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):
April 27, 2023

BREAD FINANCIAL HOLDINGS, INC.

(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	BFH	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 April 27, 2023, Bread Financial Holdings, Inc. (the "Company") issued a press release regarding its results of operations for the first quarter ended March 31, 2023 (the "Q1 2023 Earnings Release"). A copy of the Q1 2023 Earnings Release is furnished as Exhibit 99.1 hereto.

Item 7.01 Regulation FD Disclosure.

In connection with the Q1 2023 Earnings Release, on April 27, 2023, the Company made available an investor presentation that may be used by the Company's senior management during meetings and calls with analysts, investors and other market participants, a copy of which is furnished as Exhibit 99.2 hereto and is posted on the Company's website at www.breadfinancial.com on the "Investors" page under "Events & Presentations." Information on the Company's website does not constitute a part of this Current Report on Form 8-K.

Item 8.01 Other Events.

On April 27, 2023, the Company issued a press release announcing that the Board of Directors of the Company declared a quarterly cash dividend of $0.21 per share of common stock, payable on June 16, 2023 to stockholders of record at the close of business on May 12, 2023. A copy of the press release announcing the Company's quarterly dividend is attached as Exhibit 99.3 hereto.

Item 9.01 Financial Statements and Exhibits.
(d) Exhibits

Exhibit No.	Document Description
99.1	Press Release dated April 27, 2023 announcing the Company's results of operations for the first quarter ended March 31, 2023.
99.2	Investor Presentation dated April 27, 2023.
99.3	Press Release dated April 27, 2023 announcing the Company's quarterly dividend.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

Note: Except for the information in Item 8.01 hereof (including Exhibit 99.3 hereto), 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.

Bread Financial Holdings, Inc.

Date: April 27, 2023

By: /s/ Joseph L. Motes III

Joseph L. Motes III
Executive Vice President, Chief Administrative Officer, General Counsel and Secretary

Bread Financial Reports First Quarter 2023 Results

COLUMBUS, Ohio, April 27, 2023 – Bread Financial Holdings, Inc. (NYSE: BFH), a tech-forward financial services company that provides simple, personalized payment, lending, and saving solutions, today announced financial results for the first quarter ended March 31, 2023.

($ in millions, except per share amounts)	First Quarter 2023
Net income	**$455**
Earnings per Diluted Share	**$9.08**

- First quarter net income was $455 million, or $9.08 per diluted share, with a $230 million pretax gain on portfolio sale and a pretax reserve release of $235 million due primarily to the sale of the BJ's Wholesale Club portfolio in February.
- First quarter revenue was $1,289 million, up $368 million, or 40%, and up 15%, excluding the gain on portfolio sale versus the first quarter of 2022.
- As expected, credit metrics were impacted in the first quarter due to the June 2022 transition of our credit card processing services, with a delinquency rate of 5.7% and a net loss rate of 7.0%.
- Total tangible common equity / tangible assets (TCE/TA) ratio increased to 9.1%.

Business Update

"Despite the recent volatility in the banking sector, disciplined financial oversight enabled Bread Financial to continue to execute on our strategic initiatives with ample liquidity and funding. In the first quarter, our Bread Savings™ direct-to-consumer deposit performance remained positive, increasing $2.1 billion, or 58% year-over-year and 3% from year-end. Growth and momentum continued during the last two weeks of March when many banks experienced outflows. Since the launch of our retail platform in 2019, direct-to-consumer deposits have increased to $5.6 billion and comprised 28% of our total funding in the quarter, with an expectation for continued growth. Given the broad cross-section of our depositor base, more than 90% of our total deposits are within the FDIC insurance limits. We remain confident in our liquidity and ability to support our long-term growth by further broadening our funding base," said Ralph Andretta, president and chief executive officer of Bread Financial.

"Our 2023 focus areas include four pillars underpinning our business strategy: growing responsibly, strengthening our balance sheet, optimizing data and technology, and investing in mobile and digital advancements. Our business development pipeline remains active with successful first quarter new partner launches including The Cleveland Cavaliers, Michaels, The New York Yankees, and World Market. Also, we are pleased to announce the extension of our long-standing relationship with Signet, the world's largest retailer of diamond jewelry. Our five largest brand partners are now each secured through at least 2028. Additionally, we continue to enhance our capital position and refine our funding structure to strengthen our balance sheet.

"Following last year's significant technology investments, we are now focused on leveraging these innovative new capabilities to create additional value, platform optimization, and speed-to-market. We recently received industry recognition for our Bread Cashback™ card launch, which won a fintech innovation award for 'Best Credit Card Payments Solution.' We will remain disciplined while continuing to invest strategically in long-term, sustainable, and profitable growth," Andretta noted.

CEO COMMENTARY

"Bread Financial made great progress in the first quarter as we built our capital above our minimum target level, continued to onboard new business, and continued to achieve positive pretax pre-provision earnings (PPNR) growth. Tangible common equity of $1.9 billion grew 21% year-over-year, enabling us to nearly triple our TCE/TA ratio to 9.1% over the past three years. We are pleased with our progress on the financial transformation of our company and we remain focused on continued improvement. Our strengthened balance sheet provides increased flexibility and financial resilience, supporting our ability to grow responsibly.

"As macroeconomic uncertainty continues, we are closely monitoring the impact of persistent inflation on consumers. We have observed a moderate shift toward non-discretionary spending with payment rates approaching pre-pandemic levels, and consequently, we continue to proactively adjust our underwriting and credit management accordingly. While our first quarter credit metrics were elevated by the transition of our credit card processing services in June 2022, and related favorable customer accommodations made in the second half of 2022, delinquencies are in line with the assumptions supporting our full year 2023 financial outlook. Our seasoned leadership team is experienced in responsibly managing through varied credit cycles and market conditions.

"Bread Financial's long-term business strategy is rooted in our commitment to make responsible decisions that drive sustainable, profitable growth and build long-term value for our stakeholders."

- Ralph Andretta, president and chief executive officer

CFO COMMENTARY

"Our first quarter financial results reflected continued strong momentum, including 40% year-over-year revenue growth driven by the $230 million gain on portfolio sale and 17% average loan growth. Credit sales grew 7% in the quarter benefiting from the addition of brand partners like AAA and the NFL, as well as growth across brand partners.

"For the eighth consecutive quarter, PPNR (excluding gains on portfolio sales) grew year-over-year, reflecting our ability to deliver quality growth. As expected, first quarter expenses slightly decreased versus the fourth quarter of 2022. However, we continued to invest in technology modernization, digital advancement, marketing, and product innovation, consistent with our focus areas.

"During the quarter, we made significant progress growing our retail direct-to-consumer deposits and strengthening our capital position. The stability of our deposits was evident during the market volatility in March and we believe remains a strategic advantage for our company. The sale of the BJ's portfolio in the first quarter meaningfully enhanced our capital levels resulting in a 21% year-over-year improvement in our tangible book value per common share, to over $38.

