

Mobile payments trends

Intervale solutions to be in the trend

Kyiv
April, 2012

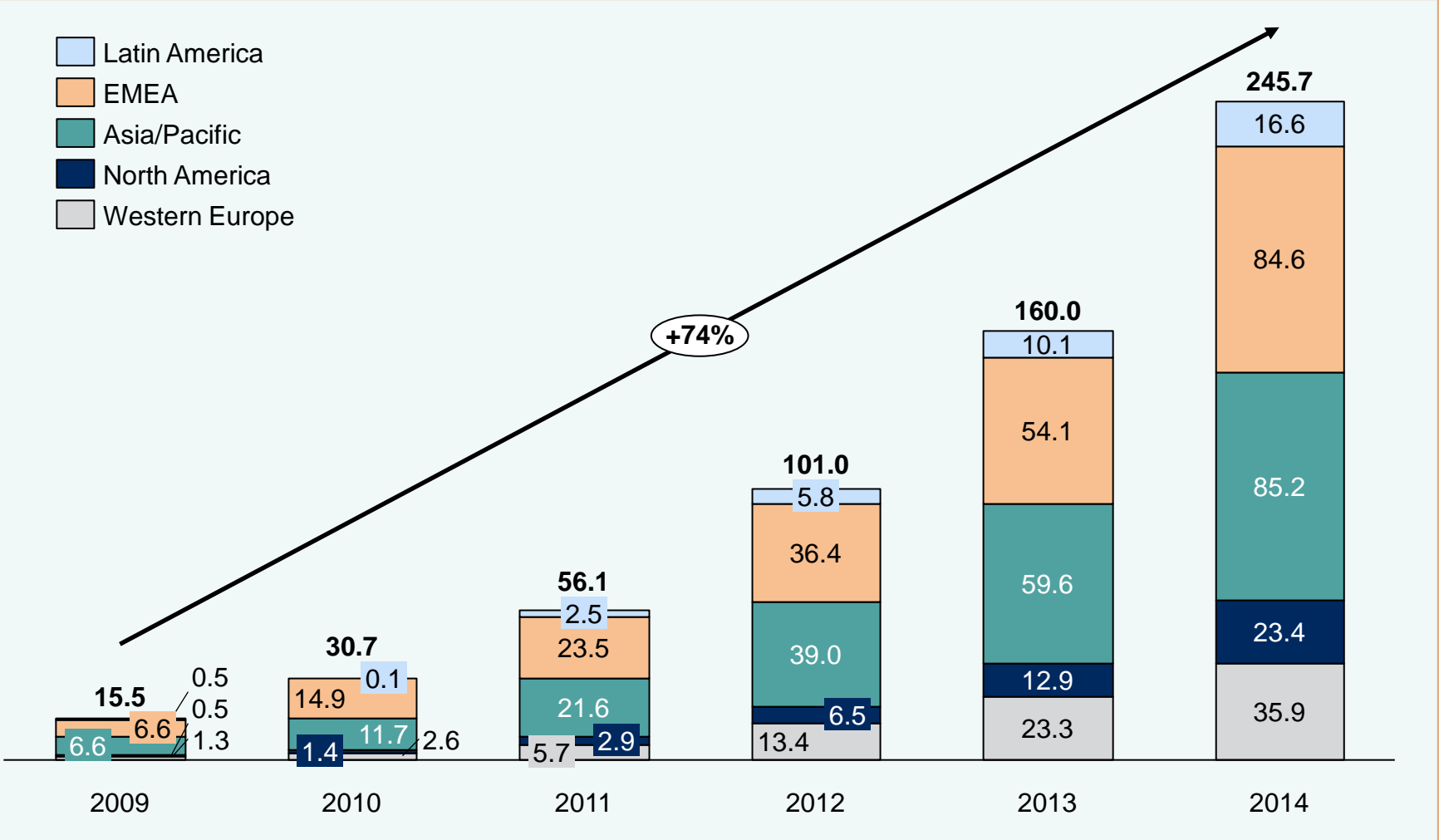
Penetration

Percentage of mobile users








	2007	2008	2009	2010	2011	2012	2013	2014
Western Europe	0.1	0.4	0.9	1.3	2.1	3.2	4.2	5.3
North America	0.0	0.3	0.6	1.1	1.6	2.3	3.2	4.3
Asia/Pacific	1.0	1.6	2.0	2.6	3.2	3.8	4.5	5.2
EMEA	0.3	0.9	1.5	2.1	2.7	3.3	4.2	5.3
Latin America	0.6	0.7	1.0	1.5	2.0	2.8	3.7	4.6
Worldwide	0.6	1.0	1.5	2.1	2.7	3.4	4.2	5.1








