

# Payments 2020 Outlook:

## *Desired Outcomes and Alternative Paths Forward*

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September 24, 2013

# Agenda

- **Market Dynamics**
- **Key Drivers:**
  - Consumers
  - Originators
  - Financial Institutions
- **Primary Consumer Research**

# Market dynamics are driving future needs

## 1. Card Models are under attack and business models are changing



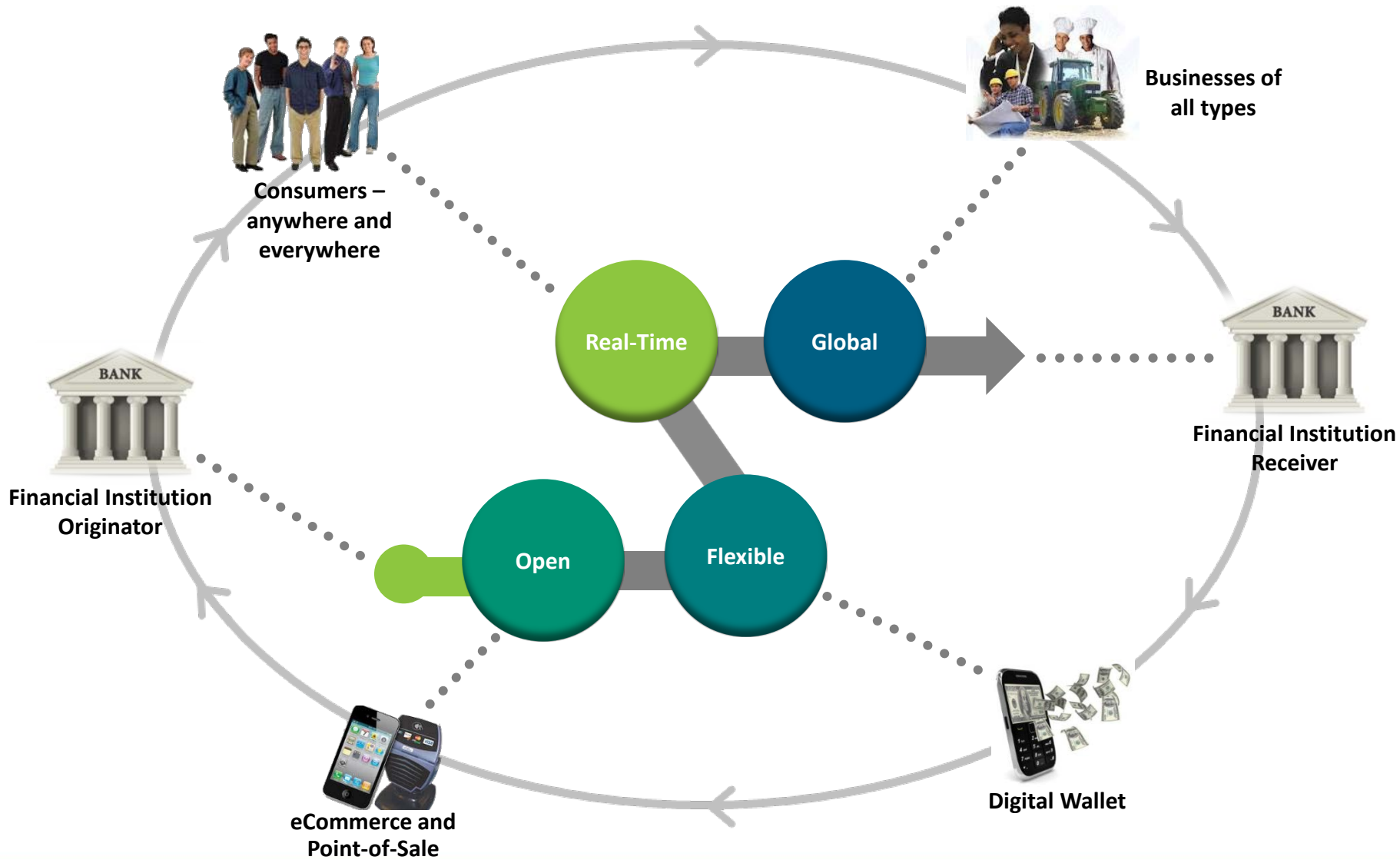
## 2. Regulatory intervention is remaking the face of commerce



