

A national study of 2,799 underbanked adults 18+

- Weighted back to U.S. population proportionally ensures national representation

Who was surveyed? Definitions:

- “Unbanked”: No current checking account and no current savings account
- “Underbanked”: Has a current checking account and/or current savings account and has made one or more non-bank financial transactions in the past 30 days

Segments were identified, and within each segment information was generated regarding:

- Market segment size
- Propensity for financial products
- Desired marketing and communication approaches
- Financial service experiences
- Demographic trends

U.S. underbanked population

- 40 million households (106 million individuals)
- Original CFSI underbanked households estimates confirmed
 - Individuals per household estimate is higher than original estimate, due in part to the larger households found in this study

Household Income

- \$26,390 (median), \$47,500 (mean)
 - Note: 18% of survey would not provide household income

Adults living in household

- Three (mean)

Ethnicity

- 60% white, 19% Hispanic, 16% African-American, 5% other

Homeownership

- 63% own, 28% rent, 8% live rent free

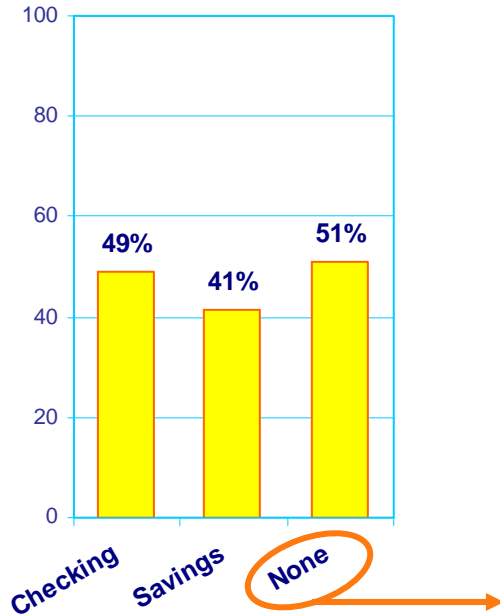
Marital Status

- 29% never married, 27% married, 16% divorced/separated, 8% widowed

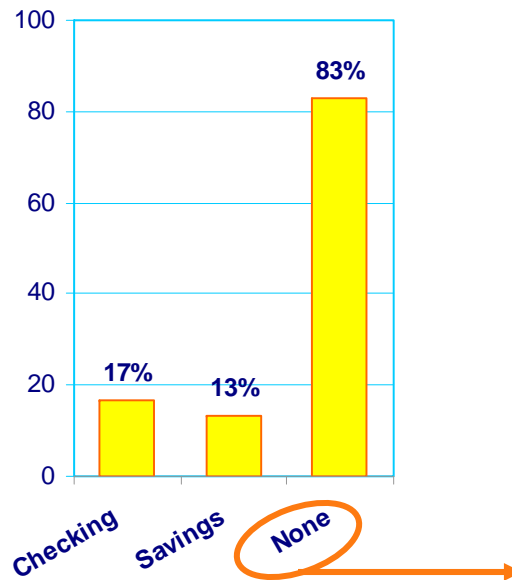
Children in household

- 45% yes

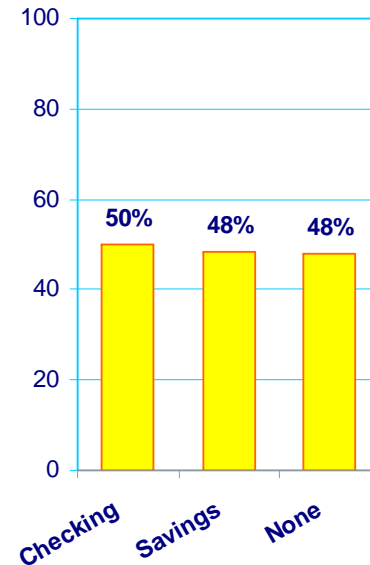
Do you *currently* have a bank account?



Have you had an account in the *last six months*?



