SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported):
January 27, 2022

ALLIANCE DATA SYSTEMS CORPORATION

(Exact Name of Registrant as Specified in Charter)

Delaware	**001-15749**	**31-1429215**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3095 LOYALTY CIRCLE
COLUMBUS, Ohio 43219
(Address and Zip Code of Principal Executive Offices)

(614) 729-4000
(Registrant’s Telephone Number, including Area Code)

NOT APPLICABLE
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, par value $0.01 per share	ADS	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Item 2.02 Results of Operations and Financial Condition.

On January 27, 2022, Alliance Data Systems Corporation (the "Company") issued a press release regarding its results of operations for the fourth quarter and fiscal year ended December 31, 2021. A copy of this press release is furnished as Exhibit 99.1.

Item 7.01 Regulation FD Disclosure.

On January 27, 2022, the Company issued a press release regarding its results of operations for the fourth quarter and fiscal year ended December 31, 2021. A copy of this press release is furnished as Exhibit 99.1.

Attached as Exhibit 99.2 is a presentation to be given to investors and others by senior officers of the Company.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	**Document Description**
99.1	Press Release dated January 27, 2022 announcing the results of operations for the fourth quarter and fiscal year ended December 31, 2021.
99.2	Investor Presentation Materials.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

Note: The information contained in this report (including Exhibits 99.1 and 99.2) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such a filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

		Alliance Data Systems Corporation
Date: January 27, 2022	By:	/s/ Joseph L. Motes III Joseph L. Motes III Executive Vice President, Chief Administrative Officer, General Counsel and Secretary

Alliance Data Reports Full Year and Fourth Quarter 2021 Results

COLUMBUS, Ohio, January 27, 2022 – Alliance Data Systems Corporation (NYSE: ADS), a leading provider of tech-forward payment and lending solutions, today announced results for the full year and the fourth quarter ended December 31, 2021.

- Fourth quarter net income was $17 million, or $0.34 per diluted share, inclusive of one-time costs related to the spinoff of the LoyaltyOne segment as Loyalty Ventures Inc. (NASDAQ: LYLT).

Financial Summary	Fourth Quarter 2021		Full Year 2021	
	Total Company	Continuing Operations[(a)]	Total Company	Continuing Operations[(a)]
Net Income ($ millions)	$17	$61	$801	$797
Earnings per Diluted Share	$0.34	$1.21	$16.02	$15.95

(a) Reflective of the spinoff of Loyalty Ventures Inc.

- Fourth quarter credit sales increased 15% year-over-year.
- Credit performance held strong with a net loss rate of 4.4% in 4Q21.
- As a result of the spinoff of Loyalty Ventures Inc., capital and leverage ratios improved as $750 million of debt was paid down and goodwill was reduced by $700 million.

Brand Partner Highlights

"We were very pleased with the pace and success of our business development activities, which in the fourth quarter attracted several new brand partners, including the NFL, B&H Photo, Michaels, and TBC Corporation – which includes brands like National Tire & Battery (NTB), Big O Tires, and Midas. Alliance Data's omnichannel touchpoints and comprehensive product suite will position these brand partners to drive incremental sales growth and customer loyalty, while also providing expanded payment choices for their customers," said Ralph Andretta, president and chief executive officer of Alliance Data.

"Additionally, we are excited to extend our relationships with Ulta Beauty, Toyota, top Millennial and Gen Z brands, as well as Lexus. The long-term renewal with Ulta Beauty, one of our largest and faster-growing brand partners, reinforced our industry-leading position in the beauty vertical, while the Toyota and Lexus renewal extends the growth of diversified verticals. With these renewals, we have secured the vast majority of our brand partner relationships through 2023.

"Also in the quarter, we more than doubled the number of new direct merchant partner signings on Bread's versatile fintech payments platform compared to third quarter levels. More broadly, our business development pipeline remains robust, including soon-to-be announced new partnerships, supporting our confidence for continued growth in 2022 and beyond," Andretta noted.

CEO COMMENTARY

"2021 represented a transformational year, resulting in a streamlined and stronger Alliance Data. We successfully executed on our strategy to provide an enhanced suite of product offerings, expanded our fintech payments platform, attracted top-tier talent, advanced our core technology and digital capabilities, and bolstered our financial position by divesting our last remaining non-core business.

"Our fourth quarter results demonstrate Alliance Data's ability to drive growth and improved core earnings. Year-end receivables increased 4% from 2020 levels, and pre-tax pre-provision earnings increased both year-over-year and sequentially in the fourth quarter. At the same time, we continued to strategically invest in our business to capture longer-term efficiencies and growth opportunities, positioning the company to achieve our target of $20 billion in average receivables for the full year of 2023.

"Credit sales remained strong in the fourth quarter reflecting improved holiday shopping and consumer activity. In-store credit transactions increased year-over-year as consumers continued to shop across all channels. Millennial and Gen. Z spending and transaction activity exceeded pre-pandemic levels in the quarter.

"As expected, our net loss and delinquency rates moved gradually higher in the fourth quarter in tandem with the wind-down of COVID-related federal stimulus programs. While we project these metrics to increase in 2022, they are expected to remain below historic levels."

- Ralph Andretta, president and chief executive officer

2022 Full Year CFO Outlook

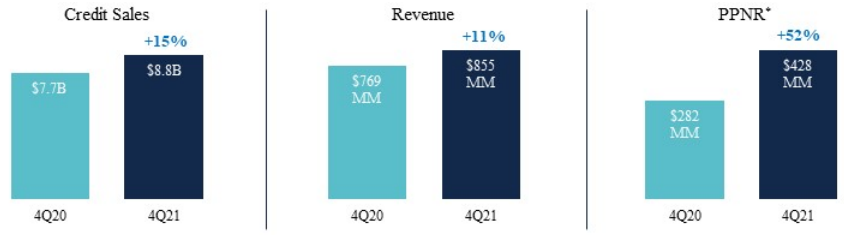
- **Macroeconomic Assumptions:** "We expect a return to more normalized economic activity and consumer behavior and remain vigilant in monitoring COVID conditions and the impact on consumers and our brand partners. Our outlook assumes a moderation in the consumer payment rate throughout 2022. Payment rate variability is a key determinant for the high- and low-ends of our forecasted ranges. Four Federal Reserve rate increases are also included in our 2022 forecast and our models indicate that these rate hikes in 2022 would result in a nominal benefit to total net interest income.
- **Average Receivables Growth:** "Based on our new business expectations, visibility into our pipeline (including the BJ's Wholesale Club non-renewal), and the current economic outlook, we expect full year 2022 average receivables growth in the high-single- to low-double-digit range relative to 2021. This expected growth aligns with the achievement of our targeted full year average receivables of $20 billion in 2023.
- **Total Revenue Growth:** "Total revenue growth for 2022 is anticipated to be closely aligned with average receivables growth with net interest margin expected to remain steady on a full year basis as compared to 2021.
- **Total Expenses Growth:** "As a result of continued investment in technology modernization, digital advancement, marketing, and product innovation, along with strong portfolio growth, we anticipate total expenses to increase in 2022, while ensuring we deliver modest positive operating leverage for the full year. We will continue to invest prudently to position the Company for future growth and efficiencies, with the expectation of maintaining positive operating leverage. We will manage the pace and timing of our investments to align with our revenue growth outlook, including the planned incremental investment of more than $125 million in digital and product innovation, marketing, and technology enhancements during the year.
- **Net Loss Rate:** "We expect a net loss rate in the low-to-mid 5% range for 2022 as credit metrics begin to normalize from historically low rates due to federal stimulus and federal assistance programs largely expiring. We remain confident in our long-term guidance of a through-the-cycle net loss rate below our historical average of 6%."