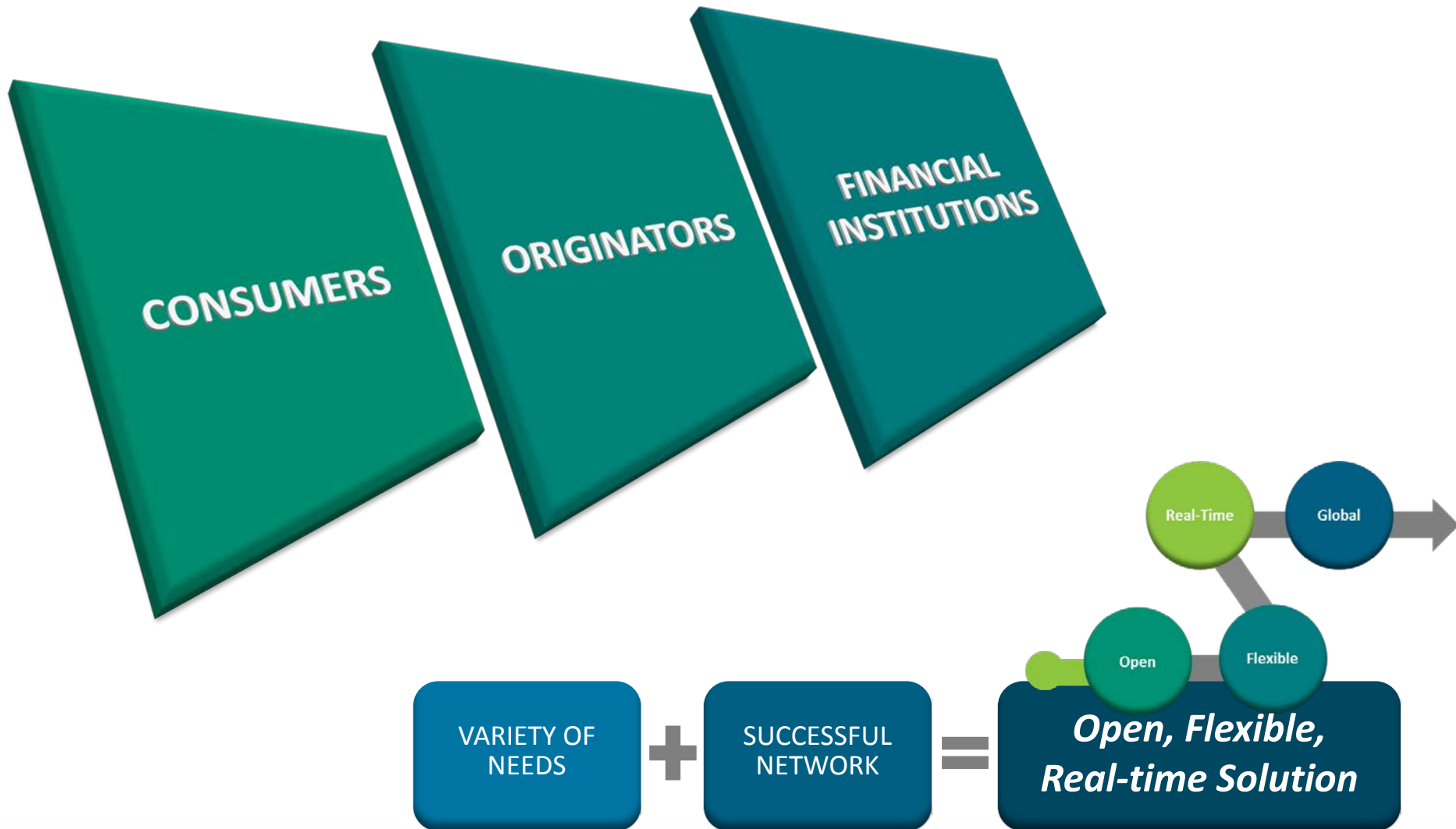
## 3. Mobile and digital technology has changed life as we know it



