

FUTURING PAYMENTS

A WORLDLINE MAGAZINE
- 2019 EDITION #1 -



BUILDING THE LARGEST EUROPEAN PAYMENT PROCESSING COMPANY

INTERVIEW WITH GILLES GRAPINET,
WORLDLINE CEO



FASTEN YOUR SEATBELTS! FOR A RAPIDLY CHANGING PAYMENTS & BANKING LANDSCAPE

INSIGHTS FROM BRETT KING, FOUNDER
AND EXECUTIVE CHAIRMAN OF MOVEN

YUMI: A GAME-CHANGER FOR THE FUTURE OF IN-STORE PAYMENTS



PSD2: OPPORTUNITY FOR MERCHANTS & BANKS



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INDUSTRY INSIGHTS

THE PAYMENTS MAGAZINE, BY WORLDLINE

We are pleased to launch Worldline's new magazine, *Futuring Payments*, which focuses on the vibrant landscape of European payments and takes an in depth look at the topics, success cases and solutions that we in Worldline believe will be of interest and relevance for financial institutions, merchants and brands, fintechs and other payment-related stakeholders.

We introduce this first edition with the interview of Worldline's CEO Gilles Grapinet, who presents the strategic implications of two critical developments in the recent history of our company. These milestones have transformed Worldline into the largest player in the European payments industry with full independence. These critical developments were the acquisition of SIX Payment Services at the end of 2018, and the second one Worldline's future status as a stand-alone company after the separation from Atos.

In this first edition, we offer a selection of articles about - among other burning topics - the opportunities resulting from PSD2 implementation for merchants and financial institutions; recent news from in-store payments presenting the device that will disrupt the rules of the game; a deep dive on the future of mobility and transportation, and an interview with one of the industry's most respected analyst, Brett King, whose report on the future of banking is both exciting and thought-provoking.



We hope that you will enjoy and benefit from our new magazine.

Best regards,

Esperanza Moreno,
Head of Global Marketing at Worldline

WORLDLINE'S NEXT STEPS - WHY SIZE AND INDEPENDENCE REALLY MATTERS

GILLES GRAPINET, CEO OF WORLDLINE, TALKS EXCLUSIVELY TO FUTURING PAYMENTS ABOUT WHY SIZE MATTERS.

Since its IPO in 2014, Worldline has grown its revenues by more than 100% and its market capitalization reached 10 billion euros in 2019. Over the past months, two significant events have secured Worldline an undisputed position as the leading and by far the biggest player in today's European payment industry. The first event was the acquisition of SIX Payment Services. The second was Atos' recent decision to distribute in kind 23.5% of the share capital of Worldline thereby giving Worldline its full independence. In this interview Worldline's CEO, Gilles Grapinet, talks exclusively to Futuring Payments about why and how these two events are tremendously valuable both for Worldline and - not least - its clients.

In November 2018, Worldline closed the acquisition of SIX Payment Services, which meant that Worldline, in one stroke, became by far the largest and most influential player in the European payments industry. The acquisition instantly increased the group revenue by over 30%; it added 1,500 new payment experts to the group; it boosted the Worldline Merchant Services business with more than 65% making it the number one non-bank acquirer in continental Europe; and it meant an increase of over 12% in Worldline's Financial Services business further reinforcing its existing number one position in Europe. Worldline's CEO Gilles Grapinet explains:

Largest acquisition ever

"The acquisition of SIX Payment Services has made Worldline the largest merchant acquirer in Europe with the ability to service merchants anywhere in Europe and all over the world. Furthermore, we are now also by far the largest European payment processing company for European banks as well as for global banks in Europe."

Mr Grapinet emphasises that the acquisition of SIX Payment Services is the largest ever cross-border merger in the history of the European payments industry.

"In European payment over the last ten years, I cannot imagine there's anything bigger than what we did last year. It was a massively transformative move for the European payments industry, and it forced all the other players to put consolidation even more on the top of their agenda. So, consolidation in European payments today is at its peak, and it is certain that in the next two years the industry will change a lot again in terms of numbers of players."

The importance of independence

This naturally leads to the other recent and significant event for Worldline. Following the SIX Payment Services acquisition, Worldline and Atos agreed that four years after Worldline's IPO now would be the perfect time for Worldline to become a fully autonomous player in the European payment space. Consequently, Atos decided to distribute in kind 23.5% of the share capital of Worldline, triggering the deconsolidation of the company from the Atos group and keeping only 27.4% as a financial investment under the same conditions as any other Worldline investor.

"Atos will stay for a lockup period, but they said they will treat the Worldline ownership as purely financial investment from now on, and Worldline will consider Atos as a very significant investor. In parallel, we agreed to maintain close cooperation through a strategic alliance for joint go-to-market and HR, but also joint R&D and innovation in cybersecurity, artificial intelligence and data analytics for

example, where Atos is a world-class leader," he continues:

"Timing is everything, and this strategic move from Atos to give Worldline full independence was perfect. Independence is the golden key for us to realise our vision which is to give Europe a global payment champion for both merchant services and payment processing with European roots and European values. We owe Atos a lot; they have been an extraordinary strategic shareholder, and over the last ten years they have brought us to where we are today. However, the movement of consolidation in the market is entering a new level, and luckily Atos recognised that now is the time for Worldline to independently execute its vision."

Avoiding potential showstoppers

Mr Grapinet further explains that to pursue its long term strategic ambition, Worldline will maintain close talks with many different bank communities or payment companies that potentially would like to join the Worldline pan-European platform. The fact that Worldline was an Atos company and controlled by Atos could potentially have become a showstopper

European history of fragmentation

But why have scaling and size become so crucial for the players in the European payments market? According to Mr Grapinet, it relates to a fundamental fragmentation of the market that goes back in time more than 50 years - long before the Euro and SEPA. The industry was driven by national and sometimes even sub-national bank-owned payment specialists in many countries and compared to the US market at the time the European market was utterly fragmented.

"Compared to Europe before the Euro and the SEPA, the US historically had just one currency, and payment regulation was put in place much earlier when compared with Europe which translated into much easier scaling abilities despite the size of this huge continent. Consequently, the consolidation of the US payment industry started much sooner, giving birth to well-known global payment leaders, demonstrating the business value for their US customers of scaling investments, of more standardised and optimised ways of processing and better abilities to deliver more comprehensive services for banks and merchants," he explains and continues:

"The acquisition of SIX Payment Services has made Worldline the largest merchant acquirer in Europe with the ability to service merchants anywhere in Europe and all over the world. Furthermore, we are now also by far the largest European payment processing company for European banks as well as for global banks in Europe."

for some potential strategic transactions where a partner would like to receive Worldline equity.

"The fact that Atos had to keep constantly more than 50% stake in Worldline to maintain its ability to consolidate our financials could have blocked such potential transactions. So, the separation of Atos and Worldline and full independence of Worldline is first and foremost a question of giving more strategic flexibility to Worldline and allowing Worldline to execute on relevant future M&A options."

Mr Grapinet mentions the following three main financial and strategic benefits for Worldline from obtaining its independence from Atos:

- Freedom to offer equity to new strategic partners in exchange for the contribution of their payment assets, replicating somehow SIX Payment Services transaction structure.
- Full autonomy to use the entire balance sheet, which will no longer be consolidated by Atos, to fund potential acquisitions in cash.
- A doubling of the free float of Worldline shares - c. 45% of the company shares are now in the float - which increases the liquidity of the stock and attracts new long-term investors.

"The European market badly needed to mitigate its fragmentation, which was - and to a certain degree still is - penalising both the merchants, the banks, and even the regulators. The Euro was created in 2002, and the regulatory framework SEPA was implemented as late as between 2004 and 2014. Only then, with the Euro and SEPA, were the European payments marketable to start scaling the business across the whole of Europe, the true meaningful scale of the SEPA, in the same way the US did much earlier, and we have really started to bring the same benefits to all our customers: more innovation, fewer costs, better quality of services, larger pan-European reach." ➡

Benefits of scaling

Mr Grapinet is confident that further consolidation is necessary for the European payment market to finally get rid of fragmentation and allow for scaling going forward.

