



Maciej Biniek
Board Member, Head of Public Policy, PayU S.A.

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Has the PSD2 already changed the Payments Market in Poland?

About us - what
makes us distinctive?



Who are we?

- We are No 1 Payment Platform for Central & Eastern Europe.
- We represents electronic payment companies in Europe, Asia, Africa and Latin America.
- We are a part of Naspers and have over 10 years of experience in online payment solutions and fraud prevention in the region.
- We are a global payment provider with local expertize and approach.





NASPERS



Pay TV

Print



E-commerce

Classifieds

Etail

Market-places

Online Comparison Shopping

E-Payment

Online Services



Listed



PayU is part of Naspers group, global mass media holding listed on London and Johannesburg stock exchange

Around the world



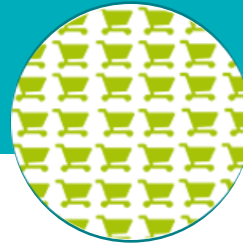
Argentina - Brazil - Chile - Colombia - Mexico - Panama - Peru - Hungary - India - Nigeria - Poland –
Czech Republic - Romania - Russia - South Africa - Turkey



+ **250** payment
options



Thousands of millions
annual transactions



+ **100.000** merchants



Local offices in **16 countries**

PayU is active in markets with above average growth opportunities



B2C e-Commerce Sales Growth
by region in 2014

PayU in Central & Eastern Europe

- Operations in 6 countries
- Over 30,000 customers
- +75 payment options
- +50 banks partnering
- Most recognized brand among consumers & customers



Online payments



Pay-by-link transfer

All banks in one place – consumer selects a bank where his or her account is held and is redirected to the bank's website to proceed with the payment.



Standard transfer

The service inserts transfer data into a payment order form, etc., so that it can be later printed out and used at a post office or bank.



Card payment

Authorization and acceptance of payments made by domestic or foreign cards (Visa, MasterCard, Maestro) in the fastest, most convenient and safest way.



PayU | Installments

Innovative payment system based on installments, held fully online without paper agreements and salary certificates. It contributes to a 15% increase in sales*.



PayU | Express

A family of services enabling one-click payments in less than 0.5 second – by transfer or card, without a need to login to a bank, type SMS passwords or insert card data upon each payment order.



PayU | PayTouch

The service offers to pay via phone with just one touch. Payments are made with funds accrued on a payment card or bank account.

* According to sales research on Allegro.

Online payments



PayU | MOTO

Telephone payments

The service allows a consumer to place an order and pay by card over the phone. The solution enables card payments even without access to the internet.



PayU | Recurring

Recurring payments

A service to charge consumer's payment card at regular intervals and eliminate the nuisance of typing card data upon each payment. The solution works best for sales based on subscription and periodic service fees. The customer types essential data only upon the first payment order – afterwards fees are charged automatically.



PayU | MassCollect

Accept mass payments

The service is addressed to mass invoice issuers. It enables a consumer to make a quick online payment to an individual sub-account in a bank through your eBusiness. The solution is recommended especially for telecommunication companies, cable operators, electricity providers, leasing companies and insurers.



Buyer Protection Program

If goods are not delivered, PayU refunds the whole amount paid. The service drives consumer readiness to buy online and increases the conversion rate.

