



In-store payment value chain

JANUARY 2015

Payment ecosystem at a glance

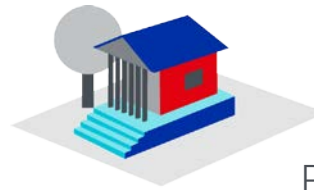
Payment service providers > 8.5B€



Service provider



acquirer



issuing bank

Payment related revenues of banks and schemes > 310B€



Payment services



Terminals >200B€



Terminals

POS market: 2,5-3 B€

Cards > 15B€



Cards

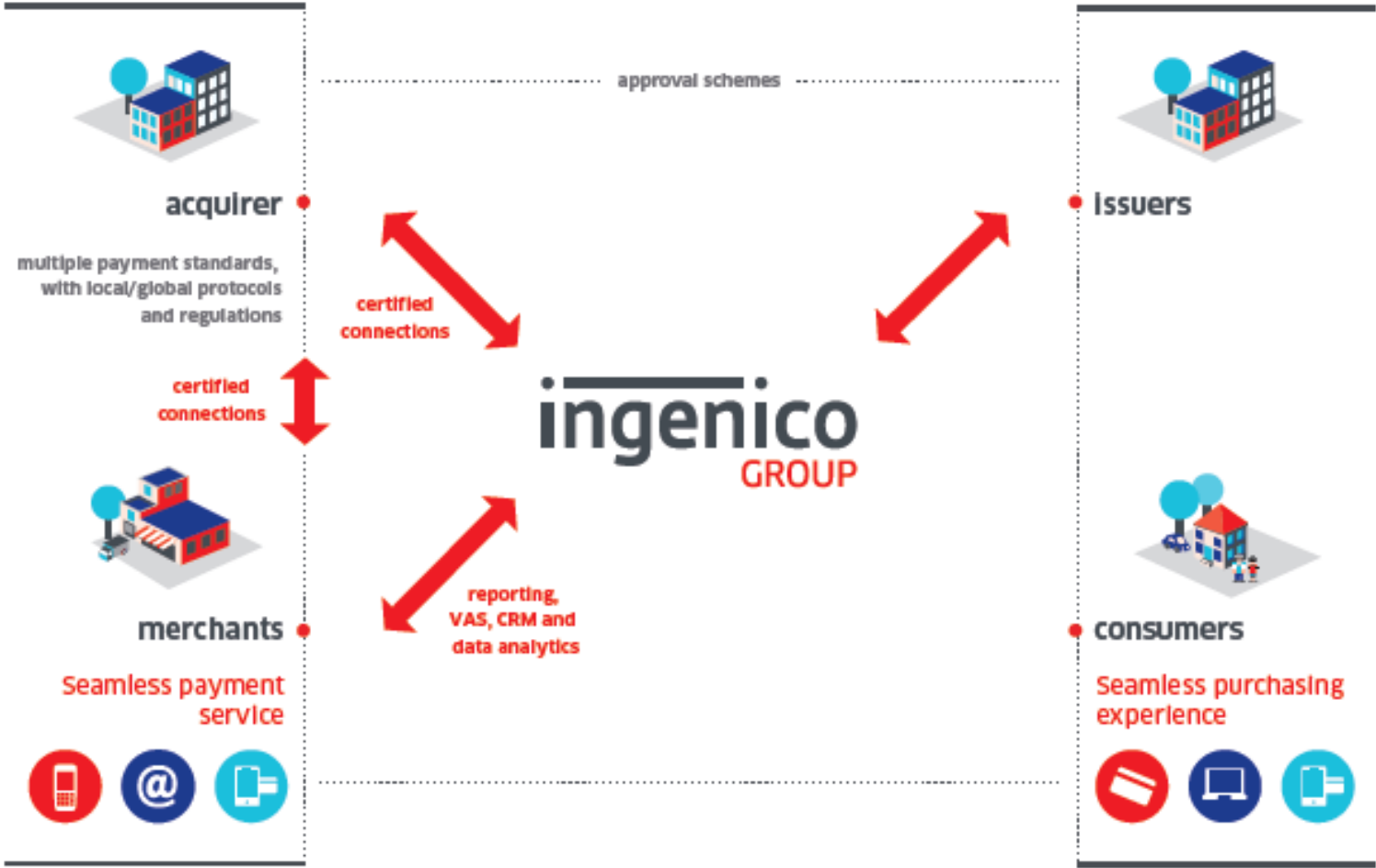


merchants



consumers

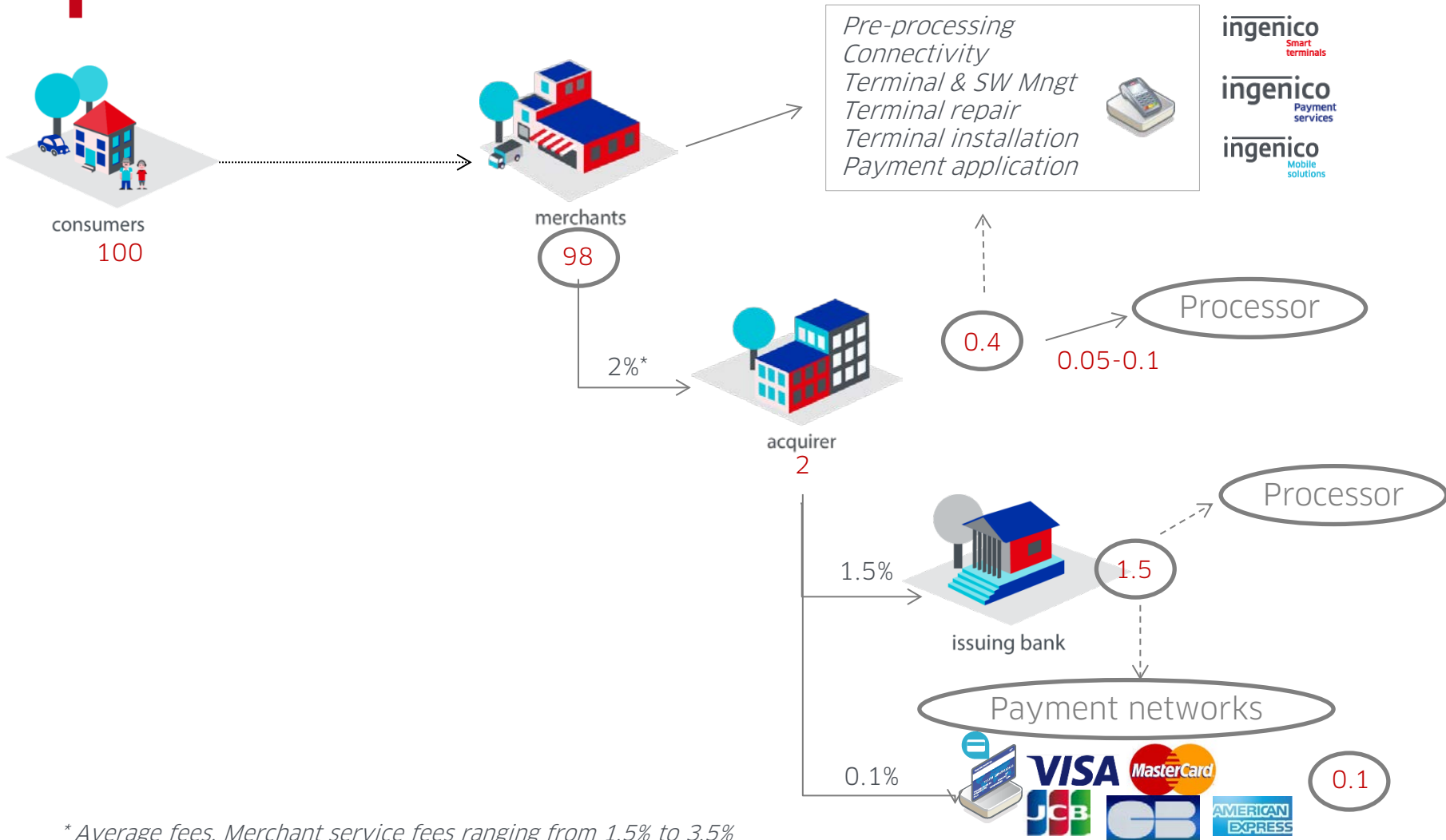
The “card present” payment ecosystem