"Everyone now understands the benefits of scaling, because it allows us to massively reduce the cost of processing for the issuing banks and the large merchant organisations. It also allows us to bring to the merchants and particularly the international brands a genuine one-stop shop offering that enables them to group all their thousands of shops across the European countries under one commercial acceptance and/or acquiring contract. And Worldline is clearly a leader in the European payment market with its pan-European one-stop shop for international merchant brands having both massive off-line and on-line multi-country presence - thanks to scaling," says Mr Grapinet.

"Scaling should be the highest priority in the industry, and I believe it is. The reason why Worldline is aiming at growth and scaling will allow our clients to harvest the obvious benefits that come along with scaling. Of course, scaling also has some benefits for Worldline from an operational standpoint, and ultimately it creates more value and synergy, but the main reason is straightforward: We want our clients to really take advantage of the fact that we process on a pan-European scale, even if a client is only operating in one country. It is the same logic that also allows us to bring our pan-European reach to the international banks and the pan-European merchants. They can be sure that we can follow them everywhere in Europe - and on-line even everywhere in the world - thanks to our One Commerce Hub."

Increased brand visibility

New opportunities in terms of scaling the business are another reason why becoming an independent company is important for Worldline. Another reason is that Mr Grapinet expects Worldline to gain much more brand visibility as a stand-alone company instead of being an integrated part of the Atos group and the Atos brand. Being part of the Atos Group has been perfect for Worldline for years, but now Mr Grapinet sees it as a natural next step in Worldline's development as a company also to give the Worldline brand full visibility.

Mr Grapinet emphasises that the Worldline brand should be synonymous to top-quality services and 100% focus on and its commitment with the payment industry. He believes that becoming an independent brand makes it easier to communicate these messages to the market, and strengthening the visibility of the Worldline brand also makes it easier always to attract the best talents. Mr Grapinet explains:

"Worldline's brand reputation is also essential for both talent attraction and talent retention. Worldline represents best in class in the payments industry, and as a new employee, you will become a part of the success. That is extremely important for everyone working in Worldline."

Continued focus on growth and innovation

While Worldline is now the largest and the leading payment services provider in Europe the company's ambition is to keep growing to ensure constant innovation and to deliver the best possible services and solutions to its clients in the future.

Mr Grapinet explains that the growth is likely to be a combination of organic growth and growth by acquisition of companies with unique competencies:

"M&A is going to be a core focus of the company in the years to come - just as it has been since the IPO in 2014."

While scale matters, scale alone is not enough to stay in front of innovation and customer requirements, which is why another essential element in Worldline's strategy is to invest substantial resources in innovation and development:

"Worldline invests no less than 150 million Euro in innovation and R&D every year to stay in front of the technological development and be able to offer our clients the best possible solutions and benefits," he concludes.



Worldline's brand reputation is also essential for both talent attraction and talent retention. Worldline represents best in class in the payments industry, and as a new employee, you will become a part of the success. That is extremely important for everyone working in Worldline.

Gilles Grapinet, *Worldline CEO*

HOW WILL WE PAY?

Welcome to the payments revolution



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THE WHITE PAPER

Worldline

FASTEN YOUR SEATBELTS! FOR A RAPIDLY CHANGING PAYMENTS & BANKING LANDSCAPE

AN INTERVIEW WITH BRETT KING ABOUT THE FUTURE OF BANKING AND PAYMENTS



Brett King is known worldwide for his thorough and sharp analyses of the future of technology and banking. In this interview, the focus is on the future of European banking. How is the landscape about to change right now, and what will happen 10 or 20 years from now?

How would you characterize the European banking and payment landscape today compared with that of, for instance, North America?

Well, the North American payments landscape is very stuck in the past. A good illustration is the recent release of the Apple credit card which 10 years ago would have been interesting but today in a world where you have got Alipay and Tencent WeChat just looks like a very old traditional play.

The European standards around payments, PSD2 and the pushing for changes generally have been very positive. The real-time payments capability developed in most European countries and cross-border was ahead of its time. The dark horse here, of course, is the Chinese ecosystem, since the seamless nature and the network effect of Tencent WeChat and Alipay which have produced the largest participating group of consumers globally. China has leapfrogged the rest of the world, but

Europe is a close second. The United States is probably now five years behind Europe and probably at least seven to 10 years behind China.

You mention PSD2 as a driver in Europe. Isn't it interesting that PSD2 seems to be an example of how the regulators can take the lead and push a market forward?

I think that's the key difference between the European market and the US market. The US market seems very free and there is this appearance of competition; but there's not really a competition. Even though the US banking sector has about 7 to 8,000 institutions, 70% of all deposits are held with the top 10 banks. So, I agree, the US would

“The United States is probably now five years behind Europe and probably at least seven to 10 years behind China.”

have been much better off implementing strong standards, but that's not the way they think.

Do you see PSD2 as a helping hand for the banks - at least for the most innovative European banks?

Yes, I think PSD2 logically led to the open banking push that we've seen in Europe. But obviously, with the big Techs in China, the real innovation has come from the BAT (Baidu, Alibaba and Tencent). For years, the payments market has been moving towards a technology-based layer. It started with smartphones but soon it will include voice-based AI to execute commerce and transactions on our behalf.

Later we will move to spatial computing or smart glasses, and as you put payments in this technology layer, there will be a need for instant payments based on behaviour, geolocation, incorporating biometric identity verification. That is where we are going and a lot of the groundwork has already been done in the EU.

A lot of this has been driven by technology companies and such, but do you see that the consumers in the US will look to Europe and say, “Wow, we want those kinds of financial services.” Or Europeans looking to China, saying “We want something like Alipay, we want the same level of convenience.” Do you see that kind of market-driven push for innovation?

Definitely! I think that is going to be a part of the pressure. In Europe, I suspect that at some point, Alipay will have enough penetration to be

worked into the ecosystem and just become one of the payment options available. And that may push some further innovation in the European market also.

The core utilities that people expect from their bank account are: 1) The ability to safely store money; 2) the ability to move money, make payments, transfers et cetera or pay bills and 3) the ability to access credit. These are the core utilities. What we are going to do is to take the friction and the complexity out of those core functions. And when it comes to something like payments, I just want to be able to pay,

they see the payments ecosystem as part of their tech layer. And then the risk to the banks is that if you do not have good standards you could lose visibility and context of a payment, location or behavioural it is going to be the only real differentiator you have for offering services in real-time the future. If you lose access to that data, you're screwed, right?

So, the most important factors as I hear you are not necessarily the solution nor even maybe the technology but the standards and the interoperability? Is that correct?

In the traditional banking industry onboarding of customers is an example of an area ready for disruption. Alibaba's Jack Ma entering the banking sector would never think about getting customers into a bank branch to sign an application form before giving them a financial services product. Jack Ma, or the fintech ecosystem, or the crypto guys that challenge the banks, would think about creating the best possible user experience, whether through redesigning the product or just by offering a more natural integration into customers' lives, when and where they need financial services.



and I do not really care about the underlying payment mechanism. Whether it is an account number or a 16-digit card number or whatever. So, the emphasis will increasingly be on the seamlessness of that type of transaction.

The same for credit access. If I go into a grocery store and I do not have enough Euro in my account to pay for my groceries because my salary has not yet hit my account, instead of stopping me from checking out the groceries at the cashier, maybe I will get access to credit as I walk in the store through an automated function. I will just get a message saying something like: “Hey, you normally spend €300 when you go grocery shopping here, but you've only got €200 in the account today. Would you like an extra €100 to complete your groceries? The fee for this will be €2.50.”

That is the way I think about it. A seamless access to the utility of the bank built into the ecosystem. The real challenge is that if you do not have an open ecosystem from the start and you hold back innovation in payments then it is reasonable that the tech players will come and innovate instead of you because

I believe so. Pushing it towards that logical conclusion because we know where the market is going. It is just a matter of how quickly it will get there. And so I think, in that respect, I do think that the EU has been quite exceptional in leading that with open banking and with PSD2.

In Bank 4.0 you write about two very different design models: First Principle Design and Design by Analogy. When using First Principle Design you should be prepared sometimes to start all over from scratch and you say that this is necessary in some cases for the banking industry. Could you give some concrete examples of areas within the European banking industry where this First Principle Design is or could be relevant?

If you look at the biggest disrupters in history you will see a lot of First Principles Design examples: The automobile disrupted horses and carts. The telegraph disrupted mail. The telephone disrupted the telegraph. The iPhone disrupted Nokia's and Motorola's business. SpaceX is currently disrupting the design of rockets.