Our Clients



RESERVED

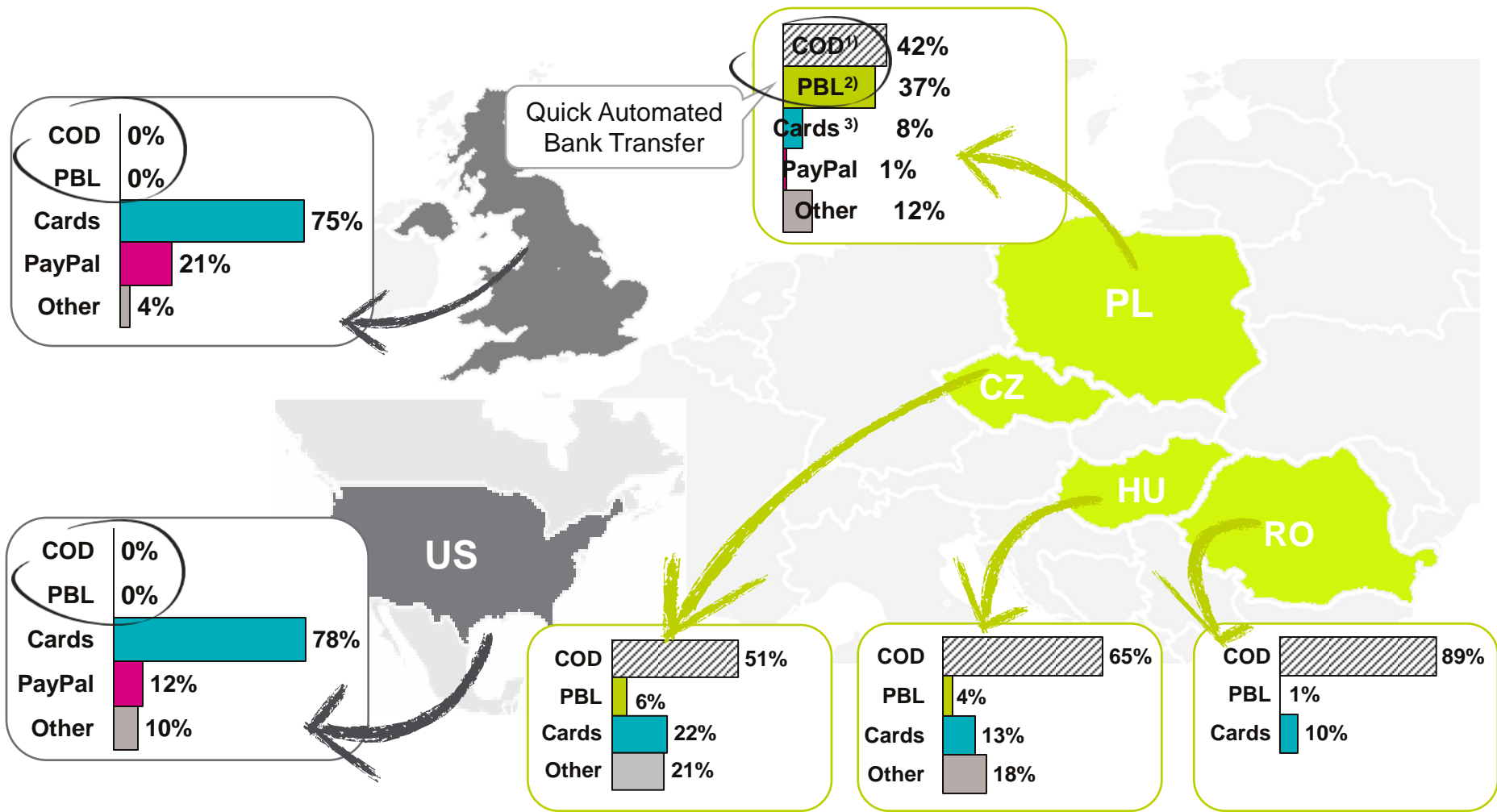




Polish eCommerce Market

Polish ecommerce Payment methods differ from western standards, COD as a 1st choice, followed by Bank Transfers

