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):
October 27, 2022

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 October 27, 2022, Bread Financial Holdings, Inc. (the "Company") issued a press release regarding its results of operations for the third quarter ended September 30, 2022 (the "Q3 2022 Earnings Release"). A copy of the Q3 2022 Earnings Release is furnished as Exhibit 99.1 hereto.

Item 7.01 Regulation FD Disclosure.

In connection with the Q3 2022 Earnings Release, on October 27, 2022, 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 October 27, 2022, 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 December 16, 2022 to stockholders of record at the close of business on November 14, 2022. 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 October 27, 2022 announcing the Company's results of operations for the third quarter ended September 30, 2022.
99.2	Investor Presentation dated October 27, 2022.
99.3	Press Release dated October 27, 2022 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: October 27, 2022	By:	/s/ Joseph L. Motes III Joseph L. Motes III Executive Vice President, Chief Administrative Officer, General Counsel and Secretary

Bread Financial Reports Third Quarter 2022 Results

COLUMBUS, Ohio, October 27, 2022 – 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 third quarter ended September 30, 2022.

Financial Summary	Third Quarter 2022	Year-to-Date 2022
Net Income *($ millions)*	**$134**	**$357**
Earnings per Diluted Share	**$2.69**	**$7.15**

- Third quarter net income was $134 million, or $2.69 per diluted share.
- Total third quarter revenue was $979 million, up $128 million, or 15%, versus the third quarter of 2021.
- Expected normalization of credit metrics continued in the third quarter, with a quarter-end delinquency rate of 5.7% and a net loss rate of 5.0%.

Business Highlights

"We are pleased to announce a new long-term credit card relationship with World Market, a specialty retailer of home furniture, decor, apparel, and international food products. Bread Financial draws on its decades of experience with specialty retailers like World Market to provide best-in-class payment, lending, and loyalty solutions, and expand the options for World Market customers," said Ralph Andretta, president and chief executive officer of Bread Financial.

"During the third quarter, we also announced a partnership with Marqeta that will further enable our in-store virtual payment solutions for Bread Financial. The Marqeta-supported product allows customers to provision a one-time-use virtual card, without a mobile app download, to check out in-store at point of sale with Bread Financial's loan products. Through our relationship with Marqeta, Bread Pay now delivers SplitPay and installment loan products both online and in-store.

"We continued to maintain a strong renewal rate as we renewed our relationship with Buckle, a valued brand partner, in the third quarter. Buckle operates over 440 retail stores in 42 states and has grown to become one of America's favorite denim destinations. We remain committed to providing Buckle's guests with lending and loyalty products that meet their evolving needs.

"We successfully completed the AAA portfolio conversion in October, achieving our target of greater than $2 billion in loan balances from new partner signings in 2022. Now, we are driving engagement with AAA's more than 56 million U.S. members through our enhanced cardholder value propositions.

"We remain focused on driving sustainable, profitable growth leveraging our technology enhancements and business development success," Andretta noted.

CEO COMMENTARY

"Our third quarter results reflect additional progress toward our 2022 financial targets, with double-digit loan growth and a pretax pre-provision earnings (PPNR) increase of 17% versus the third quarter of 2021. We remain on track to deliver positive operating leverage for the full year while continuing to invest in enhanced technology, digital modernization, and new product innovation. We continue to transform Bread Financial and invest in our future to deliver long-term sustainable value for our stakeholders.

"The ongoing successful execution of our strategy has strengthened our financial resilience as evidenced by the improvement in our capital and funding metrics, as well as enhanced diversification across our products and portfolio. Our improved credit profile supports sustained performance as we move into a more challenging economic environment.

"We are closely monitoring consumer economic indicators, including how consumers are navigating the changing economic environment. Consumer payment behaviors show continued signs of normalization toward pre-pandemic levels. We proactively adjust our underwriting and credit management to account for the challenges inflation and other factors present to consumers. Our seasoned leadership team is experienced in managing through credit cycles, with an emphasis on responsible risk management and proactive recession readiness planning.

"We remain focused on our continued transformation and the investments that position Bread Financial to drive profitable growth through the full economic cycle."

