

Tracking Apple Pay: November 5, 2014: Issuer Comparison

Overview: First Annapolis has loaded cards from all of the initial participating issuers in Apple Pay. As of Monday, November 3, Apple announced that it now supports cards from US Bank, M&T, PNC, USAA, Navy Federal, and Barclaycard, and we will add our perspective from these launches in the coming weeks. Our observations indicate some expected uniformity in approach, but also a few key differences in verification options, messaging, and viewing transactional history. Apple Pay issuers are all using different card verification methods. Within Passbook, however, we have not perceived much variation in the customer experience.

Issuer Differentiation within Passbook

Card Verification Options

- Issuers offer a range of options to verify the identity of the cardholder:
 - Email (address on file at issuer)
 - Text (number on file at issuer)
 - Outbound Call (number on file at issuer)
 - Inbound Call (issuer call center)
 - Mobile Banking App Login (Capital One only)
 - Specialized Verification App (Wells Fargo only)

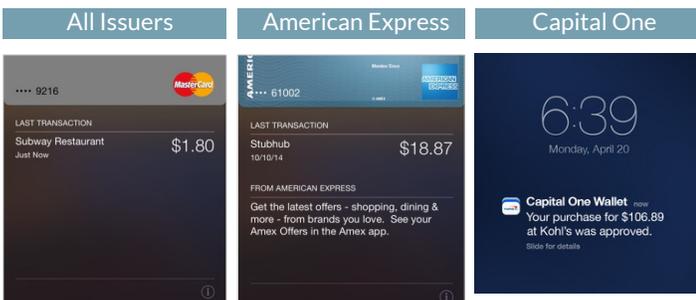
Email	Call	Text	App
<p>Card Verification</p> <p>For Chase to verify your card for Apple Pay, select a verification option below.</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Email s...e@gmail.com <input type="checkbox"/> Text Message xxx-xxx-8145 <input type="checkbox"/> Text Message xxx-xxx-8145 <input type="checkbox"/> Text Message xxx-xxx-8145 <input type="checkbox"/> Phone Call 800-338-5960 	<p>Card Verification</p> <p>For Citi® to verify your card for Apple Pay, select a verification option below.</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Phone Call (855) 569 6553 <input type="checkbox"/> Phone Call (###) ### 8145 <input type="checkbox"/> Text Message (###) ### 8145 	<p>Card Verification</p> <p>For American Express to verify your card for Apple Pay, select a verification option below.</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Text Message xxx-xx1-8145 <input type="checkbox"/> Email s*****e@gmail.com 	<p>Card Verification</p> <p>For Wells Fargo to verify your card for Apple Pay, select a verification option below.</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> App Wells Fargo Verify <input type="checkbox"/> Phone Call 1-800-869-3557

Transaction and Promotional Messaging

- Passbook displays a single recent transaction when viewing Apple Pay cards in the app.
- American Express also presents short promotional messages in the main page of Passbook.
- Capital One notifies cardholders of approved Apple Pay transactions through its Capital One Wallet app.

Transaction History

- Passbook displays recent transactions completed via Apple Pay for all issuers.
- American Express also shows recent transactions completed outside of Apple Pay.



American Express	Other Issuers
<p>TRANSACTIONS</p> <ul style="list-style-type: none"> Stubhub 10/10/14 \$18.87 Stubhub 9/20/14 \$48.00 <p>Transactions include purchases made with this iPhone and your debit or credit card. For a full account history and final transaction amounts check your American Express statement.</p> <p>Contact American Express</p>	<p>TRANSACTIONS</p> <p>No transactions are available.</p> <p>Transactions shown are purchases made with this iPhone. For a full account history and final transaction amounts check your Chase statement.</p> <p>Contact Chase</p>

Summary: As a common service for multiple issuers, we would expect Apple to offer a standard platform with several options to customize the cardholder experience. Allowing issuers to differentiate their experience could be an important component in attracting (and maintaining) issuer participation over time. We would expect to see more instances of improvements on the basic functions offered by Apple Pay. This opportunity should also be encouraging for issuers who are waiting to join and looking for ways to attract cardholders to adopt this service.

For more perspective on these topics and others, please contact:

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Source: Apple.com, Apple announcements, company filings, and First Annapolis Consulting research.