



CREDIT CARDS LOSE THEIR CHARGE

THE CREDIT CARD INDUSTRY FACES AN UNCERTAIN FUTURE.

LIVE Q&A August 24th at 12:00PM ET

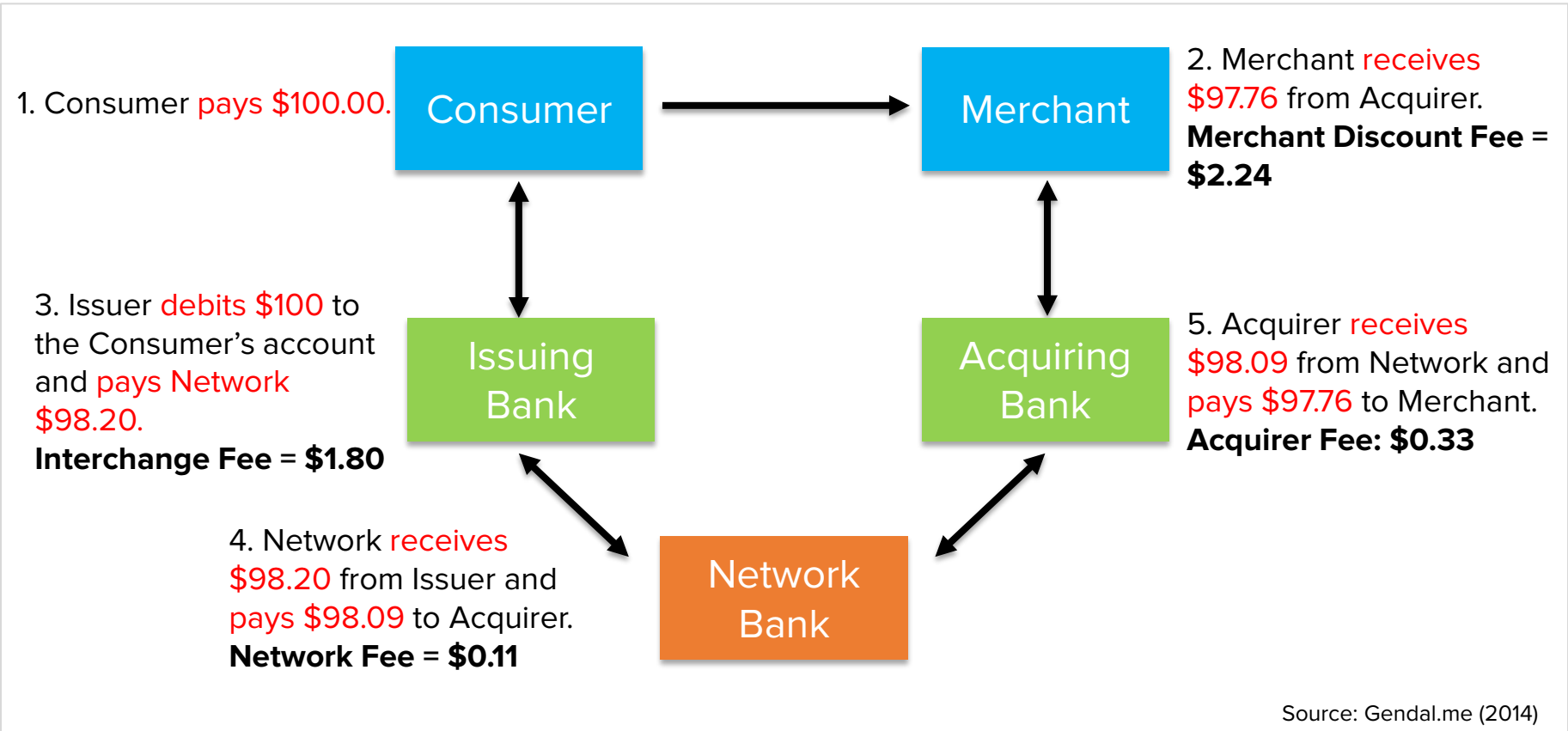
