



Social Media Payment Applications

June 6, 2011





5th Annual Mobile Banking and Emerging Applications Summit

Social Media Payment Applications Our Panel

The PROPAY logo consists of the word "PROPAY" in green, uppercase, sans-serif font, followed by a green stylized icon of a person jumping or a checkmark.

Heather Mark, PhD
Senior Vice President
Market Strategy

The First Data logo features a stylized orange and blue icon to the left of the text "First Data" in a bold, sans-serif font, with a trademark symbol (TM) to the right.

Preston W. Thornton III
Director, Product Management –
Mobile Commerce Solutions

The boku logo features the word "boku" in a bold, lowercase, sans-serif font, with a small orange dot to the left. Above the word "boku" is the text "PAY BY MOBILE" in a smaller, uppercase, sans-serif font.

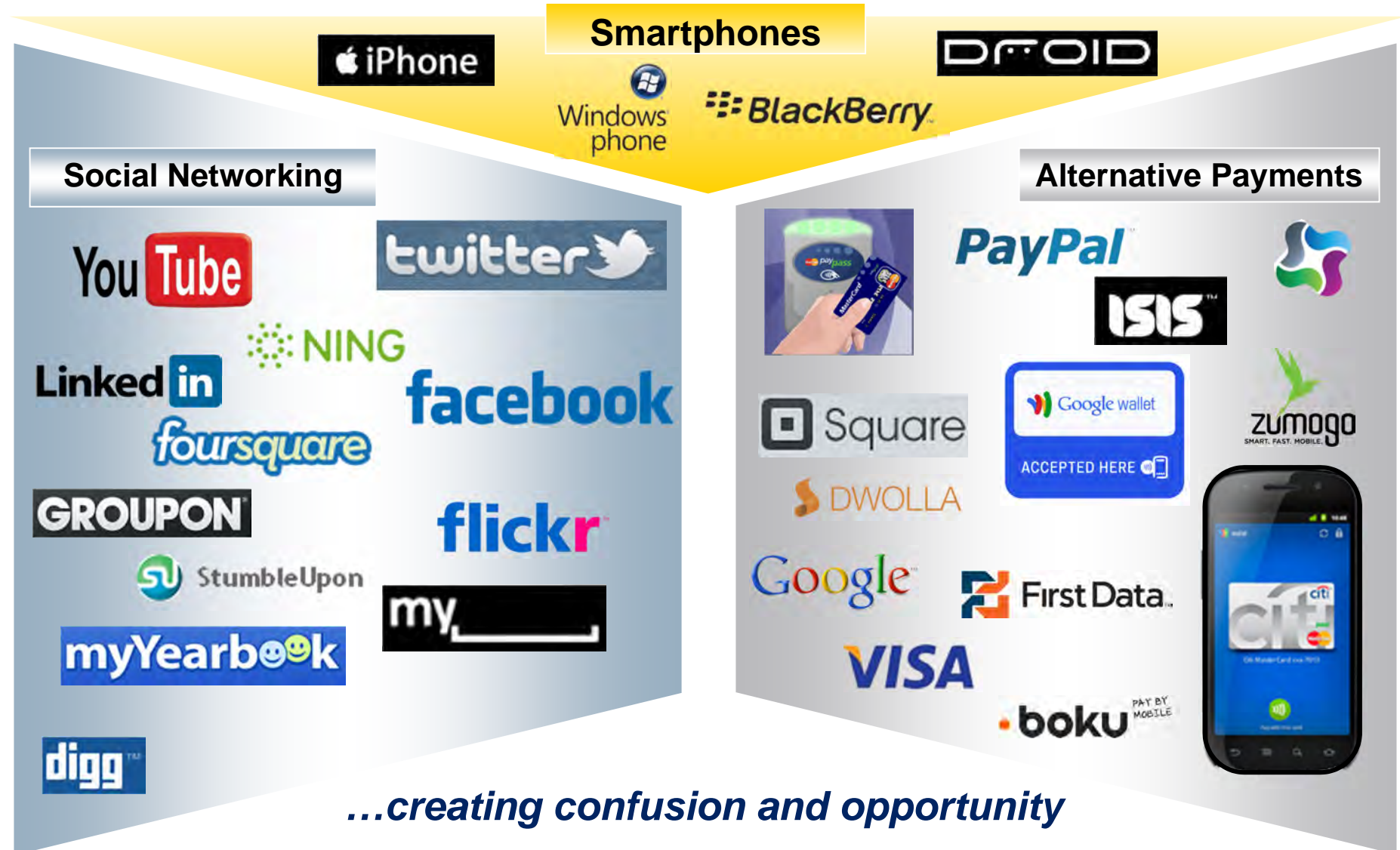
Wellington Sculley
Vice President of
Business Development

Moderator

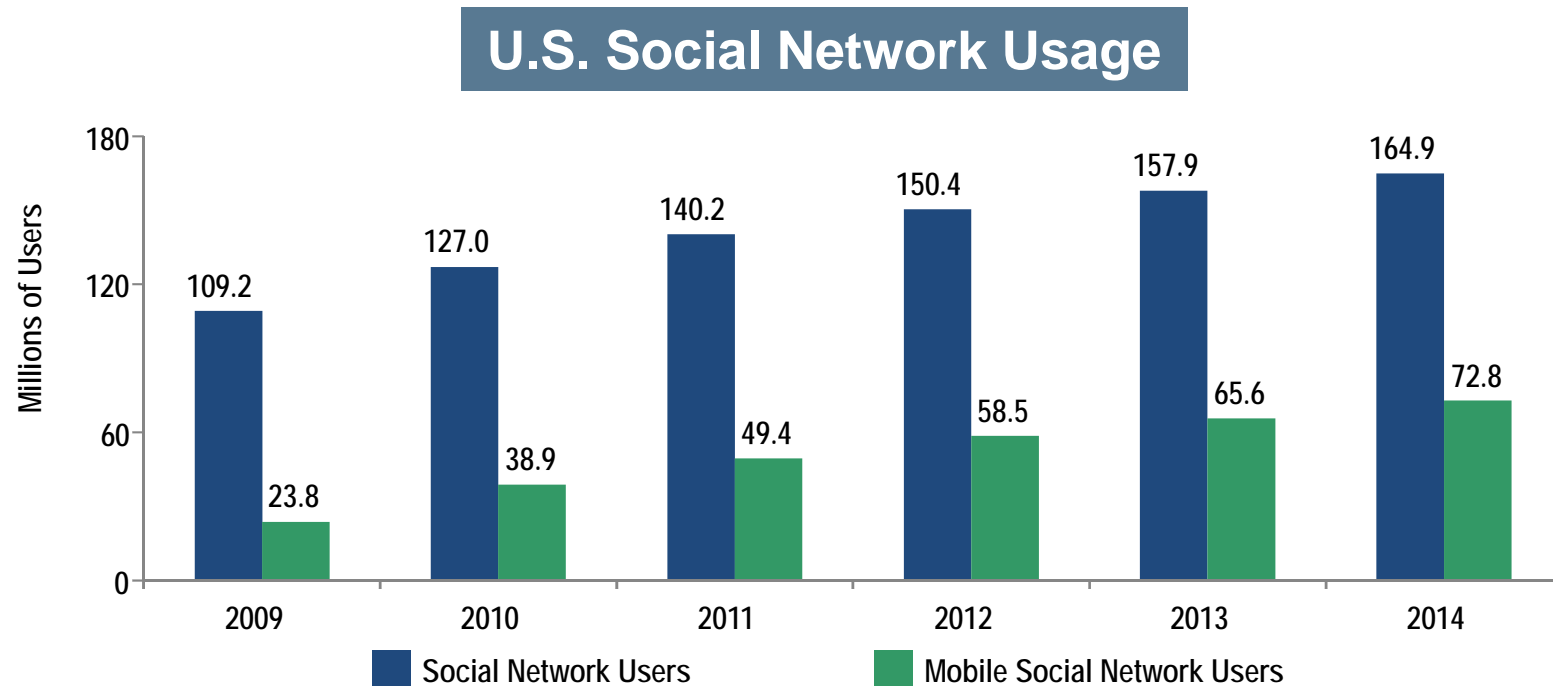
Campbell Edlund
President, EMI Strategic Marketing



