

***Mobiili maksaminen – Käteisen
korvaaja ja pankkien mahdollisuus
uuteen liiketoimintaan***

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Agenda

- Mobey Forum ja Mobiilit Finanssipalvelut
- Mobiili etämaksaminen – onnistuuko olemassa olevalla maksuinfrastruktuurilla?
- Kontaktiton kännykkämaksaminen - mistä kaupallistaminen kiikastaa?
- Mitä uutta tuo Mobey Forumin uusin White Paper – Alternatives for Banks to Offer Secure Mobile Payments

Mobey Forum Vision

A Prosperous Mobile Financial Services Ecosystem, where

- Our members are able to create new business based on the following principles:
 - Provisioning of Mobile Financial Services is open and standards-based
 - The services are interoperable and targeted for mass-market
 - Customer has the freedom to choose any service provider and to change them independent of others
 - Portability of the user across MNOs, handsets and banks
 - The client trust in financial services is maintained
 - Sufficient security of services but convenience of use
 - Ensuring the "perceived trust" of customers
- Gaining a healthy positive financial return is possible
 - According to the value of the services provided

The Mobey Forum Mission

- **Mission** of the Mobey Forum is to **facilitate Financial Institutions to offer mobile financial services**
 - Through insight from pilots, cross-industry collaboration, analysis, experience sharing, experiments and cooperation and communication with relevant external stakeholders
- **Main focus is in building sustainable business model alternatives**
- **Strategy is three-fold**
 - **Informational** – Industry insight, First hand experience sharing, Knowledge repositories, Regular industry News- and Member Updates
 - **Networking** – Mobey Workshops collect the leaders cross industries to share experiences and to build new relationships; through the Industry Network Mobey can further its objectives
 - **Shaping the Industry – creating the future:** Interaction and ongoing liaisons with standardization organizations, analysts and industry influencers.

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Mobile Financial Services Ltd

**Mobey Forum
Bank Members (16)**

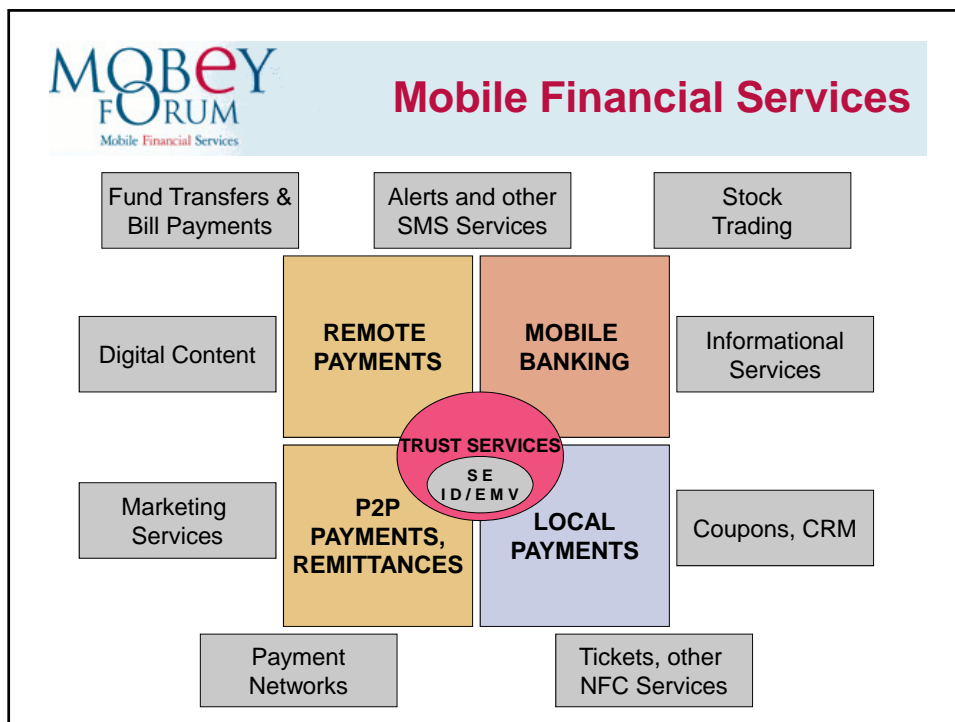


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**Mobey Forum
Vendor Members (21)**