If you are a first principles designer you do not need a credit card to give someone access to credit in a store. And yet, trying to get banks to dispense with their credit card department and just issue credit contextually or based on location, that's a massive shift. Whereas the First Principles guys, the tech guys, are just saying, “Well how do I give you access to credit contextually?”

Another example is how to help you save behaviourally rather than based on an API? If you look for instance at Yu'E Bao, this phenomenally successful savings product from Ant Financial, it comes down to gamification, behavioural economics and behavioural psychology. Those were the things that helped change the way people save - not a traditional savings account architecture or an investment account architecture.

What would your advice be to the banks that face these challenges?

There are three sorts of potential paths or approaches. One is to partner with fintechs and let them change your culture. ➡

The second is to establish a strong experience design team inside the bank and basically say, "Alright, let's

take our top five retail or corporate products or services and start from scratch. Let's try something radical and see how it will work." The third path is to create a spin-off brand that is your version of a neo-bank or challenger bank that can respond in a more agile fashion.

Ultimately, you must think five or ten years ahead in terms of where this ecosystem will take us and who you are competing against. My conclusion in Bank 4.0 is that - based on the traction that they have got and the investment they are taking - the largest financial institution in the world by 2025 will be Ant Financial. They are already the largest privately held company in the world and they've got the largest deposit product in history with Yu'E Bao. They are in 100 countries, so you can see where that is going.

If you are a bank and you are looking at who your competitive benchmark will be in 2025 it will be organizations like Ant Financial and the neo-banks. They are the benchmark you should measure yourself against and that is a big shift.

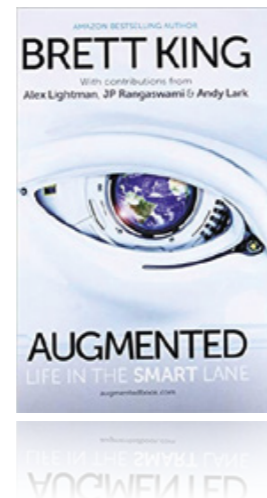
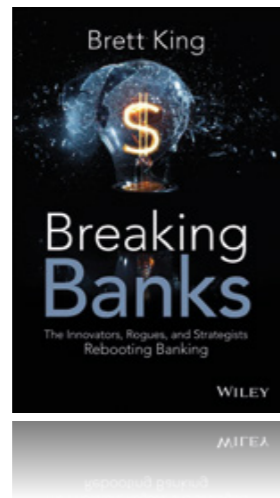
I believe we have around 6,000 banks in Europe today. How many of those do you think will be left within 20 or 30 years?

Well, in 10 years it may be down to 4,000 banks. But in 30 years, possibly only dozens. Ultimately banking will just be capabilities that are infused into the world around us: The business platforms that evolve, the consumption and commerce platforms that

evolve; banking will just be embedded in that world and it will be an enabler. Increasingly the utility of banking becomes technology, and the question is: Who owns that tech? It could be hybrid organizations that look like a tech company but have some sort of licensing architecture around banking.

So, in 30 years you may only have dozens of banks in Europe instead of the thousands today. But you will have hundreds of new players doing things that the banks used to do - but they are now technology only. So, I guess the real question is, what is a bank in 30 years' time? I believe that we will think of a bank as an operational capability largely defined by a technical platform rather than an institution that has a bank charter, that has bank branches and those traditional artefacts.

In 20 or 30 years from now, banking will be smart. It will be moulded and integrated into my life. It will respond to my needs even sometimes before I know I have got those needs or anticipate them. It will be predictive, it will be intelligent, it will help me manage my money. If I am a business, it will help me with my cash flow. If I am a consumer it will help me with savings and long-term financial health. That is a core artefact of a bank account that doesn't exist today. ●



PAYMENTS STRATEGIES

“If you are a bank and you are looking at who your competitive benchmark will be in 2025 it will be organizations like Ant Financial and the neo-banks. They are the benchmark you should measure yourself against and that is a big shift.”

Brett King, *Founder and Executive Chairman of Moven*

BUILDING A NEW GLOBAL PAYMENTS LEADER IN THE HEART OF EUROPE

“Volumes leaps and the related economies of scales are no doubt a key financial driver of the payment industry’s consolidation. But there’s more to a refined growth strategy. At Worldline we look for converging corporate values and complementary market coverage. With SIX Payment Services, Worldline has been able to embrace the specific expertise of some 1,500 staff and several new European locations, making us the true European champion of the payments industry.”

Marc-Henri Desportes, Deputy CEO, Worldline

In the rapidly changing European payments market, the ability to balance scale and agility is the main concern for most financial institutions. Worldline aims to solve this critical dilemma by improving payment efficiency and bringing innovation to an increasingly commoditised and competitive industry.

Since the introduction of the eurozone, the EU has come a long way with its payment integration project and the creation of a secure and transparent internal market for financial services. Still, Europe is a complex continent and the integration project has not progressed at the pace originally anticipated. But with the number of mergers and acquisitions steadily increasing, the European payments industry is now starting to realise the massive benefits of consolidation.

When connected well, the payments industry will be able to bring simplicity, convenience and cost-efficiency to consumers and enable merchants to pursue opportunities as part of a larger internal market. Banks and merchants will also have the advantage of being able to share costs for compliance and innovation while gaining access to best-in-class solutions from across Europe. But realising these benefits is not without its challenges.

Challenges to overcome

During the last decade, the European payments market has undergone some radical changes. New regulatory frameworks and requirements, most notably PSD2, are urging financial institutions to look for scalable and innovative solutions that will help them reach the “critical mass” needed to keep up with an industrialised market and help them create value-added products and services that distinguish them from the competition. This urgency is only exacerbated by the continued growth of electronic payments and digital commerce as well as a rapidly changing industry where instant payments are the new norm and consumers demand tailor-made products and services.

While the general benefits of harmonizing a diversified market for payments in Europe are becoming increasingly apparent to all the stakeholders of the industry, there are still challenges to overcome. The banks must recognise outsourcing opportunities as an essential

part of their service differentiation strategies; fintechs and new players must engage in partnerships that will help them integrate more easily with banks and merchants; non-European brands and retailers who seek to expand their businesses in Europe must benefit from scale while guaranteeing the security of transactions; regulators must push to increase the harmonisation of policies and protocols; and society in general must increasingly move towards a cashless economy.

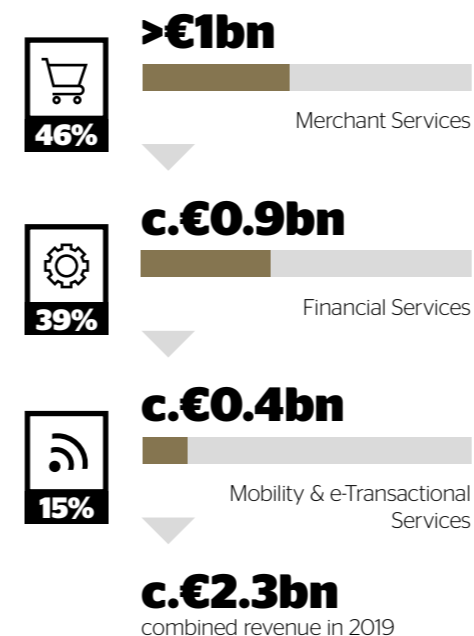
Creating a strong pan-European payments platform

Through the acquisition of SIX Payment Services in late 2018, Worldline redefined the payments market as it secured its place as the largest and leading payment service provider in Europe. From a strategic point of view, Worldline and SIX Payment Services complement each other perfectly in terms of geography and product offering. Now united, Worldline’s c 11,000 dedicated payments experts provide services to more than 400,000 merchants and 300 financial institutions in 30 countries, with an estimated € 2.3 billion in annual revenue in 2019, making Worldline unrivalled in scale and performance.

The strength and continued success of the combined group lies not only in its size but equally so in its intimate knowledge of the complexity inherent to the European payment landscape, its ability to ensure the delivery of a truly unified and large-scale one-stop-shop acquiring platform for global merchants, as well as its broad portfolio of financial services offerings that leverage innovative technology to fit the specific needs and requirements of its customers.

