

APPLE PAY:

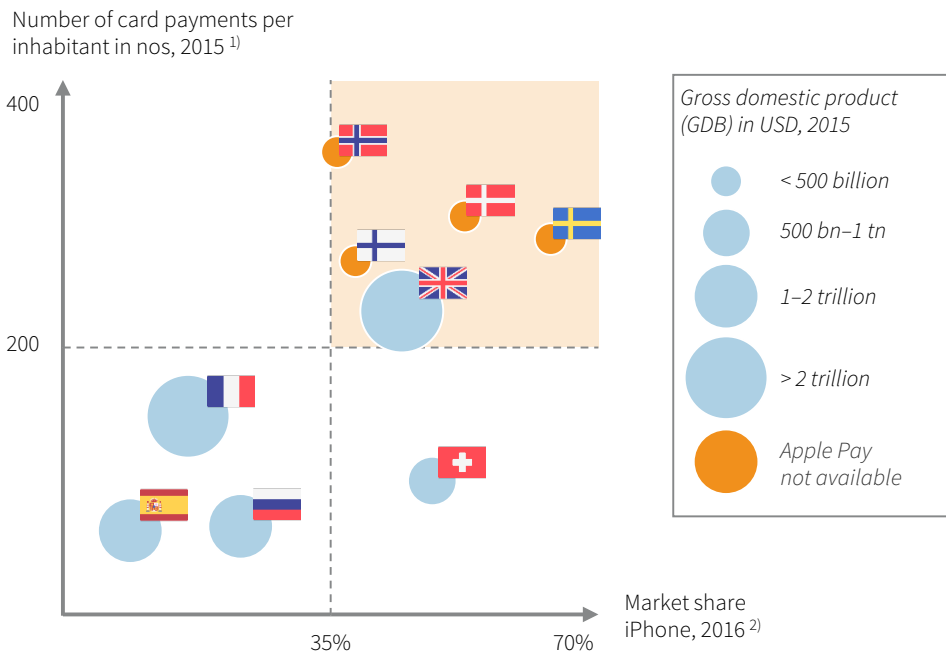
Why is Apple Pay not yet on the Scandinavian markets?

The mobile payment system Apple Pay has already existed for two years. After initially considering the US and Asian market, Apple is paying special attention to the European markets:

- ▶ Since summer 2016 Apple Pay has been available in the **UK, Switzerland and France**
- ▶ In November 2016 Apple Pay also started in **Spain and Russia**
- ▶ Despite **Scandinavia's** mature markets and their pioneering role in mobile payment, Apple Pay has not entered these markets yet



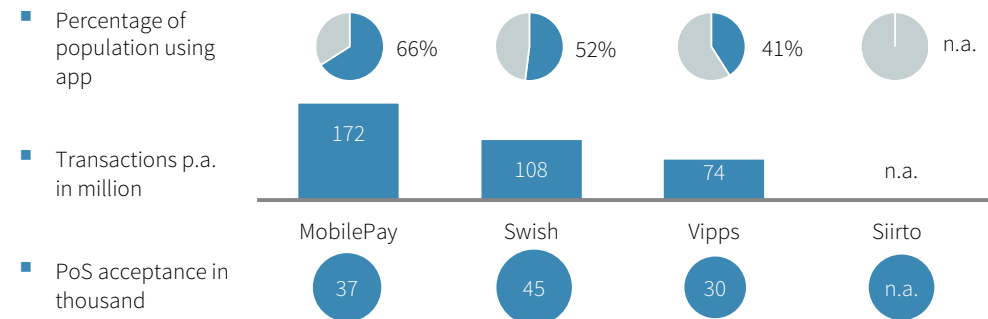
Maturity of Scandinavian markets



Compared to markets where Apple Pay is already available, Scandinavia performs outstandingly in the factors **Card- and iPhone penetration**. According to Jennifer Bailey (Head of Apple Pay), these are the **important criteria** for Apple's market entry decision. However, the **GDP per country** is another important criterion which overall is comparatively low in Scandinavia.

Scandinavian Mobile (P2P) Payment apps

MobilePay	swish®	vipps	Siirto
Origin Denmark	Origin Sweden	Origin Norway	Origin Finland
Introduced by Danske Bank – partnerships with other banks	Introduced by several banks – e.g. SEB, Nordea, Danske Bank, Swedbank	Introduced by DNB Bank – partnerships with other banks	Introduced by Automatia – owned by several banks – launch in March 2017



Local banks **have already introduced very successful mobile payment solutions in Scandinavia**. The apps started as P2P apps, but are currently evolving into the POS. As Apple Pay requires the **cooperation with banks** but takes a significant **revenue share** of the interchange (**in contrast to** local or international mobile payment services like **Samsung Pay**), we think Apple Pay will have difficulties gaining a foothold in these markets.