

Lightspeed Research: Financial Services Group Overview



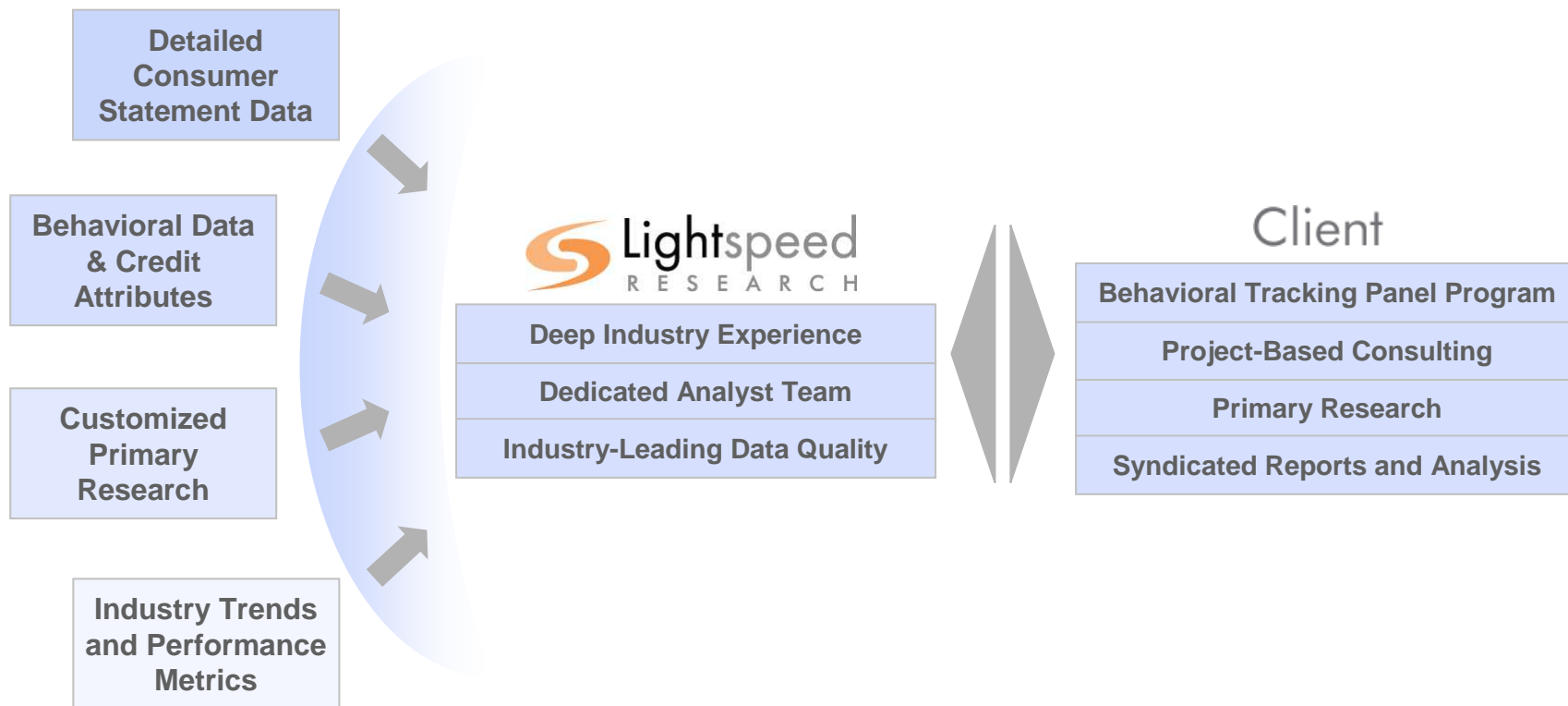
The Financial Services Group

- Accurate, compelling and holistic view into consumers' use of credit, debit, banking and alternative payment products – a “Full Wallet View”
- Hands-on industry experience and proven research skills / methodologies deliver actionable recommendations around client's business opportunities and challenges
- Supplying the country's leading card issuers, retail banks and payment networks with information and analysis to support:
 - Competitive Intelligence
 - Product Development / Marketing Strategies
 - Account / Portfolio Management
 - Credit Risk Strategies
 - Partnership Development