Transaction value per region

USD Billion



Source: Gartner Research

	 MTC	 Orange	 Vodafone (M-Pesa)	 Google wallet	 PayPal	 Master Card Mobile	 Visa Mobile Wallet
Location	Countries of presence	Countries of presence	Countries of presence	Globally	Globally	<i>Russia, Poland</i>	Concept design
Channels							
Web	✓	✓	✗	✓	✓	✓	✓
Mobile	✓	✓	✓	✓	✓	✓	✓
Kiosks	✓	✗	✗	✗	✗	✗	✗
NFC	✓	✓	✗	✓	✗	✓	✓
Means of payment							
Premium SMS	✓	✓	✗	✗	✗	✗	✗
Cards	✓	✓	✗	✓	✓	✓	✓
E-Wallet	✗	✓	✓	✓	✓	✓	✓
Bank account	✗	✗	✗	✗	✗	✗	✗
MNO Account	✓	✓	✓	✗	✗	✓	✗

							
Features available	MTC	Orange	Vodafone (M-Pesa)	Google wallet	PayPal	Master Card Mobile	Visa Mobile Wallet
Merchant billing	✗	✓	✓	✓	✓	✓	✓
Payment templates	✓	✓	✓	✓	✓	✓	✓
One click payments and direct debit	✗	✓	✗	✗	✓	✓	✓
Virtual card	✗	✓	✗	✓	✗	✓	✓
Micro loans	✗	✗	✓	✗	✗	✗	✗
Remittances	✓	✗	✓	✓	✓	✓	✓
Bar- and QR-codes	✓	✗	✗	✗	✗	✗	✗
Location based services	✗	✗	✗	✗	✗	✗	✗
Loyalty	✓	✓	✗	✓	✗	✗	✗

Competitors develop their solutions to provide wide range of features and functions

- ✓ Big 4 (MTS, Megafon, Beeline, Tele2) provide the payment service for subscribers (Payments from MNO account and bank cards, multichannel access to the service) and agreed to provide payments from MNO account for all market players (including competitors)
- ✓ MasterCard implemented MasterCard Mobile in Russia to provide financial services for MasterCard cardholders directly. Visa is about to launch the similar service.
- ✓ Premium SMS-based financial services to be legally restricted in 2012
- ✓ PayPal to open subsidiary in Russia. Other global players to follow.

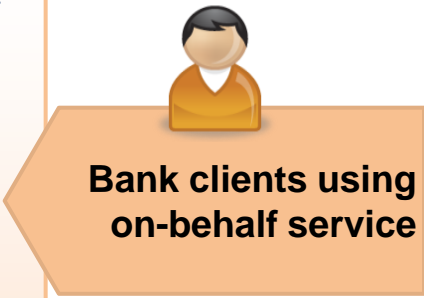
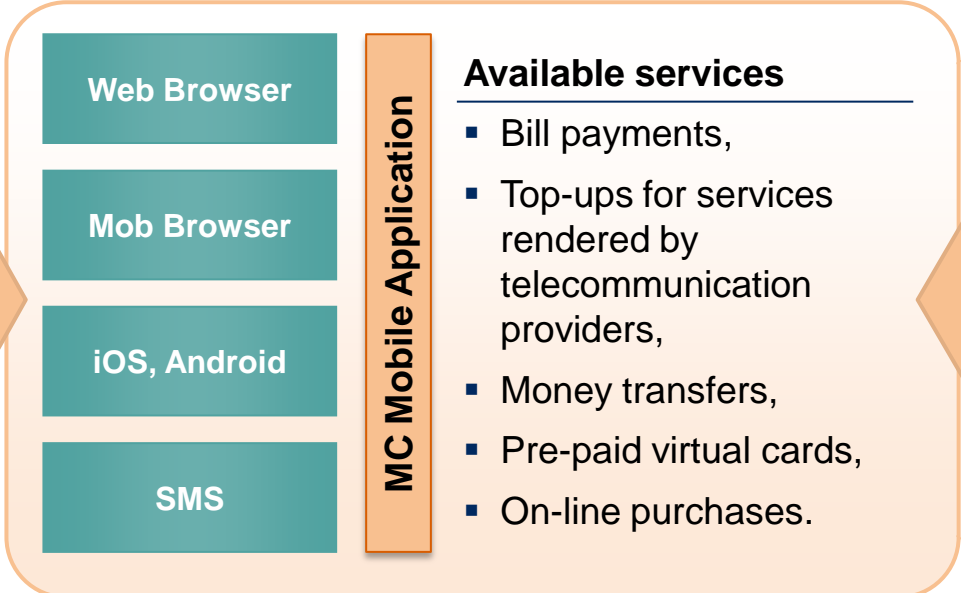
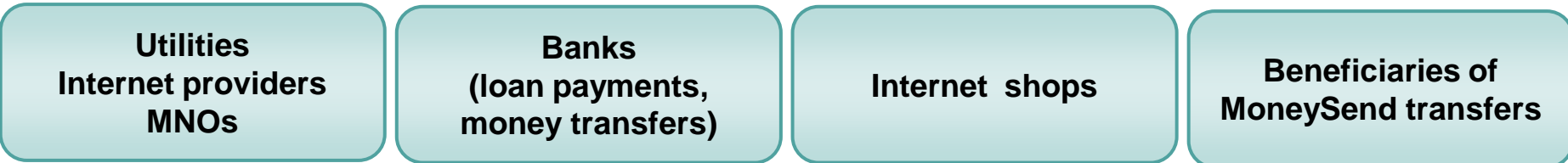
Branded service for all MasterCard/Maestro cardholders that allows to make payments, top-up providers' services, money transfers, issue virtual cards via user interfaces of e-commerce/m-commerce.



