

PULSATIONS

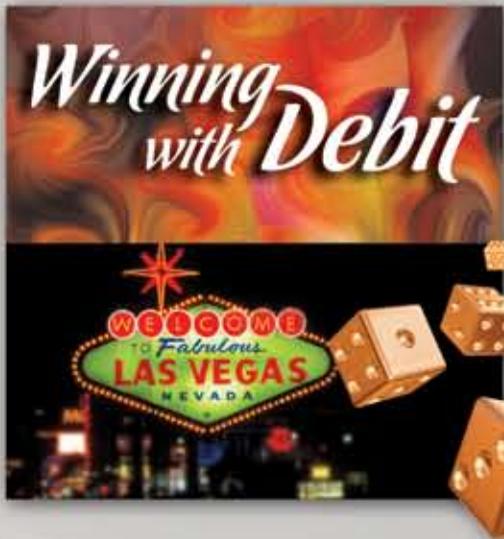


Bringing Value to Electronic PaymentsSM

The 2007 PULSE Conference Sets Debit-Focused Concurrent Sessions

With debit card usage continuing its robust growth, there has never been a better time to put PULSE to work for your bottom line. “*Winning with Debit* has been designed to provide participating financial institutions with insider strategies, from maximizing debit revenues to the best bets in fraud protection,” stated Leah Henderson, PULSE executive vice president of sales. “This informative and fun-filled event will make certain everyone leaves Las Vegas a winner.”

Scheduled for April 30 to May 2 at the Wynn Las Vegas resort, the PULSE Conference will feature a special golf clinic and tournament, a pre-conference workshop on fraud prevention, a high-energy exhibit hall and four powerful general sessions. For complete details, visit www.pulse-eft.com/conference.



Six concurrent sessions will provide attendees with the latest information on a wide range of debit-focused topics. These sessions will help attendees stay informed on current and emerging payments technologies and programs.

Here’s a preview of what you can expect.

Concurrent Session A Tuesday, May 1; 1:15 - 2:15 p.m.

Considerations for Managing Your EFT Processing – In-house vs. Outsourced

Moderator: Rich Green, PULSE EFT Association

This panel discussion will cover the strategic considerations of in-house vs. outsourced EFT processing and offer insights and perspectives into when it is appropriate to outsource this function and when it is not. The panelists in this interactive discussion will address the obstacles and opportunities that should be considered to help institutions make an informed strategic decision.

Improving Earning Velocity with a Successful Rewards Program

Keith Gottschalk, Old Second Bancorp Speaker TBD, Affinion Group

As debit card usage continues to grow, more financial institutions are offering debit rewards programs. By offering rewards programs tied to debit, financial institutions can encourage cardholder usage relative to cash or checks. This session will offer a real-world case study that reveals how one financial institution used rewards to increase debit card activation and usage. Attendees will also learn the latest trends and strategies for implementing debit card rewards programs.

Discover® Debit – A Debit Program that is Right on the Money

Jeff Brandt and Michael Urquizu, PULSE EFT Association

The first new signature debit program to be introduced in more than a decade, Discover Debit offers financial institutions

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PULSE Commissions Debit Issuer Study

In 2006, PULSE commissioned Dove Consulting to update its *2005 Debit Card Fraud and Performance Benchmarking Study*. The results of the new study, known as the *2007 Debit Issuer Study*, were released in February.

“The *2007 Debit Issuer Study* is a comprehensive analysis of the U.S. debit card industry,” said Cindy Ballard, PULSE executive vice president. “It offers more recent data on the subjects addressed in the earlier study and provides exciting new information in areas such as debit interchange and debit rewards.”

A total of 55 debit card issuing financial institutions participated in the *2007 Debit Issuer Study*. These institutions constitute a broad cross-section of debit issuers – including large banks, community banks and credit unions – and collectively issue more than 62 million debit cards.

