

Capitalising on the New Payment Card Landscape

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Payment System Forum and Exhibition 2015
Sasana Kijang, Kuala Lumpur
3 November 2015

Agenda

- **Flashback**
- **Watershed Year**
- **Behavior shift**



Flashback

to Payment System Forum 2014

Redefining the Way to Pay

- Malaysia – the Evolution
- Vision 2020 – The Revolution
- Roles and Opportunities
- **Evolution or Revolution?**

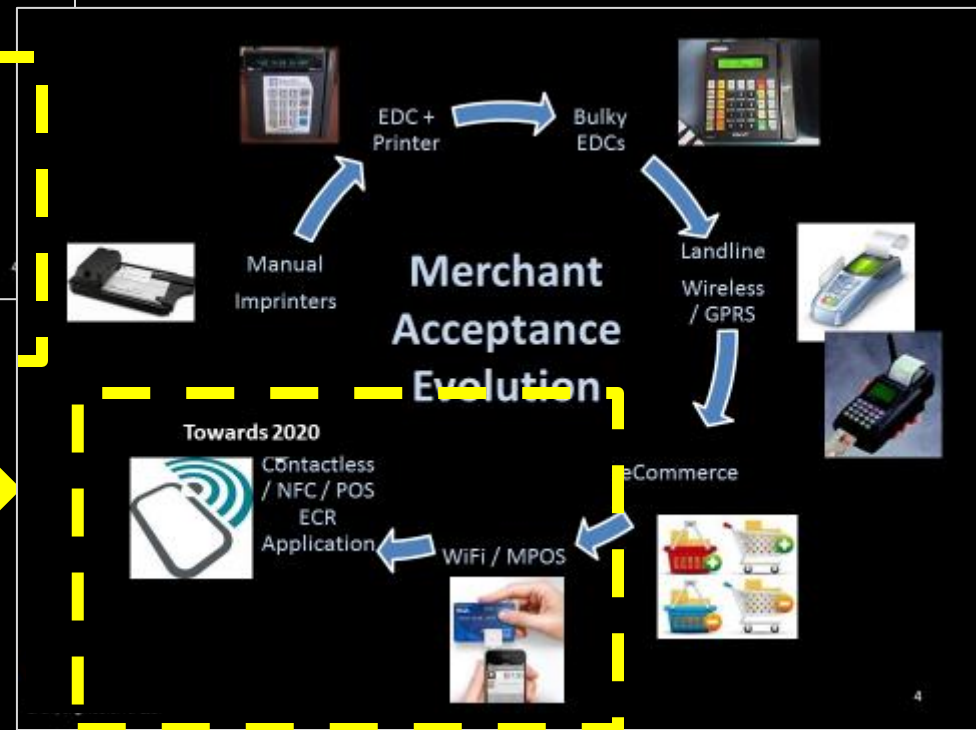
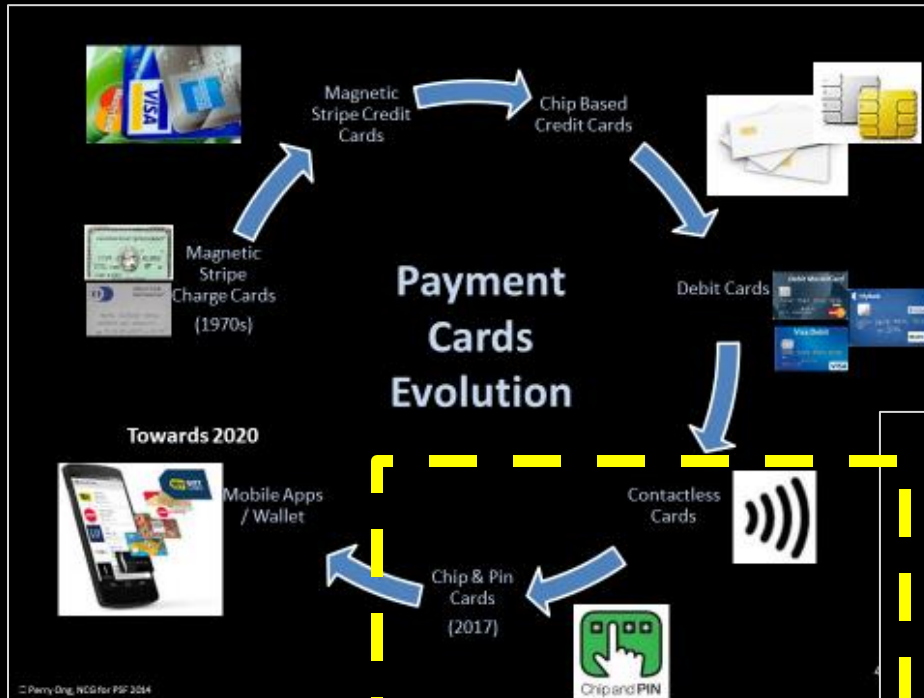


