



# SPA global smart payment card 2015 shipments

**A unique set of data based on SPA Members' actual volume sales**

April 2016





# 01.

## SPA's role in shaping the future of payment



- ▶ EMV is a truly established, global secure & interoperable infrastructure
  - More than 2 billion smart payment cards shipped by SPA Members globally
  
- ▶ 2015: EMV wave in the US
  - Over 550 million smart payment cards shipped by SPA Members in the US, x3 compared to 2014 shipments
  
- ▶ Contactless technology still growing in 2015
  - Over 730 million contactless payment cards shipped by SPA Members globally, corresponding to 20% growth
  
- ▶ Move towards ever more secure ways to pay
  - DDA represents over 75% of SPA' shipments



## Who we are

The Smart Payment Association addresses the challenges of today's evolving payment ecosystem. We offer leadership and expert guidance to help members and their financial institution customers realize the opportunities of smart, secure and personalized payment systems and services - both now and in the future.

Since 2004

### Members:



# What we do

- ▶ The SPA works in partnership with global standards bodies, its own vendor community, and an expanding ecosystem of established and emerging brands; offering an ever-growing portfolio of advisory and support services.



**Fig 1**  
*Extending advisory and support across the evolving community, the SPA is addressing today's challenges and shaping the future direction of payment technologies, standards and business models.*

## How we do it



- ▶ Providing a comprehensive portfolio of consulting, marketing and advocacy services

- An ever-growing library of expert technical resources and thought leadership collaterals to shape the future of payment technology
- The market's most accurate barometer of payment trends – annual analysis based on actual manufacturer data

- ▶ Defending member interests from a regulatory perspective, while addressing issues of standardization, certification and security to drive the technologies and business models that are shaping the future of payment technology

- Engagement in industry bodies and standardization organizations across the world – offering guidance on best practices, providing the 'vendor' perspective and ensuring regulatory initiatives are beneficial to the efficiency of the ecosystem



- ▶ Opening to encompass a rapidly evolving and broad payments community addressing new verticals and geographies

- Controlled expansion of membership – consolidating its influence on the payment issuing value chain and extending its support to a new generation of internet-based secure payment solutions and service providers.



### Business Workgroups

#### Market Monitoring

Quarterly market monitoring based on members actual volume sales data

#### Contracts

Addressing issues facing Members and defend their interests from a regulatory perspective

#### Retail

Addressing the challenges of today's digital retail environment and accelerate the adoption of new retail payments technologies and solutions based on the Secure Element working closely with retailers

### Technical Workgroups

#### Specifications

Providing guidance and acting as the main interface between SPA and regulatory/standardization bodies ie. EMVCo, ECSG, PCI, ISO etc.

#### Certification

Supporting the development of effective payment certifications in collaboration with international organizations ie. EMVCo, GSMA

#### Quality & Manufacturing

Addressing issues facing Members and defend their interests from a regulatory perspective

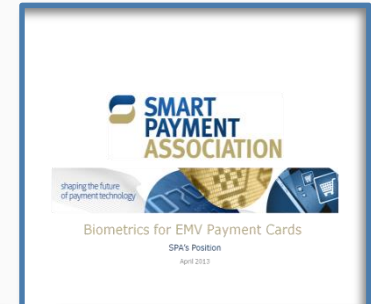
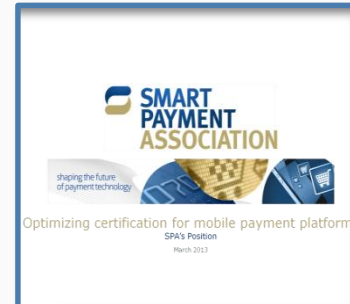
#### Security

Addressing issues facing Members and defend their interests from a regulatory perspective



