

P27

A pan-Nordic payment infrastructure

16/04/2021

The European payments landscape is changing rapidly

Leading to pressure on the underlying infrastructure



Real-time payments – soon new normal

7.8m people in Sweden now using Swish
Swish volumes of SEK 310 billion in 2020 – a seven folding increase since 2015**



Initiatives from authorities, regulators and the sector. *Open Banking, PSD2, TIPS and EPI some examples*



New competition putting pressure on Mobile solutions



Simplification and standardization = lower cost and complexity. *SEPA and ISO 20022 some examples*



Cross border payments on the rise. *Since 2010 the number of cross border transactions globally has doubled***

Fragmented payments infrastructure with:

- ***High costs***
- ***Low efficiency***
- ***Low transparency***

Increased risk of fraud and money laundering

* www.getswish.se ** McKinsey Global Payments report 2010



This is why the largest banks in the Nordics have come together and built P27

Imagine if people and corporates in the Nordics could...



Pay with mobile phones in other Nordic countries.



Have a cost-efficient direct debit scheme instead of existing old and expensive.



Pay and receive payments instantly also from other countries in a simple and secure way.



Have standardized and cost-efficient cross border payments.



A long, multi-arched bridge spans across a wide body of water under a sunset sky. The sun is low on the horizon, creating a bright glow and long shadows. In the foreground, there are tall, dry grasses and reeds. The bridge has several large, dark supports. The overall scene is serene and scenic.

P27 is building the world first cross-border and multicurrency payments region connecting the 27 million people living in the Nordics – and beyond.

Cornerstones in *creating a common payments region in the Nordics*



1. Fast, easy and efficient domestic and cross-border payments system

2. Robust, resilient and secure infrastructure secured

3. Innovation and adaptability to future demands ensured



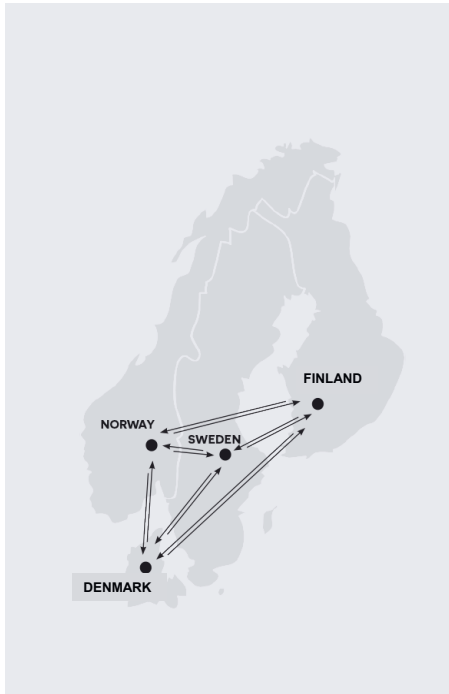
Creating a common payments region in the Nordics

1. Fast, easy and efficient domestic and cross-border payments

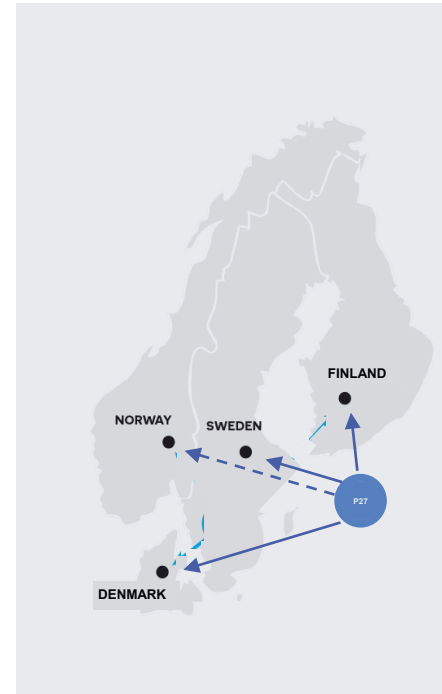
From



To



- **8+ different clearing** systems
- **Different products** in different countries, often with overlap
- **Platforms** with overlap of investment needs and limited scale
- **Slow and Inefficient**
- **Low transparency**



