

FIS QUICKPERKS™

REWARDING AND 'PERKING' UP YOUR DEBIT PORTFOLIO



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INTRODUCTION

Debit card usage continues to increase each year and it's reflected by the ever-growing debit portfolio for financial institutions. In recent years, debit cards have become so widespread with its trajectory of growth because of new generation gaps entering the financial arena.

In order to continue keeping debit card users engaged with not only using their debit card but also remaining loyal to their institution, having a rewards platform for cardholders to earn and redeem points in a manner that's easy and simple to use will separate you from the rest of your competition and have your card top-of-wallet status physically and digitally. A key component is the "Loyalty Effect."

The loyalty effect is a powerful profit generator because loyal account holders tend to spend more, refer others and cost less to serve. According to a recent study, **77 percent** of consumers say loyalty programs make them more likely to stay with brands. Loyalty is the highest form of measurable marketing that positively drives behavior. FIS believes that the best loyalty programs integrate with your overall marketing strategy and can lead to financial and brand benefits that accompany loyal account holders.

Source: www.bondbrandloyalty.com/the-loyalty-report-2018-press-release

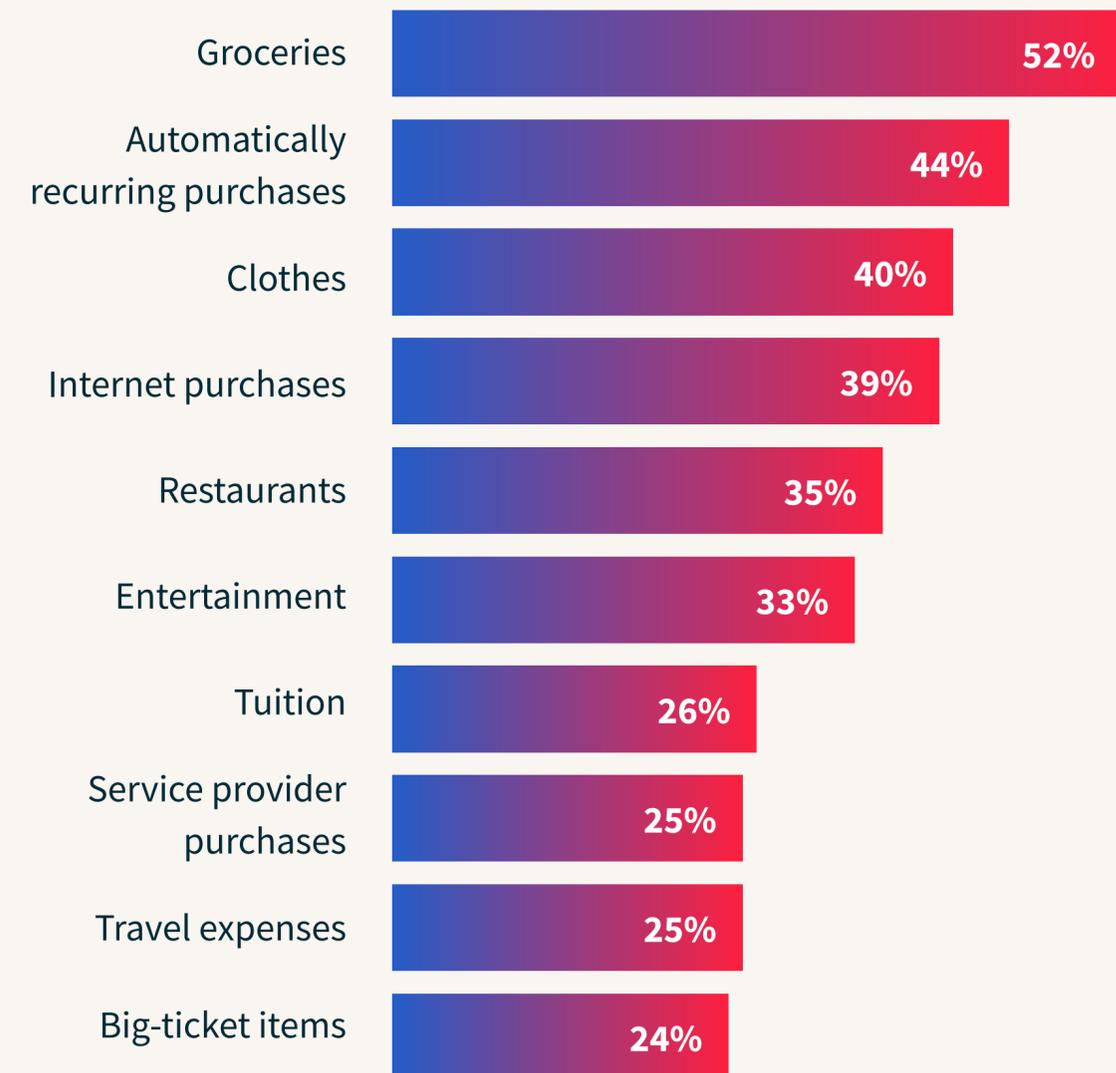
DEBIT CARDS ARE STILL AMONG THE MOST POPULAR TO PAY AND USE

Debit cards are still highly profitable for financial institutions and continue to be a core payment product despite being a payment form for more than 30 years. Over the last few years, debit card transactions exceeded 70 billion transactions with over \$2 trillion. According to the Federal Reserve, 70 percent of electronic payment transactions occur using debit cards.*

Everyday common purchases are the most popular transactions that cardholders use their debit cards for, which is why so many transactions are accounted for each year.

For example, when someone is on their way home from work and needs to pick up dinner at the local grocery store, they use their debit card to complete the purchase. Why? A debit card is the easiest form of payment when someone needs to be quick to pick up dinner or any other meal for the family. It's easily taken out of their account from their institution.

Here's a breakdown of the purpose of debit card usage in the U.S.:**