The study revealed that debit card usage continued to grow at a healthy pace during 2006, with signature debit transaction growth outpacing the rise in

PIN-based transactions. The study participants reported average transaction growth of 20.3 percent for signature debit and 15.7 percent for PIN debit during 2006, with large banks experiencing the highest growth rates.

The institutions that participated in the 2007 study have achieved an average debit card penetration rate of 72 percent for consumer checking accounts, and 86 percent of the debit cards they issue are signature-capable.

“These numbers have remained relatively unchanged during the past two years, suggesting that further growth from increased penetration alone will be limited,” said Tony Hayes, vice president with Dove Consulting and project lead on the study. “In order to realize the full potential of their debit portfolios, issuers will have to implement strategies to grow card activation and card usage.”

Debit Program Performance

Active card rates averaged 56 percent in 2006 for those debit issuers that define ‘active’ as one signature-based

transaction within the last 30 days. This is essentially unchanged from the previous study.

On average, cardholders performed 9.6 transactions per month in 2006, 6.3 of which were signature-based and 3.3 PIN-based. Active cardholders performed a much higher 16.1 transactions per month, on average – 10.6 signature-based and 5.5 PIN-based.

Other findings regarding debit program performance included:

- Business debit cards are offered by 64 percent of the issuers participating in the study, and account for approximately 5 percent of their total card base. All of the large banks in the study offer business debit cards.
- Thirty-seven percent of participating institutions offered debit card rewards in 2006, and of those, 37 percent are rewarding for both PIN and signature transactions.
- Four percent of the issuers surveyed issued contactless cards in 2006. An

(continued on page 6)





Dave Schneider

“PULSE continues to be recognized by financial institutions, processors, merchants and ISOs alike as the high-quality debit network that brings exceptional value to all network participants.”

phishing-related fraud. We signed a reciprocal ATM acceptance agreement with the LINK network in the U.K. and a similar agreement with JCB in Japan. And we educated more than 8,500 individuals from an estimated 2,600 financial institutions through our PULSE Academy and Debit Fraud/Security Webinar series.

PULSE continues to be recognized by financial institutions, processors, merchants and ISOs alike as the high-quality debit network that brings exceptional value to all network participants. In keeping with our singular focus on debit, we are in the process of implementing fraud solutions such as network-wide transaction message encryption and neural network fraud detection.

Participating PULSE financial institutions can choose from a full range of debit payment solutions, including ATM network services, PIN and signature debit products, stored value card programs, PINless bill payment and an optional surcharge-free ATM alliance. And, to keep you at the forefront of industry developments, we are continually exploring new opportunities relative to payments technology.

Looking forward, on April 30 we will present the 2007 PULSE Conference, *Winning with Debit*, at the Wynn Las Vegas. This event is designed to help you optimize debit profitability by building a better understanding and working knowledge of the electronic payments industry. I hope to see each of you there.

Until then, thank you for your continued support of PULSE.

Sincerely,

Dave Schneider
President

Dear PULSE Participant,
With 2007 just getting started, I thought it might prove helpful to take a look back at PULSE's activities and accomplishments for 2006.

PULSE ended the year as the nation's third-largest PIN debit network. We experienced robust growth throughout the year in both network participants and transaction volumes. We were also a strong contributor to the expansion of Discover® Network's payments business, working jointly with Discover Financial Services to develop and launch Discover® Debit, our new signature debit program. Citing the program's unique value proposition, the Independent Bankers Association of Texas endorsed Discover Debit as its exclusive signature debit program in November.

PULSE also marked its 25th anniversary last year, celebrating a quarter century of leadership in the electronic payments industry. In addition, we introduced new fraud mitigation services – CVV/CVC Checking and Authorization Blocking – aimed at increasing protection against

PIX² Training Webinar Thursday, March 22

Obtain an overview of the exception item processing system. Learn more about PIX² settlement, how to process exception items and download reports, as well as how to utilize additional functionalities of the system. This training is provided to PIX² participants at no cost.

