

Alliance Data Investor Event

May 18, 2021



Agenda

Topic	Speakers
Welcome & Company Overview	Ralph Andretta <i>President & CEO</i>
State of the Industry & Strategy	Ralph Andretta & John Grund
Payment Services: Product Offerings & Experience	Val Greer <i>EVP & Chief Commercial Officer</i>
Break	
Credit Risk Management	Tammy McConnaughey <i>EVP, Operations & Credit Risk</i>
Financial Outlook & Targets	Ralph Andretta
Open Q&A	Ralph, Val, & Tammy

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, initiation or completion of strategic initiatives including the proposed spinoff of our LoyaltyOne segment, future dividend declarations, and future economic conditions, including, but not limited to, fluctuation in currency exchange rates, market conditions and COVID-19 impacts related to relief measures for impacted borrowers and depositors, labor shortages due to quarantine, reduction in demand from clients, supply chain disruption for our reward suppliers and disruptions in the airline or travel industries.

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 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.

Welcome & Company Overview

Ralph Andretta

Board of Directors



Roger Ballou



John Gerspach



Rajesh "Nat" Natarajan



Timothy Theriault



Laurie Tucker



Sharen Turney



Ralph Andretta



Karin Kimbrough
(Board Nominee)

Leadership Team



Ralph Andretta
President & CEO



Perry Beberman
EVP & CFO
(Effective July 6, 2021)



Val Greer
EVP & Chief Commercial Officer



Tammy McConnaughey
EVP, Operations & Credit Risk



Joe Motes
EVP, CAO & General Counsel



Nick Barnes
SVP, Chief Info & Tech Officer



Greg Betchkal
SVP, Chief Risk Officer



Jeff Chesnut
SVP, Treasurer



Calvin Hilton
SVP, Global Human Resources



Wes Hunt
SVP, Enterprise Data Science
& Analytics

Milestone Events



Launched the Comenity® Mastercard®



Announced transition to Fiserv



Announced Bread / RBC strategic relationship



2020

2021



Ralph Andretta joins Alliance Data as CEO



Launched the Enhanced Digital Suite (EDS)



Acquired Bread

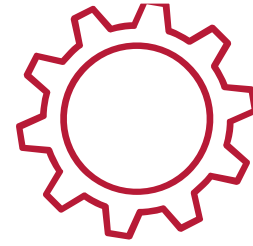


Announced Bread / Fiserv strategic relationship



Recover ✓

Readied the business for
COVID-19 and beyond



Rebuild

Digital offerings,
technology and talent



Regrow

Customer and product
choice, profitable growth
and shareholder value

Go-Forward Strategy

1

Offer broad product suite focused on customer's choice

2

Provide full-spectrum lending capabilities to drive sales

3

Enhance capabilities with an emphasis on digital

4

Drive sustainable, repeatable, profitable growth

Vision

To think outside the bank as a leading tech-forward financial solutions provider, serving people in their everyday lives and passions.



AllianceData.