DEMAND
*Real time,
faster,
anytime &
everywhere*

SUPPLY
*EFTPOS
Online
Mobile*

2020 Revolution
*800K EFTPOS
1 Billion Debit
transactions*

Evolution of Card Acceptance



The Revolution **HAS** Started ...

Towards a Cashless Society by 2020



800,000
EFTPOS



1 Billion
Debit
Transactions



26 Banks, Issuers
and Acquirers



NATIONAL CARDS GROUP

Merchants, Retailers, Services, Insurance, Wholesalers, etc



Payment Card Reform Framework

Issued 23 Dec 2014

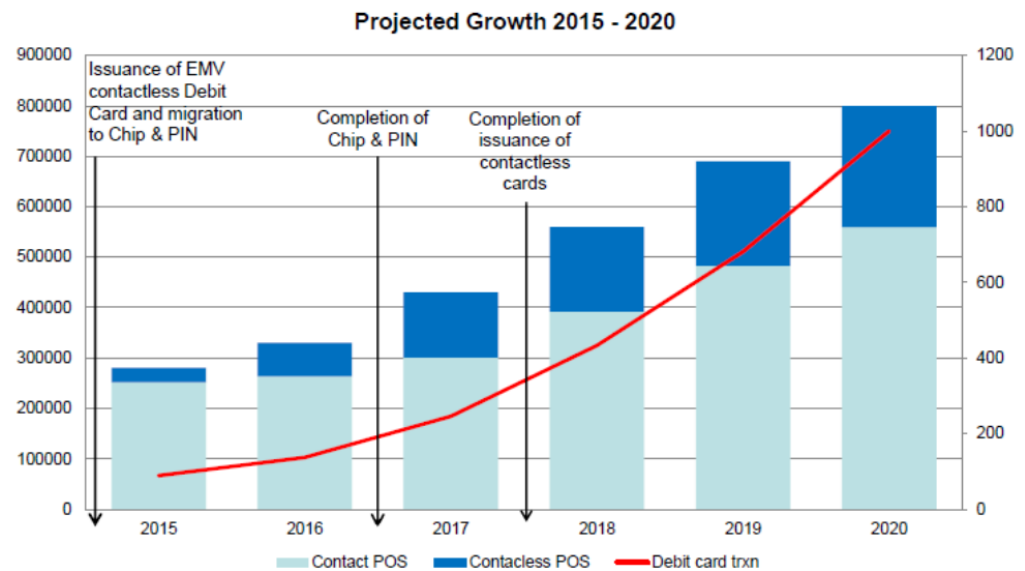
Reform Measures

- Objective & transparent setting of interchange fees
- Empower merchants to accept cost effective cards

Desired Outcome

- Affordable MDR level
- Expanded POS network

Future state of Malaysia's Payment Card Landscape



The industry has committed to invest approximately RM1.1 billion over the next 6 years on infrastructure development and POS deployment.

