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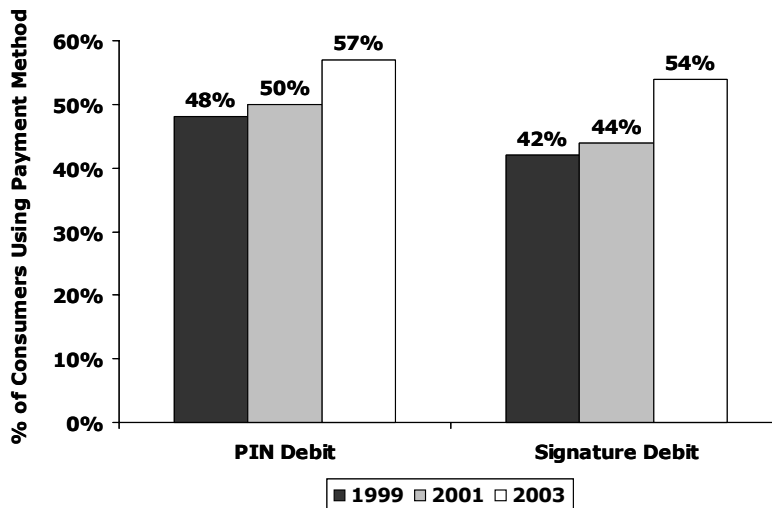
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BOTH PIN AND SIGNATURE DEBIT GET STRONG SUPPORT FROM CONSUMERS *ABA/Dove Consulting study explores consumers' use and understanding of debit*

WASHINGTON, January 8—A new nationwide consumer payment preferences study conducted by the American Bankers Association and Boston-based strategy consulting firm Dove Consulting documents the growing popularity of debit cards. The study found that between 1999 and 2003, the number of consumers using debit cards to make in-store purchases increased from 48% to 57% (for PIN-based purchases) and from 42% to 54% (for signature debit purchases).

IN-STORE PAYMENT PENETRATION, 1999-2003



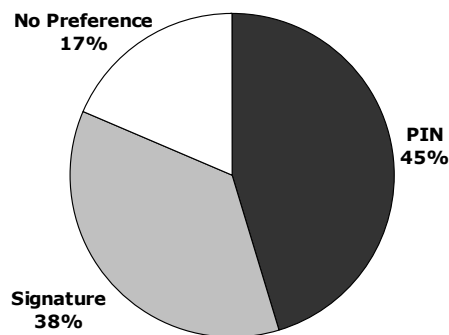
“All trends indicate that debit is an increasingly popular form of payment at the point-of-sale, and this study validates this phenomenon” said Cindy Ballard, executive vice president of PULSE EFT Association, one of the study’s three sponsors. Indeed, PULSE reported that its PIN debit transaction volume has increased by more than 220% over this timeframe.

PIN vs. Signature Debit

Today, 94% of debit cardholders have a card with either a Visa or MasterCard logo, meaning that (in most cases) they have a choice at the point-of-sale whether to enter their PIN or sign the receipt. Some consumers use their cards exclusively with a PIN (19%), and other consumers are exclusively signature debit users (14%), but the most consumers report using both forms of debit (49%).

Given this choice between PIN and signature debit, both methods have strong support from consumers. Overall, 45% of debit cardholders prefer to enter a PIN when using their debit card for purchases, as compared to 38% who prefer to sign a receipt. Only 17% of debit cardholders said they did not have a preference for PIN or signature debit when making purchases.

CONSUMER PREFERENCE BETWEEN PIN AND SIGNATURE DEBIT



Debit Taking Share from Checks and Cash

Increases in debit payments are steadily eroding the use of cash and checks. In 1999, cash and checks together accounted for nearly 60% of consumers' in store payments, while debit (both PIN and signature) accounted for only 21%. In 2003, 31% of payments were made with PIN and signature debit, while less than half (47%) were made using cash or checks. The percentage of payments made using credit card remained stable over the timeframe.

“Consumers are migrating more and more of their payments from cash and checks to debit cards,” said Michael Feliciano, senior vice president and division executive of electronic payments at eFunds Corporation. “For a growing number of consumers, debit cards are their primary or preferred payment mechanism—they use them for everything.”

