

PHOENIX

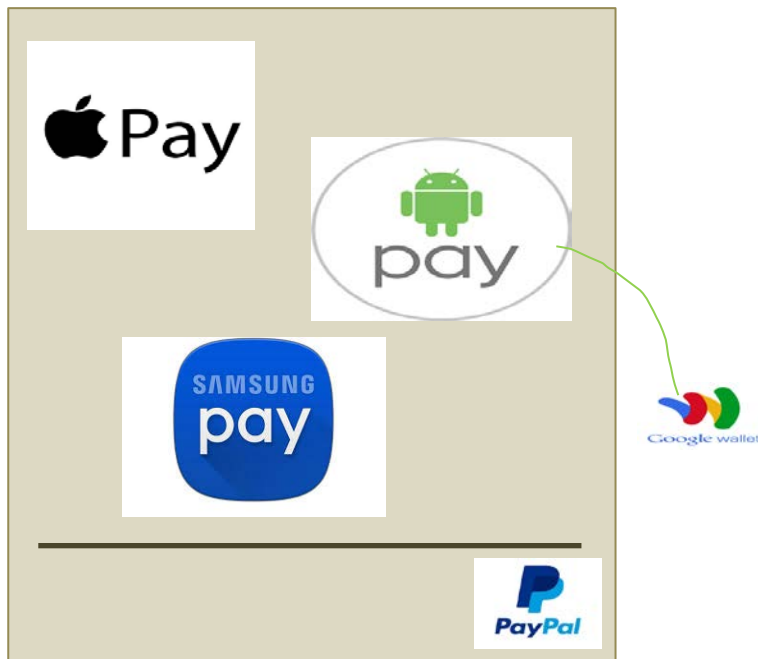
Chart Extracts From:

2016 Credit Card Monitor Report

Beyond Apple Pay:

The Emerging “Pays” Market

as of March 2016



March 2016



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Objectives

- Provide an overview of the three major general-purpose third-party wallets currently in the market – Apple Pay, Android Pay and Samsung Pay.
- Report key metrics on awareness, incidence of adoption and usage, type of payment cards loaded, age of adopters, user diagnostics and geographical concentration.

Scope

- The focus of this analysis is on the above mentioned third-party wallets, which have been referred to as the “Pays”.
- PayPal information is provided in selected charts to provide points of comparison to the “Pays”.
- While the PayPal wallet differs in many respects, the key issue is the power of the PayPal brand name and its potential to bleed into consumer responses intended to focus on in-store purchases.
- The analysis covers survey data collected in March 2016 – with a total cardholder sample of 3,003.
- The March field date provides a six-month window for evaluating the initial market foothold of Android Pay and Samsung Pay compared to the 16-month in-market presence of Apple Pay.

