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):
July 25, 2024

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 July 25, 2024, Bread Financial Holdings, Inc. (the “Company”) issued a press release regarding its results of operations for the second quarter ended June 30, 2024 (the “Q2 2024 Earnings Release”). A copy of the Q2 2024 Earnings Release is furnished as Exhibit 99.1 hereto.

Item 7.01 Regulation FD Disclosure.

In connection with the Q2 2024 Earnings Release, on July 25, 2024, 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 July 25, 2024, 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 September 13, 2024 to stockholders of record at the close of business on August 9, 2024. 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 July 25, 2024 announcing the Company’s results of operations for the second quarter ended June 30, 2024.
99.2	Investor Presentation dated July 25, 2024.
99.3	Press Release dated July 25, 2024 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: July 25, 2024	By:	/s/ Joseph L. Motes III
		Joseph L. Motes III Executive Vice President, Chief Administrative Officer, General Counsel and Secretary

Exhibit 99.1

Bread Financial reports second quarter 2024 results

COLUMBUS, Ohio, July 25, 2024 – 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 second quarter ended June 30, 2024.

	Second quarter 2024		Year-to-date 2024	
($ in millions, except per share amounts)	Total company	Continuing operations	Total company	Continuing operations
Net income	**$133**	**$133**	**$268**	**$269**
Earnings per diluted share	**$2.66**	**$2.65**	**$5.36**	**$5.38**
Adjusted earnings per diluted share*	**$2.67**	**$2.66**	**$5.37**	**$5.39**

** The share amount used in calculating Adjusted earnings per diluted share (also referenced herein as Adjusted net income per diluted share and Adjusted income from continuing operations per diluted share) has been adjusted for the anti-dilutive impact of our Capped Call transactions, which themselves are related to the issuance of our 2023 Convertible Notes, and therefore represents a Non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures".*

$17.9B	$939MM	13.8%	$48.89
2Q24 Average loans	2Q24 Revenue	Common equity tier 1 capital ratio	Tangible book value per share

- Relative to the second quarter of 2023:
  - Average credit card and other loans increased 1%, driven by ongoing growth in co-brand programs.
  - Net income increased $85 million, with Revenue decreasing $13 million, or 1%, and Expenses decreasing $61 million, or 12%.
  - Common equity tier 1 (CET1) capital ratio increased 170 basis points.
  - Tangible book value per share increased $9.90, or 25%.
- Second quarter delinquency rate was 6.0% and net loss rate was 8.6%.
- Grew direct-to-consumer deposits by 20.0% year-over-year to $7.2 billion by quarter-end.
- Signed long-term agreement with new partner Saks Fifth Avenue.

CEO COMMENTARY

"Actions we have taken over the past few years have enabled us to consistently generate solid results. We generated net income of $133 million in the quarter and increased our tangible book value by 25% year-over-year to $48.89. We advanced toward the targets provided at our investor day in June, with our double leverage ratio achieving our target level of less than 115% and direct-to-consumer deposits now representing 40% of our total funding. Further, our common equity tier 1 capital ratio increased 170 basis points year-over-year to 13.8%. We remain focused on disciplined capital allocation and proactive credit risk management, while maintaining the financial flexibility and resilience to successfully navigate through regulatory changes and economic volatility.

"In the second quarter we made further progress with the implementation of our mitigation strategy in response to the CFPB's final rule on credit card late fees. Our ongoing discussions with brand partners have been productive, and we now have various pricing changes in-market including increased APRs and statement fees. We are closely monitoring the ongoing litigation related to the rule, but will continue to execute on our mitigation strategy given the uncertainty surrounding the timing and outcome. We are confident in our ability to generate strong results and achieve our long-term strategic objectives and financial targets regardless of the litigation outcome.

"In June we announced a multi-year, multi-payments product agreement with Saks Fifth Avenue, a new client for us. Acquisition of the existing portfolio and the new program launch is expected to occur in the third quarter. Saks will leverage our robust digital capabilities to deliver personalized messages to drive customer engagement and seamless new account acquisitions.

"On the macro front, consumer spending continues to moderate in light of persistent inflation and higher interest rates. Second quarter trends reflected lower transaction sizes, albeit with more frequent shopping trips, as well as reduced discretionary and big ticket spending. Credit sales were also tempered due to our proactive credit tightening initiatives as we remain disciplined with credit risk management given economic pressures affecting payment capacity. Our credit actions have proven effective as delinquencies have trended lower and the net loss rate is expected to have peaked this quarter.

"We are in a position of strength with increased capital flexibility and financial resilience and are better equipped to address uncertainty than ever before, allowing us to generate sustainable long-term value for our shareholders."

- Ralph Andretta, president and chief executive officer

CFO COMMENTARY

"Our second quarter financial results reflect our commitment to delivering strong returns through a disciplined approach. As a result, our expenses decreased 12% and PPNR increased 11% year-over-year. As expected, second quarter net interest margin decreased sequentially reflecting typical seasonal trends.

"We continued to strengthen our balance sheet, which included reducing our double leverage ratio to 110%, achieving our target of less than 115%, and growing CET1 to 13.8%, representing a 170 basis points year-over-year improvement. Additionally, direct-to-consumer deposits increased 20% versus the second quarter of 2023 to $7.2 billion. Our average direct-to-consumer deposits now represent 40% of total funding, up from 33% a year ago.

"From a credit perspective, our second quarter 2024 results were consistent with our expectations, as the delinquency rate is showing signs of stability. We anticipate that the second quarter of 2024 marked our peak net loss rate for the year, with this rate expected to follow seasonal trends for the third quarter (lower sequentially) and fourth quarter (higher sequentially).

"Our reserve rate of 12.2% remained within the range we have seen over the past six quarters. In this challenging macroeconomic environment, we continue to maintain conservative economic scenario weightings in our credit reserve modeling and believe our loan loss reserve provides an appropriate margin of protection.

"Litigation associated with the CFPB late fee rule is ongoing and the outcome and timing of the implementation of the rule is unknown, however, we are actively implementing mitigation plans intended to limit the financial impact of the final rule on our business. Because of the timeframe required for certain of these actions to roll through our existing portfolio, we expect the net impact of the rule to lessen over time. Given the uncertain timing of a ruling on the CFPB late fee litigation, we have updated our 2024 full year outlook to assume the rule does not take effect this year.

"We are confident in our ability to deliver strong financial results while remaining responsible and disciplined in our credit management and capital allocation."

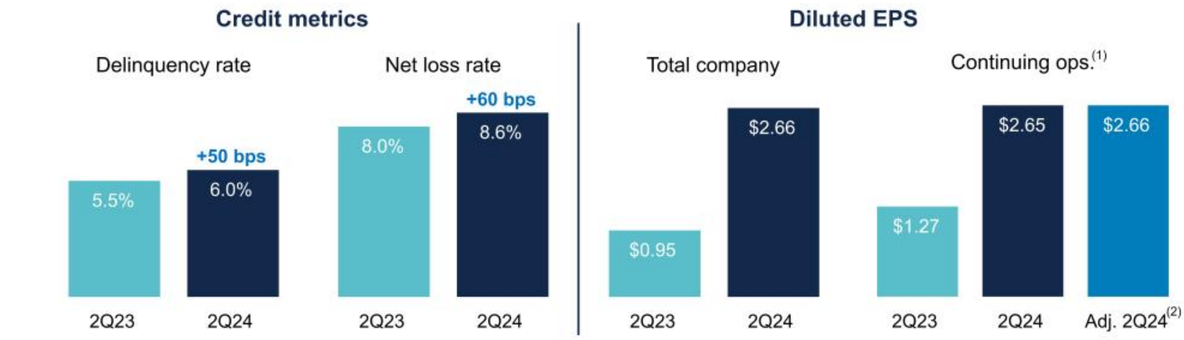
- Perry Beberman, executive vice president and chief financial officer

2024 full year outlook

Our 2024 outlook now assumes no impact from the CFPB late fee rule given uncertainty surrounding the timing and outcome of the ongoing litigation.

- **"Our 2024 outlook** reflects slower sales growth as a result of continued moderation in consumer spending and strategic credit tightening, both of which are pressuring loan and revenue growth and the net loss rate. In addition, our 2024 outlook assumes multiple interest rate decreases by the Federal Reserve, which will pressure total net interest income.
- **Average loan growth:** "Based on our current economic outlook, strategic credit tightening actions, higher gross credit losses, and visibility into our pipeline, we expect 2024 average credit card and other loans to be down low single digits relative to 2023.
- **Total revenue:** "Total revenue growth, excluding gains on portfolio sales, is anticipated to be down low- to mid-single digits with a full year net interest margin lower than 2023 reflecting higher reversals of interest and fees due to expected higher gross credit losses, declining interest rates, and a continued shift in product mix to co-brand and proprietary products.
- **Total expenses:** "As a result of efficiencies gained from ongoing investments in technology modernization and digital advancement, along with disciplined expense management, we expect expenses to be down mid-single digits relative to 2023. Expenses are projected to be higher in the second half of 2024 versus the first half of the year.
- **Net loss rate:** "We expect a net loss rate in the low 8% range for 2024. We project a net loss rate of around 8% in the second half of 2024, which benefits from the strategic credit actions we have taken and an assumed gradual modest improvement in economic conditions throughout the year.
- **Effective tax rate:** "We expect our full year normalized effective tax rate to be in the range of 25% to 26%, with quarter-over-quarter variability due to the timing of certain discrete items."