- Ralph Andretta, president and chief executive officer

CFO COMMENTARY

"We are pleased with our third quarter financial results, which include year-over-year revenue growth of 15%, driven by 14% average loan growth and improved net interest margin. Credit sales growth in the quarter of 4% was impacted by both the transition of our credit card processing services and the temporary spike in fuel prices in July. For the sixth consecutive quarter, PPNR grew year-over-year at a double-digit rate, reflective of the quality growth we are delivering. Retail direct-to-consumer deposit balances exceeded $5 billion in the quarter further improving our cost of funds mix and funding diversification. Third quarter expenses were lower than anticipated as some expenses were shifted to the fourth quarter and we received payment network expense credits that were projected in the fourth quarter.

"Our expectation for the normalization of consumer payment behavior is reflected in our 2022 guidance, and our results this quarter were within the range of our expectations considering temporary impacts from the transition of our credit card processing services. We anticipate delinquency rates to move lower in the fourth quarter driven by improvement in early stage delinquency performance, while losses are expected to be higher in the fourth quarter, which is typically the highest quarter of the year for this metric based on seasonality.

"Additionally, we have maintained conservative economic scenario weightings in our credit reserve modeling as a result of an increasing probability of a recession, more persistent inflation, and the increased cost of overall consumer debt.

"Despite these macroeconomic headwinds, we remain confident in our full year guidance and our long-term outlook. We will continue to act prudently and responsibly in our allocation of capital and will moderate our growth as appropriate as we manage risk-reward tradeoffs to maintain long-term sustainable, profitable growth."

- Perry Beberman, executive vice president and chief financial officer

2022 Full Year CFO Outlook

- **Macroeconomic Assumptions:** "Our outlook continues to assume a moderation in the consumer payment rate throughout the remainder of 2022. We also expect further interest rate increases by the Federal Reserve to result in a nominal benefit to total net interest income, which is factored into our outlook.
- **Average Loan Growth:** "Based on our new and renewed business announcements, visibility into our pipeline, and the current economic outlook, we reiterate our expectation for low-double-digit growth in full year 2022 average credit card and other loans relative to 2021.
- **Total Revenue:** "Total revenue growth for 2022 is anticipated to align with average loan growth, with slight upside from improved full year net interest margin versus 2021.
- **Total Expenses:** "As a result of ongoing investment in technology modernization, digital advancement, marketing, and product innovation, along with strong portfolio growth, we expect a sequential increase in total expenses in the fourth quarter. 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 at the high end of our previously communicated low-to-mid 5% range for 2022. 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 continue to expect our full year normalized effective tax rate to be in the range of 25% to 26%, with quarter-over-quarter volatility due to the timing of various discrete items."

Key Operating and Financial Metrics[1]

Continuing Operations[1]	Quarter Ended September 30,			Year-to-Date through September 30,		
($ in millions, except per share amounts)	2022	2021	Change	2022	2021	Change
Total net interest and non-interest income ("Revenue")	$979	$851	15%	$2,793	$2,416	16%
Net principal losses	*$218*	*$151*	*44%*	*$656*	*$543*	*21%*
Reserve build (release)	*$86*	*$10*	*nm*	*$246*	*$(363)*	*nm*
Provision for credit losses	$304	$161	89%	$902	$180	nm
Total non-interest expenses	$486	$431	13%	$1,383	$1,256	10%
Income from continuing operations before income taxes	$189	$259	(27)%	$508	$980	(48)%
Income from continuing operations	**$134**	**$206**	**(35)%**	**$358**	**$737**	**(51)%**
Income from continuing operations per diluted share	$2.69	$4.11	(35)%	$7.16	$14.74	(51)%
Weighted average shares outstanding – diluted	49.9	50.0		50.0	50.0	
********************************						
Pretax pre-provision earnings (PPNR)[2]	$493	$420	17%	$1,410	$1,160	21%

nm – not meaningful

(1) Reflective of the spinoff of Loyalty Ventures Inc. for all periods presented.
(2) Pretax pre-provision earnings (PPNR) is a non-GAAP financial measure. See "Non-GAAP Financial Measures" below.
(3) The 3Q22 Delinquency rate was impacted by the transition of our credit card processing services.
(4) The 3Q22 Net loss rate was impacted by the transition of our credit card processing services. Excluding this impact, which is timing-related, the Net loss rate for the quarter would have been higher.

