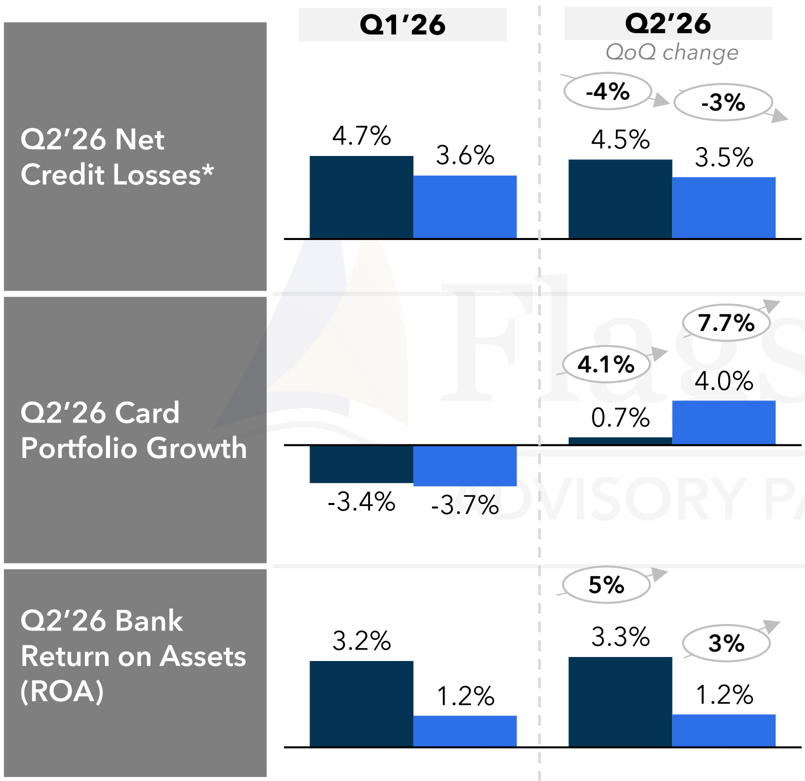
Credit Card Issuing Industry KPIs Q2'26

Underwriting discipline continues to hold credit losses at bay

1 Non-Credit Card Banks Vs Credit Card Banks Key Metric Comparison

(Q1'26 vs. Q2'26 consumer receivables)



- **Both cohorts saw losses decline** - suggesting underwriting discipline is holding across both card focused and non-card focused banks
- **Credit card-focused banks improved fastest** (down 21 bps vs. 11 bps), though they still carry roughly 100 bps more loss than diversified peers

- **Both cohorts contracted -3.4% and -3.7% respectively in Q1'26** on seasonal holiday-related paydown, reversing the Q4'25 build
- **There is divergence in the recovery** - diversified banks are adding balances roughly 6X faster despite similar starting points

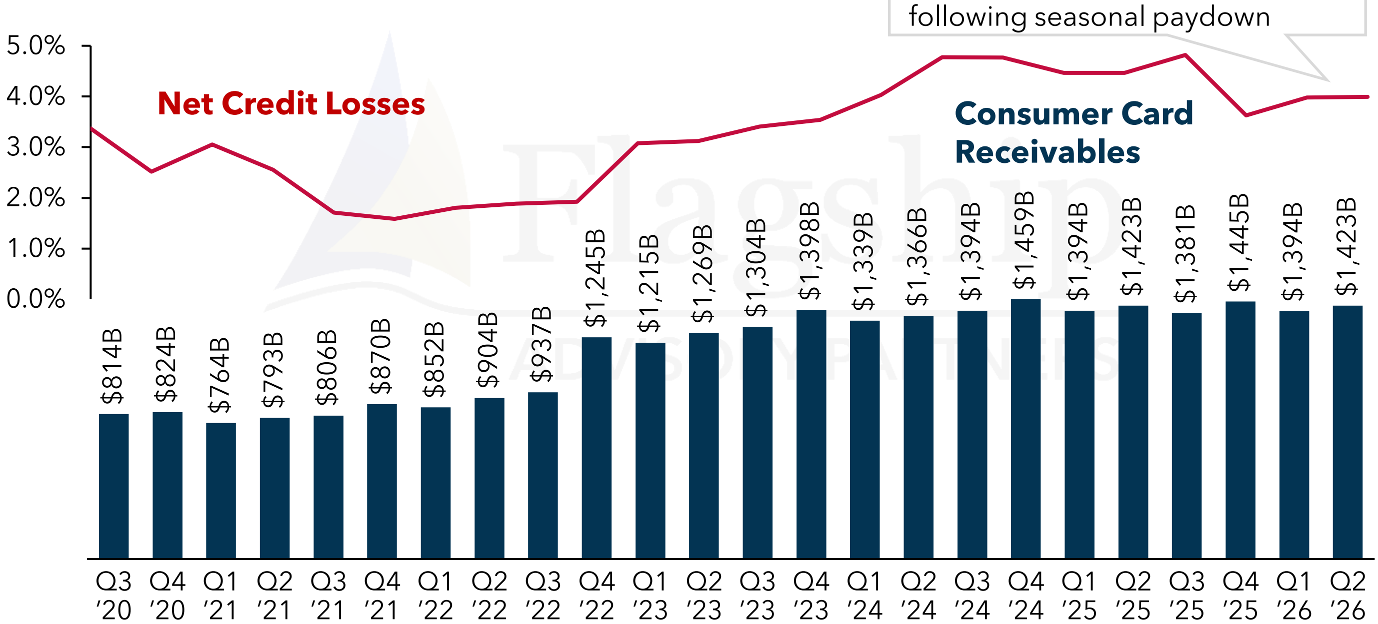
- **Returns have improved for both** credit card-focused and non-credit card-focused banks, reversing the Q4'25 decline
- **Return discrepancies between the groups are widening again** as card-focused banks gain faster off higher starting margins

