

Building a new kind of payment network that **empowers consumers and helps merchants drive growth**

Mission

Our mission is to deliver honest financial products that improve lives.

Values



People come first:

We consider our impact on people's lives before we think about our own interests.



No fine print:

We are completely transparent and honest—with our customers and with each other.



It's on us:

We take full accountability for our actions, never shirking responsibility or passing the buck.



Simpler is better:

We make complex things simple and clear.



Push the envelope:

We never stop innovating, taking smart risks, and raising the bar.



When we started Affirm, we wanted to build something truly transparent, where each purchase plan had a clear end-date, there were no surprises or gotchas, and most importantly, you knew exactly what each purchase would cost you.

We put what is good for our consumers first and will never benefit from their mistakes or misfortunes.

- **Max Levchin**, Founder and CEO



Affirm by the numbers

as of June 30, 2023

>16M

active
consumers

\$317

average
order value

>\$20B

gross merchandise volume
(last twelve months)

\$231M

in late fees avoided by
consumers¹

\$665

average outstanding balance
per user¹

\$0 in late fees,
penalties, deferred
interest, or compound
interest—ever

¹From July 2016 - June 2023

How Affirm helps consumers

Affirm empowers consumers by offering a transparent and flexible way to pay over time with no late or hidden fees. We provide consumers with increased purchasing power and greater control over managing their finances. We enable eligible consumers to pay at their own pace in biweekly or monthly payments, rather than entirely up front. Unlike many credit cards and other Buy Now, Pay Later options, Affirm doesn't charge any hidden fees, not even late fees. The interest-bearing transactions we facilitate only include simple interest. This means that the interest is based upon a fixed percentage the consumer agrees to up front at checkout and it never compounds. Consumers who choose Affirm never owe a penny more than what they agree to at checkout, even if they're late or miss a payment.

How Affirm helps merchants

Affirm helps merchants of all sizes drive growth and better serve their customers. Overall, merchants using Affirm reported more than 60% higher average cart sizes in calendar years 2022 and 2021. We've proven that we can increase sales and introduce new consumers to our merchant partners. That's why our partners include household-name brands across home and lifestyle, fashion, beauty, travel, fitness, auto service and parts, and more. This network is further bolstered by the Affirm app, which gives consumers a convenient way to use Affirm as an omnichannel payment method, while providing a marketplace for merchants to reach consumers.

Responsibly extending access to credit

We underwrite each transaction individually and—by never charging late fees—we do not profit when consumers fall behind. Our success is fundamentally aligned with our consumers’ success.

Our underwriting models assess a consumer’s likelihood of repayment before making a real-time credit decision. Our models consider data beyond just traditional credit scores, including transaction history and credit usage. This approach enables Affirm to responsibly expand access to credit to a wide segment of consumers, including those whose traditional credit scores may not fully represent their creditworthiness as a borrower. For more information on financial inclusion at Affirm, see our [2023 ESG Report](#).

- Affirm’s monthly payment options can be interest-free or simple interest bearing, generally ranging from 0–36% APR, consistent with the 36% rate-cap that has been supported by consumer advocacy groups and bipartisan members of Congress.
- Facilitating simple interest bearing transactions enables us to address more of our consumers’ and merchants’ needs responsibly.
- Simple interest means the interest is based on a fixed percentage that never compounds, so consumers never owe a penny more than what they agree to at checkout.
- Affirm’s financial products have no deferred, hidden, or surprise interest or fees, ever.

How Affirm makes money

Affirm’s success is fundamentally aligned with consumers and merchants. We win when they win.

- Affirm generally earns revenue from merchants when we help them facilitate a transaction. This is commonly referred to as our merchant discount rate.
- We generate revenue through the simple interest bearing transactions we facilitate on our platform.
- Affirm earns interchange fees when consumers use Affirm cards over established card networks.
- We also sell a portion of the assets originated in our platform to third-party investors and recognize a gain or loss on the sale of these loans.
- We make money by providing loan services on behalf of third-party investors that have purchased consumer loans from us.
- Because we don’t charge any late fees, our success is fundamentally aligned with consumers successfully managing their finances.