## Latest SPA's Publications

- ▶ Contactless payments
- ▶ Host Card Emulation (HCE)
- ▶ Mobile Wallets
- ▶ DDA Authentication
- ▶ Tokenization
- ▶ Cloud versus Card
- ▶ Biometrics for financial services
- ▶ Instant Issuance
- ▶ UICC Application Lifecycle Management
- ▶ Software to Chip Fallback Solution
- ▶ Security Certification for Mobile Platforms
- ▶ Security for Mobile Payments
- ▶ PIN by SMS
- ▶ Private Label Payment Solutions
- ▶ Business Continuity in the Payment Card Issuance Industry



**Download at**  
[www.smartpaymentassociation.com](http://www.smartpaymentassociation.com)



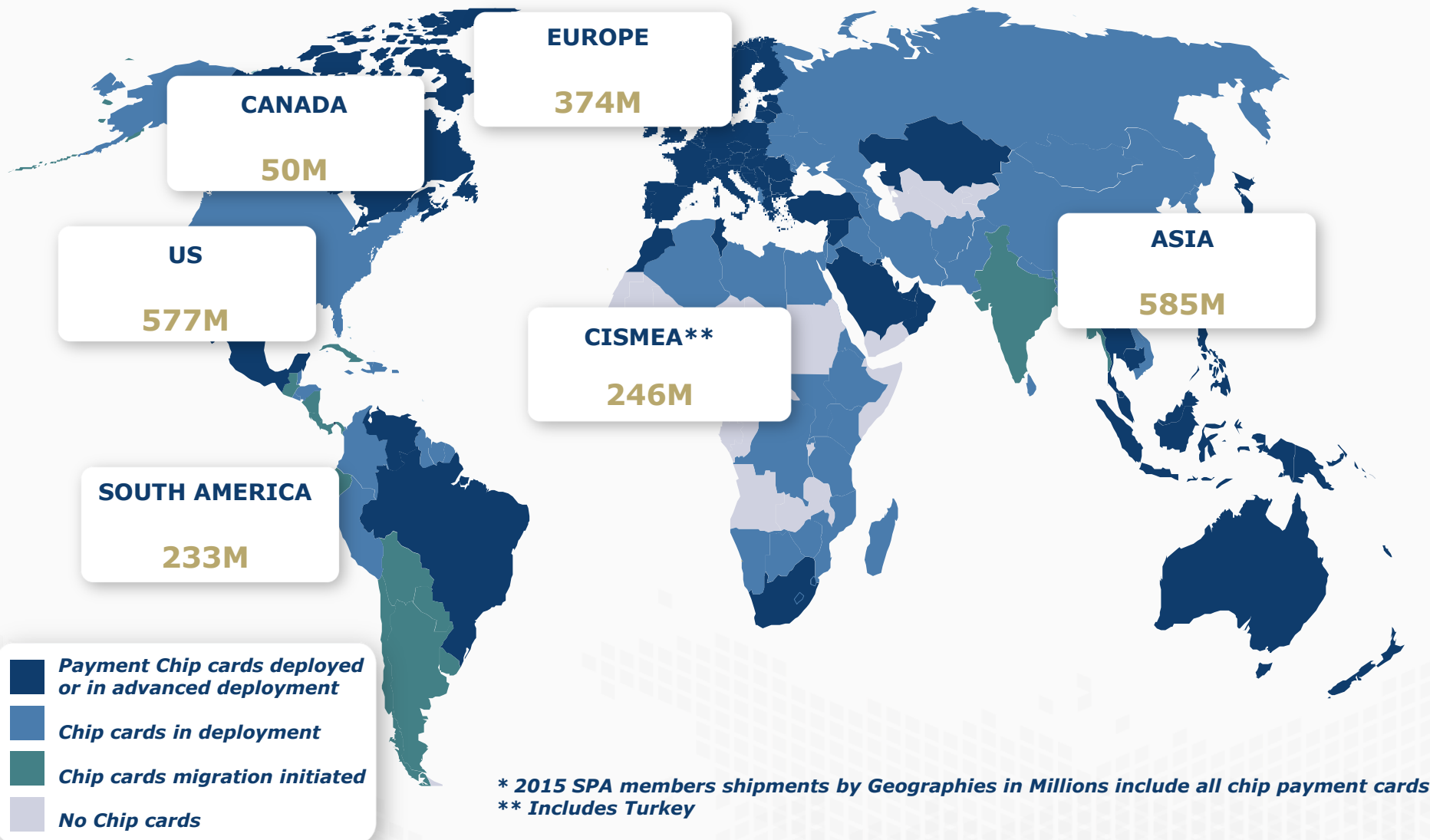


# 03.

## SPA global smart payment card shipments 2015



# SPA shipments > 2 Billion units in 2015\*



- Payment Chip cards deployed or in advanced deployment
- Chip cards in deployment
