

Transforming Money

“We’re in the middle of one of the greatest periods of transformation in the history of money. Everything about how commerce works is changing – how people shop; how merchants sell to consumers; how people interact with financial institutions; even the very nature of money itself.”

– Dan Schulman

Industry Primed For Disruption



Convenience

Most Americans carry less than \$50 in cash, and 9% do not carry cash at all.¹

Consumers spend on average approximately 28 minutes per month traveling to the point where they access cash.²



Access

Globally, more than 2.5 billion adults do not have a bank account.³

There are 5.2 billion mobile phone users around the world.⁴



Security

16.6 million US residents over age 16 were victims of at least one incident of identity theft in 2013 (7% of the population).⁵

From 2013 to 2014, U.S. merchants lost 33% more revenue due to fraud year over year.⁶

Reimagining Commerce: Consumer Champion. Merchant Partner.

Today’s financial services system is being reimagined through new technologies, creating exciting possibilities for people around the world and generating greater value. In short, money is digitizing. As the world’s leading open digital payments platform,

PayPal is positioned to deliver the benefits of this transformation to consumers and merchants globally.

Mass adoption of mobile devices

The power of a bank branch in the palm of your hand
PayPal processed 1 billion mobile transactions last year

Digitization of cash

Commerce does not require physical currency
PayPal enables merchants to accept and consumers to pay in the currencies convenient to them

Emergence of alternative lending methods

Access to capital is easier
In the last 18 months, PayPal has provided \$500 million in small business loans in the U.S.

Fragmentation of payment types, technology & channels

Payment platforms just work – they’re sophisticated but uncomplicated
PayPal is technology and payment agnostic

Rise of fraud & cybersecurity

Customers can be confident however they use their money
PayPal established a global Security Center of Excellence in 2015

¹ Bankrate.com Financial Security Index survey, May 2014 ² The Cost of Cash in the United States, The Fletcher School, Tufts University

³ World Bank, “Global Financial Development Report 2014: Financial Inclusion,” March 2014, page 1 ⁴ 2015 Internet Trends Report, Kleiner Perkins Caufield & Byers

⁵ Bureau of Justice Statistics ⁶ <http://www.lexisnexis.com/risk/downloads/assets/true-cost-fraud-2014.pdf>