



## Headlines

### Payment - **The wave of concentration continues**

- **FRANCE** – Société Générale acquires PayXpert
- **GERMANY** – Deutsche Bank consolidates its payments business with Fiserv
- **EUROPE** – Worldline offers a payment solution dedicated to marketplaces
- **FRANCE** – Crédit Agricole adds another dimension to its BaaS subsidiary

While last month the BPCE group sealed the merger of its payment subsidiaries Payplug and Dalenys, Société Générale is taking advantage of the economic situation to acquire British player Payxpert and its rival BNP Paribas is doing the same with fintech Kantox. Crédit Agricole explains that it wants to strengthen its position in payment services for SMEs by launching a new pro account offer in its Crédit Agricole and LCL networks, which will be operated by Okali, the new entity created from SFPMEI, which should serve the group's ambitions in the field of Banking-as-a-Service. Other European players are following the same trend: on the German side, Deutsche Bank, which is making a strategic shift and relaunching its activities in the field of payments, is announcing a partnership with Fiserv and the fintech Credi2, and Worldline, which has just finalised the sale of Ingenico's activities, is announcing the purchase of Online Payment Platforme, a Dutch company providing online payment services and offering a payment solution dedicated to marketplaces and platforms. The aim of these major moves is to strengthen the position of traditional players in the payments market so as not to leave the field open to rising fintechs such as Stripe and Adyen, but also to counter the growing threat of American and Chinese technology players.

### Mobility - **A strategic shift for the banking industry**

- **FRANCE** - BNP Paribas puts mobility at the heart of its development projects
- **FRANCE** - Sofinco steps up its commitment to green mobility
- **FRANCE** - Crédit Agricole Consumer Finance invests in the future of mobility with Hopium

Whether it is to prepare the transformation of their model, the famous "Beyond Banking" or to serve the wider evolution of our societies about the ecological emergency, the French banks seem to be converging towards mobility, which is at the heart of their strategic projects. Indeed, the banking players have multiplied the announcements of partnerships, during the French Salon de l'Automobile, such as Société Générale with Rezoocar, Crédit Agricole, which through its subsidiary Sofinco Auto signed an agreement to create the captive Aixam Finance; but also, more ambitious projects such as the YouRmobile platform of Sofinco or the "all-in-one" digital platform dedicated to mobility of BNP Paribas, announced on the Mobility Days of the group. After real estate, the banks have set their sights on this sector of activity, which involves many players. The banks intend to rely on their proximity to customers and partners to build a complete range of solutions that meet the needs of all the players in the ecosystem: from the manufacturer to the end user.

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## A word on...

- **FRANCE** – The Banque de France has just announced the launch of a new governance structure within its organisation. Called the **National Committee for Means of Payment**, this body will, as its name suggests, be in charge of issues related to French means of payment and their accessibility. The **National Committee on Payment Instruments** (CNMP) replaces the current National Committee on Cashless Payments (CNPS) and the Steering Committee of the Cash Channel (CP2F). It will have to adopt recommendations to : facilitate access to payment instruments for the entire French population, continue the implementation of the national cashless payments strategy (2019-2024) and the national cash management policy. And the first mission to which the CNMP has devoted itself concerns an inclusive issue, i.e. access to quality means of payment for people with disabilities and/or those who are far from digital technology. Pooling at the heart of the commitments. The announcement of the launch of the CNMP also came in conjunction with another announcement, concerning the strengthening of the mutualisation movement announced by several historical players in French banking. After ATMs, it is in fact the mutualised processing of cheques that is at the heart of their ambitions. BNP Paribas, Société Générale and Crédit Mutuel have just added a new element to their strategy, by also addressing the possibility of pooling the processing of their cheques, in order to reduce the costs of their infrastructures and ensure long-term access to the service.
- **EUROPE** – The **digital euro**, which has been tested for two years, is now entering a new test phase in order to study its interoperability in the context of cross-border wholesale payments. The particularity of this new test phase is also that it involves the Banque de France and 14 other banks and market infrastructures. The new test phase is initiated by the transfer system company Swift. It will again focus on wholesale exchanges. The aim of the trial is therefore to issue cross-border payments in digital Euro in order to test the interoperability between the different technologies and payment systems that exist. In other words, to ensure that all IT systems work harmoniously so that the digital euro can circulate and be recorded on dematerialised books of account. The challenge is also to be able to test new tools: A technology for tokenisation of assets through a blockchain; A platform for cross-border payments with various MNBCs. These payments will be made in simulated digital Euro, and issued by the participating central banks. For the Banque de France, it is now a question of confirming its commitment to the project.
- **FRANCE** – For years now, telecom operator **Orange** has been trying to find the right model for its banking subsidiary in France. The offer has been thwarted since its inception and the postponement of its official launch. Since then, Orange has been trying to breathe new life into it by multiplying the changes of course. But its heavy losses now seem to be pushing the operator to give up. Credit, real estate credit, insurance, renewal of the loan offer or even global reorganisation... Orange seems to have exhausted all strategic recourses to launch its banking subsidiary on the road to success. Financially, the losses are getting worse, with Orange Bank having made its group lose some 880 million euros in five years. If in 2021, Orange seemed to be looking for a buyer for its activity, this decision to sell could finally be confirmed this year. Les Echos announced that it has information about a new sale project for the neo-bank. Orange is said to have mandated the investment bank Lazard to help it find outlets for its subsidiary. A pure and simple sale would even be envisaged by the group, which would nevertheless leave itself several options regarding an external participation or even the creation of a joint-venture. Nothing is clear yet, except that Orange is currently faced with the need to rethink its model once again.

- **FRANCE** – As previously envisaged, following its exit from the Crédit Mutuel Arkéa fold, Budget Insight can now implement the strategic shift announced by turning resolutely towards the international market. This is the meaning of the rebranding carried out today, as Budget Insight becomes Powens, "Open Banking with superpowers". These "superpowers" are the many applications to which Budget Insight has diversified over time: access to loan data, access to savings or investment accounts or even cryptocurrencies, automated collection of invoices and supporting documents. This strategy is expected to be supported by a strategy of company acquisitions throughout 2023, to strengthen in Europe. Budget Insight also announces that its European connectivity is now extensive, with 1,800 financial institutions covered and numerous crypto-currency exchange platforms (including Trade Republic, DEGIRO, FTX, Binance and Bitpanda).
- **FRANCE** – Following the acquisition of SFPMEI, renamed Okali, the Crédit Agricole group announced that it had built a banking offering for professionals based on the technical architecture of its new Banking-as-a-Service subsidiary. This launch is now official, with the marketing of two distinct offers, one within Crédit Agricole, the other within LCL. This launch follows a trial phase, which has now resulted in the launch of two new banks for professionals (individual entrepreneurs and the self-employed): Propulse by Crédit Agricole and LCL Essentiel Pro. Subscription cost: from €8 per month. As with its competitors, the emphasis is on management services to lighten the administrative burden: this includes management of expense accounts, management of quotes and invoices, online capital deposit, as well as pre-calculation, remote declaration, and online payment of the Urssaf. In addition to competition from neo-banks for professionals, such as Qonto, the best known, and Shine, acquired by Société Générale, Crédit Agricole will also face competition from banking players such as BNP with its Hello Business offer. For its part, Blank, the neo-bank for professionals created within La Fabrique by CA and launched in 2020, will continue to exist under its own brand. This is a demonstration of Okali's ability to make its infrastructure available to different brands and needs. The objective is to win 250,000 customers by 2025 for all its subsidiaries for professionals.

# Cards

## Apple to reinvent credit card with savings

The American tech company has long been committed to diversifying its activities, including in the financial services market. Its efforts have even been strengthened in recent months with the launch of a dedicated entity. The brand new product launched by Apple is a saving account that aims to reinvent the credit card fundamentals.

### FACTS

- The Apple Card will soon allow its users to build up savings in an affiliated account with Goldman Sachs bank.
- The service is linked to the Apple Card's [Daily Cash](#) feature. It takes the form of impulse savings, enabling the cashback to be invested automatically in a dedicated account.
- The service is monitored from the Apple Wallet hosting the attached Apple Card:
  - configuration of the savings account,
  - management and tracking of savings,
  - automation of deposits,
  - change cashback allocation at any time (savings account or Apple Card),
  - view savings from a dashboard.
- Additional funds can also be deposited into the Goldman Sachs account from another bank account or directly via the Apple Card.
- Without providing further details, Apple and GS state that this savings account will be subject to a higher interest rate than the market standard. There is no minimum balance, deposit or withdrawal amount.