Digital transformation, growth explosion



Social networks growing at warp speed



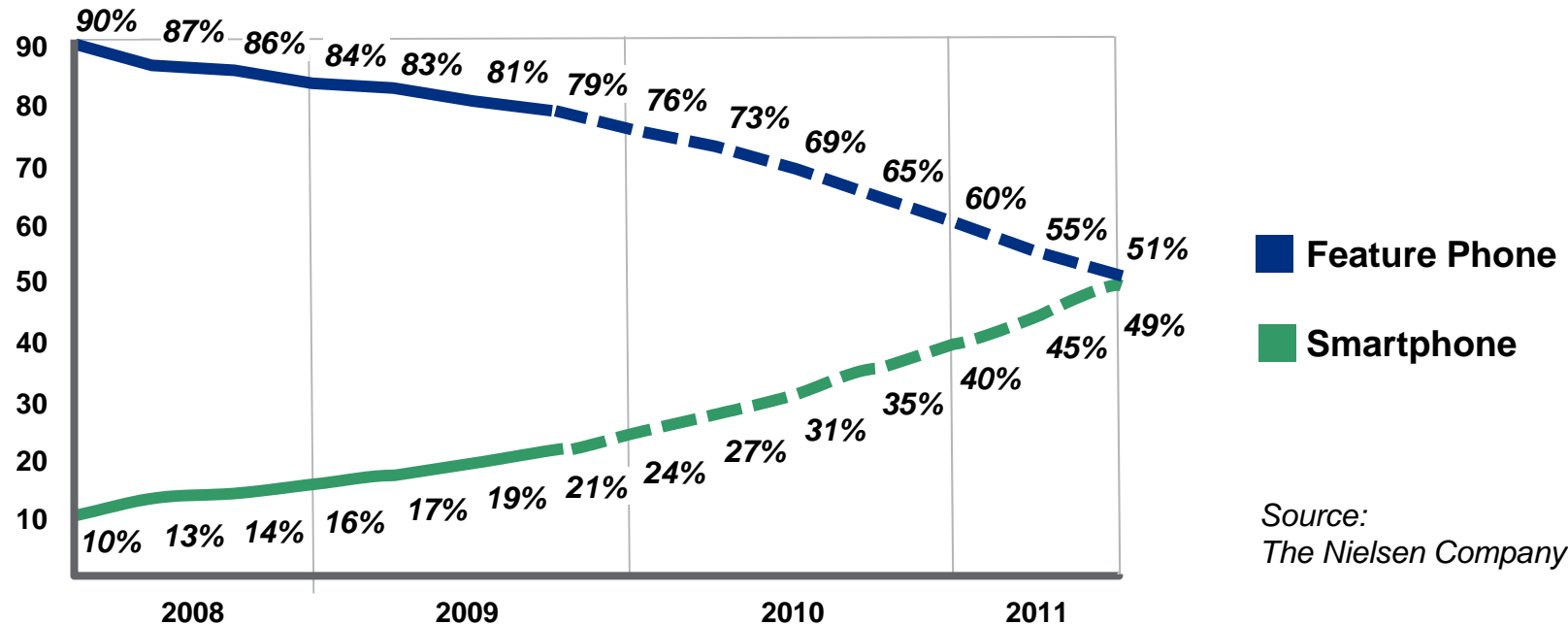
**In 1994, there were no social networks;
today, 650mm are active on Facebook, 100mm on LinkedIn**

**Nearly 8 out of 10 in the US aged 25-45 are social, 1 in 4 of 65+; 23% of
adult online time now spent on social networks**

Social gaming forecast to hit \$1 billion in 2011

Smartphones are becoming dominant

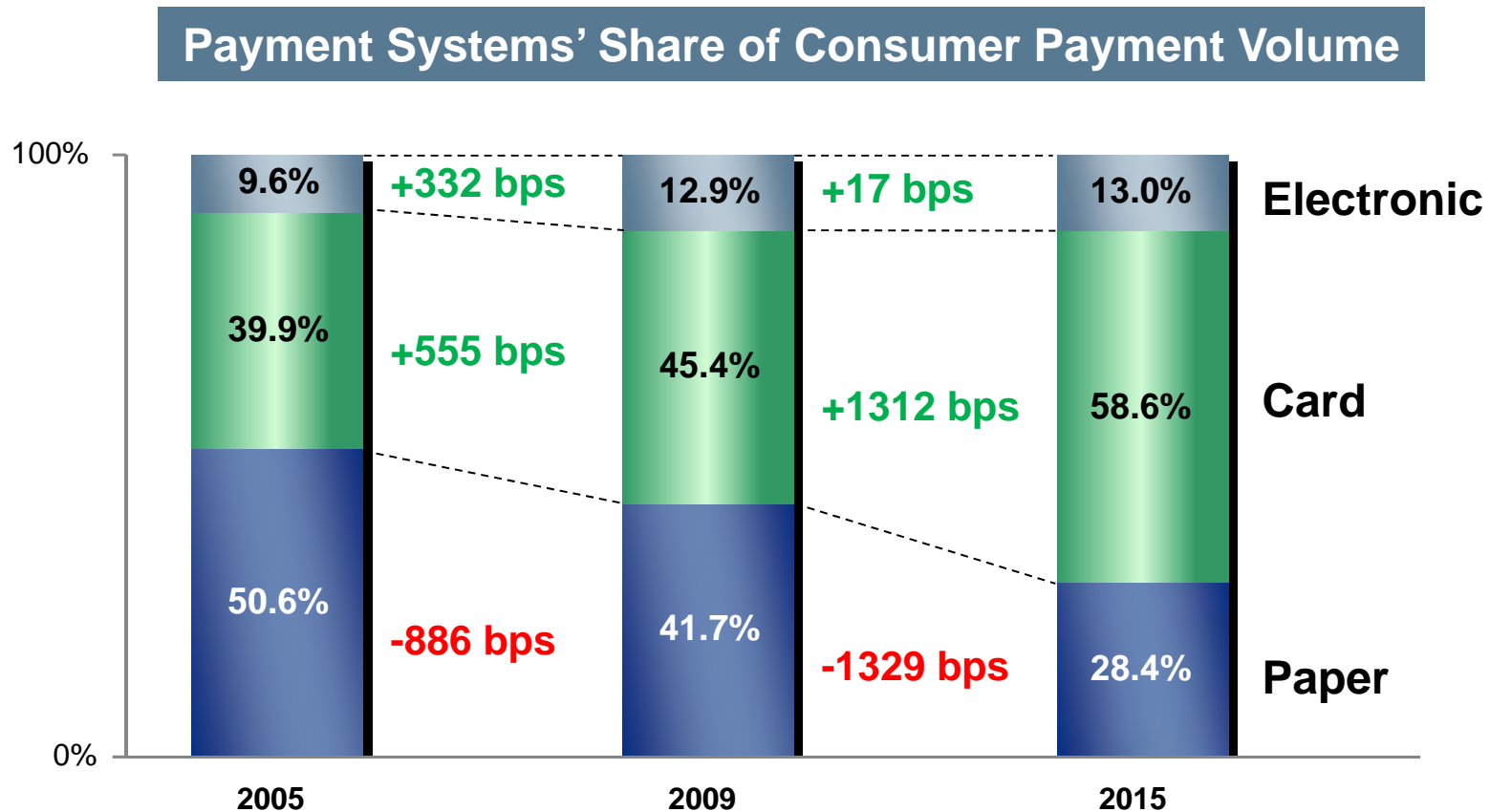
U.S. Smartphone Penetration & Projections