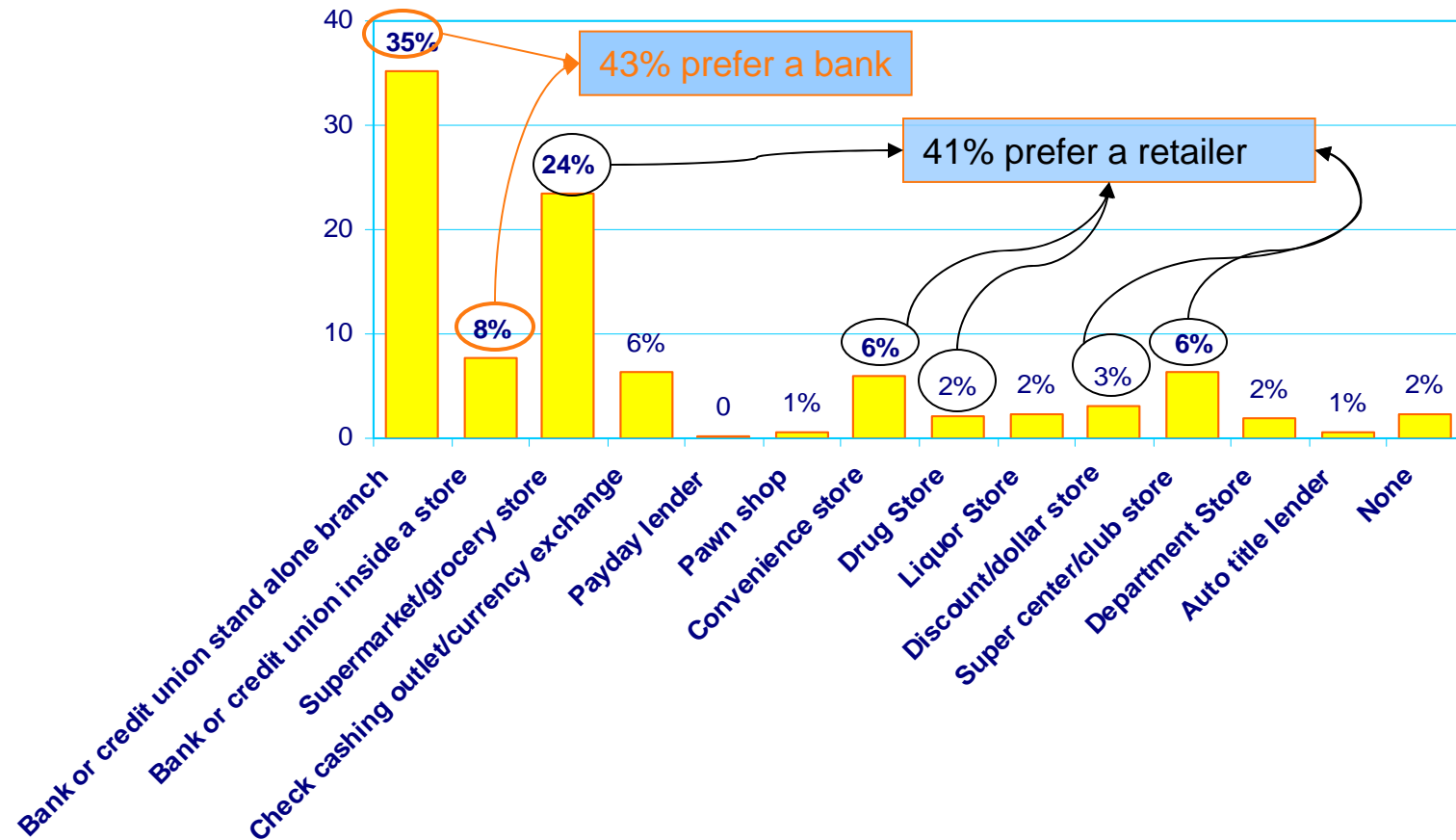
Have you *ever* had a bank account?