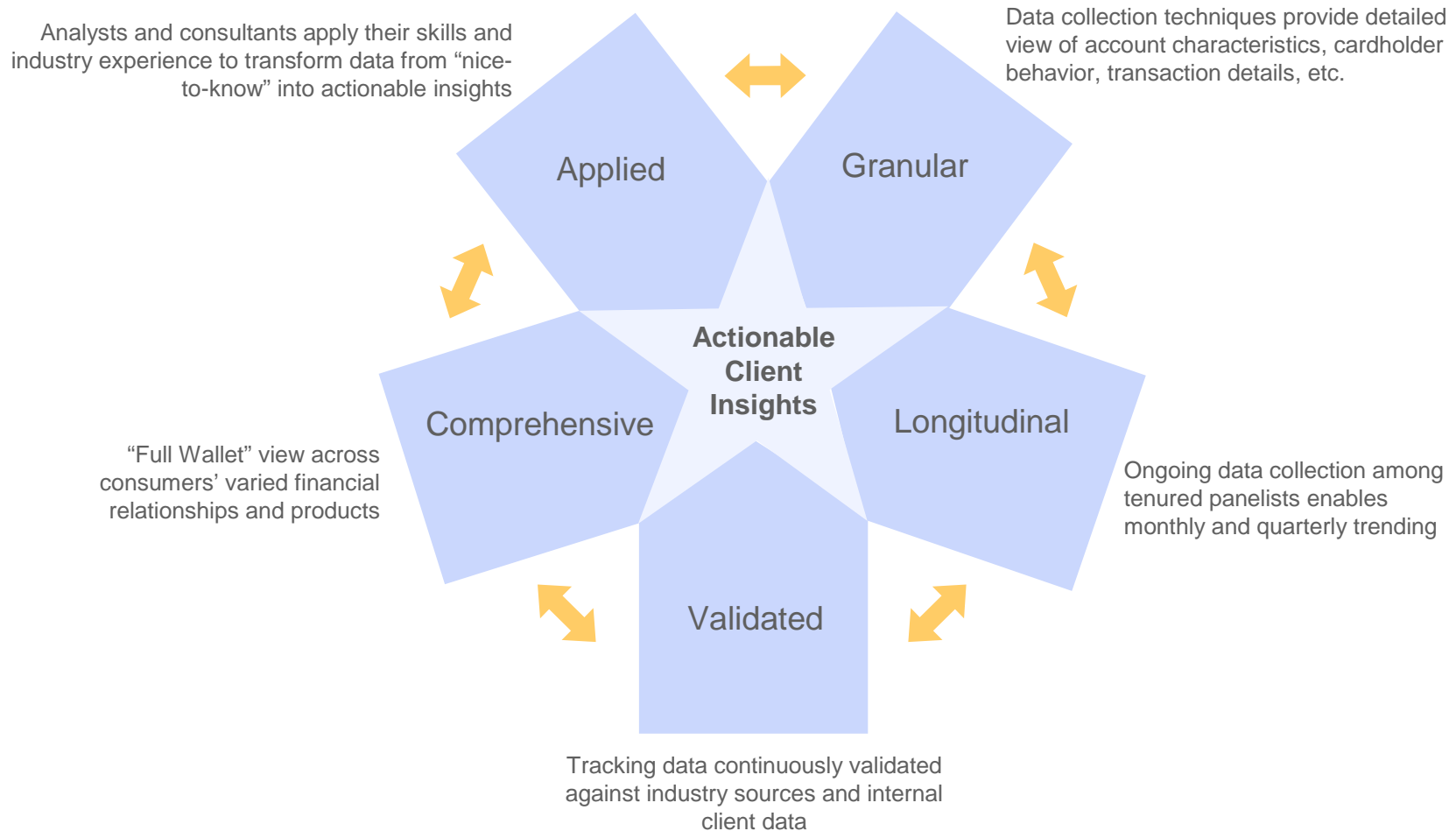


Data Integration Model

By integrating multiple data streams, Lightspeed shows you a more complete picture of your customers – and your competitors' customers.