Redefining the Profitability of Your ATM Portfolio – 2006 ATM Deployer Study Thursday, May 10

The latest ATM study, conducted by Dove Consulting and co-sponsored by PULSE, reveals an evolving business model that provides the most comprehensive assessment of the state of the U.S. ATM industry. Led by Leah Henderson, executive vice president of sales for PULSE, and Judith McGuire, PULSE's vice president of retail services, this session will cover such topics as historical, current and future transaction levels; adoption of and interest in advanced ATM functionality; benefits and challenges of check imaging at the ATM; advanced software and ATM technologies; trends in surcharging and surcharge-free access; and deployer economics.

PULSE Participant Webinar Tuesday, May 15

The New Participant Webinar gives financial institutions that are new to PULSE an opportunity to learn more about the benefits, products and services they receive as participants. This Webinar provides a network profile, including

pricing and optional services, educational opportunities and numerous value-added services options. This convenient session is a great way for new financial institutions or staff members new to the industry to find out how to make the most of their ATM/debit programs. The Webinar is available at no cost.

NEW...Coming Soon! Debit Card Profitability Series

This new four-part Webinar series is based on major factors impacting debit card programs and profitability within your financial institution. Participants will receive information on how to stay competitive in this ever-changing marketplace and find key strategies for business success. This series will help participants analyze their current program, learn how to maximize their debit card portfolio, discover how to avoid risks associated with the product and understand costs. Participants will also gain an understanding of the various demographics of debit card users and how they respond to various debit card programs.

Please contact Melissa Voelkner at 800-282-8963 with questions regarding all seminars and training.

¿Habla Español?



Q: Why focus on Hispanic marketing?

A: The financial industry's potential market for new accounts consists of 7.7 million Hispanic individuals who do not have a checking account, 11.2 million with no credit card and 10.3 million who do not have debit cards.

For more information, visit www.pulse-eft.com or call 800-420-2122.

Source: PULSE's 2005 Study on Consumer Payment Preferences: A Multicultural Research Project

New Study Shows Debit has Growing Share of Consumer Wallets

Complete Range of Payment Types Investigated

Discover® Network-sponsored survey of more than 10,000 adults nationwide, the *PaymentDynamicsSM 2007 Preferred Payments Study*, indicates that consumers have strong payment preferences and they are consolidating payment types, with fewer payment cards in their wallets than

reasons given for this preference. Those who prefer to pay by credit card cited the same reasons, but also included rewards as an incentive.

According to the study, preference for all payment types was driven by ease of use. Consumers also expressed a preference for paying with their own

money, and said they prefer payment methods that help them pay now, not later. As a result, those respondents who said they preferred cash, checks and debit also chose one of these three as their second-most-preferred payment method.

According to the study, consumers are consolidating their payment types. Less than one-third of the consumers surveyed said they added a new payment method in the past year (down from 56 percent in the 2004 study), and 20 percent of those surveyed reduced the total number of payment methods they use. The results showed that debit cards represent 29 percent of the respondents' wallet share, up from 17 percent in the 2004 study. While use of debit cards increased, general-purpose credit card use remained flat, with retail private-label cards declining to 15 percent, compared to 27 percent in the 2004 study.

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Consumer Payment Use

According to the study, consumers use cash and checks more often, with checks as the predominant form of payment for bills. The top four most-used payment types were cash (83 percent of respondents), checks (75 percent), credit cards (61 percent) and debit cards (56 percent).

Consumers use debit cards more frequently than credit cards, but their average monthly spend per card is almost the same – showing a slightly lower average transaction amount for debit.

Preferred Rewards Programs

Rewards features of all types play an important role in the preference of credit and debit cards, with nearly 25 percent of the study respondents belonging to a card rewards program. Financial incentives, such as no fees or cash back, were more important to study respondents than promotional offers or redeeming points for merchandise, with 94 percent of them saying that rewards were very or somewhat important in selecting a co-brand or rewards card as their preferred payment type.