1Q2011 US shipments grew 85% from 4Q2010

**Android reported 350,000 activations a day in January 2011,
and has captured a third of US smartphone market share since 2009 launch**

E-payments reaching half a trillion dollars

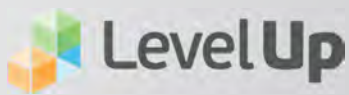


Highest growth in electronic payments is in remote payments, with share increasing from 4% in 2005 to a forecast 7% in 2015 reaching \$663bn

The Nilson Report December 2010

Social media payment landscape

Financial institution/ social media partnerships



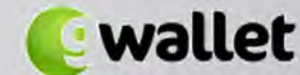
Daily deals



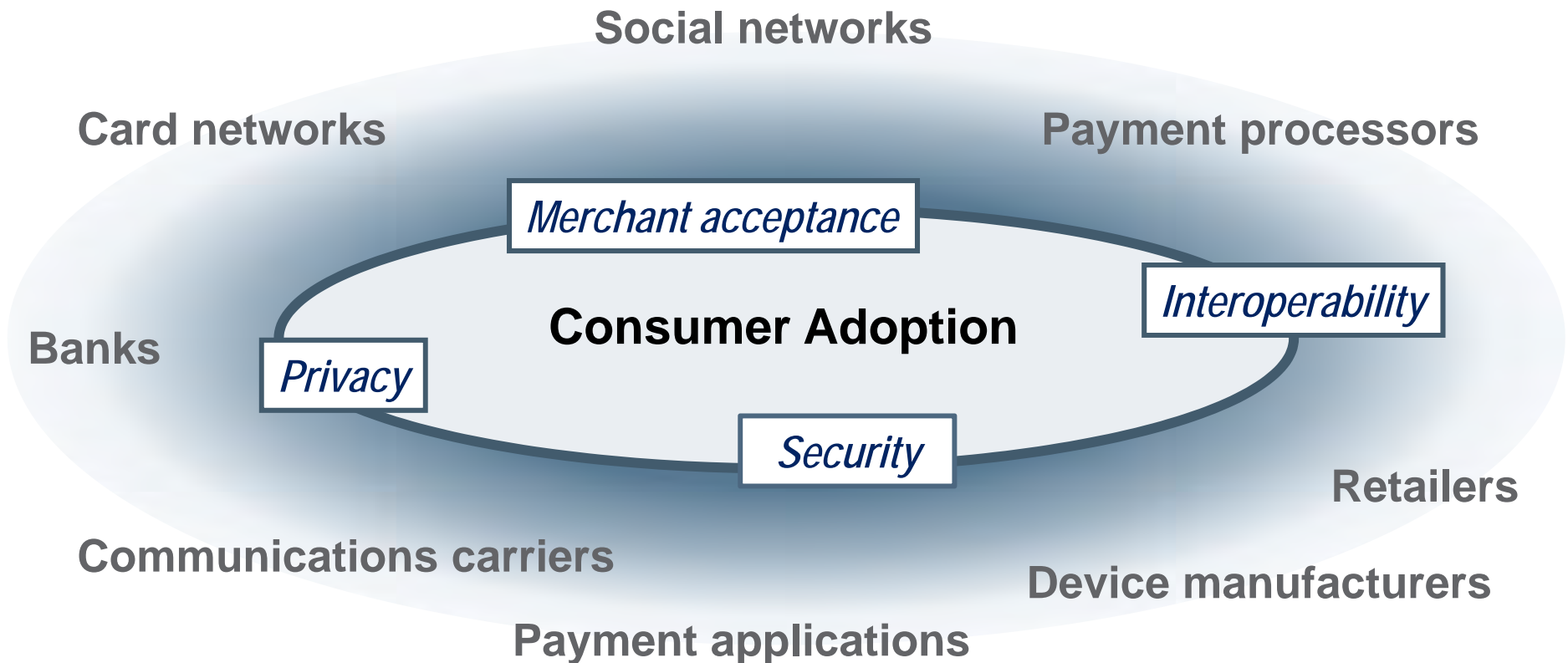
Social/mPayments



Virtual currency



Unlocking the value in the social paymentsphere



**Who? How enabled? What brand? Why switch?
How monetize? How organize? How many? When?**



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*Dr. Heather Mark, PhD
SVP Market Strategy*

ProPay – Simple, Secure Affordable Payments

- Since 1997, ProPay Inc. has specialized in providing simple, secure and affordable payment solutions to businesses of all sizes.
- ProPay provides a variety of payment services, including:
 - Merchant Services
 - Alternative Payment Solutions
 - Mobile Payment Solutions
 - End-to-End Encryption and Tokenization Services

Honors & Awards:

2009Digital IQ Best Business Services Winner

2009Top 3 Finalist for Best ISO of the Year, Electronic Transaction Association

2009Utah Genius Award

2009/2010 . Inc. 5000 Fastest Growing Companies in the U.S.

