



# State of the Consumer

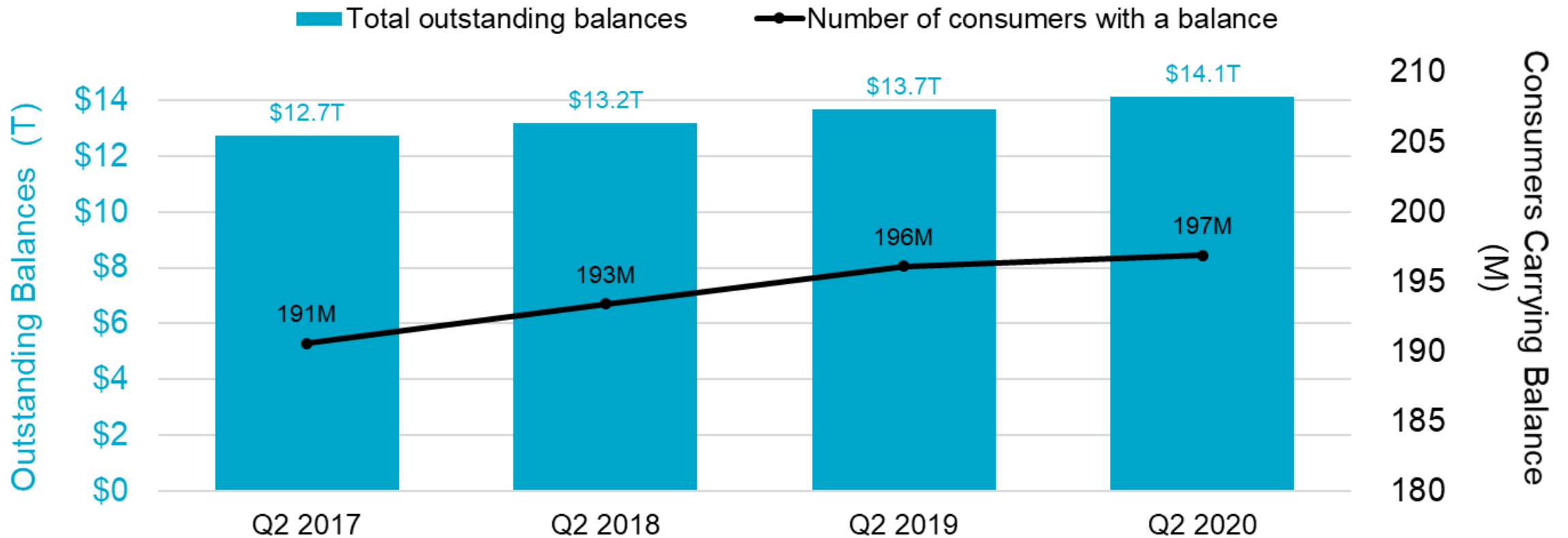
October 7, 2020



# Consumer participation continued to increase, bringing outstanding balances to a record \$14T

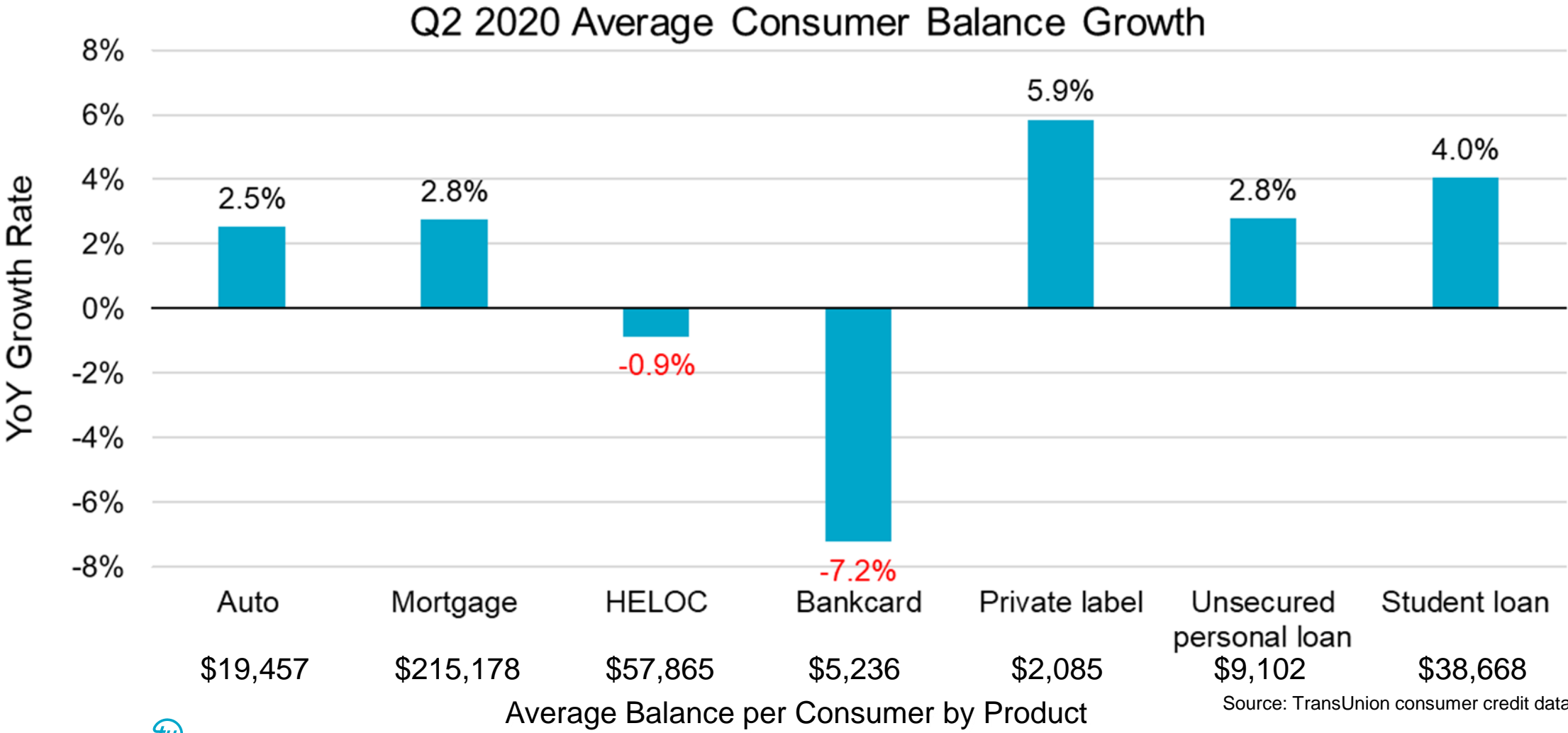