A Strong Analytical Foundation



Financial Services Profiling

Banking Relationships

- Primary bank name
- Monthly checking account balances
- Monthly checking account transactions:
 - Debit card purchases (by retail category)
 - Checks
 - ATM deposits and withdrawals
 - Electronic bill payments
 - Direct and other deposits
 - Transfers
 - ATM fees
 - Overdraft fees

Made just 4 debit card purchases last month -- three for gas and one at a Target store -- totaling \$173.

**Current mortgage balance: \$201,179.
Home equity loan balance: \$31,500.
Most recent auto loan paid out in 2005.**

Demographics

- Age
- Gender
- Household income
- Household size
- Education level
- Employment status
- Home ownership
- Geography

Female, age 42, married with no children. Homeowner for past 5 years (Virginia). Household income: \$92,000. Credit Score: 712.

Attitudes and Affinity Relationships

- Lifestyle segmentation
- Association membership (e.g., AARP, AAA, union membership)
- Travel patterns and travel rewards membership

Credit Card Usage

- Credit cards owned (by issuer and brand)
- Age of account by card
- New credit cards acquired
- Balances, line, and utilization by card
- Revolving-transacting use by card
- APRs, finance charges, and fees
- Monthly spend and payment patterns
- Credit card transactions (by card):
 - Purchases and spending (by retail category)
 - Payments
 - Late and over-limit fees

Spent \$1,208 on primary credit card last month (Citi AAdvantage World MasterCard). Does not typically revolve on this card but carries a balance of \$3,215 on a Chase card opened 8 months ago.

Credit Profile and Debt

- Credit score
- Delinquency history
- Home equity, mortgage, and auto loans:
 - Current loan balance
 - Bank or lender name and age of loan
 - Payment history

Product Offerings

Behavioral Tracking Panel Program

- Highly customizable reporting of credit usage and behavior across customer segments, competitors, products and client-defined dimensions
- Ongoing access to experienced analysts to quickly answer business questions

Example: What competing credit cards are owned and used by a card issuer's customers and how is this changing over time?

Project-Based Consulting

In-depth, customized analysis and recommendations based on specific client business challenges or opportunities

Example: How can an issuer meet cardholder credit line needs without overextending vis-à-vis competitors?

Primary Research

Rapid primary research capabilities incorporating demographics, financial services product dimensions and credit profile metrics

Example: Which version of a personal loan direct mail marketing piece will generate the best response by credit score segment and what are the most important response drivers?

Syndicated Reports & Analysis

Topical syndicated reports and multi-client studies leveraging rich behavioral datasets and primary research capabilities

Example: How are individual card issuers changing credit card terms for consumers?

Account Metrics by Segment

Basic account-level and customer-level metrics are tracked on a trended basis by issuer across customized segment definitions

