



Bread Financial

Third Quarter 2022 Results

October 27, 2022

Ralph Andretta

President & CEO

Perry Beberman

EVP & CFO



Forward-Looking Statements

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements give our expectations or forecasts of future events and can generally be identified by the use of words such as "believe," "expect," "anticipate," "estimate," "intend," "project," "plan," "likely," "may," "should" or other words or phrases of similar import. Similarly, statements that describe our business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements we make regarding, and the guidance we give with respect to, our anticipated operating or financial results, future financial performance and outlook, initiation or completion of strategic initiatives, including the ability to realize the intended benefits of the spinoff of our former LoyaltyOne® segment, future dividend declarations, future economic conditions, including, but not limited to, market conditions, persistent inflation, rising interest rates, the increased probability of a recession and related impacts on consumer behavior, future legislative or regulatory actions that could have impact on our business and results of operations, including any such actions that may be taken with respect to late fees, interchange fees, or other charges, developments in the geopolitical environment, including the war in Ukraine, and the ongoing effects of the global COVID-19 pandemic, all of which factors remain difficult to predict.

We believe that our expectations are based on reasonable assumptions. Forward-looking statements, however, are subject to a number of risks and uncertainties that could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this release, and no assurances can be given that our expectations will prove to have been correct. These risks and uncertainties include, but are not limited to, factors set forth in the Risk Factors section and elsewhere in our Annual Report on Form 10-K for the most recently ended fiscal year, which may be updated in Item 1A of, or elsewhere in, our Quarterly Reports on Form 10-Q filed for periods subsequent to such Form 10-K. Our forward-looking statements speak only as of the date made, and we undertake no obligation, other than as required by applicable law, to update or revise any forward-looking statements, whether as a result of new information, subsequent events, anticipated or unanticipated circumstances or otherwise.

Non-GAAP Financial Measures

We prepare our Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States of America (GAAP). However, certain information included within this presentation, constitutes non-GAAP financial measures. Our calculations of non-GAAP financial measures may differ from the calculations of similarly titled measures by other companies. In particular, Pretax pre-provision earnings (PPNR) is calculated by increasing/decreasing Income from continuing operations before income taxes by the net build/release in Provision for credit losses. We use PPNR as a metric to evaluate our results of operations before income taxes, excluding the volatility that can occur within Provision for credit losses. Tangible common equity over Tangible assets (TCE/TA) represents Total stockholders' equity reduced by Goodwill and intangible assets, net, (TCE) divided by Tangible assets (TA), which is Total assets reduced by Goodwill and intangible assets, net. We use TCE/TA as a metric to evaluate the Company's capital adequacy and estimate its ability to cover potential losses. Tangible book value per common share represents TCE divided by shares outstanding. We use Tangible book value per common share as a metric to estimate the Company's potential value in relation to tangible assets per share. We believe the use of these non-GAAP financial measures provide additional clarity in understanding our results of operations and trends. For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures, please see the *Reconciliation of GAAP to Non-GAAP Financial Measures* that follows.

Key Highlights

Quality growth with strong core performance trends

- ✔ Growth continues to accelerate as average and end-of-period loans increased 14% and 16%, respectively, versus 3Q21
- ✔ Revenue growth of 15% and improved Net interest margin
- ✔ Pretax pre-provision earnings* up 17% versus 3Q21; 6th consecutive quarter up double-digits
- ✔ Improved funding mix with retail deposit growth of 70% versus 3Q21 and 24% versus 2Q22
- ✔ Robust business development activity and pipeline

Remain focused on driving sustainable, profitable growth

- ✔ Advanced technology modernization to further operating efficiencies and innovation
- ✔ Seasoned financial services industry executive leadership with successful history of managing through full economic cycles
- ✔ Improved financial resilience provides increased confidence in our outlook

* Pretax pre-provision earnings is a non-GAAP financial measure. See the Reconciliation of GAAP to Non-GAAP Financial Measures that follows.



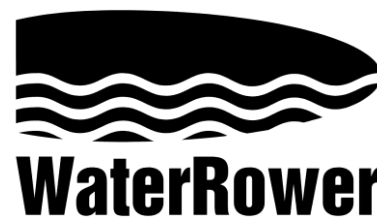
Business Development Highlights

New & Renewed Brand Partners

WORLD MARKET®

Buckle 

Select New Bread Pay Partners



125+ integrated merchants

New Innovative Bread Pay In-Store Technology Solutions



Enables virtual card for a frictionless consumer and merchant experience



Sales finance lending platform providing distribution in diversified verticals

Third Quarter 2022 Financial Highlights

\$979 million

Revenue

\$134 million

Net Income

\$2.69

Diluted EPS

- Credit sales of \$7.7 billion up 4% in 3Q22 versus 3Q21
- Third quarter average loans of \$17.6 billion were up 14% versus 3Q21
- Revenue increased 15% versus 3Q21, while total non-interest expenses increased 13%
- Income from continuing operations of \$134 million was down 35% versus 3Q21, as PPNR growth was more than offset by higher provision for credit losses in 3Q22
- Credit performance metrics continued to normalize, as expected

Financial Results – Continuing Operations

(\$ in millions, except per share)

