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WELLS FARGO MERCHANT SERVICES, LLC
(A Joint Venture)
Financial Statements
December 31, 2014 and 2013
(Dollars in thousands, unless otherwise noted)

	2013	
	First Data Merchant Services, Corporation	Wells Fargo Bank, NA
Cost of card services	\$ 63,276	\$ —
Cost of product sold	14,729	—
Selling, general and administrative	11,795	115,110
Total	<u>\$ 89,800</u>	<u>\$ 115,110</u>

Included in the balance sheets at December 31, 2014 and 2013 is a advances payable to FDMS of \$13,644 and \$22,511, respectively. These balances primarily consist of selling, general and administrative costs, cost of card services and cost of product sold owed to FDMS which are partially offset by fees owed to WFMS for the contributed portfolio.

Included in the balance sheets at December 31, 2014 and 2013 is an advances payable to Wells Fargo of \$280,982 and \$233,167, respectively, which is primarily attributable to non-interest bearing advances, made by Wells Fargo to the Company. These payable amounts are settled monthly.

(5) Allocation and Distribution of Income to Members

Profits and losses of the Company are allocated in accordance with each Member's Interest. Distributions of allocated income to the Members are made on a quarterly basis, subject to consent of the Members. Income distributed shall equal 100% of the distributable funds, as defined in the Membership Agreement, unless a smaller percentage is agreed to by the Members.

(6) Termination of Company

The Company can be terminated in the event of certain termination events, set forth in the Membership Agreement with an effective date of January 1, 2014. These include merger or acquisition of either of the Members, and various other performance criteria. If the Company is terminated prior to December 31, 2019, based on who initiates the termination, an early termination fee may apply in accordance with the provisions and criteria of the agreement.

(7) Limited Liability of Members

The members of a Delaware limited liability company are generally not liable for the acts and omissions of the Company, much in the same manner as the shareholders, officers and directors of a corporation are generally not liable for the acts and omissions of the corporation. Such liability is generally limited by the provisions of the Delaware Limited Liability Company Act and by applicable case law.

(8) Fair Value of Financial Instruments

FASB ASC 825, *Financial Instruments*, requires the disclosure of the fair value of financial instruments, including assets and liabilities recognized in the balance sheets. Management estimates that the aggregate fair value of financial instruments recognized in the balance sheets (including receivables and payables) approximates their carrying value; as such financial instruments are short-term in nature or carry floating rates of interest.