

The PNC Financial Services Group, Inc.

Unbanked, Underbanked and *Bank On* Programs

Through local outreach and our relationships with key non-profit organizations and government agencies, PNC continues to identify impactful opportunities to work with, educate, and bank those that have been underserved by traditional banking institutions.

PNC has focused on assisting those that have had minor financial challenges through our *Foundation Checking Program*. In addition, the Bank has focused on the unbanked consumer segment through participation in a group of local programs collectively referred to as ***Bank On***.

In 2009, eight pilot communities across the country were selected to participate in the U.S. Department of the Treasury's Community Financial Access Pilot (CFAP), commonly known as *Bank On*. CFAP is an initiative of the U.S. Department of Treasury's Office of Financial Education, endorsed by the President's Advisory Council on Financial Literacy. In addition to the eight pilot CFAP programs, numerous other cities and communities are operating their own Bank On programs.

PNC is an active participant in the national pilot as well as other local Bank On initiatives. PNC is also a national Bank On partner with the Department of Treasury.

Recently, PNC was asked to participate in Treasury's review of the Bank On initiative in a project being called *Bank On America* led by the Department and its consultant, CFED.

At the end of 2010, PNC was participating with four Bank On programs in Philadelphia, PA; Newark, NJ; Washington, DC; and Louisville, KY. (doubling the number of active programs from one year earlier). Accounts year-over-year increased from 200 to 900 with Dec 31, 2010 balances of more than \$750K.

In the first quarter of 2011, PNC began operating additional Bank On programs in Detroit, Indianapolis, and Greater Cincinnati/No. Kentucky. During the remainder of 2011, PNC is planning to take on new Bank On programs including those in Kalamazoo, St. Louis and Toledo. The new programs for 2011 are expected to generate an additional 1,000 accounts this year, not including new accounts from the four programs operating in 2010.

Foundations – A Consumer Checking Program

To help address the unbanked segment of the population, the Foundation Checking product was created to address the fact that individuals on ChexSystems were not eligible for banking accounts. To assist many of the people on ChexSystems who have had minor infractions, PNC developed Foundation Checking to offer a second chance to get back into the "banking mainstream". The program is also an attractive starter account for those with no banking experience.

A key element of the Foundation Checking Program is the companion financial education component. The *Foundations of Money Management* class compliments the Foundation

account and is a prerequisite for all customers that have had minor Chex issues prior to account opening.

The Foundation program is designed to help consumers “step up” to more traditional bank accounts. Successful customers graduate to a standard checking account after twelve months.

Active Foundation Checking accounts totaled nearly 25,000 at the end of 2010 compared to 16,800 accounts one year earlier. Total balances increased from \$4 million in 2009 to more than \$6 million in December 2010.

Tax Season (VITA) Activities

Two small but successful tax season programs for low-and moderate-income (LMI) consumers were piloted in 2010: a tax season prepaid card and a free tax refund check cashing program for consumers using free tax preparation sites supported by PNC. For 2011 both programs were taken full-scale.

Through the PNC Retail Network, more than 100 Volunteer Income Tax Assistance (VITA) sites across the PNC footprint were authorized to send their unbanked clients receiving tax prep services to selected PNC branches for **free check cashing** during the 2011 tax season. In addition, more than 100 VITA sites were authorized to **issue PNC Prepaid VISA Debit Cards** through an arrangement with PNC Treasury Management.

The two programs created high impact for LMI communities by helping lower-income working people keep more of their tax refunds by avoiding for-fee tax prep, refund anticipation loan, and check cashing services.

Through the end of the first quarter, PNC issued 640 prepaid cards to VITA clients with average initial card loads of more than \$1,000. Checks cashed under the VITA program were more than 130 with an aggregate dollar value of \$180,000