

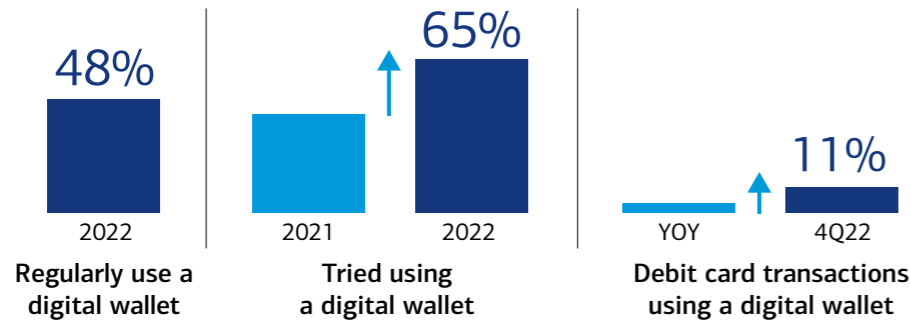
Retail Payments Innovation


Growing trends in 2023 and beyond

Trend #1: Digital Wallets

Consumers are gaining comfort with digital wallets.


48% of consumers report using digital wallets regularly, and 65% of consumers report having tried using a digital wallet, which was a substantial increase YOY.¹



 In fact, the number of Bank of America cardholders actively using digital wallets has doubled in under three years, with more than 10 million customers actively using wallets as of 4Q22.


Most popular digital wallets¹:



 Apple wallet continues to be the wallet of choice amongst Bank of America customers, with >90% of active digital wallet users using Apple Pay.[®]

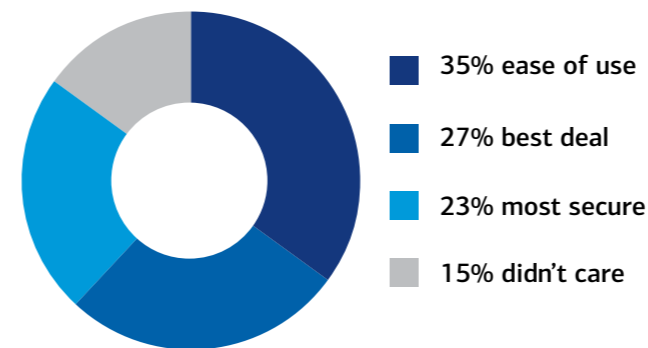
Four out of 10 digital wallet users said they were at least “somewhat confident” leaving the house without their physical wallet.¹




 Approximately 45% of consumers 55 and younger are using digital wallets when shopping online.²

A key reason for their growing adoption may have to do with how easy they are to use.

35% of consumers said “ease of use” was the most important when deciding which payment method to use, followed by 27% “best deal” and 23% “most secure.” A surprising 15% of consumers said they didn’t care or didn’t give it much thought.¹



 Digital wallet spend increased 53% YoY, surpassing \$9 billion in the quarter, accounting for 4% of total card spend.



¹Source: TSG Survey, October 2022, n=1,081.

²Source: Statista, 2020: <https://www.statista.com/statistics/727973/consumers-paying-with-mobile-wallets-by-age-united-states/>.

Trend #2: Open Banking/“Pay by Bank”

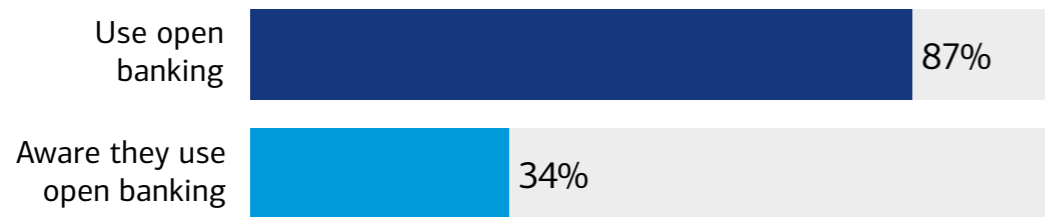
The opportunity represented by open banking is growing.

The global open banking market was \$15.1 billion in 2021 and is projected to reach \$111.8 billion by 2030 with a CAGR of 25.1%.³



With an annual growth rate of nearly **50%**, the number of open banking users is expected to reach 132.2 million globally by next year.⁴

There may be a knowledge gap when it comes to open banking, but there are clear use cases for the technology within retail payments.



87% of U.S. consumers are using open banking, but only **34%** of consumers are actually aware they are using the service.⁵

³Source: MarketWatch, December 2022 https://www.marketwatch.com/press-release/open-banking-market-size-share-growth-statistics-leading-players-and-forecast-2031-2022-12-19?mod=search_headline.

⁴Source: Statista <https://www.statista.com/statistics/1228771/open-banking-users-worldwide/>.

⁵Source: Visa, July 2022 <https://navigate.visa.com/na/money-movement/unlocking-the-opportunities-of-open-banking/>.

⁶Source: PayPers, Cross-Border Payments and eCommerce eReport 2022 – 2023, ‘Why marketplaces need to rise to a new level of seller experience,’ pp. 98 – 99.

⁷Source: TSG Survey, October 2022, n=1,081.

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Google Pay is a trademark of Google LLC.

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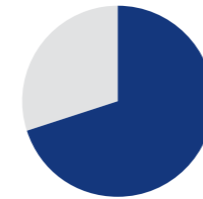
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Trend #3: Marketplaces

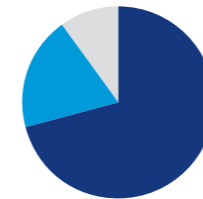
eCommerce marketplaces are popular channels for both merchants and consumers.



Marketplaces are projected to account for **70%** of eCommerce by 2025.⁶



26% of retailers generating more than **\$1 billion** in annual revenue are planning to add an online marketplace to their eCommerce offerings within the next 12 months.⁶



71% of consumers reported using Amazon marketplace, and **19%** reported using other marketplaces such as eBay, Etsy or Facebook when shopping online during the 2022 holiday season.⁷

Bank of America is taking payments to the edge of what’s next.

Contact your Bank of America representative to learn more.

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