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2014

2015

2016

2017

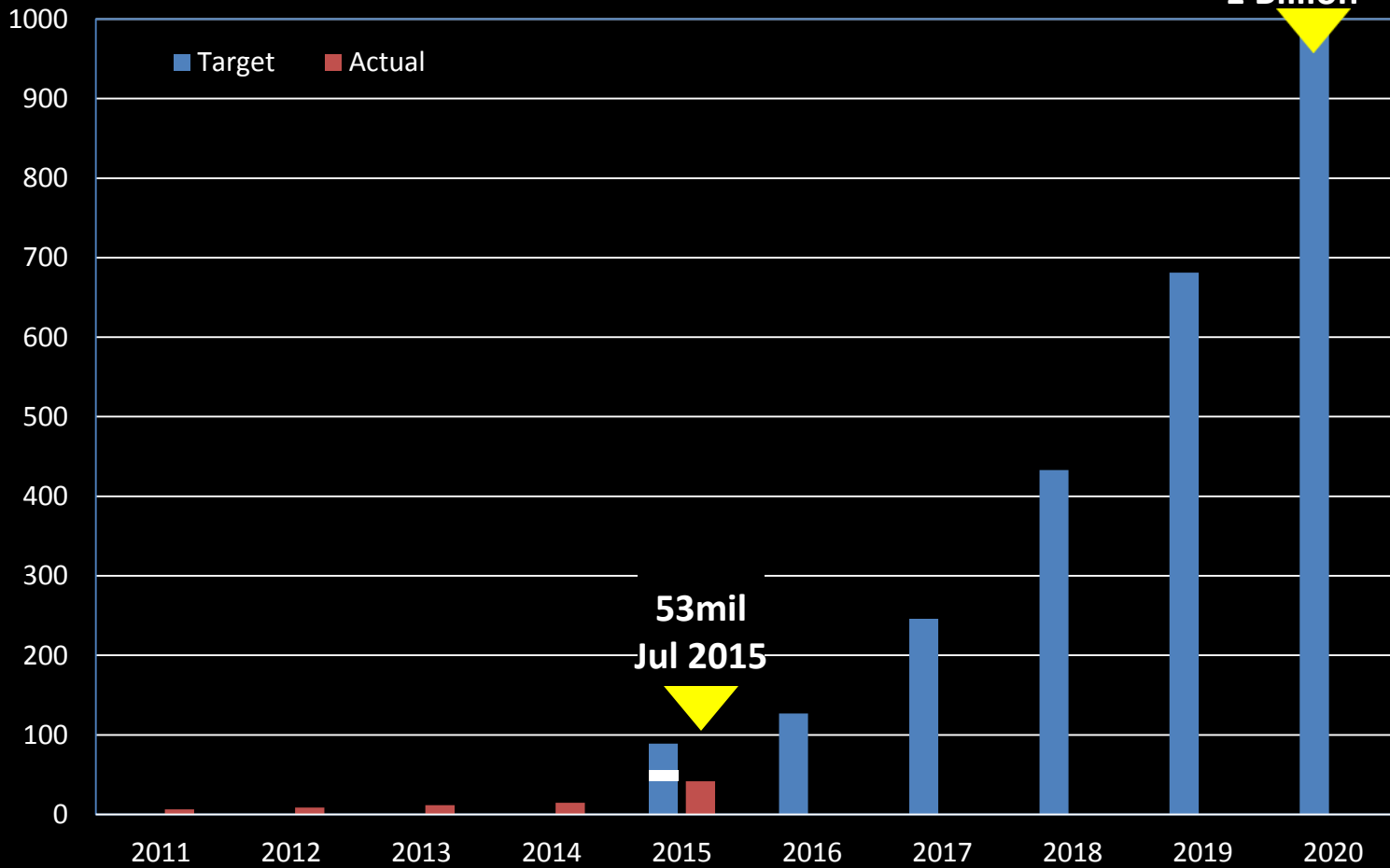
2018

2019

2020

Debit Transactions

No of Debit Transactions Actual vs Target



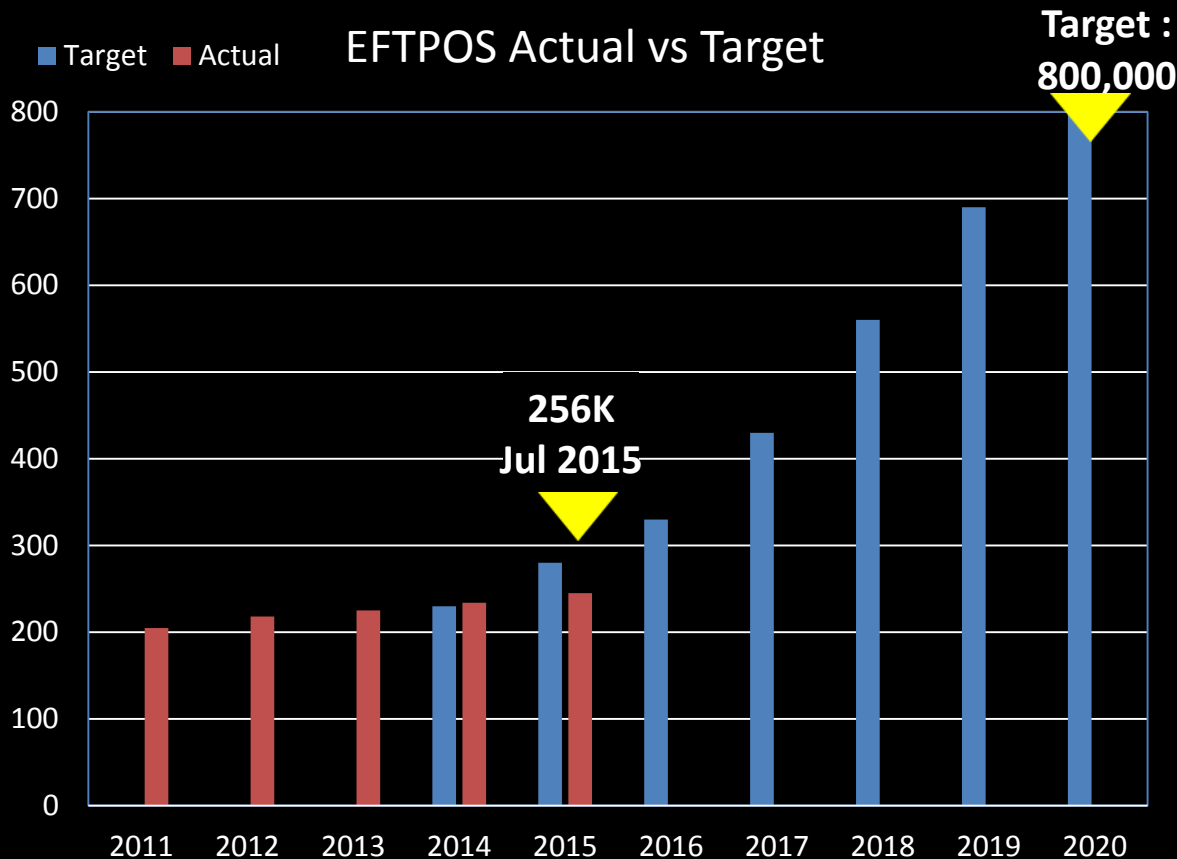
1 Billion
Debit
Transactions

43
million
Cards

Contact-
less
Cards &
EFTPOS

800,000
EFTPOS

EFTPOS Progress



Acquirers' Task

- Chip & Pin readiness with full deployment by Dec 2016
- Contactless terminals deployment in progress
- MyDebit (MCCS) enabled terminals by 2017

