

Risk Factors Comparison 2025-02-14 to 2024-02-20 Form: 10-K

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This section should be carefully reviewed, in addition to the other information appearing in this Form 10-K, including the sections entitled “ Risk Management ” and “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations ” and our audited Consolidated Financial Statements and related Notes, for important information regarding risks and uncertainties that affect us. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business. If any of the following risks actually occur, our business, financial condition, results of operations, and future prospects could be materially and adversely affected. Summary This risk factor summary is qualified in its entirety by reference to the complete description of our risk factors set forth immediately below. Risks related to our macroeconomic, global, strategic, business and competitive environment include: • Market conditions, inflation, interest rates, ~~unemployment levels and the increased probability of~~ **labor market conditions, recessionary pressures or concerns over a recession or** prolonged economic slowdown, and the related impact on consumer spending behavior, payments, debt levels, savings rates and other behavior, could have a material adverse effect on our business. • Global political, public health and social events or conditions, including ongoing wars and military conflicts, may harm our business. • Our unsecured loans make us reliant on the future credit performance of our customers, and if customers are unable to repay our loans, our level of future delinquency and write-off rates will increase. • A significant percentage of our revenue is generated through relationships with a limited number of partners, and a decrease in business from, or the loss of, any of these partners, could have an adverse effect on our business. • Our business is heavily concentrated in U. S. consumer credit, and therefore our results are more susceptible to fluctuations in the U. S. consumer credit market than a more diversified company. • The amount of our Allowance for credit losses could adversely affect our business and may be insufficient to cover actual losses on our loans. • We may be unable to successfully identify, complete or successfully integrate or disaggregate business acquisitions, divestitures and other strategic initiatives. • Competition in our industry is intense. • Our results of operations and growth depend on our ability to retain existing partners and attract new partners, and our results are impacted, to a significant extent, on the active and effective promotion and support of our products by our partners and on the financial performance of our partners. • Underwriting performance of acquired or new lending programs may not be consistent with existing experience. • We rely extensively on models in managing many aspects of our business, and if they are not accurate or are misinterpreted, such factors could have a material adverse effect on our business and results of operations. • **Fraudulent activity associated with our products and services could negatively impact our operating results, brand and reputation, decreasing the use of our products and services and increasing our fraud losses.** Risks related to our liquidity, market and credit risk include: • Adverse financial market conditions or our inability to effectively manage our funding and liquidity risk could have a material adverse effect on our business, liquidity and ability to meet our debt service requirements and other obligations. • Our inability to effectively access the securitization or other capital markets could limit our funding opportunities for loans and other business opportunities. • Competition for deposits and regulatory restrictions on deposit products can impact availability and cost of funds. • Our level of indebtedness may restrict our ability to compete and grow our business. • Our market valuation has been, and may continue to be, volatile, and returns to stockholders may be limited. • We are a holding company and depend on dividends and other payments from our Banks, which are subject to various legal and regulatory restrictions. Risks related to our legal, regulatory and compliance environment include: • We face various risks related to the extensive government regulation and supervision of our business, including by the FDIC, CFPB and other federal and state authorities. These risks include pending and future laws and regulations that may adversely impact our business, such as the CFPB’ s ~~proposed rulemaking~~ **final rule** with respect to late fees, as well as supervisory and other actions that may be taken against us by our regulators. • Pending and future litigation could subject us to significant fines, penalties, judgments and / or requirements. • Regulations relating to privacy, information security and data protection could increase our costs, affect or limit how we collect and use personal information and adversely affect our business opportunities. • Financial institution capital requirements may limit cash available for business operations, growth and returns to stockholders. Risks related to cybersecurity, technology and third-party vendors include: • We rely on third-party vendors, and ~~we~~ could be adversely impacted if such vendors fail to fulfill their obligations. • Impacts arising from or relating to the transition of our credit card processing services to strategic outsourcing providers that we completed in 2022 have, and may continue to adversely affect our business. • Failures in data protection, cybersecurity and information security, as well as business interruptions to our data centers and other systems, could critically impair our products, services and ability to conduct business. • Our industry is subject to rapid and significant technological changes, and we may be unable to successfully develop and commercialize new or enhanced products and services. • **The development and use of AI presents risks and challenges to our business, including compliance with new AI laws and regulations, risks associated with AI models, and the malicious use of AI technology by bad actors.** Risks related to the spinoff of our former LoyaltyOne segment include potential tax and other liabilities, existing or future litigation or other disputes, or other adverse impacts. Macroeconomic, Global, Strategic, Business and Competitive Risks Weakness and instability in the macroeconomic environment could have a material adverse effect on our business, results of operations and financial condition. Macroeconomic conditions historically have affected our business, results of operations and financial condition and will continue to affect them in the future. We offer an array of payment, lending and saving solutions to consumers, and a prolonged period of economic weakness, including a recession or economic slowdown, economic and market volatility, and other adverse economic conditions, including persistent inflation, high

interest rates and high levels of unemployment, could have a material adverse effect on our business, results of operations and financial condition, as these macroeconomic conditions may reduce consumer confidence and negatively impact customers' payment and spending behavior. Some of the specific risks we face as a result of these conditions include: • Adverse impacts on our customers' ability and willingness to pay amounts owed to us, increasing delinquencies, defaults, charge-offs, bankruptcies and consequentially our Allowance for credit losses, and decreasing recoveries; • Decreased consumer spending, changes in payment patterns, lower demand for credit and shifts in consumer payment behavior towards avoiding late fees, finance charges and other fees; • Decreased reliability of the processes and modeling we use to estimate our Allowance for credit losses, particularly if unexpected variations in key inputs and assumptions cause actual losses to diverge from the projections of our modeling and our estimates become increasingly subject to management's judgment; and • Limitations on our ability to replace maturing liabilities and to access the capital and deposit markets to meet liquidity needs. While we closely monitor economic conditions and indicators, including inflation, interest rates, changes in monetary policy, housing values, the state of the commercial real estate industry, energy prices, consumer wages, consumer saving rates and debt levels, including student loan debt, consumer and business spending, unemployment, **financial markets, government policy** and concerns about the level of U. S. government debt, as well as economic and political conditions in the U. S. and global markets, the outcome of any of these conditions and indicators remains difficult to predict. During **2023-2024**, the economic scenario weightings in our credit reserve modeling continued to reflect an increased probability of a recession, high interest rates, persistent inflation, and the increased cost of overall consumer debt. A recession or prolonged period of economic weakness would likely, among other things, adversely affect consumer discretionary spending levels and the ability and willingness of customers to pay amounts owed to us and could have a material adverse effect on our business, key credit trends, results of operations and financial condition. Moreover, the current macroeconomic environment may have a disproportionately adverse impact on us, as compared to our peers, due to our relatively higher proportion of private label credit card accounts and our deeper underwriting. In the current macroeconomic landscape, the wage growth of many moderate and lower- income households has been challenged by the compounding effect of persistent inflation, even while unemployment rates remain low. Given the higher proportion of moderate and lower- income households within our partners' customer bases relative to many of our peers, a continuation of this trend could impact us more negatively than others in our industry. **Moreover, the current Presidential Administration's policies on trade, immigration and taxes could create inflationary pressures, which in turn could disproportionately impact our customer base.** For context, during the Great Recession, our Delinquency and Net loss rates peaked in 2009 at 6.2% and 10.0%, respectively. As of December 31, **2023-2024**, our Delinquency rate **was of 6.5.9% and actually exceeded our peak Delinquency rate during the Great Recession; although, our 2023-2024 full- year Net loss rate of 7 was 8.52% was below.** **While the these 2024 peak Net loss rate rates were lower than those** experienced in 2009. **While we expect our Delinquency rate to move lower during 2024, we are expecting our Net loss rate to be in the low 8% range for 2024, peaking in the first half of the year with each of the first two quarters of the year in the mid- to high 8% range. Even if these -- the Great Recession rates moderate in the latter part of 2024,** the current and near- term anticipated Delinquency and Net loss rates are high, relative to our historical experience, and a prolonged continuation or worsening of these rates could have a material adverse impact on us. In addition, outbreaks of illnesses, pandemics, **endemic diseases like COVID-19**, or other local or global health issues, political uncertainties (including those **resulting arising from a presidential election year significant shifts in policy that impact consumers, such as tariffs and other trade- related measures, taxes and immigration, among others**), international hostilities, armed conflict, war (such as the ongoing wars between Ukraine and Russia, and between Israel and Hamas), civil unrest, climate- related events, impacts to the power grid, and natural disasters have, to varying degrees, negatively impacted our operations, brand partners, service providers and consumer spending, and such events and conditions may negatively impact us going forward. The loans we make are unsecured, and we may not be able to ultimately collect from customers that default on their loans. The primary risk associated with unsecured consumer lending is the risk of default or bankruptcy of the borrower, resulting in the borrower's balance being written- off as uncollectible. We rely principally on the borrower's creditworthiness for repayment of the loan and, therefore, have no other recourse for collection. An increase in defaults or net principal losses could result in a reduction in Net income. We may not be able to successfully identify and evaluate the creditworthiness of borrowers to minimize delinquencies and losses. **As part of our efforts** ~~The models and approaches we use~~ to manage our credit risk, **including we use** our automated proprietary scoring technology and verification procedures **for to make risk- based origination decisions when approving** new account holders, establishing or adjusting their credit limits and applying our risk- based pricing. **These models** may not accurately predict future write- offs for various reasons discussed elsewhere in these Risk Factors, including "Our risk management policies and procedures may not be effective, and the models we rely on may not be accurate or may be misinterpreted." below. While we monitor credit quality on a regular and consistent basis, utilizing internal algorithms and external credit bureau risk scores and other data, these algorithms and data sources may be inaccurate or incomplete, including as a result of certain customers' credit profiles not fully reflecting their credit risk due to **any number of factors**, among other things **including, for example**, the less- regulated reporting requirements for many fintechs **offering buy now, pay later products or other lending options and existing or future limitations on the reporting of medical debt. Mandated changes to credit bureau reporting, or the information that may be included in a credit bureau report, can change the accuracy of scoring models that leverage tradelines and performance in determining credit risk**. As a result, the data and models upon which we rely may not fully reflect the extent of our customers' **actual BNPL debt or other** financial obligations. General economic conditions, including a recession or prolonged economic slowdown, persistent inflation, **high** interest rates, high unemployment or volatility in energy prices, may result in greater delinquencies that lead to greater credit losses. In addition to being affected by general economic conditions and the success of our collection and recovery efforts, the stability of our Delinquency and Net loss rates are affected by the credit risk inherent in our Credit card and other ~~loans-~~ **loan portfolio portfolios**, as well as the vintage of the accounts in our various credit card portfolios. We are also closely monitoring

the effects **on our business** of the lifting of the moratorium on federal student loan payments in October 2023, which moratorium had been originally implemented as part of the federal government's COVID-19 response under the CARES Act in March 2020. ~~We believe that approximately 23 % of our active customers have one or more outstanding student loans (with approximately 17 % of our active customers having a student loan balance in excess of \$ 10,000), and it is unclear the extent to which the lifting of this moratorium will ultimately impact these customers' abilities to repay their loan balances to us.~~ Under the applicable rules, there ~~is was~~ a grace period for federal student loan borrowers until late 2024 before any adverse credit bureau reporting ~~will was to~~ be made in the event they fail to resume payments on ~~such their~~ loans. **This grace period has ended**, and we expect that ~~consumer are~~ **consumer are closely monitoring the segment of our portfolio with student loans to observe payment trends**. **In addition, targeted government efforts to forgive or discharge portions of student loan debt or provide additional relief** may further ~~influence~~ **influence** ~~evolve after the these trends~~ **evolve after the these trends** ~~grace period expires~~. Further, our pricing strategy may not offset the negative impact on profitability caused by increases in delinquencies and losses, thus any material increases in delinquencies and losses beyond our current estimates could have a material adverse impact on us. Our Delinquency rates were ~~6-5.9 %~~ **6-5.9 %** of Credit card and other loans as of December 31, ~~2023-2024~~, compared with ~~5-6.5 % and 3-5.9-5 %~~ **5-6.5 % and 3-5.9-5 %** as of December 31, ~~2023 and 2022 and 2021~~, **2023 and 2022 and 2021**, respectively. For ~~2023-2024~~, our Net principal loss rate was ~~8.2 %, compared with 7.5 % and, compared with 5.4 % and 4.6 % for 2023 and 2022 and 2021~~, **8.2 %, compared with 7.5 % and, compared with 5.4 % and 4.6 % for 2023 and 2022 and 2021**, respectively. As referenced above, the current and near-term anticipated Delinquency and Net loss rates remain high, relative to our historical experience, and a prolonged continuation or worsening of these rates could have a material adverse impact on our business and results of operations. A significant percentage of our Total net interest and non-interest income, or revenue, is generated through our relationships with a limited number of partners, and a decrease in business from, or the loss of, any of these partners could cause a significant drop in our revenue. We depend on a limited number of large partner relationships for a significant portion of our revenue. As of and for the year ended December 31, ~~2023-2024~~, our five largest credit card programs **(based on Total net interest and non-interest income)** accounted for approximately ~~47-48 %~~ **47-48 %** of our Total net interest and non-interest income excluding the gain on sale and ~~37-38 %~~ **37-38 %** of our End-of-period credit card and other loans. In particular, our programs with (alphabetically) Signet Jewelers, Ulta Beauty and Victoria's Secret & Co. and its retail affiliates, each accounted for ~~more than 10 %~~ **more than 10 % or more** of our Total net interest and non-interest income for the year ended December 31, ~~2023-2024~~. A decrease in business from, or the loss of, any of our significant partners for any reason, could have a material adverse effect on our business. We previously announced the non-renewal of our contract with BJ's Wholesale Club (BJ's) and the sale of the BJ's portfolio, which closed in late February 2023. For the year ended December 31, 2022, BJ's branded co-brand accounts generated approximately 10 % of our Total net interest and non-interest income, and BJ's branded co-brand accounts were responsible for approximately 11 % of our Total credit card and other loans as of December 31, 2022. Our business is intensely competitive, and we cannot provide assurance that we will retain the business of all of our significant brand partners going forward. Our business is heavily concentrated in U. S. consumer credit, and therefore our results are more susceptible to fluctuations in that market than a more diversified company. Our business is heavily concentrated in U. S. consumer credit. As a result, we are more susceptible to fluctuations and risks particular to U. S. consumer credit than a more diversified company. For example, our business is particularly sensitive to macroeconomic conditions that affect the U. S. economy, consumer spending and consumer credit. We are also more susceptible to the risks of increased regulations and legal and other regulatory actions that are targeted at consumer credit or the specific consumer credit products that we offer, such as **legislation and** regulations relating to credit card late fees, finance charges and promotional financing. Our business concentration could have an adverse effect on our results of operations. We expect growth to result, in part, from new and acquired credit card and other loan programs whose performance could result in increased portfolio losses and negatively impact our profitability. We expect an important source of our growth to come from new and acquired credit card and other loan programs. We cannot be assured that the loss experience on new and acquired programs will be consistent with our more established programs, or that the cost to provide service to these new and acquired programs will not be higher than anticipated. The failure to successfully underwrite these new and acquired programs may result in defaults greater than our expectations and could have a material adverse impact on us and our profitability. See "Our risk management policies and procedures may not be effective, and the models we rely on may not be accurate or may be misinterpreted." Moreover, under the CECL accounting rules, the acquisition of an existing credit card or ~~BNPL other loan~~ portfolio typically has a negative impact on certain key financial metrics in the near-term, including Net income and Earnings per share, because we are required to include a reserve build in our Provision for credit losses for the estimated credit losses to be experienced over the life of the acquired portfolio. The amount of this reserve build (~~which is~~ included in the reporting period in which the portfolio is obtained) is often large relative to the amount of revenue generated through such date by the newly-acquired portfolio. See also "– The amount of our Allowance for credit losses could adversely affect our business and may prove to be insufficient to cover actual losses on our loans." below. Our risk management framework, which seeks to identify and mitigate current or future risks and appropriately balance risk and return, may not be comprehensive or fully effective. As regulations and competition continue to evolve, our risk management framework may not always keep sufficient pace with those changes. If our risk management framework does not effectively identify or mitigate our risks, we could suffer unexpected losses and could be materially adversely affected. We rely extensively on models in managing many aspects of our business, including liquidity and capital planning (including stress testing), customer selection, **underwriting and line management**, credit and other risk management, pricing, reserving and collections management. The models may prove in practice to be less predictive than we expect for a variety of reasons, including as a result of errors in constructing, interpreting or using the models or the use of inaccurate assumptions (including models being calibrated on historical cycles and correlations which may not be predictive of the future, or failures to update assumptions appropriately or in a timely manner). Our assumptions may be inaccurate for many reasons including that they often involve matters that are inherently difficult to predict and beyond our control (e. g., macroeconomic conditions, including continued elevated inflation, low unemployment, increasing

consumer debt levels and weakening in macroeconomic indicators, and their impact on partner and customer behaviors) and they often involve complex interactions between a number of dependent and independent variables, factors and other assumptions. **In particular, in recent years, we have observed rates and correlations among several key macroeconomic variables, such as unemployment and interest rates, perform outside of observed historical norms, which could impact the reliability of certain models in the current economic environment.** The errors or inaccuracies in our models may be material, and could lead us to make poor or sub-optimal decisions in managing our business, and this could have a material adverse effect on our business, results of operations and financial condition. Fraudulent activity associated with our products and services could negatively impact our operating results, brand and reputation and cause the use of our products and services to decrease and our fraud losses to increase. We are subject to the risk of fraudulent activity associated with **our products and services, as well as** retailers, partners, other merchant parties or third-party service providers handling consumer information - ~~Our fraud-related operational losses were \$ 127 million, \$ 73 million and \$ 71 million for the years ended December 31, 2023, 2022 and 2021, respectively.~~ Our products are susceptible to application fraud because, among other things, we provide immediate access to credit at the time of approval. In addition, digital sales on the internet and through mobile channels continue to be a larger part of our business, and fraudulent activity is higher as a percentage of sales in those channels than in brick-and-mortar store ~~locations~~ **transactions**. The different financial products we offer, including deposit products, are susceptible to different types of fraud, and, depending on our product mix and channel mix, we may continue to experience variations in, or levels of, fraud-related ~~expense~~ **expenses** that are different from or higher than those experienced by some of our competitors or the industry generally. The risk of fraud continues to increase for the financial services industry, and credit card and deposit fraud, identity theft and related crimes are likely to continue to be prevalent, with increasingly sophisticated perpetrators. **More recently, emerging generative AI capabilities, such as synthetic voice and conversation generation, introduced new fraud risks, especially in the form of identity fraud.** Our resources, technologies and fraud prevention tools may be insufficient to accurately detect and prevent fraud. **Our fraud-related operational losses were \$ 65 million, \$ 127 million and \$ 73 million for the years ended December 31, 2024, 2023 and 2022, respectively.** During 2023, we believe the financial services industry generally experienced an uptick in both the volume and sophistication of fraud attacks, and we also experienced that trend in our business, with fraud-related operational losses increasing significantly from 2022 levels. **While we were successful in decreasing fraud-related losses in 2024, the perpetrators of fraud attacks remain persistent and we cannot provide assurance that fraud-related losses will remain at these lower levels going forward. In addition to direct financial impacts, High-high** profile fraudulent activity could also negatively ~~impact~~ **affect** our brand and reputation, which could negatively impact the use of our services, leading to a material adverse effect on our results of operations. In addition, significant increases in fraudulent activity could lead to regulatory intervention, including, but not limited to, additional consumer notification requirements, increasing our costs and negatively impacting our operating results, net income and profitability. **Regulators and consumer activists have also sought to expand financial institutions' responsibility to hold customers harmless for fraudulent transactions on their accounts, which increases our exposure to fraud-related losses.** The Financial Accounting Standards Board's CECL accounting standard became effective for us on January 1, 2020 and requires us to determine periodic estimates of the lifetime expected credit losses on loans, and reserve for those expected credit losses through an allowance for credit losses against the loans. In addition, as referenced above, for loan portfolios we acquire, we are required to establish at the time of acquisition such an allowance for credit losses. Any subsequent deterioration in the performance of a purchased portfolio after acquisition results in incremental credit loss reserves. Growth in our loan portfolio generally would also lead to an increase in our Allowance for credit losses. The process for establishing an allowance for credit losses is critical to our results of operations and financial condition, and requires complex modeling and judgments, including forecasts of economic conditions. The ongoing impact of CECL will be significantly influenced by the composition, characteristics and quality of our Credit card and other loans, as well as the prevailing economic conditions and forecasts utilized. For additional information regarding our Allowance for credit losses, see Note 3, "Allowance for Credit Losses" to our audited Consolidated Financial Statements included as part of this Annual Report on Form 10-K. The CECL model may create more volatility in the level of our Allowance for credit losses. If we are required (as a result of any review, update, regulatory guidance or otherwise) to materially increase our level of the Allowance for credit losses, such increase could adversely affect our business, financial condition, results of operations and opportunity to pursue new business. Moreover, we may underestimate our expected credit losses, and we cannot assure that our Allowance for credit losses will be sufficient to cover actual losses. We may not be successful in realizing the benefits associated with our acquisitions, dispositions and strategic investments, and our business and reputation could be materially adversely affected. Historically, we have acquired a number of businesses, as well as made strategic investments in businesses, products, technologies, platforms or other ventures, and we expect to continue to evaluate potential acquisitions, investments and other transactions in the future. There is no assurance that we will be able to successfully identify suitable candidates for any such opportunities, value any such opportunities accurately, negotiate favorable terms for any such opportunities, or successfully complete any such proposed transactions. If we are unable to identify attractive acquisition candidates or accretive new business opportunities, our growth could be limited. Similarly, we may evaluate the potential disposition of, or elect to divest, assets or portfolios that no longer complement our long-term strategic objectives, as we did in November 2021, when we completed the spinoff of our LoyaltyOne segment. ~~When a determination is made~~ **See also "Risks Related to divest assets or portfolios, we may encounter difficulty attaining buyers or effecting desired exit strategies in a timely manner or on acceptable terms and may be subject to market forces leading to a divestiture on less than optimal price or other** ~~the terms~~ **LoyaltyOne Spinoff." below.** In addition, there are numerous risks associated with acquisitions, dispositions and the implementation of new business opportunities, including, but not limited to: • ~~the difficulty and expense that we incur in connection with the acquisition, disposition or new business opportunity;~~ • ~~the inability to satisfy pre-closing conditions preventing consummation of the acquisition, disposition or new business opportunity;~~

• the potential for adverse consequences when conforming the acquired company's accounting policies to ours; • the diversion of management's attention from other business concerns; • the potential loss of customers or key employees of the acquired company; • the impact on our financial condition due to the timing of the acquisition, disposition or new business implementation or the failure of the acquired or new business to meet operating expectations; • continued financial responsibility with respect to a divested business, including required equity ownership, guarantees, indemnities or other financial obligations; • the assumption of unknown liabilities of the acquired company; • the uncertainty of achieving expected benefits of an acquisition or disposition, including revenue, human resources, technological or other cost savings, operating efficiencies or synergies; • the inability to integrate systems, personnel or technologies from our acquisitions and strategic investments; • unforeseen legal, regulatory or other challenges that we may not be able to manage effectively; • and the reduction of cash available for operations, payment of dividends, stock repurchase programs or other uses and potentially dilutive issuances of equity securities or incurrence of additional debt ; • the requirement to provide transition services in connection with a disposition resulting in the diversion of resources and focus; and • the difficulty retaining and motivating key personnel from acquisitions or in connection with dispositions. For example, upon the disposition of Epsilon in July 2019, we agreed to indemnify Publicis Groupe S. A. for the matter included in Note 15, "Commitments and Contingencies" to the audited Consolidated Financial Statements, which has resulted in a \$ 150 million charge associated with Epsilon's deferred prosecution agreement with the United States Department of Justice requiring two \$ 75 million payments in January 2021 and January 2022, respectively. See also "Risks Related to the LoyaltyOne Spinoff." below. Furthermore, if the operations of an acquired or new business do not meet expectations, our profitability may decline and we may seek to restructure the acquired business or to impair the value of some or all of the assets of the acquired or new business. Competition in our industry is intense, and the markets for the services that we offer may contract or fail to expand, each of which could negatively impact our growth and profitability. The markets for our products and services are highly competitive, and we expect this competition to intensify. Our growth and continued profitability depend on continued acceptance or adoption of the products and services we offer. We compete with a wide range of businesses, and some of our current competitors have longer operating histories, stronger brand names and greater financial, technical, marketing and other resources than we do. Moreover, the consumer credit and payments industry is highly competitive and we face an increasingly dynamic industry as emerging technologies enter the marketplace. For a more detailed discussion regarding how the manner in which we compete with respect to each of our product categories, see "Item 1. Business — Competition" of this Form 10-K above. Additionally, downturns in the economy or the performance of our retail or other partners, including as a result of macroeconomic conditions, geopolitical events or global health events such as COVID-19 or other pandemic or endemic diseases, may result in a decrease in the demand for our products and services. Our ability to generate significant revenue from partners and customers will depend on our ability to differentiate ourselves through the products and services we provide and the attractiveness of our programs to consumers. If we are not able to differentiate our products and services from those of our competitors, drive value for our partners and their customers, or effectively and efficiently align our resources with our goals and objectives, we may not be able to compete effectively in the market. Any decrease in the demand for our products and services for the reasons discussed above or any other reasons could have a material adverse effect on our growth, revenue and operating results. Our results of operations and growth depend on our ability to retain existing partners and attract new partners. The majority of our revenue is generated from the credit products we provide to customers of our partners pursuant to program agreements that we enter into with our partners. As a result, our results of operations and growth depend on our ability to retain existing partners and attract new partners. Historically, there has been turnover in our partners, and we expect this will continue in the future. See also, "A significant percentage of our Total net interest and non-interest income, or revenue, is generated through our relationships with a limited number of partners, and a decrease in business from, or the loss of, any of these partners could cause a significant drop in our revenue." There is significant competition for our existing partners, and our failure to retain our existing larger partner relationships upon the expiration of a contractual arrangement or our earlier loss of a relationship upon the exercise of a partner's early termination rights, or the expiration or termination of a substantial number of smaller partner contracts or relationships, could have a material adverse effect on our results of operations (including growth rates) and financial condition to the extent we do not acquire new partners of similar size and profitability or otherwise grow our business. In addition, existing relationships may be renewed with less favorable terms to us in response to increased competition for such relationships. The competition for new partners is also significant, and our failure to attract new partners could adversely affect our ability to grow. Our results depend, to a significant extent, on the active and effective promotion and support of our products by our brand partners. Our partners generally accept most major credit cards and various other forms of payment; therefore our success depends, in part, on their active and effective promotion of our products to their customers. We depend on our partners to integrate the use of our credit products into their operations, including into their in-store and online shopping experiences and loyalty programs. We rely on our partners to train their sales and call center associates about our products and to have their associates encourage customers to apply for, and use, our products and otherwise effectively market our products. If our partners do not effectively promote and support our products, or if they make changes in their business models that negatively impact card usage, these actions could have a material adverse effect on our business and results of operations. Partners may also implement or fail to implement changes in their systems and technologies that may disrupt the integration between their systems and technologies and ours, any of which could disrupt the use of our products. In addition, if our partners engage in improper business practices, do not adhere to the terms of our program agreements or other contractual arrangements or standards, or otherwise diminish the value of our brand, we may suffer reputational damage and customers may be less likely to use our products, which could have a material adverse effect on our business and results of operations. Our results are impacted, to a significant extent, by the financial performance of our partners. Our ability to originate new credit card accounts, generate new loans, and earn interest and fees and other income is dependent, in part, upon sales of merchandise and services by our partners. The retail and other industries in

which our partners operate are intensely competitive. Our partners' sales may decrease or may not increase as we anticipate for various reasons, some of which are in the partners' control and some of which are not. For example, partner sales have been, and in the future may be adversely affected by pandemic or endemic diseases like COVID-19 or other macroeconomic conditions having a national, regional or more local effect on consumer spending, business conditions affecting the general retail environment, such as supply chain distributions or the ability to maintain sufficient staffing levels or a particular partner or industry, or natural disasters or other catastrophes affecting broad or more discrete geographic areas. If our partners' sales decline for any reason, it generally results in lower credit sales, and therefore lower loan volumes and associated interest and fees and other income for us from our customers. In addition, if a partner closes some or all of its stores or becomes subject to a voluntary or involuntary bankruptcy proceeding (or if there is a perception that such an event may occur), its customers who have used our financing products may have less incentive to pay their outstanding balances to us, which could result in higher charge-off rates than anticipated and our costs for servicing its customers' accounts may increase. This risk is particularly acute with respect to our largest partners that account for a significant amount of our Total net interest and non-interest income. See "A significant percentage of our Total net interest and non-interest income, or revenue, is generated through our relationships with a limited number of partners, and a decrease in business from, or the loss of, any of these partners could cause a significant drop in our revenue." Moreover, if the financial condition of a partner deteriorates significantly or a partner becomes subject to a bankruptcy proceeding, we may not be able to recover customer returns, customer payments made in partner stores or other amounts due to us from the partner. A decrease in sales by our partners for any reason, or a bankruptcy proceeding involving any of them could have a material adverse impact on our business and results of operations. We may not be successful in our efforts to promote usage of our DTC credit cards, or to effectively control the costs associated with such promotion, both of which may materially impact our profitability. We have been investing in promoting the use of our DTC credit cards, including our Bread Cashback™ -- Cashback American Express credit Card that we launched in 2022 and our recently-launched Bread Rewards™ -- Rewards American Express credit Card, but there can be no assurance that our investments to acquire cardholders, provide differentiated features and services and increase the use of our DTC credit cards will be effective, particularly with increasing competition from other card issuers and fintechs, as well as changing consumer and business behaviors. In addition, if we develop new products or offers that attract customers looking for short-term incentives rather than incentivizing long-term loyalty, cardholder attrition and costs could increase. Moreover, we may not be able to cost-effectively manage and expand cardholder benefits, including controlling the growth of marketing, promotion, rewards and cardholder services expenses in the future. Reductions in interchange fees may reduce, or changes in the competitive advantages laws and regulations governing such fees, could have various adverse impacts on our business private label credit card products currently have by virtue of not charging interchange fees and would reduce our income earned from those fees on co-brand and general purpose credit card transactions. Interchange is a fee merchants pay to the interchange payment network networks in exchange for using the use of the network's infrastructure and payment facilitation, and some of which are is paid to credit card issuers to compensate them for the risk they bear in lending money to customers. We earn interchange fees on co-brand and general purpose credit card transactions, but we typically do not charge or earn interchange fees from our partners or customers on our private label credit card products. Certain Merchants merchants, trying in an effort to decrease their operating expenses, have with sought to, and have had some success at, sought to lowering --- lower interchange rates fees, including through promoting alternative payment platforms with lower processing costs and lobbying for legislative or regulatory changes. Several recent events and actions indicate a continuing increase in focus on interchange by both legislators, regulators and merchants. In 2023, for example, legislation was reintroduced in the U. S. House of Representatives and Senate, which, among other things, would require large issuing banks (over \$ 100 billion) to offer a choice of at least two unaffiliated networks over which electronic transactions may be processed. At the state level, the Illinois legislature passed a bill that would, beginning in July 2025, prohibit the charging of interchange fees on sales tax and gratuities and restrict use of electronic payment transaction data except to facilitate or process the transaction or as required by law. This Illinois legislation is being challenged in federal court. Similar legislation has been introduced in other states and, absent a successful legal challenge, these bills would have a number of adverse impacts on us, including negatively impacting our interchange revenue and creating operational challenges. Furthermore, beyond pursuing litigation, legislation and regulation, merchants are also pursuing alternate payment platforms as a means to lower payment processing costs. To the extent interchange fees are reduced, one of our current competitive advantages with our partners — that we typically do not charge interchange fees when our private label credit card products are used to purchase our partners' goods and services — may be reduced. Moreover, to the extent interchange fees are reduced, our income from those fees will be lower on co-brand and general purpose credit card transactions. As a result, a reduction in interchange fees could have a material adverse effect on our business and results of operations. In addition, for our co-brand and general purpose credit cards, we are subject to the operating regulations and procedures set forth by the interchange payment network networks. Our, and our failure to comply with these operating regulations, which may change from time to time, could subject us to various penalties or fees, or the termination of our license to use the interchange applicable payment network, all of which could have a material adverse effect on our business and results of operations. We may not be able to retain and / or attract and hire a highly qualified and diverse workforce or maintain our corporate culture, and having a large segment of our workforce working from home may exacerbate these risks and cause new risks. Our performance largely depends on the talents and efforts of our employees, particularly our key personnel and senior management. We may be unable to retain or to attract highly qualified employees. The market for key personnel is highly competitive, particularly in technology and other skill areas significant to our business. Failure to attract, hire, develop, motivate and retain highly qualified and diverse employee talent, or to maintain a corporate culture that fosters innovation, creativity and teamwork could harm our overall business and results of operations. We rely on key personnel to lead with integrity and decency. To the extent our leaders behave in a manner that is not consistent with our

values, we could experience significant impacts to our brand and reputation, as well as to our corporate culture. Moreover, in connection with the COVID-19 pandemic, we transitioned nearly all of our workforce to work remotely, and nearly all of our workforce continues to work on a hybrid office / remote schedule. Remote work by a majority of our employee population may impact our culture and employee engagement with our company, which could affect productivity and our ability to retain employees who are critical to our operations and may increase our costs and impact our results of operations. **Moreover, in addition,** work from home policies by other companies may create more job opportunities for employees and make it more difficult for us to attract and retain key talent, especially in light of changing worker expectations and talent marketplace variability regarding flexible work models. In addition, employees who work from home rely on residential communication networks and internet providers that may not be as resilient as commercial networks and providers, and therefore may be more susceptible to service interruptions and cyberattacks than commercial systems. Our business continuity and disaster recovery plans, which have been historically developed and tested with a focus on centralized delivery locations, may not work as effectively in a distributed work from home model, where weather impacts, network and power grid downtime may be difficult to manage. ~~In addition, we may not be effective in timely updating our existing operating and administrative controls nor implementing new controls tailored to the work from home environment.~~ If we are unable to manage the work from home environment effectively to address these and other risks, our reputation and results of operations may be impacted. Our operations and financial performance could be adversely affected by severe weather and natural disasters, as well as by climate change and ESG-related regulations and actions. Severe weather events and natural disasters could have a material adverse effect on our financial position and results of operations, and the timing and effects of any such event cannot accurately be predicted. The frequency and severity of some types of weather events and natural disasters, including wildfires, tornadoes, severe storms and hurricanes, have increased **in recent years as a result of climate change**, which further reduces our ability to predict their effects accurately. These such events could affect us directly (for example, by interrupting our systems, impacting the power grid, damaging our facilities or otherwise preventing us from conducting our business in the ordinary course) or indirectly (for example, by damaging or destroying brand partner businesses **or customers' homes**, impacting our service providers or otherwise impairing customers' ability to repay their loans). **Many of our customers were affected by the particularly intense 2024 hurricane season in the U. S. As a result of these hurricanes, we froze delinquency progression for cardholders in Federal Emergency Management Agency (FEMA) identified impact zones for one billing cycle, which resulted in modestly lower Net principal losses and Net loss rate in the fourth quarter of 2024, and consequently these actions will negatively impact Net principal losses and the Net loss rate in the second quarter of 2025.** In addition, ~~as many governments, investors and other stakeholders face additional~~ **are under pressures** ~~pressure~~ to accelerate actions to address climate change and other environmental, social and governance topics ~~, governments are implementing.~~ **This has led to new regulations and investors and expectations, which may be conveyed to us in other** ~~-- the form of~~ **stakeholders, whether by stockholder proposals, public campaigns, proxy solicitations or otherwise, are imposing new expectations on, or focusing investments in ways** that may cause significant shifts in ~~, disclosure, commerce and consumption behaviors.~~ Any of these developments may **increase impact** our operating costs and ~~otherwise negatively impact~~ our business. **In For example, in March 2022-2024, the SEC proposed new issued final** rules relating to the disclosure of a range of climate-related risks and other information. **Multiple lawsuits were filed against the SEC, and the SEC issued a voluntary stay of the rules, pending review by the U. S. Court of Appeals for the Eighth Circuit, where the litigation had been consolidated.** To the extent these rules ~~are finalized~~ **become effective** as proposed ~~issued~~, we and / or our partners could incur increased costs related to the assessment and disclosure of climate-related information. Our failure to comply with these requirements, if adopted, or any future regulatory requirements or disclosure standards, may expose us to government enforcement actions or private litigation and otherwise damage our reputation, any of which could adversely impact our business. **Conversely, other stakeholders hold differing views on sustainability-related goals and initiatives. Certain state governments and activist groups, and most recently the new Presidential Administration through a series of executive orders and other actions, have pursued measures that appear designed to discourage companies from engaging in ESG practices or adhering to certain ESG principles. These circumstances, among others, may result in pressure from investors, unfavorable reputational impacts, including inaccurate perceptions or misrepresentation of our actual business practices, diversion of management's attention and resources, and potential proxy fights, among other adverse impacts. Any failure, or perceived failure, by us to adhere to our public statements, comply fully with developing interpretations of sustainability-related laws and regulations, or meet evolving and varied stakeholder expectations and standards could negatively impact our business, reputation, financial condition and operating results.** Our Board ~~- approved~~ **sustainability an enhanced and modernized ESG strategy**, which focuses on **opportunities to create value for all our stakeholders, while advancing our long-term financial and reputational goals, is** intended to drive additional progress on initiatives that promote sustainability, **responsible business practices** ~~diversity, equity and inclusion,~~ and increased transparency in our disclosures ~~as we.~~ **We** continue to advance the integration of **ESG sustainability** into our overall governance and risk management practices. Statements in this and other filings we make with the SEC and other public statements, including in our annual **ESG sustainability** reports, related to these initiatives reflect our current plans and expectations and are not a guarantee that these initiatives will be achieved or achieved on the currently anticipated timeline. Our ability to execute on our **ESG sustainability** strategy or achieve **ESG sustainability** initiatives is subject to numerous factors and conditions, some of which are outside of our control. ~~Investor and regulatory focus on ESG matters continues to increase. If our ESG initiatives do not meet our investors' or other stakeholders' evolving expectations and standards, investment in our stock may be viewed as less attractive and our contractual, employment and other business relationships may be adversely impacted.~~ Damage to our reputation could damage our business. In recent years, financial services companies have experienced increased reputational risk as consumers protest and regulators scrutinize business and compliance practices of such companies. Maintaining a positive reputation is

critical to attracting and retaining partners, customers, investors and employees. Damage to our reputation can therefore cause significant harm to our business and prospects. Harm to our reputation can arise from numerous sources, including, among others, employee misconduct; a breach of our or our service providers' cybersecurity defenses; service outages, such as those many of our customers experienced in 2022 in connection with the transition of our credit card processing services to strategic outsourcing providers; litigation or regulatory outcomes; stockholder activism; failing to deliver minimum standards of service and quality; compliance failures; the use of our, or our partners' products to facilitate legal, but controversial, products and services, including adult content, cryptocurrencies, firearms and gambling activity; and the activities of customers, business partners and counterparties. Social media also can cause harm to our reputation. By its very nature, social media can reach a wide audience in a very short amount of time, which presents unique challenges for corporate communications. Negative or otherwise undesirable publicity generated through unexpected social media coverage can damage our reputation and brand. Negative publicity regarding us, whether or not true, may result in customer attrition and other harm to our business prospects. There has also been increased focus on topics related to environmental, social and governance policies, and criticism of our policies in these areas could also harm our reputation and / or potentially limit our access to some forms of capital or liquidity.