CFO COMMENTARY

"We are well-positioned to build on our momentum in 2022. While we continue to monitor uncertainties in the economy, we are confident in the responsible execution of our strategy and the achievement of our financial targets. Our disciplined risk management approach focused on risk-reward tradeoff will enable us to maintain profitable growth in the periods ahead; we are committed to ensuring our strategic investments deliver long-term shareholder value."

- Perry Beberman, executive vice president and chief financial officer

Key Operating and Financial Metrics[(a)]



Continuing Operations[(a)]	**Quarter Ended December 31,**			**Year Ended December 31,**		
($ in millions, except per share amounts)	**2021**	**2020**	**Change**	**2021**	**2020**	**Change**
Total net interest and non-interest income ("Revenue")	$855	$769	11%	$3,272	$3,298	(1)%
Net principal losses	$176	$235	(25)%	$720	$1,083	(34)%
Reserve build (release)	$187	($82)	nm	($176)	$183	nm
Provision for credit losses	$363	$153	138%	$544	$1,266	(57)%
Total non-interest expenses	$427	$487	(12)%	$1,684	$1,731	(3)%
Income from continuing operations before income taxes	$65	$129	(50)%	$1,044	$301	247%
Income from continuing operations	**$61**	**$74**	**(18)%**	**$797**	**$208**	**283%**
Income from continuing operations per diluted share	$1.21	$1.54	(21)%	$15.95	$4.35	267%
Weighted average shares outstanding – diluted	50.0	48.4		50.0	47.9	
********************************						
Pre-tax pre-provision earnings ("PPNR")*	$428	$282	52%	$1,588	$1,567	1%

(a) Reflective of the spinoff of Loyalty Ventures Inc. for all periods presented.
nm – not meaningful
** Pre-tax pre-provision earnings is a non-GAAP financial measure.*

Fourth Quarter 2021 Compared to Fourth Quarter 2020 – Continuing Operations

- Credit sales increased 15% to $8.8 billion as consumer spending continues to recover.
- Average and end-of-period receivables increased 2% and 4% to $16.1 and $17.4 billion, respectively, driven by strong credit sales and the recovering economy.
- Revenue increased 11%, or $86 million, resulting from higher average receivables balances, improved loan yields, and continued improvement in cost of funds.
- Total non-interest expenses decreased 12%, or $60 million, as the prior year included $25 million in depreciation and amortization costs and $23 million in other expenses related to real estate optimization activities, higher marketing costs related to card program enhancements, and settlement and other remediation costs. These prior year costs were partially offset in the current year by employee compensation and benefit costs which increased 15%, or $24 million, primarily driven by continued digital and technology modernization-related hiring, as well as higher volume-related staffing levels.
- Pre-tax pre-provision earnings, a non-GAAP measure, improved by $146 million, or 52%, reflecting profitable receivables growth, improved funding costs, and lower expenses.
- Income from continuing operations decreased $13 million, as the PPNR improvement described above was offset by a $187 million net reserve build in provision for credit losses resulting from year-end receivables growth.
- Delinquency rate of 3.9% improved 50 basis points from the prior year.
- Net loss rate was 4.4%, an improvement of 160 basis points from the prior year.

Contacts

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Media Relations: Shelley Whiddon (Shelley.Whiddon@alliancedata.com), 214-494-3811

Rachel Stultz (Rachel.Stultz@alliancedata.com), 614-729-4890

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 our ability to realize the intended benefits of the spinoff of the LoyaltyOne® segment, future dividend declarations, and future economic conditions, including, but not limited to, market conditions and COVID-19 impacts related to relief measures for impacted borrowers and depositors, labor shortages due to quarantine, and reduction in demand from clients.

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.

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 release, including the supplemental schedules and related investor 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, *Pre-tax pre-provision earnings* is calculated by increasing Income from continuing operations before income taxes by Provision for credit losses. *Pre-tax pre-provision earnings less gain on portfolio sale* is calculated by decreasing Pre-tax pre-provision earnings by gains recognized on loan portfolio sales. We believe the use of these non-GAAP financial measures provides 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 financial tables and information that follows.

Conference Call / Webcast Information

Alliance Data will host a conference call on Thursday, January 27, 2022 at 8:30 a.m. (Eastern Time) to discuss the Company's full year and fourth quarter 2021 results. The conference call will be available via the Internet at www.alliancedata.com. There will be several slides accompanying the webcast. Please go to the website at least 15 minutes prior to the call to register, download and install any necessary software. The recorded webcast will also be available on the Company's website.

If you are unable to participate in the conference call, a replay will be available. To access the replay, please dial (866) 813-9403 or (929) 458-6194 and enter "252370". The replay will be available at approximately 11:59 a.m. (Eastern Time) on Thursday, January 27, 2022.

About Alliance Data

Alliance Data® (NYSE: ADS) is a leading provider of tech-forward payment and lending solutions, serving customers and consumer-based industries in North America. Through omnichannel touch points and a comprehensive product suite that includes credit products and Bread® digital payment solutions, Alliance Data helps its partners drive loyalty and growth, while giving customers greater payment choices. Through its Comenity-branded financial services, it also offers credit and savings products to consumers.

