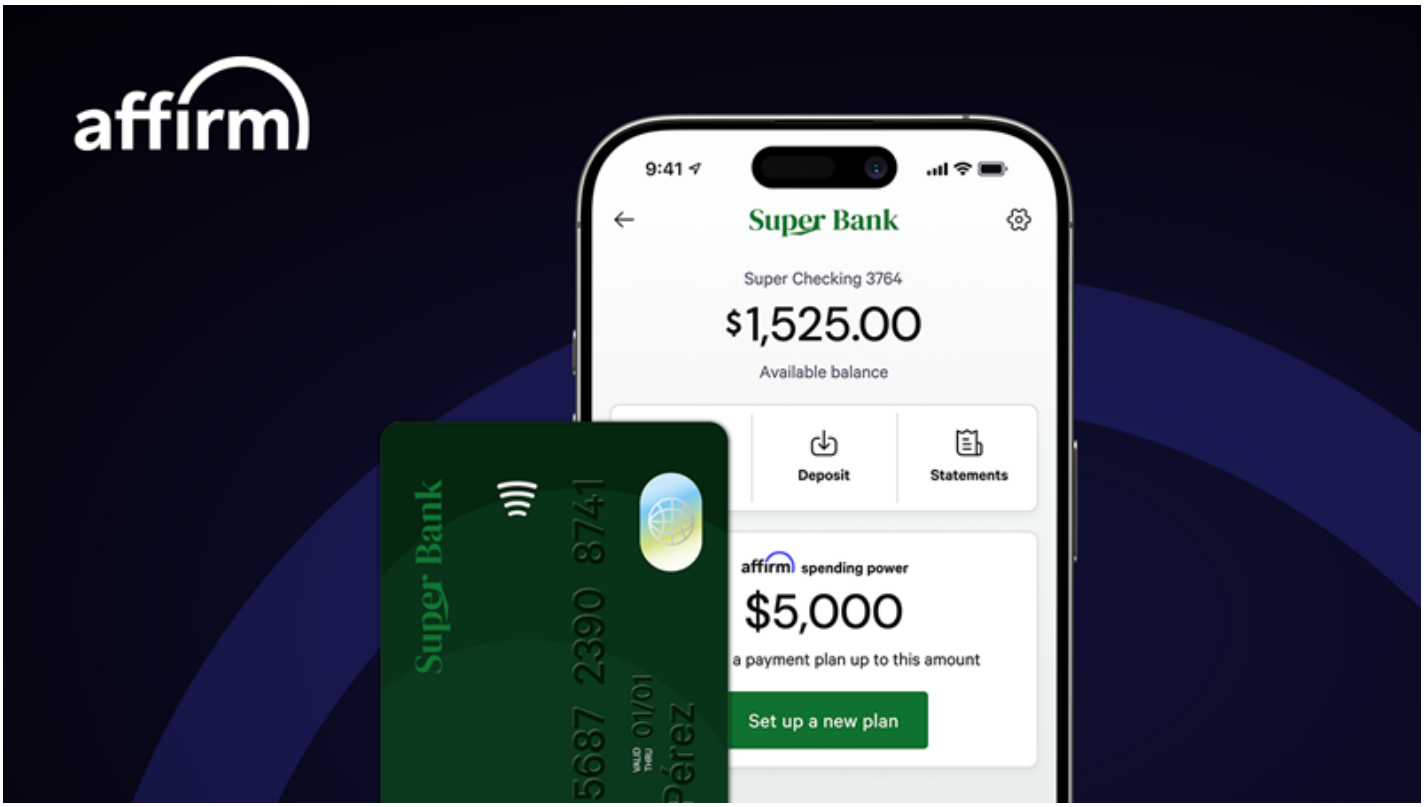
The pay-later opportunity for banks, and why we're bringing Affirm to existing debit cards

May 22, 2025

By Wayne Pommen, Chief Revenue Officer, Affirm



In 2023, Affirm made history by launching a first-of-its-kind debit card with pay-later functionality, giving consumers the option to either pay in full or request to pay over time using the Affirm app.

