

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II Basic Plan Information —enter all requested information		
1a Name of plan <u>BREAD FINANCIAL 401(K) PLAN</u>	1b Three-digit plan number (PN) ▶	<u>001</u>
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>BREAD FINANCIAL PAYMENTS, INC.</u> <u>3095 LOYALTY CIRCLE</u> <u>COLUMBUS, OH 43219</u>		
1c Effective date of plan <u>01/24/1996</u>		
2b Employer Identification Number (EIN) <u>13-3163498</u>		
2c Plan Sponsor's telephone number <u>614-729-4000</u>		
2d Business code (see instructions) <u>522298</u>		

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/05/2023	CARA TUTTON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/05/2023	CARA TUTTON
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022)
v. 220413

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name ADS ALLIANCE DATA SYSTEMS, INC. c Plan Name ALLIANCE DATA SYSTEMS 401(K) AND RETIREMENT SAVINGS PLAN	4b EIN 13-3163498 4d PN 001
5 Total number of participants at the beginning of the plan year	5 12385
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)..... h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	 6a(1) 5715 6a(2) 7094 6b 5 6c 5943 6d 13042 6e 22 6f 13064 6g 10800 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2R 2T 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan BREAD FINANCIAL 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 BREAD FINANCIAL PAYMENTS, INC.	D Employer Identification Number (EIN) 13-3163498	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRINCIPAL LIFE INSURANCE COMPANY
42-0127290

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 37 50 64	CONTRACT ADMINISTRATOR	501983	Yes ☒ No ☐	Yes ☒ No ☐	50954	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

EDELMAN FINANCIAL ENGINES, LLC

94-3250323

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
26 50	IONV ADV, PARTICIPANTS	192489	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

CHARLES SCHWAB & CO., INC

94-1737782

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 33 50 71	BROKERAGE	1767	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
PRINCIPAL LIFE INSURANCE COMPANY	13 37 50 64	50954
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
EDELMAN FINANCIAL ENGINES, LLC 94-3250323	QUARTERLY SET UP AND MAINTENANCE FEES PLUS PER PARTICIPANT FEE NOT TO EXCEED 35% OF FEES RECEIVED BY EDELMAN FINANCIAL ENGINES EACH QUARTER	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan BREAD FINANCIAL 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 BREAD FINANCIAL PAYMENTS, INC.		
D Employer Identification Number (EIN) 13-3163498		
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)		
a Name of MTIA, CCT, PSA, or 103-12 IE: T ROWE PRICE GRTH STK D TRUST		
b Name of sponsor of entity listed in (a): T ROWE PRICE TRUST COMPANY		
c EIN-PN 52-6559833-013	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 17103367
a Name of MTIA, CCT, PSA, or 103-12 IE: COLUMBIA TR SM CP VAL II FD A		
b Name of sponsor of entity listed in (a): AMERIPRISE TRUST COMPANY		
c EIN-PN 41-0007957-165	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
a Name of MTIA, CCT, PSA, or 103-12 IE: GALLIARD STABLE RETURN PN		
b Name of sponsor of entity listed in (a): SEI TRUST COMPANY		
c EIN-PN 41-6202499-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 37874292
a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TRGT RTMT INC TRST I		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 90-6083968-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 11630678
a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGT RETMT 2015 TR I		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 90-6083953-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET RTMT 2020 TR I		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 90-6083983-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 17800485
a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET RTMT 2025 TR I		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 90-6083981-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 48634059

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET RTMT 2030 TR I		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 90-6083979-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 67987534

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET TRMT 2035 TR I		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 90-6083977-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 95863989

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET TRMT 2040 TR I		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 90-6083975-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 88649669

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET RTMT 2045 TR I		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 90-6083973-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 68684847

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TRGT TRMT 2050 TR I		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 90-6083969-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 57550075

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET RTMT 2055 TR I		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 27-6715074-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 34527508

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET RTMT 2060 TR I		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 45-3799212-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 10932261

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET TRMT 2065 TR I		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 82-6190443-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2188388

a Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TARGET TRMT 2070 TR I		
b Name of sponsor of entity listed in (a): VANGUARD FIDUCIARY TRUST COMPANY		
c EIN-PN 87-7035538-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 58008

a Name of MTIA, CCT, PSA, or 103-12 IE: COLUMBIA TR SM CAP VAL II FD 2		
b Name of sponsor of entity listed in (a): AMERRIPRISE TRUST COMPANY		
c EIN-PN 87-2073129-167	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 11916453