Poland- ecommerce in comparison to other markets



1) COD – Cash on Delivery

2) PBL (pay-by-link) – quick automated bank transfer

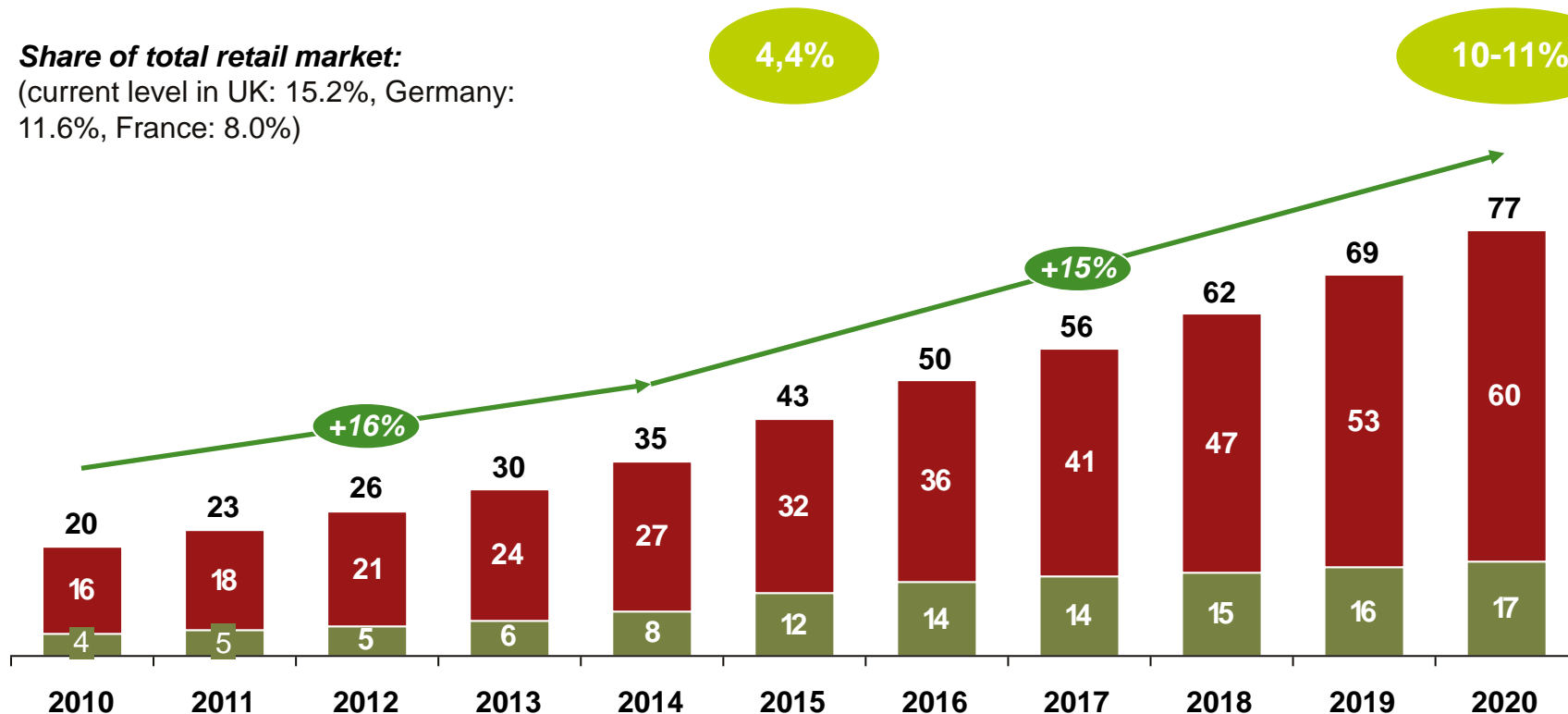
3) Cards – Both credit & debit cards payments

It is forecasted that e-commerce market will more than double its size until 2020

Total e-commerce in Poland history and growth projections (bn PLN, 2014-2020)

Share of total retail market:

(current level in UK: 15.2%, Germany: 11.6%, France: 8.0%)



