Bread Financial Holdings, Inc
Financial Supplement
Second Quarter 2026

Table of Contents

Note: The information contained in this Financial Supplement is preliminary and based on data available at the time of the earnings presentation. Please refer to our Quarterly Report on Form 10-Q for the period ended June 30, 2026 once it is filed with the Securities and Exchange Commission. Amounts presented in the following tables may not sum and percentages may not recalculate due to rounding.

Bread Financial Holdings, Inc | **Preliminary**

Table 1: Consolidated Statements of Income

(Millions, except per share amounts and percentages)	2Q26	1Q26	4Q25	3Q25	2Q25	2Q26 vs. 1Q26	2Q26 vs. 2Q25	YTD '26	YTD '25	YTD '26 vs. YTD '25
Interest income										
Interest and fees on loans	$ 1,195	$ 1,224	$ 1,208	$ 1,198	$ 1,148	(2)%	4 %	$ 2,419	$ 2,333	4 %
Interest on cash and investment securities	39	36	38	44	46	4 %	(16)%	75	91	(18)%
Total interest income	1,234	1,260	1,246	1,242	1,194	(2)%	3 %	2,494	2,424	3 %
Interest expense										
Interest on deposits	139	133	137	139	139	4 %	— %	272	277	(2)%
Interest on borrowings	56	60	62	71	81	(8)%	(31)%	116	167	(31)%
Total interest expense	195	193	199	210	220	— %	(11)%	388	444	(13)%
Net interest income	**1,039**	**1,067**	**1,047**	**1,032**	**974**	(3)%	7 %	**2,106**	**1,980**	6 %
Non-interest income										
Interchange revenue, net of retailer share arrangements	(110)	(107)	(127)	(111)	(95)	2 %	16 %	(216)	(178)	22 %
Other	64	58	55	50	50	9 %	34 %	120	97	28 %
Total non-interest income	(46)	(49)	(72)	(61)	(45)	(5)%	4 %	(96)	(81)	19 %
Total net interest and non-interest income	**993**	**1,018**	**975**	**971**	**929**	(2)%	7 %	**2,010**	**1,899**	6 %
Provision for credit losses	**313**	**303**	**373**	**299**	**274**	3 %	14 %	**616**	**570**	8 %
Total net interest and non-interest income, after provision for credit losses	680	715	602	672	655	(5)%	4 %	1,394	1,329	5 %
Non-interest expenses										
Employee compensation and benefits	225	220	232	222	212	3 %	6 %	445	426	4 %
Card and processing expenses	81	80	78	81	81	2 %	1 %	161	163	(1)%
Information processing and communication	80	76	78	72	77	6 %	4 %	156	158	(1)%
Marketing expenses	36	35	44	38	34	3 %	7 %	71	68	4 %
Depreciation and amortization	19	19	19	20	20	(1)%	(8)%	37	42	(10)%
Other	42	42	104	43	57	(5)%	(29)%	85	101	(17)%
Total non-interest expenses	**483**	**472**	**555**	**476**	**481**	2 %	— %	**955**	**958**	— %
Income from continuing operations before income taxes	197	243	47	196	174	(19)%	13 %	439	371	18 %
Provision (benefit) for income taxes	51	62	(6)	8	35	(18)%	41 %	111	91	23 %
Income from continuing operations	146	181	53	188	139	(19)%	6 %	328	280	17 %
Loss from discontinued operations, net of income taxes	—	—	—	—	—	— %	— %	—	(4)	(100)%
Net income	**146**	**181**	**53**	**188**	**139**	(19)%	5 %	**328**	**276**	18 %
Dividends declared to preferred stockholders	(2)	(2)	—	—	—	(18)%	nm	(4)	—	nm
Net income available to common stockholders	**$ 144**	**$ 179**	**$ 53**	**$ 188**	**$ 139**	(19)%	4 %	**$ 324**	**$ 276**	17 %
Basic income per share										
Income from continuing operations	$ 3.62	$ 4.19	$ 1.19	$ 4.04	$ 2.96	(14)%	22 %	$ 7.83	$ 5.86	34 %
Income (loss) from discontinued operations	—	—	—	—	0.01	— %	(100)%	—	(0.08)	(100)%
Net income per share	$ 3.62	$ 4.19	$ 1.19	$ 4.04	$ 2.97	(14)%	22 %	$ 7.83	$ 5.78	36 %
Diluted income per share										
Income from continuing operations	$ 3.55	$ 4.15	$ 1.16	$ 3.96	$ 2.93	(14)%	21 %	$ 7.72	$ 5.79	33 %
Income (loss) from discontinued operations	—	—	—	—	0.01	— %	(100)%	—	(0.08)	(100)%
Net income per share	$ 3.55	$ 4.15	$ 1.16	$ 3.96	$ 2.94	(14)%	21 %	$ 7.72	$ 5.71	35 %
Weighted average common shares outstanding										
Basic	39.9	42.8	44.9	46.5	46.7	(7)%	(14)%	41.3	47.8	(14)%
Diluted	40.7	43.2	46.0	47.5	47.2	(6)%	(14)%	41.9	48.4	(13)%