a Name of MTIA, CCT, PSA, or 103-12 IE: ALLSPRING DIS SMID CAP CIT N

b Name of sponsor of entity listed in (a): SEI TRUST COMPANY

c EIN-PN 45-7019649-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 11722174
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>BREAD FINANCIAL 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>BREAD FINANCIAL PAYMENTS, INC.</u>	D Employer Identification Number (EIN) <u>13-3163498</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....		1a	5982
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....		1b(1)	7232601507436
(2) Participant contributions.....		1b(2)	24872
(3) Other.....		1b(3)	1464478931
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....		1c(1)	
(2) U.S. Government securities		1c(2)	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred		1c(3)(A)	
(B) All other		1c(3)(B)	
(4) Corporate stocks (other than employer securities):			
(A) Preferred		1c(4)(A)	
(B) Common.....		1c(4)(B)	1874517
(5) Partnership/joint venture interests		1c(5)	
(6) Real estate (other than employer real property)		1c(6)	
(7) Loans (other than to participants).....		1c(7)	
(8) Participant loans.....		1c(8)	88507588735340
(9) Value of interest in common/collective trusts.....		1c(9)	732738482583123787
(10) Value of interest in pooled separate accounts		1c(10)	
(11) Value of interest in master trust investment accounts.....		1c(11)	
(12) Value of interest in 103-12 investment entities		1c(12)	
(13) Value of interest in registered investment companies (e.g., mutual funds).....		1c(13)	216992871170394686
(14) Value of funds held in insurance company general account (unallocated contracts).....		1c(14)	
(15) Other		1c(15)	1558431613313291

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	10898673	6837650
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	987809324	783951975

Liabilities

g Benefit claims payable	1g	638515	85921
h Operating payables	1h	53745	100036
i Acquisition indebtedness	1i		
j Other liabilities	1j	98089	10073
k Total liabilities (add all amounts in lines 1g through 1j)	1k	790349	196030

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	987018975	783755945
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	17968574	
(B) Participants	2a(1)(B)	31654221	
(C) Others (including rollovers)	2a(1)(C)	9657558	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		59280353
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	525309	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		525309
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	143721	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	5612173	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		5755894
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	1778996	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	3928968	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-2149972
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-4318490	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-4318490

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		-123327619
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-41074649
c Other income	2c		-3356147
d Total income. Add all income amounts in column (b) and enter total	2d		-108665321
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	93757142	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		93757142
f Corrective distributions (see instructions)	2f		8493
g Certain deemed distributions of participant loans (see instructions)	2g		141500
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	503750	
(3) Investment advisory and management fees	2i(3)	192489	
(4) Other	2i(4)	-5665	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		690574
j Total expenses. Add all expense amounts in column (b) and enter total	2j		94597709
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-203263030
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☐ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☒ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **ARY ROEPCKE MULCHAEY, P.C.**

(2) EIN: **52-2370901**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a	X		243

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan BREAD FINANCIAL 401(K) PLAN		B Three-digit plan number (PN) 001
C Plan sponsor's name as shown on line 2a of Form 5500 BREAD FINANCIAL PAYMENTS, INC.		D Employer Identification Number (EIN) 13-3163498
Part I Distributions		
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 42-0127290		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)		
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III Amendments		
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.		
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....		☐ Yes ☐ No
11 a Does the ESOP hold any preferred stock?.....		☐ Yes ☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....		☐ Yes ☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?.....		☐ Yes ☐ No
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:	
a	The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....	14a
b	The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b
c	The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14c
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:	
a	The corresponding number for the plan year immediately preceding the current plan year.....	15a
b	The corresponding number for the second preceding plan year.....	15b
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:	
a	Enter the number of employers who withdrew during the preceding plan year	16a
b	If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐	

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

Bread Financial 401(k) Plan

Financial Statements

**As of and for the Years Ended December 31, 2022 and 2021
and Supplemental Schedules as of and for the Year Ended December 31, 2022**

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* All other financial schedules required by Section 2520.103-10 of the U.S. Department of Labor's Annual Reporting and Disclosure Requirements under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.



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Independent Auditor's Report

To the Benefits Operations Committee
and Plan Participants of the Bread Financial 401(k) Plan:

Opinion

We have audited the accompanying financial statements of Bread Financial 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2022 and 2021 and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2022 and 2021, and the changes in net assets available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Schedules Required by ERISA

Our audits were conducted for forming an opinion on the financial statements as a whole. The supplemental schedules of (1) Schedule H, Line 4a – Schedule of Delinquent Participant Contributions, and (2) Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of or for the year ended December 31, 2022 are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements



themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedules is fairly stated, in all material respects in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

A handwritten signature in blue ink, reading "Christopher M. Mulvey, P.C.".

