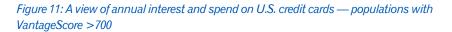
Trended Solutions

Figure 11 identifies the revenue generated in the U.S. by both card spend and interest (VantageScore >700). Thirty-two percent of the U.S. population generates very little income for lenders, yet this population continues to receive offers for expensive rewards programs along with high lines of credit. A unique opportunity exists to allocate marketing dollars toward acquiring the most profitable segments. Lenders will be able to invest heavily into rewards and lines for high-yield highspending segments, while limiting offers to other populations.



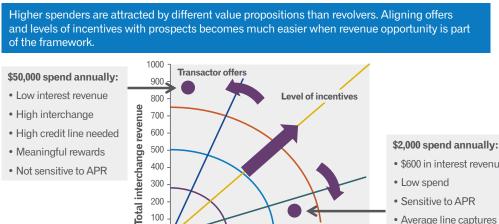
			Interest paid on all cards					Percent of US Population		
		2012	<\$75 Iow	\$75–\$500 medium	>\$500 high		2012	<\$75 Iow	\$75–\$500 medium	>\$500 high
Segment average	С	<\$5K low \$5K-\$20K medium	830	807	784	С	<\$5K low	32%	7%	6%
ocginent average	а		\$883	\$2,255	\$2,519	a				
VantageScore	r		\$4	\$238	\$1,421	r	IOW			
Spend	d		875	857	810	d			8%	9%
	s		\$11,159	\$10,946	\$10,823	s	\$5K–\$20K medium	13%		
Interest paid	p		\$10	\$234	\$1,962	р	mealum			
	e	>\$20M high	894	885	848	e n	>\$20M high	12%	6%	7%
	n		\$51,158	\$49,979	\$61,180					
	d		\$9	\$246	\$2,216	d				

- 7% of the population generates more than \$20K spend annually and greater than \$500 in interest income. It would be valuable for lenders to identify this population so that they could become "top of wallet".
- Conversely 32% of the population spends less than \$5K annually and pays very • little interest. Lenders need to adjust their pricing and line strategy, as "One Line/ One Price" does not fit all.

Spend, yield and targeting

Lenders can improve their targeting strategies using revenue data generated from trends to fine-tune their value propositions.

Figure 12 shows how adding an interchange and interest revenue dimension enables lenders to match the right offers to prospects — by creating incentives aligned with their behavior.



400

Total net interest revenue

Revolver offers

800

1000

600

• Not sensitive to APR

400

300 200

100

0 0

200

- \$600 in interest revenue
- Low spend
- Sensitive to APR
- Average line captures balance