

>> END TO END SERVICE PROVIDER
FOR CRITICAL ELECTRONIC
TRANSACTIONS

>> ELECTRONIC PAYMENT

>> FINANCIAL MARKETS

>> eCS



HIGH-TECH TRANSACTIONAL SERVICES

Payment Processing in Europe

Trends, Strategies and challenges

Tom Stankiewicz, Director Clients & Markets

Paris, 22th of March 2010

Agenda

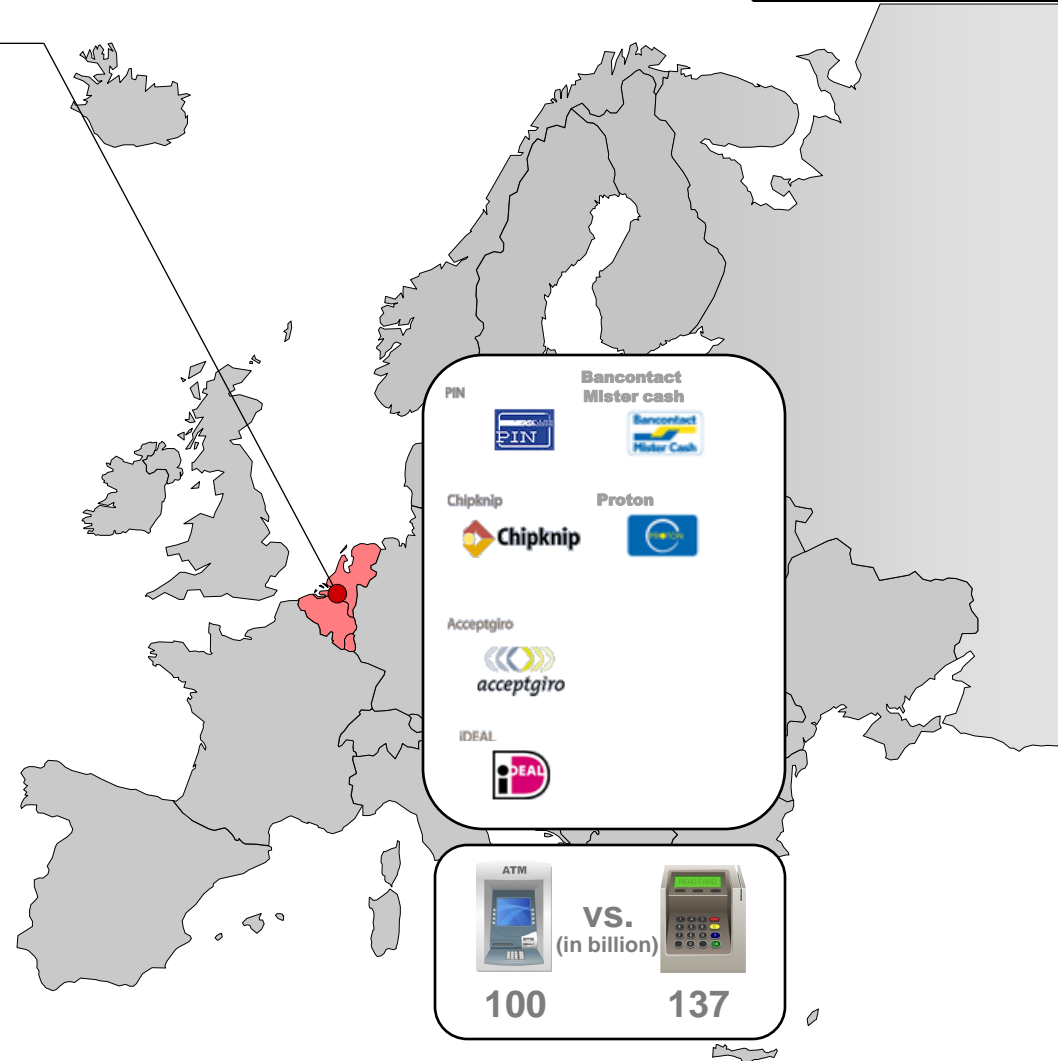
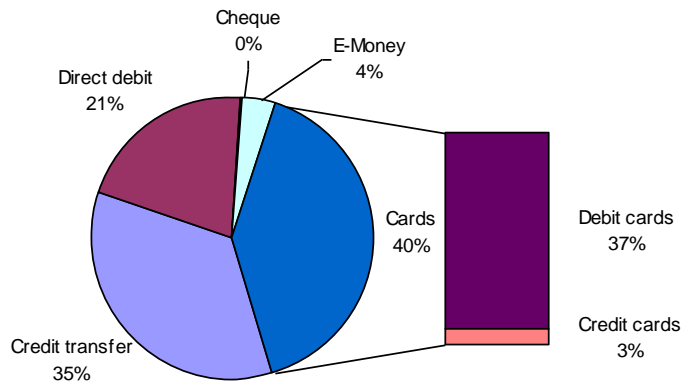
- 1. Market Overview**
Facts, figures and trends
2. Strategies and Challenges
3. Show Case
4. Conclusion

Market Overview

Facts and figures

Benelux

	Number of transactions in 2008		
(in million)	Benelux	Germany	France
Credit transfer	2.472	5.625	2.697
Direct debit	1.488	7.982	3.024
Cheque	9	65	3.487
E-Money	259	49	32
Debit cards	2.639	1.862	6.215
Credit cards	219	382	327
Total	7.086	15.965	15.783

