



The Supply of Credit in the Card Market

Presented by:

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- This presentation is based on analysis and insight from Mintel Comperemedia:

Mintel Comperemedia:

- Comperemedia is the premier source for monitoring direct marketing in the US and Canada
- Includes direct mail, email, online and print for consumer and business markets

Methodology:

- Mail panel of 5,500+ unique consumers each month
- Email panel of 1,250 active online US consumers
- Online advertising panel of top 4,000 US websites
- Over 100 national newspapers, magazines and trade publications

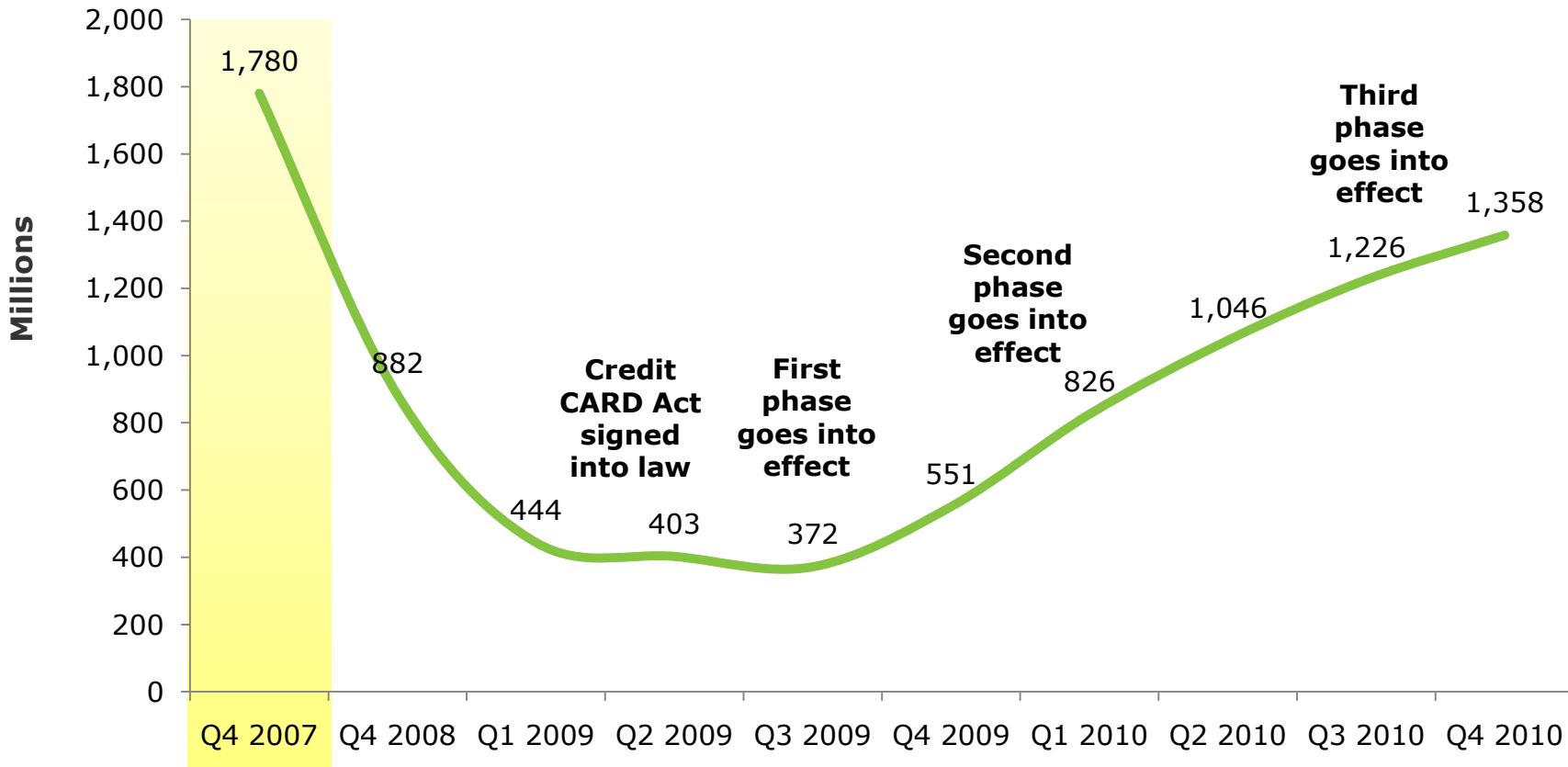
9 sectors tracked:

- Banking
- Credit Cards
- Insurance
- Investments
- Mortgage & Loan
- Auto
- Travel & Leisure
- Technology
- Telecom

