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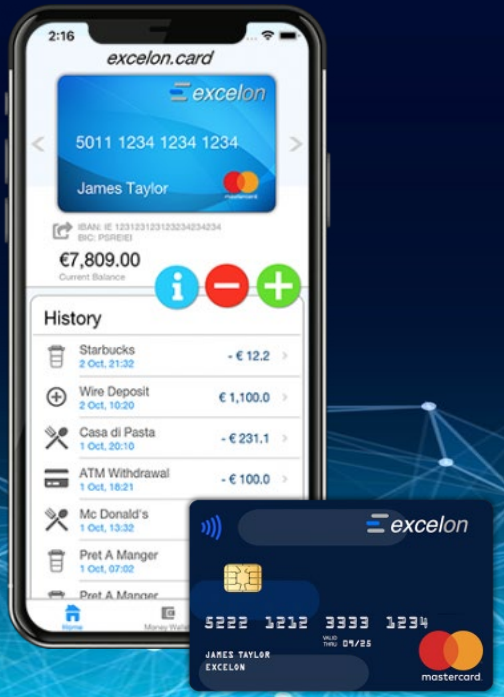
# Digital Payments: Today & Tomorrow




Manos Macromallis
Commercial Director

September 27, 2019

# The beginning of e-payment market

**In 1994** Stanford Federal Credit Union was established – **the first financial institution** which offered **online internet banking services** to all of its members.

First online payment systems weren't user-friendly at all and required specialized knowledge of encryption or data transfer protocol.

The main players on the e-payment market were Millicent (founded in 1995), eCash or Cybercash/Cybercoin (both in 1996). The majority of the first online services were using micropayment systems and their common attribute was the attempt to implement the electronic cash alternatives (such as e-money, digital cash or tokens).

# Alternative Payment Methods are shaping the Future

Credit cards are a global payment solution and are the most common way for customers to pay online.

**Alternatives Payment Methods**

- Debit and Prepaid cards
- Bank Transfers
- Mobile Payments
- e Wallet
- crypto payments ??

**Industry data predicts that in 2019,**

**55% of all online transactions will be made using APMs.**

# Time for game changers

*"2018, non-cash transactions conducted via e-wallets were estimated to a total of 41.8 billion globally. Of the estimated total, about 71% (or 29.7 billion) were conducted via the payment apps and e-wallets offered by Big Techs to their customers"*

Capgemini's World Payments Report

*"by the end of 2019, nearly 2.1 billion consumers worldwide will be using an e-wallet to make a payment or send money"*

Juniper Research

*"the number of e-wallet users worldwide is expected to reach a ten-digit figure in 2019"*

Global Mobile Wallets 2019

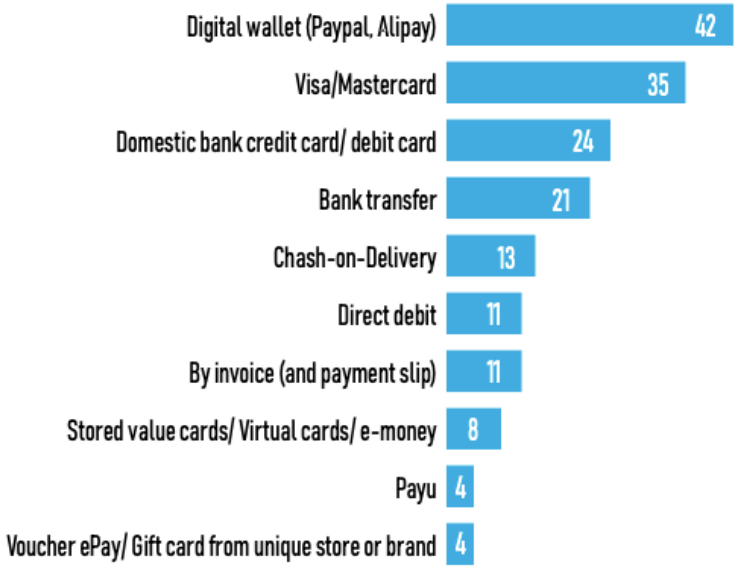
# Merchant’s problems

- Transactions approved almost in real-time but funds transferred in 3 to 5 business days.

- Chargebacks remain a risk inherently when debiting a consumer’s bank account.

- Using bank transfers to accept payments does not carry any inherent risk to the merchant, which makes it particularly attractive to merchants seeking to reduce chargebacks, but it is not flexible as their customers must manually transfer the funds.