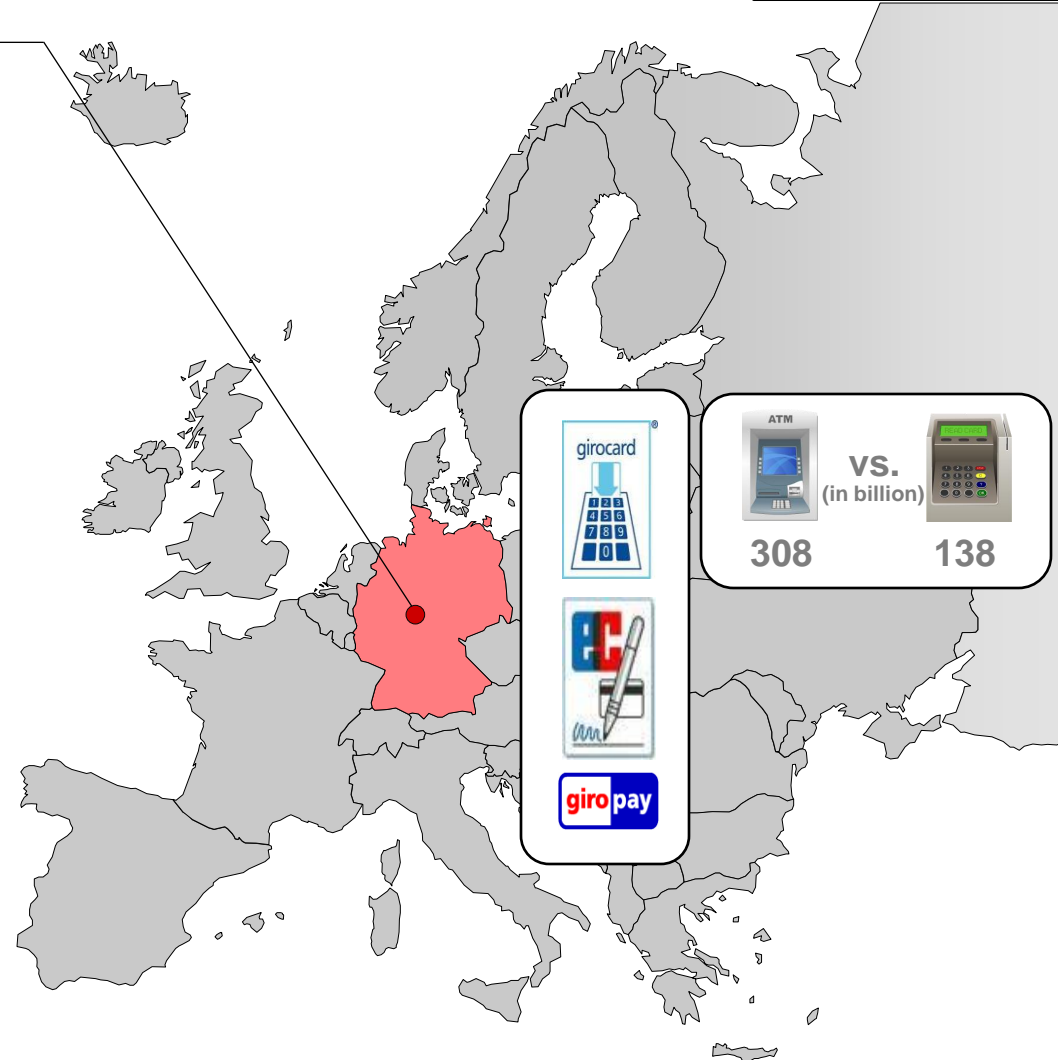
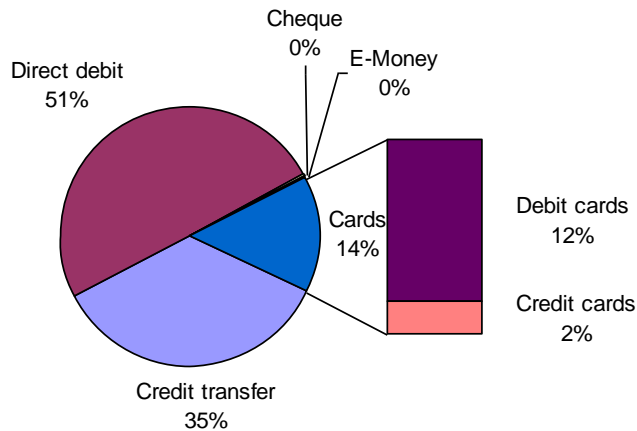


Market Overview

Facts and figures

Germany

Number of transactions in 2008			
(in million)	Benelux	Germany	France
Credit transfer	2.472	5.625	2.697
Direct debit	1.488	7.982	3.024
Cheque	9	65	3.487
E-Money	259	49	32
Debit cards	2.639	1.862	6.215
Credit cards	219	382	327
Total	7.086	15.965	15.783

