



Everyday use



Rental Car



Specific reason  
Periodic use

Sporty Car



Special events  
Occasional use



Family Car

# Prepaid Evolution



# Agenda

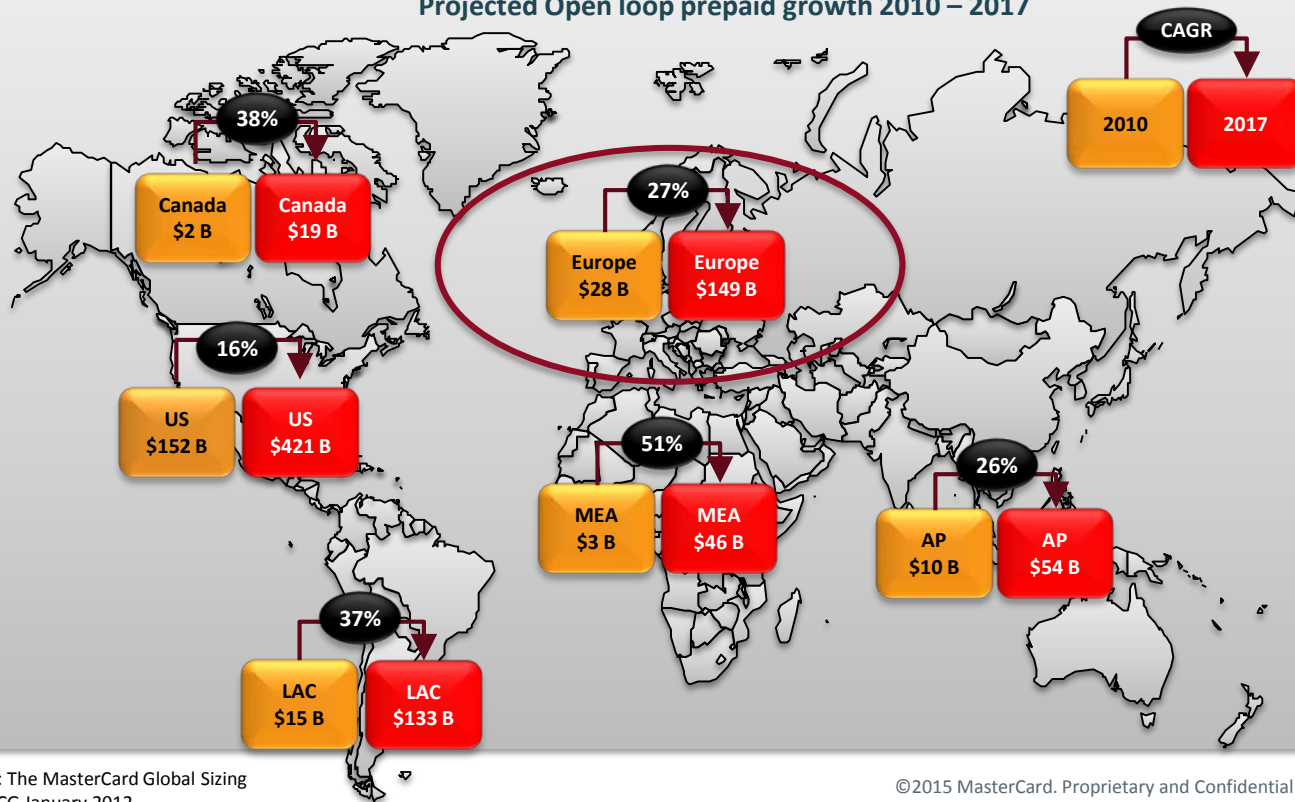
- Prepaid evolution
- Legal background
- About consumers
- Product concepts and best examples