	3Q22	3Q21	\$ Chg	% Chg	YTD '22	YTD '21	\$ Chg	%Chg
Total interest income	\$1,218	\$994	\$224	23 %	\$3,359	\$2,851	\$508	18 %
Total interest expense	133	91	42	47	308	298	10	3
Net interest income	1,085	903	182	20	3,051	2,553	498	20
Total non-interest income	(106)	(52)	(54)	103	(258)	(137)	(121)	90
Revenue	979	851	128	15	2,793	2,416	377	16
Net principal losses	218	151	67	44	656	543	113	21
Reserve build (release)	86	10	76	nm	246	(363)	609	nm
Provision for credit losses	304	161	143	89	902	180	722	nm
Total non-interest expenses	486	431	55	13	1,383	1,256	127	10
Income before income taxes	189	259	(70)	(27)	508	980	(472)	(48)
Provision for income taxes	55	53	2	2	150	243	(93)	(39)
Net income	\$134	\$206	(72)	(35) %	\$358	\$737	\$(379)	(51) %
Net income per diluted share	\$2.69	\$4.11	\$(1.42)	(35) %	\$7.16	\$14.74	\$(7.58)	(51) %
Weighted avg. shares outstanding – diluted	49.9	50.0			50.0	50.0		
Pretax pre-provision earnings (PPNR)*	\$493	\$420	\$73	17 %	\$1,410	\$1,160	\$250	21 %



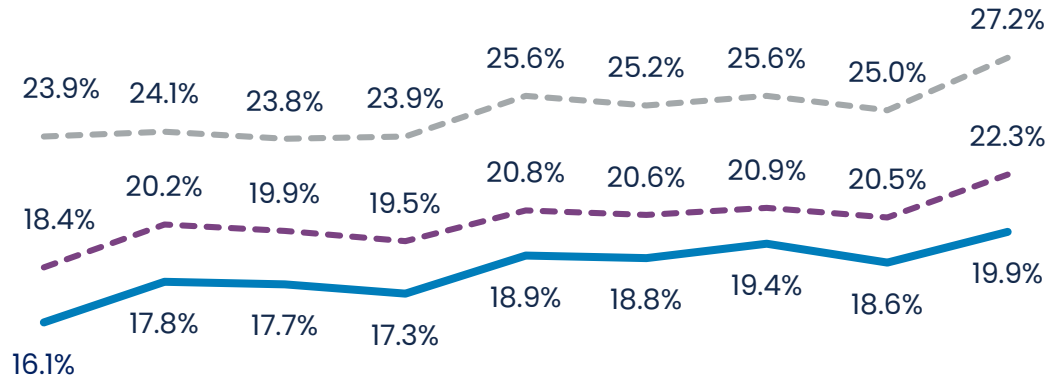
* Pretax pre-provision earnings is a non-GAAP financial measure. See the Reconciliation of GAAP to Non-GAAP Financial Measures that follows.

nm – not meaningful

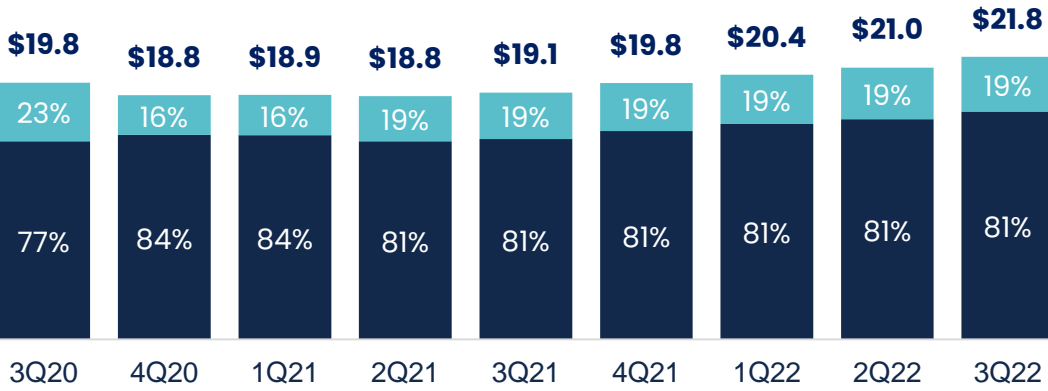
Net Interest Margin

Interest-Earning Asset Yields & Mix

--- Loan yield - - - Avg. earning asset yield — Net interest margin



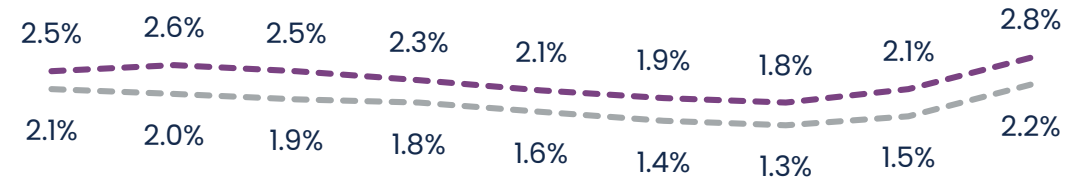
Average interest-earning assets
(\$ in billions)



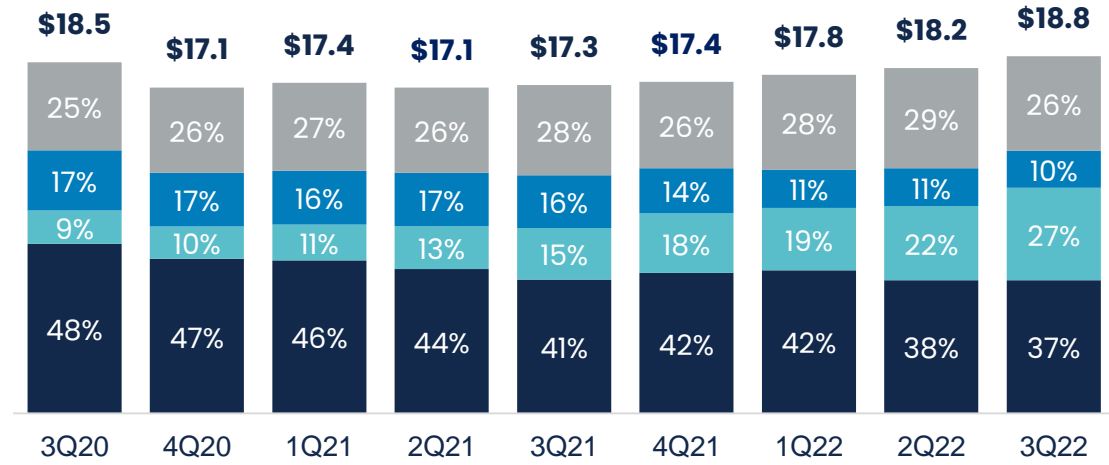
■ Credit card and other loans ■ Cash and investment securities

