

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported):
January 29, 2026



BREAD FINANCIAL HOLDINGS, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-15749
(Commission
File Number)

31-1429215
(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
Depository Shares, Each Representing a 1/40th Interest in a Share of 8.625% Non-Cumulative Perpetual Preferred Stock, Series A	BFH PrA	NYSE

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On January 29, 2026, Bread Financial Holdings, Inc. (the “Company”) issued a press release regarding its results of operations for the fourth quarter ended December 31, 2025 (the “Q4 2025 Earnings Release”). Copies of the Q4 2025 Earnings Release and the related financial supplement are furnished as Exhibit 99.1 and Exhibit 99.2 hereto, respectively.

Item 7.01 Regulation FD Disclosure.

In connection with the Q4 2025 Earnings Release, on January 29, 2026, 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 99.3 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 January 29, 2026, the Company issued a press release announcing that the Board of Directors of the Company has declared: (i) a quarterly cash dividend of \$26.35 per share of its 8.625% Non-Cumulative Perpetual Preferred Stock, Series A (equivalent to \$0.65875 per depositary share, each representing a 1/40th interest in a share of preferred stock), payable on March 16, 2026 to preferred stockholders of record at the close of business on February 27, 2026; and (ii) a quarterly cash dividend of \$0.23 per share of common stock, payable on March 16, 2026 to common stockholders of record at the close of business on February 27, 2026. A copy of the press release announcing these dividends is attached as Exhibit 99.4 hereto.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Document Description</u>
99.1	Press Release dated January 29, 2026 announcing the Company’s results of operations for the fourth quarter ended December 31, 2025.
99.2	Financial Supplement - Fourth Quarter 2025.
99.3	Investor Presentation dated January 29, 2026.
99.4	Press Release dated January 29, 2026 announcing the dividends on the Company’s preferred and common stock.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

Note: Except for the information in Item 8.01 hereof (including Exhibit 99.4 hereto), the information contained in this report (including Exhibits 99.1, 99.2 and 99.3) 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: January 29, 2026

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

Bread Financial reports fourth quarter and full year 2025 results

COLUMBUS, Ohio, January 29, 2026 – 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 fourth quarter and full year ended December 31, 2025.

(\$ in millions, except per share amounts)	Fourth quarter 2025		Full year 2025	
	Total company	Continuing operations	Total company	Continuing operations
Net income available to common stockholders	\$53	\$53	\$518	\$521
Adjusted net income ⁽¹⁾	\$95	\$95	\$575	\$578
Earnings per diluted share	\$1.16	\$1.16	\$10.89	\$10.96
Adjusted earnings per diluted share ⁽¹⁾	\$2.07	\$2.07	\$12.09	\$12.16

\$18.0B

4Q25 Average loans

\$975MM

4Q25 Revenue

13.0%

Common equity
tier 1 capital ratio

\$57.57

Tangible book value
per common share⁽¹⁾

- Relative to the fourth quarter of 2024:
 - Income from continuing operations increased \$45 million primarily driven by higher net interest income and lower provision for credit losses, partially offset by current year impacts from debt repurchases of \$42 million.
 - Average loans decreased 1% due to an increased payment rate.
 - Common equity tier 1 (CET1) capital ratio increased 60 basis points to 13.0% and decreased 100 basis points sequentially.
 - Tangible book value per common share⁽¹⁾ increased \$10.60, or 23%, to \$57.57.
- Return on average tangible common equity⁽¹⁾ was 8.0% in the fourth quarter and 20.4% for the full year.
- Fourth quarter delinquency rate was 5.8% and net loss rate was 7.4%.
- Repurchased 1.9 million common shares for \$120 million during the quarter.
- Received credit ratings upgrades from Moody's and Fitch, and a positive outlook from Moody's and S&P.

⁽¹⁾ Represents a Non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures."

CEO COMMENTARY

"Our 2025 financial and operational performance underscore our disciplined approach to growing responsibly, building financial resilience, and advancing operational excellence, positioning us well as we enter 2026. We delivered full year net income of \$518 million, grew our tangible book value per common share by 23% over the past year, and signed or renewed several key brand partners. In 2025, we returned \$350 million in capital to shareholders, including \$310 million via common share repurchases, or 12% of our year-end 2024 outstanding shares. We also increased our quarterly common dividend by 10% during the fourth quarter of 2025. At the same time, we meaningfully strengthened and optimized our balance sheet by reducing and refinancing parent debt and issuing subordinated debt and preferred equity. Further, we increased our direct to consumer deposits by 11% year-over-year. As a result of these actions, coupled with our enhanced enterprise risk management framework, we received credit ratings upgrades from Moody's and Fitch, and positive outlooks from Moody's and S&P.

"Consumer financial health remained resilient throughout the year, driving a 3.0% year-over-year increase in credit sales with higher transaction sizes and increased transaction frequency. The positive trajectory of our credit sales and credit performance metrics, along with our new business additions and stable partner base, gives us confidence that we are nearing an inflection point for loan growth as we enter 2026. We are closely monitoring changes in consumer behavior, as well as monetary and fiscal policy developments, and potential downstream impacts on consumer spending and employment.

"During the year, we signed or renewed several partners in diverse industry verticals including travel and entertainment, technology, and home. With the multi-year extension of our long-term relationship with Caesars Entertainment, all of our top 10 programs are now renewed into at least 2028. Our full product suite, technology advancements, sophisticated underwriting, enhanced loyalty programs, and differentiated partnership model continue to be keys to our success in winning new partnerships, as well as retaining and strengthening our existing brand partner relationships.

"We are pleased with the results we delivered in 2025 and remain confident in our ability to generate attractive returns in 2026. Supported by strong capital levels and cash flow generation, we are well positioned to execute on our capital and growth priorities while delivering sustainable, long-term value for our shareholders."

- Ralph Andretta, president and chief executive officer

CFO COMMENTARY

"Our fourth quarter results demonstrate our ability to drive strong, sustainable results with our tangible book value per common share of \$57.57 increasing nearly \$11, or 23%, from a year ago. Adjusted income from continuing operations, a non-GAAP financial measure, improved \$74 million versus a year ago, reflecting the implementation of our pricing actions, which improved our net interest margin, and a lower provision for credit losses as delinquencies and credit losses continued to gradually improve. Adjusted total non-interest expenses, a non-GAAP financial measure, decreased \$25 million, or 5% year-over-year as a result of our ongoing operational excellence initiatives.

"Revenue increased 5% year-over-year with net interest margin improving to 18.9%. Our net interest margin increased over the fourth quarter of last year as a result of the continued gradual build of pricing changes, as well as lower funding costs reflective of our opportunistic debt actions and growth in direct-to-consumer deposits. We expect these benefits to continue into 2026, offset by pressure from an anticipated lower prime rate, the ongoing gradual improvement in our payment and delinquency rate trends, and a continued shift in product and risk mix.

"As part of our ongoing actions to transform and strengthen our company, as evidenced by the rating agency upgrades and positive outlooks, we continued to opportunistically optimize our capital structure and lower our funding costs. During the year, we retired our outstanding convertible and 9.75% senior notes, completed 8.375% subordinated and 6.75% senior notes offerings, and issued \$75 million in 8.625% preferred shares. Direct-to-consumer deposits increased 11% year-over-year to \$8.5 billion at quarter-end with our average direct-to-consumer deposits now representing 48% of total funding, up from 43% a year ago. Additionally, while maintaining strong capital levels, we repurchased \$120 million, or 1.9 million shares, of our common stock in the fourth quarter of 2025, with \$240 million remaining on our open share repurchase authorization at year-end.

"We are pleased with the year-over-year improvement in our credit metrics driven by our disciplined credit risk management and product diversification. We continue to execute well on our credit strategies and expect ongoing gradual improvement in our credit metrics.

"Improved credit performance and higher-quality new account acquisitions drove the 70 basis point year-over-year improvement in our reserve rate which ended the year at 11.2%. We continue to apply prudent weightings on the economic scenarios used in our credit reserve modeling given the wide range of potential macroeconomic outcomes, including ongoing uncertainty around inflation and unemployment.