"From a credit perspective, our first quarter results were in line with our expectations as persistent inflation continues to broadly impact consumers, and losses were impacted by timing-related effects of the customer accommodations made in third quarter 2022 following the transition of our credit card processing services. While the second quarter net loss rate will be elevated due to related customer accommodations from the fourth quarter 2022, we expect a lower net loss rate in the second half of the year as we move past the impacts of the customer accommodations. As we previously indicated, our credit loss absorption capacity increased during the quarter, with our reserve rate up 80 basis points from the fourth quarter of 2022 predominantly due to seasonality and the BJ's portfolio sale. We continued to maintain conservative economic scenario weightings in our credit reserve modeling. We believe that given our conservative model assumptions, our loan loss reserve provides protection should we enter a more challenging macroeconomic environment.

"We remain confident in our ability to enhance our balance sheet and deliver on our 2023 financial outlook."

- Perry Beberman, executive vice president and chief financial officer

2023 Full Year Outlook

- **Our 2023 full year outlook remains unchanged from our guidance provided in January 2023.**

- **Macroeconomic Assumptions:** "Our outlook assumes a more challenging macroeconomic landscape with continued inflationary pressures and an unemployment rate gradually moving to the mid-to-upper 4% range by year-end 2023. Our outlook continues to assume that interest rate increases by the Federal Reserve will result in a nominal benefit to total net interest income.

- **Average Loan Growth:** "Based on our new and renewed brand partner announcements, visibility into our pipeline, and the current economic outlook, we expect full year 2023 average credit card and other loans to grow at a mid-single digit rate relative to 2022.

- **Total Revenue:** "Total revenue growth for 2023, excluding the gain on portfolio sale, is anticipated to align with average loan growth, with a full year net interest margin similar to 2022.

- **Total Expenses:** "As a result of ongoing investments in technology modernization, marketing, and product innovation, along with continued portfolio growth, we anticipate an increase in total full year expenses versus 2022, although the pace of growth is projected to decelerate versus the 2022 rate. We remain focused on delivering positive operating leverage for the full year as we manage the pace and timing of our investments to align with our full year revenue and growth outlook.

- **Net Loss Rate:** "We expect a net loss rate of approximately 7% for 2023, inclusive of impacts from the 2022 transition of our credit card processing services, as well as continued pressure on consumers' ability to pay due to persistent inflation. We remain confident in our long-term guidance of a through-the-cycle average net loss rate below our historical average of 6%.

- **Effective Tax Rate:** "We expect our full year normalized effective tax rate to be in the range of 25% to 26%, with quarter-over-quarter variability due to the timing of certain discrete items."

Key Operating and Financial Metrics[(1)]

Credit Metrics

Diluted EPS

Continuing Operations[(1)]

($ in millions, except per share amounts)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	Change
Total net interest and non-interest income ("Revenue")	$ 1,289	$ 921	40%
Net principal losses	*$ 342*	*$ 199*	71%
Reserve (release) build	*$ (235)*	*$ (6)*	nm
Provision for credit losses	$ 107	$ 193	(45%)
Total non-interest expenses	$ 544	$ 426	28%
Income from continuing operations before income taxes	$ 638	$ 302	nm
Income from continuing operations	**$ 455**	**$ 211**	**nm**
Income from continuing operations per diluted share	$ 9.08	$ 4.21	nm
Weighted average shares outstanding – diluted	50.1	50.0	
Pretax pre-provision earnings (PPNR)*	$ 745	$ 495	50%
Less: Gain on portfolio sale	$ (230)	$ —	nm
PPNR less gain on portfolio sale*	$ 515	$ 495	4%

(1) Reflective of the spinoff of Loyalty Ventures Inc. for all periods presented.

* *PPNR and PPNR less gain on portfolio sale are non-GAAP financial measures. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures".*

Note: The quarter ended March 31, 2023 Delinquency and Net loss rates were impacted by the transition of our credit card processing services.

nm – Not meaningful, denoting a variance of 100 percent or more.

First Quarter 2023 Compared with First Quarter 2022 – Continuing Operations

- Credit sales were $7.4 billion for the first quarter of 2023, an increase of $0.5 billion, or 7%, versus the first quarter of 2022 driven by brand partner additions including AAA and the NFL, as well as growth across brand partners.

- Average and end-of-period credit card and other loans were $19.4 billion and $18.1 billion, respectively, up 17% and 7%, respectively, driven by continued credit sales growth, new partner launches, as well as further moderation in the consumer payment rate, partially offset by the sale of the BJ's portfolio in February 2023.

- Revenue increased $368 million, or 40%, resulting from a $230 million gain on portfolio sale and higher average loan balances. Excluding the gain on portfolio sale, revenue increased 15%. Net interest margin decreased 40 basis points year-over-year, due to increased reversals of interest and fee revenues resulting from higher gross losses.

- Total non-interest expenses increased $118 million, or 28%, as employee compensation and benefit costs increased $41 million, or 23%, card and processing expenses increased $38 million, or 46%, and information processing and communications expenses increased $19 million, or 34%.

- Income from continuing operations increased $244 million aligned with the improvement in PPNR and a lower provision for credit losses reflecting lower loan balances at quarter-end, due to both the sale of the BJ's portfolio and seasonal transactor balance paydowns.

- PPNR, a non-GAAP financial measure, increased $250 million, or 50%, inclusive of the gain on portfolio sale. Excluding the sale, PPNR increased $20 million, or 4%, reflecting sustainable, quality growth and continued success in executing on our strategic priorities.

- The delinquency rate of 5.7% increased from 4.1% in the first quarter of 2022 and increased from 5.5% in the fourth quarter of 2022. The increases were primarily the result of expected consumer payment rate normalization.

- The net loss rate of 7.0% increased from 4.8% in the first quarter of 2022 and 6.3% in the fourth quarter of 2022. The first quarter of 2023 rate was impacted by the transition of our credit card processing services, as well as continued consumer payment rate normalization.

Contacts

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Media Relations: Rachel Stultz (Rachel.Stultz@breadfinancial.com)

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, future dividend declarations, and future economic conditions.

