

# P27 - The payment gamechanger

November 6, 2019



**P27 has the ambition to build a payments  
superhighway connecting the 27 million  
people living in the Nordics**



# Denmark, Sweden and Finland are moving ahead and Norway is welcome to join



## Nordiske banker investerer halv milliard på «vippsing» - men ikke i Norge

DNB og Vipps er ikke med når nordiske banker har tidenes satsing på straksbetalin...

Privatøkonomi



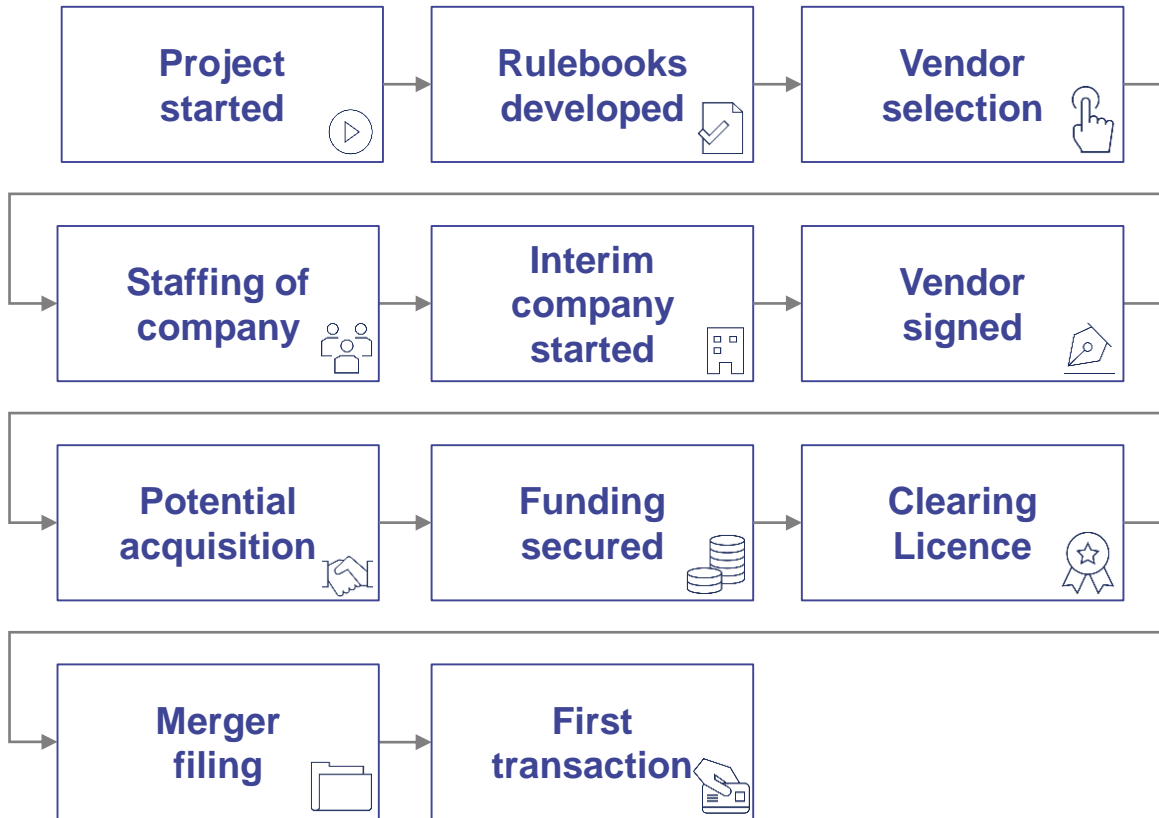
## Ny strid mellom banktoppene i Norge før «vippsing» går internasjonalt

Norske sjefer i Danske Bank og Nordea reagerer på at DNB ikke vil være med på te...