- **One clearing** system and platform – the initial vision at launch of P27
- **Harmonized** payment products where so required
- **One point of entry** for participants (including EUR transactions)
- **Real-time with high Efficiency**
- **State-of-the-art transaction monitoring**



Creating a common payments region in the Nordics

2. Robust, resilient and secure infrastructure secured

Resilient infrastructure

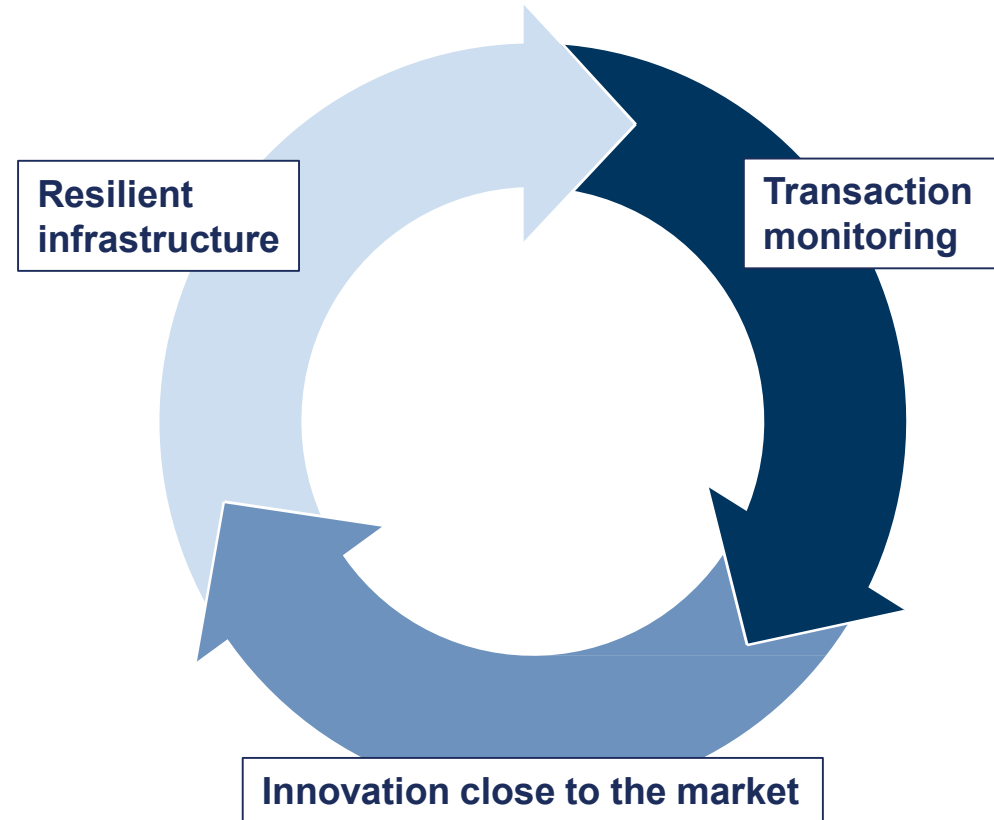
- ✓ Two active data centers in Norway and Sweden
- ✓ Crash recovery site in Finland
- ✓ Based on an ISO standard