2014

2015

2016

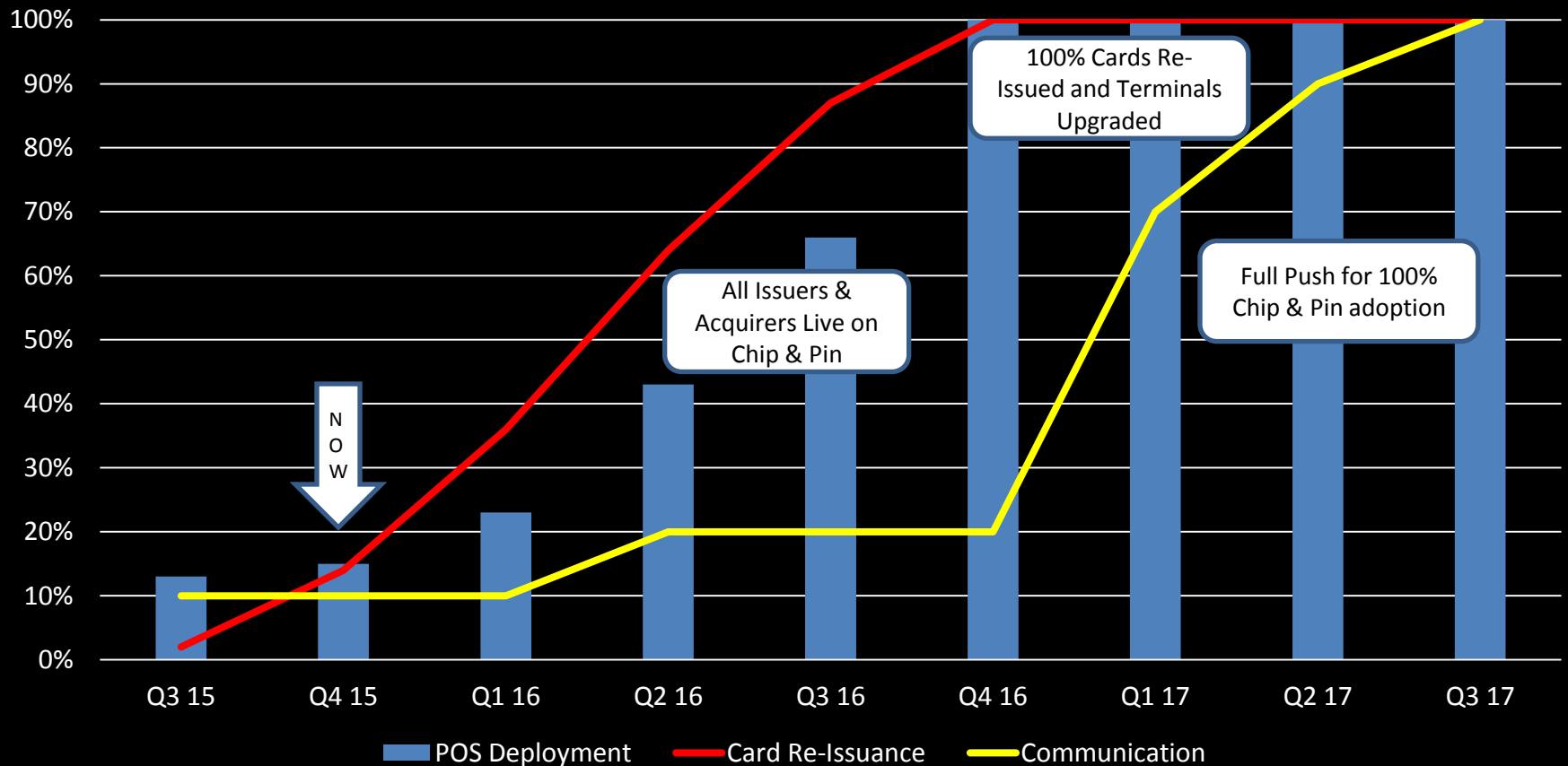
2017



CARD PROGRESS

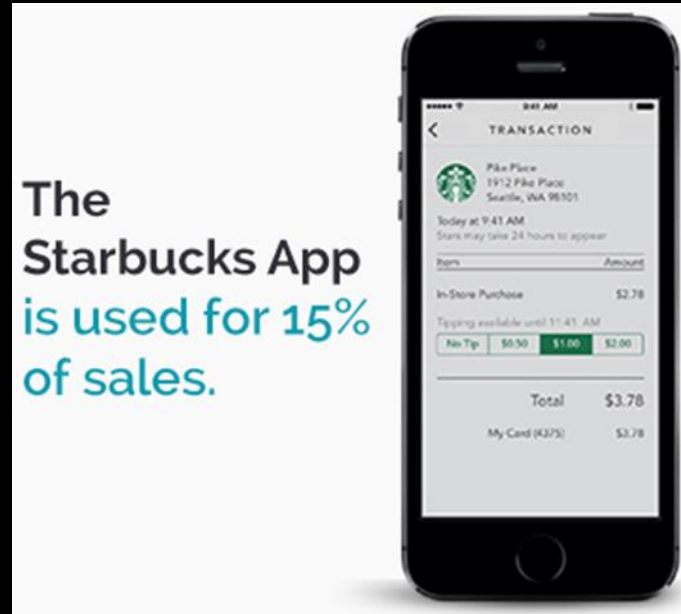
Moving into 2016 on Chip & Pin readiness

