

SEPA Integration and the adoption of Instant Payments

Shaping the future of Financial Transactions



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AGENDA

- 1 NEXI-Digital Banking Solutions overview
- 2 Instant Payments landscape and regulatory framework
- 3 News in Balkans Payments Ecosystem
- 4 Payment HUB & Intermediation Service
- 5 AML tool
- 5 Conclusion

Nexi DBS - Digital Banking Solutions | Overview

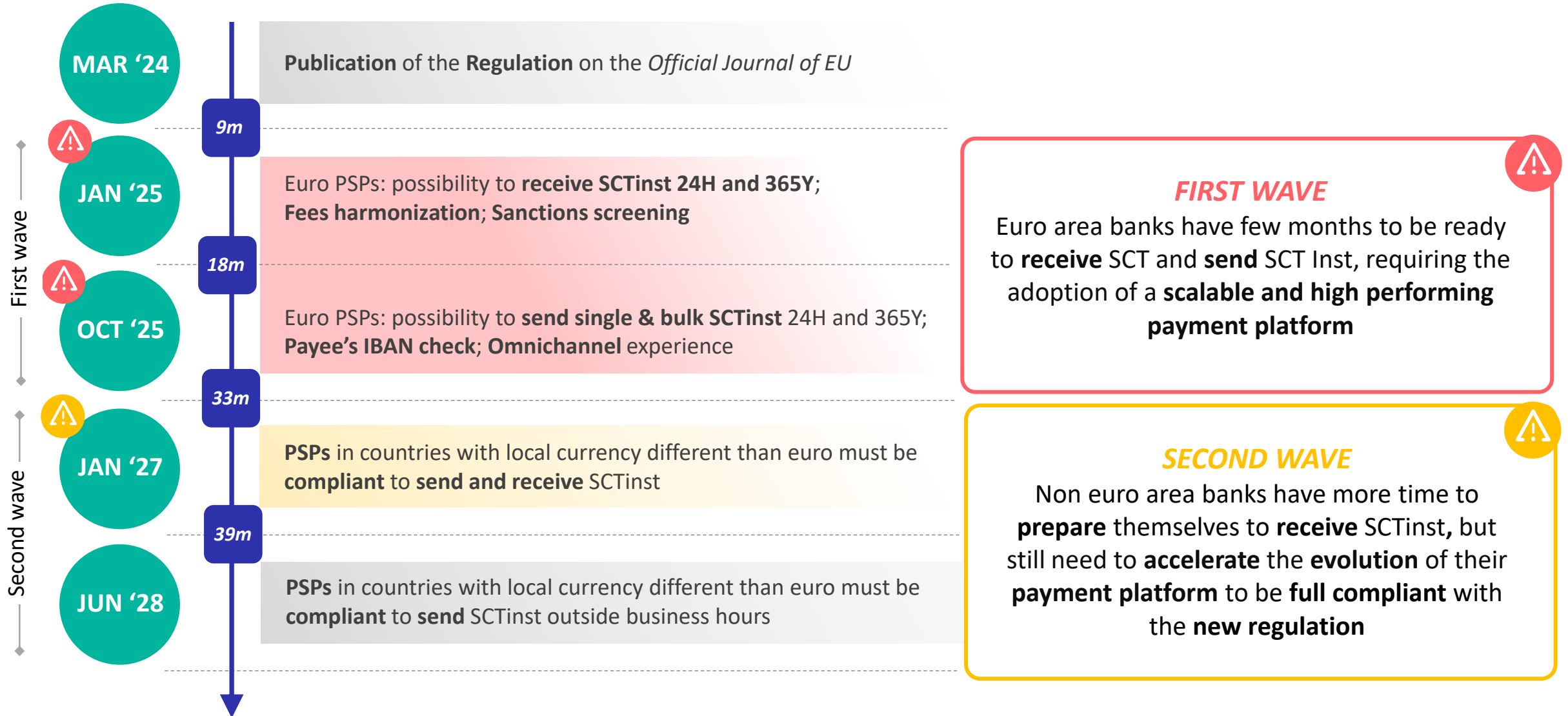


Our ambition

Be the reference player on Account Payments for Central Institutions, Banks and Corporates, offering state-of-the-art digital payment platforms