Key operating and financial metrics



Continuing operations[1]	**Second quarter**			**Year-to-date**		
($ in millions, except per share amounts)	**2024**	**2023**	**% Change**	**2024**	**2023**	**% Change**
Total net interest and non-interest income ("Revenue")	$ 939	$ 952	(1)	$ 1,929	$ 2,241	(14)
Net principal losses	*382*	*351*	9	*775*	*694*	12
Reserve release	*(92)*	*(15)*	477	*(164)*	*(252)*	(35)
Provision for credit losses	290	336	(14)	611	442	38
Total non-interest expenses	469	530	(12)	949	1,075	(12)
Income from continuing operations before income taxes	180	86	108	369	724	(49)
Income from continuing operations	**$ 133**	**$ 64**	**108**	**$ 269**	**$ 519**	**(48)**
Income from continuing operations per diluted share	$ 2.65	$ 1.27	109	$ 5.38	$ 10.34	(48)
Adjusted income from continuing operations per diluted share[2]	$ 2.66	$ 1.27	109	$ 5.39	$ 10.34	(48)
Weighted average shares outstanding – diluted	50.2	50.3		49.9	50.2	
Adjusted weighted average shares outstanding – diluted[2]	50.0	50.3		49.8	50.2	
Pretax pre-provision earnings (PPNR)*	$ 470	$ 422	11	$ 980	$ 1,166	(16)
Less: Gain on portfolio sale	(5)	—	nm	(5)	(230)	(98)
PPNR less gain on portfolio sale*	$ 465	$ 422	10	$ 975	$ 936	4

(1) 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) The share amounts used in calculating Adjusted net income per diluted share and Adjusted income from continuing operations per diluted share have been adjusted for the anti-dilutive impact of our Capped Call transactions, and therefore represent a Non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures".

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

Note: Starting with 3Q22 through 2Q23, the Net loss rate was impacted by the transition of our credit card processing services in June 2022.

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

Second quarter 2024 compared with second quarter 2023 – continuing operations

- Credit sales were $6.6 billion for the second quarter of 2024, a decrease of $0.5 billion, or 7%, reflecting moderating consumer spending and strategic credit tightening, partially offset by new partner growth.
- Average credit card and other loans of $17.9 billion was up 1%, driven by ongoing growth in co-brand programs, while end-of-period credit card and other loans of $17.7 billion was down 1%, driven by the decline in credit sales and contributing factors noted above.
- Revenue decreased $13 million, or 1%, driven by reduced merchant discount fees resulting from lower big ticket credit sales.
- Total non-interest expenses decreased $61 million, or 12%, as card and processing expenses decreased $39 million, or 33%; depreciation and amortization expenses decreased $12 million, or 33%; and marketing expenses decreased $7 million, or 16%.
- Income from continuing operations increased $69 million due to a higher reserve release and lower non-interest expenses.
- PPNR, a non-GAAP financial measure, increased $48 million, or 11%.
- The delinquency rate of 6.0% increased from 5.5% in the second quarter of 2023 and decreased 20 basis points sequentially.
- The net loss rate of 8.6% increased from 8.0% in the second quarter of 2023 and increased 10 basis points sequentially.
- CET1 of 13.8% increased from 12.1% in the second quarter of 2023 and increased 120 basis points sequentially.

Contacts

Investor Relations: Brian Vereb (brian.vereb@breadfinancial.com)

Susan Haugen (susan.haugen@breadfinancial.com)

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, higher interest rates, labor market conditions, recessionary pressures or a concern over a prolonged economic slowdown, and the related impact on consumer spending behavior, payments, debt levels, savings rates and other behavior; global political and public health events and conditions, including ongoing wars and military conflicts; future credit performance, including the level of future delinquency and write-off rates; the loss of, or reduction in demand from, significant brand partners or customers in the highly competitive markets in which we compete; the concentration of our business in U.S. consumer credit; inaccuracies in the models and estimates on which we rely, including the amount of our Allowance for credit losses and our credit risk management models; the inability to realize the intended benefits of acquisitions, dispositions and other strategic initiatives; our level of indebtedness and ability to access financial or capital markets; pending and future legislation, regulation, supervisory guidance, and regulatory and legal actions, including, but not limited to, those related to financial regulatory reform and consumer financial services practices, as well as any such actions with respect to late fees, interchange fees or other charges; impacts arising from or relating to the transition of our credit card processing services to third party service providers that we completed in 2022; failures or breaches in our operational or security systems, including as a result of cyberattacks, unanticipated impacts from technology modernization projects or otherwise; and any tax liability, disputes or other adverse impacts arising out of or relating to the spinoff of our former LoyaltyOne segment or the bankruptcy filings of Loyalty Ventures Inc. and certain of its subsidiaries. In addition, the Consumer Financial Protection Bureau (CFPB) has issued a final rule that, absent a successful legal challenge, will place significant limits on credit card late fees, which would have a significant impact on our business and results of operations for at least the short term and, depending on the effectiveness of the mitigating actions that we have taken or may in the future take in anticipation of, or in response to, the final rule, may potentially adversely impact us over the long term; we cannot provide any assurance as to the effective date of the rule, the result of any pending or future challenges or other litigation relating to the rule, or our ability to mitigate or offset the impact of the rule on our business and results of operations. 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 audited 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:

- The share amounts used in calculating *Adjusted net income per diluted share* and *Adjusted income from continuing operations per diluted share* have been adjusted for the anti-dilutive impact of our capped call transactions. In connection with the issuance of our $316 million aggregate principal amount of 4.25% Convertible Senior Notes due 2028 (the Convertible Notes) on June 13, 2023, we entered into privately negotiated capped call transactions (the Capped Calls) that are expected generally to reduce potential dilution to our common stock and/or offset certain cash payments we may be required to make in excess of the principal amount of the Convertible Notes upon conversion, redemption or repurchase thereof, with such reduction and/or offset subject to a cap of $61.48 per share. We use Adjusted net income per diluted share and Adjusted income from continuing operations per diluted share to evaluate the dilutive impact of our Convertible Notes after the anti-dilutive impact of the Capped Calls is considered.
- *Pretax pre-provision earnings* (PPNR) represents Income from continuing operations before income taxes and the Provision for credit losses. *PPNR less gain on portfolio sale* then decreases PPNR by the gain on any portfolio sale in the period. We use PPNR and PPNR less gain on portfolio sale as metrics to evaluate our results of operations before income taxes, excluding the volatility that can occur within Provision for credit losses and the one-time nature of a gain on the sale of a portfolio.
- *Return on average tangible common equity* (ROTCE) represents annualized Income from continuing operations divided by average Tangible common equity. Tangible common equity (TCE) represents Total stockholders' equity reduced by Goodwill and intangible assets, net. We use ROTCE as a metric to evaluate the Company's performance.
- *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.
- *Tangible book value per common share* represents TCE divided by shares outstanding. We use Tangible book value per common share, a metric used across the industry, to estimate liquidity value.

We believe the use of these non-GAAP financial measures provide additional clarity in understanding our results of operations and trends. For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures, please see the “Reconciliation of GAAP to Non-GAAP Financial Measures”.

Conference call / webcast information

Bread Financial will host a conference call on Thursday, July 25, 2024, at 8:30 a.m. (Eastern Time) to discuss the company's second quarter results. The conference call will be available via the internet at investor.breadfinancial.com. There will be several slides accompanying the webcast. Please go to the website at least 15 minutes prior to the call to register, download, and install any necessary software. The recorded webcast will also be available on the company's website.

About Bread Financial™

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

Headquartered in Columbus, Ohio, Bread Financial is powered by its approximately 7,000 global associates and is committed to sustainable business practices. To learn more about Bread Financial, visit **breadfinancial.com** or follow us on **Facebook**, **LinkedIn**, **Twitter/X** and **Instagram**.

