netSpend®
Prepaid Card Program

Q3 2011 Investor Presentation

November 2011

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Who is NetSpend?

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A Leading Provider of GPR Prepaid Debit Cards

Core Products

- General purpose reloadable (GPR) cards that provide access to a FDIC-insured bank deposit account
- A GPR card is an "open-loop" prepaid debit card that provides the cardholder the ability to:
  - Load and reload funds
  - Make purchase transactions
  - Withdraw funds from ATMs

Target Market

- Approximately 60mm underbanked and unbanked consumers

Value Proposition

- Cardholders – Freedom to be self-banked at a significantly lower cost
- Partners – Ongoing revenue share and reload income

Key Metrics (as of or for LTM 9/30/11)

- 2.1mm debit active cards; 816k direct deposit accounts
- 500+ retail distributors with tens of thousands locations
- 100k reload locations
- $10.8bn gross dollar volume
- Over 250mm transactions processed

Proven and Experienced Management Team

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	Daniel Henry CEO	**George Gresham** CFO	**Chuck Harris** President
Industry Experience	15 years	19 years	20 years
Career Highlights	▸ Co-founded Euronet Worldwide, a processor of secure electronic financial transactions, in 1994 ▸ Served as President and COO until 2006	▸ Former CFO at Global Cash Access, Inc., a leading provider of cash access services to the gaming industry ▸ Former CFO at EFD eFunds Corporation ▸ Member of the Assurance and Advisory Services group at Deloitte & Touche, LLP	▸ Ran Intuit's Payment Solutions Division ▸ Former CEO, President and COO of Electronic Clearing House (ECHO) ▸ Former President of Merchant Link, a subsidiary of Paymentech
Professional Experience	Euronet WORLDWIDE	GCA gcainc.com EFD eFunds Corporation Deloitte.	intuit. ECHO Electronic Clearing House, Inc. an INTUIT Company Merchant Link

Mission and Focus

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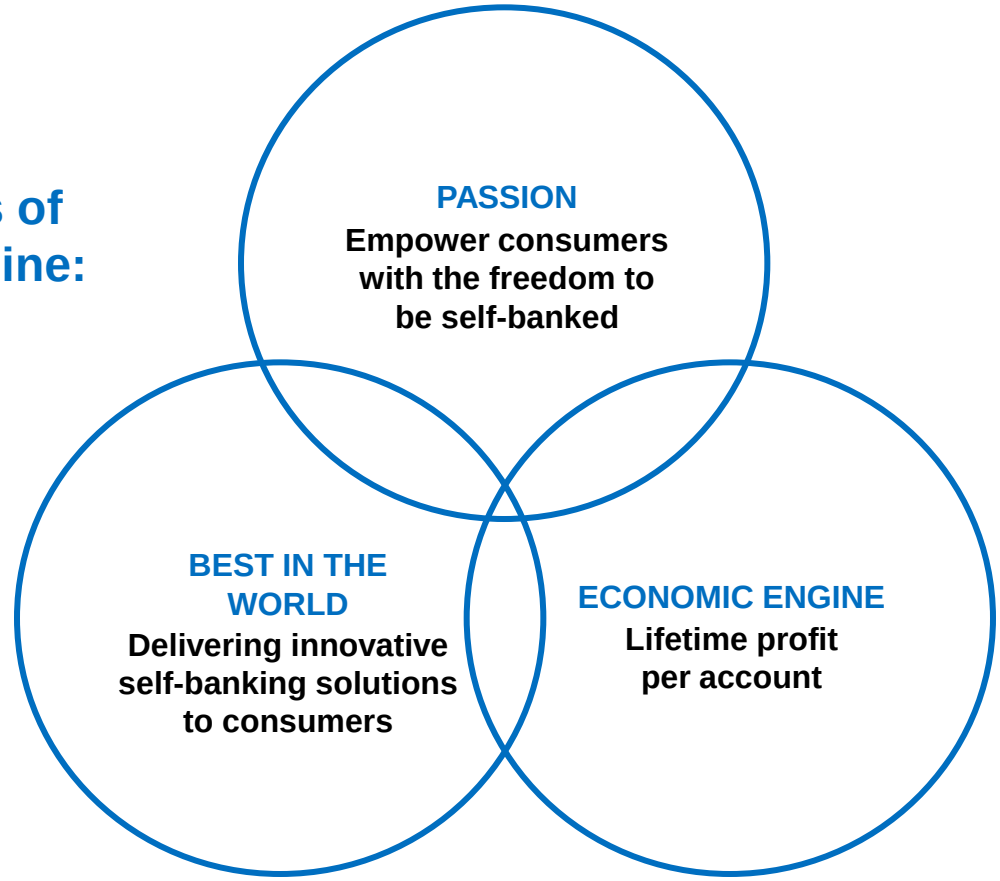
"In America, it's expensive to be poor – and that's not right"

