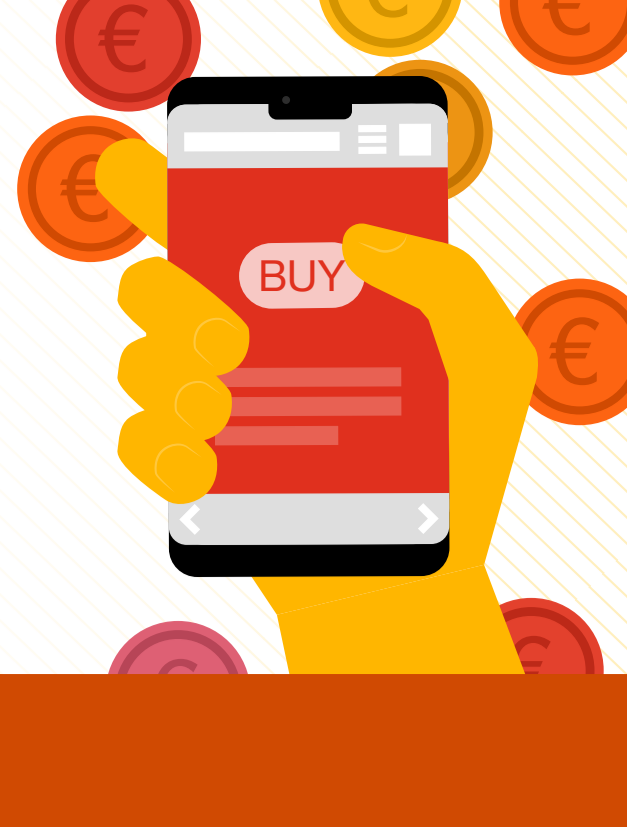


Mobile Payment

Mobile Payment, i.e. contactless payment of goods and services using a mobile device, has long been overlooked in Germany, but now that Google and Apple have launched their payment services in Europe's economic powerhouse, contactless payment may finally gain some traction.