Third Quarter 2022 Compared with Third Quarter 2021 – Continuing Operations

- Credit sales increased 4% to $7.7 billion driven by existing partners, as well as new product and brand partner additions.
- Average and end-of-period credit card and other loans increased 14% and 16% to $17.6 billion and $18.1 billion, respectively, driven by continued credit sales growth, as well as further moderation in the consumer payment rate.
- Revenue increased 15%, or $128 million, resulting from higher average loan balances and improved loan yields. Net interest margin increased 94 basis points year-over-year and 123 basis points sequentially.
- Total non-interest expenses increased 13%, or $55 million, as employee compensation and benefit costs increased 20%, or $34 million, information processing and communication expenses increased 39%, or $21 million, as a result of the transition of our credit card processing services, and other expenses decreased 22%, or $16 million, primarily due to decreased legal and other business activity costs.
- PPNR, a non-GAAP financial measure, improved by $73 million, or 17%, reflecting sustainable, profitable growth and continued success with our business transformation efforts.
- Income from continuing operations decreased $72 million, as the improvement in PPNR was offset by a higher provision for credit losses reflecting both loan growth in the quarter and a higher reserve rate, as well as increased net principal losses.
- Delinquency rate of 5.7% increased from 3.8% in 3Q21 and 4.4% in 2Q22; the 3Q22 rate was impacted by the transition of our credit card processing services, and increased as a result of expected consumer payment rate normalization, as well as seasonal trends.
- Net loss rate of 5.0% increased from 3.9% in 3Q21, and decreased from 5.6% in 2Q22. The third quarter rate was impacted by the transition of our credit card processing services. Excluding the transition impact, which is timing-related, the net loss rate for the quarter would have been higher.

Contacts

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Forward-Looking Statements

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

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

Non-GAAP Financial Measures

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

Conference Call / Webcast Information

Bread Financial will host a conference call on Thursday, October 27, 2022 at 8:30 a.m. (Eastern Time) to discuss the Company's third quarter 2022 results. The conference call will be available via the Internet at www.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.

A replay of the conference call will be available two hours after the end of the call until 11:59 p.m. ET on Thursday, October 27, 2022. To access the replay, please dial (866) 813-9403 or (929) 458-6194 and reference conference ID number "656109".

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.

Bread Financial is an S&P MidCap 400 company headquartered in Columbus, Ohio, and committed to sustainable business practices powered by its 6,000+ global associates. 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 September 30,				Nine Months Ended September 30,			
	2022		2021		2022		2021	
Interest income:								
Interest and fees on loans	$	1,195	$	992	$	3,325	$	2,845
Interest on cash and investment securities		23		2		34		6
Total interest income		1,218		994		3,359		2,851
Interest expense:								
Interest on deposits		66		39		142		130
Interest on borrowings		67		52		166		168
Total interest expense		133		91		308		298
Net interest income		1,085		903		3,051		2,553
Non-interest income:								
Interchange revenue, net of retailer share arrangements		(136)		(97)		(333)		(251)
Other		30		45		75		114
Total non-interest income		(106)		(52)		(258)		(137)
Total net interest and non-interest income		979		851		2,793		2,416
Provision for credit losses		304		161		902		180
Total net interest and non-interest income, after provision for credit losses		675		690		1,891		2,236
Non-interest expenses:								
Employee compensation and benefits		202		168		572		489
Card and processing expenses		82		81		248		242
Information processing and communication		75		54		192		161
Marketing expense		44		35		124		113
Depreciation and amortization		29		23		80		70
Other		54		70		167		181
Total non-interest expenses		486		431		1,383		1,256
Income from continuing operations before income taxes		189		259		508		980
Provision for income taxes		55		53		150		243
Income from continuing operations		134		206		358		737
(Loss) income from discontinued operations, net of taxes		-		18		(1)		46
Net income	$	134	$	224	$	357	$	783
Basic earnings per share:								
Income from continuing operations	$	2.69	$	4.14	$	7.17	$	14.81
(Loss) income from discontinued operations		-		0.36		(0.01)		0.94
Net income per share	$	2.69	$	4.50	$	7.16	$	15.75
Diluted earnings per share:								
Income from continuing operations	$	2.69	$	4.11	$	7.16	$	14.74
(Loss) income from discontinued operations		-		0.36		(0.01)		0.94
Net income per diluted share	$	2.69	$	4.47	$	7.15	$	15.68
Weighted average shares:								
Basic		49.8		49.8		49.9		49.7
Diluted		49.9		50.0		50.0		50.0
Pre-tax pre-provision earnings*:								
Income from continuing operations before income taxes	$	189	$	259	$	508	$	980
Provision for credit losses		304		161		902		180
Pre-tax pre-provision earnings	$	493	$	420	$	1,410	$	1,160