Note: *The total losses a credit card issuer experiences from unpaid balances after accounting for amounts later recovered
Source: Bank Call Reports

2 Market Size and Credit Loss Performance

(Q3'20 vs. Q2'26 consumer receivables)

Issuers continue to hold losses at bay, though receivables have yet to recover the Q4'25 peak following seasonal paydown



Source: Bank Call Reports

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3 Key Player Performance
(consumer credit card receivables)

	End of Period Receivables	Net Loss Rate	After-Tax Return on Assets
Weighted Average	$1,063B	4.0%	1.8%
YoY Change (vs. 2Q25)	4.2%	-2 bps	+69 bps
QoQ Change (vs. 1Q26)	2.5%	-16 bps	+12 bps

Issuer	Rec. ($B) 2Q26	YoY Change	QoQ Change	Net Loss R. 2Q26	YoY Change	QoQ Change	Bank ROA 2Q26*	YoY Change	QoQ Change
Top Card Issuing Banks									
Capital One**	$251	1.9%	1.6%	4.8%	+58 bps	-44 bps	1.6%	+255 bps	+26 bps
JPMorganChase	$216	7.2%	4.8%	3.1%	-10 bps	-20 bps	1.5%	+14 bps	+11 bps
citi	$176	5.5%	5.8%	4.0%	-26 bps	+1 bp	1.0%	+20 bps	-3 bps
Bank of America	$106	4.4%	2.7%	3.5%	-29 bps	-13 bps	1.1%	+1 bp	+1 bp
Wells Fargo	$58	5.6%	2.0%	4.1%	-39 bps	-14 bps	1.4%	-8 bps	+6 bps
Most Card-Focused Banks									
American Express	$113	7.6%	2.7%	2.3%	-7 bps	-10 bps	3.7%	-17 bps	-1 bp
synchrony	$91	2.7%	1.7%	5.3%	-43 bps	-8 bps	2.8%	+12 bps	+21 bps
Barclays	$28	-12.6%	-17.8%	5.0%	+138 bps	+131 bps	2.4%	+99 bps	+100 bps
comenity from bread financial	$17	2.6%	0.9%	7.1%	-94 bps	-42 bps	2.8%	-25 bps	-20 bps
Merrick Bank***	$6	5.3%	2.5%	13.1%	-71 bps	-74 bps	2.5%	+195 bps	-71 bps

Note: *After-Tax Return on Assets. **Capital One Bank acquired Discover in Q2 2025. ***Merrick Bank acquired Ally Bank's credit card division in Q2 2025
Source: Bank Call Reports: Consumer Credit card Receivables, Consumer Credit Card Net Charge offs, Bank-wide After Tax Return on Assets

4 Management Commentary Echoes Positivity in The Data

JPMorganChase	"Finally, we now expect card net charge-off rate to be approximately 3.2%, reflecting better-than-expected consumer credit performance."
Bank of America	"Consumer card charge-offs and delinquencies improved both year-over-year and quarter-over-quarter."
synchrony	"Synchrony's co-branded cards, including our consumer and commercial dual cards, accounted for 52% of our total purchase volume in the second quarter and increased 23% versus last year."
comenity from bread financial	"We saw improvement in both our net loss rate and delinquency rate, reflecting the benefits of proactive credit risk management, disciplined underwriting, and the quality of our customer base."

Source: Q2'26 Earnings Calls

General Commentary & Highlights

- Credit quality improved more than expected, with JPMorgan cutting full-year card net charge-off guidance to ~3.2% and most large issuers reporting better delinquencies both YoY and QoQ
- Payment rates, not lack of demand, are constraining portfolio growth - Capital One and Synchrony flagged paydown running above pre-pandemic levels even as spend rose ~6% YoY, leaving card-focused banks at 0.7% QoQ balance growth against 4.0% at diversified banks
- BNPL credit could be moving against the trend of traditional credit – Klarna's allowance grew 48% in 2025 against 29% receivables growth, lifting its implied loss rate 60 bps to 4.5%

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