nm - Not meaningful, denoting a variance of 1,000 percent or more.

Bread Financial Holdings, Inc **Preliminary**

Table 2: Consolidated Balance Sheets

(Millions, except preferred shares in thousands)	2Q26	1Q26	4Q25	3Q25	2Q25	2Q26 vs. 1Q26	2Q26 vs. 2Q25
ASSETS							
Cash and cash equivalents	$ 3,683	$ 3,637	$ 3,604	$ 3,764	$ 3,799	1 %	(3)%
Credit card and other loans							
Total credit card and other loans	18,477	18,135	18,805	17,655	17,656	2 %	5 %
Allowance for credit losses	(2,075)	(2,078)	(2,106)	(2,070)	(2,098)	— %	(1)%
Credit card and other loans, net	16,402	16,057	16,699	15,585	15,558	2 %	5 %
Investments	288	286	284	284	277	1 %	4 %
Property and equipment, net	104	112	117	122	127	(7)%	(18)%
Goodwill and intangible assets, net	701	708	716	723	731	(1)%	(4)%
Other assets	1,274	1,508	1,243	1,236	1,329	(16)%	(4)%
Total assets	**$ 22,452**	**$ 22,308**	**$ 22,663**	**$ 21,714**	**$ 21,821**	1 %	3 %
LIABILITIES AND STOCKHOLDERS' EQUITY							
Deposits							
Direct-to-consumer (retail)	$ 9,358	$ 8,708	$ 8,522	$ 8,188	$ 8,080	7 %	14 %
Wholesale and other	5,374	5,365	5,394	5,347	5,260	— %	2 %
Total deposits	14,732	14,073	13,916	13,535	13,340	5 %	10 %
Debt issued by consolidated variable interest entities	2,447	3,041	3,422	2,682	3,089	(20)%	(21)%
Long-term and other debt	838	837	886	1,105	1,138	— %	(26)%
Other liabilities	1,070	1,032	1,112	1,075	1,088	4 %	(2)%
Total liabilities	**19,087**	**18,983**	**19,336**	**18,397**	**18,655**	1 %	2 %
Stockholders' equity							
Preferred stock	—	—	—	—	—	180 %	nm
Common stock	—	—	—	1	1	(6)%	(17)%
Additional paid-in capital	1,603	1,699	1,868	1,900	1,929	(6)%	(17)%
Retained earnings	1,779	1,643	1,475	1,432	1,255	8 %	42 %
Accumulated other comprehensive loss	(17)	(17)	(16)	(16)	(19)	3 %	(9)%
Total stockholders' equity	**3,365**	**3,325**	**3,327**	**3,317**	**3,166**	1 %	6 %
Total liabilities and stockholders' equity	**$ 22,452**	**$ 22,308**	**$ 22,663**	**$ 21,714**	**$ 21,821**	1 %	3 %
Preferred shares outstanding	210.0	75.0	75.0	—	—	180 %	nm
Common shares outstanding	38.7	41.3	44.1	46.0	46.6	(6)%	(17)%

nm - Not meaningful, denoting a variance of 1,000 percent or more.