** Pretax pre-provision earnings (PPNR) is a non-GAAP financial measure.*

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

	September 30, 2022	December 31, 2021
Assets		
Cash and cash equivalents	$ 3,583	$ 3,046
Credit card and other loans:		
Credit card and other loans	18,126	17,399
Allowance for credit losses	(2,073)	(1,832)
Credit card and other loans, net	16,053	15,567
Available-for-sale securities	218	239
Property and equipment, net	204	215
Goodwill and intangible assets, net	690	687
Other assets	1,212	1,992
Total assets	$ 21,960	$ 21,746
Liabilities and Stockholders' Equity		
Deposits	$ 12,444	$ 11,027
Debt issued by consolidated variable interest entities	4,015	5,453
Long-term and other debt	1,916	1,986
Other liabilities	1,186	1,194
Total liabilities	19,561	19,660
Stockholders' equity	2,399	2,086
Total liabilities and stockholders' equity	$ 21,960	$ 21,746
Shares of common stock outstanding	49.8	49.8

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

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Cash Flows from Operating Activities:		
Net income	$ 357	$ 783
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	902	180
Depreciation and amortization	80	97
Deferred income taxes	(137)	20
Non-cash stock compensation	24	25
Amortization of deferred financing costs	18	23
Amortization of deferred origination costs	64	54
Change in other operating assets and liabilities:		
Change in other assets	(25)	(89)
Change in other liabilities	11	115
Other	57	—
Net cash provided by operating activities	1,351	1,208
Cash Flows from Investing Activities:		
Change in credit card and other loans	(1,171)	88
Change in redemption settlement assets	—	(47)
Proceeds from sale of credit card portfolio	—	512
Purchase of credit card portfolios	(249)	(99)
Capital expenditures	(53)	(59)
Purchase of investment securities	(35)	(77)
Maturities of investment securities	25	61
Other	(5)	2
Net cash (used in) provided by investing activities	(1,488)	381
Cash Flows from Financing Activities:		
Unsecured borrowings under debt agreements	218	38
Repayments/maturities of unsecured borrowings under debt agreements	(294)	(114)
Debt issued by consolidated variable interest entities	1,723	2,768
Repayments/maturities of debt issued by consolidated variable interest entities	(3,162)	(3,891)
Net increase in deposits	1,395	88
Payment of deferred financing costs	(10)	(13)
Dividends paid	(32)	(31)
Repurchase of common stock	(12)	—
Other	(4)	(2)
Net cash used in financing activities	(178)	(1,157)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	(4)
Change in cash, cash equivalents and restricted cash	(315)	428
Cash, cash equivalents and restricted cash at beginning of period	3,923	3,463
Cash, cash equivalents and restricted cash at end of period	$ 3,608	$ 3,891

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Credit sales	$ 7,689	$ 7,380	4%	$ 22,716	$ 20,825	9%
Average credit card and other loans	$ 17,598	$ 15,471	14%	$ 17,084	$ 15,512	10%
End-of-period credit card and other loans	$ 18,126	$ 15,690	16%	$ 18,126	$ 15,690	16%
End-of-period direct-to-consumer deposits	$ 5,176	$ 3,052	70%	$ 5,176	$ 3,052	70%
Return on average assets[1]	2.4%	3.7%	(1.3)%	2.2%	4.5%	(2.3)%
Return on average equity[2]	22.8%	38.0%	(15.2)%	20.9%	52.2%	(31.3)%
Net interest margin[3]	19.9%	18.9%	1.0%	19.3%	18.0%	1.3%
Loan yield[4]	27.2%	25.6%	1.6%	25.9%	24.5%	1.4%
Efficiency ratio[5]	49.7%	50.6%	(0.9)%	49.6%	52.0%	(2.4)%
Tangible common equity / tangible assets ratio (TCE/TA)[6]	8.0%	7.2%	0.8%	8.0%	7.2%	0.8%
Tangible book value per common share[7]	$ 34.30	$ 31.18	10.0%	$ 34.30	$ 31.18	10.0%
Cash dividend per common share	$ 0.21	$ 0.21	0.0%	$ 0.63	$ 0.63	0.0%
Delinquency rate[8]	5.7%	3.8%	1.9%	5.7%	3.8%	1.9%
Net loss rate[9]	5.0%	3.9%	1.1%	5.1%	4.7%	0.4%
Reserve rate	11.4%	10.5%	0.9%	11.4%	10.5%	0.9%