Note: 36% of unbanked consumers have never had a bank account

- A bank is the most preferred place for financial transactions overall
 - Only 20% of Black consumers and 14% of Hispanics prefer to use a bank
 - Compared to 45% of White consumers

Preferred outlet for financial transactions



Almost 80% of underbanked consumers are satisfied with their preferred service provider

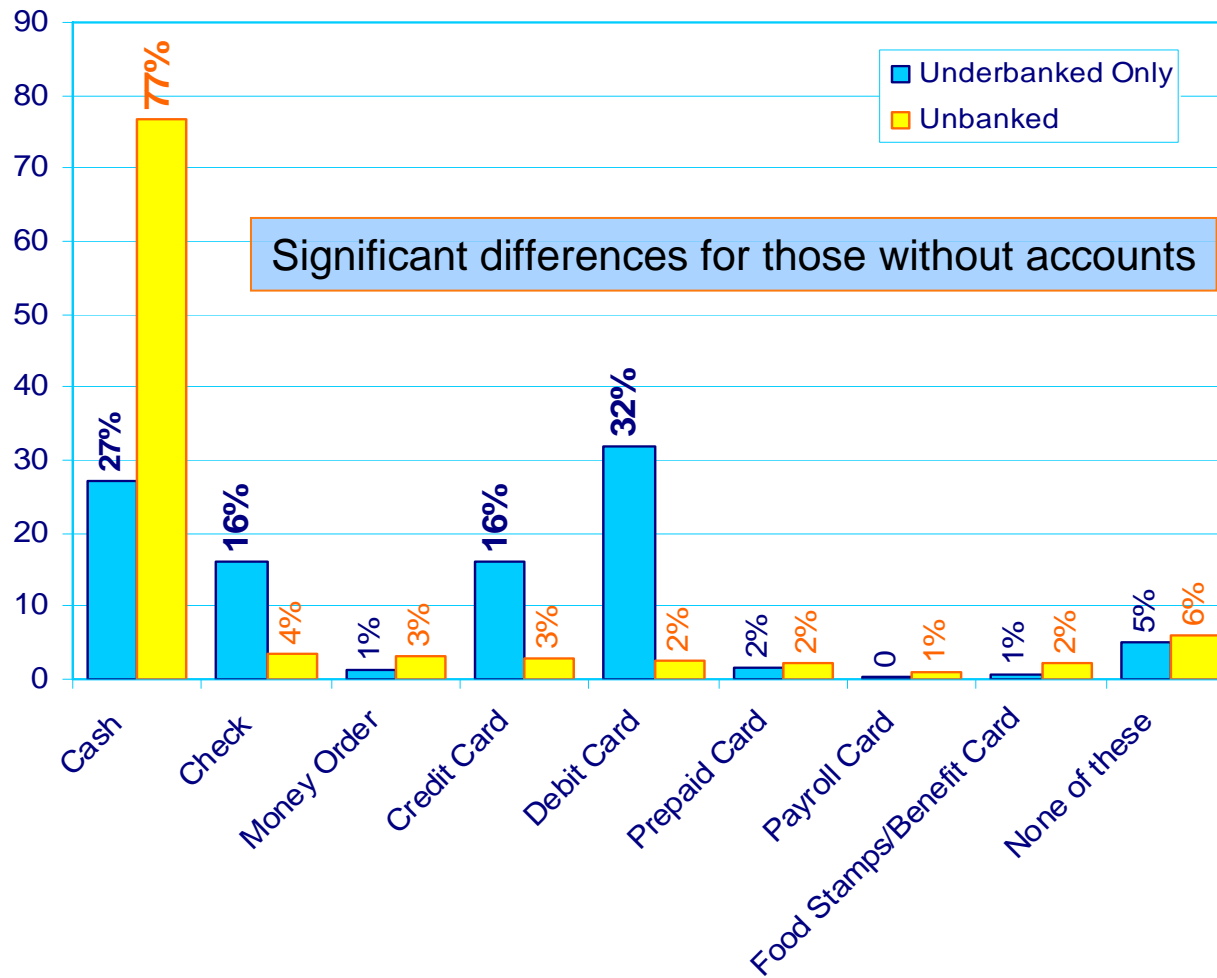
Top reasons for financial outlet satisfaction

