PayPal and Small Business

Intuitive Customer Interface
Online • In-App • In-Store

Open-Source Technology Platform

<table>
<thead>
<tr>
<th>PayPal Processing</th>
<th>100% Payment Processing</th>
<th>Contextual Commerce</th>
<th>Rewards</th>
<th>Transactional Credit</th>
<th>Invoicing &amp; Reporting</th>
<th>PayPal Working Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Service</td>
<td>Seller Protection</td>
<td>Visitor to Sales Conversion</td>
<td>Risk Services</td>
<td>Payouts</td>
<td>Omni Solutions</td>
<td>Seamless Identity Sign-On</td>
</tr>
</tbody>
</table>

RISK CAPABILITIES  CUSTOMER SERVICE  SCALABILITY  AVAILABILITY  COMPLIANCE  DATA
Sample repayment and pricing options

Example: Business with $100,000 in annual PayPal sales, seeking maximum loan amount. Pricing will vary, depending on your business's sales

<table>
<thead>
<tr>
<th>Portion of sales to PayPal / to you</th>
<th>Loan Fee</th>
<th>Loan Amount</th>
<th>Total to be repaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>10% / 90%</td>
<td>$947</td>
<td>$8,000</td>
<td>$8,947</td>
</tr>
<tr>
<td>12% / 88%</td>
<td>$767</td>
<td>$8,000</td>
<td>$8,767</td>
</tr>
<tr>
<td>15% / 85%</td>
<td>$594</td>
<td>$8,000</td>
<td>$8,594</td>
</tr>
<tr>
<td>20% / 80%</td>
<td>$431</td>
<td>$8,000</td>
<td>$8,431</td>
</tr>
<tr>
<td>30% / 70%</td>
<td>$281</td>
<td>$8,000</td>
<td>$8,281</td>
</tr>
</tbody>
</table>
Your Loan History

This is a collection of all of your loans with this account.

**Current Loan from 05/04/2016**

**Loan from 08/04/2015 to 05/02/2016**

- **Loan Amount:** $19,500
- **Payment Duration:** 273 Days
- **Fee:** $2,205
- **Number of Payments:** 267
- **Total Amount Paid:** $21,705
- **Average Daily Payment:** $79.51
- **% of Sales as Payment:** 20%
- **Your Total Sales:** $109,743.14

Download contract

My Account Tools
- Dashboard
- History and contracts
- My PayPal account
- Make a payment

Have a question?
- We’re here to help
- FAQs
- Contact us

How did we do?
- Take our satisfaction survey
Usman Ahmed, Thorsten Beck, Christine McDaniel, and Simon Schropp

Filling the Gap
How Technology Enables Access to Finance for Small- and Medium-Sized Enterprises

Small- and medium-sized enterprises (SMEs) account for more than one-half of the world’s GDP and employ two-thirds of the global workforce.\(^1\) The number one barrier to growth faced by SMEs around the globe is access to financing.\(^2\) This is not a new issue, as the onerous information, administration, and collateral requirements associated with traditional loans have inhibited SMEs from seeking or securing financing.
<table>
<thead>
<tr>
<th>Type of business</th>
<th>All firms</th>
<th>Startup</th>
<th>Grower</th>
<th>Mature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(&lt;5 years in business)</td>
<td>(profitable and increasing revenues)</td>
<td>(&gt;5 years in business; 10+ employees; holds debt)</td>
<td></td>
</tr>
</tbody>
</table>

**Credit demand and credit outcomes**

<table>
<thead>
<tr>
<th>Discouraged from applying</th>
<th>20%</th>
<th>22%</th>
<th>4%</th>
<th>4%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval rate of those that applied for loan</td>
<td>54%</td>
<td>38%</td>
<td>74%</td>
<td>93%</td>
</tr>
</tbody>
</table>

Decline in the Number of Retail Banks, by county
The Location of Banking Deserts

Class
- Existing
- Potential

Sources: Morgan et al. (see references), CASSIDI and authors' calculations.

Federal Reserve Bank of St. Louis
Percentage of PPWC Loans to Low and Moderate Income Businesses (by county)

% of loans going to low income borrowers

- 0
- between 0 and 5%
- between 5% and 10%
- between 10% and 20%
- between 20% and 40%
- between 40% and 60%
- above 60%
EIG DISTRESSED COMMUNITIES INDEX

The Most Economically Distressed Zip Codes in America by State and Population Density

Low Density (L)  Very High Density (VH)

PACIFIC
Alaska 90.769 94839 Savoonga 98903 Anchorage
98778 Juneau 95546 Fairbanks 99508 Juneau
California 95546 Hoopa 99776 Inyo 93529 Kern
95156 Los Angeles 93555 Lake Havasu 93256 Madera
90099 San Diego 99240 Santa Barbara 99117 San Francisco
Hawaii 96870 Mauna Kea 96785 Waipahu 96817 Honolulu
98826 Honolulu

PLAINS
Iowa 92058 West Des Moines 51121 Sioux City 54201 Green Bay
16500 Des Moines 51101 Des Moines 54201 Green Bay
98303 N. Las Vegas L 51101 Des Moines M 54201 Green Bay M
97531 Medford 97531 Medford 97531 Medford
98254 Carlton 98254 Carlton 98254 Carlton

Kansas 96428 Lenexa 96609 Kansas City 96610 Kansas City

Kentucky 942440 Frankfort 942440 Frankfort 942440 Frankfort

Low Density (L)  Very High Density (VH)

MISSOURI
Missouri 98210 St. Louis 98210 St. Louis 98210 St. Louis

NEVADA
Nevada 98903 Las Vegas 98903 Las Vegas 98903 Las Vegas

NEW ENGLAND
Connecticut 06491 Danbury 06491 Danbury 06491 Danbury

Delaware 19972 Wilmington 19972 Wilmington 19972 Wilmington

District of Columbia 20036 Washington DC 20036 Washington DC 20036 Washington DC

Low Density (L)  Very High Density (VH)

GREAT LAKES
Illinois 60604 Chicago 60604 Chicago 60604 Chicago

Indiana 47136 Indianapolis 47136 Indianapolis 47136 Indianapolis

Kentucky 42440 Frankfort 42440 Frankfort 42440 Frankfort

Low Density (L)  Very High Density (VH)

Wisconsin 53121 Milwaukee 53121 Milwaukee 53121 Milwaukee

WASHINGTON 98254 Seattle 98254 Seattle 98254 Seattle

WEST VIRGINIA
942440 Frankfort 942440 Frankfort 94240 Frankfort

Low Density (L)  Very High Density (VH)

WEST VIRGINIA

Low Density (L)  Very High Density (VH)