



## Alliance Data Provides Card Services Performance Update for March 2018

April 16, 2018

Alliance Data Systems Corporation (NYSE: ADS), a leading global provider of data-driven marketing and loyalty solutions, today provided an update on its Card Services segment.

In conjunction with the release of the Company's Master Trust Monthly Noteholder's Statement, the Company is releasing similar metrics for the overall total managed portfolio. The Master Trust data represents a subset of the Company's total managed portfolio, and the Company believes the information presented below provides a more complete view of the Card Services segment.

	<b>For the month ended March 31, 2018</b>	<b>For the three months ended March 31, 2018</b>
	(dollars in thousands)	
Average receivables.....	\$ 17,424,287	\$ 17,722,362
Year over year change in average receivables.....	13%	13%
Net charge-offs.....	\$ 90,943	\$ 296,117
Net charge-offs as a percentage of average receivables <sup>(1)</sup> <sup>(2)</sup> .....	6.3%	6.7%

<sup>(1)</sup> Compares to 6.3% for both the month and three months ended March 31, 2017, respectively. The variance in the year over year net charge-off rate for the first quarter is attributable to the impact of the hurricanes of approximately 15 basis points and recovery rates of approximately 50 basis points partially offset by improvement in gross losses.

	<b>As of March 31, 2018</b>	<b>As of March 31, 2017</b>
	(dollars in thousands)	
30 days + delinquencies - principal.....	\$ 905,669	\$ 719,621
Period ended receivables - principal.....	\$ 16,940,144	\$ 14,980,340
Delinquency rate <sup>(2)</sup> .....	5.3%	4.8%

<sup>(2)</sup> Delinquency and net charge-off rates will be elevated for the first part of 2018 as accounts that were provided a two-month leniency period due to last year's hurricanes will roll through delinquency. In addition, net charge-off rates will be impacted by lower recovery rates as the Company transitions from third-party sales of written-off accounts to in-house collections in order to realize higher long-term recovery rates. Both of these factors are expected to be transitory and dissipate as the year progresses. As such, the Company is targeting a full-year loss rate of 6%.

[Alliance Data](#)<sup>®</sup> (NYSE: ADS) is a leading global provider of data-driven marketing and loyalty solutions serving large, consumer-based industries. The Company creates and deploys customized solutions, enhancing the critical customer marketing experience; the result is measurably changing consumer behavior while driving business growth and profitability for some of today's most recognizable brands. Alliance Data helps its clients create and increase customer loyalty through solutions that engage millions of customers each day across multiple touch points using traditional, digital, mobile and emerging technologies. An S&P 500, FORTUNE 500 and FORTUNE 100 Best Companies to Work For company headquartered in Plano, Texas, Alliance Data consists of three businesses that together employ approximately 20,000 associates at more than 100 locations worldwide.

[Alliance Data's card services](#) business is a provider of market-leading private label, co-brand, and business credit card programs. [Epsilon](#)<sup>®</sup> is a

leading provider of multichannel, data-driven technologies and marketing services, and also includes [Conversant](#)<sup>®</sup>, a leader in personalized digital marketing. [LoyaltyOne](#)<sup>®</sup> owns and operates the [AIR MILES](#)<sup>®</sup> Reward Program, Canada's most recognized loyalty program, and Netherlands-based [BrandLoyalty](#), a global provider of tailor-made loyalty programs for grocers.

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#### **Media Contacts**

Tiffany Louder

Investor Relations

[tiffany.louder@alliancedata.com](mailto:tiffany.louder@alliancedata.com)

214-494-3048

Shelley Whiddon

Media Relations

[shelley.whiddon@alliancedata.com](mailto:shelley.whiddon@alliancedata.com)

214-494-3811

Annabelle Baxter

Media Relations

[annabelle.baxter@alliancedata.com](mailto:annabelle.baxter@alliancedata.com)

214-494-3818