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Table 3: Select Financial Metrics

(Millions, except per share amounts and percentages)	2Q26	1Q26	4Q25	3Q25	2Q25	2Q26 vs. 1Q26	2Q26 vs. 2Q25	YTD '26	YTD '25	YTD '26 vs. YTD '25
Credit sales	$ 7,537	$ 6,510	$8,070	$ 6,787	$ 6,814	16 %	11 %	$ 14,047	$ 12,920	9 %
Average credit card and other loans	18,197	18,283	17,961	17,596	17,686	— %	3 %	18,240	17,924	2 %
End-of-period credit card and other loans	18,477	18,135	18,805	17,655	17,656	2 %	5 %	18,477	17,656	5 %
End-of-period direct-to-consumer (retail) deposits	9,357	8,708	$8,523	8,188	8,080	7 %	16 %	9,357	8,080	16 %
Adjusted net income available to common stockholders *	$ 144	$ 180	95	$ 191	$ 149	(20)%	(3)%	$ 325	$ 288	13 %
Adjusted earnings per diluted common share *	$ 3.55	$ 4.18	$2.07	$ 4.02	$ 3.15	(15)%	13 %	$ 7.75	$ 5.96	30 %
Pretax pre-provision earning (PPNR) *[(1)]	$ 510	$ 546	420	$ 495	$ 448	(6)%	14 %	$ 1,055	$ 941	12 %
PPNR excluding impacts from debt repurchases *[(1)]	$ 510	$ 548	475	$ 498	$ 461	(7)%	11 %	$ 1,057	$ 956	11 %
Return on average assets [(1)]	2.6 %	3.3 %	1.0 %	3.4 %	2.5 %	(0.7)%	0.1 %	2.9 %	2.5 %	0.4 %
Return on average equity [(1)]	17.1 %	21.2 %	6.2 %	22.4 %	17.5 %	(4.1)%	(0.4)%	19.2 %	17.6 %	1.6 %
Return on average tangible common equity *[(1)]	22.6 %	27.4 %	8.0 %	28.6 %	22.7 %	(4.8)%	(0.1)%	25.0 %	22.8 %	2.2 %
Net interest margin [(1)]	18.49 %	19.25 %	18.94 %	18.81 %	17.71 %	(0.76)%	0.78 %	18.87 %	17.88 %	0.99 %
Loan yield [(1)]	26.35 %	27.14 %	26.68 %	27.01 %	26.03 %	(0.79)%	0.32 %	26.75 %	26.25 %	0.50 %
Efficiency ratio [(1)]	48.6 %	46.4 %	57.0 %	49.0 %	51.8 %	2.2 %	(3.2)%	47.5 %	50.4 %	(2.9)%
Adjusted efficiency ratio [(1)]	48.6 %	46.2 %	51.3 %	48.7 %	50.4 %	2.4 %	(1.8)%	47.4 %	49.7 %	(2)%
Common equity tier 1 capital ratio [(1)]	12.9 %	13.3 %	13.0 %	14.0 %	13.0 %	(0.4)%	(0.1)%	12.9 %	13.0 %	(0.1)%
Book value per common share [(1)]	$ 81.79	$ 78.72	$73.80	$ 72.08	$ 67.88	4 %	21 %	$ 81.79	$ 67.88	21 %
Tangible book value per common share *[(1)]	$ 63.66	$ 61.57	$57.57	$ 56.36	$ 52.21	3 %	22 %	$ 63.66	$ 52.21	22 %
Cash dividend per preferred share	$ 21.56	$ 26.35	$ —	$ —	$ —	(18)%	nm	$ 47.91	$ —	nm
Cash dividend per common share	$ 0.23	$ 0.23	$0.23	$ 0.21	$ 0.21	— %	10 %	$ 0.46	$ 0.42	10 %
Payment rate [(1)]	15.1 %	15.0 %	15.0 %	14.9 %	15.0 %	0.1 %	0.1 %	15.1 %	14.9 %	0.2 %
Delinquency rate [(1)]	5.25 %	5.59 %	5.75 %	6.04 %	5.73 %	(0.34)%	(0.48)%	5.25 %	5.73 %	(0.48)%
Net loss rate [(1)]	6.98 %	7.33 %	7.43 %	7.39 %	7.88 %	(0.35)%	(0.90)%	7.16 %	8.02 %	(0.86)%
Reserve rate [(1)]	11.23 %	11.46 %	11.20 %	11.72 %	11.89 %	(0.23)%	(0.66)%	11.23 %	11.89 %	(0.66)%