(1) Return on average assets represents annualized Income from continuing operations divided by average Total assets.
(2) Return on average equity represents annualized Income from continuing operations divided by average Total stockholders' equity.
(3) Net interest margin represents annualized Net interest income divided by average Total interest-earning assets.
(4) Loan yield represents annualized Interest and fees on loans divided by Average credit card and other loans.
(5) Efficiency ratio represents Total non-interest expenses divided by Total net interest and non-interest income.
(6) Tangible common equity (TCE) represents Total stockholders' equity reduced by Goodwill and intangible assets, net. Tangible assets (TA) represents Total assets reduced by Goodwill and intangible assets, net. TCE/TA is a non-GAAP financial measure.
(7) Tangible book value per common share represents TCE divided by shares outstanding, and is a non-GAAP financial measure.
(8) The 3Q22 Delinquency rate was impacted by the transition of our credit card processing services.
(9) The 3Q22 Net loss rate was impacted by the transition of our credit card processing services. Excluding this impact, which is timing-related, the Net loss rate for the quarter would have been higher.

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	% Change	2022	2021	% Change
(Millions, except percentages)						
Pretax pre-provision earnings (PPNR)						
Income from continuing operations before income taxes	189	259	(27)%	508	980	(48)%
Provision for credit losses	304	161	89%	902	180	400%
Pretax pre-provision earnings (PPNR)	493	420	17%	1,410	1,160	21%
Tangible common equity (TCE)						
Total stockholders' equity	2,399	2,246	7%	2,399	2,246	7%
Less: Goodwill and intangible assets, net	(690)	(694)	(1)%	(690)	(694)	(1)%
Tangible common equity (TCE)	1,709	1,552	10%	1,709	1,552	10%
Tangible assets (TA)						
Total assets	21,960	22,257	(1)%	21,960	22,257	(1)%
Less: Goodwill and intangible assets, net	(690)	(694)	(1)%	(690)	(694)	(1)%
Tangible assets (TA)	21,270	21,563	(1)%	21,270	21,563	(1)%

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Bread Financial
Third Quarter 2022 Results

October 27, 2022

Ralph Andretta
President & CEO

Perry Beberman
EVP & CFO

Forward-Looking Statements

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

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

Non-GAAP Financial Measures

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

Key Highlights

Quality growth with strong core performance trends

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

Remain focused on driving sustainable, profitable growth

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

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

Business Development Highlights

New & Renewed Brand Partners

World Market

Buckle

Select New Bread Pay Partners

WaterRower

sezzle

125+ integrated merchants

New Innovative Bread Pay In-Store Technology Solutions

MARQETA

Enables virtual card for a frictionless consumer and merchant experience

Versatile Credit

Sales finance lending platform providing distribution in diversified verticals

Third Quarter 2022 Financial Highlights

$979 million	$134 million	$2.69
Revenue	Net Income	Diluted EPS

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

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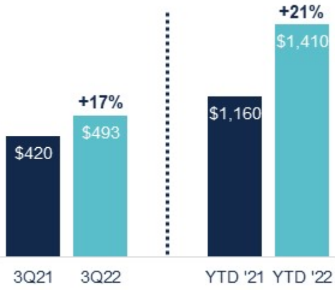
Financial Results – Continuing Operations

