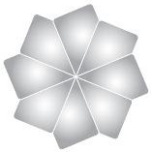




STRATEGIC OUTLOOK 2026: CREDIT CARD MARKET TRENDS DRIVING ISSUER SUCCESS

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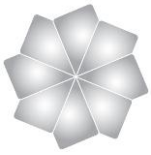
April 2026



TRK ADVISORS BACKGROUND

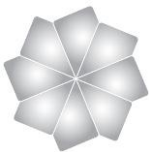
- Timothy Kolk, President.
- Started in credit cards in 1994. Head of Finance, Credit Cards (M&T Bank)
- TRK Advisors founded 2009.
- Advisor to credit unions across the U.S. on how to best design and manage their credit card programs: product design, profitability analysis, portfolio management, reward programs, processing platforms, brand negotiations.
- Deep experience in credit card agent program analysis. Evaluated hundreds of agent program opportunities and have negotiated the establishment of more than one hundred (more than \$1 billion in portfolio sales).

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WHAT WE'LL TALK ABOUT TODAY

- 1) The story of the credit card market (large vs. small issuers)
 - Balances
 - Credit Risk
 - Interest Revenues/APRs
 - Purchase Volumes
- 2) How has the competition been evolving?
- 3) Headlines: Disruptions and agitation
- 4) If you want to succeed you should....



WHY ARE CREDIT CARDS SO FUN?

More Levers, More Opportunities (and more work)

Growth Rates

Add Accounts
Activation Levels
\$ Activity per Account
Revolve Rates
=
Growth Drivers

Credit Quality

Charge-off Frequency,
\$ Loss per Charge-Off,
Balance per Good Account
Fraud Controls
=
Charge-off Results

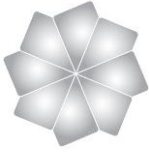
Revenues (Yield)

Usually just APR
But Also
Interchange & Fees
(and revolve %
considerations)

Profitability

All of that MINUS
Internal OpEx, Processing
Vendor, Cost of Funds,
Collections, Underwriting,
Marketing, Rewards...

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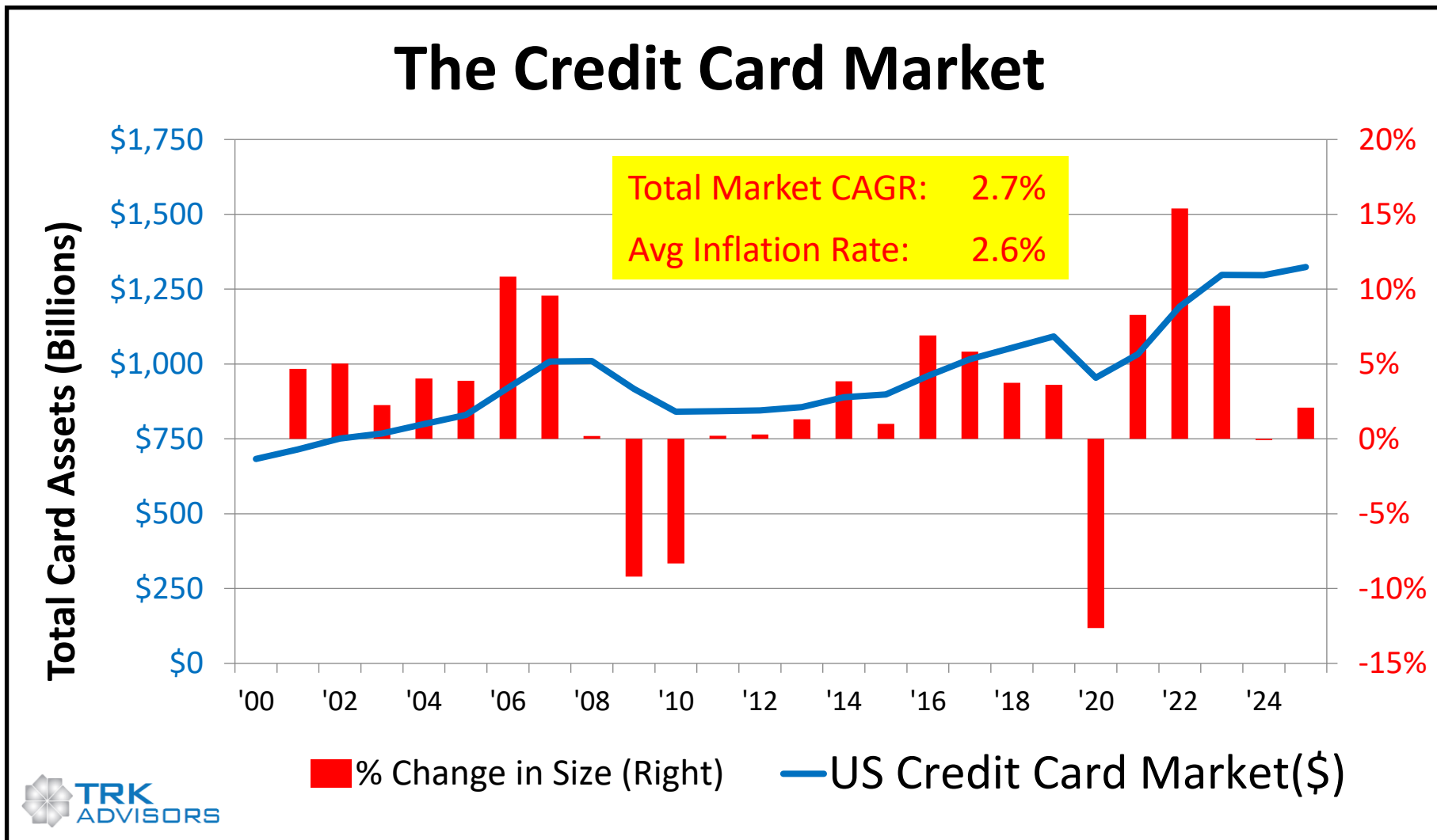


THE EVER-EVOLVING STORY OF THE CREDIT CARD MARKET

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DO WE CARE ABOUT GROWTH? (YES)