# Movement to real-time by connecting all payment stakeholders is an impartial, open network



# Consumers, Merchants and Financial Institutions drive the need for real-time payment networks



# An thorough examination into our key drivers proves the shift to real-time is eminent

## CONSUMERS

- ✓ Demand for real-time payments is real
- ✓ Overseas money transfers offer unique opportunity for value to the consumer
- ✓ Consumers have a willingness to pay for this value across multiple payment models

## ORIGINATORS

- ✓ Traditional and eCommerce merchants seek alternative to traditional models: i.e. Square, Google Wallet, PayPal
- ✓ Changes to infrastructure are expensive, true value is found in reuse of existing capabilities in new ways
- ✓ Ubiquity for consumers is critical

## FINANCIAL INSTITUTIONS

- ✓ Research shows that consumers are willing to pay their financial institutions for real-time availability of funds



# PayNet's "Egg" Strategy Addresses the Originator Market

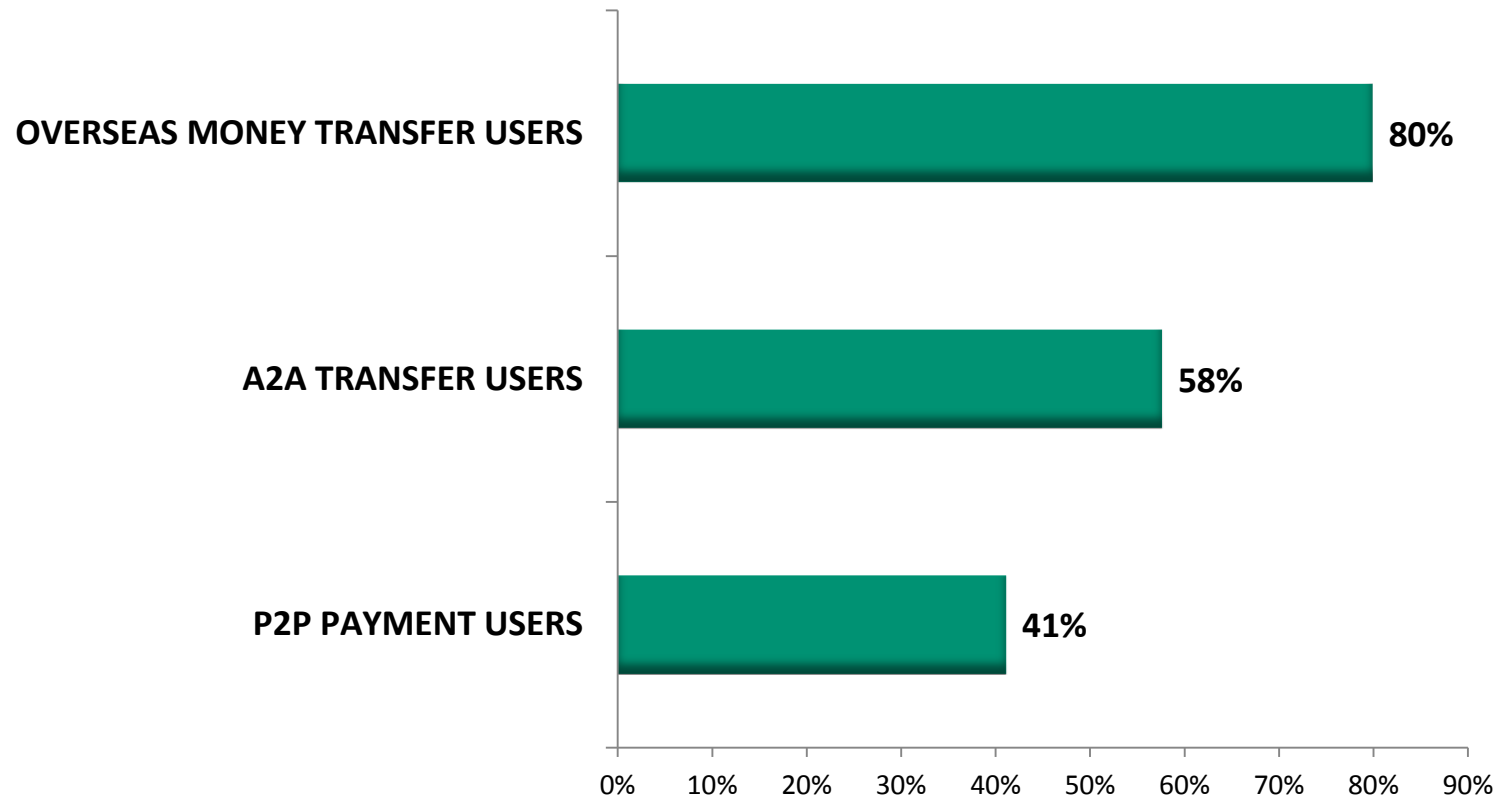
Early wins must focus on market perception as well as value to the originator

