

PayPal Expands Business Financing Program into Germany with PayPal Businesskredit

BERLIN/DREILINDEN, Germany--Millions of small businesses around the globe turn to PayPal for their payment processing and funding needs. Today, PayPal is expanding its PayPal Working Capital program into Germany with PayPal Businesskredit. PayPal Businesskredit will offer PayPal merchants a financing solution that will help them further grow their business.

PayPal Working Capital is a unique business financing product that has provided more than \$6 billion in funding to more than 170,000 businesses in the United States, United Kingdom and Australia. This program, which recently celebrated its five year anniversary in the U.S., allows merchants to apply for a loan online, and receive a decision quickly. As soon as the merchant decides on the amount and the repayment percentage, the funds are deposited into their PayPal account. The loan does not incur interest, but rather, PayPal charges a one-time fixed fee that is displayed transparently to the applicant. Because PayPal is the payment processor for the business, the agreed upon repayment percentage is automatically deducted from the merchant's PayPal account.

"Since our start in Germany almost 15 years ago, we have supported companies of all sizes in successfully running their online business," says Michael Luhn, Managing Director PayPal Germany, Austria and Switzerland. "With PayPal Businesskredit, we can now offer our large base of small and medium-sized businesses in Germany a quick and easy funding solution and means to grow their businesses."

Funding Within Minutes

Applying for a PayPal Businesskredit is done completely online. Once a merchant logs into their PayPal account and answers the application questions, PayPal will review the data available from processing payments for the applicant business. Within just a few minutes, the merchant will know if they are eligible for a loan, the amount and terms, then select how fast they want to pay it back. If the loan is accepted by the business, the amount will be placed into the PayPal account immediately.

Using PayPal Businesskredit, merchants can get the funds they need quickly and easily for anything they need it for. For example, the funds can be used for purchasing inventory or marketing activities that could help drive sales or investing in technology and logistics for optimizing business processes.

Simple Fee System

When using the Businesskredit, merchants will pay a one-time fixed fee that will be transparently displayed to them in advance as part of the application process, which they agree to when accepting the financing amount. This fee always stays the same, regardless of how long it may take to pay the loan back. In addition, there are no additional charges, administration or processing fees, allowing merchants to know the full amount that they need to pay back.

Repayment via sales proceeds

Repaying the Businesskredit amount is simple due to the relationship between the business and PayPal. Incoming sales that are made to the PayPal account will be used towards the amount owed. As part of the application process, merchants will choose which percentage of their PayPal sales they want to use for repayment. This percentage can be between 10 and 30 percent. When a payment is processed by PayPal, this repayment percentage will be automatically deducted. Also, merchants will always have the option of making voluntary extra payments or even pre-payments. Additional fees do not apply. Merchants are obliged to make a minimum payment of no more than 10 percent of the total amount every 90 days.

Financial support of \$6 Billion in Five Years

Worldwide, Germany is the fourth market in which PayPal will offer its merchants a funding solution. In the United States, United Kingdom and Australia, this solution is already being offered in a similar form, using the name "PayPal Working Capital." Since the beginning in 2013, these three countries have already provided more than 500,000 fundings to more than 170,000 businesses in the total value of \$6 billion. Approximately 85 per cent of all businesses choose to take on another loan after their repayment.

PayPal Businesskredit will be available to selected merchants from mid-November. Wide availability is planned for early 2019. More information about PayPal Businesskredit can be found online

at <https://www.paypal.com/webapps/mpp/working-capital>. Merchants can also register on this page and will be notified as soon as PayPal Businesskredit is available to them.

About PayPal

Fueled by a fundamental belief that having access to financial services creates opportunity, PayPal (NASDAQ: PYPL) is committed to democratizing financial services and empowering people and businesses to join and thrive in the global economy. Our open digital payments platform gives PayPal's 254 million active account holders the confidence to connect and transact in new and powerful ways, whether they are online, on a mobile device, in an app, or in person. Through a combination of technological innovation and strategic partnerships, PayPal creates better ways to manage and move money, and offers choice and flexibility when sending payments, paying or getting paid. Available in more than 200 markets around the world, the PayPal platform, including Braintree, Venmo and Xoom, enables consumers and merchants to receive money in more than 100 currencies, withdraw funds in 56 currencies and hold balances in their PayPal accounts in 25 currencies. For more information on PayPal, visit <https://www.paypal.com/about>. For PayPal financial information, visit <https://investor.paypal-corp.com>.

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