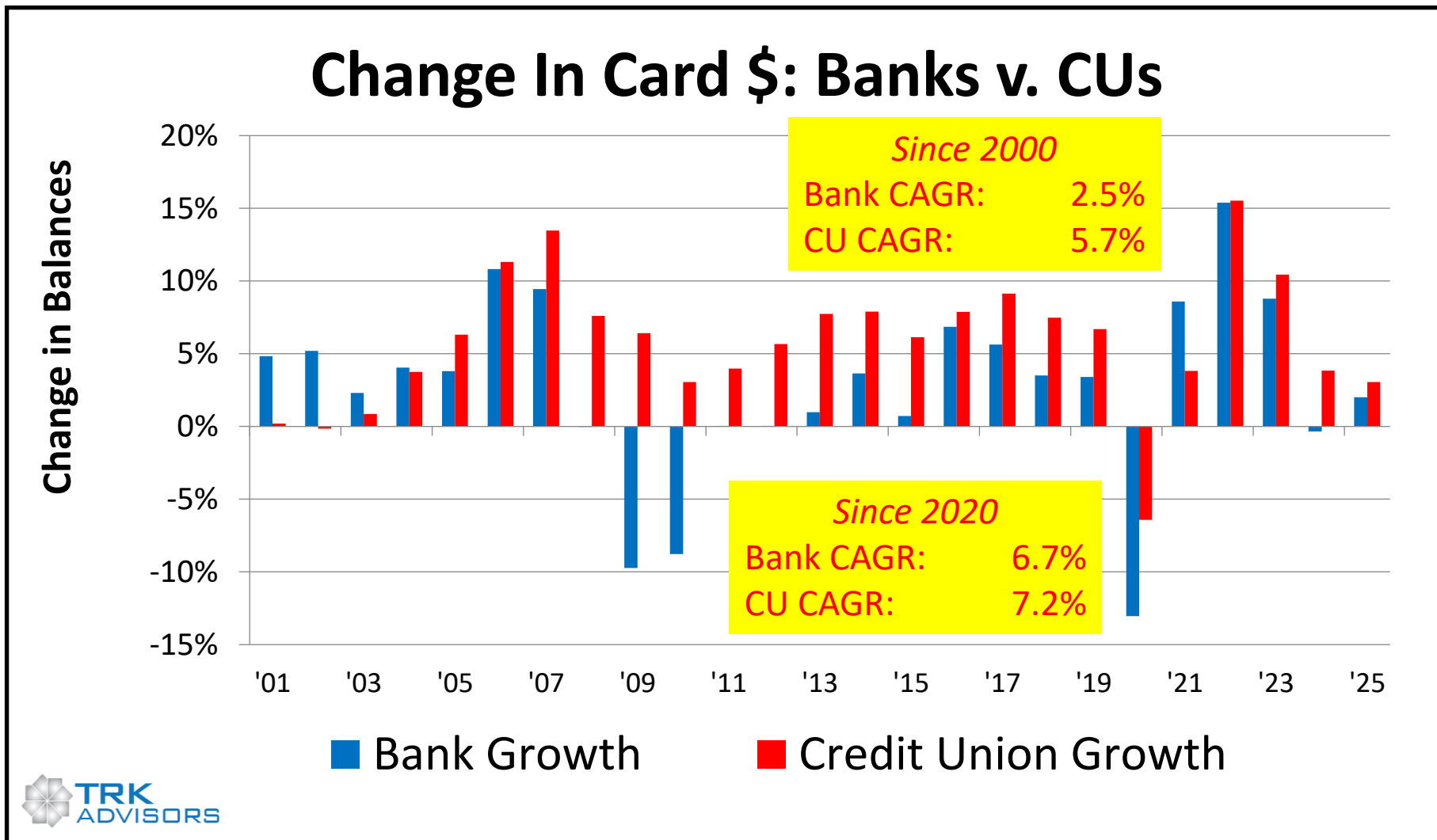


Sources: Federal Reserve G.19 Report, Total Outstanding Revolving Debt; Inflation Rates from Federal Reserve Bank of Minneapolis

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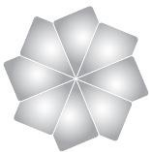


CAN CUs COMPETE WITH BANKS? (YES)