Liquidity, Market and Credit Risks We need to effectively manage our funding and liquidity in order to meet our cash requirements such as day- to- day operating expenses, extensions of credit to our customers, investments to grow our business, payments of principal and interest on our borrowings and payments on our other obligations. Our primary sources of funding and liquidity are collections from our customers, deposits, funds from securitized financings and proceeds from unsecured borrowings, including our credit facility and outstanding senior notes. If we do not have sufficient liquidity, we may not be able to meet our debt service requirements and other obligations, particularly during a liquidity stress event. If we maintain or are required to maintain too much liquidity, it could be costly and reduce our financial flexibility. We will need additional financing in the future to repay or refinance our existing debt at maturity, or otherwise, and to fund our growth. As of the date of this Annual Report on Form 10- K, we had outstanding \$ ~~100~~ **10** million of 7.000 % senior notes due in January 2026, \$ ~~316~~ million of 4.25 % convertible senior notes due in June 2028 and \$ 900 million of 9.750 % senior notes due in March 2029. The availability of additional financing will depend on a variety of factors such as financial market conditions generally, including the availability of credit to the financial services industry and our lender counterparties' willingness to lend to us, consumers' willingness to place money on deposit with us, our performance and credit ratings and the performance of our securitized portfolios. As an example of circumstances impacting our lenders' willingness to lend, U. S. federal banking regulators proposed new rules in July 2023, commonly referred to as the Basel III " Endgame " or B3E, which would significantly revise the capital requirements applicable for large banking organizations with total assets of \$ 100 billion or more. While the proposed B3E rules would not directly apply to us because we are under the \$ 100 billion asset threshold, most of our institutional lenders would be subject to the enhanced capital requirements under B3E, which could limit their lending capacity available to lend to us and other borrowers. Disruptions, uncertainty or volatility in the capital, credit or deposit markets, such as the uncertainty and volatility experienced in the capital and credit markets during recessions and periods of financial stress, may limit our ability to obtain additional financing or refinance maturing liabilities on desired terms (including funding costs) in a timely manner, or at all. As a result, we may be forced to delay obtaining funding or be forced to issue or raise funding on undesirable terms, which could significantly reduce our financial flexibility and cause us to contract or not grow our business, all of which could have a material adverse effect on our results of operations and financial condition. Given **potential changes in the current high** interest rate environment and other recessionary pressures, the debt markets **are may be** volatile, and there can be no assurance that significant disruptions, uncertainties and volatility will not occur in the future. Specifically, availability of capital from the non- investment grade debt markets **is currently may be** subject to significant volatility, and there can be no assurance that we will be able to access those markets at attractive rates, or at all. It is possible that we will be required to repay or refinance some or all of our maturing debt in volatile and / or unfavorable markets. If we are unable to continue to fund our business operations, access capital markets for debt refinancings and otherwise, and attract deposits on favorable terms and in a timely manner, or if we experience an increase in our borrowing costs or otherwise fail to manage our liquidity effectively, our results of operations and financial condition may be materially adversely affected. If we are unable to securitize our credit card loans due to changes in the market or other circumstances or events, we may not be able to fund new credit card loans, which would have a material adverse effect on our operations and profitability. A significant source of funding is our securitization of credit card loans, which involves the transfer of credit card loans to a trust, and the issuance by the trust of notes to third- party investors collateralized by the beneficial interest in the transferred credit card loans. A number of factors affect our ability to fund our credit card loans in the securitization market, some of which are beyond our control, including: • conditions in the securities markets in general and the asset- backed securitization market in particular; • availability of loans for securitization; • conformity in the quality of our credit card loans to rating agency requirements and changes in that quality or those requirements; • costs of securitizing our credit card loans; • ability to fund required over- collateralization or credit enhancements, which are routinely **used utilized in order** to achieve better credit ratings to lower borrowing cost; and • the legal, regulatory, accounting or tax rules affecting securitization transactions and asset- backed securities, generally. Moreover, as a result of Basel III, which refers generally to a set of regulatory reforms adopted in the U. S. and internationally that are meant to address issues that arose in the banking sector during the 2008- 2010 financial crisis, banks have become subject to more stringent capital, liquidity and leverage requirements. In response to Basel III, certain lenders of private placement commitments within our securitization trusts have sought and obtained amendments to their respective transaction documents permitting them to delay disbursement of funding increases by up to 35 days. Although funding may be requested from other lenders who have not delayed their funding, access to financing could be disrupted if all of the lenders implement such delays or if the lending capacities of those who did not do so were insufficient to make up the shortfall. ~~In addition-~~ **Furthermore, if adopted in its current form, the B3E rules would generally require large U. S. banking organizations to maintain higher levels of**

capital than under the current Basel III requirements. These higher capital requirements could cause our institutional lenders to reduce their lending activities and increase our securitization trusts' borrowing costs. For example, excess spread may be affected if the a securitization trust' s borrowing costs increase as a result of Basel III the proposed B3E changes to existing capital requirements. Such cost increases may result, for example, because the investors are entitled to indemnification for increased costs resulting from such regulatory changes, such as increased capital requirements. The inability to securitize credit card loans due to changes in the market, regulatory proposals, the unavailability of credit enhancements, or any other circumstance or event would have a material adverse effect on our operations, cost of funds and overall financial condition. The occurrence of events that result in the early amortization of our existing credit card securitization transactions or an inability to delay the accumulation of principal collections for our existing credit card securitization transactions would materially adversely affect our liquidity. Our liquidity and cost of funds would be materially adversely affected by the occurrence of events that could result in the early amortization of our existing credit card securitization transactions. Early amortization events may occur as a result of certain adverse events specified for each asset- backed securitization transaction, including, among others, deteriorating asset performance or material servicing defaults. In addition, certain series of funding securities issued by our securitization trusts are subject to early amortization based on triggers relating to the bankruptcy of one or more retailers or other partners. Deteriorating economic conditions and increased competition in the retail industry, among other factors, may lead to an increase in bankruptcies among retailers who have entered into credit card programs with us. The bankruptcy of one or more retailers or other partners could lead to a decline in the amount of new loans and could lead to increased delinquencies and defaults on the associated loans. Any of these effects of a partner bankruptcy could result in the commencement of an early amortization for one or more series of such funding securities, particularly if such an event were to occur with respect to a retailer or other partner relating to a large percentage of such securitization trust' s assets. The occurrence of an early amortization event may significantly limit our ability to securitize additional loans and materially adversely affect our liquidity. Lower payment rates on our securitized credit card loans could materially adversely affect our liquidity and financial condition. Certain collections from our securitized credit card loans come back to us through our subsidiaries, and we use these collections to fund our purchase of newly originated loans to collateralize our securitized financings. If payment rates on our securitized credit card loans are lower than they have historically been, fewer collections will be remitted to us on an ongoing basis. Further, certain series of our asset- backed securities include a requirement that we accumulate principal collections in a restricted account for a specified number of months prior to the applicable security' s maturity date. We are required under the program documents to lengthen this accumulation period to the extent we expect the payment rates to be low enough that the current length of the accumulation period is inadequate to fully fund the restricted account by the applicable security' s maturity date. Lower payment rates, and in particular payment rates that are low enough that we are required to lengthen our accumulation periods, could materially adversely affect our liquidity and financial condition. Inability to grow or maintain our deposit levels in the future could have a material adverse effect on our liquidity, ability to grow our business and profitability. A significant source of our funds is customer deposits, primarily in the form of certificates of deposit and other savings products. We obtain deposits directly from retail and commercial customers or through brokerage firms that offer our deposit products to their customers. In recent years, deposits have become an increasingly important source of funds for us, with, for example, our retail-DTC deposits growing 18-19 % from \$ 5-6 . 5 billion as of December 31, 2022-2023 to \$ 6-7 . 5-7 billion as of December 31, 2023-2024, accounting for 34 and average DTC deposits representing 43 % of our total funding base sources. Our funding strategy includes continued growth of our liquidity through deposits. The deposit business continues to experience intense competition in attracting and retaining deposits. We compete on the basis of the rates we pay on deposits, the quality of our customer service and the competitiveness of our digital banking capabilities. Our ability to attract and maintain retail deposits remains highly dependent on the products we offer, the strength of our Banks, the reputability of our business practices and our financial health. Adverse perceptions regarding our lending practices, regulatory compliance, protection of customer information or sales and marketing practices, or actions taken by regulators or others with respect to our Banks, could impede our competitive position in the deposits market. Furthermore, the failures of other financial institutions (such as those of Silicon Valley Bank and Signature Bank in early 2023) or broader concerns about the financial services industry may cause deposit outflows as customers spread deposits among several different banks so as to maximize their amount of FDIC insurance, move deposits to banks deemed " too big to fail " or remove deposits from the banking system entirely. The demand for the deposit products we offer may also be reduced due to a variety of factors, including macroeconomic events, changes in interest rates, changes in consumers' preferences, demographics or discretionary income, regulatory actions that decrease consumer access to particular products or the development or availability of competing products. Competition from other financial services firms and others that use deposit funding products may affect deposit renewal rates, costs or availability. Conversely, any adjustments we make to the rates offered on our deposit products to remain competitive may adversely affect our liquidity or our profitability. The FDIA prohibits an insured bank from offering interest rates on any deposits that significantly exceed rates in its prevailing market, unless it is " well capitalized ". A bank that is less than " well capitalized " may not pay an interest rate on any deposit in excess of 75 basis points over certain prevailing market rates. There are no such restrictions under the FDIA on a bank that is " well capitalized " and as of December 31, 2023-2024, each of our Banks met or exceeded all applicable requirements to be deemed " well capitalized " for purposes of the FDIA. However, there can be no assurance that our Banks will continue to meet those requirements. Any limitation on the interest rates our Banks can pay on deposits may competitively disadvantage us in attracting and retaining deposits, resulting in a material adverse effect on our business. The FDIA also prohibits an insured bank from accepting brokered deposits, unless it is " well capitalized " or it is " adequately capitalized " and receives a waiver from the FDIC. Limitations on our Banks' ability to accept brokered deposits for any reason (including regulatory limitations on the amount volume of brokered deposits in total or as a percentage of total assets) in the future could materially adversely impact our liquidity, funding costs and profitability. In

December 2020, the FDIC updated its regulations that implement Section 29 of the FDIA to establish a new framework for analyzing whether certain deposit arrangements qualify as brokered deposits. This brokered deposit rule establishes bright-line standards for determining whether an entity meets the statutory definition of “ deposit broker ” and a consistent process for application of the primary purpose exception. All deposits on the Consolidated Balance Sheets of our Banks categorized as non-brokered in accordance with the ~~updated~~ **current** regulations mentioned above comply with all application requirements of those regulations. ~~Any~~ **However, in the third quarter of 2024, the FDIC issued a proposed rule that, if finalized as proposed, would expand the scope of deposits that constitute “ brokered deposits ” and therefore could potentially cause certain of our present or prospective deposits to be treated as brokered. While we cannot speculate on whether this proposed rule will be implemented or on what terms,** ~~limitation~~ **limitations** on the ability of our Banks to participate in the gathering of ~~brokered~~ deposits may competitively disadvantage us ~~in meeting~~, **impede our ability to meet** our funding goals and result in a material adverse effect on our business. As of December 31, ~~2023~~ **2024**, we had \$ 13. ~~6~~ **1** billion in deposits, with approximately \$ 6. ~~6~~ **8** billion in non-maturity savings deposits and approximately \$ 7. ~~6~~ **0** billion in certificates of deposit. If, for whatever reason, we are unable to grow or maintain our deposit levels, our liquidity, ability to grow our business and profitability could be materially adversely affected. Our level of indebtedness could materially adversely affect our ability to generate sufficient cash to repay our outstanding debt, and our ability to react to changes in our business and our incurrence of additional indebtedness to fund future needs could exacerbate these risks. Our level of indebtedness requires a high level of interest and principal payments. Subject to the limits contained in our credit agreement, the ~~indentures~~ **indenture** governing our senior notes and our other debt instruments, we may be able to incur substantial additional indebtedness from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our level of indebtedness could intensify. Our level of indebtedness increases the possibility that we may be unable to generate cash sufficient to pay, when due, the principal of, interest on or other amounts due in respect of our indebtedness. Our level of indebtedness, combined with our other financial obligations and contractual commitments, could:

- make it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations under any of our debt instruments, including restrictive covenants, could result in an event of default under our credit agreement, the ~~indentures~~ **indenture** governing our senior notes and the agreements governing our other indebtedness;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing funds available for working capital, capital expenditures, acquisitions or other new business and other corporate purposes;
- increase our vulnerability to adverse economic and industry conditions, which could place us at a competitive disadvantage or require us to dispose of assets to raise funds if needed for working capital or to pay, when due, the principal of, interest on or other amounts due in respect of our indebtedness;
- limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we and our brand partners operate;
- limit our ability to borrow additional funds, or to dispose of assets to raise funds, if needed, for working capital, capital expenditures, acquisitions or other new business and other corporate purposes;
- delay or abandon investments and capital expenditures;
- cause any refinancing of our indebtedness to be at higher interest rates and require us to comply with more onerous covenants, which could further restrict our business operations; and
- prevent us from raising the funds necessary to repurchase all senior notes tendered to us upon the occurrence of certain changes of control.

Restrictions imposed by the ~~indentures~~ **indenture** governing our senior notes, our credit agreement and our other outstanding or future indebtedness may limit our ability to operate our business and to finance our future operations or capital needs or to engage in other business activities. The terms of the ~~indentures~~ **indenture** governing our senior notes, our credit agreement and agreements governing our other debt instruments limit us and our subsidiaries from engaging in specified types of transactions. These covenants limit our and our subsidiaries’ ability, among other things, to:

- incur additional debt;
- declare or pay dividends, redeem stock or make other distributions to stockholders;
- make investments;
- create liens or use assets as security in other transactions;
- merge or consolidate, or sell, transfer, lease or dispose of substantially all of our assets;
- enter into transactions with affiliates;
- sell or transfer certain assets; and
- enter into any consensual encumbrance or restriction on the ability of certain of our subsidiaries to pay dividends or make loans or sell assets to us.

As a result of these covenants and restrictions, we may be limited in how we conduct our business, and we may be unable to raise additional indebtedness to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include more restrictive covenants. We cannot assure that we will be able to maintain compliance with these covenants in the future. If we fail to comply with such covenants, we may not be able to obtain waivers of non-compliance from the lenders and / or amend the covenants so that we are in compliance therewith. Any reduction in our credit ratings could increase the cost of our funding from, and restrict our access to, the capital markets and have a material adverse effect on our results of operations and financial condition. Ratings of our debt are based on a number of factors, including financial strength, as well as factors not within our control, including conditions affecting the financial services industry, and the macroeconomic environment. Our ratings could be downgraded at any time and without any notice by any of the rating agencies, which could, among other things, adversely limit our access to the capital markets and adversely affect the cost and other terms upon which we are able to obtain funding. Our ability to raise funding through the securitization market also depends, in part, on the credit ratings of the securities we issue from our securitization trusts. If we are not able to satisfy rating agency requirements to confirm the ratings of our asset-backed securities, it could limit our ability to access the securitization markets. Changes in market interest rates could negatively affect our profitability. Changes in market interest rates cause our finance charges and our interest expense to increase or decrease, as certain of our assets and liabilities carry interest rates that fluctuate with market ~~benchmarks~~ **rates**. We fund ~~credit~~ **Credit** card and other loans with a combination of fixed rate and floating rate funding sources that include deposits and securitized financings. We also have unsecured ~~term~~ debt that is subject to variable interest rates, and we may in the future incur additional debt or issue preferred equity that **may** rely on variable interest rates. ~~Beginning in March 2022, the Federal Reserve Board began raising the federal funds rate in an effort to curb inflation, and the Federal Reserve Board continued raising interest~~

rates throughout 2023. The interest rate benchmark for most of our floating rate assets is the Prime rate, and the interest rate benchmark for our floating rate liabilities is generally either the Secured Overnight Financing Rate (SOFR) or the Federal funds rate. The Prime rate and SOFR or the Federal funds rate could reset at different times or could diverge, leading to mismatches in the interest rates on our floating rate assets and floating rate liabilities. Interest rates are highly sensitive to many factors that are beyond our control, including general economic conditions, the competitive environment within our markets, consumer preferences for specific loan and deposit products, and policies of various governmental and regulatory agencies, in particular the Federal Reserve. Changes in monetary policy, including changes in interest rate rates controls being applied by the Federal Reserve, could influence the amount of interest we receive on our Credit card and other loans and the amount of interest we pay on deposits and borrowings. In 2022, we began indexing our variable rate debt to SOFR as a result of the discontinuation of the London Interbank Offered Rate (LIBOR) beginning in 2021. Accordingly, SOFR is a relatively new reference rate, has a limited history and is based on short-term repurchase agreements, backed by Treasury securities. Changes in SOFR can be volatile and difficult to predict, and there can be no assurance that SOFR will perform similarly to the way LIBOR would have performed at any time. As a result, the amount of interest we may pay on our credit facilities is may be difficult to predict. If the interest we pay on deposits and other borrowings increases at a faster rate than the interest we receive on our Credit card and other loans, our profitability would be adversely affected. Conversely, our profitability could also be adversely affected if the interest we receive on our Credit card and other loans falls more quickly than the interest we pay on deposits and other borrowings. While the interest rate increases to date have resulted in a nominal benefit on our results, there can be no assurance that future rate increases will not impact us negatively. We recognize that a customers' ability and willingness to repay us can be negatively impacted by factors such as inflation, which may result in greater delinquencies that lead to greater credit losses, as reflected in our increased Allowance for credit losses. If the efforts to control inflation in the U. S. and globally are not successful and inflationary pressures persist, they could magnify the slowdown in the domestic and global economies and increase the risk of a recession or prolonged economic slowdown, which may adversely impact our business, results of operations and financial condition. Future sales of our common stock, or the perception that future sales could occur, may adversely affect our common stock price. As of February 12 7, 2024 2025, we had an aggregate of 135 141, 775 999, 535 154 shares of our common stock authorized but unissued and not reserved for specific purposes. In general, we may issue all of these shares without any action or approval by our stockholders. We have reserved 5 9, 215 348, 434 807 shares of our common stock for issuance under our employee stock purchase plan and our long-term incentive plans, of which 886 921, 085 166 shares have been issued and 2, 056 762, 953 717 shares are issuable upon vesting of restricted stock awards and restricted stock units. Under the terms of the applicable indenture, we also reserved 10 337, 216 287, 897 shares in connection with the issuance of our 4.25 % convertible senior notes due in June 2028. We have reserved for issuance 1,500,000 shares of our common stock, 182 143, 927 633 of which remain issuable, under our 401 (k) Plan as of December 31, 2023 2024. In addition, we may issue shares of our common stock in connection with acquisitions. Sales or issuances of a substantial number of shares of common stock, or the perception that such transactions could occur, could adversely affect prevailing market prices of our common stock, and any sale or issuance of our common stock will dilute the ownership interests of existing stockholders. The market price and trading volume of our common stock may be volatile and our stock price could decline. The trading price of shares of our common stock has from time to time fluctuated widely and, in the future, may be subject to similar fluctuations. The trading price of our common stock may be affected by a number of factors, including our operating results, changes in our earnings estimates, additions or departures of key personnel, our financial condition, legislative and regulatory changes, general conditions in the industries in which we and our brand partners operate, general economic conditions, and general conditions in the securities markets. Other risks described in this Annual Report on Form 10-K could also materially adversely affect our share price. There is no guarantee that we will pay future dividends or repurchase shares of our common stock at a level anticipated by stockholders, which could reduce returns to our stockholders. Decisions to declare future dividends on, or repurchase our common stock will be at the discretion of our Board of Directors based upon a review of relevant considerations. Since October 2016, our Board of Directors has declared quarterly cash dividend payments on our outstanding common stock. Future declarations of quarterly dividends and the establishment of future record and payment dates are subject to approval by our Board of Directors. The Board's determination to declare dividends on, or repurchase shares of, our common stock will depend upon our profitability and financial condition, contractual restrictions, restrictions imposed by applicable laws and regulations, including those governing our Banks' ability to pay dividends and make distributions or other payments to us, and other factors that the Board of Directors deems relevant. For example, beginning with the second quarter of 2020, our Board of Directors reduced our quarterly dividend payment by 67 % from \$ 0.63 to \$ 0.21 per quarter. Based on an evaluation of these factors, the Board of Directors may determine in the future not to declare dividends at all, to declare dividends at a reduced amount, not to repurchase shares or to repurchase shares at reduced levels compared to historical levels, any or all of which could reduce returns to our stockholders. **Additionally, we may be unable to obtain regulatory approvals, if required, to repurchase shares.** We are a holding company and depend on payments from our subsidiaries. Although not a bank holding company as defined **under the Bank Holding Company Act**, Bread Financial Holdings, Inc. is our parent holding company and, as such, depends on dividends, distributions and other payments from subsidiaries, particularly our Banks, to fund dividend payments, any potential share repurchases, payment obligations, including debt obligations, and to provide funding and capital, as needed, to our other operating subsidiaries. Banking laws and regulations and our banking regulators may limit or prohibit our transfer of funds freely, either to or from our subsidiaries, at any time. These laws, regulations and rules may hinder our ability to access funds that we may need to make payments on our obligations or otherwise achieve strategic objectives. For more information, see "Business — Supervision and Regulation". In preparing our financial statements we make certain assumptions, judgments and estimates that affect amounts reported in our audited Consolidated Financial Statements, which, if not accurate, may significantly impact our financial results. We make assumptions, judgments and estimates in determining the Allowance for

credit losses, accruals for employee-related liabilities, accruals for uncertain tax positions, valuation allowances on deferred tax assets and legal contingencies. We also make assumptions, judgments and estimates for items such as the fair value of financial instruments, any impairment of goodwill, long-lived assets and other prepaid or intangible assets, the fair value of stock awards, as well as the recognition of revenue. These assumptions, judgments and estimates are drawn from historical experience and various other factors that we believe are reasonable under the circumstances as of the date of the audited Consolidated Financial Statements. Actual results could differ materially from our estimates as a result of adverse impacts from various factors, including regulatory or legislative changes, or if future macroeconomic conditions or future operating results differ significantly from our current assumptions, and such differences could significantly impact our financial results. Legal, Regulatory and Compliance Risks Our business is subject to extensive **and evolving** government regulation and supervision, which could materially adversely affect our results of operations and financial condition. We, primarily through our Banks and certain non-bank subsidiaries, are subject to extensive federal and state regulation **and**, supervision **and examination by regulators, including the FDIC, the Delaware Office of the State Bank Commissioner, the Utah Department of Financial Institutions, and the CFPB**. Banking and consumer financial protection **laws and** regulations are intended to protect consumers, depositors' funds, the DIF, and the safety and soundness of the banking system as a whole, not stockholders **and non-deposit creditors**. These **laws and** regulations affect our lending practices, capital structure, investment practices, dividend policy and growth, among other things. Federal and state legislative bodies and regulatory agencies continually review banking laws, regulations and policies for possible changes. Compliance with laws and regulations can be difficult and costly, and changes to laws and regulations, as well as increased intensity in supervision, often impose additional compliance costs. The scope of the laws and regulations and the intensity of the supervision to which we are subject have increased in recent years, initially in response to the 2008-2010 financial crisis, and more recently in light of other factors such as technological and market changes **and the high-profile bank failures in the first half of 2023**. We believe that regulatory enforcement and fines have also increased across the banking and financial services sector. Further, **while the new Presidential Administration and the congressional majorities in the U. S. Senate and House of Representatives support reducing the regulatory burden**, the scope of **legislation, executive action and** regulation and the intensity of supervision will likely remain **high uncertain** in the current regulatory **and political environment environments at both the federal and state levels**, including with respect to late fees, **finance charges**, interchange fees, **credit card reward programs** and other matters. Such changes could subject us to additional costs, limit the types of financial services and products we may offer, and / or limit what we may charge for certain banking services, among other things. For example, in ~~February~~ **March 2023-2024**, the CFPB published a ~~proposed final~~ rule that would significantly reduce the amount of late fees that we are authorized to charge under the CARD Act safe harbor. The CFPB's ~~proposed~~ late fee rule **and, which its- is potential impact on our business are currently subject to a preliminary injunction, is** discussed in more detail in the subsequent risk factor below. Other examples of **federal and state and federal** legislation we are tracking include legislation intended to place caps on the interest rates that we and other financial institutions are permitted to charge. We expect **For example, in 2023, Colorado passed a law (initially effective July 2024) to opt out of the Depository Institutions Deregulation and Monetary Control Act (DIDMCA), a federal law addressing interstate loans by state-chartered banks. Colorado contends that, by opting out of DIDMCA, Colorado would have the ability to impose its interest rate limits (generally capped at 21 %) and fee terms (e. g., \$ 15 late fee and 10- day grace period) on any loan made by a state-chartered bank to a resident of Colorado located in Colorado at the time of the loan. This Colorado law is currently subject to a preliminary injunction, but we, like cannot provide any assurance as to the outcome of this or the other similar pending or future rest of the banking sector, will remain subject to increased regulation legislation in other states, any of which would have and- an supervision of adverse effect on our business industry by bank regulatory agencies and that there may be additional results of operations. President Trump and changing requirements and conditions imposed various federal legislators have also recently made public statements regarding potential efforts to place caps on us credit card interest rates**, any of which could increase our costs, require increased management attention, and adversely impact our results **a bill was introduced in the U. S. Senate in February 2025 proposing to cap credit card interest rates at 10 % for a period of operations five years**. In connection with their continuous supervision and examinations of us, the FDIC, CFPB and / or other regulatory agencies may require changes in our business or operations. **Any, and any such changes may be judicially enforceable or impractical and in some cases, regardless of fault, it may be less time-consuming for- or costly to settle these matters, which may require us to contest implement certain changes to our business practices, provide remediation to certain individuals or make a settlement payment to a given party or regulatory body**. We may also become subject to formal or informal enforcement and other supervisory actions, including memoranda of understanding, written agreements, cease- and- desist orders, and prompt- corrective- action or safety- and- soundness directives. For example, in late November 2023, the FDIC issued a consent order to one of our subsidiaries, arising out of the June 2022 transition of our credit card processing services to strategic outsourcing partners, **and in August 2024 each of our Banks entered into an agreement with the FDIC to pay civil money penalties (CMPs) of \$ 1 million per Bank, also related to the June 2022 transition**. For additional information regarding **these matters this consent order**, see "**Management's Discussion Item 1- Business—Supervision and Analysis of Financial Condition and Results of Operations (MD & A) — Legislative and Regulation- Regulatory Matters**" ~~above~~ **below**. Regulatory authorities have extensive discretion in their supervisory and **enforcement actions**. Supervisory actions could entail significant restrictions on our existing business, our ability to develop new business, our flexibility in conducting operations, and our ability to pay dividends or utilize capital. Enforcement and other supervisory actions also can result in the imposition of civil monetary penalties or injunctions, related litigation by private plaintiffs, damage to our reputation, and a loss of customer or investor confidence. We could be required, as well, to dispose of specified assets and liabilities within a prescribed ~~period of time~~ **- frame**. As a result, any enforcement or other supervisory action could have an adverse effect on our business, results of operations, financial condition and prospects. In addition, changes

in the regulatory and supervisory environments could adversely affect us in substantial and unpredictable ways, including by limiting the types of financial services and products we may offer, enhancing the ability of others to offer more competitive financial services and products, restricting our ability to make acquisitions or pursue other profitable opportunities, and negatively impacting our results of operations and financial condition. Changes in the prevailing interpretations of federal or state laws and related regulations could also invalidate or call into question the legality of certain of our services and business practices. Our failure to comply with the laws, **executive actions**, regulations, and supervisory actions to which we are subject, even if the failure is inadvertent or reflects a difference in interpretation, could subject us to fines, other penalties, and restrictions on our business activities, any of which could adversely affect our business, results of operations, financial condition, cash flows, capital base, and the price of our securities. See “Item 1. Business — Supervision and Regulation” for more information about certain laws and regulations to which we are subject and their impacts on us. **We continue to await The CFPB has issued** a final rule ~~from the CFPB~~ regarding credit card late fees, which ~~could represent~~ **represents** a significant departure from the rules that are currently in effect. **In Absent a successful legal challenge or the other invalidation event** the terms of ~~any such final rule~~ are substantially similar to those ~~set forth in the proposed rule~~, we expect the rule ~~would~~ **will** have a significant adverse impact on our business, results of operations and financial condition for at least the short term and, depending on the effectiveness of our actions taken in response to the rule, potentially over the long term. **In March** ~~As discussed in “Business—Supervision and Regulation” above, in February 2023~~ **2024** the CFPB published a ~~proposed final~~ rule ~~with request for public comment~~ that would significantly reduce the safe harbor amount for late fees that credit card issuers are authorized to charge. **Absent** During the comment period, we joined in a **successful legal challenge** comment letter submitted by the American Bankers Association (ABA), as well as submitting our ~~or~~ **own** comment letter expressing our views that the ~~other~~ **proposed invalidation of the** rule would harm consumers, that the CFPB’s assumptions were untested, unvalidated and incorrect, and that the CFPB failed to consider the ~~proposed rule~~ **will**’s impact on smaller financial entities and mid-sized private label credit card issuers. Under the ~~proposed rulemaking~~, the rule would: (i) decrease the safe harbor amount for credit card late fees to \$ 8 and eliminate a higher safe harbor dollar amount for subsequent late payments; **and** (ii) eliminate the annual inflation adjustments that currently exist for the late fee safe harbor dollar amounts ; **and** (iii) ~~require that late fees not exceed 25 % of the consumer’s required minimum payment~~. The “safe harbor” dollar amounts referenced in the CFPB’s rulemaking refer to the amounts that credit card issuers may charge as late fees under the Credit Card Accountability Responsibility and Disclosure Act of 2009 (**CARD Act**) without reference to the issuer’s cost to collect. Under the CARD Act, these safe harbor amounts, since their initial implementation, have been subject to annual adjustment based on changes in the ~~consumer~~ **Consumer Price Index**, and the safe harbor amounts are currently set at \$ 30 for an initial late fee and \$ 41 for subsequent late fees incurred in one of the next six billing cycles. Accordingly, the ~~proposed~~ \$ 8 safe harbor amount on late fees (and the elimination of the annual inflation- based adjustment thereto) would represent a significant decrease from the current safe harbor amounts. **In addition Shortly after the final rule was published**, while not a ~~part~~ **lawsuit was filed in U. S. District Court for the Northern District of Texas (Ft. Worth Division) by the U. S. Chamber of Commerce, the American Bankers Association and various** ~~the other proposed~~ **parties, challenging the rule**, and seeking a preliminary injunction enjoining the rule from becoming effective during the pendency of the litigation. The lawsuit asserts that the rule would ultimately harm those consumers ~~the CFPB sought comment is~~ charged with protecting and seeks to have the rule vacated on ~~whether~~ **various grounds, including that the CFPB (i) violated the CARD Act by preventing issuers from collecting reasonable and proportional** late fees ~~should be prohibited if~~ **when cardholders do not pay the their bills on time** applicable payment is made within 15 days of the due date and whether, **(ii) violated** as a condition to utilizing the **Administrative Procedure Act by promulgating** safe harbor, credit card issuers should be required to offer automatic payment options and /or provide certain notifications of upcoming payment due dates. ~~In the event the CFPB issues a final rule that is~~ **arbitrary and capricious** substantially similar to the ~~proposed rule~~, **relying on inappropriate, incomplete and non- public data; and (iii) issued the rulemaking with funds drawn in violation of the U. S. Constitution’s Appropriations Clause. While we would expect** ~~are not a plaintiff in~~ **the these actions, the presidents of our two subsidiary banks did each submit a declaration in connection with the plaintiffs’ motion for a preliminary injunction, and we support the positions taken by the plaintiffs in these matters. The** ~~final rule to be challenged in~~ **had an original effective date of May 14, 2024 ; however, one— on May 10, 2024, the United States District Court** ~~or for more~~ **the Northern District of Texas granted an injunction and stay of the final rule, and the injunction granted remains in effect as of the date of this report. The outcome of this legal challenge** ~~proceedings. However,~~ **including the impact on the final rule, remains uncertain.** ~~assuming~~ **Assuming** these legal challenges are not successful and the CFPB’s final rule becomes effective ~~on the terms substantially similar to those set forth in the proposed rule~~, this rule ~~would~~ **will** represent an approximately 75 % reduction in the amount of late fees that ~~may be~~ **we are authorized to charge** ~~charged~~ under the CARD Act safe harbor, which we expect ~~would~~ **will** have a significant adverse impact on our revenue, results of operations and other financial metrics for at least the short term and, depending on the effectiveness of the mitigating actions that we ~~may~~ **take** in response to the rule, potentially over the long term. We ~~are evaluating~~ **have already executed on** a number of strategies designed to limit the impact of ~~the any such~~ **final rule** on us and ~~have started~~ **we continue** to ~~execute certain of these~~ **evaluate various other mitigating** strategies, but it may not be feasible for us to fully implement these strategies in the short term, and we cannot guarantee that these efforts will ultimately be successful even if and when fully implemented. Moreover, ~~the any such~~ **final rule** (and certain of our mitigating strategies) may present other risks and adverse impacts to our business, results of operations and financial condition, which could include, without limitation, the loss of customers due to tightened underwriting standards or negative customer response to higher rates and fees, impacts to customer payment behavior due to decreased incentives to pay, further regulatory action in response to mitigating strategies that may be employed by us or other credit card issuers, adverse impacts to or disputes with our brand partners, strategic non- renewals of certain brand partner relationships that cease to be profitable, and balance sheet impairments, including of goodwill, long- lived

