

Visa Marketing Services

Cracking the Code: Winning Member Loyalty

Eliot Rudnicki
Senior Director, Marketing Services

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Turning Enablement Into Measurable Growth



1

Why Loyalty Matters

Understanding The Foundation to Credit Union Growth



Loyalty is the foundation of credit union **growth**, member **retention**, and lasting **success**.

*The goal of your credit union is to create **loyal** members, not just satisfied ones.*

Loyal Members Are the Backbone of Credit Unions

Credit unions play a distinct role with their members. Built on trust, local presence, and mission-driven service, they offer a relationship-based alternative to scale-driven financial models.



Even as payments become increasingly digital, these **human and community-centered attributes** remain meaningful differentiators for consumers.



Core Drivers of Member Loyalty



Personalized Service

- Know members by name
- Offer customized solutions
- Respond to unique needs

Tailored member experiences build trust and loyalty.



Competitive Products

- Low fees
- Flexible loan options
- Reward programs

Attractive rates and offerings keep members engaged.



Emotional Loyalty

- Sense of belonging
- Shared values
- Community support

Driven by connection, trust, and community.



Rational Loyalty

- Competitive rates
- Easy access
- Efficient service

Based on tangible benefits and convenience.

KEY INSIGHT

Successful credit unions blend both loyalty types.

- Engage emotionally
- Deliver value
- Build lasting relationships

Cards Are A Critical Growth And Engagement Battleground

Credit and debit cards are more than payment tools. They are **central to daily engagement, digital experiences, and long-term customer value.**

As consumer expectations rise, card programs have become the **primary arena where trust is tested, loyalty is reinforced, and competitive gaps become visible.**



2

Where Credit Unions Stand Today

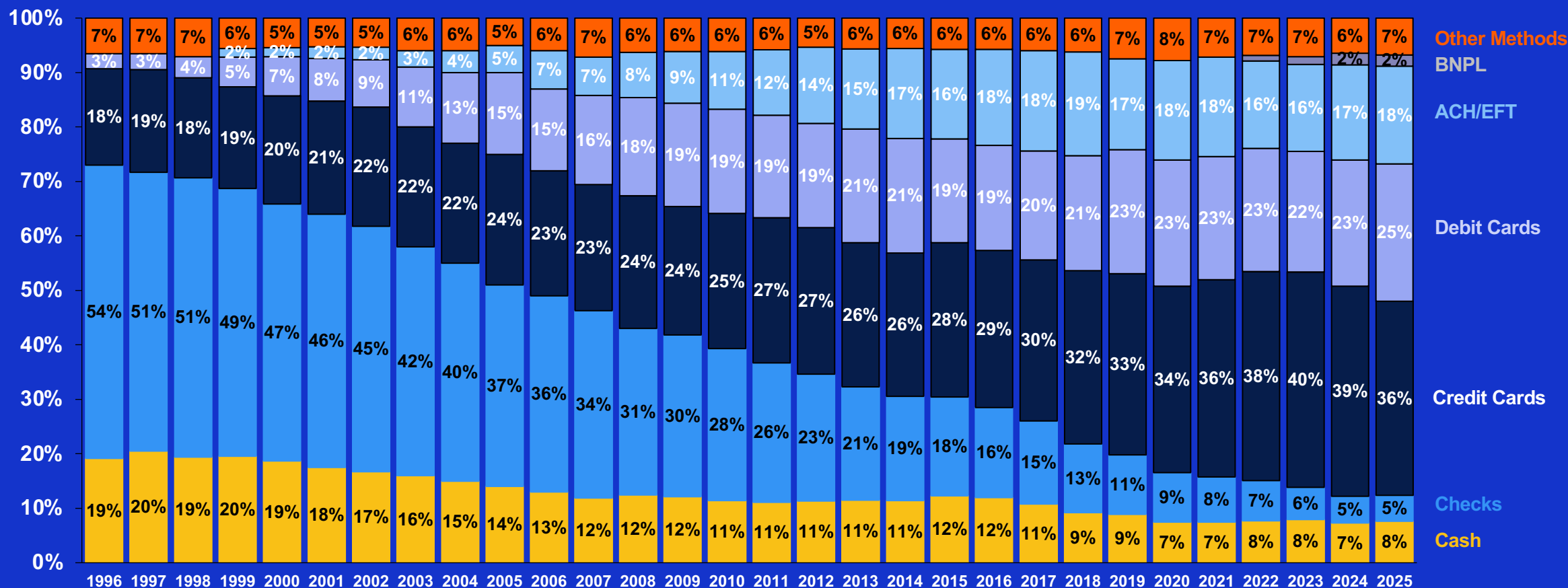
Credit And Debit Card Behavior Across The U.S. Payments
Landscape