2010ETA ISO of the Year Award

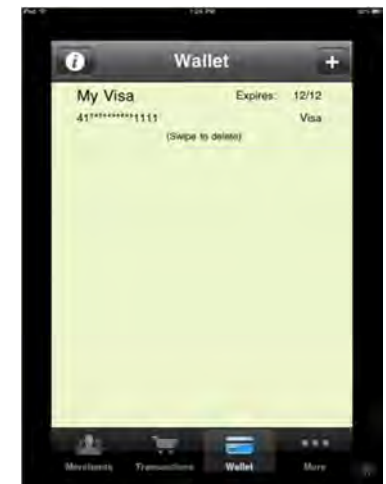
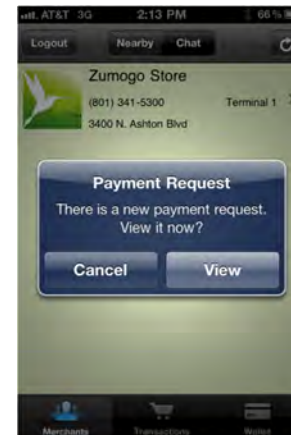
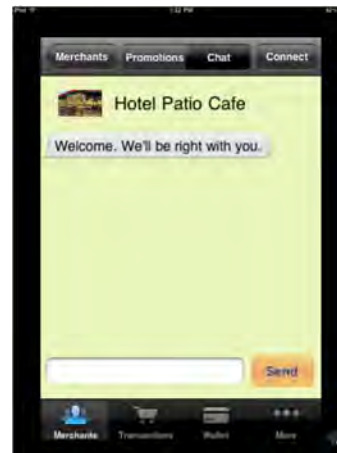
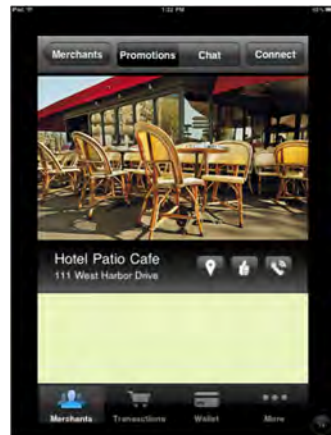
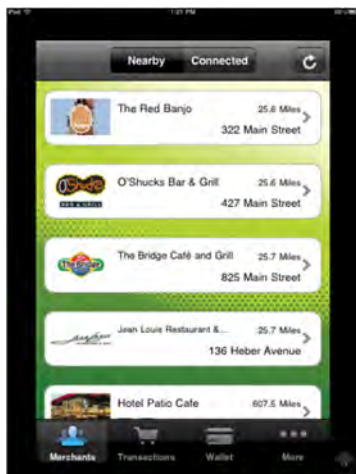
2011Winner ETA Technology Showcase (Zumogo)



What is Zumogo?



- Zumogo is a Secure, Social, Mobile Payment (social m-payment) Platform that enables a new connection between merchants and consumers.



Nascent Industries Mean Opportunities and Challenges

- Social Networks and Social Media have an explosive rate of growth
 - Did you see LinkedIn's IPO?
- Privacy and security issues in the “social network” world are still unclear
 - Dichotomy of ensuring privacy while encouraging users to share information
- Mixing an uncertain social media environment with the sensitive payments process
 - How do you marry the best of the social world with the most secure payment practices?

Social + Mobile + Payment = ?

- In a nascent market, even experts aren't sure what the tradeoffs are
 - Security and privacy vs. increased conversion
 - Can we offer consumers the same expectations through mobile/social payments as through traditional payment channels?
 - Increased regulation
 - Can we draw lessons from our past experiences to avoid this?

Start as you mean to go on...

- One chance to break customer trust
 - How many chances will your customers give you to secure their data?
- Mobile Privacy by Design
 - FTC Guidelines on Privacy by Design can be extrapolated to the mobile environment



SourceMedia™

*5th Annual Mobile Banking and
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First Data™

b>yond the transaction

June 6, 2011

Social Media Payments

Preston W. Thornton III

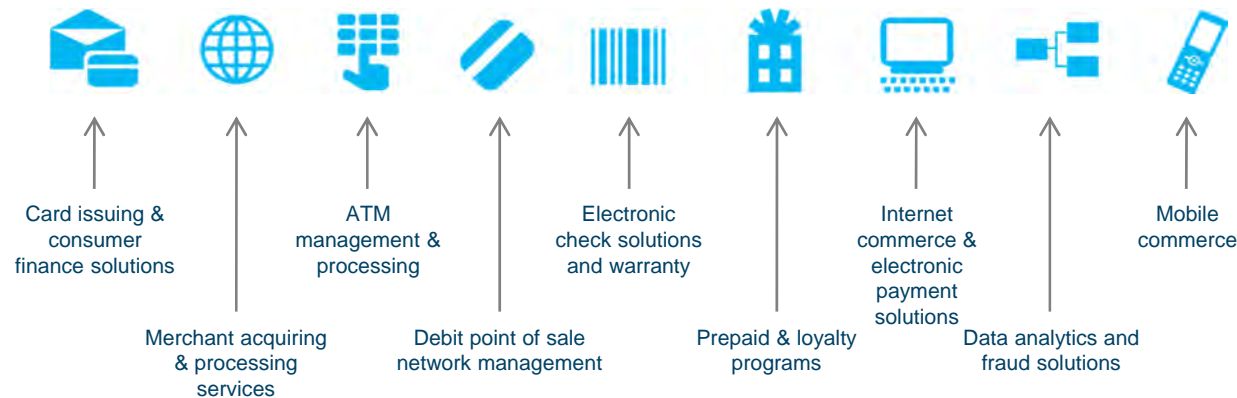
Director – Product Management, Mobile Commerce

Who is First Data?

Global Leader in electronic payment solutions and products for Merchants and Financial Institutions

2010 Performance

| | |
|--|----------------|
| Revenues | \$10.4 billion |
| U.S. Payment Transaction Dollar Volume | \$1.4 trillion |
| Worldwide Merchant Locations: | 6.2 million |
| Number of employees | 24,500 |