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Interest income				
Interest and fees on loans	$ 1,174	$ 1,153	$ 2,422	$ 2,441
Interest on cash and investment securities	54	44	106	90
Total interest income	1,228	1,197	2,528	2,531
Interest expense				
Interest on deposits	152	127	308	244
Interest on borrowings	89	78	181	178
Total interest expense	241	205	489	422
Net interest income	**987**	**992**	**2,039**	**2,109**
Non-interest income				
Interchange revenue, net of retailer share arrangements	(84)	(74)	(177)	(161)
Gain on portfolio sale	5	—	5	230
Other	31	34	62	63
Total non-interest income	(48)	(40)	(110)	132
Total net interest and non-interest income	**939**	**952**	**1,929**	**2,241**
Provision for credit losses	**290**	**336**	**611**	**442**
Total net interest and non-interest income, after provision for credit losses	649	616	1,318	1,799
Non-interest expenses				
Employee compensation and benefits	214	217	427	437
Card and processing expenses	77	116	164	235
Information processing and communication	73	75	147	150
Marketing expenses	33	40	61	79
Depreciation and amortization	23	35	46	69
Other	49	47	104	105
Total non-interest expenses	**469**	**530**	**949**	**1,075**
Income from continuing operations before income taxes	180	86	369	724
Provision for income taxes	47	22	100	205
Income from continuing operations	133	64	269	519
Income (loss) from discontinued operations, net of income taxes	—	(16)	(1)	(16)
Net income	**$ 133**	**$ 48**	**$ 268**	**$ 503**
Basic income per share				
Income from continuing operations	$ 2.69	$ 1.28	$ 5.42	$ 10.37
Income (loss) from discontinued operations	$ —	$ (0.33)	$ (0.02)	$ (0.33)
Net income per share	$ 2.69	$ 0.95	$ 5.40	$ 10.04
Diluted income per share				
Income from continuing operations	$ 2.65	$ 1.27	$ 5.38	$ 10.34
Income (loss) from discontinued operations	$ 0.01	$ (0.32)	$ (0.02)	$ (0.32)
Net income per share	$ 2.66	$ 0.95	$ 5.36	$ 10.02
Weighted average common shares outstanding				
Basic	49.6	50.1	49.6	50.1
Diluted	50.2	50.3	49.9	50.2
Pretax pre-provision earnings (PPNR)*	$ 470	$ 422	$ 980	$ 1,166
Less: Gain on portfolio sales	(5)	—	(5)	(230)
PPNR less gain on portfolio sales*	$ 465	$ 422	$ 975	$ 936

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

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

	June 30, 2024	December 31, 2023
ASSETS		
Cash and cash equivalents	$ 4,053	$ 3,590
Credit card and other loans		
Total credit card and other loans	17,743	19,333
Allowance for credit losses	(2,164)	(2,328)
Credit card and other loans, net	15,579	17,005
Investments	264	253
Property and equipment, net	157	167
Goodwill and intangible assets, net	744	762
Other assets	1,347	1,364
Total assets	**$ 22,144**	**$ 23,141**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits		
Direct-to-consumer (retail)	$ 7,193	$ 6,454
Wholesale and other	5,801	7,166
Total deposits	12,994	13,620
Debt issued by consolidated variable interest entities	3,458	3,898
Long-term and other debt	1,296	1,394
Other liabilities	1,226	1,311
Total liabilities	**18,974**	**20,223**
Total stockholders' equity	3,170	2,918
Total liabilities and stockholders' equity	**$ 22,144**	**$ 23,141**
Shares of common stock outstanding	49.7	49.3

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

	Six months ended June 30, 2024	Six months ended June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 268	$ 503
Adjustments to reconcile net income to net cash provided by operating activities		
Provision for credit losses	611	442
Depreciation and amortization	46	69
Deferred income taxes	(45)	(30)
Non-cash stock compensation	28	22
Amortization of deferred financing costs	11	13
Amortization of deferred origination costs	50	44
Gain on portfolio sale	(5)	(230)
Change in other operating assets and liabilities		
Change in other assets	45	88
Change in other liabilities	(81)	(183)
Other	(4)	3
Net cash provided by operating activities	**924**	**741**
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in credit card and other loans	693	477
Proceeds from sale of credit card loan portfolios	100	2,499
Purchase of credit card loan portfolio	—	(81)
Purchases of investments	(23)	(24)
Maturities of investments	7	6
Other, including capital expenditures	(26)	(17)
Net cash provided by investing activities	**751**	**2,860**
CASH FLOWS FROM FINANCING ACTIVITIES		
Unsecured borrowings under debt agreements	300	801
Repayments/maturities of unsecured borrowings under debt agreements	(407)	(1,297)
Debt issued by consolidated variable interest entities	700	1,392
Repayments/maturities of debt issued by consolidated variable interest entities	(1,139)	(4,182)
Net decrease in deposits	(627)	(779)
Payment of deferred financing costs	(6)	(49)
Payment for capped call transactions	—	(39)
Dividends paid	(22)	(21)
Repurchase of common stock	(11)	—
Other	(7)	(3)
Net cash used in financing activities	**(1,219)**	**(4,177)**
Change in cash, cash equivalents and restricted cash	456	(576)
Cash, cash equivalents and restricted cash at beginning of period	3,616	3,927
Cash, cash equivalents and restricted cash at end of period	**$ 4,072**	**$ 3,351**

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

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

	As of or for the three months ended June 30,			As of or for the six months ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Adjusted weighted average shares outstanding – diluted						
Weighted average shares outstanding – diluted	50.2	50.3		49.9	50.2	
Less: Anti-dilutive impact of Capped Call transactions	(0.2)	n/a		(0.1)	n/a	
Adjusted weighted average shares outstanding – diluted*	50.0	50.3		49.8	50.2	
Adjusted income per diluted share						
Net income from continuing operations per diluted share	$ 2.65	$ 1.27	109	$ 5.38	$ 10.34	(48)
Net income (loss) from discontinued operations per diluted share	0.01	(0.32)	(103)	(0.02)	(0.32)	(94)
Net income per diluted share	$ 2.66	$ 0.95	180	$ 5.36	$ 10.02	(47)
Anti-dilutive impact of Capped Call transactions	0.01	n/a	nm	0.01	n/a	nm
Adjusted net income per diluted share	$ 2.67	$ 0.95	181	$ 5.37	$ 10.02	(46)
Adjusted income from continuing operations per diluted share	$ 2.66	$ 1.27	109	$ 5.39	$ 10.34	(48)
Pretax pre-provision earnings						
Income from continuing operations before income taxes	$ 180	$ 86	108	$ 369	$ 724	(49)
Provision for credit losses	290	336	(14)	611	442	38
Pretax pre-provision earnings (PPNR)	$ 470	$ 422	11	$ 980	$ 1,166	(16)
Less: Gain on portfolio sale	(5)	—	nm	(5)	(230)	(98)
PPNR less gain on portfolio sale	$ 465	$ 422	10	$ 975	$ 936	4
Average Tangible common equity						
Average Total stockholders' equity	3,202	2,731	17	3,161	2,614	21
Less: average Goodwill and intangible assets, net	(750)	(785)	(4)	(754)	(790)	(4)
Average Tangible common equity	$ 2,452	$ 1,946	26	$ 2,407	$ 1,824	32
Tangible common equity (TCE)						
Total stockholders' equity	3,170	2,736	16	3,170	2,736	16
Less: Goodwill and intangible assets, net	(744)	(780)	(5)	(744)	(780)	(5)
Tangible common equity (TCE)	$ 2,426	$ 1,956	24	$ 2,426	$ 1,956	24
Tangible assets (TA)						
Total assets	22,144	21,609	2	22,144	21,609	2
Less: Goodwill and intangible assets, net	(744)	(780)	(5)	(744)	(780)	(5)
Tangible assets (TA)	$ 21,400	$ 20,829	3	$ 21,400	$ 20,829	3

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

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

	As of or for the three months ended June 30,			As of or for the six months ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Credit sales	$ 6,570	$ 7,057	(7)	$ 12,600	$ 14,430	(13)
Average credit card and other loans	$ 17,872	$ 17,652	1	$ 18,209	$ 18,528	(2)
End-of-period credit card and other loans	$ 17,743	$ 17,962	(1)	$ 17,743	$ 17,962	(1)
End-of-period direct-to-consumer deposits	$ 7,193	$ 5,993	20	$ 7,193	$ 5,993	20
Return on average assets(1)	2.4%	1.2%	1.2	2.4%	4.6%	(2.2)
Return on average equity(2)	16.7%	9.4%	7.3	17.1%	39.7%	(22.6)
Return on average tangible common equity(3)	21.8%	13.2%	8.6	22.5%	56.9%	(34.4)
Net interest margin(4)	18.0%	18.7%	(0.7)	18.3%	18.8%	(0.5)
Loan yield(5)	26.4%	26.1%	0.3	26.7%	26.4%	0.3
Efficiency ratio(6)	49.9%	55.7%	(5.8)	49.2%	47.9%	1.3
Double leverage ratio(7)	110.1%	141.4%	(31.3)	110.1%	141.4%	(31.3)
Common equity tier 1 capital ratio(8)	13.8%	12.1%	1.7	13.8%	12.1%	1.7
Total risk-based capital ratio(9)	15.1%	13.4%	1.7	15.1%	13.4%	1.7
Total risk-weighted assets(10)	$ 18,859	$ 18,745	1	$ 18,859	$ 18,745	1
Tangible common equity / tangible assets ratio (TCE/TA)(11)	11.3%	9.4%	1.9	11.3%	9.4%	1.9
Tangible book value per common share(12)	$ 48.89	$ 38.99	25	$ 48.89	$ 38.99	25
Payment rate(13)	14.4%	15.0%	(0.6)	14.4%	15.0%	(0.6)
Delinquency rate(14)	6.0%	5.5%	0.5	6.0%	5.5%	0.5
Net loss rate(14)	8.6%	8.0%	0.6	8.6%	7.5%	1.1
Reserve rate	12.2%	12.3%	(0.1)	12.2%	12.3%	(0.1)

Note: 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.

