

THE REAL REVOLUTION IN PAYMENTS WILL BE REAL-TIME PAYMENTS



Manika Singh (Moderator)

Manager, Edgar, Dunn & Company



Manika is a manager based in EDC's London office with over 14 years experience. She joined Edgar, Dunn & Company after migrating from Tanzania upon completing her Masters degree. She has worked on a range of strategy projects in Europe, North America and Africa with major players across the payments value chain. Manika has extensive experience on both the issuing side and the acceptance side of payments. On the issuing side, she has worked with prepaid program development (including market sizing, product development, economic business case, etc.), as well as working on an M-Pesa in Kenya/Tanzania. On the acceptance side, Manika has worked with several major international retailers on their cost of acceptance analysis and strategy. She has worked with PSPs on their market development strategy as well as their pricing strategy. Her experience in the regulatory space includes E-money directive (where Manika has worked with companies to obtain e-money licensees), Payment Services Directive (PSD1 and PSD2), GDPR, interchange regulation, etc. Manika holds a BSc in Economics from the University of Warwick and a MSc in International Business from Lancaster University.

Jack Ehlers

Director of Payment Partnerships, PPRO Group



Jack Ehlers is Director for Payment Partnerships at PPRO S.A. in Luxembourg. He has worked in ecommerce and payments for the last 12 years. He has held roles in regulatory compliance, business development and management in the U.S., Europe and Asia. He lives with his family in Luxembourg.

Amos Kater

Head of Online, Currence & Betaalvereniging Nederland (Dutch Payments Association)



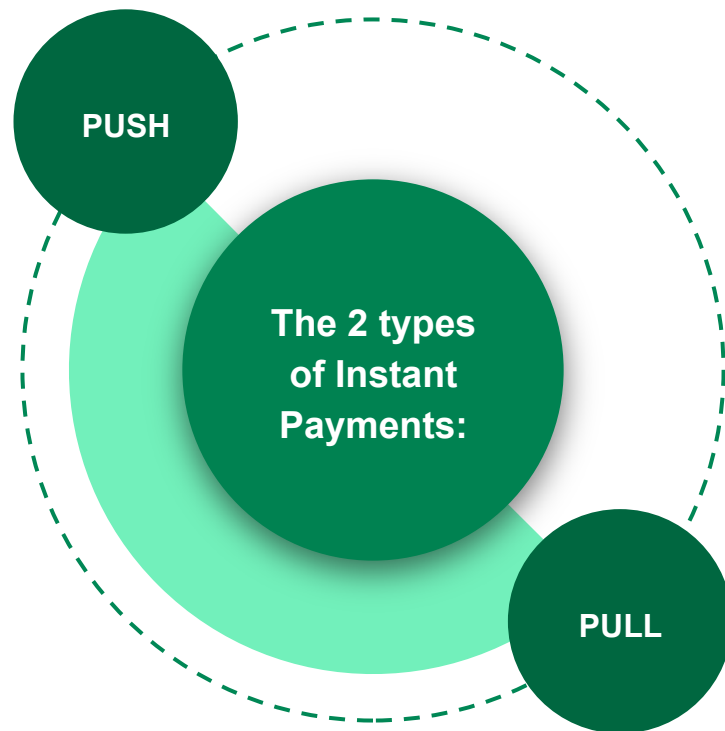
Amos Kater was is Head of Online at Currence and the Dutch Payment Association, with his team he is responsible for products like iDEAL and iDIN. Two products in different stages of their development, both with strategic challenges, in a dynamic environment with a large number of stakeholders. Before Amos joined Currence he was the Global Leader of the Payment Practice at UL's Identity Management & Security division. Within this role he was responsible for the secure development of various payment, transaction and identity services. He is a leading authority in the field of NFC, Mobile Payments and e/mCommerce. Amos joined UL in 2011 and prior to this, he worked at KPN for 15 years, mainly in strategic and innovative roles as a telecom professional. As a key industry knowledge speaker, Amos has inspired numerous audiences on the latest developments in the markets, including solutions regarding NFC, TSM, mobile wallets, PSD2, Automatic Fair Collection and mobile driving licenses.

Getting to know Instant Payments... in a flash

Jack Ehlers // Director of Payment Partnerships, PPRO Group

What are Instant Payments and how do they work?

Instant Payment are typically a domestic, bank to bank electronic payment. The communication between the banks happens within seconds regardless of time or day making it nearly.... Instant.



Where are they being used?



What are the potential benefits?

Consumers and Merchants

- Immediate payment for value
- Reduced fraud
- Better cash management especially for SMB's

Industry

- Opportunities for new services
- Move from cash to digital payments
- Prepares path to Instant Payments XB

What is making Instant Payments popular?