NetSpend Mission:

To empower consumers with the convenience, security and freedom to be self-banked

Circles of Discipline:



Substantial Projected Growth

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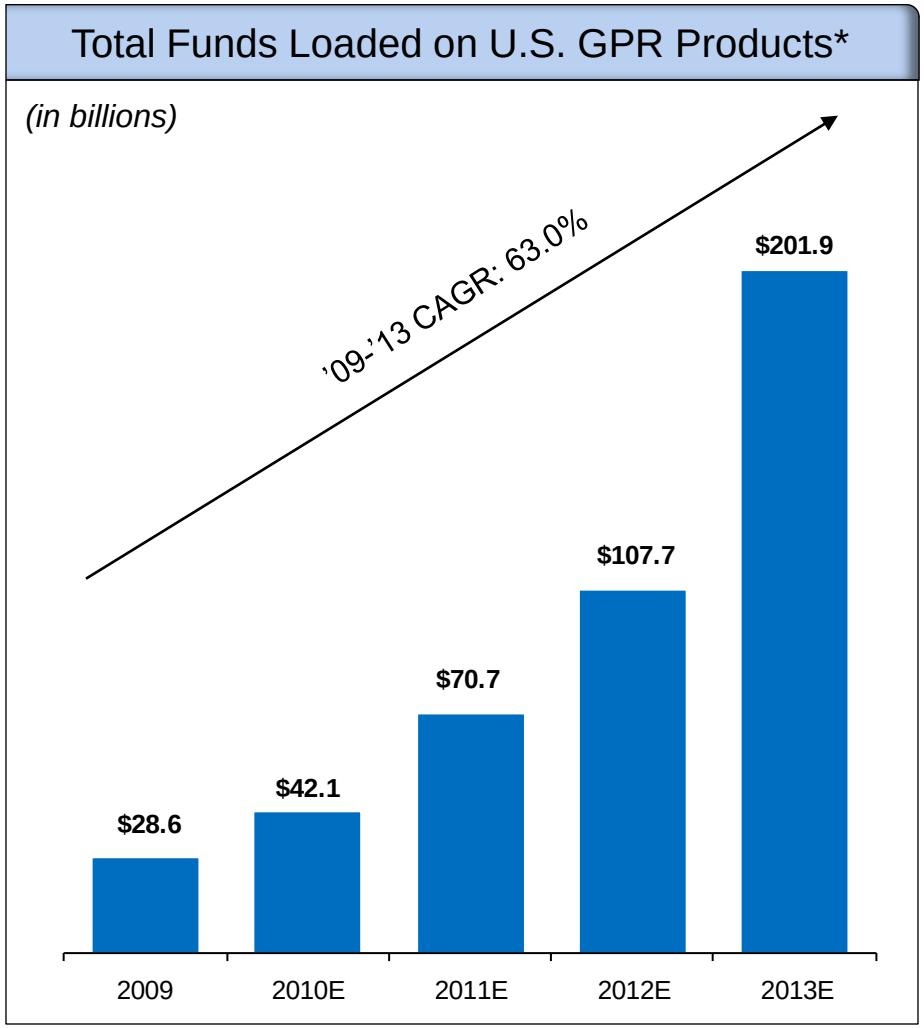
- Prepaid is the fastest growing payment card product in the U.S.
- Market has evolved away from the basic gift cards ("closed-loop") towards general purpose reloadable cards
- The total value of the prepaid card opportunity is expected to quadruple by 2017
- U.S. market will remain the largest branded prepaid segment in the world, holding 53% of global market share by 2017