## Consumer Credit Participation



Source: TransUnion consumer credit database

# Consumers paid down their bankcard balances, while most other products saw increases in Q2

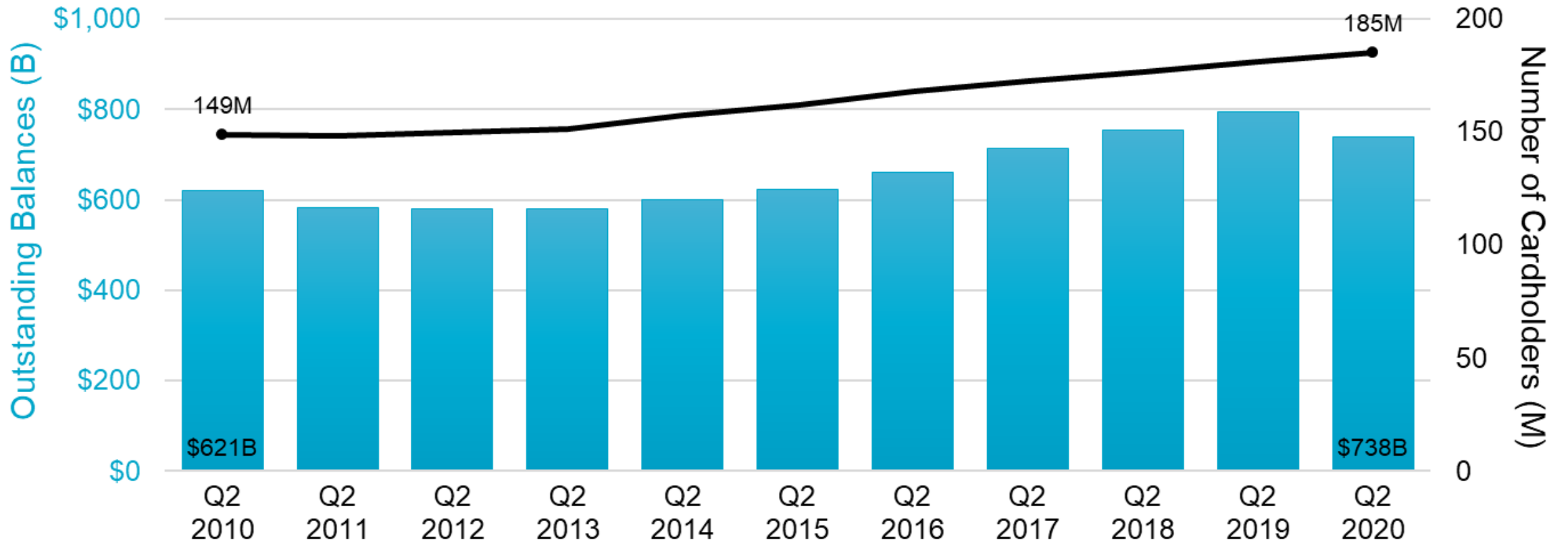