The “card present” payment ecosystem / Key definitions

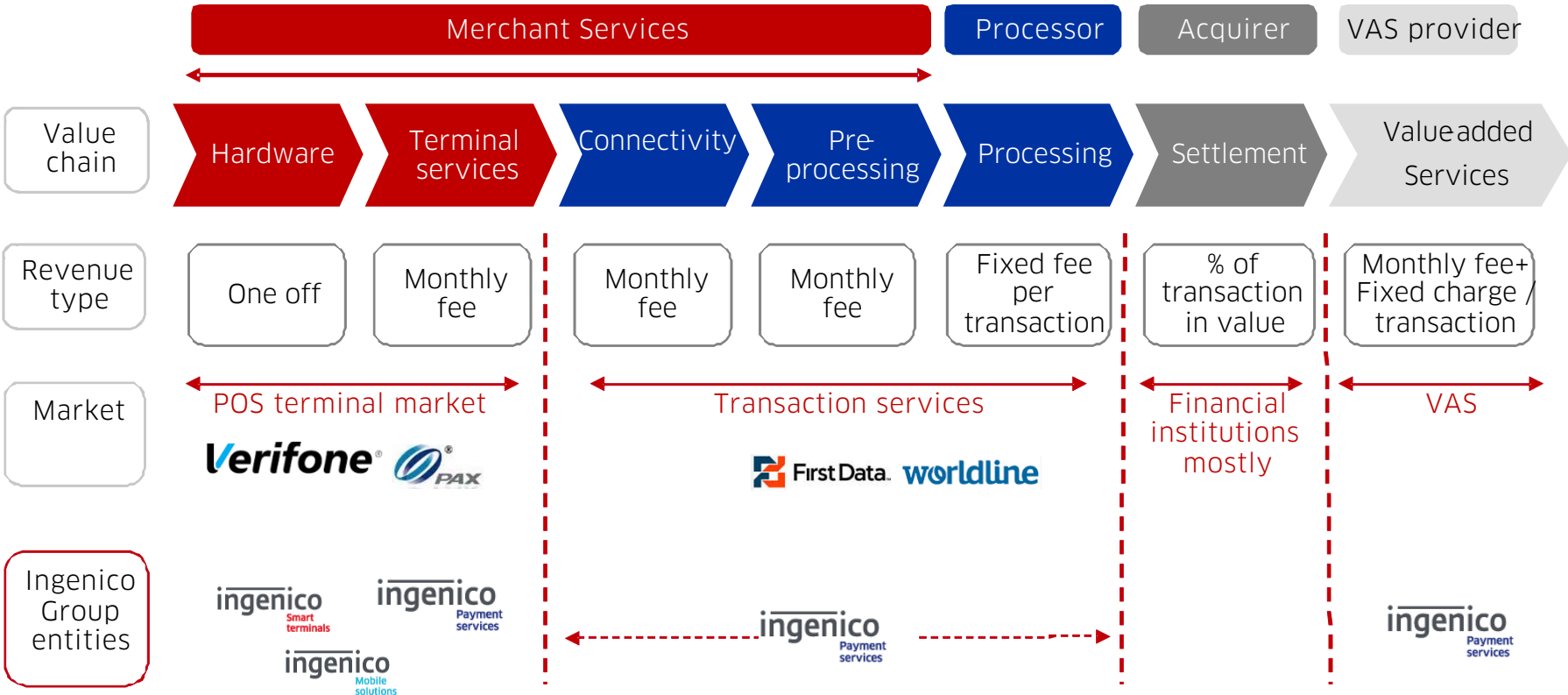
- **Issuer:** Card holder’s bank. Supports transaction financial risk
- **Acquirer:** financial institution responsible for the underlying transactions (authorization, clearing & settlement) with its merchant-customers.
- The **Processor** is a technical operator providing infrastructure to support acquirer functions, such as authorization, clearing and settlement