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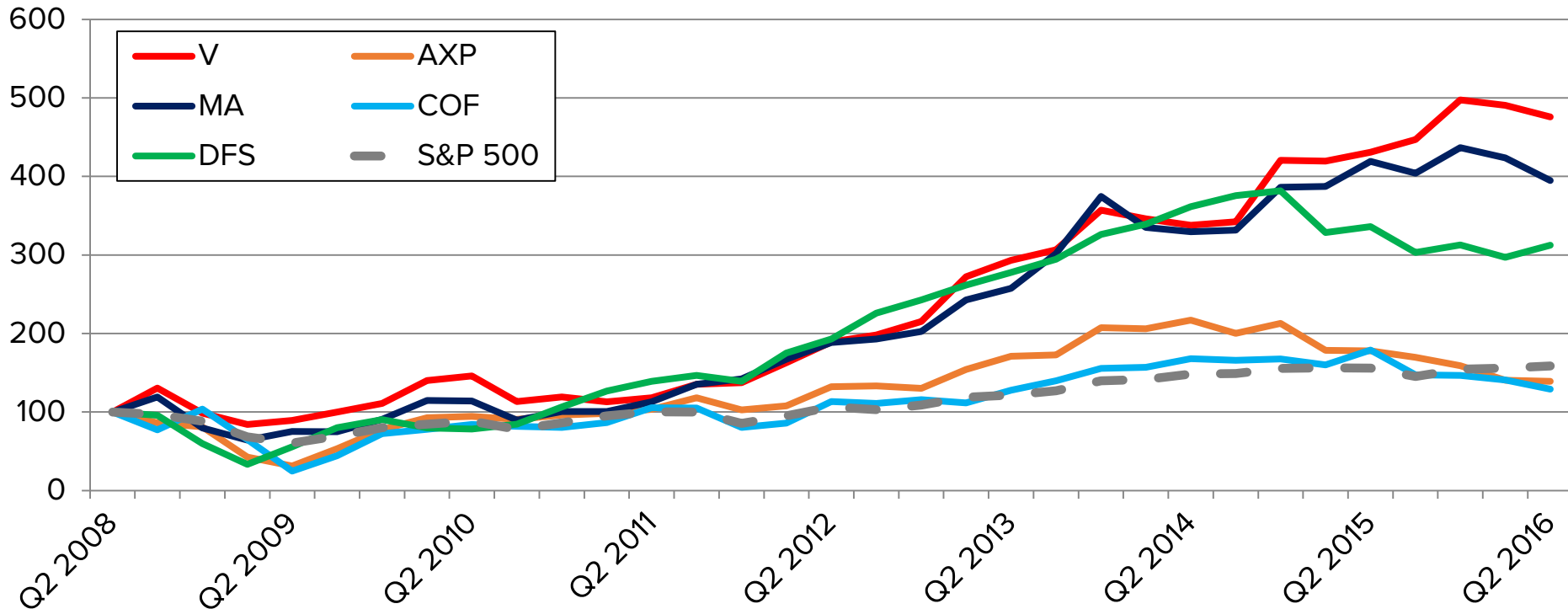
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ANATOMY OF A CREDIT CARD TRANSACTION