A relationship-based rewards program was seen as the benefit that would most encourage the acceptance of a new card product, followed by reduced interest rates. More than one-third of the respondents would agree to a new card if they would be enrolled in a special rewards program that incorporates all transactional and savings/loan products. The surveyed cardholders were most interested in free ATM usage as a special service if tied to card usage.

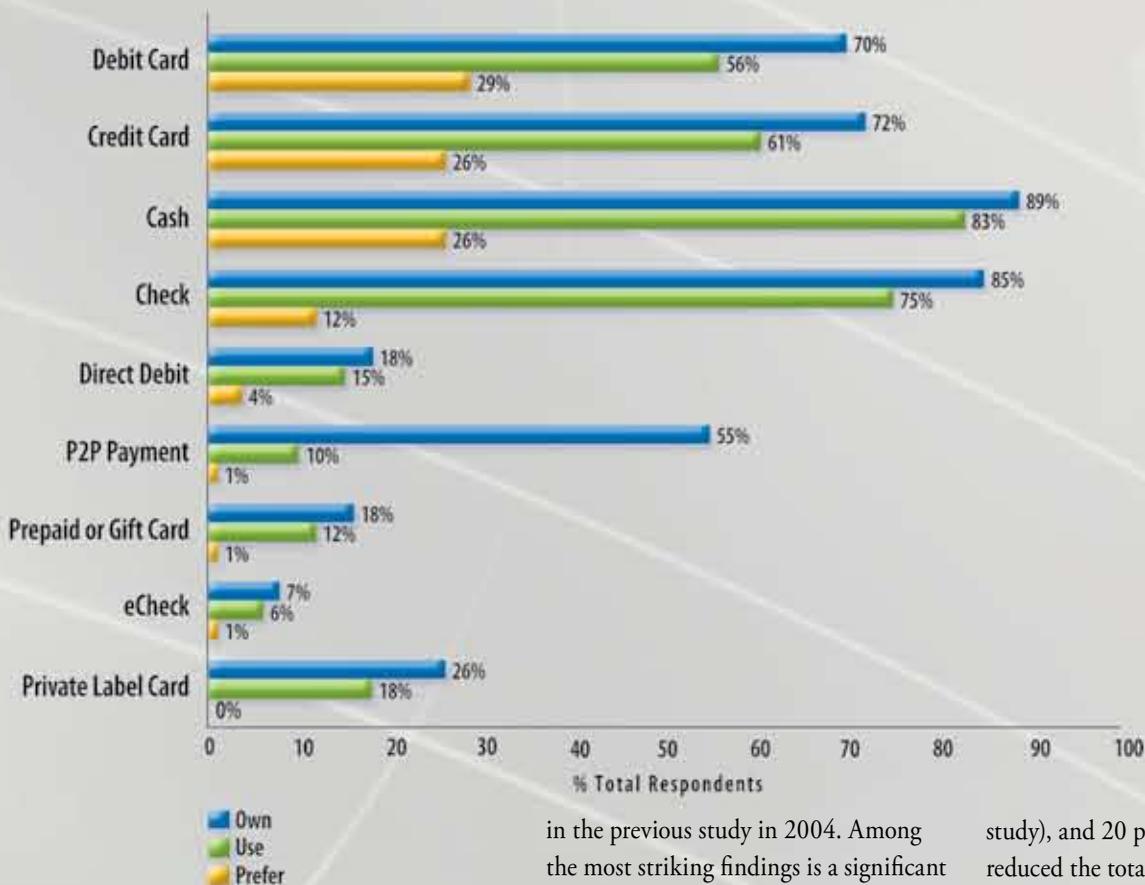
Key Questions Facing Payments Providers

This study helped find some of the answers to key questions that payments providers are asking as they drive growth across their customer base. Questions such as: What are consumers using to pay now? What do they prefer to pay with and why? What are some of the future payment types that interest consumers?

This research shows that dramatic changes are taking place in payments, and that consumers are driving these changes. PULSE will continue to provide research information to its participants that shows the types of payment trends that are taking place and why.