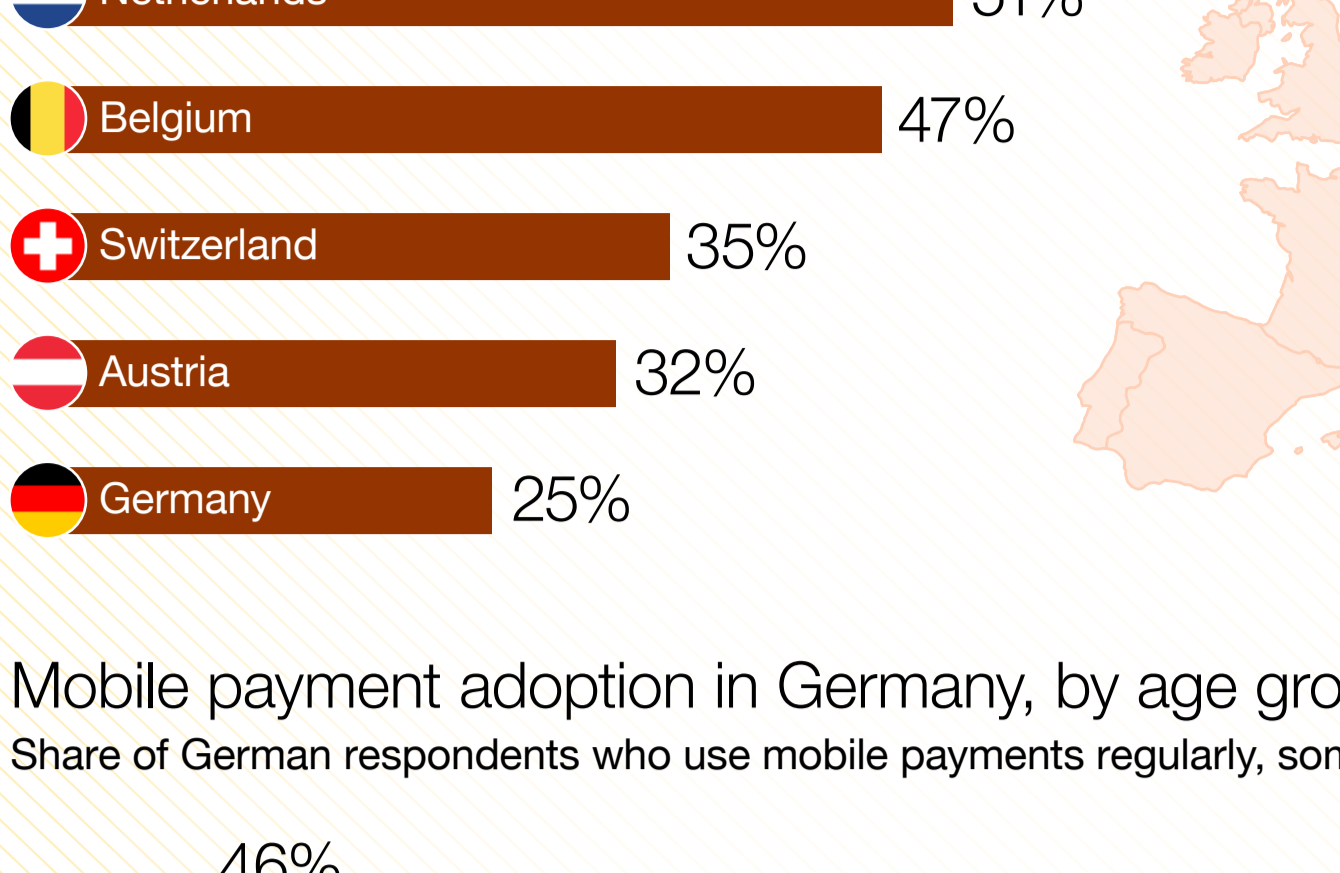


Germany lags behind

Thus far, Germany is clearly lagging behind other European markets in terms of mobile payment adoption. Significantly higher adoption among young Germans points towards future growth though.

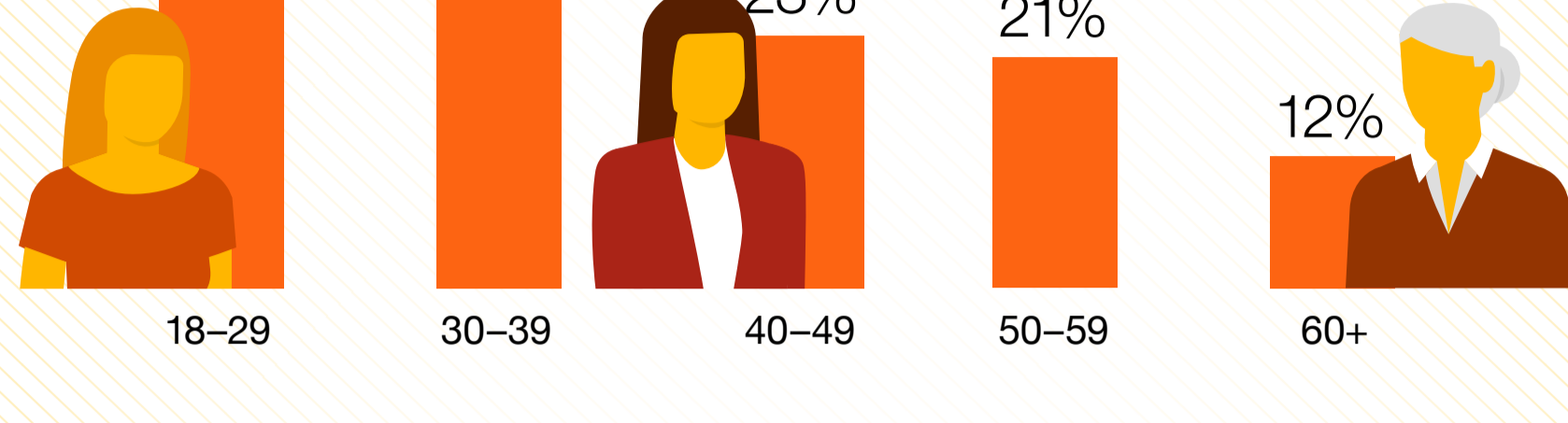
Mobile payment adoption in selected European markets

Share of respondents who use mobile payments regularly, sometimes or rarely



Mobile payment adoption in Germany, by age group

Share of German respondents who use mobile payments regularly, sometimes or rarely