Source: TransUnion consumer credit database



# Outstanding balances decreased for the first time in nearly ten years, as consumers focused on paying down bankcard debt

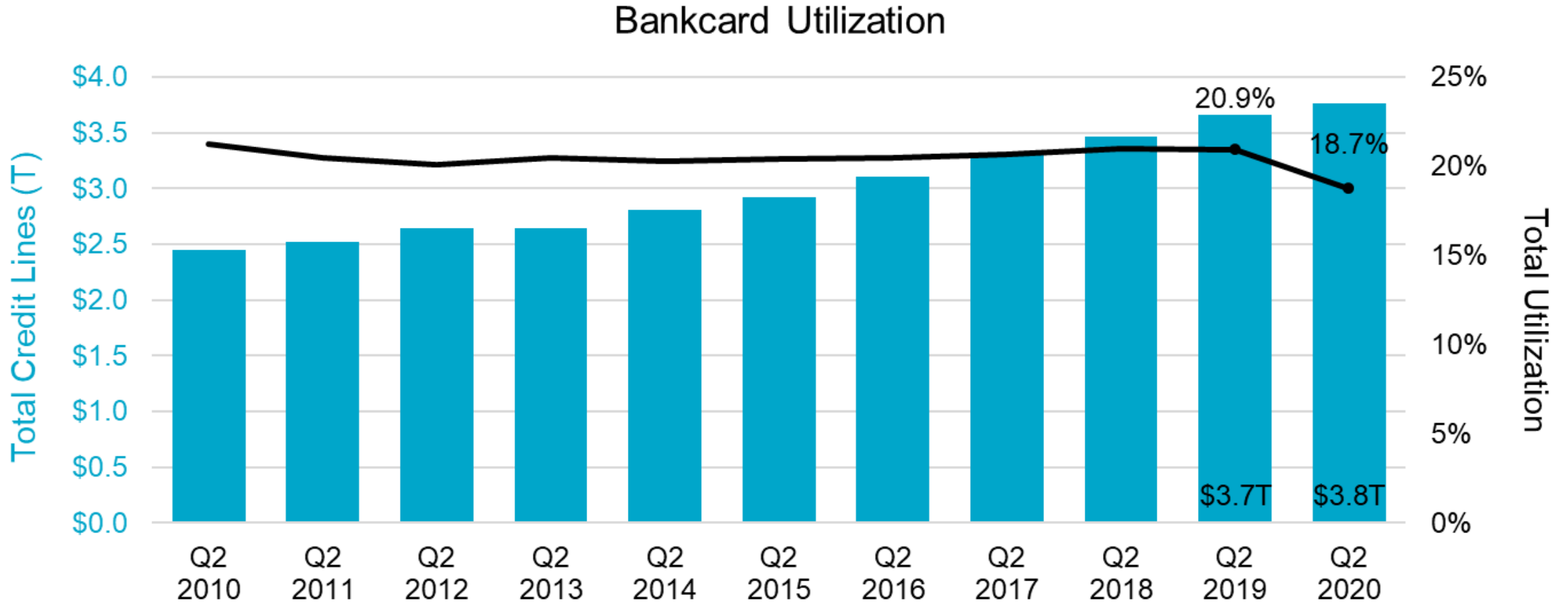
## Total Bankcard Balances and Cardholders