Columbus, Ohio
June 7, 2023

Bread Financial 401(k) Plan
Statements of Net Assets Available for Benefits
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets:		
Investments at fair value	\$ 773,669,414	\$ 978,088,859
Cash	5,982	-
Receivable for Employer contributions	1,507,436	723,260
Receivable for Employee contributions	24,872	-
Notes receivable from participants, net of allowance for defaulted loans	8,735,340	8,850,758
Due from brokers	8,931	146,447
Total assets	<u>783,951,975</u>	<u>987,809,324</u>
Liabilities:		
Administrative fees payable	100,036	53,745
Due to brokers	<u>10,073</u>	<u>98,089</u>
Total liabilities	<u>110,109</u>	<u>151,834</u>
Net assets available for benefits	<u><u>\$ 783,841,866</u></u>	<u><u>\$ 987,657,490</u></u>

See accompanying notes.

Bread Financial 401(k) Plan
Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Additions:		
Investment income:		
Net appreciation in fair value of investments	\$ -	\$ 119,016,720
Interest, dividends, and fee income	6,043,847	6,858,568
Total investment income	<u>6,043,847</u>	<u>125,875,288</u>
Interest on notes receivable from participants	525,309	635,611
Contributions:		
Employer	17,968,574	15,717,906
Participants	31,654,221	27,284,627
Rollovers	9,657,558	5,557,294
Total contributions	<u>59,280,353</u>	<u>48,559,827</u>
Total additions	<u>65,849,509</u>	<u>175,070,726</u>
Deductions:		
Net depreciation in fair value of investments	174,514,830	-
Distributions to participants	94,459,729	155,159,432
Administrative expenses	690,574	736,234
Total deductions	<u>269,665,133</u>	<u>155,895,666</u>
Net (decrease) increase in net assets available for benefits		
Before transfers	(203,815,624)	19,175,060
Net assets transferred from qualified plan	<u>-</u>	<u>2,624,144</u>
Net (decrease) increase in net assets available for benefits after transfer	<u>(203,815,624)</u>	<u>21,799,204</u>
Net assets available for benefits:		
Beginning of year	<u>987,657,490</u>	<u>965,858,286</u>
End of year	<u>\$ 783,841,866</u>	<u>\$ 987,657,490</u>

See accompanying notes.

Bread Financial 401(k) Plan
Notes to Financial Statements
December 31, 2022 and 2021

1. Description of the plan

General

On March 23, 2022, Alliance Data Systems Corporation (NYSE: ADS) announced that it had changed its corporate name to Bread Financial Holdings, Inc. (“Bread Financial”) (NYSE: BFH). As a result of the name change, the Alliance Data Systems 401(k) and Retirement Savings Plan was amended to change its name to the Bread Financial 401(k) Plan. In connection with the name change, Bread Financial began trading under a new ticker symbol, BFH, on the New York Stock Exchange effective April 4, 2022. Subsequent filings that include Plan operations for Plan years beginning January 1, 2022 and beyond will reflect the change to Bread Financial throughout the filings.

The Bread Financial 401(k) Plan (the “Plan”) is a defined contribution plan covering certain employees of Bread Financial Payments, Inc., a wholly-owned subsidiary of Bread Financial, and its affiliates (the “Employer”). Employees of the Employer that are 18 years of age, are generally eligible to participate immediately. Seasonal, temporary, and on-call employees who perform more than 1,000 hours of service within one year are also eligible.

The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended.

Trustee

As of June 2021, Delaware Charter Guarantee & Trust Company, a Delaware corporation conducting business under the trade name of Principal Trust Company (the “Trustee”), has served as the trustee and holds the Plan’s investments and provides recordkeeping services to the Plan. Prior to June 2021, Wells Fargo Bank, N.A. (the “Former Trustee”) served in this role.

Administration

The Employer has established the Benefits Operations Committee that is responsible for the general operation and administration of the Plan.

Plan to plan transfer

In late 2020, the Employer completed its acquisition of Lon Inc., and in connection therewith, Lon Inc. terminated its participation in a multiple employer plan. In early 2021, the account values for the Lon Inc. participants in the multiple employer plan were transferred to the Plan in a plan to plan transfer.

Bread Financial 401(k) Plan

Notes to Financial Statements

December 31, 2022 and 2021

LoyaltyOne spinoff

On November 5, 2021, Bread Financial completed the spinoff of its former LoyaltyOne segment into an independent public company, Loyalty Ventures Inc. Participants of the Plan whose employment with the Employer ended in conjunction with the spinoff were allowed to take a distribution from the Plan as a result of the transaction.

The spinoff was achieved through a distribution of shares of Loyalty Ventures Inc. (Nasdaq: LYLT) to holders of Bread Financial common stock (“BFH Securities”), pursuant to which Employer stockholders received one share of LYLT stock for every two and a half shares of BFH Securities. As a result of this distribution, participants who held BFH Securities in the Plan received a dividend of LYLT stock, which is now included in their Plan account. As of December 31, 2022, in accordance with the terms of that certain Employee Matters Agreement (the “EMA”) entered into between Bread Financial and Loyalty Ventures Inc. in connection with the spinoff, all remaining shares of LYLT in the Plan had been liquidated and reinvested in accordance with participant investment elections for new contributions to their account.