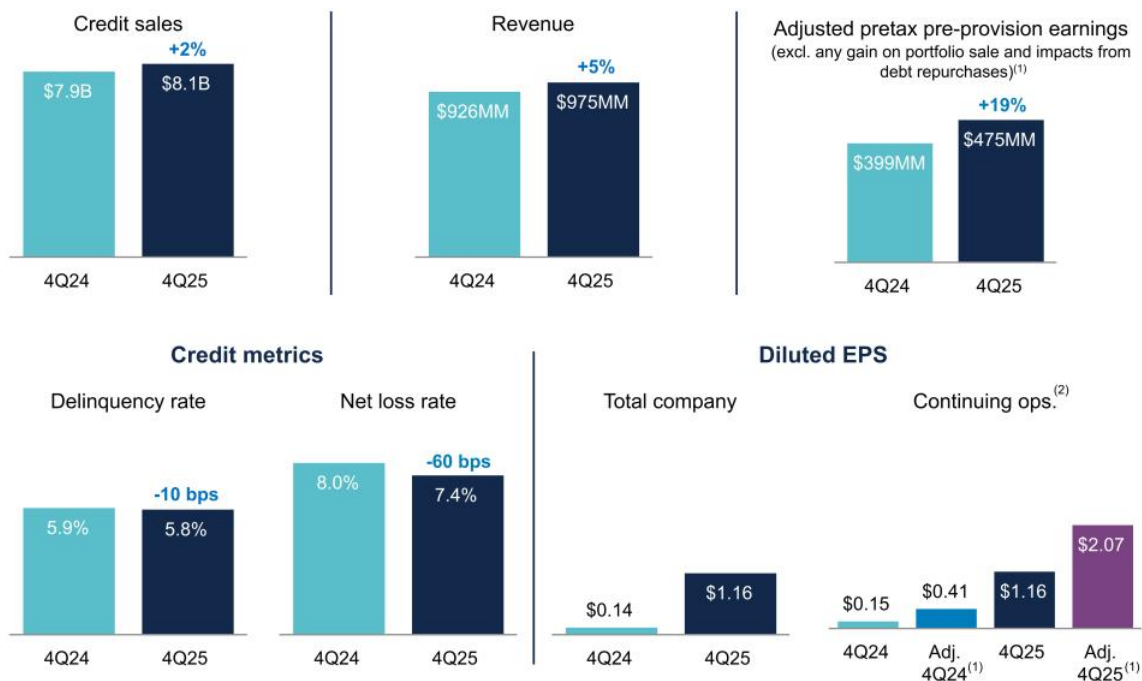
"Our 2025 results reflect our prudent capital allocation, a disciplined credit management framework, and our focus on responsible growth. We look forward to building on our momentum in 2026."

*- Perry Beberman, executive vice president
and chief financial officer*

2026 full year outlook

- **"Our 2026 outlook** is based on continued consumer resilience, inflation remaining above the Federal Reserve target rate of 2%, and a generally stable labor market. Our outlook also anticipates interest rate decreases by the Federal Reserve, which will modestly pressure total net interest income.
- **Average loan growth:** "Based on visibility into our pipeline and partner growth, we expect average credit card and other loans growth to be up low single digits from full year 2025.
- **Total revenue:** "We anticipate total revenue growth to be up low single digits from full year 2025, largely in line with average loan growth.
- **Total expenses:** "We manage expense growth based on revenue generation and investment opportunities and expect to deliver positive operating leverage in 2026, excluding the pretax impacts from our debt repurchases.
- **Net loss rate:** "We anticipate a 2026 net loss rate in the range of 7.2% to 7.4%.
- **Effective tax rate:** "We expect our full year normalized effective tax rate to be in the range of 25% to 27%, with quarter-over-quarter variability due to the timing of certain discrete items."

Key operating and financial metrics



Continuing operations⁽²⁾

(\$ in millions, except per share amounts)

	Fourth quarter			Full year		
	2025	2024	% change	2025	2024	% change
Total net interest and non-interest income ("Revenue")	\$ 975	\$ 926	5	\$ 3,845	\$ 3,838	—
Net principal losses	336	367	(8)	1,377	1,489	(8)
Reserve build (release)	37	50	(28)	(135)	(92)	48
Provision for credit losses	373	417	(11)	1,242	1,397	(11)
Total non-interest expenses	555	536	4	1,988	2,060	(3)
Income (loss) from continuing operations before income taxes	47	(27)	(275)	615	381	61
Income from continuing operations	\$ 53	\$ 8	595	\$ 521	\$ 279	87
Weighted average shares outstanding – diluted	46.0	50.9	(10)	47.6	50.4	(6)
Income from continuing operations per diluted share	\$ 1.16	\$ 0.15	669	\$ 10.96	\$ 5.54	98
Adjusted income from continuing operations ⁽¹⁾	\$ 95	\$ 21	357	\$ 578	\$ 390	48
Adjusted income from continuing operations per diluted share ⁽¹⁾	\$ 2.07	\$ 0.41	406	\$ 12.16	\$ 7.74	57
Pretax pre-provision earnings (PPNR) ⁽¹⁾	\$ 420	\$ 390	7	\$ 1,857	\$ 1,778	4
Adjusted PPNR ⁽¹⁾	\$ 475	\$ 399	19	\$ 1,928	\$ 1,884	2

(1) Represents a Non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures."

(2) Excludes amounts associated with our former LoyaltyOne segment and our former Epsilon segment which previously have been disclosed as discontinued operations and classified accordingly.

Fourth quarter 2025 compared with fourth quarter 2024 – continuing operations

- Credit sales were \$8.1 billion for the fourth quarter of 2025, an increase of \$0.2 billion, or 2%, driven by new partner growth and increased general-purpose spending.
- Average credit card and other loans of \$18.0 billion were down 1%, and end-of-period credit card and other loans of \$18.8 billion were nearly flat, both of which were pressured by an increasing payment rate.
- Revenue increased \$49 million, or 5%, primarily reflecting the implementation of pricing changes, partially offset by lower billed late fees and higher retailer share arrangements.
- Total non-interest expenses increased \$19 million, or 4%, primarily driven by the current and prior year impacts from debt repurchases of \$55 million and \$11 million, respectively. Employee compensation and benefits costs decreased \$10 million, or 4%, and card and processing expenses decreased \$7 million, or 8%. Excluding the impacts from our debt repurchases, adjusted total non-interest expenses, which is a non-GAAP financial measure, decreased \$25 million, or 5%, driven by our continued operational excellence initiatives.
- Income from continuing operations increased \$45 million, primarily driven by higher net interest income and lower provision for credit losses, partially offset by the impacts from our debt repurchases. Excluding the impacts from our debt repurchases, adjusted income from continuing operations, which is a non-GAAP financial measure, increased \$74 million.
- Adjusted PPNR, a non-GAAP financial measure which excludes any gain on portfolio sale and impacts from debt repurchases, increased \$76 million, or 19%.
- The delinquency rate of 5.8% decreased from 5.9% in the fourth quarter of 2024.
- The net loss rate of 7.4% decreased from 8.0% in the fourth quarter of 2024.
- CET1 ratio of 13.0% increased from 12.4% in the fourth quarter of 2024, driven by strong net earnings, partially offset by 180 basis points for share repurchases and common stock dividends, 40 basis points related to debt repurchases, and 60 basis points for the last CECL phase-in in the first quarter of 2025.

Impacts from debt repurchases

(\$ in millions, except per share amounts)

	Total non-interest expenses		Income from cont. ops.		Diluted EPS from cont. ops.	
	4Q25	4Q24	4Q25	4Q24	4Q25	4Q24
GAAP-basis	\$ 555	\$ 536	\$ 53	\$ 8	\$ 1.16	\$ 0.15
Impacts from debt repurchases	55	11	42	13	0.91	0.26
Adjusted GAAP-basis⁽¹⁾	\$ 500	\$ 525	\$ 95	\$ 21	\$ 2.07	\$ 0.41

(1) Represents a Non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures."

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, interest rates, labor market conditions, recessionary pressures or concerns over a prolonged economic slowdown, and the related impact on consumer spending behavior, payments, debt levels, savings rates and other behaviors; global political and public health events and conditions, including significant shifts in trade policy, such as changes to, or the imposition of, tariffs and/or trade barriers and consequently any economic impacts, volatility, uncertainty and geopolitical instability resulting therefrom, as well as ongoing wars and military conflicts and natural disasters; future credit performance, including the level of future delinquency and charge-off rates; loss of, or reduction in demand for services and/or products from, significant brand partners or customers in the highly competitive markets in which we operate, including competition from new and non-traditional competitors, such as financial technology companies, and with respect to new products, services and technologies, such as the emergence or increase in popularity of agentic commerce, digital payment platforms and currencies and other alternative payment and deposit solutions; the concentration of our business in U.S. consumer credit; inaccuracies in the models and estimates on which we rely, including our credit risk management models and the amount of our Allowance for credit losses; 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 federal and state legislation, executive action, 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 that would place limits on credit card interest rates or late fees, interchange fees or other charges; 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 liability or other adverse impacts arising out of or related to the spinoff of our former LoyaltyOne segment or the bankruptcy filings of Loyalty Ventures Inc. (LVI) and certain of its subsidiaries, including the pending litigation against us in connection with the spinoff. 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:

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

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."

Financial supplement

This earnings release should be read in conjunction with the Financial Supplement for the fourth quarter of 2025, available at investor.breadfinancial.com and in a Form 8-K furnished today with the Securities and Exchange Commission.

Conference call/webcast information

Bread Financial will host a conference call on Thursday, January 29, 2026, at 8:30 a.m. (Eastern Time) to discuss the company's fourth 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 that provides simple, personalized payment, lending and saving solutions to millions of U.S. consumers. Our payment solutions, including Bread Financial general purpose credit cards and savings products, empower our customers and their passions for a better life. Additionally, we deliver growth for some of the most recognized brands in travel & entertainment, health & beauty, jewelry and specialty apparel through our private label and co-brand credit cards and pay-over-time products providing choice and value to our shared customers.