- ✓ 5 Categories of Originators are being targeted: P2P, Ecommerce, Commercial, Fin Serve, Retail (MPOS).
- ✓ FIS has already held discussions with ALL of the brands represented below
- ✓ Several brands have indicated they will move as PayNet approaches critical mass of DDA coverage\*



**\*20%+ DDA coverage is the tipping point for PayNet Originators**

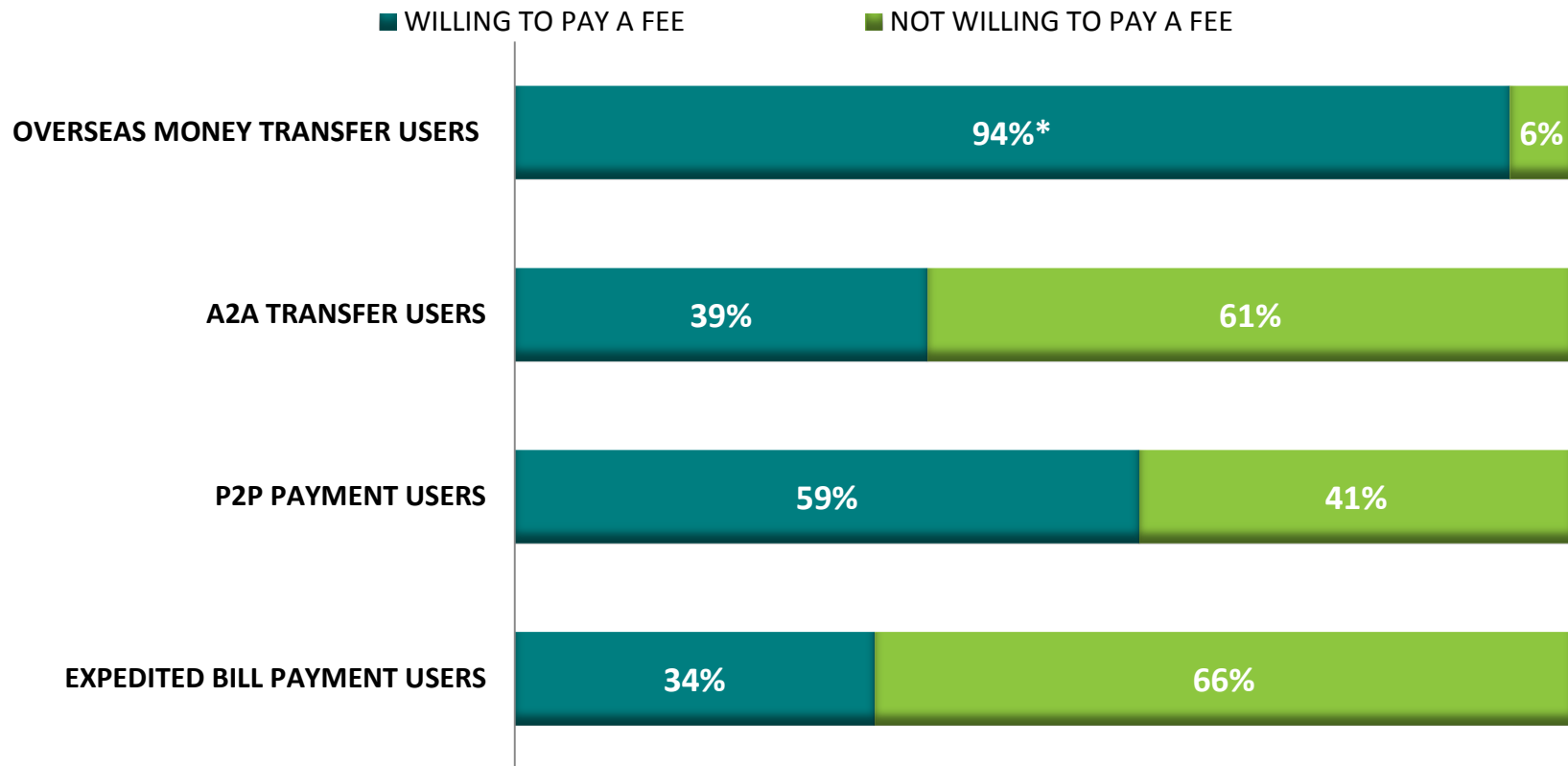
# Senders believe it is extremely or very important for payment recipients to be able to use their money immediately