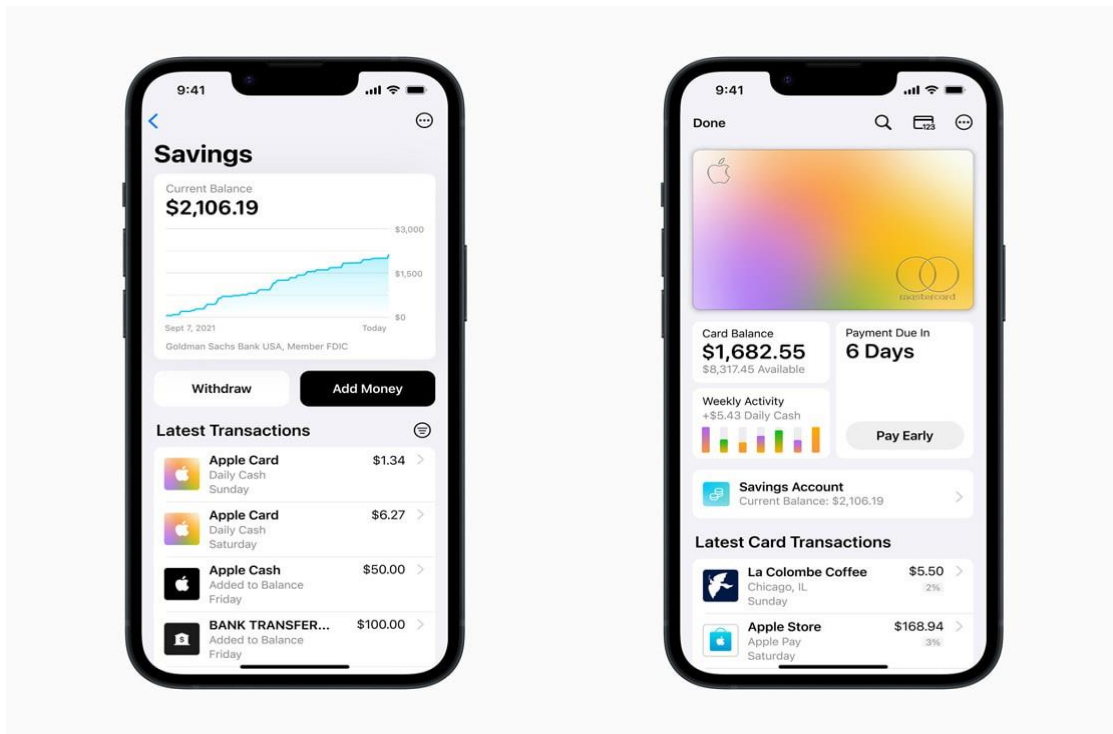
### CHALLENGES

- **Consolidate its financial positioning:** Apple has just made its mark on the market in the area of mobile payments, as the use of Apple Pay is growing. The legitimacy of its positioning on the financial market is therefore acted, and today it is naturally open to offering new services via its Apple Financing dedicated branch and its partnerships with GS, in particular.
- **Improving the financial health of its customers:** Presented three years ago as a UFO in the credit cards world, the [Apple Card](#)'s ambition was to help its customers pay as little interest as possible, by playing on the debit/credit slider and helping them to repay the amounts incurred before they generate any fees. Apple goes even further down the "financial health" spectrum by boosting their savings efforts through automation.
- **Going public: For Goldman Sachs,** the tie-up with Apple is another way to serve the retail market. The investment bank has been relying on the deployment of its dedicated offering, Marcus, for this purpose, but the latter seems to be experiencing difficulties according to some market observers.

### MARKET PERSPECTIVE

- The credit card model has been widely criticised in the US as generating significant costs for consumers. Even if their market share is maintained among a part of the clientele, younger people are increasingly turning away from these means of payment and prefer alternative payments such as the BNPL.
- The automation of savings is a very popular service for customers, that has popularized Personal Financial Management apps, such as the American neobank Chime or the fintech [Clarity](#), which had been taken over by Goldman Sachs, that is partnering with Apple to produce the Apple card.

Source : [Presse release](#)



# Mobile services

## Satispay raises funds and sets up in France

Italian FinTech specialized in mobile payment, Satispay, recently showed its success in its home market and can claim to be the only unicorn in the country. It is now counting on a major fundraising to push the advantage further and expand into new markets, including France.

### FACTS

- Satispay is the originator of a mobile payment solution by transfer. After registering their IBAN, customers pay (or get paid) by scanning a QR code and benefit from other advantages such as cashback.
- One in four purchases made from a mobile phone in Italian shops was made via the Satispay payment solution in Italy last year. The FinTech has a 26% market share in Italy.
- It also has just completed a new round of financing led by Addition and followed by Greyhound Capital, Lightrock, Block, Coatue Management, Mediolanum Gestione Fondi and Tencent.
- The amount of its new Series D round is estimated at 320 million euros. This amount allows it to reach the status of unicorn, while its valuation has just exceeded the billion euro threshold.

### CHALLENGES

- **Going beyond the Italian borders:** Well established in its home country, Satispay now plans to become a reference in the European payment sector and even, in its own words, to become the European super network for digital payments.
- **Doubling its workforce:** Satispay also intends to take advantage of these funds to recruit and increase its workforce from 300 to 600 over the next 18 months. This new workforce should enable it to run its four new offices in Milan, Luxembourg, Germany and France.

### MARKET PERSPECTIVE

- Satispay currently has some 3 million users, mainly in Italy but also in Luxembourg and Germany where it has already started its international activities. More than 200,000 merchants are also listed as customers of the service, including Decathlon, Benetton and Carrefour Italy.
- The Italian FinTech with European ambitions will also have to rely on its accumulated losses to succeed in its expansion without worsening its financial situation. At the end of 2021, it had accumulated losses of 10 million euros. Satispay nevertheless recorded a doubling of its turnover over one year, from 2.3 million euros to 5.26 million euros in 2021.

Source : [LinkedIn](#)





# Loyalty programs & Cash-back

## Klarna continues its transformation with Spotlight

Whereas the fragmented payment business model is under pressure, Klarna is continuing to transform its application into a major player in online commerce. Presented as Klarna's biggest product innovation, Spotlight is based on three pillars: a new enriched product search engine, the integration of a live shopping interface and a dedicated influencer monitoring tool.

### FACTS

- Klarna's new smart search tool compares thousands of websites to help consumers find the best price for any product and lists the results in an ordered overview.
- Spotlight presents consumers with various options:
  - contextual recommendations;
  - Search filters by colour, size, customer reviews, shop availability and shipping options;
  - coupon suggestions;
  - Enhanced CO2e tracking providing a deeper understanding of the emissions generated by purchases;
  - an option to donate to non-profit organisations, set up through a direct partnership.
- In addition to this, a live shopping feed is integrated directly into the heart of the Klarna application. It allows consumers to purchase items directly from the video.
- This service is combined with the Creator Platform, a portal that connects designers and retailers to scale and optimise campaigns, Klarna continues to open up new channels and revenue streams that generate measurable growth for its 450,000 retail partners worldwide.

### CHALLENGES

- **Search, discover and create:** Spotlight aims to
  - Provide an unbiased search tool that offers a better way to search, which is a priority for Klarna's customers,
  - To be "a one-stop shop for merchants and creators to work together to automate everything from initial outreach to partnerships, sales tracking and commissions.
- **Anticipating new uses:** According to Klarna's Holiday 2022 report, when asked what shopping services customers plan to use for their holiday shopping this year, 42% said price comparison tools. Introducing a whole new way to search.

### MARKET PERSPECTIVE

- If Klarna, which is facing difficulties with its historical fractional payments business and significant capital losses with the decline in its valuation, is accelerating in the shopping niche, it is because competition from new online shopping players such as [Shopify](#) or [Instagram](#) is also very strong.

Source : [Website](#)

The image shows three smartphones side-by-side on a pink background. The leftmost phone displays the Adidas mobile app with sections for 'Top Products' (featuring Adidas UltraBOOST 22, Adidas Yeezy Boost 350 V2, and Adidas Yeezy Boost 350 V3), 'Sneakers in Categories' (Shoes, Children's shoes), and 'On Sale' items. The middle phone shows a social media-style advertisement for 'LE MONSTER LIP CRAYON Rose' by @hauslabs, featuring a close-up of a woman's lips being painted with a dark crayon. The rightmost phone displays a Klarna dashboard with a line graph showing performance from '1 Sep -28 Sep' and a summary table of earnings.

Category	Earnings
Total earnings	\$ 2185
Sale earnings	\$ 1954
Click earnings	\$ 231

# Klarna.

## BNP Paribas rolls out its CashBack programme with Paylead

French bank BNP Paribas has just announced the launch of its new CashBack programme called "Mes Extras". Aimed at its individual customers, it has been developed on the basis of a partnership signed with the FinTech specialist in bank data analysis PayLead. An offer that comes at the right time to convince in the current context.

### FACTS

- "[Mes Extras](#)" is presented as BNP Paribas' new rewards programme for its retail customers in France.
- Developed in collaboration with PayLead, it will enable BNP Paribas to automatically reward its individual customers each time they use their payment cards or direct debits to make purchases from numerous partners (more than 100 major retailers such as Carrefour, Castorama or Picard).
- "Mes Extras" allows customers to benefit from a 5% CashBack applicable without a minimum purchase amount, and paid directly into the account of the French bank's customers (in the form of a monthly payment within 30 to 90 days after purchase).
- Activation of the "My Extras" feature is free and takes just a few clicks within the BNP Paribas "My Accounts" application. This application then allows customers to consult the amount of their accumulated rewards, as well as the special offers available from partners.

### CHALLENGES

- **An effort in favour of purchasing power:** The launch of the BNP Paribas and PayLead offer comes at a time when inflation is making the headlines and with it the question of the decline in the purchasing power of the French. "Mes Extras" is a response from BNP Paribas to help its clients deal with this situation.
- **Building loyalty:** This functionality should serve the French bank as a lever for building loyalty. As a specialist in banking data analysis, PayLead is also committed to providing BNP Paribas with information to help refine its customer knowledge and personalisation.
- **Upgrading its traditional offering:** Until now, loyalty programmes were reserved for subscribers to the Lyf payment service, which had made it its trademark, or for Hello Bank customers. With this new offer, BNP Paribas is opening up this type of benefit to all of its green bank customers.

### MARKET PERSPECTIVE

- This announcement comes at a time when BNP Paribas has also just announced that it will freeze all its banking fees for individual customers in 2023.
- On the specific subject of cashback, offers have multiplied in recent years, particularly in France by alternative FinTech players. But BNP Paribas cannot claim to be the first traditional player to offer this type of service in France, whereas Société Générale, LCL and Crédit Agricole presented theirs several years ago.

### [Vidéo](#)

Source : [Blog](#)



## Paypal integrates Honey's rewards program into Paypal Rewards

Three years after its acquisition, Paypal has announced the integration of this discount and rewards programme into its application under the name Paypal Rewards. This new feature is intended to allow the wallet to stand out from the competition in the face of increasingly inventive players in the field of payments.

### FACTS

- The new programme will replace Honey Gold, the rewards programme for users of the Honey browser extension.
- This loyalty programme allows customers to redeem their points for cash, gift cards or PayPal purchase credits.
- With the new PayPal Rewards, consumers will be able to track and redeem their points directly in the PayPal application. PayPal is also announcing new ways to earn benefits.
- Once redeemed for cash, funds can be transferred to a linked bank account, deposited into a PayPal savings account, donated to charity or sent to someone else as a peer-to-peer (P2P) payment.