Bread Financial proudly marks 30 years of success in 2026. To learn more about our global associates, our performance and our sustainability progress, visit breadfinancial.com or follow us on [Instagram](#) and [LinkedIn](#).

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

	As of or for the three months ended December 31,			As of or for the twelve months ended December 31,		
	2025	2024	% change	2025	2024	% change
Adjusted net income						
Income from continuing operations	\$ 53	\$ 8	595	\$ 521	\$ 279	87
Loss from discontinued operations	—	(1)	(133)	(3)	(2)	40
Net income	53	7	675	518	277	87
Impacts from debt repurchases	42	13	219	57	111	(49)
Adjusted net income	<u>\$ 95</u>	<u>\$ 20</u>	<u>376</u>	<u>\$ 575</u>	<u>\$ 388</u>	<u>48</u>
Adjusted income from continuing operations	\$ 95	\$ 21	357	\$ 578	\$ 390	48
Weighted average shares outstanding – diluted	46.0	50.9	(10)	47.6	50.4	(6)
Adjusted income per diluted share						
Net income from continuing operations per diluted share	\$ 1.16	\$ 0.15	669	\$ 10.96	\$ 5.54	98
Net loss from discontinued operations per diluted share	—	(0.01)	(136)	(0.07)	(0.05)	48
Net income per diluted share	<u>\$ 1.16</u>	<u>\$ 0.14</u>	<u>758</u>	<u>\$ 10.89</u>	<u>\$ 5.49</u>	<u>98</u>
Impacts from debt repurchases	0.91	0.26	253	1.20	2.20	(46)
Adjusted net income per diluted share	<u>\$ 2.07</u>	<u>\$ 0.40</u>	<u>427</u>	<u>\$ 12.09</u>	<u>\$ 7.69</u>	<u>57</u>
Adjusted income from continuing operations per diluted share	\$ 2.07	\$ 0.41	406	\$ 12.16	\$ 7.74	57
Adjusted total non-interest expenses						
Total non-interest expenses	\$ 555	\$ 536	4	\$ 1,988	\$ 2,060	(3)
Impacts from debt repurchases	55	11	390	74	117	(36)
Adjusted total non-interest expenses	<u>\$ 500</u>	<u>\$ 525</u>	<u>(5)</u>	<u>\$ 1,914</u>	<u>\$ 1,943</u>	<u>(1)</u>
Pretax pre-provision earnings						
Income (loss) from continuing operations before income taxes	\$ 47	\$ (27)	(275)	\$ 615	\$ 381	61
Provision for credit losses	373	417	(11)	1,242	1,397	(11)
Pretax pre-provision earnings (PPNR)	420	390	7	\$ 1,857	\$ 1,778	4
Less: Gain on portfolio sale	—	(2)	(100)	(3)	(11)	(71)
Add: Impacts from debt repurchases	55	11	390	74	117	(36)
Adjusted PPNR	<u>\$ 475</u>	<u>\$ 399</u>	<u>19</u>	<u>\$ 1,928</u>	<u>\$ 1,884</u>	<u>2</u>

Continued on the following page

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

	As of or for the three months ended December 31,			As of or for the twelve months ended December 31,		
	2025	2024	% change	2025	2024	% change
Average Tangible common equity						
Average Total stockholders' equity	\$ 3,405	\$ 3,217	6	3,293	3,214	2
Less: average Preferred stock	(29)	—	nm	(7)	—	nm
Less: average Goodwill and intangible assets, net	(721)	(752)	(4)	(733)	(753)	(3)
Average Tangible common equity	<u>\$ 2,655</u>	<u>\$ 2,465</u>	<u>8</u>	<u>\$ 2,553</u>	<u>\$ 2,461</u>	<u>4</u>
Tangible common equity (TCE)						
Total stockholders' equity	\$ 3,327	\$ 3,051	9	3,327	3,051	9
Less: Preferred stock	(71)	—	nm	(71)	—	nm
Less: Goodwill and intangible assets, net	(716)	(746)	(4)	(716)	(746)	(4)
Tangible common equity (TCE)	<u>\$ 2,540</u>	<u>\$ 2,305</u>	<u>10</u>	<u>\$ 2,540</u>	<u>\$ 2,305</u>	<u>10</u>

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

Bread Financial Holdings, Inc
Financial Supplement
Fourth Quarter 2025

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Note: The information contained in this Financial Supplement is preliminary and based on data available at the time of the earnings presentation. Please refer to our Annual Report on Form 10-K for the period ended December 31, 2025 once it is filed with the Securities and Exchange Commission. Amounts presented in the following tables may not sum and percentages may not recalculate due to rounding.

Bread Financial Holdings, Inc
Table 1: Consolidated Statements of Income

Preliminary

	4Q25	3Q25	2Q25	1Q25	4Q24	4Q25 vs. 3Q25	4Q25 vs. 4Q24	2025	2024	2025 vs. 2024
(Millions, except per share amounts and percentages)										
Interest income										
Interest and fees on loans	\$ 1,208	\$ 1,198	\$ 1,148	\$ 1,185	\$ 1,175	1 %	3 %	\$ 4,739	\$ 4,820	(2)%
Interest on cash and investment securities	38	44	46	46	44	(14)%	(14)%	173	204	(16)%
Total interest income	1,246	1,242	1,194	1,231	1,219	— %	2 %	4,912	5,024	(2)%
Interest expense										
Interest on deposits	137	139	139	138	147	(1)%	(7)%	554	608	(9)%
Interest on borrowings	62	71	81	87	84	(13)%	(26)%	300	352	(15)%
Total interest expense	199	210	220	225	231	(5)%	(14)%	854	960	(11)%
Net interest income	1,047	1,032	974	1,006	988	1 %	6 %	4,058	4,064	— %
Non-interest income										
Interchange revenue, net of retailer share arrangements	(127)	(111)	(95)	(83)	(110)	14 %	16 %	(416)	(381)	9 %
Gain on portfolio sale	—	—	3	—	2	—	(100)%	3	11	(71)%
Other	55	50	47	47	46	9 %	18 %	200	144	38 %
Total non-interest income	(72)	(61)	(45)	(36)	(62)	18 %	16 %	(213)	(220)	(6)%
Total net interest and non-interest income	975	971	929	970	926	— %	5 %	3,845	3,838	— %
Provision for credit losses										
Provision for credit losses	373	299	274	296	417	25 %	(11)%	1,242	1,397	(11)%
Total net interest and non-interest income, after provision for credit losses	602	672	655	674	509	(10)%	18 %	2,603	2,441	7 %
Non-interest expenses										
Employee compensation and benefits	232	222	212	215	242	5 %	(4)%	880	897	(2)%
Card and processing expenses	78	81	81	82	85	(4)%	(8)%	322	326	(1)%
Information processing and communication	78	72	77	81	80	9 %	(2)%	308	300	3 %
Marketing expenses	44	38	34	35	48	17 %	(8)%	150	147	2 %
Depreciation and amortization	19	20	20	21	23	(3)%	(16)%	80	90	(11)%
Other	104	43	57	43	58	138 %	79 %	248	300	(17)%
Total non-interest expenses	555	476	481	477	536	17 %	4 %	1,988	2,060	(3)%
Income (loss) from continuing operations before income taxes	47	196	174	197	(27)	(76)%	(275)%	615	381	61 %
(Benefit) provision for income taxes	(6)	8	35	55	(35)	(175)%	(82)%	94	102	(9)%
Income from continuing operations	53	188	139	142	8	(72)%	(59)%	521	279	87 %
Loss from discontinued operations, net of income taxes	—	—	—	(4)	(1)	(328)%	(133)%	(2)	(2)	40 %
Net income available to common stockholders	\$ 53	\$ 188	\$ 139	\$ 138	\$ 7	(72)%	675 %	\$ 518	\$ 277	87 %
Basic income per share										
Income from continuing operations	\$ 1.19	\$ 4.04	\$ 2.96	\$ 2.89	\$ 0.15	(71)%	668 %	\$ 11.15	\$ 5.63	98 %
Income (loss) from discontinued operations	\$ —	\$ —	\$ 0.01	\$ (0.08)	\$ (0.01)	(336)%	(136)%	\$ (0.08)	\$ (0.05)	48 %
Net income per share	\$ 1.19	\$ 4.04	\$ 2.97	\$ 2.81	\$ 0.14	(70)%	757 %	\$ 11.07	\$ 5.58	98 %
Diluted income per share										
Income from continuing operations	\$ 1.16	\$ 3.96	\$ 2.93	\$ 2.86	\$ 0.15	(71)%	669 %	\$ 10.96	\$ 5.54	98 %
Income (loss) from discontinued operations	\$ —	\$ —	\$ 0.01	\$ (0.08)	\$ (0.01)	(335)%	(136)%	\$ (0.07)	\$ (0.05)	48 %
Net income per share	\$ 1.16	\$ 3.96	\$ 2.94	\$ 2.78	\$ 0.14	(71)%	758 %	\$ 10.89	\$ 5.49	98 %
Weighted average common shares outstanding										
Basic	44.9	46.5	46.7	49.0	49.6	(4)%	(10)%	46.8	49.6	(6)%
Diluted	46.0	47.5	47.2	49.6	50.9	(3)%	(10)%	47.6	50.4	(6)%