Headquartered in Columbus, Ohio, Alliance Data is an S&P MidCap 400 company that employs approximately 6,000 associates worldwide. In November 2021, Alliance Data completed the spinoff of its LoyaltyOne segment, which included the Canadian AIR MILES® Reward Program, and Netherlands-based BrandLoyalty. The company is now known as Loyalty Ventures Inc. (Nasdaq: LYLT).

More information about Alliance Data can be found at AllianceData.com. Follow Alliance Data on Twitter, Facebook, LinkedIn, Instagram and YouTube.

ALLIANCE DATA SYSTEMS CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share amounts)

	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020	Year Ended December 31, 2021	Year Ended December 31, 2020
Interest income:				
Interest and fees on loans	$ 1,015	$ 948	$ 3,861	$ 3,931
Interest on cash and investment securities	2	2	7	21
Total interest income	1,017	950	3,868	3,952
Interest expense:				
Interest on deposits	37	50	167	238
Interest on borrowings	47	62	216	261
Total interest expense	84	112	383	499
Net interest income	933	838	3,485	3,453
Non-interest income:				
Interchange revenue, net of retailer share arrangements	(119)	(107)	(369)	(332)
Other	41	38	156	177
Total non-interest income	(78)	(69)	(213)	(155)
Total net interest and non-interest income	855	769	3,272	3,298
Provision for credit losses	363	153	544	1,266
Total net interest and non-interest income, after provision for credit losses	492	616	2,728	2,032
Non-interest expenses:				
Employee compensation and benefits	182	158	671	609
Card and processing expenses	81	84	323	396
Information processing and communication	55	48	216	191
Marketing expense	47	57	160	143
Depreciation and amortization	22	42	92	106
Other	40	98	222	286
Total non-interest expenses	427	487	1,684	1,731
Income from continuing operations before income taxes	65	129	1,044	301
Provision for income taxes	4	55	247	93
Income from continuing operations	61	74	797	208
(Loss) income from discontinued operations, net of taxes	(44)	(62)	4	6
Net income	$ 17	$ 12	$ 801	$ 214
Basic earnings per share:				
Income from continuing operations	$ 1.22	$ 1.54	$ 16.02	$ 4.36
(Loss) income from discontinued operations	(0.88)	(1.29)	0.07	0.11
Net income per share	$ 0.34	$ 0.25	$ 16.09	$ 4.47
Diluted earnings per share:				
Income from continuing operations	$ 1.21	$ 1.54	$ 15.95	$ 4.35
(Loss) income from discontinued operations	(0.87)	(1.29)	0.07	0.11
Net income per diluted share	$ 0.34	$ 0.25	$ 16.02	$ 4.46
Weighted average shares:				
Basic	49.8	48.3	49.7	47.8
Diluted	50.0	48.4	50.0	47.9
Pre-tax pre-provision earnings:				
Income from continuing operations before income taxes	$ 65	$ 129	$ 1,044	$ 301
Provision for credit losses	363	153	544	1,266
Pre-tax pre-provision earnings*	$ 428	$ 282	$ 1,588	$ 1,567

** Pre-tax pre-provision earnings is a non-GAAP financial measure.*

ALLIANCE DATA SYSTEMS CORPORATION
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)

	December 31, 2021	December 31, 2020
Assets		
Cash and cash equivalents	$ 3,046	$ 2,796
Credit card and other loans:		
Credit card and other loans	17,399	16,784
Allowance for credit losses	(1,832)	(2,008)
Credit card and other loans, net	15,567	14,776
Property and equipment, net	215	213
Intangible assets, net	53	77
Goodwill	634	634
Other assets	2,230	1,588
Assets of discontinued operations	1	2,463
Total assets	$ 21,746	$ 22,547
Liabilities and Stockholders' Equity		
Deposits	$ 11,027	$ 9,793
Non-recourse borrowings of consolidated securitization entities	5,453	5,710
Long-term and other debt	1,986	2,806
Other liabilities	1,190	1,359
Liabilities of discontinued operations	4	1,357
Total liabilities	19,660	21,025
Stockholders' equity	2,086	1,522
Total liabilities and stockholders' equity	$ 21,746	$ 22,547
Shares of common stock outstanding	49.8	49.7

ALLIANCE DATA SYSTEMS CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended December 31, 2021	Year Ended December 31, 2020
Cash Flows from Operating Activities:		
Net income	$ 801	$ 214
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	123	184
Deferred income taxes	(15)	(223)
Provision for credit losses	544	1,266
Non-cash stock compensation	29	21
Amortization of deferred financing costs	31	36
Asset impairment charges	—	64
Change in operating assets and liabilities, net of acquisitions and dispositions	(41)	283
Other	71	38
Net cash provided by operating activities	1,543	1,883
Cash Flows from Investing Activities:		
Change in redemption settlement assets	(113)	(41)
Change in credit card and loan receivables	(1,805)	1,784
Payments for acquired business, net of cash and restricted cash	(75)	(267)
Purchase of credit card and loan portfolios	(110)	—
Sale of credit card portfolio	512	289
Capital expenditures	(84)	(54)
Other	(16)	63
Net cash (used in) provided by investing activities	(1,691)	1,774
Cash Flows from Financing Activities:		
Borrowings under debt agreements	38	1,276
Repayments of borrowings	(864)	(1,320)
Net increase (decrease) in deposits	1,228	(2,370)
Non-recourse borrowings of consolidated securitization entities	4,278	2,419
Repayments/maturities of non-recourse borrowings of consolidated securitization entities	(4,538)	(4,096)
Debt proceeds from spinoff of Loyalty Ventures Inc.	652	—
Transfers to Loyalty Ventures Inc. related to spinoff	(127)	—
Payment of deferred financing costs	(13)	(19)
Dividends paid	(42)	(61)
Other	(4)	4
Net cash provided by (used in) financing activities	608	(4,167)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	15
Change in cash, cash equivalents and restricted cash	460	(495)
Cash, cash equivalents and restricted cash at beginning of period	3,463	3,958
Cash, cash equivalents and restricted cash at end of period	$ 3,923	$ 3,463

Note: The unaudited Condensed Consolidated Statements of Cash Flows are presented reflecting the combined cash flows from continuing and discontinued operations.