*Source: Mercator Advisory Group and Boston Consulting Group

Large Addressable Market which is Underpenetrated

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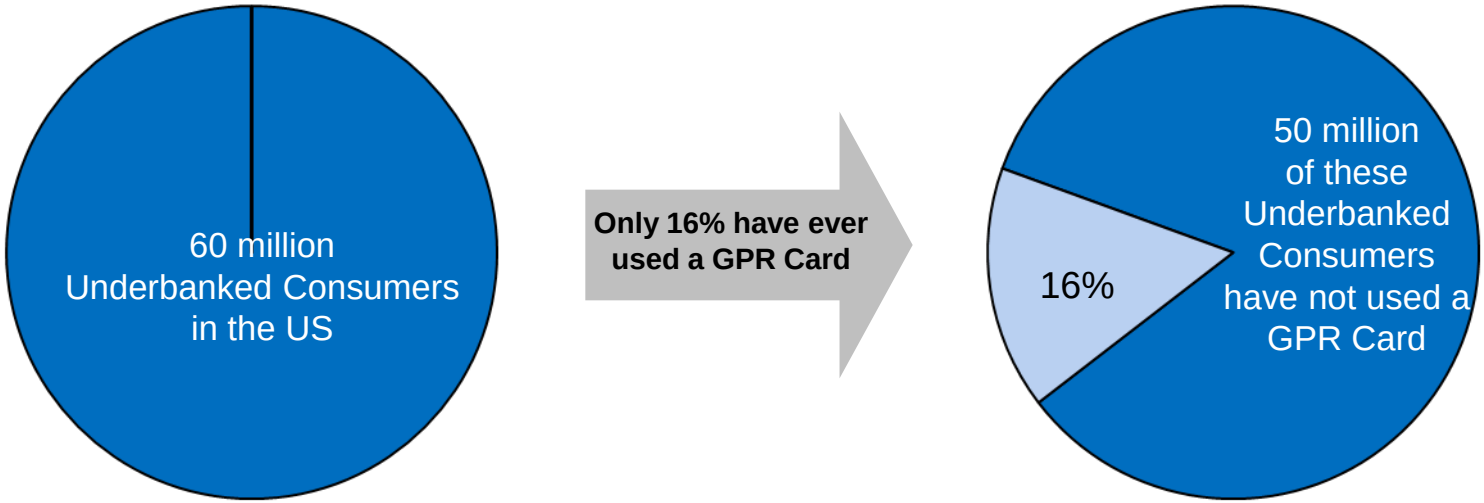

- The unbanked will always be with us
  - Customers with past issues such as overdrafts, unsatisfied balances or missed loan payments are entered into the ChexSystems database and virtually "locked out" of most traditional banks
  - Once a "sin" is committed, a person can remain in the ChexSystems database for up to five years

NetSpend cards offer a convenient and secure alternative to traditional bank accounts