We believe that our expectations are based on reasonable assumptions. Forward-looking statements, however, are subject to a number of risks and uncertainties that are difficult to predict and, in many cases, beyond our control. Accordingly, our actual results could 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. Factors that could cause the outcomes to differ materially include, but are not limited to, the following: macroeconomic conditions, including market conditions, inflation, rising interest rates, unemployment levels and the increased probability of a recession, and the related impact on consumer payment rates, savings rates and other behavior; global political and public health events and conditions, including the ongoing war in Ukraine and the continuing effects of the global COVID-19 pandemic; future credit performance, including the level of future delinquency and write-off rates; the loss of, or reduction in demand from, significant brand partners or customers in the highly competitive markets in which we compete; the concentration of our business in U.S. consumer credit; inaccuracies in the models and estimates on which we rely, including the amount of our Allowance for credit losses and our credit risk management models; the inability to realize the intended benefits of acquisitions, dispositions and other strategic initiatives; our level of indebtedness and ability to access financial or capital markets; pending and future legislation, regulation, supervisory guidance, and regulatory and legal actions, including, but not limited to, those related to financial regulatory reform and consumer financial services practices, as well as any such actions with respect to late fees, interchange fees or other charges; impacts arising from or relating to the transition of our credit card processing services to third party service providers that we completed in 2022; failures or breaches in our operational or security systems, including as a result of cyberattacks, unanticipated impacts from technology modernization projects or otherwise; and any tax liability, disputes or other adverse impacts arising out of or relating to the spinoff of our former LoyaltyOne segment or the recent bankruptcy filings of Loyalty Ventures Inc. and certain of its subsidiaries. The foregoing factors, along with other risks and uncertainties that could cause actual results to differ materially from those expressed or implied in forward-looking statements, are described in greater detail under the headings “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” 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 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, *Pretax pre-provision earnings* (PPNR) is calculated by increasing/decreasing Income from continuing operations before income taxes by the net provision/release in Provision for credit losses. *PPNR less gain on portfolio sales* then decreases PPNR by the gain on any portfolio sales in the period. We use PPNR and PPNR less gain on portfolio sales as metrics to evaluate our results of operations before income taxes, excluding the volatility that can occur within Provision for credit losses and the one-time nature of a gain on the sale of a portfolio. *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”.

Conference Call / Webcast Information

Bread Financial will host a conference call on Thursday, April 27, 2023 at 8:30 a.m. (Eastern Time) to discuss the Company's first quarter results. The conference call will be available via the Internet at investor.breadfinancial.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.

About Bread Financial™

Bread Financial™ (NYSE: BFH) is a tech-forward financial services company providing simple, personalized payment, lending and saving solutions. The company creates opportunities for its customers and partners through digitally enabled choices that offer ease, empowerment, financial flexibility and exceptional customer experiences. Driven by a digital-first approach, data insights and white-label technology, Bread Financial delivers growth for its partners through a comprehensive product suite, including private label and co-brand credit cards, installment lending, and buy now, pay later (BNPL). Bread Financial also offers direct-to-consumer solutions that give customers more access, choice and freedom through its branded **Bread Cashback™ American Express® Credit Card** and **Bread Savings™** products.

Headquartered in Columbus, Ohio, Bread Financial is powered by its 7,500+ global associates and is committed to sustainable business practices. To learn more about Bread Financial, visit **BreadFinancial.com** or follow us on **Facebook**, **LinkedIn**, **Twitter** and **Instagram**.

BREAD FINANCIAL HOLDINGS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share amounts)

	Three Months Ended March 31,	
	2023	2022
Interest income		
Interest and fees on loans	$ 1,289	$ 1,066
Interest on cash and investment securities	46	2
Total interest income	1,335	1,068
Interest expense		
Interest on deposits	117	34
Interest on borrowings	101	45
Total interest expense	218	79
Net interest income	**1,117**	**989**
Non-interest income		
Interchange revenue, net of retailer share arrangements	(87)	(96)
Gain on portfolio sale	230	—
Other	29	28
Total non-interest income	172	(68)
Total net interest and non-interest income	**1,289**	**921**
Provision for credit losses	**107**	**193**
Total net interest and non-interest income, after provision for credit losses	1,182	728
Non-interest expenses		
Employee compensation and benefits	220	179
Card and processing expenses	120	82
Information processing and communication	75	56
Marketing expenses	39	31
Depreciation and amortization	34	21
Other	56	57
Total non-interest expenses	**544**	**426**
Income from continuing operations before income taxes	638	302
Provision for income taxes	183	91
Income from continuing operations	455	211
Income (loss) from discontinued operations, net of taxes	—	(1)
Net income	**$ 455**	**$ 210**
Basic income per share		
Income from continuing operations	$ 9.10	$ 4.23
Income (loss) from discontinued operations	$ —	$ (0.01)
Net income per share	$ 9.10	$ 4.22
Diluted income per share		
Income from continuing operations	$ 9.08	$ 4.21
Income (loss) from discontinued operations	$ —	$ (0.01)
Net income per share	$ 9.08	$ 4.20
Weighted average common shares outstanding		
Basic	50.0	49.9
Diluted	50.1	50.0
Pretax pre-provision earnings (PPNR)*	$ 745	$ 495
Less: Gain on portfolio sale	(230)	—
PNR less gain on portfolio sale*	$ 515	$ 495

* *PPNR and PPNR less gain on portfolio sale are non-GAAP financial measures. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures".*

BREAD FINANCIAL HOLDINGS, INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)

	March 31, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents	$ 3,611	$ 3,891
Credit card and other loans		
Total credit card and other loans	18,060	21,365
Allowance for credit losses	(2,223)	(2,464)
Credit card and other loans, net	15,837	18,901
Investment securities	228	221
Property and equipment, net	180	195
Goodwill and intangible assets, net	790	799
Other assets	1,324	1,400
Total assets	**$ 21,970**	**$ 25,407**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits		
Direct-to-consumer (retail)	$ 5,630	$ 5,466
Wholesale and other	7,508	8,360
Total deposits	13,138	13,826
Debt issued by consolidated variable interest entities	3,015	6,115
Long-term and other debt	1,869	1,892
Other liabilities	1,232	1,309
Total liabilities	**19,254**	**23,142**
Total stockholders' equity	2,716	2,265
Total liabilities and stockholders' equity	**$ 21,970**	**$ 25,407**
Shares of common stock outstanding	50.1	49.9

BREAD FINANCIAL HOLDINGS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 455	$ 210
Adjustments to reconcile net income to net cash provided by operating activities		
Provision for credit losses	107	193
Depreciation and amortization	34	21
Deferred income taxes	(19)	(48)
Non-cash stock compensation	9	7
Amortization of deferred financing costs	7	6
Amortization of deferred origination costs	22	21
Gain on portfolio sale	(230)	—
Change in other operating assets and liabilities		
Change in other assets	81	(2)
Change in other liabilities	(77)	73
Other	9	16
Net cash provided by operating activities	**398**	**497**
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in credit card and other loans	735	339
Proceeds from sale of credit card loan portfolio	2,502	—
Purchase of credit card loan portfolio	(81)	—
Net purchase of investment securities	(4)	(6)
Other, including capital expenditures	(11)	(23)
Net cash provided by investing activities	**3,141**	**310**
CASH FLOWS FROM FINANCING ACTIVITIES		
Unsecured borrowings under debt agreements	185	175
Repayments/maturities of unsecured borrowings under debt agreements	(210)	(200)
Debt issued by consolidated variable interest entities	325	525
Repayments/maturities of debt issued by consolidated variable interest entities	(3,425)	(1,162)
Net decrease in deposits	(689)	(405)
Dividends paid	(11)	(10)
Other	(9)	(19)
Net cash used in financing activities	**(3,834)**	**(1,096)**
Effect of foreign currency exchange rates on cash, cash equivalents and restricted cash	—	—
Change in cash, cash equivalents and restricted cash	(295)	(289)
Cash, cash equivalents and restricted cash at beginning of period	3,927	3,923
Cash, cash equivalents and restricted cash at end of period	**$ 3,632**	**$ 3,634**