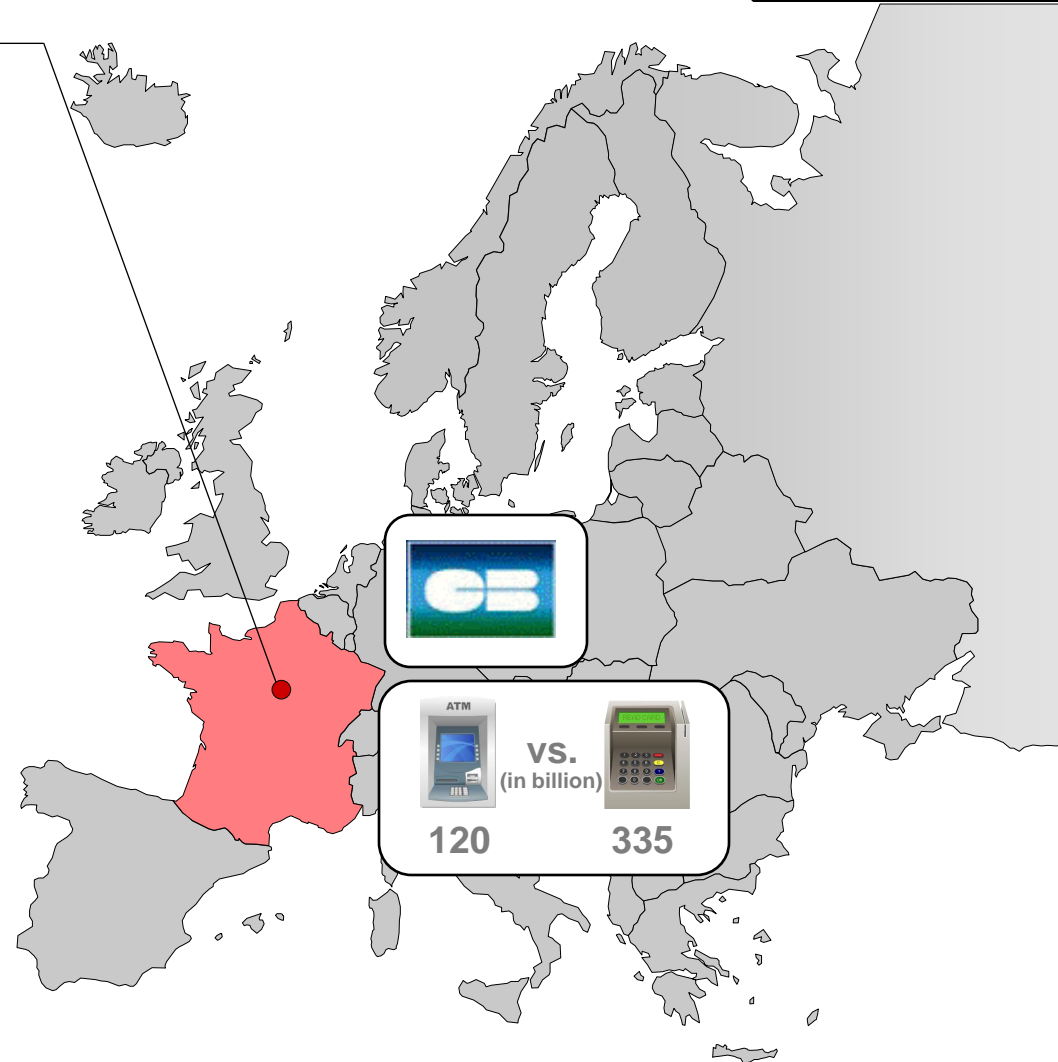
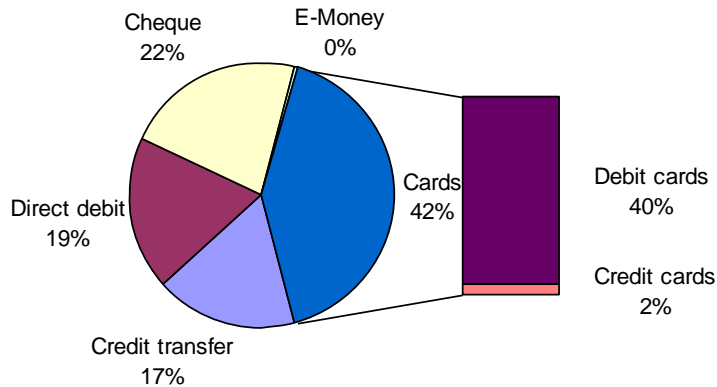


Market Overview

Facts and figures

France

Number of transactions in 2008			
(in million)	Benelux	Germany	France
Credit transfer	2.472	5.625	2.697
Direct debit	1.488	7.982	3.024
Cheque	9	65	3.487
E-Money	259	49	32
Debit cards	2.639	1.862	6.215
Credit cards	219	382	327
Total	7.086	15.965	15.783



Market Overview

The extinction of the domestic dinosaurs

Past



- » New emerging market with local focus
- » Technology-driven
- » Domestic schemes dominant
- » Monopolistic, local players dominant
- » Opportunistic approach; cooperation between banks
- » High domestic entry barriers

Present



- » Market requires European solutions
- » Central and cross-border Acquiring and Issuing initiatives appear
- » Domestic markets are mature with established players
- » Increasing international and European competition
- » War on price