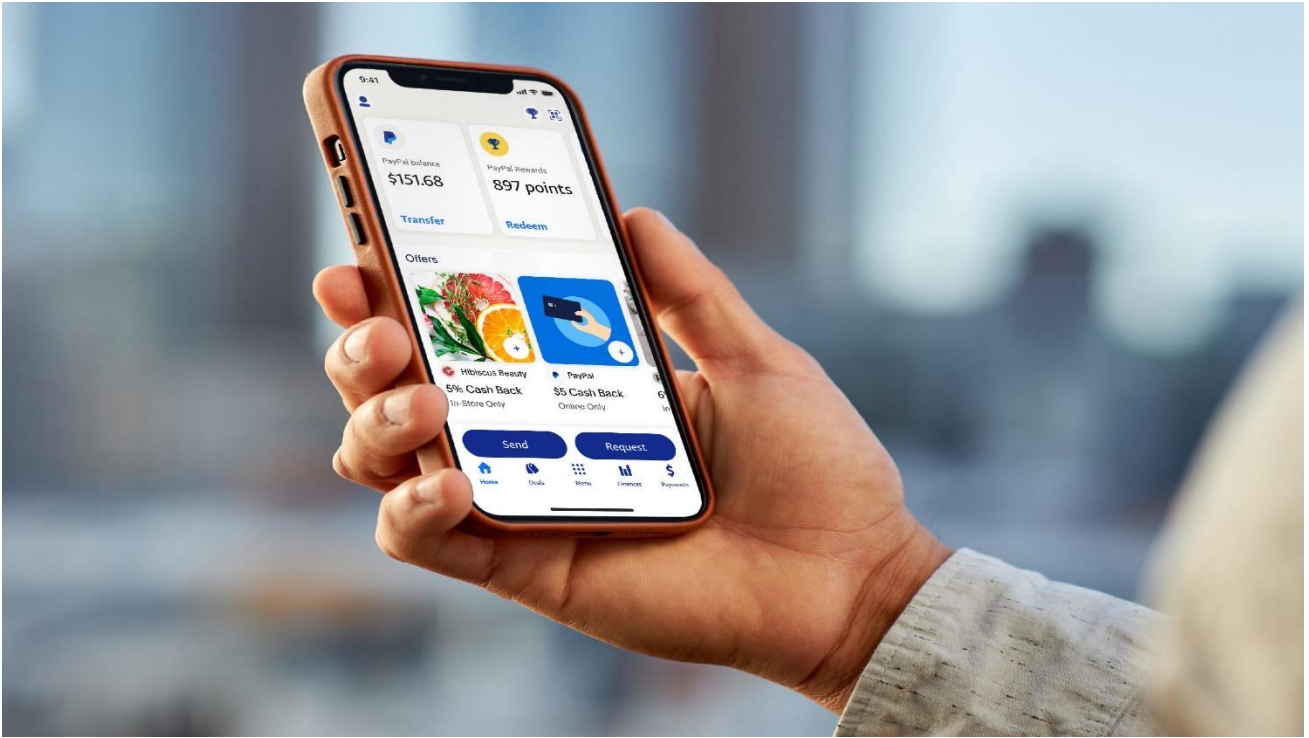
### CHALLENGES

- **Moving up the value chain:** With the advent of increasingly integrated payment experiences, the battle for online payment is moving up the value chain and away from the payment page itself. Players such as Instagram, Pinterest and TikTok aim to capture users within their ecosystem. By offering promotional codes and coupons, Paypal wants to move up a notch in the shopping journey and direct consumers to the sites of their favourite merchants.
- **Fulfilling a current need:** With the financial challenges people are facing these days, caused by rising prices, consumers are more attentive and demanding this type of discount program. According to IDC, Consumer Sentiment Survey, 2022: 25% of US consumers say that loyalty programmes are the most important factor when deciding to make a purchase.

### MARKET PERSPECTIVE

- The new service that Apple introduced last week is linked to the Daily Cash feature of the Apple Card. It takes the form of impulse savings, allowing the cashback to be placed automatically into this dedicated account.
- Klarna has also announced a redesign of its Spotlight search engine, which is based on discount coupon proposals integrated directly into the shopping experience.
- Finally, traditional banks are also revisiting their traditional loyalty programmes, such as "Mes extras", the new cash-back programme of BNP Paribas.

Source : [Presse release](#)



## B2B Payments

### Pennylane moves from accounting to professional accounts

FinTech specialising in accounting and financial management for businesses, Pennylane has just announced the effective launch of its new alternative to the traditional bank account. Its Pro Account is still aimed at businesses but integrates a payment service directly into its basic accounting offer. This is a way to get a little closer to the banking market.

#### FACTS

- Pennylane has historically offered a SAAS solution for French VSEs and SMEs, linking them with their accounting firms. In addition, it will now also offer them a new service called Compte Pro.
- The Compte Pro service is presented as an alternative to professional bank accounts. It is intended to give business owners access to a means of payment and a new platform of services to help them manage both their accounts and their expenses.
- The payment method offered by Pennylane is a 100% configurable Mastercard (amount spent, period of use, types of expenditure), issued by its partner Swan.
- The Pennylane Pro Account also offers :
  - a French IBAN,
  - various payment methods (transfers, one-click payment, m-payment such as Google Pay, Apple Pay),
  - a payment and scheduling solution for up to 400 invoices,
  - the issuance of as many physical or virtual payment cards that can be configured as necessary to equip employees (5 euros per additional card),
  - a notification system to encourage card users to add a photo of their invoice after each expenditure, via a mobile application, allowing automatic accounting reconciliation.
- The Pennylane Pro Account is included in all paid subscriptions and is directly accessible to all new subscribers.

#### CHALLENGES

- **An all-in-one tool:** Pennylane Pro Account covers customer and supplier invoicing, cash flow monitoring, accounting, all financial flows and payments. It therefore connects expenses and accounting to facilitate the financial life of company managers.
- **Admit your ambitions:** Pennylane is taking advantage of the announcement of the launch of its Pro Account to assume that the FinTech plans, in the long term, to offer a complete financial operations management system for businesses. In any case, it is positioning itself on a new competitive field today, facing Qonto for example.
- **Facilitating the daily life of companies:** Pennylane also emphasises its intrinsic ambition, its raison d'être, to help companies in the daily management of their business and to lighten their financial and administrative burden.

#### MARKET PERSPECTIVE

- The evolution of Pennylane's service offerings did not leave much doubt as to its medium-term strategic objectives. Presented from the outset as a FinTech dedicated to corporate accounting management, Pennylane was above all seeking to establish itself, through partnerships and associations, as a marketplace for financial services in the broadest sense for its target.
- It is now officially moving from being an aggregator to being a banking alternative dedicated to professionals.
- Its partnership-oriented strategy is not over yet. Recently, Pennylane also announced a partnership with Implid, a player in the field of law and business advice.

Source : [Blog](#)





## BtoB payments: BNP Paribas acquires fintech Kantox

The fintech Kantox, which specialises in automated foreign exchange risk management, is in the sights of BNP Paribas. The latter has just signed an agreement to acquire the fintech. Kantox's technology has attracted the bank, which will be able to distribute it to its corporate clients. It is counting on a long period of joint work with the fintech, which began in 2019, to generate synergies from this merger.

### FACTS

- Kantox offers software for the automation of currency risk management:
  - the emergence of new currency risk exposures,
  - analysis and monitoring of risks,
  - execution of hedging transactions,
  - post-trade performance analysis.
- A strategic partnership had been initiated in September 2019, when BNP had invested €8 million in the fintech's capital.
- This acquisition is the logical next step. It should be finalised in the next few months, following the approval of the regulatory authorities.
- According to the Spanish press, the amount of this operation could be as high as 120 million euros.

### CHALLENGES

- **This acquisition is in line with the Growth - Technology - Sustainability 2025 strategic plan**, which places a strong emphasis on technological innovation for a more sustainable development and a better customer experience. Kantox's API model and its use of artificial intelligence make it a technology start-up that meets these expectations. It will also enable BNP to assert itself on the BtoB payments market and to better serve its international clients.
- **This is a long-prepared acquisition:** BNP Paribas has been working with the start-up for three years to enable it to distribute its offers. It is this strategy that should enable the bank to make the most of this acquisition and better integrate the fintech within the group. Kantox will accelerate its growth within BNP Paribas by benefiting from both the bank's customer base and its in-depth knowledge of these customers.

### MARKET PERSPECTIVE

- BNP Paribas has been working with the fintech Expensya since the summer to offer its customers an automated and paperless expense report solution associated with its corporate card offerings.
- In 2020, Kantox recorded a turnover of €10 million and losses of €4 million. In 2021, this turnover is expected to rise to 13.4 million euros with losses of 2.5 million euros.

Source : [Presse release](#)

# kantox



# BNP PARIBAS

## Feedback: Soan raises €3.2 million to accelerate its development in the business-to-business payments market

Soan is a Bordeaux-based fintech created in 2018, covering the entire value chain of business-to-business payments via a SaaS subscription platform. It has obtained a payment service provider licence to offer its solution without intermediaries and without commission. The law that will come into force in 2024 on the dematerialisation of company invoices could be a real opportunity for this new player.

### FACTS

- Soan is a subscription-based SaaS solution (without commission) that makes it possible to optimise :
  - the management of payments between companies
  - creation of invoices and follow-up of automated reminders
  - collection (in partnership with Allianz Trade)
- Its SaaS solution allows companies to :
  - pay and be paid in one click with its "Pay 1 click" solution
  - offer payment by bank card, payment in instalments in 3 times without charge (via MangoPay), instant transfers (via Bankin'), and direct debits (via Gocardless)
- Since its creation, the fintech has raised €4.7 million.
  - A new round of funding (Series A) of €3.2 million, led by Seventure Partners (a subsidiary of Natixis Investment Managers) and Allianz Trade, alongside the historical investors, has been added.
  - CEO Nicolas Lemeteyer is already announcing a new, even larger round in the medium term.