Visa's Payment Panel Is The Unique Source of Truth for Consumers' Entire Wallet

U.S Consumer Payment Volume Mix

Visa Payment Panel is an on-going, transaction-level study tracking consumer payments across all payment methods (cash, check, credit, debit, ACH, etc.), networks (Visa, Mastercard, American Express, Discover), and merchant categories. It provides a unique, comprehensive view of consumers' entire wallet and is exclusively available at Visa.

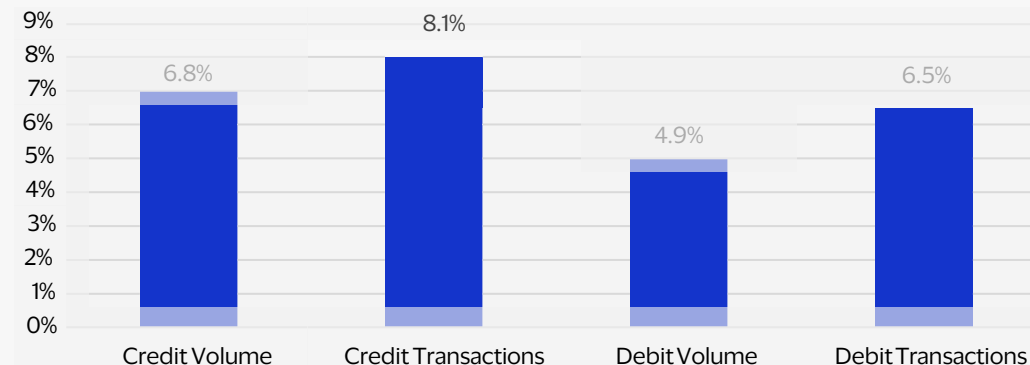


Credit And Debit Cards Continue To Drive Consumer Spending

Credit and debit cards remain the **most widely adopted and frequently used payment methods** among U.S. consumers.

Both categories continue to grow year over year, reinforcing cards as a **critical engine of everyday spending and engagement** across the payments ecosystem.

YoY Growth In Credit And Debit Cards (2023)



Source: The Nilson Report, Issue 1257 (2023). U.S. credit and debit card market growth.

■ YoY Growth (2023)



Credit Card
Volume Grew

6.8% YoY

Credit transactions
increased

8.1% YoY

Debit
spending rose

4.9% YoY

Debit transactions
increased

6.5% YoY

Community Issuers Hold A Small Share Of Card Ownership

While most U.S. consumers carry credit and debit cards, **the majority are issued by national and super-regional banks**, not community institutions.

Credit unions and community banks remain **significantly underrepresented in overall card ownership**, limiting their ability to participate fully in category growth.

Credit Card Ownership by Issuer Type

Own any Credit Cards	81%
Own National Credit Cards	73%
Own Super Regional Credit Cards	25%
Own Regional Credit Cards	5%
Own Credit Unions Credit Cards	3%
Own Community Bank Credit Cards	6%



3% of U.S. consumers have a credit card from a **credit union**.

Source: Community Solutions Payment Panel Findings – Debit Card, p. 2.

Debit Card Ownership by Issuer Type

Own any Debit Cards	76%
Own National Debit Cards	41%
Own Super Regional Debit Cards	18%
Own Regional Debit Cards	8%
Own Credit Unions Debit Cards	9%
Own Community Bank Debit Cards	13%



Credit unions account for **9%** of U.S. debit cardholders.