- **Dedicated Payment Engines** for Banks & Corporates
- **25 years of partnership** with EBA Clearing
- **SIAnet International** network
- **A2A solution provider** for UAE
- **RTGS systems solution** for Central Institutions

Roadmap for Europe, starting from Q1 '25 for € zone countries



Upgrading needs for banks to manage the expected INCREASING VOLUMES and PEAKS

3 MACRO-SCENARIOS estimated on **VOLUMES** and **PEAKS** evolution:

1

LOW ADOPTION

40% of SCT Inst adoption in 2030

2

FULL ADOPTION

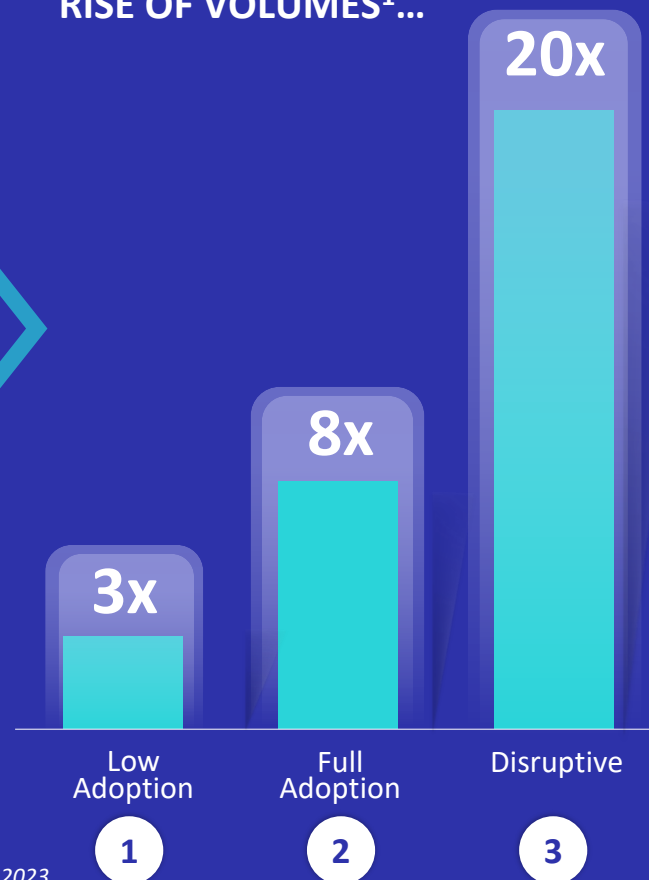
Complete switch of SCT standard on Inst

3

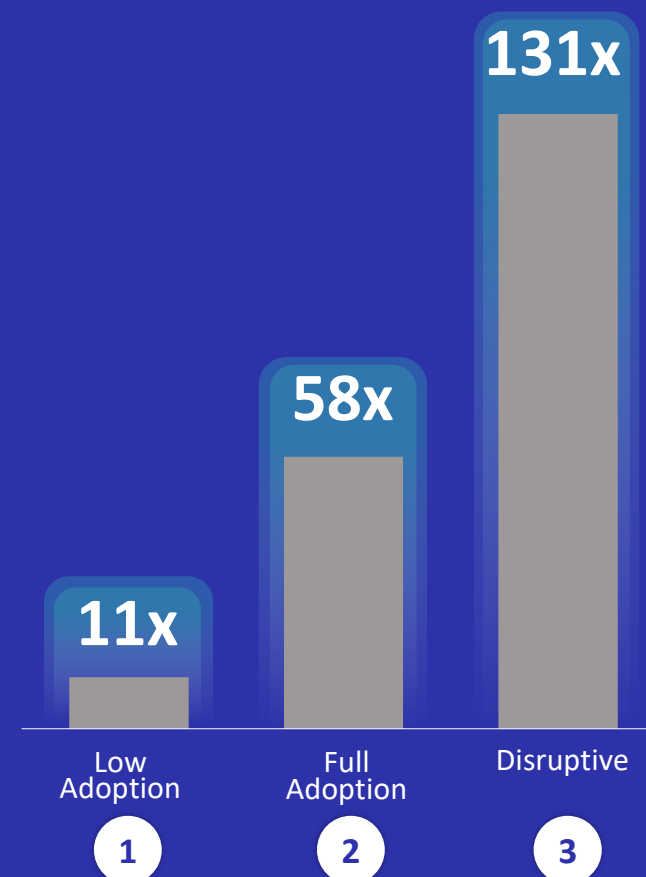
DISRUPTIVE

Full switch and convergence of other payment methods (e.g., SDD, cash, etc.)

