

16th May 2019

Important Notification regarding Spar Key Technical Document

Dear Customer,

We are writing to inform you about upcoming developments at the Bank resulting from the EU's Payment Services Directive II (PSD2).

PSD2 regulates payment services throughout the EU and was designed to make payments more secure, increase customer protection and encourage competition in the payments industry. One new element introduced by PSD 2 to make payments more secure is that of **Secure Customer Authentication (SCA)** and Common and Secure Communication (CSC) which needs to be in place by 14th September 2019. This means that for a payment instruction to be secure, it needs to have the following:

- **Knowledge:** Something only the user knows, e.g. password,
- **Possession:** Something only the user possesses, e.g. token, electronic device
- **Inherence:** Something the user is, e.g. biometric characteristic, such as a fingerprint.

In order to maintain a high level of security, the Bank will implement a login and transaction confirmation requirement via SCA at all times and is introducing the "Spar Key¹" application which will replace all OTP tokens. The Bank's chosen solution combines Knowledge and Possession (and also Inherence in cases where Fingerprints are used to open the application), i.e. Username and Password + the "Spar Key" application installed on one or more devices owned by the customer.

The migration process and impact for customers

The Bank will shortly commence the migration of the on-line banking services from the current OTP Token based access to the new SCA Spar Key access. All customers must transition to the new SCA Spar Key access by no later than the 1st September 2019.

In order to assist customers, the Bank has developed a series of online wizards to facilitate the process of transitioning to the new application. The "migration wizard" will be one that will be automatically displayed and made available to customers.

Customers shall be contacted via the current on-line banking messenger and informed of their respective transition date. Until contacted, customers may continue to use their OTP tokens in the normal way. Once a token has been successfully migrated, it should be disposed of (in a secure manner) as the migration process automatically triggers its deactivation.

¹Spar Key: This is the name given to the Bank's authentication application which uses the same technological platform currently in use by a number of Austrian and German banks. Spar Key is a downloadable application available for Apple and Android devices, and Windows Desktop.

Technical specifications

Attached, please find the “Spar Key Technical Document” outlining important technical details concerning the application and the Operating Systems that it can run on. It is important that you check with your IT support function whether you or your organisation make use of “server farms” in which case you should forward this document to them at the earliest, to enable the commencement of any upgrades and/or planning required to support this new application. Failure to do so may lead to delays in your transition that may have an impact on the operation of your account with the Bank.

Further information and support

Kindly refer to the following URL on the Bank’s website for more information:

<https://www.sparkasse-Bank-malta.com/General/authapp>

The Bank will be placing all relevant communications, regular updates and FAQs to assist customers, on the above webpage. In addition, the Bank will circulate notifications about important project developments via the online banking system messenger and email. Kindly check the messenger and email inbox on a regular basis.

Yours Sincerely,

Spar Key Support
Sparkasse Bank Malta plc