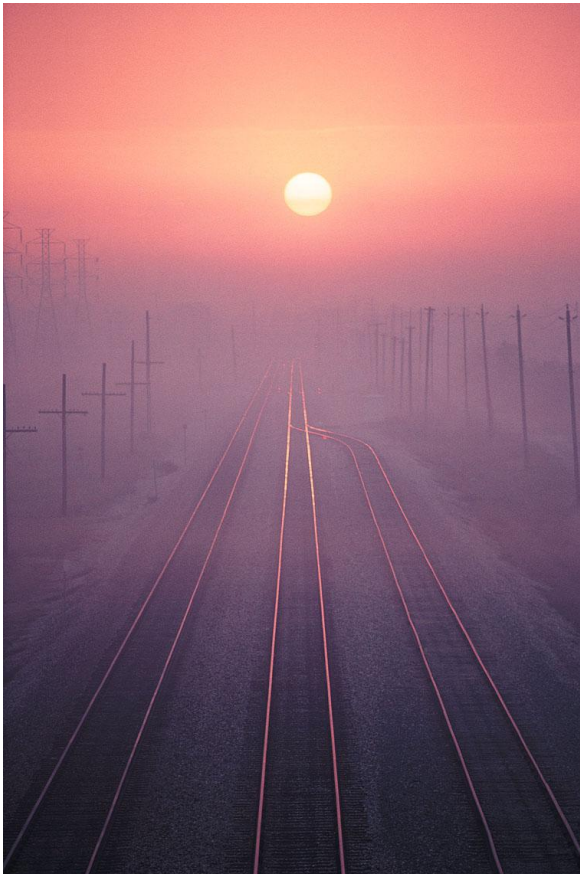
Future



- » Single Euro Payments Area
- » Highly consolidated market
- » Payment is commodity
- » High price pressure for standard services
- » New payment methods, tools, technologies
- » Value-added services to create USPs
- » But: local presence remains key

Market Overview

Current trends



The Industrial Revolution in the financial sector

„The onset of the Industrial Revolution marked a major turning point in human history; almost every aspect of daily life was eventually influenced in some way.“

- » Market consolidation
- » Globalization
- » Harmonization and standardization
- » Convergence and diversification of services
- » Economy of scale
- » Technology push (mobile, proximity)
- » Increasing competition; war on price

Agenda



1. Market Overview
2. **Strategies and Challenges**
Survival of the smartest
3. Show Case
4. Conclusion

Strategies and Challenges

The overall mantra



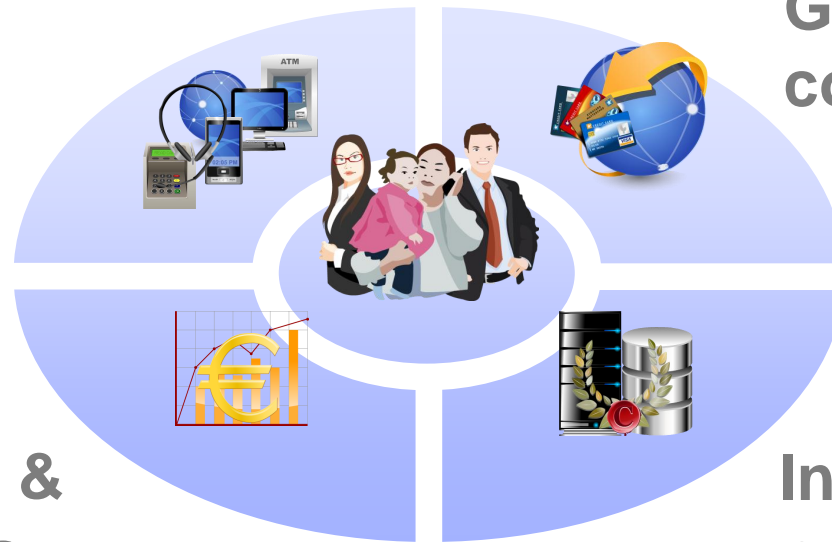
Think global,
act local,
be customer centric!

Strategies and Challenges

Think global, act local, be customer centric!

Service offering

Geographic coverage



Strategy & business

Infrastructure & processes

The 4 focus areas

Strategies and Challenges

Think global, act local, be customer centric!

Service offering

- » Different payment channels, methods and services are converging
- » Value-added services are required to create USPs
- » Customer and client needs are in focus
- » Modern, intuitive and standardized interfaces (convenience!)



Strategies and Challenges

Think global, act local, be customer centric!

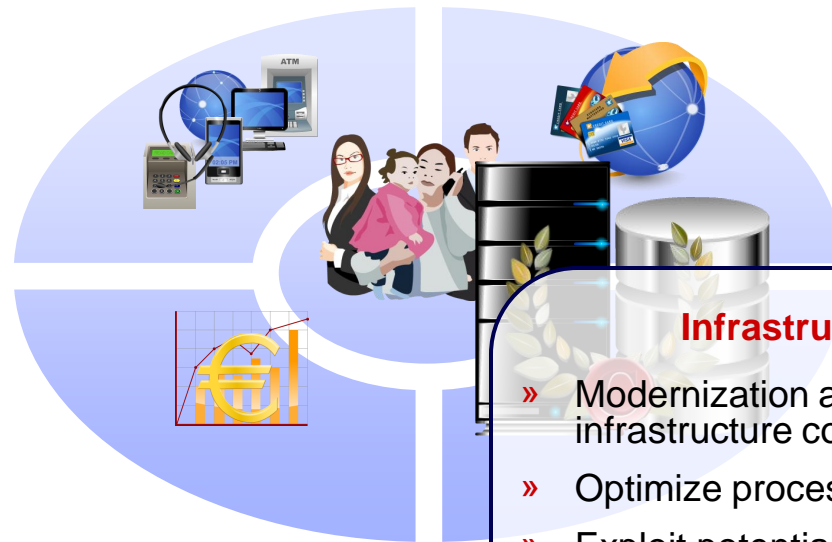
Geographic expansion

- » Local, cross-border and central processing
- » Support of domestic payment methods and protocols (during the transition phase)
- » Local presence (sales and support organization)
- » High-potential for SME segment



Strategies and Challenges

Think global, act local, be customer centric!