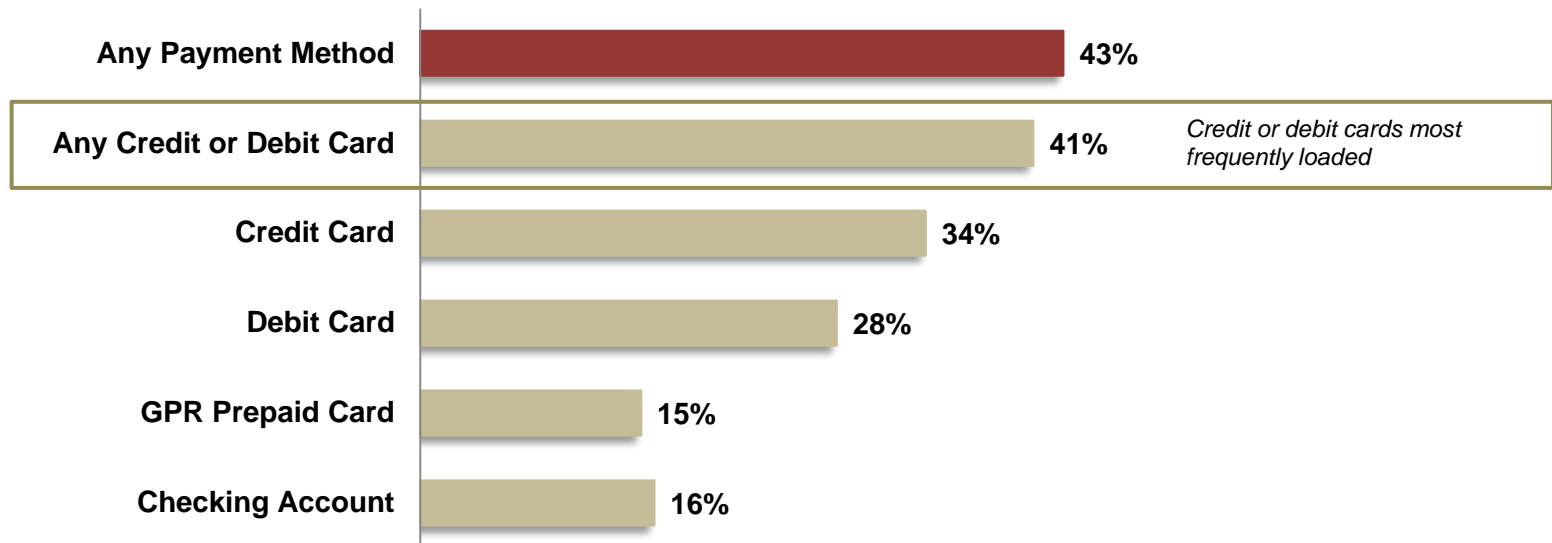
Methodology

- The Credit Card Monitor sample is defined by respondents who own a general-purpose credit or charge card for personal use.
- Respondents were qualified to make all or most of the household purchases and pay all or most of the household bills.
- The ending sample is Census-balanced to align with age/income distributions for households – not population – sourced from the Current Population Survey and the Phoenix Consumer Payments Monitor.



43% of smartphone owners have loaded a payment method to any smartphone payment app – led by credit card loads.

% Smartphone Owners Loading Any Payment Method to Any Smartphone Payment App
(Note: Survey Question is Broad and Can Include Closed-Loop Apps)



“Do you have a payment card or a checking account number linked to any smartphone payment app that lets you make an in-store purchase or in-app purchase? For in-store purchases, the smartphone payment app is used instead of a plastic card?”

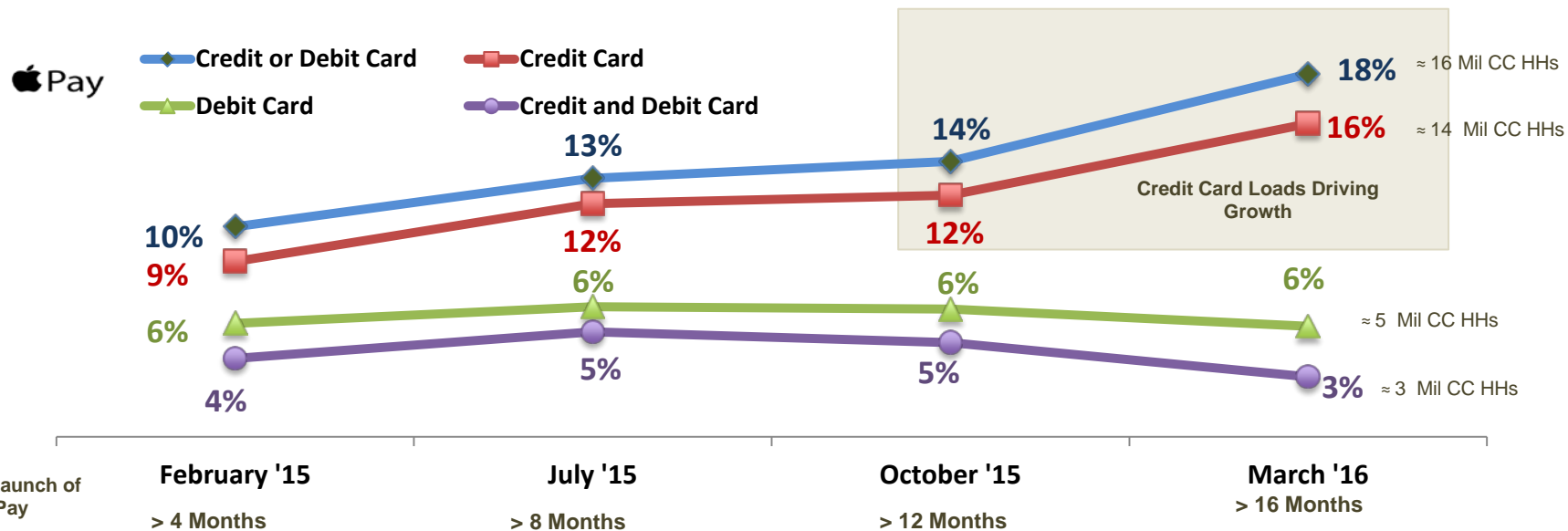
Base: All Credit Card-Owning & Smartphone-Owning Respondents Per Age Segment (n=2,257)

As of March 2016



The Apple Pay adoption rate has climbed to 18% due to an increase in those loading a credit card.