Interest-Bearing Liability Costs & Funding Mix

- - - Cost of total interest-bearing liabilities --- Cost of deposits



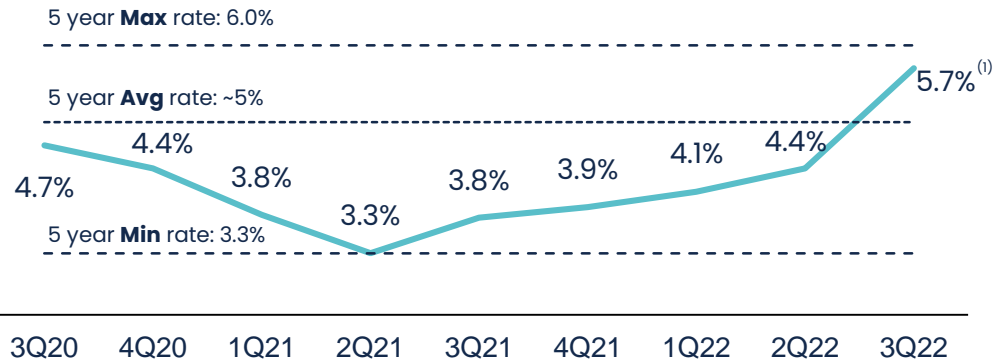
Average interest-bearing liabilities
(\$ in billions)



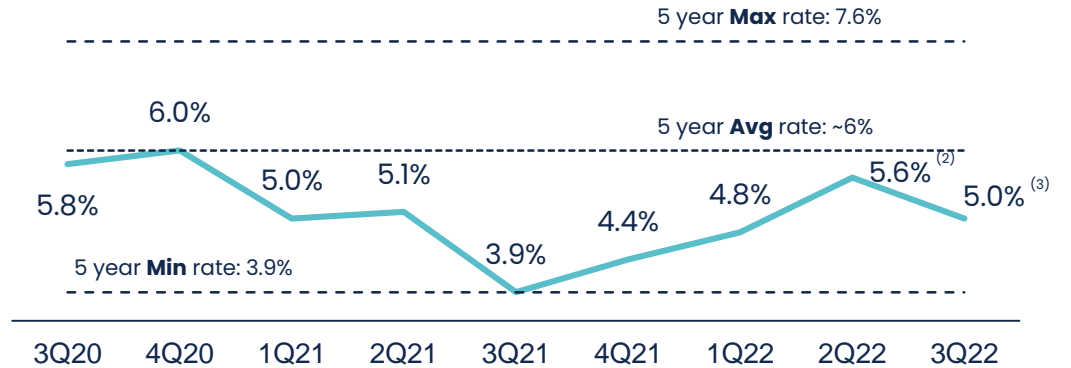
■ Wholesale deposits ■ Retail deposits
■ Unsecured borrowings ■ Secured borrowings

Credit Quality and Allowance

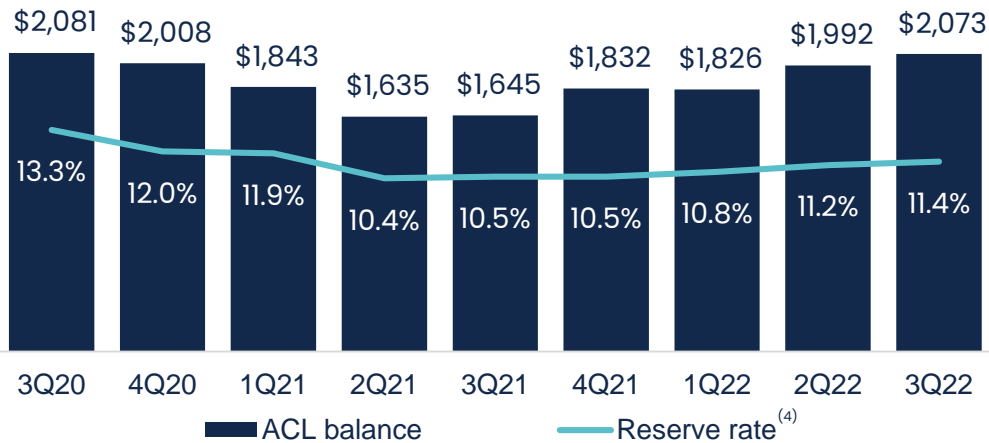
Delinquency Rates



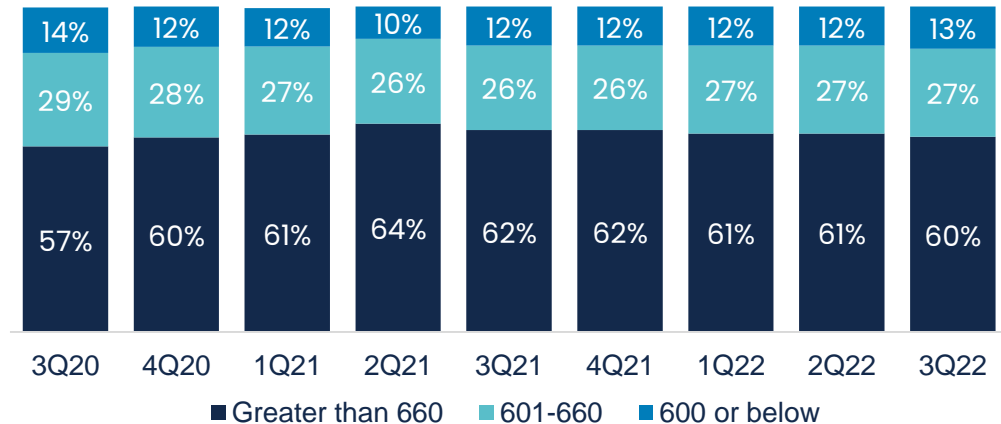
Net Loss Rates



Reserve Rates (\$ in millions)



Revolving Credit Risk Distribution (Vantage score)



(1) The 3Q22 Delinquency rate was impacted by the transition of our credit card processing services.