- Chip cards migration initiated
- No Chip cards

\* 2015 SPA members shipments by Geographies in Millions include all chip payment cards  
\*\* Includes Turkey

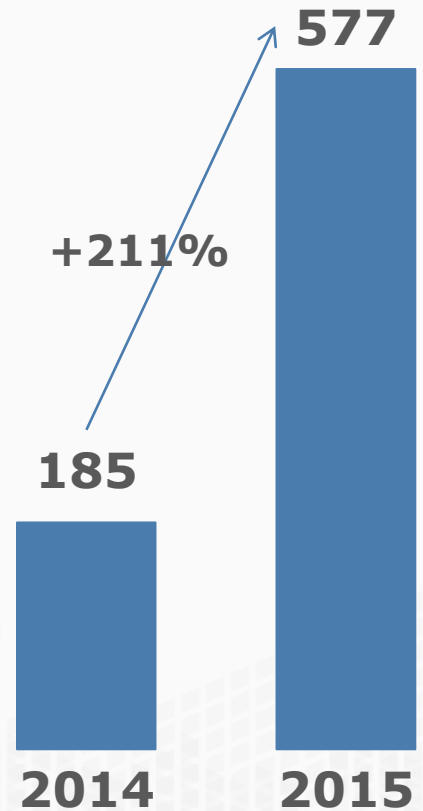
## Gathering pace of US EMV Migration

- ▶ EMV migration started in 2013
- ▶ Mindshift ignited among issuers and consumers, with a sense of 'urgency' , boosted by
  - ▶ Data breaches: an EMV enabled ecosystem would have been less attractive for fraudsters
  - ▶ 2015 Liability shift: MasterCard and Visa reiterated that they would not push back October 2015 counterfeit liability shift deadlines
  - ▶ Common AID solution facilitating domestic debit networks migration
  - ▶ Fear of competitive disadvantage by turning too late
- ▶ Translating into continuous migration plans started in 2014, and thus a massive supply of EMV cards in 2015



