

Mobile Payment Solutions

Connecting merchants
and consumers around the world



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The mobile payment revolution.

What is a mobile payment?

There are many buzz words used by different people in different markets to define exactly what a mobile payment is. Near-field communications (NFC), carrier billing through Telcos, swiping a credit card on a dongle-adapted smart device or having a barcode read off a smartphone are just a few of the technologies and devices used to describe what really is, a simple transaction. Take the example of purchasing a cup of coffee. The one common thing between the merchant

and the consumer is that they would both like to complete the transaction in the most efficient manner possible: mobile payment protocols enable this. In more technical terms, all mobile payments require a combination of platforms and/or devices that require the merchant and/or end-user to pass through a mobile gateway at some point in the transaction. At the end of it all, the consumer has his coffee and the merchant has his payment.

What's changed?

People are more mobile than ever choosing to live, work, and travel in more places around the world than ever before. Being able to use a credit or debit card to make a purchase or to easily transfer funds is important to them and they appreciate that their world has become increasingly more connected through smart devices. Today, the mobile payment category is opening the way for a more unified, secure and

simple way to process payments. But while consumers now have more payment options, this challenges merchants to find the most cost-effective solutions to securely connect with them to process their payment. The alternative is losing a sale as consumers turn to another merchant or online vendor that can better serve them. Finding the right solution for your business, and your market, has never been more important.

Keeping up in a fast-paced industry.

The pace of change in mobile and smart devices has been explosive and in more directions than many predicted. Consider that in the last two decades advances in technology have placed more powerful and versatile mobile devices in the hands of consumers. When looking at even the last couple of years, the new generation of smart devices has increased processing power and this now allows consumers to take advantage of secure mobile browsing, shopping and payment. To truly understand the changes that are coming in the mobile category and everything that it entails, is critical to keep a constant watch on industry trends. While it took over 20 years to reach the first Billion mobile subscriptions, the last Billion took only 15 months.

So what will the mobile landscape look like tomorrow?

“By 2014, the worldwide number of mobile internet users will exceed the number that are using desktops.”

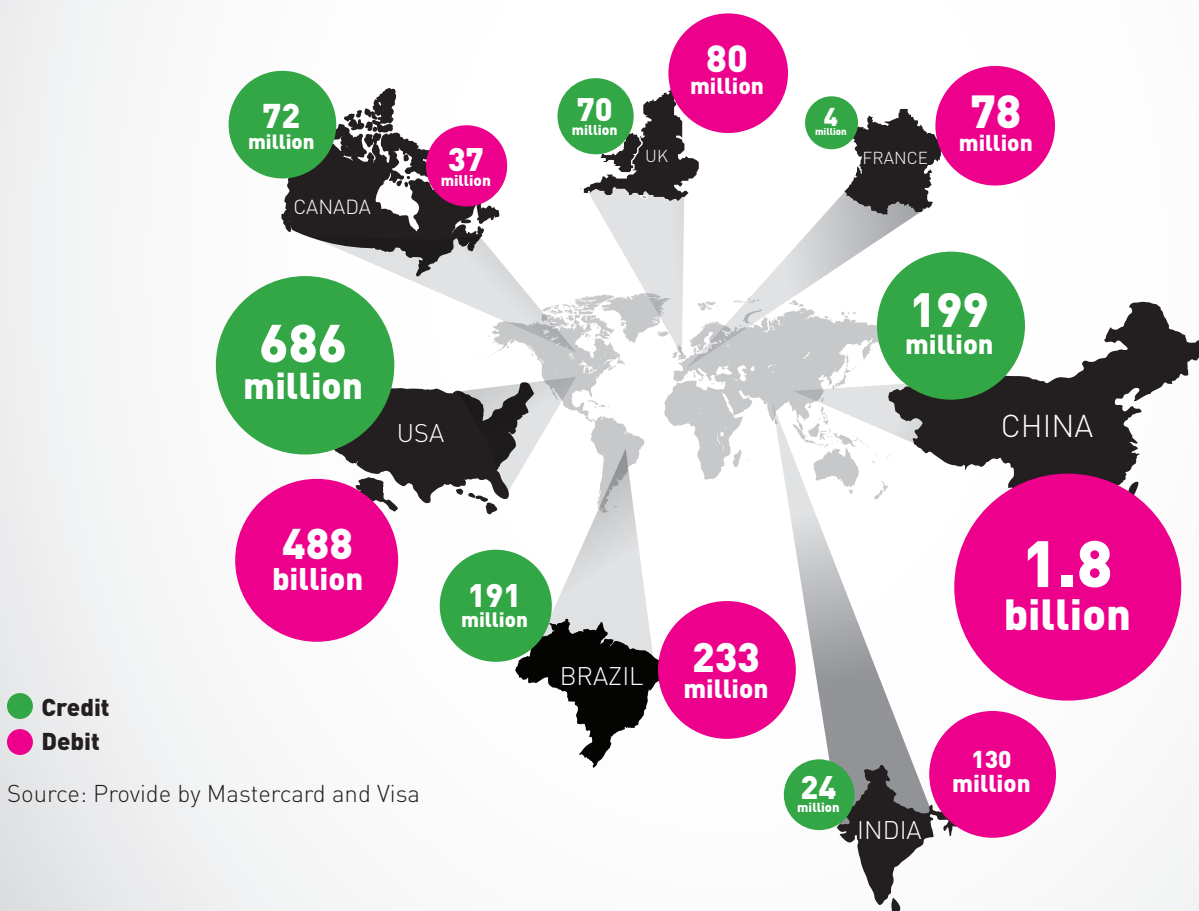
Changing trends in how consumers choose to pay.