By merging with and acquiring companies that excel in areas of payment processing and merchant services, Worldline is establishing itself as a truly pan-European payments powerhouse capable of bringing cost-efficient, scalable, flexible and innovative solutions to all players in the payment’s ecosystem. ●

ESTIMATED BUSINESS PROFILE 2019



WORLDLINE AT A GLANCE



#1 in Europe
for Merchant Acquiring*, 10% market share
for Financial Processing, 20% market share

#3 in European e-commerce

* in continental Europe based on Purchase Volumes acquired

For more information: reports.worldline.com

CASE STUDY

FUTURE-PROOFING BANKING THROUGH STRATEGIC PARTNERSHIPS

In a financial environment defined by low interest rates, tighter regulations, evolving consumer expectations, and increased digitization, financial institutions are forced to rethink their business models and long-term strategies - or risk irrelevancy. Recognizing the gravity of these challenges, the Dutch bank de Volksbank has chosen to leave parts of their back-office payment processing - including multi-currency and instant payments - in the experienced and capable hands of payment processor equensWorldline. The decision to outsource back-office processes has helped de Volksbank reduce costs and the compliance burden, increase efficiency and improve flexibility, all while strengthening their focus on delivering value-added services to their customers.

The challenges of a changing industry

The last decade has seen major changes to the financial industry. A wave of regulatory-driven innovations has both increased the basic compliancy burden and opened up the financial services market to a sea of new financial and non-financial players, including big technology corporations, who all compete for the end-user's attention. At the same time, new digital devices and technologies have grown electronic transactional volumes, expanded the instant payment networks and made consumers (and businesses) accustomed to fast, personalized and integrated digital experiences - and payments are now expected to function much in the same way. On top of it all, a general commoditization of the payment processing industry as well as low interest rates have banks look for efficient and scalable solutions that will help them cut down on overhead costs.

Outsourcing is not 'all-or-nothing'

In the light of these challenges, financial institutions of all sizes are urged to reassess their business models, value propositions and long-term strategies in the pursuance of greater efficiency, flexibility, compliance as well as competitive advantages that will set them apart in the eyes of the consumer. And because of the massive investment requirements and running costs associated with establishing and maintaining a stable end-to-end payments infrastructure, sourcing models like the ones offered by

equensWorldline are becoming increasingly appealing to financial institutions.

The decision to outsource mission-critical back-office infrastructure to a third-party provider is often associated with a degree of risk and loss of control, which can provoke some strong feelings internally in an organization. In this context, it is important for financial institutions to realize that outsourcing back-office processes is by no means an 'all-or-nothing' procedure. In the case of equensWorldline, financial institutions are able to choose from the processor's extensive and modular back-office payment processing portfolio, ranging from basic software-licensing to full Business Process Outsourcing (BPO). This modular and flexible approach has allowed de Volksbank to retain full control of strategically important functions and customer relations along the way.

Preparing for the Instant Payment revolution

De Volksbank was one of the first Dutch banks to outsource parts of their back-office payment processing. In turn, the bank has been able to realize a number of key benefits. Firstly, it lowered with a significant margin the total cost of ownership for de Volksbank by benefitting from the economies of scale of equensWorldline's platform. At the same time, it released de Volksbank of the responsibilities of running the payments infrastructure internally (including the compliance burden and the hunt for technology and talent), allowing the bank to immediately shift its focus

to customer-centric front-end developments such as the development of differentiating value-added products and services. It also qualified the bank to offer a variety of SEPA, Cross-border, Multicurrency, and Instant Payment solutions to its customers.

The latter - Instant Payments - is currently revolutionizing payments, and de Volksbank now benefits from equensWorldline's unique capability to cover the entire Instant Payment value chain as well as broad portfolio of Instant Payment solutions. These include Channel Solutions like white-label mobile banking and P2P applications and value-added services such as alias conversion and real-time fraud detection; Payments Processing Back-Office Solutions that come in various operating models as described above; and Clearing & Settlement Services that offers secure, low latent clearing to all PSPs across Europe.

Through its strategic partnership with equensWorldline, de Volksbank has been able to venture beyond basic compliance and build the digital banking business needed to compete in a future financial landscape. ●

As part of the Worldline Group, equensWorldline has more than 50 years of proven experience and expertise with mass payment systems and innovative e-commerce and mobile payments solution, serving a broad client base across Europe.

CASE STUDY

A TRUSTED COMPANION TO THE TRAVEL INDUSTRY

“We can now offer travel agents and hoteliers a complete omnichannel payment platform that is seamless, secure and cost-effective.

Mustafa Korkmaz, *Managing Director.*

Travel sector, in constant growth, is mainly impacted by the increase in bookings via mobile. Google reports that more than 31% of trips taken for pleasure were booked with a smartphone versus 53% for business trips.

On top of major challenges such as the development of social networks with its influencers, terrorists and the recruitment of talent, the sector must find new solutions to adapt to profiles and expectations that are constantly evolving. Travelers and tourists frequently use their smartphones before, during and after their travels. Professionals of the industry must therefore be present on the various Internet channels such as comparison. In France, for example, 72% of French people go to a flight comparison site when they buy their plane tickets. (Source: Etude YouGov - 2017)

Worldline is working with some of the world's leading hotel booking engines, supporting them with their challenges.

Availpro - A partnership to offer leading e-commerce and payment solution to hoteliers worldwide

Following an agreement with Availpro, 11,500 hotels can now benefit from a secure end-to-end e-commerce solution from Worldline to take credit card payments directly from guests at the time of booking. This solution allows multicurrency payment and excludes any risk of double or fraudulent booking, all while reducing transaction costs. It allows hotels to benefit from a complete end-to-end solution, including payment terminals; facilitating hotels' operations with a single point of contact for their complete end-to-end payments processing.

Hotelspro and Paytrek - a full solution for online platform reservation for professionals

Worldline also entered into a partnership with Paytrek and HotelsPro, an online reservation platform for travel professionals. The collaboration focuses on end-to-end payment solutions where Paytrek acts as a reseller of Worldline's online e-commerce platform, payment terminals, acquiring and Dynamic Currency Conversion services, allowing travel agents and hotel customers around the world to have a secure, cost-effective and seamless booking payment solution.

Who are they?

HotelsPro is the leading hospitality marketplace which offers instant confirmation from its diverse portfolio of more than 600,000 hotels in 20,000 destinations across 205 countries to more than 34,000 travel agents.

Paytrek was created as there was a gap in the market for a payment provider to work/ have a presence in local markets across the globe.

How Worldline works?

Through the partnership, HotelsPro will offer its customers Worldline end-to-end online services (e-commerce) payment terminals, commercial acquiring and Dynamic Currency Conversion services of the transactions.

Moreover, Worldline will cover the online payment services on Hotelspro website. This means that, when a customer books a room online, Paytrek transfers the payment details to Worldline, which then processes the credit card transaction. The agreement allows for multi-currency payments and avoids the risk of double or fraudulent bookings and reduces the cost per transaction.

What are the benefits

This allows travel agents and hotel customers around the world to enjoy a secure, cost-effective and seamless booking payment solution. Customers will be able to book hotels in their own currency thanks to Worldline's Dynamic Currency Conversion capability.

D-Edge - a second key references of Worldline

Worldline also signed a contract in 2018 for an end-to-end online payment solution with Fastbooking, a centralized hotel booking engine for 4,500 hotels in more than 90 countries.

Through these different partnerships, Worldline is positioning itself as a strong partner in the Travel industry.



CASE STUDY

THE FIRST OPEN PAYMENT MOBILITY SERVICE IN FRANCE

Partnering with the French public transport company Keolis, Worldline has launched a new mobility solution that brings innovative payment technology to the public transport network of the city of Dijon. Today, the city's citizens and visitors benefit from Worldline's Tap 2 Use which enables them to easily and conveniently access and pay for rides using various contactless medias.

The need for a new transport system

There were multiple drivers behind the decision to renew the transport system of Dijon. First of all, the city had the objective to become the first city in France to implement a solution that allows for a "Pay As You Go" aggregation fare model. Secondly, the increasing number of tourists visiting the city generated the need to simplify public transport to improve the experience for existing users and potentially attract new ones. In addition, the city anticipated that a simple, convenient and secure system would help the reduction of fraud from users failing to buy a ticket.

The city of Dijon

With 24 districts and more than 250,000 residents, Dijon manages a system of 33 tramways and 180 buses. The city attracts 330,000 new tourists a week due to its gastronomy and recognition on the world's heritage list (UNESCO).