ALLIANCE DATA SYSTEMS CORPORATION
UNAUDITED SUMMARY FINANCIAL HIGHLIGHTS
(In millions, except per share amounts and percentages)

	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020	Change	Year Ended December 31, 2021	Year Ended December 31, 2020	Change
Credit sales	$ 8,778	$ 7,657	15%	$ 29,603	$ 24,707	20%
Average receivables	$ 16,086	$ 15,759	2%	$ 15,656	$ 16,367	(4)%
End-of-period receivables	$ 17,399	$ 16,784	4%	$ 17,399	$ 16,784	4%
End-of-period direct-to-consumer deposits	$ 3,180	$ 1,700	87%	$ 3,180	$ 1,700	87%
Return on average assets(1)	1.1%	1.4%	(0.3)%	3.6%	0.9%	2.7%
Return on average equity(2)	11.1%	21.3%	(10.2)%	40.7%	16.7%	24.0%
Net interest margin(3)	18.8%	17.8%	1.0%	18.2%	16.8%	1.4%
Loan yield(4)	25.2%	24.1%	1.1%	24.7%	24.0%	0.7%
Risk-adjusted loan yield(5)	20.9%	18.1%	2.8%	20.1%	17.4%	2.7%
Efficiency ratio(6)	50.0%	63.4%	(13.4)%	51.5%	52.5%	(1.0)%
Tangible book value per common share(7)	$ 28.09	$ 16.34	71.9%	$ 28.09	$ 16.34	71.9%
Tangible common equity / tangible assets ratio (TCE/TA) (8)	6.6%	3.7%	2.9%	6.6%	3.7%	2.9%
Cash dividend per common share	$ 0.21	$ 0.21	—%	$ 0.84	$ 1.26	(33.3)%
Net loss rate	4.4%	6.0%	(1.6)%	4.6%	6.6%	(2.0)%
Delinquency rate	3.9%	4.4%	(0.5)%	3.9%	4.4%	(0.5)%
Reserve rate	10.5%	12.0%	(1.5)%	10.5%	12.0%	(1.5)%

(1) Return on average assets represents Income from continuing operations divided by average Total assets.
(2) Return on average equity represents Income from continuing operations divided by average Total stockholders' equity.
(3) Net interest margin represents Net interest income divided by average Total interest-earning assets.
(4) Loan yield represents Interest and fees on loans divided by Average receivables.
(5) Risk-adjusted loan yield represents Loan yield less Net loss rate.
(6) Efficiency ratio represents Total non-interest expenses divided by Total net interest and non-interest income.
(7) Tangible book value per common share represents Total stockholders' equity less Intangible assets, net, and Goodwill divided by shares outstanding.
(8) Tangible common equity represents Total stockholders' equity less Intangible assets, net, and Goodwill. Tangible assets represents Total assets less Intangible assets, net, and Goodwill.

Exhibit 99.2

Alliance Data

Fourth Quarter & Full Year 2021 Results

January 27, 2022

Ralph Andretta
President & CEO

Perry Beberman
EVP & CFO

AllianceData.

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Forward-Looking Statements

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Non-GAAP Financial Measures

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© 2022 ADS Alliance Data Systems, Inc.

Our Business Transformation

Leading provider of tech-forward payment and lending solutions

- ✓ Simplifying our Business Model
- ✓ Expanding our Product Suite & Developing Strategic Relationships
- ✓ Enhancing our Core Technology & Advancing Digital Capabilities
- ✓ Improving our Capital Ratios and Reducing our Leverage
- ✓ Increasing Prioritization of ESG

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Key Highlights

Financial Targets Performance Update

- Exceeded 2021 financial guidance
- Drove stronger than expected receivables growth
- Positive credit performance with full year net loss rate near historical lows, reflective of disciplined risk management & environment

Credit Sales Update

- Credit sales held strong in the fourth quarter, up 15% year-over-year
- Holiday sales were strong with beauty and jewelry each up 30% from 4Q20
- In-store credit transactions increased year-over-year

Business Development and Product Update

- Leveraged strong pipeline & robust business development & renewal activities
- Further diversified mix of portfolios and products
- Continued investment in digital capabilities to scale for growth
- Expanded growth opportunities with strategic platform business relationships

Brand Partner Highlights

Select New Brand Partners

Michaels Made by you

NFL

B&H Photo - Video - Pro Audio

TBC Corporation including brands like:

Midas

NTB Tire & Service Centers

Big O Tires

Brand Partner Renewals

Ulta Beauty

Toyota

Lexus Experience Amazing

Select New Bread Direct Acquisition Partners

O2 1st Class Medical

West Music

Elecraft

Blindster

Wholesale Cabinets

Financial Results

($ in millions, except per share)	4Q21	4Q20	% Change	FY21	FY20	% Change
Income from continuing operations, net of taxes	$61	$74	(18)%	$797	$208	283%
(Loss) income from discontinued operations, net of taxes	(44)	(62)	(30)	4	6	(38)
Net income	**$17**	**$12**	**42%**	**$801**	**$214**	**275%**
**						
Net income per diluted share from continuing operations	$1.21	$1.54	(21)%	$15.95	$4.35	267%
Net (loss) income per diluted share from discontinued operations	(0.87)	(1.29)	(33)	0.07	0.11	(36)
Net income per diluted share	**$0.34**	**$0.25**	**36%**	**$16.02**	**$4.46**	**259%**
Weighted average shares outstanding – diluted *(in millions)*	50.0	48.4		50.0	47.9	

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Fourth Quarter 2021 Financial Highlights
Continuing Operations

$855MM	$61MM	$1.21
Revenue	Income from Continuing Operations	Diluted EPS from Continuing Operations

- Credit sales of $8.8 billion were up 15% year-over-year
- Fourth quarter average receivables of $16.1 billion were up 2% year-over-year
- Revenue increased 11% year-over-year, while total non-interest expenses declined 12%
- Income from continuing operations of $61 million was down 18% year-over-year, primarily as a result of higher Provision for credit losses due to increased year-end receivables
- Credit metrics remained strong with a delinquency rate of 3.9% and a net loss rate of 4.4% for the quarter

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Full Year 2021 Financial Highlights
Continuing Operations

$3.3BN	$797MM	$15.95
Revenue	Income from Continuing Operations	Diluted EPS from Continuing Operations

- Credit sales of $29.6 billion were up 20% year-over-year
- Full year average receivables of $15.7 billion were down 4% year-over-year, with end-of-period receivables up 4%
- Revenue was nearly flat year-over-year, while total non-interest expenses declined 3%
- Income from continuing operations of $797 million was up 283% year-over-year, primarily as a result of lower Provision for credit losses reflecting a lower reserve rate at year-end 2021
- Credit metrics remained strong with a delinquency rate of 3.9% and a net loss rate of 4.6% for the year