Finans



# P27 is on a three year mission



Nordea



Handelsbanken

Danske Bank



P27 is still in a preliminary stage, and the establishment of P27 is subject to regulatory approvals and requirements





# 5 brutal forces shaping the payments industry globally



**Real-time payments**



**Open Banking and PSD2**



**New Ecosystem players**



**Rise in cross-border payments**



**Cyber-risk, fraud & AML**



# Cross border payments playing a bigger role across segments but room for improvement in customer experience & efficiency

Cross border payments flows and revenues, 2018

(x%) *Revenue margin<sup>2</sup>*

Segment	Flows EUR trillion	Revenue \$ billion
C2C	0.6 (5.4%)	30
C2B <sup>3</sup>	1.7 (2.5%)	42
B2C <sup>3</sup>	1.4 (1.5%)	21
B2B <sup>3</sup>	152 (0.1%)	170
	<b>155</b> (0.2%)	<b>263</b>

### Typical customer pain points

-  • **Percieved expensive**
-  • **Not transparent**
-  • **Inferior customer experience** with cumbersome steps and limited instructions
-  • **Perceived as being slow** given a lack of transparency around delivery times

1 Only includes payments made on behalf of either corporate or retail clients 2 Inclusive of fees, FX spread and float  
 3 "B" includes business and government  
 Source: McKinsey Global payments map

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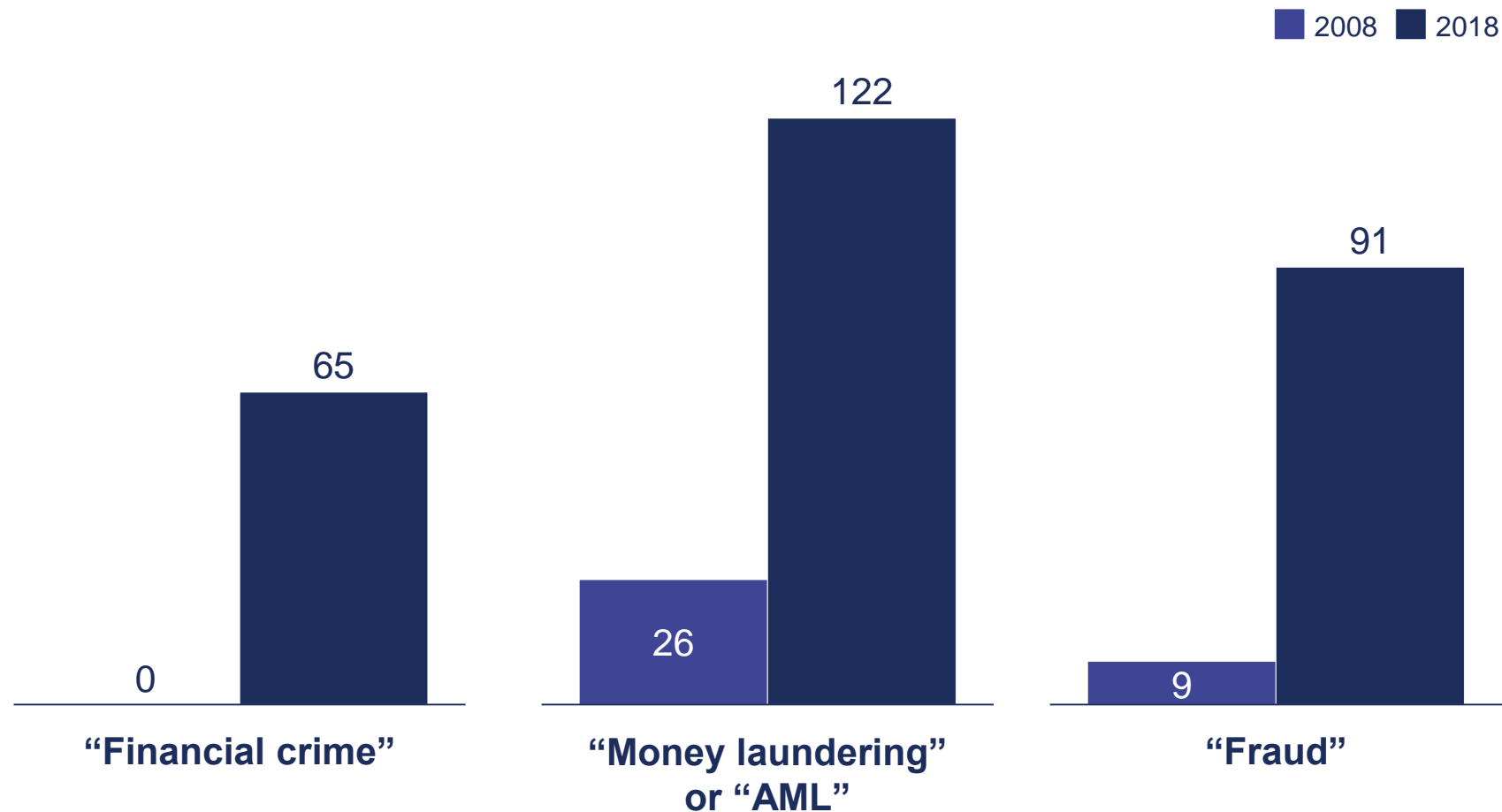