assets and other prepaid or intangible assets. Additional discussion regarding the CFPB's rulemaking **final rule** can be found in "Management's Discussion & Analysis – Business Environment" below. See also "Business — Supervision and Regulation — **Consumer Protection Regulation and Supervision**" above for ~~more information about certain laws and regulations~~ **additional discussion regarding recent developments at the CFPB. The extent** to which ~~these recent or~~ we are subject and ~~their~~ **other future developments will ultimately impact** ~~on us~~ **the CFPB's regulation of our business**, including ~~related risks~~ **the CFPB's credit card late fee rule** and **the associated litigation, remains uncertain** ~~uncertainties~~ **uncertain**. Litigation and other actions and disputes could subject us to significant fines, penalties, judgments and / or requirements resulting in significantly increased expenses, damage to our reputation and / or a material adverse effect on our business. Businesses in the financial services and payments industry ~~has have~~ historically been, and ~~continues~~ **continue** to be, subject to significant legal actions, including class action lawsuits. Many of these actions have included claims for substantial compensatory or punitive damages. While we have historically relied on our arbitration clause (which includes a class action waiver) in agreements with customers to limit our exposure to class action litigation, there can be no assurance that we will always be successful in enforcing our arbitration clause in the future. There may also be legislative, regulatory or other efforts to limit or eliminate the use of arbitration clauses or class action waivers, and if our arbitration provisions are found to be unenforceable or are otherwise limited or eliminated, our exposure to class action litigation could increase significantly. Further, even if our arbitration clause remains enforceable, we may be subject to mass arbitrations in which large groups of consumers bring arbitrations against us simultaneously. The continued focus of merchants on issues relating to the acceptance of various forms of payment may lead to additional litigation and other legal actions. Given the inherent uncertainties involved in litigation, and the very large or indeterminate damages sought in some matters asserted against us, there is significant uncertainty as to the ultimate liability we may incur from litigation. **Claims and legal actions could involve significant defense costs and reputational damage, and the time-consuming nature of legal proceedings can divert senior management attention from the business**. In addition to litigation and regulatory matters, from time to time, through our operational and compliance controls, we identify compliance issues that require us to make operational changes and, depending on the nature of the issue, result in financial remediation to impacted cardholders. These self-identified issues and voluntary remediation payments could be significant depending on the issue and the number of cardholders impacted. They also could generate litigation or regulatory investigations that subject us to additional adverse effects on our business, results of operations and financial condition. Our Banks are subject to extensive federal and state regulation that may restrict their ability to make cash available to us and may require us to make capital contributions to them. Federal and state laws and regulations extensively regulate the operations of our Banks, including to limit the ability of the Banks to pay dividends or make other distributions to us. Many of these laws and regulations are intended to maintain the safety and soundness of our Banks, and they impose significant restraints on them to which other non-regulated entities are not subject. Our Banks must maintain minimum amounts of regulatory capital. If the Banks do not meet these capital requirements, their respective regulators have broad discretion to institute a number of corrective actions that could have a direct material effect on our liquidity, ability to grow our business and financial condition. To pay any dividend, the Banks must each maintain adequate capital above regulatory guidelines. Accordingly, neither CB nor CCB may be able to make any of their cash or other assets available to us, including to service our indebtedness. If either of our Banks were to fail to meet any of the capital requirements to which it is subject, we may be required to provide them with additional capital, which could also impair our ability to service our indebtedness. In addition, under the "Source of Strength" doctrine, we are required to serve as a source of financial strength to our Banks and may not conduct our operations in an unsafe or unsound manner. Under these requirements, in the future, we could be required to provide financial assistance to our Banks if the Banks experience financial distress. This support may be required at times when we might otherwise have determined not to provide it or when doing so is not otherwise in our interests or the interests of our stockholders or creditors. If legislative attempts to amend the BHC Act to eliminate the exclusion of credit card banks or industrial loan companies from the definition of "bank" are successful, or if we voluntarily take such action that results in the Parent Company becoming a federally-regulated BHC, we would become subject to additional regulation applicable to BHCs, which could increase our compliance and regulatory costs and have other effects that could be materially adverse to our business. The Dodd-Frank Act mandates multiple studies, which could result in future legislative or regulatory action. In particular, the Government Accountability Office issued its study on whether it is necessary, in order to strengthen the safety and soundness of institutions or the stability of the financial system of the United States, to eliminate the exemptions to the definition of "bank" under the BHC Act for certain institutions including limited purpose credit card banks and industrial loan companies. The study did not recommend the elimination of these exemptions. However, legislation is periodically introduced that would eliminate this exception for industrial loan companies and other "non-bank banks". If such legislation were enacted without any grandfathering of or accommodations for existing institutions, we could be required to become a BHC. **As if we were required to become a BHC, or if we voluntarily take such action that results in the Parent Company becoming a federally-regulated BHC**, we and our non-bank subsidiaries would be subject to supervision, regulation and examination by the Federal Reserve Board. We would be required to provide annual reports and such additional information as the Federal Reserve Board may require pursuant to the BHC Act, and applicable regulations. In addition, we would be subject to consolidated regulatory capital requirements. Pursuant to provisions of the BHC Act and regulations promulgated by the Federal Reserve Board thereunder, a BHC may only engage in, or own companies that engage in, activities deemed by the Federal Reserve Board to be permissible for BHCs ~~or financial holding companies~~. Activities permissible for BHCs are those that are so closely related to the business of banking or managing or controlling banks as to be a proper incident thereto. **If a BHC and its subsidiary insured depository institutions are well capitalized, well managed, and have satisfactory CRA ratings, it may submit an election to the Federal Reserve Board to become an FHC**. Permissible activities for **FHCs** ~~financial holding companies~~ include those "so closely related to banking as to be a proper incident thereto" as well as certain additional activities

deemed “ financial in nature or incidental to such financial activity ” or complementary to a financial activity and that do not pose a substantial risk to the safety and soundness of the depository institution or the financial system. If we were required to become a BHC, we may be required to modify or discontinue certain of our business activities, which may materially adversely affect our results of operations and financial condition. Increases in FDIC insurance premiums may have a material adverse effect on our results of operations. We are generally unable to control the amount of premiums that are required to be paid for FDIC insurance. If there are bank or financial institution failures, **or changes in the method for calculating premiums,** we may be required to pay significantly higher premiums than the levels currently imposed or additional special assessments or taxes that could adversely affect our earnings. Any future increases or required prepayments in FDIC insurance premiums may materially adversely affect our results of operations. Noncompliance with the Bank Secrecy Act and other anti- money laundering statutes and regulations could cause us material financial loss. The Bank Secrecy Act and the PATRIOT Act contain anti- money laundering and financial transparency provisions intended to detect and prevent the use of the U. S. financial system for money laundering and terrorist financing activities. The Bank Secrecy Act, as amended by the PATRIOT Act, requires depository institutions and their holding companies to undertake activities including maintaining an anti- money laundering program, verifying the identity of partners and customers, monitoring for and reporting suspicious transactions, reporting on cash transactions exceeding specified thresholds, and responding to requests for information by regulatory authorities and law enforcement agencies. The Financial Crimes Enforcement Network (FinCEN), a unit of the Treasury Department that administers the Bank Secrecy Act, is authorized to impose significant civil money penalties for violations of those requirements and has recently engaged in coordinated enforcement efforts with the Federal Banking Agencies, as well as the U. S. Department of Justice, Drug Enforcement Administration, and Internal Revenue Service (IRS). **We are also subject to scrutiny of compliance with the rules enforced by the OFAC, which may require sanctions for dealing with certain persons or countries. We cannot provide assurance that our programs and controls will be effective to ensure our compliance with all applicable anti- money laundering and anti- terrorism financing laws and** Regulation regulations in the areas of privacy, data protection, data governance, account access and information and cyber security **our failure to comply** could **subject** increase our costs and affect or limit our business opportunities and how we collect and / or use **us to** personal information. Legislators and regulators in the United States and other countries are increasingly adopting or revising privacy, data protection, data governance, account access, and information and cyber security laws, including data localization, authentication and notification laws. As such laws are interpreted and applied (in some cases, with significant differences or conflicting requirements across jurisdictions),..... or governmental investigations and / or actions **sanctions**, litigation, fines, **penalties** sanctions, ongoing regulatory monitoring, customer attrition, decreases in the use or acceptance of our cards and damage to our reputation **reputational** and our brand. For more information on regulatory and legislative activity in this area, see “ Privacy and Data Protection Regulation ” above. We may not be able to effectively manage the operational and compliance risks to which we are exposed. Operational risk is the risk arising from inadequate or failed internal processes or systems, human errors or misconduct, or adverse external events. Operational losses result from internal fraud; external fraud; inadequate or inappropriate employment practices and workplace safety; failure to meet professional obligations involving partners, products, and business practices; damage to physical assets; business disruption and systems failures; and / or failures in execution, delivery, and process management. As processes or organizations are changed, or new products and services are introduced, we may not fully appreciate or identify new operational risks that may arise from such changes. Through human error, fraud or malfeasance, conduct risk can result in harm to customers, **all** broader markets and us and our employees. Compliance risk arises from the failure to adhere to applicable laws, rules, regulations and internal policies and procedures. We need to continually update and enhance our control environment to address operational and compliance risks. Operational and compliance failures or deficiencies in our control environment can expose us to reputational and legal risks as well as fines, civil money penalties or payment of damages and can lead to diminished business opportunities and diminished ability to expand key operations. Our failure to protect our intellectual property rights and use of open source software may harm our competitive position, and litigation to protect our intellectual property rights or defend against third party allegations of infringement may be costly, any of which could negatively impact our business, results of operations and profitability. Third parties may infringe or misappropriate our trademarks or other intellectual property rights, which could have a material adverse effect on our business, significant differences or conflicting requirements across jurisdictions), compliance and technology costs will continue to increase, particularly in the context of ensuring that adequate data governance, data protection, data transfer and account access mechanisms are in place. Compliance with current or future privacy, data protection, data governance, account access, and information and cyber security laws could significantly impact our collection, use, sharing, retention and safeguarding of **Personal consumer and / or employee information information** and could restrict our ability to provide certain products and services, which could materially and adversely affect our profitability. **Our In addition, any failure or perceived failure to comply with such laws , could result in potentially significant regulations- regulatory and / or governmental investigations other requirements relating to the privacy, security and / or actions** operating results or financial condition. The actions we take to protect our **patents, copyrights,** trademarks and other proprietary rights may not be adequate. Litigation may be necessary to enforce our intellectual property rights, protect our **patents, copyrights, trademarks or** trade secrets or determine the validity and scope of the proprietary rights of others. Any infringement or misappropriation could harm any competitive advantage we currently derive or may derive from our **intellectual property or other** proprietary rights. Third parties may also assert infringement claims against us. Any claims and an adverse determination in any resulting litigation could subject us to significant liability for damages and require us to either design around a third - party’ s **patent intellectual property** or license alternative technology from another party. **In addition, Moreover, it has become common in recent years for individuals and groups to purchase intellectual property assets for the sole purpose of making claims of infringement and attempting to extract settlements from companies like ours. Even in instances where we believe that claims and allegations of**

intellectual property infringement against us are without merit, litigation is time consuming and expensive to defend and could result in the diversion of our time and resources. Further, our competitors or other third parties may independently design around or develop similar technology, or otherwise duplicate our services or products in a way that would preclude us from asserting our intellectual property rights against them. In addition, our contractual arrangements may not effectively prevent disclosure of our intellectual property or confidential and proprietary information, or provide an adequate remedy in the event of an unauthorized disclosure. **Our Aspects of our platform include utilizes software covered by open source licenses. The use of open source software involves a number of risks, many of which cannot be eliminated and could negatively affect our business. For example,** United States courts have not interpreted the terms of various open source licenses, **but and there is a risk that some open source licenses to which we are subject** could be ~~interpret~~ **interpreted** them in a manner that **could imposes- impose** unanticipated conditions or restrictions on our **ability to use or to commercialize our** platform. **If portions By the terms of certain open source licenses, if we combine** our proprietary software **with are determined to be subject to an open source license software in a certain manner**, we could also be required to, under certain circumstances, **publicly release the source code of** or license, at no cost, our products that incorporate **proprietary software and to make our proprietary software available under open source licenses. We may face claims alleging noncompliance with open source licenses or misappropriation, infringement, or the other violation of third- party rights resulting from our use of** open source software **or the affected portions of. These claims could result in litigation, damage our reputation in the open- source community, or require us to purchase costly software licenses, devote additional research or development resources to reengineer our platform, discontinue use of our platform if reengineering could not be accomplished on a timely or cost-effective basis, and / or make the source code of our proprietary software generally available, any of which could result in liability to us and negatively impact our business, results of operations, profitability and financial condition**. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third- party commercial software because open source **software** licensors generally do not provide **any** warranties or other **contractual protections for the open source software, including** contractual protections regarding infringement, misappropriation, security vulnerabilities, **or** defects or errors in the code **or other violations-**, any of which could result in liability to us and negatively impact our business, results of operations, profitability and financial condition. We have international operations that subject us to various international risks as well as increased compliance and regulatory risks and costs. We have international operations, primarily in India, and some of our third- party service providers provide services to us from other countries, all of which subject us to a number of international risks, including, among other things, sovereign volatility and **socio- political sociopolitical instability**. **In recent years, we have taken initiatives to move a greater percentage of our call center and servicing personnel offshore, which may increase our reliance on these international operations and the risk associated therewith**. Any future social or political instability in the countries in which we operate could have a material adverse effect on our business. U. S. regulations also govern various aspects of the international activities of domestic corporations and increase our compliance and regulatory risks and costs. Any failure on our part or the part of our service providers to comply with applicable U. S. regulations, as well as the regulations in the countries and markets in which we or they operate, could result in fines, penalties, injunctions or other similar restrictions, any of which could have a material adverse effect on our business, results of operations and financial condition. Tax legislation initiatives or challenges to our tax positions could adversely affect our results of operations and financial condition. We are subject to tax laws and regulations in U. S. federal, state, local and foreign jurisdictions. From time to time legislative initiatives may be proposed, which, if enacted, may impact our effective tax rate and could adversely affect our deferred tax assets, tax positions and / or our tax liabilities. In addition, U. S. federal, state, local, and foreign tax laws and regulations are extremely complex and subject to varying interpretations. There can be no assurance that our historical tax positions will not be challenged by the relevant taxing authorities, or that we would be successful in defending our positions in connection with any such challenge. **On August 16, 2022, President Biden signed into law the Inflation Reduction Act (IRA), which, among other changes, imposes a 15 % corporate alternative minimum tax (CAMT) on the “adjusted financial statement income” of certain large corporations (generally, corporations reporting at least \$ 1 billion average adjusted pre- tax net income on their consolidated financial statements) as well as an excise tax of 1 % on the fair market value of certain public company stock repurchases for tax years beginning after December 31, 2022. Effective January 1, 2023, we adopted the applicable provisions under the IRA, which has not had a significant impact on our financial position, results of operations or cash flows, nor has it resulted in significant changes to the supporting operational processes, controls or governance. If we become subject to CAMT in the future, our cash obligations for U. S. federal income taxes could be increased. To the extent the 1 % excise tax will apply to any repurchases of shares under any new repurchase programs, the number of shares we repurchase and our cash flow may be affected.** Anti- takeover provisions in our organizational documents and Delaware law may discourage or prevent a change of control, even if an acquisition would be beneficial to our stockholders, which could affect our stock price adversely and prevent or delay change of control transactions or attempts by our stockholders to replace or remove our current management. Delaware law, as well as provisions of our certificate of incorporation, including those relating to our Board’ s authority to issue series of preferred stock without further stockholder approval, our bylaws and our existing and future debt instruments, could discourage unsolicited proposals to acquire us, even though such proposals may be beneficial to our stockholders. In addition, we are subject to the provisions of Section 203 of the Delaware General Corporation Law, which may prohibit certain business combinations with stockholders owning 15 % or more of our outstanding voting stock. These and other provisions in our certificate of incorporation, bylaws and Delaware law could make it more difficult for stockholders or potential acquirers to obtain control of our Board of Directors or initiate actions that are opposed by our then- current Board of Directors, including a merger, tender offer or proxy contest involving us. Any delay or prevention of a change of control transaction or changes in our Board of Directors could cause the market price of our common stock to decline or delay or prevent our stockholders from receiving a premium over the market price of our common stock that they might

otherwise receive. There are certain risks associated with the Convertible Notes that we issued in 2023, including that the conversion of the Convertible Notes may dilute the ownership interest of our existing stockholders and affect our per share results and the trading price of our common stock. In addition, the fundamental change provisions associated with the Convertible Notes may delay or prevent an otherwise beneficial takeover attempt of us. The Convertible Notes that we issued in June 2023 are convertible and, upon any such conversion, we will pay cash up to the aggregate principal amount of the Convertible Notes to be converted and pay or deliver, as the case may be, cash, shares of our common stock, or a combination of cash and shares of our common stock (at our election), in respect of the remainder, if any, of our conversion obligation in excess of the aggregate principal amount of the Convertible Notes being converted. The issuance of shares of our common stock, if any, upon conversion of the Convertible Notes may dilute the ownership interests of existing stockholders, to the extent such dilution is not offset by the Capped Call transactions. Issuances of stock, if any, upon conversion of the Convertible Notes may also affect our per share results of operations. Any sales in the public market of our common stock issuable upon such conversions could adversely affect prevailing market prices of our common stock. For additional information regarding our Convertible Notes and the associated Capped Call transactions, see Note 10, “Borrowings of Long-Term and Other Debt” to our audited Consolidated Financial Statements included as part of this Annual Report on Form 10-K. In addition, the indenture governing the Convertible Notes contains certain provisions that allow holders of Convertible Notes to require us to purchase all or a portion of their notes upon the occurrence of certain fundamental changes described in the indenture. These provisions and the provisions in the indenture requiring an increase to the conversion rate of the Convertible Notes for conversions in connection with a make-whole fundamental change may, in certain circumstances, delay or prevent a takeover of us and the removal of incumbent management that might otherwise be beneficial to investors.

Cybersecurity, Technology and Vendor Risks We rely on third-party vendors to provide various products and services that are important to our operations, and our business could be adversely impacted if our vendors fail to fulfill their obligations. Some services important to our business are outsourced to third-party vendors, and we contract with numerous other third-party vendors for a range of products and services. The inability or failure of these vendors to deliver products and services at contracted service levels or standards and in a timely manner could adversely affect our business. In addition, if a third-party vendor fails to meet other contractual requirements, such as compliance with applicable laws and regulations, or suffers a cyberattack or other security breach, our business operations could suffer economic or reputational harm that could have a material adverse impact on our business and results of operations. Further, if our significant vendors are unable or unwilling to fulfill or renew our existing contracts on current terms, we might not be able to replace the related product or service at the same cost, in a timely fashion, or at all, any of which could negatively impact our profitability, business and operations, in some cases materially. Our 2022 transition of our credit card processing services to strategic outsourcing partners was a significant and complex undertaking, which resulted in unanticipated platform stability issues and related impacts that have adversely impacted, and may continue to adversely impact, our business, results of operations, reputation and brand. In late June 2022, we completed the transition of our credit card processing services to strategic outsourcing partners, including Fiserv for our core processing services and Microsoft for related cloud infrastructure services. As we described previously, transitioning these services from our legacy platforms to strategic partners with established systems and functionality presented significant risks, including, but not limited to, potential losses or corruption of data, changes in security processes, implementation delays and cost overruns, resistance from current partners and account holders, disruption to operations, loss of customization or functionality, reliability issues with legacy systems prior to cutover and incurrence of outsized consulting costs to complete the transition. In addition, as previously disclosed, the pursuit of multiple new product integrations and outsourcing transitions simultaneously increased the complexity and risk, as well as magnified the potential for the unintended consequences, including an inability to retain or replace key personnel during the transition as well as the incurrence of unexpected expenses as we adopted new processes for managing these service providers and established controls and procedures to ensure regulatory compliance. In connection with the transition, we experienced unanticipated issues with platform stability, which resulted in outages and interruptions in our call center operations and online customer service platforms. These outages and interruptions resulted in a number of adverse impacts, including customer complaints, negative social media postings, reputational damage, regulatory scrutiny, lost potential revenue, remediation costs, timing-related impacts to our Delinquency rate and Net loss rate data, and increased consulting and professional fees. Furthermore, in late November 2023, the FDIC issued a consent order to one of our subsidiaries arising out of the transition, and **in August 2024 each of** we may be subject to further regulatory scrutiny or our actions in connection **Banks entered into an agreement with the FDIC to pay CMPs of \$ 1 million per Bank, also related to** the transition. For additional information regarding **this the consent order and the CMPs**, see “Item 1. Business – Supervision and Regulation” above. These challenges associated with the transition have adversely impacted, and may continue to adversely impact, our business, results of operations, financial condition, and result in damage to our reputation and our brand. Moreover, now that we have completed this transition, it would be difficult and disruptive for us to replace certain of these third-party vendors, particularly Fiserv, in a timely or seamless manner if they were unwilling or unable to continue to provide us with these services in the future (as a result of their financial or business conditions or otherwise), which could materially impact our business and operations. **Failure If we, our third-party providers, or brand partners fail to safeguard our confidential information and / or experience a data security incident, there may be damage to our and brand consumer privacy and reputation, material financial penalties and legal claims, which could materially adversely affect our reputation among business, results of operations, and financial condition. We rely on computer systems, hardware, software, technology infrastructure and online sites and networks for both internal and external operations that are critical to our business (collectively, IT Systems). We own and manage some of these IT Systems but also rely on third parties for a range of IT Systems and related products and services, including but not limited to cloud computing services. We and certain of our third-party providers collect, maintain and process data about customers, employees, business partners, and brand partners their customers, and may**

expose us ~~others~~, including Personal Information, as well as proprietary information belonging to legal claims ~~our~~ business such as trade secrets (collectively, Confidential Information). Although we ~~Information security risks for large financial institutions~~ have extensive physical ~~increased with the adoption of new technologies, including those used on mobile devices, to conduct financial and cyber~~ other business transactions, and the increased sophistication and activity level of threat actors. These threat actors employ advanced techniques and tools, including AI, to circumvent security controls, evade detection and ~~have implemented~~ remove forensic evidence. Consequently, we may face challenges in detecting, investigating, remediating or recovering from future attacks or incidents, which could lead to a material adverse impact on our IT Systems, Confidential Information or business. There can also be no assurance that our cybersecurity risk management and governance program and associated processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our data ~~has~~ IT Systems and Confidential Information. Furthermore, given the nature of complex systems, software and services like ours, and the scanning tools that we deploy across our networks and products, we regularly identify and track security vulnerabilities. We are unable to comprehensively apply patches or confirm that measures are in place to mitigate all such vulnerabilities, or that patches will be applied before vulnerabilities are exploited by a threat actor. We and certain of our third- party providers have in the past been, and in the future may be, subject to cyberattacks and we expect such attacks and incidents to continue in varying degrees. For example, we have suffered cyberattacks relating to unauthorized access to customer accounts, and in such instances, we have notified impacted customers and regulators as required by law. While to date no incidents have had a material impact on our operations or financial results, we cannot guarantee that material incidents will not occur in the future. In such instances of unauthorized access ~~an adverse impact on our IT Systems or Confidential Information~~, we may have data loss that could harm our customers and brand partners. This in turn could lead to reputational risk as concerns with security and privacy of data may result in consumers and future and existing brand partners not wanting to use our product offerings. We also have arrangements in place with our partners and other third parties through which we share and receive Confidential information ~~Information~~ about their customers who are or may become our customers, which magnifies certain information security issues. ~~Information security risks for large financial institutions have increased with the adoption of new technologies, including those used on mobile devices, to conduct financial and other business transactions, and the increased sophistication and activity level of threat actors.~~ The use of our products and services could decline if any compromise of physical or cyber security occurred. In addition, any unauthorized release of customer Confidential information ~~Information~~ or any public perception that we released customer Confidential information ~~Information~~ without authorization, could subject us to legal claims (including class actions) from our partners or their customers, consumers or regulatory enforcement actions (including fines and penalties), which may adversely affect our partner relationships and result in damage to our reputation and our brand, and / or cause us to incur significant incident response, system restoration or remediation and future compliance costs. Any or all of the foregoing could materially adversely affect our business, results of operations, and financial condition. We cannot be certain that our cybersecurity insurance coverage will be adequate for cybersecurity liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that our insurer will not deny coverage as to any future claim. Business interruptions, including loss of data center capacity, interruption due to cyber- attacks, loss of network connectivity or inability to utilize proprietary software of third -party vendors, could affect our ability to timely meet the needs of our partners and customers and harm our business. **We face numerous and evolving cybersecurity risks that threaten the confidentiality, integrity and availability of our IT Systems and Confidential Information.** Our ability, and that of our third- party service providers and brand partners, to protect our ~~IT data centers and other facilities and systems~~ **Systems and Confidential Information** against damage, loss or performance degradation from power loss, network failure, cyber- attacks, including ransomware or denial of service attacks, insider threats, **state-sponsored threats**, hardware and software defects or malfunctions, human error, computer viruses or other malware, public health crises, disruptions in telecommunications services, fraud, fires and other disasters and other events is critical. ~~To~~ In order to provide many of our services, we must be able to store, retrieve, process and manage large amounts of data, as well as periodically expand and upgrade our ~~technology capabilities~~ **IT Systems**. Any damage to our ~~IT data centers or other facilities and systems~~ **Systems**, or including those of our third- party service providers or brand partners, any failure of our network links that interrupts our operations or any impairment of our ability to use our software or the proprietary software of third -party vendors, including impairments due to cyber- attacks, could adversely affect our ability to meet our partners' and customers' needs and their confidence in utilizing us for future services. In addition, any failure to successfully implement new ~~information-IT systems~~ **Systems and technologies**, or improvements or upgrades to existing ~~information-IT systems~~ **Systems and technologies** in a timely manner could have an adverse impact on our business if we are not able to be competitive with other financial services companies, and could also adversely impact our internal controls (including internal controls over financial reporting), results of operations, and financial condition. If we are not able to invest successfully in, and compete at the leading edge of, technological developments in our industry, our revenue and profitability could be materially adversely affected. Our industry is subject to rapid and significant technological changes. In order to compete in our industry, we need to continue to invest in advanced digital and other technology across all areas of our business, including in access management, vulnerability management, transaction processing, data management and analytics, **AI technology** machine learning and artificial intelligence, customer interactions and communications, alternative payment and financing mechanisms, authentication technologies and digital identification, tokenization, real- time settlement, and risk management and compliance systems. Incorporating new technologies into our products and services, including developing the appropriate governance and controls consistent with statutory and regulatory expectations, requires substantial expenditures and takes considerable time, and ultimately may not be successful. We expect that new technologies in the payments industry will continue to emerge, and these new technologies may be superior to, or

render obsolete, our existing technology. The process of developing new products and services, enhancing existing products and services and adapting to technological changes and evolving industry standards is complex, costly and uncertain, and any failure by us to anticipate partners' and customers' changing needs and emerging technological trends accurately could significantly impede our ability to compete effectively. Partner and customer adoption is a key competitive factor, and our competitors may develop products, platforms or technologies that become more widely adopted than ours. In addition, we may underestimate the time and expense we must invest in new products and services before they generate significant revenues, if at all.

~~Our use of artificial intelligence and machine learning is subject to risks related to flaws in our algorithms and datasets that may be insufficient or contain biased information. These deficiencies could undermine the decisions based on impact to data quality, predictions or analysis such technologies produce, subjecting us to competitive harm, legal liability, and harm to our reputation or brand.~~ Our ability to develop, acquire or access competitive technologies or business processes on acceptable terms may also be limited by intellectual property rights that third parties, including those that current and potential competitors, may assert. In addition, our ability to adopt new technologies may be inhibited by the emergence of industry- wide standards, a changing legislative and regulatory environment, an inability to develop appropriate governance and controls, a lack of internal product and engineering expertise, resistance to change from partners or consumers, lack of appropriate change management processes or the complexity of our systems.