(2) The 2Q22 Net loss rate includes a 30 basis point increase from the effects of the purchase of previously written-off accounts that were sold to a third-party debt collection agency.

(3) The 3Q22 Net loss rate was impacted by the transition of our credit card processing services. Excluding this impact, which is timing-related, the Net loss rate for the quarter would have been higher.

(4) Calculated as the percentage of the Allowance for credit losses to end-of-period Credit card and other loans.

2022 Financial Outlook

Full Year 2021 Actuals	Full Year 2022 Outlook	Commentary
Average loans \$15,656 million	Up low double digits	<ul style="list-style-type: none"> Continued sales growth and net partner additions driving sustainable, profitable growth Expect the year-end loan balance to be between \$21 and \$22 billion as a result of successful new business development activities in 2022
Revenue \$3,272 million	Aligned with loan growth	<ul style="list-style-type: none"> Net interest income growth is expected to be favorable to full year average loan growth year-over-year, with a nominal benefit from continued Federal Reserve interest rate increases Non-interest income year-over-year change is expected to partially offset the favorability in Net interest income
Total non-interest expenses \$1,684 million	Positive operating leverage	<ul style="list-style-type: none"> Includes a planned incremental strategic investment of more than \$125 million in technology modernization, digital advancement, marketing, and product innovation driving future growth and efficiencies We expect expenses will increase sequentially each quarter throughout 2022 We will manage the pace of investments to align with our full year revenue & growth outlook
Net loss rate 4.6%	Low-to-mid 5% range	<ul style="list-style-type: none"> Anticipate the full year net loss rate to be at the high end of our range Expect credit metrics to normalize in 2022 off of historically low rates, yet remain below our historical through-the-cycle average of approximately 6.0% for the full year

Strengthened Financial Resilience

Transforming our Company to deliver sustainable, profitable growth with an expectation to outperform historic loss levels