### CHALLENGES

- **To make a place for itself on the B2B payment market**, between new entrants such as Sellsy or Pennylane and the traditional players. Soan intends to take advantage of this fundraising to accelerate its HR development, in particular to recruit more senior profiles to give young salespeople their know-how, notably via an internal sales school. Soan currently has 40 employees and plans to recruit 30 new ones over the next 12 months.
- **Focus on UX and functionality**: Soan is focusing on its interface to make its solution easier to use. This round of funding will enable the development of new features. Indeed, its simplicity and the fact that it offers both the issuing of the invoice and its payment are what make its value proposition. The one-click payment option considerably shortens the time it takes to pay invoices, which are already in dematerialised format.
- **Continue to expand internationally**: Europe has 23 million potential business customers, making internationalisation a crucial issue for the startup. In particular, it has launched its solution in a Spanish subsidiary in 2021.
- **Anticipating hyper-growth**: the fintech currently has 2,000 customers and hopes to be able to manage a few tens of thousands thanks to the dematerialisation law that will come into force from 2024.

### MARKET PERSPECTIVE

- Cash flow, a major issue for French VSEs/SMEs. The Banque de France estimates that late payments represent nearly 19 billion euros in lost revenue, mainly for small businesses with cash flow problems. In addition, Soan estimates that each year, 19 billion invoices are issued in France, of which only 4.2% are digitised. SMEs spend an average of ten hours each week managing and dunning their invoices. With Soan's solution, 91% of invoices are paid within 48 hours.
- The stakes are high for Soan, as the dematerialisation market is expected to explode by 2026, following the entry into force of the law on dematerialisation from 2024. This law introduces "the obligation to equip oneself to issue and receive electronic invoices". It will apply on 1 July 2024 for large companies, six months later for SMEs and on 1 January 2026 for the 150,000 French VSEs and SMEs.
- In February 2022, Soan entered into a partnership with La Banque Postale to anticipate the future obligation for the 100,000 VSE customers to dematerialise their invoices. The POC between the two players enabled the bank to test its customers' appetite for this type of service without having to develop an in-house solution.

Source : [Presse release](#)



## Feedback: why October is folding its business in Germany

When October launched its alternative lending business in Germany in 2019, it was based on the fact that this business was not well developed in Germany and that no player had yet emerged. The structure of the German market, with its large number of SMEs and SMIs, also made it a promising market. However, this was without taking into account the specificity of the regional banks, nor the tightening of financing conditions which are combined with the economic crisis.

### FACTS

- Germany is a relatively overbanked country with over 1600 banks, mainly divided between two large regional organisations. The challenge for these banks is digitalisation: they are struggling to keep up with regulatory changes and their development has not kept pace with the changing needs of their customers.
- There are a few dedicated alternative finance platforms for SMEs in Germany, including Auxmoney, Creditshelf, Funding Circle and Kapilendo [now Invesdor]. 11.4 billion in 2021, according to the Association of German Lending Platforms (VdK), which is very small compared to the total market volume of
- It is in this context that October, after two years of presence on the German market, has taken the decision to withdraw and stop its direct activity there. It will now focus on its business in partnership with other fintechs.
- The fintech only managed to transform 78 credit projects out of the 3,518 financed by October in Europe, for a total amount of nearly 812 million euros.
- Finally, it should be noted that Germans are very price sensitive. They usually focus on the most visible costs, namely the interest rate. As a result, bank loans in Germany generally benefit from very low interest rates and bank margins are therefore low.

### CHALLENGES

- **A very specific regional context:** The German SME market is an attractive (3.5 million SMEs) but difficult market. Indeed, German SMEs are still very little digitised. They are also very tied to their local bank in the relationship. It is therefore difficult to acquire new customers, a difficulty that October, which mainly targets companies with a turnover of less than €20m, has encountered. The other major obstacle to entering the German market is its regulatory framework; the country has introduced specificities that go beyond European legislation on data protection (RGPD) or money laundering, two factors that have complicated the task of the French fintech.
- **A return to embedded finance for October:** In Germany, its services will now only be offered through the software interface of its partners (APIs), neo-banks, such as Qonto or Agicap or other companies targeting SMEs. With an embedded finance model, October also gets around the regulatory hurdle.

### MARKET PERSPECTIVE

- In June, October, as the French market leader, acquired its competitor Credit.fr from investment fund Tikehau Capital. Credit.fr is the second largest lending platform for French SMEs in terms of volume. The new entity will represent more than 860 million euros lent to 3,100 European companies.

- The rapid digitalisation of German SMEs is also attracting factoring players such as fintechs [Billie](#) and [Mondu](#), which recently raised funds from major players to digitalise this BtoB fractional payment business.
- Other French players have encountered the same difficulties on the German market. This is the case, for example, of Qonto, which also targets SMEs. In order to establish itself on a long-term basis in Germany, it bought [Penta](#), its main competitor, which was already very well established with this target group.

Source : [Les Echos](#)



# october

Auf Wiedersehen



# Open Banking

## Tink and Adyen join forces for Open Banking payments

The Dutch payment platform Adyen has just announced its association with the Swedish open-banking start-up Tink. The aim of this partnership between two European specialists in the financial technology sector is to create a new pay-by-banking solution that combines payment with open banking.

### FACTS

- Tink will now power Adyen's new pay-by-bank payment solution. The latter will allow Adyen's corporate customers to offer instant bank payments to their own customers.
- On the consumer side, payment can be made directly from their banking environment in a simplified and seamless manner.
- The service is offered as a white label by Tink, leaving Adyen in front of its customers. The implementation of Pay-by-Bank is simplified and can be done in a few clicks thanks to Adyen's unified platform.
- Adyen was already using Tink's Account Check technology, which allows Adyen customers to instantly verify account ownership to streamline payments.
- Initially launched in the UK, the pay-by-bank solution is due to be extended to several markets during 2023.

### CHALLENGES

- **Advancing Open Banking in Europe:** This new partnership signed between Tink and Adyen is presented as a lever to accelerate the deployment of open banking payments in Europe and participate in the ongoing revolution of bank-to-bank payments (A2A).
- **Improving its offer:** The strengths of this new payment offer are clearly stated, the pay-by-bank solution is presented as more secure, fast and convenient than traditional payment solutions. This partnership will allow Adyen to launch a variable recurring payment (VRP) service that several fintechs such as Gocardless or Payit launched earlier this year.

### MARKET PERSPECTIVE

- Bought by Visa in 2021, Tink has established itself on the international scene as a reference in open-banking and as a player capable of driving this revolution in financial services. Lemonway and SlimPay have also since opted for partnerships with Tink to develop new open payment services.
- It is moreover this reference status that has convinced Adyen today to ensure the launch, with Tink, of their new pay-by-bank service.

Source : [Blog](#)





## Pledg and Budget Insight partner with BNPL

The French fintech specialised in fragmented payment solutions, Pledg, has just found a new strong partner in its fight to democratise BNPL. This time it is Budget Insight, the French reference in account aggregation. This merger underlines the dynamism of the market and the ambition of its players to respond to the criticisms it is generating.

### FACTS

- Pledg and Budget Insight will now work together. Pledg will actually use the Budget Insight Bank product of its new partner, its B2B account aggregator, to access the banking data of more than 2000 European financial institutions via Open Banking.
- The objective for Pledg? To know the creditworthiness of the end users of its fractional payment solutions in less than a minute.
- The system should thus allow for the seamless integration of a financing agreement solution (fractional or deferred payment) within the customer's journey.

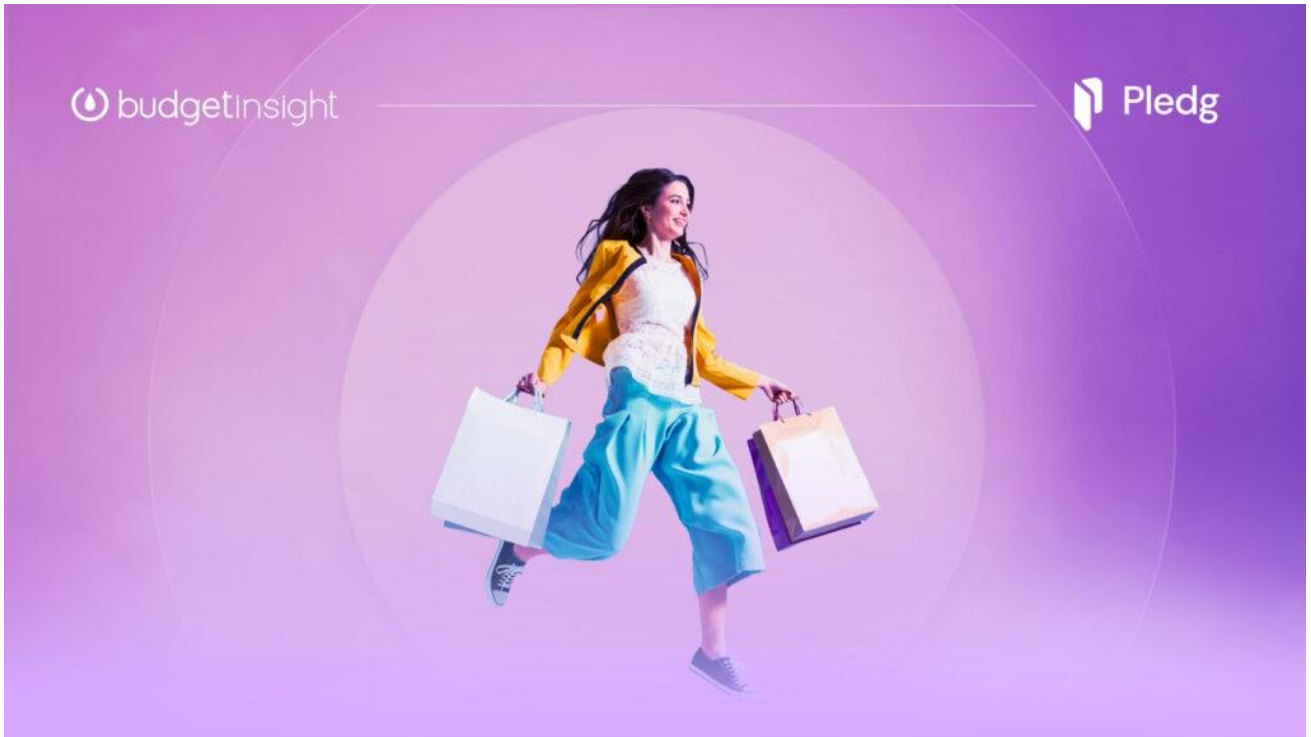
### CHALLENGES

- **Countering criticism:** The main objective of Pledg and Budget Insight is to pool their expertise in order to counter the risk of insolvency of BNPL's clients, a risk that has now been assumed.
- **Internationalising its offer:** With this new consumer protection safeguard, Pledg hopes to be able to expand its offer more easily internationally. The FinTech currently has 400 customers in France and Europe, and was already counting on a partnership, signed with Allianz Trade a short time ago, to open its solution to the European BtoB market.