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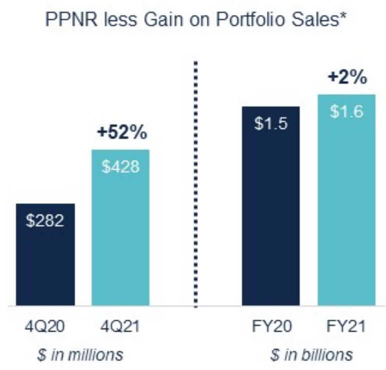
Financial Results – Continuing Operations

($ in millions, except per share)	4Q21	4Q20	% Change	FY21	FY20	% Change
Total interest income	$1,017	$950	7%	$3,868	$3,952	(2)%
Total interest expense	84	112	(24)	383	499	(23)
Net interest income	**933**	**838**	**11**	**3,485**	**3,453**	**1**
Total non-interest income	(78)	(69)	12	(213)	(155)	38
Revenue	**855**	**769**	**11**	**3,272**	**3,298**	**(1)**
Net principal losses	176	235	(25)	720	1,083	(34)
Reserve build (release)	187	(82)	nm	(176)	183	nm
Provision for credit losses	363	153	138	544	1,266	(57)
Total non-interest expenses	427	487	(12)	1,684	1,731	(3)
Income before income taxes	**65**	**129**	**(50)**	**1,044**	**301**	**247**
Provision for income taxes	4	55	(93)	247	93	**168**
Net income	**$61**	**$74**	**(18)%**	**$797**	**$208**	**283%**
Net income per diluted share	$1.21	$1.54	(21)%	$15.95	$4.35	267%
Weighted average shares outstanding – diluted	50.0	48.4	3%	50.0	47.9	4%
Pre-tax pre-provision earnings ("PPNR")*	**$428**	**$282**	**52%**	**$1,588**	**$1,567**	**1%**



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** Pre-tax pre-provision earnings and Pre-tax pre-provision earnings less gain on portfolio sales are non-GAAP financial measures.*

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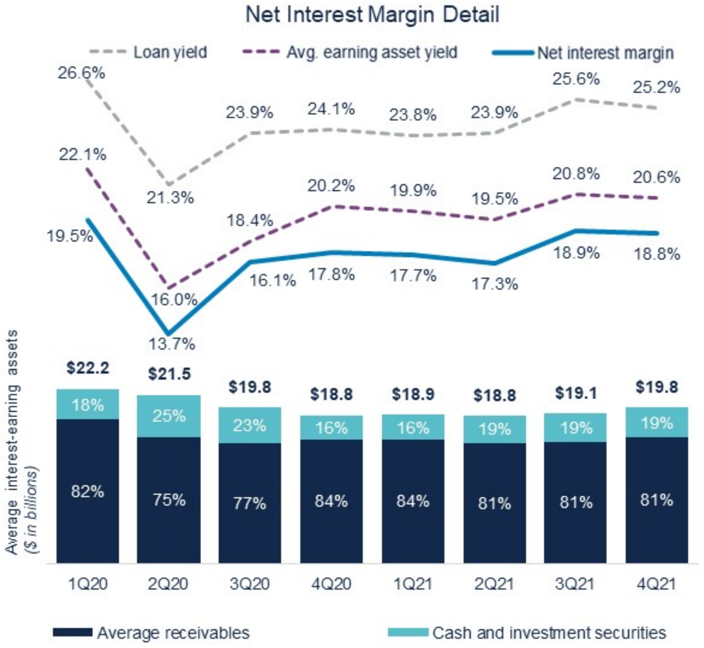
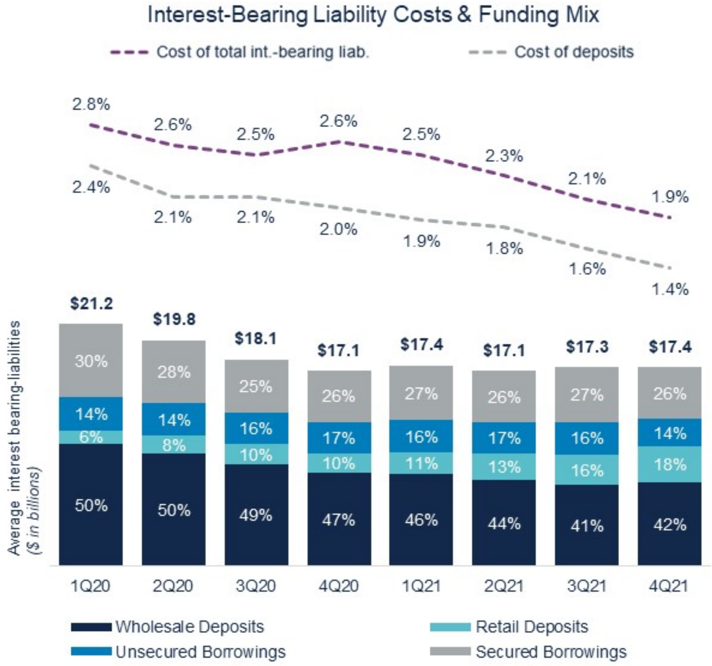
Net Interest Margin





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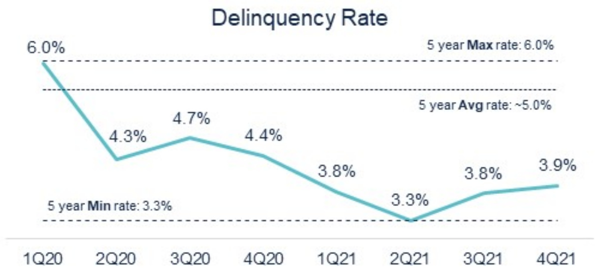
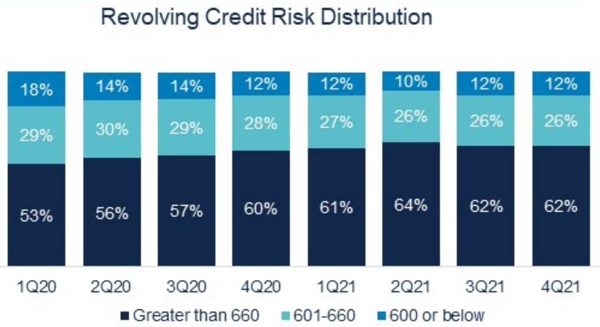
Credit Quality and Allowance