Payment Services: Product Offerings & Experience

Val Greer



Enhanced **DigitalSuite**SM

+

 **Bread**

+

Data and Analytics

Differentiated Product Suite

Expanding our product offering and creating a seamless customer experience



Gen Z



Millennial



Gen X



Baby boomer

Budget/Cash Flow

Rewards/Convenience



Co-brand credit card



Private label credit card

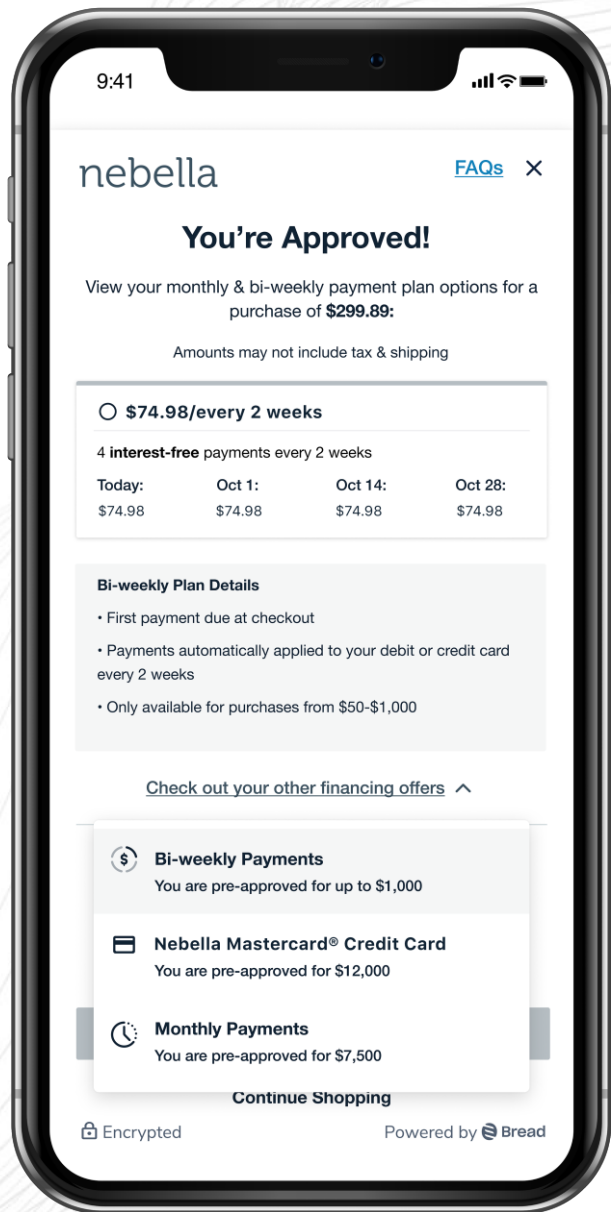


Buy now, pay later



Installment loan



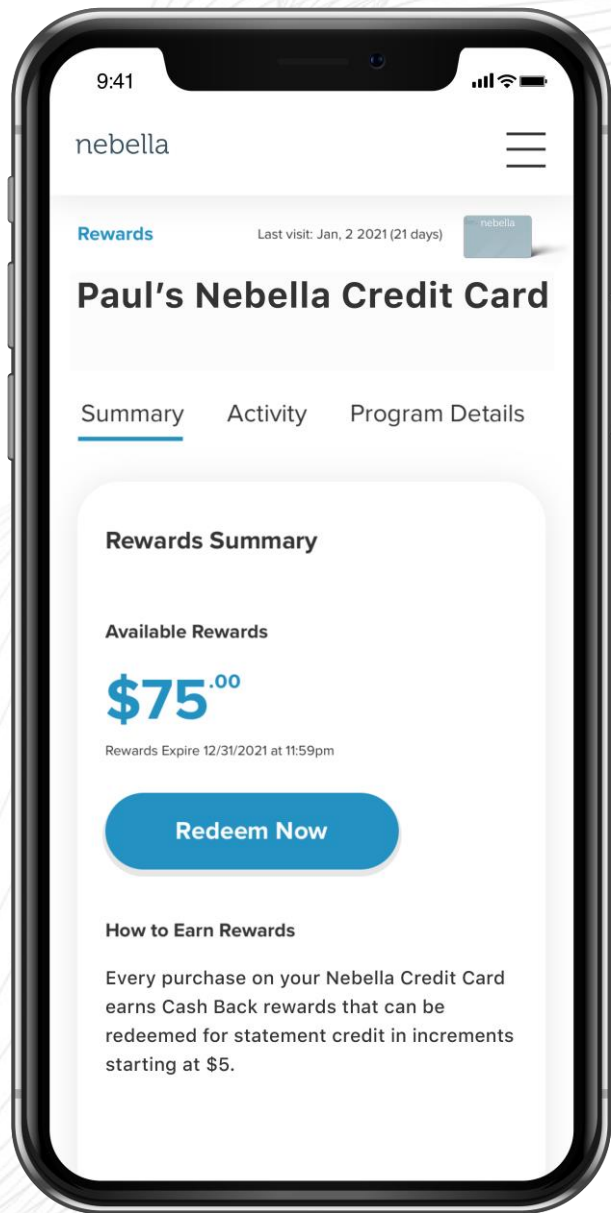


Digital Capabilities

Continued progress in evolving digital experiences

Apply

Engage



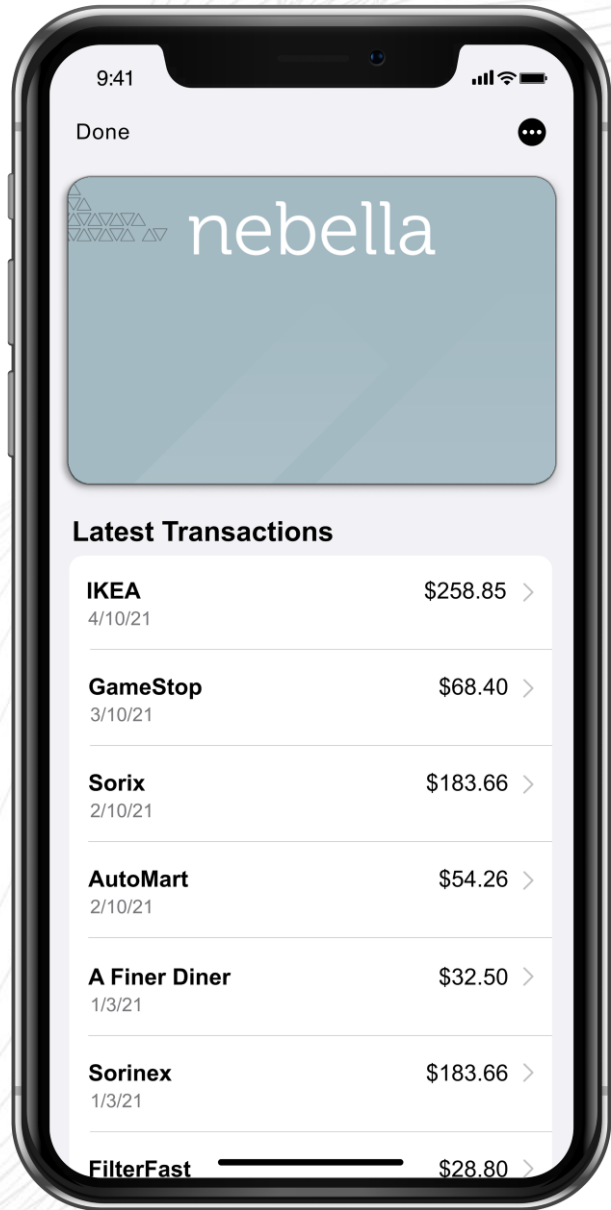
Digital Capabilities

Continued progress in evolving digital experiences

Apply

Engage

Pay



Engage











Pay

Digital Capabilities

Continued progress in evolving digital experiences

Bread Business Models

Leading technology and white-labeled pay-over-time solutions

	Direct Acquisition	Distribution	Technology Platform
Merchant Acquirer	 Bread  AllianceData.		
Network / Platform (Always Bread)	 Bread	 Bread	 Bread
Issuer / Loan Originator (Owns consumer relationship)	 AllianceData.	 AllianceData.	
Value Pools	Merchant fees Finance charges	Merchant fees Finance charges	Gateway fees Servicing fees

