

Value Proposition 2017

Proposed work programme and benefits for the EBA membership



THOUGHT
LEADERSHIP



INDUSTRY
DIALOGUE



KNOWLEDGE
& RESEARCH



NETWORKING
& EDUCATION

Introduction

The European payments landscape is in a state of profound transformation. An increasing amount of changes impacts the traditional and well-known operating environment at an accelerating pace. This reshaping requires an industry strategy that encompasses the full range of change drivers and their interactions. Four of these drivers interact very closely:

1

Evolving customer needs and expectations – In the market of one, customers expect highly individualised products and services tailored to their needs, top levels of convenience and usability for all their interactions, streamlined business processes and full control over their data.

2

Technology – New and emerging technology is changing the business at an accelerating pace. Digitalisation is advancing, real-time payments and distributed ledger technology will create more time-space convergence for transaction banking services, leading to new business and operating models.

3

Regulation – Direct and indirect regulation will increasingly shape the playing field and the relationships between market actors in the area of payments. PSD2 will impact the compliance part of the business and will, at the same time, require a strategic approach.

4

New market entrants – Next to traditional banks, new players continue to enter the payments space and are becoming increasingly important as they will contribute to redefining the marketplace in the years to come.

Objective of this document

This value proposition presents the EBA's membership benefits and work programme for 2017 based on the EBA's mission as well as activity areas, and taking into account key industry change drivers:

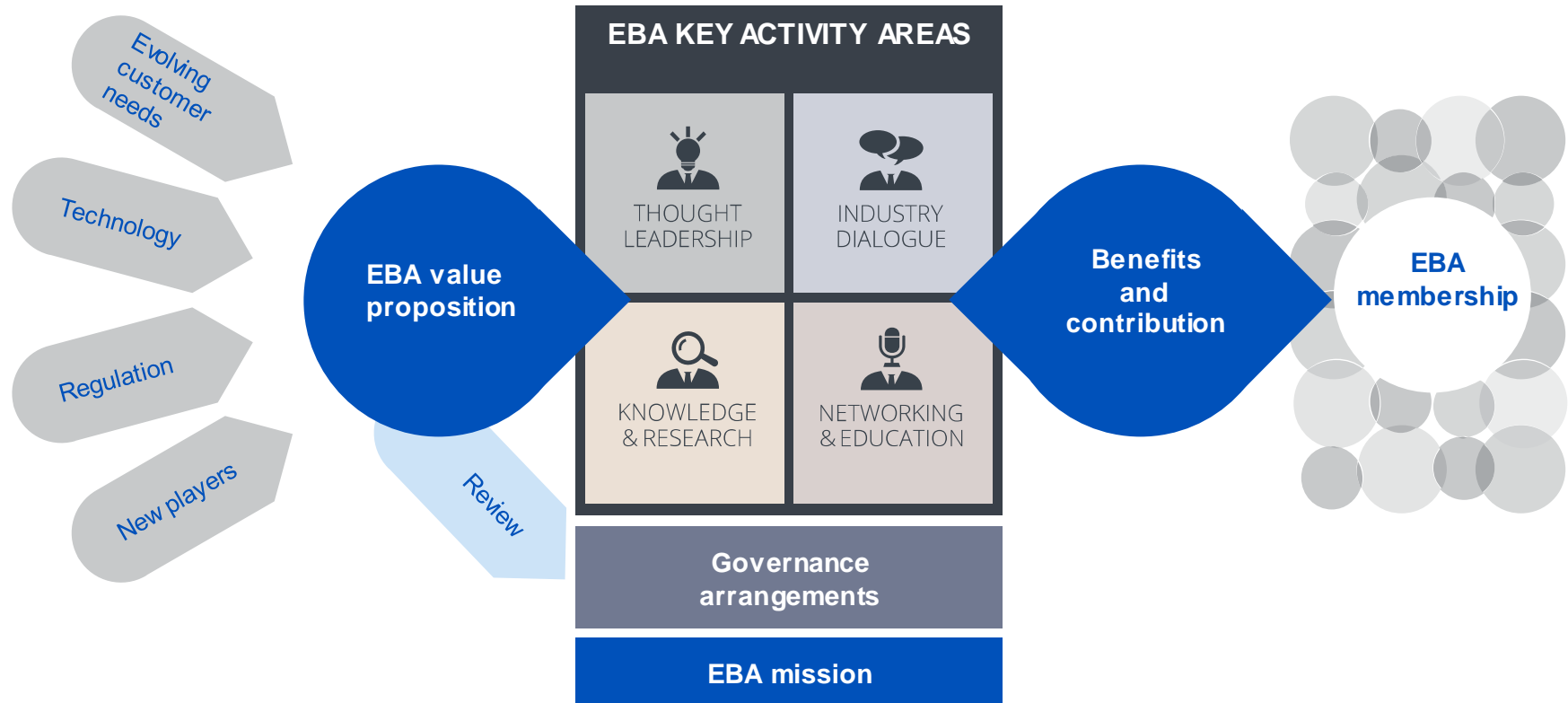


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- 2 Key activity areas and work programme focus topics for 2017
- 3 Work programme 2017:
working groups, EBA-initiated industry activities and new topics
- 4 Education and networking work strands
- 5 Review of EBA governance arrangements

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1 EBA mission



The Euro Banking Association (EBA) is a practitioners' body for banks and other service providers supporting a pan-European vision for payments.

The mission of the EBA is to provide payment professionals with a country-neutral forum for driving and contributing to the delivery of pan-European co-operative payment initiatives and business practices.



Download the “EBA Report of the Board 2016” at www.abe-eba.eu/downloads/knowledge-and-research/EBA_Board_Report_2015.pdf

The EBA vision provides a long-term orientation geared at ensuring that the EBA value proposition continues to serve the needs of its diverse membership and of the customers of its members.

Key objectives are to

- Support the growth of digital and alternative payments
- Drive efficiencies and cost reductions in payments
- Promote the modernisation of the euro payments market

1 Benefits of EBA membership

The EBA supports its members in their positioning and successful evolution in a fast-changing payments environment. The 180+ members of the Association from across Europe and beyond benefit from and contribute to:

Insightful research into the impact of key change drivers on traditional business and operating models

- › Conducted by practitioners for practitioners, this research helps members to better understand and anticipate key market developments

Propositions for pan-European collective initiatives and recommendations for members to consider in their individual positioning

- › These propositions should help the EBA membership and key stakeholders to develop collective approaches and unlock value for their own offerings or processes

Platforms for industry exchange and co-operation at a pan-European level

- › Dedicated industry fora and expert panels help to foster understanding, identify gaps, provide guidance or serve as incubators for new collective activities

Pan-European educational offerings and networking opportunities

- › EBAday and other EBA events provide new insights into industry developments and access to a pan-European network of 1,000+ practitioners and experts

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2 EBA key activity areas

Knowledge & Research

What?
Share **research & analysis results, explanations and guidance** through EBA publications

Why?
Generate and increase **market knowledge and understanding** regarding relevant industry topics and practices

Industry Dialogue

What?
Discuss and co-operate **with EBA members, industry bodies and the wider stakeholder community**

Why?
Drive and contribute to the **creation of a harmonised pan-European payments landscape**



Thought Leadership

What?
Identify, analyse and explain **practical implications** of key payments-related developments

Why?
Help develop **industry guidance, practices and solutions** for a rapidly changing and complex payments environment

Networking & Education

What?
Organise **conferences and educational events**

Why?
Broaden **practitioners' understanding of the pan-European payments business and their network**