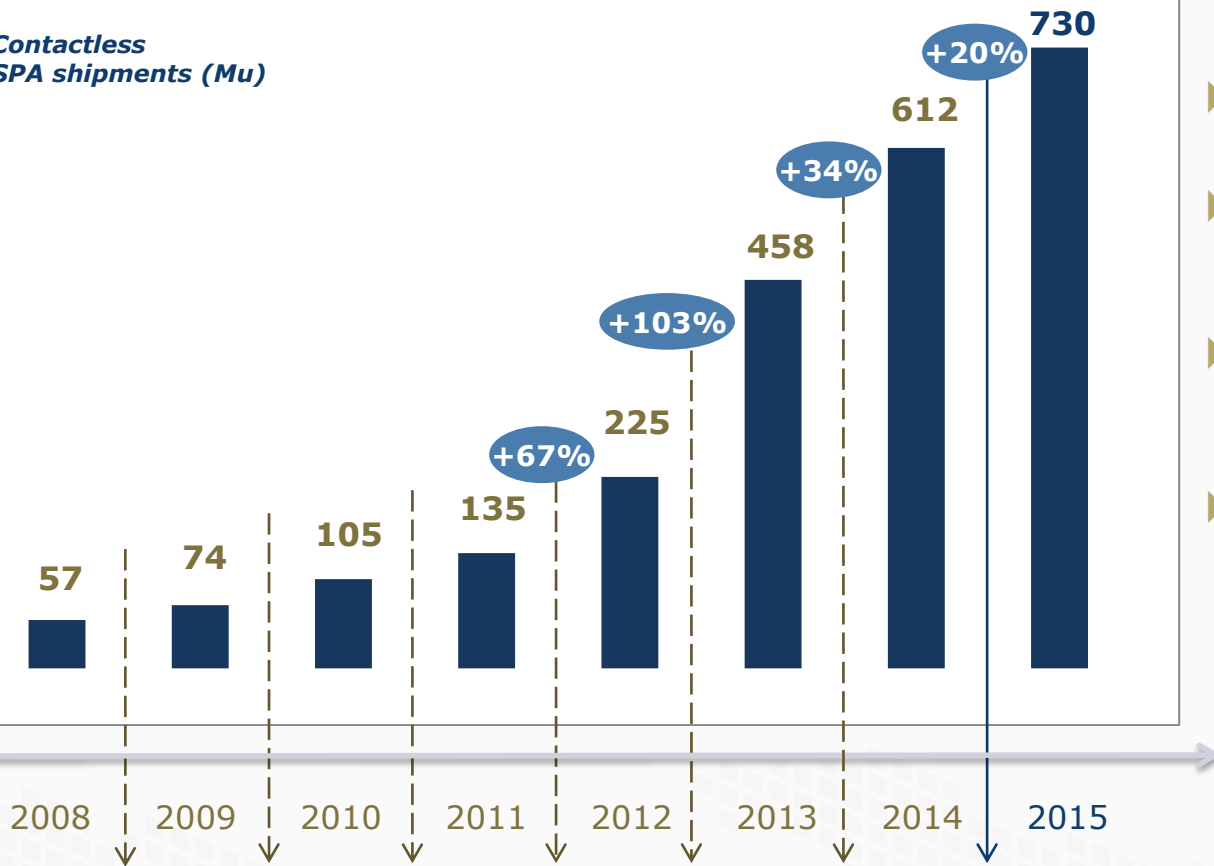
US

SPA Shipments (Mu)



# Contactless migration continues to ramp up

Contactless  
SPA shipments (Mu)