Incidence of Apple Pay Adoption by Card Type
(% All Credit Cardholders)

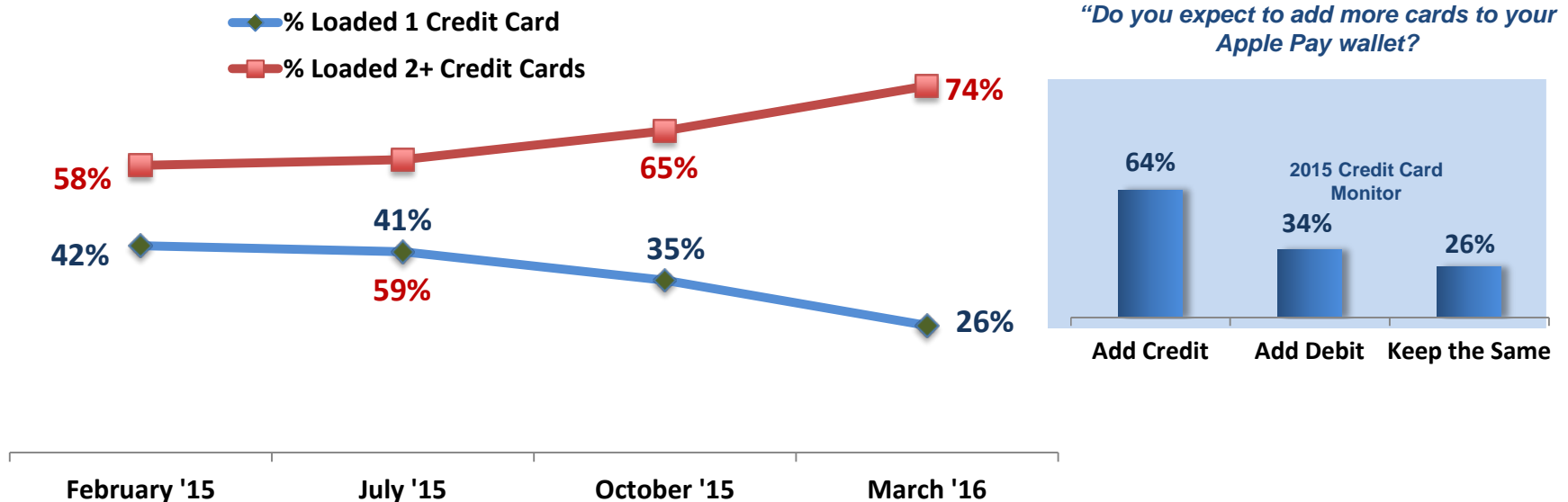


Base: All Credit Card-Owning Respondents (n=3,003)

As of March 2016



Over the past year, Apple Pay adopters have been steadily adding credit cards to their wallet – intensifying the fight for preferred wallet position.