The NEW SCT INST REGULATION will generate a significant **RISE OF VOLUMES¹**...



... with a **RELEVANT IMPACT** also on **TRANSACTION PEAKS²**



1) Expected volumes growth at 2030 vs 2023; 2) Expected peaks growth at 2030 vs 2023

Balkans overview

The Balkans are moving towards a **modernized, EU-aligned** payment ecosystem, bringing efficiency and economic benefits but requiring **strategic investments** in technology and regulation

Serbia: introduced IPS in 2018, SEPA application approval is expected in the near future

Moldova: progressing towards **SEPA membership**; Focused on strengthening payment infrastructure for future integration

Croatia: being **EU members**, already **part of SEPA and Euro area**, with **full adoption** of latest EU Instant Payments Regulation.

Albania & Montenegro: joined **SEPA** in November 2024; operational readiness for PSPs expected by end of April 2025. **Memorandum signed for TIPS** in January 2025 to offer local instant payment

Bulgaria: being **EU members**, already **part of SEPA**, with **ongoing efforts** to align with the latest EU Instant Payments Regulation. **Euro application** approval expected for January 2026

North Macedonia: on track to join **SEPA** in 2025; PSPs expected to comply by October 2025 **Memorandum signed for TIPS** in January 2025 to offer local instant payment

What's next – Future impact in the Payment Ecosystem

KEY DEVELOPMENTS

Investment in Technology & Infrastructure

Economic & Financial Inclusion Impact

New Business & Innovation

Regulatory Compliance & Adoption

**SEPA PAYMENTS
EVOLUTION**

KEY ADVANTAGES



FASTER EXECUTION

*Execution times for transactions
will be guaranteed*



LOWER COSTS

*Payments in Euro at
significantly reduced costs*



CURRENCY EXCHANGE

*At the local level, currency
exchanges processed instantly*



SIMPLIFIED COMPLIANCE

*Common AML regulations across
Europe, reducing complexity*

Nexi is supporting this evolution leveraging on its PAYMENT HUB solution: a «one stop shop» for core payments management...

PAYMENT HUB FRAMEWORK



ORDER MANAGER

Responsible for:

- **COLLECTING** and **ROUTING** payments
- **UNIFORMING** all payment formats
- **TRACKING** payment flows for the status reporting



BUSINESS PROCESS

Manages **OUTGOING** and **INCOMING** payments, enabling:

- **FUNDS CHECK** and payments **AUTHORIZATION** mgmt
- **AUTOMATED** R-trx mgmt
- Trx **MONITORING & REPORTING**



ACCESS GATEWAY

Enables payments messages **TRX** to **ACHs**, allowing the bank to:

- Direct trx **FLOWS** toward the major **SCHEMES**
- Optimize **ON-US** trx mgmt
- Repair **REJECTED TRXs**