Source: TransUnion consumer credit database



# Bankcard utilization declined in Q2 2020, as consumers focused upon reducing debt

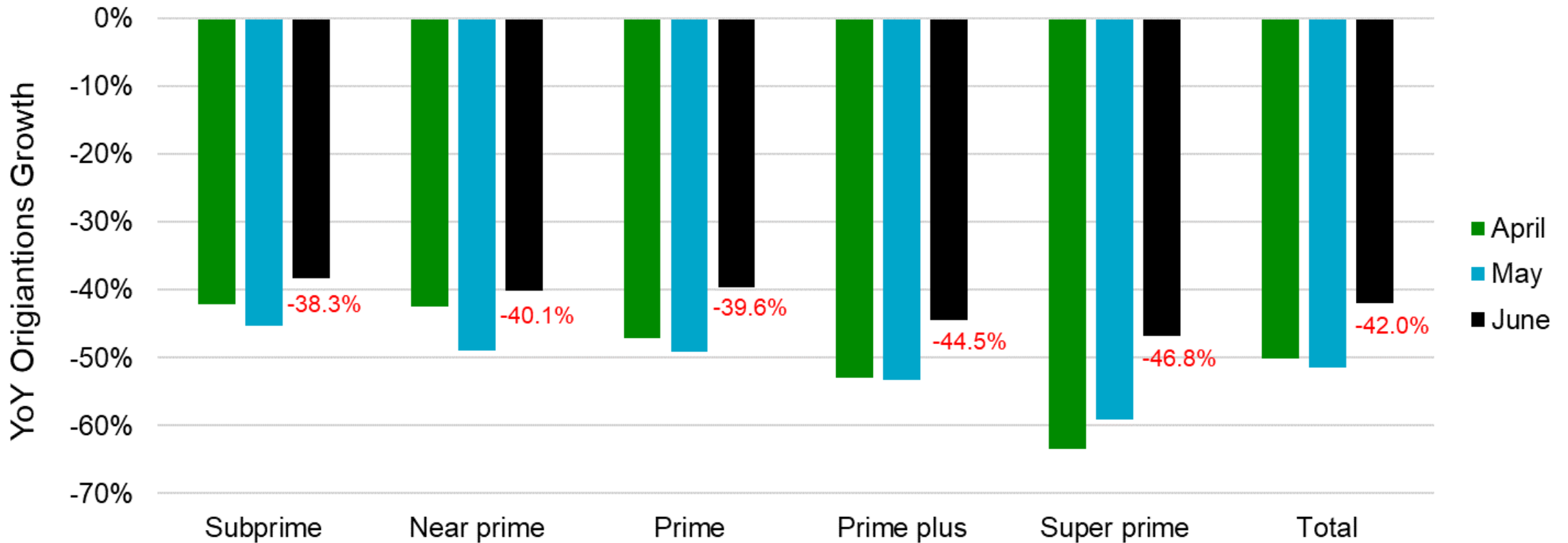


Source: TransUnion consumer credit database

# Bankcard originations saw significant declines across the risk spectrum in Q2



YoY Bankcard Origination Growth by Risk Tier



VantageScore® 4.0 risk ranges

Subprime = 300–600; Near prime = 601–660; Prime = 661–720; Prime plus = 721–780; Super prime = 781–850