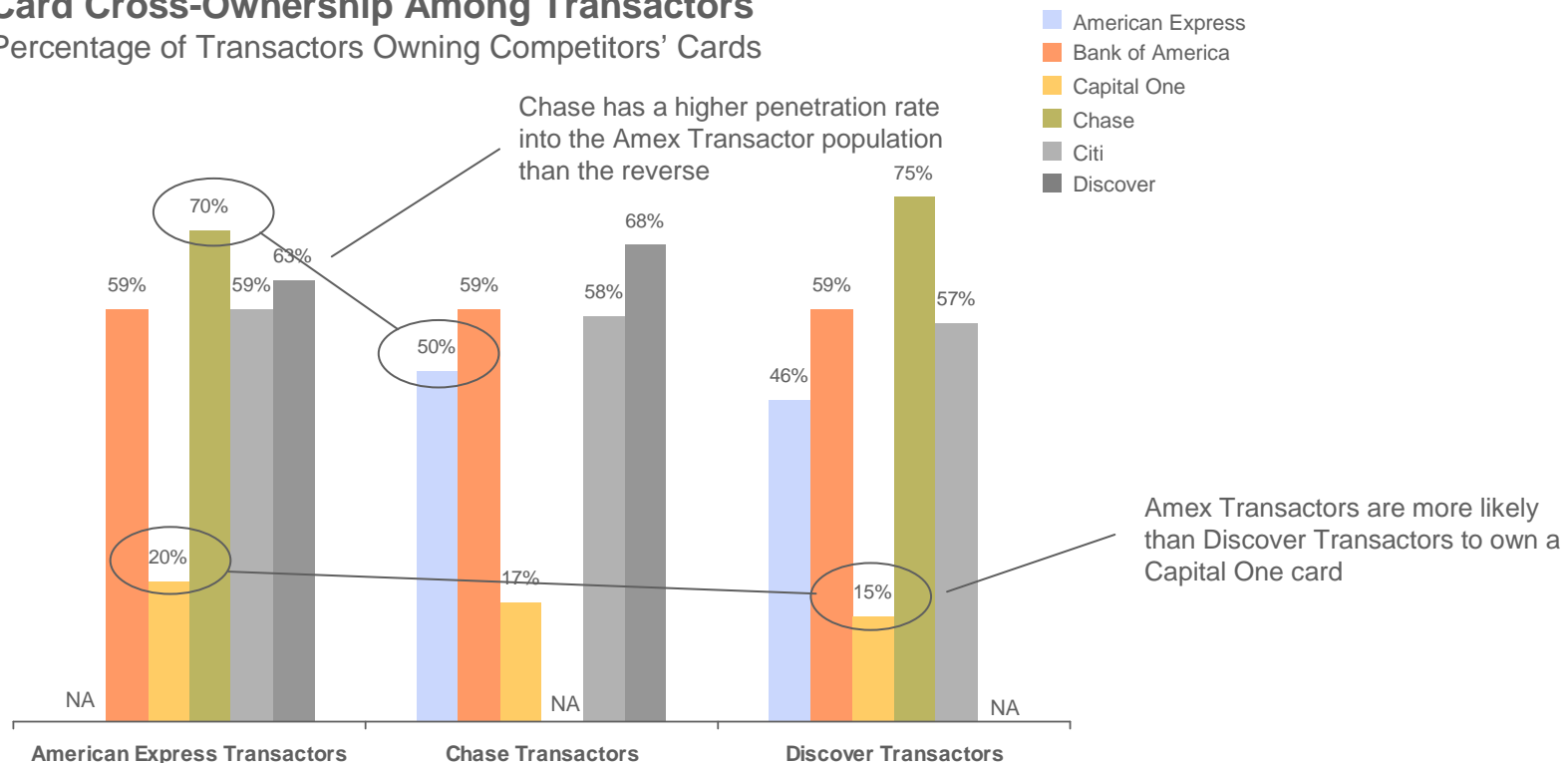
Transacting Accounts			
Issuer	Avg. Monthly Spend	Avg. Monthly Ending Balance	Avg. Credit Line Utilization
American Express	\$1,402	\$1,384	9%
Bank of America	\$871	\$749	7%
Capital One	\$775	\$566	13%
Chase	\$946	\$872	9%
Citi	\$1,085	\$952	11%
Discover	\$931	\$873	10%

Revolving Accounts			
Issuer	Avg. Monthly Spend	Avg. Monthly Ending Balance	Avg. Credit Line Utilization
American Express	\$1,069	\$5,513	42%
Bank of America	\$618	\$4,354	49%
Capital One	\$250	\$1,650	69%
Chase	\$527	\$3,438	50%
Citi	\$762	\$4,527	48%
Discover	\$482	\$3,615	51%

► Competitor Card Cross-Ownership

Understanding the other card products your customers own and use is crucial for protecting and growing wallet share.