Carrots & Sticks

Many debit card issuers have begun to model debit rewards programs after credit card programs, offering accumulated points for air travel or perks, cash rebates, and sweepstake entries to incent consumers to use their debit card over cash, checks, and credit cards. However, only a small portion of consumers—less than 10%—indicate that they currently receive rewards for using their debit cards.

Which debit transactions—both PIN and signature debit or only signature debit—are included in rewards programs varies by issuer and depends on issuers' debit philosophy. Of those who indicated that they receive rewards for using their debit card, 44% receive rewards for both entering their PIN and signing the receipt, while 46% receive rewards only for signing the receipt.

Most financial institutions do not charge a per-transaction fee for debit, and the majority of banks who do levy a fee only apply it to a subset of their customers. Despite issuers' hesitancy to levy fees, consumer confusion persists: 14% of debit cardholders report that they incur a fee for PIN debit transactions, and 7% indicate that they pay a fee for signature debit transactions.

Conclusion

“Whether it be PIN- or signature-based, debit is supplanting other forms of payment, particularly cash and checks, at an unprecedented rate,” said Jeff Hale, senior vice president and chief marketing officer at ACI. “Our U.S. customers are seeing solid growth in their debit POS volumes, and the experience in countries like Canada and the UK suggests that once the ‘knee in the curve’ is reached, debit rapidly overtakes paper-based methods.”

As today's younger consumers age, so the segment of the population representing active and frequent debit users will grow. Combined with new applications and new users, the market for debit payments will continue to expand at double-digit rates for the foreseeable future.

About the Study

Data for 2003/2004 Study of Consumer Payment Preferences was collected through a national paper and Web survey sent to consumers in the United States. A total of 2,008 completed surveys were received, and the data set is weighted to represent the overall population. This study is the third in a series tracking consumers' payment habits, preferences and their migration from paper to electronic payments.

The cost of the 2003/2004 Study of Consumer Payment Preferences is \$500 for ABA members and \$1,500 for non-members. To order or for more information, call 1-800-BANKERS or visit www.aba.com.

About the American Bankers Association

The ABA brings together all categories of banking institutions to best represent the interests of this rapidly changing industry. Its membership — which includes community, regional and money center banks and holding companies, as well as savings associations, trust companies and savings banks makes ABA the largest banking trade association in the country. ABA can be found on the Internet at www.aba.com.

About Dove Consulting

Dove Consulting is a Boston-based consulting firm specializing in strategy and organizational effectiveness. The firm's Financial Services Practice is a leader in developing retail payments, distribution and customer strategies for banks, payment networks, and government entities. The firm's consulting work is supported by an ongoing commitment to industry research spanning consumer payment preferences, ATM deployment, and issuer and merchant debit strategies. For more information, visit www.doveconsulting.com or call (617) 482-2100.

About ACI Worldwide

ACI (NASDAQ: TSAI) was founded in 1975 and pioneered the development of applications and networking software for online transaction processing. Today more than 500 banks, retailers, and service providers in over 70 countries use ACI software. The company's products are integrated in the ACI Commerce Framework to enable transaction initiation through Web and wireless channels; processing of transactions in real-time; and automation of back office functions associated with settlement, dispute processing, fraud detection, and account service. For more information, visit www.aciworldwide.com.

About eFunds Corporation

Headquartered in Scottsdale, Arizona, eFunds Corporation (NYSE: EFD) is an industry leader with nearly 30 years of experience and expertise in electronic payments. eFunds provides electronic funds transfer (EFT) software and processing, ATM driving, deployment and management, risk management, and global outsourcing services to financial institutions, retailers, electronic funds transfer networks, government agencies, and other businesses around the world. Visit the company online at www.efunds.com, or call 1.888.9eFunds (1-888-933-8637) or 480-629-7700.

About PULSE EFT Association

PULSE is the nation's leading independent financial industry-owned and controlled electronic funds transfer network, currently serving more than 4,300 bank, credit union and savings institution members across the country. It is the only major network solely owned by financial institutions. The network links an estimated 90 million cardholders with more than 200,000 ATMs and 3.2 million POS terminals at retail locations nationwide. In recent years, PULSE has become known as a valued resource for consumer research related to EFT services and an effective national voice on public policy issues relevant to the financial services industry. For more information, visit www.pulse-eft.com.

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