# Prepaid evolution

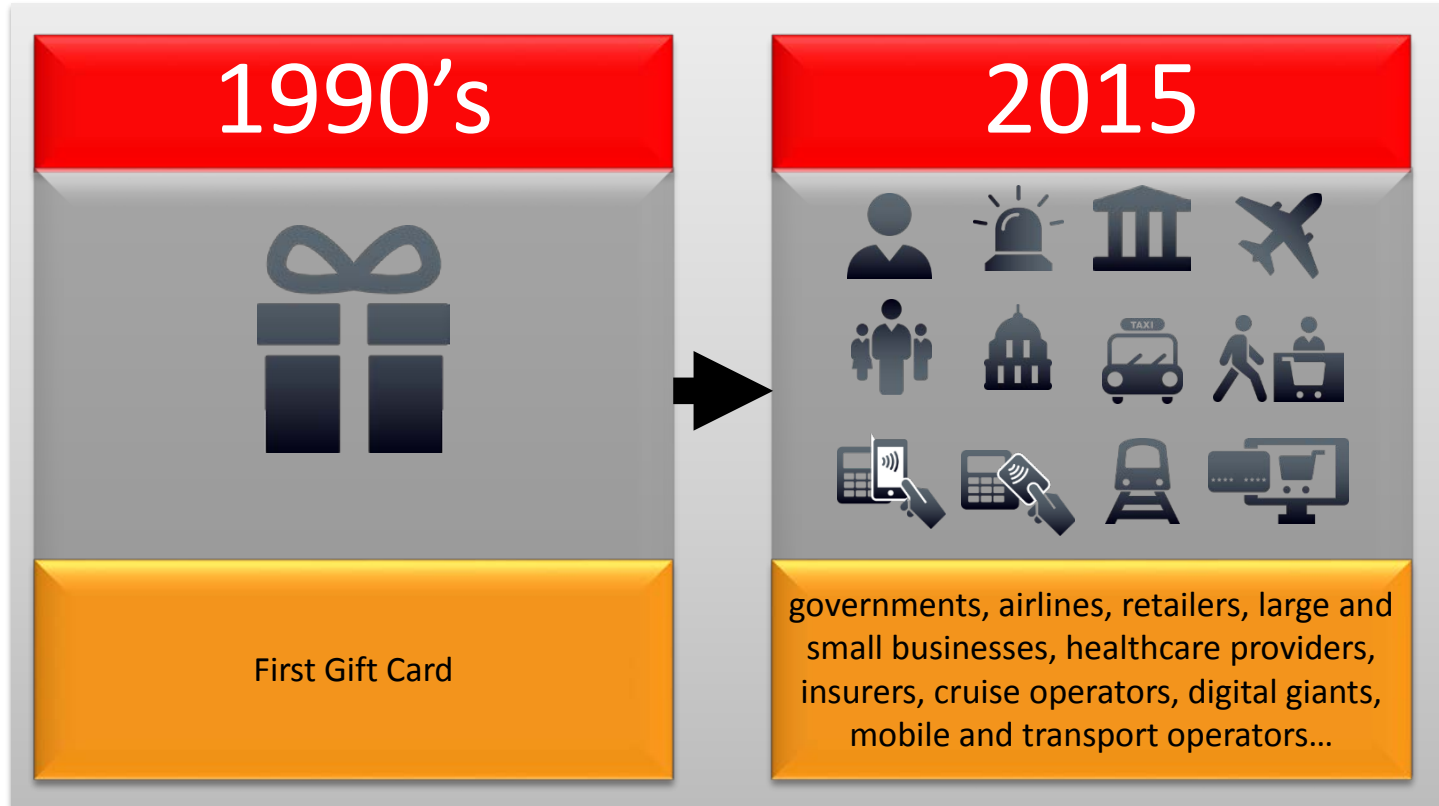
# Open loop GDV growing at 22% CAGR to an estimated \$822B in 2017