CAGR

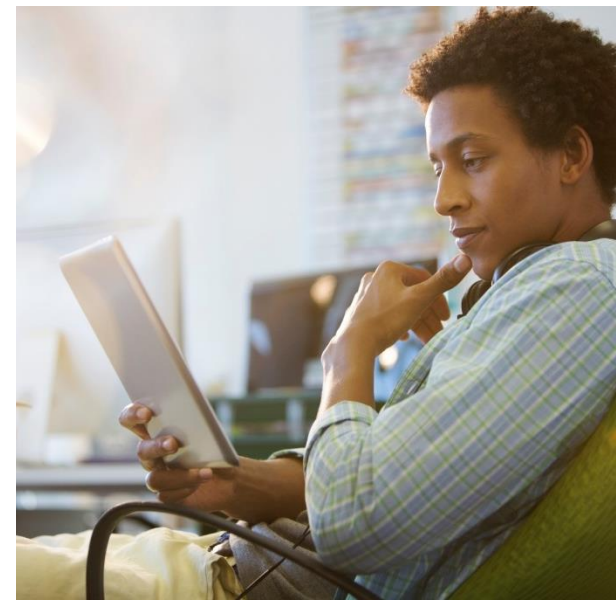
■ Traditional retail e-commerce¹
■ All additional e-commerce²

A woman with short blonde hair, wearing a light blue button-down shirt and a colorful patterned scarf, is sitting in an office chair and smiling while talking on a mobile phone. She is in a modern office environment with other people working in the background. A bright green rectangular box is overlaid on the right side of the image.

PSD2

PSD2: incoming challenges

Main drivers	Description
1 SCA requirements	<ul style="list-style-type: none">• 2-factor authentication for payments (perhaps possibility to use behavioral patterns as a part of biometry)
2 Payment & settlement period	<ul style="list-style-type: none">• Different settlements period between PBLs and PISP might be a crucial differentiator for merchants
3 Liability for frauds	<ul style="list-style-type: none">• Changes in responsibilities for liabilities of the different actors, especially if SCA is not applied
4 Access to account & aggregation	<ul style="list-style-type: none">• Access to account & aggregation might create a space for new services
5 API specification	<ul style="list-style-type: none">• Implementation of APIs and their homogeneity between different banks and markets
6 Data available for TPPs	<ul style="list-style-type: none">• Conditions & type of account data available for TPPs will shape possible opportunities related to AISP



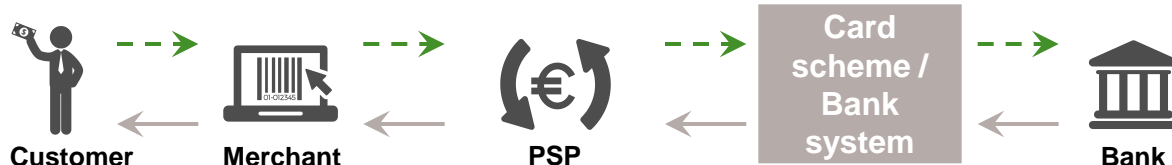
RTS draft: existing and a new model

Situation

Payment scheme

Description

Pre-Polish API



- Customer initialize payment
- Merchant forwards request to PSP
- PSP redirects to bank system to authorize payment
- Bank authorizes payment
- Merchant is informed about the status and releases goods

