

H&R Block Bank Expands Products Designed for Block Tax Clients

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New Line of Credit Will Be Linked to Bank's Prepaid Debit Card

KANSAS CITY, Mo.--(BUSINESS WIRE)--Aug. 29, 2007--H&R Block Bank today announced it would build on its highly successful launch of the H&R Block Emerald Prepaid MasterCard(R) by introducing a line of credit that strengthens the unique relationship H&R Block (NYSE: HRB) has with its tax clients.

The expanded Emerald account will combine the industry-leading features of the Bank's prepaid debit card account with a year-round line of credit that offers a low fixed annual percentage rate of 9 percent when clients link it to a high-yield savings account also offered by the Bank.

"The H&R Block Bank has been a distinct competitive advantage for H&R Block by delivering products tailored to our tax clients," said H&R Block chairman and CEO Mark Ernst. "This new product will provide credit when clients need it in a way that builds loyalty for our tax business."

Last tax season, more than 2 million tax clients chose H&R Block Bank to have refund proceeds loaded to an Emerald card, marking the nation's largest launch of a prepaid debit card. A large percentage of those clients did not have a checking or savings account at the time.

The Bank enables H&R Block to provide additional financial products and services to its tax clients. The Bank also positions H&R Block as the only tax preparation company with the in-house ability to design and deliver consumer banking products that meet the specific needs of its tax clients.

"Our goal is to enhance Block's competitive edge by offering banking products that are simple, responsible and affordable," said Kathy Barney, president of H&R Block Bank. "Our research shows that when clients extend their relationship with H&R Block beyond the tax office, they're more likely to return the next year."

The new line of credit is designed to offer a more affordable option to meet H&R Block tax clients' immediate credit needs. The line of credit meets FDIC guidelines for small-dollar credit, offering a product that promotes responsible borrowing that meets the unique needs of the clients H&R Block serves.

More information on the line of credit will be available at H&R Block Tax offices in December.

About H&R Block

H&R Block Inc. (NYSE: HRB) is a leading provider of tax, accounting and related financial products and services. H&R Block is the world's largest tax services provider, having prepared more than 400 million tax returns since 1955. The company and its subsidiaries reported revenues of \$4.0 billion and net income from continuing operations of \$374.3 million in fiscal year 2007. The company has continuing operations in three principal business segments: Tax Services (income tax return preparation and related services and products via in-office, online and software solutions); Business Services (accounting, tax and business consulting services primarily for mid-sized companies); and Consumer Financial Services (tax-related banking services along with brokerage services, investment planning and related financial advice). Headquartered in Kansas City, Mo., H&R Block markets its continuing services and products under two leading brands - H&R Block and RSM McGladrey. For more information visit our Online Press Center at www.hrblock.com.

Forward-Looking Statements

This release may contain forward-looking statements, which are any statements that are not historical facts. These forward-looking statements are based upon the current expectations of the company and there can be no assurance that such expectations will prove to be correct. Because forward-looking statements involve risks and uncertainties and speak

only as of the date on which they are made, the company's actual results could differ materially from these statements. These risks and uncertainties relate to, among other things, the company's pending sale of Option One Mortgage Corp.; competitive factors; regulatory capital requirements; uncertainties pertaining to the commercial paper market; litigation; and changes in market, economic, political or regulatory conditions. Information concerning these risks and uncertainties is contained in Item 1A of the company's 2007 annual report on Form 10-K and in other filings by the company with the Securities and Exchange Commission.

Annual Percentage Rate

Other fees may apply. No additional membership, transaction or activity fees apply. Credit terms, fees and rates may be amended at H&R Block Bank discretion as allowed by applicable laws and with proper notice to applicable law. Subject to approval.

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