Contributions

Employer’s Matching Contributions

The Employer will make a 100% matching contribution on the first 5% of eligible compensation contributed by a participant based on a payroll period basis for participants who have completed either 180 days of uninterrupted service with the Employer or a year of eligibility service, whichever occurs first. As of the end of the Plan year, the Employer will provide a true up matching contribution based on the above percentages, voluntary contributions, and eligible compensation for the Plan year. The annual eligible compensation of each participant taken into account under the Plan is limited to the maximum amount permitted under Section 401(a)(17) of the Internal Revenue Code (the “Code”). The annual eligible compensation limit for the Plan years ended December 31, 2022 and 2021 was \$305,000 and \$290,000, respectively.

Participant’s Voluntary Contributions

A participant may elect to make voluntary contributions of 1% to 85% of his or her annual eligible compensation. The participant may designate their voluntary contributions as tax-deferred, after-tax Roth, after-tax regular contributions, or any combination thereof. Tax-deferred and after-tax Roth contributions are limited to the maximum amount permitted under Section 402(g) of the Code, which was \$20,500 and \$19,500 for each of the Plan years ended December 31, 2022 and 2021, respectively. Regular after-tax contributions are limited by the Code based on total employee and Employer contributions to the participant. Sections 401(k)(3) and 401(m)(3) of the Code may limit the amount of voluntary contributions that participants are allowed to make.

Bread Financial 401(k) Plan

Notes to Financial Statements

December 31, 2022 and 2021

A participant age 50 and over before the end of the Plan year may elect to make a catch-up voluntary tax-deferred or after-tax contribution of up to \$6,500 for each of the Plan years ended December 31, 2022 and 2021.

A participant may also contribute amounts representing a distribution from another qualified defined benefit or defined contribution plan (rollover).

Investment options

The participant directs both their own and the Employer's contributions into the investment alternatives offered by the Plan. At any time, participants may also elect to reallocate existing account balances between investment alternatives or to change their investment elections for future contributions. The Plan currently offers sixteen collective investment trusts, seven mutual funds, self-directed brokerage accounts, and BFH Securities as investment alternatives. Additionally, as mentioned above, as a result of the spinoff of Loyalty Ventures Inc., the Plan also previously included certain shares of LYLT stock that were received by certain participants in the form of a dividend. The Plan does not allow any new investment in LYLT stock and participants with LYLT stock in their Plan accounts were allowed to diversify those shares at any time. Plan officials completed the previously mentioned exit strategy for any remaining LYLT stock in the Plan in November 2022, in accordance with the terms of the EMA.

The Employer periodically reviews and may make changes to the investment alternatives available. If a participant makes no investment election, all contributions made into such participant's account are invested in the Plan's qualified default investment alternative ("QDIA"). The Plan's QDIA is the age-appropriate Vanguard Fiduciary Trust Company Target Retirement target date funds, which is selected based on the participant's date of birth.

Participant accounts

The Plan credits each participant's account with the participant's contributions and allocations of 1) the Employer's contributions, 2) investment earnings, and 3) administrative expenses. The benefit to which a participant is entitled is equal to the vested balance in the participant's account.

Vesting

A participant is fully and immediately vested for any voluntary, rollover, and Employer matching contributions provided after December 31, 2004, and is credited with a year of vesting service in the Employer's other contributions for each Plan year that the participant is credited with at least 500 hours of service. Prior to December 31, 2004, Employer's matching contributions were on a five-year graded vesting schedule.

Bread Financial 401(k) Plan
Notes to Financial Statements
December 31, 2022 and 2021

For all associates employed as of, or subsequent to, January 1, 2007, any profit sharing contributions that were previously provided vest on a three-year cliff vesting schedule. For all associates terminated prior to January 1, 2007, any profit sharing contributions that were previously provided were on a five-year cliff vesting schedule.

Payment of benefits

The full value of participants' accounts becomes payable upon retirement, disability, or death. Upon termination of employment for any other reason, participants' accounts, to the extent vested, become payable. Those participants with vested account balances greater than \$1,000 have the option of leaving their accounts invested in the Plan until age 72. Benefits can be paid as a lump sum, partial distribution, or in the form of substantially equal installments over a fixed number of years that do not exceed the life expectancy of the participant or the joint life expectancy of the participant and his or her beneficiary. Those participants holding shares of BFH Securities will have the option to receive such amounts in whole shares of BFH Securities and cash for any fractional shares. Participants have the option of having their benefit paid directly to an eligible retirement plan or to an individual retirement account specified by the participant.