Bread Financial Holdings, Inc
Table 2: Consolidated Balance Sheets

Preliminary

	4Q25	3Q25	2Q25	1Q25	4Q24	4Q25 vs. 3Q25	4Q25 vs. 4Q24
(Millions, except preferred shares in thousands and per shares amounts)							
ASSETS							
Cash and cash equivalents	\$ 3,604	\$ 3,764	\$ 3,799	\$ 4,212	\$ 3,679	(4)%	(2)%
Credit card and other loans							
Total credit card and other loans	18,805	17,655	17,656	17,815	18,896	7 %	— %
Allowance for credit losses	(2,106)	(2,070)	(2,098)	(2,172)	(2,241)	2 %	(6)%
Credit card and other loans, net	16,699	15,585	15,558	15,643	16,655	7 %	— %
Investments	284	284	277	272	266	— %	6 %
Property and equipment, net	117	122	127	133	142	(5)%	(18)%
Goodwill and intangible assets, net	716	723	731	738	746	(1)%	(4)%
Other assets	1,243	1,236	1,329	1,384	1,403	1 %	(11)%
Total assets	\$ 22,663	\$ 21,714	\$ 21,821	\$ 22,382	\$ 22,891	4 %	(1)%
LIABILITIES AND STOCKHOLDERS' EQUITY							
Deposits							
Direct-to-consumer (retail)	\$ 8,522	\$ 8,188	\$ 8,080	\$ 7,922	\$ 7,687	4 %	10 %
Wholesale and other	5,394	5,347	5,260	5,177	5,395	1 %	— %
Total deposits	13,916	13,535	13,340	13,099	13,082	3 %	6 %
Debt issued by consolidated variable interest entities	3,422	2,682	3,089	3,835	4,558	28 %	(25)%
Long-term and other debt	886	1,105	1,138	1,286	999	(20)%	(11)%
Other liabilities	1,112	1,075	1,088	1,094	1,201	3 %	(7)%
Total liabilities	19,336	18,397	18,655	19,314	19,840	5 %	(3)%
Stockholders' equity							
Preferred stock	—	—	—	—	—	nm	nm
Common stock	—	1	1	1	1	(4)%	(10)%
Additional paid-in capital	1,868	1,900	1,929	1,960	2,073	(2)%	(10)%
Retained earnings	1,475	1,432	1,255	1,126	999	3 %	48 %
Accumulated other comprehensive loss	(16)	(16)	(19)	(19)	(22)	(5)%	(30)%
Total stockholders' equity	3,327	3,317	3,166	3,068	3,051	— %	9 %
Total liabilities and stockholders' equity	\$ 22,663	\$ 21,714	\$ 21,821	\$ 22,382	\$ 22,891	4 %	(1)%
Common shares outstanding	44.1	46.0	46.6	47.6	49.1	(4)%	(10)%
Preferred shares outstanding	75.0	—	—	—	—	nm	nm

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

Bread Financial Holdings, Inc
Table 3: Select Financial Metrics

Preliminary

	4Q25	3Q25	2Q25	1Q25	4Q24	4Q25 vs. 3Q25	4Q25 vs. 4Q24	2025	2024	2025 vs. 2024
(Millions, except per share amounts and percentages)										
Credit sales	\$ 8,070	\$ 6,787	\$ 6,814	\$ 6,106	\$ 7,898	19 %	2 %	\$ 27,777	\$ 26,962	3 %
Average credit card and other loans	17,961	17,596	17,686	18,164	18,156	2 %	(1)%	17,850	18,084	(1)%
End-of-period credit card and other loans	18,805	17,655	17,656	17,815	18,896	7 %	— %	18,805	18,896	— %
End-of-period direct-to-consumer (retail) deposits	8,523	8,188	\$8,080	7,922	7,687	4 %	11 %	8,523	7,687	11 %
Adjusted net income *	\$ 95	\$ 191	149	\$ 140	\$ 20	(50)%	376 %	\$ 575	\$ 388	48 %
Adjusted net income per diluted share *	\$ 2.07	\$ 4.02	\$3.15	\$ 2.82	\$ 0.40	(48)%	427 %	\$ 12.09	\$ 7.69	57 %
Adjusted income from continuing operations *	\$ 95	\$ 191	149	\$ 144	\$ 21	(50)%	357 %	\$ 578	\$ 390	48 %
Adjusted income from continuing operations per diluted share *	\$ 2.07	\$ 4.02	\$3.14	\$ 2.90	\$ 0.41	(49)%	406 %	\$ 12.16	\$ 7.74	57 %
Pre-tax pre-provision earning (PPNR) ⁽¹⁾	\$ 420	\$ 495	448	\$ 493	\$ 390	(15)%	7 %	1,857	\$ 1,778	4 %
PPNR excl. gain on portfolio sale and impacts from debt repurchases ⁽¹⁾	\$ 475	\$ 498	458	\$ 495	\$ 399	(5)%	19 %	1,928	\$ 1,884	2 %
Return on average assets ⁽¹⁾	1.0 %	3.4 %	2.5 %	2.5 %	0.1 %	(2.4)%	0.9 %	2.4 %	1.3 %	1.1 %
Return on average equity ⁽¹⁾	6.2 %	22.4 %	17.5 %	17.7 %	0.9 %	(16.2)%	5.3 %	15.8 %	8.7 %	7.1 %
Return on average tangible common equity ⁽¹⁾	8.0 %	28.6 %	22.7 %	23.0 %	1.2 %	(20.6)%	6.8 %	20.4 %	11.4 %	9.0 %
Net interest margin ⁽¹⁾	18.9 %	18.8 %	17.7 %	18.1 %	17.8 %	0.1 %	1.1 %	18.4 %	18.3 %	0.1 %
Loan yield ⁽¹⁾	26.7 %	27.0 %	26.0 %	26.5 %	25.7 %	(0.3)%	1.0 %	26.6 %	26.7 %	(0.1)%
Efficiency ratio ⁽¹⁾	57.0 %	49.0 %	51.8 %	49.1 %	57.8 %	8.0 %	(0.8)%	51.7 %	53.7 %	(2.0)%
Adjusted efficiency ratio ⁽¹⁾	51.3 %	48.7 %	50.5 %	48.9 %	56.7 %	2.6 %	(5.4)%	49.8 %	50.8 %	(1)%
Common equity tier 1 capital ratio ⁽¹⁾	13.0 %	14.0 %	13.0 %	12.0 %	12.4 %	(1.0)%	0.6 %	13.0 %	12.4 %	0.6 %
Tangible book value per common share ⁽¹⁾	\$ 57.57	\$ 56.36	\$52.21	\$ 48.92	\$ 46.97	2 %	23 %	\$ 57.57	\$ 46.97	23 %
Cash dividend per common share	\$ 0.23	\$ 0.21	\$0.21	\$ 0.21	\$ 0.21	10 %	10 %	\$ 0.86	\$ 0.84	2 %
Payment rate ⁽¹⁾	15.0 %	14.9 %	15.0 %	14.8 %	14.7 %	0.1 %	0.3 %	14.9 %	14.5 %	0.4 %
Delinquency rate ⁽¹⁾	5.8 %	6.0 %	5.7 %	5.9 %	5.9 %	(0.2)%	(0.1)%	5.8 %	5.9 %	(0.1)%
Net loss rate ⁽¹⁾	7.4 %	7.4 %	7.9 %	8.2 %	8.0 %	— %	(0.6)%	7.7 %	8.2 %	(0.5)%
Reserve rate ⁽¹⁾	11.2 %	11.7 %	11.9 %	12.2 %	11.9 %	(0.5)%	(0.7)%	11.2 %	11.9 %	(0.7)%

* Represents a Non-GAAP financial measure. See Table 6: Reconciliation of GAAP to Non-GAAP Financial Measures.
⁽¹⁾ Please refer to "Glossary of terms."

