

U.S. PAYMENT MARKET

OVERALL (BUSINESS & CONSUMER)

PAYMENT METHODS (KNOWN AS "RAILS" IN THE FINANCIAL SERVICES INDUSTRY)

Checks	ACH	Cards	Wire	Cash	On the Horizon
A written, dated and signed document directing a bank to pay a definite amount of money to a payee from a specific checking account.	An electronic funds-transfer system that acts as a financial hub to help process large batches of credit and debit transactions.	A card that identifies a person as entitled to have goods or services, billed to a charge account or debited from a bank account.	An electronic transfer of funds across a network of worldwide banks that allows people in different geographic locations to safely transfer money to other locales.	Legal tender or coins that can be used to exchange goods, debt or services.	Federal Reserve is working on developing a payment that has two key goals: 1. Faster payments 2. Improved security

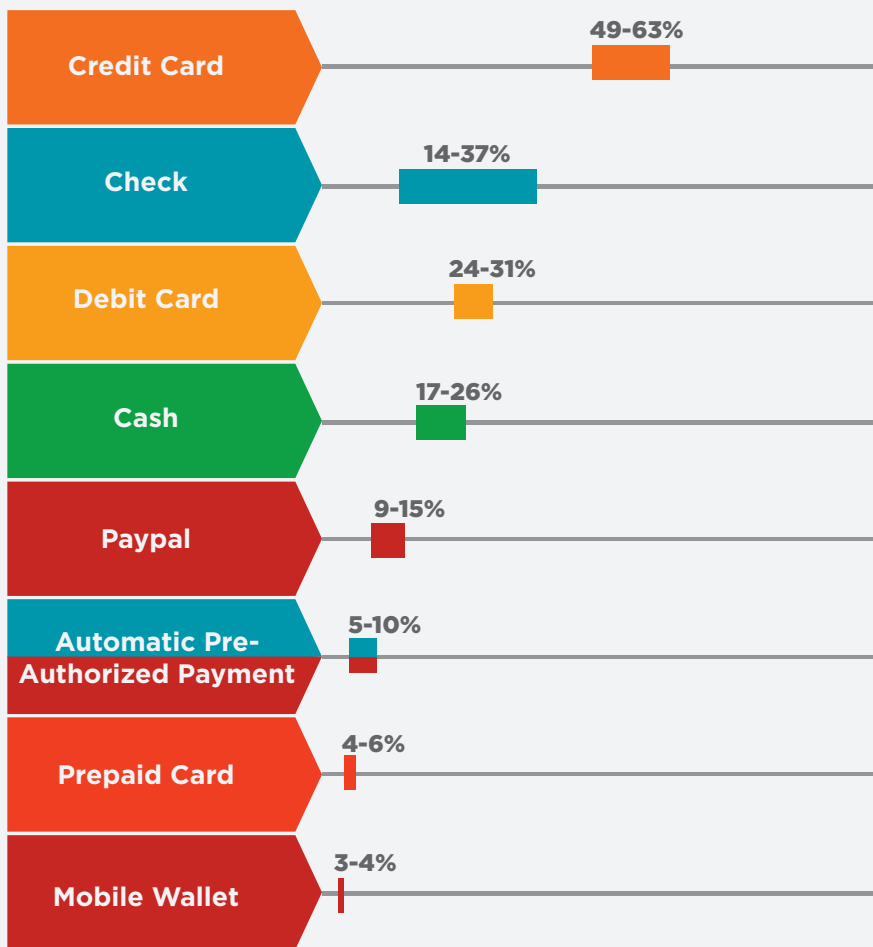
BUSINESS REQUIREMENTS FOR A PAYMENT METHOD	Checks	Cash	Cards	Wire	ACH
Does not require fundamental change in current AP processes.	✓	✓			
Payment method must be broadly accepted.	✓	✓	✓	✓	✓
Payment immediacy.	✓ eChecks only	✓	✓		✓
Robust remittance data can be attached and sent with payment.	✓				
No Recipient signup/membership required.	✓	✓			
No additional Recipient fees.	✓	✓			
Recipient does not have to provide sensitive banking data.	✓	✓	✓		
Simple implementation.	✓				
Secure - considered table stakes.	✓	✓	✓	✓	✓
Endorsed by trusted name(s).	✓	✓	✓	✓	✓

Source: Deluxe Research

SB PAYMENTS

*SB defined as <500 Employees

Methods Used By SBs To Pay Suppliers



CHECKING ACCOUNT HOLDERS REPORT HAVING A MEAN OF **1.9 CHECKING ACCOUNTS**

APPROXIMATELY **1 IN 10** USE A PERSONAL CHECKING ACCOUNT

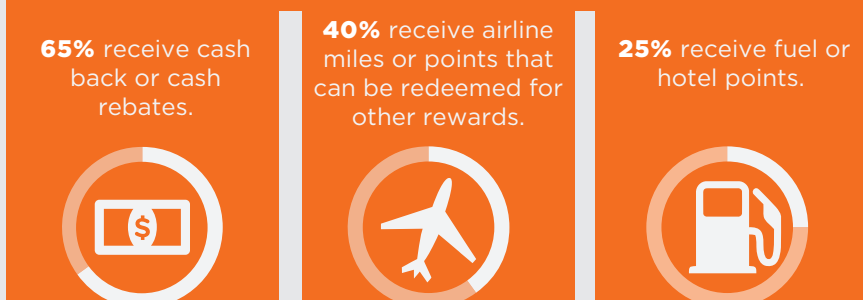
OF SBs THAT USE CREDIT CARDS

HALF ONLY USE CORPORATE OR BUSINESS CARDS | **1 IN 4** ONLY USE PERSONAL CARDS

ALMOST **3 IN 10** USE **BOTH** TYPES

THE MAJORITY OF SBs USING CREDIT CARDS (**79%**) ARE CONVENIENCE USERS THAT ALWAYS OR USUALLY PAY THEIR BALANCE IN FULL EACH MONTH

8 IN 10 SBs EARN CREDIT CARD REWARDS



TOP REASONS

CHECKS Easier Recordkeeping	CREDIT CARD Rewards	DEBIT CARD Easy/Convenient	CASH Easy/Convenient
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Source: Small Business Payment Market, Synergistics, May 2015.