Strong corporate governance

Proactive risk management

Prudent balance sheet management

Disciplined expense management

Enhanced core capabilities



Improved balance sheet strength and funding mix

Loan loss reserve materially higher

Capital ratios significantly improved

Reduced debt levels

Increased mix of retail deposits



Enhanced credit risk management and underlying credit distribution

Diversification across products and partners

Prudent and proactive line management

Well-established risk appetite metrics

Credit mix shift to higher quality

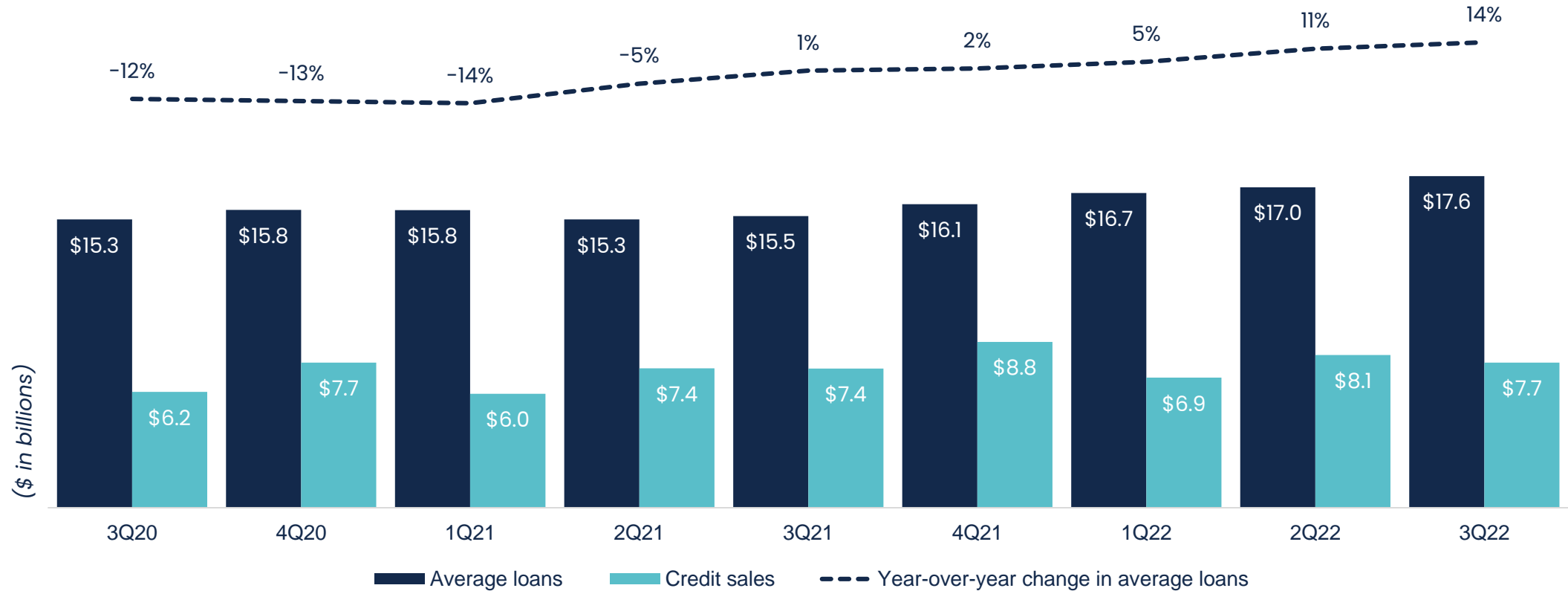
Active recession readiness playbook



Appendix

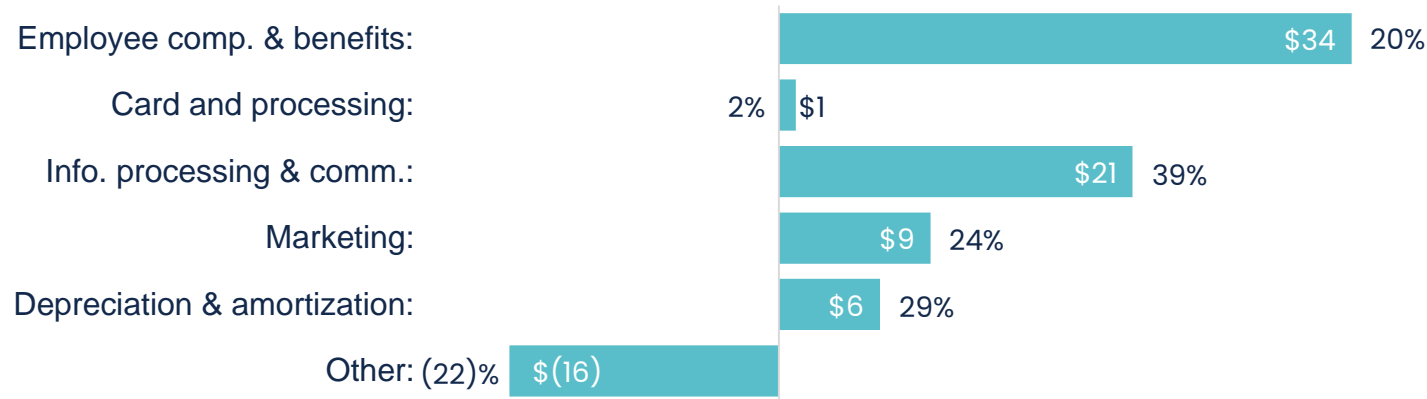


Average Loans and Credit Sales



Total Non-Interest Expenses

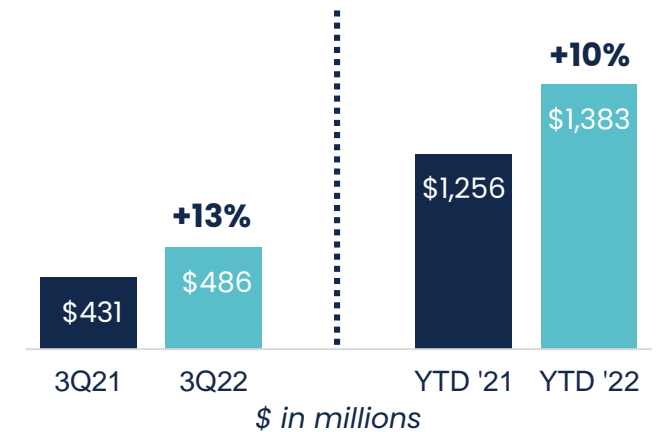
3Q22 vs. 3Q21 Change in Non-Interest Expenses



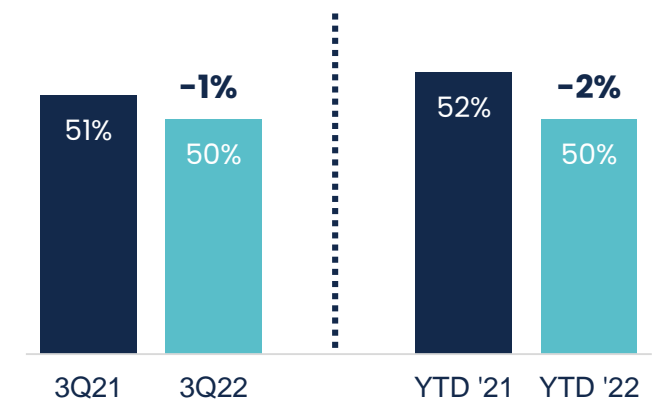
Total non-interest expenses were up 13% versus 3Q21

- Employee compensation and benefit costs increased 20%, primarily driven by increased salaries, continued digital and technology modernization-related hiring, incentive compensation, and higher volume-related staffing levels
- Information processing and communication expenses increased as a result of our transition of credit card processing services
- Other expenses decreased primarily due to decreased legal and other business activity costs

Total Non-Interest Expenses



Efficiency Ratio



Capital and Liquidity

Parent Level:

- Liquidity as of September 30, 2022, of \$0.9 billion, consisting of cash on hand plus revolver capacity

Bank Level (Banks Combined):

- As of September 30, 2022, the banks finished the quarter with \$3.5 billion in cash on hand and \$3.5 billion in equity
- Total risk based capital ratio at 22.8% - over double the 10% threshold to be considered well-capitalized; CET1 at 21.4%
- Funding in place for expected growth outlook – with continued long-term strategic focus on retail deposit growth

Banks Combined Capital Ratios

	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Common equity tier 1 capital ratio ⁽²⁾	18.8%	18.4%	21.0%	22.1%	22.6%	20.0%	20.8%	20.1%	21.4%
Tier 1 capital ratio ⁽³⁾	18.8%	18.4%	21.0%	22.1%	22.6%	20.0%	20.8%	20.1%	21.4%
Total risk-based capital ratio ⁽⁴⁾	20.1%	19.7%	22.3%	23.4%	23.9%	21.3%	22.1%	21.5%	22.8%
Tier 1 leverage capital ratio ⁽⁵⁾	16.1%	17.1%	17.8%	19.2%	19.5%	18.6%	18.2%	17.7%	18.0%

(1) Tangible common equity (TCE) represents Total stockholders' equity reduced by Goodwill and intangible assets, net. Tangible assets (TA) represents Total assets reduced by Goodwill and intangible assets, net. TCE/TA is a non-GAAP financial measure.