Source: Community Solutions Payment Panel Findings – Credit Card, p. 2.



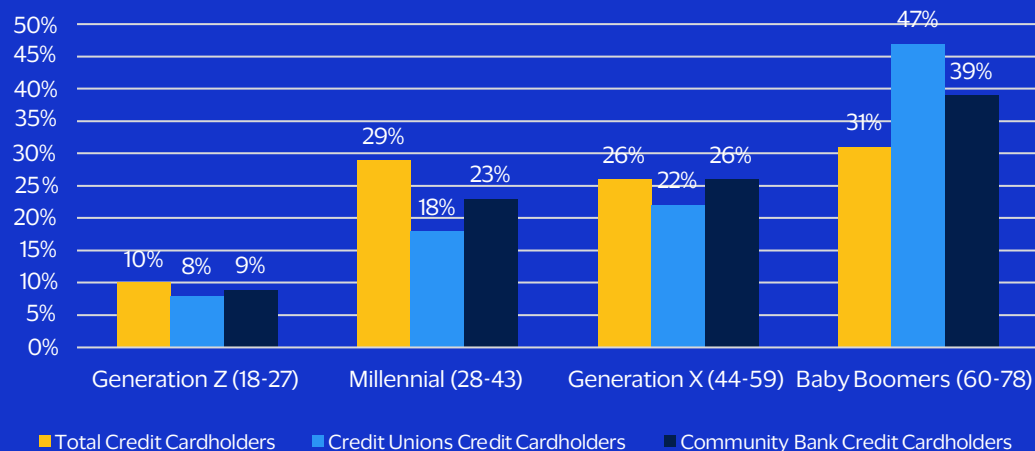
This gap reflects **limited market penetration**, not disengagement among existing cardholders – highlighting a significant opportunity for growth.

Younger Consumers Are Underrepresented In Community-Issued Card Portfolios

Millennials and Gen Z represent a smaller share of credit and debit cardholders at credit unions compared to national benchmarks.

This **generational imbalance limits long-term portfolio growth** and reduces opportunities to build early, enduring card relationships with younger consumers.

Generational Distribution of Cardholders by Issuer Type



Source: Community Solutions Payment Panel Findings – Credit Card.

Unless otherwise noted, findings reflect Visa proprietary analysis combined with third-party industry sources and qualitative research. Results may vary by institution.



Millennials account for **18%** of credit union credit cardholders vs **29%** nationally.



Gen Z represents **8–9%** of credit union credit cardholders.



Similar gaps appear in debit card ownership.



Credit Union-Issued Cards Are Rarely The Primary Card In The Wallet

Cardholders at credit unions often carry multiple credit cards, yet **their credit union's card is rarely the primary card used for everyday spending.**

When credit union cards are not top of wallet, **spend shifts toward competitors offering stronger rewards, usability, or digital experiences.**

Primary Credit Card Usage by Issuer Type

	Usage	Primary Card
Use any Credit Cards	82%	63%
Use National Credit Cards	80%	58%
Use Super Regional Credit Cards	55%	23%
Use Regional Credit Cards	44%	14%
Use Credit Union Credit Cards	49%	22%
Use Community Bank Credit Cards	41%	12%



58% of national bank credit cardholders use their card as primary.



22% of credit union credit cardholders use their card as primary.

Source: Community Solutions Payment Panel Findings – Credit Card, p. 2.