* Represents a Non-GAAP financial measure. See Table 6: Reconciliation of GAAP to Non-GAAP Financial Measures.

[(1)] Please refer to "Glossary of terms."

nm - Not meaningful, denoting a variance of 1,000 percent or more.

Table 4: Capital Ratios

(Millions, except percentages)	2Q26	1Q26	4Q25	3Q25	2Q25	2Q26 vs. 1Q26	2Q26 vs. 2Q25
Total company							
Common equity tier 1 capital ratio [1]	12.9 %	13.3 %	13.0 %	14.0 %	13.0 %	(0.4)%	(0.1)%
Total risk-based capital ratio [1]	17.1 %	16.9 %	16.8 %	17.5 %	16.5 %	0.2 %	0.6 %
Total risk-weighted assets [1]	$ 19,329	$ 19,352	$ 19,755	$ 18,714	$ 18,730	(0.1)%	3.2 %
Tangible common equity / tangible assets ratio *[1]	11.3 %	11.8 %	11.6 %	12.4 %	11.5 %	(0.5)%	(0.2)%
Tangible common equity + credit reserve rate *[1]	24.6 %	25.5 %	24.7 %	26.4 %	25.7 %	(0.9)%	(1.1)%
Comenity Bank							
Common equity tier 1 capital ratio [1]	15.5 %	15.1 %	15.1 %	15.4 %	15.8 %	0.4 %	(0.3)%
Total risk-based capital ratio [1]	16.9 %	16.5 %	16.5 %	16.8 %	17.2 %	0.4 %	(0.3)%
Comenity Capital Bank							
Common equity tier 1 capital ratio [1]	12.5 %	13.5 %	13.5 %	15.4 %	15.9 %	(1.0)%	(3.4)%
Total risk-based capital ratio [1]	17.7 %	17.6 %	17.5 %	19.0 %	19.5 %	0.1 %	(1.8)%

* Represents a Non-GAAP financial measure. See Table 6: Reconciliation of GAAP to Non-GAAP Financial Measures.

[1] Please refer to "Glossary of terms."

Table 5: Average Balances and Net Interest Margin

(Millions, except percentages)	2Q26 Average Balance	2Q26 Interest Income/ Expense	2Q26 Average Yield / Rate	1Q26 Average Balance	1Q26 Interest Income/ Expense	1Q26 Average Yield / Rate	2Q25 Average Balance	2Q25 Interest Income/ Expense	2Q25 Average Yield / Rate
Cash and investment securities	$ 4,348	$ 39	3.51 %	$ 4,184	$ 36	3.54 %	$ 4,372	$ 46	4.18 %
Credit card and other loans	18,197	1,195	26.35 %	18,283	1,224	27.14 %	17,686	1,148	26.03 %
Total interest-earning assets	22,545	1,234	21.95 %	22,467	1,260	22.75 %	22,058	1,194	21.70 %
Direct-to-consumer (retail) deposits	8,993	89	3.95 %	8,574	84	3.99 %	8,039	88	4.39 %
Wholesale deposits	5,344	50	3.77 %	5,358	49	3.69 %	5,164	51	3.97 %
Interest-bearing deposits	14,337	139	3.88 %	13,932	133	3.87 %	13,203	139	4.23 %
Secured borrowings	2,826	38	5.40 %	3,203	42	5.38 %	3,393	50	5.79 %
Unsecured borrowings	850	18	8.27 %	872	18	8.37 %	1,267	31	9.97 %
Interest-bearing borrowings	3,676	56	6.06 %	4,075	60	6.02 %	4,660	81	6.93 %
Total interest-bearing liabilities	$ 18,013	$ 195	4.33 %	$ 18,007	$ 193	4.36 %	$ 17,863	$ 220	4.93 %
Net interest income		$ 1,039			$ 1,067			$ 974	
Net interest margin [1]		18.49 %			19.25 %			17.71 %	