The development and use of AI present risks and challenges that may adversely impact our business or customers. We or our third- party vendors, clients or counterparties have developed or incorporated, or may in the future develop or incorporate, AI technology in certain business processes, services or products. The development and use of AI presents a number of risks and challenges to our business. The legal and regulatory environment relating to AI is uncertain and rapidly evolving, both in the United States and internationally, and includes regulatory schemes targeted specifically at AI as well as provisions in intellectual property, privacy, consumer protection, employment and other laws applicable to the use of AI. These evolving laws and regulations could require changes in our implementation of AI technology and increase our compliance costs and the risk of non- compliance. AI models, particularly generative AI models, may produce output or take action that is incorrect, that result in the release of private, confidential or proprietary information, that reflect biases included in the data on which they are trained, infringe on the intellectual property rights of others or that is otherwise harmful. In addition, certain uses of AI technology may be subject to regulation, such as requirements to explain how the AI model works and why it generates a particular output, eliminate biases built into the AI model, reduce erroneous outputs, and comply with regulations requiring watermarking AI- generated content and disclosures when consumers are interacting with AI or when decisions are made by AI, as well as requiring documentation or explanation of the basis on which decisions are made. These additional requirements may impose increased costs on our technology and compliance functions, which could have an adverse effect on our results of operations and financial condition. Further, we may rely on AI models developed by third parties, and would be dependent in part on the manner in which those third parties develop, train and deploy their models, including risks arising from the inclusion of any unauthorized material in the training data for their models, the effectiveness of the steps these third parties have taken to limit the risks associated with the output of their models and other matters over which we may have limited visibility. Any of these risks could expose us to liability or adverse legal or regulatory consequences and harm our reputation and the public perception of our business or the effectiveness of our security measures. We are also exposed to risks arising from the use of AI technology by bad actors to commit fraud and misappropriate funds and to facilitate cyberattacks (including sophisticated social engineering attacks and AI- powered hacking). Malicious actors could use AI to create deepfakes of our leadership or other personnel, contributing to loss of customer trust and significant reputational damage in addition to financial harm. The

LoyaltyOne spinoff could result in substantial tax liability to us and our stockholders, and more generally, we ~~have been~~ adversely affected by LVI' s performance, and we may continue to be adversely affected by LVI' s ongoing bankruptcy proceedings or **pending or future** litigation or other disputes involving or relating to LVI. In November 2021, we completed the spinoff of our former LoyaltyOne segment, consisting of the Canadian AIR MILES ® Reward Program and the Netherlands-based BrandLoyalty businesses, into an independent, publicly traded company, LVI. As part of the spinoff, we retained 19 % of the outstanding shares of common stock of LVI. We received a private letter ruling, or PLR, from the IRS and an opinion from our tax advisor to the effect that the spinoff of our former LoyaltyOne segment qualified as tax- free for U. S. federal income tax purposes for us and our stockholders (except for cash received in lieu of fractional shares). However, if the factual assumptions or representations made by us in connection with the delivery of the PLR and opinion are inaccurate or incomplete in any material respect, including those relating to the past and future conduct of our business, we may not be able to rely on the PLR or opinion. Furthermore, the PLR does not address all the issues that are relevant to determining whether the spinoff qualified for tax- free treatment, and the opinion from our tax advisor is not binding on the IRS or the courts. If, notwithstanding receipt of the PLR and the opinion from our tax advisor, the spinoff transaction and certain related transactions are determined to be taxable, we would be subject to a substantial tax liability. In addition, if the spinoff transaction is taxable, each holder of our common stock who received shares of LVI in connection with the spinoff would generally be treated as receiving a taxable distribution of property in an amount equal to the fair market value of the shares received. Even if the spinoff otherwise qualifies as a tax- free transaction, the distribution would be taxable to us (but not to our stockholders) in certain circumstances if post-spinoff significant acquisitions of our stock or the stock of LVI are deemed to be part of a plan or series of related transactions that included the spinoff. In this event, the resulting tax liability could be substantial, and could discourage, delay or prevent a change of control of us. In connection with the spinoff, we entered into a tax matters agreement with LVI, pursuant to which LVI agreed to not enter into any transaction that could cause any portion of the spinoff to be taxable to us without our consent and to indemnify us for any tax liability resulting from any such transaction. On March 1, 2023, LVI announced that it had entered into an agreement to sell its BrandLoyalty business. At LVI' s request to accommodate the sale, we agreed to not take

action under the tax matters agreement to attempt to prevent the BrandLoyalty sale and, upon the closing, agreed to certain mutual releases with the buyer in the sale. Subsequently, on March 10, 2023, LVI and certain of its subsidiaries filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code and in Canada under the Companies' Creditors Arrangement Act (Canada) (collectively, the LVI Bankruptcy Proceedings). In the Canadian proceedings, LVI conducted an auction process and subsequently sold its AIR MILES business to Bank of Montreal in June 2023. While we believe these transactions should not affect the qualification of the spinoff as a tax-free transaction, it is possible the IRS could disagree and successfully assert that the spinoff should be taxable to us and our stockholders that received LVI shares in the spinoff. In addition, it is possible the IRS could view this disposition as inconsistent with the PLR and, as a result, the IRS could take the position that we cannot rely on the PLR. ~~More generally, we have been adversely affected by LVI's performance, and we may continue to be adversely affected by the ongoing LVI Bankruptcy Proceedings or disputes involving or relating to LVI. During 2022, LVI's stock price decreased significantly and, as a result, we wrote down the value of our 19% shareholding in LVI from \$ 50 million as of December 31, 2021, to \$ 6 million as of December 31, 2022. As of March 31, 2023, we had written down the value of these LVI shares to zero. We continued to hold our 19% ownership interest in LVI until it, along with all other common stock of LVI, was cancelled and extinguished pursuant to LVI's Chapter 11 Plan, which became effective in June 2023.~~ Furthermore, though we believe that our process and decision-making with respect to the spinoff transaction were entirely appropriate, **we and certain members of our Board of Directors and executive management team have been named as defendants in various litigation matters relating to the spinoff.** LoyaltyOne, Co. (the LVI subsidiary that operated its Canadian AIR MILES business) filed suit against us and ~~Joseph Motes, our general counsel~~, in the Ontario Superior Court of Justice in Canada in October 2023. The lawsuit asserts that ~~Mr. Motes our general counsel~~, in his capacity as a pre-spinoff director of LoyaltyOne, Co., breached various fiduciary duties owed to LoyaltyOne, Co. in connection with the LVI spinoff and certain other transactions, and that Bread Financial assisted in and benefited from those breaches. The lawsuit seeks damages in the amount of \$ 775 million. **Pursuant to LVI's Chapter 11 Plan, LVI and a liquidating trustee also established a litigation-liquidating trust to pursue claims, including against individuals and entities in respect of the spinoff transaction, and in February 2024 that liquidating trustee commenced certain actions against us. Specifically: (i) in LVI's U. S. Chapter 11 case in the Bankruptcy Court for the Southern District of Texas, the liquidating trustee filed an adversary proceedings – proceeding to pursue claims against us and one of our more general counsel alleging actual and constructive fraudulent transfers, among other claims, in connection with the spinoff; and (ii) in Delaware Chancery Court, the liquidating trustee filed an action against us, each of the members of our Board of Directors at the time of the spinoff, and certain members of our executive management team in respect of alleging breaches of fiduciary duties (the spinoff transaction, although no such claims have been filed to date. While we believe that the suit filed against us in Canada and any other claims aiding and abetting breaches of fiduciary duties) in connection with the spinoff. Among are without merit and we will defend ourselves vigorously, litigation is complex and the other outcomes are inherently uncertain things, in each of these actions the liquidating trustee seeks damages in the amount of approximately \$ 750 million plus interest, fees and expenses.** LoyaltyOne, Co. is also contesting our entitlement to certain potential tax refunds under the tax matters agreement, and we may also become involved in other disputes with respect to the spinoff agreements with LVI or incur other liabilities or obligations under contractual arrangements with LVI. ~~Finally~~ **In addition**, a putative federal securities class action complaint was filed in April 2023 against us and current and former members of our management team concerning disclosures made about LVI's business. **For additional detail regarding these pending litigation matters, which see Note 16 "Commitments and Contingencies" to our audited Consolidated Financial Statements. While we believe is that each of these suits and any other claims in connection with the spinoff are without merit and we will defend ourselves vigorously, litigation is complex and the outcomes are inherently uncertain.** Any litigation or dispute arising out of or relating to the spinoff could distract management, result in significant legal and other costs, and otherwise adversely impact our financial position, results of operations and financial condition. **RISK MANAGEMENT** Our Enterprise Risk Management (ERM) program is designed to ensure that all significant risks are identified, measured, monitored and addressed. Our ERM program reflects our risk appetite, governance, culture and reporting. We manage enterprise risk using our Board-approved Enterprise Risk Management Framework, which includes Board-level oversight, risk management committees, and a dedicated risk management team led by our Chief Risk Officer (CRO). Our Board and executive management determine the level of risk we are willing to accept in pursuit of our objectives, through the ERM program and the well-defined risk appetite statements developed thereunder. We utilize the "three lines of defense" risk management model to assign roles, responsibilities and accountabilities for taking and managing risk. Governance and Accountability Board and Board Committees Our Board of Directors, as a whole and through its committees, maintains responsibilities for the oversight of risk management, including monitoring the "tone at the top," and our risk culture, and overseeing emerging and strategic risks. While our Board's Risk & Technology Committee has primary responsibility for oversight of enterprise risk management, the Audit, Compensation & Human Capital and Nominating & Corporate Governance Committees also oversee risks within their respective areas of responsibilities. Each of these Board Committees consists entirely of independent directors and provides regular reports to the full Board regarding matters reviewed at their Committee meetings. **Each of our Banks also has a comprehensive Enterprise Risk Management Framework, approved by the board of directors of the respective Bank, which includes governance, compliance, reporting and other requirements.** Risk Management Roles and Responsibilities In addition to our Board and Board Committees, responsibility for risk management also flows to other individuals and legal entities throughout the Company, including, **the Board of Directors of each of our Banks and committees thereof**, various management committees and executive management. Our ~~ERM Framework defines our~~ "three lines of defense" risk management model, **which is defined within our ERM Framework and includes the following:**

- The "first line of defense" is comprised of the business areas that engage in activities that generate revenue or provide operational support or services that introduce risk to us. As the business owner, the first line of defense is

responsible for, among other things, identifying, owning, managing and controlling key risks associated with their activities, timely addressing issues and remediation, and implementing processes and procedures to strengthen the risk and control environment. The first line of defense identifies and manages key risk indicators and risks and controls consistent with our risk appetite. The executive officers who serve as leaders in the “ first line of defense, ” are responsible for ensuring that their respective functions operate within established risk limits, in accordance with our risk appetite. These leaders are also responsible for identifying risks, considering risk when developing strategic plans, budgets and new products, and implementing appropriate risk controls when pursuing business strategies and objectives. In addition, these leaders are responsible for deploying sufficient financial resources and qualified personnel to manage the risks inherent in our business activities. • The “ second line of defense ” consists of an independent risk management team charged with oversight and monitoring of risk within the business. The second line of defense is responsible for, among other things, formulating **and overseeing** our ERM Framework and related policies and procedures, effectively challenging the first line of defense and identifying, monitoring and reporting on aggregate risks of the business and support functions. Our risk management team, which is led by our CRO and includes compliance, provides oversight of our risk profile and is responsible for maintaining a compliance program that includes compliance risk assessment, policy development, testing and reporting activities. The CRO manages our risk management team and is responsible for establishing and implementing standards for the identification, management, measurement, monitoring and reporting of risk on an Enterprise- wide basis. The CRO is responsible for developing an appropriate risk appetite with corresponding limits that aligns with supervisory expectations, **and along with** proposing our risk appetite to the Board of Directors. The CRO regularly reports to the Risk & Technology Committee as well as the Banks’ Risk and Compliance Committees on risk management matters. • The “ third line of defense ” is comprised of our Global Audit organization. The third line of defense provides an independent review and objective assessment of the design and operating effectiveness of the first and second lines of defense, governance, policies, procedures, processes and internal controls, and reports its findings to executive management and the Board, through the Audit Committee. Global Audit is responsible for performing periodic, independent reviews and testing compliance with our and the Banks’ risk management policies and standards, as well as with regulatory guidance and industry best practices. Global Audit also assesses the design of our and the Banks’ policies and standards and validates the effectiveness of risk management controls, and reports the results of such reviews to the Audit Committee. Management Committees We operate several internal management committees, including at each of our Banks, a Bank Risk Management Committee (BRMC) ~~and, effective January 2023, an IT Governance Committee (ITGC)~~. The BRMCs ~~and ITGCs~~ are the highest- level management committees at the Banks to oversee risks and are responsible for risk governance, risk oversight and making recommendations on the Banks’ risk appetite. The BRMCs ~~and ITGCs~~ monitor compliance with limits and related escalation requirements, and oversee implementation of risk policies. In addition to the BRMCs ~~and ITGCs~~, we maintain the following risk management committees at each of our Banks to oversee the risks listed below: the Credit Risk Management Committee; Compliance Risk Management Committee; Operational Risk Management Committee; Model Risk Management Committee; and the Asset & Liability Management Committee ; **we also maintain a Parent Company Asset & Liability Management Committee and a Capital Management Committee**. Each of these Committees is responsible for one or more of the Banks’ eight risk categories, which are described in ~~greater~~ detail below under the heading “ Risk Categories ”. For its risk category (ies) of responsibility, each Committee provides risk governance, risk oversight and monitoring. Each Committee reviews key risk exposures, trends and significant compliance matters, and provides guidance on steps to monitor, control and escalate significant risks. We include the risk information provided by the BRMCs ~~and the ITGCs~~, and these **risk** management ~~risk~~ committees, along with additional risk information that is identified at the Parent Company level ; in our determination and assessment of the risks that are presented to and discussed with our Board and Board Committees . ~~We have divided risk into the following eight categories: credit, market, liquidity, operational, compliance, model, strategic and reputational risk.~~ We evaluate the potential impact of a risk event on us (including our subsidiaries) by assessing the customer, partner, financial, reputational , and legal and regulatory impacts , **and have divided risk into the following categories. During 2024, we made various enhancements to our risk management practices, particularly within the Market, Liquidity and Capital risk categories, and we will continue to evaluate the structure of risk pillars and other potential enhancements going forward**. Credit Risk is the risk arising from an obligor’ s failure to meet the terms of any contract or otherwise perform as agreed. Credit Risk is found in all activities in which settlement or repayment depends on counterparty, issuer , or borrower performance. We are exposed to credit risk **primarily** relating to the credit card and ~~BNPL other~~ loans we make to our customers. Our credit risk relates to the risk that consumers using the private label, co- brand, general purpose or ~~business-DTC~~ credit cards , or ~~BNPL other~~ loans that we issue will not repay their loan balances. ~~To~~ **As part of our efforts to** minimize our risk of credit card or other loan write- offs, we have developed automated proprietary scoring technology and verification procedures to make risk- based origination decisions when approving new account ~~holders~~, establishing or adjusting account ~~holder~~ credit limits and applying our risk- based pricing. The credit risk on our ~~credit~~ **Credit** card and ~~BNPL other~~ loans **balances** is quantified through our Allowance for credit losses which is recorded net with Credit card and other loans on our Consolidated Balance Sheets. Credit risk is overseen and monitored by the Credit Risk Management Committee **at each Bank**. Market Risk **Market risk is the risk to current or anticipated earnings, capital or economic value arising from changes in the market value of portfolios, securities or other financial instruments.** Market Risk includes interest rate risk which is the risk arising from movements in interest rates. Interest rate risk results from: • **Repricing risk** – differences between the timing of rate changes and the timing of cash flows (~~repricing risk~~); • **Basis risk** – changing rate relationships among different yield curves affecting an organization’ s activities (~~basis risk~~); • **Yield curve risk** – changing rate relationships across the spectrum of maturities (~~yield curve~~); and • **Options risk** –); and • interest- related options embedded in certain products (~~options risk~~). Our principal market risk exposures arise from volatility in interest rates and their impact on economic value, capitalization levels and earnings. **Historically, we have not used interest rate derivative**

contracts to manage interest rate risk; however, as part of our ongoing evolution of interest rate risk mitigation tools, we established interest rate risk hedging capabilities in 2024, employing interest rate swaps on our credit card loans portfolio to reduce interest rate risk sensitivity. To the extent we are unable to effectively match the interest rate sensitivity of our assets and liabilities, our net earnings could be materially adversely affected. We use various industry standard market risk measurement techniques and sensitivity analyses to measure, estimate, assess and manage the impact of positive or negative changes in interest rates on our Net interest income and economic value of equity under various interest rate scenarios. The We believe these approach approaches we use to quantify provide useful insights into the interest rate risk is a sensitivity analysis, which we believe best reflects the risk inherent in our business, and how to effectively manage such risk. This approach As of December 31, 2024, based on the composition of our fixed rate and floating rate assets and liabilities on our Consolidated Balance Sheets, our net interest income and economic value of equity are expected to increase in higher rate scenarios and decrease in lower rate scenarios. One standard sensitivity measure we use calculates the impact on Net-net interest income from an-a hypothetical instantaneous and sustained 100 basis point increase or decrease in interest rates. Due to the mix of fixed and floating rate assets and liabilities on our Consolidated Balance Sheet as of December 31, 2023-2024, this hypothetical instantaneous 100 basis point increase or decrease in interest rates would have an insignificant impact on our annual Net-net interest income. Actual changes in our Net-net interest income will depend on many factors, and therefore may differ from our estimated risk to changes in interest rates. In addition to this industry standard measure, we also consider the potential impact of alternative interest rate scenarios in our internal interest rate risk management decisions, such as larger rate shocks (higher than +/- 100 basis points), or steepening and flattening yield curve scenarios. We also regularly review the sensitivity of our interest rate risk metrics to changes in our key modeling assumptions. In 2023 and 2024, we implemented a new and improved asset liability management model that is capable of assessing a broader array of interest rate risk scenarios, including a wider range of interest rate and balance sheet assumptions. The interest rate risk model that we use in deriving these measures incorporates contractual information, behavioral assumptions and modeling methodologies, which project borrower and deposit behavior patterns. Other market inputs, such as interest rates, market prices and interest rate volatility, are also critical components of our interest rate risk measures. We regularly update and enhance these assumptions, scenarios and model as we believe appropriate to reflect our best assessment of the market environment and the expected behavior patterns of our existing assets and liabilities. There are inherent limitations, however, in any methodology used to estimate the exposure to changes in market interest rates. The sensitivity analysis described above contemplates only certain movements in interest rates and is performed at a particular point in time based on our existing Consolidated Balance Sheet. Accordingly, changes in customer behavior and strategic actions that management may take in the future may cause the composition of our assets and liabilities to change from the assumptions and projections previously used in scenarios considered, and could cause our actual Net interest income and economic value of equity to differ from previous sensitivity analysis outcomes. The Board of Directors of the Parent Company and each Bank approve our market risk management policies, risk appetites, and associated risk limits which guide our market risk management activities. The Asset & Liability Management Committee of the Parent Company and each of the Banks assists the Board of Directors of the Parent Company and each of the Banks, as well as Board of Directors and Bank Management management, in overseeing, reviewing, and monitoring market risk. Capital Risk Capital risk refers to the potential threat to an institution's financial stability or safety due to inadequate capital resources to support business operations and safeguard against unexpected losses. These risks can arise from various stressed operating conditions, including macroeconomic, credit, liquidity, market, and regulatory factors. We manage capital in alignment with the risk characteristics of our business, the economic environment, and the expectations of regulators and shareholders. This includes considering the impact of capital stress testing in our assessment of capital adequacy. Capital risk is managed by balancing stakeholder interests, such as safety and soundness, profit, growth, value, and operational and non-financial factors, while reasonably considering both near-term and long-term impacts. Our policies, risk appetite limits, and capital ratio operating targets ensure that we and the Banks maintain sufficient capital to withstand capital stress events over a specified period. The Capital Planning Committee and Asset & Liability Management Committees of the Parent Company and each of the Banks assist the Board of Directors and management in overseeing, reviewing, and monitoring capital risk. Liquidity Risk Liquidity Risk is the risk arising from an inability to meet obligations when they come due. Liquidity Risk includes the inability to access funding sources or manage fluctuations in funding levels. Liquidity Risk also results from an organization's failure to recognize or address changes in market conditions. The Our primary liquidity objective is to maintain a liquidity profile that will enable us, even in times of stress or market disruption, to fund our existing assets and meet liabilities in a timely manner and at an acceptable cost. Policy and risk appetite limits require us and the Banks to ensure that sufficient liquid assets are available to survive liquidity stresses over a specified time period. The Asset & Liability Management Committee of the Parent Company and each of the Banks assists the Board of Directors of the Parent Company and each of the Banks, as well as Board of Directors and Bank Management management, in overseeing, reviewing, and monitoring liquidity risk. Operational Risk is the risk arising from inadequate or failed internal processes or systems, human errors or misconduct, or adverse external events. Operational losses result from internal or fraud, external fraud, inadequate or inappropriate employment practices and workplace safety, failure to meet obligations involving customers, partners, products and business practices, damage to physical assets, business disruption and systems failures, and / or failures in execution, delivery and process management. Operational risk is inherent in all business activities and can impact us through direct or indirect financial loss, brand damage, customer dissatisfaction and legal and regulatory penalties. We have implemented an operational risk framework that is defined in the our Operational Risk Management Policy. The Operational Risk Management Committee of each Bank, chaired by our Chief Operational Risk Officer (CORO), oversees and monitors operational risk exposures, including escalating issues

and recommending policies, procedures and practices to manage operational risks. As part of our Operational Risk Program, we maintain an information and cybersecurity risk management program, which is led by our Chief Information Security Officer (CISO) and is designed to protect the confidentiality, integrity, and availability of critical information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction. The Program leverages security technology, a team of internal and external experts, and operations based on the National Institute of Standards and Technology Cybersecurity Framework – ~~This (NIST CSF) consists~~ **consisting** of controls designed to **govern**, protect, detect, identify, respond and recover from cybersecurity incidents. We continue to invest in enhancements to cybersecurity capabilities and engage in industry and government forums to promote advancements to the broader financial services cybersecurity ecosystem. For further discussion of our cybersecurity risk management program, see “Item IC. — Cybersecurity”. Compliance Risk is the risk arising from violations of laws or regulations, or from nonconformance with prescribed practices, internal policies and procedures, or ethical standards. This risk exposes organizations to **a variety of adverse impacts, including enforcement or other supervisory actions, fines, penalties, payment of damages, restrictions on business activities** and the voiding of contracts. Our Compliance organization is responsible for establishing and maintaining our Compliance Risk Management Program. Pursuant to this Program, we seek to manage and mitigate compliance risk by assessing, controlling, monitoring, measuring and reporting the legal and regulatory risks to which we are exposed. The Compliance Risk Management Committee **of each Bank**, chaired by the Chief Compliance Officer, oversees the implementation and execution of the Compliance Management System and monitors compliance exposures to manage compliance risks. Model Risk is the risk arising from decisions based on incorrect or misused model outputs and reports. Model risk occurs primarily for three reasons: • **(1) a model may have fundamental errors, including with respect to the model’s construction, or interpretation,** and produce inaccurate outputs when viewed against its design objective and intended business uses; • **(2) a model may be used incorrectly or inappropriately, or there may be a misunderstanding about its limitations and assumptions, including models being calibrated on historical cycles and correlations which may not be predictive of the future, or failures to update assumptions appropriately or in a timely manner;** or • **(3) the model produces results that are not compliant with fair lending or other laws and regulations.** We manage model risk through a comprehensive model governance framework, including policies and procedures for model development, maintenance and performance monitoring activities, independent model **testing and validation** and change management capabilities. We also assess model performance on an ongoing basis. Model Risk oversight and monitoring is conducted by the Model Risk Management Committee **of each Bank**. Strategic Risk Strategic Risk is the risk arising from adverse business decisions, poor implementation of business decisions, or lack of responsiveness to changes in the industry and operating environment. This risk is a function of an organization’s strategic goals, business strategies, resources, and quality of implementation. Strategic decisions are reviewed and approved by business leaders and various committees and must be aligned with our ~~Company~~ policies. We seek to manage strategic and business risks through risk controls embedded in these processes, as well as overall risk management oversight over business goals. Existing product performance is reviewed periodically by various of our Committees and executive management. Reputational Risk Reputational Risk is the risk arising from negative public opinion. This risk may impair ~~our~~ competitiveness by affecting ~~our~~ the ability to establish new relationships or services, or continue servicing existing relationships. Reputational Risk is inherent in all activities and requires us to exercise caution in dealing with stakeholders, such as customers, **brand partners, other contractual counterparties, correspondents,** investors, regulators, employees, and the community. Executive management is responsible for considering the reputational risk implications of business activities and strategies, and ensuring the relevant subject matter experts are engaged as needed. Item 1B. Unresolved Staff Comments. None. Item 1C. Cybersecurity. Cybersecurity Risk Management and Strategy As noted above under “Risk Management”, we maintain an information and cybersecurity risk management program, which is led by our CISO and is designed to protect the confidentiality, integrity and availability of critical information and information systems. The program is designed based on the ~~National Institute of Standards and Technology Cybersecurity Framework (NIST CSF)~~; provided that this does not imply that we meet any particular technical standards, specifications or requirements, only that we use the NIST CSF as a guide to help us identify, assess and manage cybersecurity risks relevant to our business. Our cybersecurity risk management program is integrated into our overall **ERM enterprise risk management** program, and shares common methodologies, reporting channels and governance processes that apply across the **ERM enterprise risk management** program to other legal, compliance, strategic, operational, and financial risk areas. Our cybersecurity risk management program includes: • risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise IT environment; • a security team principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents; • the use of external service providers, where appropriate, to assess, test, train or otherwise assist with aspects of our security controls; • security tools deployed in the IT environment for protection against and monitoring for suspicious activity; • cybersecurity awareness training of our employees, including incident response personnel, and senior management; • a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents; and • a third- party risk management process for service providers, suppliers, and vendors. We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our operations, business strategy, results of operations or financial condition. We face certain ongoing risks from cybersecurity threats such as loss or theft of data, ransomware or other disruptive attacks from financially motivated bad actors, and third -party supply chain issues that, if realized, are reasonably likely to materially affect us, including our operations, business strategy, results of operations, ~~or~~ **and** financial condition. For further discussion, see “Item 1A. Risk Factors – Risk Management” **and “Item 1A. Risk Factors – Cybersecurity, Technology and Vendor Risks”**. Cybersecurity Governance Our Board of Directors considers cybersecurity risk to be a critical part of its risk oversight function and has delegated to the Risk & Technology Committee primary oversight of cybersecurity and other information technology

risks. The Audit Committee also reviews cybersecurity matters ~~are as~~ part of its oversight of major financial risk exposures. The Risk & Technology Committee oversees management's implementation of our cybersecurity risk management program, ~~and~~ ~~The Risk & Technology Committee~~ receives regular reports from management on our cybersecurity risks. In addition, management updates the Risk & Technology Committee, as necessary, regarding any material cybersecurity incidents, as well as any incidents with lesser impact potential. The Risk & Technology Committee periodically reports to the Board of Directors regarding its activities, including those related to cybersecurity. As part of its oversight of major financial risk exposures, the Audit Committee also reviews with management and ~~our the Company's~~ internal and independent auditors ~~our the Company's~~ risk assessments and risk management program, including with respect to cybersecurity. Board members receive presentations on cybersecurity topics from our CISO or external experts as part of the Board's continuing education on topics that impact public companies. Our management team, including our CISO, ~~Chief Risk Officer (CRO)~~ and ~~Chief Operational Risk Officer (CORO)~~, is responsible for assessing and managing our material risks from cybersecurity threats. Our management team has primary responsibility for our overall cybersecurity risk management program and supervises both our internal cybersecurity personnel and our retained external cybersecurity consultants. Our CISO works closely with our CRO and CORO, who are responsible for providing effective oversight and challenge to the activities of our CISO. Our CISO, who reports to our Executive Vice President and Chief Technology Officer, has ~~30-25~~ years of cybersecurity, ~~risk and technology information security~~ experience across ~~the a number of regulated industries, including~~ financial services, ~~banking healthcare and defense insurance industries~~. She maintains both Certified Enterprise Risk Professional (CERP) and ~~national security~~. ~~Our CISO has been a~~ Certified Information Systems ~~System Auditor Security Professional (CISA-CISSP)~~ certifications. She ~~for over 20 years and~~ serves on ~~CyberOhio~~ ~~the governing body of various organizations focused on technology and cybersecurity, including~~ as an ~~advisor~~ ~~Advisory Council Member~~ to the State of Ohio ~~Harvard Business Review~~ and is active as a ~~Governing Board member~~ ~~Member of Evanta~~, at Ohio University Grid Computing and Emerging Technologies program. She is an active member in several ~~organization of peer-CISO-CISOs forums~~. Each of our CRO (who reports to our Chief Executive Officer) and CORO (who reports to our CRO) has over ~~25-20~~ years of financial services experience in operations and risk management. Our management team supervises efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, and, as appropriate, provides briefings from internal security personnel ~~;~~ threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us ~~;~~ and alerts and reports produced by security tools deployed in the IT environment. Item 2. Properties. As of December 31, ~~2023-2024~~, we leased ~~14-12~~ general office properties, comprised of approximately 1. ~~6-3~~ million square feet, of which approximately 0. ~~9-8~~ million square feet are subleased or on the sublease market. Our principal facilities used to carry out our operational, sales and administrative functions are as follows (in alphabetical order, by city):

Location	Approximate Square Footage	Lease Expiration Date
Bangalore, Karnataka, India	87,400	January 31, 2029
Chadds Ford, Pennsylvania	9,900	April 30, 2027
Coeur D'Alene, Idaho	46,000	Idaho 2023, 000 July 500 (1) July 31, 2038
Columbus, Ohio	326,400	September 12, 2032
Columbus, Ohio	17,500	June 30, 2024
Drapersville, Ohio	2032	Drapersville, Ohio 2032
Draper, Utah	22,900	August 31, 2031
New York, New York	18,500	January 31, 2026
Plano, Texas	28,000	June 30, 2026
Wilmington, Delaware	5,200	June 30, 2007

(1) Excludes square footage of subleased portion. We believe our current facilities are suitable to our businesses and that we will be able to lease, purchase or newly construct additional facilities as needed. Item 3. Legal Proceedings. Refer to Part I, Item 1A, "Risk Factors — Legal, Regulatory and Compliance Risks", "Risk Factors — Risks Related to the LoyaltyOne Spinoff" and Note ~~15-16~~ "Commitments and Contingencies" to our audited Consolidated Financial Statements, which are incorporated herein by reference. Item 4. Mine Safety Disclosures. Not applicable. PART II Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities. Market Information Our common stock is listed on the NYSE and trades under the symbol "BFH". Holders As of February ~~12-7~~, ~~2024-2025~~, the closing price of our common stock was \$ ~~37-62~~. ~~37-03~~ per share, there were 49, ~~424-092~~, ~~247-356~~ shares of our common stock outstanding, and there were ~~93-92~~ holders of record of our common stock. Dividends Payment of future dividends is subject to declaration by our Board of Directors. Factors considered in determining dividends include, but are not limited to, our profitability, expected capital needs and legal, regulatory and contractual restrictions. See also "Risk Factors — There is no guarantee that we will pay future dividends or repurchase shares of our common stock at a level anticipated by stockholders, which could reduce returns to our stockholders." Subject to these qualifications, we presently expect to continue to pay dividends on a quarterly basis. On January ~~25-30~~, ~~2024-2025~~, our Board of Directors declared a quarterly cash dividend of \$ 0. 21 per share on our common stock, payable on March ~~15-21~~, ~~2024-2025~~, to stockholders of record at the close of business on February ~~9-14~~, ~~2024-2025~~. The following table presents information with respect to purchases of our common stock made ~~by or on behalf of us~~ during the three months ended December 31, ~~2023-2024~~:

Period	Total Number of Shares Purchased	(1) Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (Millions)
October 1- 31	316,311	788.969	\$ 28.48	23.98
November 1- 30	308,301	45028.28654	35.74	44
December 1- 31	317,073	31686, 29264	43-35 683, 728	Total 689
Total	941,685	15,945.547	\$ 64.29 683, 28.728	48

(1) During the periods presented, ~~15-(i) 5~~, ~~945-819~~ shares of our common stock were purchased by the administrator of our Bread Financial 401 (k) Plan for the benefit of the employees who participated in that portion of the Plan ~~and (ii) 683, 728 shares of our common stock were repurchased by the Company, pursuant to a Rule 10b5-1 trading plan previously adopted by the Company, during an open trading window~~. Stock Performance Graph The following Stock Performance Graph shows the cumulative total stockholder return on our common stock compared to an overall stock market index, the S & P Composite 500 Stock Index (S & P 500 Index), and a published industry index, the S & P Financial Composite Index (S & P Financial ~~Financials~~ Index), over the five-year period commencing December 31, ~~2018-2019~~ and ended December 31, ~~2023-2024~~. The Stock Performance Graph assumes that \$ 100 was invested in our common stock and each index, and that all

dividends were reinvested. For the purpose of this Stock Performance Graph, historical stock prices have been adjusted to reflect the impact of the spinoff of LVI on November 5, 2021. The stock price performance on the graph below is not necessarily indicative of future performance. * \$ 100 invested on December 31, 2018-2019 in stock or index, including reinvestment of dividends. Fiscal year end December 31. Copyright © 2024-2025 Standard & Poor's, a division of S & P Global. All rights reserved. Bread Financial Holdings, Inc. S & P 500 Index S & P Financial Financials Index December 31, 2018-2019 \$ 100.00 \$ 100.00 \$ 100.00 December 31, 2019-2020 67.57-68.11-8.40-98.13-31.49-132.13 December 31, 2020-2021 77.82-155.06-152.68-129.39-132.89-75 December 31, 2021-2022 244.01-200.35-124.37-175.79-118.40-77 December 31, 2022-2023 -2023-96.164-81.157.08-156.59-133.92-20 December 31, 2023-2024 475.48-207.19-197.21-175.02-173.99-90

Our future filings with the SEC may “ incorporate information by reference, ” including this Annual Report on Form 10- K. Unless we specifically state otherwise, this Stock Performance Graph shall not be deemed to be incorporated by reference and shall not constitute soliciting material or otherwise be considered filed under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended. Item 6. [Reserved] Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (MD & A). The following discussion and analysis of our results of operations and financial condition should be read in conjunction with our audited Consolidated Financial Statements and related Notes included elsewhere in this Annual Report on Form 10- K. Some of the information contained in this discussion and analysis constitutes forward- looking statements that involve risks and uncertainties. Actual results could differ materially from those discussed in these forward- looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Annual Report on Form 10- K, particularly under “ Risk Factors ” and “ Cautionary Note Regarding Forward- Looking Statements ”. Unless otherwise specified, references to Notes to our audited Consolidated Financial Statements are to the Notes to our audited Consolidated Financial Statements as of December 31, 2024 and 2023 and 2022 and for years ended December 31, 2024, 2023, and 2022 and 2021.

OVERVIEW We are a tech- forward financial services company that provides simple, personalized payment, lending, and saving solutions to millions of U.S. consumers. Our payment solutions, including Bread Financial general purpose credit cards and savings products, empower our customers and their passions for partners through digitally enabled choices that offer ease, empowerment, financial flexibility and exceptional customer experiences. Driven by a better life. Additionally digital- first approach, data insights and white- label technology, we deliver growth for some of the most recognized brands in travel & entertainment, health & beauty, jewelry and specialty apparel through our partners through a comprehensive product suite, including private label and co- brand credit cards and buy now, pay later (BNPL) - over- time products providing choice such as installment loans and value to our shared “ split- pay ” offerings. We also offer direct- to- consumer solutions that give customers more access, choice and freedom through our branded Bread Cashback™ American Express® Credit Card and Bread Savings™ products. Our partner base consists of large consumer- based businesses, including well- known brands such as (alphabetically) AAA, Academy Sports Outdoors, Caesars, Dell Technologies, Hard Rock International, the NFL, Saks Fifth Avenue, Signet, Ulta and Victoria's Secret, as well as small- and medium- sized businesses (SMBs). Our partner base is well diversified across a broad range of industries and retail verticals, including travel and entertainment, health and beauty, jewelry, sporting goods, technology and electronics, home goods, technology and electronics and the industry in which we first began, specialty apparel. We believe our comprehensive suite of payment, lending and saving solutions, along with our related marketing and data and analytics, offers us a significant competitive advantage with products relevant across all customer segments (Gen Z, Millennial, Gen X and Baby Boomers). The breadth and quality of our product and service offerings, coupled with our customer- centric approach, have enabled us to establish and maintain long- standing partner relationships. We operate our business through a single reportable segment, with our primary source of revenue being from Interest and fees on loans from our various credit card and other loan products, and to a lesser extent from contractual relationships with our brand partners. Throughout this report, unless stated or the context implies otherwise, the terms “ Bread Financial ”, “ BFH ”, the “ Company ”, “ we ”, “ our ” or “ us ” refer to Bread Financial Holdings, Inc. and its subsidiaries on a consolidated basis. References to “ Parent Company ” refer to Bread Financial Holdings, Inc. on a parent- only standalone basis. In addition, in this report we may refer to the retailers and other companies with whom we do business as our “ partners ”, “ brand partners ”, or “ clients ”, provided that the use of the term “ partner ”, “ partnering ” or any similar term does not mean or imply a formal legal partnership, and is not meant in any way to alter the terms of Bread Financial's relationship with any third parties. We offer our credit products through our insured depository institution subsidiaries, Comenity Bank and Comenity Capital Bank, which together are referred to herein as the “ Banks ”. Effective March 23, 2022, we changed our corporate name to Bread Financial Holdings, Inc. or other of the terms listed above are also used in this report to include references to transactions and arrangements occurring prior to our name change from Alliance Data Systems Corporation to Bread Financial Holdings, Inc. in March and on April 4, 2022, we changed our ticker to “ BFH ” from “ ADS ” on the NYSE. Neither the name change nor the NYSE ticker change affected our legal entity structure, nor did either change have an impact on our audited Consolidated Financial Statements.

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

- In August 2024 we entered into separate, privately- negotiated repurchase agreements with a limited number of Convertible Note holders to repurchase a portion of our outstanding \$ 316 million aggregate principal amount of 4.25 % Convertible Senior Notes due 2028 (the Convertible Notes). Subsequently, in September and November of 2024, certain holders of Convertible Notes separately approached us to repurchase Convertible Notes, and we entered into additional separate, privately- negotiated repurchase agreements with such holders of Convertible Notes. From a GAAP perspective, we paid a premium to induce these repurchases which resulted in an impact to Total non-

interest expenses, with a corresponding favorable tax impact, also reflected in Net income and consequently our Earnings per diluted share. We have shown adjustments to these three financial statement line items, for total Company as well as for continuing operations, to exclude the impact from our repurchased Convertible Notes. We use Adjusted total non-interest expenses, Adjusted net income, and Adjusted earnings per diluted share to evaluate the ongoing operations of the Company excluding the volatility that can occur from the impact of our repurchased Convertible Notes.

- Pretax pre-provision earnings (PPNR) represents is calculated by increasing / decreasing Income from continuing operations before income taxes by and the net provision / release in Provision for credit losses. PPNR less excluding gain on portfolio sales sale and impact from repurchased Convertible Notes then decreases excludes from PPNR by the gain on any portfolio sales sale in the period, as well as the inducement expense from our repurchased Convertible Notes in the period. We use PPNR and PPNR less excluding gain on portfolio sales sale and impact from repurchased Convertible Notes as metrics to evaluate our results of operations before income taxes, excluding the volatility that can occur within Provision for credit losses and the one-time nature of a gain on the sale of a portfolio and / or the impact from repurchased Convertible Notes.
- Return on average tangible common equity (ROTCE) represents annualized Income from continuing operations divided by average Tangible common equity. Tangible common equity (TCE) represents Total stockholders' equity reduced by Goodwill and intangible assets, net. We use ROTCE as a metric to evaluate the Company's performance.
- Tangible common equity over Tangible assets (TCE / TA) represents Total stockholders' equity reduced by Goodwill and intangible assets, net, (-TCE) divided by Tangible assets (TA), which is Total assets reduced by Goodwill and intangible assets, net. We use TCE / TA as a metric to evaluate the Company's capital adequacy and estimate its ability to absorb cover potential losses.
- Tangible book value per common share represents TCE divided by shares outstanding. We use Tangible book value per common share as a metric used across the industry, to estimate liquidation the Company's potential value. We believe the use of these non-Non-GAAP financial measures provide additional clarity in understanding our results of operations and trends. For a reconciliation of these non-Non-GAAP financial measures to the most directly comparable GAAP measures, please see "Table 6: Reconciliation of GAAP to Non-GAAP Financial Measures" that follows.

