INSTANT PAYMENTS IMPLEMENTATION IN SPAIN

Juan Ayuso
General Director
Markets, Operations and Payment Systems

3RD EFIP MEETING

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Use of payment instruments in 2021
(number of transactions)

- Cards: 42%
- Credit Transfers: 10%
- Instant Credit Transfers: 86%
- Direct Debits: 41%
- Instant Credit Transfers other than Bizum: 14%

43% of all SEPA credit transfers
(European average: 10%)
MOBILE INSTANT PAYMENT SOLUTION IN SPAIN

Value-added service: mobile **phone number as proxy** of the underlying payment account (IBAN)

Bizum use cases (including Request-to-Pay):

- **Send/Request person to person** (P2P)
- **Payments at Point of interaction** (@POI):
  - **e-Commerce** (*C2eR consumer to e-retailer*)
  - **Physical at Point of Sale** (*C2R consumer to retailer in-store*)

Cooperative solution adopted by a majority of banks in Spain (71)

Bizum functionalities are integrated within the online websites and mobile Apps of participating banks
BIZUM TRANSACTIONS BY USE CASES

% number of transactions by use case 2021

Bizon P2P: 98.95%
Bizon C2eR: 1.03%
Bizon C2R: 0.02%

Launched in:
- Bizum C2eR: Nov. 2019
- Bizum C2R: 2021 Pilot
  - QR-Code pilot at 11,000 physical outlets (State lottery)
  - +27,000 e-Retailers

Bizum C2R NFC: Roll-out in 2H-2022
  - NFC solution at POS terminals (Near Field Communications)

19.2 million users (41% of the population)
# BIZUM USE CASES – DRIVERS & BARRIERS

## Consumer
- **P2P**
  - Convenience (mobile number vs IBAN)

## Retailer
- Neutral in terms of convenience vs other instruments (e.g. debit cards)
  - Instant availability of funds
  - More payment options for consumers
  - Deployment costs

## Banks
- Bizum competes with cash
- Limited costs
- Preventing disintermediation

- Deployment costs
- Competes with debit cards
Thank you for your attention
SNAPSHOT OF INSTANT PAYMENTS
SCT Inst scheme adherence in Spain versus the Euro Area and SEPA

% SCT Inst / SCT scheme participants

<table>
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<tr>
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<th>Euro</th>
<th>Spain</th>
<th>Non-euro</th>
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<tbody>
<tr>
<td>SEPA average</td>
<td>66%</td>
<td>78%</td>
<td>4%</td>
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<tr>
<td>adherence</td>
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Scheme adherence in Spain

- **SCT scheme**: 115 PSPs
- **SCT Inst scheme**: 90 PSPs
- **Bizum**: 71 Banks

Penetration rates:

- **78%**
- **79%**

Representing more than **97%** of IBAN accounts in Spain
Key 2021 Bizum figures:
- 511 millions of transactions (ACH + on-us)
- 51.6 € average per transaction

Growth of Instant Payments in Spain (*)

(*) SCT Inst transactions processed through the Spanish ACH (SNCE)
MOBILE INSTANT PAYMENT MODEL

DIAGRAM OF THE SERVICE BY LAYERS

BANKING CHANNEL (COMPETITIVE)

INFORMATIONAL SERVICE (COOPERATIVE)

CLEARANCE & SETTLEMENT (TRANSACTION)

INSTANT TRANSFER (SCT inst) SNCE

RULEBOOK
- P2P (Peer-to-Peer)
- P2eM (e-commerce)
- P2M (In store)

SHARED BRAND
- bizum
  - Si llevas móvil, llevas dinero

BANKID DIRECTORY (IBAN-CELL #)

CUSTOMER

MERCHANT

NGO

Bank A

Bank B

Bank C

Bank D

Bank E ...

iberpay

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