Credit Card Acquisition Mail Volume is on the Rise

- Optimism is spreading throughout the industry

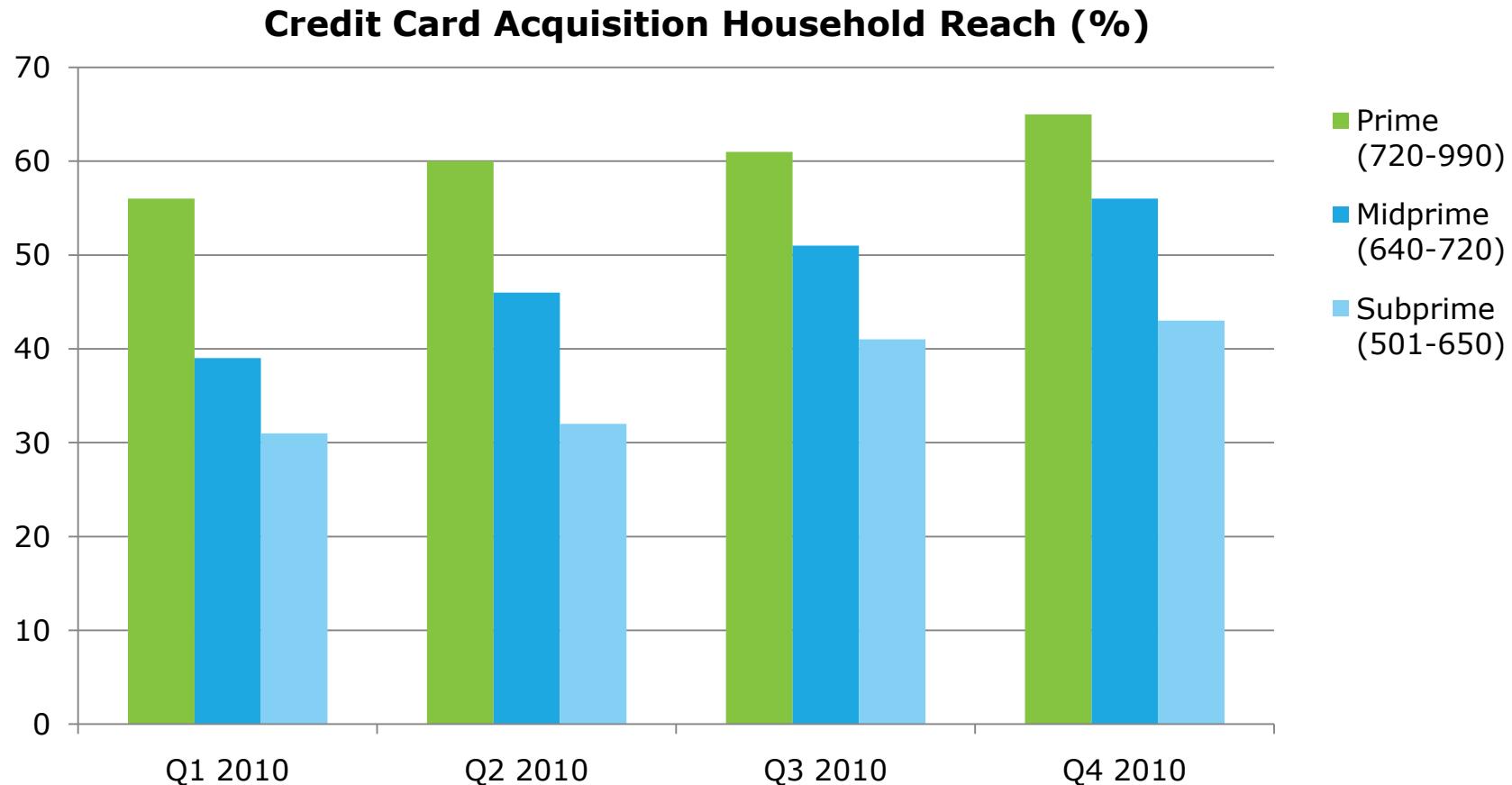
US Credit Card Acquisition Mail Volume



Source: Mintel Comperemedia

Subprime Offers are Back in the Mail