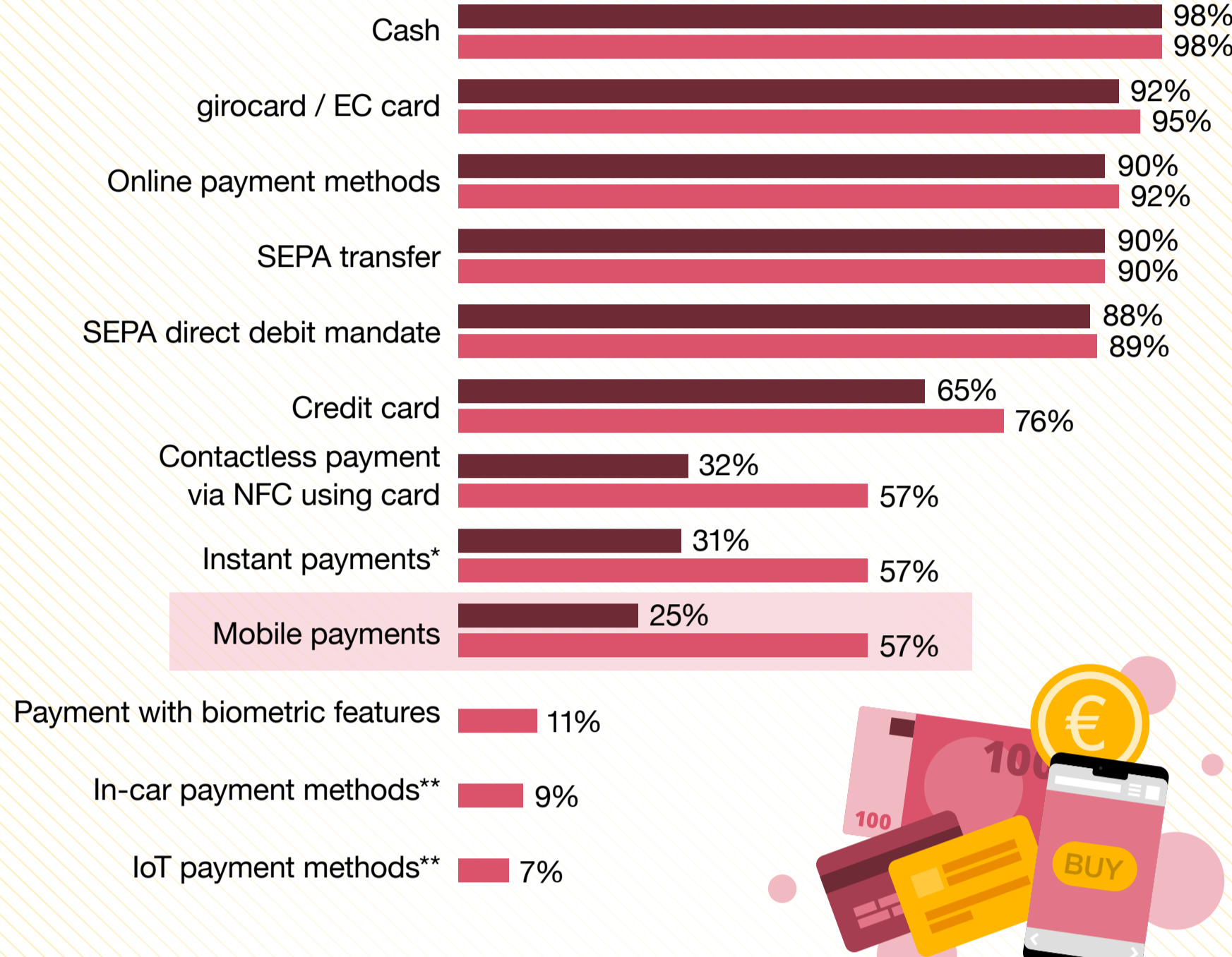


Cash remains king

Although 57 percent of German respondents intend to make mobile payments in the future, it will likely complement rather than replace traditional payment methods. That is because traditional payment methods, cash in particular, will still be highly popular in five years' time.