### MARKET PERSPECTIVE

- The BNPL market and its players are coming under increasing fire in a context marked by inflation and declining purchasing power. Although fractional or deferred payment solutions have been presented since their launch by market players as practical payment alternatives, they nevertheless represent new risks of overindebtedness.
- The authorities are mobilising throughout the world to ensure a stricter framework and to protect consumers from problems linked to the lack of transparency of offers.
- However, this context does not seem to limit the enthusiasm of the players involved, and the prospects of this emerging market are even encouraging new financial service providers to position themselves, such as Budget Insight.

Source : [Presse release](#)



# Banking-as-a-Service

## Crédit Agricole adds another dimension to its BaaS subsidiary

La Fabrique By CA, the Crédit Agricole Group's start-up studio, acquired SFPMEI, an electronic money institution and a benchmark in the French FinTech market, earlier this year. Today, it is taking another step towards consolidating the bank's payment strategy by renaming the company Okali and opening up new prospects.

### FACTS

- The Crédit Agricole Group has just renamed SFPMEI to Okali with the declared ambition of developing its offer.
- First of all internationally, by allowing Okali, via its French licence, to extend its activities within the European Union.
- But also in terms of pure offers. Okali will have to be able to adapt to the specific needs of the bank's customers thanks to its modularity and its capacity to support the group's innovative projects.
- Finally, Okali will have to open its services to the corporate sector rather than just to FinTechs in order to integrate the financial bricks that are currently missing from their services.

### CHALLENGES

- **Combining strengths:** Behind the new name chosen for Okali, Crédit Agricole is defending its ambition to retain the agility of the former SFPMEI while putting the solidity of its historical banking group at its service.
- **Short-circuiting the competition:** By integrating Okali, Crédit Agricole is gaining time to position itself on the BaaS market without having to develop an in-house offer from scratch. Here again, this proven strategy represents a way for the bank to capitalise on the existing strengths of its new subsidiary.
- **Completing a system dedicated to innovation:** The collaboration between Okali and Crédit Agricole should also serve the Fabrique de la Banque, which supports the innovation of new players but has not, until now, had this regulated component to support disruptive products and FinTechs.

### MARKET PERSPECTIVE

- As a pioneer of Banking-as-a-Service, SFPMEI has until now allowed unregulated players to offer payment services (accounts, card programmes) to their customers. It served big names in FinTech such as the unicorns Lydia and Spendesk for example, but also Blank, the digital account dedicated to professionals.
- Thanks to Okali, Crédit Agricole will now be able to fulfil its objective of strengthening its payments business with small and medium-sized businesses, merchants and e-retailers, a target that has historically been less well served by traditional financial players.

Source : Presse release



## BNPL, fragmented payments

### Alma wins SNCF contract for its fractional payment offer

After shortlisting Floa Bank, Cofidis and Alma, the SNCF has just decided on FinTech Alma to manage its future n-payment offer. SNCF. This announcement confirms the place taken by this young player, in a market historically controlled by players who are now challenged.

#### FACTS

- The SNCF's positioning on the fractional payment market is now established. The French rail transport giant had already taken a step forward last September, when it selected three financial companies following a call for tenders, namely: Floa Bank, Alma and Cofidis.
- Alma was finally chosen by the SNCF to become its partner in the development of its future fractional payment offer.
- The latter should be offered to SNCF customers from the summer of 2023 to enable them to pay for their train tickets in several instalments on certain main lines, and above a certain amount.
- SNCF and Alma have not yet specified the details of their future joint offer; a contract between the two parties should be signed in the next few days.

#### CHALLENGES

- **Standing up to the competition:** In a very short time, Alma has become a reference on the fractional payment market in France, winning two major tenders in quick succession, that of Apple a few months ago and now that of the SNCF. Alma has established itself against the historical players, which initially developed in the field of mass distribution (Casino, Auchan, etc.) and are now owned by French banks (Crédit Mutuel, BPCE and BNP Paribas). This announcement therefore marks a change in the competitive landscape, which has been accelerated by the pandemic context, which has pushed e-commerce and, in its wake, the use of fractional payments.
- **A relevant economic offer:** Between inflation and the need to reduce its energy impact, facilitating access to train travel is a relevant solution in a crisis context. The opening of a fractional payment offer by the SNCF during the summer holidays, which represent a peak in activity (18 million tickets sold in the summer of 2022), would therefore be timely.

#### MARKET PERSPECTIVE

- The SNCF is following in the footsteps of travel giants that have opted to deploy split payment services. Floa Bank manages the CDiscount Voyages offer and Oney is in charge of this deployment with Air France.
- It should be remembered that Alma also worked for a time with La Banque Postale for its La Banque Postale Consumer Finance offer. But it was finally Pledg, the other young fintech on the French BNPL market, that was chosen for Django.

Source : [Presse release](#)

# alma



## Volkswagen Bank launches instant express loan offer with Credi2

Credi2, a Viennese FinTech specialising in white label solutions in the BNPL, counts among its clients renowned groups such as Apple, Raiffeisen Bank, Deutsche Bank and Volkswagen Bank. The latter has just increased its stake in the FinTech capital and announced at the same time the launch of their joint instant loan offer. This will further impose BNPL in the mobility sector.

### FACTS

- Volkswagen is thus increasing its stake to 28% in the capital of Vienna-based FinTech Credi2; its first equity investment was 20% in 2019.
- This rapprochement also pushes the two players to strengthen their collaboration by launching a new offer. Volkswagen Bank is indeed presenting an instant express loan in partnership with Credi2.
- The target group? The customers of the group's car dealers, namely the Volkswagen, Audi, Skoda, Seat and Ducati car brands.
- Special features of the offer:
  - a 100% digital solution,
  - financing of up to €12,000 to carry out repairs to one's vehicle or to buy electric scooters and accessories at the dealerships,
  - approval in less than 15 minutes.
- However, this financing is not dedicated to the purchase of a car.

### CHALLENGES

- **Boosting the activity of its network:** This partnership is presented as a way for the group's dealer customers to increase their sales and attract new prospects, thanks to a practical and accessible financing solution.
- **Strengthening a cooperation through BNPL:** The new offer presented today by Volkswagen Bank and Credi2 is similar to the "Finance A Bike" offer already launched in 2021 by both partners. This financing offer was also available for an amount of up to 12,000 euros, but was then reserved for the purchase of a bicycle in more than 1,000 bicycle shops in Germany.
- **Continuing to roll out its banking offering:** As a financial captive, Volkswagen Financial Services is now continuing to expand its financial services offering, having launched a business expense management solution in May 2021 for example.

### MARKET PERSPECTIVE

- The growth of BNPL has allowed new players to develop customer-facing offerings. However, the financial crisis has complicated the situation for these alternative players, particularly due to the increase in non-payments and the decrease in financing. Today, the extension of the Credi2 model, in white label, is giving back legitimacy to traditional players, such as Deutsche Bank, who are enhancing their expertise as credit intermediaries.
- This financing solution is also being extended to new targets, with a BtoB offer that makes it possible to streamline the settlement of small and medium-sized businesses. These BNPL solutions are also offered to help SMEs manage their cash flow, for example.

Source : [Presse release](#)

**VOLKSWAGEN BANK**  
GMBH



[credi2]



## The Chèques-Vacances give in to the fashion for split payments

The French National Chèques-Vacances Agency (ANCV) has teamed up with French FinTech and fragmented payment solutions specialist Pledg. The result is an innovative payment solution that combines ANCV Connect holiday vouchers with Buy Now Pay Later payment facilities. A small revolution for the sector.

### FACTS

- Pledg now allows Connect ANCV holiday vouchers users to pay for their tourist services in several instalments.
- How can this be done? Thanks to the introduction of new payment facilities that can be combined with Chèques-vacances Connect the dedicated mobile application of dematerialized holiday vouchers.
- Customer journey:
  - Once on the merchant site, the end customer will select payment in several instalments (by clicking on the ANCV-split payment combo button),
  - they will choose to pay part of their order with their Connect ANCV holiday vouchers,
  - the other part will be paid in several instalments, in the form of monthly instalments deducted from the customer's bank card details in the following months.
- In concrete terms, therefore, Chèques-Vacances beneficiaries will now be able to pay for the same purchase using two methods of payment: their Chèques-Vacances Connect ANCV on the one hand, and the Buy Now Pay Later payment facilities on the other.
- On the merchant side, no change, the full amount of the basket is paid at the time of the order.