BUSINESS ENVIRONMENT This Business Environment section provides an overview of our results of operations and financial position for the year ended December 31, 2023-2024, as well as our related outlook for 2024-2025 and certain of the uncertainties associated with achieving that outlook. This section should be read in conjunction with the other information appearing in this Annual Report on Form 10-K, including "Consolidated Results of Operations", "Risk Factors", and "Cautionary Note Regarding Forward-Looking Statements", which provide further discussion of variances in our results of operations over the periods of comparison, along with other factors that could impact future results and the Company achieving its outlook. Credit sales of \$ 28-27.9-0 billion were down 12-7% when compared with 2022-2023, reflecting a moderation in self-moderated consumer spending, the sale of the BJ's portfolio in late February 2023, as well as our proactive and responsible strategic credit tightening of our underwriting and credit line management given ongoing consumer payment pressures and the resumption of federal student loan payments, partially offset by new brand partner growth. Average credit card and other loans of \$ 18.1 billion decreased 1% while End-of-period credit card and other loans of \$ 18.9 billion were down 2 billion increased 3%; both declines were driven by the addition of new brand partners same factors affecting Credit sales, as well as elevated net principal losses further moderation in the consumer payment rate. End-of-period credit card and other loan balances were down 10% due to the decline in Credit sales and the sale of the BJ's portfolio noted above. Total interest income decreased 2 was up 10% primarily as a result of improved lower Interest and fees on loan loans yields which was driven by lower late fees from rising prime interest rates lower early-state delinquency volumes, partially offset by our gradual shift in product mix to a lower proportion of private label accounts which tend to have higher late fees, as well as higher reversals of interest and fees resulting from higher gross credit losses. Net interest margin was 18.3% in 2024 compared to 19.5% in 2023 improving slightly from 19.2% in 2022, primarily due to decreased late fees and higher funding costs, particularly with DTC deposits. Non-interest income increased decreased \$ 378-249 million, primarily related to the \$ 230 million gain on the BJ's portfolio sale in 2023, as well as increased decreased merchant discount fees from lower "big ticket" credit sales, and interchange revenue earned in 2023, as well as lower payments under our partially offset by a reduction in costs associated with brand partner retailer share arrangements due to lower credit sales and higher losses, and lower cardholder and brand partner engagement initiatives in the current year. Overall, Total net interest and non-interest income was \$ 4,289-3.8 million-billion, up 12-down 11% versus 2022-2023. Provision for From an overall credit quality perspective losses increased relative to 2023 driven by a \$ 92 million reserve release in the exit current year compared with a \$ 136 million reserve release in the prior year, with the release in the prior year primarily related to the sale of the BJ's portfolio, which had higher than average credit quality, and the downward migration of existing customers' Vantage scores due to challenging macroeconomic conditions, caused our overall portfolio's risk score distribution to shift downward relative to December 31, 2022. However, the percentage of Vantage 660 cardholders was still above pre-pandemic levels due to prudent credit tightening and a more diversified product mix, with co-brand and proprietary cards representing a larger portion of our portfolio. Provision for credit losses decreased relative to 2022 driven by a reserve release in the current year of \$ 136 million, included in which was \$ 235 million related primarily to the sale of the BJ's portfolio; as compared with a \$ 626 million reserve build in the prior year. The reserve release releases in both the current year years were compared with the reserve build in the prior year was partially offset by increased net principal losses of \$ 397-1.5 million-billion in and \$ 1.4 billion during the those current year same respective periods. Our Allowance for credit losses decreased as of December 31, 2023-2024 relative to December 31, 2022-2023, due primarily to lower Credit card and other loans, as well as a modest decrease in the reserve release from the sale of the BJ's portfolio. Despite the decrease in the Allowance for credit losses, the Reserve rate increased over the period. Overall, our reserve rate is nominally lower, 11.9% as of December 31, 2024 compared with 12.0% versus 11.5% as of December 31, 2023, reflecting conservative weightings on those the

economic scenarios in our credit reserve modeling given same respective dates. This increase was due to several factors, including the sale-wide range of the BJ's portfolio potential 2025 macroeconomic outcomes, which had higher than average we intend to maintain until we see sustained improvement in delinquencies and an improved macroeconomic outlook. From an overall credit quality perspective, as noted our percentage of Vantage 660 cardholders remains above pre-pandemic levels. Additionally, the Reserve rate was impacted due to prudent credit tightening and a more diversified product mix the compounding effect of persistent inflation relative to wage growth, with co- the increased cost of consumer debt, the possibility of higher unemployment levels and brand the potential impacts from the resumption and proprietary cards representing a larger proportion of our portfolio federal student loan payments. Total non- interest expenses increased decreased 8.2 % when compared with 2022-2023, with. Excluding the increase due to higher Employee compensation and benefits \$ 107 million impact from our repurchased Convertible Notes, Adjusted total non- interest expenses as, a result of Non- GAAP financial measure, increased decreased 7 % from 2023 hiring to support our investment in both technology and digital capabilities, higher driven by a decrease in Card and processing expenses, including fraud, and higher Information processing and communication expenses driven by the transition of our credit card processing services and cloud modernization initiatives. These increases were partially offset by a reduction an increase in Marketing Employee compensation and benefits expenses expense related due primarily to decreased spending associated with DTC offerings higher short- term and long- term incentive compensation. Throughout 2023 we also See " Non- GAAP Financial Measures " and Table 6: Reconciliation of GAAP to Non- GAAP Financial Measures included in this report. We continued to execute on our debt plan, strengthen strengthening our balance sheet throughout 2024. We reduced debt and improve dilution risk through repurchasing \$ 306 million aggregate principal amount of our capital ratios outstanding Convertible Notes, while growing including our TCE / TA ratio and our Common equity tier 1 capital ratio to 12, which were 9.64 % and 12.2 %, respectively, as of a 20 basis points year- over- year improvement. During the year ended December 31, 2023-2024, under the authorized stock repurchase program, we acquired a total. See " Non- GAAP Financial Measures " and Table 6: Reconciliation of GAAP to Non- GAAP Financial Measures included in this report. As 0 million shares of our common stock for \$ 55 million. Additionally, DTC deposits increased to \$ 7.7 billion as of December 31, 2023-2024, with average DTC deposits grew to 34 now representing 43 % of our total funding sources, up from 35 % a year ago. Further, in January 2025, with cash on hand we redeemed the remaining \$ 100 million in aggregate principal amount of our Senior Notes due 2026. Throughout 2024 we made further diversifying progress with the implementation of our funding base mitigation strategy in response to the final rule on credit card late fees published by the CFPB. During Industry organizations have challenged the final rule in court, and the ultimate outcome of such challenge, including the impact on the final rule, is uncertain. The final rule had an original effective date of May 14, 2023-2024 we; however, on May 10, 2024, the United States District Court for the Northern District of Texas granted an injunction and stay of the final rule, and the injunction granted remains in effect as of the date of this report. We are closely monitoring the ongoing litigation related to the rule and recent developments involving the CFPB's operations, but also obtained continue to execute on our inaugural Parent Company issuer credit ratings mitigation strategy given the uncertainty surrounding the timing and outcome. Because of that uncertainty, refinanced both our full year term loan and revolving line of credit, completed offerings of convertible and senior unsecured notes, executed a tender offer and redeemed certain of our outstanding senior unsecured notes, leading to a reduction in Parent Company debt of approximately \$ 500 million. Our 2024-2025 financial outlook assumes reflects an expected slower rate of Credit sales growth as a result of ongoing strategic credit tightening and continued moderation in consumer spending, both of which consequentially will impact loan growth and the final rule does not take effect in Net loss rate. In addition, our 2024-2025. Our 2025 financial outlook assumes multiple economic stability, yet is subject to changing conditions as the impacts from key legislative and monetary policies are still unknown. Our current baseline forecast includes continued improvements in real wages in a stable, albeit cooling labor market, while also assuming interest rate decreases by the Federal Reserve Board in the second half of the year, which will impact slightly decrease Total net interest income. Our outlook does not factor in the potential impacts of the proposed CFPB late fee rule. Based on our current economic outlook, ongoing strategic credit tightening actions, higher gross credit losses, and visibility into our new business pipeline along with existing partners, we expect 2024-2025 Average credit card and other loans growth to be down low- single digits relative relatively flat to 2023-2024. We Excluding the BJ's portfolio, we expect 2024 Average End- of- period credit card and other loans to be higher as of year- end 2025 relative to 2024, as a result of new business growth to be up low- single digits and higher Credit sales during the year. Total net interest and non- interest income, excluding any gains on portfolio sales, a Non- GAAP financial measure, is anticipated to be down up in the low- to- mid single digits on a percentage point basis from 2024, driven by both lower Average credit card and other loans and Net interest margin. Our full Full year Net interest margin is expected to be lower modestly higher than 2023-2024 as a result, reflecting higher reversals of our mitigation actions taken in response to the CFPB late fee rule, partially offset by factors such as: (i) interest and fees rate decreases by the Federal Reserve Board, which impact us due to our slight asset sensitivity higher expected gross credit losses, declining interest rates, and a lagged cost of funds impacts, (ii) our continued shift in risk mix, from improving credit quality, and therefore lower delinquencies and consequently lower late fees, and (iii) product mix, to co- brand and, proprietary, and installment lending products, leading to lower finance charges and late fees. With As a result of efficiencies gained from our ongoing focus on expense discipline and operational excellence initiatives, we expect Total non- interest expense to be lower in 2024 than 2023 based on our current economic outlook. As a result of efficiencies gained in 2023 from our ongoing investments in technology modernization and digital advancement, along with disciplined investment and expense management, in 2025 we aim expect to deliver nominal generate full year positive operating leverage in 2024 excluding any gains on portfolio sales and the \$ 107 million impact from our repurchased Convertible Notes. Our 2024-2025 financial outlook also assumes a Net principal loss rate ranging from in the low- 8.0 % range, peaking in the

first half of the year with each of the first two to quarters in the mid- to high 8.2 % range as inflation continues to pressure consumers' ability to pay and moderates their spend. As a result Our outlook is inclusive of hurricanes Helene our ongoing credit tightening actions and expected Milton we froze delinquency progression for cardholders in FEMA identified impact zones for one billing cycle, which resulted in a modestly slower lower loan growth impacting the Net principal loss rate. We continue to await a final rule from the CFPB regarding credit card late fees, which we anticipate will be published in the coming months. While we cannot speculate on the exact timing or terms of the final rule, we expect that, absent a successful legal challenge, the rule will significantly reduce the safe harbor amount for late fees that we and other credit card issuers are authorized to charge, which would have a significant impact on our business and results of operations for at least the short term and, depending on the effectiveness of the mitigating actions that we may take in response to the rule, potentially over the long term. In anticipation of the final rule being published, we are evaluating a number of strategies designed to limit the impact of the final rule on our business, which may include increased annual percentage rates (APRs) and other fee-based pricing actions, certain underwriting adjustments, changes in brand partner program economics, and continued product diversification strategies. Based on our current estimates, if the rule were to be implemented as proposed and it reduced the late fee safe harbor amount to \$ 8, assuming a hypothetical October 1, 2024 effective date, we expect that our Total net interest and non-interest income for the fourth quarter of 2024 would, and consequently these actions will negatively impact the Net principal loss rate in the second quarter of 2025. In our 2025 financial outlook we also expect our full year normalized effective tax rate to be negatively impacted by approximately in the range of 25 % relative to the fourth quarter of 2023, after giving effect to over-quarter variability due to the timing of certain discrete items of the strategies discussed above that we believe can be implemented by that time. Once the final rule is published, We expect we will take further mitigating actions with our resilient partners. We cannot guarantee, however, the extent to which these strategies will ultimately be successful, either in the short or long term, and, if not fully successful, the adverse impact on our Total net interest and non-interest income could be greater than our current estimates. At this time, our 2024 financial outlook does not factor in potential impacts of the proposed CFPB late fee rule changes. For an additional discussion of the CFPB's final rule and related risks and uncertainties, see "Risk Factors — Legal, Regulatory and Compliance Risks" and "Business business model — Supervision and Regulation" elsewhere in this report. Although we recognize the more challenging macroeconomic and regulatory landscape, we remain focused on generating strong returns through prudent capital allocation and risk management, reflecting our commitment and operational excellence initiatives to deliver responsible drive sustainable, profitable growth and achieve strong financial results in 2025 build long-term value for our stakeholders.

CONSOLIDATED RESULTS OF OPERATIONS The following discussion provides commentary on the variances in our results of operations for the year ended December 31, 2023-2024, compared with the year ended December 31, 2022-2023, as presented in the accompanying tables. This discussion should be read in conjunction with the discussion under "Business Environment", above. For a discussion of the financial condition and results of operations for 2022-2023 compared with 2021-2022, please refer to Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations (MD & A)" in our Annual Report on Form 10-K for the year ended December 31, 2022-2023, filed with the SEC on February 28-20, 2023-2024, which discussion is incorporated herein by reference from such prior report on Form 10-K.

	2024	2023	2022	2021	2020
Total net interest and non-interest income	\$ 3,838	\$ 4,289	\$ 3,826	\$ 3,272	\$(451)
Provision for credit losses	1,397	1,229	1,594	544	168
Total non-interest expenses	2,060	2,092	1,932	1,684	(32)
Income from continuing operations before income taxes	968	968	300	1,044	(587)
Income tax expense	231	76	247	129	155
Income from continuing operations	737	892	553	915	729
Income from discontinued operations, net of income taxes	(1)	(2)	(19)	(1)	4
Net income	736	890	534	914	725
Adjusted net income	722	881	522	902	711
Net income per diluted share	\$ 5.49	\$ 14.34	\$ 4.46	\$ 16.80	\$ 9.88
Adjusted net income per diluted share	\$ 5.41	\$ 14.34	\$ 4.46	\$ 16.79	\$ 9.88
Income from continuing operations per diluted share	\$ 5.54	\$ 14.74	\$ 4.47	\$ 15.95	\$ 10.27
Adjusted income from continuing operations per diluted share	\$ 5.46	\$ 14.74	\$ 4.47	\$ 15.71	\$ 10.27
Net interest margin	18.3%	19.5%	19.2%	18.1%	17.2%
Return on average tangible common equity	38.0%	14.2%	26.6%	23.8%	40.7%
Effective income tax rate	23.8%	25.4%	23.2%	9.7%	(1.6)%

(1) Includes amounts that related to the previously disclosed discontinued operations associated with the spinoff of our former LoyaltyOne segment in 2021 and the sale of our former Epsilon segment in 2019. For additional information refer to Note 1, "Description of Business, Basis of Presentation and Summary of Significant Accounting Policies" to the audited Consolidated Financial Statements. (2) Adjusted for the impact from our repurchased Convertible Notes, and therefore represent Non-GAAP financial measures. See "Non-GAAP Financial Measures" and Table 6: Reconciliation of GAAP to Non-GAAP Financial Measures. (3) Net interest margin represents annualized Net interest income divided by average Total interest-earning assets. See also Table 5: Net Interest Margin. (4) Return on average tangible common equity (ROTCE) represents annualized Income from continuing operations divided by average Tangible common equity. Tangible common equity (TCE) represents Total stockholders' equity reduced by Goodwill and intangible assets, net. ROTCE is a Non-GAAP financial measure. See "Non-GAAP Financial Measures" and Table 6: Reconciliation of GAAP to Non-GAAP Financial Measures. (nm) Not meaningful, denoting a variance of 1,000 percent or more. Table 2: Summary of Total Net Interest and Non-interest Income, After Provision for Credit Losses Years Ended December 31, \$ Change % Change 2024 2023 2022 2021 2020 (Millions, except percentages) Interest income \$ 4,820 \$ 4,961 \$ (141) \$ 346 (3) 8 Interest on cash

and investment securities 204 184 69 20 115 11 165 Total interest income 5,024 5,145 4,684 (121) 461 (2) 10 Interest expense Interest on deposits 608 541 243 67 298 12 122 Interest on borrowings 352 338 260 14 78 4 30 Total interest expense 960 879 503 81 376 9 75 Net interest income 4,064 4,266 4,181 (202) 85 (5) 2 Non-interest income Interchange revenue, net of retailer share arrangements (381) (335) (469) (46) 134 14 (28) Gain on portfolio sale 112 30 — (219) 230 (95) nm Other 144 128 114 16 14 12 13 Total non-interest income (226) 23 (355) (249) 378 nm (107) Total net interest and non-interest income 3,838 4,289 3,826 (451) 463 (11) 12 Provision for credit losses 1,397 1,229 1,594 168 (365) 14 (23) Total net interest and non-interest income, after provision for credit losses \$ 2,441 \$ 3,060 \$ 2,232 \$ (619) \$ 828 (20) 37

Interest income: Total interest income decreased for the year ended December 31, 2024, due to the following: • Interest and fees on loans decreased for the year ended December 31, 2024 due primarily to lower late fees driven by lower early-state delinquency volumes and from our gradual shift in product mix to a lower proportion of private label accounts, as well as higher reversals of interest and fees resulting from higher gross credit losses; collectively decreasing finance charge and late fee yields by approximately 58 basis points. • Interest on cash and investment securities increased for the year ended December 31, 2024, partially offsetting the decrease in Interest and fees on loans, due to higher average balances which increased interest income by \$ 16 million, as well as, higher average interest rates which increased interest income by \$ 4 million. Interest expense: Total interest expense increased for the year ended December 31, 2024, due to the following: • Interest on deposits increased \$ 67 million primarily due to higher DTC funding costs driven by higher average balances and higher average interest rates, contributing \$ 52 million and \$ 46 million, respectively, partially offset by lower wholesale funding costs, which decreased \$ 56 million due to lower average balances, offset in part by \$ 25 million due to higher average interest rates. • Interest on borrowings increased due to higher average interest rates which increased funding costs \$ 39 million, partially offset by lower average borrowings which decreased funding costs by approximately \$ 25 million. Non-interest income: Total non-interest income decreased for the year ended December 31, 2024, due to the following: • Interchange revenue, net of retailer share arrangements, typically a contra-revenue item for us, increased during the period, driven by a decrease in merchant discount fees from lower “big ticket” credit sales, and interchange revenue earned, partially offset by a reduction in costs associated with brand partner retailer share arrangements. • Gain on portfolio sale reflects the gain we recognized from the sale of a credit card loan portfolio in April 2024, that was then subsequently adjusted throughout the remainder of 2024 to recognize an incremental amount due under the purchase and sale agreement. For 2023, we recognized a gain from the sale of the BJ's Wholesale Club (BJ's) portfolio in late February 2023. Provision for credit losses increased for the year ended December 31, 2024, driven by a \$ 92 million reserve release in the current year compared with a \$ 136 million reserve release in the prior year, with the release in the prior year primarily related to the sale of the BJ's portfolio. The reserve releases in both years were offset by net principal losses of \$ 1.5 billion and \$ 1.4 billion during those same respective periods. Overall, our reserve rate is nominally lower, 11.9% as of December 31, 2024 compared with 12.0% as of December 31, 2023, reflecting conservative weightings on the economic scenarios in our credit reserve modeling given the wide range of potential 2025 macroeconomic outcomes, which we intend to maintain until we see sustained improvement in delinquencies and an improved macroeconomic outlook.

Table 3: Summary of Total Non-interest Expenses Years Ended December 31, \$ Change % Change

	2024	2023	2022	2024 to 2023	2023 to 2022
Non-interest expenses					
Employee compensation and benefits	\$ 897	\$ 867	\$ 779	\$ 30	\$ 88
Card and processing expenses	326	428	359	(102)	69
Information processing and communication	300	301	274	(1)	27
Marketing expenses	147	161	180	(14)	(19)
Depreciation and amortization	90	116	113	(26)	3
Other	300	219	227	81	(8)
Total non-interest expenses	\$ 2,060	\$ 2,932	\$ 1,932	\$ (872)	\$ 1,000
Adjusted total non-interest expenses	(1) \$ 1,953	2,092	\$ 1,932	(139)	\$ 160

(1) Adjusts Total non-interest expenses for the \$ 107 million impact from our repurchased Convertible Notes, included in Other, and therefore represents a Non-GAAP financial measure. See “Non-GAAP Financial Measures” and Table 6: Reconciliation of GAAP to Non-GAAP Financial Measures. Non-interest expenses: Total non-interest expenses decreased for the year ended December 31, 2024. Adjusted total non-interest expenses, which represents a Non-GAAP financial measure and has been adjusted for the \$ 107 million impact from our repurchased Convertible Notes, decreased for the current year. • Employee compensation and benefits increased due to higher short-term and long-term incentive compensation, partially offset by ongoing strategic adjustments in customer care staffing, as well as a reduction in demand-based outsourced and contract labor. • Card and processing expenses decreased due primarily to lower fraud losses, as well as reduced volume-related card and statement costs. • Marketing expenses decreased due to decreased spending associated with brand partner and BFH joint marketing campaigns, partially offset by higher spending associated with DTC product offerings. • Depreciation and amortization decreased due to lower amortization for developed technology associated with an acquisition completed in late 2020. • Other increased primarily related to the impact from our repurchased Convertible Notes; excluding that impact Other expenses decreased due to decreased legal and other business activity costs. Income Taxes The Provision for income taxes decreased for the year ended December 31, 2024, primarily driven by a \$ 587 million decrease in Income from continuing operations before income taxes in 2024. The effective tax rate was 26.7% and 23.8% for the years ended December 31, 2024 and 2023, respectively. The increase in the effective tax rate resulted from an increase in non-deductible items in the current year period related to the non-deductible portion of our repurchased Convertible Notes transactions, offset in part by discrete tax benefits, primarily related to favorable audit resolutions. Discontinued Operations The Loss from discontinued operations, net of income taxes includes amounts that relate to the previously disclosed discontinued operations associated with the spinoff of our former LoyaltyOne segment in 2021 and the sale of our former Epsilon segment in 2019, and primarily relate to contractual indemnification and tax-related matters. For additional information refer to Note 22, “Discontinued

Operations and Bank Holding Company Financial Presentation to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2021. Table 4: Summary Financial Highlights – Continuing Operations As of or for the Years Ended December 31, % Change 2024/2023/2022/2021/2020 to 2023/2022/2021/2020 (Millions, except per share amounts and percentages) Credit sales \$ 26,962 \$ 28,900 \$ 32,883 (7) (12) PPNR (1) 1,778 2,197 1,894 (19) 16 PPNR excluding gain on portfolio sale and impact from repurchased Convertible Notes (1) 1,874 1,967 1,894 (5) 4 Average credit card and other loans 18,084 18,216 17,768 (1) 3 End-of-period credit card and other loans 18,896 19,333 21,365 (2) (10) End-of-period direct-to-consumer deposits 7,687 6,454 5,466 19 18 Return on average assets (2) 1.3 % 3.3 % 1.0 % (2.0) 2.3 Return on average equity (3) 8.7 % 27.1 % 9.8 % (18.4) 17.3 Return on average tangible common equity (4) 11.4 % 38.0 % 14.2 % (26.6) 23.8 Net interest margin (5) 18.3 % 19.5 % 19.2 % (1.2) 0.3 Loan yield (6) 26.7 % 27.2 % 26.0 % (0.5) 1.2 Efficiency ratio (7) 53.7 % 48.8 % 50.5 % 4.9 (1.7) Double leverage ratio (8) 104.7 % 123.9 % 183.6 % (19.2) (59.7) Common equity tier 1 capital ratio (9) 12.4 % 12.2 % 8.7 % 0.2 3.5 Total risk-based capital ratio (10) 13.8 % 13.6 % 10.1 % 0.2 3.5 Total risk-weighted assets (11) \$ 19,928 \$ 20,140 \$ 22,065 (1.1) (8.7) Tangible common equity / Tangible assets ratio (TCE / TA) (12) 10.4 % 9.6 % 6.0 % 0.8 3.6 Tangible book value per common share (13) \$ 46.97 \$ 43.70 \$ 29.42 7.5 48.5 Payment rate (14) 15.0 % 14.5 % 16.4 % 0.5 (1.9) Delinquency rate (15) 5.9 % 6.5 % 5.5 % (0.6) 1.0 Net loss rate (16) 8.2 % 7.5 % 5.4 % 0.7 2.1 Reserve rate (17) 11.9 % 12.0 % 11.5 % (0.1) 0.5 Note: Beginning in 2024, we revised the calculation of average balances to more closely align with industry practice by incorporating an average daily balance. Prior to 2024, average balances represent the average balance at the beginning and end of each month, averaged over the periods indicated. (1) PPNR represents Income from continuing operations before income taxes and the Provision for credit losses. PPNR is a Non-GAAP financial measure. PPNR excluding gain on portfolio sale and impact from repurchased Convertible Notes excludes from PPNR the gain on any portfolio sale in the period, as well as the impact from our repurchased Convertible Notes in the period, and is also a Non-GAAP financial measure. See “Non-GAAP Financial Measures” and Table 6: Reconciliation of GAAP to Non-GAAP Financial Measures. (2) Return on average assets represents annualized Income from continuing operations divided by average Total assets. (3) Return on average equity represents annualized Income from continuing operations divided by average Total stockholders’ equity. (nm) Not meaningful, denoting a variance of 100 percent or more. Table 2: Summary of Total Net Interest and Non-interest Income, After Provision for Credit Losses Years Ended December 31, \$ Change % Change 2023/2022/2021/2020 to 2022/2022/2021/2020 to 2021/2020 to 2022/2022/2021 (Millions, except percentages) Interest income Interest and fees on loans \$ 4,961 \$ 4,615 \$ 3,861 \$ 346 \$ 754 8 20 Interest on cash and investment securities 184 69 7 115 62 nm nm Total interest income 5,145 4,684 3,868 461 816 10 21 Interest expense Interest on deposits 541 243 167 298 76 nm 46 Interest on borrowings 338 260 216 78 44 30 20 Total interest expense 879 503 383 376 120 75 31 Net interest income 4,266 4,181 3,485 85 696 2 20 Non-interest income Interchange revenue, net of retailer share arrangements (335) (469) (369) 134 (100) (28) 27 Gain on portfolio sale 230 102 30 (10) nm nm Other 128 114 146 14 (32) Total non-interest income 23 (355) (213) 378 (142) nm 66 Total net interest and non-interest income 4,289 3,826 3,272 463 554 12 17 Provision for credit losses 1,229 1,594 544 (365) 1,050 (23) nm Total net interest and non-interest income, after provision for credit losses \$ 3,060 \$ 2,232 \$ 2,728 \$ 828 \$ (496) 37 (18) Interest income: Total interest income increased for the year ended December 31, 2023, primarily resulting from Interest and fees on loans. The increase during the period, relative to the prior year, was due to both an increase in finance charge yields of approximately 126 basis points driven by increases in the prime interest rate, as well as, to a lesser extent, an increase in Average credit card and other loans; partially offset by higher reversals of interest and fees resulting from higher gross credit losses. Interest expense: Total interest expense increased for the year ended December 31, 2023, due to the following: • Interest on deposits increased due to higher average interest rates which increased interest expense by \$ 269 million, as well as higher average balances which increased interest expense by \$ 29 million. • Interest on borrowings increased due to higher average interest rates which increased funding costs \$ 141 million, partially offset by lower average borrowings which decreased funding costs by approximately \$ 63 million. Non-interest income: Total non-interest income increased for the year ended December 31, 2023, due to the following: • Interchange revenue, net of retailer share arrangements, typically a contra-revenue item for us, decreased during the period, driven by cardholder and brand partner engagement initiatives in the prior year, and in the current year an increase in merchant discount fees and interchange revenue earned, as well as a reduction in costs associated with brand partner retailer share arrangements. • Gain on portfolio sale reflecting the gain we recognized from the sale of the BJ’s portfolio in late February 2023. Provision for credit losses decreased for the year ended December 31, 2023, driven by reserve releases in the current year of \$ 136 million, of which \$ 235 million was released in the first quarter relating primarily to the sale of the BJ’s portfolio, as compared with a \$ 626 million reserve build in the prior year. The reserve release in the current year compared with the reserve build in the prior year was offset by increased net principal losses of \$ 397 million in the current year. We continue to maintain an elevated reserve rate, 12.0 % as of December 31, 2023, due to the compounding effect of persistent inflation Table 3: Summary of Total Non-interest Expenses Years Ended December 31, \$ Change % Change 2023/2022/2021/2020 to 2022/2022/2021/2020 to 2021/2020 to 2022/2022/2021 (Millions, except percentages) Non-interest expenses Employee compensation and benefits \$ 867 \$ 779 \$ 671 \$ 88 \$ 108 11 16 Card and processing expenses 428 359 323 69 36 19 11 Information processing and communication 301 274 216 27 58 10 27 Marketing expenses 161 180 160 (19) 20 (10) 13 Depreciation and amortization 116 113 92 3 21 2 23 Other 219 227 222 (8) 5 (3) 2 Total non-interest expenses \$ 2,092 \$ 1,932 \$ 1,684 \$ 160 \$ 248 8 15 Non-interest expenses: Total non-interest expenses increased for the year ended December 31, 2023, due to the following: • Employee compensation and benefits increased due to increased headcount, which was driven by continued digital and technology modernization-related hiring and customer care and collections staffing, increased retirement benefits and higher incentive compensation. • Card and processing expenses increased due primarily to increased fraud losses, as well as higher card processing, direct mail and statement costs. • Information processing and communication increased due to an increase in data processing expense driven by the transition of

our credit card processing services in June 2022 and cloud modernization initiatives, as well as other software licensing expenses. Marketing expenses decreased primarily due to decreased spending associated with DTC offerings and discretionary expenditures. Income Taxes The Provision for income taxes increased for the year ended December 31, 2023, primarily related to a \$ 668 million increase in Income from continuing operations before income taxes in 2023. The effective tax rate was 23.8 % and 25.4 % for the years ended December 31, 2023 and 2022, respectively. The decrease in the 2023 effective tax rate resulted from discrete benefits, which were primarily related to a lapse of applicable statutes of limitations. The higher effective tax rate in 2022 was unfavorably impacted by lower Income from continuing operations before income taxes and an increase to the deferred tax asset valuation allowance, offset by favorable settlements with tax authorities. Discontinued Operations The (Loss) income from discontinued operations, net of income taxes includes amounts that relate to the previously our former Epsilon segment in 2019, and primarily relate to the after-tax impact of contractual indemnification and tax-related matters. For additional information refer to Note 1, “Description of Business, Basis of Presentation and Summary of Significant Accounting Policies” to the audited Consolidated Financial Statements. Table 4: Summary Financial Highlights—Continuing Operations As of or for the Years Ended December 31, % Change 2023 2022 2021 2023 to 2022 2022 to 2021 (Millions, except per share amounts and percentages) Credit sales \$ 28,900 \$ 32,883 \$ 29,603 (12) 11 PPNR (1) 2,197 1,894 1,588 16 19 Average credit card and other loans 18,216 17,768 15,656 3 13 End-of-period credit card and other loans 19,333 21,365 17,399 (10) 23 End-of-period direct-to-consumer deposits 6,454 5,466 3,180 18 72 Return on average assets (2) 3.3 % 1.0 % 3.6 % 2.3 (2.6) Return on average equity (3) 27.1 % 9.8 % 40.7 % 17.3 (30.9) Net interest margin (4) 19.5 % 19.2 % 18.2 % 0.3 1.0 Loan yield (5) 27.2 % 26.0 % 24.7 % 1.2 1.3 Efficiency ratio (6) 48.8 % 50.5 % 51.5 % (1.7) (1.0) Double leverage ratio (7) 123.9 % 183.6 % 213.2 % (59.7) (29.6) Common equity tier 1 capital ratio (8) 12.2 % 8.7 % 10.3 % 3.5 (1.6) Total risk-weighted assets (9) \$ 20,140 \$ 22,065 \$ 19,295 (8.7) 14.4 Tangible common equity / Tangible assets ratio (TCE / TA) (10) 9.6 % 6.0 % 6.6 % 3.6 (0.6) Tangible book value per common share (11) \$ 43.70 \$ 29.42 \$ 28.09 48.5 4.7 Cash dividend per common share \$ 0.84 \$ 0.84 — Payment rate (12) 14.5 % 16.4 % 17.2 % (1.9) (0.8) Delinquency rate (13) 6.5 % 5.5 % 3.9 % 1.0 1.6 Net loss rate (13) 7.5 % 5.4 % 4.6 % 2.1 0.8 Reserve rate (14) 12.0 % 11.5 % 10.5 % 0.5 1.0 (1) PPNR is calculated by increasing / decreasing Income from continuing operations before income taxes by the net provision / release in Provision for credit losses. PPNR is a non-GAAP financial measure. See “Non-GAAP Financial Measures” and Table 6: Reconciliation of GAAP to Non-GAAP Financial Measures. (2) Return on average assets represents annualized Income from continuing operations divided by average Total assets. (4) Net interest margin represents annualized Net interest income divided by average Total interest-earning assets. See also Table 5: Net Interest Margin. (5-6) Loan yield represents annualized Interest and fees on loans divided by Average credit card and other loans. (6-7) Efficiency ratio represents Total non-interest expenses divided by Total net interest and non-interest income. (7-8) Double leverage ratio represents Parent Company investment in subsidiaries divided by BFH consolidated equity. (8-9) The Common equity tier 1 capital ratio represents common equity tier 1 capital divided by total risk-weighted assets. **In the calculation of tier 1 capital, we follow the Basel III Standardized Approach and therefore Total stockholders' equity has been reduced, primarily by Goodwill and intangible assets, net. For additional information, see “Legislative, Regulatory Matters and Capital Adequacy” included elsewhere in this report. (9-10) Total risk-based capital ratio represents total capital divided by total risk-weighted assets. In the calculation of total capital, we follow the Basel III Standardized Approach and therefore tier 1 capital has been increased by tier 2 capital, which for us is the allowable portion of the Allowance for credit losses. For additional information, see “Legislative, Regulatory Matters and Capital Adequacy” included elsewhere in this report. (11) Total risk-weighted assets are generally measured by allocating assets, and specified off-balance sheet exposures, to various risk categories as defined by the Basel III standardized Standardized approach Approach. For additional information, see “Legislative, Regulatory Matters and Capital Adequacy” included elsewhere in this report. (10-12) Tangible common equity over tangible assets (TCE / TA) represents TCE divided Total stockholders' equity reduced by Goodwill and intangible assets, net. Tangible assets (TA) represents, which is Total assets reduced by Goodwill and intangible assets, net. TCE / TA is a non-Non-GAAP financial measure. See “Non-GAAP Financial Measures” and Table 6: Reconciliation of GAAP to Non-GAAP Financial Measures. (11-13) Tangible book value per common share represents TCE divided by shares outstanding and is a non-Non-GAAP financial measure. See “Non-GAAP Financial Measures” and Table 6: Reconciliation of GAAP to Non-GAAP Financial Measures. (12-14) Payment rate represents consumer payments during the last month of the period, divided by the beginning-of-month Credit card and other loans, including held for sale in applicable periods. (13-15) Delinquency rate represents outstanding balances that are contractually delinquent (i. e., principal balances greater than 30 days past due) as of the end of the period, divided by the outstanding principal amount of Credit cards—card and other loans as of the same period-end. (16) Net loss rate, an annualized rate, represents net principal losses for the period divided by the Average credit card and other loans for the same period, with that Average being the average balance of the loans at the beginning and end of each month, averaged over the period. Delinquency-Net loss rate as of for the years ended December 31, 2023 and 2022 was were impacted by the transition of our credit card processing services in June 2022. Net loss rate for the year ended December 31, 2023 and 2022 were also impacted by the transition of our credit card processing services. (14-17) Reserve rate represents the Allowance for credit losses divided by End-of-period credit card and other loans. Year Ended December 31, 2023 Average 2024 Average Balance \$ (1) Interest Income / Expense Average Yield / Rate (Millions, except percentages) Cash and investment securities \$ 4,116 \$ 204 4.96 % Credit card and other loans 18,084 4,820 26.65 % Total interest-earning assets 22,200 5,024 22.63 % Direct-to-consumer (retail) deposits 7,174 349 4.86 % Wholesale deposits 5,919 259 4.38 % Interest-bearing deposits 13,093 608 4.64 % Secured borrowings 3,576 236 6.58 % Unsecured borrowings 1,247 116 9.33 % Interest-bearing borrowings 4,823 352 7.29 % Total interest-bearing liabilities 17,916 960 5.36 % Net interest income \$ 4,064 Net interest margin (2) 18.3 % Year Ended December 31, 2023 Average Balance (1) Interest Income / Expense Average Yield / Rate (Millions, except percentages) Cash and**