Card Cross-Ownership Among Transactors Percentage of Transactors Owning Competitors' Cards



▶ Debit Card Usage Dynamics

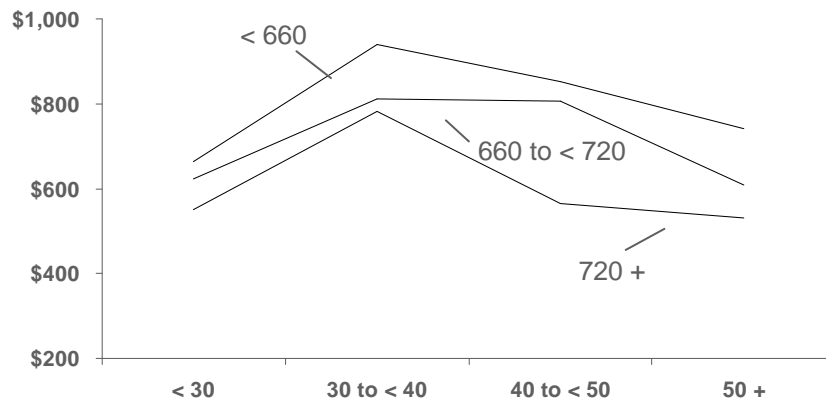
As debit usage grows across age and credit risk groups, visibility into the full wallet is increasingly important.

Debit Profile by Age Segment (Q3 2008)

	Under 30	30 to < 40	40 to < 50	50+
Debit Activation Rate	73%	73%	71%	63%
Debit Purchases / Month	21.1	25.3	20.9	16.2
Monthly Debit Card Spend	\$617	\$855	\$742	\$622
Average Transaction Size	\$29.24	\$33.84	\$35.55	\$38.31

- Debit card spending is highest among consumers between 30 and 50
- Consumers over age 50 are least likely to use debit cards for retail purchases, though they have a slightly higher average spend per transaction
- Debit card use is heavily influenced by consumers' risk profile and access to credit -- across all age groups, sub-prime consumers have comparatively higher debit card spending each month

Debit Spend by Age and Risk Score (Q3 2008)

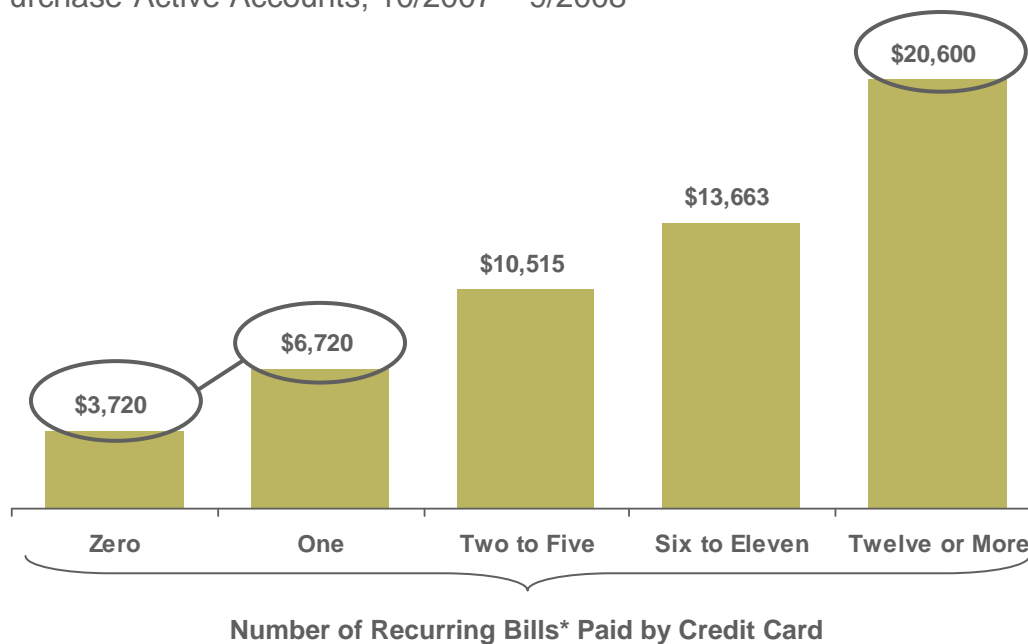


► Transaction-Level Analysis – Recurring Bills

Lightspeed often profiles consumers by transaction-level details including merchants, categories or types of spending.