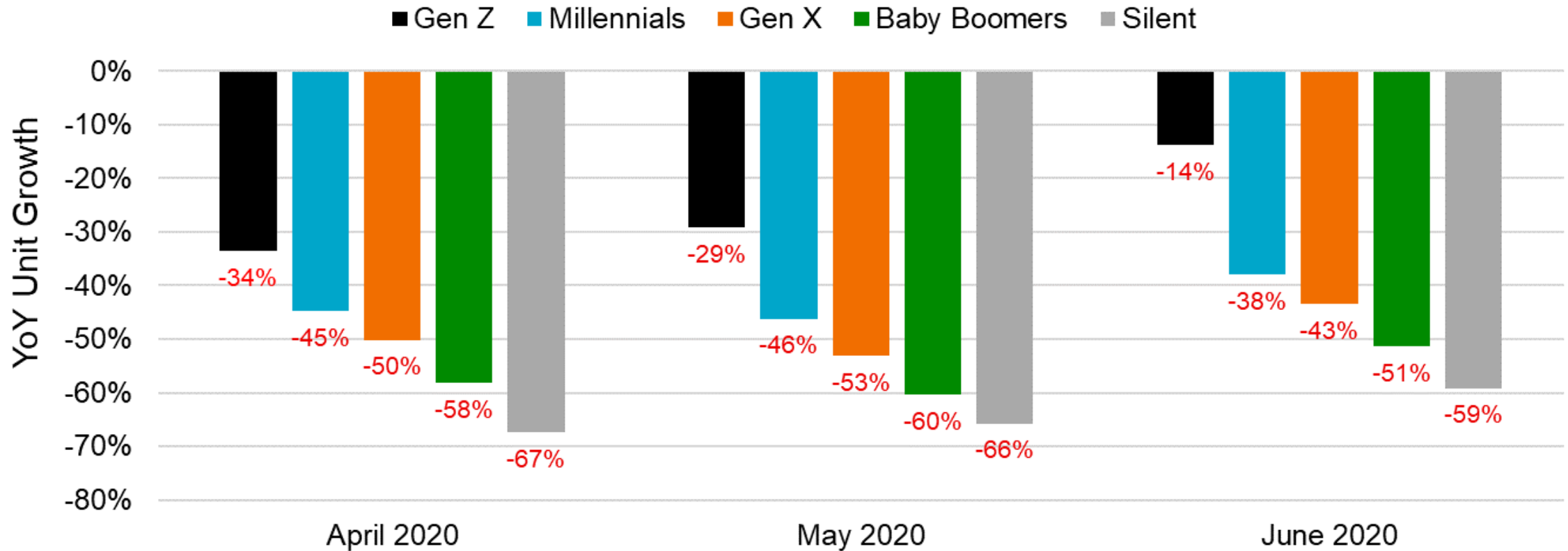
Source: TransUnion consumer credit database