Over the last several decades, credit and debit cards have largely replaced cash as the payment method of choice. And depending on the market, certain payment methods may be preferred over others. So while the personal payment preferences of consumers do not change overnight, merchants have to adopt new global payment methods in the most cost-efficient manner or risk losing sales. The need for secure mobile debit payments is growing

at a faster rate than all other categories in the mobile payment universe. In 2007 in the United States, debit volumes exceeded credit card volumes in terms of spending while from 2007 to 2011, the U.S. credit card category contracted by a 1.7% compounded annual rate. Although the U.S. has historically favoured credit transactions over debit, this is changing. Internationally during the same period, the debit card market grew at a nearly 30% compounded annual rate.

“In an increasing number of markets in the Asia Pacific region debit card growth continues to outpace credit card growth.”

Banking and Payments Asia
January 2012



Global debit card volume
is quickly outpacing credit card growth.

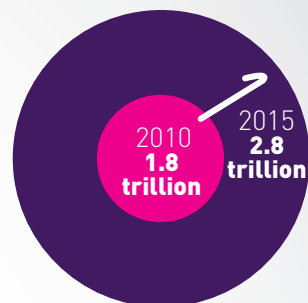
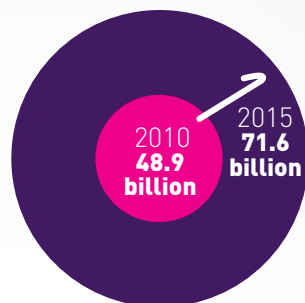
The growing debit payment market.

There are many reasons that people everywhere in the world are choosing and preferring debit purchases. From the 2010 *Study of Consumer Payment Preferences*, we know that U.S. consumers prefer the pay-as-you-go debit for its speed, convenience and security. And when it comes to security, the 2011 *Debit Issuer Study*, by Pulse further indicated that the fraud loss rate for signature debit transactions was six times the rate of PIN debit and also accounted for 70% of total debit fraud loss.

