



Press Release

Banco Daycoval initiative to fight growing e-commerce fraud in Brazil

Adopts TAS Group's SaaS fraud prevention solution: 3D Secure through TAS DataCenter

Sao Paulo, Brazil, 10 February 2016 – There is no disputing the card payments industry is on the rise in Brazil. Already the largest card market in Latin American, issuance is expected to reach 595 million by 2018. E-commerce and online payments are increasing rapidly as well, with 68% of online shoppers using credit cards for purchases in 2013, according to the Online Payments Database, and at a rate of 25% growth Brazil is surpassing that of the US (15.8% growth).

However, with the increase in card usage comes higher rates in fraud. Reports for 2013 show 33% of credit card users claimed to be a victim of fraud, resulting in losses of BRL 1.5 billion (\$465 million USD). This situation is exacerbated by financial regulations not keeping pace with industry growth and consumers' apathetic attitudes toward taking steps to secure their own personal data, often leaving fraud management to banks and other issuers through processing over 3D Secure networks, embedding EMV chips on cards, and a variety of encryption and tokenization schemes.

In order to mitigate fraud, especially for card-not-present transactions, innovative financial institutions like Banco Daycoval are looking at security expertise from the global financial technology industry. With the goal of becoming one of the top private banks in Brazil, Banco Daycoval is bringing new banking services to the market focused on customers. Digital technology and fraud prevention in card payment processing is a key part in supporting their growth strategy; for this reason as of February 2016 the Bank has instituted 3D Secure e-commerce transactions for all card holders.

“We were looking for a reliable software provider and TAS Group brought not only 30-years of reputable experience but also a strong 3D Secure solution combined with their datacenter to manage transaction processing. By utilizing the TAS processing resources, we can remain more flexible and focused on our customers,” stated John Kiesel, Product Manager of Banco Daycoval.

Regulations and restitution from fraud strongly favor consumers in Brazil often translating into losses for merchants as they must provide refunds to the customer for fraud claims, even after shipping merchandise. Despite payments liability residing with merchants, they have been reluctant to upgrade POS to security measures fearing possible inconveniences to one-click customer preferences will incur even greater amounts in lost sales revenue.

TASAmericas COO Massimiliano Quattrocchi explained, “3D Secure adoption has been fought against for many years by merchants, who claimed the added security step also

added barriers for customers and contributed to cart abandonment. However, we at TAS Group have worked hard to reduce issuer, merchant and consumer pains along two lines. On one hand, we have simplified the buyer's payment experience, both before and during the card authorization process, by adding dynamic tokenization; on the other, we have drastically reduced Issuers' upfront 3Dsecure adoption costs by offering the overall solution "as a service."

Although the consumer banking sector in Brazil has been consolidated amongst a few large players, emerging competition like Banco Daycoval are realizing market potential through advanced technology and adaptable solutions that provide better security for all parties while expanding convenience in their digital banking offerings. As Brazil's estimated BRL 144 billion (36 billion USD) in on-line commerce card purchases continues to grow, the evolution of payment technology and fraud prevention will become increasingly important for consumers, merchants and institutions alike.

TAS Group

TAS Group delivers software solutions for electronic money, payment systems, capital markets and ERP. Our offices span 7 countries but our secure solutions manage financial transactions worldwide. We strive to simplify the way private enterprise, public sector, commercial and central banks interact with their customers, stakeholders and technology systems. Our highly experienced team of business analysts and software engineers are focused on rethinking, reimagining and revolutionizing commercial business processes for digital and mobile integration.

Trusted by European Central Banks to manage millions of financial messages each day, our 30-year reputation in the market and outstanding SWIFT expertise has made us an internationally preferred partner in the financial industry. Our securities software is leading the way for Target2-Securities regulations in Europe while our 12 years of experience in EMV card payments is helping US businesses and institutions implement smooth migrations. Today, over 100 million chip cards are managed on TAS solutions.

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Banco Daycoval

With 48 years of history, Banco Daycoval specializes in corporate loans for any type of company, personal loans (consumer, payroll-deductible and car loans), foreign exchange products (foreign trade and currency exchange operations) and investments. It is recognized throughout Brazil for its conservative management profile, and professional and competent business practices. Banco Daycoval is headquartered on Avenida Paulista, in São Paulo. It has over 200 service outlets in 21 states and the Federal District, 38 corporate credit branches, 49 Daycred offices (dedicated to payroll-deductible loans), 100 Daycoval Câmbio (currency exchange) offices and 37 Daypag offices, which serve document expeditors and offer lines of credit to pay traffic fines. It also has the daycovalcambio.com.br (currency exchange), daycovalimovel.com.br (mortgage services) and daycovalinveste.com.br (investments) portals, which sell our products and services online.

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