

UnionPay International

Global Network, International Brand



1



Introduction

2



General
Information

1. Introduction – China UnionPay

Founded in March 2002

Headquartered in Shanghai, China

Primary responsibilities include:

- Create proprietary bankcard brand;
- Set up and maintain a inter-bank transaction settlement system;
- Enable inter-bank payment transactions;
- Bankcard business standardization;
- Maintain acceptance market order;
- Control and manage bankcard risks;
- Promote innovation of bankcards.



1. Introduction – UnionPay International

- UnionPay International, a wholly-owned subsidiary of China UnionPay, was established in November 2012, headquartered in Shanghai, China.
- UPI overseas international business: expanding global acceptance, promoting overseas issuance/use of UnionPay cards and emerging payment solutions.



1. Introduction – Membership

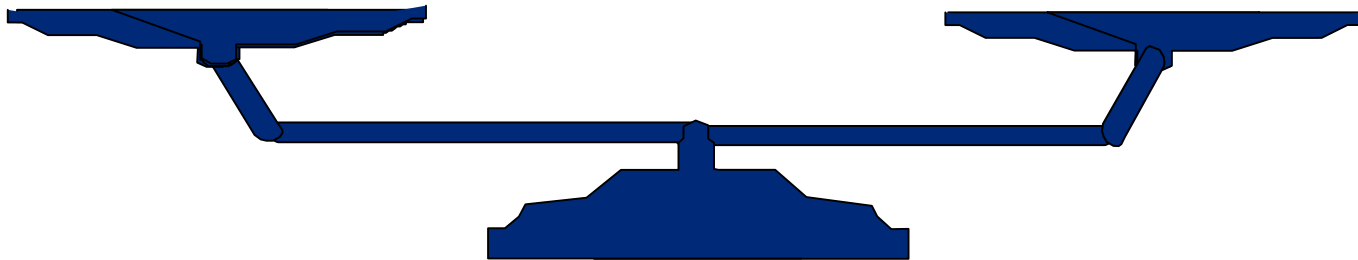
Membership and Council

Membership Scheme

- Core value of sharing growth and win-win cooperation.
- Entitled to incentives based on business contributions.
- Participate in the formulation of business rules and standards.

Regional and International Council

- Set up regional and international council.
- Set up specialized committee and consultant group.