SourceMedia™ Social Media Payment Applications

FD View of Mobile & Social Commerce



The mobile & social commerce evolution is rapidly gaining momentum

SourceMedia™ *Social Media Payment Applications*

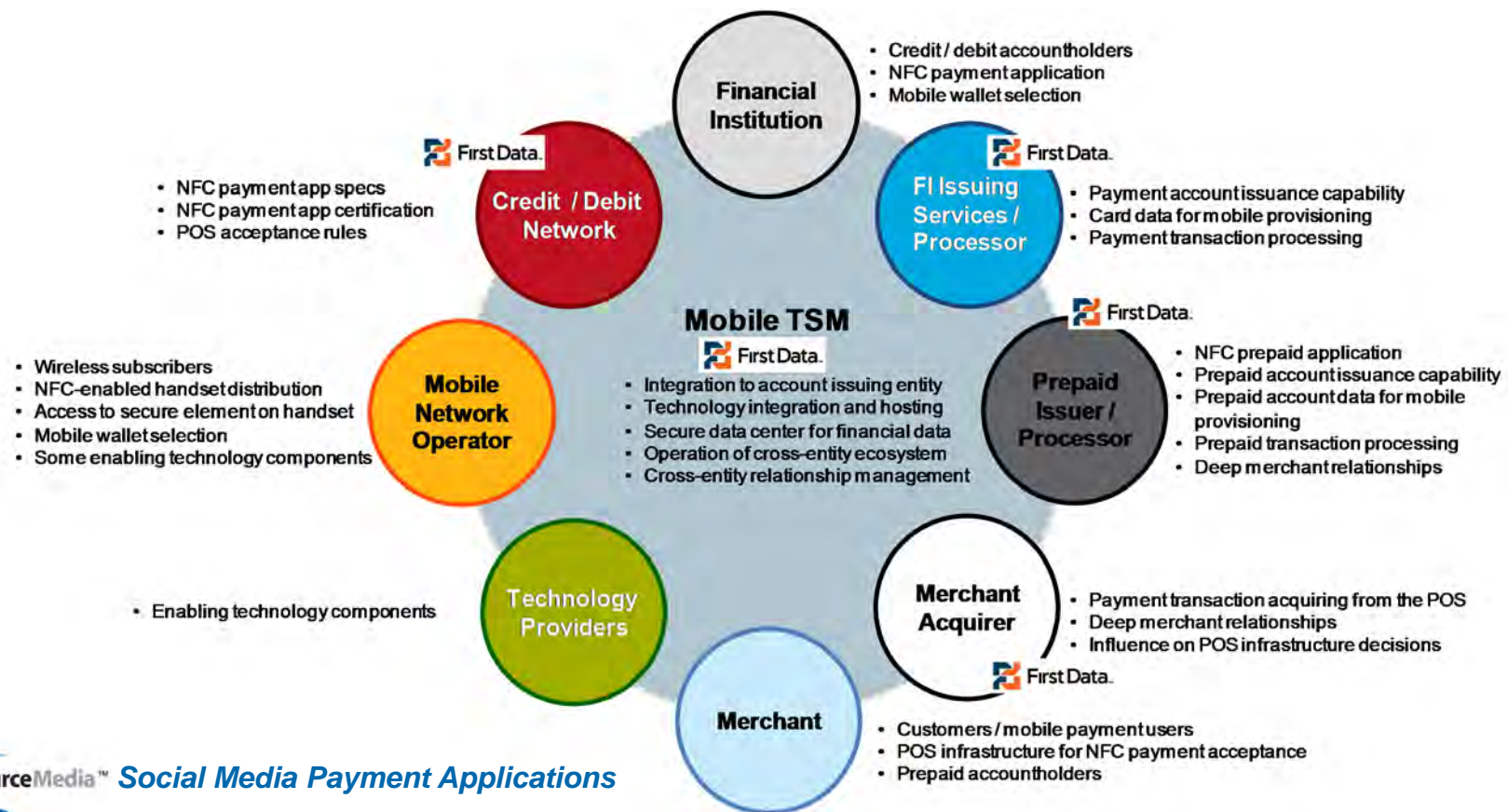
beyond the transaction.

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First Data. | 17

Complex Ecosystem is required to support Mobile & Social Commerce

First Data is uniquely positioned to enable the ecosystem



SourceMedia™ *Social Media Payment Applications*

Ecosystem Enablement Products & Services

Mobile Commerce

Chips On Mobile Devices

Trusted Service Management

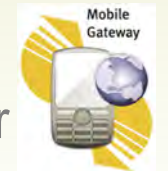


Mobile Banking



SMS

mGateway



Mobile Manager

 **SourceMedia™ Social Media Payment Applications**

Personalized Marketing

Mobile Apps

eGift Social



mCoupons/
mVouchers

FS Loyalty



Deals

NFC & Contactless Acceptance

Increase And Consumer Usage

Tags/ Stickers



microSD



FD Specification

NFC Handset



POS Enablement

First Data's eGift SocialSM

- Allows consumers to send gifts in real time to friends via Facebook or mobile devices
- Gifts redeemable for physical goods at merchant locations
- 11 National Merchants Live



SourceMedia™ Social Media Payment Applications

facebook

eGift Social™

Send Real Gifts, Real Easy

In just a few easy steps, you can send a friend a real gift. [More about how it works >>](#)

Choose What

1 Pick gifts from many of your favorite stores

Choose Who

2 Select friends you wish to send gifts to

Choose Where

3 Send real gifts via email and Facebook!

Get Started - Pick a store
Browse Menus and Get Gift Ideas

dots
Culver's
JOE'S CRAB SHACK
BOSTON MARKET
SEPHORA
DQ
COLDSTONE CREAMERY
Kmart
BURGER KING
fye
sears
COMING SOON

First Data. VeriSign Secure

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The Future of eGifting

- Phone-based contactless payments
- 1D & 2D barcodes
- Simplified redemption process

Advances in Smartphone technology and phone-based eCommerce will bring new payment options, improved user experience and higher adoption.





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Mobile Banking Summit
June 2011



...is a global payments company
making mobile the way to pay.

All you need is your phone number.

BOKU Vision:



3B+
Consumers

700+
Merchants

Network

220+
Carriers

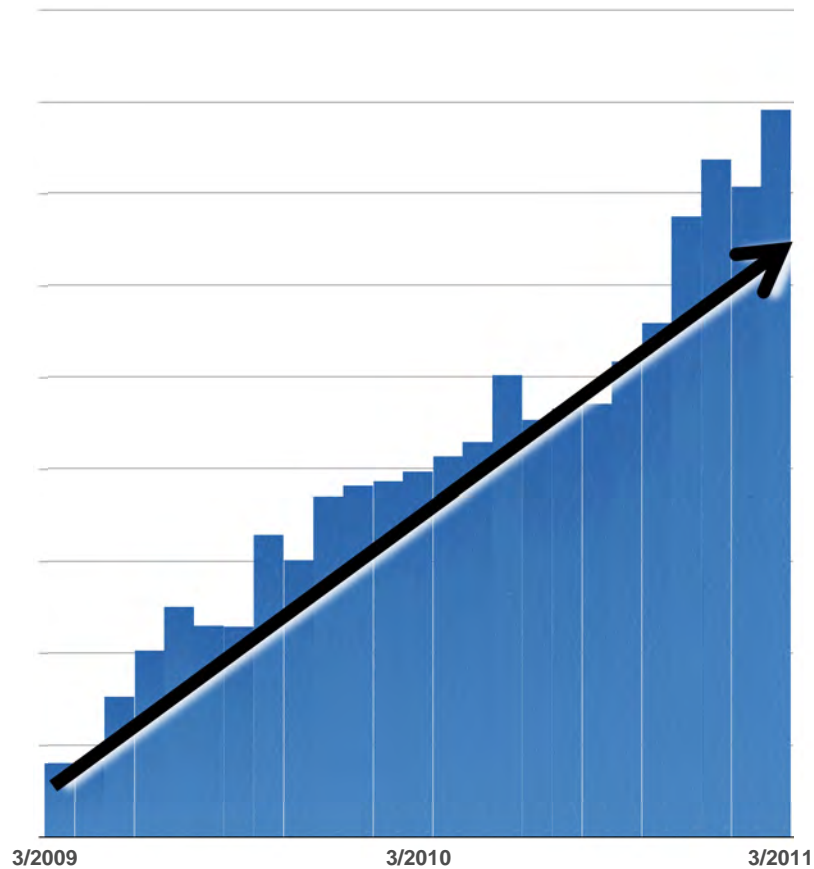


boku

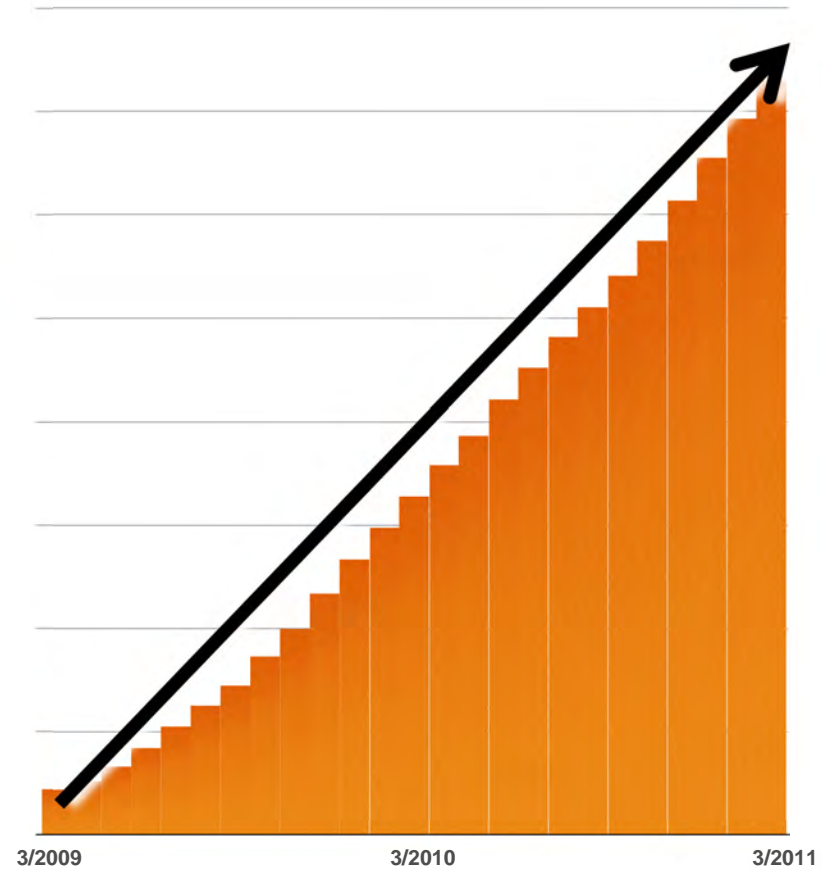


BOKU Growth

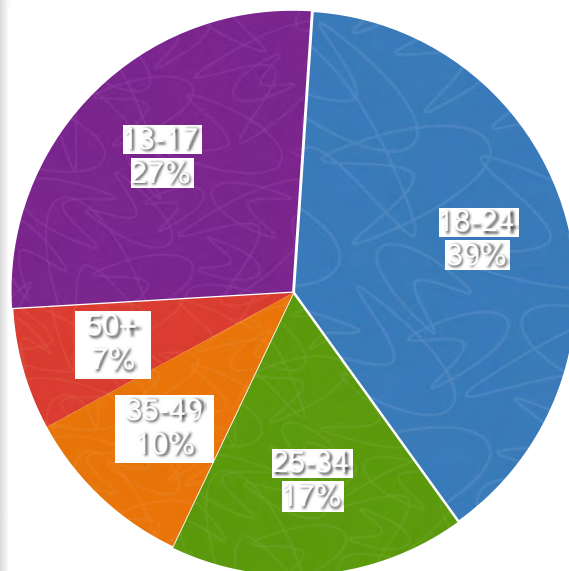
Monthly Transactions



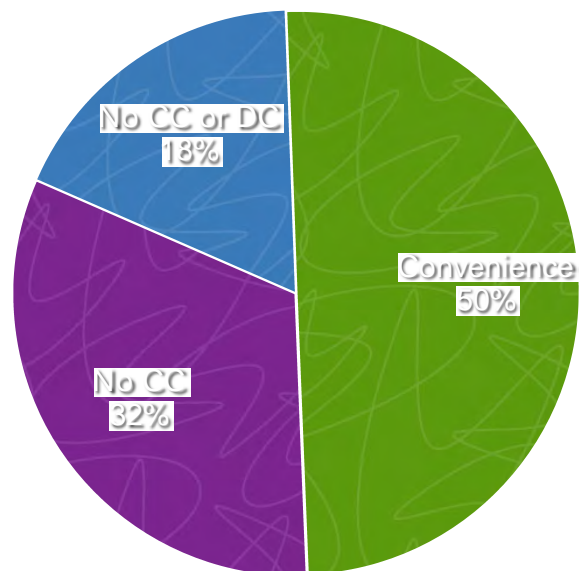
Cumulative Unique Users



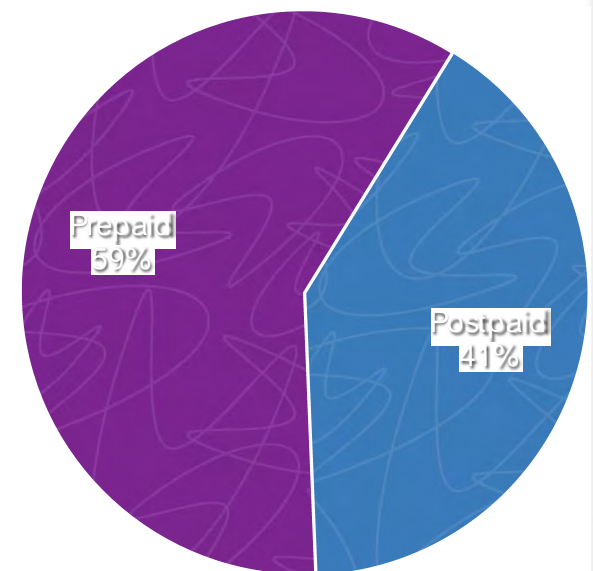
Age



Why pay with mobile?



Mobile Type



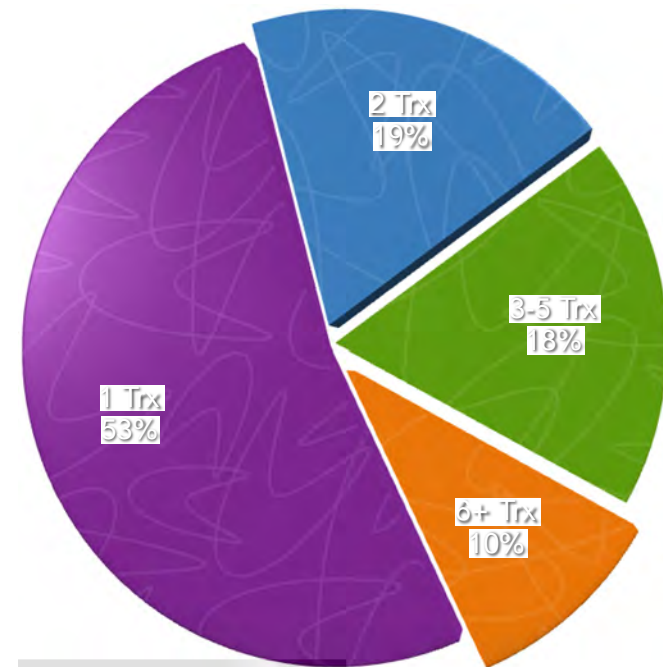
* BOKU quarterly research, Q3, 2010, Top 10 TPV Markets, N=400 per market.

Merchants See Net Increase In Users

Mobile Payment Checkout Share:
Live BOKU Merchants

| Merchant Region | Share of Mobile Checkout |
|-----------------|--------------------------|
| North America | 8-15% |
| Latin America | 35-50% |
| S.E. Asia | 30-90% |
| Middle East | 35-50% |
| E. Europe | 30-35% |
| W. Europe | 15-25% |

Frequency of Use Per Month
47% of users are repeat users



Ranges based on interviews with major merchants live on the BOKU Network.