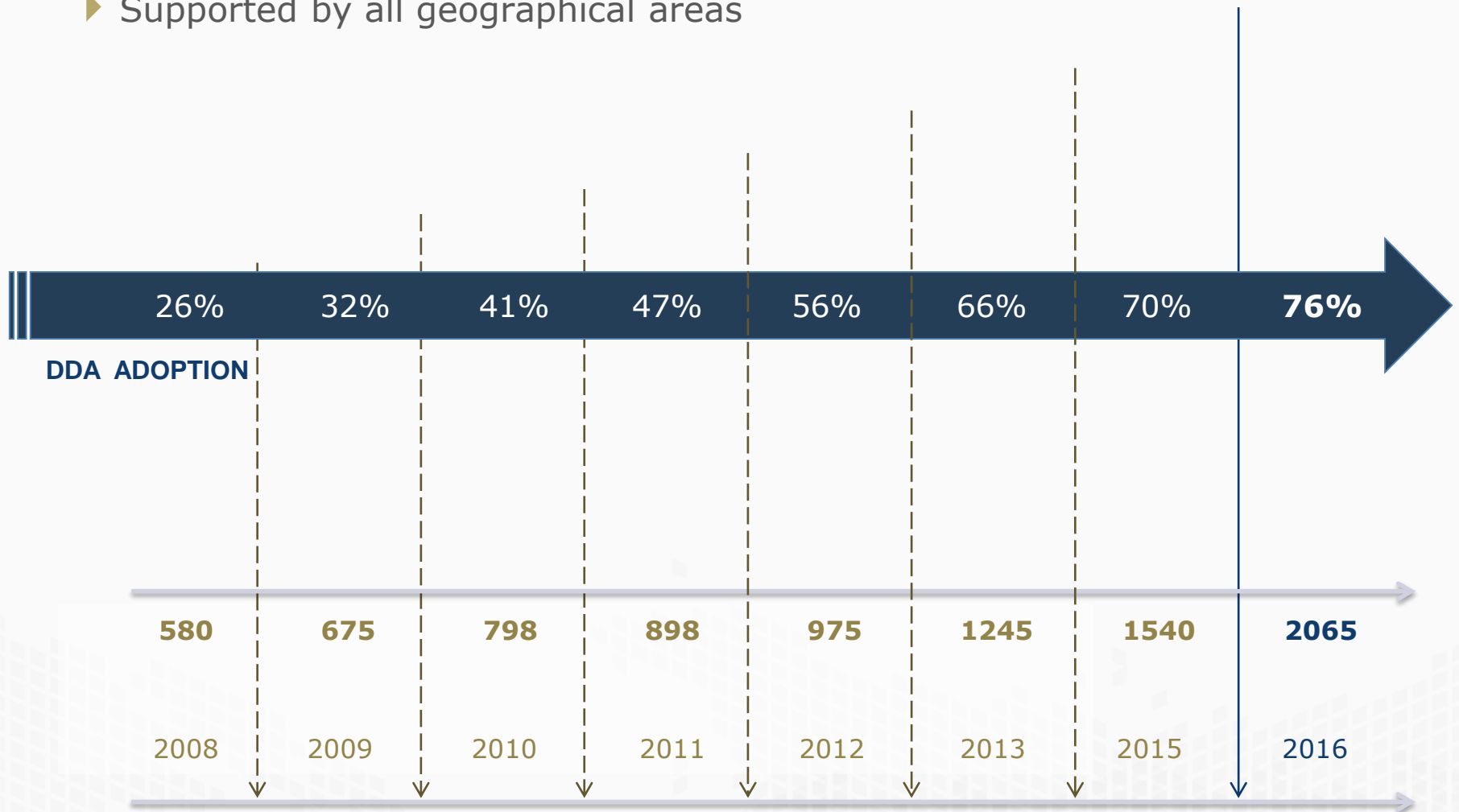


- ▶ +20% YoY growth
- ▶ > 55% shipments contactless (excluding Americas)
- ▶ Contactless mix improving in Asia, Europe & CISMEA
- ▶ Americas is the only continent where contactless is limited

 **Contactless**

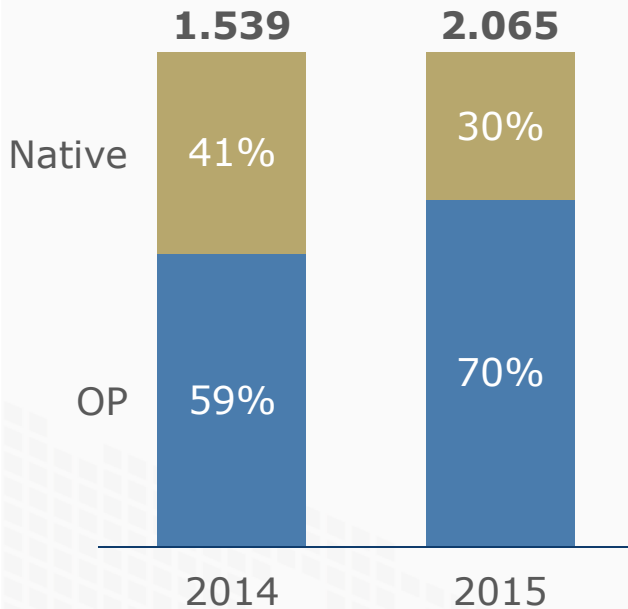
# DDA cards reached 76% of shipments

- ▶ DDA Growth in 2015: +46%
- ▶ Supported by all geographical areas



## Operating system: Open Platform far ahead

- ▶ With +58% growth in volume
- ▶ Open Platform reaches 70% of global shipments
- ▶ Supported by all regions