Innovative Operational Mechanism:
Membership Scheme



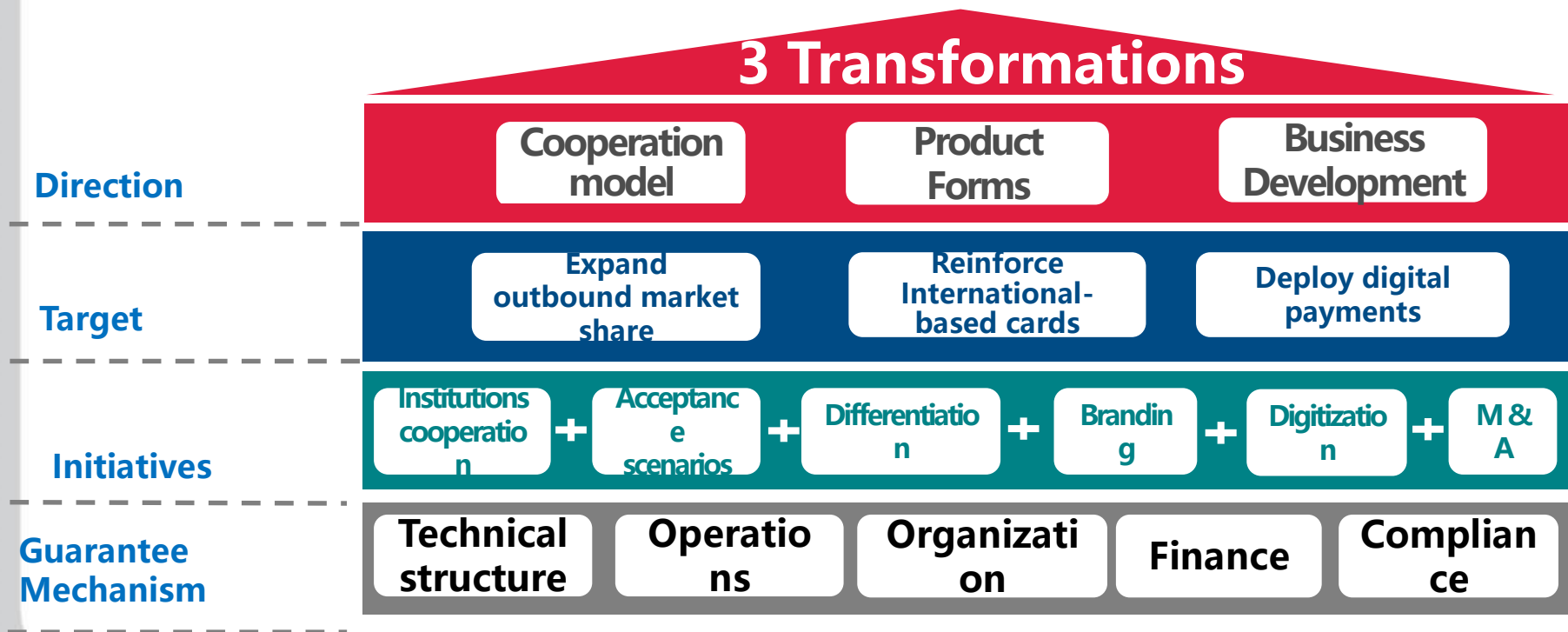
1. Introduction – Membership

By the end of Dec 2018, 2052 members have joined the scheme.



1. Introduction – Strategic Framework

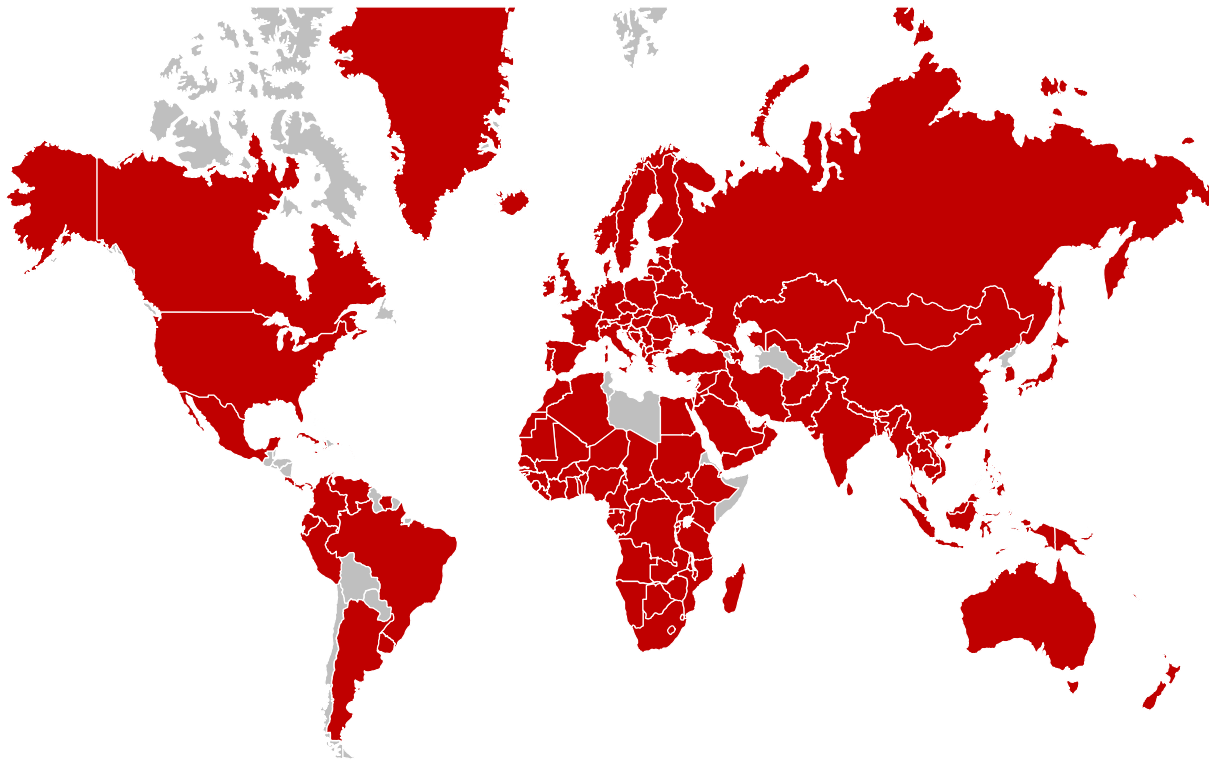
- In the next three years, following the strategic vision of 'global network, international brand', the Company will strive to establish more flexible and open partnerships based on four-party model, enhance international network value, and accelerate international branding.



2. General Information

Overseas Acceptance

By the end of Dec 2018, UnionPay cards are accepted in **174** countries/regions, with ATM acceptance in **153** and merchant acceptance in **125**.