### CHALLENGES

- **Adapting to the needs of the market:** Pledg presents its partnership with ANCV as one of the building blocks of its tailor-made offer, dedicated to the mobility and travel industry. Other services include a solution allowing travellers to defer payment of their tourist reservation up to three days before departure and the Capture On Debit solution allowing end customers to pay for a holiday in several instalments by ensuring their reservation from the first instalment.
- **New opportunities:** The Chèque-Vacances, a payment voucher designed to pay for services related to holidays and leisure, benefits 4.5 million employees, public servants, self-employed workers and company directors, i.e. 11 million people including their family members.
- **Boosting tourist activities:** Pledg emphasises that the use of its solutions enables merchants to see their turnover increase by 10%. ANCV capitalizes on a network of 130,000 professionals in the tourism and leisure sector throughout France, who will now be able to benefit from Pledg's complementary solution.

### MARKET PERSPECTIVE

- The joint offer of Pledg and ANCV represents a technological innovation as well as an interesting source of flexibility for the users.
- This initiative also underlines the profound transformation that is currently taking place in the service voucher sector. In addition to holiday vouchers, restaurant vouchers have been the focus of innovative initiatives and competition since their card format was introduced a few years ago.

Source : [La Revue du Digital](#)



# Player's strategy

## Société Générale acquies PayXpert

Société Générale has announced its acquisition of a new British FinTech, PayXpert. The move will give the French bank a new base of payment solutions for both physical and online commerce and will help it to develop its omnichannel offering in Europe.

### FACTS

- Societe Société Générale Generale has just made official its signature with the FinTech PayXpert with a view to its acquisition by the French banking group, via a majority stake.
- As a reminder, PayXpert is a British FinTech created in 2009 and offering payment and payment acceptance solutions to merchants and e-retailers whatever the payment method presented (bank cards, mobile applications, QR code...).
- The fintech supports international payments on the Visa, Mastercard, WeChat Pay and Alipay networks and covers the needs of more than 650 customers in over 170 countries in more than 150 currencies.
- Société Générale and PayXpert plan to join forces to develop this offer and enrich it with new complementary services, ranging from credit (with split payments) to integrated insurance.
- The approval of this merger is subject to the approval of the competition authorities.

### CHALLENGES

- **Expand its ambitions to better impact the market:** The spread of new payment acceptance offers is no longer limited to national borders and their democratisation even depends on the ability of players to offer widely acceptable solutions (Square, PayPal, SumUp, etc.). With the support of Société Générale, PayXpert could realise its ambition to become a reference in payment acceptance in Europe.
- **Overcoming competition from the historical players:** La Banque Postale, as the historical French bank and direct competitor of Société Générale, has also been offering an alternative acceptance service since the beginning of the year. Developed by a specialist company, the Noe Money mPOS is limited to French customers.

### MARKET PERSPECTIVE

- The payment acceptance market has recently been marked by the positioning and development of offers from alternative players. In this respect, PayXpert was no exception to the rule as a FinTech.
- Thus, in addition to the launch of Apple's Tap To Pay, Revolut recently presented its offer for Europe, and Paynt or Norbr have demonstrated the relevance of alternative models.
- All markets are concerned internationally, illustrating the need for financial groups to offer solutions that are now open outside their national borders.

Source : [Presse release](#)

pay  pert

## Worldline offers a payment solution dedicated to marketplaces

Global payment giant Worldline has just announced the acquisition of Online Payment Platform, a Dutch online payment service provider (PSP) offering a payment solution dedicated to marketplaces and platforms. This move underlines the effervescence of new offers dedicated to this target and their potential.

### FACTS

- Worldline has acquired a 40% stake in Online Payment Platform B.V., a provider of online payment services targeting marketplaces throughout Europe and the UK.
- The remaining 60% will be retained by OPP's founder and CEO, but Worldline will have an additional call option for this stake in 2026. The decision on the potential 100% buyout is conditional on OPP's future performance.
- The transaction still needs to be approved by the competent authorities, namely the Dutch Central Bank, but Worldline expects to conclude it by the end of 2022.

### KEY FIGURES FOR ONLINE PAYMENT PLATFORM

- 2011: Founded
- 2014: Dutch PI licence obtained
- 100 marketplaces and platforms, such as e-Bay Kleinanzeigen, Marktplaats (both part of Adevinta), Gumtree, Royal FloraHolland and PayPal covered by its services
- 60 employees

### CHALLENGES

- **Capitalising on a booming market:** Worldline justifies its acquisition of a stake by citing the very encouraging figures for the market of marketplaces. While transactions carried out via marketplaces currently account for about a third of European e-commerce volumes, they are expected to account for more than half by 2025.
- **Gaining new expertise:** Rather than developing a solution internally from scratch, Worldline is capitalising on its strength by acquiring a player that already offers a successful solution. A strategy that has already been tried and tested.
- **Expand more quickly:** OPP states that this merger with Worldline will enable it to achieve its ambitions in terms of accelerating its growth and expansion in the main European markets.

### MARKET PERSPECTIVE

- This decision is presented because of the pandemic and the evolution of consumer habits. However, the acceleration of e-commerce trends and the digitalisation of payments will have contributed to the rise of alternative players with offers adapted to these developments. And for traditional payment players such as Worldline, the acquisition of these players represents a good way of avoiding disruption and gaining new strength in order to remain a payment leader in the future.
- Moreover, as the French leader in electronic payments, this is not the first time that Worldline has joined forces with alternative players. It also chose to partner with Algoan last May to develop a new scoring solution.

Source : [Presse release](#)



## BNP Paribas accelerates mobility

BNP Paribas is counting on a new major development axis for its activities: mobility. The bank has announced that it is focusing new efforts on the deployment of consolidated solutions to support its customers' transition to more sustainable mobility. This strategy coincides with a broader societal transition and the ambitions of a growing number of players.

### FACTS

- BNP Paribas now wishes to consolidate and structure its various activities related to mobility. This strategic decision is part of its GTS 2025 strategic plan.
- It will be materialised by the launch of an initial project, due to be completed in 2023, in the form of an "all-in-one" mobile application dedicated to the mobility of the bank's individual customers. The latter will thus be able to :
  - define their mobility needs,
  - establish a budget,
  - specify their preferences,
  - find the most suitable solution and associated services (type of vehicle, leasing, leasing, insurance, etc.).
- A carbon footprint simulator and a usage cost calculator will also be available on the app. The service will also be accessible from the customers' online banking space.
- The future platform will therefore offer a variety of services, but above all will enable the deployment of a multimodal mobility hub.
- BNP Paribas has set itself three major objectives:
  - to support its clients in accelerating their energy transition
  - to respond to new mobility needs and practices,
  - to facilitate access to a mobility offer adapted to all.

### CHALLENGES

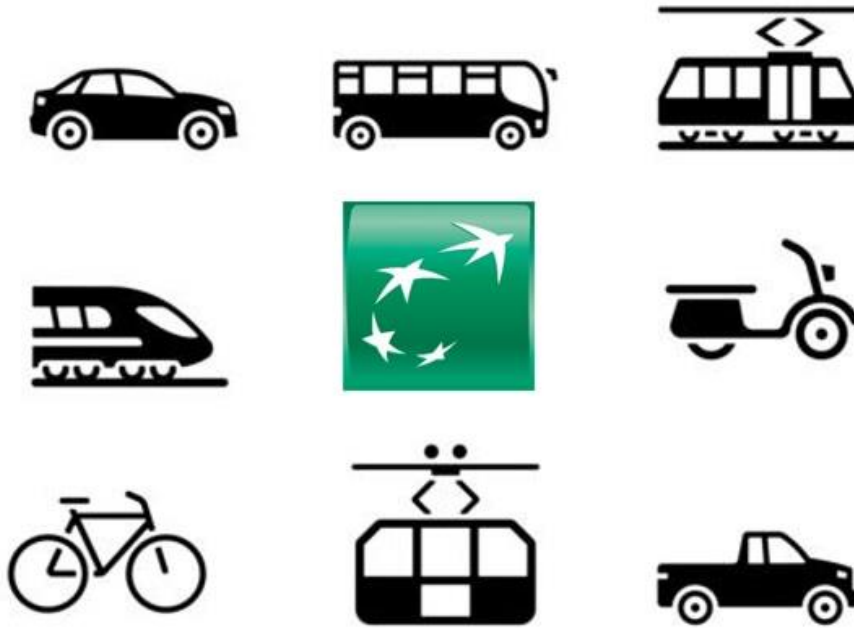
- **Consolidate its mobility business:** BNP Paribas has historically been very involved in the mobility market, for example through its subsidiary Arval and various partnerships. BNP Paribas Fortis was even counting on co-creation on this theme by supporting Co.Station and its Co.Mobility project in Belgium in 2020. The group is now considering organising better cooperation between its various business lines.
- **Optimising its positioning and generating revenues:** By restructuring its action, BNP Paribas hopes to generate 1 billion euros in additional revenues through its transversal initiatives in the field of mobility by 2025.

### MARKET PERSPECTIVE

- The economic climate has prompted the government to revise its energy efficiency ambitions in a new plan to reduce energy consumption by 10% over the next two years. Waste, energy efficiency and mobility are all central to the plan. This is all the more important as the climate bill commits France to achieving carbon neutrality by 2050 and the European Parliament has voted to ban the sale of new combustion engine cars in the European Union from 2035.

- The trend towards responsible mobility is therefore well underway and all players are committed to taking action on this issue. BNP Paribas is demonstrating here its will to tackle this issue, as is Crédit Mutuel Arkéa, which also recently announced its intention to support the REV MOBILITIES group in its activity of converting internal combustion vehicles to electric power.

Source : [Presse release](#)





## Deutsche Bank consolidates its payments business with Fiserv

The German bank Deutsche Bank has just announced the signature of its partnership with Fiserv, the American technology company specialising in payment. This partnership will lead to the creation of a new payment company, called Vert, for merchants. The programme will include cash collection and a new stage in the deployment of Deutsche Bank's offerings.