Bread Financial Holdings, Inc
Table 4: Capital Ratios

Preliminary

(Millions, except percentages)	4Q25	3Q25	2Q25	1Q25	4Q24	4Q25 vs. 3Q25	4Q25 vs. 4Q24
Total company							
Common equity tier 1 capital ratio ⁽¹⁾	13.0 %	14.0 %	13.0 %	12.0 %	12.4 %	(1.0)%	0.6 %
Total risk-based capital ratio ⁽¹⁾	16.8 %	17.5 %	16.5 %	15.5 %	13.8 %	(0.7)%	3.0 %
Total risk-weighted assets ⁽¹⁾	\$ 19,735	\$ 18,714	\$ 18,730	\$ 18,810	\$ 19,928	5.6 %	(0.9)%
Tangible common equity / tangible assets ratio ⁽¹⁾⁽²⁾	11.6 %	12.4 %	11.5 %	10.8 %	10.4 %	(0.8)%	1.2 %
Tangible common equity + credit reserve rate ⁽¹⁾⁽²⁾	24.7 %	26.4 %	25.7 %	25.3 %	24.1 %	(1.7)%	0.6 %
Comenity Bank							
Common equity tier 1 capital ratio ⁽¹⁾	15.1 %	15.4 %	15.8 %	17.0 %	16.5 %	(0.3)%	(1.4)%
Total risk-based capital ratio ⁽¹⁾	16.5 %	16.8 %	17.2 %	18.4 %	17.9 %	(0.3)%	(1.4)%
Comenity Capital Bank							
Common equity tier 1 capital ratio ⁽¹⁾	13.5 %	15.4 %	15.9 %	15.3 %	15.4 %	(1.9)%	(1.9)%
Total risk-based capital ratio ⁽¹⁾	17.5 %	19.0 %	19.5 %	18.9 %	16.7 %	(1.5)%	0.8 %

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

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

	4Q25			3Q25			4Q24		
	Average Balance	Interest Income/Expense	Average Yield / Rate	Average Balance	Interest Income/Expense	Average Yield / Rate	Average Balance	Interest Income/Expense	Average Yield / Rate
(Millions, except percentages)									
Cash and investment securities	\$ 3,965	\$ 38	3.77 %	\$ 4,173	\$ 44	4.18 %	\$ 3,927	\$ 44	4.44 %
Credit card and other loans	17,961	1,208	26.68 %	17,596	1,198	27.01 %	18,156	1,175	25.74 %
Total interest-earning assets	21,926	1,246	22.54 %	21,769	1,242	22.64 %	22,083	1,219	21.95 %
Direct-to-consumer (retail) deposits	8,366	86	4.11 %	8,139	86	4.23 %	7,564	90	4.75 %
Wholesale deposits	5,321	51	3.78 %	5,296	53	3.94 %	5,336	57	4.26 %
Interest-bearing deposits	13,687	137	3.98 %	13,435	139	4.11 %	12,900	147	4.54 %
Secured borrowings	2,785	40	5.59 %	2,872	43	5.88 %	3,742	58	6.06 %
Unsecured borrowings	986	22	9.01 %	1,129	28	9.92 %	1,036	26	10.07 %
Interest-bearing borrowings	3,771	62	6.49 %	4,001	71	7.02 %	4,778	84	6.93 %
Total interest-bearing liabilities	\$ 17,458	\$ 199	4.52 %	\$ 17,436	\$ 210	4.78 %	\$ 17,678	\$ 231	5.19 %
Net interest income	\$ 1,047			\$ 1,032			\$ 988		
Net interest margin ⁽¹⁾	18.9 %			18.8 %			17.8 %		
2025									
2024									
(Millions, except percentages)									
Cash and investment securities	\$ 4,232	\$ 173	4.08 %	\$ 4,116	\$ 204	4.96 %			
Credit card and other loans	17,850	4,739	26.55 %	18,084	4,820	26.65 %			
Total interest-earning assets	22,082	4,912	22.24 %	22,200	5,024	22.63 %			
Direct-to-consumer (retail) deposits	8,087	349	4.31 %	7,174	349	4.86 %			
Wholesale deposits	5,252	205	3.91 %	5,919	259	4.38 %			
Interest-bearing deposits	13,339	554	4.15 %	13,093	608	4.64 %			
Secured borrowings	3,306	192	5.79 %	3,576	236	6.58 %			
Unsecured borrowings	1,115	108	9.72 %	1,247	116	9.33 %			
Interest-bearing borrowings	4,421	300	6.78 %	4,823	352	7.29 %			
Total interest-bearing liabilities	\$ 17,760	\$ 854	4.81 %	\$ 17,916	\$ 960	5.36 %			
Net interest income	\$ 4,058			\$ 4,064					
Net interest margin ⁽¹⁾	18.4 %			18.3 %					

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

NON-GAAP FINANCIAL MEASURES

We prepare our Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States of America (GAAP). However, certain information included herein constitutes Non-GAAP Financial Measures. Our calculations of Non-GAAP Financial Measures may differ from the calculations of similarly titled measures by other companies. In particular:

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

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

	4Q25	3Q25	2Q25	1Q25	4Q24	4Q25 vs. 3Q25	4Q25 vs. 4Q24	2025	2024	2025 vs. 2024
(Millions, except per share amounts and percentages)										
Adjusted net income										
Net income	\$ 53	\$ 188	\$ 139	\$ 138	\$ 7	(72)%	675 %	\$ 518	\$ 277	87 %
Impacts from debt repurchases	42	3	10	2	13	nm	219 %	57	111	(49)%
Adjusted net income	\$ 95	\$ 191	\$ 149	\$ 140	\$ 20	(50)%	376 %	\$ 575	\$ 388	48 %
Adjusted net income per diluted share										
Net income per diluted share	\$ 1.16	\$ 3.96	\$ 2.94	\$ 2.78	\$ 0.14	(71)%	758 %	\$ 10.89	\$ 5.49	98 %
Impacts from debt repurchases	\$ 0.91	\$ 0.06	\$ 0.21	\$ 0.04	\$ 0.26	nm	253 %	\$ 1.20	\$ 2.20	(46)%
Adjusted net income per diluted share	\$ 2.07	\$ 4.02	\$ 3.15	\$ 2.82	\$ 0.40	(48)%	427 %	\$ 12.09	\$ 7.69	57 %
Adjusted income from continuing operations										
Income from continuing operations	\$ 53	\$ 188	\$ 139	\$ 142	\$ 8	(72)%	595 %	\$ 521	\$ 279	87 %
Impacts from debt repurchases	42	3	10	2	13	nm	219 %	57	111	(49)%
Adjusted income from continuing operations	\$ 95	\$ 191	\$ 149	\$ 144	\$ 21	(50)%	357 %	\$ 578	\$ 390	48 %
Adjusted income from continuing operations per diluted share										
Income from continuing operations per diluted share	\$ 1.16	\$ 3.96	\$ 2.93	\$ 2.86	\$ 0.15	(71)%	669 %	\$ 10.96	\$ 5.54	98 %
Impacts from debt repurchases	\$ 0.91	\$ 0.06	\$ 0.21	\$ 0.04	\$ 0.26	nm	253 %	\$ 1.20	\$ 2.20	(46)%
Adjusted income from continuing operations per diluted share	\$ 2.07	\$ 4.02	\$ 3.14	\$ 2.90	\$ 0.41	(49)%	406 %	\$ 12.16	\$ 7.74	57 %
Adjusted total non-interest expenses										
Total non-interest expenses	\$ 555	\$ 476	\$ 481	\$ 477	\$ 536	17 %	4 %	\$ 1,988	\$ 2,060	(3)%
Impacts from debt repurchases	55	3	13	2	11	nm	390 %	74	117	(36)%
Adjusted total non-interest expenses	\$ 500	\$ 473	\$ 468	\$ 475	\$ 525	6 %	(5)%	\$ 1,914	\$ 1,943	(1)%

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

	4Q25	3Q25	2Q25	1Q25	4Q24	4Q25 vs. 3Q25	4Q25 vs. 4Q24	2025	2024	2025 vs. 2024
Pretax pre-provision earnings (PPNR)										
Income (loss) from continuing operations before income taxes	\$ 47	\$ 196	\$ 174	\$ 197	\$ (27)	(76)%	(275)%	\$ 615	\$ 381	61%
Provision for credit losses	373	299	274	296	417	25%	(11)%	1,242	1,397	(11)%
Pretax pre-provision earnings (PPNR)	420	495	448	493	390	(15)%	7%	1,857	1,778	4%
Less: Gain on portfolio sale	—	—	(3)	—	(2)	—%	(100)%	(3)	(11)	(71)%
Add: Impacts from debt repurchases	55	3	13	2	11	nm	390%	74	117	(36)%
PPNR excluding gain on portfolio sale and impacts from debt repurchases	475	498	458	495	399	(5)%	19%	1,928	1,884	2%
Average tangible common equity										
Average Total stockholders' equity	3,405	3,335	3,183	3,246	3,217	2%	6%	3,293	3,214	2%
Less: average Preferred Stock	(29)	—	—	—	—	nm	nm	(7)	—	nm
Less: average Goodwill and intangible assets, net	(721)	(728)	(735)	(744)	(752)	(1)%	(4)%	(733)	(753)	(3)%
Average Tangible common equity	2,655	2,607	2,448	2,502	2,465	2%	8%	2,553	2,461	4%
Tangible common equity (TCE)										
Total stockholders' equity	3,327	3,317	3,166	3,068	3,051	—%	9%	3,327	3,051	9%
Less: Preferred stock	(71)	—	—	—	—	nm	nm	(71)	—	nm
Less: Goodwill and intangible assets, net	(716)	(723)	(731)	(738)	(746)	(1)%	(4)%	(716)	(746)	(4)%
Tangible common equity (TCE)	2,540	2,594	2,435	2,330	2,305	(2)%	10%	2,540	2,305	10%
Tangible assets (TA)										
Total assets	22,663	21,714	21,821	22,382	22,891	4%	(1)%	22,663	22,891	(1)%
Less: Goodwill and intangible assets, net	(716)	(723)	(731)	(738)	(746)	(1)%	(4)%	(716)	(746)	(4)%
Tangible assets (TA)	\$ 21,947	\$ 20,991	\$ 21,090	\$ 21,644	\$ 22,145	5%	(1)%	\$ 21,947	\$ 22,145	(1)%

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

Bread Financial Holdings, Inc**Glossary of Terms**

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

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



Fourth quarter and full year 2025 results

January 29, 2026



2025 achievements



Delivered responsible growth

- Added new relationships in diversified verticals including Cricket Wireless, Crypto.com, and Vivint, and expanded our home vertical, including Bed Bath & Beyond, Furniture First, and Raymour & Flanigan.
- Renewed our top 10 programs into at least 2028 with the extension of Caesars Entertainment.
- Grew direct-to-consumer deposits to \$8.5 billion, an 11% increase year-over-year, representing 48% of our fourth quarter average total funding.