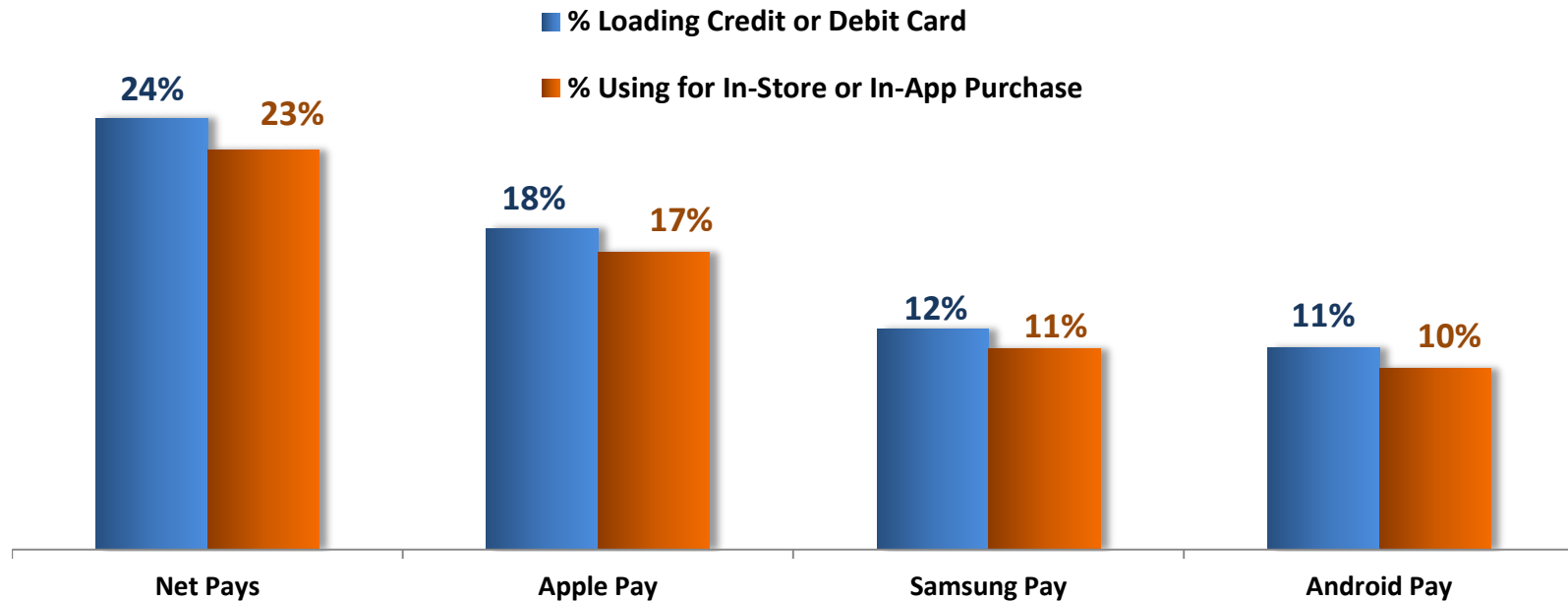


Base: Loaded any Payment Card to Apple Pay Within Time Period

As of March 2016



Samsung Pay and Android Pay have achieved a comparable market position – on a par with Apple Pay’s position the first six months after launch.



“Do you have a payment card or a checking account number linked to any smartphone payment app that lets you make an in-store purchase or in-app purchase? For in-store purchases, the smartphone payment app is used instead of a plastic card?”

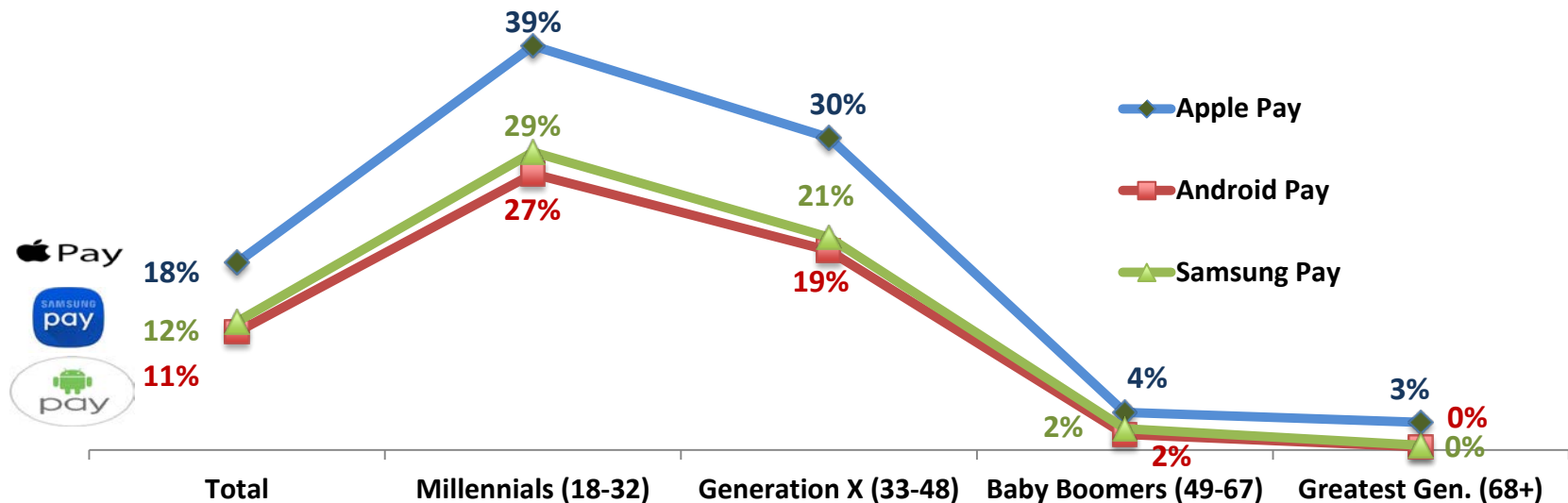
Base: All Credit Card-Owning Respondents (n=3,003)

As of March 2016



The expected age-adoption curve is shown for all brands – but Apple Pay pulls younger cardholders to a far greater extent than Android Pay or Samsung Pay.

% Cardholders in Each Segment Loading a Credit or Debit Card to Pays Brand



Base: All Credit Cardholders Within Age Segment

As of March 2016