Total Addressable Market



\$539B Specialty Retail & Department Stores

\$3.6T General + Specialty Retail & Total Retail

\$6.2T Total Retail & E-commerce

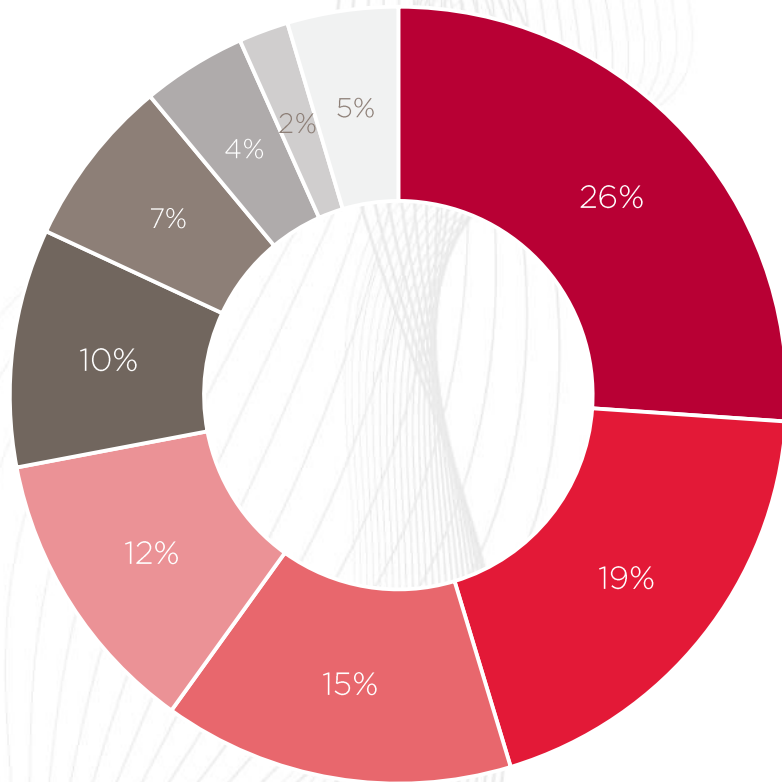
Total Addressable Market

\$7.7T Total Consumer Spending

Source: US Census Retail Sales, Nilson Report, Bureau of Economic Analysis

First Quarter 2021

Credit Sales



Representative clients in sales category

- Specialty Apparel **LANE BRYANT**
- General Retail **BJ's**
- Beauty / Health **ULTA BEAUTY**
- Furniture / Home Décor **RH RESTORATION HARDWARE**
- Travel and Entertainment **CAESARS**
- Jewelry **SIGNET JEWELERS**
- Sporting Goods **Academy SPORTS+OUTDOORS**
- Comenity Mastercard 
- Other



Consumer Focus

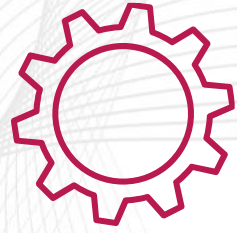
Seamless engagement and increased buying power