Offering on-behalf **service for banks** with optional customisation and platform functionality under the Bank's brand for its cardholders

Additional services for basic MasterCard products

<http://mobile.mastercard.ru>





- Delivers and maintains proper technology platform
- Supports retail clients (CRM)
- Cooperates with counterparties on technology and business issues
- Develops and implements additional features

- Finances the Project
- Provides the brand
- Pushes the service
- Defines commercial policy
- Defines additional features to keep the System up-to-date


- ✓ Widespread of Premium SMS – based payments
- ✓ No material players in the market place for the time being
- ✓ No legal restrictions for payment from MNO account. Recently NKRZI obliged to provide Return of Advance for subscribers
- ✓ Non-optimal taxation for Return of Advance, but it's possible to compensate it via customer fees
- ✓ The market is empty, it's waiting for players who understand how to take this advantage




Intervale delivers a **universal Payment Platform**, developed as an open system which supports multiple user interfaces, payment means and payment recipients.

The Platform is constantly revised to match up with **up-to-date trends of e-payment market.**


Means of payment




Bank Card




Bank account




Virtual Bank Card



Subscriber's account



WebMoney



Яндекс ДЕНЬГИ

Electronic money

Client interfaces



NFC



Scan barcode



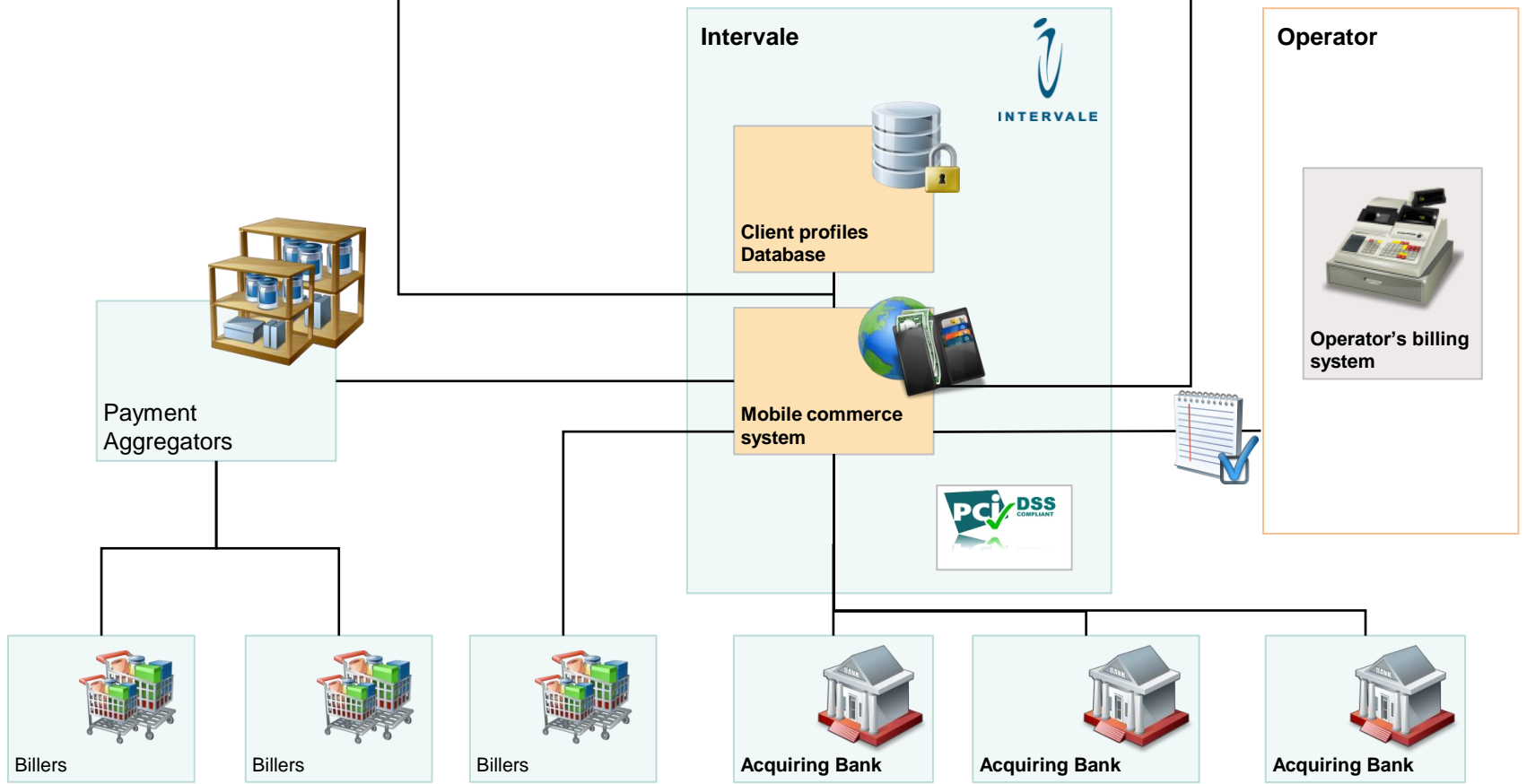
SMS / USSD














Mobile applications



WAP и WEB



Financial Bodies

-  Visa
-  MasterCard
-  Belcard
-  Sberbank of Russia
-  Bank of Moscow
-  Raiffeisenbank
-  Rosbank (Societe Generale Group)
-  Gazprombank
-  Halyk Bank of Kazakhstan
-  International Bank of Azerbaijan
-  globalpayments Europe
Subsidiary banks Societe Generale and BNP Paribas in partnership with Global Payments

Mobile Operators

-  Beeline
-  Megafon
-  MTS
-  Uralsvyazinform
-  SMARTS
-  K-Cell
-  T-Mobile
-  Vodafone
-  TELE2

Intervale Founded in 1999

CJSC “Intervale”

Software Developer providing
remote financial transactions
Moscow, Russia



Intervale Kazakhstan

Branch office

Kazakhstan



Intervale Europe, Ltd.

Branch office

Czech Republic



Intervale Ukraine

Branch office

Ukraine



Affiliated Companies

CJSC “SmartCardLink”

Mobile Service Provider