- It doesn't take a lot of time (28%)
- The people who work there are always helpful (26%)
- I am treated with respect (22%)

Top reasons for financial outlet dissatisfaction

- The fees are too high (35%)
- Making transactions takes too long (13%)
- I'm never sure how to do what I need to do (10%)

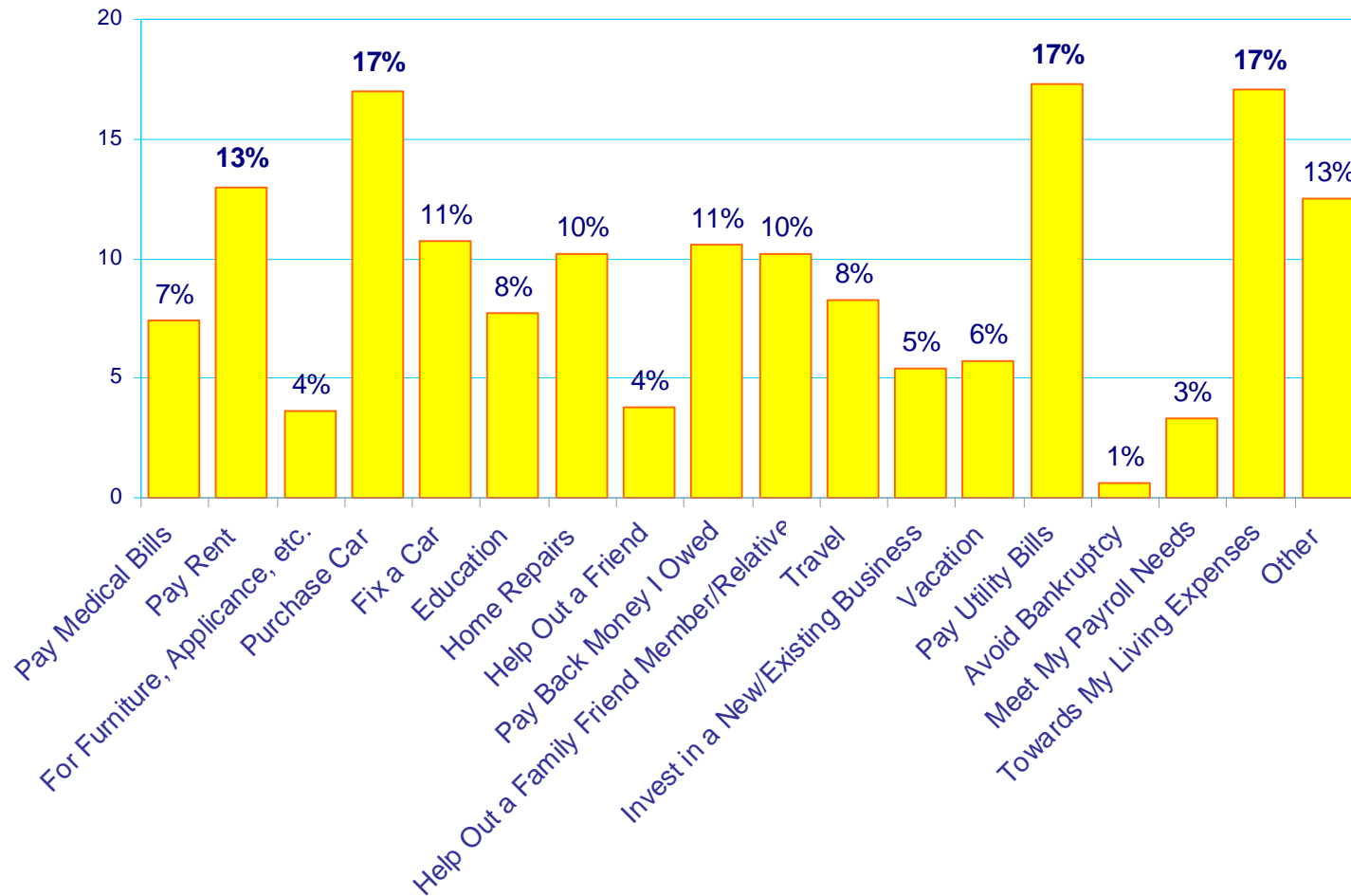
Most frequent way of spending money in last 30 days: Underbanked and Unbanked