Credit Risk Management

Tammy McConnaughey

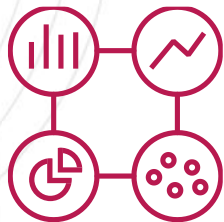




Flexible technology & multiple scores



Grow and expand approach



Well-established risk appetite metrics

Profitable, Fair,
and Responsible
Full-Spectrum
Lending

Underwriting Process Investments

1

VantageScore 4.0

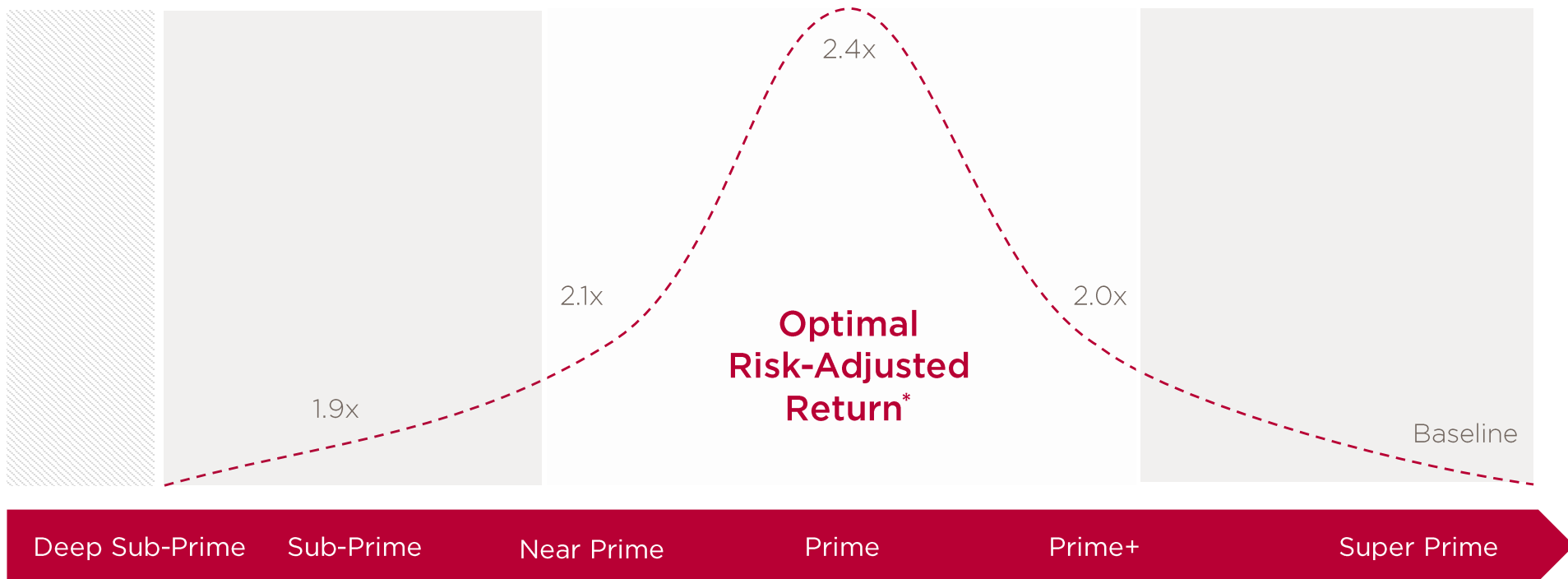
2

Platform upgrades

3

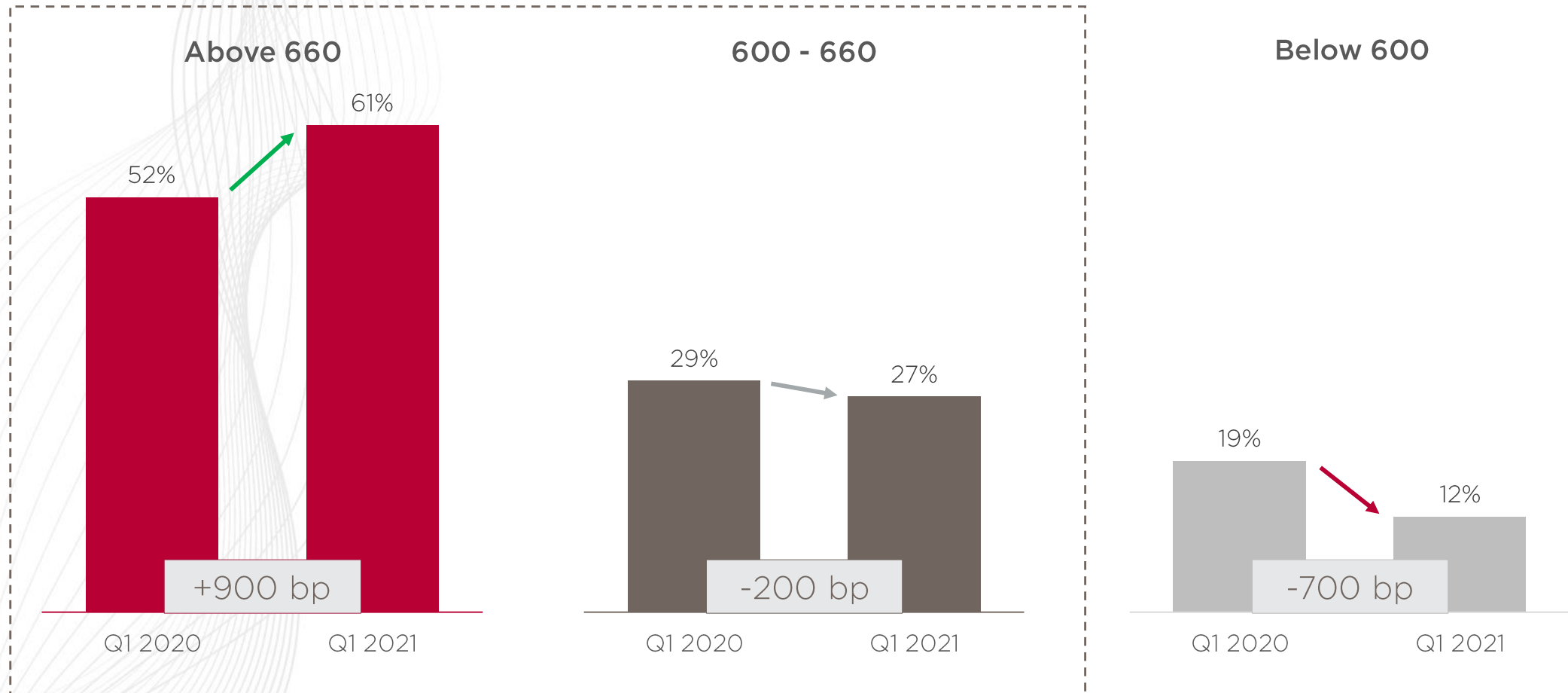
Future-focused
data model

Targeted Segments Yield Higher Returns



*Risk-Adjusted Return equals accountholder revenue less gross losses as of 24 months on book per open account