- Reach is being extended across all segments



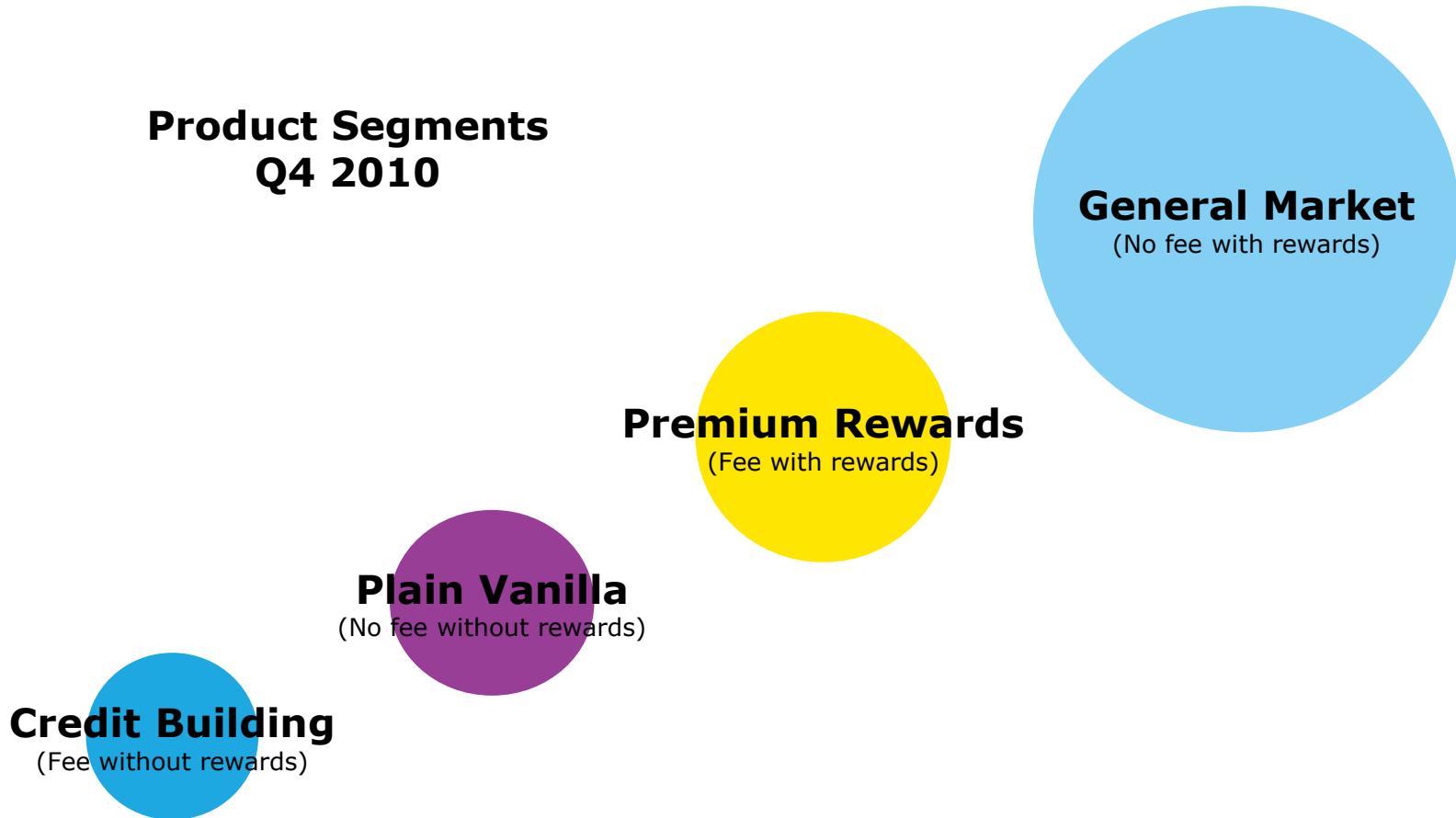
Note: Risk categories are based on Vantage Scores

Source: Mintel Comperemedia

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Rewards Cards Dominate the Card Acquisition Landscape