Projected Open loop prepaid growth 2010 – 2017



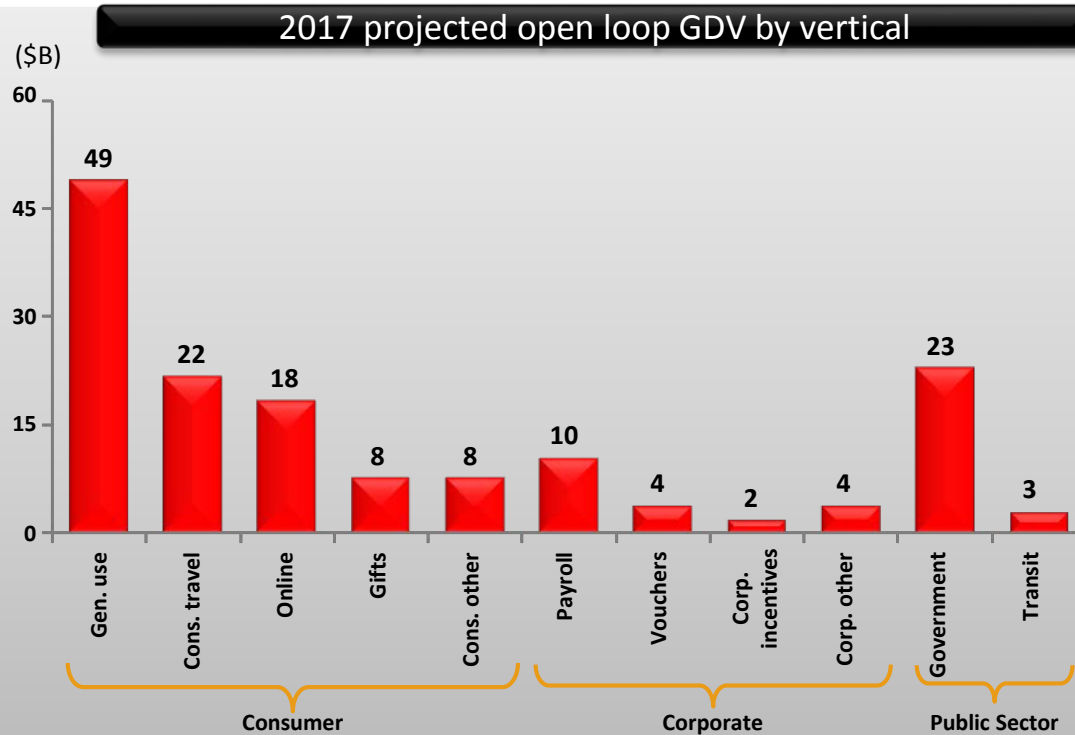


## Where we've come from...





## Retail leads in open loop prepaid across Europe





## Key Trends Driving Prepaid Growth

- Meets the needs of the **underserved** and allows issuers to reach new customer segments
- Retailers adopting prepaid to reach new customers and drive loyalty
- Effective **cash** and cheque **replacement** for meal **vouchers** and transit and a light banking alternative for consumers
- Delivers spend segmentation and **budgeting** tools for travel and eCommerce payments and allows issuers to capture cross-border spend
- Enables adoption of **new technologies** especially mobile



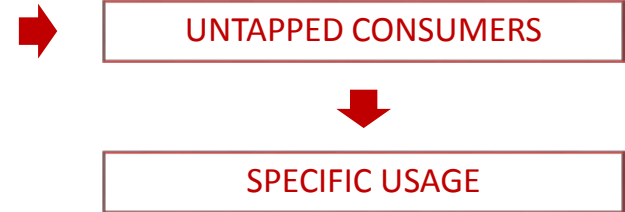
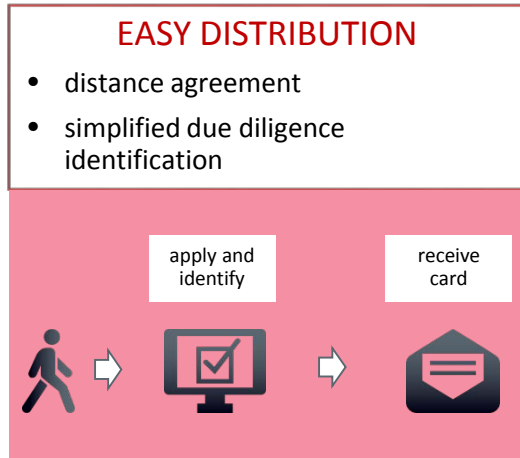