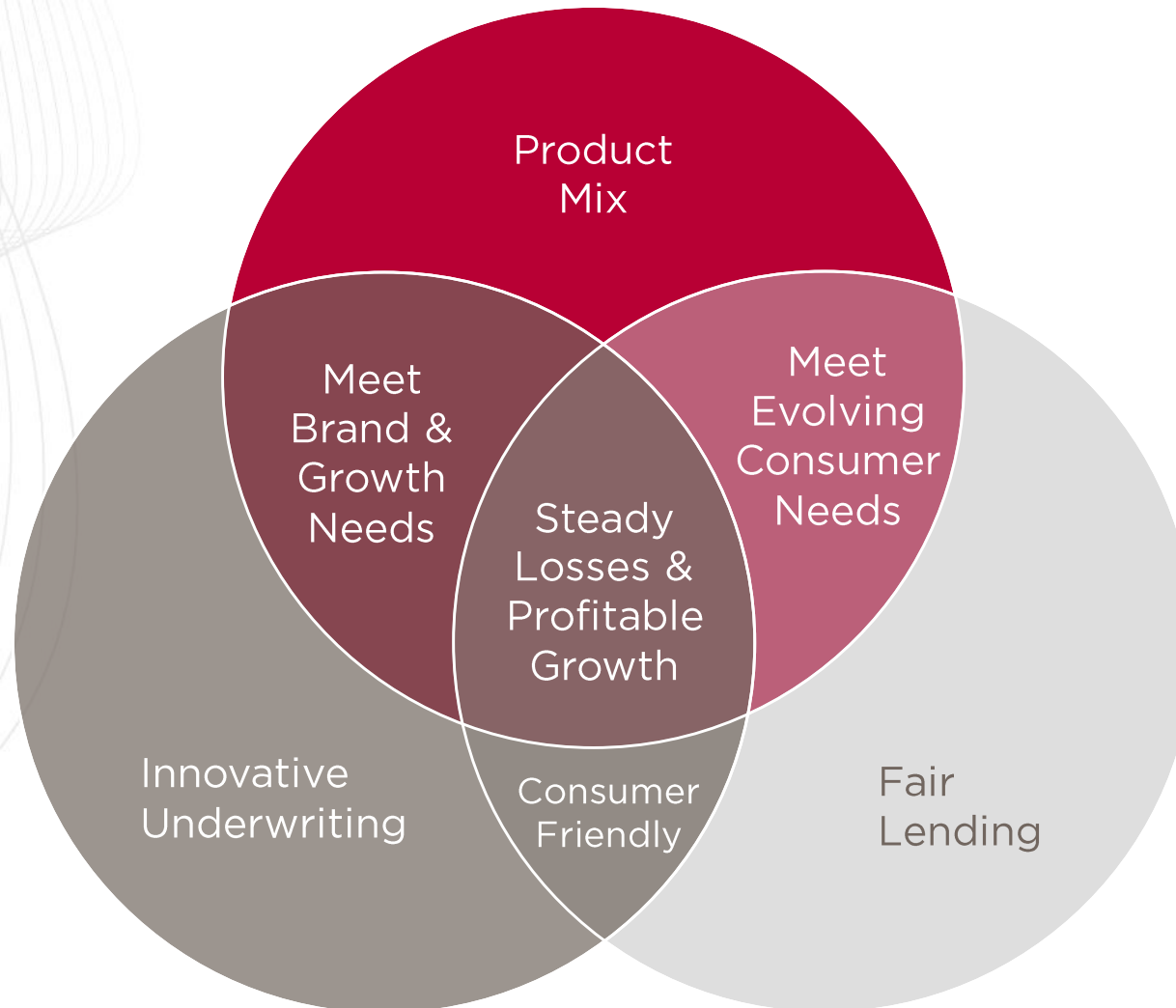
Emphasis Around Prime Enables Broad Growth, a Manageable Loss Rate, and Strong Profitability



*Distribution of receivables based on VantageScore

Balancing Risk and Reward

We facilitate payment solutions to meet customers' needs while generating leading returns for our shareholders



Financial Outlook & Targets

Ralph Andretta

Long-Term Financial Targets

High-single-digit
annual receivable
growth

Exceed \$20 billion in 2023

Positive
operating
leverage

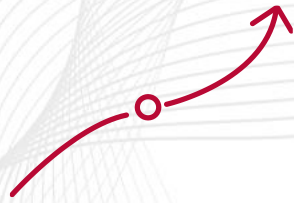
In 2022 and beyond

Net loss rate
less than 6%

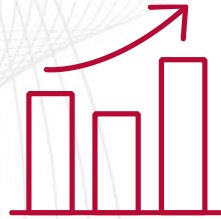
Average through-the-cycle
net loss rate target range