The *PaymentDynamics 2007 Preferred Payments Study* was a collaborative effort of Edgar, Dunn & Company and TransUnion®.

Payment Types



Source: *PaymentDynamicsSM 2007 Preferred Payments Study*

in the previous study in 2004. Among the most striking findings is a significant increase in wallet share for debit cards – 27 percent in the 2007 study as opposed to 17 percent in the 2004 study.

The study addressed the complete range of payment types, from cash and check to multiple types of credit and debit cards. A national panel of Internet subscribers responded to the study's questionnaire in late 2006. Criteria for participation in the study were that respondents had to opt-in, they were at least 18 years old, they were U.S. citizens and made payment-related decisions in their households.

Consumer Payment Preferences

Debit has now reached parity with credit, present in 70 percent of respondents' wallets. Despite exponential growth in payment cards, cash and checks are still the most prevalent payment products that respondents carry: 89 percent of them have cash and 85 percent have checks.

Most frequently owned and used were cash and checks, but debit was the most preferred, followed closely by credit cards and cash. Of those who preferred debit cards, ease of use, acceptance, speed at the checkout and security were the top

Spending and Transaction Behavior by Payment Type

Payment Types	Cash	Check	Debit*	Credit*
Average monthly dollar spend	\$279	\$839	\$541	\$579
Average monthly transactions	13	8	14	9

*per card

PULSE Marketing/Communications Program Co-Creator Retires



(Top to Bottom)
Mary Brown with
Denise Stigge,
Stan Paur and
Leah Henderson.

Mary A. Brown, a 36-year financial industry veteran who, together with PULSE Executive Vice President Cindy Ballard, created PULSE's industry-leading marketing and communications programs, retired from PULSE effective January 31, 2007.

When she joined PULSE as Director of Marketing in 1991, the network had 1,300 member institutions and 5,300 ATMs. When Mary retired as Senior Vice President and Director of Communications, PULSE had more than 4,400 financial institution participants and nearly 260,000 ATMs.

"It was exciting to watch PULSE grow as a network as the popularity of electronic payments took hold among consumers," she said.

Mary was hired by PULSE Chairman Stan Paur to build a formal sales, marketing and public relations department for PULSE. At the time, she was President and CEO of Bank of Harris County.

"I first met Stan in 1989, when we introduced the first ATM at my bank," she said. "I remember having to sit down with all the tellers and assure them that they weren't going to lose their jobs the following day."

Mary was the sole member of the Marketing Department during her first few months at PULSE, but her team grew ten-fold during her 15-plus years at the network. She oversaw the development of a member and prospect database, the initiation of an association and league relations program and the launch of the PULSE Conference, which after a few years' hiatus is being re-launched this year (see page 1).

"Of all the jobs I've had over the years, working at PULSE has been the

highlight of my career," she said. "My job here combined all of the best, most enjoyable aspects of my previous jobs."

Mary was a community banker, and the opportunity to work with community banks and other financial institutions is one of the things she says she'll miss most.

"The relationships I've developed over the years with participants, fellow employees, vendors and members of the media are special to me," she said. "I've enjoyed working with Stan, Cindy and the rest of the PULSE management team, and of course my staff. I've learned a lot from all of them over the years."

Mary and her husband Rex are building a home in the Texas Hill Country.

"I've enjoyed my time at PULSE tremendously, but now I'm looking forward to spending more time with my family."

The 2007 PULSE Conference Sets Debit-Focused Concurrent Sessions (continued from page 1)

many advantages. It features lower expenses, fully disclosed pricing, simplified billing, proactive fraud and security measures, broad acceptance and numerous value-added cardholder services for both the consumer and business card programs. During this session you will learn how Discover Debit can deliver a highly profitable signature debit program for your financial institution.

Concurrent Session B Tuesday, May 1; 2:30 - 3:30 p.m.