- Plain Vanilla and Credit Building cards represent niche markets

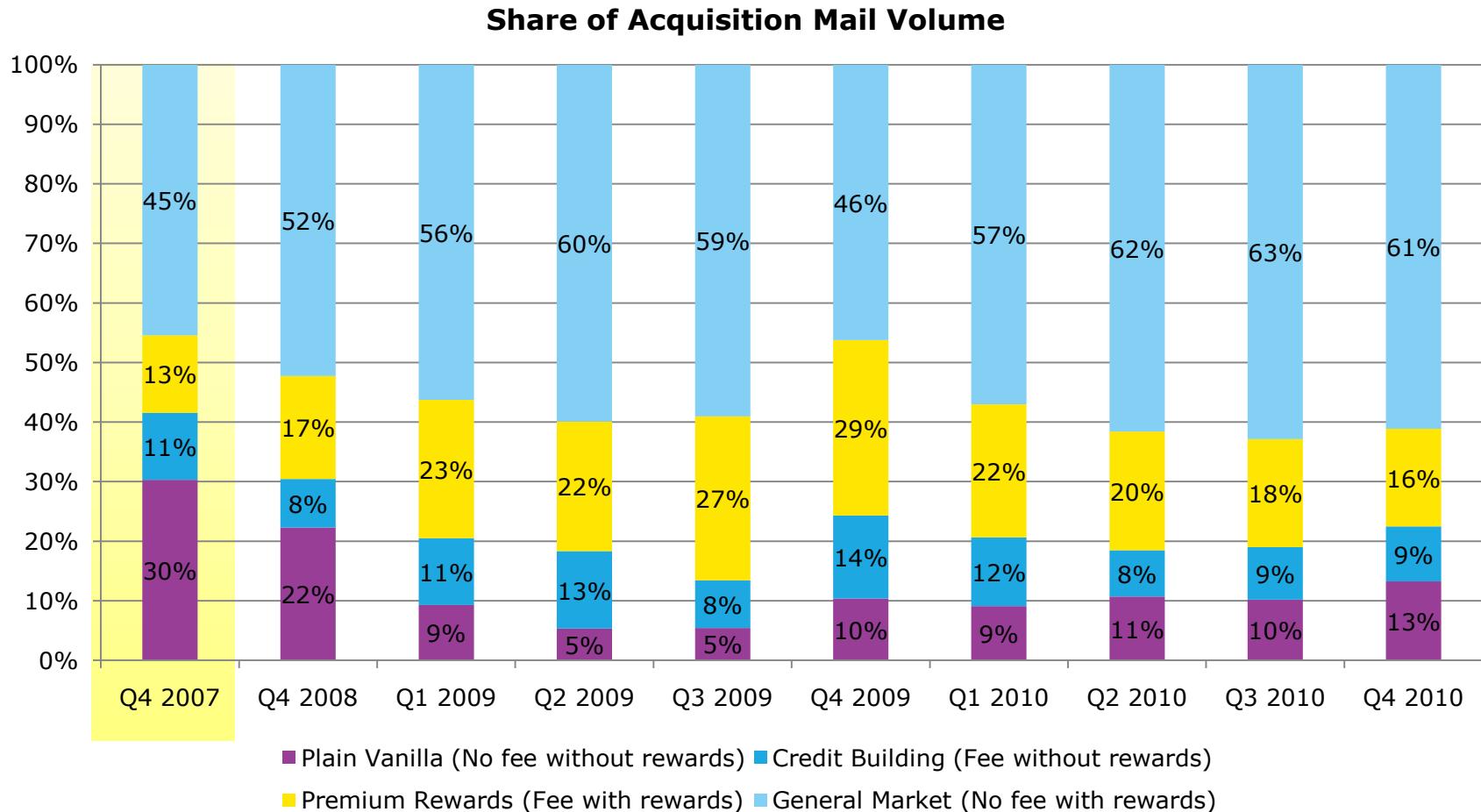


Note: Shows relative size of each product segment based on share of Q4 2010 credit card acquisition mail volume

Source: Mintel Comperemedia

The Acquisition Landscape has Changed Dramatically

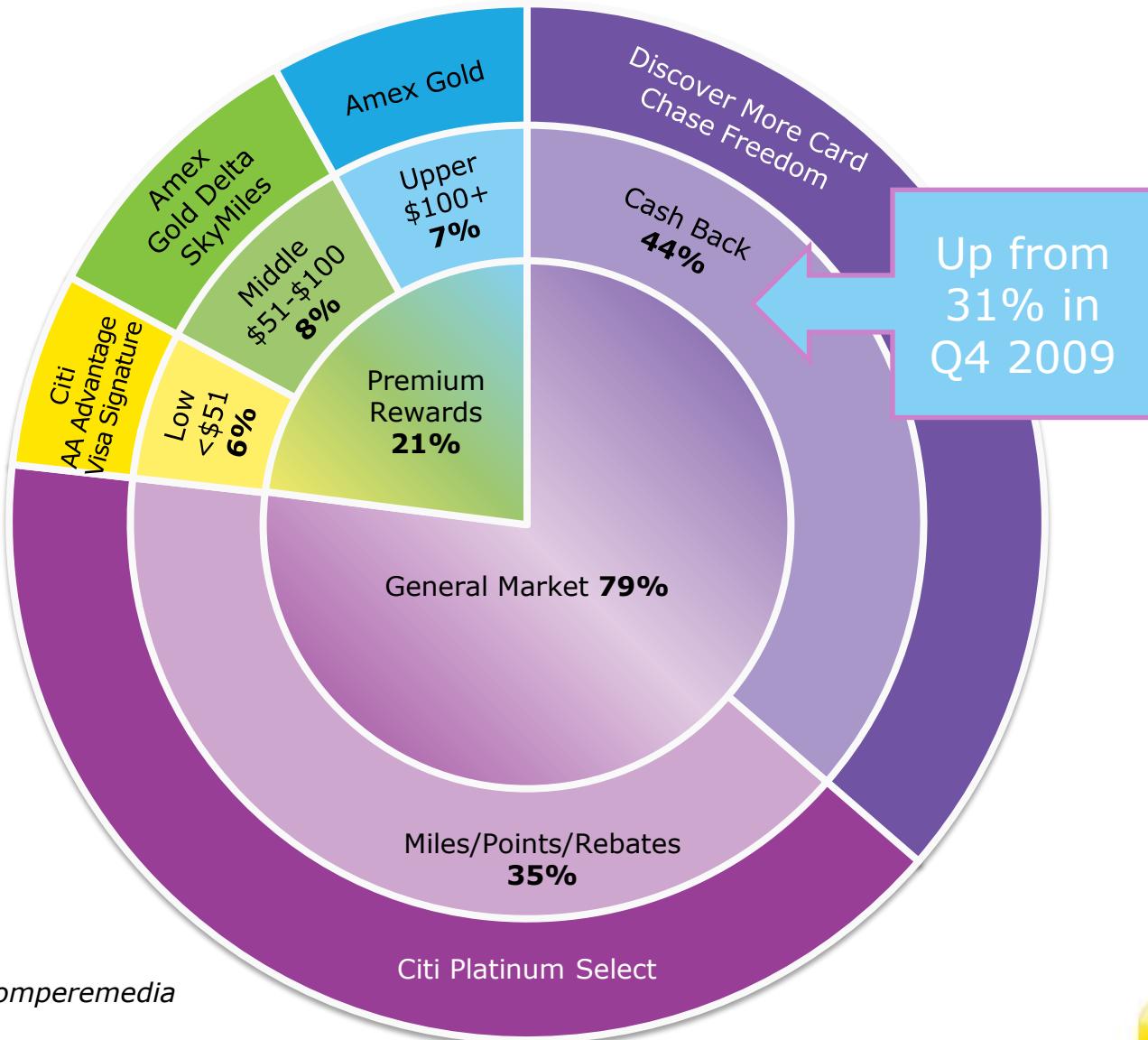
- There are now signs that the market is stabilizing