### FACTS

- "Vert" presents itself as the only German provider to combine payment acceptance and processing with traditional banking solutions.
- Specifically, the new company Vert will offer merchants:
  - ultra-portable payment acceptance solutions, in m-POS and Soft-POS mode,
  - faster payments (with an account credited the next business day)
  - management applications (an online dashboard providing transaction data and other business reports)
  - a cashiering solution.
- Three first concrete solutions have been unveiled so far by Vert:
  - Clover Flex, an ultra portable all-in-one POS solution starting at €19.99 per month,
  - PAX A50, an enhanced dongle available for €4.99 per month,
  - the Go by Vert application, which allows cash receipts to be made directly on an Android smartphone.
- Vert plans to continually expand its product range, and has already announced the upcoming launch of online payment acceptance and currency conversion solutions.

### CHALLENGES

- **Offering an alternative format:** Far from the classic model of Eftpos terminals and cashier solutions, Deutsche Bank has chosen to work with Fiserv to present a more modern offer based on the optimisation of smartphones in the payment process. This offer comes after the presentation of Apple's Tap To Pay solution and should enable the bank to avoid the disruption of this type of proposal by alternative players.
- **Meeting the needs of its own customers:** Deutsche Bank points out that with its Postbank and Fyrst brands, its group currently has nearly 800,000 SME customers. It is these businesses that will be targeted by the new service. However, merchants of all sizes, including those who are not customers of the group, are invited to opt for Green's solutions.
- **Keeping up with the cashless boom:** According to a Deutsche Bank survey in 2017, 74% of respondents preferred to pay with cash. Since then, the proportion has fallen by 14 points to 60% in 2021. And the pandemic will have further accelerated this trend.

### MARKET PERSPECTIVE

- Deutsche Bank's history has been marked by multiple partnerships with specialised players. Over the last few years, this strategy of rapprochement has enabled the bank to :
  - position itself as a pioneer in instant payment (from 2019 with Serrala)

- experiment with a white-label financial services marketplace (with Deposit Solutions),
  - ensure its digital transformation with Google,
  - enter the BNPL market with Credi2.
- Deutsche Bank, which decided last year to reactivate its "Merchant Solutions" unit, is making a strong shift in its payment strategy. A move that seems to affect many other banks in France and abroad: Société Générale with Payxpert, Crédit Agricole and Worldline or BNP Paribas and Kantox.

Source : [Presse release](#)



# Cryptos and CBDC

## Europe adopts MiCA regulation

The Council of the European Union published a briefing note on 5 October on the progress made on the adoption of the MiCA (Market in Crypto-Assets) regulation. This adoption was confirmed this week with the vote of the European Parliament, while the different members of the European Union already agreed this summer on a common regulatory framework for crypto-assets. At the beginning of 2024, European players will therefore have to comply with it.

### FACTS

- The European Union has announced that it has recognised a political interest in developing and promoting the adoption of transformative technologies in the financial sector, including distributed ledger technology (DLT) and crypto-currencies.
- The European Council and the Parliament have just adopted the MiCA Regulation aimed at regulating crypto-assets in circulation within the European space.
- After an adaptation period of 12 to 18 months depending on the players, they will have to comply with these new rules, probably not before the beginning of 2024.
- Investors will then be better protected thanks to a stricter framework for the players involved, providing that
  - digital asset service providers (DASPs in France) will have to obtain an authorisation to operate from the local authorities within two months,
  - the creation of CASP ("Crypto-Asset Service Provider") status for players with at least 15 million users
  - the establishment of a European passport for these players.
- MiCA will also cover investors against possible market abuse and insider trading.

### CHALLENGES

- **Adapting institutions to the technological advances of the market:** In announcing its progress on the MiCA project, the European Union specifies the urgency that drives it today to adapt financial services legislation to the new realities of the market and the digital age.
- **Renewing current economic systems:** The European Union states that crypto-asset offerings can represent an innovative and inclusive way of financing, especially for small and medium-sized enterprises (SMEs). The use of crypto-assets is also seen as an opportunity, especially for cross-border payments.
- **New perspectives:** The note published by the European Union also highlights the fact that many applications of blockchain technology have not yet been fully explored. However, they offer a wide range of opportunities for the creation of new types of commercial activities. The European Union is therefore counting on these future technologies to create new opportunities for economic growth and jobs for citizens.

### MARKET PERSPECTIVE

- The adoption of a common European legislation on decentralised finance players should make it possible to harmonise the market and make it more secure. Until now, licences have been issued by the States themselves. In France, for example, the giant Binance recently benefited from AMF approval, but this did not prevent it from suffering a major attack and losing a hundred million dollars a few days ago.
- The adoption of MiCA comes in a context favourable to crypto-assets in Europe, while the European Central Bank is still working on the development of its digital Euro. This is a major sovereignty issue as various players try to impose themselves on the CBDM market, such as Swift, which recently put forward a solution for the internationalisation of digital currencies.

Source : [Presse release](#)



## Crypto.com sets up in France

Created in 2016, the crypto-asset giant Crypto.com is following in Binance's footsteps to set up in France in its turn. This event clearly demonstrates that beyond the current crisis affecting the crypto-asset market, the durability of the activities of the players involved is assured, as much as their ambitions are strengthened on all markets.

### FACTS

- Crypto-asset giant Crypto.com has just confirmed the effective launch of its platform in France.
- Paris has even been chosen as the European regional headquarters for its activities.
- On the investment side, this new deployment represents a major effort for the platform, which says it is releasing nearly €150 million to achieve its goals.
- This sum should enable Crypto.com to support
  - the setting up of its market operations in Europe,
  - the installation of its regional headquarters in Paris,
  - the recruitment of local talent,
  - investments in local start-ups (50 million allocated to seed and Series A).
- Crypto.com plans to focus on compliance, business development, new product launches and consumer education.

### CHALLENGES

- **Securing regulatory approval:** Crypto.com obtained its regulatory approval as a Digital Asset Service Provider (DASP) and PSAN from the Autorité des marchés financiers (AMF) after receiving authorisation from the Autorité de contrôle prudentiel et de résolution (ACPR) last September to operate.
- **Spreading the word:** Crypto.com plans to devote part of its efforts to teaching and educating the general public about investing in crypto-assets. This approach represents a major challenge in terms of democratising its offer and therefore establishing itself among the local population as a key player in the crypto market.

### MARKET PERSPECTIVE

- The democratization of the crypto-asset market can therefore rely on a new player in France. A strong signal for potential investors as Bitcoin, a reflection of the health of the crypto-asset market, is approaching \$18,000, compared to its all-time high of over \$67,000 reached last November.
- The International Monetary Fund (IMF) also predicts a significant risk of a global recession by 2023. As with the global economy, some observers believe that the situation for Bitcoin and other crypto-assets could get even worse.
- The fact remains that the trend towards decentralised finance continues to grow, driven by the initiatives of an increasing variety of players and by the positioning of central banks on the subject of MNBCs. The Banque de France is also participating in the new digital euro trials.

### KEY FIGURES

- 2016: Creation

- more than 50 million users worldwide

Source : [Presse release](#)



## MasterCard becomes an intermediary for banks in the crypto market

MasterCard is trying to establish itself as a reference in the cryptoasset market. Its strategic plan to achieve this goal is now enriched by a major BtoB brick. MasterCard has indeed developed a service for banks to help them offer crypto-trading. This is a way for the payment giant to establish itself as an intermediary in this area, including with other financial players.

### FACTS

- MasterCard has just presented its new programme called Crypto Source. The programme is designed to enable financial institutions to deploy crypto asset trading services in a completely secure manner.
- For this purpose, MasterCard has signed a partnership with Paxos, a regulated provider of crypto-currency products and services. The roles of both partners are well defined:
- Paxos will provide crypto asset trading and custody services on behalf of banks,
- Mastercard will integrate its technological capabilities into the banks' interfaces.
- Thus, the Crypto Source programme will offer financial institutions services to :
  - buying, holding and selling crypto assets,
  - security and anti-fraud (via Mastercard Crypto Secure software),
  - consulting.
- The MasterCard Crypto Source programme is currently being rolled out as a pilot. It will be officially launched at a later stage, but the payment giant has not yet given a date.

### CHALLENGES

- **Accompanying to better dominate:** The main challenge for MasterCard in rolling out this new programme is to strengthen its status as a pioneer and key player in the crypto market. More than just serving individuals or businesses as the end customers of its offerings, MasterCard is also seeking to establish itself as a partner to financial players in order to cover the entire market.
- **A market that is actually growing:** Despite the fall in prices, crypto-assets are attracting new users every day. The Mastercard New Payments 2022 Index, for example, indicated that 29% of respondents worldwide now hold crypto-assets.
- **A major role of trust:** This democratisation could be accelerated by the involvement of trusted players, financial institutions already known by investors. Thus, still according to the Mastercard New Payments 2022 index, 65% of respondents indicate that they would more willingly opt for crypto services provided by their trusted financial institution.
- This role of trusted third party is twofold, as it is also a major one for the financial institutions themselves, who point out that security and regulatory compliance issues represent obstacles to their positioning on the crypto-asset market. MasterCard is now proposing to take care of these aspects for them.

### MARKET PERSPECTIVE

- MasterCard is seeking to perpetuate its activities and its status as the undisputed reference in the payment industry by moving away from the card market and turning to a payment solution considered to be of the future: crypto-assets.

- And to democratise this market while offering itself a key role in it, MasterCard is multiplying initiatives via associations, integrations with its payment infrastructure, support for the emergence of MNBC, the deployment of loyalty services based on crypto-currencies or the organisation of the purchase of NFT.

Source : [Presse release](#)





## JCB tests MDBC payment at the point of sale

JCB has announced the launch of a pilot project to enable the use of Japan's central bank digital currency at the point of sale. For this, the local scheme has teamed up with Idemia and Soft Space, with a strong focus on universality. The aim of the partnership is to use the existing point-of-sale payment infrastructure to enable acceptance of this CBDM in shops.