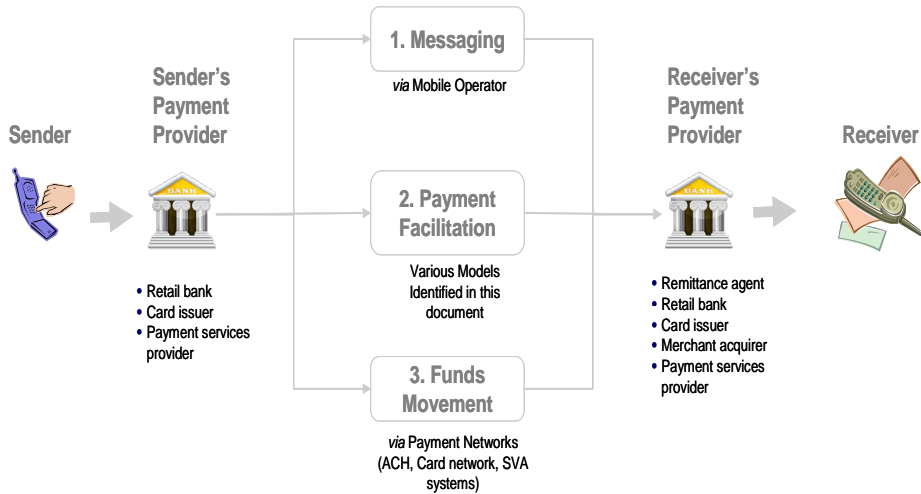


MOBEY FORUM
Mobile Financial Services

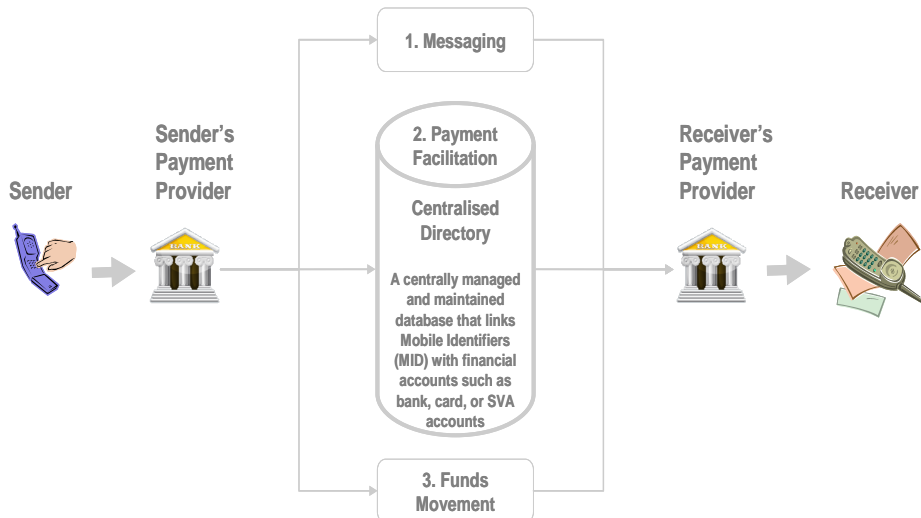
Remote Mobile Payments

- Mobey Forum julkistaa uuden White Paperin lähiaikoina
- Keskeinen kysymys: miten mobiilia etämaksamista voidaan tarjota kuluttajaystävällisesti ja helpokäyttöisesti, mutta olemassa olevaa maksuinfrastruktuuria hyödyntäen?
- Netti- ja kännykkämaksamisessa uudet toimijat kuten PayPal haastavat pankit tarjoamaan kuluttajaystävällisiä ja nopeita maksupalveluja
- Miltä näyttää mobiilin etämaksamisen ekosysteemi?
- Miten interoperability saadaan taattua?
- Tarvitaanko nykyiseen infraan lisäkomponentteja?

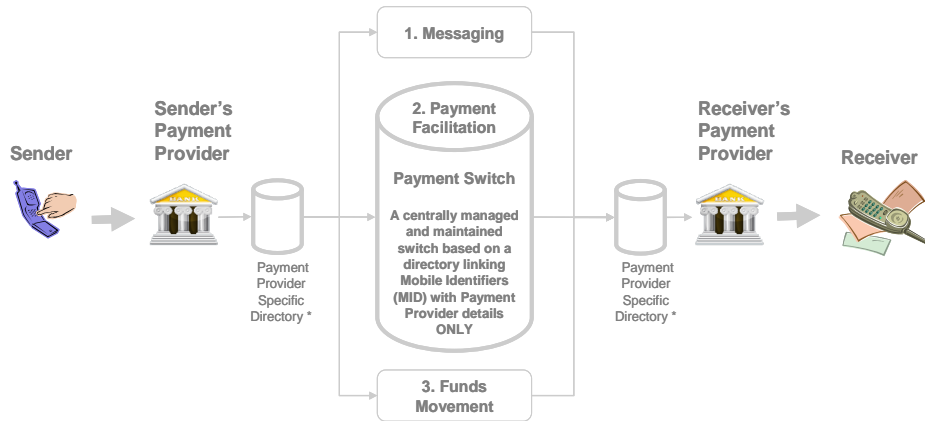
Mobile Remote Payments Ecosystem



Centralized implementation scenario



Distributed implementation scenario



* Database that link Mobile Identifiers (MID) with financial accounts for the Payment Provider's customers (maintained by the Payment Providers)