*Three Keys to Debit Cards' Future as Mobile Banking Builds, Bill Streeter, The Financial Brand

**Source: www.statista.com/statistics/582976/purpose-of-debit-cards-usage-usa

DEMOGRAPHIC BREAKDOWN THAT USES DEBIT CARDS THE MOST

The generational shift has occurred, and millennials are now the leading the economy. According to Goldman Sachs, 92 million millennials live in the U.S. and now have overtaken the baby boomers in number. This is the biggest generational shift the world economy has seen. After millennials are Gen Zers.

Millennials

Millennials play a massive role in the potential market for debit cards. According to Dr. Kathy Snider, CO-OP Financial Services, more affluent (baby boomers) consumers are less likely to use debit cards because credit cards, with their generous reward programs, are more available to them. But the huge millennial generation, she says, is well-matched to debit cards.

“Millennials overall are more likely than older individuals to use debit,” says Snider, SVP of Debit, Prepaid and Shared-Branch Products at CO-OP Financial. She suggests banks and credit unions should market debit cards and their features to these entry-level checking account holders.

Gen Zers

The next generational shift is labeled as Gen Z, with 68 million Gen Zers in the U.S. They are beginning to develop their banking needs and preferences, providing financial institutions with an open-field opportunity. Gen Zers have basic-level accounts – financial institutions need to start grabbing at the opportunity to form brand loyalty with this generation as soon as possible. According to Business Insider, two-thirds have an account but 64 percent use a debit card.

Source: www.goldmansachs.com/insights/archive/millennials
How banks can attract, engage, and retain Gen Z – and why starting early matters, Jaime Toplin, Business Insider

DEMOGRAPHICS AND DEBIT REWARDS

Mercator research states 85 percent of young-adult debit card users who have debit card rewards are more motivated to use their cards. About 35 percent of the credit unions surveyed by CO-OP Financial are using rewards programs, with 25 percent considering them.

According to Snider, 75 percent of the credit unions that offer a debit card rewards program say they are effective or very effective at driving card usage.*

Millennials represent an enormous potential market for debit cards. And as they lead the way with the new generation gap, millennials favor debit cards over credit cards as their primary source of payment.