# The right mix of payments options is critical




## PREFERRED EUROPEAN PAYMENT METHODS

**50%** of consumers end a transaction if their preferred payment option is not available

# Cryptocurrencies advantages

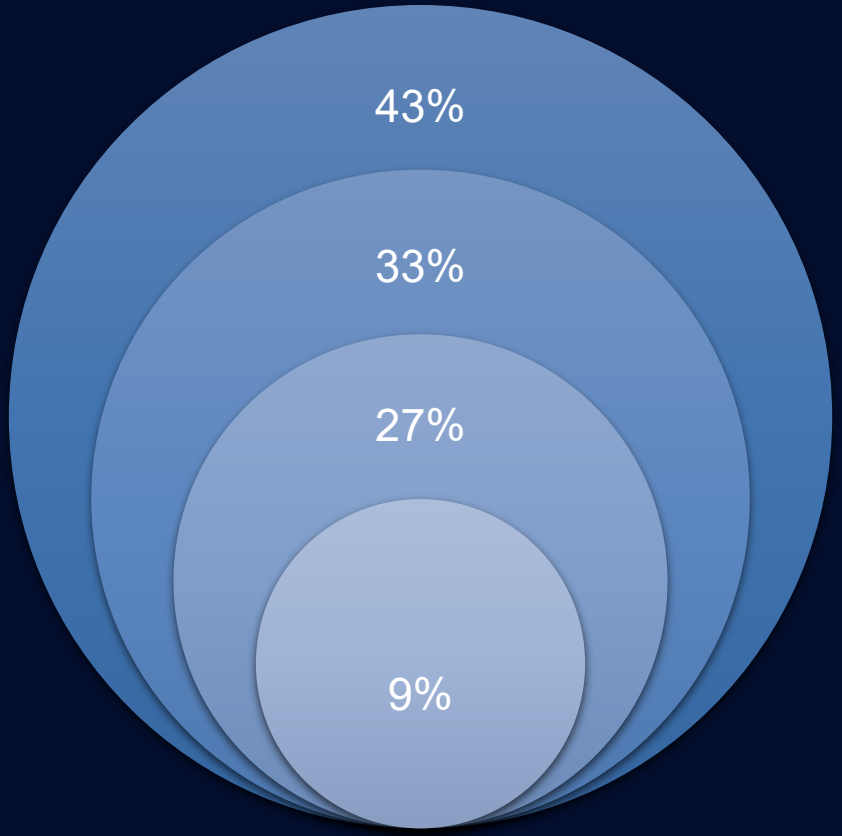
- E-commerce store owners want to provide users with as many payment options as possible, but not increase risk for fraudulent payment.

- For businesses, accepting cryptocurrency can actually help fight fraud. As customers pay upfront in a one-way transaction, merchants won’t experience cancelled transactions while they’ve already sent the product.

- In addition, transaction fees are determined by the users, not by credit card companies or payment providers. With Bitcoin, for example, the amount of fees you pay determines the speed at which you will receive your money.