Top 36 Countries PCE \$24.49 BN \$USD



Cash Usage



75%

of Global PCE

Credit Card Spend



12%

of Global PCE

Debit Card Spend

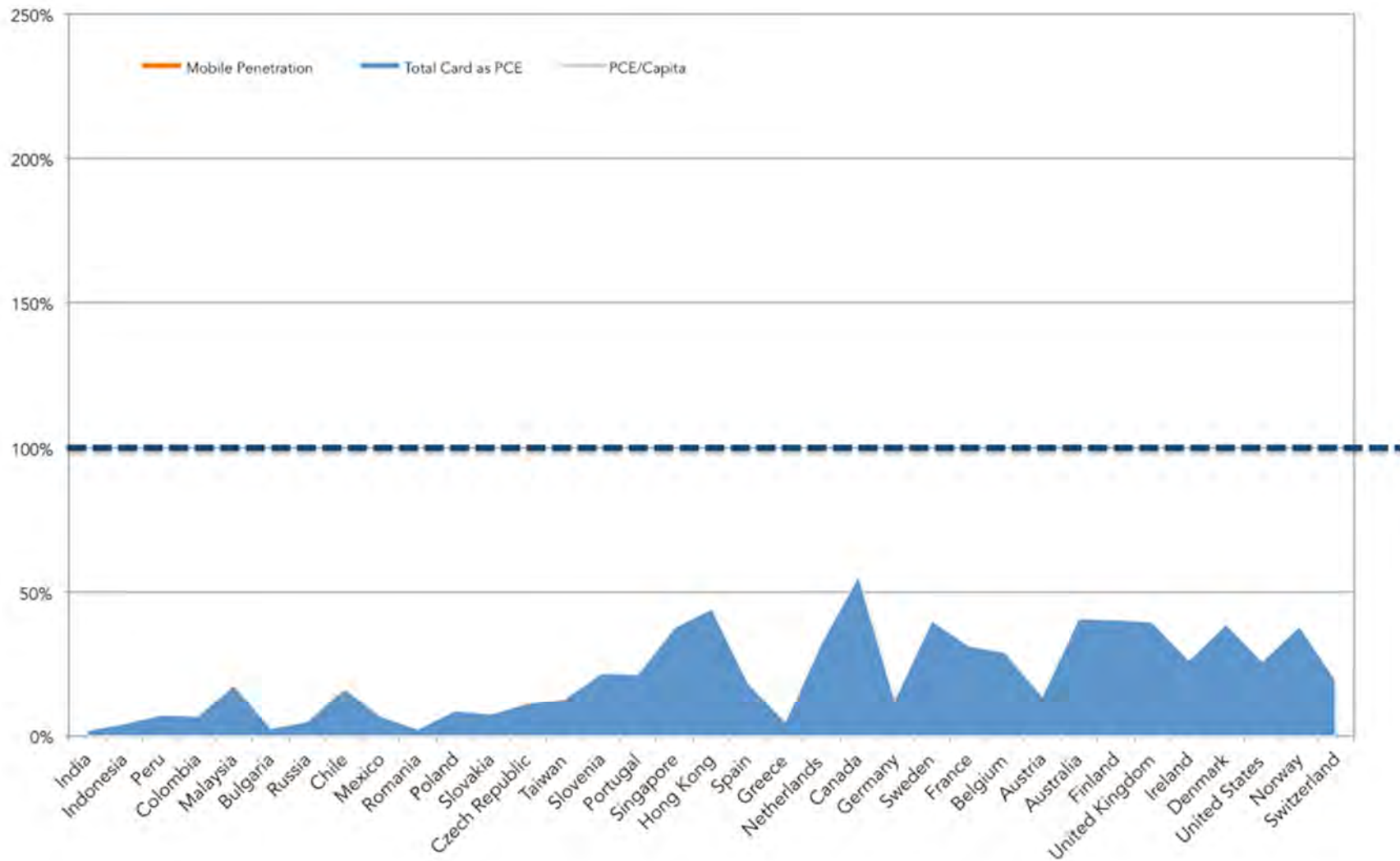


13%

of Global PCE

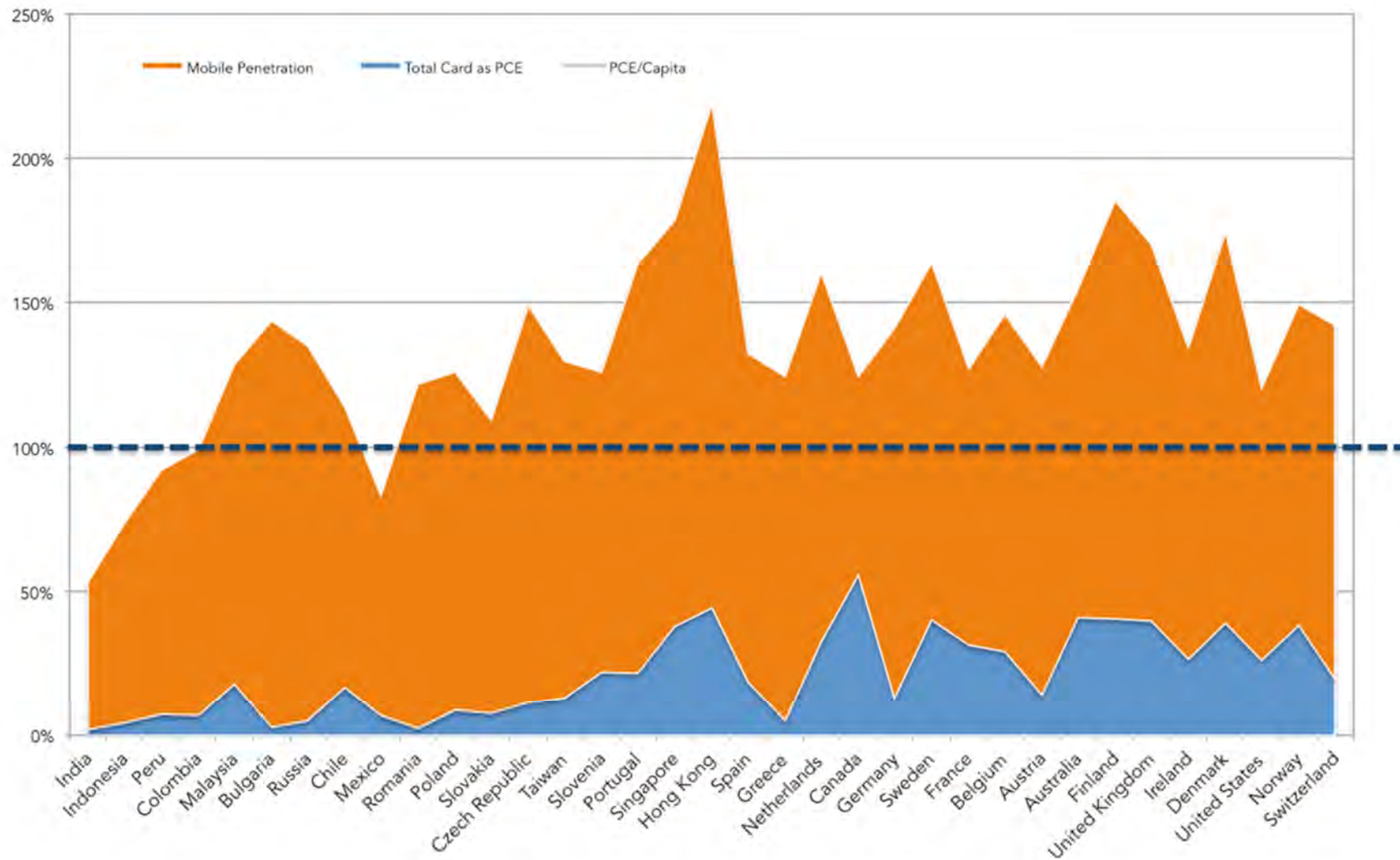
Top 36 countries based on PCE, reported by the World Bank, McKinsey, Nilson