The most popular payment methods - now and in five years

Share of German respondents who use the following payment methods regularly, sometimes or rarely or intend to do so in five years' time



* electronic payments carried out in realtime
** these items were illustrated using examples

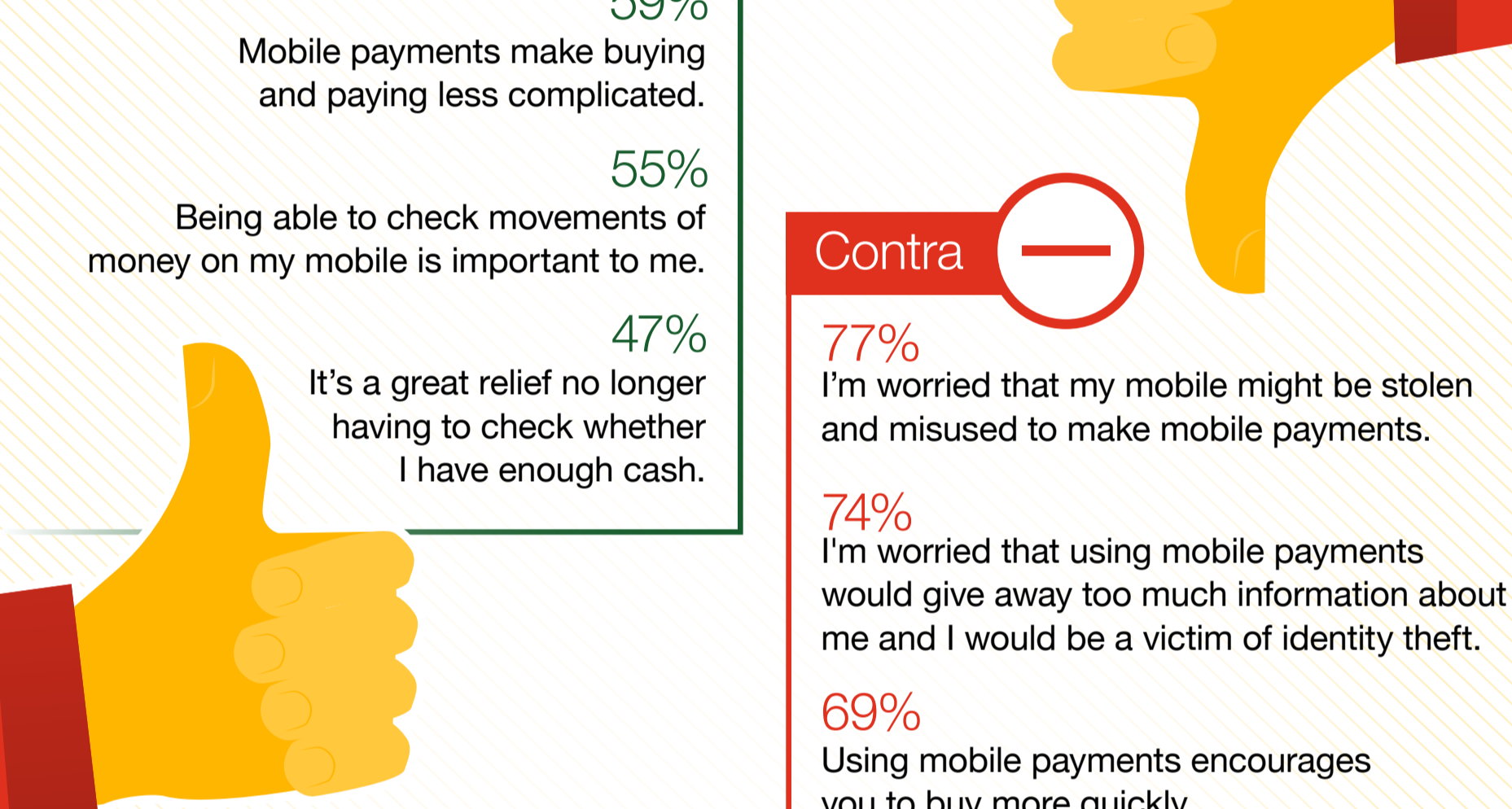


Pros and cons of mobile payment

When asked about the advantages and disadvantages of mobile payments, German consumers were torn between safety concerns on the one hand and the added convenience of paying via mobile device on the other hand.