Alignment of interests

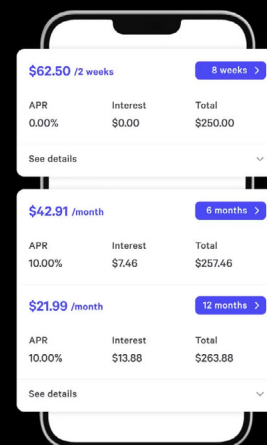
- No ability to revolve by design. No gotchas, no late or hidden fees, no surprises.
- Underwrites every individual transaction before making a real-time credit decision.

Transparent

- Provides a truth in lending disclosure before each transaction so that consumers know how much each transaction will cost.
- Pay in 4 is interest-free. Monthly installments can be interest-free or simple interest bearing with total cost of credit always shown upfront.

Simple and flexible terms

- Enable eligible consumers at virtually any merchant to pay over time with term lengths ranging from 6 weeks up to 60 months.
- Details of every loan available 24/7.



\$62.50 / 2 weeks			8 weeks >
APR	Interest	Total	
0.00%	\$0.00	\$250.00	
See details			
\$42.91 / month			6 months >
APR	Interest	Total	
10.00%	\$7.46	\$257.46	
\$21.99 / month			12 months >
APR	Interest	Total	
10.00%	\$13.88	\$263.88	
See details			

For Illustrative Purposes Only

Regulatory oversight and approach

Affirm was purpose-built from the ground up with core values of honesty, transparency, and putting people first. By aligning our interests with those of consumers, Affirm has strived for our policies to represent best practices in consumer protection and regulatory compliance since inception. We have actively engaged with regulators and policymakers as part of our mission to improve lives and meet the needs of consumers and merchants, while ensuring compliance with applicable laws and regulations.

Affirm is subject to regulatory supervision and oversight, both directly and indirectly, by way of our partnership with our [originating bank partners](#) and under federal and state laws in the states in which we operate. This also includes licensing in states that require licensing of our interest-free Pay in 4 product with no late fees, as well as servicing and collection licenses required of us and our vendors.

For more information on our licenses, see: [Licenses, Notices, and Related Disclosures](#).

Sustainably advancing our mission

At Affirm, our mission is to deliver honest financial products that improve lives. Our purpose is not solely to improve the lives of consumers, merchants, shareholders, and our people, but also the communities in which we operate. We actively manage our environmental impact across our facilities through practices and partnerships focused on addressing climate change, sustainably managing resources, and mitigating our environmental impact. We also empower people, businesses, and communities by promoting financial health, literacy, and inclusion.

Since Affirm's founding, our mission has guided our work to build a great, growing, sustainable business that stands the test of time. We are united by our commitment to improve the lives of consumers, to help our partners grow their businesses, and to deliver lasting value to the communities in which we operate, starting with our special team of Affirmers.



Helpful resources

Environmental, social and governance (ESG) at Affirm

Affirm is committed to conducting business in a sustainable and socially responsible manner by proactively managing our Environmental, Social and Governance performance. ESG considerations are important to how we do business, from how we develop products and services and promote financial inclusion and socioeconomic empowerment for our consumers, to the way we support employees and give back to our communities.

Employee giving at Affirm

The Affirm Cares Employee Foundation is an Affirm employee volunteer-led 501(c)(3) non-profit established by Affirm in late 2019.

Diversity, equity, and inclusion (DEI) at Affirm

At Affirm, we believe that diversity, equity, and inclusion are vital. We embed DEI into all processes, programs, and structures at Affirm across the employee life cycle—from how we conduct business to how we hire, develop, advance, and retain talent.