investment securities \$ 3, 707 \$ 184 4. 95 % Credit card and other loans 18, 216 4, 961 27. 23 % Total interest- earning assets 21, 923 5, 145 23. 47 % Direct- to- consumer (retail) deposits 5, 936 251 4. 23 % Wholesale deposits 7, 332 290 3. 96 % Interest- bearing deposits 13, 268 541 4. 08 % Secured borrowings 3, 440 227 6. 61 % Unsecured borrowings 1, 629 111 6. 80 % Interest- bearing borrowings 5, 069 338 6. 67 % Total interest- bearing liabilities 18, 337 879 4. 79 % Net interest income \$ 4, 266 Net interest margin (**1-2**) 19. 5 % **Year Ended December 31, 2022 Average Balance * Interest Income / Expense Average Yield / Rate (Millions, except percentages) Cash and investment securities \$ 3, 954 \$ 69-1 .75 % Credit card-)** **Beginning in 2024, we revised the calculation of average balances to more closely align with industry practice by incorporating and an average daily balance. Prior to 2024, average balances represent other-- the loans 17- average balance at the beginning and end of each month . 768 4, 615 25- averaged over the periods indicated . 97 % Total interest- earning assets 21, 722 4, 684 21. 56 % Direct- to- consumer (retail) deposits 4, 342 81 1. 87 % Wholesale deposits 7, 358 162 2 .21 % Interest- bearing deposits 11, 700 243 2. 08 % Secured borrowings 5, 089 153 2. 99 % Unsecured borrowings 1, 966 107 5. 46 % Interest- bearing borrowings 7, 055 260 3. 68 % Total interest- bearing liabilities 18, 755 503 2. 68 % Net interest income \$ 4, 181 Net interest margin (1) 19. 2 % (1) Net interest margin represents annualized Net interest income divided by average Total interest- earning assets. Years Ended December 31, % **Change 2023 2022 2021 2023 to 2022 2022 to 2023 2023 to 2021 2022 (Millions, except per share amounts and percentages) Adjusted net income Net income \$ 277 \$ 718 \$ 223 (61) 222 Impact from repurchased Convertible Notes 104 — — nm — Adjusted net income \$ 381 \$ 718 \$ 223 (47) 222 Adjusted net income per diluted share Net income per diluted share \$ 5. 49 \$ 14. 34 \$ 4. 46 (62) 222 Impact from repurchased Convertible Notes \$ 2. 06 \$ — \$ — nm — Adjusted net income per diluted share \$ 7. 55 \$ 14. 34 \$ 4. 46 (47) 222 Adjusted income from continuing operations per diluted share Income from continuing operations per diluted share \$ 5. 54 \$ 14. 74 \$ 4. 47 (62) 230 Impact from repurchased Convertible Notes \$ 2. 06 \$ — \$ — nm — Adjusted income from continuing operations per diluted share \$ 7. 60 \$ 14. 74 \$ 4. 47 (48) 230 Adjusted total non- interest expenses Total non- interest expenses \$ 2, 060 \$ 2, 092 \$ 1, 932 (2) 8 Impact from repurchased Convertible Notes 107 — — nm — Adjusted total non- interest expenses 1, 953 2, 092 1, 932 (7) 8 Pretax pre- provision earnings (PPNR) Income from continuing operations before income taxes taxes 381 \$ 968 \$ 300 \$ 1, 044 nm (71 61) 223 Provision for credit losses 1, 397 1, 229 1, 594 544 14 (23) nm Pretax -- Pretax pre- provision earnings (PPNR) \$ 1, 778 2, 197 \$ 1, 894 (19) \$ 1, 588 16 19 Less: Gain on portfolio sale \$ (11) (230) \$ — \$ (10 95) nm nm nm Pretax pre- provision earnings less nm Add: Impact from repurchased Convertible Notes 107 — — nm — PPNR excluding gain on portfolio sale \$ and impact from repurchased Convertible Notes 1, 874 1, 967 \$ 1, 894 \$ (5) 4 Average tangible common equity Average total stockholders' equity 3, 214 2, 722 2, 286 18 19 Less: Average goodwill and intangible assets, net (753) (780) (716) (4) 9 Average tangible common equity 2, 461 1, 578 4 20 942 1, 570 27 24 Tangible common equity (TCE) Total stockholders' equity equity 3 \$, 051 2, 918 \$ 2, 265 5 \$ 2, 086 29 9 Less: Goodwill and intangible assets, net (746) (762) (799) (687 2) (5) 16 Tangible common equity (TCE) \$ 2, 305 \$ 2, 156 \$ 1, 466 7 \$ 1, 399 47 5 **Years Ended December 31, % Change 2024 2023 2022 2024 to 2023 2023 to 2022 2022 to 2023 2023 to 2021 2022 Tangible assets (TA) Total assets \$ 22, 891 \$ 23, 141 \$ 25, 407 (1) \$ 21, 746 (9) 17 Less: Goodwill and intangible assets, net (746) (762) (799) (687 2) (5) 16 Tangible assets (TA) \$ 22, 145 \$ 22, 379 \$ 24, 608 (1) \$ 21, 059 (9) 17 (nm) Not meaningful, denoting a variance of 1, 000 percent or more. ASSET******

QUALITY Given the nature of our business, the credit quality of our assets, in particular our Credit card and other loans, is a key determinant underlying our ongoing financial performance and overall financial condition. When it comes to our Credit card and other loans portfolio, we closely monitor Delinquency rates and Net principal loss rates, which reflect, among other factors, our underwriting, the inherent credit risk in our portfolio and the success of our collection and recovery efforts. These rates also reflect, more broadly, the general macroeconomic conditions, including the **compounding effects-- effect** of persistent inflation **relative to wage growth,** and **high-higher** interest rates. Our Delinquency and Net principal loss rates are also impacted by the **magnitude size** of our Credit card and other loans portfolio, which serves as the denominator in the calculation of these rates. Accordingly, changes in the **magnitude size** of our portfolio (whether due to credit tightening, acquisitions or dispositions of portfolios or otherwise) may cause movements in our Delinquency and Net principal loss rates that are not necessarily indicative of the underlying credit quality of the overall portfolio. Delinquencies: An account is contractually delinquent if we do not receive the minimum payment due by the specified due date. Our policy is to continue to accrue interest and fee income on all accounts, except in limited circumstances, until the balance and all related interest and fees are paid or charged- off. After an account becomes 30 days past due, a proprietary collection scoring algorithm automatically scores the risk of the account becoming further delinquent; based upon the level of risk indicated, a collection strategy is deployed. If after exhausting all in- house collection efforts we are unable to collect on the account, we may engage collection agencies or outside attorneys to continue those efforts, or sell the charged- off balances. The Delinquency rate is calculated by dividing outstanding principal balances that are contractually delinquent (i. e., **principal** balances greater than 30 days past due) as of the end of the period, by the outstanding principal amount of Credit **cards-- card** and other loans as of the same period- end. The following table **presents provides** the delinquency trends on our Credit card and other loans portfolio based on the principal balances outstanding as of December 31 , 2023 and December 31, 2022: Table 7: Delinquency Trends on Credit Card and Other Loans 2023 2024 % **off Total 2022 of Total 2023 % of Total (Millions, except percentages) Credit card and other loans outstanding — principal \$ 17, 906 418 100. 0 % \$ 20, 107 17, 906 100. 0 % Outstanding balances contractually delinquent: 31 to 60 days \$ 299 1. 7 % \$ 346 1. 9 % 61 to 90 days \$ 223 1. 3 % \$ 250 1. 4 % 91 or more days \$ 512 2. 9 % \$ 366 1. 8 % 61 to 90 days \$ 250 1. 4 % \$ 231 1. 2 % 91 or more days \$ 567 3. 2 % \$ 515 2. 6 % Total \$ 1, 034 163 6. 5 . 9 % \$ 1, 112 5 163 6 . 5 % As of December 31, 2022 the Outstanding balances contractually delinquent, and the related % of Total (i. e., the Delinquency rate), were impacted by the transition of our credit card processing services in June 2022. As part of our collections strategy, we may offer temporary , and short term (six months or less) forbearance programs in order to improve the likelihood of collections and meet the needs of our customers. **For example, as a result of hurricanes Helene and Milton in 2024 we froze delinquency progression for****

cardholders in FEMA identified impact zones for one billing cycle. Our modifications, for customers who have requested assistance and meet certain qualifying requirements, come in the form of reduced or deferred payment requirements, interest rate reductions and late fee waivers. We do not offer programs involving the forgiveness of principal. These temporary loan modifications may assist in cases where we believe the customer will recover from the short-term hardship and resume scheduled payments. Under these forbearance consumer relief programs, those accounts receiving relief may not advance to the next delinquency cycle, including charge-off, in the same time frame that would have occurred had the relief not been granted. We evaluate our forbearance consumer relief programs to determine if they represent a more than insignificant delay in payment granted to borrowers experiencing financial difficulty, in which case they would then be considered a Loan Modification. For additional information, see Note 2 “Credit Card and Other Loans – Modified Credit Card Loans” to our audited Consolidated Financial Statements.

Net Principal Losses: Our net principal losses include the principal amount of losses that are deemed uncollectible, less recoveries, and exclude charged-off interest, fees and third-party fraud losses (including synthetic fraud). Charged-off interest and fees reduce Interest and fees on loans, while third-party fraud losses are recorded in Card and processing expenses. Our Credit credit card loans, including unpaid interest and fees, are generally charged-off in the month during which an account becomes 180 days past due. BNPL loans such as our Our pay-over-time products, which include installment loans and our “split-pay” offerings, including unpaid interest, are generally charged-off when a loan becomes 120 days past due. However, in the case of a customer bankruptcy or death, Credit card and other loans, including unpaid interest and fees, as applicable, are charged-off 60 days after receipt of the notification of the bankruptcy or death, but in any case no later than 180 days past due for Credit credit card loans and 120 days past due for BNPL installment loans and “split-pay” offerings. The net Net principal loss rate is calculated by dividing net principal losses for the period by the Average credit card and other loans for the same period. Beginning in January 2024, we revised the calculation of Average credit card and other loans to more closely align with industry practice by incorporating an average daily balance. Prior to 2024, Average credit card and other loans represent the average balance of the loans at the beginning and end of each month, averaged over the periods indicated. The following table presents provides our net principal losses for the periods specified presented: Table 8: Net Principal Losses on Credit Card and Other Loans 2023 2022 2021 2024 2023 2022 (Millions, except percentages)

Period	Average credit card and other loans	Net principal losses	Net principal losses as a percentage of average credit card and other loans
2023	\$ 18,084	\$ 1,489	8.2%
2022	\$ 17,768	\$ 1,365	7.5%
2021	\$ 15,656	\$ 720	5.4%
2024 (Q4)	\$ 18,216	\$ 1,489	8.2%

(1) As a result of hurricanes Helene and Milton we froze delinquency progression for cardholders in FEMA identified impact zones for one billing cycle, which resulted in modestly lower Net principal losses and Net principal losses as a percentage of Average average credit card and other loans in the fourth quarter of 2024, and consequently these actions will negatively impact Net principal losses and Net principal losses as a percentage of average credit card and other loans in the second quarter of 2025. (2) Net principal losses and Net principal losses as a percentage of average credit card and other loans for the twelve months ended December 31, 2023 and 2022 were impacted by the transition of our credit card processing services in June 2022.

CONSOLIDATED LIQUIDITY AND CAPITAL RESOURCES Overview We maintain a strong focus on liquidity and capital. Our funding, liquidity and capital policies are designed to ensure that our business has sufficient liquidity and capital resources necessary to support our daily operations, our business growth, and our credit ratings related to our Parent Company’s senior unsecured senior notes and our public secured financings, and meet our regulatory and policy requirements, including capital and leverage ratio requirements applicable to Comenity Bank (CB) and Comenity Capital Bank (CCB) under Federal Deposit Insurance Corporation (FDIC) regulations, in a cost effective and prudent manner through both expected and unexpected market environments. We also monitor our Double Leverage Ratio, which reflects our Parent Company’s investment in its subsidiaries relative to its consolidated equity, and is often used by regulators and other stakeholders as a measure of the use of debt by a parent entity to fund its subsidiaries. Our primary sources of liquidity include cash generated from operating activities, our bank credit facility, issuances of senior unsecured or convertible debt securities by our Parent Company, financings through our securitization programs, and deposits with the Banks. More broadly, we continuously evaluate opportunities to renew and expand our various sources of liquidity. We aim to satisfy our financing needs with a diverse set of funding sources, and we seek to maintain diversity of funding sources by type of instrument, by tenor and by investor base, among other factors, which we believe will mitigate the impact of disruptions in any one type of instrument, tenor or investor. Our primary uses of liquidity are for underwriting Credit card and other loans, scheduled payments of principal and interest on our debt, operational expenses, capital expenditures, including digital and product innovation and technology enhancements, stock repurchases and dividends. We may from time to time retire or purchase our outstanding debt or convertible debt securities through redemptions, cash purchases or exchanges for other securities, in open market purchases, tender offers, privately negotiated transactions or otherwise. Such repurchases or exchanges would depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors, and may be funded through cash on hand, borrowings under our revolving credit facility, the issuance of debt or convertible debt securities or other sources of liquidity. The amounts involved may be material. We will also need additional financing in the future to repay or refinance our existing debt at or prior to maturity, and to fund our growth, which may include issuance of additional debt, equity or convertible securities or engaging in other capital markets or financing transactions. As part of our financing strategy, we will continue to seek to optimize our capital structure, which may include one or more offerings of subordinated debt or other instruments that may allow for a more efficient use of capital while maintaining appropriate amounts of regulatory capital. Given the maturities of certain of our outstanding debt instruments and the macroeconomic outlook, it is possible that we will be required to repay, extend or refinance some or all of our maturing debt in volatile and / or unfavorable markets. Because of the alternatives available to us, as discussed above, we believe our short-term and long-term sources of liquidity are adequate to fund not only our current operations, but also our near-term and long-term funding requirements including dividend payments, debt service obligations and repayment of debt maturities and other amounts that may ultimately be paid in

connection with contingencies. However, the adequacy of our liquidity could be impacted by various factors, including pending or future legislation, regulation or litigation, macroeconomic conditions and volatility in the financial and capital markets, limiting our access to or increasing our cost of capital, which could make capital unavailable, or available but on terms that are unfavorable to us. These factors could significantly reduce our financial flexibility and cause us to contract or not grow our business, which could have a material adverse effect on our results of operations and financial condition. **In early March 2023, We have a robust liquidity risk management framework in response to place which includes ongoing monitoring of our liquidity and funding positions against our risk appetite metrics and key risk indicators. During times where there may be potential risks from adverse developments in the banking industry developments and / or increased financial sector volatility, we** ~~undertook~~ **may invoke our contingency funding plan to enhance** ~~enhance~~ **daily monitoring of our liquidity and funding positions, determine potential mitigating actions if necessary and provided** ~~provide enhanced reporting multiple daily updates~~ **to our Boards of Directors, at both the Bread Financial and Bank- levels, and regulators .The financial sector volatility experienced in March 2023 has since subsided; nevertheless, we continue enhanced daily monitoring of our liquidity and funding positions.** We maintain a significant majority of our liquidity portfolio on deposit within the Federal Reserve banking system, and we also have a small investment securities portfolio, classified as available- for- sale, which we hold in relation to the Community Reinvestment Act. We do not have any investment securities classified as held- to- maturity. ~~Our DTC deposit balances grew sequentially each quarter during 2023.~~ Credit Ratings In November 2023, we obtained credit ratings for our Parent Company from the major credit rating agencies, Moody’ s Investor Services (Moody’ s), Standard & Poor’ s (S & P) and Fitch Ratings (Fitch), in order to facilitate debt financings and broaden the investor base for our Parent Company debt securities. Our management approach is designed, among other things, to maintain appropriate and stable Parent Company **senior** unsecured debt ratings from the credit rating agencies which help support our access to cost- effective unsecured funding as a component of our overall liquidity and capital resources. The table below provides a summary of the credit ratings for the senior unsecured long- term debt of Bread Financial Holdings, Inc. as of December 31, ~~2023~~ **2024** : Bread Financial Holdings, Inc. Moody’ sS & PFitchSenior unsecured debtBa3BB- BB- ~~OutlookStableStableStable~~ **OutlookPositiveStablePositive** **During the fourth quarter of 2024 both Moody’ s and Fitch upgraded their credit ratings outlook from “ Stable ” to “ Positive ”.** We also seek to maintain appropriate and stable credit ratings for our credit card securitizations issued through World Financial Network Credit ~~Card~~ **Master Card Note** Trust (~~WFNMT-WFNMNT~~) from the rating agencies (DBRS, S & P and Fitch). The table below provides a summary of the structured finance credit ratings for certain of the asset- backed securities , **specifically the Class A notes** of ~~WFNMT-WFNMNT~~ as of December 31, ~~2023~~ **2024** : ~~WFNMTDBRSS-WFNMNTDBRSS~~ & PFitchClass A notesAAAAAAAAA Credit ratings are not a recommendation to buy or hold any securities and they may be revised or revoked at any time at the sole discretion of the rating agency. Downgrades in the ratings of our unsecured or secured debt could result in higher funding costs, as well as reductions in our borrowing capacity in the unsecured or secured debt markets. We believe our mix of funding, including the proportion of our DTC (~~retail~~) and wholesale deposits, to total funding, reduces the impact that a credit rating downgrade could have on our funding costs and capacity. Funding Sources **As referenced above, our primary sources of liquidity include cash generated from operating activities, our bank credit facility, issuances of senior unsecured or convertible debt securities by our Parent Company, financings through our securitization programs, and deposits with the Banks.** Throughout ~~2023~~ **2024** , we engaged in a number of financing - related transactions, including **offering additional 9.750 % Senior Notes due 2029, reducing our Parent Company debt, amending our Revolving Credit Facility to extend the maturity date, entering into separate privately negotiated repurchase agreements with a limited number of holders of** ~~new credit agreement, repaying in full and terminating our 4.25 % Convertible prior credit agreement, repaying in full and cancelling an existing series of senior Senior notes-Notes Due 2028~~ , repaying in full a term loan, and consummating certain debt capital markets transactions, including an **and offering of convertible senior notes, a tender offer to repurchase certain outstanding senior notes, an offering of senior notes and an offering of asset- backed term notes through one of our securitization trusts .** ~~In connection with these transactions, during 2023, we reduced our outstanding Parent Company debt by approximately \$ 500 million and refinanced our nearer- term debt maturities. Further, in January 2024, we reduced our Parent Company debt by an additional \$ 100 million in connection with an offering of additional senior notes.~~ Each of these transactions, as well as other matters relating to our liquidity and capital resources during the year, are described in more detail below. **For additional information regarding Further, in January 2025, with cash on hand we redeemed the remaining \$ 100 million in aggregate principal amount of our Senior** ~~outstanding debt and sources of liquidity, see Note Notes due 2026~~ **10, “ Borrowings of Long- Term and Other Debt ” to our audited Consolidated Financial Statements.** Certain of our long- term debt agreements include various restrictive financial and non- financial covenants. If we do not comply with certain of these covenants and an event of default occurs and remains uncured, the maturity of amounts outstanding may be accelerated and become payable, and, with respect to our credit agreement, the associated commitments may be terminated. As of December 31, ~~2023~~ **2024** , we were in compliance with all such covenants. Credit Agreement In June 2023, we entered into **our a new** ~~credit agreement (the 2023 Credit Agreement)~~ with Parent Company, as borrower, certain of our domestic subsidiaries, as guarantors, JPMorgan Chase Bank, N. A., as administrative agent and lender, and various other financial institutions, as lenders, which provides for a \$ 700 million senior unsecured revolving credit facility (the Revolving Credit Facility) **and a \$ 575 million senior unsecured delayed draw. In** ~~October 2024, we amended our Revolving Credit Facility to extend the maturity date to October 2028, as well as to delete the provisions relating to our prior~~ **term loan facility (the Term Loan Facility), all on terms and subject to the conditions set forth in the 2023 Credit Agreement. The 2023 Credit Agreement replaced, in its entirety, our prior credit agreement dated June 14, 2017, as amended (the 2017 Credit Agreement), which was repaid in full and terminated in June December 2023 in connection with)** **and make certain the other amendments** ~~closing of our offering of convertible notes, described below. The 2023 Credit Agreement matures on June 13, 2026.~~ As of December 31, ~~2023~~ **2024** under the ~~2023~~ **, our Revolving** Credit

Agreement, **Facility was undrawn and** all \$ 700 million remained available for future borrowings under the Revolving Credit Facility, and we did not have any term loans outstanding or available for future borrowings under the Term Loan Facility as discussed in further detail below. The proceeds from the Term Loan Facility were to be used for refinancing existing debt and paying fees, expenses and premiums in connection therewith, while the proceeds from the Revolving Credit Facility may be used for general corporate purposes and working capital needs, including refinancing existing debt, investments, payment of dividends and repurchases of capital stock. Borrowings under the 2023 Credit Agreement bear interest at an annual rate equal to, at our option, either (a) Term Secured Overnight Financing Rate (SOFR) plus a credit adjustment spread and the applicable margin, (b) Daily Simple SOFR plus a credit adjustment spread and the applicable margin or (c) a base rate set forth in the 2023 Credit Agreement plus the applicable margin, with the applicable margin in each case dependent upon our ratio of (i) consolidated tangible net worth to (ii) consolidated total assets, minus the sum of goodwill and intangible assets, net. In June 2023, we borrowed \$ 300 million under the Term Loan Facility and used those borrowings, together with cash on hand, to repurchase the Senior Notes due 2024 that were tendered in the Tender Offer (as defined below). In December 2023, we repaid all such borrowings outstanding under the Term Loan Facility with a portion of the net proceeds from our December 2023 offering of 9.750% Senior Notes due 2029 (Senior Notes due 2029) and permanently terminated all commitments under the Term Loan Facility. See “—9.750% Senior Notes due 2029” below. 4.25% Convertible Senior Notes Due 2028—In June 2023, we issued and sold \$ 316 million aggregate principal amount of 4.25% Convertible Senior Notes due 2028 (the Convertible Notes). The Convertible Notes bear interest at an annual rate of 4.25%, payable semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2023. The Convertible Notes mature on June 15, 2028, unless earlier repurchased, redeemed or converted. **We used the net proceeds from the..... plus any accrued and unpaid interest.** In connection with the issuance of the Convertible Notes, we entered into privately negotiated capped call transactions (the Capped Call) **transactions** with certain financial institution counterparties. These transactions are expected generally to reduce potential dilution to our common stock upon any conversion of Convertible Notes and / or offset any cash payments we are required to make in excess of the principal amount of the Convertible Notes, with such reduction and / or offset subject to a cap, based on the cap price. **The base price of For additional information on the issuance of Convertible Notes and** Capped Call transactions is \$ 38.43. **see Note** representing a premium of 25% over the last reported sale price of our common stock of \$ 30.74 on June 8, 2023, while the cap price is initially \$ 61.48, which represents a premium of 100-10% over that same sale price on June 8, 2023. Within **“ Borrowings of Long-Term and the Other Debt** share price range of \$ 38.43 to \$ 61.48 the Capped Call transactions provide economic value to us from the counterparties. **” to** upon maturity or earlier conversion. The Capped Call transactions met the **audited** conditions under the related accounting guidance for equity classification and are not measured at fair value on a recurring basis; the price paid of \$ 39 million was recorded in Additional paid-in capital, net of tax, in the Consolidated Balance Sheet **Financial Statements**. **In August** Tender Offer for 4.750% Senior Notes Due 2024 Concurrently with the launch of the Convertible Notes offering, we commenced a cash tender offer (the Tender Offer) for any and all of the \$ 850 million in aggregate principal amount of our 4.750% Senior Notes due 2024 (the Senior Notes due 2024) outstanding at that time. The consideration offered for each \$ 1,000 principal amount of the Senior Notes due 2024 was \$ 980, plus accrued and unpaid interest, for any and all notes validly tendered. **entered into separate**. In June 2023, we **privately-negotiated** repurchased **repurchase agreements** and cancelled \$ 565 million in aggregate principal amount of Senior Notes due 2024 that were validly tendered in the Tender Offer. In December 2023, we redeemed the remaining \$ 285 million of these notes with a portion **limited number** of **Convertible** the net proceeds from our December 2023 offering of Senior Notes. **Note holders to repurchase** due 2029, and there were no Senior Notes due 2024 outstanding as of December 31, 2023. See “—9.750% Senior Notes due 2029” below. In December 2023, we issued and sold \$ 600-238 million aggregate principal amount of **outstanding Convertible** 9.750% Senior Notes due (the August Repurchases). Subsequently, in September and November of 2029-2024 (the Senior, **certain holders of Convertible** Notes due 2029). The Senior separately approached us to repurchase **Convertible** Notes due 2029 accrue interest on the outstanding, and we entered into additional separate, **privately-negotiated repurchase agreements** with such holders of Convertible Notes, repurchasing \$ 68 million **aggregate** principal amount at the rate of **outstanding Convertible Notes (the Subsequent Repurchases and** 9.750% per annum from December 22, 2023 together with the August Repurchases, payable semi-annually in arrears **the Repurchases**). **The final aggregate purchase price, or settlement value, for the Repurchases was \$ 486 million, which was funded with cash** on March 15 and hand September 15 of each year. **In connection with the Repurchases, beginning we recognized a \$ 107 million inducement expense in Other** on non March 15- interest expenses representing the total **settlement value**. 2024. The Senior **inclusive of transaction fees, in excess of the total conversion value (calculated in accordance with the indenture governing the Convertible** Notes due 2029), as **will well** mature on March 15, 2029, subject as an \$ 88 million reduction in Additional paid-in capital (APIC) related to earlier repurchase or redemption. We used the proceeds **total conversion value paid in excess of the carrying value** December 2023 offering of Senior **the Convertible** Notes due 2029 to redeem in full repurchased and a deferred tax impact. **Following the settlement of the these repurchases, \$ 10 million of Convertible Notes remained** outstanding as Senior Notes due 2024 and repay in full the outstanding term loans under the Term Loan Facility of our Credit Agreement. Subsequent to December 31, 2023-2024. **We may, from time to time, seek to retire or repurchase our remaining outstanding Convertible Notes through cash purchases or exchanges for other securities, in open market purchases, tender offers, privately negotiated transactions or otherwise. During the fourth quarter of 2024, the Convertible Notes became convertible at the option of the holders (and the Convertible Notes have remained convertible during the first quarter of 2025) due to the last reported sales price per share of Parent Company’s common stock having exceeded 130% of the conversion price for each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding quarter (i.e., the quarters ended September 30, 2024 and December 31, 2024) (the Common**

Stock Sale Price Condition). The Common Stock Sale Price Condition is remeasured each quarter, so the Convertible Notes may continue or cease to be convertible in future quarters depending on the performance of our stock price. Upon any such conversion, we will pay cash up to the aggregate principal amount of the Convertible Notes to be converted and pay or deliver, as the case may be, cash, shares of our common stock, or a combination of cash and shares of our common stock (at our election), in respect of the remainder, if any, of our conversion obligation in excess of the aggregate principal amount of the Convertible Notes being converted. As of the date of this report, we have not received any conversion requests. All of the Capped Call transactions continue to remain outstanding, notwithstanding the repurchases noted above. Although we do not trade or speculate in derivatives, we may seek to opportunistically terminate the Capped Call transactions (in full or in part from time to time) or leave the Capped Call transactions outstanding, possibly until maturity, in any such case with the objective of optimizing the shareholder value we receive under these transactions. In January 2024, we issued and sold an additional \$ 300 million aggregate principal amount of 9.750 % Senior Notes due 2029 (Senior Notes due 2029) at an issue price of 101.00 % of principal plus accrued interest from December 22, 2023. The Senior Notes due 2029 issued in January 2024 were issued as additional notes under the same indenture pursuant to which the initial \$ 600 million of Senior Notes due 2029 were issued in December 2023. The Senior Notes due 2029 that were issued in both December 2023 and January 2024 constitute a single series of notes and have the same terms, other than the issue date and issue price. We sold the additional \$ 300 million of Senior Notes due 2029 at an issue price of 101.00 % of principal plus accrued interest from December 22, 2023. We used the proceeds of the January 2024 offering of Senior Notes due 2029, together with \$ 100 million of cash on hand, to fund the redemption of \$ 400 million in aggregate principal amount of our outstanding 7.000 % Senior Notes due 2026.

Deposits We utilize a variety of deposit products to finance our operating activities, including funding for our non- securitized credit card and other loans, and to fund the securitization enhancement requirements of the Banks. We offer DTC retail deposit products, including Individual Retirement Accounts that we began offering in June 2024, as well as deposits sourced through contractual arrangements with various financial counterparties (often referred to as wholesale deposits, and includes brokered deposits). Across both our retail and wholesale deposits, the Banks offer various non- maturity deposit products that are generally redeemable on demand by the customer, and as such have no scheduled maturity date. The Banks also issue certificates of deposit with scheduled maturity dates ranging between January 2024-2025 and December 2028-2029, in denominations of at least \$ 1,000, on which interest is paid either monthly or at maturity. The following table summarizes our retail and wholesale deposit products by type and associated attributes as of December 31, 2023 and December 31, 2022, by type and associated attributes:

Table 9: Deposits	December 31, 2023	December 31, 2022
(Millions, except percentages)		
Deposits	\$ 7,687	\$ 6,454
Direct-to-consumer (retail)	\$ 5,466	\$ 5,368
Wholesale	\$ 2,221	\$ 1,086
Total deposits	\$ 13,594	\$ 13,787
Non-maturity deposit products	\$ 6,597	\$ 6,736
Interest rate range	0.70 % - 4.75 %	0.70 % - 5.64 %
Weighted-average interest rate	4.16 %	4.78 %
Certificates of deposit	\$ 6,228	\$ 6,997
Interest rate range	0.80 % - 5.70 %	0.70 % - 4.50 %
Weighted-average interest rate	4.78 %	4.64 %
Certificates of deposit	\$ 7,051	\$ 7,051
Interest rate range	0.50 % - 5.70 %	0.40 % - 4.95 %
Weighted-average interest rate	4.50 %	3.11 %

As of December 31, 2024 and 2023 and December 31, 2022, deposits that exceeded applicable FDIC insurance limits, which are generally \$ 250,000 per depositor, per insured bank, per ownership category, were estimated to be \$ 574 million (4 % of Total deposits) and \$ 509 million (4 % of Total deposits) and \$ 719 million (5 % of Total deposits), respectively. The measurement of estimated uninsured deposits aligns with regulatory guidelines. Overall, during 2023, we continued to improve our funding mix through actions taken to grow our DTC deposits and reduce our Parent Company unsecured borrowings, while maintaining the flexibility of secured, unsecured, and wholesale funding. Efforts undertaken in 2024 to reduce our long-term unsecured debt, along with typical seasonality of credit card and other loan balance pay downs in the first quarter of each 2023, combined with the sale of the BJ's portfolio in late February 2023, and efforts undertaken throughout the year to reduce our long-term unsecured debt, reduced our funding requirements by over approximately \$ 2.0 - 2.3 billion from year-end 2022-2023. As a result, we opportunistically reduced our wholesale and brokered deposits, repurchased a portion of our outstanding Convertible Notes and paid down a large portion of our secured conduit line balances, discussed shown further below.

