

SERVICIOS DE PAGO BANAMEX, PART OF EVO PAYMENTS INTERNATIONAL

An NCR Case Study



Mobile Payments Transformed in Mexico with EMV-compliant Mobile POS solution

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The customer

Banco Nacional de Mexico S.A. (Banamex) is one of the largest merchant acquirers in Mexico by transaction volume. Initially wholly owned by Citigroup, and responsible for its entire merchant acquiring business in Mexico, the company has been recently acquired by EVO Payments International. Now known as Servicios de Pago Banamex, the company has a proven track record of innovation and a reputation for delivering best-in-class customer service. As a result, it enjoys long-standing relationships with more than 100,000 merchants throughout Mexico.

In September 2015, EVO Payments International, a global payment processor and merchant acquirer headquartered in New York, acquired the merchant acquiring business of Citigroup in Mexico, operated through Banco Nacional de Mexico. As part of the transaction, EVO entered into a long-term strategic marketing alliance that includes an exclusive referral arrangement covering card acquiring and related products for Banamex's merchant customers.

The challenge

Mexico is the third largest potential market for payments in the Americas. For many years, Mexican banks have been working towards increasing the use of card-based transactions, and to enhance financial inclusion among the 120 million-strong population. However, cash payments still play a disproportionately large role in most transactions. Around 70 percent of all purchases in Mexico are made with cash, and the informal economy accounts for 30 percent of GDP.

These numbers reflect the nature of retail in the country. Of Mexico's one million grocery stores, for example, approximately two-thirds are small, local stores. These outlets lack the resources to implement the traditional infrastructure necessary for accepting card-based payments, and so struggle to compete with larger retailers.

Encouraged by the Mexican government, the country's banks have been working with vendors of mobile payments technology to develop and deploy mobile point-of-sale (mPOS) solutions throughout the retail community. However, as the EMV standard becomes the default option for protecting merchants and cardholders from various card-present fraud types, the challenge was to develop a solution that was easy to install, quick to use, secure and compliant.



The solution

Its track record in innovation put Servicios de Pago Banamex at the forefront of the push for mPOS solutions in Mexico. The company chose to work with Stratus Technologies Mexico, a subsidiary of Moneta Technologies, to develop and outsource an mPOS solution that would achieve EMV certification and accept payments from chip-enabled cards from both MasterCard, Visa and AMEX.

- Stratus developed iAcepta using its Moneta Pay MPOS Platform
- Stratus was supported by its Ecuadorian Software Factory BAYTEQ
- Stratus has integrated AnywhereCommerce's Walker EMV card acceptance device for smartphones and tablets with its Moneta Pay mPOS app.

Stratus chose Authentic from NCR to provide the necessary payment processing capability for Servicios de Pago Banamex. Authentic is an Open Development payment platform that can handle extremely high volumes of transactions that are essential for a nationwide payment acquiring solution. Authentic acquires payment transactions from mobile POS devices and then forwards the payment transactions for authorization in the standard format required by the Mexican national switch, E-Global.

Enrique Ballester, Servicios de Pago Banamex's Product & Marketing VP said: "Our immediate focus is to support acquiring through mobile POS terminals and so create a service that retailers of all sizes can use. But this is a fast-moving market and the technology around payments is changing fast.

By deploying Authentic and Stratus as our payment processing platform we have been able to build in a degree of future-proofing to the solution and ensure that our end-users won't be left behind when the next technology wave occurs."

Servicios de Pago Banamex can also make any merchant-specific configurations that are necessary. As its acquiring business continues to grow and more and more merchants join its network, Authentic will be able to route, authenticate and authorize even greater volumes of payment transactions.

The benefits

The solution, iAcepta, that Stratus and NCR delivered to EVO Servicios de Pago Banamex enables completely secure mobile payments and is compatible with all kinds of handheld devices.

How Authentic benefits Servicios de Pago Banamex

- VISA, MasterCard & American Express Cards accepted
- Enables credit and debit card acceptance on all kinds of tablets and phones
- Meets EMV requirements to minimize face-to-face fraud
- Enables easy configuration for individual merchants or chains of merchants
- Web base administration tool allow Merchants to consult transactions, brochures and sales statistics.

Why NCR?

NCR Corporation (NYSE: NCR) is the global leader in consumer transaction technologies, turning everyday interactions with businesses into exceptional experiences. With its software, hardware, and portfolio of services, NCR enables more than 550 million transactions daily across retail, financial, travel, hospitality, telecom and technology, and small business. NCR solutions run the everyday transactions that make your life easier.

NCR is headquartered in Duluth, Georgia with over 30,000 employees and does business in 180 countries. NCR is a trademark of NCR Corporation in the United States and other countries. The company encourages investors to visit its web site which is updated regularly with financial and other important information about NCR.

Key Features

- **Market**
Mobile POS terminals in Mexico
- **Challenge**
To develop a flexible mobile POS solution that was compatible with EMV standards for chip and PIN cards, and which could be used by retailers serving a population of 120 million across Mexico.
- **Solution**
iAccepta, from Stratus and NCR.
- **Results**
More than 25,000 mPOS users with more than monthly 100,000 transactions.

NCR continually improves products as new technologies and components become available. NCR, therefore, reserves the right to change specifications without prior notice.

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