Adapted to the macroeconomic and regulatory environment

- Disciplined credit risk management and product diversification drove improved credit metrics.
- Maintained prudent weightings on the economic scenarios in our credit reserve modeling given the wide range of potential macroeconomic outcomes.
- Continued execution on our credit strategies; anticipating ongoing gradual improvement in our credit metrics.



Disciplined capital allocation and risk management

- Credit ratings upgrades from Moody's and Fitch and a positive outlook from Moody's and S&P.
- Further optimized capital structure with issuance of subordinated notes and preferred shares.
- Refinanced senior notes, reducing size by \$400 million and rate by 300 basis points.
- Repurchased 5.7 million common shares or \$310 million. Increased quarterly cash dividend by 10%.



Drove operational excellence and technology advancement

- Delivered positive operating leverage as a result of our continuous improvement initiatives.
- Advanced technology, including accelerating AI adoption, to increase automation and efficiency.



Achieved full year 2025 financial outlook

	Full year 2025 outlook	Full year 2025 actuals	
Average loans	Flat to slightly down	(1.3)%	✓
Revenue (excl. gain on sale) ⁽²⁾	Flat	0.4%	✓
Adjusted total non-interest expenses ⁽¹⁾	Positive operating leverage	1.8% operating leverage	✓
Net loss rate	7.8% to 7.9%	7.7%	✓

⁽¹⁾ Represents a Non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures."
⁽²⁾ In the calculation of Full year 2025 actuals, Revenue (excl. gain on sale) excludes from Total revenue \$3 million and \$11 million in gains on a portfolio sale for the years ended Dec. 31, 2025 and 2024, respectively. Adjusted total non-interest expenses is a Non-GAAP Financial Measure. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures."

Key highlights



Demonstrated financial resilience and strategic capital allocation

- Enhanced financial resilience through ongoing operational excellence initiatives, responsible growth, proactive credit risk management, and prudent capital allocation.
- Net income available to common stockholders of \$53 million and earnings per diluted share of \$1.16, including a \$42 million post-tax impact from our debt repurchases.
- Tangible book value per common share⁽¹⁾ of \$57.57 increased \$10.60 or 23% year-over-year.
- Return on average tangible common equity⁽¹⁾ was 8.0% in the fourth quarter and 20.4% for the full year.
- Direct-to-consumer deposits of \$8.5 billion increased 11% year-over-year, and now represent 48% of our average total funding, up from 43% in the prior year period.
- Repurchased 1.9 million common shares for \$120 million during the quarter with \$240 million remaining on current share repurchase authorization at year-end.
- Completed \$75 million Series A 8.625% non-cumulative perpetual preferred stock offering, further optimizing our capital structure.

Proactive risk management given macroeconomic uncertainty

- Actively monitoring potential effects that trade and other government policies have on our consumers and our business.
- Our customers' financial health remains resilient as evidenced by positive sales and payments growth, and lower delinquencies and losses, despite ongoing inflationary concerns, a generally stable job market, and continuing weak consumer sentiment.
- Our emphasis on product diversification toward co-brand, our proprietary card, and installment products will continue to have positive impacts on risk and income diversification.

(1) Represents a Non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures."

Full year 2025 financial highlights



Continuing operations⁽¹⁾

Revenue
\$3.8 billion

Net income | Adj. net income⁽²⁾
\$521 million | \$578 million

Diluted EPS | Adj. diluted EPS⁽²⁾
\$10.96 | \$12.16

⁽¹⁾ Continuing operations excludes amounts associated with our former LoyaltyOne segment and our former Epsilon segment which previously have been disclosed as discontinued operations and classified accordingly.

⁽²⁾ Represents a Non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures."

Year-over-year comparisons

- Credit sales were \$27.8 billion, an increase of \$0.8 billion, or 3%, driven by new partner growth and increased general-purpose spending.
- Average credit card and other loans of \$17.9 billion were down 1%, and end-of-period credit card and other loans of \$18.8 billion were nearly flat, both of which were pressured by an increasing payment rate.
- Revenue increased \$7 million, primarily due to the implementation of pricing changes and paper statement fees, partially offset by lower billed late fees resulting from lower delinquencies.
- Total non-interest expenses decreased \$72 million, or 3%, reflective of the current and prior year impacts from our debt repurchases of \$74 million and \$117 million, respectively. Excluding the impacts from our debt repurchases, adjusted total non-interest expenses⁽²⁾ decreased \$29 million, or 1%, driven by our continued operational excellence initiatives.
- Income from continuing operations increased \$242 million, or 87%, reflecting the current year impacts from a lower provision for credit losses, and current and prior year impacts from our debt repurchases. Excluding the impacts from our debt repurchases, adjusted income from continuing operations⁽²⁾ increased \$188 million, or 48%.
- Adjusted PPNR,⁽²⁾ which excludes any gain on portfolio sale and impacts from debt repurchases, increased \$44 million, or 2%.
- The delinquency rate of 5.8% decreased from 5.9% in 2024.
- The net loss rate of 7.7% decreased from 8.2% in 2024.

Impacts from debt repurchases

(\$ in millions, except per share amounts)

	Total non-interest expenses		Income from cont. ops.		Diluted EPS from cont. ops.	
	2025	2024	2025	2024	2025	2024
GAAP-basis	\$ 1,988	\$ 2,060	\$ 521	\$ 279	\$ 10.96	\$ 5.54
Impacts from debt repurchases	74	117	57	111	1.20	2.20
Adjusted GAAP-basis⁽²⁾	\$ 1,914	\$ 1,943	\$ 578	\$ 390	\$ 12.16	\$ 7.74

Fourth quarter 2025 financial highlights



Continuing operations⁽¹⁾

Revenue
\$1.0 billion

Net income | Adj. net income⁽²⁾
\$53 million | \$95 million

Diluted EPS | Adj. diluted EPS⁽²⁾
\$1.16 | \$2.07

Year-over-year comparisons

- Credit sales were \$8.1 billion, an increase of \$0.2 billion, or 2%, driven by new partner growth and increased general-purpose spending.
- Average credit card and other loans of \$18.0 billion were down 1%, and end-of-period credit card and other loans of \$18.8 billion were nearly flat, both of which were pressured by an increasing payment rate.
- Revenue increased \$49 million, or 5%, primarily reflecting the implementation of pricing changes, partially offset by lower billed late fees and higher retailer share arrangements.
- Total non-interest expenses increased \$19 million, or 4%, primarily driven by the current and prior year impacts from debt repurchases of \$55 million and \$11 million, respectively. Excluding the impacts from our debt repurchases, adjusted total non-interest expenses⁽²⁾, decreased \$25 million, or 5%, driven by our continued operational excellence initiatives.
- Income from continuing operations increased \$45 million, primarily driven by higher net interest income and lower provision for credit losses, partially offset by the impacts from our debt repurchases. Excluding the impacts from our debt repurchases, adjusted income from continuing operations⁽²⁾ increased \$74 million.
- Adjusted PPNR⁽²⁾ increased \$76 million, or 19%.
- The delinquency rate of 5.8% decreased from 5.9% in the fourth quarter of 2024.
- The net loss rate of 7.4% decreased from 8.0% in the fourth quarter of 2024.

Impacts from debt repurchases

(\$ in millions, except per share amounts)

	Total non-interest expenses		Income from cont. ops.		Diluted EPS from cont. ops.	
	4Q25	4Q24	4Q25	4Q24	4Q25	4Q24
GAAP-basis	\$ 555	\$ 536	\$ 53	\$ 8	\$ 1.16	\$ 0.15
Impacts from debt repurchases	55	11	42	13	0.91	0.26
Adjusted GAAP-basis⁽²⁾	\$ 500	\$ 525	\$ 95	\$ 21	\$ 2.07	\$ 0.41

⁽¹⁾ Continuing operations excludes amounts associated with our former LoyaltyOne segment and our former Epsilon segment which previously have been disclosed as discontinued operations and classified accordingly.

⁽²⁾ Represents a Non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures."