Securitization Programs Including Conduit Facilities and Securitization Programs We sell the majority of the credit card loans originated by the Banks to certain of our master trusts (the Trusts). These securitization programs are a principal vehicle through which we finance the Banks' credit card loans. For this purpose, we use a combination of public term asset-backed notes and private conduit facilities (the Conduit Facilities) with a consortium of lenders, including domestic money center, regional and international banks. As of December 31, 2022, total capacity Both our public term asset-backed notes and borrowings under our the Conduit Facilities are was \$ 6.5 billion, of which \$ 6.1 billion had been drawn down and was included in Debt issued by consolidated variable interest entities (VIEs) in the Consolidated Balance Sheet Sheets. During The table below summarizes our conduit capacities, borrowings and maturities for the twelve months ended periods presented:

Table 10: Conduit Borrowing Capacity Rollforward and Maturities (Millions)	December 31, 2023	Commitment	December 31, 2024	Conduit Facilities	Capacity	Drawn (6)
Change						
Capacity	\$ 2,650	\$ 2,015	\$ —	\$ 2,650	\$ 1,955	\$ 1,955
Maturity Date	October 2025	WFNMT 2009- VFN (1)	275	260 (275)	—	141
Comenity Bank	WFNMT 2009- VFC1 (2)	275	260 (275)	—	141	—
Comenity Capital Bank	WFNMT 2009- VFN (3)	2,250	1,025	—	2,250	867
February 2025	CCAST 2023	—	—	—	—	—
bringing our capacity to	VFN1 (4)	250	250	—	250	250
September 2025	CCAST 2024- VFN1 (5)	—	—	—	200	200
February 2025	Total	\$ 5.4	\$ 3	—	\$ (75)	\$ 5.350
September 2025 and October 2025. Specifically, in February 2023, the 213 (1) 2009- VFN Conduit issued under World Financial Network Credit Card Master Trust amended its (WFNMT), (2) 2009- VFN VFC1 Conduit issued under Facility, decreasing the capacity from \$ 2.8 billion to \$ 2.7 billion and extending the maturity to October 2024. In December						

2023, this facility was again amended extending the maturity to October 2025. In February 2023, in connection with the sale of the BJ's portfolio, the World Financial Capital Master Note Trust amended its 2009- VFN Conduit Facility removing the assets related to the BJ's portfolio. In April 2023, this facility was again amended decreasing the capacity from \$ 2. 5 billion to \$ 2. 3 billion and extending the maturity to February 2025. In March 2023, CCB repaid the Comenity Capital Asset Securitization Trust's 2022- VFN Conduit Facility and terminated the related lending commitment, decreasing capacity by \$ 1. 0 billion. However, the structure of the applicable Trust did not change, including the Trust assets, providing for the option to pledge those assets in the future, and in September 2023, the Comenity Capital Asset Securitization Trust was amended to include a new credit commitment of \$ 250 million with a maturity of September 2025. In June 2023, the World Financial Network Credit Card Master Trust III (WFNMT). In amended its 2009- VFC conduit facility, extending a portion of the maturity to October 2023, and another portion of the maturity to October 2024 , the revolving period of the 2009- VFC1 Conduit expired and the Conduit Facility entered controlled amortization, meaning the period in which principal collections are accumulated to pay down the outstanding principal amount of the notes issued under the Conduit Facility. (3) 2009- VFN Conduit issued under World Financial Capital Master Note Trust (WFCMNT) . In August February 2025, the 2009- VFN Conduit commitment will be reduced by \$ 250 million to \$ 2 billion, and the Maturity Date will be extended to February 2026. (4) 2023 - VFN1 Conduit issued under Comenity Capital Asset Securitization Trust (CCAST). (5) 2024- VFN1 Conduit issued under CCAST. In February 2025 , this same facility was amended to replace the maturing commitment with 2024- VFN1 Conduit will be retired pursuant to the terms of a termination new \$ 100 million commitment with a maturity of October 2024. As of December 31, consent and waiver agreement 2023, total capacity under our Conduit Facilities was \$ 5. (4 billion, of which \$ 3. 6) Amounts billion had been drawn and included in Debt issued by consolidated VIEs in the Consolidated Balance Sheet. The following table shows the maturities of our borrowing capacity for the Trusts, as of December 31, 2023: Table 10: Conduit Borrowing Capacity and Maturities 20242025 Thereafter Total (Millions) Conduit facilities (1) 275 5, 150 5, 425 Total \$ 275 \$ 5, 150 \$ 5, 425 (1) Total amounts do not include \$ 1. 1 billion and \$ 1. 2 billion of debt issued by the Trusts as of December 31, 2024 and 2023, respectively , which was were not sold, but were retained by us as a credit enhancement and therefore has have been eliminated from the Total. (7) Maturity Date with respect to conduit borrowings means the date on which the revolving period for the applicable Conduit Facility expires. The revolving period may be extended or renewed (unless an early amortization event occurs prior to the Maturity Date). Absent the extension or renewal of the revolving period, the Conduit Facility shall enter controlled amortization on the Maturity Date and may no longer be drawn upon. In May 2023-2024 , WFNMT World Financial Network Credit Card Master Note Trust issued \$ 399-570 million of Series 2023-2024 - A public term asset- backed notes, which mature in May April 2026-2027 . The offering consisted of \$ 350-500 million of Class A notes with a fixed interest rate of 5. 02-47 % per year, \$ 31-44 million of zero coupon Class M notes, and \$ 26 million of zero coupon Class B notes. The Class M and B notes were retained by us and eliminated from the Consolidated Balance Sheet. In addition, in August 2024 WFNMT issued \$ 500 million of Series 2024- B public term asset- backed notes, which mature in July 2027. The offering consisted of \$ 500 million of Class A notes with a fixed interest rate of 5-4 . 27-62 % per year , and \$ 18 million of zero coupon Class B notes. The Class M and B notes were retained by us and eliminated from the Consolidated Balance Sheet. As of December 31, 2023-2024 , we had approximately \$ 12. 8-4 billion of securitized credit card loans. Securitizations require credit enhancements in the form of cash, spread deposits, additional loans and subordinated classes. The credit enhancement is principally based on the outstanding balances of the series issued by the Trusts and by the performance of the credit card loans in the Trusts. Early amortization events as defined within each asset- backed securitization transaction are generally driven by asset performance. We do not believe it is reasonably likely that an early amortization event will occur due to asset performance. However, if an early amortization event were declared for a Trust, the trustee of the particular Trust would retain the interest in the loans along with the excess spread that would otherwise be paid to our Bank subsidiary until the investors were fully repaid. The occurrence of an early amortization event would significantly limit or negate our ability to securitize additional credit card loans. We have secured and continue to secure the necessary commitments to fund our credit card and other loans. However, certain of these commitments are short- term in nature and subject to renewal. There is no guarantee that these funding sources, when they mature, will be renewed on similar terms, or at all, as they are dependent on the availability of the asset- backed securitization and deposit markets at the time. Regulation RR (Credit Risk Retention) adopted by the FDIC, the SEC, the Federal Reserve Board and certain other federal regulators mandates a minimum five percent risk retention requirement for securitizations. Such risk retention requirements may limit our liquidity by restricting the amount of asset- backed securities we are able to issue or affecting the timing of future issuances of asset- backed securities. We satisfy such risk retention requirements by maintaining a seller' s interest calculated in accordance with Regulation RR. Stock Repurchase Programs On July 27 February 21 , 2023-2024 , our Board of Directors approved a stock repurchase program to acquire up to \$ 35-30 million in shares of our outstanding common stock in the open market during the period ended December 31, 2023-2024 . On December 2, 2024, our Board of Directors approved a \$ 25 million increase to this stock repurchase program, increasing the total authorized amount of shares to be repurchased from \$ 30 million to \$ 55 million during the period ended December 31, 2024 . The rationale for this repurchase program, and the amount thereof, was to offset a portion of the impact of dilution associated with issuances of employee restricted stock units , with the objective of reducing the Company' s weighted average diluted share count to approximately 50 million shares for the second half of 2023, subject to then current estimates and assumptions applicable as of the date of approval. During the quarter year ended September 30 December 31 , 2023-2024 , under the authorized stock repurchase program, we acquired a total of 1. 0 -9 million shares of our common stock for \$ 35-55 million. Following their repurchase, these 1. 0 -9 million shares ceased to be outstanding shares of common stock and are now treated as authorized but unissued shares of common stock. For the years ended December 31, 2024, 2023 , and 2022 and 2021, we paid \$ 43 million, \$ 42 million , and \$ 43 million and \$ 42 million , respectively, in dividends to holders of

our common stock. On January 25-30, 2024-2025, our Board of Directors declared a quarterly cash dividend of \$ 0. 21 per share on our common stock, payable on March 15-21, 2024-2025, to stockholders of record at the close of business on February 9-14, 2024-2025. Contractual Obligations In the normal course of business, we enter into various contractual obligations that may require future cash payments, the vast majority of which relate to deposits, debt issued by consolidated VIEs, long- term and other debt and operating **contracts and** leases. We believe that we will have access to sufficient resources to meet these commitments. Cash Flows The table below summarizes our cash flow activity for the periods indicated, followed by a discussion of the variance drivers impacting our Operating, Investing and Financing activities: Table 11: Cash Flows

2023	2022	2021	2024	2023	2022
			(Millions)	Total cash provided by (used in):	
				Operating activities	\$ 1, 859
				Investing activities	(1, 543)
				Financing activities	(592)
				Net increase (decrease) in cash, cash equivalents and restricted cash	\$ 98

For the year ended December 31, 2024, the net cash provided by operating activities was primarily driven by cash generated from net income for the period after adjusting for the Provision for credit losses in both periods of comparison, and for the year ended December 31, 2023, the net cash provided by operating activities was primarily driven by cash generated from net income for the period after adjusting for the Provision for credit losses. Cash Flows from Investing Activities primarily include changes in Credit card and other loans. Cash used in investing activities was \$ 1, 169 million for the year ended December 31, 2024, and cash provided by investing activities was \$ 788 million for the year ended December 31, 2023. For the year ended December 31, 2022, the net cash used in investing activities was primarily due to Net principal losses and the purchase of a credit card loan portfolio, partially offset by the paydown of Credit card and other loans and the sale of a credit card loan portfolio. For the year ended December 31, 2023, the net cash provided by investing activities was primarily due to the sale of the BJ' s portfolio, partially offset by the growth of Credit card and other loans, as well as the acquisition of a credit card loan portfolio. For the year ended December 31, 2022, the net cash used in investing activities was primarily due to growth in credit sales and the consequential growth in Credit card and other loans, as well as the acquisition of credit card loan portfolios. Cash Flows from Financing Activities primarily include changes in deposits and long- term debt. Cash used in financing activities was \$ 592 million and \$ 3, 086 million for the years ended December 31, 2024 and 2023, respectively. For the year ended December 31, 2023, the net cash used in financing activities was \$ 3, 267 million for the year ended December 31, 2022. For the year ended December 31, 2023, the net cash used in financing activities was primarily driven by net repayments of both unsecured borrowings, including our repurchased Convertible Notes, and a net decrease in wholesale deposits, partially offset by the net borrowings of debt issued by consolidated variable interest entities (securitizations). For the year ended December 31, 2023, the net cash used in financing activities was primarily driven by net repayments of both securitizations and unsecured borrowings, as well as a net decrease in deposits. For the year ended December 31, 2022, the net cash provided by financing activities was primarily driven by a net increase in deposits and net borrowings under conduit facilities.

INFLATION AND SEASONALITY Although we cannot precisely determine the impact of inflation on our operations, we have generally sought to rely on operating efficiencies from scale, technology modernization and digital advancement along with other operational excellence initiatives, and as well as expansion in lower cost jurisdictions (in select circumstances) to offset increased costs of employee compensation and other operating expenses impacted by inflation. We also recognize that a customer' s ability and willingness to repay us has been negatively impacted by factors such as recent inflation and the effects of higher interest rates, and the persistent effects therefrom, which results in higher delinquencies and that could lead to increased credit losses, as reflected in our increased-elevated Reserve rate. If the efforts to control inflation in the U. S. and globally are not successful and inflationary pressures continue to persist, they could further magnify the slowdown in the domestic and global economies and increase repayment pressure on consumers as well as the risk of a recessionary environment, which may adversely impact our business, results of operations and financial condition. With respect to seasonality, our revenues, earnings and cash flows are affected by increased consumer spending patterns leading up to and including the holiday shopping period-season in the fourth quarter of each year and, to a lesser extent, during the first quarter of each year as Credit card and other loans are paid down. Net loss rates for our Credit card and other loans portfolio also have historically exhibited seasonal patterns and generally tend to be the highest in the first quarter of the year. While the effects of the seasonal trends discussed above remain evident, macroeconomic trends, such as those discussed within the Business Environment sections of our quarterly and annual reports on Forms 10- Q and Form 10- K generally have a more significant impact on our key financial metrics and can outweigh any seasonal impacts that we may experience.

LEGISLATIVE, REGULATORY MATTERS AND CAPITAL ADEQUACY Our business is subject to extensive federal and state laws and regulations, as well as related regulation and supervision, including by the FDIC, CFPB and other federal and state authorities. Pending and future laws and regulations (federal and state) may adversely impact our business. Without limiting the foregoing, CB is subject to various regulatory capital requirements administered by the State of Delaware and the FDIC. CCB is also subject to various regulatory capital requirements administered by the State of Utah and the FDIC, as well as the State of Utah. Failure to meet minimum capital requirements can trigger certain mandatory and possibly additional discretionary actions by our regulators. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, both Banks must meet specific capital guidelines that involve quantitative measures of their assets and

liabilities as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by these regulators about components, risk weightings and other factors. In addition, both Banks are limited in the amounts they can pay as dividends to the Parent Company. For additional information about legislative and regulatory matters impacting us, see “Business – Supervision and Regulation” under Part I of this Annual Report on Form 10-K, as well as “Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD & A) — Business Environment” and “Risk Factors — Legal, Regulatory and Compliance Risks”. Quantitative measures, established by regulations to ensure capital adequacy, require the Banks to maintain minimum amounts and ratios of Tier 1 capital to average assets, and Common equity tier 1, Tier 1 capital and Total capital, all to risk weighted assets. Failure to meet these minimum capital requirements can result in certain mandatory, and possibly additional discretionary actions by the Banks’ regulators that if undertaken, could have a direct material effect on CB’s and / or CCB’s operating activities, as well as our operating activities. Based on these regulations, as of December 31, 2024 and 2023 and 2022, each Bank met all capital requirements to which it was subject, and maintained capital ratios in excess of the minimums required to qualify as well capitalized. The Banks seek to maintain capital levels and ratios in excess of the minimum regulatory requirements inclusive of the 2.5% Capital Conservation Buffer. Although Bread Financial is not a bank holding company as defined under the Bank Holding Company Act, we seek to maintain capital levels and ratios in excess of the minimums required for bank holding companies. As The Banks adopted the option provided by the interim final rule issued by joint federal bank regulatory agencies, which largely delayed the effects of the current expected credit loss (CECL) model on their regulatory capital for two years, until January 1, 2022, after which the effects are phased-in over a three-year period through December 31, 2023-2024. Under the interim final rule, the amount of adjustments to regulatory capital deferred until the phase-in period includes both the initial impact of our adoption of CECL as of January 1, 2020, and 25% of subsequent changes in our Allowance for credit losses during each quarter of the two-year period ended December 31, 2021. In accordance with the interim final rule, we began to ratably phase-in these effects on January 1, 2022. As of December 31, 2024 the actual capital ratios and minimum ratios for each Bank, as well as Bread Financial, are as follows as of December 31, 2023:

Table 12: Capital Ratios Actual Ratio Minimum Ratio for Capital Adequacy Purposes Minimum Ratio to be Well Capitalized under Prompt Corrective Action Provisions

Company	Common equity tier 1 capital ratio (1)	Tier 1 capital ratio (2)	Total risk-based capital ratio (3)	Tier 1 leverage capital ratio (4)
Comenity Bank	12.2%	12.2%	13.6%	11.2%
Comenity Capital Bank	12.2%	12.2%	13.6%	11.2%

(1) The Common equity tier 1 capital ratio represents common equity tier 1 capital divided by total risk-weighted assets. (2) The Tier 1 capital ratio represents tier 1 capital divided by total risk-weighted assets. In the calculation of tier 1 capital, we follow the Basel III Standardized Approach and therefore Total stockholders’ equity has been reduced, primarily by Goodwill and intangible assets, net. See below for a reconciliation of our Total stockholders’ equity under GAAP to tier 1 and tier 2 capital under the Basel III Standardized Approach. (3) The Total risk-based capital ratio represents total capital divided by total risk-weighted assets. In the calculation of total capital, we follow the Basel III Standardized Approach and therefore tier 1 capital has been increased by tier 2 capital, which for us is the allowable portion of the Allowance for credit losses. See below for a reconciliation of our Total stockholders’ equity under GAAP to tier 1 and tier 2 capital under the Basel III Standardized Approach. (4) The Tier 1 leverage capital ratio represents tier 1 capital divided by total average assets, after certain adjustments. (5) Total risk-weighted assets are generally measured by allocating assets, and specified off-balance sheet exposures, to various risk categories as defined by the Basel III standardized Standardized approach.

The following table provides a reconciliation by the interim final rule issued by joint federal bank regulatory agencies, which largely delayed the effects of the current expected credit loss (CECL) model on their regulatory capital, 2022 Tier 2 capital and Total capital, as of after which the effects are phased-in over a three-year period through December 31, 2024. Under the interim final rule (Millions) Total stockholders’ equity \$ 3,051 CECL phase-in adjustments adjustment 139 to regulatory Total stockholders’ equity, net of CECL phase-in 3,190 Less: Goodwill (1) 594 Other intangible assets 113 Other 9 Common equity tier 1 capital 2,474 Tier 1 capital 2,474 Qualifying allowance for credit losses (2) 272 Tier 2 capital 272 Total capital \$ 2,746 (1) Goodwill, net of the related \$ 40 million deferred tax liability. (2) The allowable portion until the phase-in period includes both the initial impact of the our adoption of CECL as of January 1, 2020, and 25% of subsequent changes in our Allowance for credit losses during each quarter, which is a maximum of the two 1.25% of RWA and is net of applicable CECL phase-year period ended in adjustments. The following table provides the changes in our Basel III Standardized Approach Common equity tier 1 capital, Tier 1 capital and Tier 2 capital as of December 31, 2021-2024 (Millions)

Common equity tier 1 capital beginning balance	Net income applicable to common equity	Dividends declared on common stock	Changes in additional paid-in capital	Changes in intangible assets	Other	Common equity tier 1 capital	Tier 1 capital	Tier 2 capital	beginning balance	Change in qualifying allowance for credit losses	Tier 2 capital	Total capital
\$ 2,466	277	(44)	(96)	16	(145)	2,474	2,474	273	273	(1)	272	\$ 2,746

(1) Includes the impact of the CECL phase-in adjustment and the cumulative effect, net of tax, of adopting the proportional amortization method of accounting for our tax credit investment. In accordance Further information about each Bank’s capital components and

calculations can be found in each Bank's Consolidated Reports of Condition and Income Form FFIEC 041 (Call Reports) as filed with the interim final rule FDIC. We are also involved, we began from time to time, notably phase-in reviews, investigations, subpoenas, supervisory actions and other proceedings (both formal and informal) by governmental agencies regarding our business, which could subject us to significant fines, penalties, obligations to change our business practices, significant restrictions on our existing business or ability to develop new business, cease-and-desist orders, safety- and- soundness directives or other requirements resulting in increased expenses, diminished income and damage to our reputation. On November 20, 2023, following the consent of the Board of Managers of Comenity Servicing LLC (the Servicer), the FDIC issued a consent order to the Servicer. The Servicer is not one of our Bank subsidiaries, but is our wholly- owned subsidiary that services substantially all of our loans. The consent order arose out of the June 2022 transition of our credit card processing services to strategic outsourcing partners and addresses certain shortcomings in the Servicer's information technology (IT) systems development, project management, business continuity management, cloud operations, and third- party oversight. The Servicer entered into the consent order for the purpose of resolving these matters without admitting or denying any violations of law or regulation set forth in the order. The consent order does not contain any monetary penalties or fines. The Servicer continues to take significant steps to strengthen the organization's IT governance and address the other issues identified in the consent order, working diligently to ensure that all requirements of the consent order are satisfied. Without limiting the generality of the foregoing, the Servicer has taken steps to address each provision within the consent order and continues to comply with each ongoing requirement. The Servicer is committed to complying with the longer- term requirements of the consent order, including the enhancement of its compliance management processes and related corporate governance, compliance with the applicable system conversion requirements, and enhanced risk management and reporting. The Servicer has submitted nearly all of the required deliverables under the consent order to the FDIC for its review and consideration. The Board of Directors of each of the Banks continue to oversee the Servicer's compliance with the requirements of the consent order and provide effective challenge to the Servicer's management toward that end. On August 22, 2024, each Bank entered into an agreement with the FDIC to pay civil money penalties (CMPs) of \$ 1 million per Bank. The CMPs, which have been paid in full, arose out of the June 2022 transition of our credit card processing services to strategic outsourcing partners and were related to disruptions to the Banks' customer reward programs and automatic payments following the transition. These issues were self- identified and remediated timely, and the Banks provided full cooperation with the regulators throughout their examination. The Banks' agreements to pay the CMPs did not require admission of wrongdoing, and there are no operational limitations on January 1, 2022 the Banks or our business associated with the CMPs.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES Our discussion and analysis of our results of operations and overall financial condition is based upon our audited Consolidated Financial Statements, which have been prepared in accordance with the accounting policies described in Note 1, "Description of Business, Basis of Presentation and Summary of Significant Accounting Policies," to our audited Consolidated Financial Statements included as part of this Annual Report on Form 10- K. The preparation of the audited Consolidated Financial Statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We continually evaluate our estimates and judgments in determination of our financial position and operating results. Estimates are based on information available as of the date of the audited Consolidated Financial Statements and, accordingly, actual results could differ from these estimates, sometimes materially. Critical accounting estimates are defined as those that are both most important to the portrayal of our financial position and operating results, and require management's most subjective judgments, which for us is our Allowance for credit losses, Provision for income taxes and Goodwill impairment. Allowance for Credit Losses The Allowance for credit losses represents our estimate of expected credit losses over the estimated life of our Credit card and other loans, incorporating future macroeconomic forecasts in addition to information about past events and current conditions. Our estimate under the Current Expected Credit Loss (CECL) approach involves significant judgments from a modeling and forecasting perspective, and is significantly influenced by the composition, characteristics and quality of our Credit card and other loans portfolio, as well as the prevailing economic conditions and forecasts utilized. In estimating our Allowance for credit losses, for each identified segment of loans sharing similar risk characteristics, management uses modeling and estimation techniques that leverage historical data and behavioral relationships, together with third- party projections of certain macroeconomic variables, to estimate expected credit losses based on historical correlation of realized losses to macroeconomic conditions for each of the segments in our portfolio. We consider the macroeconomic forecast used to be reasonable and supportable over the estimated life of the Credit card and other loans portfolio, with no reversion period. Since the our implementation of the CECL guidance, we have maintained a consistent approach to the modeling of the life of loan losses in establishing our Allowance for credit losses. In addition to the quantitative estimate of expected credit losses, we also incorporate qualitative adjustments to the modeled output in order to address risks not inherently captured by the that model modeled output, such as Company- specific risks, changes in current macroeconomic conditions, or other relevant factors to ensure the Allowance for credit losses reflects our best estimate of current expected credit losses. If we used different assumptions in estimating our current expected credit losses, the impact on the Allowance for credit losses could have a material effect on our consolidated financial position and results of operations. For example, a 100 basis point increase in the Allowance for credit losses as a percentage of the amortized cost of our Credit card and other loans could have resulted in a change of approximately \$ 189-185 million in the Allowance for credit losses as of December 31, 2023-2024, with a corresponding change in the Provision for credit losses. The income tax laws of the United States, as well as its states and municipalities in which we operate, are inherently complex; the manners in which they apply to our facts is often open to interpretation, and consequently requires us to make judgments in establishing our Provision for income taxes. Differences between the audited Consolidated Financial Statements and tax bases of assets and

liabilities give rise to deferred tax assets and liabilities, which measure the future tax effects of items recognized in the audited Consolidated Financial Statements and require certain estimates and judgments, in particular with deferred tax assets, in order to determine whether it is more likely than not that all or a portion of the benefit of a deferred tax asset will not be realized. In evaluating our deferred tax assets on a quarterly basis, as new facts and circumstances emerge, we analyze and estimate the impact of future taxable income, reversing temporary differences and available tax planning strategies. Uncertainties can lead to changes in the ultimate realization of our deferred tax assets. A liability for unrecognized tax benefits, representing the difference between a tax position taken or expected to be taken in a tax return and the benefit recognized in the audited Consolidated Financial Statements, inherently requires estimates and judgments. A tax position is recognized only when it is more likely than not to be sustained, based purely on its technical merits after examination by the relevant taxing authority, and the amount recognized is the benefit we believe is more likely than not to be realized upon ultimate settlement. We evaluate our tax positions as new facts and circumstances become available, making adjustments to our unrecognized tax benefits as appropriate. Uncertainties can mean the tax benefits ultimately realized differ from amounts previously recognized, with any differences recorded in Provision for income taxes. Our assessment of the technical merits and measurement of tax benefits associated with uncertain tax positions is subject to a high degree of judgment and estimation. Actual results may differ from our current judgments due to a variety of factors, including interpretations of law by the relevant taxing authorities that differ from our assessments and results of tax examinations. We believe we have adequately provided for any reasonably foreseeable outcome related to these matters. However, our future results may include favorable or unfavorable adjustments to our estimated tax liabilities in the period the assessments are made or resolved, or when statutes of limitation on potential assessments expire. As of December 31, 2023-2024, we had \$ 265-229 million in unrecognized tax benefits, including interest and penalties, recorded in Other liabilities on the Consolidated Balance Sheet. Goodwill Impairment Goodwill is recognized for business acquisitions when the purchase price is higher than the fair value of acquired net assets. As required by GAAP, goodwill is not amortized but is tested for impairment at least annually or when events or circumstances arise that would more likely than not reduce the fair value of our single reporting unit below its carrying value. We have the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of our reporting unit is less than its carrying value. Alternatively, we can perform a more detailed quantitative assessment of goodwill impairment. Qualitative factors considered in evaluating goodwill impairment include macroeconomic conditions, industry and market considerations, our overall financial performance, and other relevant entity- specific factors, and / or a sustained decrease in our share price. If, after assessing these qualitative factors we conclude that it is not more likely than not that the fair value of our reporting unit is less than its carrying amount, then the quantitative goodwill impairment test is not necessary. However, if the qualitative factors indicate it is more likely than not that the fair value of our reporting unit is less than its carrying amount, or we elect to skip the qualitative assessment, we would perform a quantitative impairment test. We apply significant judgment when testing goodwill for impairment, especially when performing the quantitative test where we perform a valuation of our reporting unit leveraging a combination of the income approach based on discounted cash flows and the market approach based on valuation multiples. The key assumptions used to determine the fair value are primarily unobservable inputs (i. e., Level 3 inputs as defined under GAAP) including internally developed forecasts to estimate future cash flows, growth rates and discount rates, as well as market valuation multiples (for the market approach). Estimated cash flows are based on internal forecasts grounded in historical performance and future expectations. To discount the estimated cash flows, we use the expected cost of equity taking into account a combination of industry and Company- specific factors we believe a third -party market participant would incorporate. We believe the discount rate applied appropriately reflects the risks and uncertainties in the financial markets generally and specifically in our internally developed forecasts. When using valuation multiples under the market approach, we apply comparable publicly traded companies' multiples (e. g., price to tangible book value or return on tangible equity) to our reporting unit' s operating results. Given the inherent uncertainty in the judgments involved, we could be exposed to goodwill impairment as a result of adverse impacts from various factors including regulatory or legislative changes, or if future macroeconomic conditions or future operating results differ significantly from our current assumptions. RECENTLY ADOPTED AND RECENTLY ISSUED ACCOUNTING STANDARDS See “ Recently Adopted and Recently Issued Accounting Standards ” under in Note 1, “ Description of Business, Basis of Presentation and Summary of Significant Accounting Policies ” to the audited Consolidated Financial Statements. Item 7A. Quantitative and Qualitative Disclosures About Market Risk. See “ Risk Management ” within Item 1A. Item 8. Financial Statements and Supplementary Data. Our audited Consolidated Financial Statements begin on page F- 1 of this Annual Report on Form 10- K. Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure. Item 9A. Controls and Procedures. Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a- 15 (e) and 15d- 15 (e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this Report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, our disclosure controls and procedures are effective and designed to ensure that the information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the requisite time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a- 15 (f) and 15d- 15 (f) under the Exchange Act) during the fourth quarter of 2023-2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Management' s Report on Internal Control Over Financial Reporting Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over

financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America (GAAP), and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, ~~2023~~ **2024**. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework (2013). Based on those criteria and management’s assessment, with the participation of our Chief Executive Officer and Chief Financial Officer, we conclude that, as of December 31, ~~2023~~ **2024**, our internal control over financial reporting was effective. The effectiveness of our internal control over financial reporting as of December 31, ~~2023~~ **2024**, has been audited by Deloitte & Touche LLP, our independent registered public accounting firm who also audited our Consolidated Financial Statements; their attestation report on the effectiveness of our internal control over financial reporting appears on page F- 4. Item 9B. Other Information. Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections. PART III Item 10. Directors, Executive Officers and Corporate Governance. Incorporated by reference to the Proxy Statement for the ~~2024~~ **2025** Annual Meeting of our stockholders, which will be filed with the SEC not later than 120 days after December 31, ~~2023~~ **2024**. Item 11. Executive Compensation. Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters. Item 13. Certain Relationships and Related Transactions, and Director Independence. Item 14. Principal Accounting Fees and Services. PART IV Item 15. Exhibits ~~and~~ Financial Statement Schedules. a) The following documents are filed as part of this Annual Report on Form 10-K: (1) Financial Statements (2) Financial Statement Schedules. Separate financial statement schedules have been omitted either because they are not applicable or because the required information is included in the audited Consolidated Financial Statements. (3) Exhibits. The following exhibits are filed as part of this Annual Report on Form 10-K or, where indicated, were previously filed and are hereby incorporated by reference. Incorporated by Reference Exhibit No. FilerDescriptionFormExhibitFiling Date3. 1 (a) Third Amended and Restated Certificate of Incorporation of the Registrant. 8- K3. 26 / 10 / 163. 2 (a) Certificate of Amendment to Third Amended and Restated Certificate of Incorporation of the Registrant. 8- K3. 13 / 24 / 223. 3 (a) Certificate of Designations of Series A Preferred Non- Voting Convertible Preferred Stock of the Registrant. 8- K3. 14 / 29 / 193. 4 (a) Sixth Amended and Restated Bylaws of the Registrant. 8- K3. 23 / 24 / 224. 1 (a) Specimen Certificate for shares of Common Stock of the Registrant. 10- Q4. 08 / 8 / 034. 2 (a) Description of Registrant’s Common Stock. 10- K4. 22 / 28 / 23. 10. 1 (a) Bread Financial Holdings, Inc. Executive Deferred Compensation Plan, amended and restated effective January 1, 2018. 8- K10. 111 / 24 / 17 ~~10~~. 2 (a) Amendment effective January 1, 2024 to the Bread Financial Holdings, Inc. Executive Deferred Compensation Plan. **10- K10. 22 / 20 / 24**. 10. 3 (a) Bread Financial Holdings, Inc. 2010 Omnibus Incentive Plan. DEF 14AA4 / 20 / 10. 10. 4 (a) Bread Financial Holdings, Inc. 2015 Omnibus Incentive Plan. DEF 14AB4 / 20 / 15. 10. 5 (a) Bread Financial Holdings, Inc. 2020 Omnibus Incentive Plan. DEF 14AA4 / 23 / 20. 10. 6 (a) Bread Financial Holdings, Inc. 2022 Omnibus Incentive Plan. DEF 14AA4 / 13 / 22. 10. 7 **(a) Bread Financial Holdings, Inc. 2024 Omnibus Incentive Plan. DEF 14AB4 / 3 / 24. 10. 8** (a) Form of Time- Based Restricted Stock Unit Award Agreement under the Bread Financial Holdings, Inc. 2020 Omnibus Incentive Plan. 8- K10. 12 / 18 / 21 Incorporated by Reference Exhibit No. FilerDescriptionFormExhibitFiling Date 10. ~~8-9~~ (a) Form of Performance- Based Restricted Stock Unit Award Agreement under the Bread Financial Holdings, Inc. 2020 Omnibus Incentive Plan. 8- K10. 22 / 18 / 21 ~~10~~. ~~9-10~~ (a) Form of Time- Based Restricted Stock Unit Award Agreement under the Bread Financial Holdings, Inc. 2022 Omnibus Incentive Plan. ~~10- K10. 92 / 20 / 24~~ **10. 10-11** (a) Form of Performance- Based Restricted Stock Unit Award Agreement under the Bread Financial Holdings, Inc. 2022 Omnibus Incentive Plan. **10- K10. 102 / 20 / 24** **10. 12 (a) Form of Time- Based Restricted Stock Unit Award Agreement under the Bread Financial Holdings, Inc. 2024 Omnibus Incentive Plan. 10- Q10. 11-118 / 1 / 24** **10. 13 (a) Form of Performance- Based Restricted Stock Unit Award Agreement under the Bread Financial Holdings, Inc. 2024 Omnibus Incentive Plan. 10- Q10. 128 / 1 / 24** **10. 14** (a) Form of Non- employee Director Restricted Stock Unit Award Agreement under the Bread Financial Holdings, Inc. 2010 Omnibus Incentive Plan. 10- K10. 522 / 28 / 13. 10. ~~12-15~~ (a) Form of Non- employee Director Restricted Stock Unit Award Agreement under the Bread Financial Holdings, Inc. 2015 Omnibus Incentive Plan. 10- Q10. 68 / 7 / 17. 10. ~~13-16~~ (a) Form of Non- employee Director Restricted Stock Unit Award Agreement under the Bread Financial Holdings, Inc. 2020 Omnibus Incentive Plan. 8- K10. 16 / 15 / 21 ~~10~~. ~~14-17~~ (a) Form of Non- employee Director Restricted Stock Unit Award Agreement under the Bread Financial Holdings, Inc. 2022 Omnibus Incentive Plan. **10- K10. 142 / 20 / 24** **10. 15-18 (a) Form of Non- employee Director Restricted Stock Unit Award Agreement under the Bread Financial Holdings, Inc. 2024 Omnibus Incentive Plan. 10- Q10. 138 / 1 / 24** **10. 19** (a) Bread Financial Holdings, Inc. Non- Employee Director Deferred Compensation Plan. 8- K10. 16 / 9 / 06. 10. ~~16-20~~ (a) Form of Bread Financial Associate Confidentiality Agreement. 10- K10. 182 / 27 / 17. 10. ~~17-21~~ (a) Form of Bread Financial Holdings, Inc. Indemnification Agreement for Officers and Directors. 8- K10. 16 / 5 / 15. 10. ~~18-22~~ (a) Bread Financial Holdings, Inc. Amended and Restated 2015 Employee Stock Purchase Plan, effective March 23, 2022. DEF 14AC4 / 20 / 1510. ~~19-23~~ (b) (c) Second Amended and Restated Pooling and Servicing Agreement, dated as of January 17, 1996 as amended and restated as of September 17, 1999 and August 1, 2001, by and among WFN Credit Company, LLC, World Financial Network National Bank, and BNY Midwest Trust