### FACTS

- In conjunction with the Central Bank of Japan's digital currency test pilots, JCB has teamed up with Idemia and Soft Space to test the use of digital currency in-store at selected retailers in Tokyo.
- The pilot, called JCBDC, will run until March 2023 and will rely on the network's contactless EMV card and payment terminals that accept them.
- Soft Space and Idemia have already partnered on a SoftPOS solution, called Tap on Mobile, which turns a mobile phone into an acceptance terminal.
- In this case, Soft Space provides the payment platform, Idemia manages the holder's digital identity and transactions are then processed through JCB's card network.
- At the same time, JCB also announced the production of an M2M payment solution in partnership with Keychain.
- The aim of this partnership was to design a micro-payment solution adapted to IoT projects (payment of tolls or recharging of an electric vehicle for example) based on blockchain technology. This solution is now operational and will also allow JCB to test an offline payment solution, adapted to large volumes of transactions and to strong requirements of instantaneousness.

### CHALLENGES

- **To design one of the first solutions for accepting central bank digital currencies on the existing point-of-sale payment infrastructure.** This JCBDC project is indeed ambitious, as most of the digital currency pilots that have emerged so far focus on smartphone-related use cases and on online solutions. According to JCB, these two criteria are holding back the development of digital money, as it cannot be aimed at people who are far from any connection, minors, senior citizens or people who do not have a smartphone. Another obstacle identified was the reluctance of retailers and the poor user interface. Hence JCB's idea to build on the existing system to facilitate deployment and offer a universal offline solution.
- **Relying on the expertise of Idemia, which has already won awards for an offline wallet solution.** The choice of Idemia as a technological partner is not due to chance. Indeed, the player was rewarded at the G20 Techsprint, a hackathon organised in Malaysia in partnership with the BIS, which selects CBDC projects. Idemia won in the "financial inclusion" category.

### MARKET PERSPECTIVE

- Since 2019, JCB has been working on numerous projects based on Blockchain technology. In particular, it has been working on BtoB payment and payment solutions for SMEs. Since its partnership with Keychain on M2M micropayments, JCB has an infrastructure for processing transactions in MDBC via the Blockchain.
- On the subject of financial inclusion and universality, China has stood out from the start with its [eYuan](#) project, which can be used offline. A position also displayed by [Visa](#).

- The other existing initiatives in terms of payment in crypto-currencies, directly with the merchants, are essentially the responsibility of crypto players, such as Solana, which has launched [Solana Pay](#), which is based on a QR code payment system.

Source : [Presse release](#)



# Digital identity

## ABN Amro combines payment and digital identity

The Dutch bank ABN Amro has just introduced an innovative new service called ID & Pay. As the name suggests, it addresses the issue of digital identity but also includes a payment functionality to illustrate the interest and legitimacy of this type of offer, in a context marked by the exponential digitalisation of services.

### FACTS

- ID & Pay is based on a mobile application that ABN Amro says can replace the onboarding and payment processes with a unique online identification and payment functionality, integrated in a secure environment.
- As part of its pilot with Swapfiets, ABN Amro is offering the service's customers a way to sign up and pay for their Swapfiets membership in just a few seconds.
- ID & Pay allows users to securely store their ID and make payments from the same application. ID & Pay is thus used by end customers directly to :
  - store their ID (via a scan and video) and their means of payment,
  - link the two documents,
  - identify themselves and pay for purchases easily with various services.
- The ID & pay application is entirely free of charge. The bank will receive a fee for payments made via its payment methods within the application.
- ABN Amro is counting on a multiplication of partnerships to ensure the diffusion of its device throughout Europe. The solution is initially part of a pilot project launched with Swapfiets, a micromobility company that provides a bicycle maintenance service with 280,000 users in the Netherlands, Germany, Belgium, Denmark, France, Italy and the United Kingdom.

### CHALLENGES

- **Simplifying payment integration:** ABN Amro states that its ID & Pay concept is above all a way for the bank to meet the needs of professionals who want to guarantee the identity and security of their end customers' payments by equipping them directly.
- **Optimising the subscription process:** For end-users, there is no longer any need to enter their personal data multiple times. In addition to payment, the use of ID & Pay also promises to limit the number of manual steps and entries when opening an account with a new service.
- **A new role for the bank:** ABN Amro is once again justifying its status as a trusted third party bank with the launch of its ID & Pay service. Its application protects the personal data of its users while covering a payment and expense tracking service.

### MARKET PERSPECTIVE

- ID & Pay aims to become a benchmark service in the medium term. ABN Amro is counting on its association with other Dutch banks that are already involved in the project and that allow users of the application to link their bank account hosted by ABN Amro to their ID document registered in ID & Pay.

- While ABN Amro's concept is promising, as is often the case, its success will depend on its ability to become interoperable by making it compatible with numerous banks and a multitude of services.
- In Belgium, a similar initiative is also taking shape around the identity operator It'sme, to which several banks are connected to provide seamless online or mobile payment.

Source : [Presse release](#)



## South Korea to store ID cards on blockchain

South Korea has a reputation for being a country that is always at the forefront of innovation. It is proving this once again with the announcement of the forthcoming introduction of a digitised identity card system stored in a decentralised manner on a blockchain. This technological feat is linked to advances in security tools for modern smartphones.

### FACTS

- The digital identity project presented by the Korean government's national digital agency is expected to be launched in 2024, targeting a potential market of 45 million citizens.
- After 2024, the blockchain-powered ID will replace Korean residents' registration cards, serving as a modular digital platform for accessing education, work and financial services.
- Use cases are not limited and other areas are mentioned such as: accessing healthcare, paying taxes, transportation, applying for government benefits, transferring money and even voting.
- Digital ID cards embedded in smartphones would replace existing ID cards. The government has confirmed that the solution will use decentralised identity solutions (DID).

### CHALLENGES

- **Substantial cost savings:** Digital IDs facilitate web-based verification, eliminating the need for text-based authentication codes or taking paper photo IDs. According to the Office of Digital Government, this plan could save the country at least \$42 billion, or 3% of GDP, in economic value within a decade.
- **A decentralised storage:** This new format will be deployed on blockchain technology, which is completely decentralised. The State, although it is the initiator of this project, will thus lose its control privileges. With this digital identity, the government will, for example, not have access to the information stored on citizens' phones, nor how and when this identification is used.
- **Establishing a forward-looking position:** South Korea is becoming a major powerhouse in the field of technology. Smartphone ownership is estimated at over 88% in South Korea - with some sources claiming that this figure could be as high as 95%. It is considered a leader in all things blockchain and metaverse.

### MARKET PERSPECTIVE

- By August 2020, more than one million South Koreans had implemented a blockchain-powered driving licence, which works via the Korean smartphone app PASS. SK Telecom, KT and LG U+, the country's three largest mobile operators, had reached an agreement to use the PASS mobile driving licence identification platform, a brainchild of the National Police Agency and the Road Traffic Authority.
- Banks, such as [Woori Bank](#), also began accepting smartphone driver's licences as a form of identification in branches this year.
- With easy access to digital services, a central bank digital currency (CBDC) would find its logical integration. In early 2020, the Bank of Korea (BoK) launched a dedicated CBDC research unit. From August 2021 to June 2022, BoK conducted a cloud-based CBDC experiment with the help of its main internet service provider, Kakao, testing the CBDC feasibility.
- South Korea is not the first country to embark on such a project. Estonia, a forerunner in the field, has been joined by Germany in implementing decentralised online services.

Source : [Bloomberg](#)



# Sustainable finance

## Sweep brings environmental responsibility to investment portfolios

A new player is committed to more environmentally responsible finance. Called Sweep, its positioning is distinguished firstly by its target, since it is aimed directly at investments and portfolio managers. Its new offer is thus dedicated to the financial players themselves and underlines the fact that climate issues now concern all players.

### FACTS

- Sweep has launched Sweep for Finance to help financial players manage the carbon emissions of their entire investment portfolios.
- Firstly, by allowing them to obtain a complete overview, in real time, of the emissions of their investments.
- Secondly, by offering a tool for collaboration between economic players. The service is based on software that connects investors to the companies in their portfolio. Both actors are thus committed to collaboration, information sharing and a more accurate and efficient measurement of the carbon emissions linked to their economic activities.
- To be effective, Sweep for Finance relies on :
  - Detailed portfolio analysis based on the Partnership for [Carbon Accounting Financials](#) (PCAF) methodology,
  - sector benchmarks from the [Carbon Disclosure Project](#) (CDP),
  - Secure exchange of carbon data between investors and their portfolios.
- The service then delivers comprehensive, auditable reports to its clients in compliance with local and international regulations.

### CHALLENGES

- **An all-in-one tool:** Sweep for Finance is aimed at asset managers, private equity funds or even banks themselves and offers them a turnkey solution to make their portfolios more virtuous and environmentally responsible. There is no need for these players to develop internal tools.
- **Complying with regulations:** Sweep also presents its offer as a way for financial players to simply comply with the new regulations that have come into force requiring them to communicate the climate impact of their investments. These transparency requirements necessitate the implementation of tools capable, like Sweep for Finance, of accurately tracking carbon emissions.
- **Creating a collective dynamic:** The concept of Sweep is based above all on a new technological model of engaging all the players in a single dynamic. The ultimate goal of Sweep is to accelerate decarbonisation on a global scale.
- **Opening up its client base:** Before serving financial players, Sweep was already working in various sectors, from consumer goods to manufacturing. Its status as a mission-driven company and its commitment to a topical issue enabled it to raise \$100 million 12 months after the public launch of its platform.

### MARKET PERSPECTIVE

- Carbon calculators have become the killer-app of green neo-banks: Doconomy, Greenly or Ecolytiq.
- The banks themselves are offering their expertise to help companies make their carbon footprint in order to minimise it. BBVA offers this service to its customers.
- The Green Digital Finance Alliance, the Swiss Green Fintech Network and the Swiss State Secretariat for International Finance (SFI), propose a classification of fintechs according to a set of criteria relating to ecology. This classification is intended to be a unique tool to help harmonise standards of comparison in a green finance market that has gained in maturity.

Source : [Website](#)

### **SWEEP**