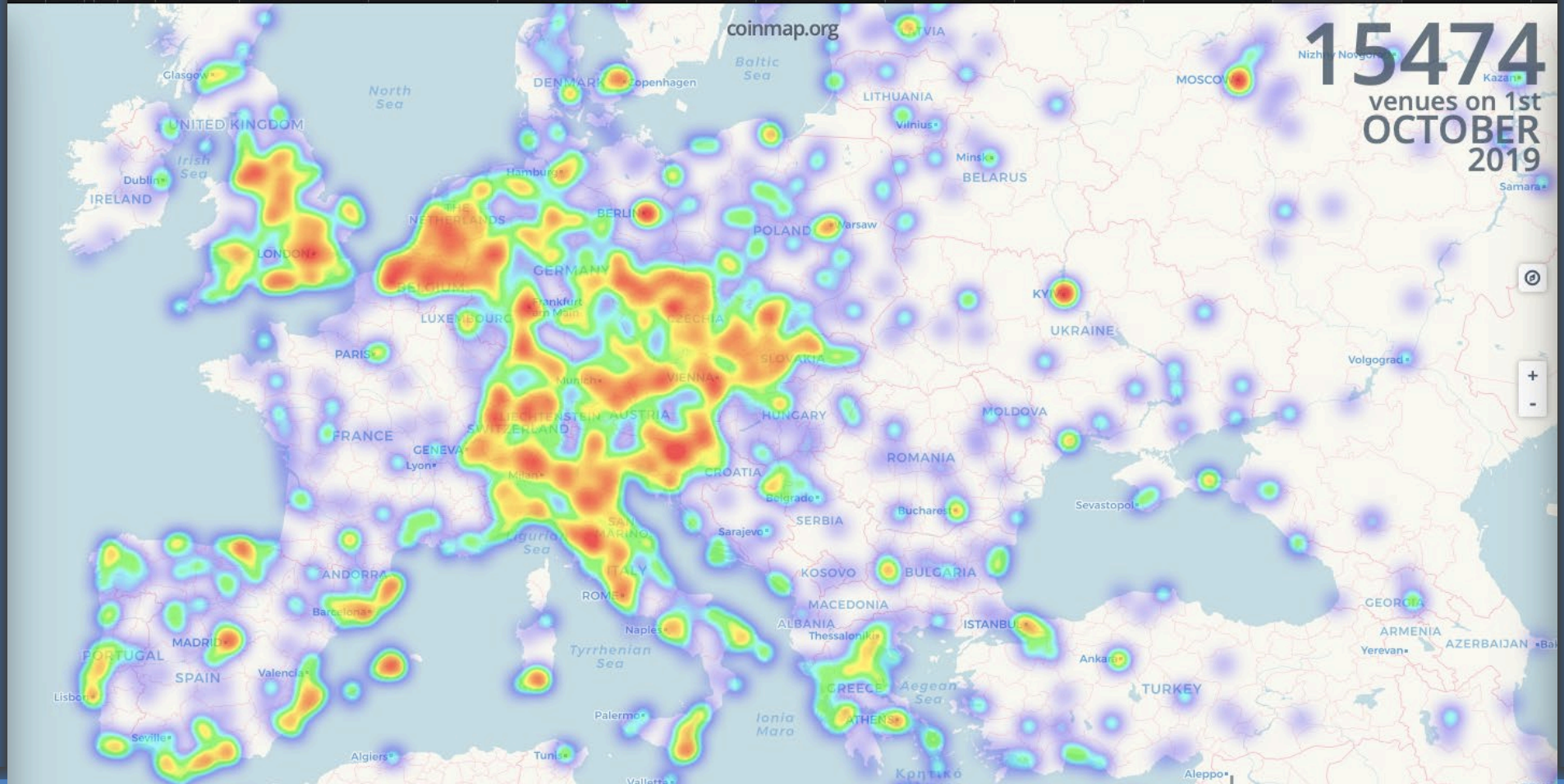
# Crypto is a demographic mega-trend

| | 2019 | 2017 |
|---|---|---|
| How many are “at least somewhat familiar” with cryptocurrencies | 43% | 30% |
| How many “strongly” or “somewhat” agree that ‘most people will be using cryptocurrencies in the next 10 years’ | 33% | 28% |
| How many are “very” or “somewhat” likely to buy Bitcoin in the next 5 years | 27% | 19% |
| How many actually own Bitcoin | 9% | |



**Source** Blockchain Capital, April 2019

# Physical venues that accepted Bitcoin

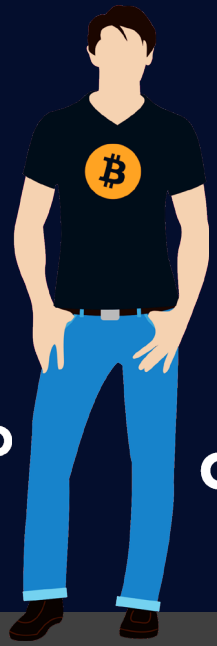


# Crypto user profile

## Today is niche

$50-100k

AGE 25-34



MARRIED

MALE

EMPLOYED

GENEROUS

## Tomorrow is mainstream

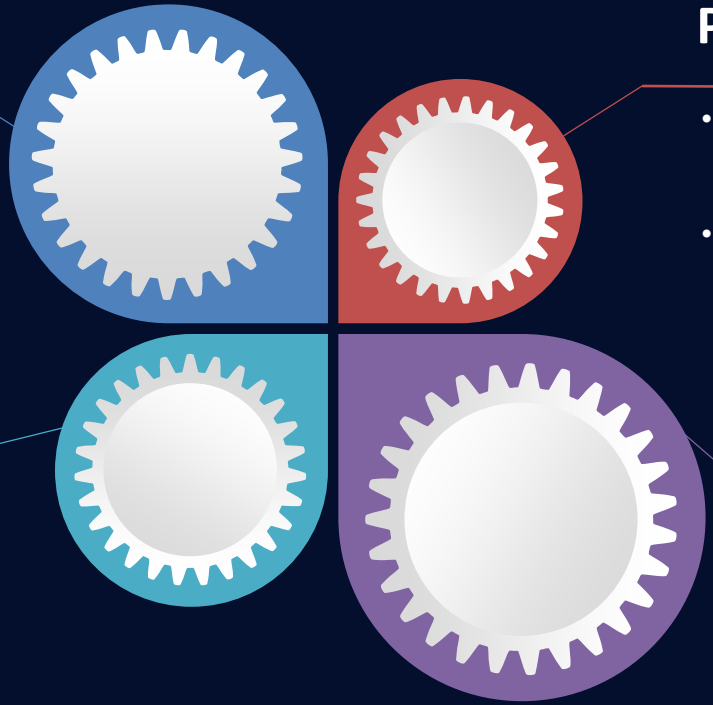
# Technology enables disruptive transformation

