PSD2 and Open Banking
Level playing field for payment service providers

PSD2 will enable new services and make old ones regulated
The Payment Services Directive (PSD) 2009

The European Commission proposed to review the PSD 2013

The revised Payment Services Directive (PSD2) to be transposed into national law by Member States 13 Jan 2018
Main objectives according to the European Commission

- Contribute to a more integrated and efficient European payments market
- Improve the level playing field for payment service providers (including new players)
- Make payments safer and more secure
- Protect consumers
- Encourage lower prices for payments
Access to Accounts – XS2A

Payment Initiation Services

Account Information Services
Budget apps – a personal finance advisor

• Keeps your finances in check
• Help you save money, budget for upcoming expenses and also avoid the fees that come from overdraft or late fees
PSD2 rules

Third-Party Payment Provider (TPP) will be regulated and authorised as 'PI'
- PIS Provider and/or AIS Provider Required to
  - keep the user’s credentials safe
  - not store sensitive data

Authorised PI will get access to all accounts in the Union
EBA will establish a central register

The PIS Provider will not be able to hold funds on behalf of the Payer and should only be able to:
- check for the availability of sufficient funds
- initiate a payment
- receive confirmation that the payment has been made

The AIS Provider would require access to more account information than for payment initiation services, in order to perform account information aggregation
- but this information would be accessible on a ‘view only’ basis.
The beginning of a new era

Before PSD2 XS2A era:
- Customers
- Bank's online and mobile apps
- Bank accounts

Bank domain

After PSD2 XS2A era:
- Customers
- Bank's online and mobile apps
- TPPs
- Bank accounts

Bank domain
‘It’s a game changing cocktail’

PSD2

Instant payments

Mobile payments

New players
Enabling and encouraging new services

- ERP systems
- Online Banking
- Mobile Banking and apps
- New players
- Large Corporates
- SME’s
- Micro Companies
- Consumers
Open Banking is providing Customers access to their Data through a suite of applications built by the Bank, Partners and potentially anyone.
Leading digitalization requires us to stay at the forefront through Open Banking.

- **Backend Systems**
- **Open API's**
- **Mobile & Web Applications belonging to 3rd Party or Nordea**
- **3rd Party Developer Community**

**Benefits:**
- Shorten time to market
- Extend customer reach
- Stimulate innovation
- Increase revenue
- Improve brand awareness
- Achieve compliance
- Establish secure connections

Nordea
Nordea’s Open Banking Journey to 2020

- Open APIs
- Developer Portal
- PSD2 APIs
- More Products
- App Store
- Business Model
- Development Centre
- High-Value APIs
- Digital Channels
- New Markets
- One-Stop-Shop
- Collaborative FinTechs
- Innovative Developers
Thank you for listening!