In service withdrawals

A participant may elect to withdraw an amount in cash from the participant's after-tax account and their rollover account.

A participant, upon reaching age 59 1/2, may withdraw up to 100% of the participant's vested account balance.

A participant may request a hardship distribution due to an immediate and heavy financial need based on the terms of the Plan.

Participant loans

Participants are permitted to borrow from their account the lesser of \$50,000 or 50% of the vested balance of their account, with repayment generally made from payroll deductions. The borrowing is a separate earmarked investment of the participant's account. Interest on the borrowing is based on the prime interest rate as reported in the Wall Street Journal on the first business day of the month in which the loan occurs plus two percent. Loan repayments, including interest and applicable loan fees, are generally repaid through payroll deductions.

Amounts allocated to participants withdrawn from the Plan

Amounts allocated, but not yet paid, to participants who have withdrawn from the Plan were \$85,921 and \$638,515 at December 31, 2022 and 2021, respectively.

Bread Financial 401(k) Plan
Notes to Financial Statements
December 31, 2022 and 2021

Forfeitures

The Plan may use forfeitures to reduce Employer contributions or pay Plan expenses if so elected. The Plan used forfeitures to reduce Employer contributions by \$28,051 and \$305,310 for the years ended December 31, 2022 and 2021, respectively. There were \$4,977 and \$35,531 of unused forfeitures at December 31, 2022 and 2021, respectively.

Fee Income

Revenue sharing and sub transfer agent fees are credited to those participants who have invested in the funds that generate the fee revenue.

Expenses

Expenses are charged to participants' accounts, excluding those paid directly by the Employer and reported in the financial statements as administrative expenses. Brokerage fees, transfer taxes and other expenses incurred in connection with the investment of the Plan's assets increase the cost of investments purchased or deducted from the proceeds of investments sold.

2. Summary of accounting policies

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting, including investment valuation and income recognition.

Reclassification

Capital gain distributions from investments of \$5,572,657 for 2021, has been reclassified from net appreciation in fair value of investments to dividends from mutual funds to conform to the current-year presentation.

Estimates

The Plan's financial statements are prepared in conformity with U.S. generally accepted accounting principles ("GAAP"), which require management to make estimates and assumptions that affect the reported amounts of (1) net assets available for Plan benefits at the date of the financial statements and (2) the changes in net assets available for Plan benefits during the reporting period and, (3) when applicable, contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

Bread Financial 401(k) Plan
Notes to Financial Statements
December 31, 2022 and 2021

Risks

The Plan provides for the various investment options as described in Note 1. Any investment is exposed to various risks, such as interest rate, market, and credit risks. Market risks include global events which could impact the value of investment securities, such as pandemic or international conflict. These risks could result in a material effect on participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

Net appreciation (depreciation) in fair value of investments

Net realized and unrealized appreciation (depreciation) is presented in the accompanying statements of changes in net assets available for benefits as net appreciation (depreciation) in fair value of investments.

Benefit payments

Benefits are recorded when paid.

Notes receivable from participants

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recorded when it is earned. Related fees are recorded as administrative expenses and are expensed when they are incurred. An allowance for defaulted loans of \$270,886 and \$129,386 has been recorded for December 31, 2022 and 2021, respectively, with the change recorded under distributions.

Investment valuation and income recognition

Investments held by the Plan are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 3 for further discussion and disclosures related to fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis using fair value. Dividends are recorded on the ex-dividend date. Interest is recorded on the accrual basis.

Bread Financial 401(k) Plan
Notes to Financial Statements
December 31, 2022 and 2021

3. Fair value measurements

Accounting Standards Codification (“ASC”) 820 establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities

(Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
Level 2	Inputs to the valuation methodology include • quoted prices for similar assets and liabilities in active markets; • quoted prices for identical or similar assets or liabilities in inactive markets; • inputs other than quoted prices that are observable for the asset or liability; or • inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the techniques and inputs used for each major class of assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded and are classified within Level 1 of the valuation hierarchy.

Mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded and are classified within Level 1 of the valuation hierarchy.

Self-managed brokerage accounts: Accounts primarily consist of mutual funds and common stocks that are valued on the basis of readily determinable market prices and are classified within Level 1 of the valuation hierarchy.