Transaction monitoring

- ✓ One single infrastructure enables transaction monitoring across borders

Innovation close to the market

- ✓ Adaptable to future development

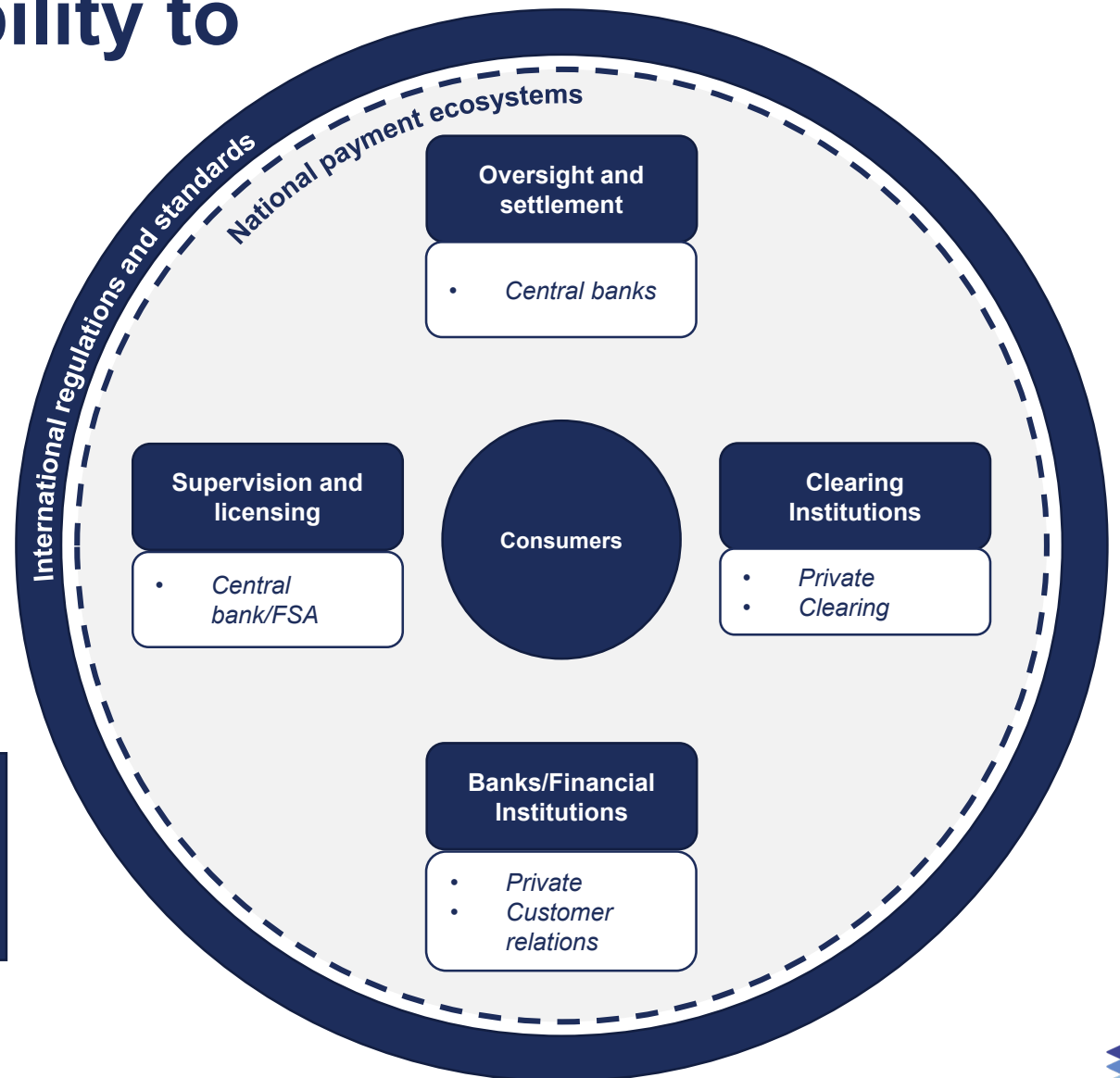


Creating a common payments region in the Nordics

3. Innovation and adaptability to future demands ensured

- Oversight, supervision and settlement – government controlled.
- Clearing and innovation – private sector.
- Financial and clearing institutions have capacity and freedom to innovate.

Retained roles in the payment ecosystem is crucial



There is broad political support across the Nordics for an integrated cross-border payments region