Talent at Affirm

Propel Affirm's mission forward by attracting, engaging and hiring diverse talent, building partnerships and creating inclusive experiences.

Information security at Affirm

We apply best practices that align with security industry standards for protecting personal information. Our policies safeguard the collection, use, and disclosure of information. We use a variety of methods to keep our network secure and data safe.



Payment options through Affirm are provided by these lending partners: affirm.com/lenders. Your rate will be 0–36% APR based on credit, and is subject to an eligibility check. Affirm Pay in 4 payment option is 0% APR. Options depend on your purchase amount, may vary by merchant, and may not be available in all states. A down payment may be required. For example, a \$800 purchase could be split into 12 monthly payments of \$72.21 at 15% APR, or 4 interest-free payments of \$200 every 2 weeks. Affirm savings accounts are held with Cross River Bank, Member FDIC. California residents: Affirm Loan Services, LLC is licensed by the Department of Financial Protection and Innovation. Loans are made or arranged pursuant to California Financing Law license 60DBO-111681. The Affirm Card is a Visa® debit card issued by Evolve Bank & Trust, Member FDIC, pursuant to a license from Visa U.S.A. Inc. The Affirm Card is not available to residents of U.S. territories. Affirm, Inc., NMLS ID 1883087. Affirm Loan Services, LLC, NMLS ID 1479506. For licenses and disclosures, see affirm.com/licenses.

Cautionary note about forward-looking statements

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risks and uncertainties. All statements other than statements of historical fact are forward-looking statements, including statements regarding: our strategy and future operations, including our partnerships with certain key merchants and commerce platforms as well as its engagement with existing and prospective originating bank partners; the development, innovation, introduction and performance of, and demand for, our products, including Affirm Card; the Company’s ability to maintain funding sources to support its business; acquisition and retention of merchants and consumers; our future growth, investments, network expansion, product mix, brand awareness, financial position, gross merchandise volume, revenue, transaction costs, operating income, provision for credit losses, and cash flows; and general economic trends and trends in our industry and markets. These forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Risks, uncertainties and assumptions include factors relating to: our need to attract additional merchants, partners and consumers and retain and grow our relationships with existing merchants, partners and consumers; the highly competitive and evolving nature of our industry; our need to maintain a consistently high level of consumer satisfaction and trust in our brand; the concentration of a large percentage of our revenue and GMV with a small number of merchant partners and commerce platforms; our ability to sustain our revenue growth rate or the growth rate of our related key operating metrics; our ability to successfully maintain our relationship with existing originating bank partners and engage additional originating bank partners; our ability to maintain, renew or replace our existing funding arrangements and build and grow new funding relationships; the impact of any of our existing funding sources becoming unwilling or unable to provide funding to us on terms acceptable to us, or at all; our ability to effectively underwrite loans facilitated through our platform and accurately price credit risk; the performance of loans facilitated through our platform; the impact of increases in market interest rates and negotiated interest rate spreads on our business; the terms of our securitizations, warehouse credit facilities and forward flow agreements; the impact on our business of general economic conditions, including the impact of inflation, increasing recessionary concerns, instability of financial institutions, the financial performance of our merchants, and fluctuations in the U.S. consumer credit market; our ability to achieve sustained profitability in the future; our ability to grow effectively through acquisitions or other strategic investments or alliances; seasonal or other fluctuations in our revenue and GMV as a result of consumer spending patterns; pending and future litigation, regulatory actions and/or compliance issues; developments in our regulatory environment; the impact of the reduction in our workforce announced in February 2023, including our ability to continue to attract and retain highly skilled employees; and other risks that are described in our most recent Annual Report on Form 10-K and in our other filings with the U.S. Securities and Exchange Commission.

These forward-looking statements reflect our views with respect to future events as of the date hereof and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, investors should not place undue reliance on these forward-looking statements. The forward-looking statements are made as of the date hereof, and we assume no obligation and do not intend to update these forward-looking statements.