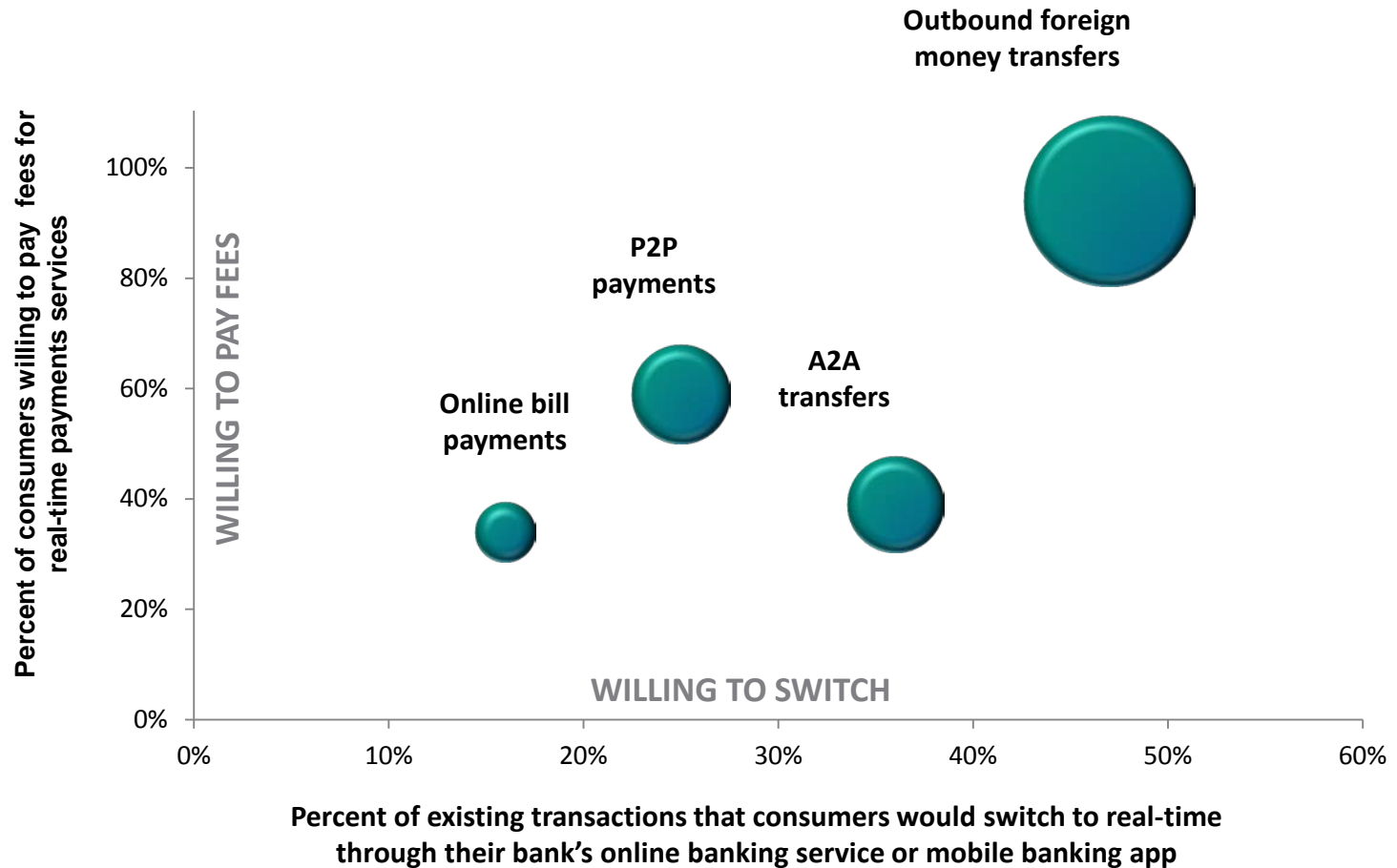
\* Read as: 80 percent of overseas money transfer users believe it's important for their recipients to be able to use the money they send to them immediately