Average number of credit cards held per consumer

Credit union cardholders:

3.2

U.S. national average:

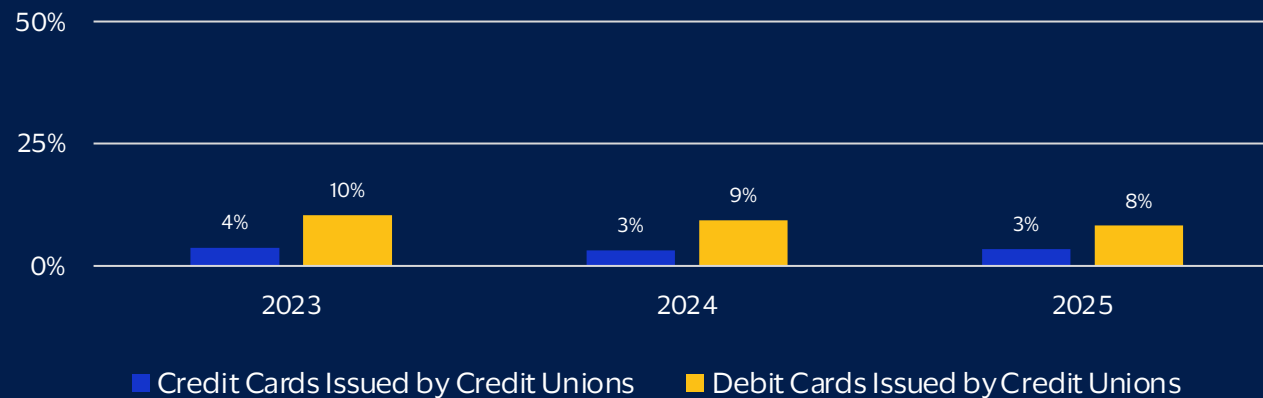
2.9

Source: Community Solutions Payment Panel Findings – Credit Card.

Credit Union Card Penetration Has Declined Year-over-Year

Visa's research found that over the past few years, Credit Union's have been stagnant on penetration for both credit and debit card penetration, resulting in a **widening competitive gap**.

% Total US Consumer Credit or Debit Card Issued by Credit Unions



This is most likely due to a mix of competitive, economic, and structural factors.

Source: Community Solutions Payment Panel Findings



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Rewards And Product Design Strongly Influence Primary Card Choice

While trust influences where consumers bank, **rewards and perceived value largely determine which card they use most often.**



Options are important because gives me the ability to maximize value I get. I don't want to complicate things.

Gen-X, MI - Credit Union customer

Source: Community Solutions Qualitative Research Insights, Feb 2025.(P3)



Credit Card Rewards Mix by Issuer Type



42% of credit union credit cards are non-rewards.



Only **28%** of credit union issued cards offer cash back.



National issuers have a significantly lower share of non-rewards cards.



Credit Union Credit Cardholders

	Total Credit Cards	Credit Union Credit Cards	Non-Credit Unions Credit Cards
Base: Credit Union Credit Cardholders	692	692	515
Cashback	36%	28%	41%
Cobranded Rewards	20%	2%	29%
Points/Miles	15%	24%	11%
Non-Rewards Credit Card	26%	42%	18%
Other/Don't Know	3%	5%	2%