Legal background



# EU qualifies prepaid as e-money

presenting opportunities that are not available for debit and credit





# About consumers

# Meeting the untapped need for prepaid

**1**  
Maintaining  
responsible finances



**2**  
Financial control  
and debt prevention



**3**  
Appealing to  
women and children



**4**  
Managing  
international travel



**5**  
An added level  
of online security

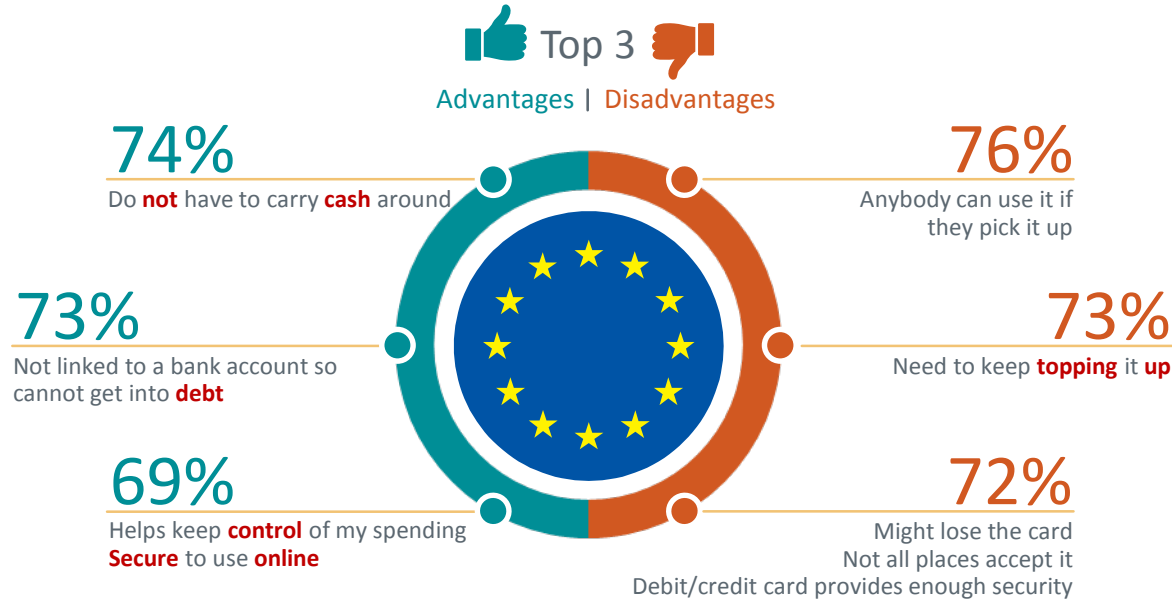


**6**  
A card you  
can trust





## Prepaid Card Users: Advantages & Disadvantages

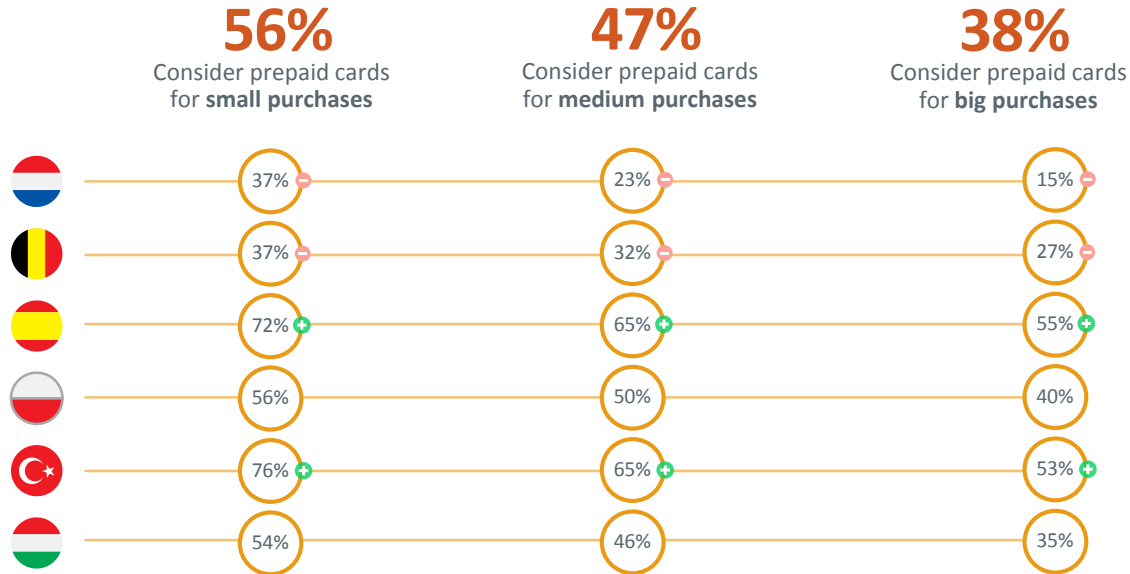


Base: Users n=1000 / who are parents n=267 / who travel abroad n=850  
Q41/Q44. Prepaid card advantages; Q42/Q43. Prepaid card disadvantages/reasons for lapsing