(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) Return on average tangible common equity (ROTCE) represents annualized Income from continuing operations divided by average Tangible common equity. Tangible common equity (TCE) represents Total stockholders' equity reduced by Goodwill and intangible assets, net. ROTCE is a non-GAAP financial measure.
(4) Net interest margin represents annualized Net interest income divided by average Total interest-earning assets.
(5) Loan yield represents annualized Interest and fees on loans divided by Average credit card and other loans.
(6) Efficiency ratio represents Total non-interest expenses divided by Total net interest and non-interest income.
(7) Double leverage ratio represents Parent Company investment in subsidiaries divided by BFH consolidated equity.
(8) Common equity tier 1 capital ratio represents common equity tier 1 capital divided by total risk-weighted assets.
(9) Total risk-based capital ratio represents total capital divided by total risk-weighted assets.
(10) 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.
(11) 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. TCE/TA is a non-GAAP financial measure.
(12) Tangible book value per common share represents TCE divided by shares outstanding and is a non-GAAP financial measure.
(13) Payment rate represents consumer payments during the last month of the period, divided by the beginning-of-month Credit card and other loans, including held for sale in applicable periods.
(14) Starting with 3Q22 through 2Q23, the Net loss rate was impacted by the transition of our credit card processing services in June 2022.

Exhibit 99.2

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Second quarter 2024 results

July 25, 2024

Second quarter 2024

Key highlights

Demonstrated financial resilience

- Net income of $133 million and Earnings per diluted share of $2.66
  - Adjusted diluted EPS (a non-GAAP financial measure) of $2.67, reflecting the anti-dilutive impact of our Capped Call transactions
- Tangible book value per share of $48.89 increased 25% year-over-year
- Common equity tier 1 (CET1) capital ratio of 13.8% increased 170 bps vs. the second quarter of 2023
- Double leverage ratio declined to 110%, achieving our target of less than 115%
- Direct-to-consumer deposits of $7.2 billion increased 20% vs. the second quarter of 2023, now representing 40% of our total funding
- Signed long-term agreement with new partner Saks Fifth Avenue
- Hosted investor day in June highlighting our business transformation, resilient business model, and refreshed long-term financial targets

Proactive risk management

- Meaningful progress made implementing mitigation plans to limit the financial impact of the CFPB late fee rule with various pricing changes in-market including increased APRs and statement fees
- Continued self-moderation of consumer spending as macroeconomic pressures persist; coupled with our strategic credit tightening, balancing macroeconomic headwinds and returns

Capital allocation

Improve capital metrics

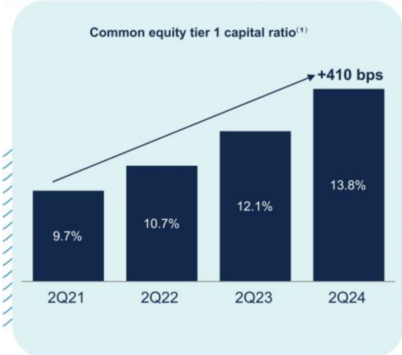
CET1 ratio increased 410 bps over the last three years

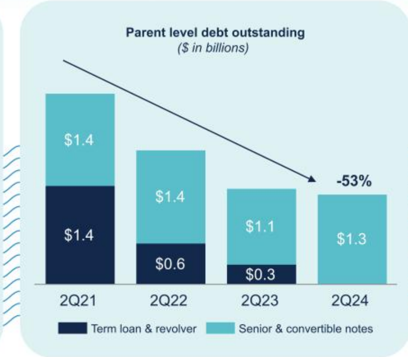
Reduce debt levels

110% double leverage ratio, achieving <115% target

Drive shareholder value

~$22 increase in TBVPS over the last three years





(1) Common equity tier 1 capital ratio represents common equity tier 1 capital divided by total risk-weighted assets.
(2) Tangible book value per common share represents Tangible common equity (TCE) divided by shares outstanding and is a non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures".

Focus areas

Responsible growth

Scale and diversify product offerings to align with the changing macroeconomic landscape, while optimizing brand partner growth and revenue opportunities

Manage macroeconomic and regulatory environment

Proactively execute strategies to mitigate business impacts resulting from government regulation and macroeconomic challenges

Accelerate digital and technology capabilities

Drive our digital-first strategy to enhance product offerings, increase customer self-servicing, and improve the overall customer experience

Operational excellence

Accelerate continuous improvement gains to drive technology advancements, improved customer satisfaction, control enhancements, enterprise-wide efficiency, and value creation

Net income and diluted EPS

($ in millions, except per share amounts)	2Q24	2Q23	$ Change	YTD '24	YTD '23	$ Change
Income from continuing operations, net of taxes	$ 133	$ 64	$ 69	$ 269	$ 519	$ (250)
Income (loss) from discontinued operations, net of taxes	—	(16)	16	(1)	(16)	15
Net income	**$ 133**	**$ 48**	**$ 85**	**$ 268**	**$ 503**	**$ (235)**
Weighted average shares outstanding – diluted	50.2	50.3		49.9	50.2	
Less: Anti-dilutive impact of Capped Call transactions*	(0.2)	n/a		(0.1)	n/a	
Adjusted weighted average shares outstanding – diluted*	50.0	50.3		49.8	50.2	
Income from continuing operations per diluted share	$ 2.65	$ 1.27	$ 1.38	$ 5.38	$ 10.34	$ (4.96)
Income (loss) from discontinued operations per diluted share	0.01	(0.32)	0.33	(0.02)	(0.32)	0.30
Net income per diluted share	**$ 2.66**	**$ 0.95**	**$ 1.71**	**$ 5.36**	**$ 10.02**	**$ (4.66)**
Anti-dilutive impact of Capped Call transactions*	0.01	n/a	0.01	0.01	n/a	0.01
Adjusted net income per diluted share*	**$ 2.67**	**$ 0.95**	**$ 1.72**	**$ 5.37**	**$ 10.02**	**$ (4.65)**
Adjusted income from continuing operations per diluted share*	$ 2.66	$ 1.27	$ 1.39	$ 5.39	$ 10.34	$ (4.95)

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** Represents a Non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures".*
n/a – Not applicable

Second quarter 2024

Financial highlights*

Continuing operations*

$0.9 billion	$133 million	$2.66
Revenue	Net income	Adj. diluted EPS(1)

Year-over-year comparisons

- Credit sales of $6.6 billion decreased 7%, reflecting moderating consumer spending and strategic credit tightening, partially offset by new partner growth.
- Average loans of $17.9 billion increased 1% year-over-year driven by ongoing growth in co-brand programs.
- Revenue decreased $13 million, or 1%, driven by reduced merchant discount fees resulting from lower big ticket credit sales.
- Income from continuing operations of $133 million increased by $69 million due to a higher reserve release and lower non-interest expenses.
- The delinquency rate of 6.0% increased from 5.5% in the second quarter of 2023 and decreased 20 basis points sequentially.
- The net loss rate of 8.6% increased from 8.0% in the second quarter of 2023 and increased 10 basis points sequentially.

** 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. As well, 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.*

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

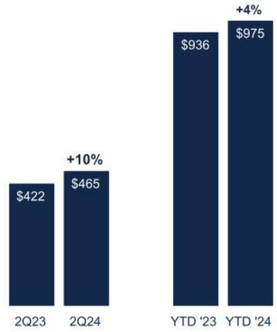
Summary P&L results

Continuing operations

($ in millions)	2Q24	2Q23	$ Change	% Change	YTD '24	YTD '23	$ Change	% Change
Total interest income	$ 1,228	$ 1,197	$ 31	3	$ 2,528	$ 2,531	$ (3)	—
Total interest expense	241	205	36	18	489	422	67	16
Net interest income	**987**	**992**	**(5)**	**—**	**2,039**	**2,109**	**(70)**	**(3)**
Total non-interest income	(48)	(40)	(8)	22	(110)	132	(242)	(183)
Revenue	**939**	**952**	**(13)**	**(1)**	**1,929**	**2,241**	**(312)**	**(14)**
Net principal losses	382	351	31	9	775	694	81	12
Reserve release	(92)	(15)	(77)	477	(164)	(252)	88	(35)
Provision for credit losses	290	336	(46)	(14)	611	442	169	38
Total non-interest expenses	469	530	(61)	(12)	949	1,075	(126)	(12)
Income before income taxes	**180**	**86**	**94**	**108**	**369**	**724**	**(355)**	**(49)**
Provision for income taxes	47	22	25	109	100	205	(105)	(51)
Net income	**$ 133**	**$ 64**	**$ 69**	**108**	**$ 269**	**$ 519**	**$ (250)**	**(48)**
Pretax pre-provision earnings (PPNR)*	**$ 470**	**$ 422**	**$ 48**	**11**	**$ 980**	**$ 1,166**	**$ (186)**	**(16)**
Less: Gain on portfolio sale	(5)	—	(5)	nm	(5)	(230)	225	(98)
PPNR less gain on portfolio sale*	$ 465	$ 422	$ 43	10	$ 975	$ 936	$ 39	4