Source: Community Solutions Payment Panel Findings - Credit Card p.2

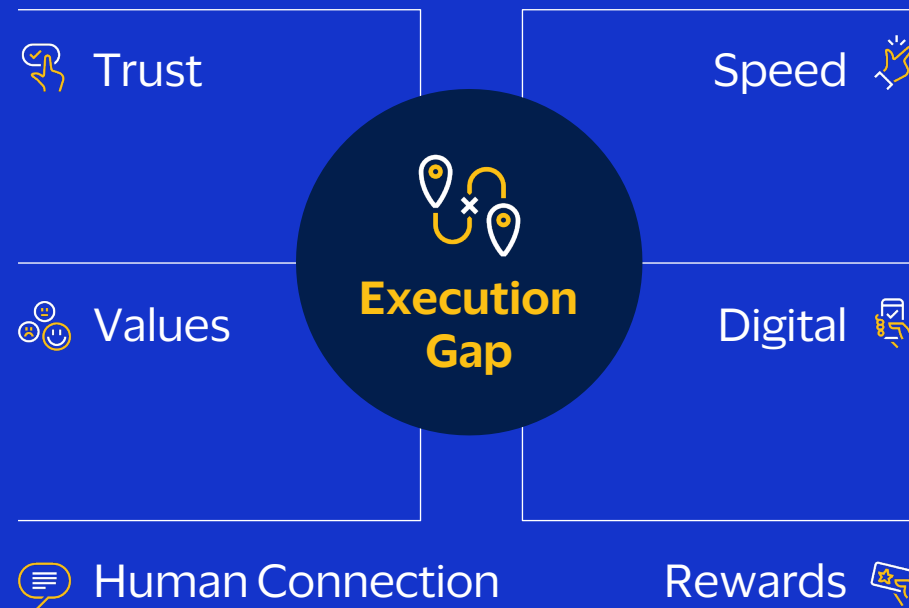


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Trust Alone Is No Longer Enough

Credit Unions are well trusted and deeply valued by their customers. However, across ownership, primary usage, rewards, and generational mix, the data shows a consistent pattern: **strong relationships are not translating into everyday card engagement.**

Credit Unions are not challenged by their mission or values. They are challenged by **execution in an environment shaped by speed, convenience, and digital expectations.**



3

Strategic Opportunities For Growth

Unlock Lifetime Value Through the
Cardholder Lifecycle



Clear Opportunities Exist To Strengthen Card Performance



The greatest opportunities exist where relationships and everyday moments intersect:

- **Winning primary card status** through stronger value propositions
- **Improving rewards relevance** to drive habitual usage
- **Strengthening digital and wallet experiences** for speed and convenience
- **Engaging younger consumers earlier** in their financial journey

Unlock Lifetime Value By Driving Stickiness Across The Customer Lifecycle

Build meaningful connections at every stage:

Credit unions that prioritize **full-funnel initiatives** not only retain more members but also attract new ones, strengthening their competitive advantage in the financial services landscape.

01 Awareness

- Introduce your brand and value proposition
- Promote card benefits and local commitment

02 Acquisition

- Create a seamless onboarding experience with personalized touches
- Encourage early spend behavior

03 Engagement

- Develop spend campaigns
- Expand merchant categories

04 Loyalty

- Deliver financial literacy tools
- Provide outreach around life moments
- Host local events



Four Key Pillars to Support Cardholder Loyalty



Personalized Experience

ACTION

Tailor products and services to individual member needs.

1



Digital Engagement

ACTION

Offer seamless online and mobile banking options.

2



Community Involvement

ACTION

Communicate openly and frequently with members.

3



Transparent Communication

ACTION

Support local events and causes to build trust.

4



In Today's Market, Personalization Is Everything

75%

of consumers are more likely to purchase from brands that deliver personalized content¹

71%

Compared to peer brands with low personalization maturity, brands that excel at personalization are 71% more likely to report improved customer loyalty³

65%

of customers see targeted promotions as a top reason to make a purchase²



Sources:

1. <https://www.deloittedigital.com/nl/en/insights/perspective/marketing-trends-2025.html>
2. <https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/unlocking-the-next-frontier-of-personalized-marketing>
3. <https://www.deloittedigital.com/us/en/insights/research/personalizing-growth.html?id=us:2el:3dp:wsjspon:awa:WSJCMO:2022:WSJFY23>

Personalized messaging helps credit unions stay competitive without sacrificing their local, human touch



Reinforce the Relationship-Based Advantage

Deliver relevant messages that reflect real needs, life stages, and behaviors rather than generic offers



Drive Engagement and Cross-Sell with Existing Customers

As national banks compete aggressively for acquisition, community banks have a clear opportunity to grow by deepening existing relationships—using personalization to identify engaged customers, surface relevant products, and communicate at the right moment