Source: FDIC; Greenlining Institute

Cost-effective Product Offering

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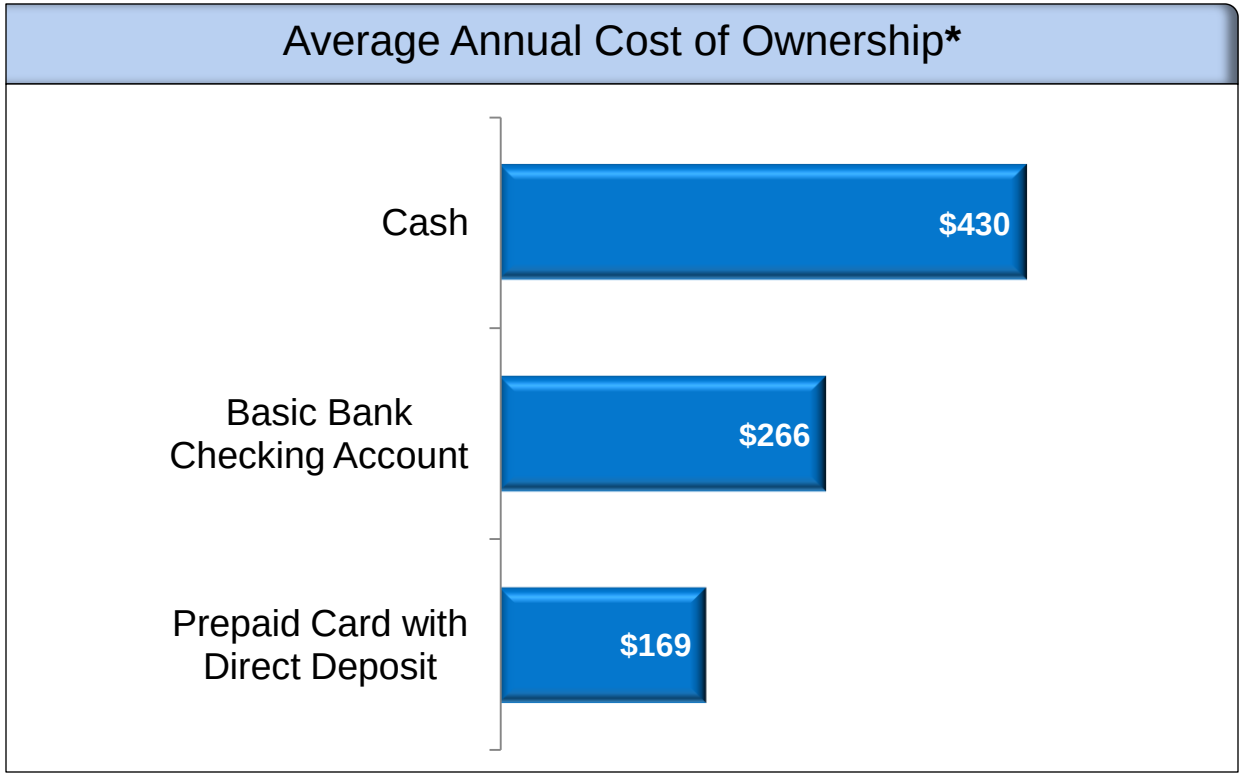
- It is expensive for low income consumers to have a traditional bank account and use cash
- Prepaid card with direct deposit is an extremely cost effective option



Source: Bretton Woods, Inc., March 2011

Direct Deposit Provides Loyal and Valuable Customer Base

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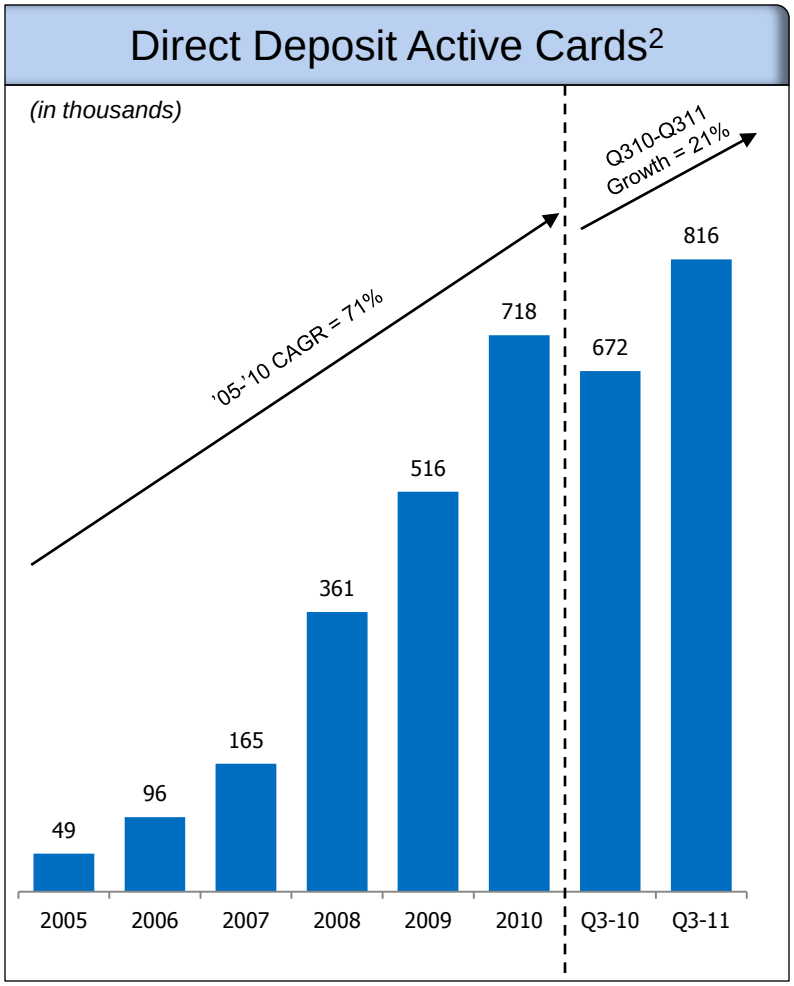
- NetSpend has a differentiated strategy focused on banking the unbanked
  - Direct deposit customers enhance revenue predictability and drive growth
  - 39% of NetSpend cardholders are on direct deposit

