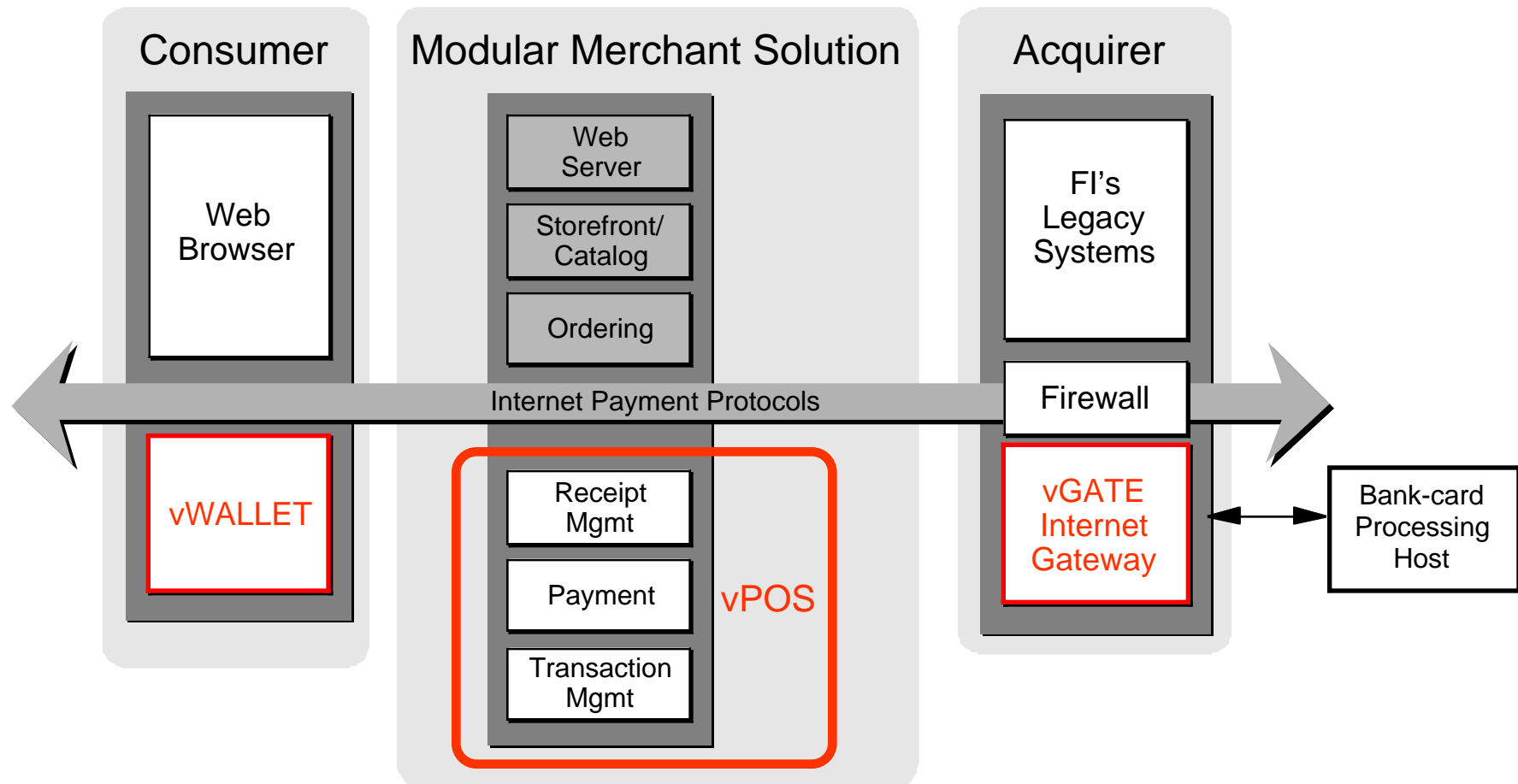


Initial Rollout

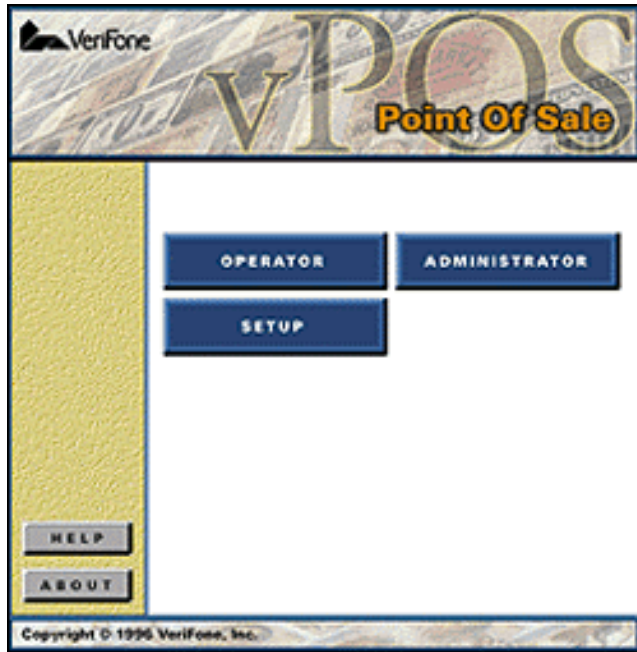


Evolution

The VeriFone Solution



vPOS Functionality Chart



Easy to use and operate

Uses a standard Web browser

On-line transaction processing

Full payment functionality

Supports full range of transactions

Secure payment processing

Customizeable to the needs of financial institutions

vGATE Functionality Chart



Host system insulated from need for modification

Converts payment protocols before transaction is sent to host system

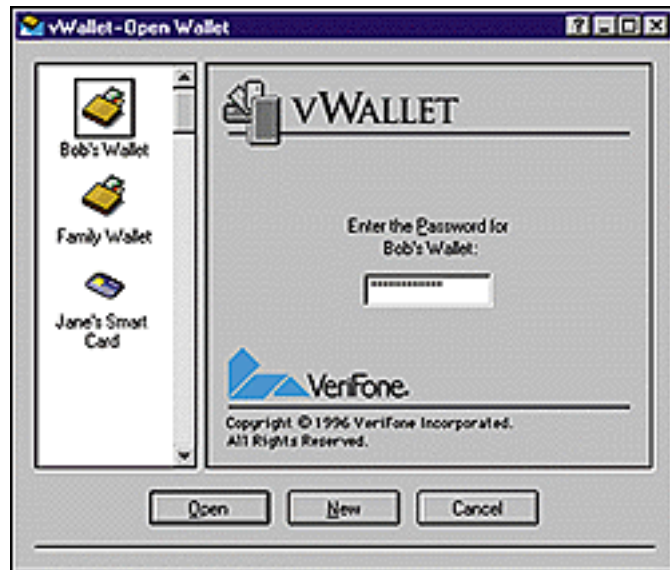
Secure transaction processing

Flexible, configurable, scalable

Handles a wide range of transaction volumes

Easy-to-use administration

vWALLET Functionality Chart



Easy to use and operate

Uses a simple graphic interface to pay for purchases

Receipt management

Captures digital receipts and allows export to personal finance programs

Secure transaction processing

Allows multiple wallets

Flexible configuration

Easily modified by acquirers/processors

Conclusion

The time for Internet payment implementation is now

The business and system interface between the financial institution and merchant is fundamental

VeriFone's implementation will accelerate the deployment of payment and commerce over the Internet