

CREDIT CARD FRAUD

Fraud costs in the U.S. are on the rise:



An **\$8.6 billion** is estimated in annual cost today

This will rise to:

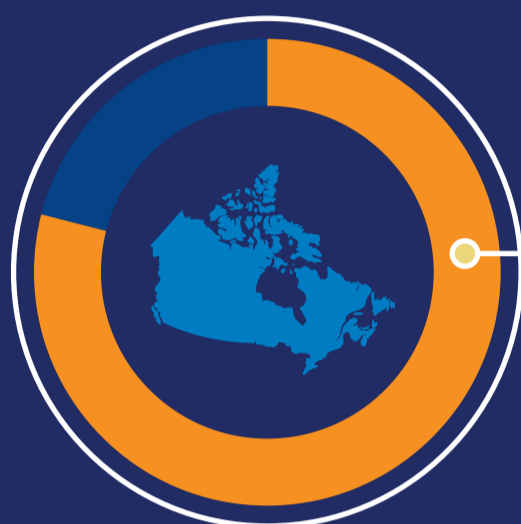
↑ \$10 billion in 2015 — if we *don't make progress* in chip card adoption

BUT CAN WE ACTUALLY MAKE THESE COSTS DECLINE?

Source: Forbes.com

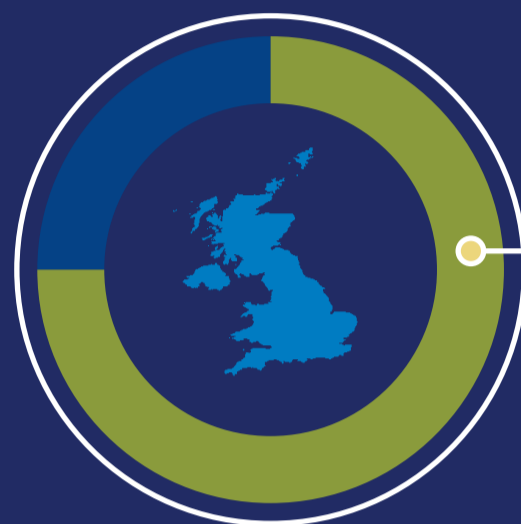
CHIP AND PIN

Fraud in the four years after implementing EMV:



CANADA

DOWN **79%**
(32% CAGR)



UNITED KINGDOM

DOWN **75%**
(29% CAGR)

Source: Interac Canada and U.K. Cards Association

INDUSTRY EVIDENCE

By the end of 2015...



ACQUIRING

59%
U.S. POS locations chip-enabled



ISSUING

600 million
Chip cards issued to cardholders

Source: Aite Group and EMV Migration Forum

TSYS' PERSPECTIVE

We've already seen:



47%
of our direct terminal base chip-enabled.

We expect:



80%
of clients to be issuing chip cards by year-end 2015.

MOVING FORWARD

TSYS is:

- Actively participating in the industry
>EMV CO. >EMF >SCA >ACT CANADA
- Investing in chip-related technology across systems
- Working with issuers to prepare for the October shift — *and beyond*