MAJOR CC NETWORKS STILL DOING WELL

Credit Card Industry Stock Prices, Indexed (Q2 2008 = 100)



Source: FactSet (2016)

CREDIT BALANCES NEAR PRE-RECESSION PEAK

Credit Card Outstanding Balances, Quarterly Data*

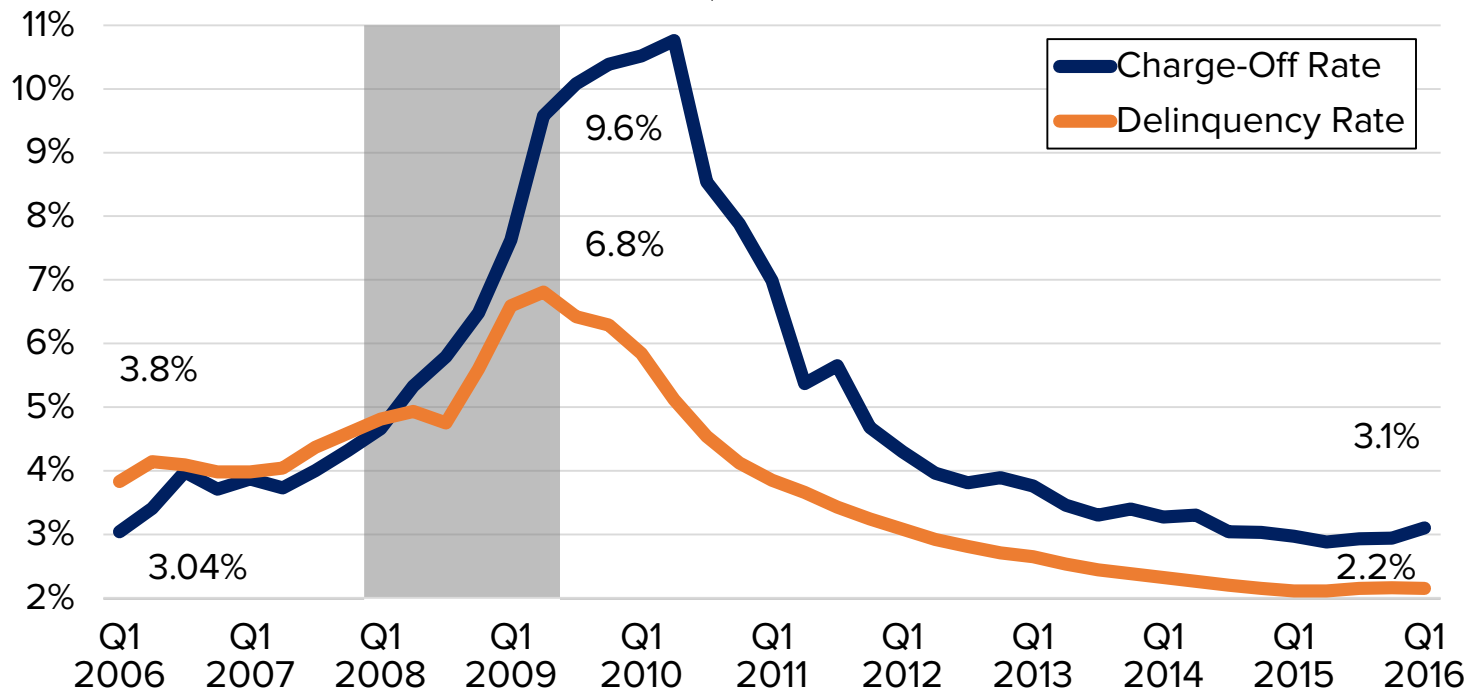


* Seasonally adjusted.

Source: *The Wall Street Journal*, Federal Reserve (2016)

DELINQUENCY AND CHARGE-OFF RATES

Charge-Off and Delinquency Rates on Credit Card Loans, All Commercial Banks



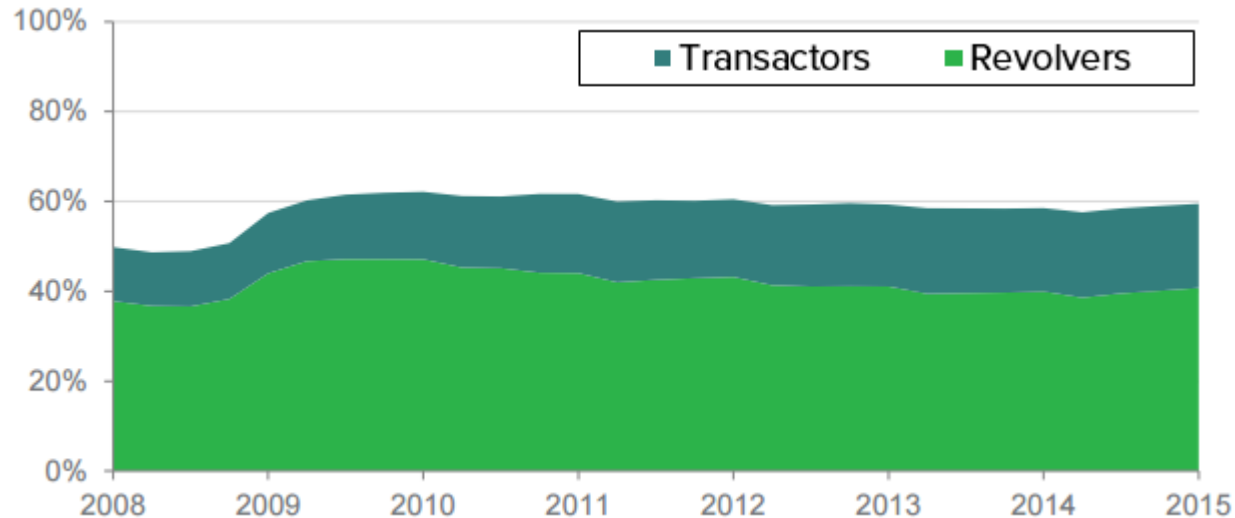
Source: Federal Reserve (2016)

Charge-Offs:
Debts that a company has decided it has no chance of collecting.