Advantages and disadvantages of mobile payment

Share of German respondents who agree completely/mainly with the following statements regarding mobile payment

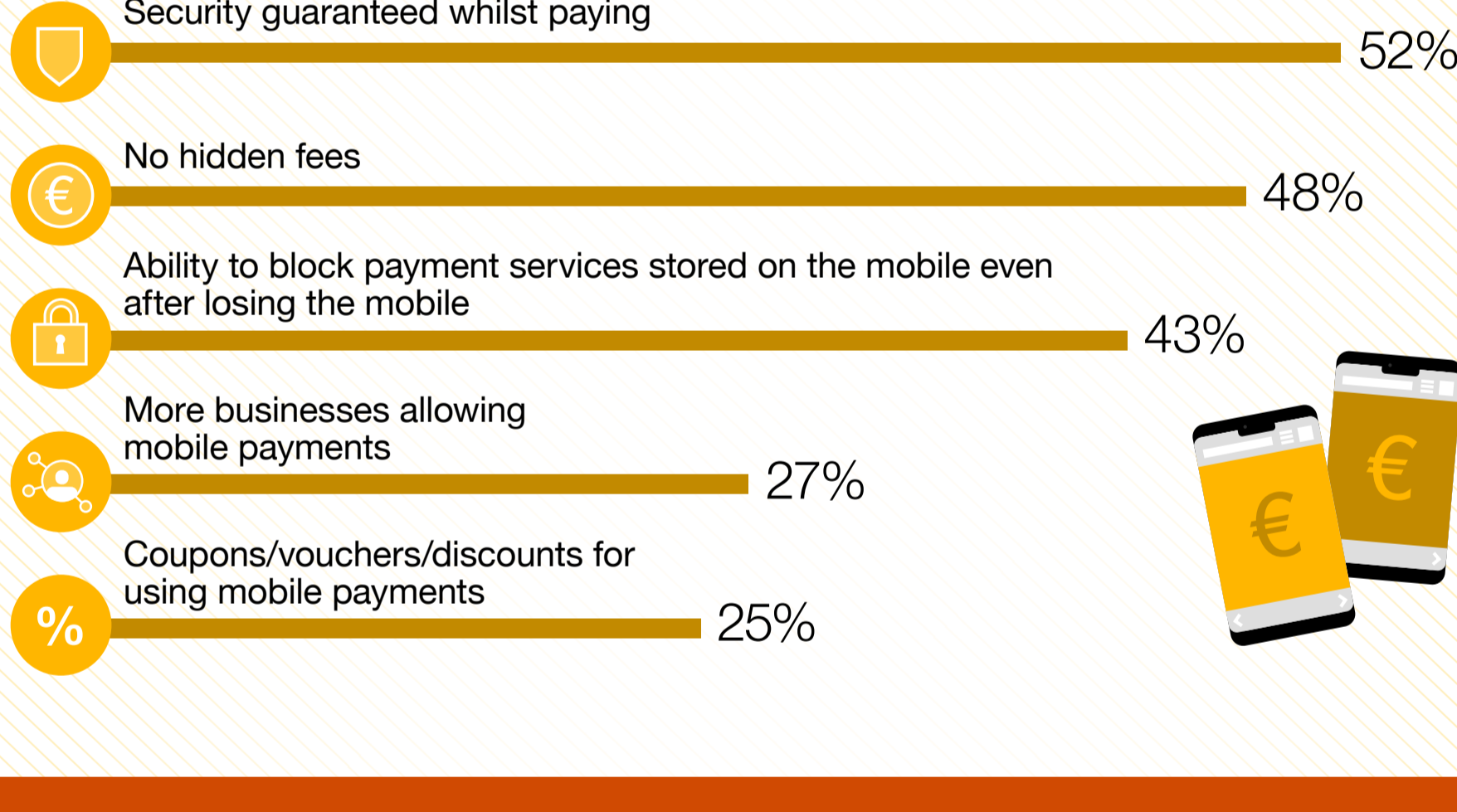


Safety is the key requirement

Absolute and guaranteed safety is a key requirement for mobile payments, from a customer perspective. Aside from the actual payment process, consumers also demand the ability to block the payment service remotely in case they lose their mobile phone.