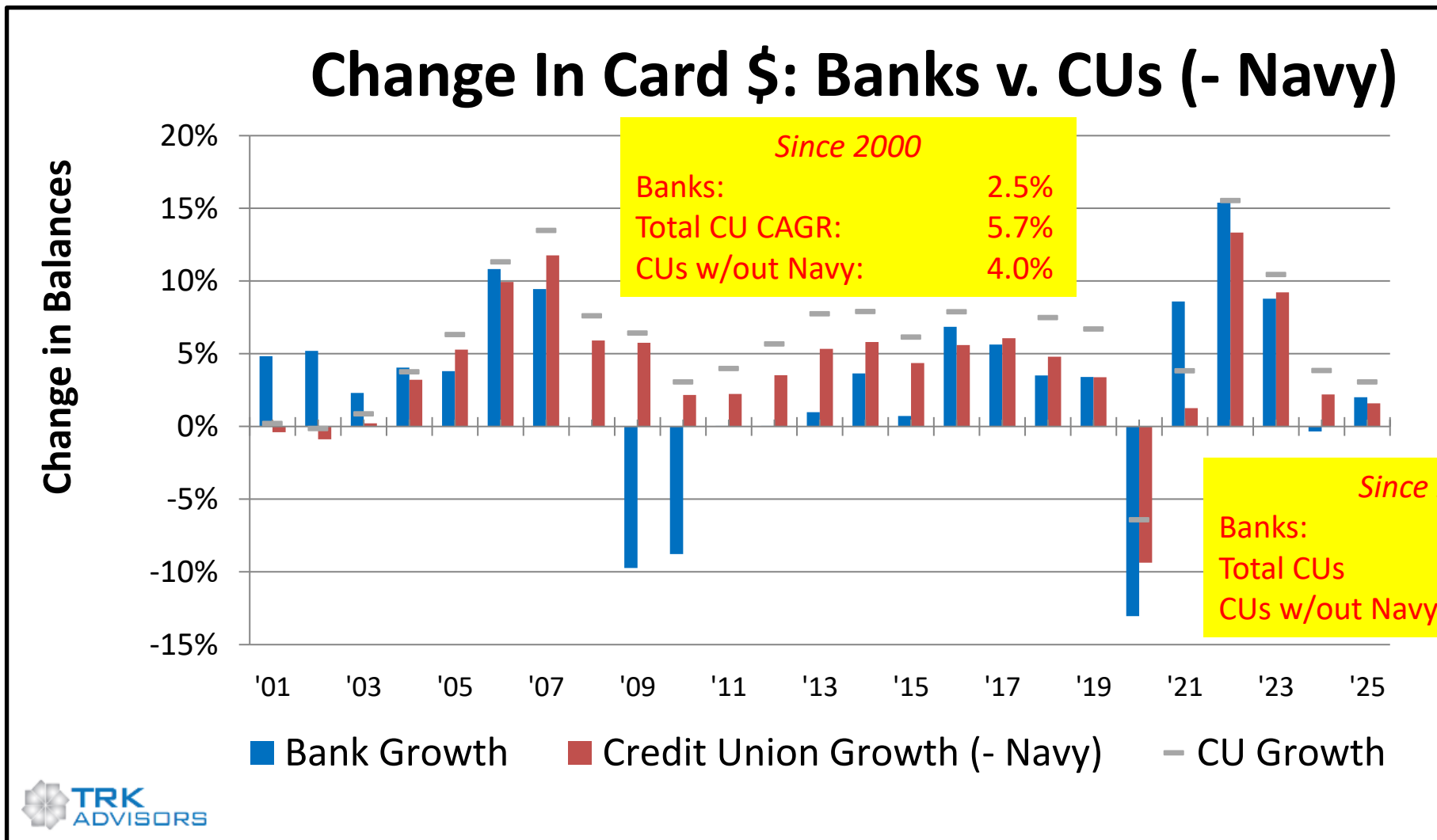


Sources: Federal Reserve G.19 Report, NCUA Call Report Data, Analysis by TRK Advisors





Is CU GROWTH GUARANTEED? (NO)



Sources: Federal Reserve G.19 Report, NCUA Call Report Data, Navy FCU Call Report, Analysis by TRK Advisors

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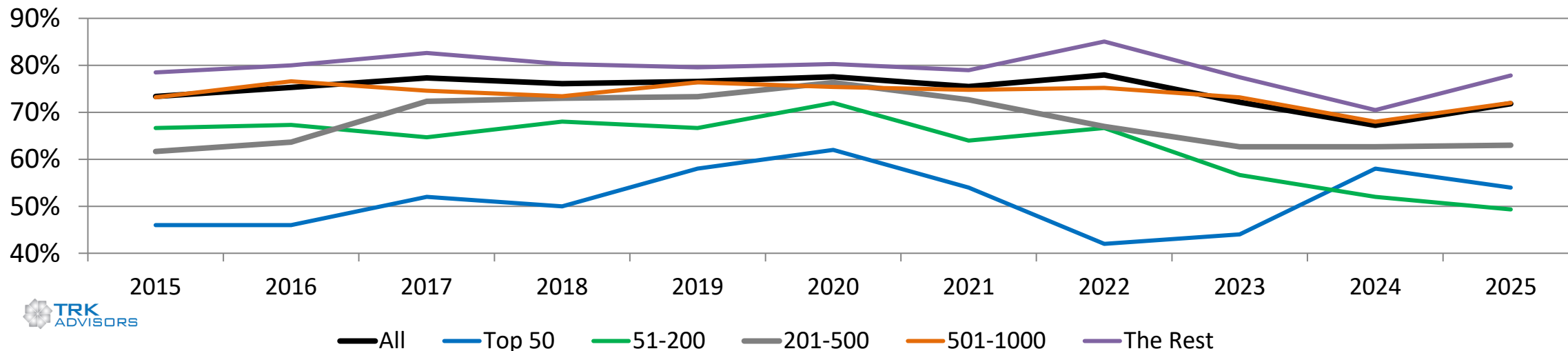
BIGGER IS HELPFUL, BUT...

Distribution of Credit Union Card Program Growth

Size	Size	Balances (2025)		Share of 2025 Growth			% Shrinking
		\$ Bil.	% of \$	\$ Bil.	Rate	% of All	
Top 50	\$201MM-\$33.1B	\$56.5	64%	\$2.4	4%	86%	40%
51-200	\$57-\$194MM	\$15.5	18%	\$0.3	2%	11%	33%
201-500	\$16-\$56MM	\$9.4	11%	\$0.1	2%	5%	48%
501-1000	\$5-\$15MM	\$4.4	5%	(\$0.0)	0%	0%	54%
1001-1867	\$1-\$5MM	\$2.0	2%	(\$0.0)	-6%	-2%	62%
Total		\$87.8	100%	\$2.8	0%	100%	56%

In 2023 this was 20%
In 2024 this was 45%.