WL Tap 2 Use: the new Open Payment solution

Against the backdrop of these challenges, Dijon was determined to become a pioneer in the development of a shared mobility solution. Partnering with the French public transport company Keolis, Worldline delivered an Open Payment solution, WL Tap 2 Use, which aligned with the goals and identified key criteria of the city.

WL Tap 2 Use eases access to many transport services by enabling customers to access and pay for a ride using various contactless EMV media, such as credit card, mobile device or any payment-enabled wearable. This simplified payment method reduces queue-related waiting time and helps users choose or directly receive the right fare. WL Tap 2 Use is key to solving current and upcoming challenges of cities all over the world, mainly traffic congestion and fast-growing urbanization







In March 2018, WL Tap 2 Use went live in two of Dijon's tram lines. In October 2018, the solution was extended to the bus system.

How it works

Travelers just board the desired tram or bus and validate their journey by tapping their contactless EMV (credit card, mobile device, or any wearable technology) on the designated validation terminal. Then, Tap2Use central system do the rest: journey building, fare calculation and payment management. The system requires no enrollment. If the passenger wishes to visualize the travel history and bills of journeys completed, he or she can create an account on an associated website.

The solution is made with open APIs to ensure an easy integration with both existing and new systems. For the city of Dijon, Worldline provided the payment terminals as well as the validation devices.

Benefits and results

	> 410.000 cumulated taps with a record of 65.000 taps on Nov 23rd, 2018
	> 65.000 unique EMV medias seen, 25% of new ones every day
	> 1.300 customers account created in the web portal
	Registered volumes are -10 times higher than expected
	Half of volumes objective until 2020 reached only 2 months after roll out
	30% of additional revenue and a ROI estimated at 2 years

This way of travelling is simplifying the journey for all Dijon's commuters, especially for occasional passengers that arrive in the city without knowing how the transport system works.

Thanks to an integrated fee capping function, the solution's back office allows travelers to always get the best value option.

WL Tap 2 Use offers a new connected transport experience that is smoother and more enjoyable for the end-user and more efficient for the transport agent.

Tap your card and enjoy the ride - WL Tap 2 Use will take care of the rest! ●

THE TIMES ARE CHANGING... FAST!

YUMi

A GAME-CHANGER FOR THE FUTURE OF IN-STORE PAYMENTS



The proliferation of mobile devices, cloud-based technology and e-commerce has increased consumer expectations and blurred the boundaries between online and offline retail shopping. While a majority of consumers still see the physical store as a vital part of the complete shopping experience, merchants are on an important mission to merge online and offline channels, offer more intuitive interactions and optimize the consumer experience in general.

In line with this mission, Worldline has designed YUMi to be the next generation portable and flexible payment device for Retailers and their customers.

Bringing together physical and online commerce

The emergence of the Internet has greatly eased the transition to an on-demand economy where connected consumers can swipe or click their way to instant gratification. Today, consumers are in a state of constant buying; they expect to be accommodated whenever, wherever, and however they please, and it is up to businesses to keep up with their ever-evolving demands. In line with this development, payment-related data are becoming an increasingly important tool for businesses to deliver more convenient, efficient and personalized shopping experiences to consumers.

In an effort to keep up with the demanding modern-day consumer and be ahead of the curve, Retailers are increasingly looking for new digital in-store experiences at the point of sale that will help them converge physical and online commerce and elevate the retail experience while boosting business agility and innovation. But in a world that spawns an endless stream of platforms, apps and gateways, this integration is not always easy to achieve.

A new point of friction for high value interactions

In line with this challenge, Worldline has shaped YUMi to be the first consumer-facing, large-sized and fully touch interactive payment device on the market. The device fuels the evolution towards a cashless society, but it also opens the door to a world of fully customizable Android-based digital applications to help Retailers enrich and personalize interactions with their customers during the checkout process. Its ability to rotate 360° - with chip-card reader at the top, bottom or either side - will meet and surpass merchants'

expectations in terms of flexibility and efficiency. Facing an intuitively designed new digital point of interaction, consumers are empowered with multiple value-creation services before, during and after their payment transaction.

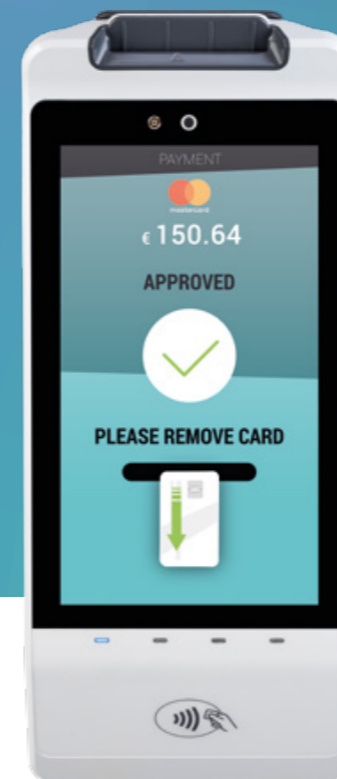
YUMi can be configured as a countertop or portable payment device and either integrated with an electronic cash register point-of-sale system or used as a stand-alone device through a wireless connection (WiFi, Bluetooth). This modular all-in-one device is essential to creating new and high value in-store experiences and is a game-changing

solution for merchants looking for countertop, mobile seller or self-scanning services.

YUMi will take the merchant and consumer experience to a whole new level. ●

TOMORROW'S TERMINAL - TODAY

YUMi is a new high-end, multifunctional payment device from Worldline that will help merchants deliver a more satisfying customer experience. The device will be available as of July this year.



For more information: worldline.com/yumi

HOW MERCHANTS CAN HARNESS THE POTENTIAL OF PSD2

PSD2 and the "Access to Account" practice is a huge opportunity for merchants. It enables them to cut down on costs, improve payment flows, and offer customers a new digital payment option better suited to their modern-day needs and expectations.

To seize the opportunity, merchants need to balance regulatory requirements, security measures and the customer experience. Challenging to some, many are relying on experienced capacities in e-payments transactional services like Worldline to cover the full retail value chain and provide a complete digital journey to customers on all channels.

Seizing the opportunities of PSD2

Arguably, one of the most innovative and widely discussed elements of the revised payment service directive (PSD2) is the "Access to Account" (XS2A) practice which enables any regulated third-party provider (TPP) to access a consumer's bank account with the consumer's consent, either in the role of Account Information Service Provider (AISP) or Payment Initiation Service Provider (PISP). The introduction of this new practice is gradually changing the dynamics of the financial services industry, with new opportunities by TPPs to both access bank account data and initiate payments on behalf of consumers to create innovative and engaging consumer experiences.

Both roles as AISP and PISP are interesting in the eyes of the merchant. Through a PISP service, merchants will be able to connect directly and securely across multiple channels

to the customer's banking account through the dedicated Application Programming Interface (API) provided by the customer's bank as defined by the European Banking Authority (EBA) in its final draft for Regulatory Technical Standards (RTS) on Strong Customer Authentication (SCA) and secure communication under PSD2. Through an AISP service, merchants are provided a complete single-window overview of the balances and activities of their bank account(s). In combination with loyalty programs, such services can also be used by merchants to generate customer profiles which are valuable for the purposes of risk management and other commercial activities.

The possibilities of utilizing a PISP and AISP

The ability to complete account-based payments comes with some immediate benefits to merchants and their customers. Firstly, it effectively removes any intermediary previously engaged in the payment value chain which will help to greatly reduce costs associated with card-based payments and expensive checks and paper invoicing while taking advantage of higher spending limits. Secondly, as the PISP communicates directly with the account holder's bank, the merchant is provided with instant confirmation of transactions and in cases where the

account holder's bank is connected to a real-time payment scheme, even with instant settlement. This, of course, is extremely beneficial to merchants who will then have funds instantly cleared into their account while reducing the risk of chargebacks. The same direct secure connection will also help to reduce complex online checkout procedures because customers do not have to enter their card number for every purchase, but rather their online banking login (which most people know by heart).

The ability to ask clients for their Account Information (AIS) provides numerous benefits. Firstly, account data is factual and up to date and enhances the merchant's ability to complete effective profiling. Secondly, it helps the merchant perform credit scoring activities with minimal efforts, which makes it possible to open up payment methods for certain customers while restricting those of others. And last but not least, it can further enhance customization of an offer to the merchant's clients. When done effectively, customers will see the benefit and give their consent.