Annual Spend Based on Number of Recurring Bills Paid

Purchase-Active Accounts; 10/2007 – 9/2008



Credit cards with even a single recurring bill average nearly double the annual spend of cards with zero recurring bills, and cards with 12 or more recurring bills average over five times the spend of those with none.

*Tracked recurring bills are payments made in the cable/Internet/telephone, insurance, and charity categories.

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Credit Line Management Project

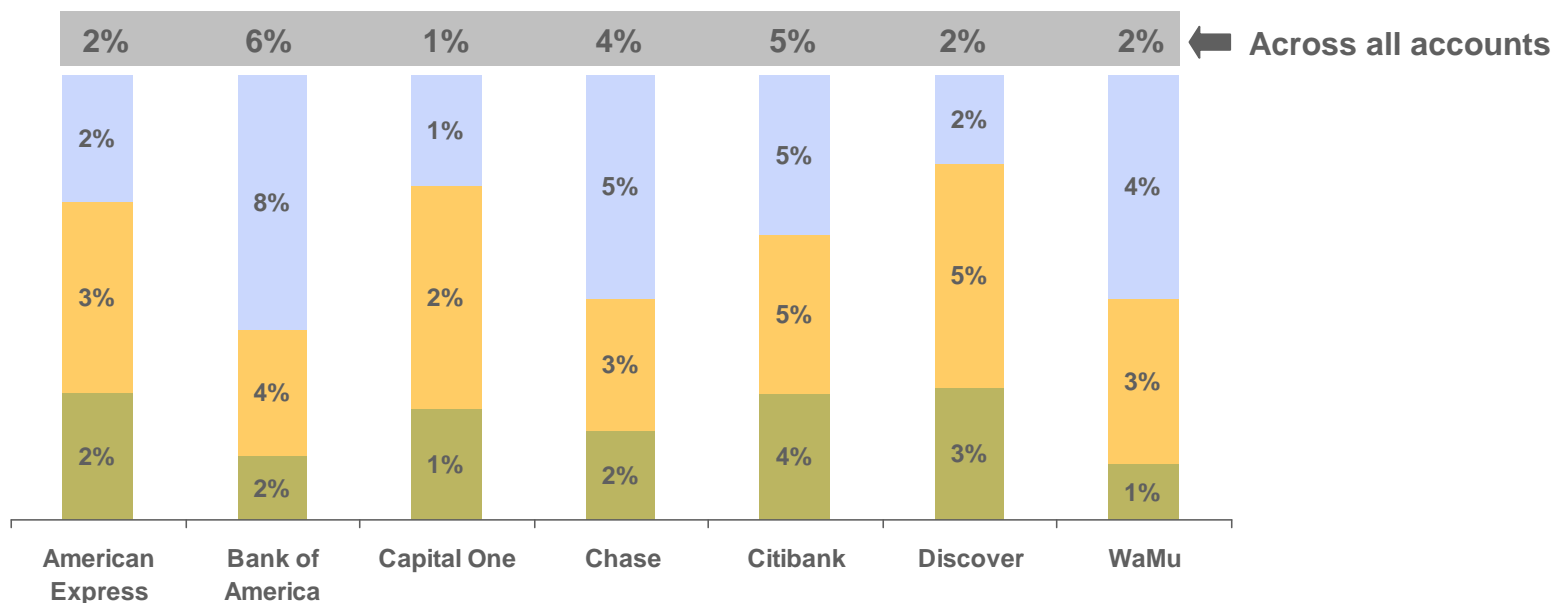
Client needed credit line benchmarking analysis in order to reassess current line assignments, and to improve future line management strategies.