% Underperforming Market Growth Rates



— All — Top 50 — 51-200 — 201-500 — 501-1000 — The Rest

Sources: NCUA Call Report Data, Analysis by TRK Advisors



LARGEST ISSUER RESULTS

Top 10 Visa & MasterCard Issuers in the US, 2025

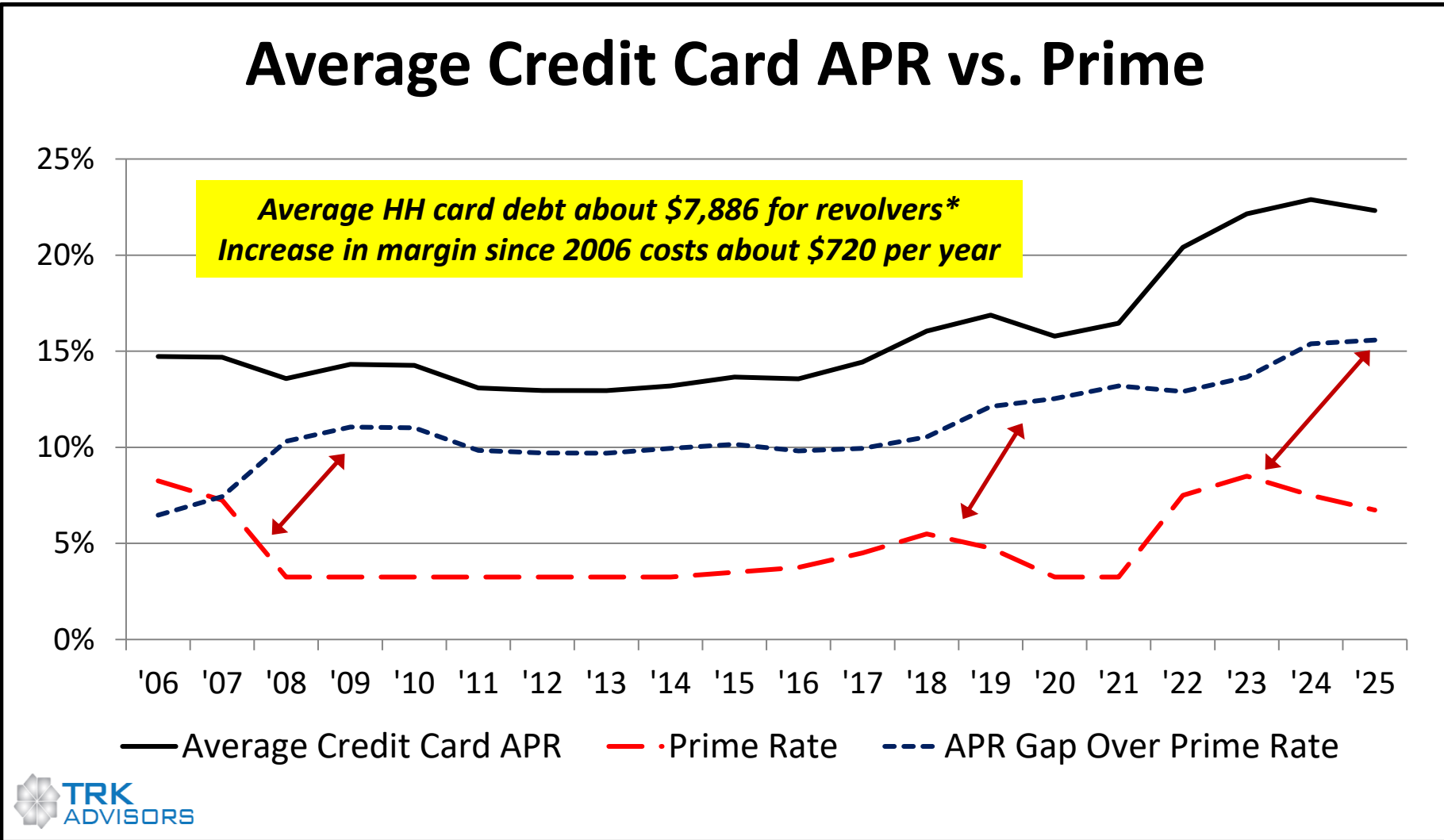
Issuer	Volume (\$MM)		Accounts (M)			Per Active		Turn Rate
	Balances	Purchases	Total	Active	% Act	Bal	Purch	
Chase	\$ 247,797	\$ 1,446,909	104,614	65,708	63%	\$3,771	\$22,020	5.8
Capital One	155,503	659,695	101,200	55,400	55%	\$2,807	\$11,908	4.2
CitiBank	151,252	632,600	71,200	46,000	65%	\$3,288	\$13,752	4.2
Bank of America	121,510	510,385	44,895	31,192	69%	\$3,896	\$16,363	4.2
Wells Fargo	55,025	219,885	19,194	12,237	64%	\$4,497	\$17,969	4.0
U.S. Bank	54,855	217,920	35,692	13,770	39%	\$3,984	\$15,826	4.0
Barclays	36,242	119,752	20,167	11,779	58%	\$3,077	\$10,167	3.3
Synchrony	34,900	84,800	27,600	15,900	58%	\$2,195	\$5,333	2.4
Navy FCU	29,360	47,426	5,972	4,233	71%	\$6,936	\$11,204	1.6
Goldman Sachs	19,738	35,010	11,000	6,900	63%	\$2,861	\$5,074	1.8
Total, Top 10	\$ 906,182	\$ 3,974,382	441,534	263,119	60%	\$3,444	\$15,105	4.4
2025 Change	6%	6%	2%	2%		4%	4%	
2024 Change	7%	6%	2%	3%		4%	2%	

Growth Requires Doing All Things Well

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DO WE LIKE INTEREST REVENUE? (YES)



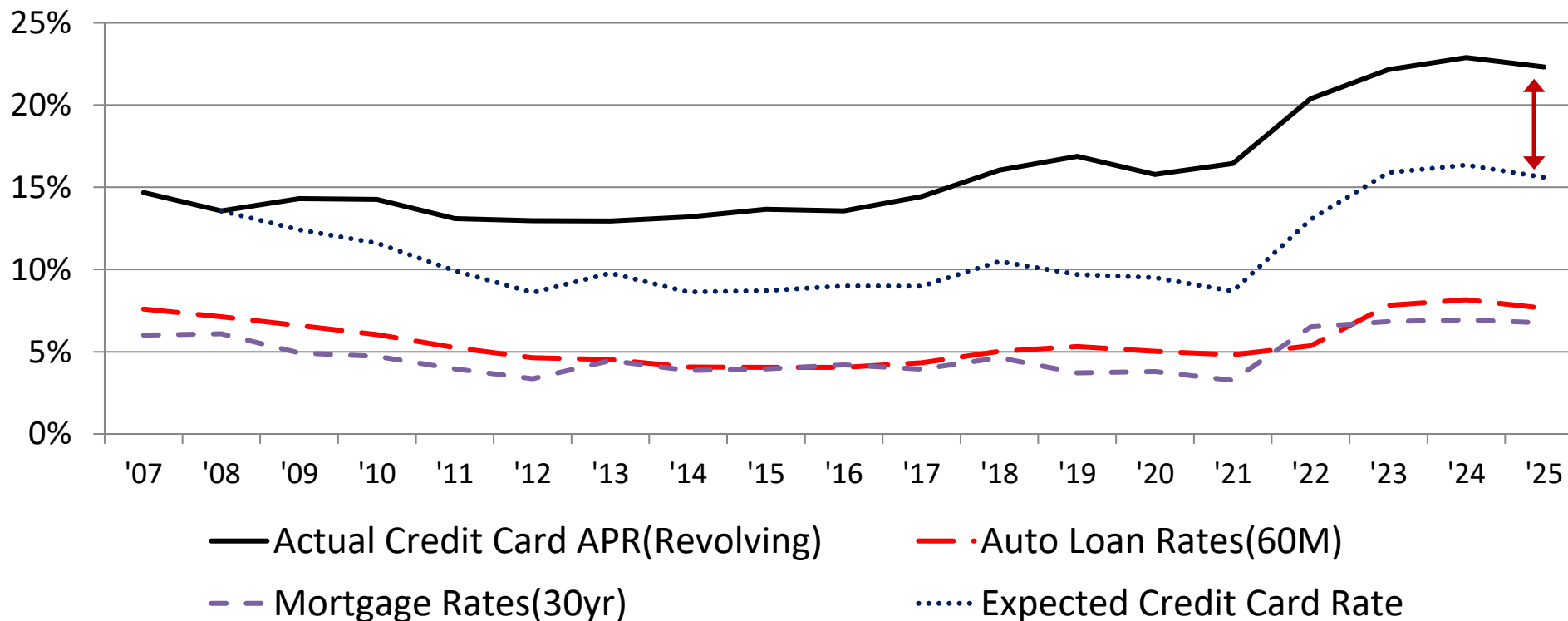
Sources: Federal Reserve G.19 Report, Analysis by TRK Advisors * LendingTree; March 10, 2026