Making a convincing case to customers

Obviously, utilizing the potential of the AISP or PISP role is not without challenges. Merchants will need to rethink the way they obtain customer consent and store customer data in order to comply with the General Data Protection Regulation (GDPR). In addition, any merchant who wishes to reap the benefits of the PISP and AISP role will need to comply with the Regulatory Technical Standards

and provide appealing Strong Customer Authentication and secure communication to increasingly demanding consumers. This involves striking a balance between regulatory compliance, enhanced security features, and seamless customer experience across channels (in-store, online, in-app), which can be somewhat of a challenge, especially to smaller merchants who might struggle to focus on their core business and deliver innovative products that will keep them competitive.

Merchants who wish to take advantage of the possibilities associated with the payment initiation services and account information services will need to figure out a way to make it a convincing case to customers. And for the most part, that is about defining a consistent and efficient customer experience. To this end, merchants will not only need to provide customers with single-window one-click payment experiences and an attractive on-boarding process, they will also need to consider enriching their payment solution with additional value features, such as loyalty programs, vouchers, funds availability (an AISP service), account choice and Person-to-Person (P2P) Payments etc. To support P2P payments, the PISP could even offer the payers the possibility to use a mobile number instead of their bank data (IBAN and beneficiary name). The European SEPA Proxy Lookup Service, managed by the EPC and provided by equensWorldline, will request the bank data based on the given mobile number and enable the PISP to finally execute the SEPA credit transfer.

Worldline can help merchants adapt

Looking to accept account-based payments, merchants will need to adapt their payment devices and online acceptance solutions to fit the many requirements specified by both regulators, infrastructures, systems, and customers. Using Account Information Services, merchants need to integrate that into their processes in an effective and efficient way, not hindering or compromising the customer journey. On top of that, both services will need a platform capable of connecting to the bank interfaces in their market(s) regardless of their technical specifications.

As an experienced capacity in e-payments transactional services, Worldline has the ability and competences to support merchants, both as a strategic advisor and technical service provider.

Worldline's wide range of Merchant Services enables it to deliver end-to-end commercial acquiring, covering the entire payment value chain in-store and online with an emphasis on the digital journey made by the customer.

For merchants who plan on becoming a regulated PISP and/or AISP, Worldline's 'Access 2 Account' services for TPPs enable them to venture beyond basic compliance and explore the opportunities of new services and business models. Through these services, merchants will e.g. be able to benefit from a developer portal, the processing of financial messaging and transactions as well as all the necessary administrative and back-office tools. ●

Discover all you need to know about PSD2 and how Worldline can help you to develop all the opportunities the regulation brings. **Flash the QR Code**



Worldline offers a wide range of Merchant Services, covering the entire merchant payment value chain in-store and online with advanced value-added services.



Commercial acquiring



Cross-channel payment acceptance



Payment Terminals and Services



Security and fraud risk management



Merchant wallet



Digital platform



Third-Party Provider



Data and analytics



Uncertainties and unanswered questions

Even though the PSD2 and RTS establish legal-technical standards for the industry to comply with, they also leave the industry with a number of challenges and unanswered questions to address. For one thing, seeing that the RTS do not specify on an operational-technical level how the requirements of the legislation should be applied on the dedicated interfaces and contingency mechanisms, the European industry could potentially end up with a vast amount of systems and solutions. This, of course, works counterintuitively to the intent of the European Commission of harmonizing the European payments market.

In addition, until the RTS come into force in September 2019 the Strong Customer Authentication and Common and Secure communication does not apply. Consequently, approved TPPs are not required to use APIs to access the customers' bank accounts. This fact introduces unnecessary risk related to "credential sharing" as well as a lack of transparency for the banks when determining whether it is a consumer or a TPP that is trying to access a specific account.

Approved TPPs can passport their license via their national Financial Services Authority (FSA) to other EU/EEA member states for

operation, even to countries that have not yet transposed PSD2. However, until now 5 of the 28 European member states have failed to communicate full transposition measures to the European Commission which is creating a degree of uncertainty in the industry about the legal status and operational capabilities of TPPs in those countries.

Future-proofing with Worldline's Access 2 Account Services

With the final deadline for RTS compliance fast approaching, Worldline's Access 2 Account Services help banks and TPPs meet the regulatory challenges of PSD2 and reap the benefits of a new Open Banking ecosystem while managing risk and mitigating uncertainties.

The core of Worldline's offering to banks, The Digital Banking Platform, provides banks with several advantages in terms of compliance, flexibility, scalability, security, integration and profitability. The platform includes functionalities like a comprehensive and fully compliant API catalogue; Third Party Providers Access Control that checks TPP agreements against the European register; a customizable developer portal to manage developer community; Transaction Lifecycle Management to manage authentication

and end-user consent as well as exemption rules, fraud and disputes; Regulatory Metrics Tracking to be presented in official reports to regulators; and API customization capabilities to help build value-added products and services on top of the core banking system.

Challenged by a new competitive financial ecosystem, TPPs are looking for a partner that can provide sufficient and cost-effective reach as well as comprehensive knowledge and experience of the financial landscape. Worldline's Access 2 Account Services for TPPs comes in two modes, covering both basic and extended services. The basic services enable TPPs to comply with PSD2 and the RTS and provide standard PIS, AIS and PIIS APIs that can be called upon; a developer portal with a sandbox environment for API testing by clients; and a reach directory containing the banks that can be reached. In addition, TPPs that want to improve their competitive position in the market can benefit from extended services like a self-service registration tool that helps to easily connect clients; basic processing of the APIs; an extensive dashboard for TPPs to manage customers and for customers to manage transactions; and plugins for the AIS/PIS and PIIS services for easy front-end integration. ●

While the final deadline for banks to comply with the Regulatory Technical Standards (RTS) is drawing near, the European financial industry is gradually transitioning to a new Open Banking reality. The industry is still struggling with unanswered questions and uncertainties, but most banks and TPPs recognize PSD2 and Open Banking as an opportunity to venture beyond basic compliance and rethink their business models and strategies to gain a competitive edge. As the leader in e-payments transactional services, Worldline is committed to helping banks and TPPs reap the benefits of the new Open Banking reality by providing cost-effective compliance with PSD2 requirements as well as an extensive portfolio of account-based products and services.

Preparing the APIs

On 13 January 2018, PSD2 came into force to facilitate innovation, competition and efficiency in the European payments market. Arguably, one of the most innovative parts of the revised directive would be the 'Access to Account' articles (XS2A). This directive puts the bank account front and center and stipulates that banks (ASPSP) - on the account holder's explicit consent - provide access to bank accounts for licensed and registered Third Party Provider (TPP). Banks, retailers, telcos and fintechs can all become Third Party Providers, either by assuming the role of an Account Information Service Provider (AISP) or Payment Initiation Service Provider (PISP). A AISP delivers data-driven services based on payment account information whilst a PISP initiates payment transactions directly from the account holder's banking account.

In the interest of ensuring a safer and more innovative electronic payment environment for consumers, PSD2 requires banks to provide approved TPPs with a secure communication channel into the customer's banking account.