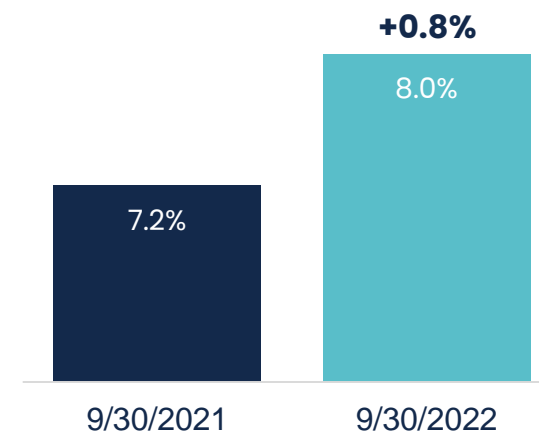
(2) The Common equity tier 1 capital ratio represents common equity tier 1 capital divided by total risk-weighted assets.

(3) The Tier 1 capital ratio represents tier 1 capital divided by total risk-weighted assets.

(4) The Total risk-based capital ratio represents total capital divided by total risk-weighted assets.

(5) The Tier 1 leverage capital ratio represents tier 1 capital divided by total average assets, after certain adjustments.

Tangible Common Equity/ Tangible Assets Ratio⁽¹⁾



Capital Priorities

Support Profitable Growth
& Growth Investments

Improve Capital Metrics

Efficient Return of Capital
to Shareholders

Summary Financial Highlights

Continuing Operations

(\$ in millions)	3Q22	3Q21	3Q22 vs 3Q21	2Q22	2Q22 vs 1Q22	YTD '22	YTD '21	YTD '22 vs YTD '21
Credit sales	\$7,689	\$7,380	4%	\$8,140	(6)%	\$22,716	\$20,825	9%
Average credit card and other loans	\$17,598	\$15,471	14%	\$17,003	3%	\$17,084	\$15,512	10%
End-of-period credit card and other loans	\$18,126	\$15,690	16%	\$17,769	2%	\$18,126	\$15,690	16%
End-of-period direct-to-consumer deposits	\$5,176	\$3,052	70%	\$4,191	24%	\$5,176	\$3,052	70%
Return on average assets ⁽¹⁾	2.4%	3.7%	(1.3)%	0.2%	2.2%	2.2%	4.5%	(2.3)%
Return on average equity ⁽²⁾	22.8%	38.0%	(15.2)%	2.2%	20.6%	20.9%	52.2%	(31.3)%
Net interest margin ⁽³⁾	19.9%	18.9%	1.0%	18.6%	1.3%	19.3%	18.0%	1.3%
Loan yield ⁽⁴⁾	27.2%	25.6%	1.6%	25.0%	2.2%	25.9%	24.5%	1.4%
Efficiency ratio ⁽⁵⁾	49.7%	50.6%	(0.9)%	52.9%	(3.2)%	49.6%	52.0%	(2.4)%
Tangible common equity / tangible assets ratio (TCE/TA) ⁽⁶⁾	8.0%	7.2%	0.8%	7.5%	0.5%	8.0%	7.2%	0.8%
Tangible book value per common share ⁽⁷⁾	\$34.30	\$31.18	10.0%	\$31.75	8.0%	\$34.30	\$31.18	10.0%
Cash dividend declared per common share	\$0.21	\$0.21	—%	\$0.21	—%	\$0.63	\$0.63	—%
30+ day delinquency rate	5.7%	3.8%	1.9%	4.4%	1.3%	5.7%	3.8%	1.9%
Net loss rate	5.0%	3.9%	1.1%	5.6%	(0.6)%	5.1%	4.7%	0.4%
Reserve rate	11.4%	10.5%	0.9%	11.2%	0.2%	11.4%	10.5%	0.9%

(1) Return on average assets represents annualized Income from continuing operations divided by average Total assets.

(2) Return on average equity represents annualized Income from continuing operations divided by average Total stockholders' equity.

(3) Net interest margin represents annualized Net interest income divided by average Total interest-earning assets.

(4) Loan yield represents annualized Interest and fees on loans divided by Average credit card and other loans.

(5) Efficiency ratio represents Total non-interest expenses divided by Total net interest and non-interest income.

(6) Tangible common equity (TCE) represents Total stockholders' equity reduced by Goodwill and intangible assets, net. Tangible assets (TA) represents Total assets reduced by Goodwill and intangible assets, net. TCE/TA is a non-GAAP financial measure.

(7) Tangible book value per common share represents TCE divided by shares outstanding, and is a non-GAAP financial measure.