## Prepaid card consideration



Base: All respondents who make routine purchases for small/ medium/big purchases (Total n=2314/2324/2236, Netherlands n=352/364/333, Belgium n=390/391/383, Spain n=387/388/377, Poland n=397/397/395, Turkey n=396/393/384, Hungary n=392/391/364). Q27a. Prepaid card consideration

+ - Significantly higher / lower than Total at 95% interval



## Source of prepaid cards



**Bank branch (51%)**

**Bank/Card provider website (17%)**

**Retailer store (16%)**



Bank branch (34%)

Don't recall (20%)

Bank /card provider website (17%)



Bank branch (46%)

Post office (26%)

Retailer store (14%)



Bank branch (63%)

Retailer store (23%)

Online payment scheme website (14%)



Bank branch (51%)

Bank/card provider website (24%)

Retailer store (18%)

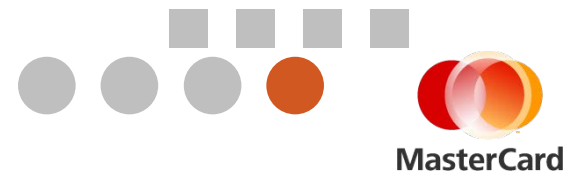


Bank branch (60%)

Bank/card provider website (24%)

Bank/card provider telephone centre (24%)

Base: Active Users (Total n=754, Netherlands n=117, Belgium n=148, Spain n=164, Poland n=140, Turkey n=185)  
Q3. And where did you get your prepaid card(s) from?



# Product concepts and best examples



Travel





## ITALY PUBLIC SECTOR TRANSIT AND MOBILITY, PostePay&Go

### Situation

Transport agencies to strengthen loyalty and increase profitability

### Product

- **payment** and **transport** applications on the **CHIP**
- **personalized** with cardholder picture and name
- **instantly** issued



## UK POST OFFICE TRAVEL MONEY CARD

### Situation

Post Office to expand to traveller segment:  
safe, inexpensive alternative to existing cards

### Product

- Holiday travel cash on a card, with **no transaction fees**
- Cards are **distributed** through 11,000+ **branches**
- Maximum limit of £750 until KYC'd; **upgradeable** to £5,000
- Applicants encouraged to **register online**



# AUSTRALIA MULTI-CURRENCY CASH PASSPORT

## Situation

Australia Post was looking to expand its services and capture large traveller segment that shops and books travel online

## Product

- **Reloadable** Prepaid Travel Card
- **Online** order
- Distributed by Post
- Only **Post-Sale Activation** via IVR



## AIR NEW ZEELAND ONESMART CARD

### Situation

combining loyalty and prepaid functionality

### Product

- **Payment** functionality **dormant** from start
- Cash + Points top up (Buy points from your cash wallet)
- Mobile top up functionality
- **P2P** money transfer via sms
- Multi currency card



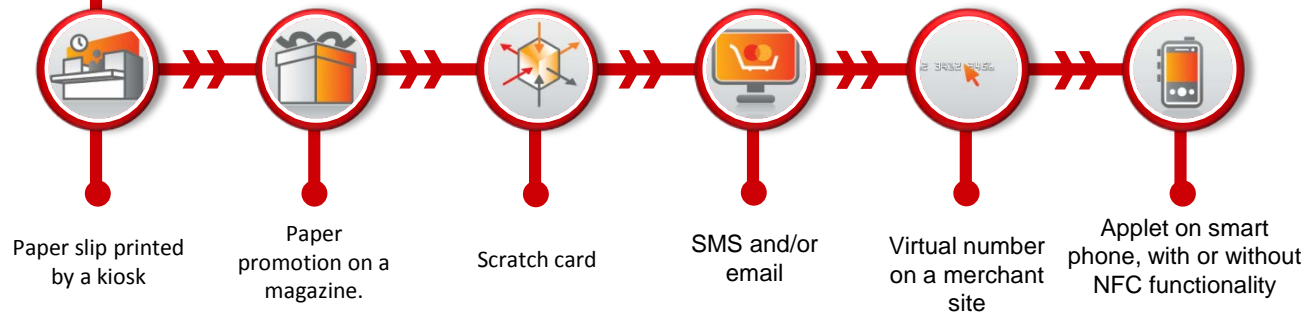
Ecommerce







## What is a virtual card?



**Virtual card**



## PayPal, Italy

- **Plastic card** positioned for ecommerce
- Modernity and ease
- **Perceived** higher **security** on the web due to association PayPal
- **Not** automatically **linked** to a **PayPal** account
- Used more often than PayPal wallet for