The factors in making Instant Payments successful:

- Payment use-cases are broad (retail, collections, payroll, refunds)
- Governments are promoting real-time payment infrastructures
- Advantages for merchants (fraud, cash management)



What does the future hold?

Europe

PSD2 will increase the innovation and availability of instant payments.

APAC

India and China are leaders with many south-east Asian countries adding instant payment infrastructure. Low card penetration (with moderate to high bank account share) is another instant payment driver.

Latin America

Instant Payments initiatives are still early although many payments are already processed via RTGS.

North America

US Federal Reserve gave the banking industry various criteria for faster payments. While it won't mandate change, it's seeking industry initiative. Zelle is one example.

iDEAL and Instant Payments

Amos Kater // Head of Online, Currency & Betaalvereniging Nederland (Dutch Payments Association)

The screenshots show the following steps:

- Betalen**: User selects 'Boekengigant' for €24.95. They enter their ABN-AMRO account number (NL**ABNA 0) and PIN. A 'Betalen met e-identificatiecode' button is visible.
- Selecteer uw rekening**: User selects their ABN-AMRO account (J A OSBFDSEXP) for €1.234.56. A 'Betalen' button is at the bottom.
- Bevestiging**: Confirmation screen showing 'Uw betaling is succesvol verzonden'. Transaction details include: Kenmerk: Aankoop boek, Datum: 10 april 2016, Omschrijving: Het Diner, Koch, Herman, Transactionummer: 30020268116665.

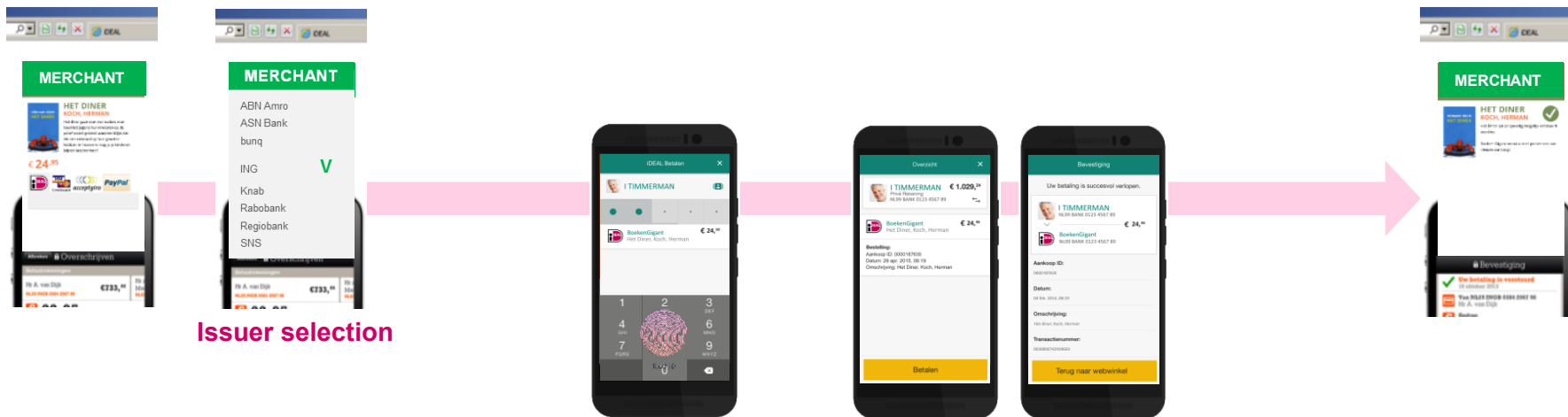
Payer authentication Strong Customer Authentication

The screenshot shows the 'BoekenGigant' website with a search for 'HET DINER' by Koch, Herman. A dropdown menu for 'Alle betaalwijzen' is open, listing various banks including ABN-AMRO, ING, and Rabobank.

Issuer selection

The screenshot shows the 'BoekenGigant' website with the 'HET DINER' book page. A green checkmark icon is visible in the top right corner, indicating successful payment.