PPNR less gain on portfolio sale*

($ in millions)

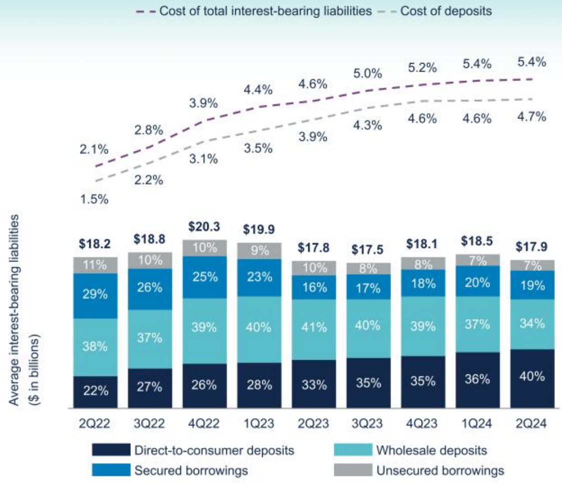


** PPNR and PPNR less gain on portfolio sale are non-GAAP financial measures. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures".*
nm – Not meaningful, denoting a variance of 1,000 percent or more.

Net interest margin

Interest-earning asset yields and mix

Interest-bearing liability costs and funding mix



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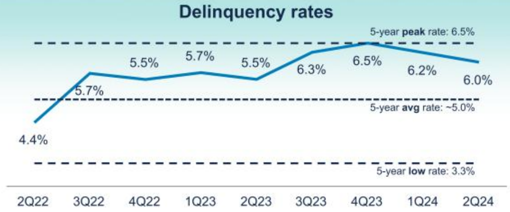
Note: Beginning in 2024, we revised the calculation of average balances to more closely align with industry practice by incorporating an average daily balance. Prior to 2024, average balances represent the average balance at the beginning and end of each month, averaged over the periods indicated.

Credit quality and allowance

Delinquency rates



Net loss rates

(1) The 2Q22 Net loss rate includes a 30 basis point increase from the effects of the purchase of previously written-off accounts that were sold to a third-party debt collection agency.

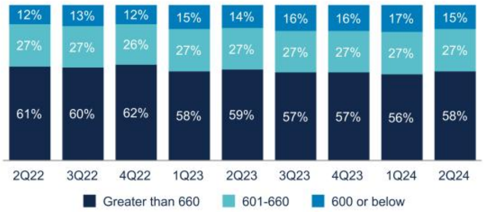
Reserve rates and loss absorption capacity

($ in millions)

(2) Calculated as the percentage of the Allowance for credit losses to end-of-period Credit card and other loans.
(3) Calculated as 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.

Revolving credit risk distribution

(Vantage score)



Notes: Starting with 3Q22 through 2Q23, the Net loss rate was impacted by the transition of our credit card processing services in June 2022. As well, 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.

2024 financial outlook

Our outlook assumes no impact from the CFPB late fee rule given uncertainty surrounding the timing and outcome of ongoing litigation.*

Full year 2023 actuals	Full year 2024 outlook	Commentary
Average loans 2023: $18,216 million	Down low single digits	• Based on our current economic outlook, strategic credit tightening actions, higher gross credit losses, and visibility into our pipeline, we expect 2024 average credit card and other loans to be down low single digits relative to 2023.
Revenue (excl. gain on sale) 2023: $4,059 million	Down low- to mid- single digits	• Net interest margin is expected to be lower than the 2023 full year rate as a result of higher reversals of interest and fees due to higher gross credit losses, a continued shift in product mix to co-brand, proprietary, and installment lending products, as well as anticipated interest rate reductions by the Federal Reserve. • Revenue guidance excludes portfolio sale gains.
Total non-interest expenses 2023: $2,092 million	Down mid-single digits	• We continue to strategically invest in technology modernization, marketing, and product innovation to drive growth and efficiencies.
Net loss rate 2023: 7.5%	Low 8% range	• Our outlook is inclusive of continued inflationary pressure on consumers' ability to pay, our credit management actions, and expected slower loan growth. Assumes a gradual modest improvement in economic conditions throughout the year.

** A preliminary injunction has been granted in the lawsuit challenging the CFPB's final late fee rule. We cannot provide any assurance regarding the outcome of this or any other litigation relating to the rule. See "Forward-Looking Statements" included elsewhere in this presentation.*

Financial targets

Near term	Medium term	Long term
Build on position of strength	**Sustainable, responsible growth**	**Deliver value**
Execute CFPB late fee rule mitigation strategy	Low- to mid-single-digit loan growth	Mid- to high-single-digit loan growth
Reduce double leverage ratio to <115%	Build total risk-based capital to ~16% (initial CET1 build to ~14%)	Maintain CET1 ratio of 12%-13% • Optimize capital mix with additional Tier 1 and Tier 2 capital
Proactive credit risk management	Managing credit aligned with macroeconomic conditions	Average through the cycle net loss rate of <6%
Drive operational excellence	Deliver operating efficiencies	Annual positive operating leverage
Build capital ratios	Optimize capital ratios	Return excess capital through shareholder distributions
Grow tangible book value	**Low- to mid-20% ROTCE**	**Mid-20% ROTCE**

Positioned to deliver responsible growth, strong returns, and capital distribution opportunities over time

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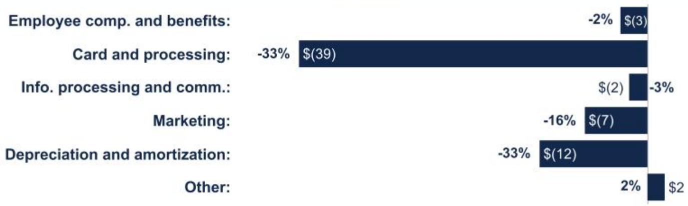
* A preliminary injunction has been granted in the lawsuit challenging the CFPB's final late fee rule. While we cannot provide any assurance regarding the outcome of this or any other litigation relating to the rule, the targets provided above assume the CFPB late fee rule is implemented as published on October 1, 2024. See "Forward-Looking Statements" included elsewhere in this presentation.

Appendix

Total non-interest expenses

Continuing operations

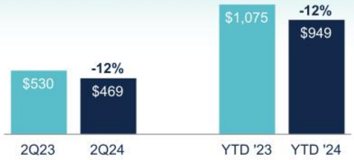
2Q24 vs. 2Q23 change in non-interest expenses
($ in millions)



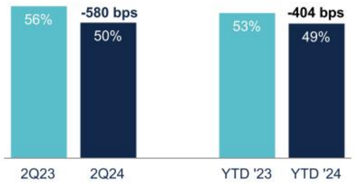
Total non-interest expenses decreased 12% versus 2Q23

- Card and processing expenses decreased due primarily to lower fraud losses, as well as reduced volume-related card and statement costs.
- Depreciation and amortization costs decreased due to lower amortization of developed technology.
- Marketing expenses decreased primarily due to decreased spending associated with brand partner joint marketing campaigns, partially offset by higher spending associated with direct-to-consumer offerings.