Delinquencies:
Credit card loans that are 30 days or more past due.

TRANSACTORS GROW, REVOLVERS SHRINK

Distribution of General Purpose Credit Card Accounts by Behavior



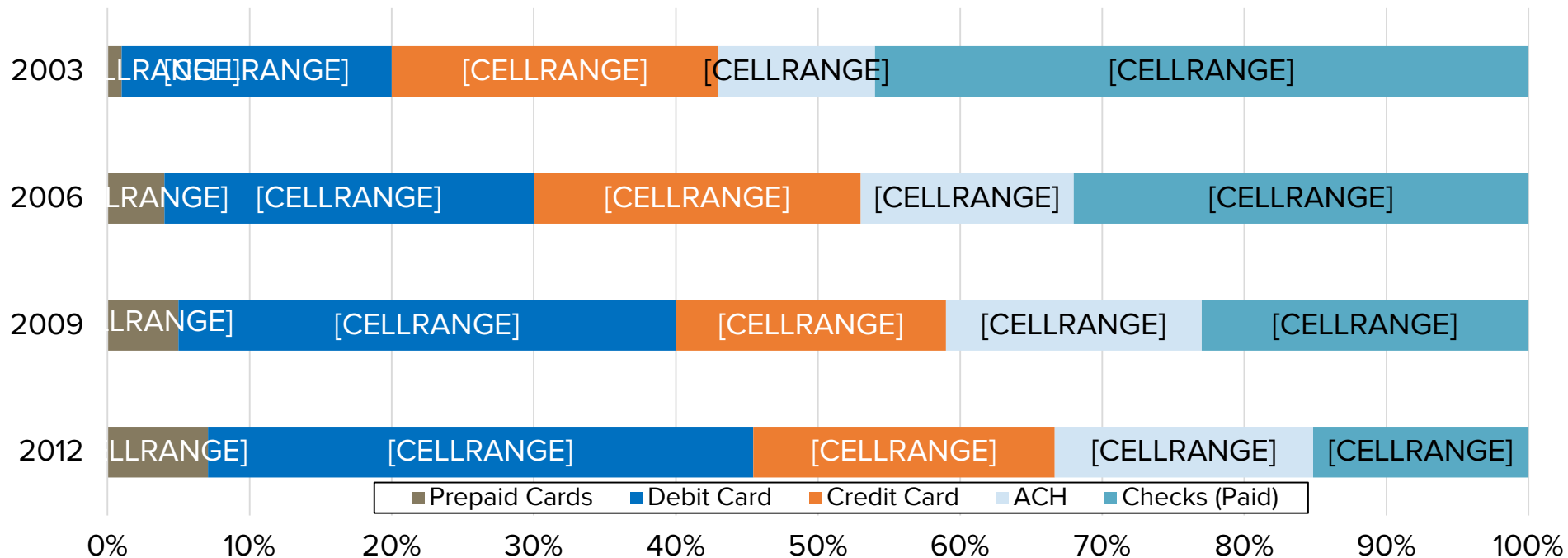
Source: Consumer Financial Protection Bureau (2015)

Transactors:
People who pay off their debts immediately.

Revolvers:
People who don't pay off their debts immediately.