IS CARD YIELD DOING THE BEST? (YES)

Avg. Card APR vs Other Consumer Loans



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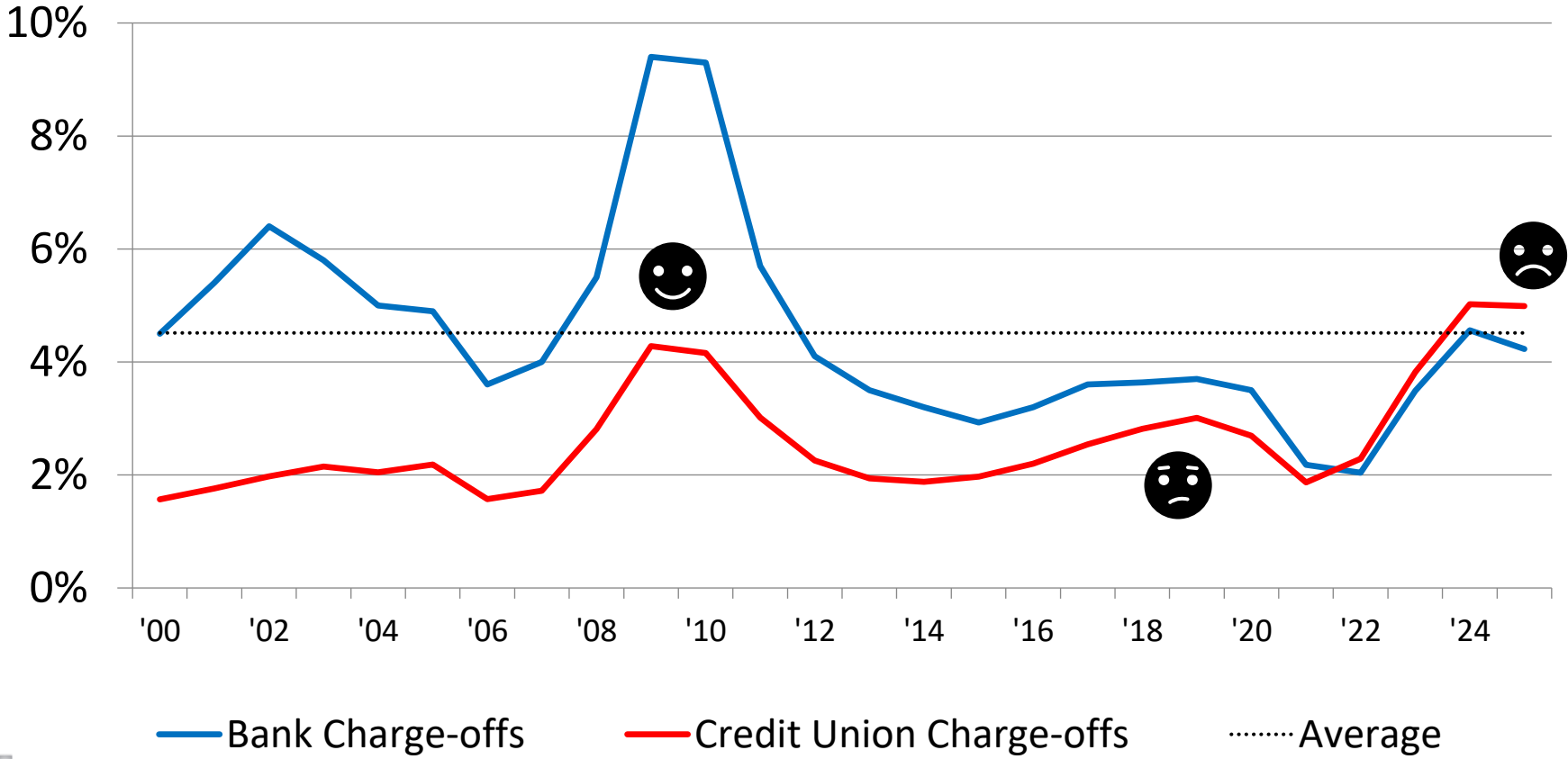


Sources: Federal Reserve G.19 Report, Mortgage News Daily, Analysis by TRK Advisors



CREDIT RISK: YECH (MORESO NOW)

Net Charge-Off Rates



CU Advantage	
2017 =	106 bp
2018 =	82 bp
2019 =	69 bp
2020 =	80 bp
2021 =	31 bp
2022 =	-25 bp
2023 =	-33 bp
2024 =	-46 bp
2025 =	-76 bp