Total non-interest expenses
($ in millions)



Efficiency ratio excluding gain on portfolio sale*



* *Efficiency ratio represents Total non-interest expenses divided by Total net interest and non-interest income. Portfolio sale gains are removed to allow for more accurate comparisons.*

Summary financial highlights

Continuing operations

($ in millions)	2Q24	2Q23	2Q24 vs 2Q23	1Q24	2Q24 vs 1Q24	YTD '24	YTD '23	YTD '24 vs YTD '23
Credit sales	$ 6,570	$ 7,057	(7%)	$ 6,030	9%	$ 12,600	$ 14,430	(13%)
Average credit card and other loans	$ 17,872	$ 17,652	1%	$ 18,546	(4%)	$ 18,209	$ 18,528	(2%)
End-of-period credit card and other loans	$ 17,743	$ 17,962	(1%)	$ 18,185	(2%)	$ 17,743	$ 17,962	(1%)
End-of-period direct-to-consumer deposits	$ 7,193	$ 5,993	20%	$ 6,984	3%	$ 7,193	$ 5,993	20%
Return on average assets[(1)]	2.4%	1.2%	1.2%	2.4%	—%	2.4%	4.6%	(2.2%)
Return on average equity[(2)]	16.7%	9.4%	7.3%	17.5%	(0.8%)	17.1%	39.7%	(22.6%)
Return on average tangible common equity[(3)]	21.8%	13.2%	8.6%	23.1%	(1.3%)	22.5%	56.9%	(34.4%)
Net interest margin[(4)]	18.0%	18.7%	(0.7%)	18.7%	(0.7%)	18.3%	18.8%	(0.5%)
Loan yield[(5)]	26.4%	26.1%	0.3%	27.0%	(0.6%)	26.7%	26.4%	0.3%
Efficiency ratio[(6)]	49.9%	55.7%	(5.8%)	48.6%	1.3%	49.2%	47.9%	1.3%
Double leverage ratio[(7)]	110.1%	141.4%	(31.3%)	118.0%	(7.9%)	110.1%	141.4%	(31.3%)
Common equity tier 1 capital ratio[(8)]	13.8%	12.1%	1.7%	12.6%	1.2%	13.8%	12.1%	1.7%
Total risk-based capital ratio[(9)]	15.1%	13.4%	1.7%	14.0%	1.1%	15.1%	13.4%	1.7%
Total risk-weighted assets[(10)]	$ 18,859	$ 18,745	1%	$ 19,344	(3%)	$ 18,859	$ 18,745	1%
Tangible common equity / tangible assets ratio[(11)]	11.3%	9.4%	1.9%	10.6%	0.7%	11.3%	9.4%	1.9%
Tangible book value per common share[(12)]	$ 48.89	$ 38.99	25%	$ 45.96	6%	$ 48.89	$ 38.99	25%
Payment rate[(13)]	14.4%	15.0%	(0.6%)	14.8%	(0.4%)	14.4%	15.0%	(0.6%)
Delinquency rate	6.0%	5.5%	0.5%	6.2%	(0.2%)	6.0%	5.5%	0.5%
Net loss rate	8.6%	8.0%	0.6%	8.5%	0.1%	8.6%	7.5%	1.1%
Reserve rate	12.2%	12.3%	(0.1%)	12.4%	(0.2%)	12.2%	12.3%	(0.1%)

The terms associated with footnotes (1) through (13) are defined on the Definition of Terms slide in the Appendix.
Note: Starting with 3Q22 through 2Q23, the Net loss rate was impacted by the transition of our credit card processing services in June 2022.

Summary financial highlights – trending

Continuing operations

($ in millions)	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	YTD '23	YTD '24
Credit sales	$ 8,140	$ 7,689	$ 10,166	$ 7,373	$ 7,057	$ 6,668	$ 7,802	$ 6,030	$ 6,570	$ 14,430	$ 12,600
Year-over-year change	*10%*	*4%*	*16%*	*7%*	*(13%)*	*(13%)*	*(23%)*	*(18%)*	*(7%)*	*(4%)*	*(13%)*
Average credit card and other loans	$ 17,003	$ 17,598	$ 19,820	$ 19,405	$ 17,652	$ 17,540	$ 18,267	$ 18,546	$ 17,872	$ 18,528	$ 18,209
Year-over-year change	*11%*	*14%*	*23%*	*17%*	*4%*	*—%*	*(8%)*	*(4%)*	*1%*	*10%*	*(2%)*
End-of-period credit card and other loans	$ 17,769	$ 18,126	$ 21,365	$ 18,060	$ 17,962	$ 17,922	$ 19,333	$ 18,185	$ 17,743	$ 17,962	$ 17,743
Year-over-year change	*13%*	*16%*	*23%*	*7%*	*1%*	*(1%)*	*(10%)*	*1%*	*(1%)*	*1%*	*(1%)*
End-of-period direct-to-consumer deposits	$ 4,191	$ 5,176	$ 5,466	$ 5,630	$ 5,993	$ 6,098	$ 6,454	$ 6,984	$ 7,193	$ 5,993	$ 7,193
Year-over-year change	*75%*	*70%*	*72%*	*58%*	*43%*	*18%*	*18%*	*24%*	*20%*	*43%*	*20%*
Return on average assets[(1)]	0.2%	2.4%	(2.2%)	7.7%	1.2%	3.2%	0.8%	2.4%	2.4%	4.6%	2.4%
Return on average equity[(2)]	2.2%	22.8%	(23.3%)	73.0%	9.4%	24.8%	6.2%	17.5%	16.7%	39.7%	17.1%
Return on average tangible common equity[(3)]	3.1%	32.3%	(35.5%)	107.0%	13.2%	34.3%	8.5%	23.1%	21.8%	56.9%	22.5%
Net interest margin[(4)]	18.6%	19.9%	19.1%	19.0%	18.7%	20.6%	19.6%	18.7%	18.0%	18.8%	18.3%
Loan yield[(5)]	25.0%	27.2%	26.0%	26.6%	26.1%	28.6%	27.7%	27.0%	26.4%	26.4%	26.7%
Efficiency ratio[(6)]	52.9%	49.7%	53.1%	42.2%	55.7%	48.7%	50.8%	48.6%	49.9%	47.9%	49.2%
Double leverage ratio[(7)]	187.7%	182.4%	183.6%	158.6%	141.4%	127.4%	123.9%	118.0%	110.1%	141.4%	110.1%
Common equity tier 1 capital ratio[(8)]	10.7%	11.5%	8.7%	11.8%	12.1%	12.9%	12.2%	12.6%	13.8%	12.1%	13.8%
Total risk-based capital ratio[(9)]	12.0%	12.9%	10.1%	13.2%	13.4%	14.2%	13.6%	14.0%	15.1%	13.4%	15.1%
Total risk-weighted assets[(10)]	$ 19,050	$ 18,830	$ 22,065	$ 18,893	$ 18,745	$ 18,730	$ 20,140	$ 19,344	$ 18,859	$ 18,745	$ 18,859
Tangible common equity / tangible assets ratio[(11)]	7.5%	8.0%	6.0%	9.1%	9.4%	10.0%	9.6%	10.6%	11.3%	9.4%	11.3%
Tangible book value per common share[(12)]	$ 31.75	$ 34.30	$ 29.42	$ 38.44	$ 38.99	$ 42.45	$ 43.70	$ 45.96	$ 48.89	$ 38.99	$ 48.89
Payment rate[(13)]	15.3%	15.5%	16.4%	15.6%	15.0%	14.4%	14.5%	14.8%	14.4%	15.0%	14.4%
Delinquency rate	4.4%	5.7%	5.5%	5.7%	5.5%	6.3%	6.5%	6.2%	6.0%	5.5%	6.0%
Net loss rate	5.6%	5.0%	6.3%	7.0%	8.0%	6.9%	8.0%	8.5%	8.6%	7.5%	8.6%
Reserve rate	11.2%	11.4%	11.5%	12.3%	12.3%	12.3%	12.0%	12.4%	12.2%	12.3%	12.2%

The terms associated with footnotes (1) through (13) are defined on the Definition of Terms slide in the Appendix.
Note: Starting with 3Q22 through 2Q23, the Net loss rate was impacted by the transition of our credit card processing services in June 2022.

Summary P&L results – trending

Continuing operations

($ in millions)	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	YTD '23	YTD '24
Total interest income	$ 1,073	$ 1,218	$ 1,325	$ 1,335	$ 1,197	$ 1,301	$ 1,312	$ 1,300	$ 1,228	$ 2,531	$ 2,528
Total interest expense	95	133	195	218	205	219	237	248	241	422	489
Net interest income	**978**	**1,085**	**1,130**	**1,117**	**992**	**1,082**	**1,075**	**1,052**	**987**	**2,109**	**2,039**
Total non-interest income	(85)	(106)	(97)	172	(40)	(51)	(58)	(61)	(48)	132	(110)
Revenue	**893**	**979**	**1,033**	**1,289**	**952**	**1,031**	**1,017**	**991**	**939**	**2,241**	**1,929**
Net principal losses	238	218	312	342	351	304	367	394	382	694	775
Reserve build (release)	166	86	380	(235)	(15)	—	115	(73)	(92)	(252)	(164)
Provision for credit losses	404	304	692	107	336	304	482	321	290	442	611
Total non-interest expenses	473	486	548	544	530	502	516	482	469	1,075	949
Income (loss) before income taxes	**16**	**189**	**(207)**	**638**	**86**	**225**	**19**	**188**	**180**	**724**	**369**
Provision for income taxes	4	55	(73)	183	22	52	(26)	53	47	205	100
Net income (loss)	**$ 12**	**$ 134**	**$ (134)**	**$ 455**	**$ 64**	**$ 173**	**$ 45**	**$ 135**	**$ 133**	**$ 519**	**$ 269**
Pretax pre-provision earnings (PPNR)*	**$ 420**	**$ 493**	**$ 485**	**$ 745**	**$ 422**	**$ 529**	**$ 501**	**$ 509**	**$ 470**	**$ 1,166**	**$ 980**
Less: Gain on portfolio sale	—	—	—	(230)	—	—	—	—	(5)	(230)	(5)
PPNR less gain on portfolio sale*	$ 420	$ 493	$ 485	$ 515	$ 422	$ 529	$ 501	$ 509	$ 465	$ 936	$ 975

bread financial.