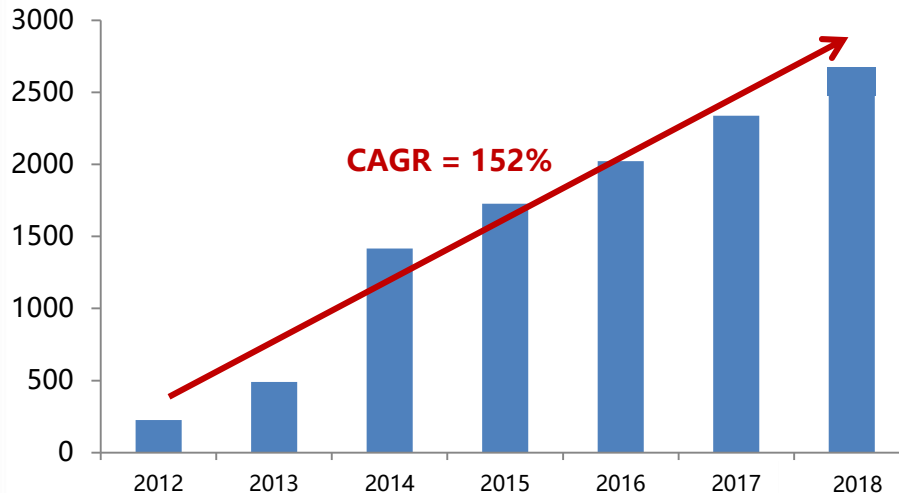


2. General Information

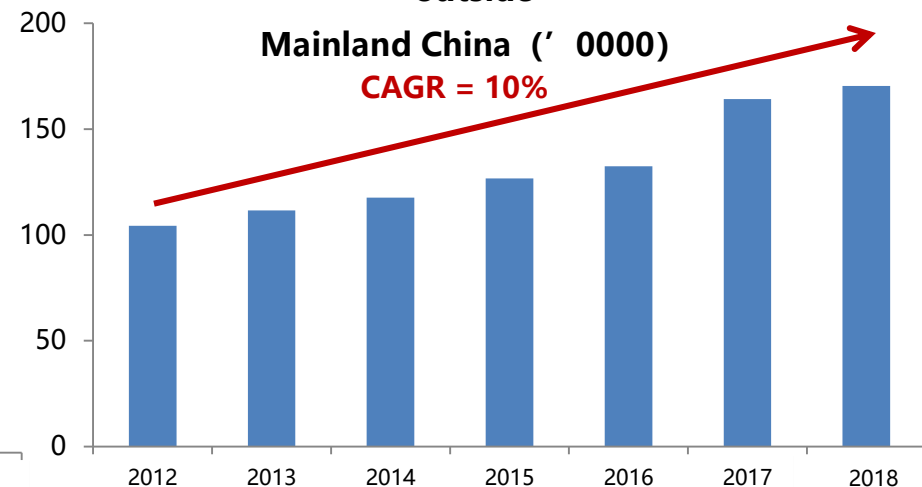
Overseas Acceptance

UnionPay is globally accepted in more than 52 million merchants, including over **26 million** outside mainland China, and about 2.60 million ATMs, including over **1.7 million** outside mainland China, by the end of Dec 2018.

Merchants accepting UnionPay cards outside Mainland China (' 0000)



ATM terminals accepting UnionPay cards outside Mainland China (' 0000)