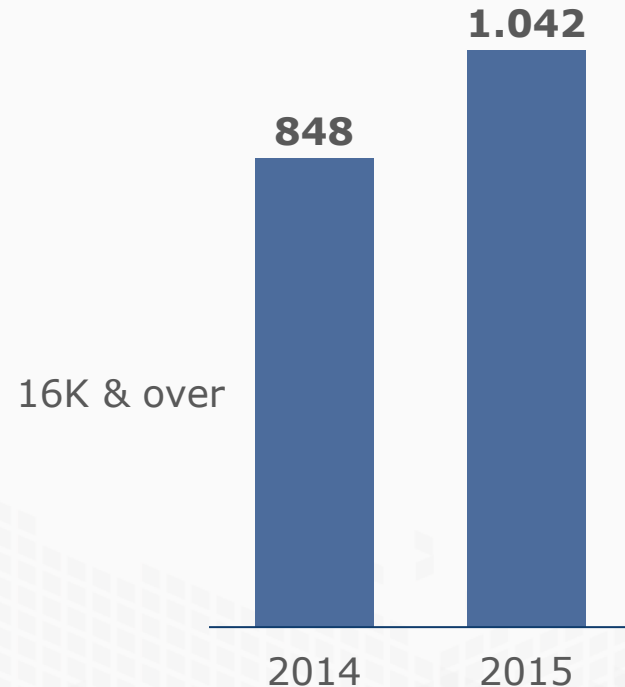


## 2 others characteristics

### Size :

More than 50% of shipments are 16K or higher

- ▶ +23% growth in volume



# 04.

## Take away

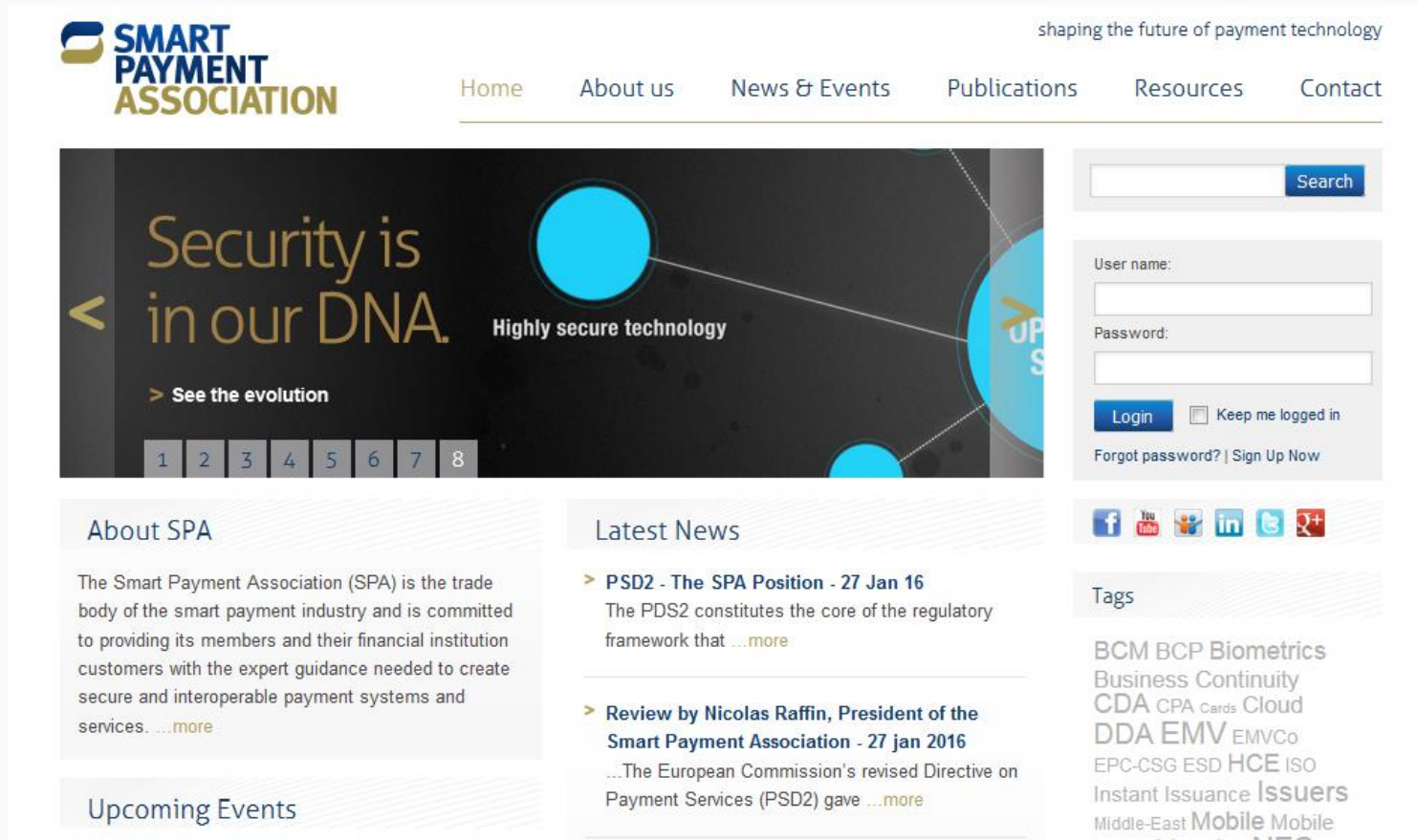




## Take away

- ▶ EMV is a truly established, global secure & interoperable infrastructure
  - SPA smart payment card shipments exceeded 2 billion in 2015
  - Volume strongly increases in all regions
  - On top of US, many new countries migrating
  
- ▶ 2015 is the year of EMV explosion in the US
  - 577 million smart payment cards delivered by SPA Members
  - TAM\* above 600 million
  
- ▶ Contactless technology continues to grow in 2015 – with over 730 million contactless cards delivered by SPA members
  
- ▶ Move towards ever more secure ways to pay
  - DDA represents 75% of shipments globally
  
- ▶ Using always more Open platform technology
  - 70% of shipments are based on open Platform Operating system

\*Estimation



The screenshot shows the homepage of the Smart Payment Association website. At the top right, the tagline "shaping the future of payment technology" is displayed. The navigation menu includes Home, About us, News & Events, Publications, Resources, and Contact. The main banner features the text "Security is in our DNA. Highly secure technology" with a "See the evolution" link and a numbered list from 1 to 8. On the right side, there is a search bar and a login section