# Origination growth have dropped significantly across all generations since the outbreak



## Growth in Bankcard Originations by Generation MoM



Source: TransUnion consumer credit database



# **Understanding Consumers in Accommodation**

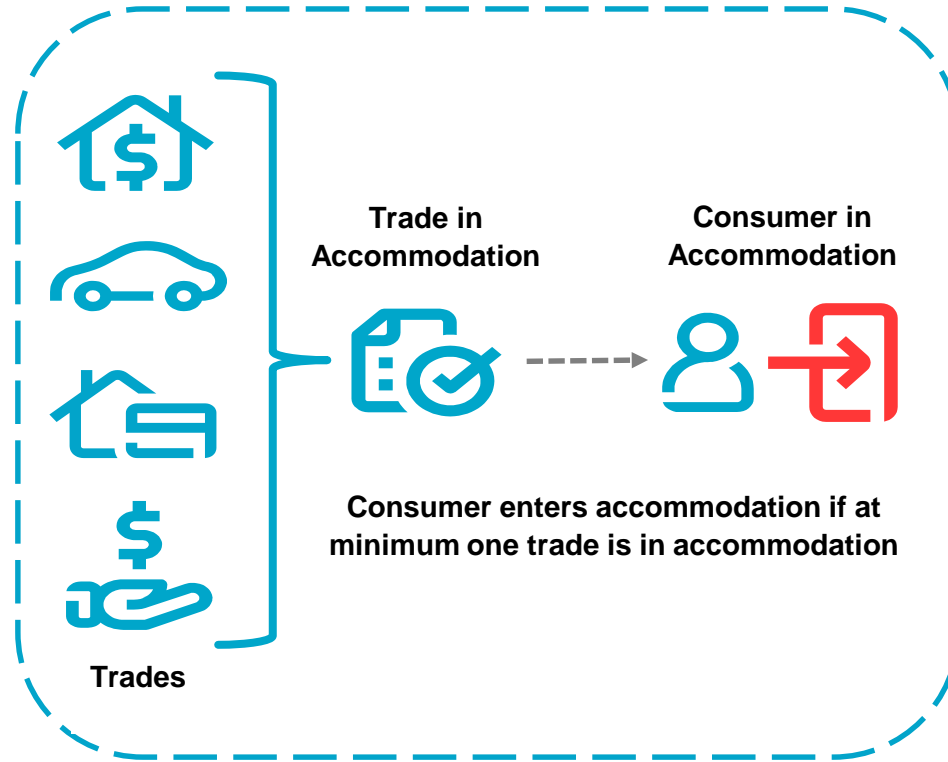


# A sample of consumers from the Monthly Industry Snapshot was used to profile segments of COVID accommodations

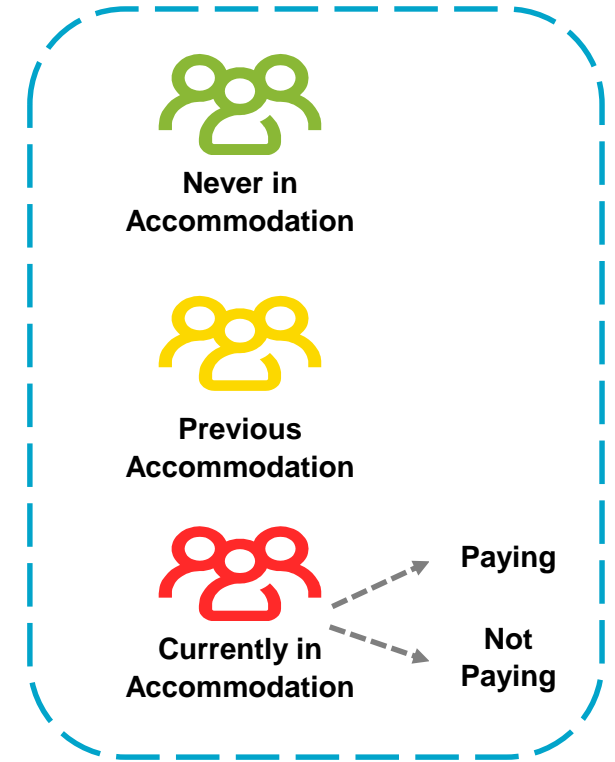
## Original Consumer Population



## Accommodation Process



## Accommodation Status



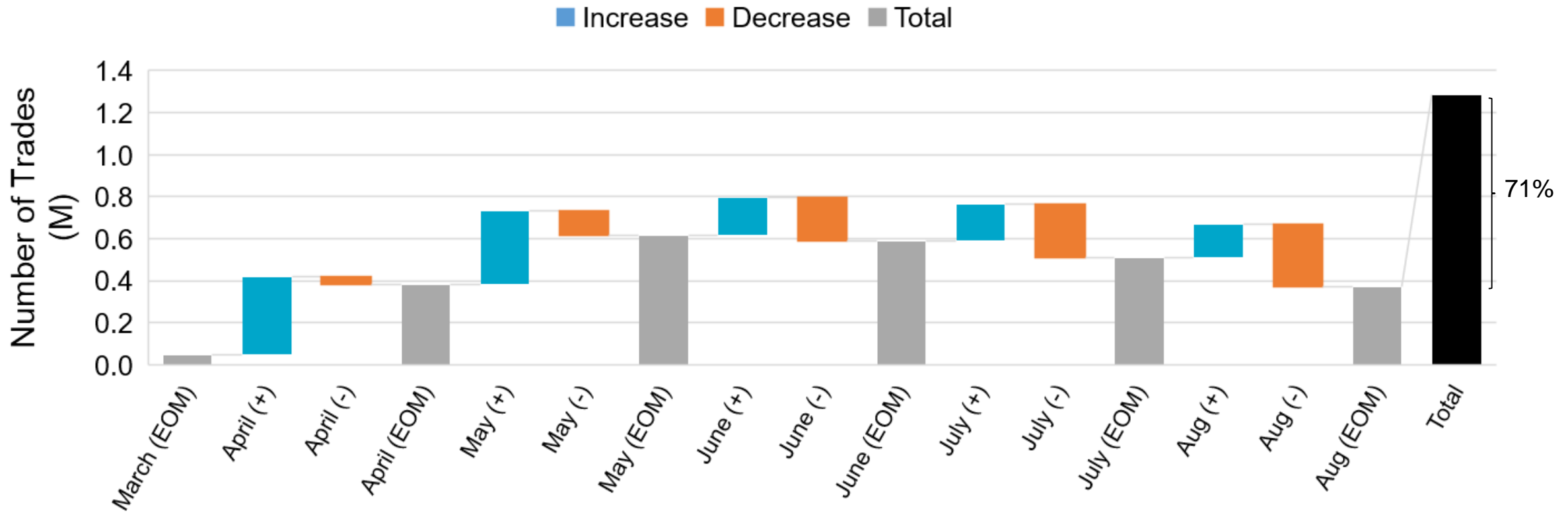
Account accommodation is defined as a trade Affected by Natural/Declared Disaster or Accounts reported as in Forbearance or Accounts reported as Deferred or Payment Due Amount removal or Freezing of account status and/or past due amount. Accommodations are net-new starting from March 2020.

Source: TransUnion consumer credit database



# Trades entered accommodation through May, while June exits outpaced new entrances and 71% of trades exited by August

### Number of Trades in Accommodation



Source: TransUnion consumer credit database



# Consumers in accommodation at the end of July rank by credit tier in the likelihood to still be making payments

Risk Tier	% Consumers in accommodation still paying
Subprime	43.5%
Near prime	55.8%
Prime	63.4%
Prime plus	68.9%
Super prime	70.3%

VantageScore® 4.0 risk ranges

Subprime = 300–600; Near prime = 601–660; Prime = 661–720; Prime plus = 721–780; Super prime = 781–850