NOT MUCH ROOM FOR FUTURE CC GROWTH

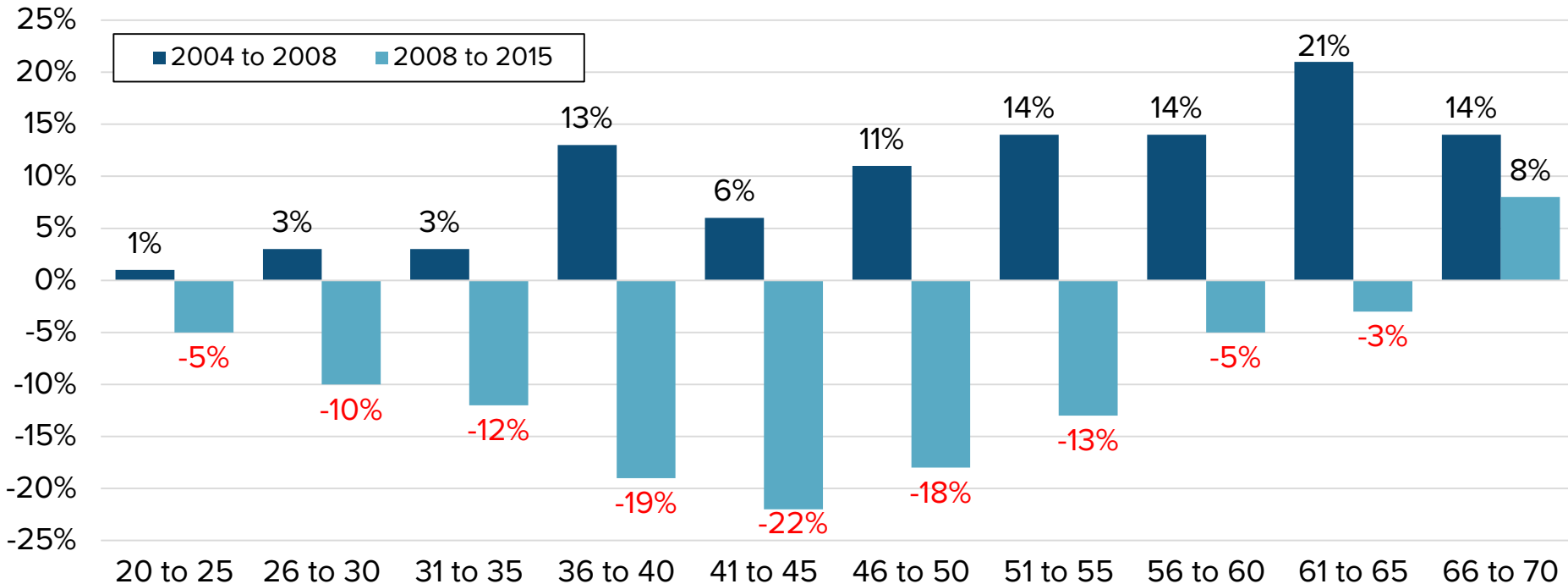
Instant Payment Transactions by Type



Source: CreditCards.com, The 2013 Federal Reserve Payments Study (2013)

MILLENNIALS & XERS DITCH CC DEBT

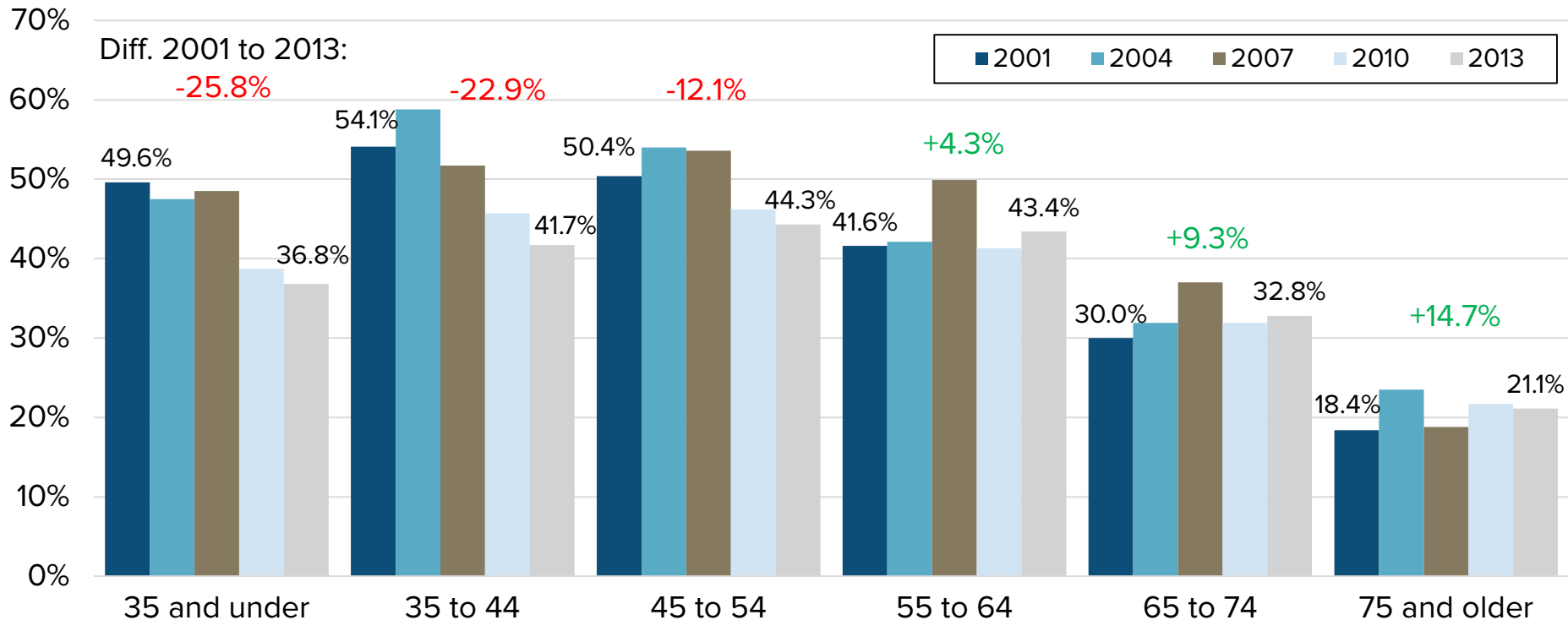
Share of the Change in Total Credit Card Debt by Age Group