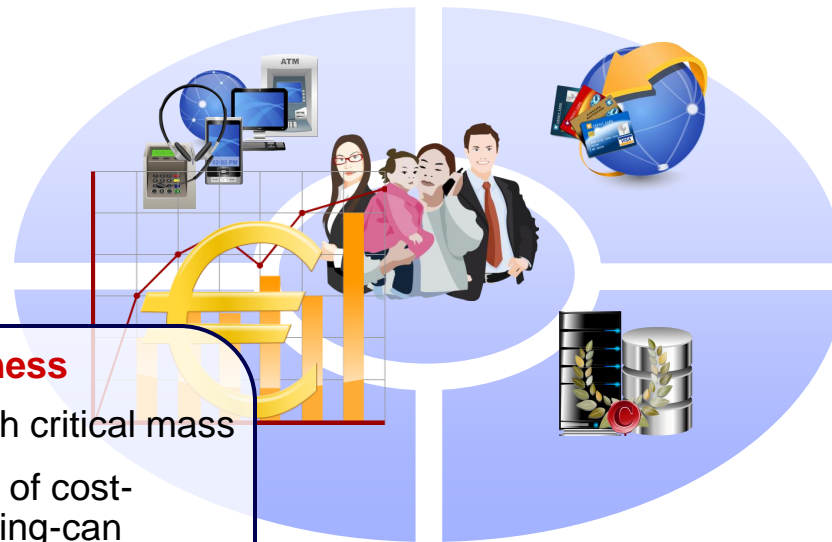


Infrastructure & processes

- » Modernization and standardization of IT-infrastructure components
- » Optimize processes (operational excellence)
- » Exploit potential synergies
- » Outsource part of the value-chain that is not core service
- » Security and compliance is of critical importance

Strategies and Challenges

Think global, act local, be customer centric!



Strategy & business

- » Growth strategy to reach critical mass
- » Smart investing instead of cost-cutting based on “watering-can principle”
- » Economy of scale not possible without exploitation of synergies
- » Focus on stakeholder value

Strategies and Challenges

Think global, act local, be customer centric!

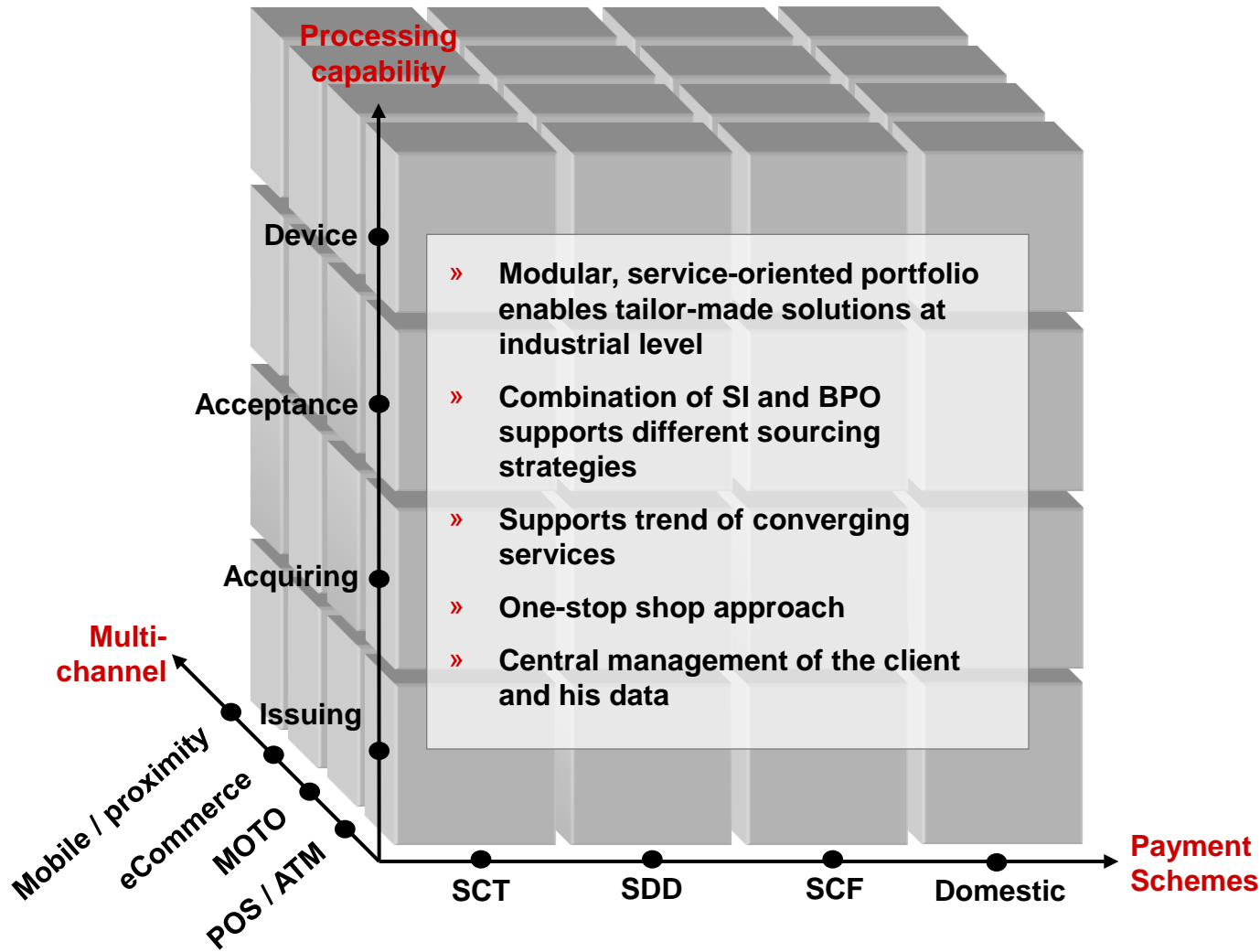


Survival of the smartest

- » A strategy must resolve the challenges of all four focus areas
- » Huge complexity requires innovative concepts and efficient solutions
- » Smart sourcing and networking strategies are key to success
- » You have to manage the complete lifecycle of your customer