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

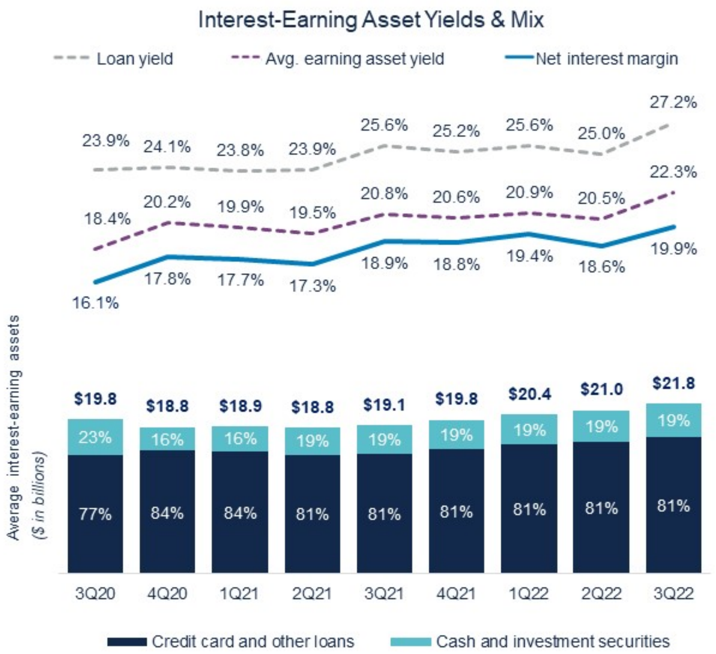
* Pretax pre-provision earnings is a non-GAAP financial measure. See the Reconciliation of GAAP to Non-GAAP Financial Measures that follows.
nm – not meaningful