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

BREAD FINANCIAL HOLDINGS, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(In millions, except percentages)

	As of or for the Three Months Ended March 31,		
	2023	2022	Change
Pretax pre-provision earnings:			
Income from continuing operations before income taxes	$ 638	$ 302	nm
Provision for credit losses	107	193	(45%)
Pretax pre-provision earnings (PPNR)	$ 745	$ 495	50%
Less: Gain on portfolio sale	(230)	—	nm
PPNR less gain on portfolio sale	$ 515	$ 495	4%
Tangible common equity (TCE)			
Total stockholders' equity	2,716	2,268	20%
Less: Goodwill and intangible assets, net	(790)	(682)	16%
Tangible common equity (TCE)	$ 1,926	$ 1,586	21%
Tangible assets (TA)			
Total assets	21,970	20,938	5%
Less: Goodwill and intangible assets, net	(790)	(682)	16%
Tangible assets (TA)	$ 21,180	$ 20,256	5%

BREAD FINANCIAL HOLDINGS, INC.
UNAUDITED SUMMARY FINANCIAL HIGHLIGHTS
(In millions, except per share amounts and percentages)

	As of or for the Three Months Ended March 31,		
	2023	2022	Change
Credit sales	$ 7,373	$ 6,887	7%
Average credit card and other loans	$ 19,405	$ 16,650	17%
End-of-period credit card and other loans	$ 18,060	$ 16,843	7%
End-of-period direct-to-consumer deposits	$ 5,630	$ 3,561	58%
Return on average assets(1)	7.7%	4.0%	3.7%
Return on average equity(2)	73.0%	38.5%	34.5%
Net interest margin(3)	19.0%	19.4%	(0.4%)
Loan yield(4)	26.6%	25.6%	1.0%
Efficiency ratio(5)	42.2%	46.2%	(4.0%)
Tangible common equity / tangible assets ratio (TCE/TA)(6)	9.1%	7.8%	1.3%
Tangible book value per common share(7)	$ 38.44	$ 31.87	20.6%
Cash dividend per common share	$ 0.21	$ 0.21	0.0%
Payment rate(8)	15.6%	17.7%	(2.1%)
Delinquency rate(9)	5.7%	4.1%	1.6%
Net loss rate(9)	7.0%	4.8%	2.2%
Reserve rate	12.3%	10.8%	1.5%

(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.
(8) Payment rate represents consumer payments during the last month of the period, divided by the beginning-of-month Credit card and other loans, including held for sale in applicable periods.
(9) The three months ended March 31, 2023 Delinquency and Net Loss rates were impacted by the transition of our credit card processing services.

Exhibit 99.2

bread financial

Bread Financial

First Quarter 2023 Results

April 27, 2023

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, future dividend declarations, and future economic conditions.

We believe that our expectations are based on reasonable assumptions. Forward-looking statements, however, are subject to a number of risks and uncertainties that are difficult to predict and, in many cases, beyond our control. Accordingly, our actual results could 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. Factors that could cause the outcomes to differ materially include, but are not limited to, the following: macroeconomic conditions, including market conditions, inflation, rising interest rates, unemployment levels and the increased probability of a recession, and the related impact on consumer payment rates, savings rates and other behavior; global political and public health events and conditions, including the ongoing war in Ukraine and the continuing effects of the global COVID-19 pandemic; future credit performance, including the level of future delinquency and write-off rates; the loss of, or reduction in demand from, significant brand partners or customers in the highly competitive markets in which we compete; the concentration of our business in U.S. consumer credit; inaccuracies in the models and estimates on which we rely, including the amount of our Allowance for credit losses and our credit risk management models; the inability to realize the intended benefits of acquisitions, dispositions and other strategic initiatives; our level of indebtedness and ability to access financial or capital markets; pending and future legislation, regulation, supervisory guidance, and regulatory and legal actions, including, but not limited to, those related to financial regulatory reform and consumer financial services practices, as well as any such actions with respect to late fees, interchange fees or other charges; impacts arising from or relating to the transition of our credit card processing services to third party service providers that we completed in 2022; failures or breaches in our operational or security systems, including as a result of cyberattacks, unanticipated impacts from technology modernization projects or otherwise; and any tax liability, disputes or other adverse impacts arising out of or relating to the spinoff of our former LoyaltyOne segment or the recent bankruptcy filings of Loyalty Ventures Inc. and certain of its subsidiaries. The foregoing factors, along with other risks and uncertainties that could cause actual results to differ materially from those expressed or implied in forward-looking statements, are described in greater detail under the headings “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” 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 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, *Pretax pre-provision earnings* (PPNR) is calculated by increasing/decreasing Income from continuing operations before income taxes by the net provision/release in Provision for credit losses. *PPNR less gain on portfolio sales* then decreases PPNR by the gain on any portfolio sales in the period. We use PPNR and PPNR less gain on portfolio sales as metrics to evaluate our results of operations before income taxes, excluding the volatility that can occur within Provision for credit losses and the one-time nature of a gain on the sale of a portfolio. *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”.

2023 Focus Areas

Responsible Growth
Support organic growth and new brand partner launches that deliver long-term value

Enhance Balance Sheet
Build capital and reduce parent-level debt; ensure proactive credit, liquidity, and interest rate risk management

Optimize Data & Technology
Leverage new capabilities to create additional value and drive efficiencies

Strategically Invest
Deliver exceptional value and experiences through marketing, loyalty, and technology innovation

Strengthened Financial Resilience

Bread Financial is positioned to perform well through a full economic cycle

- Strong corporate governance
- Proactive risk management
- Prudent balance sheet management
- Expense discipline
- Enhanced core capabilities

Strengthened balance sheet and funding mix

Loan loss reserve materially higher	Capital ratios significantly improved	Reduced debt levels	Increased mix of direct-to-consumer 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 over time

Active recession readiness playbook

Prudent Balance Sheet Management

Strong, Stable Funding Base

Growing online direct-to-consumer deposits; small average account size

>90% FDIC insured

Diverse funding sources

Disciplined Financial Management

Prudent interest rate risk management

No Held-to-Maturity securities

Liquidity portfolio held nearly all in cash at Fed

Strengthened balance sheet and funding mix

Capital ratios significantly improved	**+3x**	TCE/TA ratio increase since 1Q20 to **9.1%**
Reduced debt	**-39%**	parent debt reduction since 1Q20
Increased direct-to-consumer deposits	**+$4.4B**	DTC deposits since 1Q20 to **$5.6 billion**
Loan loss reserve materially higher	**+300bps**	reserve rate increase since CECL Day 1