U.S. debit growth forecast

Debit transactions

Debit purchase volume



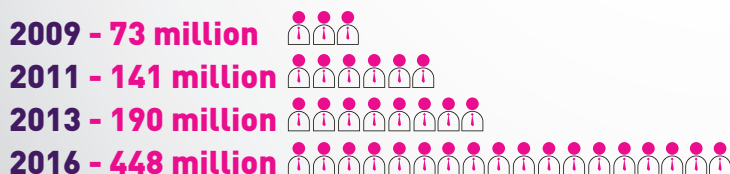
Source: The Nielson Report Issue #984, December 2011

How big is it?

The number of users is going up.

In a recent study by [REQUIRE SOURCE], forecasts show that the number of mobile payment users will grow exponentially from 73 Million in 2009 to 448 Million by 2016, a six-fold increase.

Projected growth of mobile payment users.

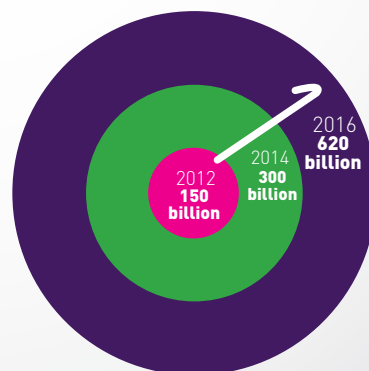


Source: Gartner
The Wall Street Journal

The value and volume is going up.

Mobile payment transaction value is expected to grow from \$100 Billion in 2011 to over \$620 Billion in 2016, according to the study by Gartner. Further to this, payment transaction volume is expected to increase by 40% – 60% per year over the next X number of years. This represents a vast, and largely untapped opportunity for all players involved in the mobile payment industry.

Worldwide mobile payment transaction values



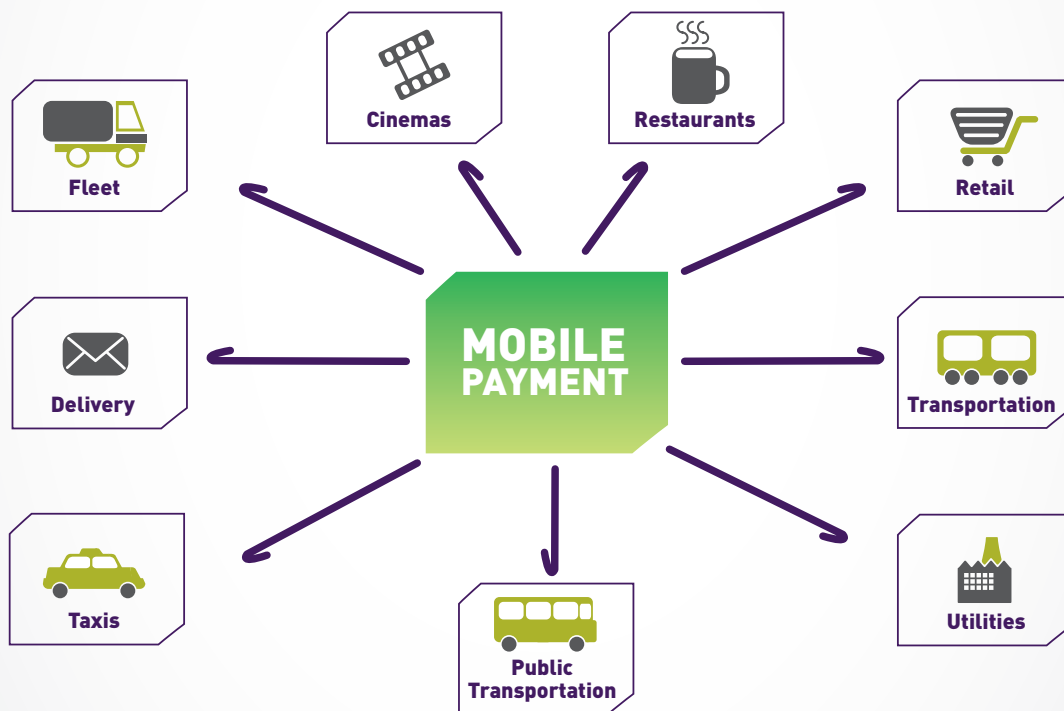
Source: Gartner
The Wall Street Journal

The advantages of mobile payment technologies.