(Millions, except percentages)	YTD '26 Average Balance	YTD '26 Interest Income/ Expense	YTD '26 Average Yield / Rate	YTD '25 Average Balance	YTD '25 Interest Income/ Expense	YTD '25 Average Yield / Rate
Cash and investment securities	$ 4,266	$ 75	3.52 %	$ 4,397	$ 91	4.17 %
Credit card and other loans	18,240	2,419	26.75 %	17,924	2,333	26.25 %
Total interest-earning assets	22,506	2,494	22.34 %	22,321	2,424	21.90 %
Direct-to-consumer (retail) deposits	8,785	173	3.97 %	7,919	175	4.46 %
Wholesale deposits	5,351	99	3.73 %	5,194	102	3.97 %
Interest-bearing deposits	14,136	272	3.88 %	13,113	277	4.27 %
Secured borrowings	3,013	80	5.39 %	3,791	109	5.83 %
Unsecured borrowings	861	36	8.32 %	1,174	58	9.92 %
Interest-bearing borrowings	3,874	116	6.04 %	4,965	167	6.80 %
Total interest-bearing liabilities	$ 18,010	$ 388	4.34 %	$ 18,078	$ 444	4.96 %
Net interest income		$ 2,106			$ 1,980	
Net interest margin [1]		18.87 %			17.88 %	

[1] Please refer to "Glossary of terms."

Table 6: Reconciliation of GAAP to Non-GAAP Financial Measures

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 herein 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:

- We have previously repurchased and may, from time to time, in the future continue to repurchase debt, including any outstanding senior unsecured notes, subordinated notes or convertible notes. In such transactions, we may pay a premium to induce these repurchases, or in certain cases repurchase at a discount, which, from a GAAP perspective, would result in an impact to Total non-interest expenses, with a corresponding impact also reflected in Net income available to common stockholders and consequently our Earnings per diluted common share. For our prior debt repurchases, we show adjustments to these three financial statement line items to exclude the impacts from our debt repurchases. We use *Adjusted total non-interest expenses*, *Adjusted net income available to common stockholders*, and *Adjusted earnings per diluted common share* to evaluate the ongoing operations of the Company excluding the volatility that can occur from the impacts of our debt repurchases.
- *Pretax pre-provision earnings* (PPNR) represents Income from continuing operations before income taxes and the Provision for credit losses. *PPNR excluding impacts from debt repurchases* then excludes from PPNR the loss or gain on any debt repurchases in the period. We use *PPNR* and *PPNR excluding impacts from debt repurchases* as metrics to evaluate our results of operations before income taxes, excluding the movements that can occur within Provision for credit losses and the one-time nature of the impacts from debt repurchases.
- *Return on average tangible common equity* (ROTCE) represents annualized Income from continuing operations less Dividends to preferred stockholders, divided by average Tangible common equity. Tangible common equity (TCE) represents Total stockholders' equity reduced by Preferred stock and Goodwill and intangible assets, net. We use ROTCE as a metric to evaluate the Company's performance.
- *Tangible book value per common share* represents TCE divided by common shares outstanding. We use *Tangible book value per common share*, a metric used across the industry, to assess capital and performance, in conjunction with ROTCE.
- *Tangible common equity over Tangible assets* (TCE/TA) represents 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 absorb losses.

