

FACT SHEET – MERCHANT ACQUIRING

IMPORTANT INFORMATION

- Cardholders will not be responsible for any unauthorized transactions on their accounts as a result of this highly sophisticated cyber intrusion.
- Affected individuals were notified shortly after an investigation by security experts identified the affected population.
- Gift cards that have already been purchased retain their value and can be used wherever they are accepted by merchants.

What is merchant acquiring?

Merchant acquiring is the term used to describe the services provided by payment processing companies to enable merchants to accept their customers' payment cards at point of sale. Merchant acquirers generally perform four key functions:

- Signing up and underwriting merchants to accept network-branded cards;
- Providing the means to authorize valid card transactions at client merchant locations;
- Facilitating the clearing and settlement of the transactions through the payment network;
- Providing merchants with relevant information services such as statements.

There are two distinct elements of the credit, debit and pre-paid card businesses across the globe. These are known as card issuing and card acquiring, or merchant acquiring. Card issuing is where a bank issues a credit, debit or pre-paid card to a consumer for their use. Card or merchant acquiring is the infrastructure that allows cardholders to use credit, debit or pre-paid cards at point of sale, (e.g. in a shop or restaurant or for an online purchase), and for the merchant to receive payment for that purchase.

Facts & figures on the merchant acquiring industry (Source: The Nilson Report)

- Over 29 million businesses accept cards at point of sale in the U.S.
- Over \$2.1 trillion in U.S. card volume, representing \$8.1 billion in revenues from merchant acquiring
- 4.6 percent compound annual growth rate (CAGR) in number of non-cash payments in the U.S. since 2003
- Dollar volume of card purchases as a percentage of total spend has grown from 31 percent in 2001 to greater than 45 percent currently

What is RBS WorldPay's involvement in the merchant acquiring market?

Based in Atlanta, Ga., RBS WorldPay (formerly RBS Lynk) provides merchant acquiring services to more than 300 types of large and small merchants from a variety of sectors across the U.S. with a market share of about two percent.

(more)

How much of RBS Worldpay's business is in merchant acquiring?

Generally speaking, approximately 95 percent of RBS WorldPay's annual revenue is generated from its merchant acquiring business.

What is RBS WorldPay?

RBS WorldPay is a leading single-source provider of electronic payment processing services including debit, electronic benefits transfer (EBT), checks, gift cards, e-commerce, customer loyalty cards, fleet cards, prepaid cards, credit cards and ATM processing and cash management services. The U.S. payment processing division of The Royal Bank of Scotland Group plc, RBS WorldPay, based in Atlanta, is a non-bank subsidiary of Citizens Financial Group, Inc. For more information, please visit www.rbsworldpay.us.