

2018 FORECAST

WHAT'S NEXT IN PAYMENTS AND COMMERCE



39 GLOBAL LEADERS IN PAYMENTS AND COMMERCE

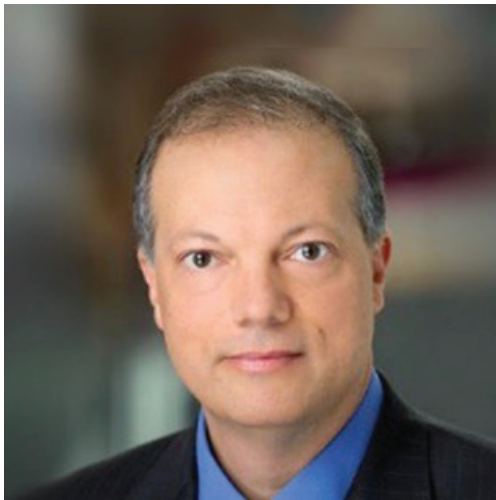
share how they expect things to play out
in the payments and commerce industry in 2018.

PYMNTS.com

GOVERNMENTS PUSH

TRANSPARENCY

THROUGH MOBILE PAYMENTS



KARL KILB
Chief Executive Officer

Security is the foundation for any payments vehicle. Today, there has been continued growth in mobile payments, online banking and eCommerce, and I believe frictionless security that guarantees proper identity verification and transaction validation will be the key to driving such growth.

Throughout the world, governments and central banks are pushing for cash replacement, financial inclusion, transparency and fraud prevention through mobile payments. Consumers want to move to mobile banking and to take further advantage of online purchasing, but they need to feel confident at the checkout window. Security must be user-friendly, instantaneous and bulletproof to win adoption, and institutions want solutions that can be universally deployed, regardless of the mobile phone that is in the hands of the consumer.

A constantly growing list of data breaches and fraud demonstrates that the internet and the operating system are inherently flawed. Hackers routinely exploit issues to compromise consumers. Independent research reports, such as the 2017 State of Authentication from Javelin Research, sponsored by the Fast Identity Online (FIDO) Alliance, have documented the vulnerabilities of internet-based authentication solutions, illustrating the problems with solutions that have a single point of failure. One-time PINs and passwords are outdated, with wrongdoers routinely compromising them to commit fraud. Biometrics can also be compromised, and once a fingerprint is in the wrong hands, it cannot be relied on again. Problems with accuracy and the compromising of facial and voice recognition have also been well-documented.

It is not enough for a security solution to be multi-factor. Security should also be multi-channel.

Instantaneous, user-friendly and bulletproof security gives consumers the confidence to bank and shop online, reducing the need for physical locations. We believe banks will implement the security necessary to make online banking more prevalent, allowing them

to continue to reduce the number and size of branches. Major retailers will continue to focus more and more on their online offerings, with less dependence on physical locations. Consumers want the convenience of using their mobile phones for transactions, but they need to feel secure. The movement to online banking and shopping will continue to grow as consumers feel more and more comfortable with implementation of security.

Looking forward to the elimination of card-not-present (CNP) fraud, this will give consumers confidence at the online checkout window that they won't become another victim of a fraudster who has their credit card number. Even if a fraudster has a consumer's credit card number and other personal information, the fraudster will not be able to complete a transaction unless he/she also has the consumer's physical phone and knows its memorized PIN. This process protects victims of data breaches, such as the one at Equifax.

We also see greater demand for tokenized, contactless payments through near field communication (NFC), radio frequency identification (RFID) and QR codes. This opens the door to increased adoption of contactless payments worldwide in

connection with retail, mass transit, tolls and other transactions. Boloro also sees a trend toward interoperable national payment switches and mobile wallets that provide a centralized approach to facilitating a secure ecosystem for payments.