Russia



Intervale – Bel

Mobile and Payment
Service Provider
Republic of Belarus



INTERVALE



Intervale solutions are taken as a basis for Recommendations of the **International Telecommunication Unit (ITU)** in conducting remote financial transactions.



Intervale is a Coordinator, official Expert Editor of produced recommendations and Rapporteur of the ITU Study Group “Security of Next Generation Networks (NGN)”.



Standard requirements are worked out in collaboration with **ISO** and **UPU**.



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- ✓ Today *Intervale* is a major developer and provider of complex solutions for conducting **information and bank transactions in open telecommunication networks**
- ✓ *Intervale* leads in providing services in **m-commerce/e-commerce** both for commercial enterprises and for individuals
- ✓ *Intervale's* dynamic growth is based on strategic approach **to interaction with the outer world and its information environment**, when integration of all market participants has become the Company's ideology

Intervale renders the following services on solution outsourcing

- **Technical support for clients (partners) is available 24x7.** The support is provided by phone, via e-mail and Web.
- The system is located at the dedicated Data Centre, which has a high level of fire protection, power supply back-up, control of physical access to the equipment
- The Company has all required documentation, following all regulations and procedures to **meet PCI-DSS standards**



Security

- Security of the Service is ensured by using **two-factor authentication, encryption, fraud restriction measures**

Authentication

- **Two-factor authentication** is used:
 - User authentication
 - Application authentication

Encryption methods

- TDES;
- RSA;
- GOST (State Standard) algorithms may be implemented.

Data protection

- **Encryption authentication and protection of data** that are submitted via open telecommunication channels are ensured by implementing **symmetric and asymmetric encryption methods**.

Digital signature

- **Data integrity, impossibility of cancellation/altering transaction authorship** are ensured by the use of the **digital signature**

Authenticity verification of the application

- Mobile applications may be signed by Verification Center certificate, e.g. Thawte