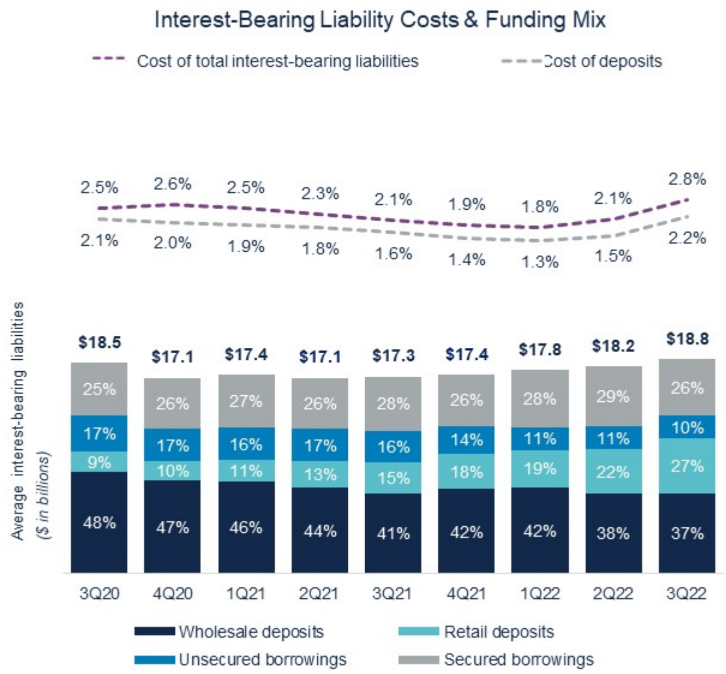
PPNR Growth*



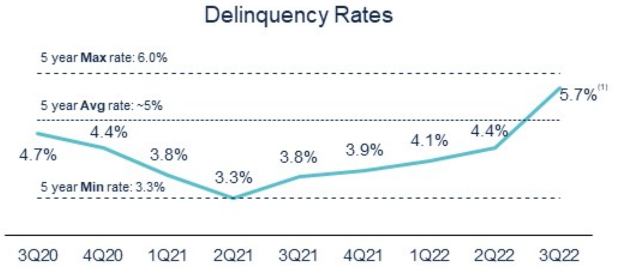
$ in millions

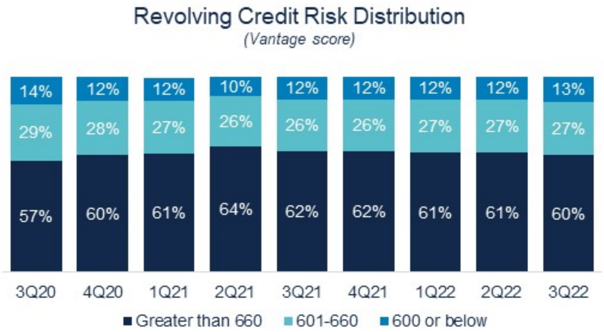
Net Interest Margin





Credit Quality and Allowance





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

2022 Financial Outlook

Full Year 2021 Actuals	Full Year 2022 Outlook	Commentary
Average loans $15,656 million	Up low double digits	• Continued sales growth and net partner additions driving sustainable, profitable growth • Expect the year-end loan balance to be between $21 and $22 billion as a result of successful new business development activities in 2022
Revenue $3,272 million	Aligned with loan growth	• Net interest income growth is expected to be favorable to full year average loan growth year-over-year, with a nominal benefit from continued Federal Reserve interest rate increases • Non-interest income year-over-year change is expected to partially offset the favorability in Net interest income
Total non-interest expenses $1,684 million	Positive operating leverage	• Includes a planned incremental strategic investment of more than $125 million in technology modernization, digital advancement, marketing, and product innovation driving future growth and efficiencies • We expect expenses will increase sequentially each quarter throughout 2022 • We will manage the pace of investments to align with our full year revenue & growth outlook
Net loss rate 4.6%	Low-to-mid 5% range	• Anticipate the full year net loss rate to be at the high end of our range • Expect credit metrics to normalize in 2022 off of historically low rates, yet remain below our historical through-the-cycle average of approximately 6.0% for the full year

Strengthened Financial Resilience

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

- Strong corporate governance
- Proactive risk management
- Prudent balance sheet management
- Disciplined expense management
- Enhanced core capabilities

Improved balance sheet strength and funding mix

- Loan loss reserve materially higher
- Capital ratios significantly improved
- Reduced debt levels
- Increased mix of retail deposits

Enhanced credit risk management and underlying credit distribution

- Diversification across products and partners
- Prudent and proactive line management
- Well-established risk appetite metrics
- Credit mix shift to higher quality

Active recession readiness playbook

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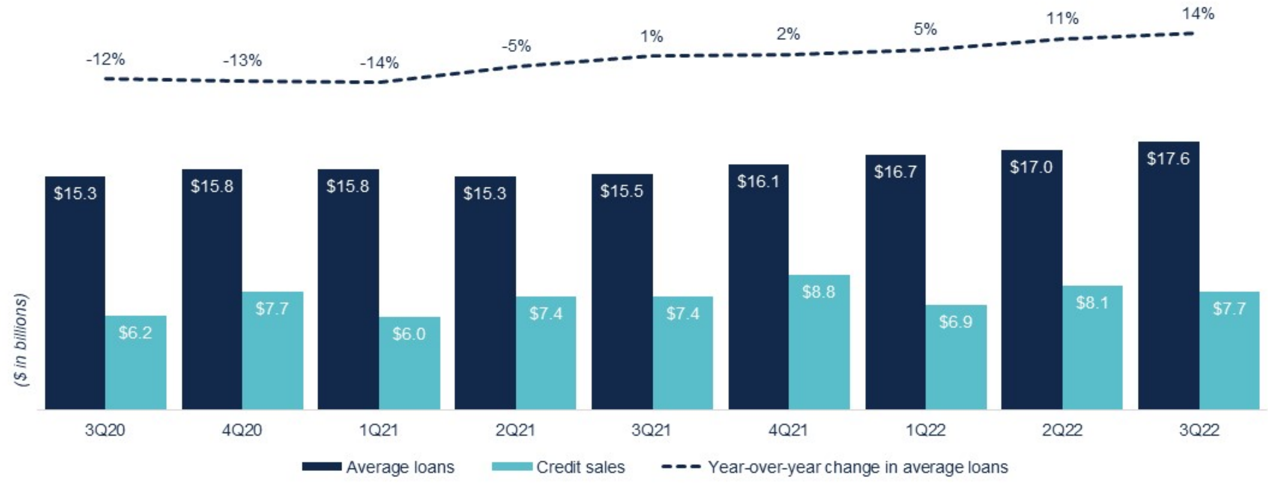
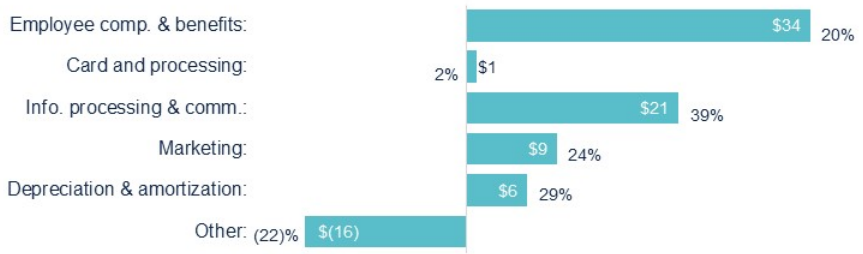
Appendix