	Direct Deposit	Non Direct Deposit
Avg. Lifetime[1]	20 months	11 months
Transactions per Month	18	4
Dollars Loaded per Month	3x	1x
Lifetime Revenue	6x	1x



[1] Average lifetime of 11 months based on all card accounts; [2] Accounts with a direct deposit within the previous three months

Unmatched Scope and Breadth of Reload Network

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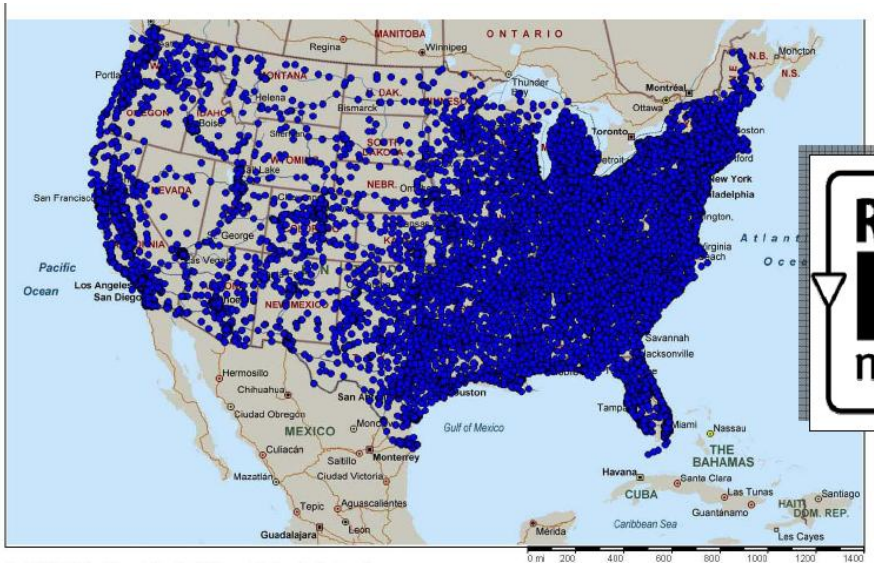
- Over 120k locations today
- Swipe reload and branded reload chit
- Reload price set by retailer and not to exceed $3.95
- Lower reload costs will help drive penetration and volume to NetSpend cards

Reload Points



RELOAD netSpend.