Redefining the Profitability of Your ATM Portfolio – 2006 ATM Deployer Study

Tony Hayes and Melissa Fox, Dove Consulting, a division of Hitachi Consulting

This ATM study reveals an evolving business model and provides the most comprehensive assessment of the state of the U.S. ATM industry. Banks and credit unions alike will find great value in the results of the *2006 ATM Deployer Study*, conducted bi-annually by Dove Consulting and co-sponsored by PULSE and other leading networks. Some of the key topics that will be covered in this session include:

- Historical, current and future transaction levels

- Adoption of and interest in advanced ATM functionality
- Benefits and challenges of check imaging at the ATM
- Advanced software
- Surcharging and surcharge-free trends
- Deployer economics

Never Gamble with Your Business Continuity Program

Alice Staten, Discover Financial Services; Elizabeth Hale, CC Pace

A concise business continuity plan is an essential part of any organization's long-term success. In preparing an ideal program, companies must carefully assess their business continuity and recovery requirements organization-wide. In addition, successful companies will need to identify business priorities and integrate them into a comprehensive recovery plan. In this session, you will learn more about designing and developing the best plan to meet your organization's unique needs.

Hot Topic: PULSE's New Neural Network-Based Fraud Detection System

Dawn Willey, Bridgeforce, Inc.

This session will focus on the new PULSE neural network. The system will utilize a customized neural network data

model to monitor transactions and produce fraud authorization scores, reason codes and authorization velocity alerts. The neural network model will identify the propensity for fraud in an authorization request by assigning a fraud score utilizing neural network technology, merchant and ATM profiles, rule-based strategies, negative files and geo-location identifiers.

For additional details or to register, visit www.pulse-eft.com/conference.

PULSE Recognizes Top Five Processors for 2006



PULSE continues to make participation development and support a high priority in order to provide participants with the broadest network and highest levels of service possible. As it has traditionally done, in 2006 PULSE worked closely with its processors to bring new financial institutions into the program.

PULSE would like to recognize the top five processing organizations in terms of increasing PULSE participation growth. Collectively, these organizations were responsible for bringing in many of PULSE's new participants in 2006. As a result of their efforts, and those of other PULSE processors, the network now has more than 4,400 financial institution participants.

The top five PULSE processors for 2006 were: Computer Services, Inc.; Elan Financial Services; Fidelity National Information Services; Fifth Third Bank Processing Solutions; and Jack Henry & Associates, Inc.

"Together, these five processors have provided tremendous service and value for our PULSE participants, and we are pleased to count them among our partners," said Leah Henderson, PULSE executive vice president of sales. "Expanding the PULSE network brings the benefit of greater business opportunities to everyone connected with it. We are excited to continue working with all of our processors to develop these relationships, and to bring PULSE

participants one of the most extensive and most cost-effective networks in the financial market."

PULSE, an electronic payments network pioneer, continues to remain a leading force in the evolving financial services industry. In 2006, the network processed a record number of financial transactions – more than 1.8 billion.

Following is a brief description of each of the top five PULSE processors.

Computer Services, Inc.

With information hubs in Paducah, Kentucky and Valparaiso, Indiana, this firm delivers financial services to institutions throughout the U.S. The company's offerings include core processing, imaging, cash management, Internet banking, corporate Intranets, secure Web hosting, e-messaging, online shopping, teller and platform services, ATM and debit card service and support, risk assessment, network management and software services.

Elan Financial Services

Elan Financial Services, based in St. Paul, Minnesota, delivers a complete range of reliable and secure transaction management products and services to financial institutions and independent sales organizations. Elan is an experienced national provider of ATM, debit, credit and prepaid card programs, as well as merchant services, and offers surcharge-free access to thousands of ATMs through the MoneyPass network.

Fidelity National Information Services

A leading provider of core financial institution processing, card issuer and transaction processing services, this Jacksonville, Florida firm offers integrated technology solutions to community banks, credit unions and savings institutions. Fidelity National Information Services provides a broad variety of services to many of the top 50 global banks.