services. In practice, acquirers outsourced merchant acquiring services to processor
- **Payment Service Provider (PSP)** is a company performing all or part of electronic payment services and potentially including settlement as per Payment Service Directive in Europe. In the US, settlement is always performed by financial institutions

The “card present” payment business model



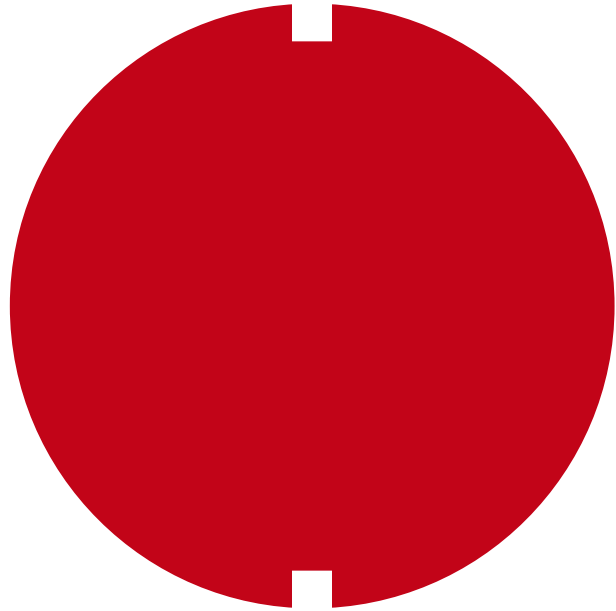
* Average fees. Merchant service fees ranging from 1.5% to 3.5%