Participating Retailers

CVS/pharmacy for all the ways you care™

Safeway

WAL★MART

7 ELEVEN

Kroger

K kmart

MoneyGram

inComm

WESTERN UNION

Walgreens

BLACKHAWK NETWORK

Scalable and Proprietary Technology Platform

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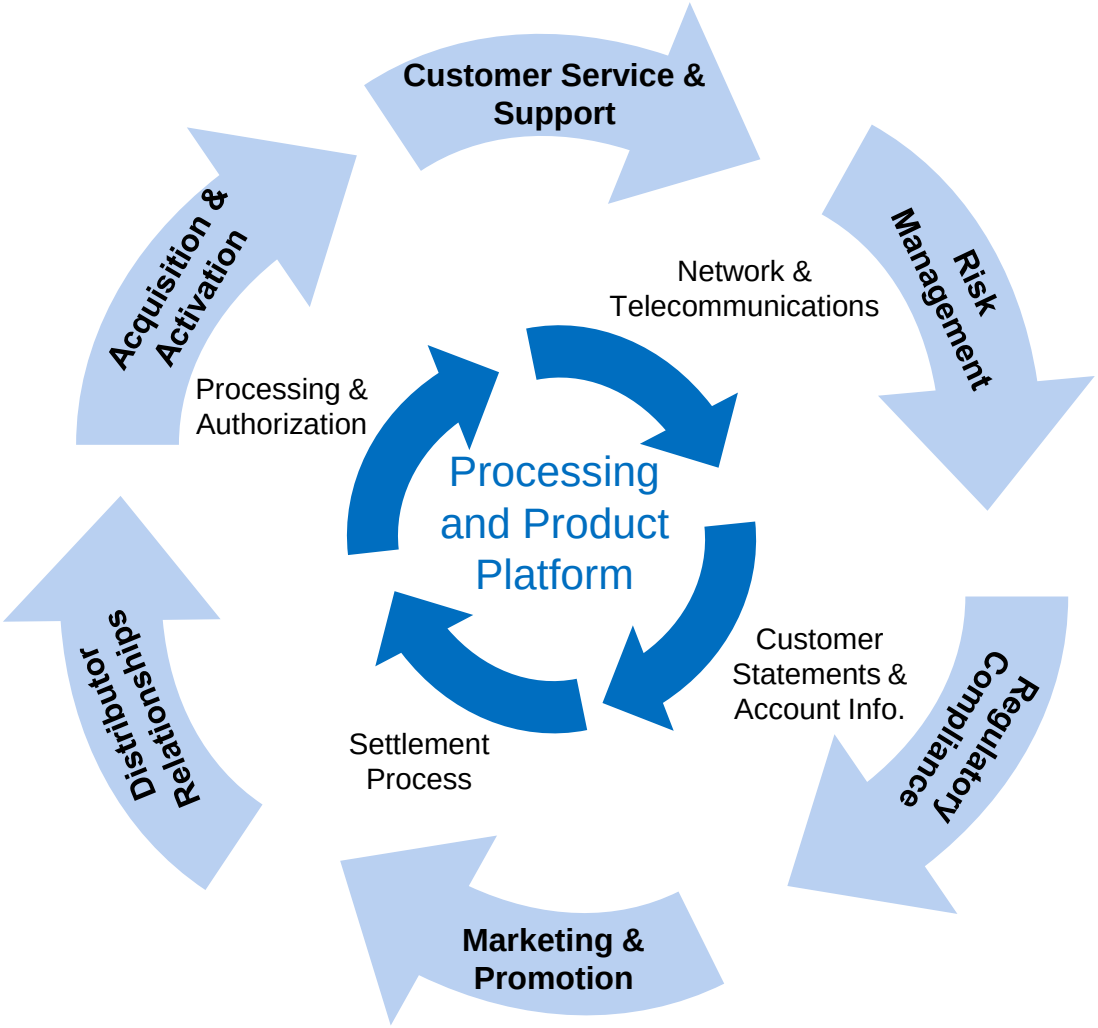
Fully Integrated Program Management and Transaction Processing



- Platform scalability creates significant operating leverage
- In-house platform is a competitive differentiator
- Customized program and product features according to partner's needs
- Speed to market
- Unparalleled execution and customer service
- Extensive database aids development of new products to attract underbanked and drive retention (e.g. non-standard auto insurance)

