Key Industry Payment Trends to Keep Watch for in 2018 and Beyond

Presented by

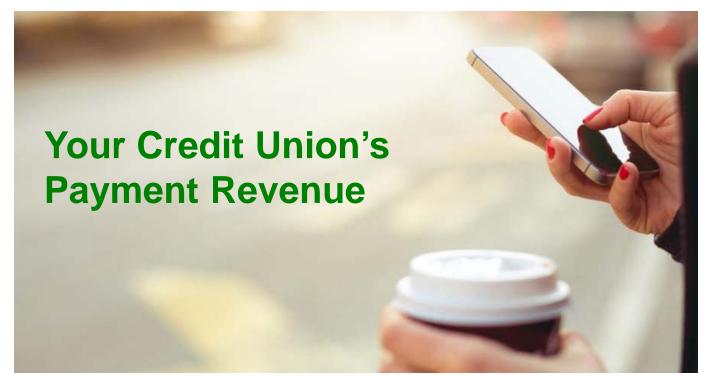
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Thursday Morning's Thought Starter







This Morning's Goal



Provide ideas to help your Credit Union increase debit interchange income





Credit Union Dynamics

Each Credit Union is its own unique entity

- Mission
- Target & actual membership
 - Deposit account offering
 - Member spending habits





Today's Debit Market is Impacting Your Card Program's Profitability

- Durbin still exists
- Lower transaction volume growth rates
- Payment network pricing and transaction sets are used to gain volume share
- Issuers caught in the middle with volume shifts and decreasing interchange revenue



Control Network Strategy Why???

PINIess Debit Interchange Single Message

P₂P

Real Time Credits & Debits

Signature Debit Dual Message PIN Debit Data COMPATIBILITY





Why Does This Matter?

Network Strategy

Control

COMPATIBILITY



Determine the right network combination to maximize overall debit net revenue





Market Share Battle

PIN Debit PINless Debit

vs. Signature Debit

- PINIess Debit provides convenience for small purchase amounts
 - Initial \$50 purchase caps are being waived
 - May reduce issuer benefits: income & fraud





Market Share Battle – Front 2

Signature Debit
Dual Message

vs. Signature Debit

- Traditional Domestic, PIN Debit networks entering signature/dual message space
- Signature movement may cause a decrease in net revenue & global brand commitment issues





Emerging Elements

Real Time Credits & Debits

 New transactions (Mastercard Moneysend, Visa OCT/Direct) provide opportunities to compete in P2P (e.g. Venmo, Zelle)





 Payment networks want all of your transaction data





Considerations & Actions

- Minimize the number of payment networks
- Take ownership of transaction set: PINIess, dual message are options not requirements
- Evaluate P2P impacts
- Own your data









Questions

&

Thank You