Opportunity remains to card users



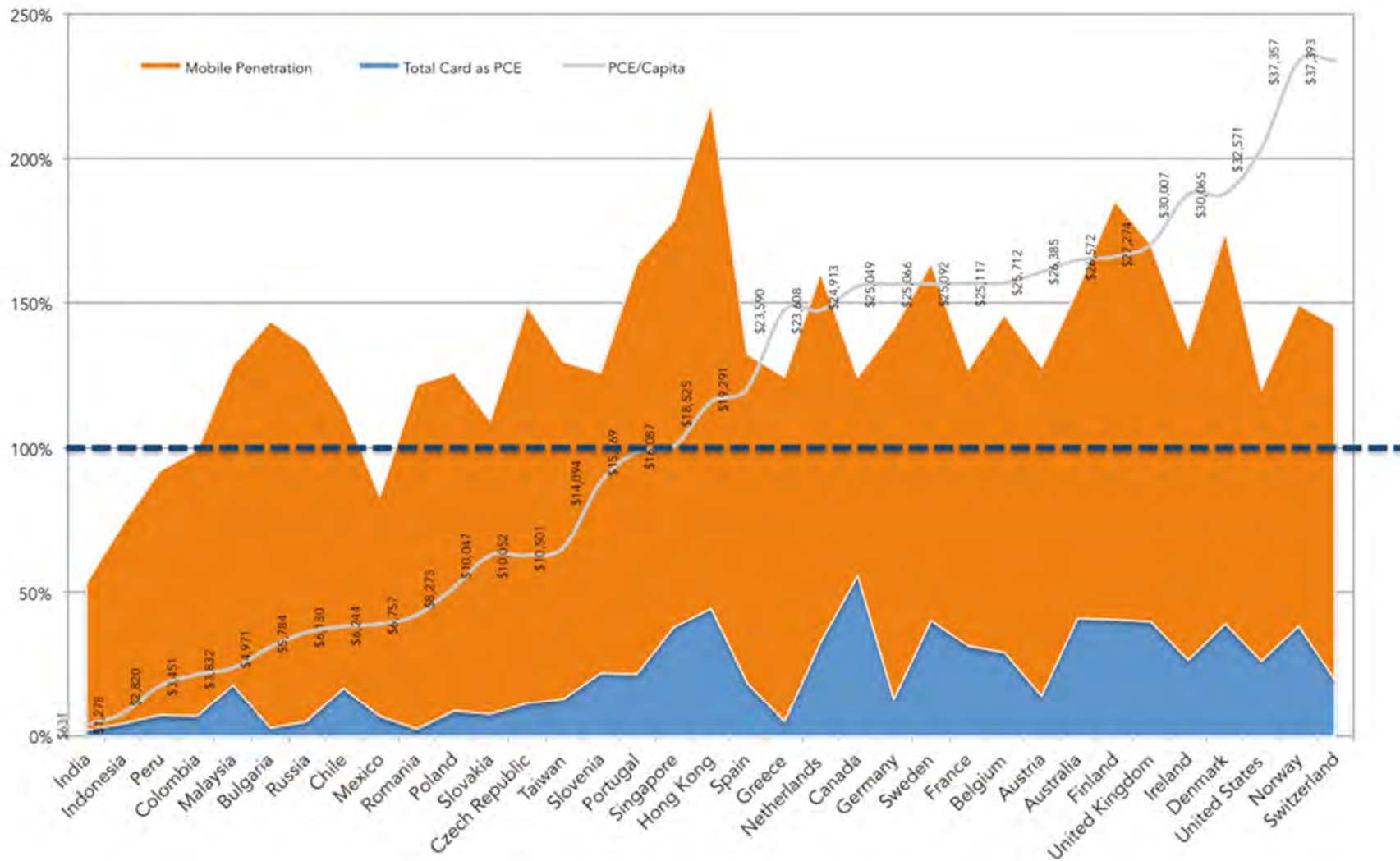
Select Markets, 2010, BOKU internal research, Mckinsey & Co Research, World Bank

Mobile Users Dominate Most Markets



Select Markets, 2010, BOKU internal research, Mckinsey & Co Research, World Bank

Are these users Cardable?



What if operators enabled every Mobile number in the world?



1,040M

Cards in Western Hemisphere

712M

Cards in Eastern Hemisphere

135M

Global Prepaid Active Cards



4,500M

Mobile Accounts

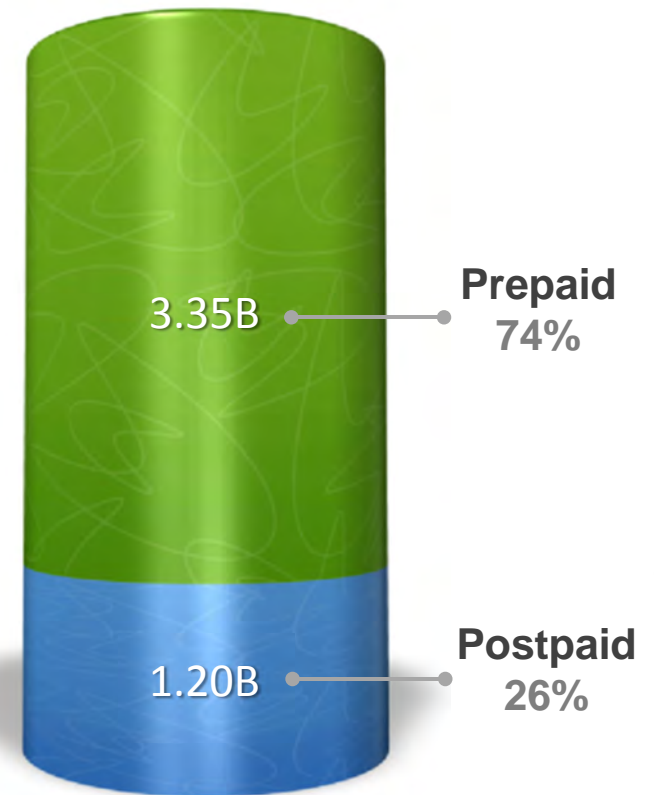
3,350M

Prepaid Accounts

1,200M

Postpaid Accounts

Global Subscribers



McKinsey & Co, Yankee Group, BOKU Strategy, July 2010



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