Source: Federal Reserve Bank of New York Consumer Credit Panel/Equifax (2016)

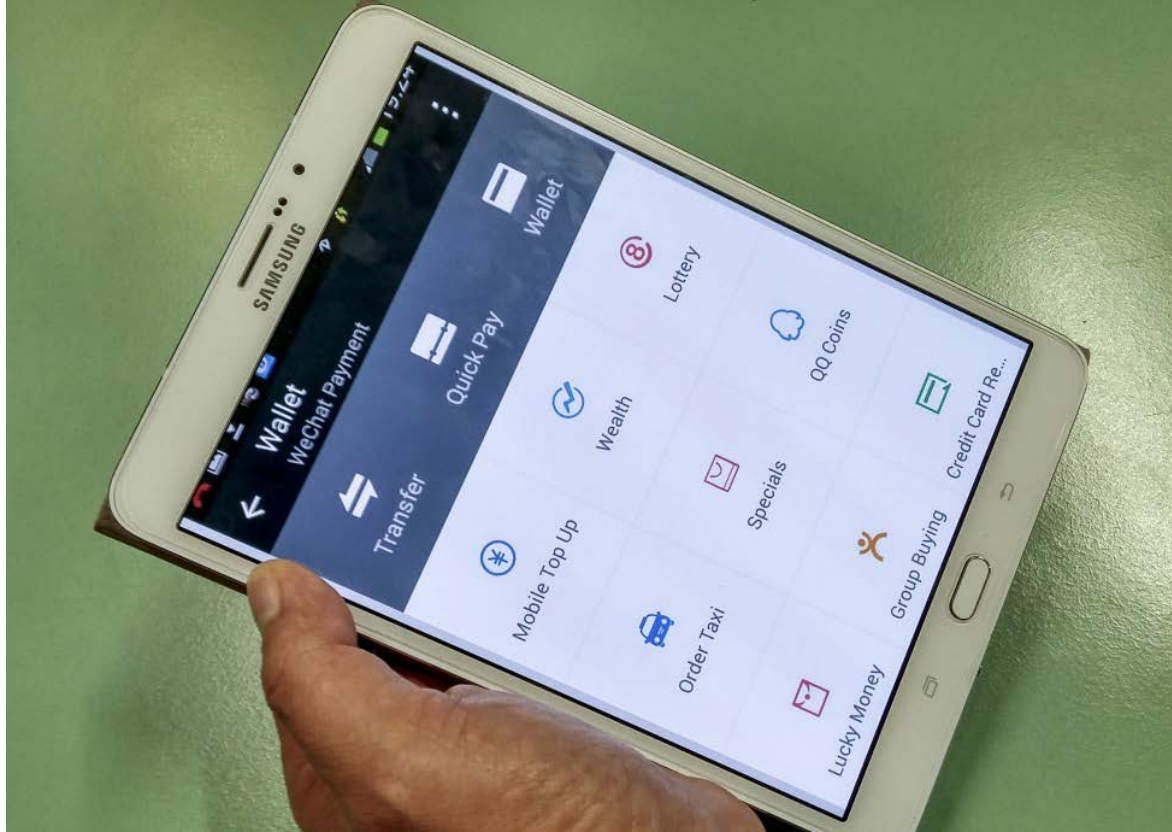
MILLENNIALS & XERS LEAD FALL IN CC DEBT

Family Holdings of Credit Card Debt By Age of Householder



Source: Federal Reserve's 2013 Survey of Consumer Finances (2014)

WECHAT: LOOMING NIGHTMARE FOR CC INDUSTRY



Source: South China Morning Post (2016)