## Smart Phones

- 85% of the population own one

## PSD2 (Open Banking)

- Aggregation platform: all your banking in one app
- Value added services (micro lending / investment management / saving / insurance)



## Regtech

- Tech-enabled compliance tackles stringent regulatory requirements
- Sandboxes and new licensing classes break entry barriers

## Blockchain

Distributed ledger technology and its variations offer inherent by design

- Security
- Transparency
- Compliance

# The Excelon Solution

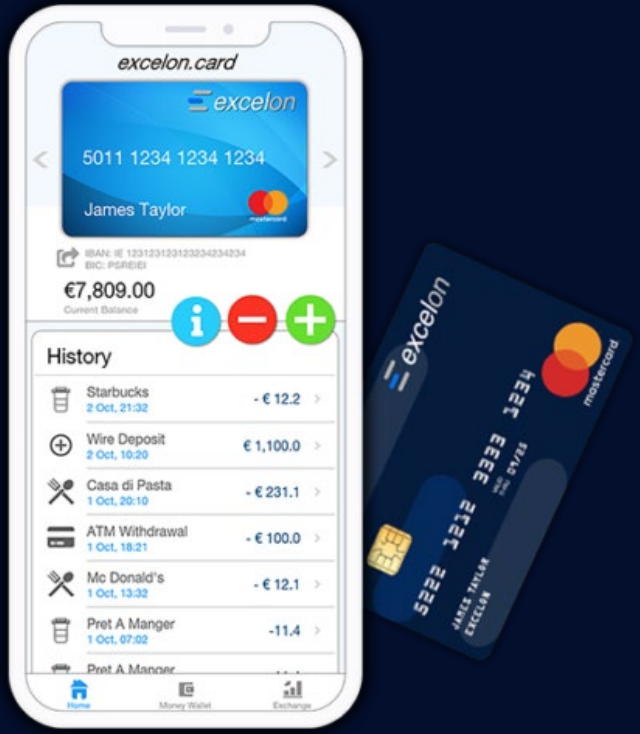
## Financial freedom at your fingertips

a **mobile banking experience**
that uniquely integrates
**traditional money & cryptocurrencies**

- Euro wallet, IBAN Account & Mastercard
- Crypto wallet
- Exchange – Instant Fiat /Crypto
- Open Banking Aggregator
- Blockchain Quorum Technology
- Easy 5-min onboarding
- Competitive pricing
- Fully compliant – Secure