* 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 receivables $15,656 million	Up high-single to low-double digits	• Continued sales momentum and net partner additions driving strong growth • Expect year-end receivables growth year-over-year to be slightly stronger than full year average receivables growth year-over-year • Outlook includes soon-to-be-announced brand partner additions & assumes BJ's non-renewal
Revenue $3,272 million	Aligned with receivables growth	• Net interest income growth is expected to be slightly favorable to full year average receivables growth year-over-year as the net interest margin benefits from lower cost of funding in 2022 • Outlook assumes four fed rate increases in 2022 with a nominal benefit to Net interest income • Non-interest income year-over-year change is expected to offset the favorability in Net income (potential gain on investment in LVI and portfolio sales not included in outlook)
Total non-interest expenses $1,684 million	Positive operating leverage	• 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 will manage the pace of our investments to align with our revenue & growth outlook
Net loss rate 4.6%	Low-to-mid 5% range	• Expect credit metrics to normalize in 2022 off of historically low rates, yet remain below our historic through-the-cycle average of ~6.0%

Appendix

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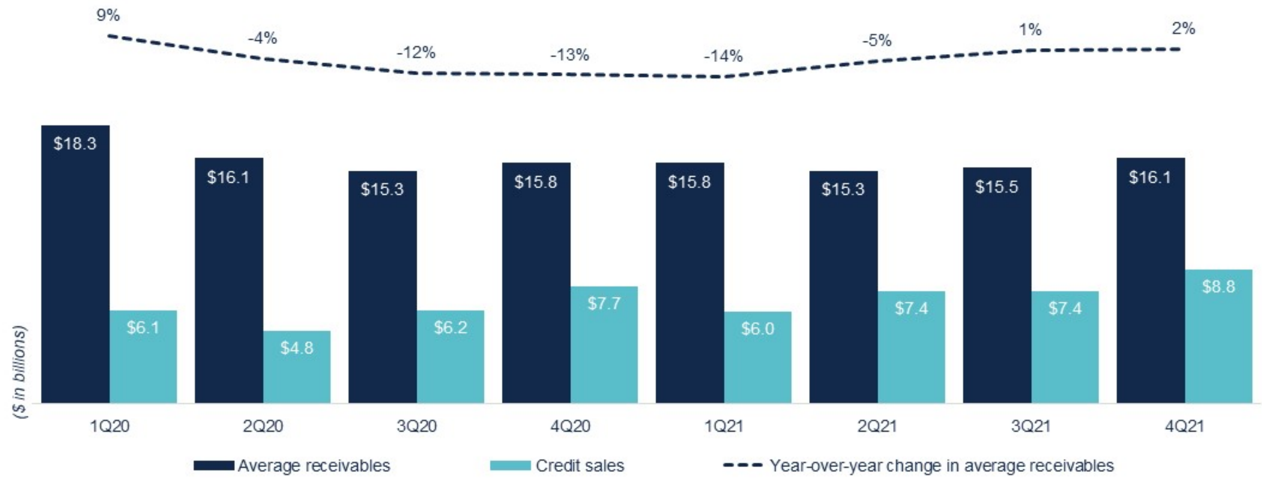
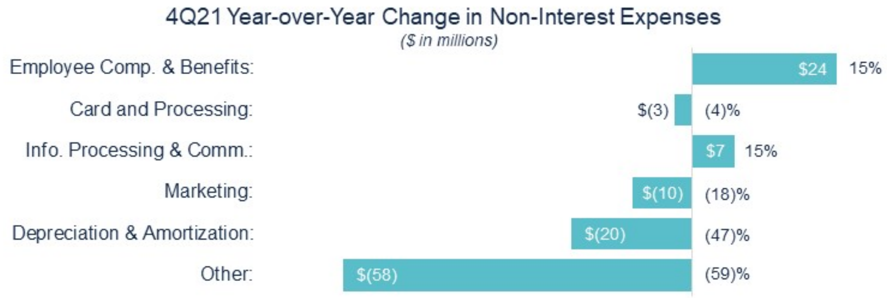
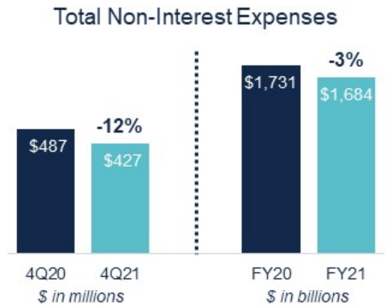
Average Receivables and Credit Sales



Receivables continue to inflect higher with strengthening credit sales providing momentum entering 2022

Total Non-Interest Expenses





Total non-interest expenses were down 12% versus 4Q20

- Employee compensation and benefit costs increased 15% primarily driven by continued digital and technology modernization-related hiring, as well as higher volume-related staffing levels.
- Marketing expenses decreased primarily due to higher marketing costs related to card program enhancements in 2020.
- Depreciation and amortization costs decreased primarily due to $25 million in charges related to real estate optimization activities in 2020.
- Other expenses decreased primarily due to $45 million in charges related to real estate optimization activities, and settlement and other remediation costs in 2020.

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Summary Financial Highlights- Continuing Operations

($ in millions)	4Q21	4Q20	4Q21 vs 4Q20	3Q21	4Q21 vs 3Q21	FY21	FY20	FY21 vs FY20
Credit sales	$8,778	$7,657	15%	$7,380	19%	$29,603	$24,707	20%
Average receivables	$16,086	$15,759	2%	$15,471	4%	$15,656	$16,367	(4)%
End-of-period receivables	$17,399	$16,784	4%	$15,690	11%	$17,399	$16,784	4%
End-of-period direct-to-consumer deposits	$3,180	$1,700	87%	$3,052	4%	$3,180	$1,700	87%
Return on average assets(1)	1.1%	1.4%	(0.3)%	3.7%	(2.6)%	3.6%	0.9%	2.7%
Return on average equity(2)	11.1%	21.3%	(10.2)%	38.0%	(26.9)%	40.7%	16.7%	24.0%
Net interest margin(3)	18.8%	17.8%	1.0%	18.9%	(0.1)%	18.2%	16.8%	1.4%
Loan yield(4)	25.2%	24.1%	1.1%	25.6%	(0.4)%	24.7%	24.0%	0.7%
Risk-adjusted loan yield(5)	20.9%	18.1%	2.8%	21.7%	(0.8)%	20.1%	17.4%	2.7%
Efficiency ratio(6)	50.0%	63.4%	(13.4)%	50.6%	(0.6)%	51.5%	52.5%	(1.0)%
Tangible book value per common share(7)	$28.09	$16.34	71.9%	$31.18	(9.9)%	$28.09	$16.34	71.9%
Tangible common equity / tangible assets ratio (TCE/TA) (8)	6.6%	3.7%	2.9%	7.2%	(0.6)%	6.6%	3.7%	2.9%
Cash dividend declared per common share	$0.21	$0.21	—%	$0.21	—%	$0.84	$1.26	(33.3)%
Net loss rate	4.4%	6.0%	(1.6)%	3.9%	0.5%	4.6%	6.6%	(2.0)%
30+ day delinquency rate	3.9%	4.4%	(0.5)%	3.8%	0.1%	3.9%	4.4%	(0.5)%
Reserve rate	10.5%	12.0%	(1.5)%	10.5%	—%	10.5%	12.0%	(1.5)%