First Quarter 2023 Financial Highlights

$1,289 million	$455 million	$9.08
Revenue	**Net Income**	**Diluted EPS**

Year-over-year comparisons

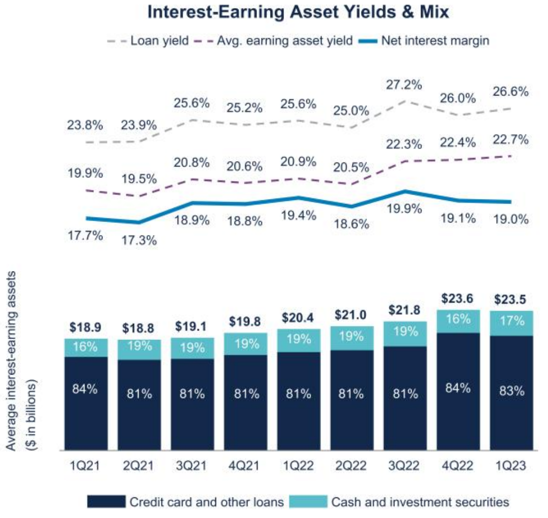
- Credit sales of $7.4 billion increased 7% driven by brand partner additions and growth across brand partners
- First quarter average loans of $19.4 billion grew 17%
- Revenue, including gain on portfolio sale, increased 40%, well above total non-interest expense growth of 28%
- Net income increased $245 million driven by PPNR improvement, that included a $230 million pretax gain on portfolio sale, and a lower provision for credit losses, due to both the sale of the BJ's portfolio and seasonal paydowns
- Credit performance metrics in the quarter were impacted by the transition of our credit card processing services in June 2022, as expected

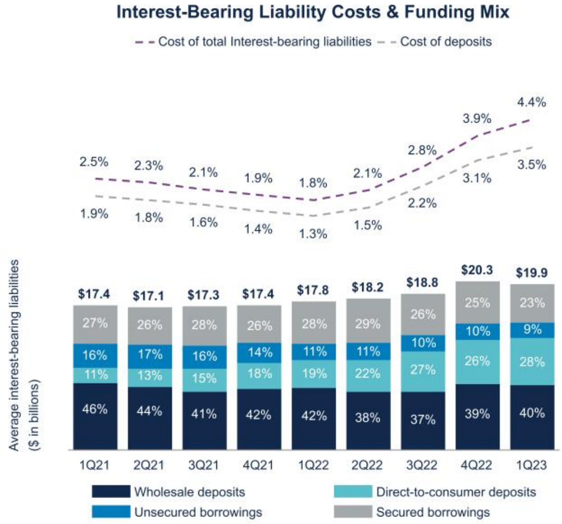
Financial Results
Continuing Operations

($ in millions, except per share)	1Q23	1Q22	$ Chg	% Chg
Total interest income	$ 1,335	$ 1,068	$ 267	25%
Total interest expense	218	79	139	nm
Net interest income	**1,117**	**989**	**128**	**13%**
Total non-interest income	172	(68)	240	nm
Revenue	**1,289**	**921**	**368**	**40%**
Net principal losses	342	199	143	71%
Reserve (release) build	(235)	(6)	(229)	nm
Provision for credit losses	107	193	(86)	(45%)
Total non-interest expenses	544	426	118	28%
Income before income taxes	**638**	**302**	**336**	**nm**
Provision for income taxes	183	91	92	nm
Net income	**$ 455**	**$ 211**	**$ 244**	**nm**
Net income per diluted share	$ 9.08	$ 4.21	$ 4.87	nm
Weighted avg. shares outstanding – diluted	50.1	50.0		
Pretax pre-provision earnings (PPNR)*	**$ 745**	**$ 495**	**$ 250**	**50%**
Less: Gain on portfolio sale	(230)	—	(230)	nm
PPNR less gain on portfolio sale*	$ 515	$ 495	$ 20	4%

** PPNR and PPNR less gain on portfolio sale are non-GAAP financial measures. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures".*
nm – Not meaningful, denoting a variance of 100 percent or more.

Net Interest Margin





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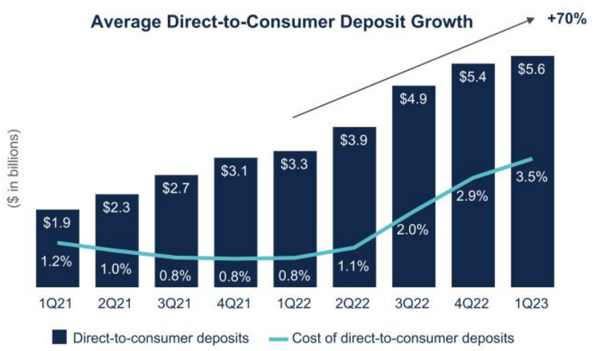
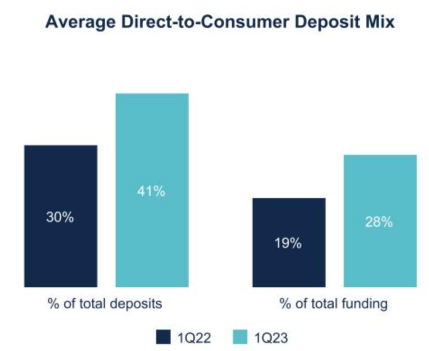
Direct-to-Consumer Deposit Growth

Strong growth in Bread Savings™ direct-to-consumer deposits diversifies our funding mix





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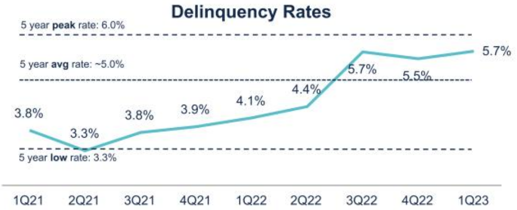
Credit Quality and Allowance

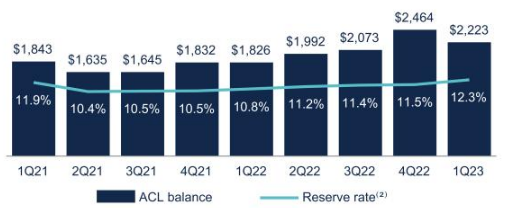
Delinquency Rates



Net Loss Rates

Reserve Rates

($ in millions)



Revolving Credit Risk Distribution

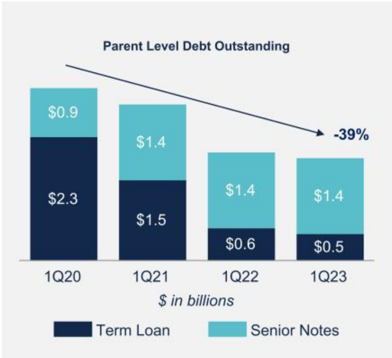
(Vantage score)

(1) 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.
(2) Calculated as the percentage of the Allowance for credit losses to end-of-period Credit card and other loans.
Note: The 3Q22, 4Q22, and 1Q23 Delinquency and Net loss rates were impacted by the transition of our credit card processing services.

