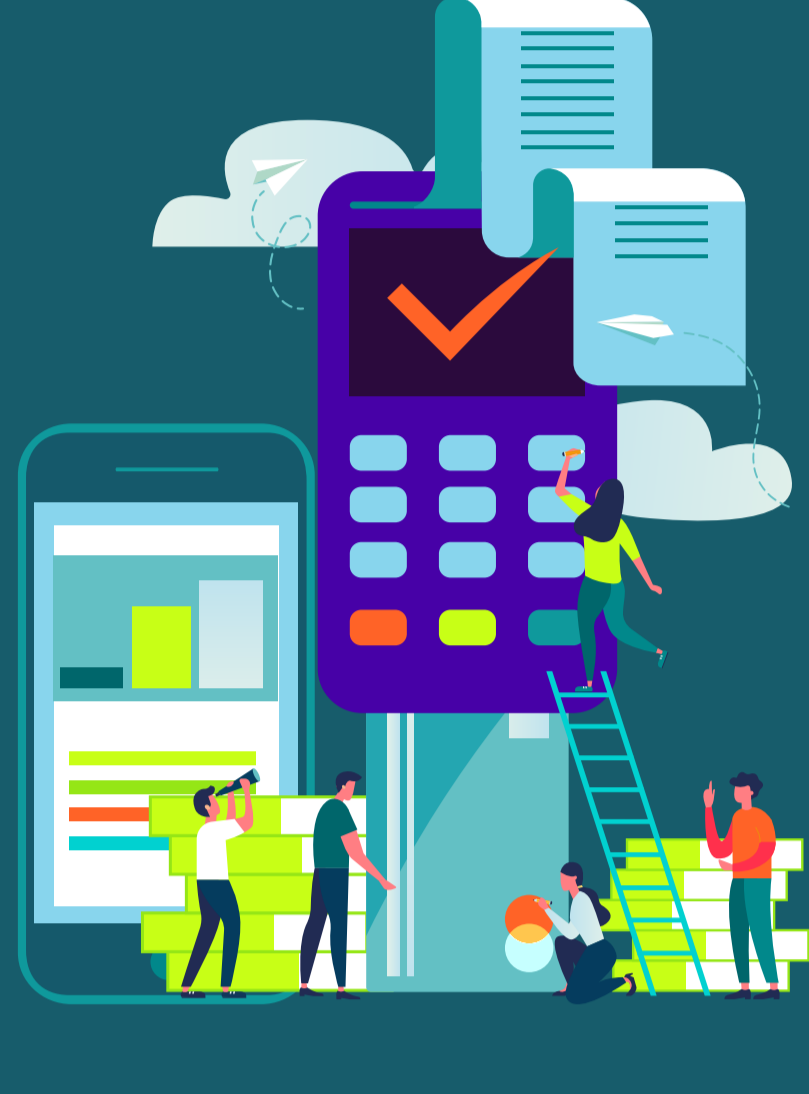


World Payments Report 2018



Customers' Appetite For Non-Cash Transactions Continues to Grow Worldwide



Non-cash transactions are expected to accelerate at **12.7% CAGR¹** globally through to **2021**

Developing markets, led by Emerging Asia, are projected to grow at **21.6% CAGR** and overtake mature markets in total non-cash transactions by 2021

Global non-cash transaction volumes grew at **10.1%** to reach **482.6** billion in 2016, led by