**TANTE PREPAGATE  
LA PIÙ COMODA È PayPal**





# Orange Cash, UK - 1

Clear Positioning for online – Security, Control, Smart

home what is it? the benefits how you use it the costs FAQs contact us apply now log in ▶

**orange** Orange Cash

the smart way to shop online

Shop online safely and securely with your very own card.

apply now ▶

complete

what is it?

- A prepaid card that's great for everyone
- Peace of mind in your pocket
- A smarter way to stay on top of your money

find out more ▶

the benefits

- Get rewards for spending
- It's easier to pay
- Covered for loss and theft

find out more ▶

how you use it

- Load cash in lots of places
- Spend across the world
- Manage by mobile or online

find out more ▶

Orange.co.uk | more from Orange, for you | privacy policy | terms & conditions | free SIM

MasterCard



## Orange Cash, UK - 2

- Loaded **in store or online** by card
- Physical **contactless** plastic only
- Targets PAYG users
- **Rewards scheme**
- Orange PAYG **customers get free minutes**, SMS or credit



## Privat Bank and Delta bank, Ukraine

- **Supplementary** card or separate account
- Money **load** options: branch, internet bank, **ATM**, kiosk
- Various form factors:
  - Paper in official letter and PIN envelope
  - **ATM receipt**
  - internet banking
  - SMS
  - Mobile app





## WireCard, Germany

- **online wallet** associated to a **virtual** MasterCard PAN
- **No charge** for opening an account
- **Physical plastic** optional