# A “real time” world creates new challenges – which we will be better off fighting together

## Focus on financial crime in the annual reports for 7 top Nordics banks

# of mentions across all 7 annual reports



Sophisticated solutions that can **leverage large volumes of data** will be key to limiting the impact of criminal activity



# We see several industry initiatives in sync with the regulatory push for the next generation sector agenda for Payments in Europe

## Regulatory efforts

## Industry initiatives



- **SEPA CT Instant rulebook**



- Harmonize **settlement infrastructure** for instant payments

- Mobile Initiated SEPA CT **Interoperability Implementation Guidelines**



- Foster **interoperability** between European mobile payment schemes

- **Pan-European “Request-to-Pay” rulebook**



- **Pan-European “Request-to-Pay” infrastructure**



- PSD2-directive to **enable third party access to accounts (XS2A)**



- Standardize **methods for third-party accessibility**

- **Fintech Act**

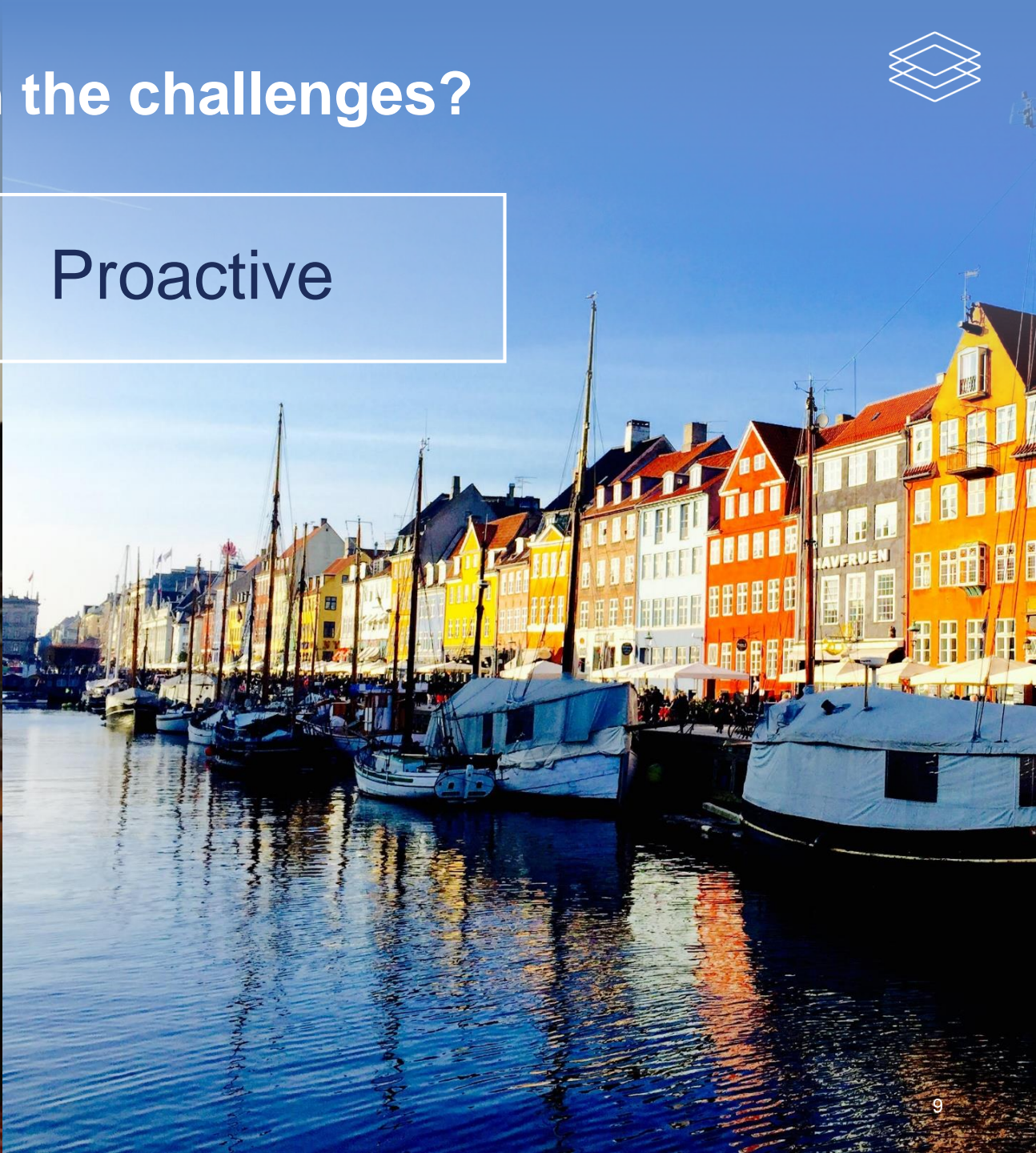


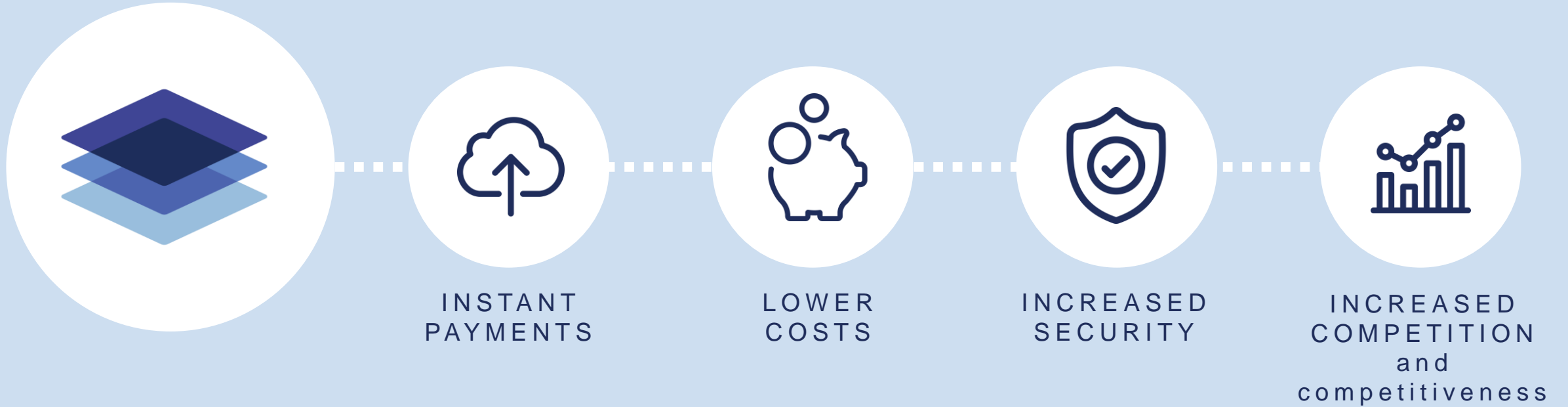


# How to deal with the challenges?

Reactive

Proactive







# Tomorrow needs one harmonized Nordic payments platform



## Current situation

**9 different clearing systems**

**Different products** in