Key Challenges with Mobile Contactless Payments

- The business model for commercial roll-out of NFC has not been achieved yet
- Main challenge is the multi-application environment – very complex ecosystem
- The technology is pretty ready, but the business discussions are slow
- Not much has happened since the early days...

*First RFID (pre-NFC) pilot in Lahti, Finland – year 2003:
Nordea, Nokia and Visa tested payments with an embedded Visa payment card*

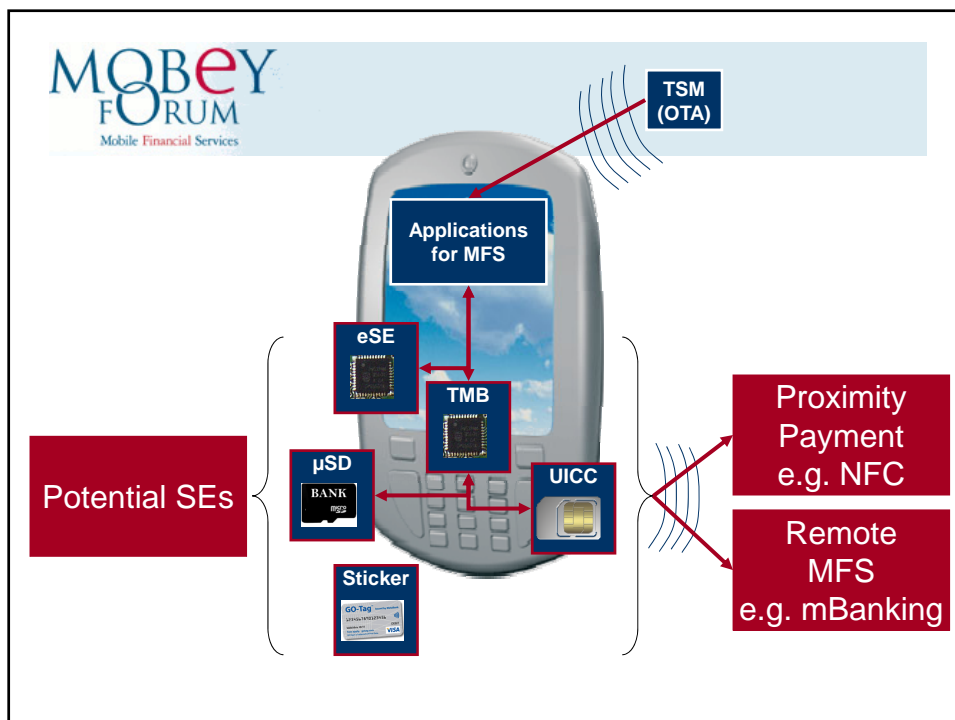


- Around 100 pilots have been testing the NFC Payments globally
- Phases of piloting:
 1. Technical testing 2005-2007
 2. Consumer acceptance testing 2006-2008
 3. Ecosystem testing and commercial roll-outs 2007-
- By end of 2009, there has been four (4) commercial NFC Payment services globally
 - China 2007, Germany and Austria in 2008 - All related to public transport ticket purchasing
 - Visa payWave in Malaysia (Maybank and Maxis) April 2009
 - Citi Tap & Pay in Bangalore, India – production scale pilot during 2nd half of 2009; results available at <http://www.edgardunn.com/pointsOfView/whitepaper.cfm>
- Collaborative model has been very challenging to implement
- It seems that the market will start with simpler models
- A lot of interest towards the "bridging technologies" currently