Bread Financial 401(k) Plan
Notes to Financial Statements
December 31, 2022 and 2021

Collective investment trusts: Valued at their respective Net Asset Value (“NAV”) as reported by such trust. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different from the reported NAV. Participant transactions (purchases and sales) may occur daily. If the Plan initiates a full redemption of the Galliard Stable Return Fund, which is one of the collective investment trusts in the Plan, the trustee of the fund may impose, in its sole discretion, a prior notice period of up to 12 months for any Employer-initiated withdrawal of assets from the fund. The Plan does not have any contractual obligations to further invest in these trusts. These investments are not classified within the valuation hierarchy, but presented for reconciliation purposes only.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan’s investment assets at fair value as of December 31, 2022 and 2021:

Assets at fair value as of December 31, 2022				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$170,394,686	\$ -	\$ -	\$170,394,686
Employer common stock	6,837,650	-	-	6,837,650
Self-managed brokerage	13,313,291	-	-	13,313,291
	<u>\$190,545,627</u>	<u>\$ -</u>	<u>\$ -</u>	<u>190,545,627</u>
Collective investment trusts measured at net asset value				
Target dated (a)				504,507,500
Stable value (b)				37,874,293
Large growth (c)				17,103,367
Mid cap growth (d)				11,722,174
Small value (e)				11,916,453
				<u>\$773,669,414</u>

Bread Financial 401(k) Plan
Notes to Financial Statements
December 31, 2022 and 2021

Assets at fair value as of December 31, 2021				
	Level 1	Level 2	Level 3	Total
Mutual funds	\$216,992,871	\$ -	\$ -	\$216,992,871
Common stock	1,874,517			1,874,517
Employer common stock	10,898,673	-	-	10,898,673
Self-managed brokerage	15,584,316	-	-	15,584,316
	<u>\$245,350,377</u>	<u>-</u>	<u>-</u>	<u>245,350,377</u>
Collective investment trusts measured at net asset value				
Target dated (a)				632,680,660
Stable value (b)				35,241,546
Large growth (c)				30,055,955
Mid cap growth (d)				19,552,851
Small value (e)				15,207,470
				<u>\$978,088,859</u>

- (a) The trusts are target dated trusts based on estimated retirement dates, which seek current income and some capital appreciation for the most current retirement date and move more to capital appreciation and some current income as the retirement dates become later. The trusts invest primarily in mutual funds.
- (b) The trust seeks to maintain principle value, protect against market price volatility, obtain consistent income return, and provide liquidity for benefit payments and withdrawals. The trust invests primarily in investment contracts issued by insurance companies, banks and other financial institutions.
- (c) The trust seeks long-term capital appreciation. The trust invests primarily in large cap common stocks with market capitalizations generally in the range of the companies in the Russell 1000 Growth Index.
- (d) The trust seeks long-term capital appreciation. The trust invests primarily in small-cap and mid-cap companies generally in the range of the Russell Midcap Index whereby growth is sustainable and not recognized.
- (e) The trust seeks long-term capital appreciation. The trust invests primarily in undervalued small and mid-sized company stocks with market capitalizations generally in the range of the Russell 2500 Value Index.

Bread Financial 401(k) Plan
Notes to Financial Statements
December 31, 2022 and 2021

4. Tax status

The Plan obtained its latest determination letter on March 21, 2016, in which the Internal Revenue Service (“IRS”) stated that the Plan was designed in accordance with the applicable requirements of the Code. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. Although the Plan has been amended and restated since the determination letter was issued, the Plan administration believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code.

GAAP requires management responsible for the Plan to evaluate uncertain tax positions. The financial statement effect of a tax position is recognized when the position is more likely than not, based on the financial merits, to be sustained upon examination by the IRS. The Plan’s administrator has analyzed the tax positions, and has concluded that as of December 31, 2022 and 2021, there are no uncertain tax positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

5. Plan termination

Although the Employer has not expressed any intent to do so, the Employer has the right under the Plan to discontinue its contributions at any time. The Employer also has the right at any time, by action of its board of directors, to terminate the Plan, subject to provisions of ERISA. Upon Plan termination or partial termination, participants will become fully vested in their accounts.

6. Parties-in-interest

The Plan, including holdings under the self-directed brokerage investment option, held \$6,837,650 and \$10,898,673 of Bread Financial Holdings, Inc. common shares at December 31, 2022 and 2021, respectively. Additionally, due to the spinoff of the former LoyaltyOne segment, the Plan also included holdings of \$1,874,517 of Loyalty Ventures Inc. common shares at December 31, 2021; as of December 31, 2022, no remaining shares of Loyalty Ventures Inc. common stock were included in the Plan.

The Trustee and the Former Trustee of the Plan, their subsidiaries and affiliates maintain and manage certain of the investments of the Plan, for which the Plan is charged investment expenses. Bread Financial, which is a party-in-interest, provides certain administrative services to the Plan at no charge. The cost of providing these services constitutes exempt party-in-interest transactions under ERISA.