Requirements for more frequent use of mobile payment

Share of German respondents who named the following requirements for more frequent mobile payment use

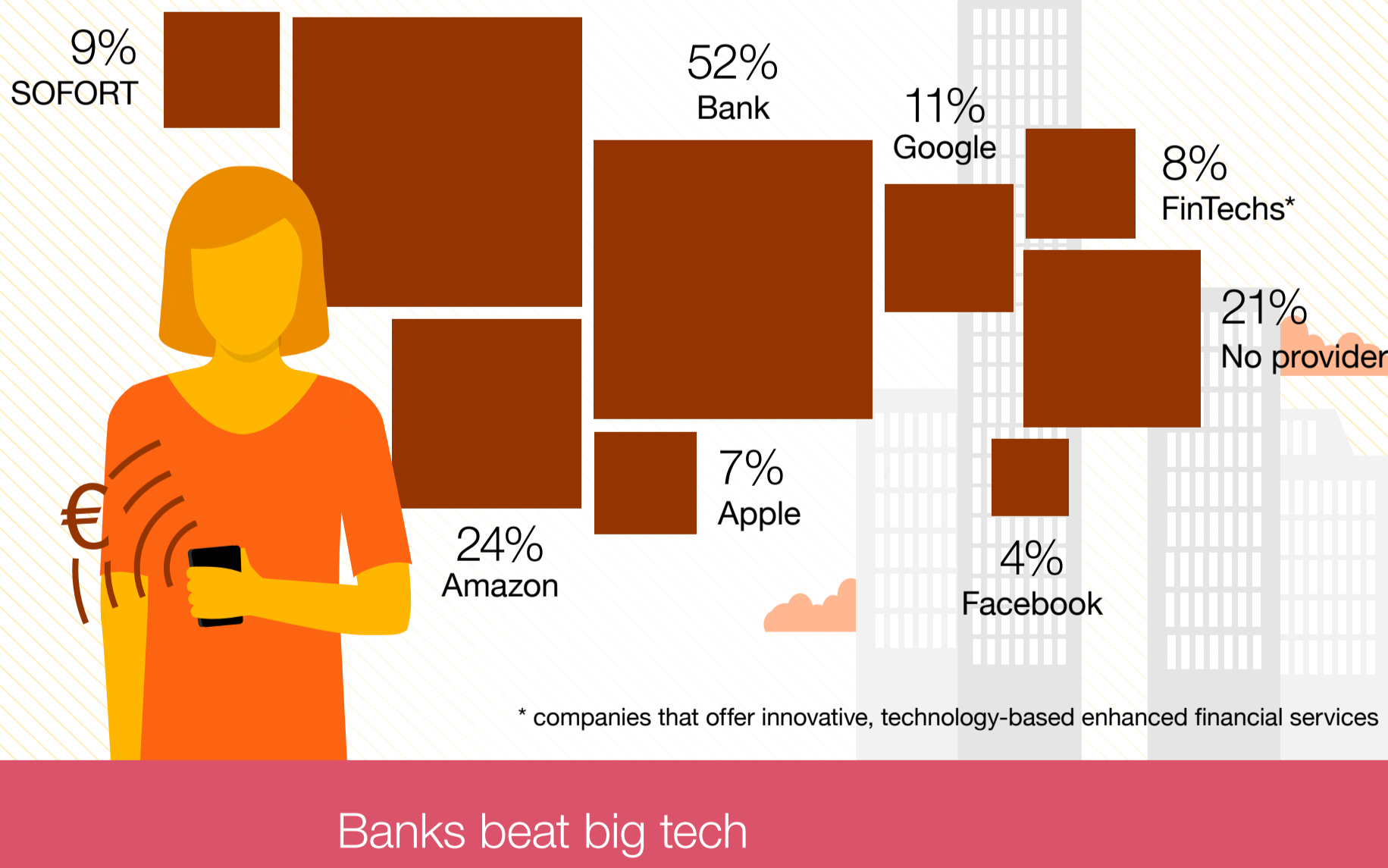


Who is the ideal mobile payment provider?

Considering that billions of people use the mobile platforms built and operated by Google and Apple, i.e. Android and iOS, both companies are in the pole position to become leading providers of mobile payment services. According to our findings, both companies as well as other U.S. tech giants lack consumer acceptance though. PayPal is a notable exception, having built up trust as a payment provider for years now.