Summary Financial Highlights

Continuing Operations

(\$ in millions)	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	YTD '21	YTD '22
Credit sales	\$6,152	\$7,657	\$6,043	\$7,401	\$7,380	\$8,778	\$6,887	\$8,140	\$7,689	\$20,825	\$22,716
Year-over-year change	(21)%	(18)%	(1)%	54%	20%	15%	14%	10%	4%	22%	9%
Average credit card and other loans	\$15,300	\$15,759	\$15,785	\$15,282	\$15,471	\$16,086	\$16,650	\$17,003	\$17,598	\$15,512	\$17,084
Year-over-year change	(12)%	(13)%	(14)%	(5)%	1%	2%	5%	11%	14%	(6)%	10%
End-of-period credit card and other loans	\$15,599	\$16,784	\$15,537	\$15,724	\$15,690	\$17,399	\$16,843	\$17,769	\$18,126	\$15,690	\$18,126
Year-over-year change	(13)%	(14)%	(12)%	(1)%	1%	4%	8%	13%	16%	1%	16%
End-of-period direct-to-consumer deposits	\$1,707	\$1,700	\$2,152	\$2,398	\$3,052	\$3,180	\$3,561	\$4,191	\$5,176	\$3,052	\$5,176
Year-over-year change	57%	46%	81%	30%	79%	87%	66%	75%	70%	79%	70%
Return on average assets ⁽¹⁾	2.1%	1.4%	4.9%	4.8%	3.7%	1.1%	4.0%	0.2%	2.4%	4.5%	2.2%
Return on average equity ⁽²⁾	37.2%	21.3%	66.3%	56.4%	38.0%	11.1%	38.5%	2.2%	22.8%	52.2%	20.9%
Net interest margin ⁽³⁾	16.1%	17.8%	17.7%	17.3%	18.9%	18.8%	19.4%	18.6%	19.9%	18.0%	19.3%
Loan yield ⁽⁴⁾	23.9%	24.1%	23.8%	23.9%	25.6%	25.2%	25.6%	25.0%	27.2%	24.5%	25.9%
Efficiency ratio ⁽⁵⁾	51.0%	63.4%	50.1%	55.5%	50.6%	50.0%	46.2%	52.9%	49.7%	52.0%	49.6%
Tangible common equity / Tangible assets ratio (TCE/TA) ⁽⁶⁾	4.7%	3.7%	5.2%	6.4%	7.2%	6.6%	7.8%	7.5%	8.0%	7.2%	8.0%
Tangible book value per common share ⁽⁷⁾	\$20.68	\$16.34	\$21.32	\$27.12	\$31.18	\$28.09	\$31.87	\$31.75	\$34.30	\$31.18	\$34.30
Cash dividend declared per common share	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21	\$0.63	\$0.63
30+ day delinquency rate	4.7%	4.4%	3.8%	3.3%	3.8%	3.9%	4.1%	4.4%	5.7%	3.8%	5.7%
Net loss rate	5.8%	6.0%	5.0%	5.1%	3.9%	4.4%	4.8%	5.6%	5.0%	4.7%	5.1%
Reserve rate	13.3%	12.0%	11.9%	10.4%	10.5%	10.5%	10.8%	11.2%	11.4%	10.5%	11.4%

(1) Return on average assets represents annualized Income from continuing operations divided by average Total assets.

(2) Return on average equity represents annualized Income from continuing operations divided by average Total stockholders' equity.

(3) Net interest margin represents annualized Net interest income divided by average Total interest-earning assets.

(4) Loan yield represents annualized Interest and fees on loans divided by Average credit card and other loans.

(5) Efficiency ratio represents Total non-interest expenses divided by Total net interest and non-interest income.

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(7) Tangible book value per common share represents TCE divided by shares outstanding, and is a non-GAAP financial measure.

Financial Results

Continuing Operations

(\$ in millions, except per share)

	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	YTD '21	YTD '22
Total interest income	\$915	\$950	\$942	\$915	\$994	\$1,017	\$1,068	\$1,073	\$1,218	\$2,851	\$3,359
Total interest expense	114	112	107	100	91	84	79	95	133	298	308
Net interest income	801	838	835	815	903	933	989	978	1,085	2,553	3,051
Total non-interest income	(47)	(69)	(33)	(51)	(52)	(78)	(68)	(85)	(106)	(137)	(258)
Revenue	754	769	802	764	851	855	921	893	979	2,416	2,793
Net principal losses	223	235	198	194	152	176	199	238	218	544	656
Reserve build (release)	(16)	(82)	(165)	(208)	9	187	(6)	166	86	(364)	246
Provision for credit losses	207	153	33	(14)	161	363	193	404	304	180	902
Total non-interest expenses	385	487	402	424	431	427	426	473	486	1,256	1,383
Income before income taxes	162	129	367	354	259	65	302	16	189	980	508
Provision for income taxes	47	55	99	91	53	4	91	4	55	243	150
Net income	\$115	\$74	\$268	\$263	\$206	\$61	\$211	\$12	\$134	\$737	\$358
Net income per diluted share	\$2.41	\$1.54	\$5.38	\$5.25	\$4.11	\$1.21	\$4.21	\$0.25	\$2.69	\$14.74	\$7.16
Weighted average shares outstanding – diluted	47.8	48.4	49.8	50.0	50.0	50.0	50.0	49.9	49.9	50.0	50.0
Pretax pre-provision earnings (PPNR)*	\$369	\$282	\$400	\$340	\$420	\$428	\$495	\$420	\$493	\$1,160	\$1,410

* Pretax pre-provision earnings is a non-GAAP financial measure. See the Reconciliation of GAAP to Non-GAAP Financial Measures that follows.

Net Interest Margin

(\$ in millions)	3Q22			YTD 2022		
	Average Balance	Interest Income / Expense	Average Yield / Rate	Average Balance	Interest Income / Expense	Average Yield / Rate
Cash and investment securities	\$4,235	\$23	2.2%	\$4,001	\$34	1.1%
Credit card and other loans	17,598	1,195	27.2%	17,084	3,325	25.9%
Total interest-earning assets	21,833	1,218	22.3%	21,085	3,359	21.2%
Direct-to-consumer deposits (retail)	4,850	25	2.0%	3,998	42	1.4%
Wholesale deposits	7,001	41	2.4%	7,172	100	1.9%
Interest-bearing deposits	11,851	66	2.2%	11,170	142	1.7%
Secured borrowings	4,970	40	3.2%	5,098	88	2.3%
Unsecured borrowings	1,953	27	5.6%	1,978	78	5.2%
Interest-bearing borrowings	6,923	67	3.9%	7,076	166	3.1%
Total interest-bearing liabilities	\$18,774	\$133	2.8%	\$18,246	\$308	2.2%
Net Interest Income		\$1,085			\$3,051	
Net interest margin*		19.9%			19.3%	

* Net interest margin represents annualized Net interest income divided by average Total interest-earning assets.