7. Subsequent events

As of January 1, 2023, certain aspects of the Plan were redesigned, including matters relating to eligibility and waiting periods, employer contribution formulas and vesting schedules. Under the terms of the current Plan, the additional 1,000 hour requirement for initial plan eligibility for seasonal and on-call employees was removed, and seasonal and on-call employees are now eligible to participate in the Plan

Bread Financial 401(k) Plan
Notes to Financial Statements
December 31, 2022 and 2021

immediately. Additionally, the Employer matching contribution of 5% was removed in its entirety and replaced with a 3% Employer harbor non-elective contribution. An enhanced matching contribution of 50% of employee contributions up to 6% was also added as of January 1, 2023; this contribution includes a 3-year cliff vesting schedule.

8. Reconciliation of financial statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

	<u>2022</u>	<u>2021</u>
Net assets available for benefits per the financial statements	\$783,841,866	\$987,657,490
Amounts allocated to withdrawing participants	<u>(85,921)</u>	<u>(638,515)</u>
Net assets available for benefits per Form 5500	<u><u>\$783,755,945</u></u>	<u><u>\$987,018,975</u></u>

The following is a reconciliation of benefit payments per the financial statements to Form 5500:

	<u>2022</u>
Benefit payments per the financial statements	\$94,459,729
Amount allocated to withdrawing participants	
At December 31, 2022	85,921
At December 31, 2021	(638,515)
Reserves for defaulted loans	
At December 31, 2022	(270,886)
At December 31, 2021	129,386
Corrective distributions	<u>(8,493)</u>
Benefit payments per Form 5500	<u><u>\$93,757,142</u></u>

The following is a reconciliation of the net decrease in net assets available for benefits per the financial statement to Form 5500:

	<u>2022</u>
Net decrease in net assets per the financial statements	\$(203,815,624)
Change in amounts allocated to withdrawing participants	<u>552,594</u>
Net loss per Form 5500	<u><u>\$(203,263,030)</u></u>

Bread Financial 401(k) Plan**EIN #13-316498 Plan #001****Schedule H, Line 4a – Schedule of Delinquent Participant Contributions
For the Year Ended December 31, 2022**

Participant Contributions Transferred Late to Plan	Total that Constitutes Nonexempt Prohibited Transactions \$243			Total Fully Corrected Under VFCP and PTE 2002-51
Check here if Late Participant Loan Repayments are Included ☒	Contributions Not Corrected \$0	Contributions Corrected Outside VFCP \$243	Contributions Pending Correction in VFCP \$0	\$0

The notes to the financial statements are an integral part of this schedule.

Bread Financial 401(k) Plan**EIN #13-3163498 Plan #001****Schedule H, Line 4i - Schedule of Assets (Held at End of Year)****December 31, 2022**

(a)	(b)	(c)	(d)	(e)
	Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	(1) Cost	Current Value
*	Bread Financial Holdings, Inc.	Common stock		\$ 6,837,650
	Vanguard Fiduciary Trust Company Target Retirement Income Trust I	Collective investment trust		11,630,678
	Vanguard Fiduciary Trust Company Target Retirement 2020 Trust I	Collective investment trust		17,800,485
	Vanguard Fiduciary Trust Company Target Retirement 2025 Trust I	Collective investment trust		48,634,059
	Vanguard Fiduciary Trust Company Target Retirement 2030 Trust I	Collective investment trust		67,987,534
	Vanguard Fiduciary Trust Company Target Retirement 2035 Trust I	Collective investment trust		95,863,989
	Vanguard Fiduciary Trust Company Target Retirement 2040 Trust I	Collective investment trust		88,649,669
	Vanguard Fiduciary Trust Company Target Retirement 2045 Trust I	Collective investment trust		68,684,847
	Vanguard Fiduciary Trust Company Target Retirement 2050 Trust I	Collective investment trust		57,550,075
	Vanguard Fiduciary Trust Company Target Retirement 2055 Trust I	Collective investment trust		34,527,508
	Vanguard Fiduciary Trust Company Target Retirement 2060 Trust I	Collective investment trust		10,932,261
	Vanguard Fiduciary Trust Company Target Retirement 2065 Trust I	Collective investment trust		2,188,388
	Vanguard Fiduciary Trust Company Target Retirement 2070 Trust I	Collective investment trust		58,008

The notes to the financial statements are an integral part of this schedule.