28% of all underbanked have borrowed money within the past 12 months

- The unbanked borrow slightly less frequently

Reasons for borrowing within last 12 months

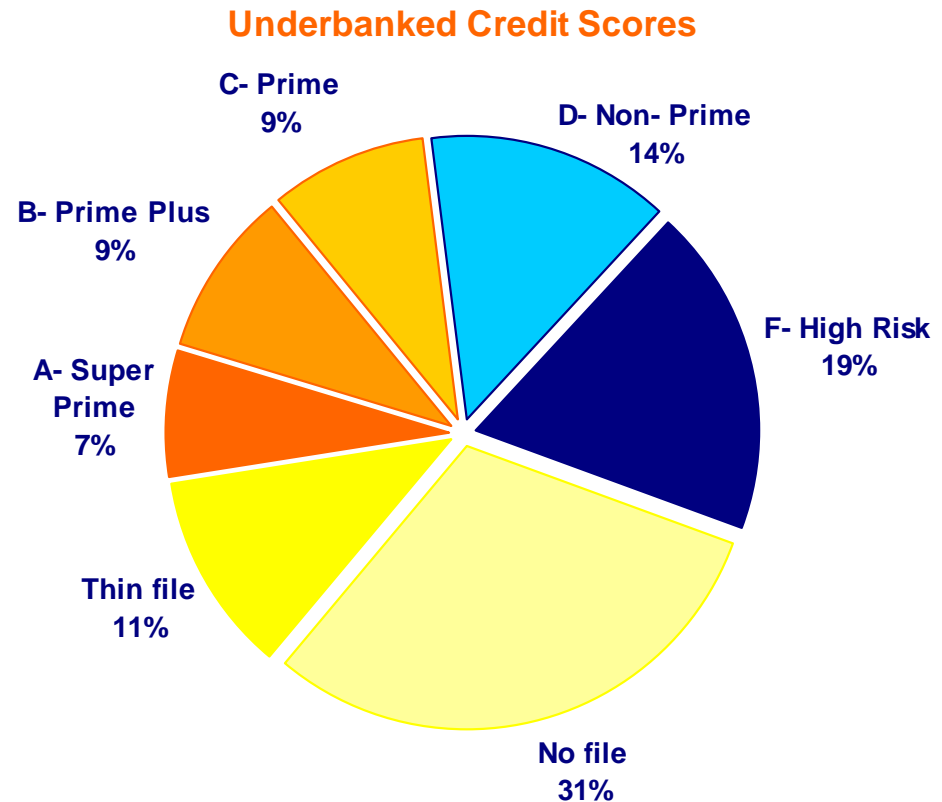


Names and address were obtained for 79% of survey respondents

- Enabled credit scores to be appended to study results

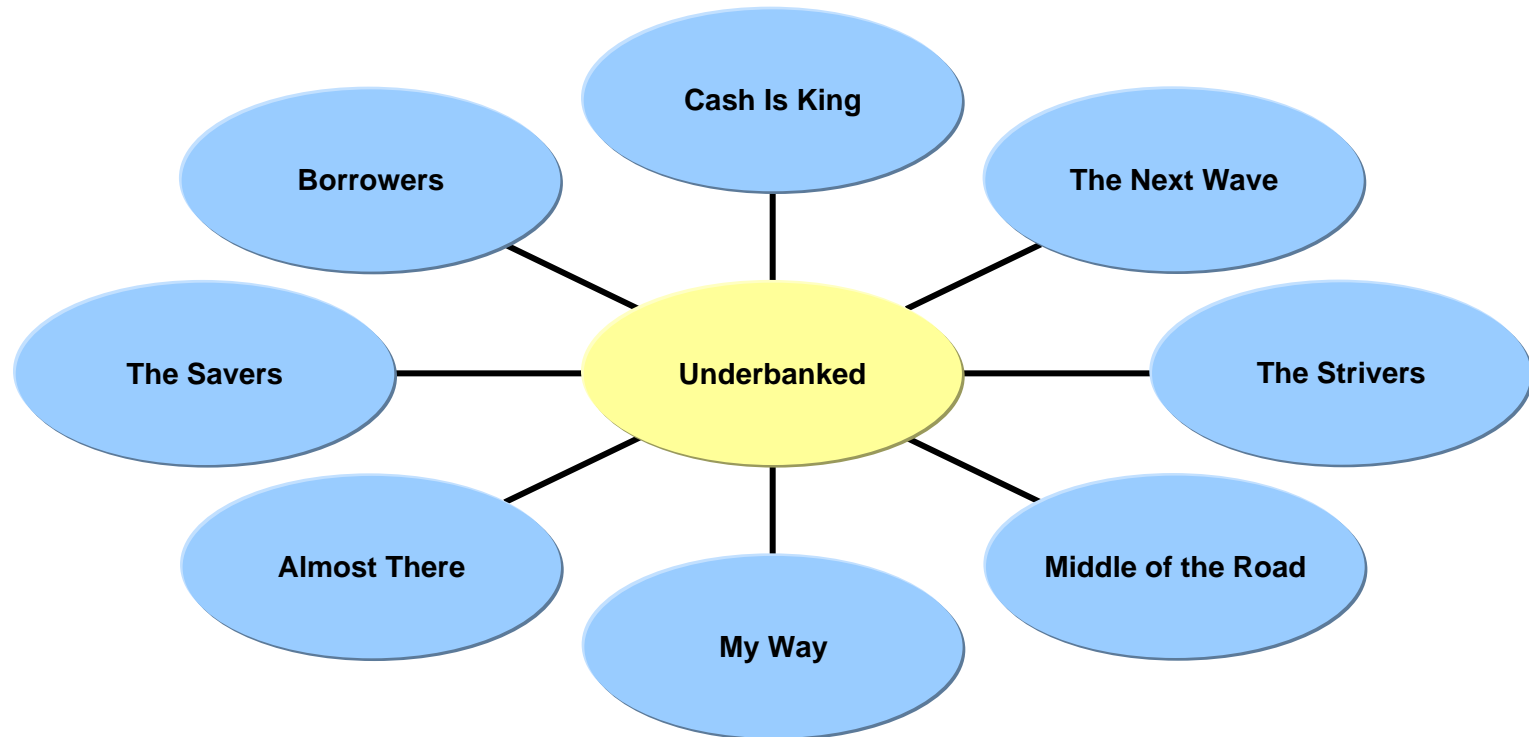
Results were:

- **25%** had a prime credit score
- **42%** had thin or no credit file
 - These consumers cannot be scored
- **33%** were considered subprime



Eight consumer segments

- These are unique consumers linked by their underbanked situation



Underbanked consumer segments comparison – segment averages

Underbanked Segment	Checking Account?	Household Income (000)	Non-bank Transactions per Month*	Most Frequent Payment Method (in order)	Income Delivery
“Cash is King”	No	\$21	Low	Cash	Cash, Check
“Next Wave”	No	\$42	Low	Cash	Check, Cash
“Strivers”	Yes	\$45	Medium	Cash, Debit	Check, DD
“Middle of the Road”	Yes	\$60	High	Cash, Check, Debit, Credit	DD, Check
“My Way”	Yes	\$64	Medium	Cash, Credit, Check, Debit	DD, Check
“Savers”	Yes	\$42	Medium	Cash, Check, Debit	Check, DD
“Almost There”	Yes	\$44	Medium	Cash , Check, Debit	DD, Check
“Borrowers”	Yes	\$57	Medium	Cash , Check, Debit, Credit	DD, Check

*Note: Low = 0-3, Medium = 4-6, High = 7+