Watershed year of the Payment Revolution



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Payment Revolution at Tolls



Why the last minute rush to go Cashless?



All 92 PLUS toll plaza going cashless by 2017
Smoother flow without gates using RFID by 2018

Surge in Debit Cards in Greece



Greece's banking crisis is having at least one positive outcome, and it's made of **plastic**.

In a country where *cash is king* ... about 1 million debit cards have been issued by banks since the government ... Imposed controls on euro bills.

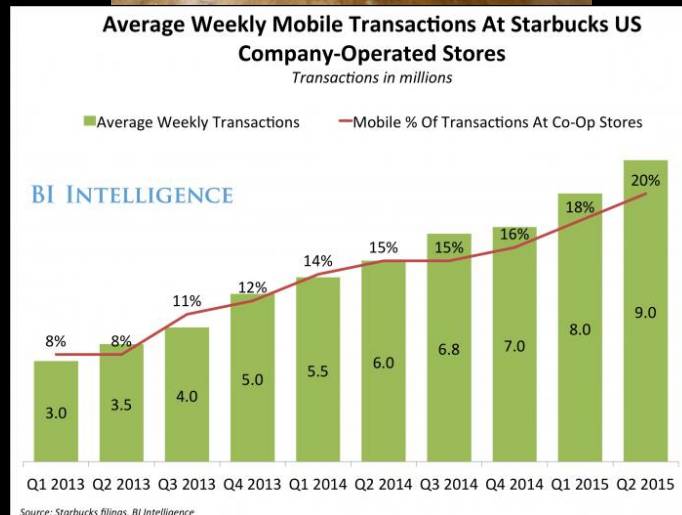
Adoption and Payment Revolution trends from