Strategies and Challenges

The customer-centric service cube



Agenda

1. Market Overview
2. Strategies and Challenges
3. **Show Case**
One way to offer central processing
4. Conclusion

Show Case Atos Worldline

Short company profile



Payment Acquiring

- » 275 million remote payments
- » 2 billion acquiring transactions
- » 147 million withdrawals
- » 127 million Mon€o/Proton transactions
- » 34 million mobile phone prepaid transactions
- » 400 000 terminals



CRM & eServices

- » 45 billion e-mails
- » 450 million SMS
- » 42 million e-mail boxes
- » 41 million loyalty cards
- » 1,4 billion calls (IVR & Contact Centre)
- » 102 billion internet pages viewed
- » 850 million e-documents

Payment Issuing

- » 12 million debit cards
- » 12 million credit cards
- » 5 million fuel cards
- » 3 million hits in our call centres



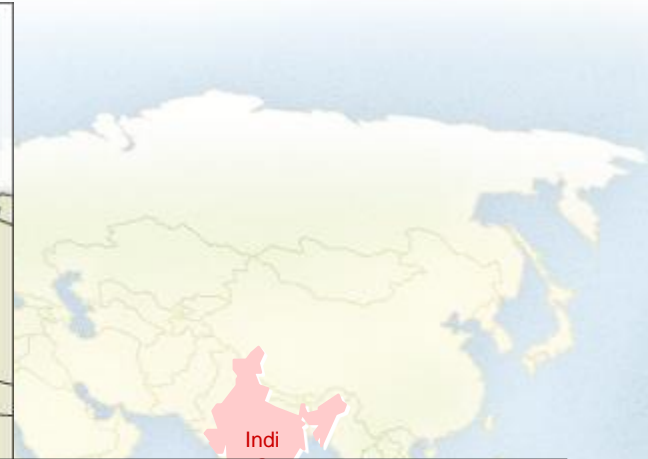
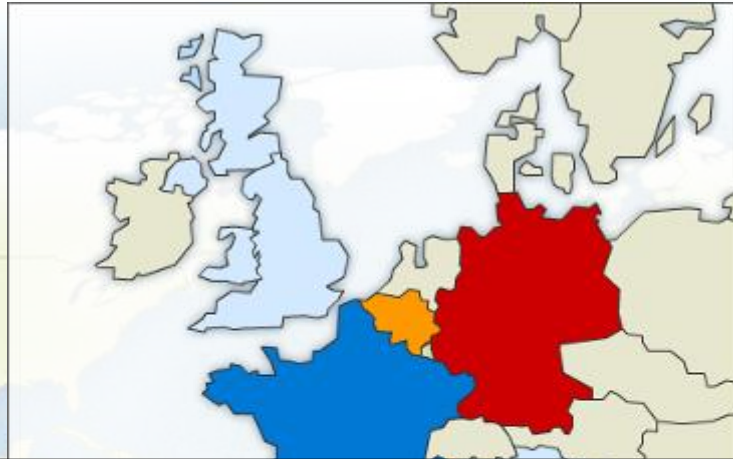
Financial Markets

- » 250 million cleared positions
- » 30 billion € assets guaranteed
- » 230 million trades
- » 400 billion € assets under management for 200 thousand private customers
- » 6 RTGS platforms