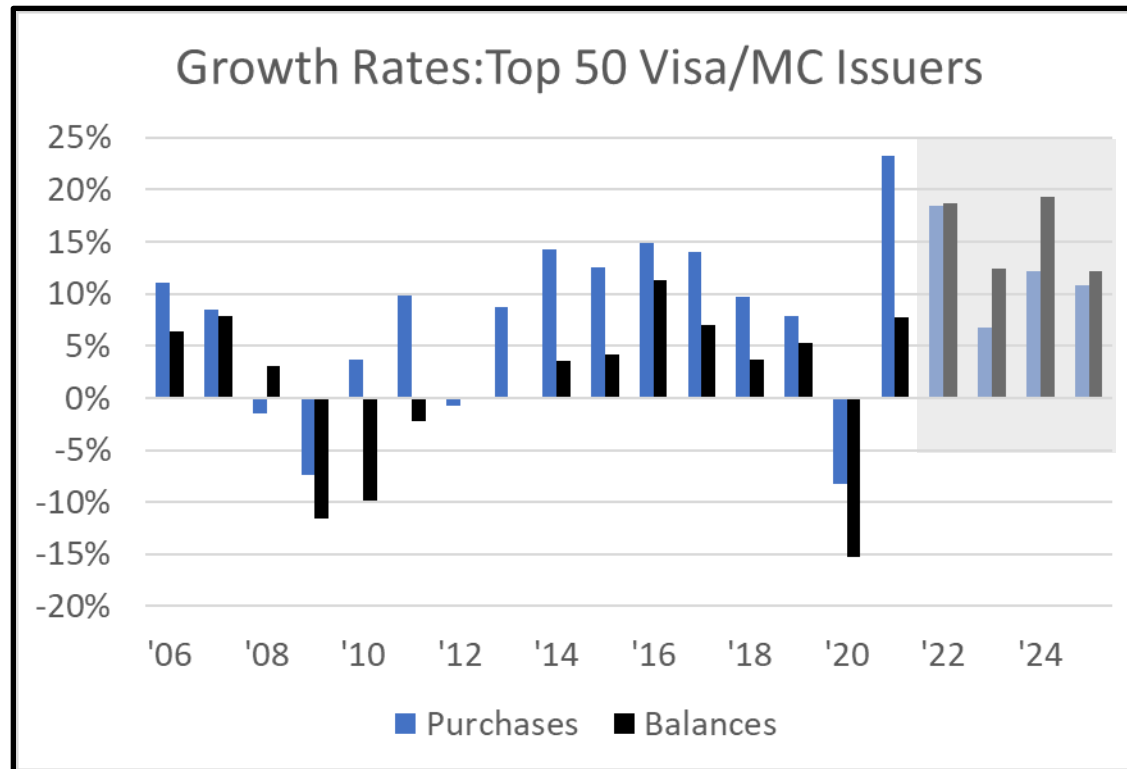
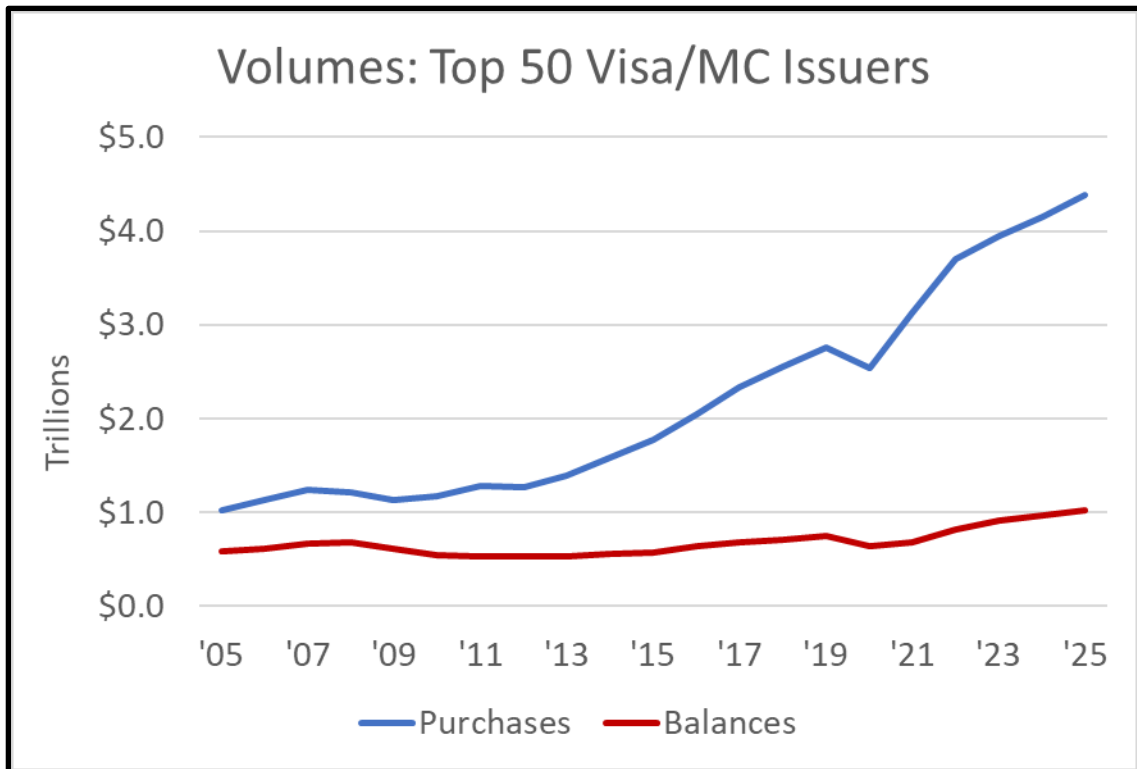


Sources: NCUA Call Report Data, Federal Reserve Charge-off and Delinquency Rates Report

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VOLUME: IT'S NOT JUST BALANCES



Turn Rate (Purchases / Balances) Over Time

2005 = 1.8x 2010 = 2.1x 2015 = 3.1x 2020 = 4.0x 2025 = 4.3x

Sources: NCUA Call Report Data, Nilson Report, Analysis by TRK Advisors



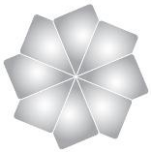


COME AGAIN?

- Banks and credit union growth performance are not so different anymore. If we have the best rates why is this so?
- Comparative charge-offs rates suggest credit union segments are riskier (and maybe some other things). Pricing for risk is a fundamental need for credit products.
- As one falls behind it gets harder and harder to gain traction again.
- Some cardholders demonstrate engagement in balances, some in purchase volume. Are you managing to both uses of this product?