The “card present” payment business model



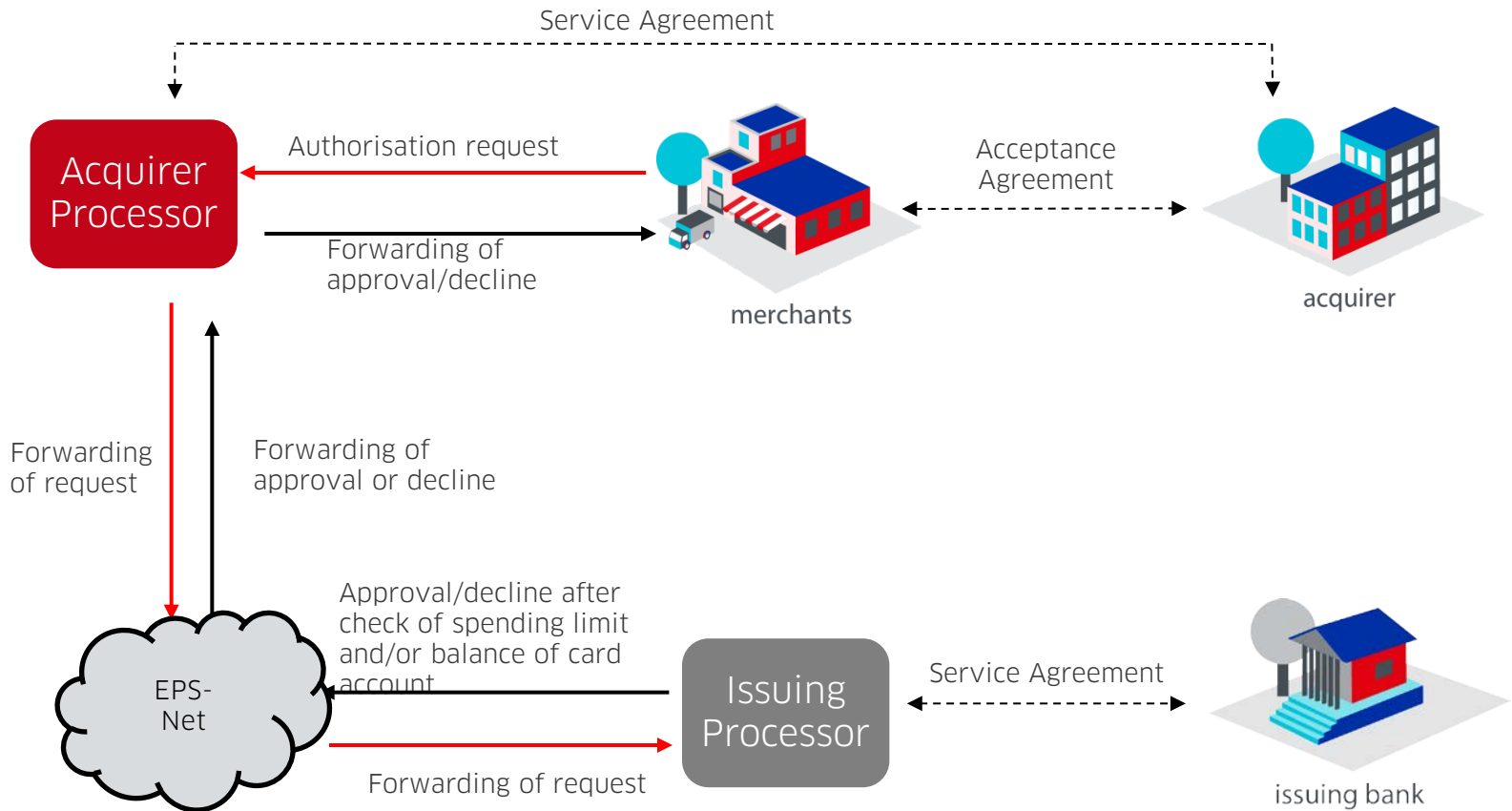
Local and fragmented services as a result of global and local standards





Appendix

Transaction value chain / with a debit card



Transaction value chain/ with a credit card