(1) Return on average assets represents Income from continuing operations divided by average Total assets.
(2) Return on average equity represents Income from continuing operations divided by average Total stockholders' equity.
(3) Net interest margin represents Net interest income divided by average total interest-earning assets.
(4) Loan yield represents Interest and fees on loans divided by Average receivables.
(5) Risk-adjusted loan yield represents Loan yield less Net loss rate.
(6) Efficiency ratio represents Total non-interest expenses divided by Total net interest and non-interest income.
(7) Tangible book value per common share represents Total stockholders' equity less Intangible assets, net, and Goodwill divided by shares outstanding.
(8)Tangible common equity represents Total stockholders' equity less Intangible assets, net, and Goodwill. Tangible assets represents Total assets less Intangible assets, net, and Goodwill.

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Summary Financial Highlights- Continuing Operations

($ in millions)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	FY20	FY21
Credit sales	$6,099	$4,799	$6,152	$7,657	$6,043	$7,401	$7,380	$8,778	$24,707	$29,603
Year-over-year change	*(3)%*	*(36)%*	*(21)%*	*(18)%*	*(1)%*	*54%*	*20%*	*15%*	*(20)%*	*20%*
Average receivables	$18,294	$16,116	$15,300	$15,759	$15,785	$15,282	$15,471	$16,086	$16,367	$15,656
Year-over-year change	*9%*	*(4)%*	*(12)%*	*(13)%*	*(14)%*	*(5)%*	*1%*	*2%*	*(5)%*	*(4)%*
End-of-period receivables	$17,732	$15,809	$15,599	$16,784	$15,537	$15,724	$15,690	$17,399	$16,784	$17,399
Year-over-year change	*5%*	*(10)%*	*(13)%*	*(14)%*	*(12)%*	*(1)%*	*1%*	*4%*	*(14)%*	*4%*
End-of-period direct-to-consumer deposits	$1,192	$1,843	$1,707	$1,700	$2,152	$2,398	$3,052	$3,180	$1,700	$3,180
Year-over-year change	*nm**	*144%*	*57%*	*46%*	*81%*	*30%*	*79%*	*87%*	*46%*	*87%*
Return on average assets(1)	—%	0.3%	2.1%	1.4%	4.9%	4.8%	3.7%	1.1%	0.9%	3.6%
Return on average equity(2)	(0.2)%	7.0%	37.2%	21.3%	66.3%	56.4%	38.0%	11.1%	16.7%	40.7%
Net interest margin(3)	19.5%	13.7%	16.1%	17.8%	17.7%	17.3%	18.9%	18.8%	16.8%	18.2%
Loan yield(4)	26.6%	21.3%	23.9%	24.1%	23.8%	23.9%	25.6%	25.2%	24.0%	24.7%
Risk-adjusted loan yield(5)	19.6%	13.7%	18.1%	18.1%	18.8%	18.8%	21.7%	20.9%	17.4%	20.1%
Efficiency ratio(6)	40.4%	60.6%	51.0%	63.4%	50.1%	55.5%	50.6%	50.0%	52.5%	51.5%
Tangible book value per common share(7)	$15.41	$16.99	$20.68	$16.34	$21.32	$27.12	$31.18	$28.09	$16.34	$28.09
Tangible common equity / Tangible assets ratio (TCE/TA) (8)	3.1%	3.6%	4.7%	3.7%	5.2%	6.4%	7.2%	6.6%	3.7%	6.6%
Cash dividend declared per common share	$0.63	$0.21	$0.21	$0.21	$0.21	$0.21	$0.21	$0.21	$1.26	$0.84
Net loss rate	7.0%	7.6%	5.8%	6.0%	5.0%	5.1%	3.9%	4.4%	6.6%	4.6%
30+ day delinquency rate	6.0%	4.3%	4.7%	4.4%	3.8%	3.3%	3.8%	3.9%	4.4%	3.9%
Reserve rate	12.1%	13.3%	13.3%	12.0%	11.9%	10.4%	10.5%	10.5%	12.0%	10.5%

(1) Return on average assets represents Income from continuing operations divided by average Total assets.
(2) Return on average equity represents Income from continuing operations divided by average Total stockholders' equity.
(3) Net interest margin represents Net interest income divided by average total interest-earning assets.
(4) Loan yield represents Interest and fees on loans divided by Average receivables.

**nm – not meaningful*

(5) Risk-adjusted loan yield represents Loan yield less Net loss rate.
(6) Efficiency ratio represents Total non-interest expenses divided by Total net interest and non-interest income.
(7) Tangible book value per common share represents Total stockholders' equity less Intangible assets, net, and Goodwill divided by shares outstanding.
(8)Tangible common equity represents Total stockholders' equity less Intangible assets, net, and Goodwill. Tangible assets represents Total assets less Intangible assets, net, and Goodwill.