Capital Allocation

Improve capital metrics

Reduce debt levels



Drive shareholder value

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

2023 Financial Outlook

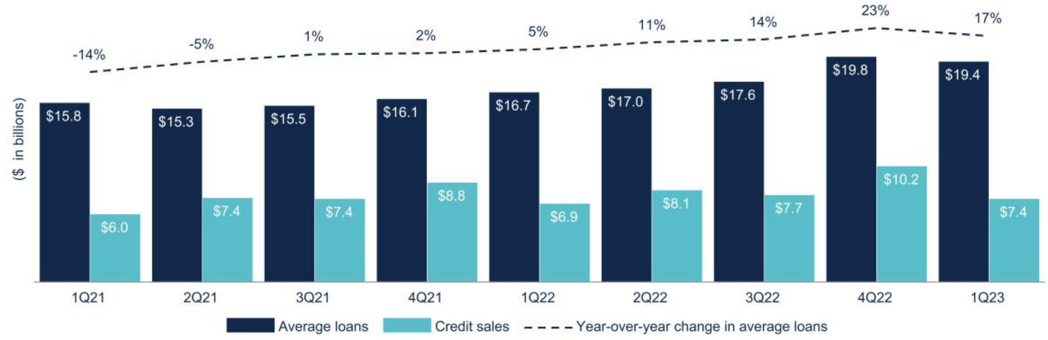
Our 2023 full year outlook remains unchanged from our guidance provided in January 2023

Full Year 2022 Actuals	Full Year 2023 Outlook	Commentary
Average loans $17,768 million	Up mid-single digits	• We expect full year 2023 average credit card and other loans to grow in the mid-single digit range relative to 2022.
Revenue $3,826 million	Aligned with loan growth	• Net interest margin is expected to remain similar to the 2022 full year rate of 19.2%. • Revenue guidance excludes the gain on portfolio sale.
Total non-interest expenses $1,932 million	Positive operating leverage	• We expect to deliver full year positive operating leverage while we continue to strategically invest in technology modernization, marketing, and product innovation to drive growth and efficiencies. • With the magnitude of the gain on portfolio sale, we plan to invest up to $30 million of the gain in 2023 to accelerate our business transformation. Excluding the gain on portfolio sale from revenue and this $30 million investment from total expenses, we expect to achieve nominal positive operating leverage for the full year.
Net loss rate 5.4%	~7%	• Our outlook is inclusive of customer accommodations related to the 2022 transition of our credit card processing services as well as continued pressure on consumers' ability to pay due to persistent inflation. • We remain confident in our long-term guidance of a through-the-cycle average net loss rate below our historical average of 6%.

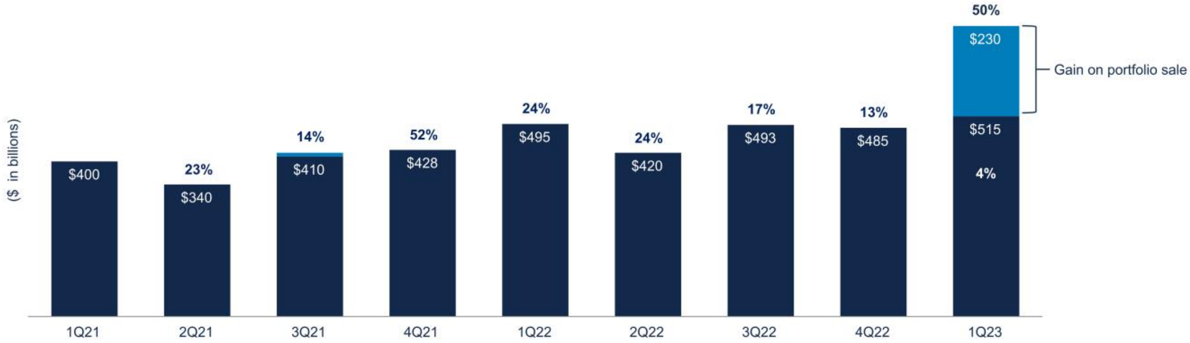
Our 2023 financial outlook assumes a more challenging macroeconomic landscape with continued inflationary pressures and an unemployment rate gradually moving to the mid-to-upper 4% range by year end 2023.

Appendix

Average Loans and Credit Sales



Pretax Pre-Provision Earnings*



Percentages equal year-over-year growth rate.

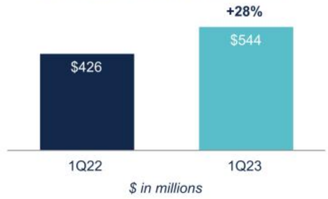
The first quarter 2023 marks the eighth consecutive quarter with year-over-year PPNR growth

** PPNR and PPNR less gain on portfolio sale are non-GAAP financial measures. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures".*

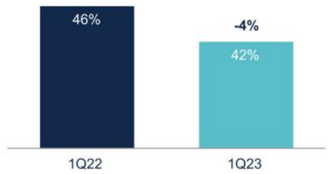
Total Non-Interest Expenses

1Q23 vs. 1Q22 Change in Non-Interest Expenses

Total Non-Interest Expenses



Efficiency Ratio*



Total non-interest expenses increased 28% versus 1Q22

- Employee compensation and benefit costs increased primarily driven by continued digital and technology modernization-related hiring and customer care and collections staffing
- Card and processing expenses increased due to increased fraud costs and higher direct mail and statement volumes
- Information processing and communications expenses increased as a result of the transition of our credit card processing services and other software licensing expenses