different countries often with overlap

**Platforms** with overlap of investment needs and limited scale



## With P27

**One clearing system and platform** – the initial vision at launch of P27

**Harmonized payment products** where so required

**One point of entry** for participants (including EUR transactions)

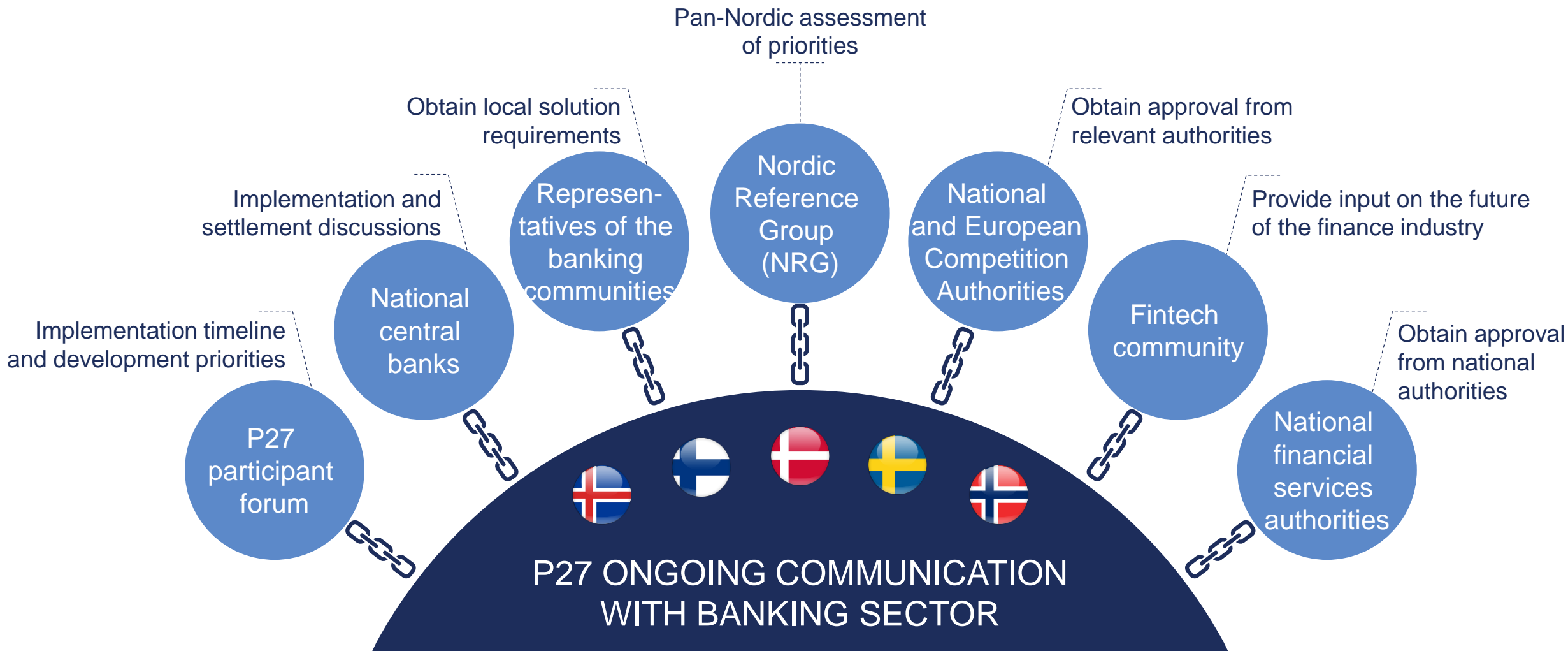


Imagine if people and corporates in the Nordics could...

- Pay with mobile payments in other Nordic countries
- Have a **cost efficient direct debit scheme** instead of current old and expensive
- Pay and receive payments instantly also from other countries in a **simple and secure way**