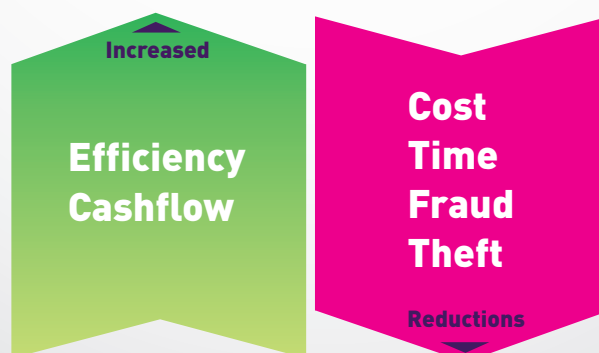
So what's in it for you?

Whether you are running a small restaurant business or managing a large fleet of delivery vehicles, mobile payment processing can help you improve operational efficiency, customer service, and revenue. Up to a few years ago, it was impossible to imagine an affordable and secure global processing platform that worked across markets, merchants and existing technologies. Now, imagine how mobile payment technology will grow in the years to come to further connect merchants and consumers.

There is a cost-effective mobile payment solution that can improve efficiency in almost every industry.



Take advantage of



What makes Hybrid PayTech unique?

Hybrid PayTech quickly recognized that a global payment solution needed to be seamlessly integrated within the existing proprietary systems of the banking domain. Hybrid PayTech developed the world's first mobile debit and credit application that is PCI

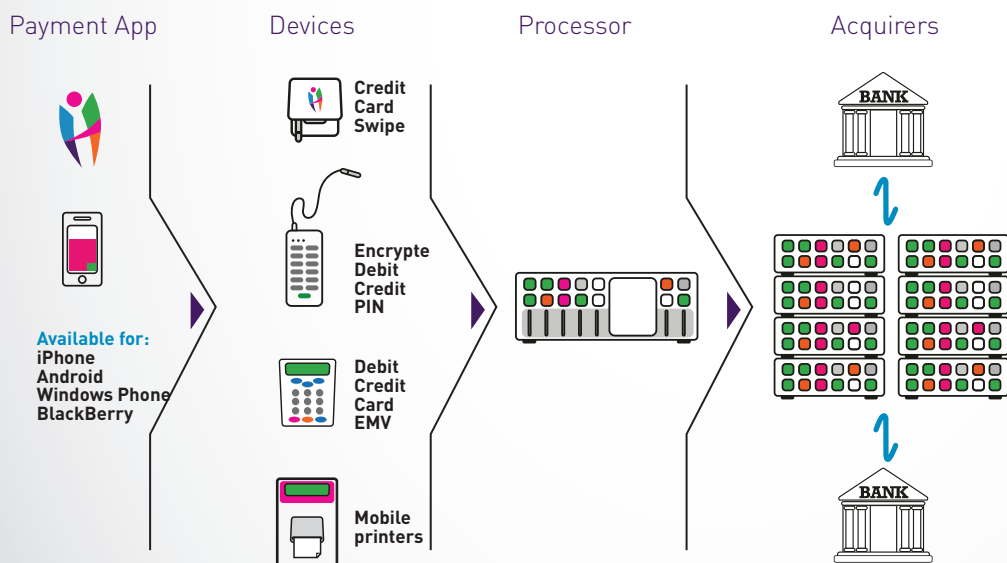
compliant. Further to this, Hybrid PayTech has developed their own EMV Kernel (Europay, Mastercard and Visa) for PIN and Chip protocols. This middleware solution was created to allow seamless integration with trusted and secure worldwide banking standards.

What powers Hybrid PayTech Solutions?