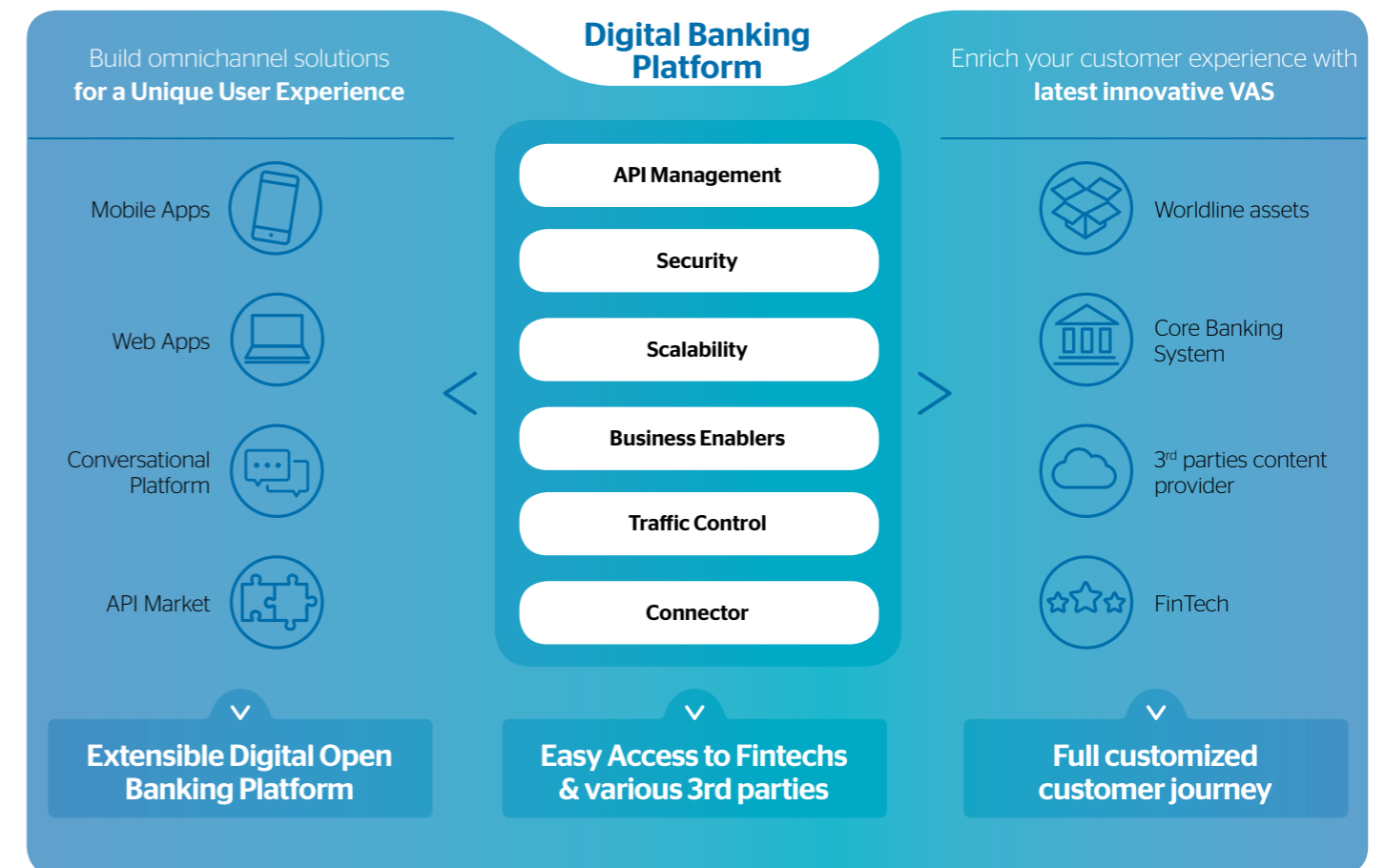
In accordance with the Regulatory Technical Standards (RTS) on Strong Customer Authentication (SCA) and Common and Secure Communication, this is either done through a dedicated communication interface (API) or through a fallback solution (contingency mechanism), which connects to the bank customer's online banking interface by screen scraping.

Of the two methods, most banks are opting for a dedicated API solution, because it (if designed correctly) leaves them with a single, secure, and compliant solution to offer TPPs. The screen scraping option, on the other hand, is associated with significant risks because it entails the banks' customers sharing their security credentials with TPPs who could potentially compromise sensitive customer data. At the same time, this option also involves the banks launching and managing two or more interfaces simultaneously, which, especially for smaller banks, is a challenge because it ties up valuable resources that could be applied elsewhere.

The final deadline is fast approaching

Banks needed to have their dedicated interface ready for approved AISPs and PISPs to test for a period of three months by March 14, 2019. The test period enables TPPs to access the quality of the APIs, while also providing the banks with the option to apply for a contingency exemption through the national supervisory authority, should their dedicated interface or fallback solution fail to work.

Following those three months, the interfaces will transition to three months of "live" testing in market conditions. By September 14, 2019, banks need to be fully in line with the RTS and comply with the SCA for digital transactions, meaning that digital transactions will need to be authenticated by two of the three methods: Knowledge (something only the user knows, e.g. password), Possession (something only the user possesses, e.g. mobile or token), or Inherence (something only the user is, e.g. biometric identification).





LONDON
23 - 26 Sep 2019

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at our **booth W134**
or get in touch to arrange a meeting.



We are looking forward
to meeting you at **Sibos!**

equensWorldline

**THINKING
AHEAD**

WORLDLINE'S VISION FOR TRANSPORT 2023

Transport is the next major merchant market and the final frontier in relation to the understanding, adoption and commercialization of payment solutions. But for the industry to change in the best possible manner, it needs to acknowledge and respond to a series of challenges.

Today, we can pay anyway we want. The digital world has exponentially accelerated payment means and allowed for faster and more convenient settling of bills, debts and service consumption. Across the world, merchants, retailers and service providers are changing their business models and strategies to accommodate the developments of an increasingly digital world. However, one major market is falling behind the curve: Transportation.

At Worldline, we are confident that transportation is poised for great change. While digital society is gradually transitioning from traditional ticket and card-centric systems to 'Open Loop' and 'ID-based' solutions, where consumers can use contactless payment cards, smartphones and other digital IDs to access transportation services, obvious benefits emerge. For consumers, they include convenience of use (e.g. avoiding queues to buy tickets), 'best price' calculation according to usage and interoperability across service providers and cities. For service providers, they include increased revenues (by attracting new consumers), improved consumer experiences and reduced operating costs (e.g. no onboard cash management).

But for the industry to change in the best possible manner, it needs to acknowledge and respond to a series of challenges:

Hesitance: Many transit operators fear the operational complexity and costs associated with updating an existing validator infrastructure. But the operators who update their systems correctly can reap great benefits, including increased revenues, enhanced brand values and additional resources to focus on critical value-added products and services for customers.

Acceptance: For transportation to change appropriately, it needs to gain wide acceptance amongst providers and consumers. At the moment, the biggest global example of acceptance is 'Transport for London' who have implemented the world's first multi-modal mass transit open payment model. Today, over 2 million daily journeys are made using the Open Payment model through the simple use of contactless technology.

Change: Having already revolutionised all other sector, transport operators and Public Transport Operators are now realising that they can no longer avoid the change currently transforming payments. With the emergence of trends like Instant Payments and evolving consumer expectations, the days of hundreds, if not millions, of fare and origin/destination combinations are gone.

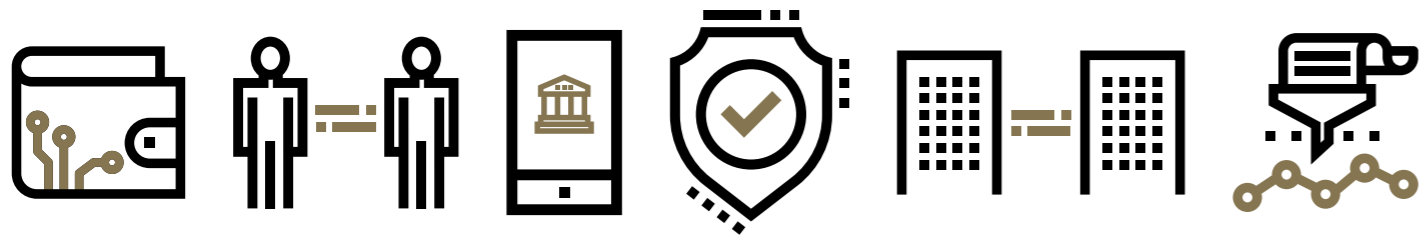
"And" - not "Or": Transport is the next major merchant market and the final frontier in relation to the understanding, adoption and commercialization of payment solutions. The transport market needs to follow in the footsteps of the retail pioneers who realized that 'and' is far better than 'or' to drive value, profit, satisfaction, simplification and loyalty from their customers.

Risk: From terminals through back-office price management to acceptance and finally acquiring, the implementation of end-to-end Open Payment solutions brings revenue growth, revenue protection, sales cost reductions and increased customer satisfaction and loyalty. When implemented in parallel to existing ticketing solutions, transport operators and PTOs can easily and securely manage potential risk. ●



With 65 years of combined experience in transport ticketing and payments, Worldline is leading the transit ticketing revolution by creating new digital Open Payment ticketing services for transport companies.