Summary P&L results



Continuing operations

(\$ in millions, except per share amounts)	4Q25	4Q24	\$ change	% change	2025	2024	\$ change	% change
Total interest income	\$ 1,246	\$ 1,219	\$ 27	2	\$ 4,912	\$ 5,024	\$ (112)	(2)
Total interest expense	199	231	(32)	(14)	854	960	(106)	(11)
Net interest income	1,047	988	59	6	4,058	4,064	(6)	—
Total non-interest income	(72)	(62)	(10)	16	(213)	(226)	13	(6)
Revenue	975	926	49	5	3,845	3,838	7	—
Net principal losses	336	367	(31)	(8)	1,377	1,489	(112)	(8)
Reserve build (release)	37	50	(13)	(28)	(135)	(92)	(43)	48
Provision for credit losses	373	417	(44)	(11)	1,242	1,397	(155)	(11)
Total non-interest expenses	555	536	19	4	1,988	2,060	(72)	(3)
Income (loss) before income taxes	47	(27)	74	(275)	615	381	234	61
Provision for income taxes	(6)	(35)	29	(82)	94	102	(8)	(9)
Net income	\$ 53	\$ 8	\$ 45	595	\$ 521	\$ 279	\$ 242	87
Earnings per diluted share	\$ 1.16	\$ 0.15	\$ 1.01	669	\$ 10.96	\$ 5.54	\$ 5.42	98
Adjusted net income ⁽¹⁾	\$ 95	\$ 21	\$ 74	357	\$ 578	\$ 390	\$ 188	48
Adjusted earnings per diluted share ⁽¹⁾	\$ 2.07	\$ 0.41	\$ 1.66	406	\$ 12.16	\$ 7.74	\$ 4.42	57
Pretax pre-provision earnings ⁽¹⁾	\$ 420	\$ 390	\$ 30	7	\$ 1,857	\$ 1,778	\$ 79	4
Adjusted PPNR ⁽¹⁾	\$ 475	\$ 399	\$ 76	19	\$ 1,928	\$ 1,884	\$ 44	2

⁽¹⁾ Represents a Non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures."



Adjusted PPNR⁽¹⁾

(\$ in millions)



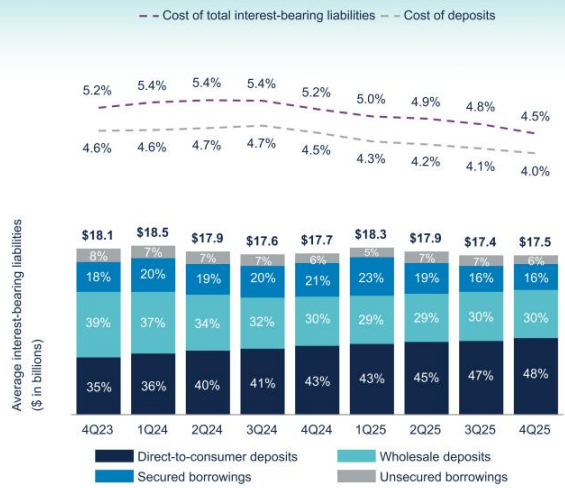
(excl. any gain on portfolio sale and impacts from debt repurchases)

Net interest margin

Interest-earning asset yields and mix



Interest-bearing liability costs and funding mix

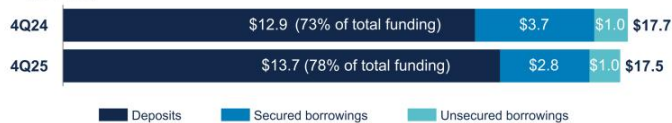


Funding, capital, and liquidity



Average funding sources

(\$ in billions)



End-of-period liquid resources

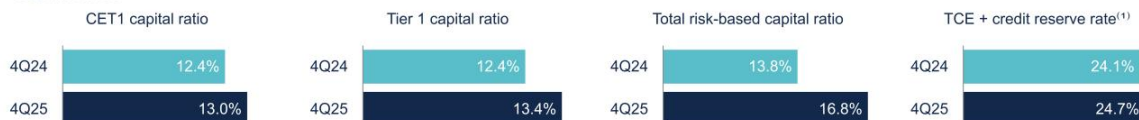
(\$ in billions)

	4Q25	4Q24
Liquid assets	3.6	3.7
Undrawn credit facilities	2.4	2.9
Total	6.0	6.6
% of liquid resources to total assets	26.4%	29.0%

CET1 capital ratio walk

	CET1
4Q24	12.4 %
Net earnings	3.0 %
Risk-weighted asset changes	0.1 %
Common stock dividends	(0.2)%
Common stock repurchases	(1.6)%
CECL transition provisions	(0.6)%
Debt repurchases	(0.4)%
Other activity, net	0.3 %
4Q25	13.0 %

Capital ratios



⁽¹⁾ Represents a Non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures."

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Credit quality and allowance



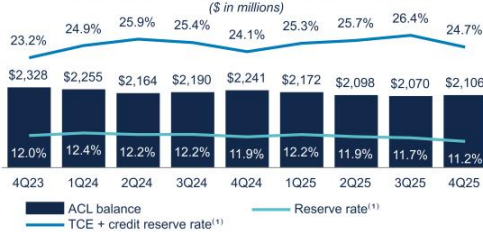
Delinquency rates



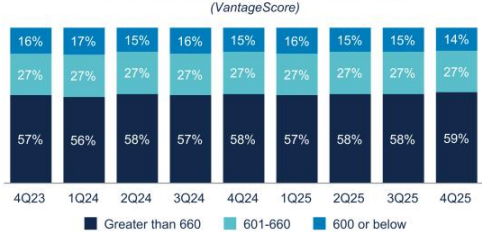
Net loss rates



Reserve rates and loss absorption capacity



Revolving loan credit risk distribution



Notes: See the Additional footnotes and definition of terms slides in the Appendix for an explanation of our change to the average daily balance methodology, as well as impacts, in 4Q24 and 2Q25, from Hurricanes Helene and Milton.
(1) See Additional footnotes and definitions of terms in the Appendix.

2026 financial outlook

As of 1/29/2026



Full year 2025 actuals	Full year 2026 outlook	Commentary
Average loans 2025: \$17,850 million	Up low single digits	Based on our current economic outlook and visibility into our pipeline and partner growth, we expect 2026 average credit card and other loans growth to be up low single digits from full year 2025.
Revenue 2025: \$3,845 million	Up low single digits	Revenue growth is expected to be up low single digits from 2025, largely in line with average loan growth.
Adjusted total non-interest expenses⁽¹⁾ 2025: \$1,914 million	Positive operating leverage	We manage expense growth based on revenue generation and investment opportunities and expect to deliver positive operating leverage in 2026, excluding the pretax impacts from our debt repurchases. We continue to invest in AI capabilities, technology modernization, marketing, and product innovation to drive growth and efficiencies.
Net loss rate 2025: 7.7%	7.2% to 7.4%	2026 net loss rate is expected to improve from 2025 given a resilient consumer, our disciplined credit management, and continued risk and product mix shifts.

(1) Represents a Non-GAAP Financial Measure. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures." We are unable to provide a quantitative reconciliation of the forward-looking 2026 financial outlook for this Non-GAAP Financial Measure to its most directly comparable forward-looking GAAP measure as we cannot reliably predict all of the necessary components of such a forward-looking GAAP measure without unreasonable effort.

Building on our position of strength



2026 focus areas



Responsible growth

Accelerate sustainable growth through our diversified product suite and expand revenue generation opportunities, delivering value to our brand partners and customers



Proactive, strategic risk management

Execute strategies to improve credit performance and maintain strong risk and control effectiveness while reinforcing regulatory vigilance



Operational excellence

Accelerate initiatives to deliver AI capabilities, technology advancements, improved customer satisfaction, reduced risk exposure, and enterprise-wide efficiency



Disciplined capital allocation

Effectively manage capital ensuring appropriate returns on investments to achieve our long-term financial targets while maintaining a strong balance sheet



Appendix

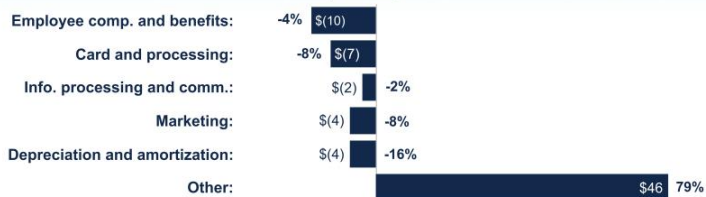
Total non-interest expenses



Continuing operations

4Q25 vs. 4Q24 change in non-interest expenses

(\$ in millions)



Total non-interest expenses increased 4% versus 4Q24

- Employee compensation and benefits costs decreased primarily due to prior year strategic staffing adjustments.
- Card and processing expenses decreased due primarily to lower operating volumes.
- Other expenses increased primarily due to a \$44 million higher year-over-year net impact from debt repurchases.

(1) Represents a Non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures."
 (2) See Additional footnotes and definitions of terms in the Appendix.