Rich Product Capabilities Drive High-Value Customer Retention

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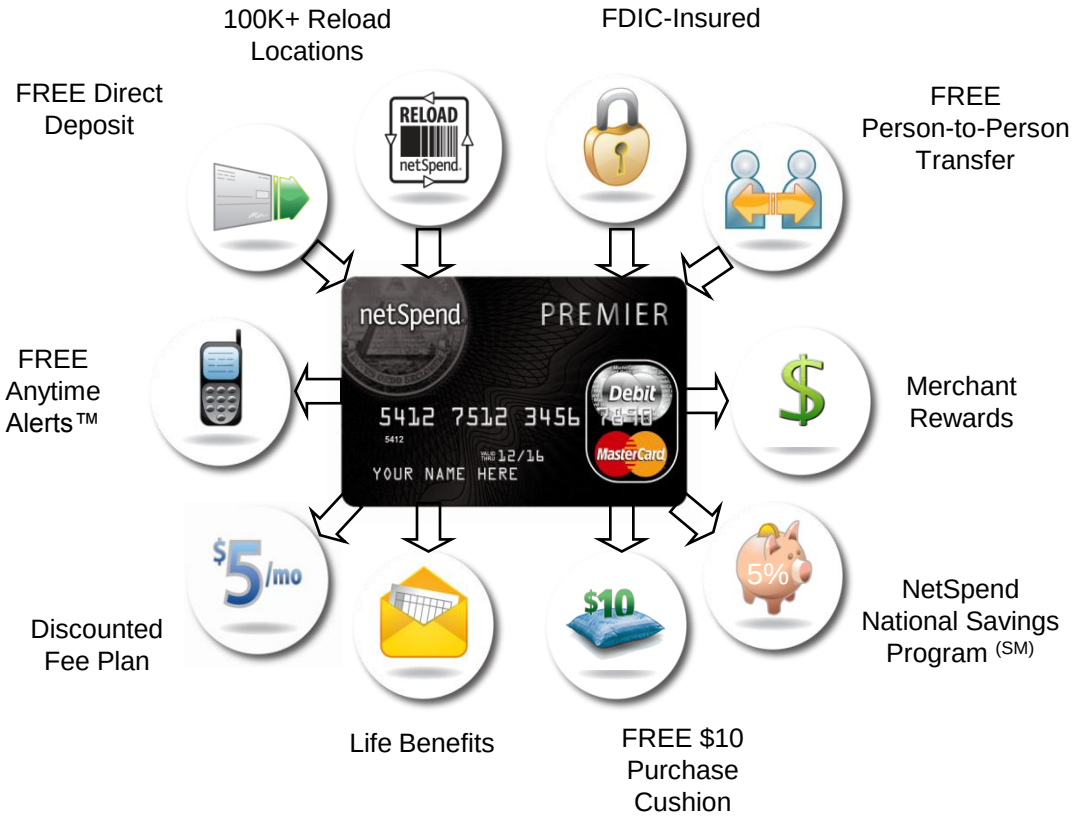
NetSpend's Value Proposition



Additional Features

- Online Load Options
- Online Financial Planners
- Budgeting Tools
- Free Online Banking
- Comprehensive Bill Pay Options
- Online Checks and Money Orders
- Companion Cards
- Custom Cards
- Refer a Friend Incentives
- Marketplace Discounts
- Financial Literacy
- Merchant Rewards

Extensive and Diversified Distribution Network

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	Partner		Direct	Paycard
	Traditional Retail	Alternative Financial Solutions		
Description	Emerging leader in prepaid cards sold through traditional retail merchants	Market leader in prepaid cards sold through alternative financial solutions	Market leader in prepaid cards sold through online and direct channels	Leading corporate payroll card provider through its Skylight branded product
GPR Revenue Concentration (YTD Sep-11)	**5%**	**60%**	**20%**	**15%**
Key Partners	BLACKHAWK NETWORK, inComm, H-E-B, 7-ELEVEN, Winn-Dixie, Speedway, SUPERAMERICA, PayPal	ACE CASH EXPRESS, LIBERTY TAX SERVICE, ADVANCE AMERICA CASH ADVANCE, Cash America International, Inc., THE GENERAL	BET NETWORKS, performancemedia, CreditCards.com, Experian A world of insight, PayPal	Staffmark, Cracker Barrel Old Country Store, BIG LOTS!, KOHL'S, HOOTERS, TA TravelCenters of America, Church's Chicken