Helped identify segments in which the client was overly aggressive compared to the competition.

■ <660
 ■ 660-719
 ■ 720+

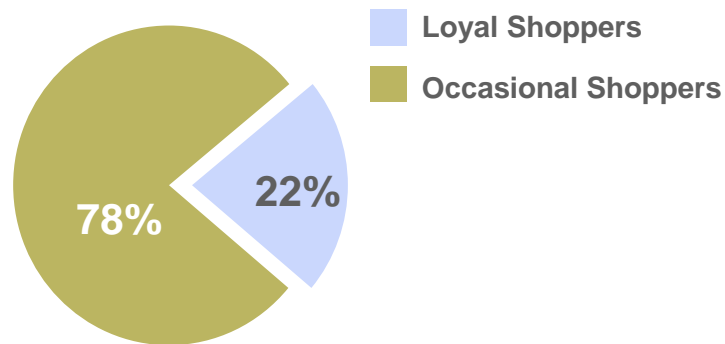
Monthly Credit Line Increases

Percent of Accounts With a Credit Line Increase per Month; 1Q07-4Q07



► Co-Branded Card Opportunity Project

Client Engagement Segmentation



- Integrated credit usage, demographic and transactional data to inform client's decision-making for a potential credit card co-brand partnership
- Evaluated client's attitudinal segmentations against key behavioral and credit attributes
- Generated segment-specific recommendations based on loyalty and creditworthiness

Key Observations / Findings

Client captures 45% of category spend for loyal shoppers versus only 13% for occasional shoppers



The largest segment of these loyal customers prefer credit over debit but tend pay their bill off on a monthly basis

Consumers in this credit savvy segment have an average of 6.3 open credit cards (32% higher than average), but 45% lower card balances

58% of loyal shoppers take advantage of in-store promotions and rewards

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▶ Primary Research Panel Resources

- An experienced team of research professionals that can translate business needs into useful consumer insights.
- Direct access to Lightspeed's global survey panels facilitates faster turnaround on projects.
- An array of panel resources to meet your broad-reaching or highly specific needs:
 - **The North American Consumer Panel:** A large-scale panel of consumers who have been pre-screened across an array of demographic variables. Useful for general population surveys, or those that require a sizeable respondent base.
 - **The Financial Services Specialty Panel:** Lightspeed has pre-screened more than 100,000 North American consumers on their ownership and usage of a broad array of financial products. As such, we have the ability to directly reach target audiences on surveys, such as those individuals who have a Schwab investment account, a Bank of America checking account and a Chase credit card.
 - **The Credit Insights Survey Panel:** This panel provides a platform through which our clients can segment their customer research by key credit attributes – risk score, product ownership, vintage, delinquency history, total line, etc. Given the current focus on credit risk, many of our clients have found it valuable to overlay this type of hard data on advertising and direct marketing tests, as well as A&U studies.

▶ Consumer Attitudes and Product / Offer Testing

- Conduct a full range of attitude and usage, concept testing, and other primary research surveys.
- Provide clients with actionable insights and recommendations by integrating survey results with behavioral data at the individual level and analyzing responses by credit segments and other key dimensions.
- Deliver value-added results with attitudes and preferences analyzed in the context of:
 - current loan ownership and balances
 - credit card ownership and acquisition patterns
 - respondents' risk profile and credit history