Bread Financial 401(k) Plan
EIN #13-3163498 Plan #001
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2022

(a)	(b)	(c)	(d)	(e)
	Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	(1) Cost	Current Value
	Galliard Stable Return Fund	Collective investment trust		37,874,292
	T. Rowe Price Growth Stock Trust D	Collective investment trust		17,103,367
	Allspring Discovery SMID Cap Growth CIT N Fund	Collective investment trust		11,722,174
	Columbia Trust Small and Value II Fund 2	Collective investment trust		11,916,453
	Vanguard Institutional Index Fund	Mutual fund		72,625,624
	Dodge & Cox Stock Fund	Mutual fund		27,963,118
	American Funds EuroPacific Growth Fund	Mutual fund		13,254,946
	Vanguard Total Intl Stock Index Admiral Fund	Mutual fund		17,351,761
	Vanguard Total Bond Market Index Admiral Fund	Mutual fund		15,640,214
	Metropolitan West Total Return Bond Fund	Mutual fund		9,902,935
	Vanguard Extended Market Index Fund	Mutual fund		13,656,088
	Self-Directed Brokerage Accounts			13,313,291
*	Participant Loans	Varying maturity dates with interest rates ranging from 5.25% - 10.0%	-	8,735,340

* Represents a party-in-interest

(1) Cost information omitted – investment is part of individual account plan that a participant or beneficiary directed with respect to assets allocated to his or her account.

The notes to the financial statements are an integral part of this schedule.

Bread Financial 401(k) Plan**EIN #13-3163498 Plan #001****Schedule H, Line 4i - Schedule of Assets (Held at End of Year)****December 31, 2022**

(a)	(b)	(c)	(d)	(e)
	Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	(1) Cost	Current Value
*	Bread Financial Holdings, Inc.	Common stock		\$ 6,837,650
	Vanguard Fiduciary Trust Company Target Retirement Income Trust I	Collective investment trust		11,630,678
	Vanguard Fiduciary Trust Company Target Retirement 2020 Trust I	Collective investment trust		17,800,485
	Vanguard Fiduciary Trust Company Target Retirement 2025 Trust I	Collective investment trust		48,634,059
	Vanguard Fiduciary Trust Company Target Retirement 2030 Trust I	Collective investment trust		67,987,534
	Vanguard Fiduciary Trust Company Target Retirement 2035 Trust I	Collective investment trust		95,863,989
	Vanguard Fiduciary Trust Company Target Retirement 2040 Trust I	Collective investment trust		88,649,669
	Vanguard Fiduciary Trust Company Target Retirement 2045 Trust I	Collective investment trust		68,684,847
	Vanguard Fiduciary Trust Company Target Retirement 2050 Trust I	Collective investment trust		57,550,075
	Vanguard Fiduciary Trust Company Target Retirement 2055 Trust I	Collective investment trust		34,527,508
	Vanguard Fiduciary Trust Company Target Retirement 2060 Trust I	Collective investment trust		10,932,261
	Vanguard Fiduciary Trust Company Target Retirement 2065 Trust I	Collective investment trust		2,188,388
	Vanguard Fiduciary Trust Company Target Retirement 2070 Trust I	Collective investment trust		58,008

The notes to the financial statements are an integral part of this schedule.

Bread Financial 401(k) Plan
EIN #13-3163498 Plan #001
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2022

(a)	(b)	(c)	(d)	(e)
	Identity of issuer, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	(1) Cost	Current Value
	Galliard Stable Return Fund	Collective investment trust		37,874,292
	T. Rowe Price Growth Stock Trust D	Collective investment trust		17,103,367
	Allspring Discovery SMID Cap Growth CIT N Fund	Collective investment trust		11,722,174
	Columbia Trust Small and Value II Fund 2	Collective investment trust		11,916,453
	Vanguard Institutional Index Fund	Mutual fund		72,625,624
	Dodge & Cox Stock Fund	Mutual fund		27,963,118
	American Funds EuroPacific Growth Fund	Mutual fund		13,254,946
	Vanguard Total Intl Stock Index Admiral Fund	Mutual fund		17,351,761
	Vanguard Total Bond Market Index Admiral Fund	Mutual fund		15,640,214
	Metropolitan West Total Return Bond Fund	Mutual fund		9,902,935
	Vanguard Extended Market Index Fund	Mutual fund		13,656,088
	Self-Directed Brokerage Accounts			13,313,291
*	Participant Loans	Varying maturity dates with interest rates ranging from 5.25% - 10.0%	-	8,735,340

* Represents a party-in-interest

(1) Cost information omitted – investment is part of individual account plan that a participant or beneficiary directed with respect to assets allocated to his or her account.

The notes to the financial statements are an integral part of this schedule.

Bread Financial 401(k) Plan**EIN #13-316498 Plan #001****Schedule H, Line 4a – Schedule of Delinquent Participant Contributions
For the Year Ended December 31, 2022**

Participant Contributions Transferred Late to Plan	Total that Constitutes Nonexempt Prohibited Transactions \$243			Total Fully Corrected Under VFCP and PTE 2002-51
Check here if Late Participant Loan Repayments are Included ☒	Contributions Not Corrected \$0	Contributions Corrected Outside VFCP \$243	Contributions Pending Correction in VFCP \$0	\$0

The notes to the financial statements are an integral part of this schedule.