

UnionPay Cards Training

China UnionPay (USA) LLC

China UnionPay & UnionPay International



- Established in 2002, headquartered in Shanghai (**China UnionPay**)
- **Largest** bankcard association in the world
- Member of **EMV Co.**
- **100% of domestic Chinese** familiar with UnionPay brand (AC Nielsen)
- **Wholly-owned subsidiary of China UnionPay (UnionPay International)**
- UPI oversees the **international business** of UnionPay, accelerating entrance and growth in global markets -- *collaborating with members and merchants*
- Manages operating **platform** that connects UnionPay international acquirers and issuers -- in line with global rules and standards
- Creates **product** standards
- **Promotes usage** of UnionPay cards globally through merchants and direct to consumers
- Manages UnionPay International **brand** in global markets



Members

UnionPay has nearly 1200 members globally



Global Acceptance

UnionPay is accepted in 150 countries and regions globally including 129 for ATM, 107 for acquiring and 40 card issuing

	ATMs	Merchants
China Mainland	Over 800,000	Over 15,000,000
Overseas Markets	Over 1,200,000	Over 16,200,000

Global Acceptance Locations	
Brand	(mil.)
Visa & MasterCard	39.6
Discover/Diners	31.0
BC Card	31.0
RuPay	31.0
JCB	27.9
UnionPay	27.8
American Express	18.7*

* Estimate. © 2015 The Nilson Report

Enabled Merchants

31,000,000

Enabled ATMs

2,000,000

* Updated, 2015 Q3

Cards Issued Outside China



Dual-currency diamond credit card issued by HSBC, Hong Kong
Dual-currency credit card issued by HSBC, Hong Kong



Priority banking debit card issued by SCB, Hong Kong
Dual-currency platinum credit card issued by SCB, Hong Kong



Dual-currency platinum credit card issued by Bank of China, Hong Kong
Dual-currency platinum co-brand credit card issued by Bank of China, Hong Kong



Credit card issued by Woori Bank, Korea
Prepaid card issued by IBK Bank, Korea



Credit card issued by Sumitomo Mitsui, Japan



Prepaid card issued by Traveler's, Japan



Platinum credit card issued by Allied Bank, Philippines
Dual-currency diamond credit card issued by Allied Bank, Philippines



Debit card issued by Golomt Bank, Mongolia



Gold debit card issued by Khan Bank, Mongolia
Classic debit card issued by Khan Bank, Mongolia



Gold debit card issued by Halyk Bank, Kazakhstan
Classic debit card issued by Halyk Bank, Kazakhstan



Gold debit card issued by Bank Ipk'Yul, Uzbekistan
Classic debit card issued by Bank Ipk'Yul, Uzbekistan



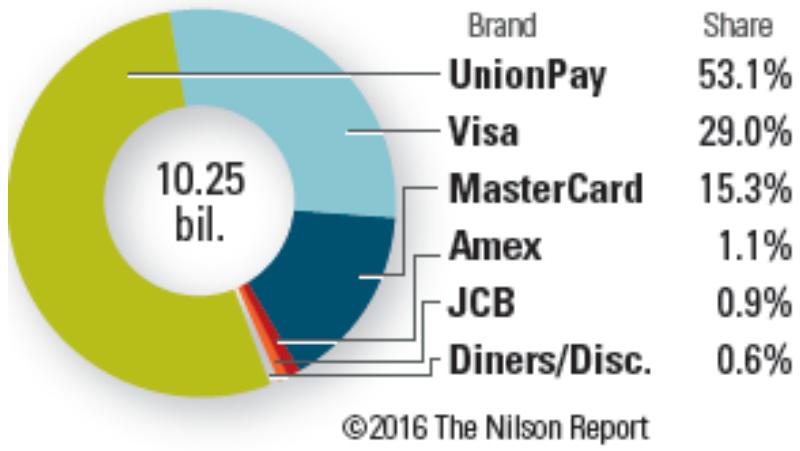
Platinum debit card issued by Eurofinance Mosnarbank, Moscow
Gold debit card issued by Eurofinance Mosnarbank, Moscow