Adjusted total non-interest expenses

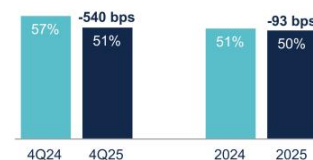
excl. impacts from debt repurchases⁽¹⁾

(\$ in millions)



Adjusted efficiency ratio

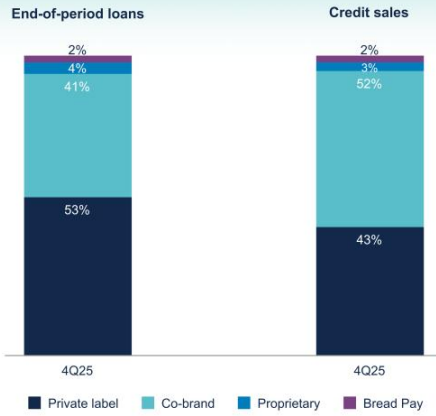
excl. gain on portfolio sale and impacts from debt repurchases⁽²⁾



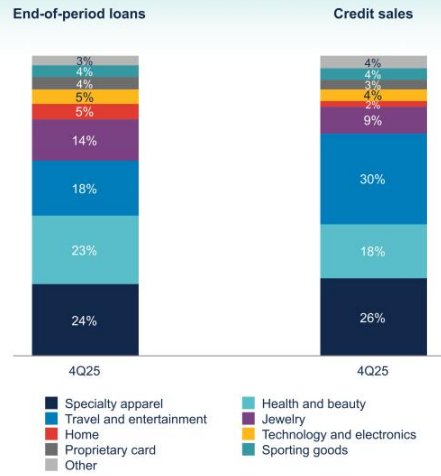
Diversified product and partner mix



Product diversification



Partner diversification



Credit quality trends



Delinquency rates



Net loss rates



The explanation associated with footnote (1) is defined on the Additional footnotes and definition of terms slide in the Appendix.
 Notes: Starting with 3Q22 through 2Q23, the Net loss rate was impacted by the transition of our credit card processing services in June 2022.

Additional footnotes and definitions of terms

- **Average daily balance:** Beginning in 2024, we revised the calculation of average balances to more closely align with industry practice by incorporating an average daily balance. Prior to 2024, average balances represent the average balance at the beginning and end of each month, averaged over the periods indicated.
- **Hurricanes Helene and Milton:** As a result of Hurricanes Helene and Milton, we froze delinquency progression in the fourth quarter of 2024 for customers in Federal Emergency Management Agency identified impact zones for one billing cycle. We estimate the net loss rate benefited by more than 20 basis points in the fourth quarter of 2024 and was negatively impacted by approximately 30 basis points in the second quarter of 2025.
- **2022 Net loss rate:** 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.
- **Adjusted efficiency ratio:** Efficiency ratio represents Total non-interest expenses divided by Total net interest and non-interest income. Adjusted efficiency ratio excludes any gain on portfolio sale and impacts from debt repurchases.
- **Reserve rate:** Reserve rate represents the percentage of the Allowance for credit losses to end-of-period Credit card and other loans.
- **TCE + credit reserve rate:** Tangible common equity (TCE) + credit reserve rate represents the sum of TCE and Allowance for credit losses divided by end-of-period Credit card and other loans. TCE is a Non-GAAP financial measure.

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, interest rates, labor market conditions, recessionary pressures or concerns over a prolonged economic slowdown, and the related impact on consumer spending behavior, payments, debt levels, savings rates and other behaviors; global political and public health events and conditions, including significant shifts in trade policy, such as changes to, or the imposition of, tariffs and/or trade barriers and consequently any economic impacts, volatility, uncertainty and geopolitical instability resulting therefrom, as well as ongoing wars and military conflicts and natural disasters; future credit performance, including the level of future delinquency and charge-off rates; loss of, or reduction in demand for services and/or products from, significant brand partners or customers in the highly competitive markets in which we operate, including competition from new and non-traditional competitors, such as financial technology companies, and with respect to new products, services and technologies, such as the emergence or increase in popularity of agentic commerce, digital payment platforms and currencies and other alternative payment and deposit solutions; the concentration of our business in U.S. consumer credit; inaccuracies in the models and estimates on which we rely, including our credit risk management models and the amount of our Allowance for credit losses; 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 federal and state legislation, executive action, 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 that would place limits on credit card interest rates or late fees, interchange fees or other charges; 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 liability or other adverse impacts arising out of or related to the spinoff of our former LoyaltyOne segment or the bankruptcy filings of Loyalty Ventures Inc. (LVI) and certain of its subsidiaries, including the pending litigation against us in connection with the spinoff. 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:

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

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."

Reconciliation of GAAP to Non-GAAP financial measures

(\$ in millions, except per share amounts)	4Q25	4Q24	2025	2024
Adjusted total non-interest expenses				
Total non-interest expenses	\$ 555	\$ 536	\$ 1,988	\$ 2,060
Impacts from debt repurchases	55	11	74	117
Adjusted total non-interest expenses	\$ 500	\$ 525	\$ 1,914	\$ 1,943
Income from continuing operations, net of taxes	\$ 53	\$ 8	\$ 521	\$ 279
Loss from discontinued operations, net of taxes	—	(1)	(3)	(2)
Net income	\$ 53	\$ 7	\$ 518	\$ 277
Impacts from debt repurchases	42	13	57	111
Adjusted net income	\$ 95	\$ 20	\$ 575	\$ 388
Adjusted income from continuing operations, net of taxes	\$ 95	\$ 21	\$ 578	\$ 390
Weighted average shares outstanding – diluted	46.0	50.9	47.6	50.4
Income from continuing operations per diluted share	\$ 1.16	\$ 0.15	\$ 10.96	\$ 5.54
(Loss) income from discontinued operations per diluted share	—	(0.01)	(0.07)	(0.05)
Net income per diluted share	\$ 1.16	\$ 0.14	\$ 10.89	\$ 5.49
Impacts from debt repurchases	0.91	0.26	1.20	2.20
Adjusted net income per diluted share	\$ 2.07	\$ 0.40	\$ 12.09	\$ 7.69
Adjusted income from continuing operations per diluted share	\$ 2.07	\$ 0.41	\$ 12.16	\$ 7.74

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Reconciliation of GAAP to Non-GAAP financial measures

(\$ in millions)	4Q25	4Q24	2025	2024
Pretax pre-provision earnings (PPNR)				
Income (loss) before income taxes	\$ 47	\$ (27)	\$ 615	\$ 381
Provision for credit losses	373	417	1,242	1,397
Pretax pre-provision earnings (PPNR)	\$ 420	\$ 390	\$ 1,857	\$ 1,778
Less: Gain on portfolio sale	—	(2)	(3)	(11)
Add: Impacts from debt repurchases	55	11	74	117
Adjusted PPNR	\$ 475	\$ 399	\$ 1,928	\$ 1,884
Average Tangible common equity				
Average Total stockholders' equity	\$ 3,405	\$ 3,217	\$ 3,293	\$ 3,214
Less: average Preferred stock	(29)	—	(7)	—
Less: average Goodwill and intangible assets, net	(721)	(752)	(733)	(753)
Average Tangible common equity	\$ 2,655	\$ 2,465	\$ 2,553	\$ 2,461
Tangible common equity (TCE)				
Total stockholders' equity	\$ 3,327	\$ 3,051	\$ 3,327	\$ 3,051
Less: Preferred stock	(71)	—	(71)	—
Less: Goodwill and intangible assets, net	(716)	(746)	(716)	(746)
Tangible common equity (TCE)	\$ 2,540	\$ 2,305	\$ 2,540	\$ 2,305



Bread Financial Declares Dividends on Preferred and Common Stock

COLUMBUS, Ohio – January 29, 2026 – Bread Financial Holdings, Inc. (NYSE: BFH), a tech-forward financial services company that provides simple, flexible payment, lending and saving solutions, today announced that its Board of Directors declared quarterly dividends on its preferred and common stock for the first quarter of 2026.

On the Company's 8.625% Non-Cumulative Perpetual Preferred Stock, Series A (NYSE: BFH-PrA), the Board of Directors declared a quarterly cash dividend of \$26.35 per share (equivalent to \$0.65875 per depository share, each representing a 1/40th interest in a share of preferred stock). The dividend is payable on March 16, 2026 to preferred stockholders of record at the close of business on February 27, 2026.

On the Company's common stock, its Board of Directors declared a quarterly cash dividend of \$0.23 per share, payable on March 16, 2026 to common stockholders of record at the close of business on February 27, 2026.

About Bread Financial®

Bread Financial® (NYSE: BFH) is a tech-forward financial services company that provides simple, personalized payment, lending and saving solutions to millions of U.S. consumers. Our payment solutions, including Bread Financial general purpose credit cards and savings products, empower our customers and their passions for a better life. Additionally, we deliver growth for some of the most recognized brands in travel & entertainment, health & beauty, jewelry and specialty apparel through our private label and co-brand credit cards and pay-over-time products providing choice and value to our shared customers.

Bread Financial proudly marks 30 years of success in 2026. To learn more about our global associates, our performance and our sustainability progress, visit breadfinancial.com or follow us on [Instagram](#) and [LinkedIn](#).

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