SCT Inst

SCT

SDD

CROSS BORDER/ TARGET 2

VAS

ANTI-FRAUD

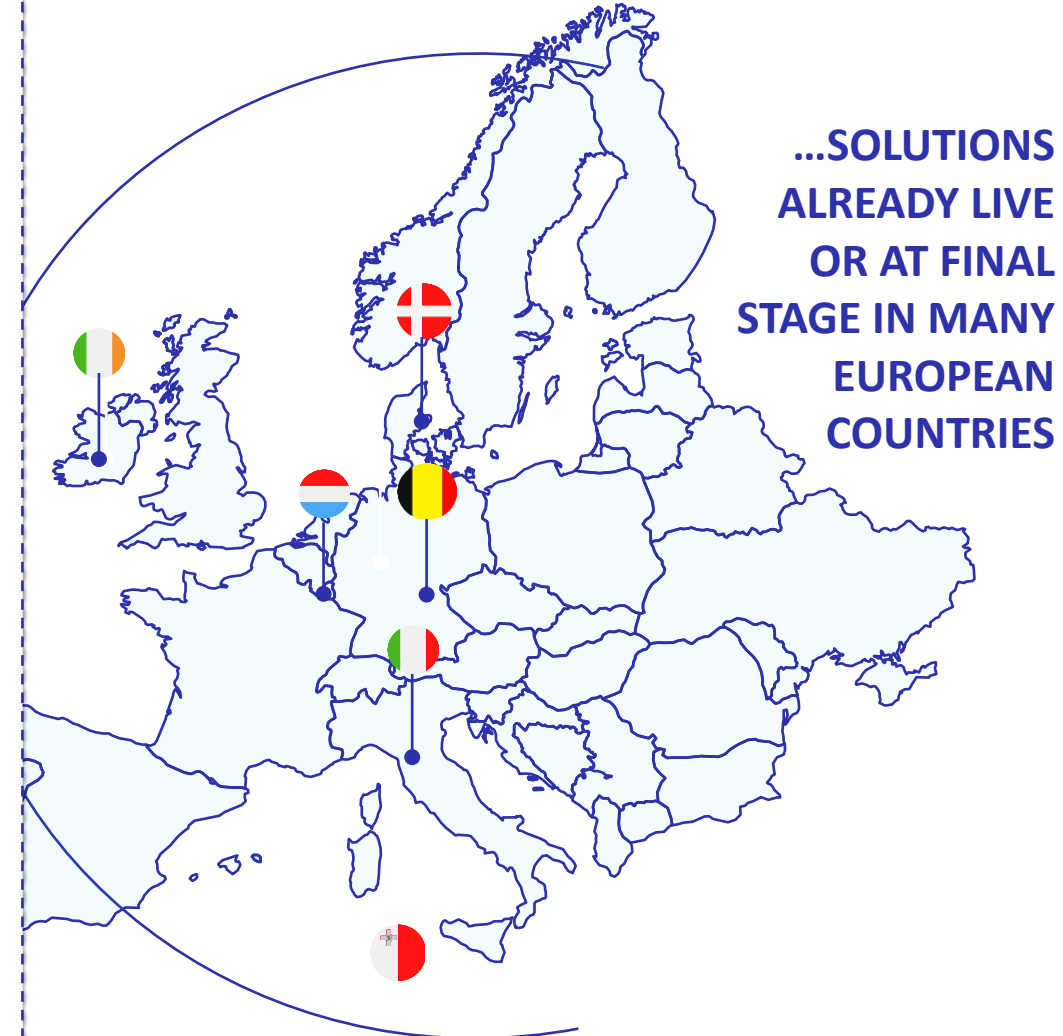
CONFIRM. OF PAYEE

AML/ EMBARGO

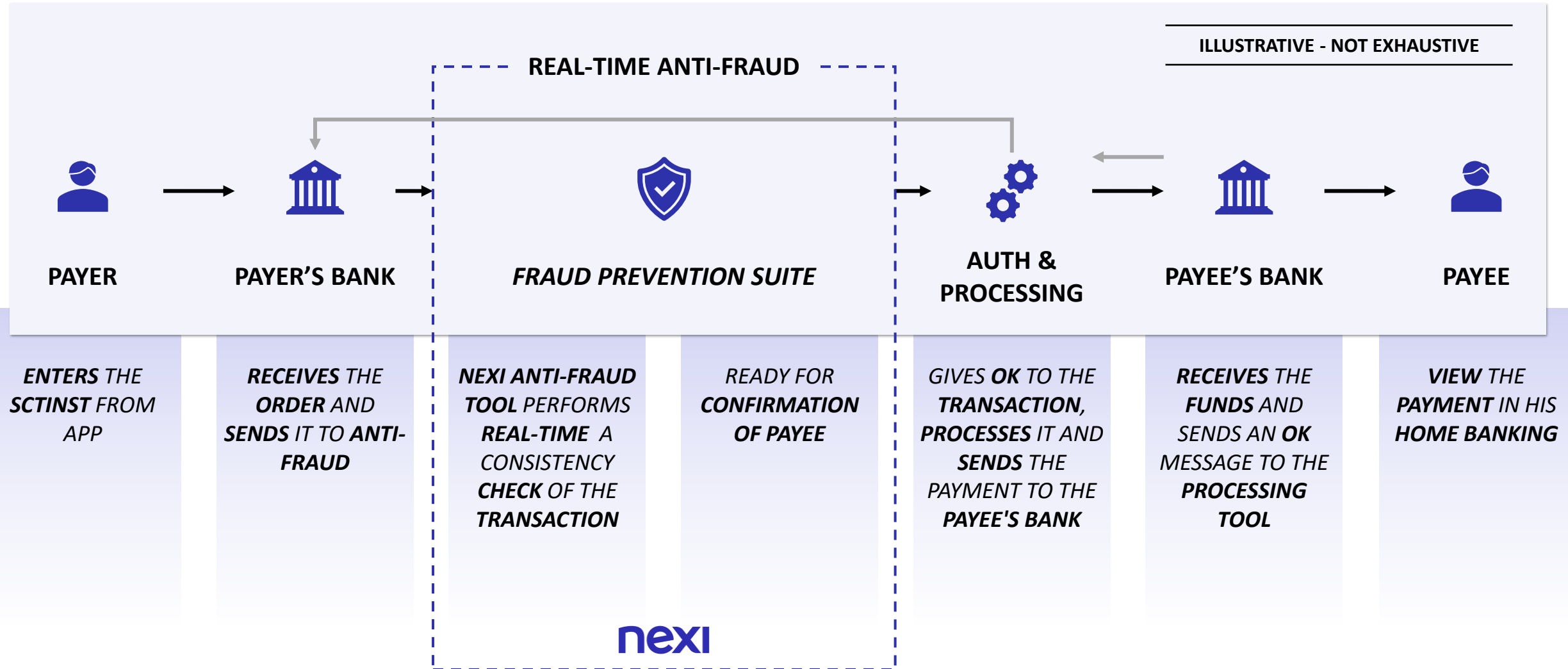
FEE MANAGER

GPI

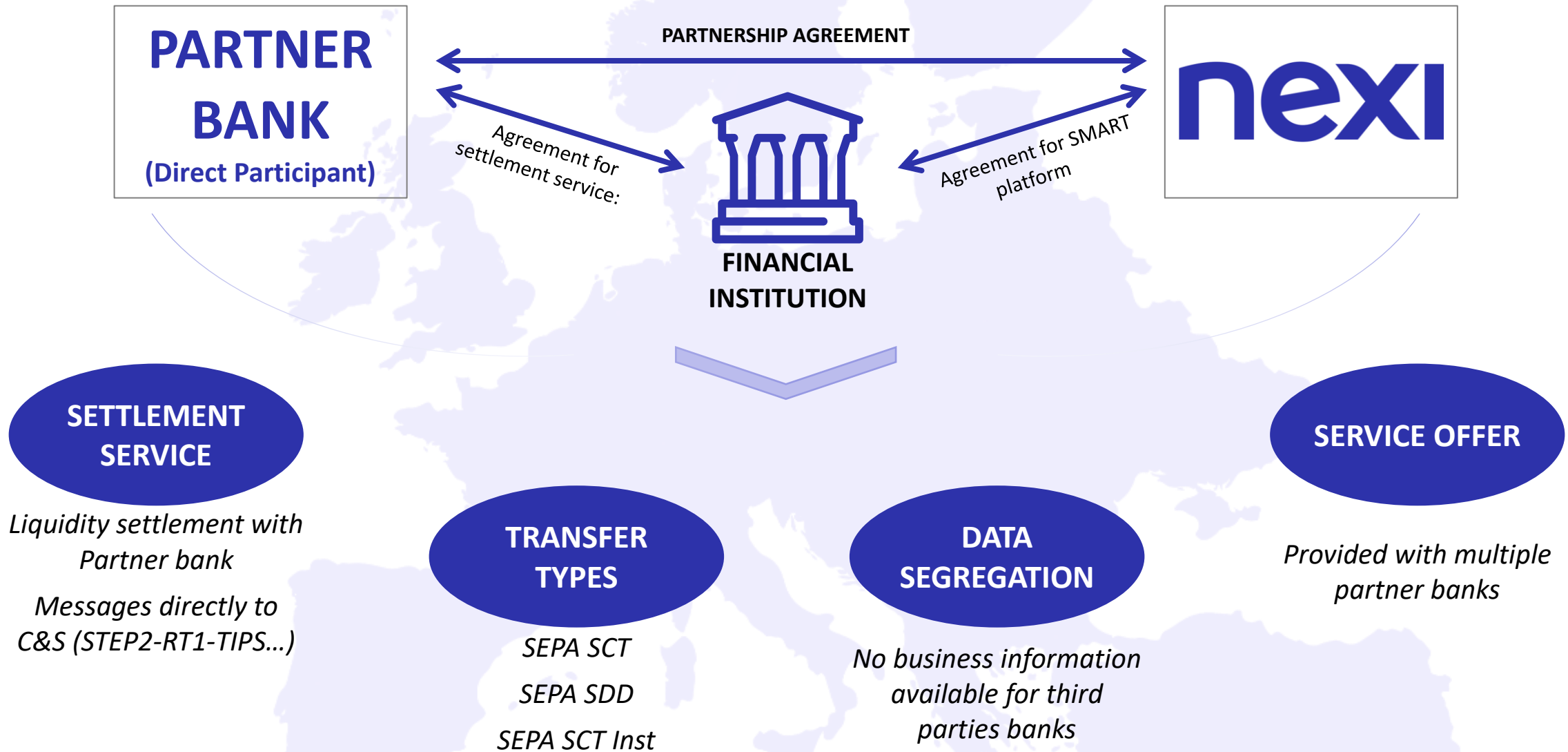
KYC



Nexi Payment Hub Solution | We can leverage on a complete real time anti-fraud solutions to minimize frauds and enable a seamless payment experience for SCT Inst



Indirect participation solution – SEPA Classic Settlement Service



Why Nexi?

PAYMENT HUB SAAS SOLUTION

Comprehensive **PAYMENT PLATFORM** for seamless **LOCAL, EUROPEAN** and **CROSS-BORDER** transactions in EUR and foreign currencies, supporting **ALL TYPES OF PAYMENTS**