with fields for "User name:" and "Password:", a "Login" button, a "Keep me logged in" checkbox, and links for "Forgot password?" and "Sign Up Now". Below the login section are social media icons for Facebook, YouTube, LinkedIn, and Twitter. A "Tags" section lists various industry terms such as BCM, BCP, Biometrics, Business Continuity, CDA, CPA, Cards, Cloud, DDA, EMV, EMVCo, EPC-CSG, ESD, HCE, ISO, Instant Issuance, Issuers, Middle-East, Mobile, and MFA.

Contact: [info@smartpaymentassociation.com](mailto:info@smartpaymentassociation.com)

# Thank You

[www.smartpaymentassociation.com](http://www.smartpaymentassociation.com)

# 05.

## Appendix





## SPA Market Data Monitoring Process

- ▶ The figures in this presentation are actual shipments published by SPA.
- ▶ Actual shipments data, segmented by region and by interface, are sent on a quarterly basis by SPA members to an independent third party.
- ▶ There is no direct exchange of data between SPA members. Consistent with SPA's practices for the exchange of historical data, the third party aggregates and anonymizes the data so that no SPA member is able to identify another SPA member's contribution.
- ▶ The data is published on an annual basis, at the end of the first quarter of the following year.
- ▶ Once a year, total market estimates by region are also sent by SPA members to this independent third party to evaluate TAM (Total Available Market).

