Giesecke+Devrient

SWATCH**PAY!**
THE COOLEST WAY TO

swatch+
SWISS MADE

SwatchPAY! – the coolest way to pay

- Swatch introduces a new series of watches with smart features built-in
- Consumers can tap and pay with confidence
- Highest level, state-of-the-art security for convenient contactless payments
- Future usage models include access to buildings and sports venues

A SwatchPAY! Watch is a Swatch you can pay with. The watch uses a virtual card, linked to a real payment card. The watches are secured with technology from Giesecke+Devrient (G+D): Technology you can trust!

Customer Profile

Swatch, launched in 1983 by Nicolas G. Hayek, is a leading Swiss watch maker and one of the world's most popular brands. The first Swatch watches surprised everyone with their revolutionary concept, creative design and provocative spirit. The brand philosophy is based on color, movement, lightness and transparency, which can be seen in every Swatch product and project. Today Swatch continues to innovate and surprise with new models, collections and special editions. The brand maintains a strong presence in the world of sports with its commitment to snowboarding, freeskiing, surfing, beach volleyball and mountainbike slopestyle.

The importance of the wearables market is increasing exponentially. According to Juniper, in 2018, 22% of all smartwatches shipped were Hybrid smartwatches. Also, smartwatch shipments are expected to reach 166 Million by 2023. As the wave of wearables takes hold, consumers will expect their wearable devices to support secure payments, authentication mechanisms, and transit functions via contactless NFC or Bluetooth Low Energy (BLE) technologies. The NFC-based payment system is globally accepted and a modern, convenient way to pay at compatible terminals worldwide.

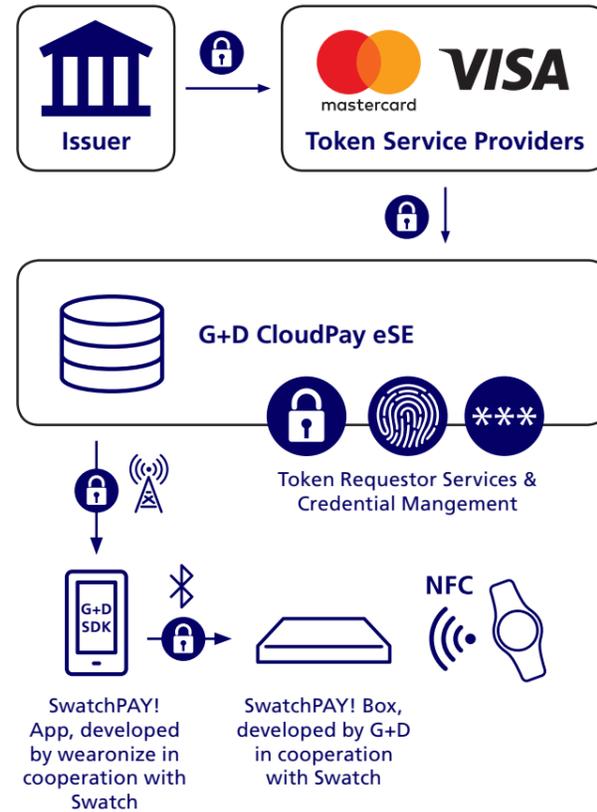## The time has come for the coolest way to pay

Swatch has recognized this trend and has introduced SwatchPAY! – a Swatch that can be used for payment. The watch uses a virtual card, linked to a real payment card. G+D has enabled Swatch to easily add new and highly secure functionality to their watches. G+D's technology ensures that Swatch customers enjoy functionality without compromising what they love most about Swatch – fashionable design, low price, and long battery life.

The contactless payment functionality is based on an embedded secure element designed in accordance with certification standards of global payment networks and certification bodies. The same proven technology and effective protection currently in place in some mobile phones.

Tokenization for wearables

Swatch uses tokenization to create a virtual card linked to the watch. Consumer sensitive data, like credit card information is protected by using an algorithmical-ly generated number. Once a customer is registered with the SwatchPAY! App designed by G+D's partner wearonize, a process is initiated to tokenize the pay-ment card.

The token is uploaded onto the watch. From there, the customer can make secure payments immediately.

Issuer → **Token Service Providers**

G+D CloudPay eSE

Token Requestor Services & Credential Mangement

NFC

SwatchPAY! App, developed by wearonize in cooperation with Swatch

SwatchPAY! Box, developed by G+D in cooperation with Swatch

The SwatchPay! App establishes a Bluetooth connection between the phone and the SwatchPAY! Box. The box is connected to the watch through an NFC connection. The SwatchPAY! App first triggers the generation of a token for the individual payment card of the consumer and the participating bank in the backend. After token creation, the token is securely delivered to the watch through the NFC connection with the box.

Easy activation

For customers, personalizing their new Swatch is quick and easy. Upon selecting their favorite Swatch in the store, consumers download and install the SwatchPAY! App developed and designed by wearonize based on G+D's SDK. Once registered, the consumer is able to activate the payment function based on his or her personal payment card (credit or debit). On the backend, G+D Token Requestor Platform generates a token which is loaded to the embedded secure element through the SwatchPAY! Box. SwatchPAY! Boxes are available in selected Swatch stores and are equipped with the necessary reader capabilities. After loading the card, consumers can pay for goods and services at any contactless point-of-sale terminal. The generated token can be deactivated or deleted at any time.

Scan the QR code on the SwatchPAY! Box

Download the SwatchPAY! App

Open the SwatchPAY! App
The SwatchPAY! App will guide you through the setup process

Turn payment function ON/OFF with the SwatchPAY! App at any time

Giesecke+Devrient – the partner of choice for Swatch

G+D partnered with the wallet provider wearonize to provision swatch watches with contactless payment functionality through the G+D Convego CloudPay eSE solution. Convego CloudPay eSE offers a cost-efficient solution for traditional watch designers to easily add new and highly secure functionality to their watches without affecting battery life or greatly impacting their designs.

G+D is providing essential backend services for token requests and lifecycle management of the embedded secure element. The end-to-end solution includes the companion app, a convenient interface for the consumer to make use of this service.

G+D solutions are designed and certified according to requirements of the major payment networks which ensure all contactless payment vehicles are not only simple to adapt and to perform but also highly secure. G+D was the partner of choice for Swatch when looking to integrate the technology into their lines of smart and stylish watches – easy and convenient.

Giesecke+Devrient will continue to work closely with industry players as the market develops, further cementing the company's position as a competent, fast-acting and reliable partner in the field of wearable technology.

Creating confidence

Giesecke+Devrient (G+D) is an international Group providing security technology and headquartered in Munich, Germany. Innovations by G+D make the lives of billions of people in the digital and physical world more secure. With its products and solutions, G+D is one of the market and technology leaders in payments, connectivity, identities, and digital infrastructures.

Established in 1852, the company achieved sales of €2.45 billion in the fiscal year 2019 and employs 11,500 people. G+D has a presence in 33 countries. Its customer base includes central and commercial banks, mobile network providers, automotive manufacturers, health insurance companies, and governments and public authorities.

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