Significant Retail Opportunity

Significant Wins in 2011

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Significant Wins and Future Market Opportunity	
PayPal	NetSpend to be the exclusive program, distribution manager and processor of the PayPal-branded GPR card
BLACKHAWK NETWORK	NetSpend launching in 3,000 locations this year, with plans to expand to significantly more in 2012
BET NETWORKS	Television networks reach over 90 million U.S. households
7 ELEVEN	Offering reloads at more than 6,000 locations
LARGE FINANCIAL INSTITUTION IN NEW ENGLAND	Has approximately 1,500 bank branches
HOOTERS BIG LOTS! Friendly's	Added significant new corporate employers, bringing total employers in the paycard business to over 1,100

Financial Summary

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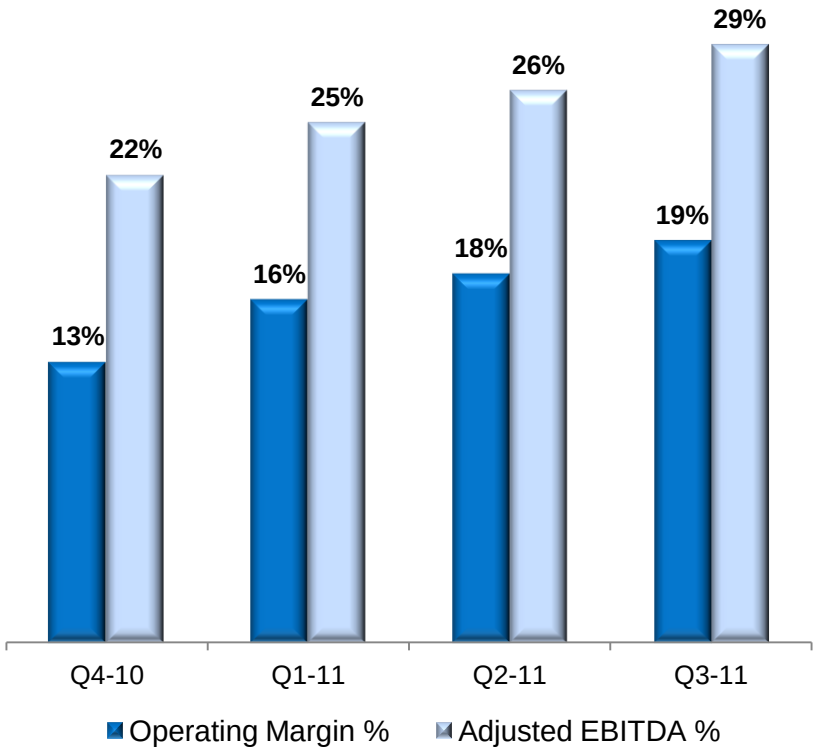
Condensed P&L and Non-GAAP measures

(in thousands)	Three Months Ended 2011	2010	%chg
	(unaudited)		
Operating revenues	$74,324	$68,208	9%
Operating expenses	60,040	56,882	
Operating income	14,284	11,326	26%
Total other expense	(461)	(1,640)	
Income before income taxes	13,823	9,686	43%
Provision for income taxes	5,513	3,306	
GAAP net income	**$8,310**	**$6,380**	30%
Adjusted EBITDA	**$21,273**	**$15,953**	33%
Margin %	*29%*	*23%*	
Adjusted net income	**$10,760**	**$8,308**	30%
Gross dollar volume *(in mil)*	**$2,621**	**$2,422**	
Total Active cards *(in mil)*	**2.1**	**2.1**	
% of Active Cards with DD	**39%**	**32%**	
Average GDV per Account	$1,260	$1,165	8%
Average Revenue per Account	$35.7	$32.8	9%

Consistent Margin Expansion



Substantial Growth Drive off of Unique Strategy

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A Three-Pillar Foundation for Growth

Innovative and differentiated products for the underbanked

In house, proprietary product and processing platform

Multiple distribution channels and ubiquitous reload network

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Prepaid Card Program

- High cardholder retention and loyalty drives strong recurring revenue and visibility
- Scalability and operating leverage drives margin expansion
- Increasing volumes and customer usage drives growth

Increased market penetration, customer adoption, new channel development and continued product innovation will drive substantial growth