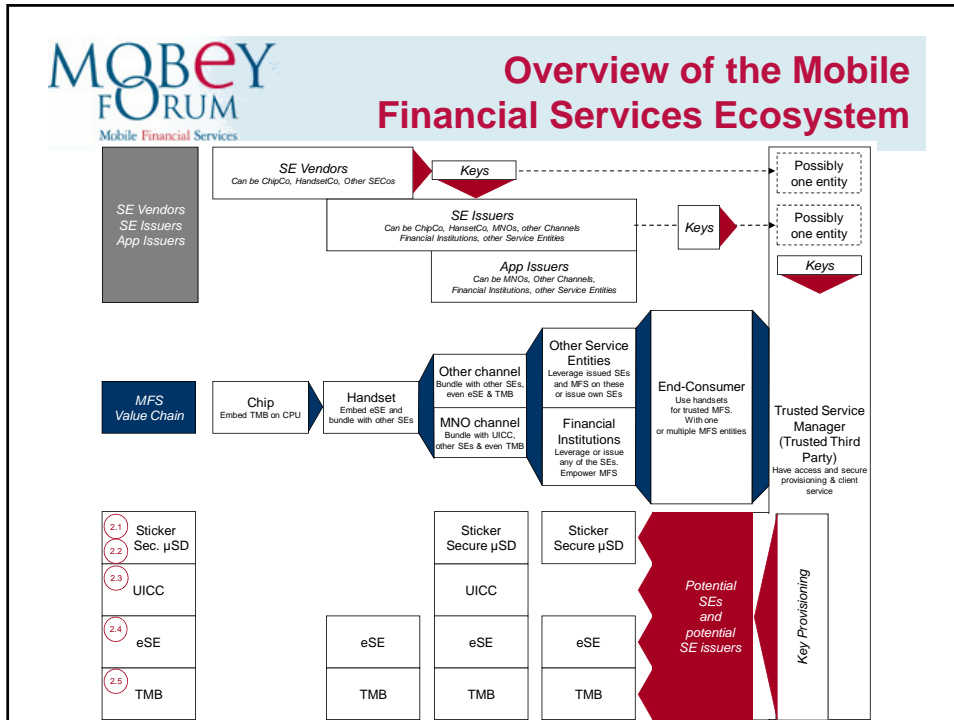
1. Collaborative Model; *The French Payez Mobile project*
 - Aims to utilize the UICC or SIM as Secure Element
 - Need for sharing the SE between large number of independent market actors
 - Multi-Service Provider and Customer Transportability as targets
2. "Joint Venture" Model; *Barclays & Orange*
 - A major bank and a major operator make a joint venture (or close bi-lateral cooperation); solution may be open for competition to join later
 - Business partners aim to share the SIM / UICC cards for offering services to their combined customer base
3. Service Provider driven Model; *ING in Romania (embedded Chip), Bankinter in Spain (MVNO), Several banks in US (Stickers)*
 - Secure Element alternatives:

<ol style="list-style-type: none"> a. Bank issuing microSD cards b. Bank issuing "Stickers" c. Utilizing the Embedded Chip / Trusted Base in the handset d. SIM / UICC: bank starting an own Mobile Virtual Network Operator (MVNO) 	}	Bridging technologies
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 - No initial requirement for sharing the SE

- Mobey Forum has produced a new White Paper studying the alternative Open Secure Elements (SEs)
- The White Paper elaborates on the question how different SEs can empower to take-off of Mobile Financial Services (MFS)
- Describes options and includes recommendations for a Financial Institution wishing to start offering mobile payments
- Published in March 2010, the White Paper has already received praise from industry leaders and is available for free download at www.mobeyforum.org



Overview of the Mobile Financial Services Ecosystem



Considerations

A Financial Institution must:

1. Define its position within the ecosystem, the resources it is prepared to invest and the role it will play.
2. Select which SE technology best aligns with its business needs and existing technical architecture.
3. Consider the distribution and management of applications - which process of key provisioning will be implemented, and will the applications lifecycle be managed in-house or by a TSM?
4. Have a long-term vision. What kind of interesting partnerships could be established in both the short and long-term? What are the perceived needs of the implementation and will the business decisions made today be scalable and flexible to future requirements?

[Download the white paper: www.mobeyforum.org](http://www.mobeyforum.org)

Mobey Forum will continue its efforts

- To continue building sustainable business models, acceptable to all key stakeholders

Upcoming Mobey Forum meetings:

- 1Q10 Workshop in Amsterdam Feb 10-11, hosted by Logica
 - Theme: Merchant perspective
- 2Q10 Workshop in Monaco April 20th, in conjunction with WIMA
 - Theme: Mobile Payments, contactless and remote
- 3Q10 Workshop in Helsinki June 17&18, hosted by Nordea, Nokia and Tieto
 - Theme: Future of payments
- 4Q10 Workshop in Cape Town, SA, hosted by Fundamo
 - Theme: Offering Mobile Financial Services in emerging markets
- Mobey Forum welcomes banks and others interested in shaping the future of Mobile Financial Services to join!
- For more information, please visit www.mobeyforum.org or email liisa.kanniainen@nordea.com or tanja.viskari@mobeyforum.org