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Financial Results – Continuing Operations

($ in millions, except per share)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	FY20	FY21
Total interest income	$1,227	$860	$915	$950	$942	$915	$994	$1,017	$3,952	$3,868
Total interest expense	146	127	114	112	107	100	92	84	499	383
Net interest income	**1,081**	**733**	**801**	**838**	**835**	**815**	**902**	**933**	**3,453**	**3,485**
Total non-interest income	(11)	(28)	(47)	(69)	(33)	(51)	(51)	(78)	(155)	(213)
Revenue	**1,070**	**705**	**754**	**769**	**802**	**764**	**851**	**855**	**3,298**	**3,272**
Net principal losses	320	305	223	235	198	194	152	176	1,083	720
Reserve build (release)	336	(55)	(16)	(82)	(164)	(208)	9	187	183	(176)
Provision for credit losses	656	250	207	153	34	(14)	161	363	1,266	544
Total non-interest expenses	432	427	385	487	402	424	431	427	1,731	1,684
(Loss) income before income taxes	**(18)**	**28**	**162**	**129**	**366**	**354**	**259**	**65**	**301**	**1,044**
(Benefit) provision for income taxes	(17)	8	47	55	99	91	53	4	93	247
Net (loss) income	**$(1)**	**$20**	**$115**	**$74**	**$267**	**$263**	**$206**	**$61**	**$208**	**$797**
Net (loss) income per diluted share	$(0.01)	$0.41	$2.41	$1.54	$5.38	$5.25	$4.11	$1.21	$4.35	$15.95
Weighted average shares outstanding – diluted	47.7	47.7	47.8	48.4	49.8	50.0	50.0	50.0	47.9	50.0

****

Reconciliation of GAAP to Non-GAAP Financial Measures:

	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	FY20	FY21
(Loss) income before income taxes	**$(18)**	**$28**	**$162**	**$129**	**$366**	**$354**	**$259**	**$65**	**$301**	**$1,044**
Provision for credit losses	656	250	207	153	34	(14)	161	363	1,266	544
Pre-tax pre-provision earnings ("PPNR")*	$638	$278	$369	$282	$400	$340	$420	$428	$1,567	$1,588
Gain on portfolio sales	20	—	—	—	—	—	10	—	20	10
PPNR less gain on portfolio sales*	$618	$278	$369	$282	$400	$340	$410	$428	$1,547	$1,578

** Pre-tax pre-provision earnings and Pre-tax pre-provision earnings less gain on portfolio sales are non-GAAP financial measures.*

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Net Interest Margin

($ in millions)	4Q21 Average Balance	4Q21 Interest Income / Expense	4Q21 Average Yield / Rate	FY21 Average Balance	FY21 Interest Income / Expense	FY21 Average Yield / Rate
Cash and investment securities	$3,711	$2	0.21%	$3,480	$7	0.21%
Credit card and other loans	16,086	1,015	25.25%	15,656	3,861	24.66%
Total interest-earning assets	**19,797**	**1,017**	**20.55%**	**19,136**	**3,868**	**20.21%**
Direct-to-consumer deposits (retail)	3,120	6	0.77%	2,490	23	0.91%
Wholesale deposits	7,386	31	1.69%	7,509	144	1.92%
Interest-bearing deposits	**10,506**	**37**	**1.42%**	**9,999**	**167**	**1.67%**
Secured borrowings	4,537	22	1.91%	4,596	112	2.43%
Unsecured borrowings	2,383	25	4.28%	2,699	104	3.84%
Total interest-bearing liabilities	**$17,426**	**$84**	**1.94%**	**$17,294**	**$383**	**2.21%**
Net Interest Income		**$933**			**$3,485**	
Net Interest Margin*		**18.85%**			**18.21%**	

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

Capital and Liquidity

Parent Level:

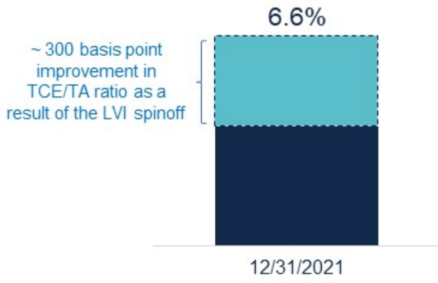
- Liquidity as of December 31, 2021, of $0.9 billion, consisting of cash on hand plus revolver capacity
- Approximately $120 million in cash and cash equivalents, approximately $750 million in unused revolver capacity

Bank Level (Banks Combined):

- As of December 31, 2021, the Banks finished the quarter with $2.9 billion in cash on hand and $3.2 billion in equity
- Total risk based capital ratio at 21.3% - over double the 10% threshold to be considered well-capitalized; CET1 at 20.0%
- Healthy funding markets currently available for 2022 growth – continued strategic focus on retail growth

Total Company

Tangible Common Equity/ Tangible Assets Ratio(1)

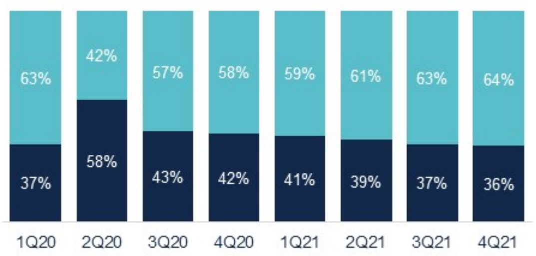


Banks Combined Capital Ratios	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21
Common equity tier 1 capital ratio(2)	15.9%	18.3%	18.8%	18.4%	21.0%	22.1%	22.6%	20.0%
Tier 1 capital ratio(3)	15.9%	18.3%	18.8%	18.4%	21.0%	22.1%	22.6%	20.0%
Total risk-based capital ratio(4)	17.3%	19.7%	20.1%	19.7%	22.3%	23.4%	23.9%	21.3%
Tier 1 leverage capital ratio(5)	12.8%	14.2%	16.1%	17.1%	17.8%	19.2%	19.5%	18.6%

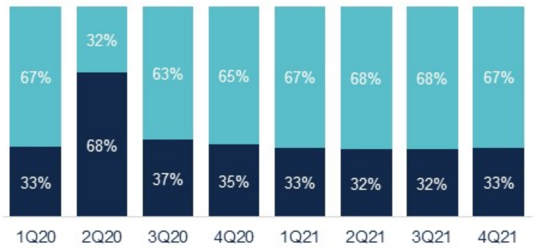
(1) Tangible common equity represents Total stockholders' equity less Intangible assets, net, and Goodwill. Tangible assets represents Total assets less Intangible assets, net, and Goodwill.
(2) The Common equity tier 1 capital ratio represents common equity tier 1 capital divided by total risk-weighted 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 assets for leverage ratio.

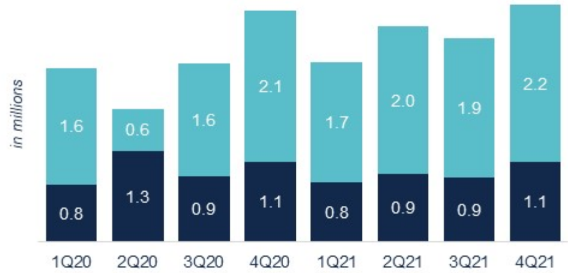
Sales and New Account Data

In-store vs. digital sales



In-store vs. digital new accounts





■ Digital ■ In-Store

Digital includes all non-store new accounts and Bread