

Unbanked Market Statistics:

“More than 500 million checks are forged annually, with losses totaling more than \$10 billion.”

-Ernst & Young

“Losses from check fraud will continue to grow by 2.5% annually.”

-American Banker Magazine

“Check fraud and counterfeiting are among the fastest-growing problems affecting the nation’s financial system, producing estimated annual losses of \$10 billion.”

-National Check Fraud Center

“US underbanked population: 40 million households (106 million individuals).”

-June 2008 statistic from the Center for Financial Services Innovation (CFSI) Underbanked Consumer Study

Market Growth Metrics:

The prepaid market represents a fast-growing market opportunity for processors. By 2009, prepaid processing industry will be as large as debit card and ATM industry was in 2004.

Prepaid debit cards are emerging as a new segment of the bankcard industry. Prepaid debit card (or open loop prepaid card) transactions will amount to about US \$150 billion by 2009, up from US\$12.8 billion in 2004. The prepaid debit cards look like credit cards but act like debit cards, and can substitute for cash for everyday purchases such as groceries, small consumer goods, restaurant tabs and gasoline. These cards are safer and more convenient for consumers than carrying cash around, and the costs are lower than check-cashing and payday lending outlets. They are also accessible to those with no or very poor credit histories.

Pay Card Launch Strategies:

- **Pilot Groups**
- **New Hire Kit Inclusion**
- **Check Insert Promotions**
- **Direct Deposit Mandate Programs**

Our research and experience in the payroll debit card industry has helped us craft a set of guiding principles to ensure a successful and seamless pay card program launch. We have taken a long-term approach to banking the unbanked by providing an informative “best uses” phone call to every new cardholder at card activation, which allows for low user fees and high customer satisfaction. This service-driven educational model creates a valuable cost effective tool for accessing money and making purchases, while avoiding costly check cashing fees. We hope you find this market study helpful.

Pay Card Market Comparison

Average User Cost

Company / Product Name	Enroll Fee	Monthly Fee 1X	US ATM Fee 3X	PIN POS 20X	Cash Advance Teller .1X	Balance Inquiry via Phone 5X	Monthly Cost	1 st Year Annual Cost
TFG Card Platinum Pay 800.457.5809	FREE	\$1.95	\$5.70	FREE	\$.40	FREE Automatic and Unlimited	\$7.65	\$91.80
Skylight Financial Skylight Card	\$19.95	\$6.95	\$3.00	\$8.00	\$.50	N/A	\$18.45	\$241.35
UniRush Finanncial RushCard	\$19.95	\$0.00	\$5.85	\$20.00* <i>Over 10.00 will be refunded</i>	\$.50	\$0.00	\$26.35	\$336.15
Wal-Mart MoneyCard	\$8.94	\$4.94	\$5.85	\$0.00	\$.35	\$0.00	\$11.14	\$142.62
AccountNow Classic Card	\$9.95	\$4.95	\$6.00	\$10.00	\$.50	\$2.50	\$31.40	\$387.35
NetSpend All Access	\$9.95	\$9.95	\$6.00	\$40.00	\$.40	\$2.50	\$56.35	\$686.15
BofA CashPay	\$7.00	\$1.50	\$3.00	\$0.00	\$.50	\$2.50	\$6.00	\$79.00
Chase EFunds	\$0.00	\$0.00	\$3.75	\$5.00	\$.50	N/A	\$9.25	\$111.00
US PayCard	\$0.00	\$0.00	\$4.50	\$13.00	\$.50	N/A	\$18.00	\$216.00
PayCheck Plus	\$0.00	\$4.95	\$3.50	\$30.00	\$0.00	N/A	\$38.45	\$461.40