UnionPay
International

Statistical Highlights

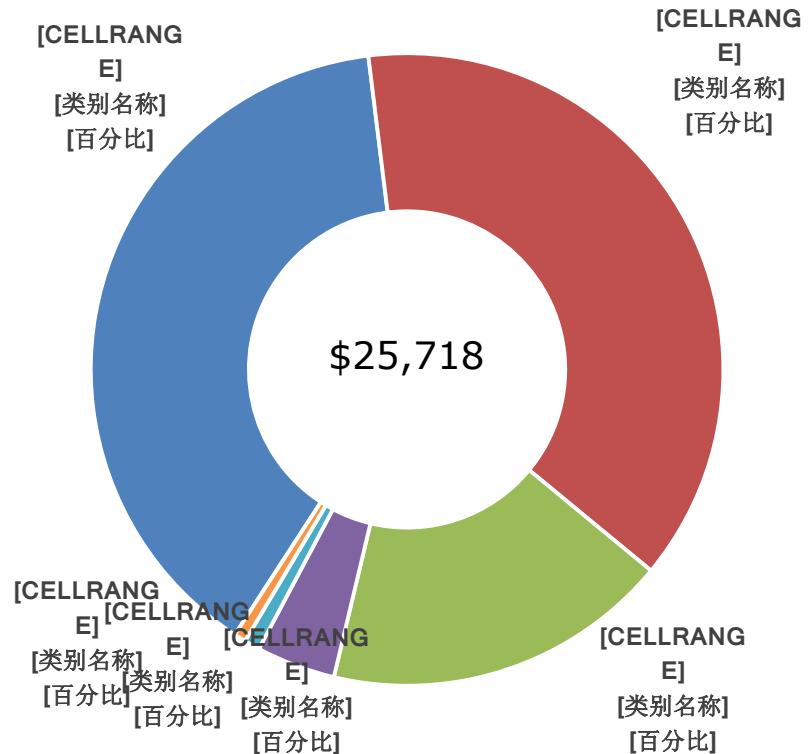
Global Cards in Circulation Credit & Debit 2015



UnionPay is **No. 1** in Global Cards in circulation at 5.4 billion

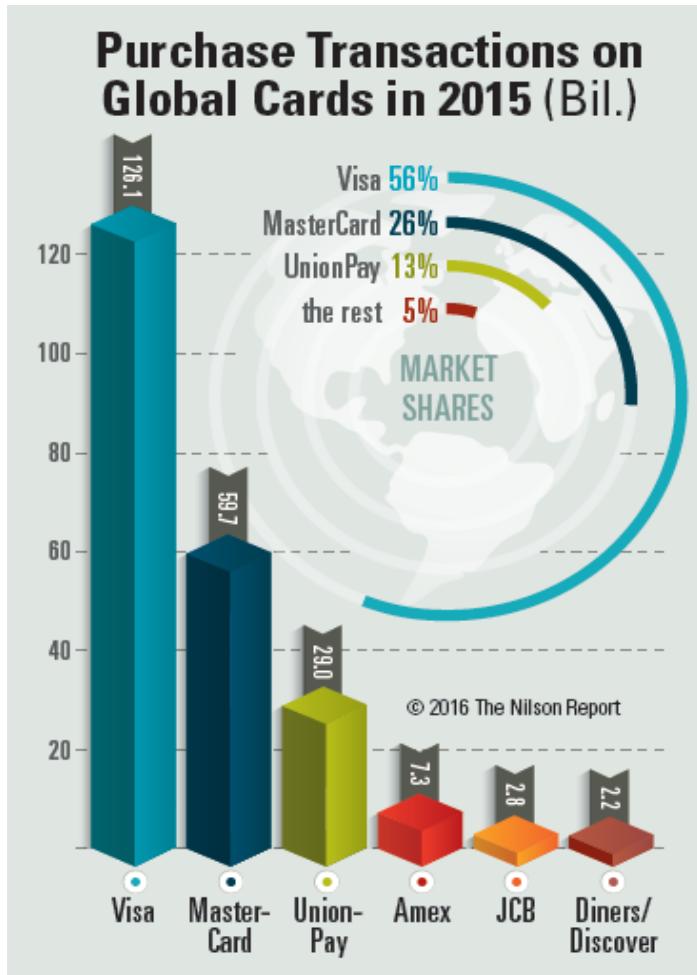
Source Nilson Report

Global Transaction Volume (\$B) Credit & Debit 2015

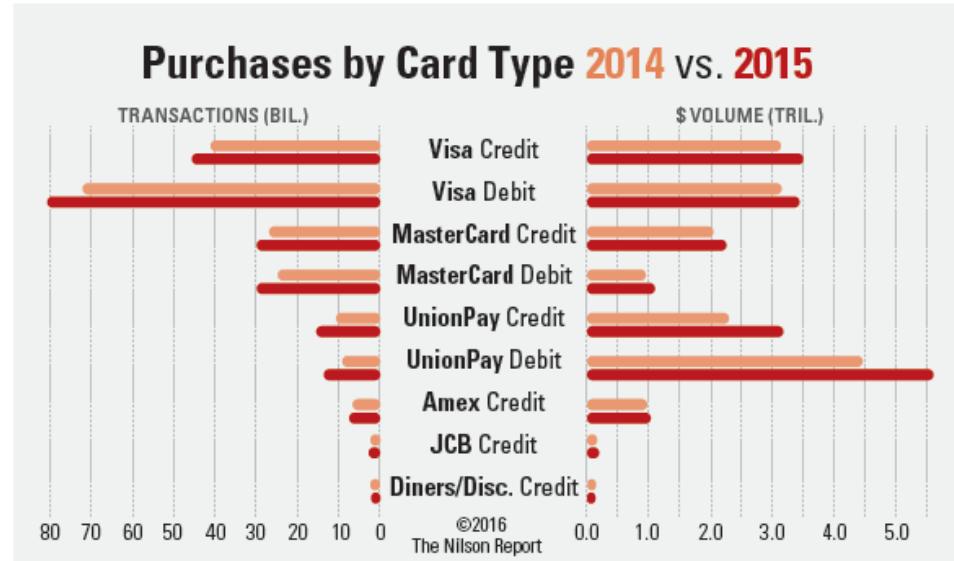


UnionPay is **No. 2** in Global Transaction Volume at \$9.8 trillion

Statistical Highlights (Cont.)