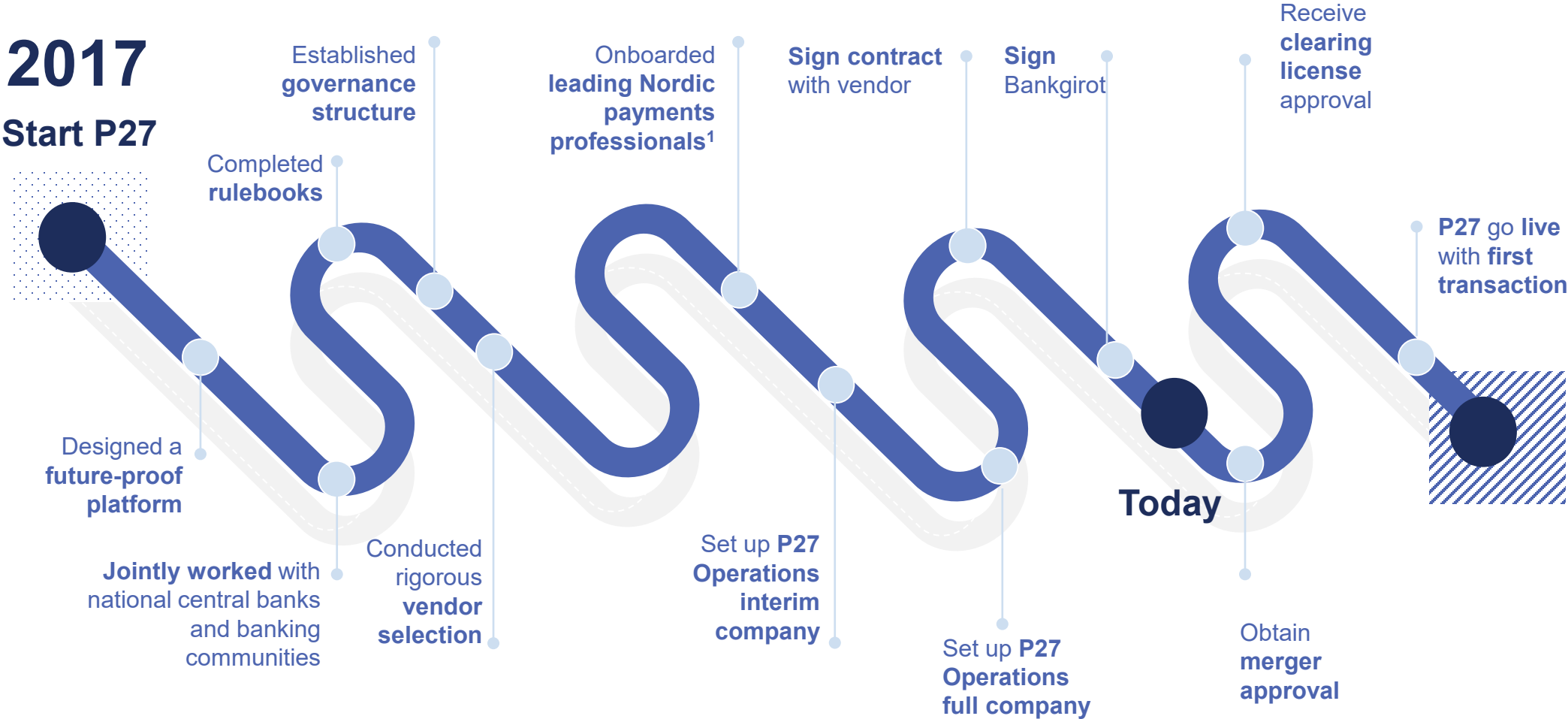
Government commitment to make the Nordics the world's most integrated region by 2030 (2019)

Support for P27 by the Nordic Council (Dec. 2020)

- “The project supports the vision of the Nordics as the most integrated region in the world.”
- “Positive benefits for consumers, companies in facilitating cross-border trade that a common payment infrastructure provides.”



While our journey has been mostly positive, we still have a way to go



Summary

Key take-aways



P27 is far ahead in its preparations of establishing a world first cross border and multi-currency payments platform in the Nordics.



There is a regulatory pressure and an ambitious political agenda in the Nordics and the EU to enhance cross-border payments.



P27 solves this issue in the Nordics.

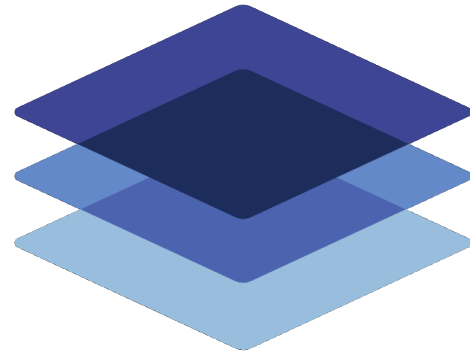


Retained roles in the payment ecosystem is crucial to maintain a dynamic, safe and innovative payments infrastructure.



Further regulatory collaboration can ease the implementation.





P27 Nordic Payments

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