2 EBA work programme: key focus topics 2017

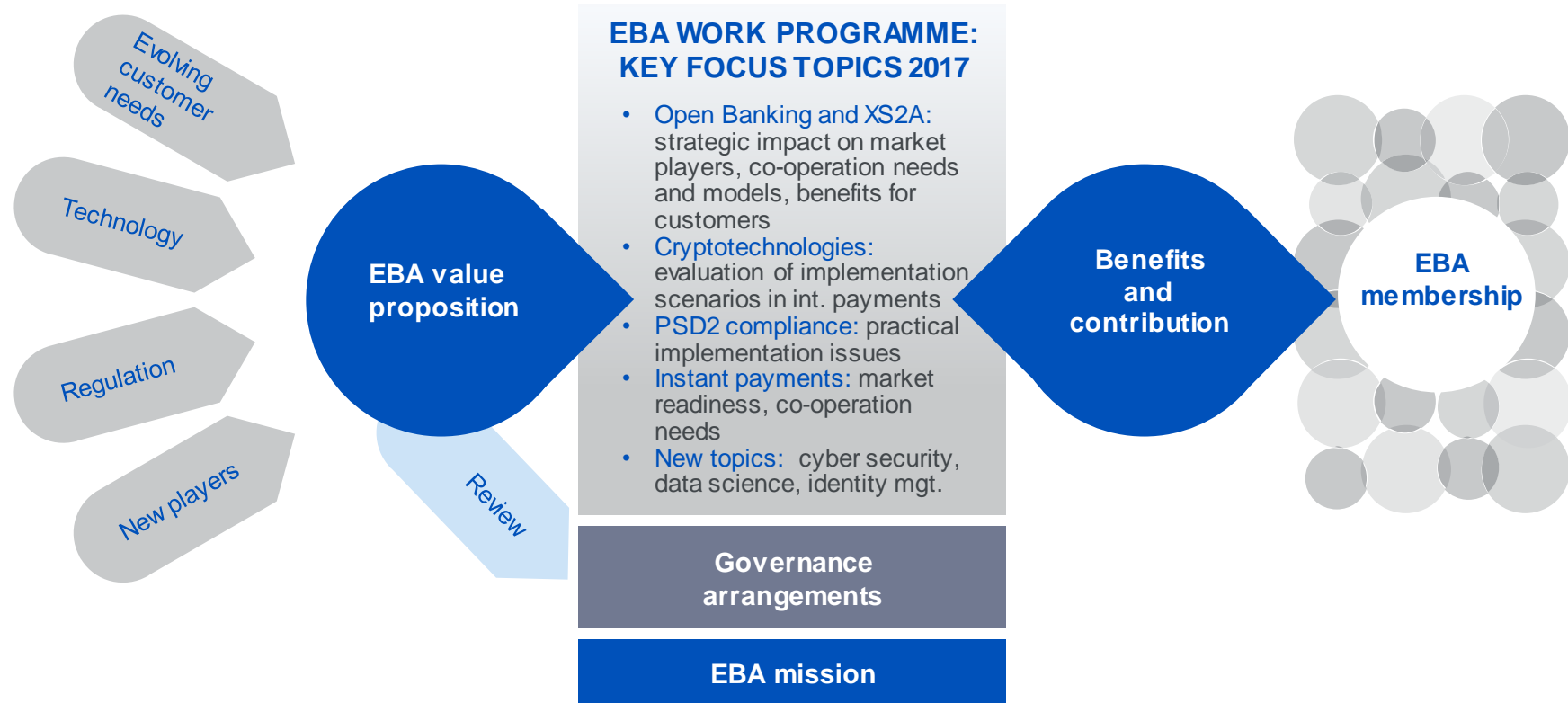
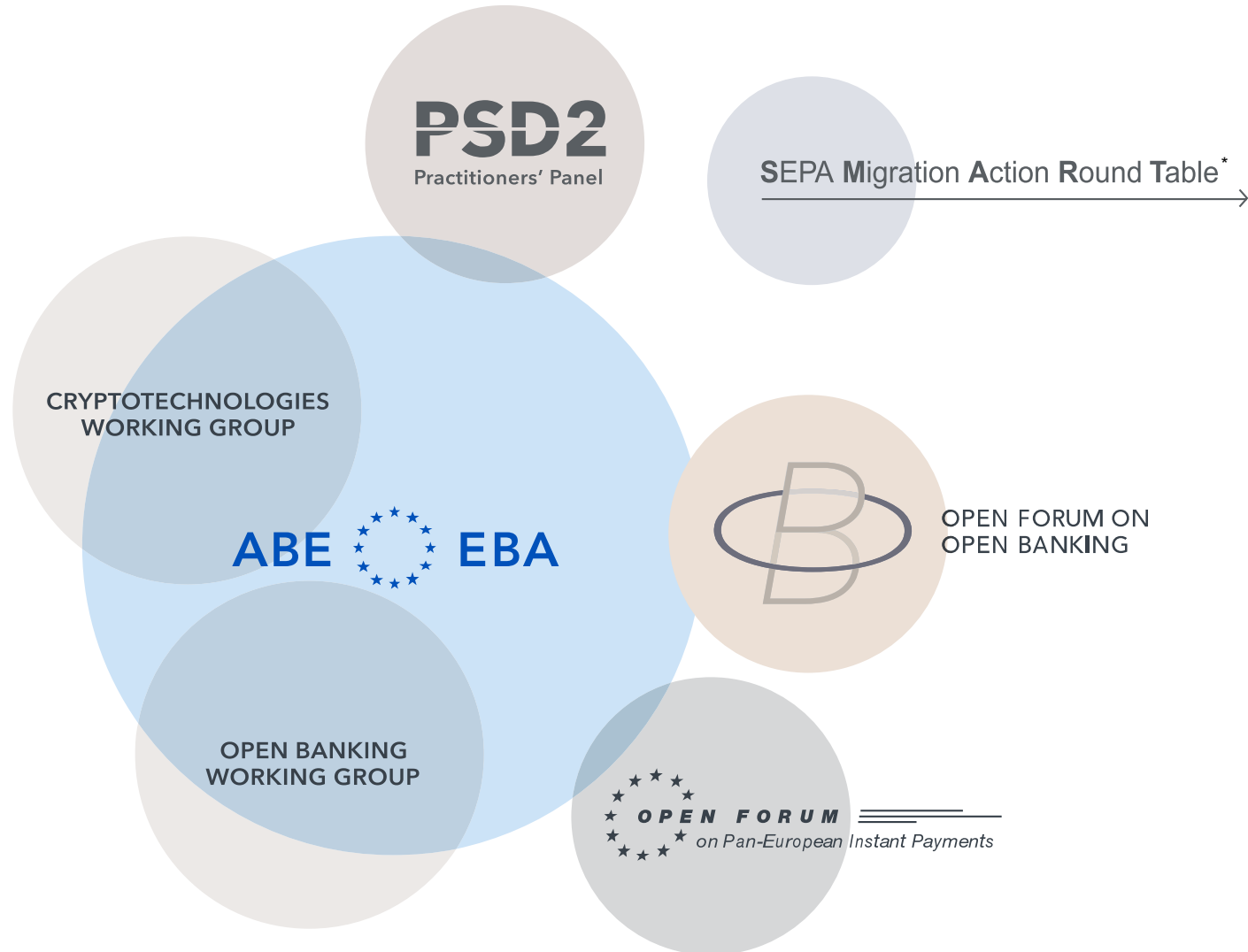


