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PayPal Successfully Bridges Two Worlds

Global financial networks

The internet & web companies

Making global payment systems work seamlessly together online
How PayPal Works

Senders choose from any one of multiple funding sources

- Credit Cards
- Bank Accounts
- PayPal Balance
- PayPal Plus Card
- eCheck
- Gift Certificates

PayPal sends the money but never shares details of the underlying financial instruments used

Receivers choose from any one of multiple withdrawal sources

- Physical or Virtual Debit Card
- Bank Account
- PayPal Balance
- Check
PayPal Enables Global Commerce

- 190 markets
- 19 currencies
- Localized service in 18 markets
Tremendous Customer Growth

73.1 mil Active* Worldwide

*active accounts are those that have had activity in the past 12 months.
PayPal Total Payment Volume

TPV

FY08 $60 Billion TPV

$16 Billion*

* Total dollar volume of payments, net of payment reversals, successfully completed through the PayPal system during the quarter (excludes the payment gateway business).
Why Buyers Like PayPal

• FAST
  – Express Checkout
  – Transactions take only a few seconds

• EASY
  – Simple account set up
  – Enables multiple financial instruments

• SECURE
  – “Shop without sharing”
  – Sophisticated fraud models
Why Merchants Like PayPal

• EASY
  – All-in-one solution
  – Immediate account set up

• SECURE
  – Fewer fraudulent transactions
  – Seller protection

• INCREASED SALES
  – Up to 14% incremental sales with Express Checkout

• COST EFFECTIVE
  – No set up fees
  – Lower cost than competition
  – Simple bundled pricing