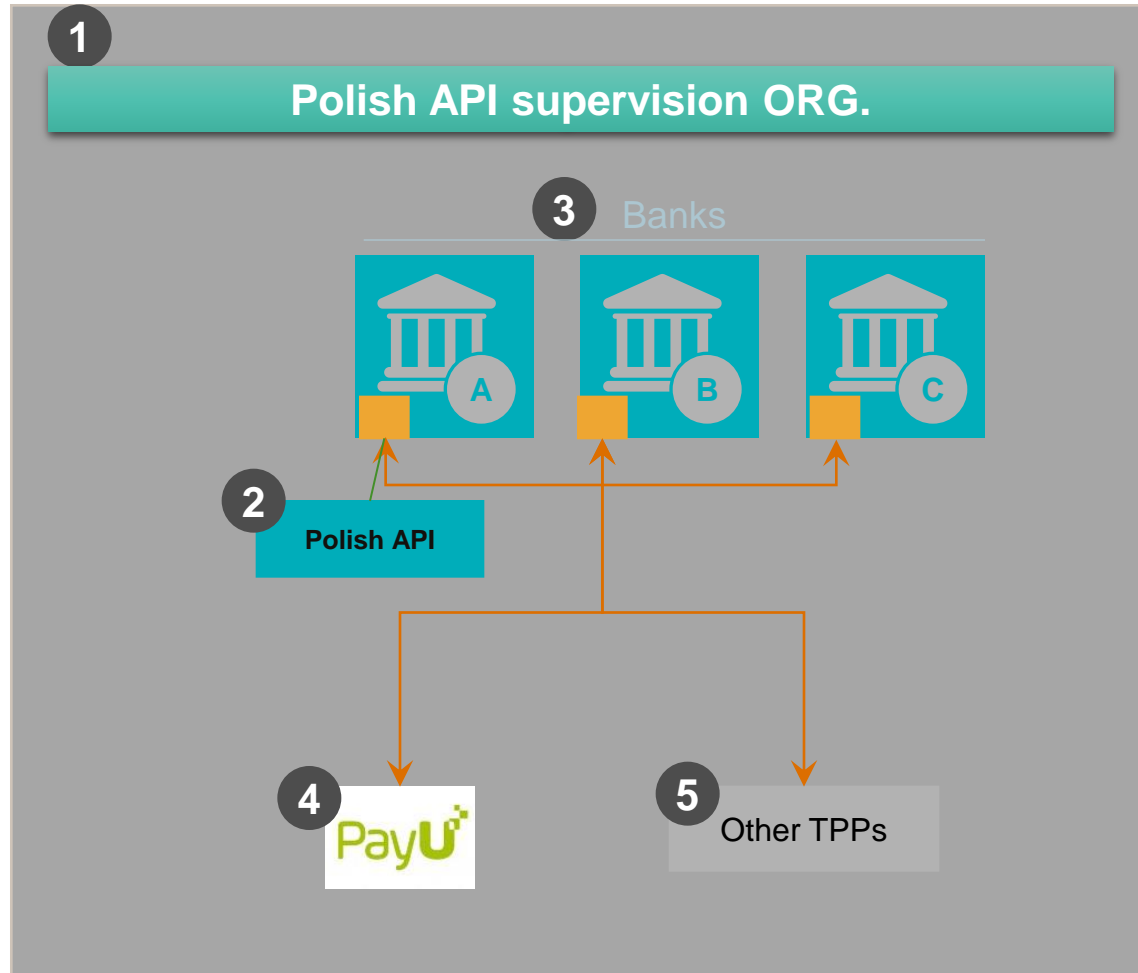
Post-Polish API



- Customer initialize payment
- Request is processed by Polish API and sent to bank
- Bank authorizes payment
- Merchant is informed about the status and releases goods
- Money is transferred directly from the bank to merchant's account

PISP: Payment Initiation Service Provider

RTS draft: Polish API ecosystem



- 1 Management and supervision of Polish API ecosystem
- 2 ISO20022-compliant protocol of communication between banks and TPPs
- 3 Ensure third party access through Polish API to be compliant with PSD2
- 4 PayU as a user of Polish API
- 5 Other users of Polish API (PIS/AIS)

PSD2 in Polish market – status and prospects

- New operating model
- New technical standard (API - ISO)
- New business models
- New cooperation rules

changes yet to come

PSD2 in Polish market – key takeaways

- **A NEED FOR COLLABORATION**
- **USE THE EXPERIENCE**
- **SPEED TO THE MARKET**
- **THINK BEYOND THE BORDERS**



Thank You

Maciej Biniek

Email: maciej.biniek@payu.com