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3 Overview of initiatives and groups



* SMART is in dormant mode but can be reactivated if needed

3 Work programme 2017: EBA working groups

*Where research and analysis
turn into thought leadership and insights*

EBA Open Banking Working Group

Mission

Helps EBA members to **better understand** the changing structure **of retail commerce and electronic payments** and of **innovative developments** taking place in these areas and how members could position themselves strategically



Download the 2016 information paper “Understanding the business relevance of Open APIs and Open Banking for banks” at www.abe-eba.eu/knowledge-and-research

Work in 2017

- Analyse business implications and opportunities of Open Banking for AS-PSPs
- Develop support materials and webinars to increase awareness of the topic
- Upcoming publication: “Open Banking: Advancing customer centricity by putting the customer in control”

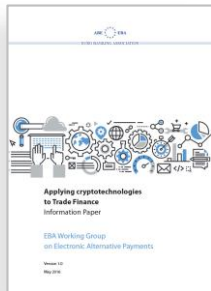
3 Work programme 2017: EBA working groups

*Where research and analysis
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EBA Cryptotechnologies Working Group

Mission

Explores concrete **use cases for cryptotechnologies in transaction banking**, so members can better understand the technological and business-related impacts, opportunities and challenges



Download the 2016 information paper “Applying cryptotechnologies to Trade Finance” at www.abe-eba.eu/knowledge-and-research

Work in 2017

- Explore **potential business models** in international payments, develop and analyse appropriate use cases and publish an information paper
- Investigate **scenarios for further use** and fields of possible implementation
- Upcoming publication: “**Cryptotechnologies in International Payments**”

3 Work programme 2017: PSD2 Panel support

Where industry dialogue and analysis provide more clarity and a pan-European understanding of practical implementation issues

PSD2 Practitioners' Panel (facilitated by the EBA)

Mission

Facilitates a **practitioners' exchange** on open PSD2 implementation issues amongst AS-PSPs providing clarification and defining industry practices **at a pan-European level** if/where needed

Work in 2017

- Analyse practical issues related to the **implementation work by AS-PSPs** to achieve PSD2 compliance
- Provide **clarification or guidance** where needed and possible



Download the 2016 EBA report on “PSD2 impact areas, practical issues and open questions” at www.abe-eba.eu/knowledge-and-research

3 Work programme 2017: industry forum support

Where industry dialogue fosters the creation of a pan-European payments ecosystem

Open Forum on Open Banking (facilitated by the EBA)

Mission

Nurtures a pan-European and [cross-industry discussion](#) on relevant Open Banking-related developments and challenges (e.g. security, interoperability and fragmentation)

Work in 2017

- Discuss preconditions and requirements of the PSD2-related [XS2A](#) for TPPs on behalf of PSUs and practical implications in the area of payments and beyond
- Foster a [collaborative approach between Banks and FinTechs](#) in view of an emerging Open Banking ecosystem

3 Work programme 2017: industry forum support

Where industry dialogue fosters the creation of a pan-European payments ecosystem

Open Forum on Pan-European Instant Payments (facilitated by the EBA)

Mission

- Helps create **industry readiness** needed for a successful end-to-end IP roll-out
- Facilitates a dialogue amongst practitioners from PSPs and PSUs at a pan-European level on **IP service requirements**

Work in 2017

- Facilitate a dialogue with **merchants/corporates** to understand what they expect of a real-time solution and the opportunities they see for their business
- Discuss expected **use cases** and **co-operation needs or benefits**

3 Work programme 2017: new topics

The following topics have been approved by the EBA Board in February 2017 for integration into the EBA work programme through the existing working groups:

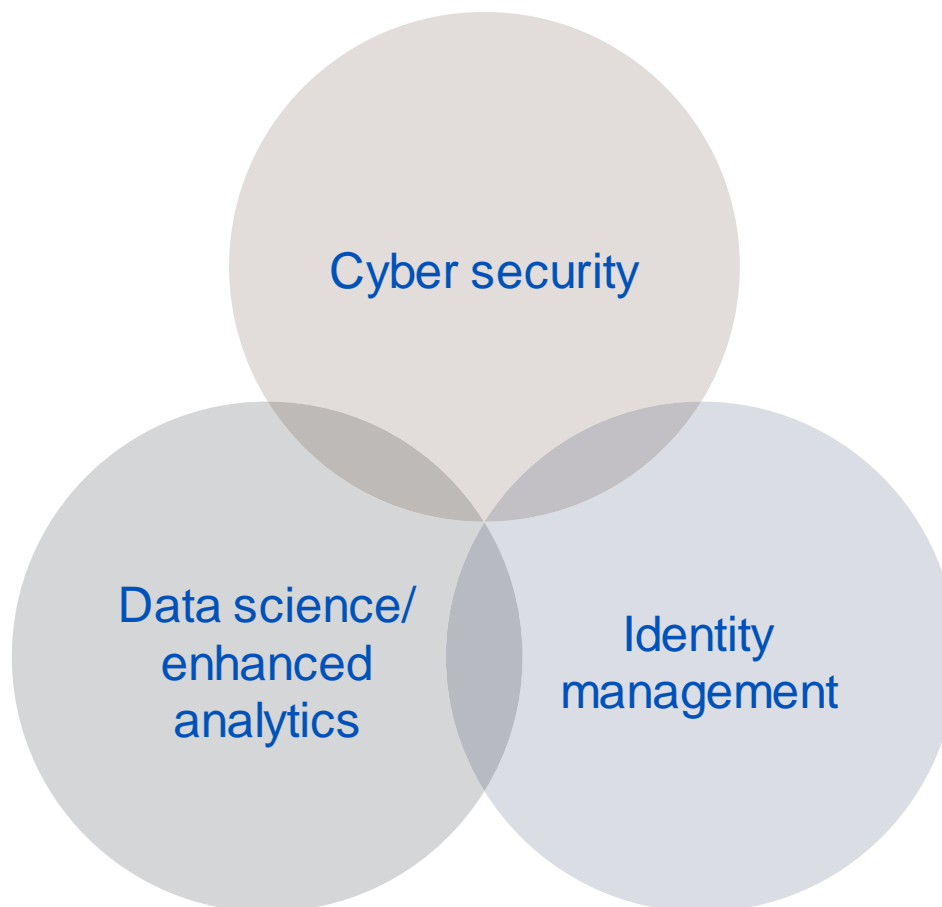


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4 EBA Networking & Education: an overview

The EBA organises each year pan-European educational and networking events to which its members have exclusive or privileged access:

- **EBAday**: the key pan-European conference and exhibition on payments and transaction banking (with over 1,000 participants and 58 exhibitors in 2016)
- **EBAday Business Fora**: breakfast discussions bringing together practitioners in local communities for new insights and an exchange of view on industry topics from the EBAday conference agenda
- **Summer and Winter Schools**: two-day seminars on highly topical industry subjects, including case-study teamwork and visits to innovation labs of leading technology providers and giving access to a pan-European alumni network of 700+ practitioners
- **One-day seminars** on specific payments-related topics (e.g. liquidity management)

“A very refreshing view from outside regular work borders”

“Great mix of attendee profiles and experiences”

“Good mix between learning sessions with speakers and the team work”

“Very good speakers and clear presentations”

4 EBA Networking & Education: events in 2017

EBA Liquidity Management Seminar 2017

“Developing an efficient bank strategy for corporate liquidity management”

Frankfurt, 3rd and 4th April 2017

EBA Business Fora 2017

On PSD2 and immediate payments

Paris, 21st February,

On digitalisation in payments

Dublin, 7th March

Further Fora are being planned

EBAday 2017

“The Age of Discovery – Towards Full Payments Digitalisation”

Dublin, 20th and 21st June

EBA Summer School and EBA Winter School

Currently being planned

Learn more about EBAday 2017 at www.ebaday.eu



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5 EBA – Governance arrangements

The Association has decided to actively evaluate its proposition for members and approach to stakeholders in order to respond to key market developments.

In the same vein, the Board of the Association is assessing a review of governance arrangements, which could encompass proposals for changes to today's Articles of the Association regarding membership rules, membership structure and membership categories.

This workstream will also take into account results of the review of the relationship between EBA and EBA CLEARING.

A projection of the necessary governance reforms – including a corresponding timeline for the implementation – will be presented and explained to the members at the AGM 2017.



The Euro Banking Association would like to thank you for your commitment and contribution to our work in 2016.

We look forward to putting our work programme 2017 into reality with your support – for the benefit of your organisation and for the benefit of the larger European payments industry and its customers.

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