Support Lifecycle Marketing Across Generations

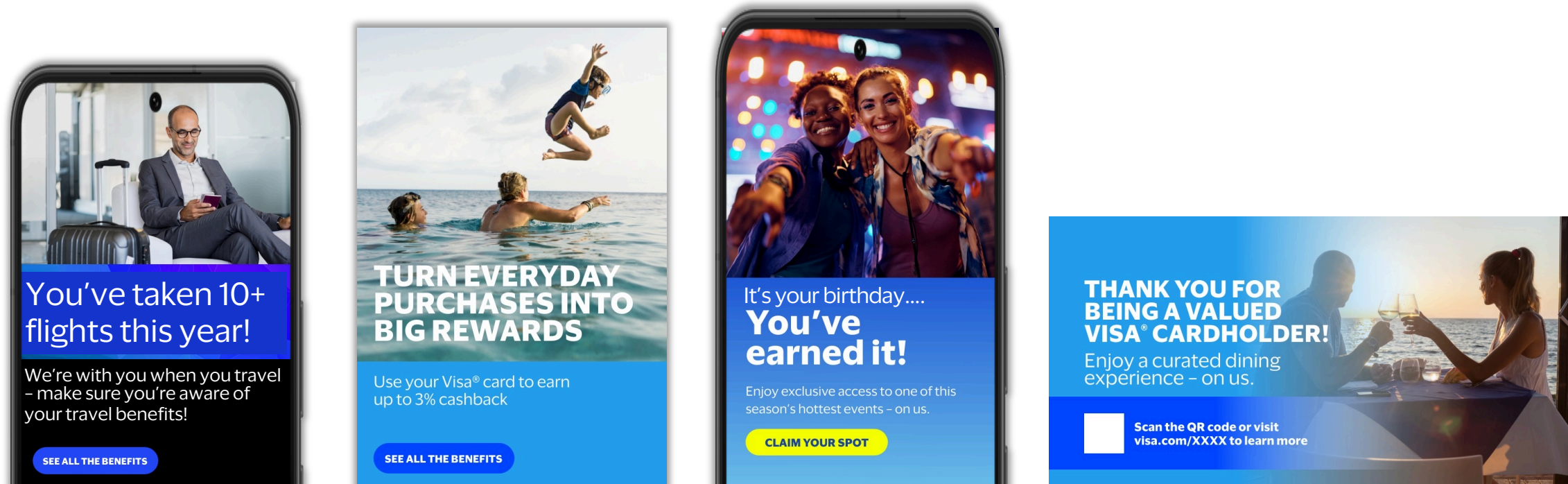
From onboarding and early-month-on-book engagement to long-term loyalty, personalization enables credit unions to:

- Retain Gen X and Baby Boomers who value trust and relevance
- Engage younger generations with digital-first, context-aware messaging

Consumers now expect communications to be **timely, relevant, and tailored**—especially from institutions they trust with their finances.

Practical Solutions To Drive Stickiness

Add a special touch to let members know you're putting them first



Trigger-Based Marketing

- Automatically communicate with members based on triggering events (like a certain number of flights) to remind them you are there for them

Life-Event Marketing

- Add a personalized touch with birthday marketing, member anniversary notes and more

Loyalty Marketing

- Show you care with member appreciation events, exclusive dining experiences, and dedicated branch staff

4

What Success Looks Like for Credit Unions

Turning Enablement Into Measurable Growth



Loyalty is a Key Piece In Stronger Card Performance

When Credit Unions align strategy, execution, and enablement, card performance improves across the metrics that matter most.

With the right focus and support, issuers can **strengthen engagement, grow primary card usage, and build durable relationships that drive long-term value.**

Successful card programs are characterized by:



Higher primary card usage and share of everyday spend



More active, engaged cardholders across credit and debit



Stronger digital performance in mobile, online, and wallet environments



Sustainable growth driven by younger and emerging segments

Partnering To Drive Measurable Growth

The opportunity Credit Unions is clear:

Strengthen primary card relationships, improve digital performance, and compete more effectively for everyday spend.

Visa partners with issuers to help translate strategic priorities into scalable execution, aligning product, digital readiness, and lifecycle engagement to drive measurable and sustainable growth.



The opportunity ahead is significant and achievable through focused partnership.

Let's do it together.



Visa just released a new white paper: *Empowering Growth for Community Financial Institutions*



Contact Information For A Copy

communitymarketing@visa.com



Q & A