Knowledge, vision and in-depth industry expertise combine to create a solid team that is developing mobile payment solutions to work both locally in isolated locations, and everywhere in the world. Hybrid PayTech is not a device or a dongle, nor is it trying to take the place of Acquirers, Processors, Banks, Telcos, Independent Sales Organizations (ISO's) or Value Added Resellers (VAR's). In fact, these are the types of organizations and companies that Hybrid PayTech has partnered with around the world to expand the opportunities of all concerned. The total customer solution includes:

- **Software** that can be leveraged with partners in the deployment of mobile payment solutions.
- **A secure/connected gateway** that manages a library of Software Developer Kits (SDKs) and Application Programming Interfaces (APIs) for mobile payment applications and the management of transaction processing.
- **Applications for smartphones** that take card present mobile credit/PIN debit transactions are made available to merchants through ISO and Processor partners.
- **Intelligent tools** such as e-signature capture, and tokenization, meet the requirements for high-value transactions.

A simple unified solution.



Across multiple platforms and devices.

Hybrid PayTech offers a software platform that empowers a range of mobile payment solutions rather than a specific product. It leverages consumer-based smartphones and touchscreen tablets, as well as enterprise-ready devices such as handheld scanning and logistics terminals to enable user authentication and payment in mobile environments.



Windows Phone



ANDROID



BlackBerry

Partnerships in action.

The traditional mobile payment landscape has been changing as alternate payment solutions have entered the market. This is good news for merchants as they change from more costly point of sales processing terminals to less expensive and secure Smartphone applications.

At the same time, Hybrid PayTech has recognized that these disruptive technologies are threatening transactional payments to banks, card services processors, and payment processors and acquirers. Hybrid PayTech has industry-specific mobile payment solutions to help clients in the mobile payment domain.

The telecom industry

Hybrid PayTech offers Telecom companies the opportunity to realize a new recurring revenue stream by becoming the acquirers of their Merchant clients' mobile payments.

Global banking

Banks and financial institutions take advantage of global mobile payment solutions to enhance their existing infrastructure or to create custom solutions for their customers.

Transferring money worldwide

A custom mobile remittance system was created for the Philippines eliminating the middleman, reducing transfer times, and leaving more money in the workers pockets.

Retail applications

Hybrid PayTech is the only company to offer mobile POS solutions for both credit and debit at a cost of less than \$100 USD. Partnerships with industry leaders Zebra and Honeywell make certain legacy devices and new products work seamlessly on the platform.

“Hybrid PayTech was founded to create solutions that work within trusted banking regulatory and security systems and protocols.”

Massimo Barone, Founder, COO Hybrid PayTech



Case Study

The Asian Market



Challenge

In a recent census, it was estimated that there are over 15 million migrant workers in Saudi Arabia, UAE and Kuwait. Many of these workers are from the Philippines and about 80% do not have a bank account even though they regularly remit approximately half their salary back home. Traditional bank and wire transfer services charge anywhere from a few dollars to over \$30 for this transaction, and wait times could be several days or longer.

Solution

Hybrid PayTech saw an opportunity to help migrant workers transfer money back home in a fast, secure and affordable manner. So we partnered with BancNet and the Philippines Government to create a custom mobile remittance system App. The App works across multiple OS platforms, eliminates the middleman, reduces transfer times, and leaves more money in the worker's pockets.

Hybrid PayTech creates custom mobile payment solutions for partners around the world.

“Hybrid PayTech Asia’s breadth of merchant services and thoroughness of compliance with current and emerging payment standards set them apart as a mobile payment provider. We are happy to partner with a corporation that has an in-depth knowledge of the global payment environment to complement our existing payment offerings to our member banks.”

Robert Blas, President of BancNet Inc.

