Financial Inclusion Made Easy

2013 NCIF Annual Development Banking Conference
### Why You Should Get Into Prepaid Accounts

<table>
<thead>
<tr>
<th></th>
<th>Checking/Debit</th>
<th>Prepaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Opening</td>
<td>$&gt;100</td>
<td>$&lt;30</td>
</tr>
<tr>
<td>Cost of Operating</td>
<td>$250-$300(^1)/year</td>
<td>≈ $50/year</td>
</tr>
<tr>
<td>Accessibility</td>
<td>Not listed on CHEX</td>
<td>Any ID-verified US Resident</td>
</tr>
</tbody>
</table>

\(^1\) American Bankers Association

### Potential Prepaid-based Accounts

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underserved Consumers</td>
<td>$649</td>
<td>$778</td>
</tr>
<tr>
<td>Mass Banked Consumers</td>
<td>$215</td>
<td>$274</td>
</tr>
<tr>
<td>College Students</td>
<td>$82</td>
<td>$100</td>
</tr>
<tr>
<td>Teens</td>
<td>$40</td>
<td>$51</td>
</tr>
</tbody>
</table>

$ in Billions

Prepaid IS the new Checking
(with help from mobile phones)

Everyone is mobile

Under-banked
91% have a mobile phone
Source: FDIC

53% use a smartphone
Source: Morgan Stanley

Checking ⇔ Prepaid Convergence
FDIC pass-through insurance
Reg. E Consumer Protection
ACH routability
Pay bills with on-demand paper checks
Look Who’s Doing It

Walmart
Save money. Live better.

Bluebird
Loaded with features. Not fees.

The Checking & Debit Alternative
by American Express

Account Set Up Kit
A Brief History of Prepaid in the US

2002-2009
Alternative Financial Services lead
- GreenDot
- NetSpend
- AceCash
- RushCard
- AccountNow

2010-2012
Legitimization
- GDOT, NTPSD go public
- CFSI “Compass Principles”
- Suze Orman steps in
- Chase Liquid
- DirectExpress

2013-
Prepaid is the new Checking
- Amex Bluebird
- Simple
- Emerald
- Ingo

We are here
Financial Hub

360° paperless (but not yet checkless) consumer banking

- Same service as checking
- Card for purchases & ATM access
- Direct Deposit via ACH
- Deposit checks at Wal-Mart or at home¹
- Pay anyone with on-demand paper checks
- Cash loads at retail locations

Built-in Savings
- No need to open a separate savings account
- Option to auto-save

¹: Requires smartphone with camera

Deposit
- Cash
- Checks
- Salary
- Transfers

Pay
- Card
- Checks
- Direct Debit

Save
- Rainy Day Reserve
- Cash-back earned
- Health Discounts
Financial Springboard

Enable Prepaid Cardholders to (re)build a FICO Score

Prepaid Card

Deposit

Pay

Save

Secured Credit Card

Borrow

Give Option to Use Savings Purse as Security Deposit

Qualification for Secured Credit Card mostly defined by absence of senior liens on applicant’s assets

2 Entirely Separate Cards

Prepaid Card = “everyday card”. Always safe. No credit score impact (negative or positive)

Secured Credit Card = “credit building card”. Use with extreme caution.

No operational link between the 2 cards after the Savings sub-account has become the Security Deposit

Available Q2 2014
Demo Time
The Banking Up Solution

Backup Slides
Address Key Pain-Points

1. Avoid trips to the check cashier
2. Receive direct deposits
3. Write checks to your landlord
4. Build a safety net automatically
5. Avoid trips to the phone store
6. Save on everything
Turn-Key Private-Labeled Solution for Small FIs

Co-branded Prepaid 2.0 in-a-box

**Bank and Network Management**
- BINs and Programs Set-up
- Compliance, Risk and Settlement

**Extended Processing and Risk Services**
- Fee Scheduling & Extended Payments
- Black Lists & Fraud Mgmt.

**Portfolio Optimization**
- Configurable Loyalty Engine
- Real-time Reports & Analytics

**Consumer Interactions**
- Web & Mobile Interfaces
- Editorial & Marketing Tools

**Issuing Bank**

**Transaction Processor**

**Payment Network**

- Turnkey
  - Deposits
  - Payments
  - Savings for Customers of the Business
Benefits

Opportunity to deliver better prepaid services
Match the best-of-market product offerings
Enable more frequent dialogs between Bank and cardholders through web dashboard & mobile app
Deliver real-time reports and analytics without waiting for batch processor reports

Differentiate more easily
Ability to expand customership to under-served consumers
Quicker customization of services and of user interactions
Larger choice of consumer-facing options

Easy deployment path
Option of obtaining service directly from Banking Up or through FIS
A la carte menu of services for choice of functionality and progressivity of features