Source: TransUnion consumer credit database





## In summary...

Accommodation programs have enabled consumers to delay repayment on debt obligations

Card originations and balances have been severely impacted in 2020

Uncertainty with the consumer and their outlook is impacting the market



# TruAudience® Platform

Deploying in the digital age

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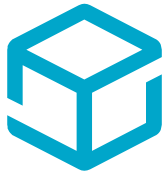




# The TruAudience® Platform (TAP) is a powerful tool to understand and optimize consumer reach

Our **TruAudience® Platform** allows you to connect insights throughout the audience development and activation process – validated against TU’s offline “source of truth.”

## Control



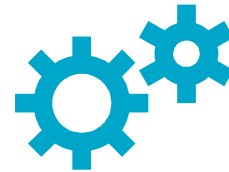
Chose to activate via a UI, APIs or a managed account

## Speed



Insights in minutes and models in hours

## Ease



Create and activate audiences with simple modules

## Transparency



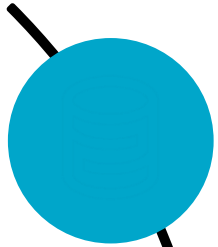
Discover and connect insights to audience development

## Omnichannel



Distribute to more than 500 connection points digitally

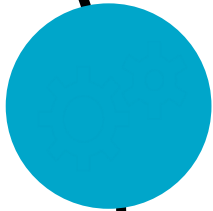
# TruAudience® Platform currently has four modules:



## Audience Builder

Easily search, discover and combine thousands of pre-built, first- and third party audiences to build custom, predictive, Boolean Logic-based audiences in a matter of clicks– with transparency for internal approvals.