# P27 facilitates a new Nordic ecosystem of payments





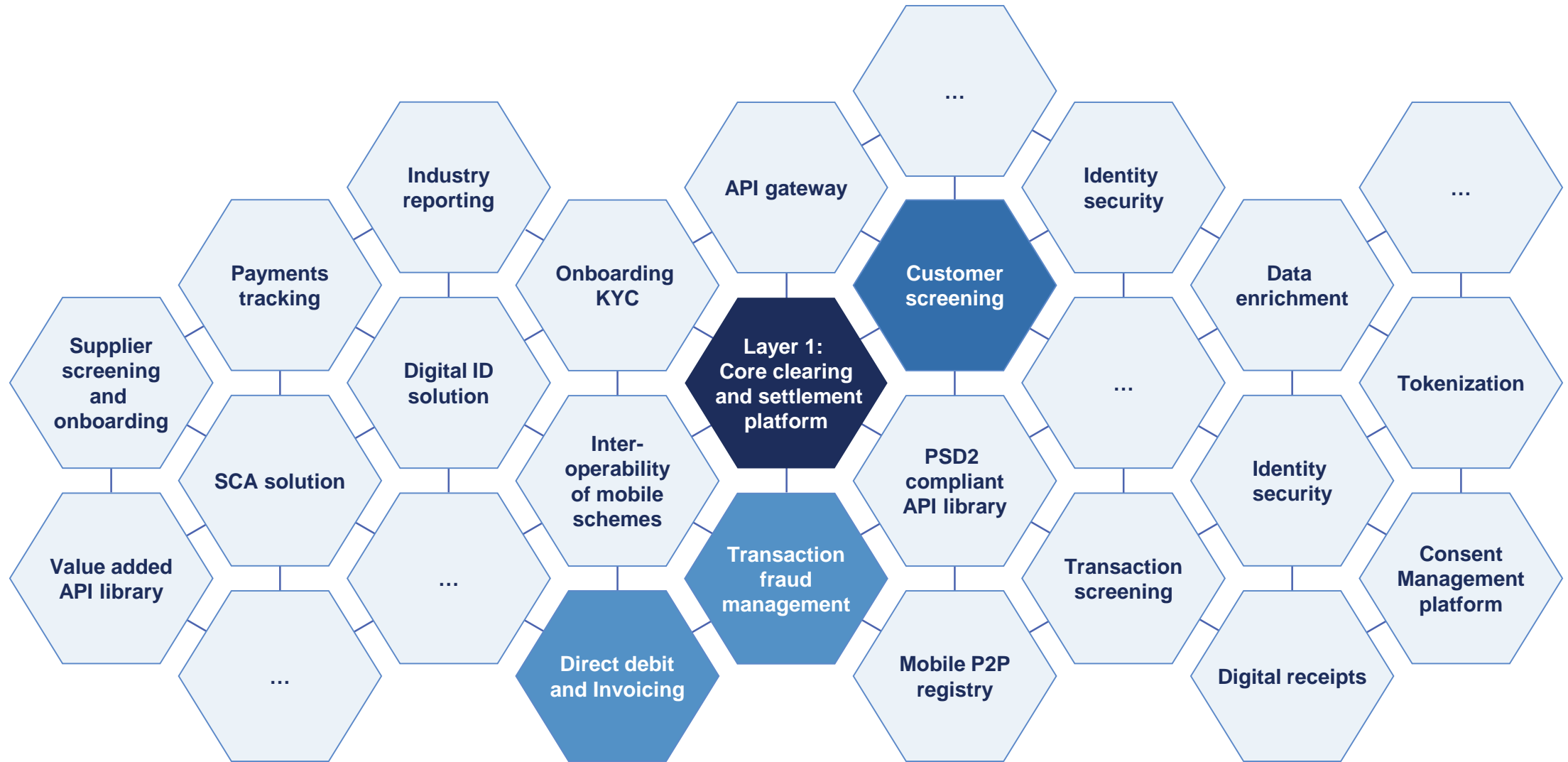
# A large number of Nordic banks are already jumping on board and have joined the Nordic Payment Council



Founding members:



# P27 aims to enable a future-proof payment ecosystem



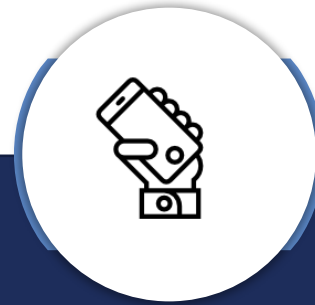


# P27 will create a true change in the Nordic payments industry



First step towards all being instant

- Help corporates to improve their payment models
- Take down system risk



Payments to flow seamlessly across the Nordics

- Support cross border trade in the Nordics
- Enable Nordic mobile payment solutions



A foundation for future payments innovation

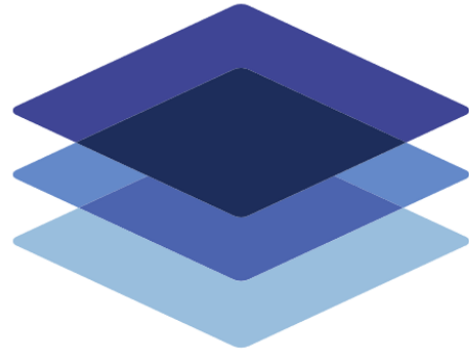
- Help the Nordic Fintech community to prosper

***What can we do for you?***



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**P27**  
Nordic  
Payments