*Three Keys to Debit Cards' Future as Mobile Banking Builds, Bill Streeeter, The Financial Brand





THE PROBLEM WITH PROVIDING REWARDS TO YOUR DEBIT PORTFOLIO

Historically, it has been difficult to provide rewards to debit card customers because the economics of loyalty didn't fit in the thin margins of debit portfolios. According to recent data, low-point balances preclude nearly half of all payment cards from engaging in loyalty redemption options. They don't have enough points to redeem a cruise, an iPhone® or even a toaster.

Due to the cost of redemption awards, including merchandise, travel and gift cards, traditional redemption models do not fit within the low margins of debit portfolios.

The debit market is a massive opportunity for rewards as it builds an emotional connection with cardholders. Consumers are demanding to be rewarded for their payment activity.

INTRODUCING QUICKPERKS

This solution will present high-value redemption options at a low, predictable cost that fits within the low margins of debit portfolios.

Moreover, the financial institution will maintain **zero liability** for the points associated with this innovative loyalty product.

FIS will offer easy, simple and low point redemption options for debit card users. These options include sweepstakes, auctions, games, charities, merchant-funded offers and fuel redemption. Cardholders will no longer have to set lofty goals to try and redeem out-of-reach cruises or high-end merchandise when using their preferred method of payment.

A First-Class Pledge

FIS Zero Liability Pledge

- FIS holds the points
- FIS maintains all necessary cash reserves
- FIS funds all redemptions



THE COMPONENTS OF QUICKPERKS



Sweepstakes

Cardholders can win a robust of daily and weekly prizes that include merchandise, gift cards and more. Cardholders will enter by redeeming the required points to be entered.



Merchant-Funded

Receive additional merchant-funded promotion rewards for cardholders from over 28,000 merchants, add local merchants to the network through our merchant onboarding platform.



Games

Cardholders redeem points to play interactive games for a chance to win exciting prizes.



Charity Pools

Make a difference with your points by donating them to help several world renown, worthy charities.



Auction

Weekly auctions will allow cardholders to redeem points to bid on a variety of items offered below retail price.



Fuel Redemption Network

Allows cardholders to swipe their rewards card at the gas pump and earn instant savings as the gas price rolls back.

WHY CHOOSE FIS LOYALTY SOLUTIONS?

TO EFFECTIVELY ATTRACT AND RETAIN loyal account holders, it's more important than ever to have the right partner that can deliver strategy, expertise and technology. With more than 25 years' experience in the loyalty industry, our consumer and merchant loyalty solutions provide clients with the expertise, analytics and full range of tools needed to build, attract and sustain long-term consumer allegiances.

FIS offers a profitability guarantee because we know our data. Our team comprises loyalty industry experts who stay educated and current on all loyalty environments. They are sought out to speak at loyalty industry conferences to share their knowledge and best practices. If you want the profitability in the first year, partner with the leader in program engagement: FIS Loyalty Solutions.

\$9t

Moved annually around the globe

1.3b

Cards served worldwide

75b

Transactions processed around the globe

20k

Clients

450

Solutions

+55k

Colleagues in 52 countries

198

Operational facilities worldwide

1m+

Merchant locations

12b

Pro Forma Revenue



CONCLUSION

With fierce competitors holding nothing back, you need more than innovative products and great rates. FIS has a variety of turnkey and customized loyalty programs to help you attract, reward and retain profitable account holders.

We have programs available for building a stronger foundation of loyalty by leveraging the powerful technology financial institutions have been using for more than 10 years.

About FIS

FIS is a global leader in financial services technology, with a focus on retail and institutional banking, payments, asset and wealth management, risk and compliance, consulting and outsourcing solutions. Through the depth and breadth of our solutions portfolio, global capabilities and domain expertise, FIS serves more than 20,000 clients in over 130 countries. Headquartered in Jacksonville, Florida, FIS employs more than 55,000 people worldwide and holds leadership positions in payment processing, financial software and banking solutions. Providing software, services and outsourcing of the technology that empowers the financial world, FIS is a Fortune 500 company and is a member of Standard & Poor's 500® Index.

For more information about FIS, visit www.fisglobal.com

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