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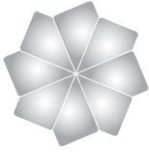
A FEW TIDBITS FROM THE CFPB STUDY

2025 CFPB Study (keep in mind: 2024 data/information)

- 78% of adults have a credit card. Lowest penetration is under 25 age group.
- One-third of balances & spend on accounts with intro rate offers (99% were at 0%).
- At month 36, accounts that had an intro APR have balances 50%+ higher than non-promo.
- Average balance per cardholders > now above pre-Covid pullback.
- About 50% of all accounts pay interest. Even for Prime +/SuperPrime about 30% do.
- 92% of spend is on reward products (85% in 2015). Avg value 1.6% of spend.
- Cash back 36% of accts. Points @ 33%. Airline @ 10%. No rewards @ 20% (and shrinking).
- Prescreened mail offers still generate about 10% of apps submitted (and higher % of accts).
- Almost 60% of applications submitted by mobile devices.
- Installment pay options increasing rapidly, average transaction size decreasing.

* 2025 CFPB Credit Card Market Report

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THE COMPETITION

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THREE CONSUMER LEVELS (EXCL. CO-BRANDS)

1. Super High End

- ✓ Substantial annual fees: \$400-\$1000
- ✓ Massive up-front value: \$750-\$2000
- ✓ Rewards worth 2-12% per \$1 spent
- ✓ Ancillary benefits: Airport lounges, TSA/Clear, travel credits, special access, merchant discounts, airline point transfer...



2. Enhanced Value

- ✓ Modest annual fees: \$39-\$100
- ✓ Significant up-front value: \$300-\$600 + usually intro rates
- ✓ Rewards worth 1-10% per \$1 spent
- ✓ Ancillary benefits: Travel credits, food delivery memberships, specific merchant promotions, airline point transfer, Amazon Prime membership...



About 16% of card accounts carry an annual fee. The average annual fee amount has increased by 21% since 2022.*

* 2025 CFPB Credit Card Market Report

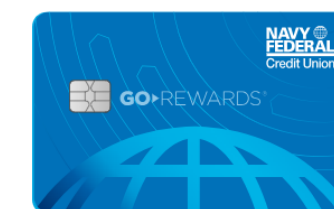




THREE CONSUMER LEVELS (EXCL. CO-BRANDS)

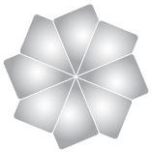
3. Mass Market

- ✓ Rates of Prime + (10-22%)
- ✓ No annual fees
- ✓ Some low-rate cards in here, but still rewards dominate
- ✓ Up-front value: \$100-\$200
- ✓ Almost always an introductory rate of at least 12 months
- ✓ Rewards worth 1.0-5.0% per \$1 spent
- ✓ Most pure cash-back cards are in this category
- ✓ Ancillary benefits: Merchant promotions for spend, BNPL equivalents, credit score monitoring, typical brand benefits



These are 84% of all credit card accounts*.
This is where credit union and other smaller issuers compete.
Serves all demographics, but middle-market bias.
Have to decide where you compete...and where you don't/can't.

* 2025 CFPB Credit Card Market Report



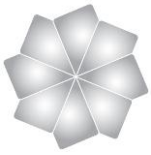
IMPORTANT DEVELOPMENTS

- Lots of product value changes at the top end.
 - ✓ Many substantially increased annual fees
 - ✓ More 'couponing' and earned credits
 - ✓ Trickier ecosystems
 - ✓ Best value requires transacting through issuer-specific portals (typically travel)
- Are the largest issuers always geniuses? HA!
 - ✓ Wells Fargo Bilt card was reportedly losing \$10 million per month (pre product changes)*
 - ✓ Goldman Sachs reported to have lost \$7 billion on its consumer loan business (driven by Apple card)**
- Bank of America changed its relationship program
 - ✓ Up to 75% bonus on rewards on most cards, but relationship threshold has increased from \$100,000 to \$1 million!

This is all good for smaller issuers. Brings some cardholders back to our product categories. Never stop promoting!

* Bilt Users Get Surprise Wells Fargo Cards as Partnership Ends

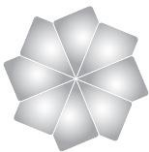
** Bank of America Announces Changes to Loyalty Program - NerdWallet



KEY TAKEAWAYS

1. Products in our market segment seem to have reached their value limits: Up to \$200 promo value and 2% rewards
2. Mistakes create pain faster than great decisions bring joy
3. Have to promote and manage the portfolio all the time. You never know when a competitor will make these mistakes
4. We live in the segments most susceptible to credit risk variations.
5. Operational excellence and expense control are critical in all middle-market business. Credit cards are no different.

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MY PHONE RINGS A LOT ABOUT

1. 10% (or any) rate cap.

- Analyze its impact, determine what underwriting changes you would make immediately, discuss current account credit line strategies

2. Interchange regulation

- Blanket constraints (like Durbin): If only largest issuers, it might be a bonanza of opportunity. If everyone, middle market issuers will not bleed as much as Super Prime focused.
- Proposed settlement: If mainly impacts non-rewards (“standard”) products that’s not great for smaller issuers, who tend to be more biased toward non-reward products.