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

Summary P&L results – trending

($ in millions, except per share amounts)	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	YTD '23	YTD '24
Income (loss) from continuing operations, net of taxes	$ 12	$ 134	$ (134)	$ 455	$ 64	$ 173	$ 45	$ 135	$ 133	$ 519	$ 269
Income (loss) from discontinued operations, net of taxes	—	—	—	—	(16)	(2)	(2)	(1)	—	(16)	(1)
Net income (loss)	**$ 12**	**$ 134**	**$ (134)**	**$ 455**	**$ 48**	**$ 171**	**$ 43**	**$ 134**	**133**	**$ 503**	**$ 268**
Weighted average shares outstanding – diluted	49.9	49.9	50.0	50.1	50.3	50.1	49.6	49.7	50.2	50.2	49.9
Less: Anti-dilutive impact of Capped Call transactions*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(0.2)	n/a	(0.1)
Adjusted weighted average shares outstanding – diluted*	49.9	49.9	50.0	50.1	50.3	50.1	49.6	49.7	50.0	50.2	49.8
Income from continuing operations per diluted share	$ 0.25	$ 2.69	$ (2.68)	$ 9.08	$ 1.27	$ 3.46	$ 0.90	$ 2.73	$ 2.65	$ 10.34	$ 5.38
Income (loss) from discontinued operations per diluted share	—	—	—	—	(0.32)	(0.04)	(0.03)	(0.03)	0.01	(0.32)	(0.02)
Net income per diluted share	**$ 0.25**	**$ 2.69**	**$ (2.68)**	**$ 9.08**	**$ 0.95**	**$ 3.42**	**$ 0.87**	**$ 2.70**	**$ 2.66**	**$ 10.02**	**$ 5.36**
Anti-dilutive impact of Capped Call transactions*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.01	n/a	0.01
Adjusted net income per diluted share*	**$ 0.25**	**$ 2.69**	**$ (2.68)**	**$ 9.08**	**$ 0.95**	**$ 3.42**	**$ 0.87**	**$ 2.70**	**$ 2.67**	**$ 10.02**	**$ 5.37**
Adjusted income from continuing operations per diluted share*	$ 0.25	$ 2.69	$ (2.68)	$ 9.08	$ 1.27	$ 3.46	$ 0.90	$ 2.73	$ 2.66	$ 10.34	$ 5.39

** Represents a Non-GAAP financial measure. See "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Financial Measures".*
n/a – Not applicable

Net interest margin

($ in millions)	2Q24			YTD '24		
	Average balance	Interest income / expense	Average yield / rate	Average balance	Interest income / expense	Average yield / rate
Cash and investment securities	$ 4,178	$ 54	5.2%	$ 4,157	$ 106	5.2%
Credit card and other loans	17,872	1,174	26.4%	18,209	2,422	26.7%
Total interest-earning assets	**22,050**	**1,228**	**22.4%**	**22,366**	**2,528**	**22.7%**
Direct-to-consumer (Retail)	7,092	86	4.9%	6,916	168	4.9%
Wholesale deposits	6,026	66	4.4%	6,398	140	4.4%
Interest-bearing deposits	**13,118**	**152**	**4.7%**	**13,314**	**308**	**4.6%**
Secured borrowings	3,425	59	6.9%	3,544	121	6.9%
Unsecured borrowings	1,316	30	9.2%	1,335	60	9.1%
Interest-bearing borrowings	**4,741**	**89**	**7.5%**	**4,879**	**181**	**7.5%**
Total interest-bearing liabilities	**$ 17,859**	**$ 241**	**5.4%**	**$ 18,193**	**$ 489**	**5.4%**
Net interest income		**$ 987**			**$ 2,039**	
Net interest margin*		**18.0%**			**18.3%**	

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

Note: 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.

Capital and liquidity

As of June 30, 2024:

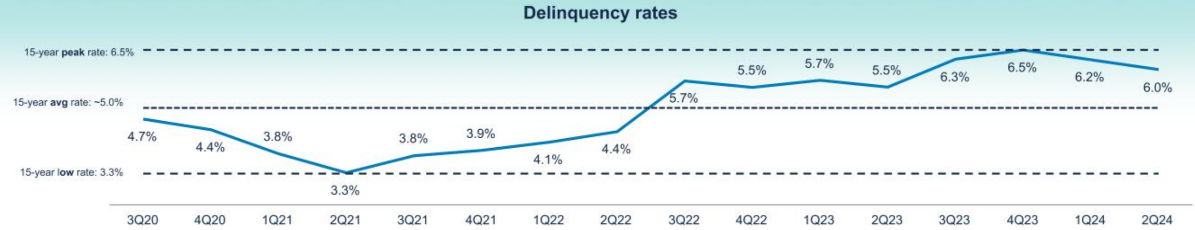
- Total company liquidity of $7.8 billion including all undrawn credit facilities and conduits at the banks; parent liquidity of $1.1 billion consisting of cash plus revolver capacity
- Total company common equity tier 1 capital ratio of 13.8%, up 170 basis points versus a year ago
- Banks remain well capitalized on a total risk-based capital basis, nearly double the 10% well-capitalized threshold
- Prudent interest rate management with no held-to-maturity securities

Capital ratios	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	Rolling 4 quarter avg.
Total company										
Common equity tier 1 capital ratio(1)	10.7%	11.5%	8.7%	11.8%	12.1%	12.9%	12.2%	12.6%	13.8%	12.9%
Total risk-based capital ratio(2)	12.0%	12.9%	10.1%	13.2%	13.4%	14.2%	13.6%	14.0%	15.1%	14.2%
Total risk-weighted assets(3)	$ 19,050	$ 18,830	$ 22,065	$ 18,893	$ 18,745	$ 18,730	$ 20,140	$ 19,344	$ 18,859	$ 19,268
Tangible common equity / tangible assets ratio(4)	7.5%	8.0%	6.0%	9.1%	9.4%	10.0%	9.6%	10.6%	11.3%	10.4%
Tangible common equity + credit reserve rate(5)	20.1%	20.9%	18.4%	23.0%	23.2%	24.0%	23.2%	24.9%	25.9%	24.5%
Comenity Bank										
Common equity tier 1 capital ratio(1)	22.7%	20.7%	18.4%	18.3%	18.8%	20.3%	19.7%	18.2%	18.0%	19.1%
Total risk-based capital ratio(2)	24.0%	22.0%	19.7%	19.7%	20.1%	21.6%	21.1%	19.6%	19.4%	20.4%
Comenity Capital Bank										
Common equity tier 1 capital ratio(1)	18.1%	18.4%	16.1%	21.7%	18.2%	18.5%	16.6%	17.5%	18.1%	17.7%
Total risk-based capital ratio(2)	19.4%	19.7%	17.5%	23.0%	19.6%	19.9%	18.0%	18.9%	19.5%	19.1%

The terms associated with footnotes (1) through (5) are defined on the Definition of Terms slide at the end of the Appendix.

Note: The Common equity tier 1 capital ratio and Total risk-based capital ratio include adjustments for the phase-in of the effect of the current expected credit loss (CECL) model on regulatory capital over a three-year period beginning in the first quarter of 2022, through 2024. 75%, 50% and 25% of the phase-in is included in 2024, 2023 and 2022, respectively. The effects of CECL on our regulatory capital will be fully phased-in beginning in the first quarter of 2025.

Credit quality trends



(1) Peak Net loss rate occurred in 2009. Low Net loss rate occurred in 2014.
(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.
Notes: Starting with 3Q22 through 2Q23, the Net loss rate was impacted by the transition of our credit card processing services in June 2022. As well, 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.

Definition of terms

Note

(1) 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.

Summary financial highlights

(1) **Return on average assets:** Return on average assets represents annualized Income from continuing operations divided by average Total assets.
(2) **Return on average equity:** Return on average equity represents annualized Income from continuing operations divided by average Total stockholders' equity.
(3) **Return on average tangible common equity:** Return on average tangible common equity (ROTCE) represents annualized Income from continuing operations divided by average Tangible common equity. Tangible common equity (TCE) represents Total stockholders' equity reduced by Goodwill and intangible assets, net. ROTCE is a non-GAAP financial measure.
(4) **Net interest margin:** Net interest margin represents annualized Net interest income divided by average Total interest-earning assets.
(5) **Loan yield:** Loan yield represents annualized Interest and fees on loans divided by Average credit card and other loans.
(6) **Efficiency ratio:** Efficiency ratio represents Total non-interest expenses divided by Total net interest and non-interest income.
(7) **Double leverage:** Double leverage ratio represents Parent Company investment in subsidiaries divided by BFH consolidated equity.
(8) **Common equity tier 1 capital ratio:** Common equity tier 1 capital ratio represents common equity tier 1 capital divided by total risk-weighted assets.
(9) **Total risk-based capital ratio:** Total risk-based capital ratio represents total capital divided by total risk-weighted assets.
(10) **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.
(11) **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. TCE/TA is a non-GAAP financial measure.
(12) **Tangible book value per share:** Tangible book value per common share represents TCE divided by shares outstanding and is a non-GAAP financial measure.
(13) **Payment rate:** Payment rate represents consumer payments during the last month of the period, divided by the beginning-of-month Credit card and other loans, including held for sale in applicable periods.