Source: Mintel Comperemedia

The Rewards Landscape: Q4 2010

Cash Back is the Fastest Growing Rewards Segment

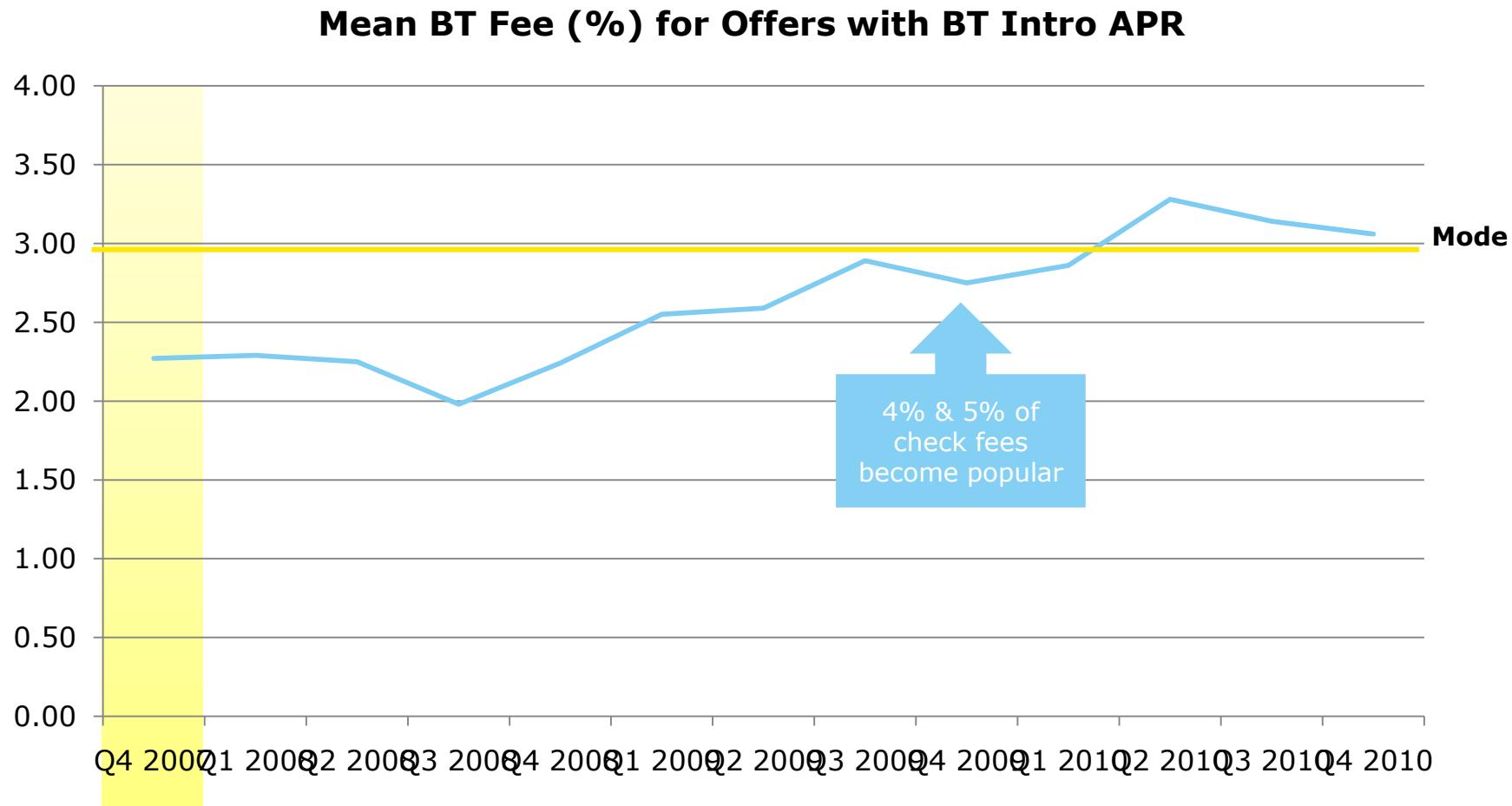


Source: Mintel Comperemedia



Balance Transfer Fees are Up

- The majority of intro BT offers continue to have a 3% "of check" fee

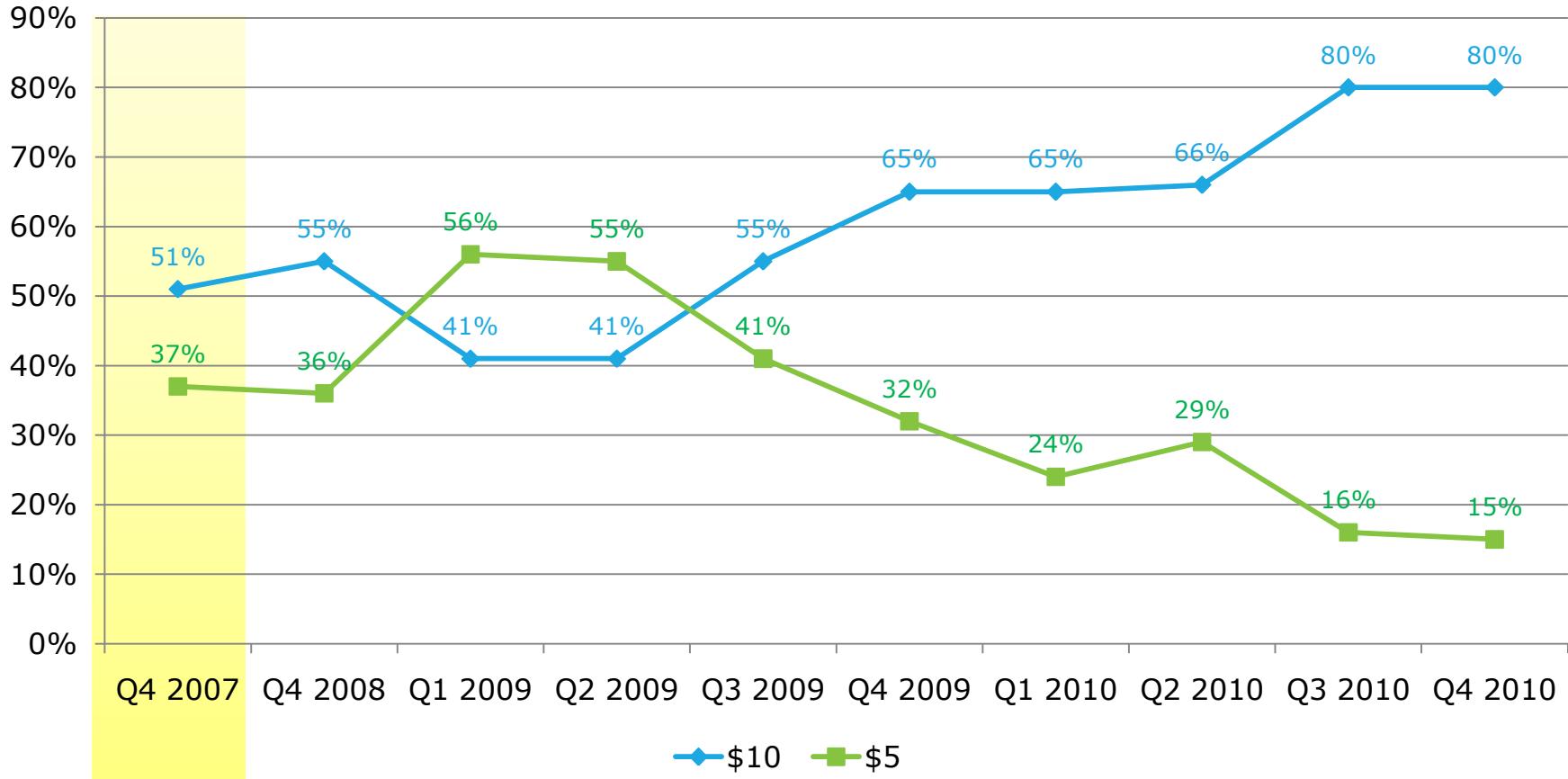


Source: Mintel Comperemedia

Cash Advance Fees Have Increased