Preferred providers of alternative payment services

Share of German respondents who would be more likely to use alternative payment services from the following providers (multiple choice)



* companies that offer innovative, technology-based enhanced financial services

Banks beat big tech

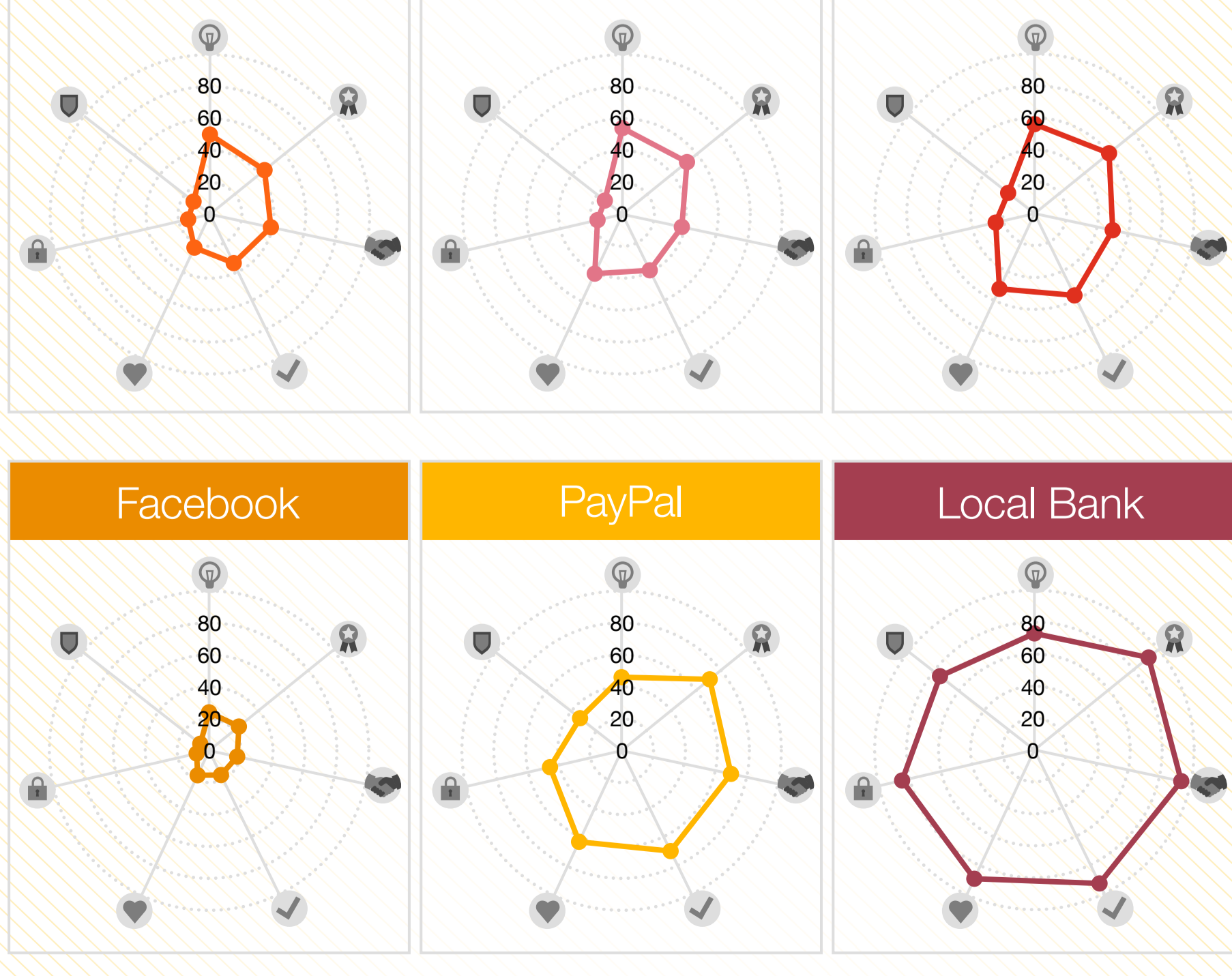


Apple, Google and other tech companies from the United States are widely considered innovative, the recent scandals involving data misuse at Google and Facebook seem to have shattered consumers' trust in the tech industry though. Local banks from overseas in Germany. Surprisingly, banks are even perceived as being more innovative than some of the largest tech companies in the world.

Public image of potential providers of alternative payment methods

Share of German respondents who would give the following attributes to potential mobile payment providers

- Develops new products and innovations
- Competent
- Reputable
- Reliable
- I like the company
- My data is secure
- Services are secure against hacking



About PwC: At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 158 countries with over 250,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.