

ETA Electronic Transactions Association Annual Meeting and Expo
 April 15-17, 2008 - Mandalay Bay Resort & Casino - Las Vegas, Nevada

Banking on the Unbanked

Presented By:
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 Blackstone

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BLACKSTONE

Reaching The Unbanked for 12 Years!

- Over 55.5 million people are unbanked in the US
- 54% White
- 22% African American
- 18% Hispanic
- 6% Other Ethnicities

The timeline shows the following milestones: 1995 (BLACKSTONE logo), 1997 (14th anniversary), 1999 (PassaE logo), 2000 (ETA logo), 2001 (14th anniversary), 2002 (award), 2003 (ETA logo), 2004 (Present), 2006 (award), and 2007 (award).

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"Unbanked" Products and Services

The diagram shows a central circle containing logos for various services: Wireless Recharge / Top-up (AT&T, T-Mobile, TRACFONE, VERIZON), Prepaid Handsets (Samsung, LG, etc.), Long Distance Phone Cards (Sprint, etc.), Stored Value Products (Visa, etc.), and Branded Instant Issue Cards (BLACKSTONE). Bill Payment is also listed at the bottom.

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Product Case Study:

Bill Payment

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What is Bill Payment?

- Ideal for customers who cannot pay with credit cards or checks
- No need to buy a Money Order or pay express money transfer fees!
- Eliminates postage.
- Most local and national utility bills available at approved locations!
- Account is replenished electronically- instantly or from 1-3 days!

Telephone Gas Electricity Prepaid Credit Cards Cable/Satellite TV Credit Cards Cellular Service

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Bill Payment Trends

- More Prepaid Services
- More Bills per Family Household Avg. 6 per Month
- Growing Number of Late Payers
- Growing Immigrant Population



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Consumer Payment Preferences

- 64% Cash Payments
 - Typically under-banked (40% of US population)
- 70% Utility Payments
 - Each family typically pays 6 bills each month
 - Electric, gas, telephone, wireless, cable, water.



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Product Case Study:

Wireless Recharge Cards / Top-Ups



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What is Prepaid Wireless?



- Anyone can own a prepaid handset
- A prepaid phone must be reloaded to add minutes or airtime to it.
- Unbanked consumers are 26% more likely than average consumers to use prepaid cell phones!

Unbanked Consumers: Unique Opportunities for Financial Markets Report from Scarborough Research, March 16, 2006



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Benefits of Prepaid Wireless

- No Credit Checks, No Contracts
- Competitive Rate Plans
- Great for budgeting youth
- Very Similar to Postpaid Plans
- Call waiting
- Text messaging
- Internet Use now available





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Banking the Unbanked

The International Angle and
Other New Products



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Taking the Unbanked International

- International Bill Payment is an alternative to the traditional money transfer service.
- Reduce costs to consumer by creating direct host-to-host connections.





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What is an International Top Up?

- Consumers living in the United States with family abroad can now replenish cellular accounts through “international top-up”
- Connectivity is now available to Haiti, Jamaica, Antigua, Saint Lucia, Trinidad and Tobago and other international destinations.





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Other Exciting Programs

- Retail Internet Access Points
 - Traditionally, unbanked consumers are unable to make online purchases
 - Bringing kiosk-based catalogs to retail storefronts provides Unbanked new products and services
 - Event Ticketing
 - Mobile Content
 - Product Catalogs / “As Seen On TV” Products!



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How ISOs can Bank on the Unbanked!

- Find a partner who can source products and services for the Unbanked
- Use leading edge technology, such as kiosks, to expand product offerings and make additional equipment sales
- All these products and services have exciting upfront and residual based revenue sharing programs



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