Google Play

App Store

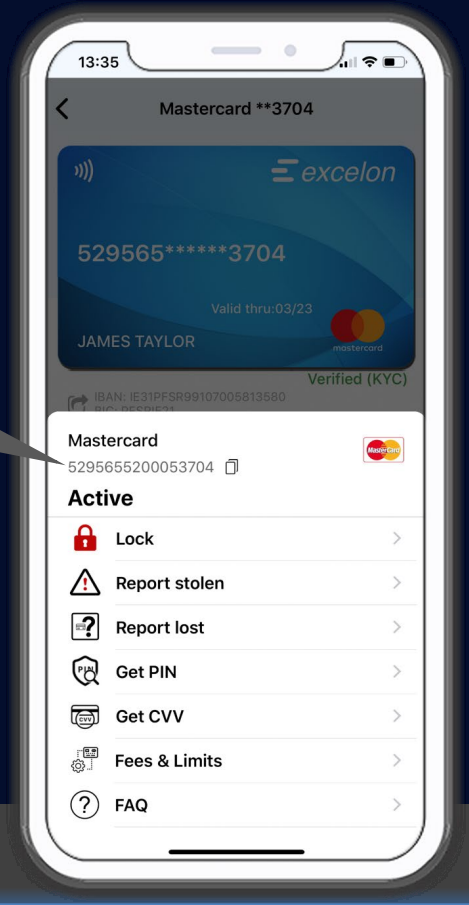


# Ordering a card has never been as simple

While the plastic card is being mailed,

**virtual Mastercard**

is immediately ready for use for online transactions




**NOW**

Your SDD Mastercard is ready to receive and spend up to 2.500 EUR

Increase limits by completing online KYC

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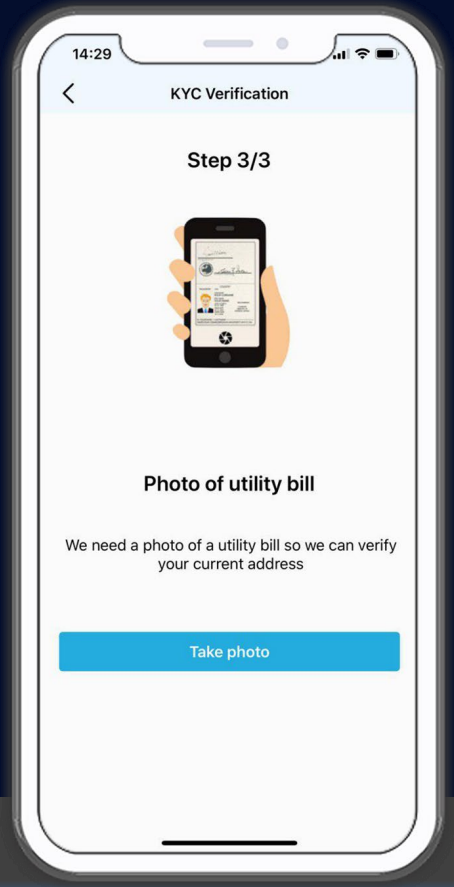
# Full KYC onboarding in few straightforward steps

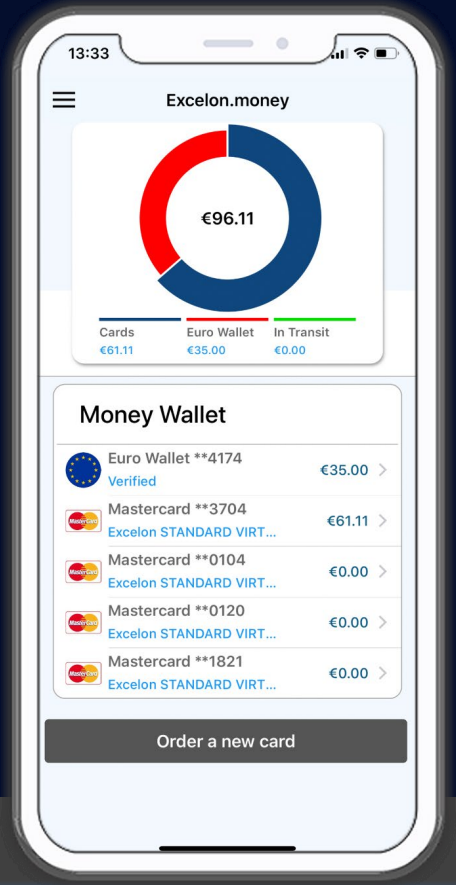



**That's it!**

Your account is verified

Increased limits are applied to your wallet (€150K), and your Mastercard (€100K)

# Your banking universe at your fingertips

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# Powerful FIAT features

## Regulated

Fully regulated by FCA UK
E-money operations

## IBAN Account

Every customer obtains
Ireland Bank account to
accept and send payments

## Prepaid Mastercard

Up to 4 cards per individual with
a loading capacity of
Euro 100K per year on each card

## Mobile and Web

Securely access your
funds from everywhere

## SEPA and Intl Wire Transfers

Send and receive funds
directly from your IBAN

## Very Friendly Fees

Competitive pricing

## Voucher Top Up

Available electronic &
printed voucher technology
to top up your cards

## Card to Card Transfer

Direct transfers from one card
to another in real time

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# Unparalleled Crypto features

## Regulated

Fully regulated Crypto Wallet and Exchange from Esthonia

## Multi Currency

Buy, hold & sell top cryptocurrencies in real time

## Exchange in Real Time

Exchange between cryptos and Fiat in real time and spend instantly

## Mobile and Web

Securely access your funds from everywhere

## Blockchain Security

Own crypto nodes for supported coins, internal infrastructure powered by Quorum™ to guarantee transparency, security and speed

## Very Friendly Fees

Zero transaction fees and very low crypto transmition fees

## Credit Card Top Up

Top up your crypto wallet by credit card

## Crypto Cashback

Get 0.5% cash back reward in Bitcoin on any in-store POS purchase

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# Join our community today

https://excelon.io/m

ANDROID APP ON Google play

Available on the iPhone App Store