Retailers

to

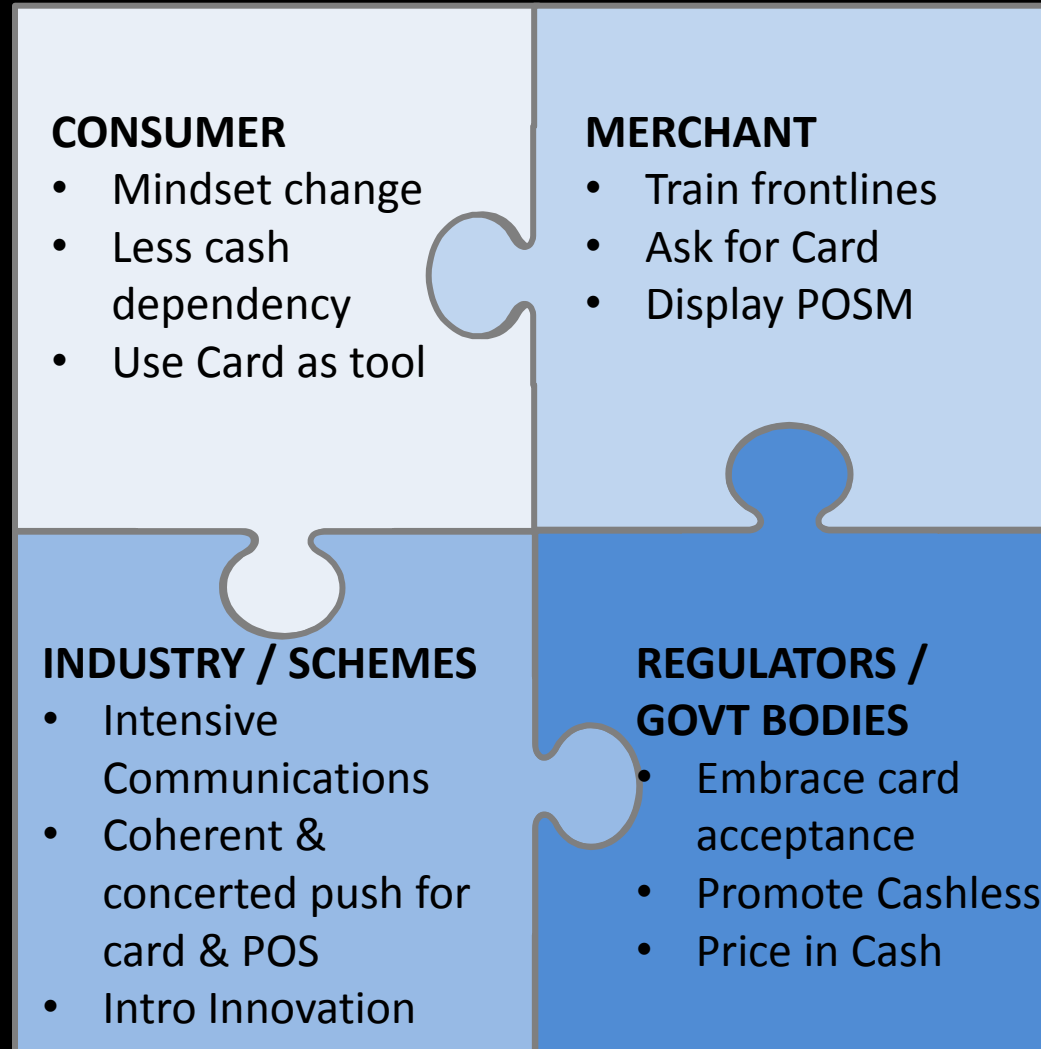
Governments

20% of payment are made by mobile



- Immigration Department to go cashless by end 2015
- To strengthen the department's integrity

