

Visa Inc Australian Principal Membership

Melbourne, 8th August 2019: iSignthis Ltd (ASX: ISX | FRA: TA8) ("The Company") is pleased to announce that it has entered into an Australian Principal Member licensing agreement with the Asia Pacific Singapore based regional subsidiary of Visa Inc (NYSE: V).

The agreement allows the Company to act as a merchant's card acquiring institution, and process card not present (online/remote) payments and make settlements on behalf of the merchant from cards issued anywhere globally by other Visa Principal or Associate member institutions. The Company generates revenue from its contracted merchants by charging a percentage fee known as the Merchant Discount Rate (MDR) on the sale amount processed on behalf of the merchant.

The overall value of the card processing market in Australia was \$748,110,632,702 in 2017¹ across all card schemes, with the majority of that value being in retail point of sale as card present transactions.

Visa is a global payments technology company that enables fast, secure and reliable electronic payments, with more than 3.3Bn cards worldwide across 200 countries and territories, and capacity to process more than 65,000 transaction messages per second.

Visa's mission is to connect the world through the most innovative, reliable and secure digital payment network that enables individuals, businesses and economies to thrive. In addition to the card issuance and acceptance network, Visa has developed a number of innovations to support new ways to pay.

Principal membership of major card schemes is a complex process, with the Reserve Bank of Australia (RBA) regulating card payments² and access by institutions³ to the major card schemes, including Visa.

Each card scheme must then be licensed individually, which in this case included Visa's assessment criteria⁴ requiring the Company to demonstrate the following:

- Fraud and security controls.
- Corporate and ethics governance.
- Sound business practices.
- (Relevant) Business strategy.
- Business continuity.
- Information consistency and security.
- Information conciliation.
- Services availability

The Company is also a Principal Member of Mastercard, ChinaUnionPay, Diners and Discover in Australia, with similar memberships in the European Economic Area (EEA). The Company has commenced its Australian Tier 1 interconnect build out to Visa, Mastercard, Diners and Discover, and has built, owns and operates its own card processing network in the EEA.

John Karantzis, CEO of iSignthis said, "The Company is pleased to extend its principal member relationship with Visa into multiple regions, including the EEA and Australia. This agreement also paves the way for iSignthis to expand within the Asia Pacific region in due course, through its relationship with the Visa Singapore regional office."

¹ <https://www.auspaynet.com.au/sites/default/files/2018-08/AustralianPaymentCardFraud-2018-Report.pdf>

² <https://www.rba.gov.au/payments-and-infrastructure/review-of-card-payments-regulation/q-and-a/card-payments-regulation-qa-conclusions-paper.html#interchange-fees-q2>

³ <https://www.rba.gov.au/payments-and-infrastructure/credit-cards/201403-impact-stmt/conclusions/>

⁴ <https://www.visa.com.au/dam/VCOM/regional/ap/australia/global-elements/Documents/assessment-criteria-211kb.pdf>

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Australian Securities and Frankfurt Stock Exchange listed iSignthis Ltd (ASX: ISX | FRA: TA8)

delivers remote identity verification and payment authentication coupled with e-money deposit taking, transactional banking and payment processing capability. iSignthis provides an end-to-end on-boarding service for merchants, with a unified payment and identity service via our Paydentity™ and ISXPay® solutions.

By converging payments and identity, iSignthis delivers regulatory compliance to an enhanced customer due diligence standard, offering global reach to any of the world's 4.2Bn 'bank verified' card or account holders, that can be remotely on-boarded to meet the Customer Due Diligence requirements of AML regulated merchants in as little as 3 to 5 minutes. Paydentity™ has now onboarded and verified more than 1.65m persons to an AML KYC standard.

- **iSignthis Paydentity™** service is the trusted back office solution for regulated entities, allowing merchants to stay ahead of the regulatory curve, and focus on growing their core business. iSignthis' subsidiary, iSignthis eMoney Ltd, trades as ISXPay®, and is an EEA authorised eMoney Monetary Financial Institution, offering card acquiring in the EEA, and Australia.
- **ISXPay®** is a principal member of Visa Inc, Mastercard Inc, Diners, Discover, (China) Union Pay International and JCB International, an American Express aggregator, and provides merchants with access to payments via alternative methods including SEPA, Poli Payments, Sofort, Trustly, WeChat, AliPay and others.
- **UAB Baltic Banking Service, ("BBS")** a wholly owned subsidiary of iSignthis Ltd, provides API based access to SEPA Core, SEPA Instant and SEPA business schemes ("CoreConnect"), for neobanks, banks, credit unions and e-money institutions, and provides a bridge to the Central Bank of Lithuania's CENTROLINK service. suite, with BBS contracted to deliver these services to a number of regulated entities.
- **Probanx Information Systems Ltd (Probanx®)**, a wholly owned subsidiary of iSignthis Ltd, is an international banking software company which has been serving the banking industry since the year 2000 by developing comprehensive banking software solutions to financial institutions around the globe. Probanx offers web-based banking solutions using the latest technology and international standard business rules. Our customers are located on five continents and supported from our technical centres in Europe and Australia. iSignthis' Probanx delivers core banking software, including a fully comprehensive and versatile banking solution for retail, corporate and private banks, e-money and payment institutions, offering capabilities that up until now were affordable only by large commercial banks.

Read more about the company at our website www.isignthis.com, <https://www.bbsservice.lt/en/> and www.probanx.com

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