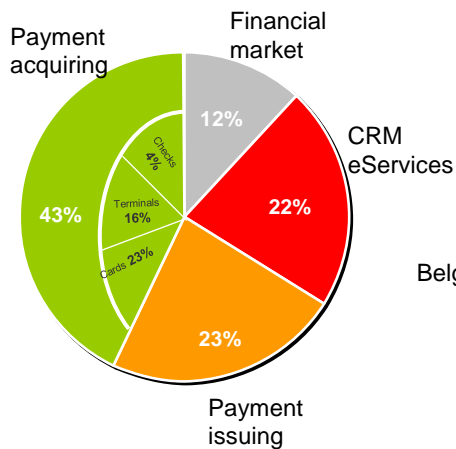


Show Case Atos Worldline

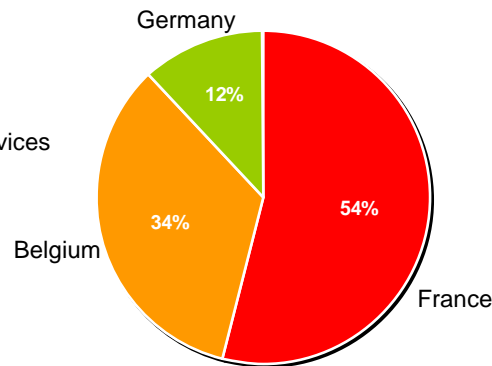
Short company profile



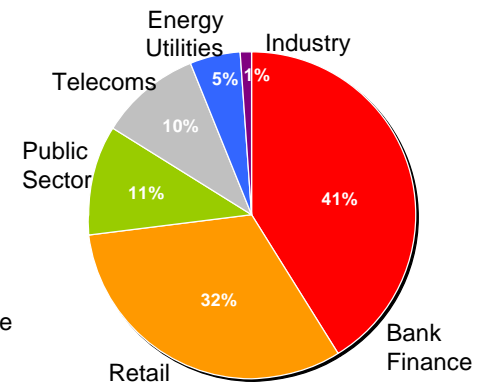
Business Mix:
End-to-end offerings



European strength and strong european focus



High competence in major vertical industries



Show Case Atos Worldline

Solution approach

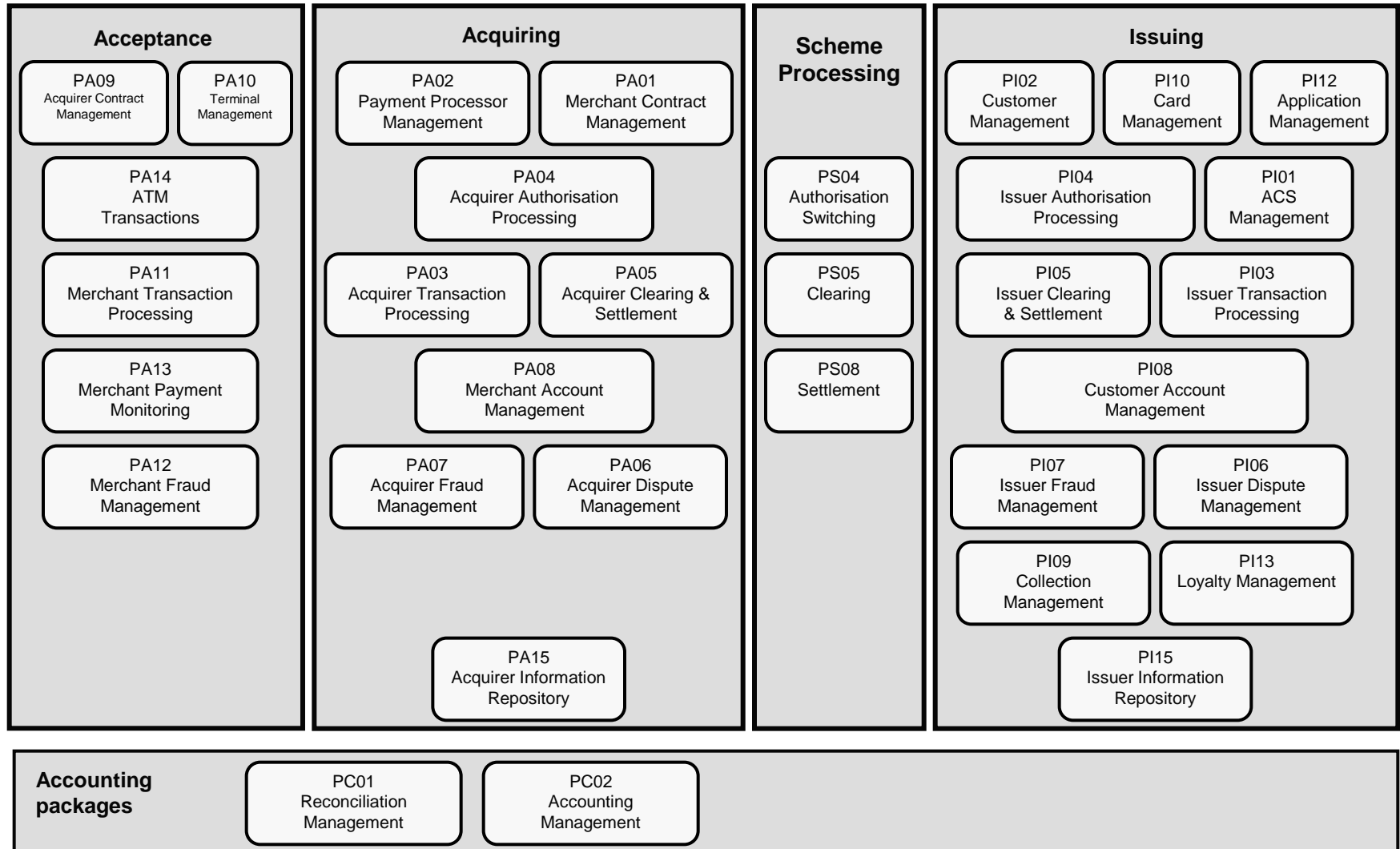


Think global, act local, be customer-centric

- » We build our own platforms
- » Our solutions are based on a modular and service oriented architecture and state of the art technologies
- » We extensively reuse existing components and frameworks throughout our different service offerings
- » We combine central processing of our core services with localized and tailor-made solutions
- » We standardize and harmonize our IT and our processes with strong focus on operational excellence and economy of scale
- » We combine SI with Managed Services and BPO
- » We provide local services in each country for front-office and back-office services