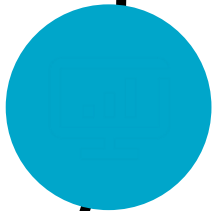
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## Insights

Upload up to 500 audience files for modeling and cross-reference them against TransUnion’s marketing data-base, covering 99% of US adults, to generate 360 audience insights.

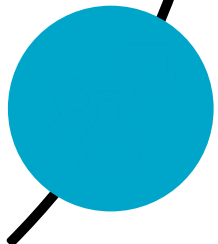
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## Modeling

Build a comprehensive view of people with machine learning for lookalike audiences in hours.

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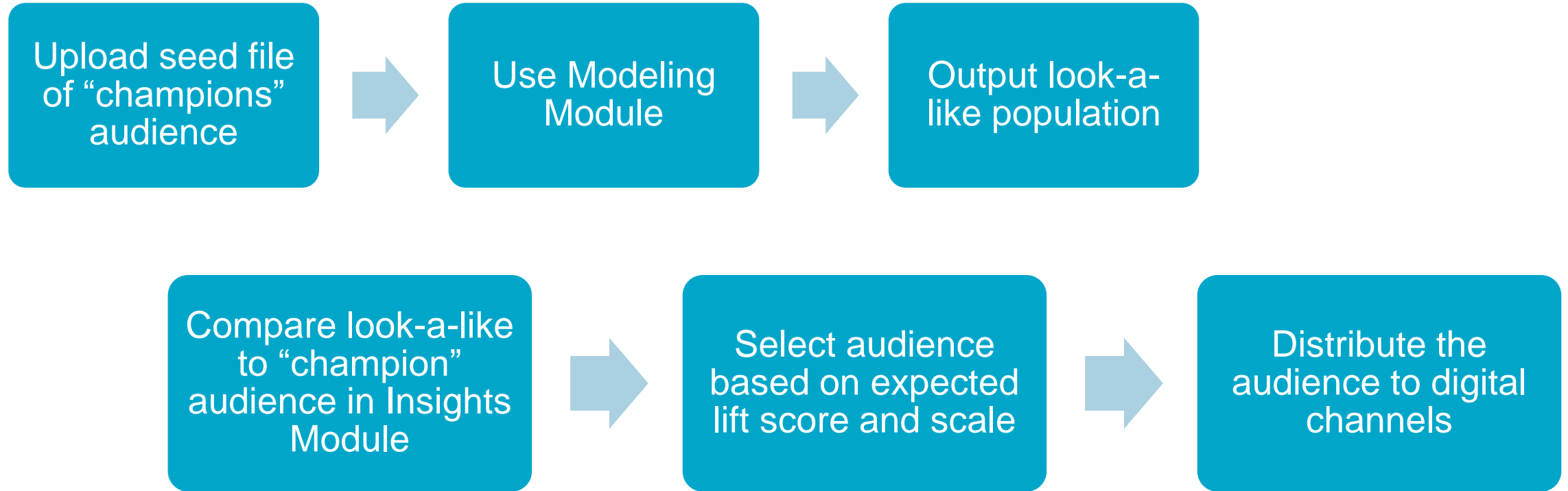


## Distribution

Distribute audiences from TruAudience@ Platform to activate across hundreds of digital platforms (e.g., DMP, DSP, social, mobile, video, advanced TV) where TransUnion maintains a relationship.



# TruAudience® modules provide quick deployment of strategy and audience to meet the desired outcome







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# Modeled, Offline, Behavioral-Based Audiences Provides Conversions for Major Retailer



## Business Need

Used audience intelligence to target in-market prospects and people who look like those who visit competitors' physical locations.



## Key Results

Achieved 3x lift in likelihood to convert compared to average US adult.

Modeled audience comprised of the retailer's most ideal prospects with promising conversion propensities increased scale.