Fifth Third Bank Processing Solutions

As part of Fifth Third Bancorp, headquartered in Cincinnati, Ohio, this firm handles ATM and debit card processing, ATM driving, card production and debit card portfolio management. One of the largest transaction processors, Fifth Third Bank Processing Solutions provides processing solutions for both national and global financial institutions.

Jack Henry & Associates, Inc.

Based in Monett, Missouri, Jack Henry & Associates, Inc. is a leading U.S. provider of integrated technology solutions and data processing services for financial institutions. The corporation offers enterprise-wide automation and both in-house and outsourced operating environments and focuses on client-centric solutions with a high level of personal service.

PULSE Announces Refined PIN Debit and ATM Fee Schedules

PULSE is introducing changes to its PIN debit and ATM pricing, effective April 1, 2007. These changes represent a refinement of the tiered PIN debit fee structure that was introduced in 2005, and a simplification of ATM interchange fees.

At a high level, the new PIN debit fee structure will:

- Create a new petroleum category;
- Establish new pricing for Tier 2 grocery retailers;
- Further refine interchange in the general retail segment;
- Separate PINless Bill Pay interchange into two categories: one-time payments and recurring payments; and
- Adjust switch fees for unregistered merchants and all PINless Bill Pay and pre-authorization transactions.

The new ATM fee structure will introduce a single network-wide ATM interchange schedule by removing separate pricing for Zone B states (Illinois, Indiana, Iowa, Kentucky, Michigan, Ohio, Pennsylvania and West Virginia). For financial institutions in these states, this change will affect interchange rates on monetary and non-monetary transactions at on-premise ATMs. This refinement will simplify operations and reduce the complexity of managing ATM reports.

These changes are expected to result in a slight increase in average PIN debit interchange revenue for PULSE financial institution participants. The actual increase for each institution will vary depending on the mix of merchants patronized by its cardholders.

"PULSE recognizes that PIN debit continues to be one of the most cost-effective payment options for merchants and a preferred payment method for consumers. The refinements in the pricing schedule are intended to help maintain the value of PIN debit for all participants," said Judith McGuire, vice president of PULSE retail services.

Participating financial institutions, processors and affected merchants recently received letters regarding the fee revisions. Additional documentation including technical details will be sent to processors in advance of the April 1, 2007 change.

The new fee schedules will be posted in the password-protected area of the PULSE Web site prior to April 1, 2007. For more information, contact the PULSE office at 800-420-2122.

PULSE BULLETIN



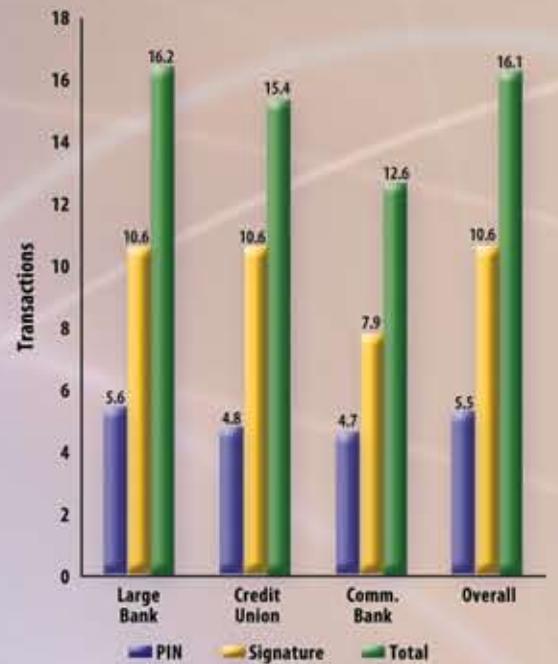
Web Brochures for Online Statements Available at No Charge!

Participating financial institutions may order an electronic version of the ATM & Debit Card Safety statement insert and the Fraud & Identity Theft statement insert to include with online statements. These web brochures, as well as paper statement inserts, card protectors and other safety materials, are available for order on the PULSE Web site. Visit www.pulse-efc.com and click Product & Services/Marketing Services/PULSE Marketplace for more information or to place your order.