CO-CREATING THE FUTURE OF PAYMENTS TODAY



Building a vast ecosystem of partners to jointly bring even more value to end-consumers is one of the top commitments of Worldline. In line with it, Worldline launched last year its first Worldline e-Payments Challenge. This is a unique event bringing the biggest players of the payment service industry together with the Fintech pioneers with a common objective: **create tomorrow's e-payment services by combining technical assets, innovation capacity, talents and geographical reach.**

The current e-payments landscape is experiencing and evolving from a number of changes and improvements of the market as a whole—from PSD2, instant payments, data value and GDPR, to cyber-security and hyper-connectivity.

During this first e-Payments Challenge that took place last year in Paris, Worldline paved the way in **transforming these**

advancements into new opportunities for co-innovations and co-partnerships around 8 client's business challenge, while leveraging its experts & its industrial assets.

Proud of a successful event where everyone has developed their expertise in terms of payments and end-consumers services, Worldline is renewing the experience in 2019 and is inviting Fintech and startup to support the ever-evolving e-payment industry.

To enable innovation, the assets that Worldline will include in its upcoming challenge "sandbox" will cover a large array of

domains, including e-Commerce, WL Trusted Authentication, Xs2A TPP, Next-generation terminals, WL Tap 2 Use and Merchant portal. They will be complemented by expertise in areas such as AI, Blockchain, Bots and disruptive innovation management.

Being present at this hot spot for the e-payment industry is a unique opportunity for Fintech and startup willing to partner with Worldline to **highlight their assets to the biggest companies in Europe while fostering new relationships with significant potential for product adoption.**

The partner to scale your business

The 2019 edition of its e-Payments Challenge will take place from **September 17th to 19th in Frankfurt (Kap Europa Congress Center)**. During this 48-hour event, Fintech and startup will be expected to connect their assets to Worldline's APIs to answer a specific set of business challenges raised by Worldline's clients, creating disruptive use cases in different industrial domains and markets (P2P, C2B, B2B, B2C).

“We are making the future possible by combining CopSonic ultrasound technology with Worldline e-payments assets.

Emmanuel Ruiz,
CEO CopSonic, Winner of Worldline 2018 e-Payments Challenge-Hackathon.



For more information: worldline.com/epayments-challenge

Worldline E-PAYMENTS CHALLENGE

SEPTEMBER 17-19, 2019
@FRANKFURT

48H TO CO-CREATE TOMORROW'S E-PAYMENT SERVICES WITH OUR CLIENTS & FINTECHS



CO-INNOVATE WITH US!

FIRST COMPANY IN THE PAYMENT INDUSTRY TO NEUTRALIZE ITS CO₂ EMISSIONS

SUSTAINABILITY IN THE LONG TERM MEANS DELIVERING VALUE TO ALL STAKEHOLDERS

Worldline's carbon neutrality commitment is part of an overall environmental strategy to reduce energy use as much as possible, switch to decarbonized and renewable energy and offset its remaining CO₂ emissions by investing in a CO₂ offset program.

This achievement is an industry first and a result of Worldline's ongoing improvement program which began in 2015 with the launch of the Trust 2020 CSR program when Worldline took the important decision to focus on energy efficiency at its data centers, offices, payment terminals and to optimize its business travel arrangements. Following that important decision, Worldline has remained committed to reducing its carbon intensity by 2% each year. Worldline also embarked on an ambitious renewable energies plan in order to achieve powering its data centers and offices solely with 100% renewable energy.

Worldline is now able to provide carbon neutral solutions to its clients, supporting them on their journey towards becoming more sustainable. Simply put, Worldline allows its customers to declare "zero" on emissions from Scope 3 in their GHG balance sheet for services hosted by Worldline. Worldline's energy efficient and carbon neutral strategy aims to have a positive influence within its ecosystem which includes clients, employees, investors and other stakeholders.

In addition, as part of its environmental strategy, Worldline also launched the GreenIT@worldline initiative in late 2018 following its participation in the WeGreenIT study initiated by WWF France and Club Green IT.

This study enabled Worldline to quantify the environmental footprint of its information system and has brought together new methods, tools and best practices. Largely due to the sustainable management of its

data centers and eco-design of its payment terminals, Worldline was rated with a global maturity index at 70% (compared to the average index from the 24 other major French companies surveyed which was 59%).

In order to offset the impact of CO₂ emissions that could not be avoided, Worldline has implemented a carbon offset program. As part of this program, the company has invested in a wind farm project in India, enabling the development of renewable energy within this geography. The power generated is directly supplied to the state electricity grids to meet locals' increasing energy needs. This project is certified by the best internationally recognized standards - the "Verified Carbon Standard" and the "Gold Standard" in a partnership with Ecoact, a company specializing in carbon strategy. For more details on this project, take a look at our integrated report. ●

“Our first Integrated Report represents a major milestone, demonstrating that sustainability is at the heart of Worldline, tightly connecting our financial and non-financial performance. Our latest CSR ratings from Vigeo Eiris and Ecovadis confirm the strong CSR dynamic developed by the company and the transformation that has already taken place. Our top priorities for 2019 include data protection, employee satisfaction, diversity and gender equity and tackling climate change to help ensure a future of sustainable growth.

Gilles Grapinet, *Worldline CEO*



Our first Integrated Report

Learn more about Worldline's sustainability activities and ambitions at reports.worldline.com.

ACCELERATING SCIENTIFIC RESEARCH THROUGH DIGITAL INNOVATION

The digital partnership with Under the Pole is fully in line with Worldline's Corporate Social Responsibility program. The program relates a long-term commitment to improving the future of the Company and the world, including the sustainable development challenges facing the private sector, public sphere and society as a whole.

With a particular focus on biofluorescence, great sharks, and deep corals, the expedition's divers and scientists seek to push the boundaries of human oceanic understanding while raising the public's general awareness, notably younger generations, of the protection of the ocean and the promotion of a more sustainable world.

Accelerating scientific research

Unlike in the days of famous explorer and researcher Jacques Cousteau, modern scientists and explorers have a whole new range of digital tools to help them uncover, analyze and communicate important findings to their peers and the general public.

With Worldline as a digital partner, the Under the Pole team are now able to centrally store all data and media content on a secure dedicated server of unlimited capacity, which is then made available more easily, rapidly and in a secured way to the scientific community for immediate further investigations in a more easy, quick and secure manner.

During their three-year expedition, the team will rely on Worldline's highly secure hosting solution to streamline research processes and make data more easily accessible to all interested parties. This will allow the team to focus on the primary task at hand: uncovering the secrets of the ocean in the interest of science, awareness and promotion of a more sustainable world. ●



The ocean covers 70% of the Earth's surface. But more than 80% of it remains unexplored. Leveraging the innovative technological capabilities of Worldline, the Under the Pole III expedition aims to change this fact and bring new knowledge of the ocean's deep ecosystems back to the surface.

Uncovering the ocean's secrets

The third expedition in the series of underwater explorations - Under the Pole III - is set on changing these statistics. Driven by scientific curiosity and a pioneering spirit, the team behind the expedition will spend three years from 2017 to 2020 on the Earth's four major oceans studying and better understanding the little-known ecosystems that exist 30-150 meters below the surface, in the ocean's "Twilight zone".

Under the Pole III

Halfway through its endeavor, the expedition has already made a lot of new discoveries and shared a vast amount of material with fellow researchers, explorers and followers. To learn more about the current expedition scan the QR Code.



Worldline's Corporate Social Responsibility program

Learn more about Worldline's sustainability activities and ambitions at reports.worldline.com.



About us

Worldline [Euronext: WLN] is the European leader in the payment and transactional services industry. With innovation at the core of its DNA, Worldline's core offerings include pan-European and domestic Commercial Acquiring for physical or online businesses, secured payment transaction processing for banks and financial institutions, as well as transactional services in e-Ticketing and for local and central public agencies. Thanks to a presence in 30+ countries, Worldline is the payment partner of choice for merchants, banks, public transport operators, government agencies and industrial companies, delivering cutting-edge digital services. Worldline's activities are organized around three axes: Merchant Services, Financial Services including equensWorldline and Mobility & e-Transactional Services. Worldline employs circa 11,000 people worldwide, with estimated pro forma revenue of circa 2.3 billion euros on a yearly basis.

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