Average Loans and Credit Sales



Total Non-Interest Expenses

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



Total Non-Interest Expenses

Efficiency Ratio

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

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

Capital and Liquidity

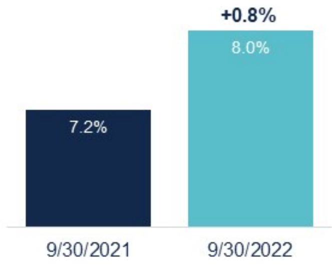
Parent Level:

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

Bank Level (Banks Combined):

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

Tangible Common Equity/ Tangible Assets Ratio(1)



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

Capital Priorities

- Support Profitable Growth & Growth Investments
- Improve Capital Metrics
- Efficient Return of Capital to Shareholders

(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.

Summary Financial Highlights

Continuing Operations

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

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

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

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

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

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

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

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

Summary Financial Highlights
Continuing Operations

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

(1) Return on average assets represents annualized Income from continuing operations divided by average Total assets.
(2) Return on average equity represents annualized Income from continuing operations divided by average Total stockholders' equity.
(3) Net interest margin represents annualized Net interest income divided by average Total interest-earning assets.
(4) Loan yield represents annualized Interest and fees on loans divided by Average credit card and other loans.
(5) Efficiency ratio represents Total non-interest expenses divided by Total net interest and non-interest income.
(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.

Financial Results
Continuing Operations

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

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

Net Interest Margin

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

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

Financial Results

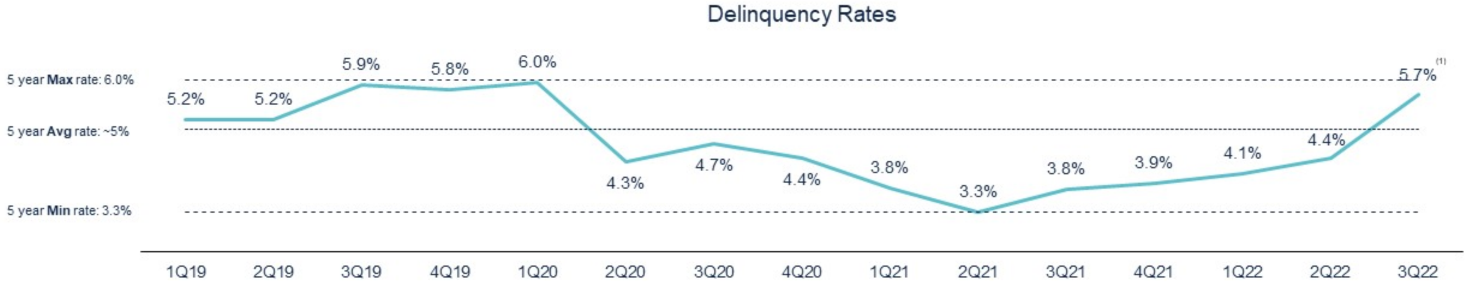
($ in millions, except per share amounts)	3Q22	3Q21	$ Chg	% Chg	YTD '22	YTD '21	$ Chg	% Chg
Income from continuing operations, net of taxes	$134	$206	$(72)	(35)%	$358	$737	$(379)	(51)%
(Loss) income from discontinued operations, net of taxes	0	18	(18)	nm	(1)	46	(47)	nm
Net income	**$134**	**$224**	**$(90)**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

nm – not meaningful

Reconciliation of GAAP to Non-GAAP Financial Measures

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

Credit Quality Trends



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

Exhibit 99.3

Bread Financial Declares Dividend on Common Stock

COLUMBUS, Ohio – October 27, 2022 – 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 December 16, 2022 to stockholders of record at the close of business on November 14, 2022.

About Bread Financial(TM)

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.

Bread Financial is an S&P MidCap 400 company headquartered in Columbus, Ohio, and committed to sustainable business practices powered by its 6,000+ global associates. To learn more about Bread Financial, visit **BreadFinancial.com** or follow us on **Facebook**, **LinkedIn**, **Twitter** and **Instagram**.

Forward-Looking Statements

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

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

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Bread Financial

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