iDEAL mobile



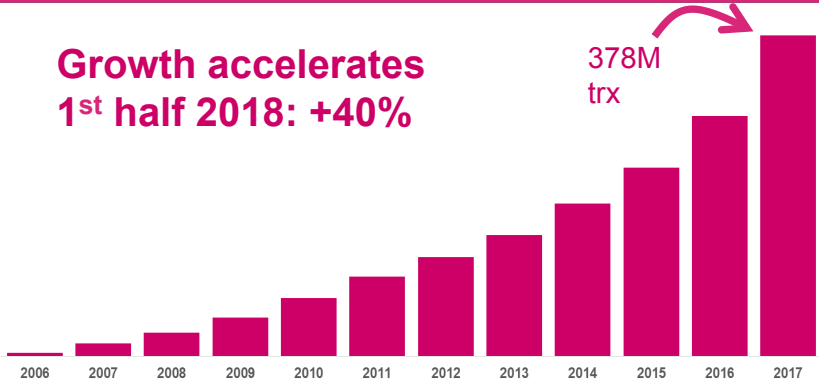
Issuer selection

Payer authentication Strong Customer Authentication

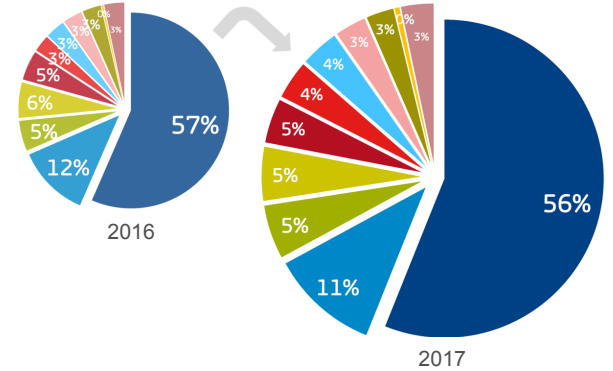
iDEAL today, successful in the Netherlands ...



Growth accelerates
1st half 2018: +40%

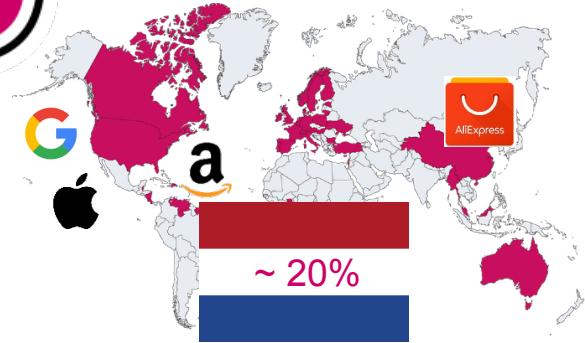


Dominant payment method in eCommerce



~ 65%

Favourite payment method on mobile



Worldwide available to Dutch payers

iDEAL success factors in the Dutch market



Institutional factors

- Low use of credit cards
- High penetration of broadband internet and online banking



Customer

- Familiar to internet banking
- Trusted
- Instantly available (no separate sign-up necessary)
- Free of charge



Merchant

- Reach: 95% of Dutch consumers use it
- Conversion: 85 – 95%
- Cost: Fixed fee
- Real-time payment guarantee



iDEAL participants

11 Buyer Banks (Issuers)



9 Seller Banks (Acquirers)



60 Payment Institutions (acting as aggregators)

100.000 Accepting merchants

What merchants want in payments?



Conversion, conversion, conversion

- Ease-of-use for consumers
- Simple one-time sign-up, if any
- Minimal risk of payment revocation