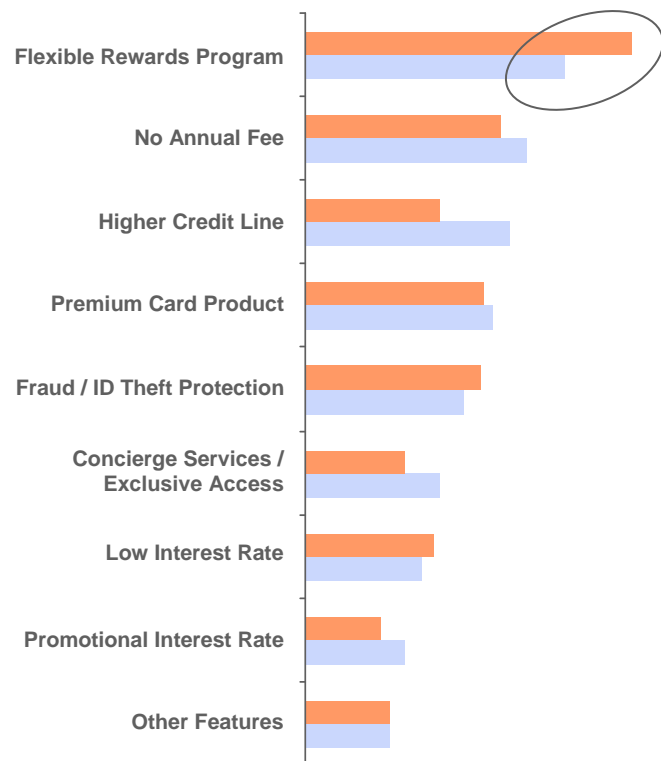


Product Feature Preferences

Surveyed a client's investment management customers regarding credit card feature preferences and segmented the results based on the client's value tiers.

Credit Card Product Feature Preference
% of Client Customers Finding Feature Most Important

High-Value Customers
Lower-Value Customers



Conducted deeper analysis related to rewards preference and found that, for this client:

- Higher value customers like the flexibility of a points-based program but often redeem points for cash
- Proprietary redemption options drive short-term loyalty but should not be the only rewards option, even for loyal customers

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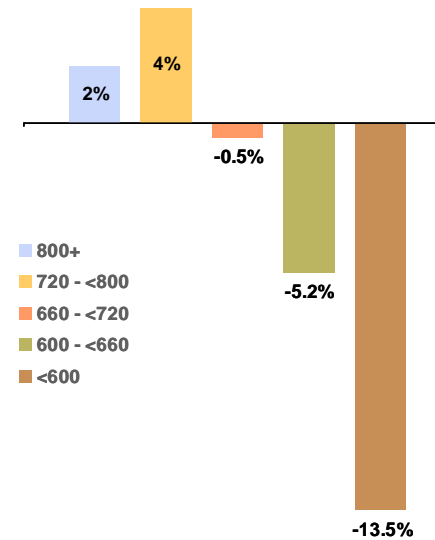
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Credit Card Terms Tracker Report

- A monthly competitive intelligence report that tracks and documents credit card pricing and terms changes across the portfolios of the top 10 card issuers in the U.S.
- Reporting and analyses focus particularly on recent or forthcoming changes to credit card terms driven by economic pressures on card issuers and by changing federal regulations impacting the card industry.
- The study tracks and compares changes associated with APRs, fees, allocation of payments to balances, and rewards programs.
- Changes in terms details are collected through monthly nationwide surveys of approximately 4,000 credit card holders. Relevant sections from dozens of current terms changes, based on copies of actual notifications mailed by issuers, are included in the Appendix of each monthly report.

Year Over Year Credit Line Change
By Risk Score, November 2008



Replace current Section 10 with the following new Section 10:

10. APPLICATION OF PAYMENTS. We have the right to apply payments to your Account in the order and manner we determine in our sole discretion. Generally, we apply payments first to previously billed Finance Charges; then, to the Previous Balance; then, to the New Balance. If, when a Promotional Credit Plan balance becomes due, we receive a payment equal to or greater than the full amount due for that balance, we will apply your payment first to the Promotional Credit Plan balance, and then in the priority described above. If multiple Promotional Credit Plan balances become due in the same Billing Cycle, we will apply your payment to the Promotional Credit Plan balances in order, from oldest to newest based on the purchase date.

Lightspeed Research

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