Financial Results

(\$ in millions, except per share amounts)

	3Q22	3Q21	\$ Chg	% Chg	YTD '22	YTD '21	\$ Chg	% Chg
Income from continuing operations, net of taxes	\$134	\$206	\$(72)	(35) %	\$358	\$737	\$(379)	(51) %
(Loss) income from discontinued operations, net of taxes	0	18	(18)	nm	(1)	46	(47)	nm
Net income	\$134	\$224	\$(90)	(40) %	\$357	\$783	\$(426)	(54) %
Net income per diluted share from continuing ops	\$2.69	\$4.11	\$(1.42)	(35) %	\$7.16	\$14.74	\$(7.58)	(51) %
Net (loss) income per diluted share from discontinued ops	0.00	0.36	(0.36)	nm	(0.01)	0.94	(0.95)	nm
Net income per diluted share	\$2.69	\$4.47	\$(1.78)	(40) %	\$7.15	\$15.68	\$(8.53)	(54) %
Weighted average shares outstanding – diluted (<i>in millions</i>)	49.9	50.0			50.0	50.0		

nm – not meaningful

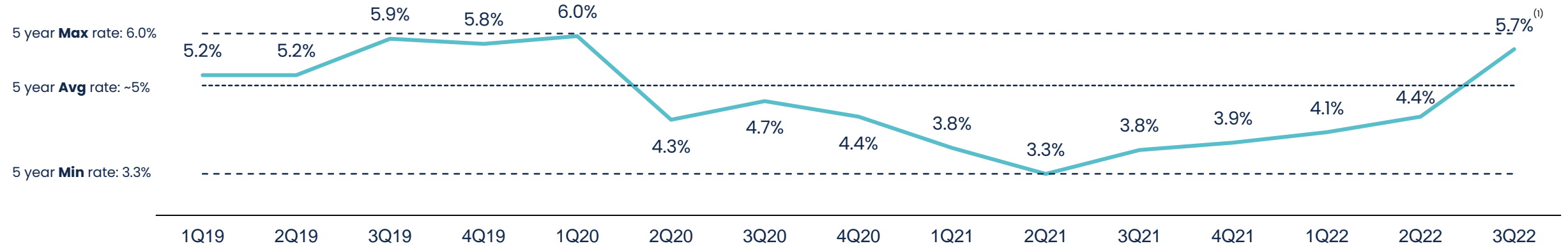
Reconciliation of GAAP to Non-GAAP Financial Measures

(\$ in millions)

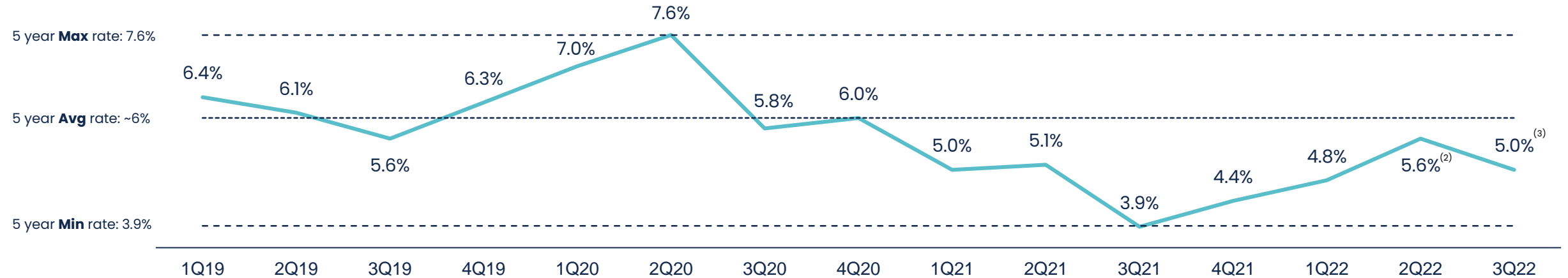
	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	YTD '21	YTD '22
Pretax pre-provision earnings (PPNR)											
Income before income taxes	\$162	\$129	\$367	\$354	\$259	\$65	\$302	\$16	\$189	\$980	\$508
Provision for credit losses	207	153	33	(14)	161	363	193	404	304	180	902
Pretax pre-provision earnings (PPNR)	\$369	\$282	\$400	\$340	\$420	\$428	\$495	\$420	\$493	\$1,160	\$1,410
Tangible common equity (TCE)											
Total stockholders' equity	\$1,323	\$1,522	\$1,764	\$2,048	\$2,246	\$2,086	\$2,268	\$2,275	\$2,399	\$2,246	\$2,399
Less: Goodwill and intangible assets, net	(336)	(710)	(704)	(699)	(694)	(686)	(682)	(694)	(690)	(694)	(690)
Tangible common equity (TCE)	\$987	\$812	\$1,060	\$1,349	\$1,552	\$1,400	\$1,586	\$1,581	\$1,709	\$1,552	\$1,709
Tangible assets (TA)											
Total assets	\$21,113	\$22,547	\$21,163	\$21,812	\$22,257	\$21,746	\$20,938	\$21,811	\$21,960	\$22,257	\$21,960
Less: Goodwill and intangible assets, net	(336)	(710)	(704)	(699)	(694)	(686)	(682)	(694)	(690)	(694)	(690)
Tangible assets (TA)	\$20,777	\$21,837	\$20,459	\$21,113	\$21,563	\$21,060	\$20,256	\$21,117	\$21,270	\$21,563	\$21,270

Credit Quality Trends

Delinquency Rates



Net Loss Rates



- (1) The 3Q22 Delinquency rate was impacted by the transition of our credit card processing services.
- (2) The 2Q22 Net loss rate includes a 30 basis point increase from the effects of the purchase of previously written-off accounts that were sold to a third-party debt collection agency.
- (3) The 3Q22 Net loss rate was impacted by the transition of our credit card processing services. Excluding this impact, which is timing-related, the Net loss rate for the quarter would have been higher.