- The industry has shifted to a \$10 minimum for cash advances

Minimum Cash Advance Fee (\$): Share of Cash Advance Offers

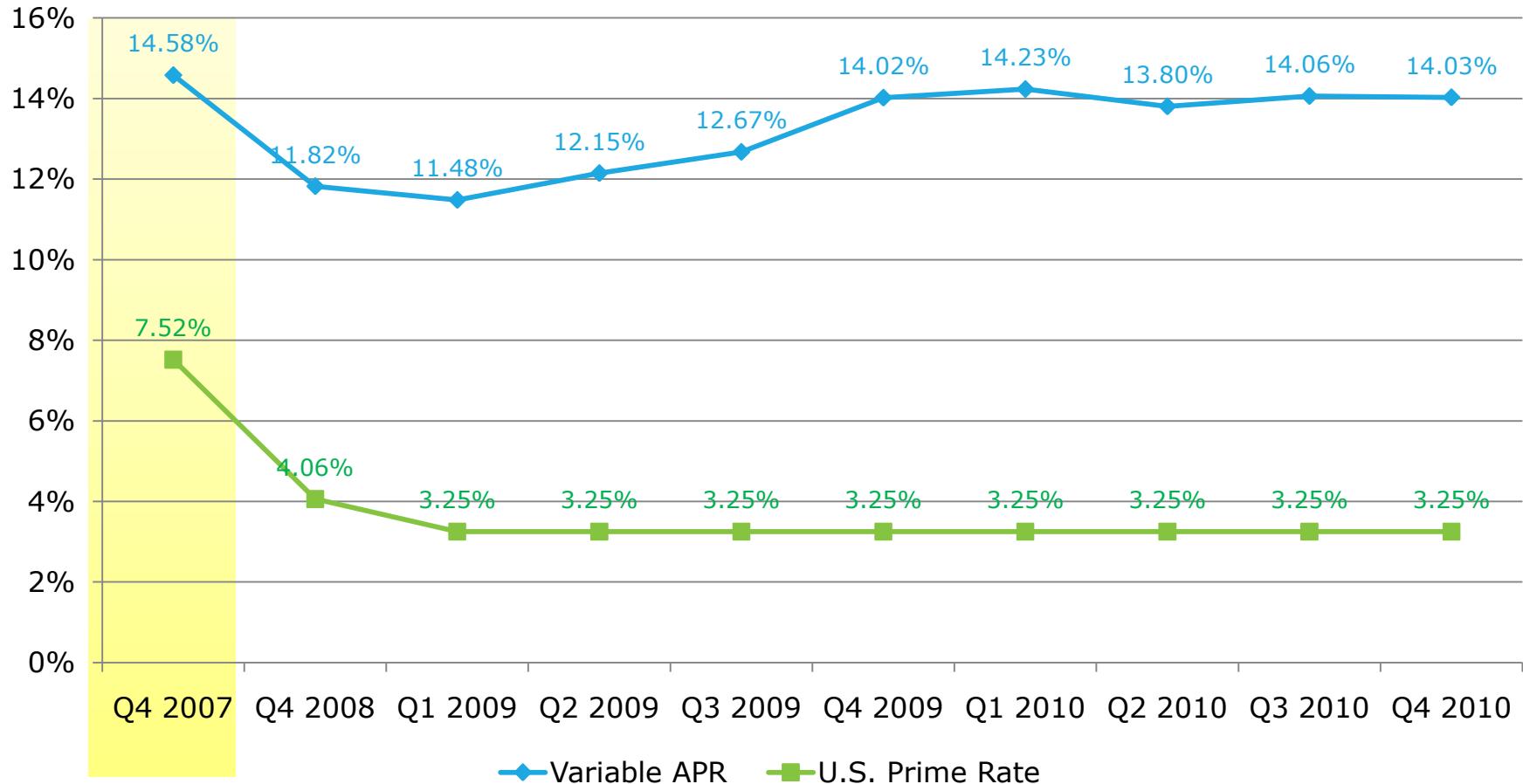


Source: Mintel Comperemedia

APRs Remain High Despite the Low Prime Rate

- Competitive pressures are starting to restrain further increases

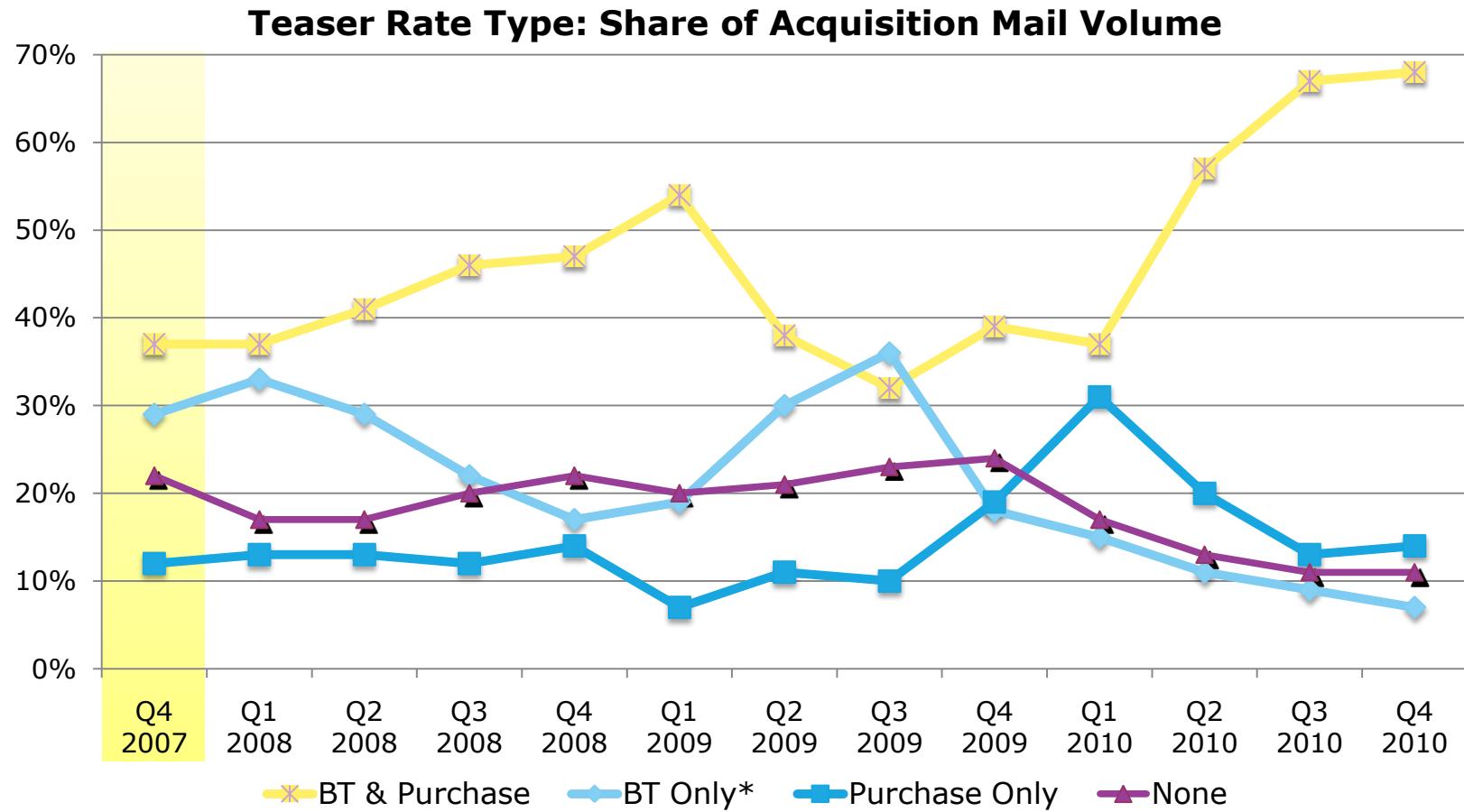
Average Variable Go-to Purchase APR



Source: Mintel Comperemedia