# Consumers, especially outbound foreign money transfer users, are willing to pay fees for real-time payments

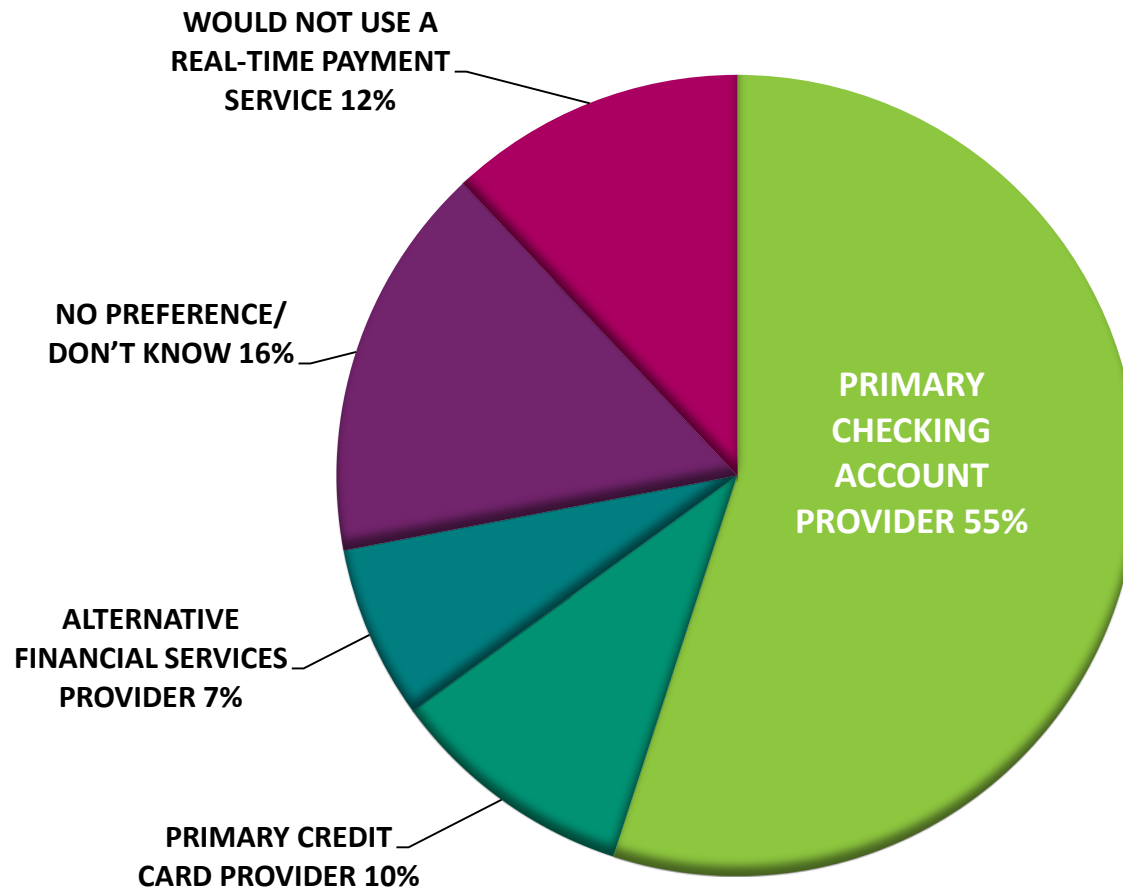


# Consumers would also like to use real-time for a broader range of transactions and many are will to pay fees



Note: size of bubble reflects the percent of existing transactions that consumers would switch multiplied by the percent who would pay fees

# The majority of consumers want real-time payments services from their primary checking account provider



# Thank You

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