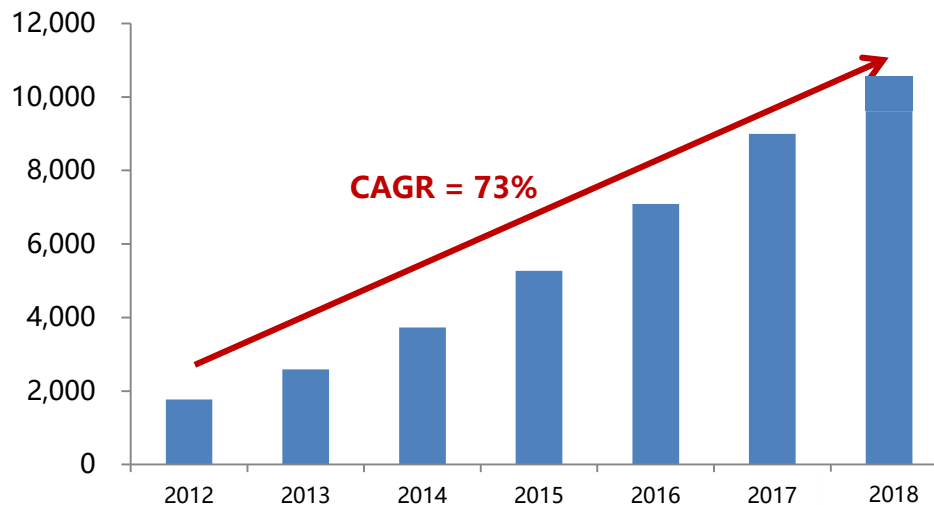


2. General Information

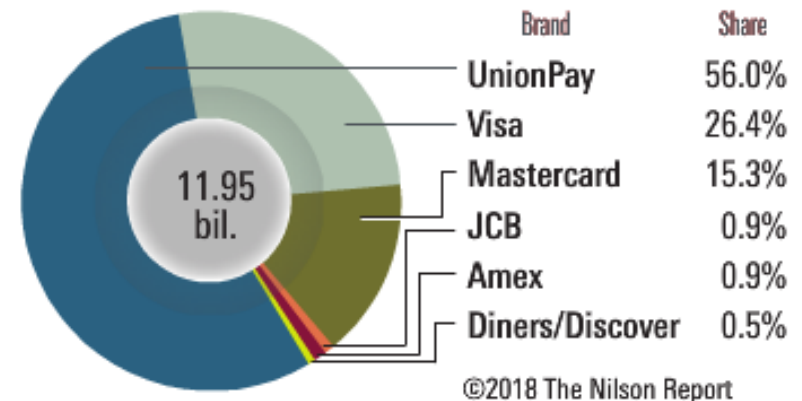
Overseas Issuance

- By the end of Dec 2018, UnionPay has issued more than **110 million** cards outside Mainland China.
- Combined with cards issued in Mainland China, UnionPay has been the largest card scheme in the world in terms of cards in circulation, which is over 7.4 billion cards.

Cards issued outside Mainland China ('0000)



Global Cards in Circulation
Credit & Debit 2017

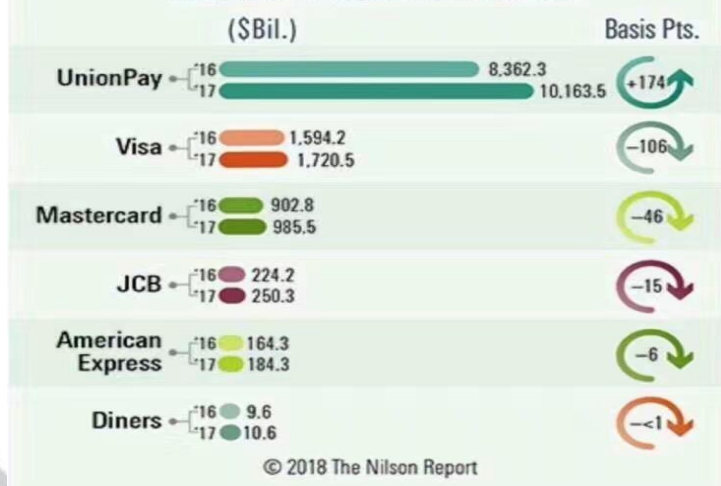


2. General Information

UPI Cross-border Transaction Volume

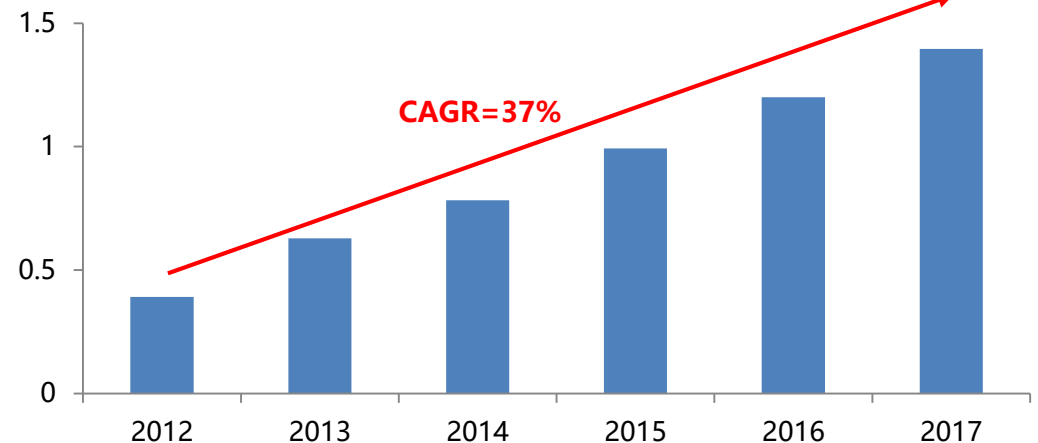


PURCHASE VOLUME 2016 VS. 2017



- UPI takes up the largest market share in Asia-Pacific according to purchase volume 2017.
- UPI cross-border transaction volume reached **1.2** trillion RMB in 2016, increased **23%** than 2015.
- During 2012 to 2016, there was a **34%** average growth of UPI cross-border transaction volume.