The Majority of Offers for New Cards Promote Teaser Rates

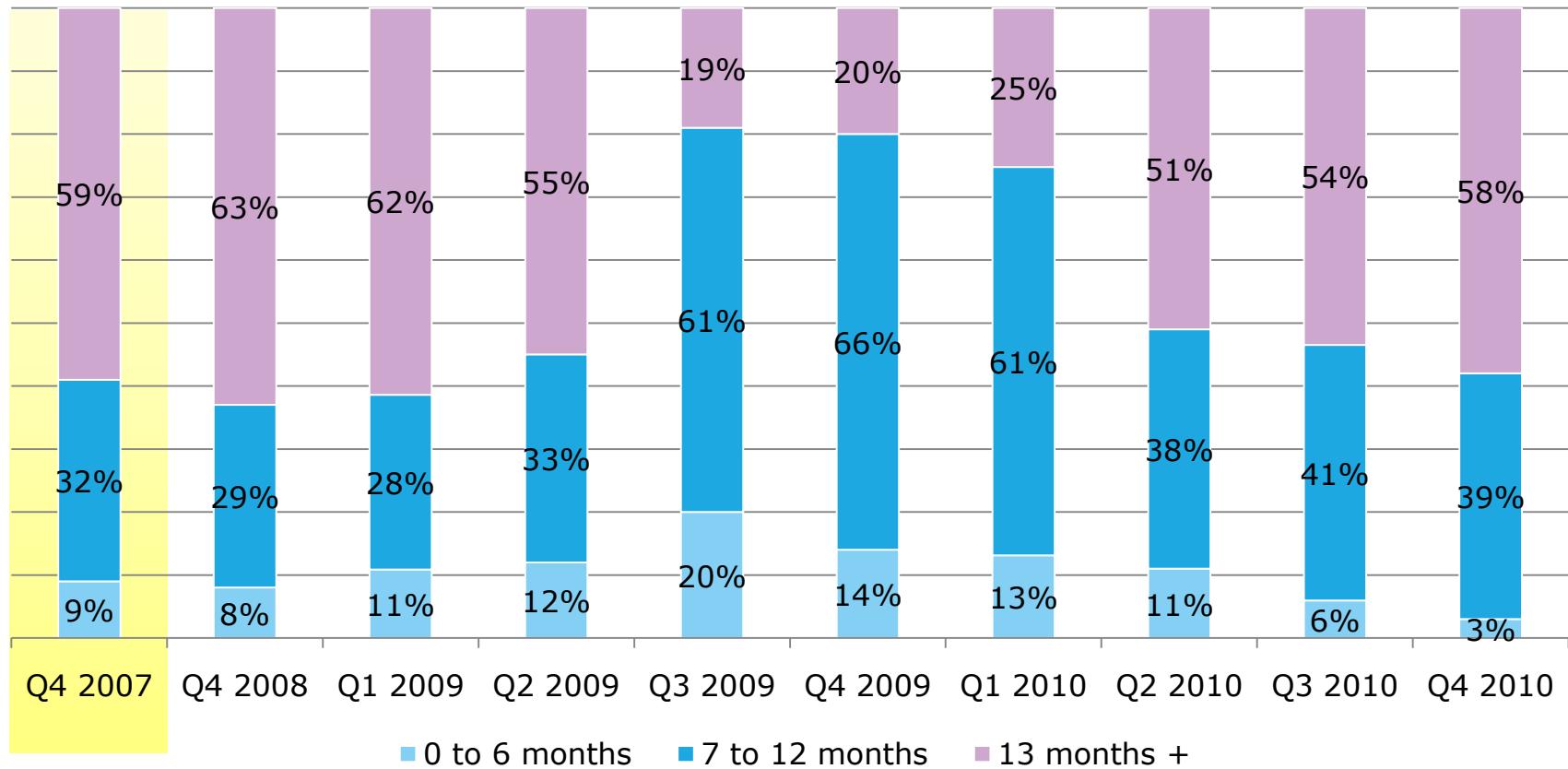
- The trend away from “bundled” purchase and BT offers has been reversed in recent quarters



Balance Transfer Intro Offers are Becoming More Competitive

- Intro offer terms are becoming more favorable for consumers

Intro Length Period for Offers with BT Intro APR



Source: Mintel Comperemedia

Summary

Competition is increasing; volumes are up and subprime offers are back in the mail

The landscape has shifted – rewards are the norm and plain vanilla cards represent a niche market

APRs are higher; BT and Cash Advance Fees have increased

Most offers promote teaser rates; teaser rate terms are becoming more favorable for consumers



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