Debit Facts

According to the PULSE 2007 Debit Issuer Study, active debit cardholders are performing a combined 16.1 POS transactions per month – 10.6 signature and 5.5 PIN. The average PIN debit ticket is \$41.53, compared to \$39.72 for signature debit.

Attend the 2007 PULSE Conference and see how you can boost your bottom line with debit. Register today at www.pulse-efc.com/conference.



PULSE Commissions Debit Issuer Study (continued from page 1)

additional 22 percent plan to do so in 2007, and 29 percent are considering it.

“Contactless cards are a hot topic in the industry,” said Hayes, “but most issuers are taking a ‘wait and see’ approach. There are several reasons for their hesitation, including lack of widespread merchant acceptance, high levels of uncertainty about the payment method and fraud-related concerns.”

In the area of debit-related fees, this year’s study offered the following:

- Twenty-eight percent of the issuers surveyed charge a PIN debit transaction fee to at least some account holders. These fees average \$0.48 per transaction and affect only 5 percent of cardholders.
- Foreign ATM fees levied by participating institutions averaged \$1.44 per transaction during 2006.
- Fifty-six percent of participants allow overdrafts on debit transactions.

Interchange

The 2007 Debit Issuer Study also delved into the subject of interchange rates, revealing some interesting results.

“Interchange is an important source of revenue for issuers, but deciphering interchange rates can be complex,” said Hayes. “What matters for issuers is the ‘effective’ interchange rate – the blended average rate across all merchants and transaction types, after network switch fees.”

Issuers reported that they have a much better understanding of the interchange they receive on signature debit transactions compared to PIN debit. Of the institutions surveyed, 66 percent say they know their signature debit interchange rate vs. 29 percent for PIN debit.

Issuers reported receiving average gross interchange revenues of 138 basis points (bps) per signature transaction and 52 bps per PIN transaction. Their effective net interchange income averages 111 bps for signature debit and 46 bps for PIN debit. These averages are based only on those issuers that reported their interchange rates in the survey.

Fraud

Like the previous study, the 2007 Debit Issuer Study collected data on debit card fraud losses. In order to capture a

full year’s worth of data, issuers in the study were asked to report fraud-related information from 2005, whereas the previous study captured 2004 data.

“Debit fraud continues to be a hot topic, with PIN-based fraud an area of increasing focus,” said Hayes. “In general terms, fraud is shifting from the cardholder level to the system level, from a local issue to a global issue, and from predominantly signature debit to both signature and PIN debit.”

Debit card fraud losses increased at a slightly higher rate than debit transaction growth in 2005. Based on fraud losses reported by study participants, Dove estimates that issuers nationwide lost a total of \$662 million to debit card fraud in 2005, an increase of 21 percent over 2004. Of these losses, 60 percent occurred as a result of ATM transactions, 37 percent resulted from signature debit transactions and 3 percent occurred during PIN point-of-sale (POS) transactions. Signature-based losses increased 28 percent during 2005, while PIN-based losses (including losses at both the ATM and through PIN POS transactions) grew 17 percent.

Issuers’ ability to track and analyze fraud losses is improving. In addition, they are implementing more advanced fraud detection tools to protect themselves against evolving fraud tactics.

“Issuers ranked CVV/CVC checking, neural networks and international transaction blocks as the most effective fraud prevention tools,” said Hayes. “In fact, I expect the widespread implementation of CVV and CVC checking during 2006 to reduce PIN-based losses resulting from phishing attacks when last year’s fraud data becomes available.”

Outlook

As in the previous study, debit card issuers continue to predict strong growth in the debit arena. The institutions that participated in the survey expect to grow their debit card programs by an average 17 percent during 2007. This is projected to break down as 18 percent growth in PIN debit volume and 16 percent growth in signature debit volume.

An executive summary of the 2007 Debit Issuer Study is available to PULSE participants in the password-protected area of the PULSE Web site. To order, visit the Marketing Services page under “Products and Services” at www.pulse-efc.com.



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