Total transaction volume (Trillion CNY)



2. General Information – Innovation

Innovation drives growth. Shift to mobile preliminarily achieved.



- Expanded **use cases**
- Built innovative support **platforms**
- Launched innovative **products** overseas
- Innovated business development **models**
- Put innovative working **mechanisms** to practice



2. General Information – Innovation

Quick Pass and other product innovation implemented overseas to build mobile payment ecosystem. Innovation becomes a major drive for localization business development.

Quick Pass product family enriched while service platforms further improved

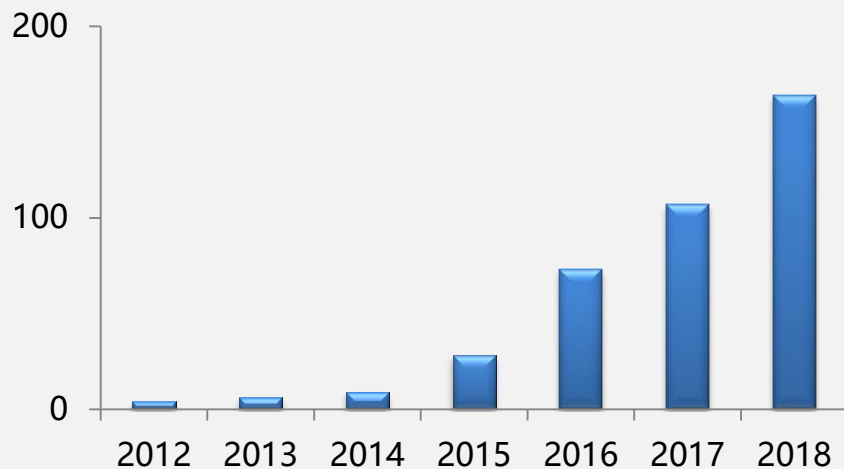
- Technology architecture for innovative business built through a suite of platforms including TSP, TSM, HCE Cloud, QR Code Merchant Services, U-Plan, Haigou, UnionPay Tax Refund.
- Integrated resources across different platforms, optimized layout and cross utility achieved.
- Innovative products rollout together with financial inclusion initiatives.
- Cross-border B2B platforms in Central Asia, Africa, ME for B&R countries.



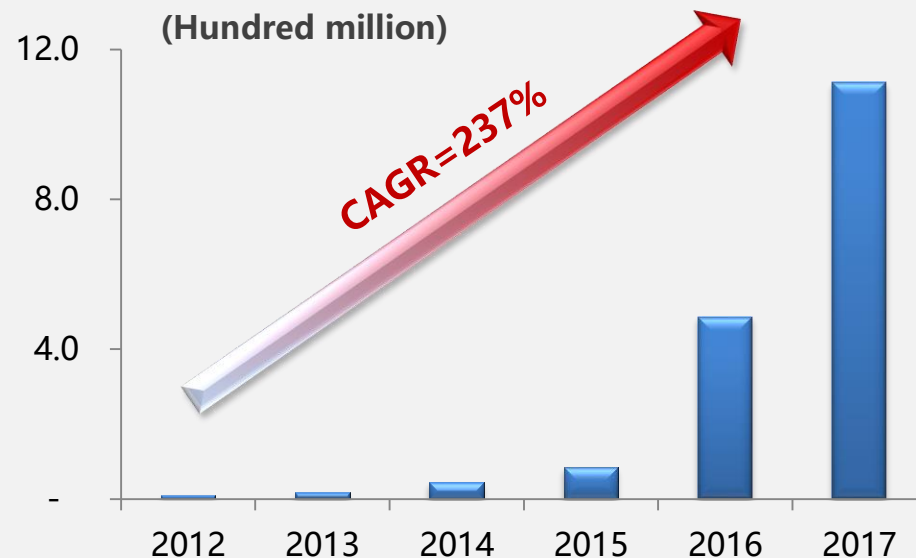
2. General Information – Innovation

- By the end of June 2018, **164** institutions outside Mainland China accept UnionPay QuickPass.
- In 2017, the total transaction volume reached 1.12 billion, at a yoy growth rate of **130%**. The CAGR between 2012 and 2017 reached **237%**.

Institutions accepting UnionPay QuickPass outside Mainland China



UnionPay QuickPass transaction volume outside Mainland China
(Hundred million)





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