

Q2 2015 U.S. Credit Card Issuer Snapshot

Key Themes

- ✔ Returns remain attractive despite intense competition in most market segments
- ✔ Loss rates remain at/near record lows
- ✔ Receivables experienced modest growth
- ✔ Spend volume remains strong
- ✔ Banks are continuing to invest heavily in rewards, marketing, mobile, and new partnerships

Industry Trends (Based on Non-Retail Issuers in Scorecard Section)

	Receivables	Purchase Volume	Net Loss Rate	After-Tax ROA ¹
Weighted Avg.	\$566.7	\$531.8	2.77%	2.93%
YoY Change	↑3.2%	↑6.5%	↓-29 bps	↓-9 bps
QoQ Change	↑3.3%	↑12.0%	↓-5 bps	↓-12 bps

YoY = Year-over-year change versus Q2 2014. QoQ = Quarter-over-quarter change versus Q1 2015.

¹ After-Tax ROA excludes Wells Fargo. Credit specific income not reported.

² Includes income from acquiring business and private label receivables and volume.

³ Purchase volume includes cash advances.

⁴ Receivables, purchase volume, and net loss rates are for U.S. consumer cards. After-tax ROA restated to include "Consumer Banking" only; which now includes home loans and excludes majority of business banking, historical figures adjusted to conform to new reporting methodology.

⁵ U.S. card business, small business, installment loans only. Purchase volume excludes cash advances.

⁶ Receivables and charge-offs are for U.S. Cardmember Lending business only. Purchase volume is for U.S. Card Services segment, consumer and small business.

⁷ Includes US domestic receivables and purchase volumes only. Restated: ROA reflective of Direct Banking

Notable Happenings



TD and Nordstrom announced a credit card partnership pending regulatory approval



American Express, TD, and Alliance Data (Orbitz) announced new credit card launches



Apply Pay announced that it will soon support private label credit cards (Kohl's, J.C. Penney, BJ's Wholesale Club)



American Express launched Checkout, allowing users to pay online using their username and password

segment (80+% credit card) and implied U.S. Cards tax rate of ~40%. ROA denominator estimated from total loans ended totals.

⁸ Wells Fargo began reporting purchase volume in 4Q 2013. Growth reflects both new account growth and cobrand outstandings driven by the Dillard's card portfolio acquisition.

⁹ After Tax ROA reflects Payment Services line of business income and average loans.

¹⁰ A/R and PV for Retail Card unit only.

¹¹ Loss rates and ROA include all of SYF's business lines (i.e., Retail Card, Payment Solutions, and CareCredit). Retail Card accounts for about 70% of total receivables.

¹² Average Receivables. 1Q 15 loss rates defined as "normalized loss rate." Adjusted EBITDA = 35% in 2Q 2015, down 8% YoY and down 10% QoQ.

Issuer Scorecard – Q2 2015 (\$ in Billions)

Issuer	A/R (\$B) 2Q15	Change (vs. 2Q14)	Change (vs. 1Q15)	Purchase Volume (\$B) 2Q15	Change (vs. 2Q14)	Change (vs. 1Q15)	Net Loss Rate 2Q15	Change (vs. 2Q14)	Change (vs. 1Q15)	After-Tax ROA 2Q15	Change (vs. 2Q14)	Change (vs. 1Q15)
Chase ²	\$126.0	-0.1%	2.3%	\$125.7	6.5%	11.4%	2.61%	-27 bps	-1 bps	3.10%	70 bps	11 bps
Citigroup ³	\$107.7	-2.4%	1.7%	\$66.3	3.1%	15.5%	3.63%	-18 bps	20 bps	3.32%	-30 bps	-17 bps
Bank of America ⁴	\$88.4	-0.7%	1.3%	\$56.0	4.5%	11.6%	2.68%	-43 bps	-16 bps	2.00%	-12 bps	6 bps
Capital One ⁵	\$79.0	15.7%	11.0%	\$61.2	16.2%	17.6%	3.42%	-59 bps	-10 bps	2.41%	-109 bps	-91 bps
American Express ⁶	\$61.7	6.9%	3.0%	\$144.1	5.6%	8.8%	1.40%	-20 bps	-10 bps	4.28%	33 bps	-30 bps
Discover ⁷	\$54.9	4.2%	2.7%	\$30.0	2.3%	13.8%	2.28%	-5 bps	-12 bps	3.22%	-43 bps	12 bps
Wells Fargo ⁸	\$31.1	14.4%	3.5%	\$17.7	14.9%	14.8%	3.21%	1 bps	2 bps			
U.S. Bank ⁹	\$17.8	0.8%	1.6%	\$30.8	4.3%	9.6%	3.85%	-7 bps	14 bps	4.10%	-57 bps	-15 bps

Retail Issuers

Citi ³	\$43.2	0.2%	1.9%	\$20.2	-1.5%	22.4%	4.30%	-10 bps	30 bps	3.56%	-49 bps	-12 bps
Synchrony ^{10,11}	\$42.3	13.6%	6.6%	\$23.4	11.4%	27.2%	4.63%	-25 bps	10 bps	2.90%	-20 bps	-10 bps
Alliance Data ¹²	\$10.9	33.4%	1.9%	\$6.0	33.3%	21.1%	4.50%	10 bps	-40 bps			

PayPal Credit Outstanding balances: 2Q 15: \$3.1B | 1Q 15: \$3.6B | 2Q 14: \$3.0B.