

PAYMENT TRENDS

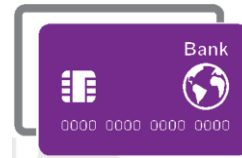
Nicolas Bruley, VP Digital Payment Solutions
CR2 Impact Day, November 2022



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SECURING A WORLD IN MOTION

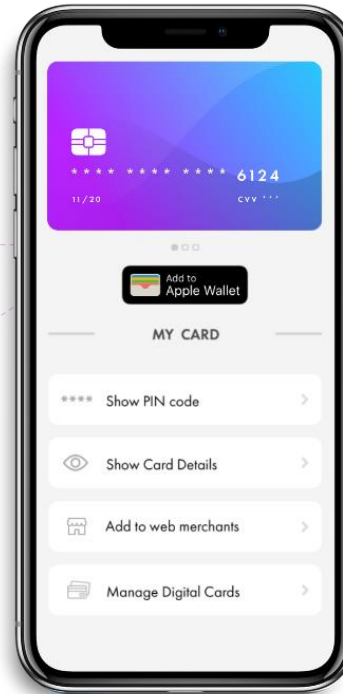
Digital card bring security and usage to the next level



>15%
average increase in
transaction volume



Instant push to Apple/Google
Pay makes bank cards
top of wallet
(increased card active rate)



Time of delivery

5 sec for Digital issuance
Physical instant issuance: same day
Central issuance: approx. 5-7 days



>10-15%
average increase in new
customer acquisition

>95%
of digital card holders are likely to
use their card on the **1st Day**



20-25%
average **reduced fraud**
for DF transactions

Digital card self-care
enables banks with
40% av. **reduction** in
**card customer servicing
costs**



Sources:
as reported by existing Entrust Instant Issuance customers
Worldpay Global Payments Report 2020
Worldpay Global Payments Report 2021
Forrester research
Mastercard Digital-First customers

Europe

Early adopters

Mature market

Some defiance vs. Google and Apple

North America

Little defiance against GAFA

Fighting fraud rather than fraud prevention

Credit cards are still the leading way of payment

Asia

NFC is coming fast

Strong focus on QR code payment

69% online payments with digital cards

Middle East

+55%

YoY for digital payments in the Middle East

Cardholders ask for **seamless payment experiences**

60%

state mobile wallets as preferred payment method in the next 5 years

Banking app is key for **brand awareness**

Digital-savvy
cardholders

+33%

for digital wallets in Saudi Arabia (e-commerce)

80-90%

smartphone penetration



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Africa

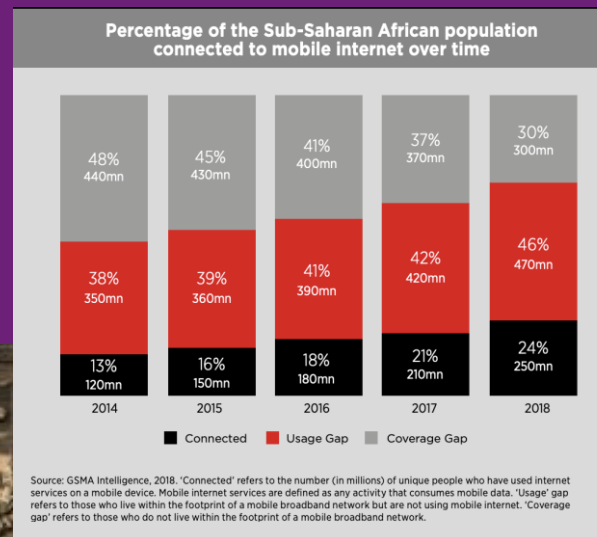


Leading region for Telco payment

- ▶ 296 M registered mobile money accounts in East Africa (2021)
- ▶ 84% of internet users in Kenya and 60% in Nigeria regularly made payments with mobile phones in 2021.
- ▶ M-Pesa with >50 M active monthly users