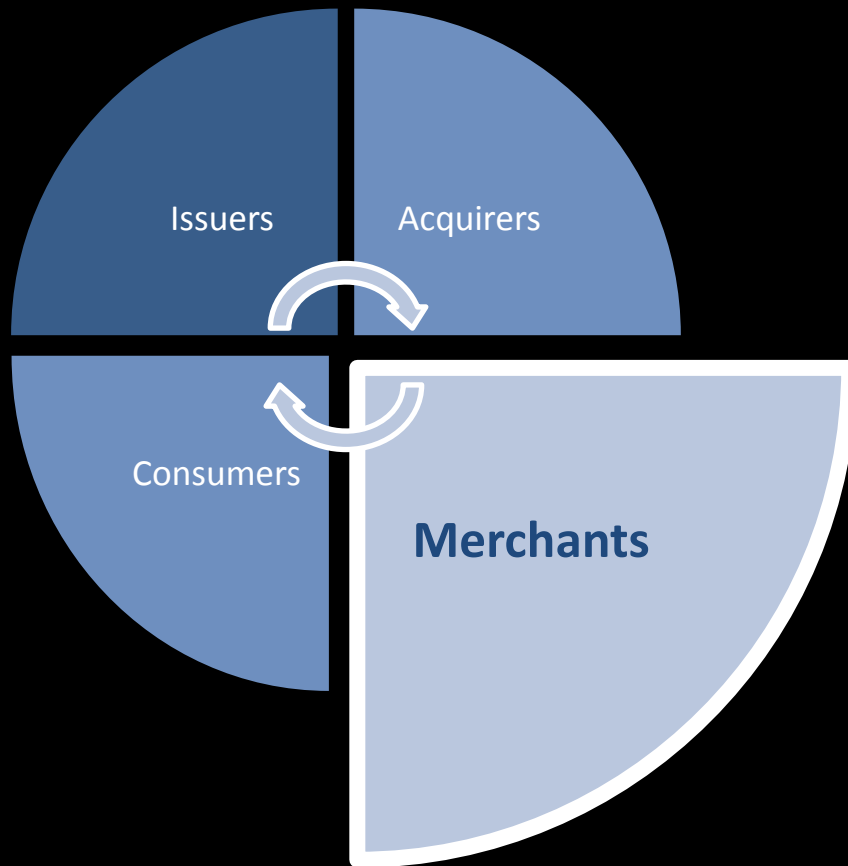
Roles & Responsibilities



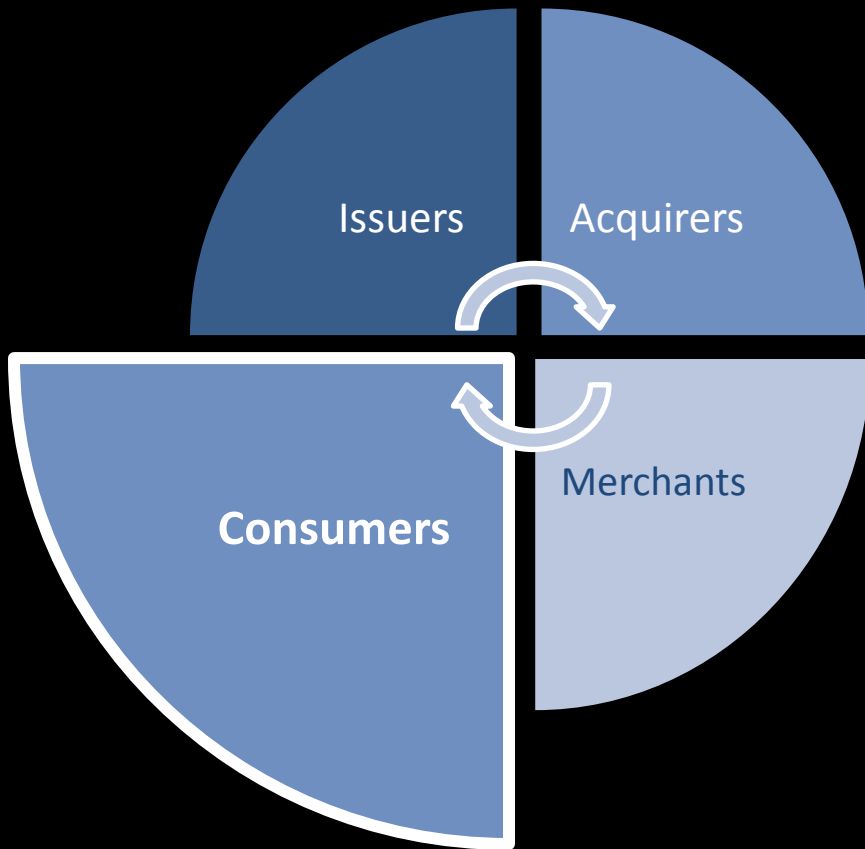
Behavior Shift

Are you capitalizing on the Payment Revolution?

- ❑ *Attracting the **43million** cardmembers with more card privileges*
- ❑ *Stay **relevant** with customers' needs and trends*
- ❑ *Enjoying **speed** of acceptance*
- ❑ *Sell more at **Lower cost** of card acceptance, thus no more surcharge. Lower cost than cash handling*
- ❑ *Riding on technology **innovation** via various acceptance channels*
- ❑ *Higher ticket purchase size*
- ❑ *Improve **safety** and reduce risks –lower chargebacks & fraud*



Behavior Shift



How are you Leveraging on the Payment Revolution?

- ❑ *Safer and faster way to pay*
- ❑ *Pay for anything, anytime, anywhere*
- ❑ *Enjoy more privileges when you pay by card*
- ❑ *The card in your hands is ready !*
- ❑ *Embrace the new payment behavior*





Why Act Now?

43 million Debit Cards



800,000 Merchant Locations



8.3 million Credit Cards



Technology Adoption – HCE / Mobile



Industry / Card Issuers / Acquirers / Schemes

+ Regulators Push



FUTURE OF
CASHLESS SOCIETY

PAYMENTS