3. Cap One/Discover

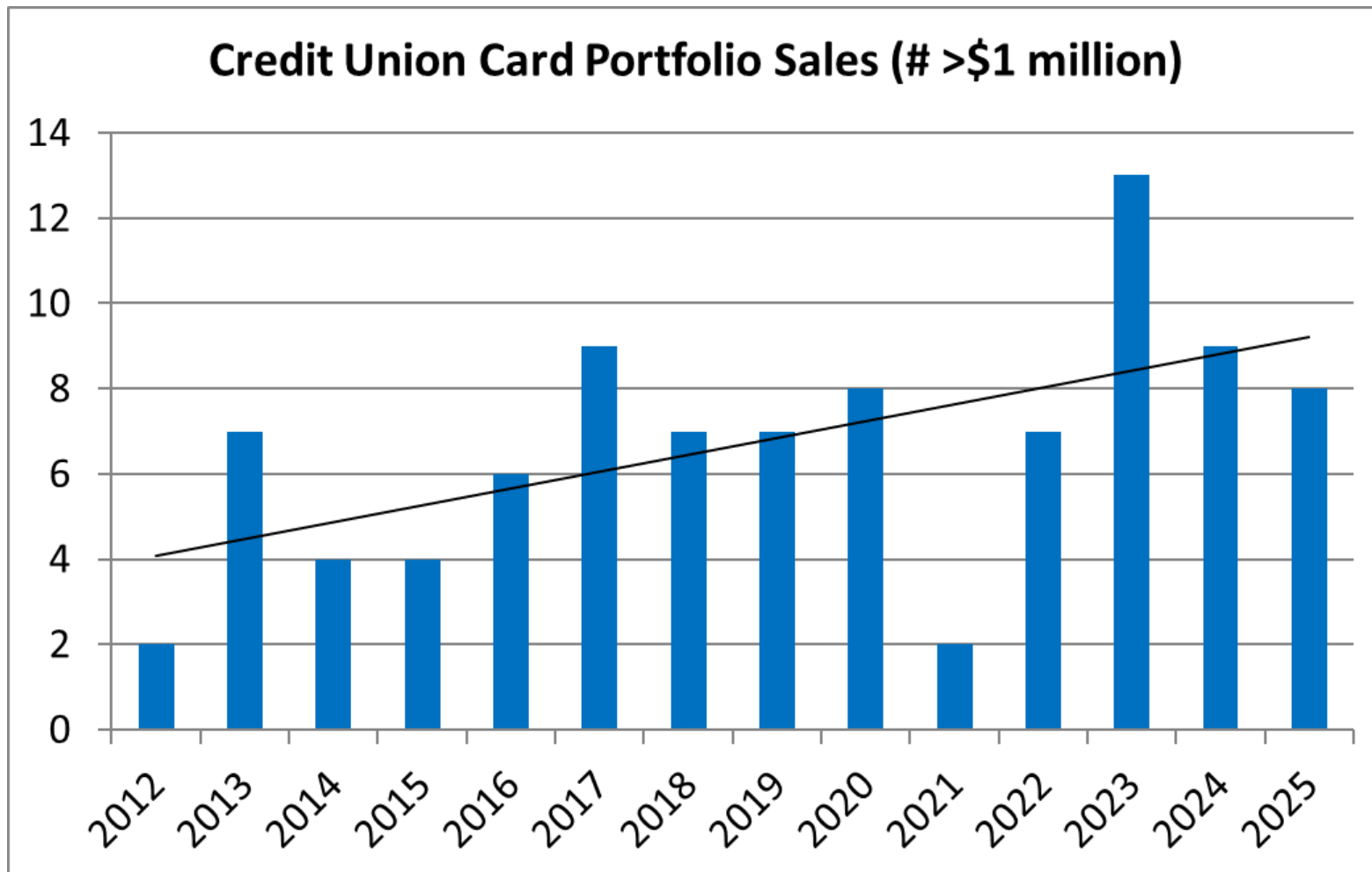
- Still evolving, maybe some product rebranding to gain network cost and potential regulatory advantages.

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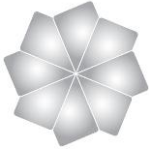


SOME MOVING TO AGENT PROGRAMS



- Prior to the Great Recession, 40-80 made this decision every year (when there were 2x as many credit unions).
- After the great recession everyone had excess liquidity and card profitability was at all time highs. It's different today.
- Interest in other issuance options has increased.
- Values go up in good times and can decrease in hard times. There is no free lunch.
- Requires careful evaluation (expertise, even).
- As much a strategy decision as a financial one.
- A damaged portfolio or a troubled institution may find no option.

Source: TRK Analysis of NCUA Call Report Data



WHAT IS THE SUPER-DUPER SECRET KEY TO BEING A SUCCESSFUL SMALLER ISSUER?

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THE KEYS TO A SUCCESSFUL PROGRAM

It's a Mature Operating Business. Manage it that way.

- ❑ Maintain monthly comprehensive product-level portfolio reporting; including Full P&L, growth KPIs around accounts (total, active, new), growth trends around balances and transaction \$, risk elements.
- ❑ Quarterly product benchmarking against the large bank competitors around the above measures and member-facing product propositions.
- ❑ 2x (at least) comprehensive reviews with processing partner and brand. Do not just sit and listen. (In-process projects require active management)
- ❑ Build an evergreen annual marketing plan around portfolio management and new account disciplines with specific start dates to initiate the work. Match to YOUR member segments. Do not simply recycle last year's.
- ❑ Build an annual card business plan integrating all of these elements, ultimately flowing to balances, transactions, accounts and net income elements. Include product set term review and updates against market levels.
- ❑ Card Manager development plan with annual goals for performance and skill enhancement.
- ❑ Identify renewal dates for all related vendor agreements and build schedule for renewal/renegotiation projects. Allow ample time for all (at least a year). Build your 'wish list' before you start conversations.
- ❑ Card-specific staff education and advocacy training for new hires as well as ongoing refreshers for others (including senior management!)

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READY TO HAVE SOME FUN?

Get The Right People, Support Them, and Resource Them

Growth Rates

Add Accounts
Activation Levels
\$ Activity per Account
Revolve Rates
=
Growth Drivers

Credit Quality

Charge-off Frequency,
\$ Loss per Charge-Off,
Balance per Good Account
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Revenues (Yield)

Usually just APR
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Profitability

All of that MINUS
Internal OpEx, Processing
Vendor, Cost of Funds,
Collections, Underwriting,
Marketing, Rewards...

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THANK YOU

About TRK Advisors:

Having analyzed hundreds of credit card programs we can bring an unrivaled experience and value to your program no matter your needs. Our work focuses on developing specific tactical plans to help your program reach its goals, whether they be improving financial performance, redeveloping your products, generating marketing plans that work, improving your portfolio management techniques, looking to buy or sell credit card accounts, develop co-branded or affinity programs, begin issuing anew, or evaluating agent program options.

Tim Kolk,
President, TRK Advisors
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About Elan Credit Card:

Elan is the leading agent credit card issuer trusted by more than 1,300 financial institutions. With over 50 years of industry experience, Elan's comprehensive program empowers financial institutions to focus on deepening cardmember relationships while Elan manages all aspects of card issuance. By fully funding program operations and providing advanced digital servicing tools, Elan helps partners streamline operations, reduce administrative burdens, and drive sustainable portfolio growth. Visit elancreditcard.com to learn more and explore additional payment solutions.

Click [here](#) or scan the code to download a copy of this presentation



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