Capital and liquidity

(1) **Common equity tier 1 capital ratio:** Common equity tier 1 capital ratio represents common equity tier 1 capital divided by total risk-weighted assets.
(2) **Total risk-based capital ratio:** Total risk-based capital ratio represents total capital divided by total risk-weighted assets.
(3) **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.
(4) **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. TCE/TA is a non-GAAP financial measure.
(5) **Tangible common equity (TCE) + 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. 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, higher interest rates, labor market conditions, recessionary pressures or a concern over a prolonged economic slowdown, and the related impact on consumer spending behavior, payments, debt levels, savings rates and other behavior; global political and public health events and conditions, including ongoing wars and military conflicts; future credit performance, including the level of future delinquency and write-off rates; the loss of, or reduction in demand from, significant brand partners or customers in the highly competitive markets in which we compete; the concentration of our business in U.S. consumer credit; inaccuracies in the models and estimates on which we rely, including the amount of our Allowance for credit losses and our credit risk management models; the inability to realize the intended benefits of acquisitions, dispositions and other strategic initiatives; our level of indebtedness and ability to access financial or capital markets; pending and future legislation, regulation, supervisory guidance, and regulatory and legal actions, including, but not limited to, those related to financial regulatory reform and consumer financial services practices, as well as any such actions with respect to late fees, interchange fees or other charges; impacts arising from or relating to the transition of our credit card processing services to third party service providers that we completed in 2022; failures or breaches in our operational or security systems, including as a result of cyberattacks, unanticipated impacts from technology modernization projects or otherwise; and any tax liability, disputes or other adverse impacts arising out of or relating to the spinoff of our former LoyaltyOne segment or the bankruptcy filings of Loyalty Ventures Inc. and certain of its subsidiaries. In addition, the Consumer Financial Protection Bureau (CFPB) has issued a final rule that, absent a successful legal challenge, will place significant limits on credit card late fees, which would have a significant impact on our business and results of operations for at least the short term and, depending on the effectiveness of the mitigating actions that we have taken or may in the future take in anticipation of, or in response to, the final rule, may potentially adversely impact us over the long term; we cannot provide any assurance as to the effective date of the rule, the result of any pending or future challenges or other litigation relating to the rule, or our ability to mitigate or offset the impact of the rule on our business and results of operations. 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 audited 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:

- The share amounts used in calculating *Adjusted net income per diluted share* and *Adjusted income from continuing operations per diluted share* have been adjusted for the anti-dilutive impact of our capped call transactions. In connection with the issuance of our $316 million aggregate principal amount of 4.25% Convertible Senior Notes due 2028 (the Convertible Notes) on June 13, 2023, we entered into privately negotiated capped call transactions (the Capped Calls) that are expected generally to reduce potential dilution to our common stock and/or offset certain cash payments we may be required to make in excess of the principal amount of the Convertible Notes upon conversion, redemption or repurchase thereof, with such reduction and/or offset subject to a cap of $61.48 per share. We use Adjusted net income per diluted share and Adjusted income from continuing operations per diluted share to evaluate the dilutive impact of our Convertible Notes after the anti-dilutive impact of the Capped Calls is considered.
- *Pretax pre-provision earnings* (PPNR) represents Income from continuing operations before income taxes and the Provision for credit losses. *PPNR less gain on portfolio sale* then decreases PPNR by the gain on any portfolio sale in the period. We use PPNR and PPNR less gain on portfolio sale as metrics to evaluate our results of operations before income taxes, excluding the volatility that can occur within Provision for credit losses and the one-time nature of a gain on the sale of a portfolio.
- *Return on average tangible common equity* (ROTCE) represents annualized Income from continuing operations divided by average Tangible common equity. Tangible common equity (TCE) represents Total stockholders' equity reduced by Goodwill and intangible assets, net. We use ROTCE as a metric to evaluate the Company's performance.
- *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.
- *Tangible book value per common share* represents TCE divided by shares outstanding. We use Tangible book value per common share, a metric used across the industry, to estimate liquidity value.

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)	2Q21	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	YTD '23	YTD '24
Adjusted weighted average shares outstanding – diluted												
Weighted average shares outstanding – diluted		49.9	49.9	50.0	50.1	50.3	50.1	49.6	49.7	50.2	50.2	49.9
Less: Anti-dilutive impact of Capped Call transactions		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(0.2)	n/a	(0.1)
Adjusted weighted average shares outstanding – diluted		49.9	49.9	50.0	50.1	50.3	50.1	49.6	49.7	50.0	50.2	49.8
Pretax pre-provision earnings (PPNR)												
Income (loss) before income taxes		$ 16	$ 189	$ (207)	$ 638	$ 86	$ 225	$ 19	$ 188	$ 180	$ 724	$ 369
Provision for credit losses		404	304	692	107	336	304	482	321	290	442	611
Pretax pre-provision earnings (PPNR)		**$ 420**	**$ 493**	**$ 485**	**$ 745**	**$ 422**	**$ 529**	**$ 501**	**$ 509**	**$ 470**	**$ 1,166**	**$ 980**
Less: Gain on portfolio sale		—	—	—	(230)	—	—	—	—	(5)	(230)	(5)
PPNR less gain on portfolio sale		$ 420	$ 493	$ 485	$ 515	$ 422	$ 529	$ 501	$ 509	$ 465	$ 936	$ 975
Average Tangible common equity												
Average Total stockholders' equity	$ 1,864	$ 2,297	$ 2,353	$ 2,306	$ 2,496	$ 2,731	$ 2,795	$ 2,866	$ 3,120	$ 3,202	$ 2,614	$ 3,161
Less: average Goodwill and intangible assets, net	(702)	(695)	(692)	(793)	(794)	(785)	(775)	(766)	(759)	(750)	(790)	(754)
Average Tangible common equity	**$ 1,162**	**$ 1,602**	**$ 1,661**	**$ 1,513**	**$ 1,702**	**$ 1,946**	**$ 2,020**	**$ 2,100**	**$ 2,361**	**$ 2,452**	**$ 1,824**	**$ 2,407**
Tangible common equity (TCE)												
Total stockholders' equity	$ 2,048	$ 2,275	$ 2,399	$ 2,265	$ 2,716	$ 2,736	$ 2,864	$ 2,918	$ 3,032	$ 3,170	$ 2,736	$ 3,170
Less: Goodwill and intangible assets, net	(699)	(694)	(690)	(799)	(790)	(780)	(771)	(762)	(753)	(744)	(780)	(744)
Tangible common equity (TCE)	**$ 1,349**	**$ 1,581**	**$ 1,709**	**$ 1,466**	**$ 1,926**	**$ 1,956**	**$ 2,093**	**$ 2,156**	**$ 2,279**	**$ 2,426**	**$ 1,956**	**$ 2,426**
Tangible assets (TA)												
Total assets	$ 21,812	$ 21,811	$ 21,960	$ 25,407	$ 21,970	$ 21,609	$ 21,608	$ 23,141	$ 22,299	$ 22,144	$ 21,609	$ 22,144
Less: Goodwill and intangible assets, net	(699)	(694)	(690)	(799)	(790)	(780)	(771)	(762)	(753)	(744)	(780)	(744)
Tangible assets (TA)	**$ 21,113**	**$ 21,117**	**$ 21,270**	**$ 24,608**	**$ 21,180**	**$ 20,829**	**$ 20,837**	**$ 22,379**	**$ 21,546**	**$ 21,400**	**$ 20,829**	**$ 21,400**

Exhibit 99.3

Bread Financial™ Declares Dividend on Common Stock

COLUMBUS, Ohio – July 25, 2024 – 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 a quarterly cash dividend of $0.21 per share on the Company's common stock, payable on September 13, 2024 to stockholders of record at the close of business on August 9, 2024.

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 suite of payment solutions that includes private label and co-brand credit cards and **Bread Pay™** buy now, pay later products. Bread Financial also offers direct-to-consumer products that give customers more access, choice and freedom through its branded **Bread Cashback™ American Express® Credit Card** and **Bread Savings™** products.

Headquartered in Columbus, Ohio, Bread Financial is powered by its approximately 7,000 global associates and is committed to sustainable business practices. To learn more about Bread Financial, visit **breadfinancial.com** or follow us on **Facebook**, **LinkedIn**, **Twitter/X** and **Instagram**.

Contacts

Brian Vereb – Investor Relations
Brian.Vereb@BreadFinancial.com

Susan Haugen – Investor Relations
Susan.Haugen@BreadFinancial.com

Rachel Stultz – Media
Rachel.Stultz@BreadFinancial.com

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