UnionPay is **No. 3** in Global Purchase Transactions at 29 Billion



UnionPay debit is the most popular payment product based on purchase \$ volume

Statistical Highlights (Cont.)

Global Debit & Prepaid Cards

Category	Visa		MasterCard		UnionPay	
	2015	Chg.	2015	Chg.	2015	Chg.
Transactions per Card	51.52	6.5%	48.88	0.5%	3.47	25.4%
Purch. Trans. per Card	40.67	8.6%	37.55	1.8%	2.72	34.0%
Purch. Trans. Share	78.94%	147 bps	76.82%	95 bps	78.42%	507 bps
Cash Trans. per Card	10.85	-0.4%	11.33	-3.4%	0.75	1.5%
Cash Trans. Share	21.06%	-147 bps	23.18%	-95 bps	21.58%	-507 bps
Avg. Amt. per Trans.	\$61	-2.5%	\$54	-2.7%	\$376	-9.8%
Average Purch. Amt.	\$43	-2.5%	\$37	-4.3%	\$410	-16.3%
Average Cash Amt.	\$130	1.9%	\$113	1.9%	\$253	7.1%
Total Volume per Card	\$3,147	3.9%	\$2,660	-2.1%	\$1,304	13.1%
Purch. Vol. per Card	\$1,734	5.9%	\$1,380	-2.6%	\$1,115	12.2%
Purch. Volume Share	55.10%	106 bps	51.89%	-25 bps	85.49%	-70 bps
Cash Vol. per Card	\$1,413	1.5%	\$1,280	-1.6%	\$189	8.9%
Cash Volume Share	44.90%	-106 bps	48.11%	25 bps	14.51%	-70 bps

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UnionPay has
the highest
average debit
purchase size
at \$410
per transaction

Growth in U.S.

UnionPay volume in the U.S. is growing rapidly

Recent and Projected YOY Growth Rates

2012:	90%
2013:	70%
2014:	45%
2015:	45%
2016:	45%



UnionPay Card Benefits for Cardholders

- ❖ No foreign transaction fee

UnionPay doesn't charge foreign transaction fee for all credit and debit cards transactions.

- ❖ No limit for purchasing in USD

China Government limits each person to buy USD up to \$50,000 per year. However using UnionPay cards to make purchase in USD is not limited.

- ❖ Worldwide customer support

UnionPay provides customer support worldwide by multiple language.

Benefits by accepting UnionPay cards

- ❖ Almost every Chinese tourist visiting the US carries UnionPay cards.
- ❖ New 10 Years' Visa for Tourism and Business Travel started from Nov. 2014. The number of tourists from China visited USA reached 2.2 million in 2014, and forecasts 3.6 million in 2017, 5.8 million in 2020*.
- ❖ In 2014, the average amount spent by a tourist from China was \$10,864 per trip including Air Transportations*.
- ❖ UnionPay promotes partners and merchants through various marketing channels.

* US Department of Commerce/International Trade Administration

How UnionPay Cards accepted?

- ❖ **UnionPay Credit Cards** are processed through Discover network and Elavon network.
- ❖ **UnionPay Debit Cards** are processed through the Pulse (Discover's PIN Debit Network) or Elavon network to accept UnionPay debit cards (PIN-Debit). PIN-pad is required to accept UnionPay PIN Debit Cards.



Credit Cards



Debit Cards



Credit & Debit
Cards

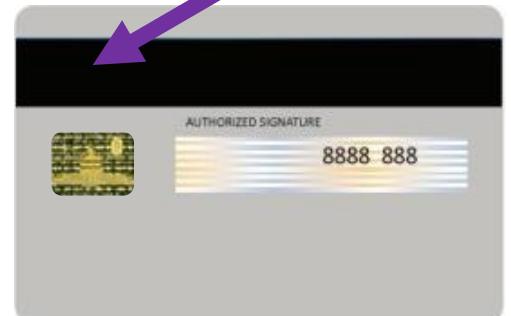
EMV/Chip Cards

- ❖ EMV/Chip cards are highly secure, very difficult to produce a counterfeit card from a chip card.
- ❖ Upon China's central bank's regulation, all the new cards issued in China from 1/1/2015 should be chip cards.
- ❖ Chip cards are normally issued with both chip and mag stripe.
- ❖ Currently none of the acquirers, merchants can process UnionPay chip transaction in the US.



Chip

Mag stripe



Signage Placement

- ❖ Signage is an important aspect of communicating to the cardholder that UnionPay cards are accepted at the store
- ❖ Different types of signage available to suit different needs
- ❖ Constant upkeep and management of signage is important to communicating this message



Digital Signage



Physical Sticker or Lucite Signage



Physical POS/Register

Q & A

Any Questions?

Thank You



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