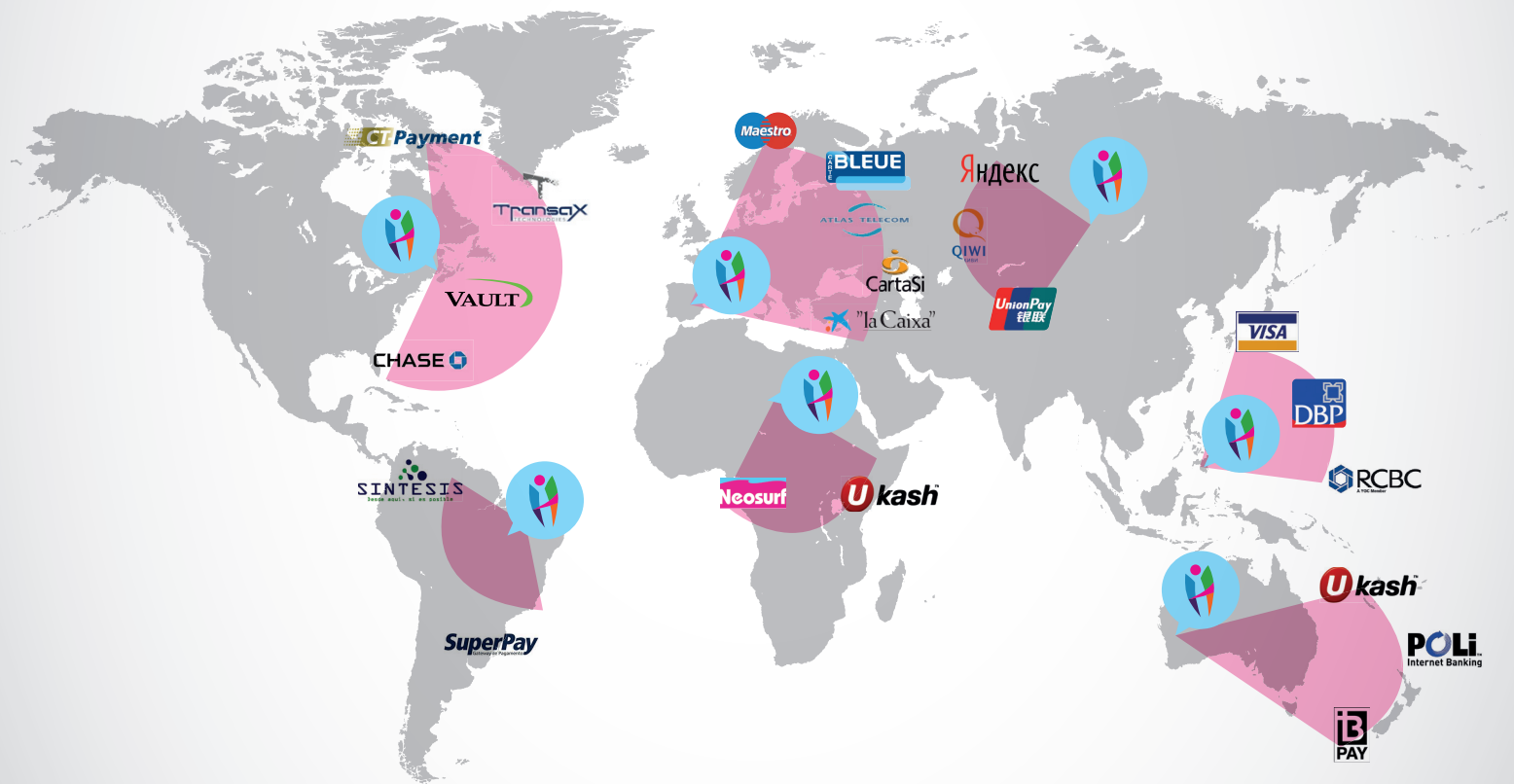


How to connect.

Hybrid PayTech understands that mobile payment technologies will continue to evolve and change over the next decade and that is why we positioned ourselves as a middleware player, in the heart of the mobile payment

universe. This will establish us as a strong global player when it comes to deploying mobile payment solutions that make dollars, and sense. The only decision you need to make is what services do you need for your business.

Hybrid PayTech's network of global partners with agreements in place.



Hybrid PayTech – Your gateway to payment mobility.

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