Financial inclusion can be achieved through mobile payments and electronic records. When cash payments that are not tracked are replaced by mobile payments with complete settlement reports, there is a transaction

record that can prove creditworthiness, allowing users to get access to capital and other traditional banking elements they need to succeed. Everyone wants the convenience of controlling their world from their phones, and proper security is essential. The best authentication and contactless payment processes combine security and ease of use, driving adoption through comfort and convenience. Let's make the world safe for mobile commerce.



Pymnts.com

PYMNTS.com

PYMNTS.com is where the best minds and the best content meet on the web to learn about "What's Next" in payments and commerce. Our interactive platform is reinventing the way in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.

The PYMNTS eBook 2018 Forecast: What's Next In Payments And Commerce may be updated periodically. While reasonable efforts are made to keep the content accurate and up-to-date, PYMNTS.COM: MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, REGARDING THE CORRECTNESS, ACCURACY, COMPLETENESS, ADEQUACY, OR RELIABILITY OF OR THE USE OF OR RESULTS THAT MAY BE GENERATED FROM THE USE OF THE INFORMATION OR THAT THE CONTENT WILL SATISFY YOUR REQUIREMENTS OR EXPECTATIONS. THE CONTENT IS PROVIDED "AS IS" AND ON AN "AS AVAILABLE" BASIS. YOU EXPRESSLY AGREE THAT YOUR USE OF THE CONTENT IS AT YOUR SOLE RISK. PYMNTS.COM SHALL HAVE NO LIABILITY FOR ANY INTERRUPTIONS IN THE CONTENT THAT IS PROVIDED AND DISCLAIMS ALL WARRANTIES WITH REGARD TO THE CONTENT, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT AND TITLE. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF CERTAIN WARRANTIES, AND, IN SUCH CASES, THE STATED EXCLUSIONS DO NOT APPLY. PYMNTS.COM RESERVES THE RIGHT AND SHOULD NOT BE LIABLE SHOULD IT EXERCISE ITS RIGHT TO MODIFY, INTERRUPT, OR DISCONTINUE THE AVAILABILITY OF THE CONTENT OR ANY COMPONENT OF IT WITH OR WITHOUT NOTICE.

PYMNTS.COM SHALL NOT BE LIABLE FOR ANY DAMAGES WHATSOEVER, AND, IN PARTICULAR, SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES, OR DAMAGES FOR LOST PROFITS, LOSS OF REVENUE, OR LOSS OF USE, ARISING OUT OF OR RELATED TO THE CONTENT, WHETHER SUCH DAMAGES ARISE IN CONTRACT, NEGLIGENCE, TORT, UNDER STATUTE, IN EQUITY, AT LAW, OR OTHERWISE, EVEN IF PYMNTS.COM HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

SOME JURISDICTIONS DO NOT ALLOW FOR THE LIMITATION OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, AND IN SUCH CASES SOME OF THE ABOVE LIMITATIONS DO NOT APPLY. THE ABOVE DISCLAIMERS AND LIMITATIONS ARE PROVIDED BY PYMNTS.COM AND ITS PARENTS, AFFILIATED AND RELATED COMPANIES, CONTRACTORS, AND SPONSORS, AND EACH OF ITS RESPECTIVE DIRECTORS, OFFICERS, MEMBERS, EMPLOYEES, AGENTS, CONTENT COMPONENT PROVIDERS, LICENSORS, AND ADVISERS.

Components of the content original to and the compilation produced by PYMNTS.COM is the property of PYMNTS.COM and cannot be reproduced without its prior written permission.

You agree to indemnify and hold harmless, PYMNTS.COM, its parents, affiliated and related companies, contractors and sponsors, and each of its respective directors, officers, members, employees, agents, content component providers, licensors, and advisers, from and against any and all claims, actions, demands, liabilities, costs, and expenses, including, without limitation, reasonable attorneys' fees, resulting from your breach of any provision of this Agreement, your access to or use of the content provided to you, the PYMNTS.COM services, or any third party's rights, including, but not limited to, copyright, patent, other proprietary rights, and defamation law. You agree to cooperate fully with PYMNTS.COM in developing and asserting any available defenses in connection with a claim subject to indemnification by you under this Agreement.