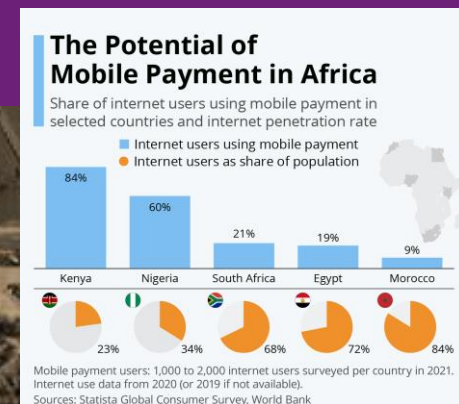


Mobile payments meet need for financial inclusion



Limited availability of Google Pay & Apple Pay

- ▶ Apple Pay and Google Pay are only available in South Africa



THE TIME IS NOW



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DIGITAL FIRST TRANSFORMATION FOR BANKS IS A MUST HAVE

› Consumers are increasingly willing to switch banks for the right digital experience.

- **81%** of consumers say anytime, anywhere accessibility can motivate them to switch financial institutions. ¹

› Financial institutions are prioritizing a digital consumer experience.



- **80%** of financial institutions globally say improving digital experience for consumers is a top strategic priority. ²

› Banks also know that speed to market is key to winning.

- **88%** of banks recognize that they need to accelerate. ³

› Partners are crucial to building an end-to-end digital experience.



- **73%** of banking executives cite “identifying the right partners” as a primary barrier to switching to a platform system. ⁴

Source: Mastercard Digital First for tech enablers – Webinar, October 13, 2021

¹ Capgemini World Retail Banking Report, 2021

² Retail Banking Trends & Priorities 2020, The Digital Banking Report.

³ The Digital Banking Report, 2019

⁴ Signicat, The Battle to Onboard 2020: The impact of COVID-19 and beyond



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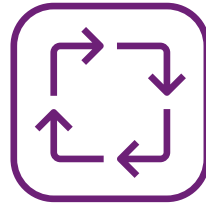
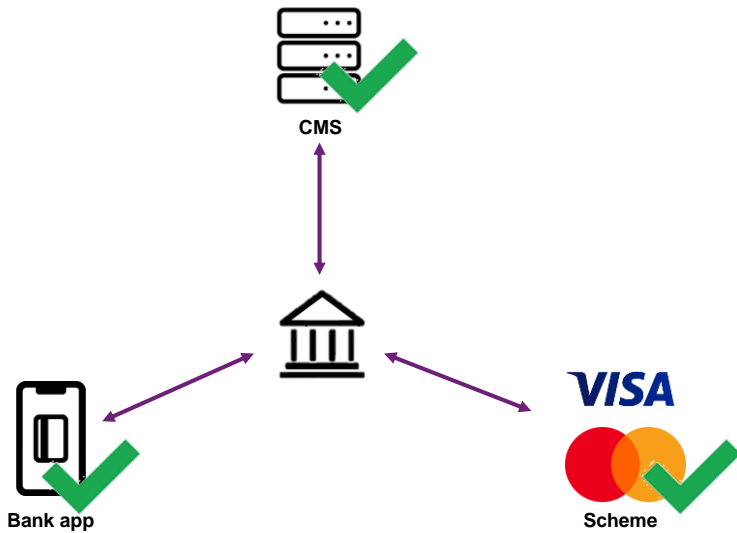
CHALLENGES & IMPLEMENTATION



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CHALLENGES

Challenges



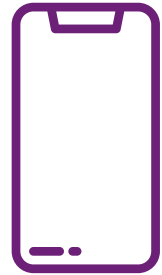
Complex ecosystem

Tokenization Service Provider, scheme, third-party wallets, card processor(s)... Digital card sets the challenge one level above!



Requires to embed security

With great power comes great responsibility!
Bringing these powerful control & payment features to customers, requires to protect them against the ever more advanced threats



Best UX

User eXperience is crucial for digital banking experience and will make the difference!



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IMPLEMENTATION

Pre-integrated solution

- › Embedded with top class CR2 white label app
- › Convenient for existing app customers
- › A strong plus for new customer for an all-in-one solution, no need to have several providers and multiple integration for the same products
- › All-in-one : Virtual card, token provisioning and NFC issuer wallet (100% digital)
- › Entrust/CR2 will handle the connectivity with the Schemes, a plug and play solution.
- › Very attractive for countries where Google pay/Samsung pay/Apple pay are not deployed
- › The bank will leverage their own branding as this is a white label offer
- › The bank as result will provide a superior customer experience