** Efficiency ratio represents Total non-interest expenses divided by Total net interest and non-interest income.*

Summary Financial Highlights

Continuing Operations

($ in millions)	1Q23	1Q22	1Q23 vs 1Q22	4Q22	1Q23 vs 4Q22
Credit sales	$ 7,373	$ 6,887	7%	$ 10,166	(27%)
Average credit card and other loans	$ 19,405	$ 16,650	17%	$ 19,820	(2%)
End-of-period credit card and other loans	$ 18,060	$ 16,843	7%	$ 21,365	(15%)
End-of-period direct-to-consumer deposits	$ 5,630	$ 3,561	58%	$ 5,466	3%
Return on average assets(1)	7.7%	4.0%	3.7%	(2.2%)	9.9%
Return on average equity(2)	73.0%	38.5%	34.5%	(23.3%)	96.3%
Net interest margin(3)	19.0%	19.4%	(0.4%)	19.1%	(0.1%)
Loan yield(4)	26.6%	25.6%	1.0%	26.0%	0.6%
Efficiency ratio(5)	42.2%	46.2%	(4.0%)	53.1%	(10.9%)
Tangible common equity / tangible assets ratio (TCE/TA)(6)	9.1%	7.8%	1.3%	6.0%	3.1%
Tangible book value per common share(7)	$ 38.44	$ 31.87	20.6%	$ 29.42	30.7%
Cash dividend declared per common share	$ 0.21	$ 0.21	—%	$ 0.21	—%
Payment rate(8)	15.6%	17.7%	(2.1%)	16.4%	(0.8%)
Delinquency rate(9)	5.7%	4.1%	1.6%	5.5%	0.2%
Net loss rate(9)	7.0%	4.8%	2.2%	6.3%	0.7%
Reserve rate	12.3%	10.8%	1.5%	11.5%	0.8%

(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.
(8) Payment rate represents consumer payments during the last month of the period, divided by the beginning-of-month Credit card and other loans, including held for sale in applicable periods.
(9) The 1Q23 Delinquency and Net Loss rates were impacted by the transition of our credit card processing services.

Summary Financial Highlights

Continuing Operations

($ in millions)	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23
Credit sales	$ 6,043	$ 7,401	$ 7,380	$ 8,778	$ 6,887	$ 8,140	$ 7,689	$ 10,166	$ 7,373
Year-over-year change	*(1%)*	*54%*	*20%*	*15%*	*14%*	*10%*	*4%*	*16%*	*7%*
Average credit card and other loans	$ 15,785	$ 15,282	$ 15,471	$ 16,086	$ 16,650	$ 17,003	$ 17,598	$ 19,820	$ 19,405
Year-over-year change	*(14%)*	*(5%)*	*1%*	*2%*	*5%*	*11%*	*14%*	*23%*	*17%*
End-of-period credit card and other loans	$ 15,537	$ 15,724	$ 15,690	$ 17,399	$ 16,843	$ 17,769	$ 18,126	$ 21,365	$ 18,060
Year-over-year change	*(12%)*	*(1%)*	*1%*	*4%*	*8%*	*13%*	*16%*	*23%*	*7%*
End-of-period direct-to-consumer deposits	$ 2,152	$ 2,398	$ 3,052	$ 3,180	$ 3,561	$ 4,191	$ 5,176	$ 5,466	$ 5,630
Year-over-year change	*81%*	*30%*	*79%*	*87%*	*66%*	*75%*	*70%*	*72%*	*58%*
Return on average assets(1)	4.9%	4.8%	3.7%	1.1%	4.0%	0.2%	2.4%	(2.2%)	7.7%
Return on average equity(2)	66.3%	56.4%	38.0%	11.1%	38.5%	2.2%	22.8%	(23.3%)	73.0%
Net interest margin(3)	17.7%	17.3%	18.9%	18.8%	19.4%	18.6%	19.9%	19.1%	19.0%
Loan yield(4)	23.8%	23.9%	25.6%	25.2%	25.6%	25.0%	27.2%	26.0%	26.6%
Efficiency ratio(5)	50.1%	55.5%	50.6%	50.0%	46.2%	52.9%	49.7%	53.1%	42.2%
Tangible common equity / tangible assets ratio (TCE/TA)(6)	5.2%	6.4%	7.2%	6.6%	7.8%	7.5%	8.0%	6.0%	9.1%
Tangible book value per common share(7)	$ 21.32	$ 27.12	$ 31.18	$ 28.09	$ 31.87	$ 31.75	$ 34.30	$ 29.42	$ 38.44
Cash dividend declared per common share	$ 0.21	$ 0.21	$ 0.21	$ 0.21	$ 0.21	$ 0.21	$ 0.21	$ 0.21	$ 0.21
Payment rate(8)	18.8%	17.6%	16.7%	17.2%	17.7%	15.3%	15.5%	16.4%	15.6%
Delinquency rate	3.8%	3.3%	3.8%	3.9%	4.1%	4.4%	5.7%	5.5%	5.7%
Net principal loss rate	5.0%	5.1%	3.9%	4.4%	4.8%	5.6%	5.0%	6.3%	7.0%
Reserve rate	11.9%	10.4%	10.5%	10.5%	10.8%	11.2%	11.4%	11.5%	12.3%

(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.
(8) Payment rate represents consumer payments during the last month of the period, divided by the beginning-of-month Credit card and other loans, including held for sale in applicable periods.

Financial Results

Continuing Operations

($ in millions, except per share)	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23
Total interest income	$ 942	$ 915	$ 994	$ 1,017	$ 1,068	$ 1,073	$ 1,218	$ 1,325	$ 1,335
Total interest expense	107	100	91	84	79	95	133	195	218
Net interest income	**835**	**815**	**903**	**933**	**989**	**978**	**1,085**	**1,130**	**1,117**
Total non-interest income	(33)	(51)	(52)	(78)	(68)	(85)	(106)	(97)	172
Revenue	**802**	**764**	**851**	**855**	**921**	**893**	**979**	**1,033**	**1,289**
Net principal losses	198	194	152	176	199	238	218	312	342
Reserve (release) build	(165)	(208)	9	187	(6)	166	86	380	(235)
Provision for credit losses	33	(14)	161	363	193	404	304	692	107
Total non-interest expenses	402	424	431	427	426	473	486	548	544
Income (loss) before income taxes	**367**	**354**	**259**	**65**	**302**	**16**	**189**	**(207)**	**638**
Provision for income taxes	99	91	53	4	91	4	55	(73)	183
Net income (loss)	**$ 268**	**$ 263**	**$ 206**	**$ 61**	**$ 211**	**$ 12**	**$ 134**	**$ (134)**	**$ 455**
Net income (loss) per diluted share	$ 5.38	$ 5.25	$ 4.11	$ 1.21	$ 4.21	$ 0.25	$ 2.69	$ (2.68)	$ 9.08
Weighted average shares outstanding – diluted	49.8	50.0	50.0	50.0	50.0	49.9	49.9	50.0	50.1
Pretax pre-provision earnings (PPNR)*	**$ 400**	**$ 340**	**$ 420**	**$ 428**	**$ 495**	**$ 420**	**$ 493**	**$ 485**	**$ 745**
Less: Gain on portfolio sale	—	—	(10)	—	—	—	—	—	(230)
PPNR less gain on portfolio sale*	$ 400	$ 340	$ 410	$ 428	$ 495	$ 420	$ 493	$ 485	$ 515

* *PPNR and PPNR less gain on portfolio sale are non-GAAP financial measures. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures".*