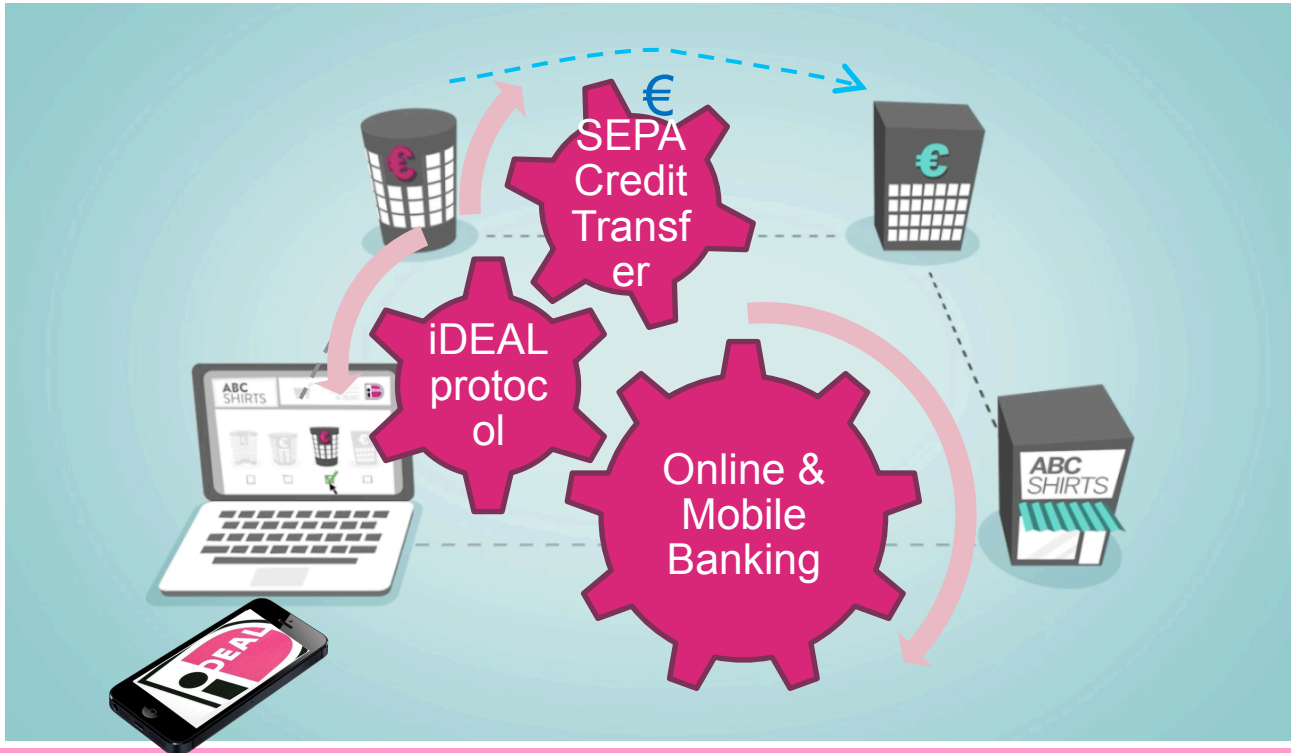
Reach among consumers

- In all relevant commerce situations

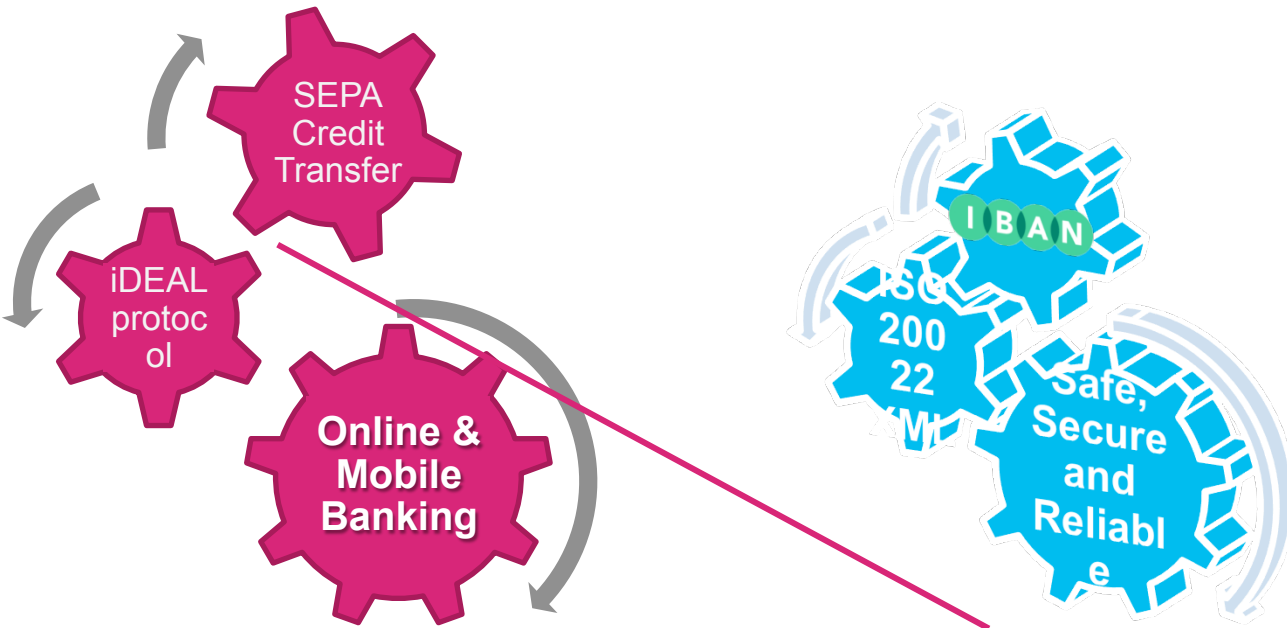
Fair pricing



iDEAL: 4-corner Online Banking e-Payment based on SEPA Credit Transfer



iDEAL Instant Payments



FROM



TO



Instant Payments will improve the settlement timeline between the Issuer and Acquirer



To conclude

- Instant Payment is the 'new normal', all new entrants will promote the fact that they pay out instantly (when possible).
- The iDEAL payment guarantee remains unchanged; The Issuer is responsible for crediting the (instant) payment.
- Merchants will receive their money (positive for their cash flow) instantly when Instant Payments are implemented.
- Business value of iDEAL much broader than settlement timeline!

Q&A:

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Panelists are addressing questions from the audience collected in advance.

If your question was not answered during the Q&A session, please feel free to contact the organiser at mpe@empiriagroup.eu with any further questions.



Thank you for attending:

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MPE 2019, conference and exhibition, 19-21 February, 2019, Berlin
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