



Welcome to CAPITAL Card News

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The intent of this communication is multi-fold. We intend to provide some insight on the asset performance aspects of credit cards, topical account acquisition and management practices, and compliance considerations while introducing you to the comprehensive services that are available at CAPITAL Card Services.

In this issue we will discuss performance differences between conventional bank loans and the revolving loan aspect of credit cards, a macro introduction to predictive analytics, and expanding your portfolio.

In upcoming issues we will touch on a variety of topics, such as:

Starting a card program: Licensing, ownership or agency, designing a card, national card program, and processor considerations.

Account acquisition: Matching products with consumers, using profitability measurements in selection, and how to build and employ scorecards.

Finance function in credit cards: How to design a financial measurement system, the financial mechanics of credit cards, vintage analysis, pro-forma modeling, product modeling, the use of participation and revenue share arrangements, allowance for loan loss methodologies, and net present value analysis.

Account management and analytics: Performance dashboards and early reads, profitability based retention strategies, collection strategies and benchmarks, payment methods and practices, risk management, asset diversification, and predictive modeling methods and tools.

Compliance and regulatory: Managing legislative and regulatory changes and managing a compliance-strong card program.

We hope you find something of interest in this newsletter. Please enjoy, and if there is something you would like to discuss further, give us a call.