Emerging Asia **25.2%**
CEMEA² **17.1%**

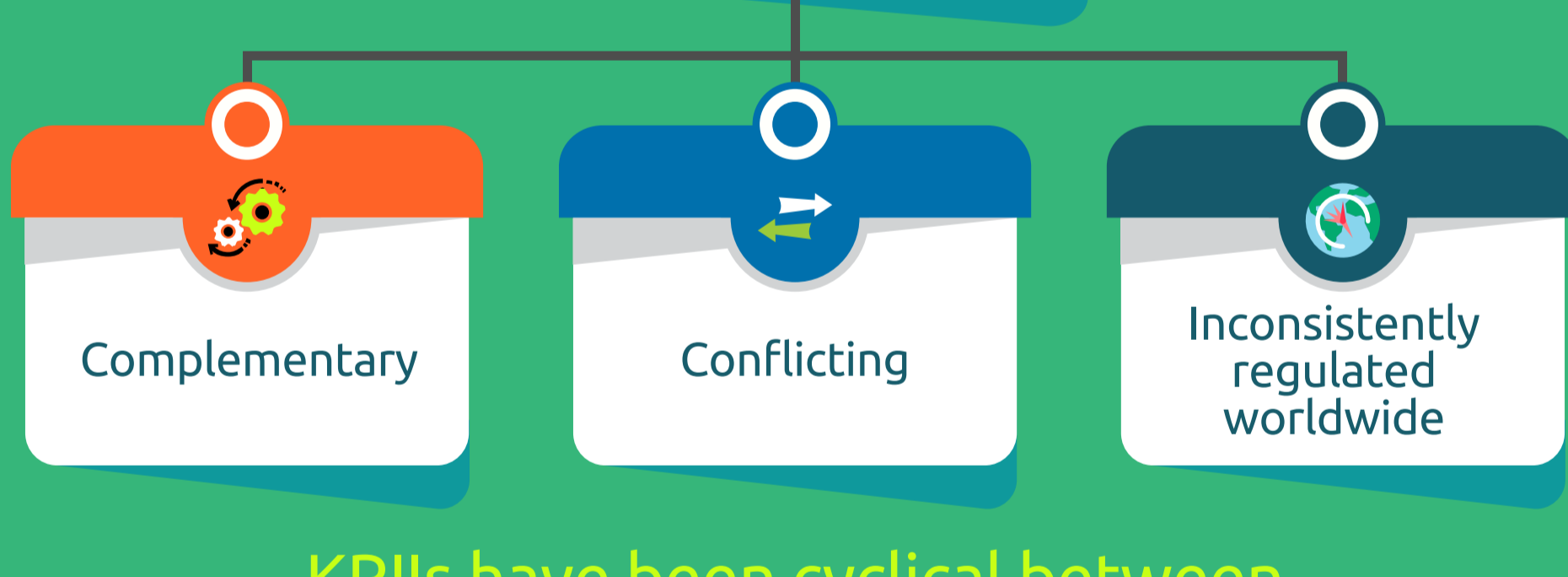
e-wallet transactions are growing³

- e-wallets accounted for 8.6%, or 41.8 billion, of all non-cash transactions in 2016
- BigTechs⁴ had ~71% of e-wallet transactions, providing an opportunity for collaboration with incumbents



Overlap of Key Regulatory and Industry Initiatives (KRIs) Can Affect Enablement of New Payments Ecosystems

KRIs can be



KRIs have been cyclical between standardization and innovation

Most KRIs are currently aimed at standardization and interoperability with a focus to balance regulatory-supply and industry-demand

Payments Open Banking Assessment found

- Mature open banking countries have a higher level of participation from all payments industry stakeholders, not just banks, giving users a greater choice of payments instruments
- Countries that are emerging as open banking pioneers (e.g. Sweden, U.K., and Netherlands) have the highest cashless instrument usage



The Financial Services Community Must Work Together and With Large Payment Users to Develop Robust Payments Ecosystems

Payments disruption factors have accelerated in the last year



- Changing customer and corporate preferences
- Rise of FinTechs/BigTechs
- Regulations, including Open Banking
- Increase in payments-enabling technologies

By becoming anchors and orchestrators of payments ecosystems, banks can create new offerings, especially in transaction banking areas to aid corporate treasurers



1 - CAGR - Compound Annual Growth Rate
2 - CEMEA - Central Europe, Middle-East and Africa
3 - e-wallet transactions are not included in the total count for non-cash transaction analysis, because they are based off of an estimate
4 - BigTechs are large, multinational technology firms such as Google, Amazon, Facebook, Apple, Alibaba, Tencent, etc.