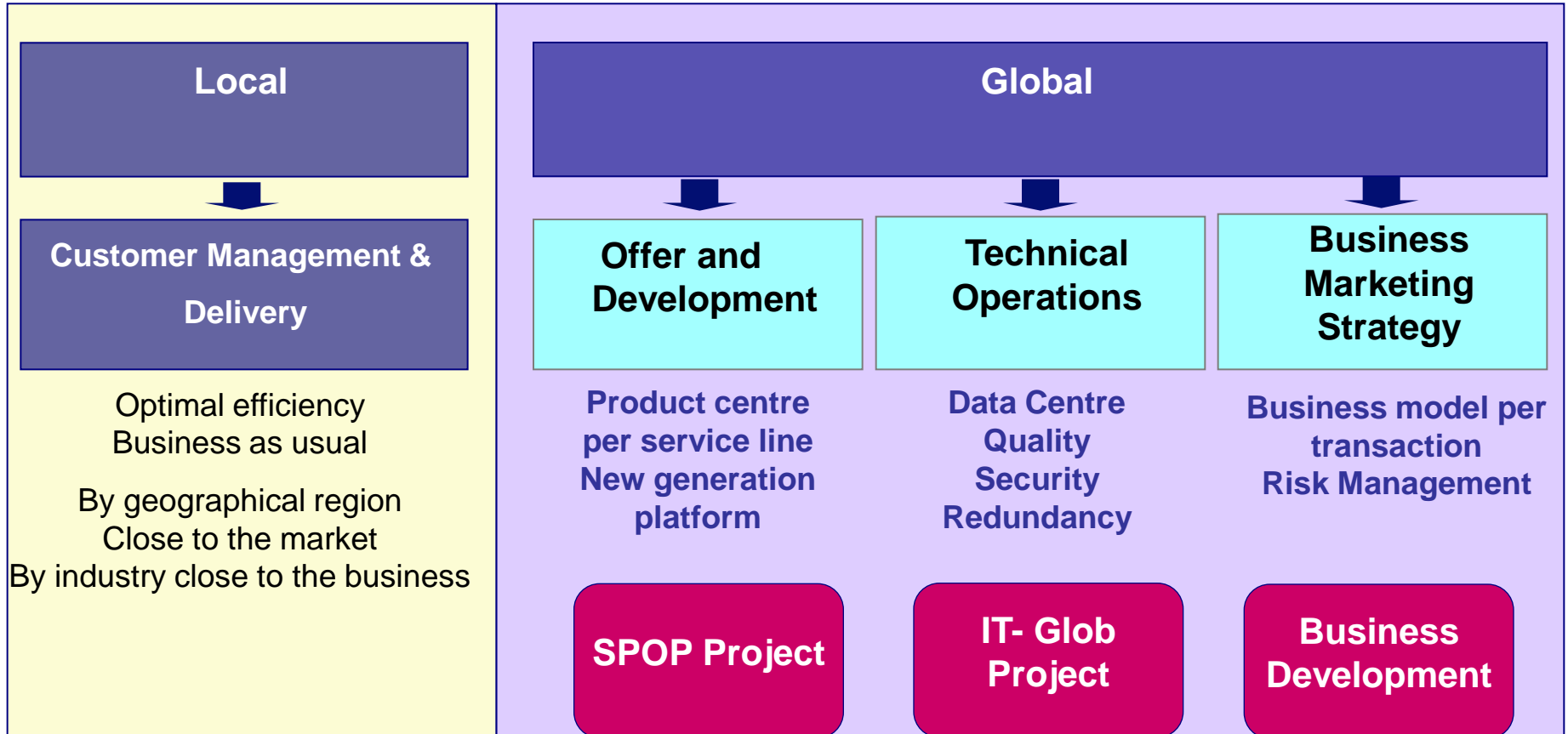
Show Case Atos Worldline

Modular service approach



Show Case Atos Worldline

Organisational approach

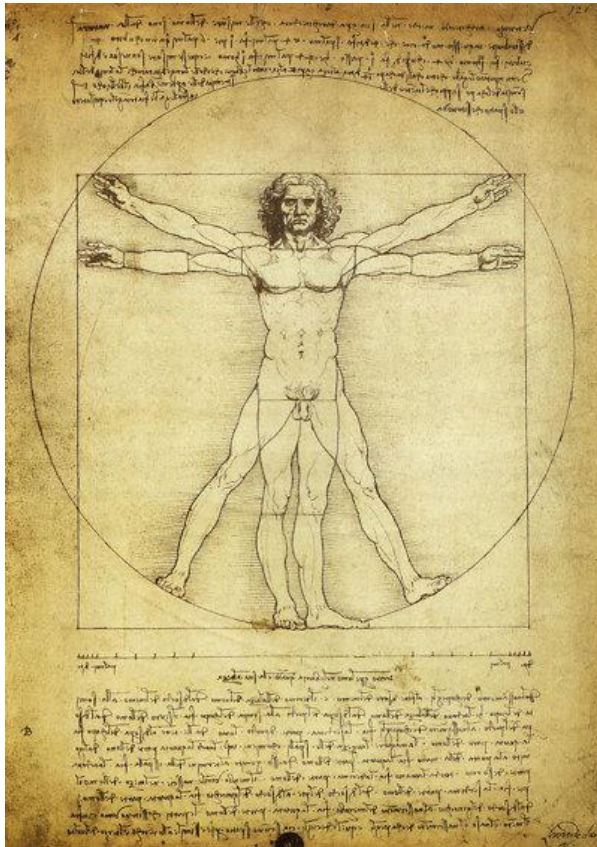


Agenda

1. Market Overview
2. Strategies and Challenges
3. Show Case
4. **Conclusion**
Think global, act local, be customer-centric

Conclusion

Think global, act local, be customer centric!



The urgency of doing

„I have been impressed with the urgency of doing. Knowing is not enough; we must apply. Being willing is not enough; we must do.“

Leonardo da Vinci

- » The financial market is changing dramatically and requires new and innovative strategies
- » Being a global player with local presence and competence is vital
- » Smart software development and sourcing strategies form the underlying basis
- » The ability to provide tailor-made and value-added services for the customer is a critical success factor
- » Learn from the past: The dinosaurs will extinct!

>> END TO END SERVICE PROVIDER
FOR CRITICAL ELECTRONIC
TRANSACTIONS

>> ELECTRONIC PAYMENT

>> FINANCIAL MARKETS

>> eCS

Atos WorldlineTM

HIGH-TECH TRANSACTIONAL SERVICES

For more information please contact:

Tom Stankiewicz
Director Clients & Markets
t +49 (0) 69 6657 1718
m +49 (0) 170 9280747
tom.stankiewicz@atosorigin.com

Atos Worldline Processing GmbH
Hahnstrasse 25
60528 Frankfurt
www.atosorigin.com