Now, we're helping financial institutions – such as banks and credit unions – deliver this same product experience to their debit cardholders. Our new partnership with FIS allows their vast network of banking clients to integrate Affirm's payment solution into their existing debit card programs via their digital banking and mobile app platforms.

For debit issuers, this isn't just about adopting new technology; it's about meeting evolving cardholder needs and unlocking new avenues for growth.

Why offer pay-later as a bank

Flexible pay-over-time plans are here to stay, as consumers increasingly seek out and expect to see these payment options whenever and wherever they transact. Pay-later solutions are now used by more than half of Americans, a recent survey found, with nearly 60% of millennials and Gen Z leading this trend.

Offering these payment options directly through their existing debit cards allows issuers to meet this fast-growing consumer need, as well as attract and retain more cardholders. In fact, seven out of 10 pay-later customers say they want installment plans issued by their bank. This is a strategic way for financial institutions to remain top of wallet, address more transactions, and keep their cardholders' spend within their ecosystem—leading to more engagement and higher revenue.

Why partner with Affirm

Affirm is offering issuers something special by bringing its pay-later solutions to their existing debit cards, including:

1. **Cardholder engagement** - Issuers can drive increased engagement and repeat purchase rates by bringing Affirm to the top of their debit cardholders' wallets. More than 90% of Affirm's volume comes from repeat users, demonstrating the value our product provides. This engagement is even higher among Affirm Card holders, who transact with us nearly three times more per year than the average Affirm user.

In other words, people tend to use Affirm over and over again, especially when it's conveniently tied to their debit cards. And now, this benefit can extend to financial institutions in FIS' network.

2. **Maximum flexibility and deeper approvals** - In addition to higher engagement, Affirm helps unlock additional spend amongst debit cardholders. That's because of our ability to serve a wide range of cart sizes – from $35 to $30,000 – and offer much more than Pay-in-4. With payment plans up to 60 months and rates as low as 0% APR, we can offer maximum flexibility to a wide swath of debit cardholders. With the help of our proprietary underwriting engine, we make complex credit decisions beyond a simple "yes" or "no" – for example, by offering shorter terms or requiring a down payment. As a result, we can offer higher approvals and more purchasing power to our consumers, who spend two times more with Affirm than other pay-later providers.
3. **A turnkey solution** - Affirm has already proven that consumers love having our pay-over-time options available on a debit card via the Affirm Card, which is used by nearly two million consumers. And thanks to our partnership with FIS, we've made it easier than ever for issuers to offer this same experience to their debit cardholders through their digital channels. Affirm is doing all the heavy lifting – from development work to underwriting to servicing – making this a truly one-of-a-kind, turnkey way for financial institutions to seize the pay-later opportunity.
4. **Access to Affirm's merchant network** - Affirm partners with nearly 360,000 merchants, including about 90% of the world's top ecommerce brands. Partnering with Affirm means ensuring debit cardholders receive the best credit offers from these leading brands and retailers. Better credit offers, such as a 0% APR deal, lead to higher conversions, transaction volumes, and stronger customer satisfaction.
5. **Pro-consumer values** - Affirm only extends access to credit that we believe can and will be repaid. This is because we don't charge late or hidden fees, including compound interest, which means we have no way of benefiting if consumers are unable to pay us back. Our partners appreciate this about us, as they know Affirm will always do right by their customers, and that these pro-consumer user experiences reflect positively on them.

For banks and credit unions, the moment to act on pay-later is now—and Affirm is offering a uniquely powerful way to capture it.

The Affirm Card is a Visa® debit card issued by Evolve Bank & Trust (Evolve), Member FDIC, pursuant to a license from Visa U.S.A. Inc. Affirm is not a bank. FDIC insurance will only cover the failure of Evolve. Learn more.

Rates from 0–36% APR. For example, a $800 purchase might cost $72.21/mo over 12 months at 15% APR. Payment options through Affirm are subject to an eligibility check, may not be available everywhere, and are provided by these lending partners: affirm.com/lenders. Options depend on your purchase amount, and a down payment may be required. For licenses and disclosures, see affirm.com/licenses.

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