Return on
Equity
mid-to-high
'20s

Targeting TCE and leverage ratios in-line with peers



Sales at inflection point for
receivable growth



Improving revenue yields
- Bread yields above portfolio



Appropriate expense management

Building Momentum

Drivers of Receivable Growth



Existing retailer sales growth
2 - 3%



Increase in tender share
2 - 3%



New partner acquisitions and de novo programs
2 - 3%



Bread strategic platform relationship growth

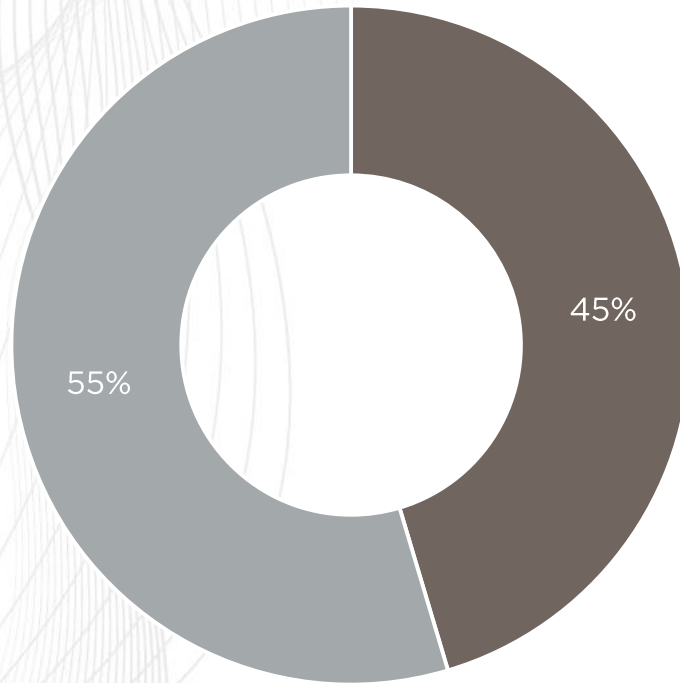


Additional upside

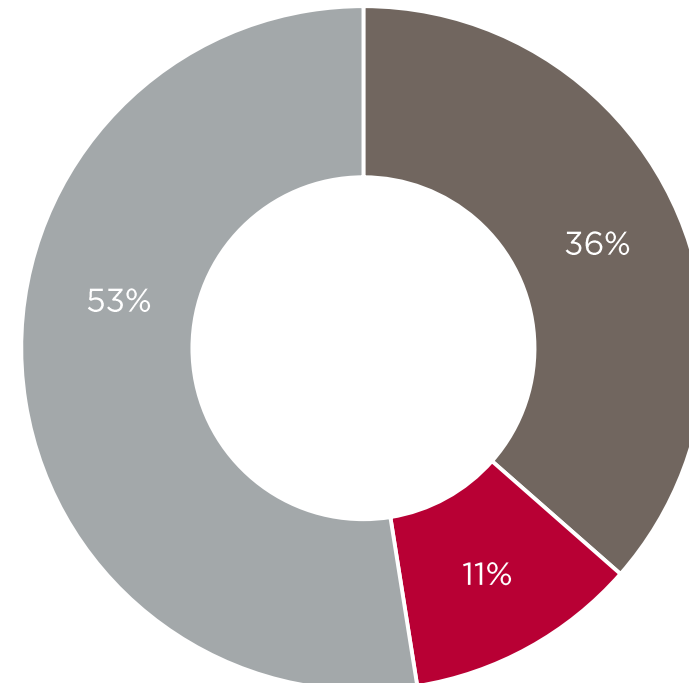
- Portfolio acquisitions
- Pent-up consumer demand
- Lower payment rates

Card Services Funding Mix & Costs

2016



2020



■ Wholesale Deposits

■ Secured Funding

■ Retail Deposits

Capital Allocation / Priorities

Maintain dividend

Future investments



Improve enterprise capital metrics

Organic growth

Efficient return of capital to shareholders

Strategic Initiatives

Focused investment to drive sustainable long-term shareholder value



Technology
Innovation



Product Diversification
& Development



Digital
Advancement



Data Science
& Analytics

Key Foundational Elements

Proactive Risk Management

Prudent Balance Sheet Management

Disciplined Expense Management

Financial Measures

In addition to the results presented in accordance with generally accepted accounting principles, or GAAP, the Company may present financial measures that are non-GAAP measures, such as constant currency financial measures, pre-provision earnings before taxes. Similarly, core earnings and core EPS eliminate non-cash or non-operating items, including, but not limited to, stock compensation expense, amortization of purchased intangibles, non-cash interest, gain (loss) on the sale of a business, strategic transaction costs, asset impairments, restructuring and other charges, and the loss on extinguishment of debt. The Company believes that these non-GAAP financial measures, viewed in addition to and not in lieu of the Company's reported GAAP results, provide useful information to investors regarding the Company's performance and overall results of operations.