Net Interest Margin

($ in millions)	1Q23 Average Balance	Interest Income / Expense	Average Yield / Rate
Cash and investment securities	$ 4,087	$ 46	4.5%
Credit card and other loans	19,405	1,289	26.6%
Total interest-earning assets	**23,492**	**1,335**	**22.7%**
Direct-to-consumer (Retail)	5,559	49	3.5%
Wholesale deposits	7,866	68	3.5%
Interest-bearing deposits	**13,425**	**117**	**3.5%**
Secured borrowings	4,565	70	6.2%
Unsecured borrowings	1,914	31	6.4%
Interest-bearing borrowings	**6,479**	**101**	**6.3%**
Total interest-bearing liabilities	**$ 19,904**	**$ 218**	**4.4%**
Net interest income		**$ 1,117**	
Net interest margin*		**19.0%**	

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

Financial Results

($ in millions, except per share amounts)	1Q23	1Q22	$ Chg	% Chg
Income from continuing operations, net of taxes	$ 455	$ 211	$ 244	nm
Income (loss) from discontinued operations, net of taxes	—	(1)	1	nm
Net income	**$ 455**	**$ 210**	**$ 245**	**nm**
Net income per diluted share from continuing ops	$ 9.08	$ 4.21	$ 4.87	nm
Net income (loss) per diluted share from discontinued ops	$ —	$ (0.01)	$ 0.01	nm
Net income per diluted share	**$ 9.08**	**$ 4.20**	**$ 4.88**	**nm**
Weighted average shares outstanding – diluted *(in millions)*	50.1	50.0		

nm – Not meaningful, denoting a variance of 100 percent or more.

bread financial.

Capital and Liquidity

Parent Level:

- Liquidity as of March 31, 2023, of $1.0 billion, consisting of cash on hand plus revolver capacity

Bank Level (Banks Combined*):

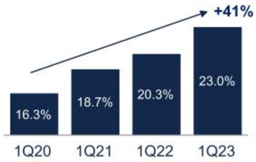
- As of March 31, 2023, the banks finished the quarter with $3.3 billion in cash on hand and $3.5 billion in equity
- Total risk-based capital ratio at 21.6% - nearly double the 10% threshold to be considered well-capitalized; CET1 at 20.2%
- Funding in place to support expected growth outlook – with continued long-term strategic focus on retail deposit growth

Banks Combined* Capital Ratios	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23
Common equity tier 1 capital ratio(2)	21.0%	22.1%	22.6%	20.0%	20.8%	20.1%	19.4%	17.0%	20.2%
Tier 1 capital ratio(3)	21.0%	22.1%	22.6%	20.0%	20.8%	20.1%	19.4%	17.0%	20.2%
Total risk-based capital ratio(4)	22.3%	23.4%	23.9%	21.3%	22.1%	21.5%	20.7%	18.3%	21.6%
Tier 1 leverage capital ratio(5)	17.8%	19.2%	19.5%	18.6%	18.2%	17.7%	16.3%	15.6%	16.1%

* Combined bank level represents Comenity Bank and Comenity Capital Bank.

Total Company Tangible Common Equity/ Tangible Assets Ratio(1)

Total Company Tangible Common Equity + Credit Reserves Rate(6)



(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.
(6) The "Tangible Common Equity + Credit Reserves Rate" is calculated as the sum of Tangible common equity and Allowance for credit losses divided by End-of-period credit card and other loans.

Reconciliation of GAAP to Non-GAAP Financial Measures

($ in millions)	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23
Pretax pre-provision earnings (PPNR)									
Income (loss) before income taxes	$ 367	$ 354	$ 259	$ 65	$ 302	$ 16	$ 189	$ (207)	$ 638
Provision for credit losses	33	(14)	161	363	193	404	304	692	107
Pretax pre-provision earnings (PPNR)	**$ 400**	**$ 340**	**$ 420**	**$ 428**	**$ 495**	**$ 420**	**$ 493**	**$ 485**	**$ 745**
Less: Gain on portfolio sale	—	—	(10)	—	—	—	—	—	(230)
PPNR less gain on portfolio sale	$ 400	$ 340	$ 410	$ 428	$ 495	$ 420	$ 493	$ 485	$ 515
Tangible common equity (TCE)									
Total stockholders' equity	$ 1,764	$ 2,048	$ 2,246	$ 2,086	$ 2,268	$ 2,275	$ 2,399	$ 2,265	$ 2,716
Less: Goodwill and intangible assets, net	(704)	(699)	(694)	(687)	(682)	(694)	(690)	(799)	(790)
Tangible common equity (TCE)	**$ 1,060**	**$ 1,349**	**$ 1,552**	**$ 1,399**	**$ 1,586**	**$ 1,581**	**$ 1,709**	**$ 1,466**	**$ 1,926**
Tangible assets (TA)									
Total assets	$ 21,163	$ 21,812	$ 22,257	$ 21,746	$ 20,938	$ 21,811	$ 21,960	$ 25,407	$ 21,970
Less: Goodwill and intangible assets, net	(704)	(699)	(694)	(687)	(682)	(694)	(690)	(799)	(790)
Tangible assets (TA)	**$ 20,459**	**$ 21,113**	**$ 21,563**	**$ 21,059**	**$ 20,256**	**$ 21,117**	**$ 21,270**	**$ 24,608**	**$ 21,180**

Credit Quality Trends

Delinquency Rates

Net Loss Rates

(1) Peak Delinquency and Net loss rates occurred in 2009.
(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.
Note: The 3Q22, 4Q22, and 1Q23 Delinquency and Net loss rates were impacted by the transition of our credit card processing services.

Exhibit 99.3

Bread Financial Declares Dividend on Common Stock

COLUMBUS, Ohio – April 27, 2023 – Bread Financial Holdings, Inc. (NYSE: BFH), a tech-forward financial services company that provides simple, personalized payment, lending and saving solutions, today announced that its Board of Directors declared a quarterly cash dividend of $0.21 per share on the Company's common stock, payable on June 16, 2023 to stockholders of record at the close of business on May 12, 2023.

About Bread Financial™

Bread Financial™ (NYSE: BFH) is a tech-forward financial services company providing simple, personalized payment, lending and saving solutions. The company creates opportunities for its customers and partners through digitally enabled choices that offer ease, empowerment, financial flexibility and exceptional customer experiences. Driven by a digital-first approach, data insights and white-label technology, Bread Financial delivers growth for its partners through a comprehensive product suite, including private label and co-brand credit cards, installment lending, and buy now, pay later (BNPL). Bread Financial also offers direct-to-consumer solutions that give customers more access, choice and freedom through its branded Bread Cashback™ American Express® Credit Card and Bread Savings™ products.

Headquartered in Columbus, Ohio, Bread Financial is powered by its 7,500+ global associates and is committed to sustainable business practices. To learn more about Bread Financial, visit BreadFinancial.com or follow us on Facebook, LinkedIn, Twitter and Instagram.

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