NOVA CORPORATE BANKING

REVOLUTIONIZING **ENGAGEMENT** across banks and corporates with **SEAMLESS INTEGRATION CAPABILITIES**



With +25 years of experience **LEADING** the **PAYMENTS** market, can leverage on **UNIQUE EXPERTISE** to deliver a compelling offer for **SMALL** and **MEDIUM BANKS...**
LET'S WIN TOGETHER!

PROVEN EXPERIENCE

in **MANAGING COMPLEX PROJECTS** for financial community (*i.e. EBA Clearing, Bancomat, Open Banking Globe Platform, PagoPA Platform, ...*)



SIANET BY NEXI

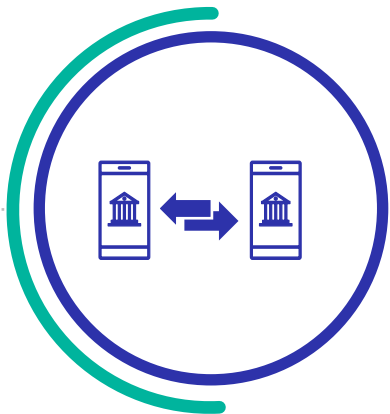
EXPANDING CONNECTIVITY and operational efficiency – **ONE ENTRY POINT** to reach **all payment schemas** and **stakeholders**





nexi

Nexi can leverage on **DISTINCTIVE ASSETS** and **CAPABILITIES** to deliver an **E2E BEST-OF-BREED** value proposition **TAILORED** to customer's **NEEDS** payment trends



RTGS FOR CENTRAL INSTITUTIONS

*RTGS infrastructures for Central Institution to **manage effectively** payment transactions*



SIANET BY NEXI, BEST-OF-BREED NETWORK

*SIANet - **top-notch international network** to **access to major European Market Infrastructure***



WE ARE THE EBA STRATEGIC PARTNER

*Supporting EBA Clearing in the **development and creation of new products and services***



E2E PAYMENT HUB VALUE PROPOSITION

Payment Hub proposition for Banks**, to **manage all core payments