We believe the use of these Non-GAAP financial measures provide additional clarity in understanding our results of operations and trends. Please see the table below for a reconciliation of these Non-GAAP financial measures to the most directly comparable GAAP measures.

(Millions, except per share amounts and percentages)	2Q26	1Q26	4Q25	3Q25	2Q25	2Q26 vs. 1Q26	2Q26 vs. 2Q25	YTD '26	YTD '25	YTD '26 vs. YTD '25
Adjusted net income available to common stockholders										
Net income available to common stockholders	$ 144	$ 179	$ 53	$ 188	$ 139	(19)%	4 %	$ 324	$ 276	17 %
Impacts from debt repurchases	—	1	42	3	10	(100)%	(100)%	1	12	(88)%
Adjusted net income available to common stockholders	$ 144	$ 180	$ 95	$ 191	$ 149	(20)%	(3)%	$ 325	$ 288	13 %
Adjusted earnings per diluted common share										
Earnings per diluted common share	$ 3.55	$ 4.15	$ 1.16	$ 3.96	$ 2.94	(14)%	21 %	$ 7.72	$ 5.71	35 %
Impacts from debt repurchases	$ —	$ 0.03	$ 0.91	$ 0.06	$ 0.21	(100)%	(100)%	$ 0.03	$ 0.25	(86)%
Adjusted earnings per diluted common share	$ 3.55	$ 4.18	$ 2.07	$ 4.02	$ 3.15	(15)%	13 %	$ 7.75	$ 5.96	30 %
Adjusted total non-interest expenses										
Total non-interest expenses	$ 483	$ 472	$ 555	$ 476	$ 481	2 %	— %	$ 955	$ 958	— %
Impacts from debt repurchases	—	2	55	3	13	(100)%	(100)%	2	15	(87)%
Adjusted total non-interest expenses	483	470	500	473	468	3 %	3 %	$ 953	$ 943	1 %
Pretax pre-provision earnings (PPNR)										
Income from continuing operations before income taxes	197	243	47	196	174	(19)%	13 %	$ 439	$ 371	18 %
Provision for credit losses	313	303	373	299	274	3 %	14 %	616	570	8 %
Pretax pre-provision earnings (PPNR)	510	546	420	495	448	(6)%	14 %	1,055	941	12 %
Impacts from debt repurchases	—	2	55	3	13	(100)%	(100)%	2	15	(87)%
PPNR excluding impacts from debt repurchases	$ 510	$ 548	$ 475	$ 498	$ 461	(7)%	11 %	$ 1,057	$ 956	11 %

Continued on the following page

Table 6: Reconciliation of GAAP to Non-GAAP Financial Measures

(Millions, except per share amounts and percentages)	2Q26	1Q26	4Q25	3Q25	2Q25	2Q26 vs. 1Q26	2Q26 vs. 2Q25	YTD '26	YTD '25	YTD '26 vs. YTD '25
Average tangible common equity										
Average Total stockholders' equity	$ 3,433	$ 3,461	$ 3,405	$ 3,335	$ 3,183	(1)%	8 %	3,447	3,214	7 %
Less: average Preferred Stock	(143)	(72)	(29)	—	—	100 %	nm	(108)	—	nm
Less: average Goodwill and intangible assets, net	(706)	(713)	(721)	(728)	(735)	(1)%	(4)%	(709)	(739)	(4)%
Average Tangible common equity	2,584	2,676	2,655	2,607	2,448	(3)%	6 %	2,630	2,475	6 %
Tangible common equity (TCE)										
Total stockholders' equity	3,365	3,325	3,327	3,317	3,166	1 %	6 %	3,365	3,166	6 %
Less: Preferred stock	(201)	(72)	(71)	—	—	181 %	nm	(201)	—	nm
Less: Goodwill and intangible assets, net	(701)	(708)	(716)	(723)	(731)	(1)%	(4)%	(701)	(731)	(4)%
Tangible common equity (TCE)	2,463	2,545	2,540	2,594	2,435	(3)%	1 %	2,463	2,435	1 %
Tangible assets (TA)										
Total assets	22,452	22,308	22,663	21,714	21,821	1 %	3 %	22,452	21,821	3 %
Less: Goodwill and intangible assets, net	(701)	(708)	(716)	(723)	(731)	(1)%	(4)%	(701)	(731)	(4)%
Tangible assets (TA)	$ 21,751	$ 21,600	$ 21,947	$ 20,991	$ 21,090	1 %	3 %	$ 21,751	$ 21,090	3 %