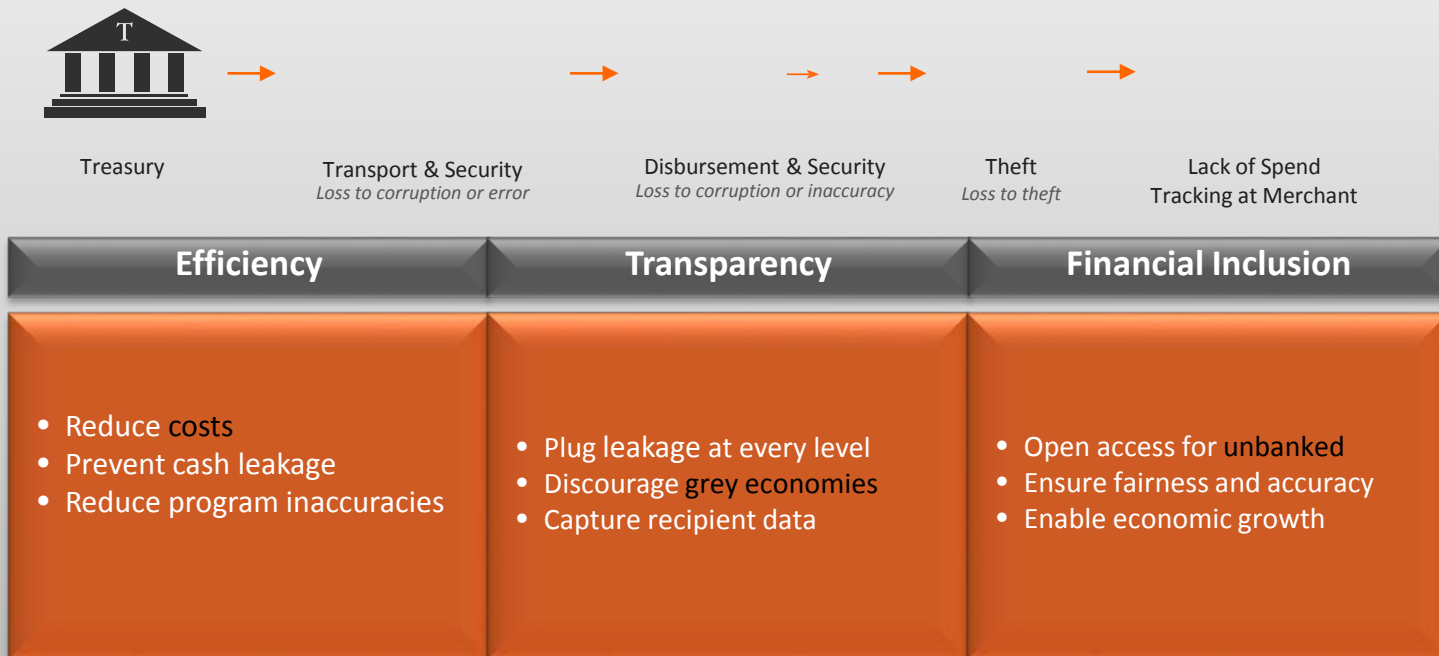


Disbursement





# New Opportunities for Growth: Paper Displacement – Government Disbursements





# ITALY GOVERNMENT DISBURSEMENT: SOCIAL SECURITY PAYMENTS CARD

## Situation

Mandating social security payments be done electronically

## Product

- Prepaid Maestro card **pre-loaded** by INPS (Italian institution for social disbursements)
- To **unbanked** for **free**



# Meal Vouchers



## Value Proposition

Value Proposition

The MasterCard Voucher Replacement Card – Convenient for businesses and cardholders that offers huge potential to transform the way employee benefits are paid

## Opportunity

*Total prepaid voucher replacement spending in 12 leading European markets is estimated to be USD 12.8 billion<sup>1</sup>*

## Solution

Solution

- Replace paper vouchers with cards
- Maintains tax advantages for employee
- Reduces cost of administering program
- Greater convenience for employees

## Meal Voucher vs GPR

Difference

- Reloadable/Chip & PIN
- Corporate funded
- Open loop or restricted
- Personalised
- Consumer BIN



# Russia

## Multi-application card for local governments

### Government

- Reduces **Administration Costs**
- Greatly **reduces Fraud** levels
- Increases visibility on spending
- Ensures that the needy are getting their benefits

### Citizens

- Simplifies **access to benefits** with a single card and PIN
- Give financial access to the **underbanked**
- Less fraud means more money available in the system
- **Easier enrolment** – less paperwork

### Providers

- Increases POS throughput and efficiency (reduces claim-back paperwork)
- Ensures customers get the right entitlement
- **Stops** provider having to '**claim back**' from the Government

State ID

Transit

Medical

Pensions

Unemployment

Disabilities



*OneSmart Social Card Solution*

# Bank Lite Solutions



# Use a General Purpose Prepaid with a Payment Account

## GPR

- POS & eCommerce acceptance
- ATM cash access
- Intra-program card-to-card
- Online & IVR servicing



## PAYMENT ACCOUNT

- Salary deposit
- Disbursements and other incoming payments
- Bill payments
- Inbound and outbound wire-transfers
- Internet banking
- Reload



## CURRENT ACCOUNT

- Fund remuneration/ interest on account balance
- Check book
- Overdraft
- Link debit or credit cards
- Brokerage accounts



## PostePay Evolution: Companion Card



- Balance view @ postal office and Poste ATMs
- Internet Banking and Postepay mobile app
- SMS alerts
- Push notifications through mobile app



### IBAN code

- To make and receive payments
- Allows automatic bill/recurring payments
- Enables crediting of salary



- POS transactions - physical & on-line
- Dynamic SecureCode™ service
- Contactless enabled



- **Free low value P2P payments (25€/d) via mob app**
- Loyalty program «Sconti BancoPosta»
- Ad hoc personal loans available



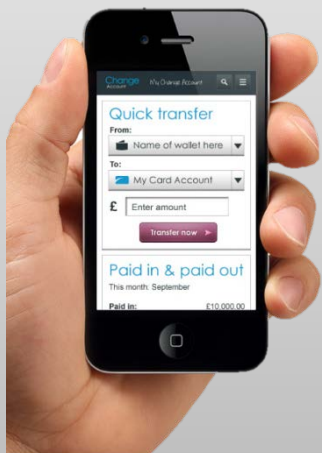
# Change Account, UK



- It's not a bank account...
- It's a transactional current account

## Prepaid Debit MasterCard

- GPR prepaid, with banking capability
- Available to everyone
- Sort code/acc number (IBAN facility)
- Budgetary management tool





Thank you for your attention!

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