nm - Not meaningful, denoting a variance of 1,000 percent or more.

Bread Financial Holdings, Inc
Glossary of Terms

Book value per common share	Book value per common share represents Total stockholders' equity less Preferred stock, divided by common shares outstanding.
Common equity tier 1 capital ratio	Common equity tier 1 capital ratio represents tier 1 capital reduced by Preferred stock, divided by total risk-weighted assets. In the calculation of tier 1 capital, we follow the Basel III Standardized Approach and therefore Total stockholders’ equity has been reduced by Goodwill and intangible assets, net.
Delinquency rate	Delinquency rate represents outstanding balances that are contractually delinquent (i.e., principal balances 30 days past due or more) as of the end of the period, divided by the outstanding principal amount of Credit card and other loans as of the same period-end.
Efficiency ratio and Adjusted efficiency ratio	Efficiency ratio represents Total non-interest expenses divided by Total net interest and non-interest income. Adjusted efficiency ratio excludes any impacts from debt repurchases.
Loan yield	Loan yield represents annualized Interest and fees on loans divided by Average credit card and other loans.
Net interest margin	Net interest margin represents annualized Net interest income divided by average Total interest-earning assets.
Net principal loss rate	Net principal loss rate, an annualized rate, represents net principal losses for the period divided by Average credit card and other loans for the same period, using an average daily balance calculation methodology.
Payment rate	Payment rate represents consumer payments during the period, divided by the aggregate of the opening monthly Credit card and other loans balances during the period, including held for sale in applicable periods.
PPNR and PPNR excluding impacts from debt repurchases *	PPNR represents Income from continuing operations before income taxes and the Provision for credit losses. PPNR excluding impacts from debt repurchases excludes from PPNR impacts from our debt repurchases in the period.
Reserve rate	Reserve rate represents the Allowance for credit losses divided by End-of-period credit card and other loans.
Return on average assets	Return on average assets represents annualized Income from continuing operations divided by average Total assets.
Return on average equity	Return on average equity represents annualized Income from continuing operations divided by average Total stockholders’ equity.
Return on average tangible common equity *	Return on average tangible common equity (ROTCE) represents annualized Income from continuing operations, less Dividends to preferred stockholders, divided by average Tangible common equity. Tangible common equity (TCE) represents Total stockholders’ equity reduced by Preferred stock and Goodwill and intangible assets, net.
Tangible book value per common share *	Tangible book value per common share represents TCE divided by common shares outstanding.
Tangible common equity + credit reserve rate *	Tangible common equity + credit reserve rate represents the sum of TCE and Allowance for credit losses, divided by End-of-period credit card and other loans.
Tangible common equity / tangible assets ratio *	Tangible common equity over tangible assets (TCE/TA) represents TCE divided by Tangible assets (TA), which is Total assets reduced by Goodwill and intangible assets, net.
Total risk-based capital ratio	Total risk-based capital ratio represents total capital divided by total risk-weighted assets. In the calculation of total capital, we follow the Basel III Standardized Approach and therefore tier 1 capital has been increased by tier 2 capital, which for us is comprised of subordinated notes, as well as the allowable portion of the Allowance for credit losses.
Total risk-weighted assets	Total risk-weighted assets are generally measured by allocating assets, and specified off-balance sheet exposures, to various risk categories as defined by the Basel III Standardized Approach.

* Represents a Non-GAAP financial measure. See Table 6: Reconciliation of GAAP to Non-GAAP Financial Measures.