Company. 8- K4. 68 / 31 / 0110. 20 (..... Company. 8- K4. 78 / 31 / 01 Incorporated by Reference Exhibit No. FilerDescriptionFormExhibitFiling Date10. 33-24 (b) (c) **First (d) Second** Amendment to **Collateral Series Supplement the Second Amended and Restated Pooling and Servicing Agreement**, dated as of November 7 **May 19**, 2002-2004, among WFN Credit Company, LLC, World Financial Network National Bank **May 25** as of December 1, 2016- **2021**, by and among Comenity Bank, WFN Credit Company, LLC, **U.S. Bank Trust National Association** and MUFG Union Bank **Citicorp Trust Delaware National Association** N.A. 8- K4. 112-15 / 2-28 / 1610- **2110** . 33-62 (b) (c) (d) **Succession Tenth Amendment to Second Amended and Restated Pooling and Servicing Agreement**, dated as of August 16 **June 18**, 2018- **2021**, by and among Comenity Bank, WFN **World Financial Network** Credit Company **Card Master Note Trust**, LLC, and MUFG Union Bank, N.A. **and U.S. Bank National Association**. 8- K4. 18-16 / 20-24 / 1810- **2110** . 34-63 (b) (c) (d) **Succession Eleventh Amendment to Second Amended and Restated Pooling and Servicing Agreement**, dated as of June 11 **18**, 2020-**2021**, among Comenity Bank, WFN Credit Company, LLC, and MUFG Union Bank, N.A. **and U.S. Bank National Association**. 8- K4. 26-16 / 16-17 and BNY Midwest Trust Company. 8- K4. 311 / 20 / 0210. **34-39** (b) (c) (d) Second Amendment to Collateral Series Supplement, dated as of July 6, 2016, among WFN Credit Company, LLC, Comenity Bank and MUFG Union Bank, N. A. 8- K4. 17 / 8 / 1610. **35-40** (b) (c) Transfer and Servicing Agreement, dated as of August 1, 2001, between WFN Credit Company, LLC, World Financial Network National Bank, and World Financial Network Credit Card Master Note Trust. 8- K4. 38 / 31 / 0110. **36-41** (b) (c) First Amendment to the Transfer and Servicing Agreement, dated as of November 7, 2002, among WFN Credit Company, LLC, World Financial Network National Bank and World Financial Network Credit Card Master Note Trust. 8- K4. 211 / 20 / 0210. **37-42** (b) (c) (d) Third Amendment to the Transfer and Servicing Agreement, dated as of May 19, 2004, among WFN Credit Company, LLC, World Financial Network National Bank and World Financial Network Credit Card Master Note Trust. 8- K4. 28 / 4 / 0410. **38-43** (b) (c) (d) Fourth Amendment to the Transfer and Servicing Agreement, dated as of March 30, 2005, among WFN Credit Company, LLC, World Financial Network National Bank and World Financial Network Credit Card Master Note Trust. 8- K4. 24 / 5 / 0510. **39-44** (b) (d) Fifth Amendment to the Transfer and Servicing Agreement, dated as of June 13, 2007, among WFN Credit Company, LLC, World Financial Network National Bank and World Financial Network Credit Card Master Note Trust. 8- K4. 26 / 15 / 0710. **40-45** (b) (c) (d) Sixth Amendment to the Transfer and Servicing Agreement, dated as of October 26, 2007, among WFN Credit Company, LLC, World Financial Network National Bank and World Financial Network Credit Card Master Note Trust. 8- K4. 210 / 31 / **0710-07 Incorporated by Reference Exhibit No. 41 FilerDescriptionFormExhibitFiling Date10. 46** (b) (d) Seventh Amendment to Transfer and Servicing Agreement, dated as of June 28, 2010, among World Financial Network National Bank, WFN Credit Company, LLC, and World Financial Network Credit Card Master Note Trust. 8- K4. 46 / 30 / 1010. **42-47** (b) (d) Supplemental Agreement to Transfer and Servicing Agreement, dated as of August 9, 2010, among World Financial Network National Bank, WFN Credit Company, LLC, and World Financial Network Credit Card Master Note Trust. 8- K4. 38 / 12 / 1010. **43-48** (b) (c) (d) Eighth Amendment to Transfer and Servicing Agreement, dated as of June 15, 2011, among World Financial Network National Bank, WFN Credit Company, LLC, and World Financial Network Credit Card Master Note Trust. 8- K4. 16 / 15 / **1110** **11 Incorporated by Reference Exhibit No. 49 FilerDescriptionFormExhibitFiling Date10. 44** (b) (c) (d) Ninth Amendment to Transfer and Servicing Agreement, dated as of November 9, 2011, among World Financial Network Bank, WFN Credit Company, LLC, and World Financial Network Credit Card Master Note Trust. 8- K4. 311 / 14 / 1110. **45-50** (b) (c) (d) Tenth Amendment to the Transfer and Servicing Agreement, dated as of July 6, 2016, among Comenity Bank, WFN Credit Company, LLC and World Financial Network Credit Card Master Note Trust. 8- K4. 47 / 8 / 1610. **46-51 (b) (c) (d) Eleventh Amendment to the Transfer and Servicing Agreement, dated as of April 26, 2024, among Comenity Bank, WFN Credit Company, LLC and World Financial Network Credit Card Master Note Trust. 8- K4. 54 / 30 / 2410. 52** (b) (d) Receivables Purchase Agreement, dated as of August 1, 2001, between World Financial Network National Bank and WFN Credit Company, LLC. 8- K4. 88 / 31 / 0110. **47-53** (b) (d) First Amendment to Receivables Purchase Agreement, dated as of June 28, 2010, between World Financial Network National Bank and WFN Credit Company, LLC. 8- K4. 36 / 30 / 1010. **48-54** (b) (d) Supplemental Agreement to Receivables Purchase Agreement, dated as of August 9, 2010, between World Financial Network National Bank and WFN Credit Company, LLC. 8- K4. 28 / 12 / 1010. **49-55** (b) (c) (d) Second Amendment to Receivables Purchase Agreement, dated as of November 9, 2011, between World Financial Network Bank and WFN Credit Company, LLC. 8- K4. 211 / 14 / 1110. **50-56** (b) (c) (d) Third Amendment to Receivables Purchase Agreement, dated as of July 6, 2016, between Comenity Bank and WFN Credit Company, LLC. 8- K4. 27 / 8 / 1610. **51-57** (b) (c) (d) Fourth Amendment to Receivables Purchase Agreement, dated as of June 11, 2020, between Comenity Bank and WFN Credit Company, LLC. 8- K4. 36 / 16 / **20 Incorporated by Reference Exhibit No. FilerDescriptionFormExhibitFiling Date10. 58 (b) (c) (d) Fifth Amendment to Receivables Purchase Agreement, dated as of April 26, 2024, between Comenity Bank and WFN Credit Company, LLC. 8- K4. 44 / 30 / 2010-2410 . 52-59** (b) (c) Master Indenture, dated as of August 1, 2001, between World Financial Network Credit Card Master Note Trust and BNY Midwest Trust Company. 8- K4. 18 / 31 / 0110. **53-60** (b) (c) Omnibus Amendment, dated as of March 31, 2003, among WFN Credit Company, LLC, World Financial Network Credit Card Master Trust, World Financial Network National Bank and BNY Midwest Trust Company. 8- K44 / 22 / 0310. **54-61** (b) (d) Supplemental Indenture No. 1, dated as of August 13, 2003, between World Financial Network Credit Card Master Note Trust and BNY Midwest Trust Company. 8- K4. 28 / 28 / 0310. **55-62** (b) (d) Supplemental Indenture No. 2, dated as of June 13, 2007, between World Financial Network Credit Card Master Note Trust and BNY Midwest Trust Company. 8- K4. 36 / 15 / **0710 07 Incorporated by Reference Exhibit No. 63 FilerDescriptionFormExhibitFiling Date10. 56** (b) (d) Supplemental Indenture No. 3, dated as of May 27, 2008, between World Financial Network Credit Card Master Note Trust and The Bank of New York Trust Company, N. A. 8- K4. 25 / 29 / 0810. **57-64** (b) (d) Supplemental Indenture No. 4, dated as of June 28, 2010, between World Financial Network Credit Card Master Note Trust and The Bank of New York Mellon Trust Company, N. A. 8- K4. 16 / 30 / 1010. **58-65** (b) (c) (d) Supplemental Indenture No. 5, dated as of February 20, 2013, between World Financial Network Credit Card Master Note

Trust and Union Bank, N. A. 8- K4. 22 / 22 / 1310. ~~59-66~~ (b) (c) (d) Supplemental Indenture No. 6 to Master Indenture, dated as of July 6, 2016, between World Financial Network Credit Card Master Note Trust and MUFG Union Bank, N. A. 8- K4. 37 / 8 / 1610. ~~60-67~~ (b) (c) (d) Supplemental Indenture No. 7 to Master Indenture, dated as of June 11, 2020, between World Financial Network Credit Card Master Note Trust and MUFG Union Bank, N. A. 8- K4. 16 / 16 / 2010. ~~61-68~~ (b) (c) (d) ~~Agreement of Resignation, Appointment and Acceptance~~ **Supplemental Indenture No. 8 to Master Indenture**, dated as of ~~April May 25, 2021~~, by and..... National Association. 8- K4. 26 / 24 / 2110. ~~64~~ (b) (c) (d) ~~Series 2023-2024 - A Indenture Supplement~~, dated as of ~~May 16, 2023~~, between World Financial Network Credit Card Master Note Trust and U. S. Bank National Association. 8- K4. ~~14 / 30 / 2410~~. ~~69~~ (b) (c) (d) ~~Agreement of Resignation, Appointment and Acceptance~~, dated as of ~~May 25, 2021~~, by and among WFN Credit Company, LLC, U. S. Bank Trust National Association and Citicorp Trust Delaware, National Association. 8- K4. 15 / 49-28 / 2310-21 Incorporated by Reference ~~Exhibit No. 65 Filer Description Form Exhibit Filing Date~~ **10. 70** (b) (c) (d) ~~First Amendment to 8- K4.15 / 28 / 2110.62~~ (b) (c) (d) ~~Succession Agreement~~, dated as of June 18, 2021, by and among Comenity Bank, World Financial Network Credit Card Master Note Trust, MUFG Union Bank, N.A. and U.S. Bank National Association. 8- K4. 16 / 24 / 2110. ~~63-71~~ (b) (c) (d) ~~Succession Agreement~~, dated as of June 18, 2021, among WFN Credit Company, LLC, MUFG Union Bank, N.A. and U.S. Bank National Association. ~~8- K4.26 / 24 / 2110.72~~ (b) (c) (d) ~~Series 2023- A Indenture Supplement~~, dated as of ~~December 22~~ **May 16**, 2023, between World Financial Network Credit Card Master Note Trust and U. S. Bank National Association. 8- K4. ~~112-15 / 26-19 / 2310~~. ~~66-73~~ (b) (c) (d) ~~First Amended Amendment and Restated Trust Agreement to Series 2023- A Indenture Supplement~~, dated as of ~~August 1~~ **December 22**, 2001, between WFN Credit Company, LLC and Chase Manhattan Bank USA, National Association. 8- K4. 48 / 31 / 0110. ~~67~~ (b) (c) (d) ~~First Amendment to Amended and Restated Trust Agreement~~, dated as of ~~May 25, 2021~~ **2023**, between WFN Credit Company, LLC and Citicorp Trust Delaware, National Association. 8- K4. 25 / 28 / 21 Incorporated by Reference ~~Exhibit No. Filer Description Form Exhibit Filing Date~~ **10. 68** (b) (c) (d) ~~Administration Agreement~~, dated as of August 1, 2001, between World Financial Network Credit Card Master Note Trust and World Financial Network **U. S. Bank National Bank Association**. 8- K4. ~~58~~ **112 / 31-26 / 0110-2310**. ~~69-74~~ (b) (c) (d) ~~First Second Amendment to Administration Agreement~~ **Series 2023- A Indenture Supplement**, dated as of ~~July 31~~ **April 26**, 2009 **2024**, between World Financial Network Credit Card Master Note Trust and World Financial Network **U. S. Bank National Bank Association**. 8- K4. ~~17-24 / 31-30 / 0910-2410~~. ~~70-75~~ (b) (c) (d) ~~Fourth Amended and Restated Service -- Series Agreement~~ **2024- A Indenture Supplement**, dated as of June 1 **May 15**, 2022 **2024**, by and between Comenity Bank and Comenity Servicing LLC. 10- D99. 26 / 15 / 2210. 71 (b) (c) (d) ~~First Addendum to Appendix A of Fourth Amended and Restated Service Agreement~~, dated as of July 29, 2022, between Comenity Servicing LLC and Comenity Bank. 8- K99. 18 / 4 / 2210. 72 (b) (c) (d) ~~Second Addendum to Appendix A of Fourth Amended and Restated Service Agreement~~, dated as of August 31, 2022, between Comenity Servicing LLC and Comenity Bank. 8- K99. 19 / 7 / 2210. 73 (b) (c) (d) ~~Third Addendum to Appendix A of Fourth Amended and Restated Service Agreement~~, dated as of October 7, 2022, between Comenity Servicing LLC and Comenity Bank. 8- K99. 110 / 12 / 2210. 74 (b) (c) (d) ~~Fourth Addendum to Appendix A of Fourth Amended and Restated Service Agreement~~, dated as of October 31, 2022, between Comenity Servicing LLC and Comenity Bank. 8- K99. 111 / 2 / 2210. 75 (b) (c) (d) ~~Fifth Addendum to Appendix A of Fourth Amended and Restated Service Agreement~~, dated as of November 30, 2022, between Comenity Servicing LLC and Comenity Bank. 8- K99. 112 / 1 / 2210. 76 (b) (c) (d) ~~Sixth Addendum to Appendix A of Fourth Amended and Restated Service Agreement~~, dated as of January 11, 2023, between Comenity Servicing LLC and Comenity Bank. 8- K99. 11 / 12 / 2310. 77 (b) (c) (d) ~~Seventh Addendum to Appendix A of Fourth Amended and Restated Service Agreement~~, dated as of January 31, 2023, between Comenity Servicing LLC and Comenity Bank. 8- K99. 12 / 2 / 2310. 78 (b) (c) (d) ~~First Amendment to Fourth Amended and Restated Service Agreement~~ dated as of February 28, 2023, between Comenity Servicing LLC and Comenity Bank. 8- K99. 13 / 2 / 2310. 79 (b) (c) (d) ~~Eighth Addendum to Appendix A of Fourth Amended and Restated Service Agreement~~ dated as of February 28, 2023, between Comenity Servicing LLC and Comenity Bank. 8- K99. 23 / 2 / 2310. 80 (b) (c) (d) ~~Ninth Addendum to Appendix A of Fourth Amended and Restated Service Agreement~~ dated as of March 31, 2023, between Comenity Servicing LLC and Comenity Bank. 8- K99. 14 / 5 / 23 Incorporated by Reference ~~Exhibit No. Filer Description Form Exhibit Filing Date~~ **10. 81** (b) (c) (d) ~~Tenth Addendum to Appendix A of Fourth Amended and Restated Service Agreement~~ dated as of April 30, 2023, between Comenity Servicing LLC and Comenity Bank. 8- K99. 27 / 7 / 2310. 82 (b) (c) (d) ~~Eleventh Addendum to Appendix A of Fourth Amended and Restated Service Agreement~~ dated as of June 30, 2023, between Comenity Servicing LLC and Comenity Bank. 8- K99. 17 / 7 / 2310. 83 (b) (c) (d) ~~Twelfth Addendum to Appendix A of Fourth Amended and Restated Service Agreement~~ dated as of July 31, 2023, between Comenity Servicing LLC and Comenity Bank. 8- K99. 18 / 1 / 2310. 84 (b) (c) (d) ~~Thirteenth Addendum to Appendix A of Fourth Amended and Restated Service Agreement~~ dated as of August 31, 2023, between Comenity Servicing LLC and Comenity Bank. 8- K99. 19 / 6 / 2310. 85 (b) (c) (d) ~~Fourteenth Addendum to Appendix A of Fourth Amended and Restated Service Agreement~~ dated as of October 31, 2023, between Comenity Servicing LLC and Comenity Bank. 8- K99. 111 / 1 / 2310. 86 (b) (c) (d) ~~Fifteenth Addendum to Appendix A of Fourth Amended and Restated Service Agreement~~ dated as of October 31, 2023, between Comenity Servicing LLC and Comenity Bank. 8- K99. 211 / 1 / 2310. 87 (b) (c) (d) ~~Sixteenth Addendum to Appendix A of Fourth Amended and Restated Service Agreement~~ dated as of October 31, 2023, between Comenity Servicing LLC and Comenity Bank. 8- K99. 311 / 1 / 2310. 88 (b) (c) (d) ~~Seventeenth Addendum to Appendix A of Fourth Amended and Restated Service Agreement~~ dated as of November 1, 2023, between Comenity Servicing LLC and Comenity Bank. 10- D99. 211 / 15 / 2310. 89 (b) (c) (d) ~~Second Amendment to Fourth Amended and Restated Service Agreement~~ dated as of November 30, 2023, between Comenity Servicing LLC and Comenity Bank. 8- K99. 112 / 4 / 2310. 90 (b) (c) (d) ~~Eighteenth Addendum to Appendix A of Fourth Amended and Restated Service Agreement~~ dated as of November 30, 2023, between Comenity Servicing LLC and Comenity Bank. 8- K99. 212 / 4 / 2310. 91 (b) (c) (d) ~~Nineteenth Addendum to Appendix A of Fourth Amended and Restated Service Agreement~~ dated as of December 31, 2023, between Comenity Servicing LLC and Comenity Bank. 8- K99. 11 / 3 / 2410. 92 (b) (c) (d) ~~Twentieth~~

Addendum to Appendix A of Fourth Amended and Restated Service Agreement dated as of January 31, 2024, between Comenity Servicing LLC and Comenity Bank. 8- K99. 12 / 1 / 2410. 93 (b) (c) (d) Asset Representations Review Agreement, dated as of July 6, 2016, among Comenity Bank, WFN Credit Company, LLC, World Financial Network Credit Card Master Note Trust and **May 25, 2021, by and among WFN Credit Company, LLC, U.S. Bank Trust National Association and Citicorp Trust Delaware, National Association. 8- K4. 15 / 21-28 / 2410-2110. 76-62 (b) (c) (d) Succession Agreement Series 2024-B Indenture Supplement**, dated as of August 13 **June 18, 2024 2021**, between **by and among Comenity Bank, World Financial Network Credit Card Master Note Trust, MUFG Union Bank, N.A.** and U.S. Bank National Association. 8- K4. **18-16 / 14-24 / 2410-2110. 63** 77 (b) (d) Amended and Restated Trust Agreement, dated as of August 1, 2001, between WFN Credit Company, LLC and Chase Manhattan Bank USA, National Association. 8- K4. 48 / 31 / 0110. 78 (b) (c) (d) **Succession First Amendment to Amended and Restated Trust Agreement**, dated as of **May 25 June 18, 2021, between among WFN Credit Company, LLC, MUFG Union Bank, N.A.** and **Citicorp Trust U.S. Bank National Association. 8- K4.** FTI Consulting, Inc. 8- K10. 17 / 8 / **1610-16** Incorporated by Reference Exhibit No. **83** Filer Description Form Exhibit Filing Date **10. 94** (a) Receivables Purchase Agreement, dated as of September 28, 2001, between World Financial Network National Bank and WFN Credit Company, LLC. 10- Q10. 511 / 7 / 0810. **95-84** (a) First Amendment to Receivables Purchase Agreement, dated as of June 24, 2008, between World Financial Network National Bank and WFN Credit Company, LLC. 10- K10. 943 / 2 / 0910. **96-85** (a) Second Amendment to Receivables Purchase Agreement, dated as of March 30, 2010, between World Financial Network National Bank and WFN Credit Company, LLC. 10- K10. 1272 / 28 / 1110. **97-86** (a) Supplemental Agreement to Receivables Purchase Agreement, dated as of August 9, 2010, between World Financial Network National Bank and WFN Credit Company, LLC. 10- K10. 1282 / 28 / 1110. **98-87** (a) Third Amendment to Receivables Purchase Agreement, dated as of September 30, 2011, between World Financial Network Bank and WFN Credit Company, LLC. 10- Q10. 411 / 7 / 1110. **99-88** (a) World Financial Network Credit Card Master Trust III Amended and Restated Pooling and Servicing Agreement, dated as of September 28, 2001, among WFN Credit Company, LLC, World Financial Network National Bank, and The Chase Manhattan Bank, USA, National Association. 10- Q10. 611 / 7 / 0810. **100-89** (a) First Amendment to the Amended and Restated Pooling and Servicing Agreement, dated as of April 7, 2004, among WFN Credit Company, LLC, World Financial Network National Bank, and The Chase Manhattan Bank, USA, National Association. 10- Q10. 711 / 7 / 0810. **101-90** (a) Second Amendment to the Amended and Restated Pooling and Servicing Agreement, dated as of March 23, 2005, among WFN Credit Company, LLC, World Financial Network National Bank, and The Chase Manhattan Bank, USA, National Association. 10- Q10. 811 / 7 / 0810. **102-91** (a) Third Amendment to the Amended and Restated Pooling and Servicing Agreement, dated as of October 26, 2007, among WFN Credit Company, LLC, World Financial Network National Bank, and Union Bank of California, N. A. (successor to JPMorgan Chase Bank, N. A.). 10- Q10. 911 / 7 / 0810. **103-92** (a) Fourth Amendment to Amended and Restated Pooling and Servicing Agreement, dated as of March 30, 2010, among WFN Credit Company, LLC, World Financial Network National Bank, and Union Bank, N. A. 10- Q10. 95 / 7 / **1010-104-10** Incorporated by Reference Exhibit No. **10** Filer Description Form Exhibit Filing Date **10. 93** (a) Fifth Amendment to Amended and Restated Pooling and Servicing Agreement, dated as of September 30, 2011, among WFN Credit Company, LLC, World Financial Network Bank, and Union Bank, N. A. 10- Q10. 311 / 7 / 1110. **105-94** (a) Sixth Amendment to Amended and Restated Pooling and Servicing Agreement, dated as of December 1, 2016, among WFN Credit Company, LLC, Comenity Bank, and Deutsche Bank Trust Company Americas. 10- K10. 942 / 27 / **1710** **17** Incorporated by Reference Exhibit No. **95** Filer Description Form Exhibit Filing Date **10. 106** (a) Seventh Amendment to Amended and Restated Pooling and Servicing Agreement, dated as of September 1, 2017, among WFN Credit Company, LLC, Comenity Bank, and U. S. Bank National Association (successor to Deutsche Bank Trust Company Americas). 10- K10. 962 / 27 / 1810. **107-96** (a) Eighth Amendment to Amended and Restated Pooling and Servicing Agreement, dated as of November 16, 2020, among WFN Credit Company, LLC, Comenity Bank, and U. S. Bank National Association (successor to Deutsche Bank Trust Company Americas). 10- K10. 1052 / 26 / 2110. **108-97** (a) Supplemental Agreement to Amended and Restated Pooling and Servicing Agreement, dated as of August 9, 2010, among WFN Credit Company, LLC, World Financial Network National Bank, and Union Bank, N. A. 10- K10. 1342 / 28 / 1110. **109-98** (a) Receivables Purchase Agreement, dated as of September 29, 2008, between World Financial Capital Bank and World Financial Capital Credit Company, LLC. 10- Q10. 311 / 7 / 0810. **110-99** (a) Amendment No. 1 to Receivables Purchase Agreement, dated as of June 4, 2010, between World Financial Capital Bank and World Financial Capital Credit Company, LLC. 10- Q10. 118 / 9 / **10 * 10. 1010-100** (a) **Amendment No. 111-2 to Receivables Purchase Agreement, dated as of December 12, 2024, between World Financial Capital Bank and World Financial Capital Credit Company, LLC. 10. 101** (a) Transfer and Servicing Agreement, dated as of September 29, 2008, among World Financial Capital Credit Company, LLC, World Financial Capital Bank and World Financial Capital Master Note Trust. 10- Q10. 411 / 7 / 0810. **112-102** (a) Amendment No. 1 to Transfer and Servicing Agreement, dated as of June 4, 2010, among World Financial Capital Credit Company, LLC, World Financial Capital Bank and World Financial Capital Master Note Trust. 10- Q10. 128 / 9 / **1010-10 * 10. 113-103** (a) **Amendment No. 2 to Transfer and Servicing Agreement, dated as of December 12, 2024, among World Financial Capital Credit Company, LLC, World Financial Capital Bank and World Financial Capital Master Note Trust. 10. 104** (a) Master Indenture, dated as of September 29, 2008, between World Financial Capital Master Note Trust and U. S. Bank National Association, together with Supplemental Indenture Nos. 1- 3. 10- K10. 1042 / 27 / **1810-18** Incorporated by Reference Exhibit No. **114** Filer Description Form Exhibit Filing Date *** 10. 105** (a) Supplemental Indenture No. 4 to Master Indenture, dated as of **December 12, 2024, between World Financial Capital Master Note Trust and U. S. Bank National Association. 10. 106** (a) Receivables Purchase Agreement, dated as of June 17, 2022, between Comenity Capital Bank and Comenity Capital Credit Company, LLC. 10- K10. 982 / 28 / **2310-23 * 10. 115-107** (a) **Amendment No. 1 to Receivables Purchase Agreement, dated as of December 20, 2024, between Comenity Capital Bank and Comenity Capital Credit Company, LLC. 10. 108** (a) Transfer Agreement, dated as of June 17, 2022, between Comenity Capital Credit Company, LLC and

Comenity Capital Asset Securitization Trust. 10- K10. 992 / 28 / ~~2310-23~~ * 10. ~~116-109~~ (a) ~~Servicing~~ **Amendment No. 1 to Transfer** Agreement, dated as of ~~June 17~~ **December 20, 2022-2024**, between Comenity Capital Credit Company, LLC ; Comenity Capital Bank and Comenity Capital Asset Securitization Trust. 10. **110 (a) Servicing Agreement, dated as of June 17, 2022, between Comenity Capital Credit Company, LLC, Comenity Capital Bank and Comenity Capital Asset Securitization Trust. 10** - K10. 12 / 28 / 2310. ~~117-111~~ (a) Master Indenture, dated as of June 17, 2022, between Comenity Capital Asset Securitization Trust and U. S. Bank Trust Company, National Association. 10- K10. 1012 / 28 / 23 ~~Incorporated by Reference Exhibit~~ * **10. 112 (a) Supplemental Indenture No. FilerDescriptionFormExhibitFiling Date10 1 to Master Indenture, dated as of December 20, 2024, between Comenity Capital Asset Securitization Trust and U. 118-S. Bank Trust Company, National Association. 10. 113** (a) Fourth Amended and Restated Series 2009- VFN Indenture Supplement, dated as of February 28, 2014, between World Financial Network Credit Card Master Note Trust and Union Bank, N. A. 10- K10. 1292 / 27 / 1510. ~~119-114~~ (a) First Amendment to Fourth Amended and Restated Series 2009- VFN Indenture Supplement, dated as of July 10, 2017, between World Financial Network Credit Card Master Note Trust and MUFG Union Bank, N. A., formerly known as Union Bank, N. A. 10- Q10. 88 / 7 / 1710. ~~120-115~~ (a) Second Amendment to Fourth Amended and Restated Series 2009- VFN Indenture Supplement, dated as of December 1, 2017, between World Financial Network Credit Card Master Note Trust and MUFG Union Bank, N. A., formerly known as Union Bank, N. A. 10- K10. 1092 / 27 / 1810. ~~121-116~~ (a) Third Amendment to Fourth Amended and Restated Series 2009- VFN Indenture Supplement, dated as of May 3, 2018, between World Financial Network Credit Card Master Note Trust and MUFG Union Bank, N. A., formerly known as Union Bank, N. A. 10- K10. 1102 / 26 / ~~1910-19~~ **Incorporated by Reference Exhibit No. 122-FilerDescriptionFormExhibitFiling Date10. 117** (a) Fourth Amendment to Fourth Amended and Restated Series 2009- VFN Indenture Supplement, dated as of August 31, 2018, between World Financial Network Credit Card Master Note Trust and MUFG Union Bank, N. A., formerly known as Union Bank, N. A. 10- K10. 1112 / 26 / 1910. ~~123-118~~ (a) Fifth Amendment to Fourth Amended and Restated Series 2009- VFN Indenture Supplement, dated as of February 1, 2019, between World Financial Network Credit Card Master Note Trust and MUFG Union Bank, N. A., formerly known as Union Bank, N. A. 10- K10. 1122 / 26 / 1910. ~~124-119~~ (a) Sixth Amendment to Fourth Amended and Restated Series 2009- VFN Indenture Supplement, dated as of June 11, 2020, between World Financial Network Credit Card Master Note Trust and MUFG Union Bank, N. A., formerly known as Union Bank, N. A. 10- K10. 1182 / 26 / 2110. ~~125-120~~ (a) Seventh Amendment to Fourth Amended and Restated Series 2009- VFN Indenture Supplement, dated as of September 10, 2020, between World Financial Network Credit Card Master Note Trust and MUFG Union Bank, N. A., formerly known as Union Bank, N. A. 10- K10. 1192 / 26 / 2110. ~~126-121~~ (a) Eighth Amendment to Fourth Amended and Restated Series 2009- VFN Indenture Supplement, dated as of August 1, 2022, between World Financial Network Credit Card Master Note Trust and U. S. Bank National Association, as successor to MUFG Union Bank, N. A. 10- K10. 112 / 28 / ~~2310-23~~ * ~~10- 127-122~~ (a) Ninth Amendment to Fourth Amended and Restated Series 2009- VFN Indenture Supplement, dated as of February 1, 2023, between World Financial Network Credit Card Master Note Trust and U. S. Bank National Association, as successor to MUFG Union Bank, N. A. * ~~10- K10. 128-1272 / 20 / 2410. 123~~ (a) Tenth Amendment to Fourth Amended and Restated Series 2009- VFN Indenture Supplement, dated as of December 22, 2023, between World Financial Network Credit Card Master Note Trust and U. S. Bank National Association, as successor to MUFG Union Bank, N. A. **10- K10 Incorporated by Reference Exhibit No. FilerDescriptionFormExhibitFiling Date10-1282 / 20 / 24 * 10. 129-124 (a) Eleventh Amendment to Fourth Amended and Restated Series 2009- VFN Indenture Supplement, dated as of April 26, 2024, between World Financial Network Credit Card Master Note Trust and U. S. Bank National Association, as successor to MUFG Union Bank, N. A. 10. 125** (a) Third Amended and Restated Series 2009- VFC1 Supplement, dated as of April 28, 2017, among WFN Credit Company, LLC, Comenity Bank and Deutsche Bank Trust Company Americas. 10- Q10. 78 / 7 / 1710. ~~130-126~~ (a) First Amendment to Third Amended and Restated Series 2009- VFC1 Supplement, dated as of October 19, 2017, among WFN Credit Company, LLC, Comenity Bank and U. S. Bank National Association (successor to Deutsche Bank Trust Company Americas). 10- Q10. 411 / 8 / 1710. ~~131-127~~ (a) Second Amendment to Third Amended and Restated Series 2009- VFC1 Supplement, dated as of August 31, 2018, among WFN Credit Company, LLC, Comenity Bank and U. S. Bank National Association (successor to Deutsche Bank Trust Company Americas). 10- K10. 1152 / 26 / ~~1910-19~~ **Incorporated by Reference Exhibit No. 132-FilerDescriptionFormExhibitFiling Date10. 128** (a) Third Amendment to Third Amended and Restated Series 2009- VFC1 Supplement, dated as of June 28, 2019, among WFN Credit Company, LLC, Comenity Bank and U. S. Bank National Association (successor to Deutsche Bank Trust Company Americas). 10- K10. 1232 / 26 / 2110. ~~133-129~~ (a) Fourth Amendment to Third Amended and Restated Series 2009- VFC1 Supplement, dated as of April 17, 2020, among WFN Credit Company, LLC, Comenity Bank and U. S. Bank National Association (successor to Deutsche Bank Trust Company Americas). 10- K10. 1242 / 26 / ~~2110-21~~ * **10. 134-130 (a) Fifth-Sixth** Amended and Restated Series 2009- VFN Indenture Supplement, dated as of ~~November 1~~ **December 12, 2016-2024**, between World Financial Capital Master Note Trust and Deutsche Bank Trust Company Americas. 10 -K10-. **131** ~~1022 / 27 / 1710. 135 (a) First Amendment to Fifth Amended and Restated Series 2009- VFN Indenture Supplement, dated as of November 1, 2017, between World Financial Capital Master Note Trust and U. S. Bank National Association (successor to Deutsche Bank Trust Company Americas). 10- Q10. 511 / 8 / 1710. 136 (a) Second Amendment to Fifth Amended and Restated Series 2009- VFN Indenture Supplement, dated as of September 28, 2018, between World Financial Capital Master Note Trust and U. S. Bank National Association (successor to Deutsche Bank Trust Company Americas). 10- Q10. 311 / 6 / 18 * 10. 137 (a) Third Amendment to Fifth Amended and Restated Series 2009- VFN Indenture Supplement, dated as of April 25, 2023, between World Financial Capital Master Note Trust and U. S. Bank National Association (successor to Deutsche Bank Trust Company Americas). * 10. 138 (a) Series 2023- VFN1 Indenture Supplement, dated as of September 29, 2023, between Comenity Capital Asset Securitization Trust and U. S. Bank Trust Company, National Association. 10 - K10. ~~139-1382 / 20 / 24 * 10. 132 (a) First Amendment and Consent to Series 2023- VFN1 Indenture Supplement, dated as of February 21, 2024, between Comenity Capital Asset Securitization Trust and U. S. Bank Trust~~~~

Company, National Association. * 10. 133 (a) Second Amendment to Series 2023- VFN1 Indenture Supplement, dated as of December 20, 2024, between Comenity Capital Asset Securitization Trust and U. S. Bank Trust Company, National Association. * 10. 134 (a) Series 2024- VFN1 Indenture Supplement, dated as of February 21, 2024, between Comenity Capital Asset Securitization Trust and U. S. Bank Trust Company, National Association. * 10. 135 (a) First Amendment to Series 2024- VFN1 Indenture Supplement, dated as of December 20, 2024, between Comenity Capital Asset Securitization Trust and U. S. Bank Trust Company, National Association. 10. 136 (a) Credit Agreement, dated as of June 7, 2023, by and among Bread Financial Holdings, Inc., the subsidiary guarantors parties thereto, JPMorgan Chase Bank, N. A., as administrative agent, and other financial institutions as lenders. 8- K10. 26 / 13 / 23 Incorporated by Reference Exhibit No. FilerDescriptionFormExhibitFiling Date 10. 140-137 (a) Indenture Amendment No. 1 to Credit Agreement, dated as of September 22, 2020-2024, by and among Bread Financial Holdings, Inc., as borrower, and certain of its subsidiaries as guarantors and MUFG Union Bank, N. A., as trustee (including Administrative Agent and various the other lenders form of the Company's 7.000 % Senior Note due January 15, 2026). 8- K4-K10. 19-110 / 23-21 / 2010-2410. 138 141 (a) First Supplemental Indenture, dated as of August 6, 2021, among Bread Financial Holdings, Inc., certain of its subsidiaries as guarantors and MUFG Union Bank, N. A., as trustee under the Indenture dated as of September 22, 2020. 10- Q10. 511 / 3 / 2110. 142 (a) Indenture, dated as of June 13, 2023, among Bread Financial Holdings, Inc., certain of its subsidiaries as guarantors and U. S. Bank Trust Company, National Association, as trustee (including the form of the Company's 4.25 % Convertible Senior Note due June 15, 2028). 8- K4. 16 / 13 / 2310. 143-139 (a) Indenture, dated as of December 22, 2023, among Bread Financial Holdings, Inc., certain of its subsidiaries as guarantors and U. S. Bank Trust Company, National Association, as trustee (including the form of the Company's 9.750 % Convertible Senior Note due March 15, 2029). 8- K4. 112 / 22 / 23 Incorporated by Reference Exhibit No. FilerDescriptionFormExhibitFiling Date * 19 (a) Bread Financial Holdings, Inc. Insider Trading Policy. * 21 (a) Subsidiaries of the Registrant * 23. 1 (a) Consent of Deloitte & Touche LLP * 31. 1 (a) Certification of Chief Executive Officer of Bread Financial Holdings, Inc. pursuant to Rule 13a- 14 (a) promulgated under the Securities Exchange Act of 1934, as amended. * 31. 2 (a) Certification of Chief Financial Officer of Bread Financial Holdings, Inc. pursuant to Rule 13a- 14 (a) promulgated under the Securities Exchange Act of 1934, as amended. * * 32. 1 (a) Certification of Chief Executive Officer of Bread Financial Holdings, Inc. pursuant to Rule 13a- 14 (b) promulgated under the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code. * * 32. 2 (a) Certification of Chief Financial Officer of Bread Financial Holdings, Inc. pursuant to Rule 13a- 14 (b) promulgated under the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code. * 97 (a) Bread Financial Holdings, Inc. Compensation Recoupment Policy effective October 2, 2023. * 101 (a) The following financial information from Bread Financial Holdings, Inc.' s Annual Report on Form 10- K for the fiscal year ended December 31, 2023-2024, formatted in Inline XBRL: (i) Consolidated Statements of Income, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Balance Sheets, (iv) Consolidated Statements of Income, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Stockholders' Equity, (v) Consolidated Statements of Cash Flows and (vi) Notes to the audited Audited Consolidated Financial Statements. Incorporated by Reference Exhibit No. FilerDescriptionFormExhibitFiling Date * 104 (a) Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) * Filed herewith * * Furnished herewith Management contract, compensatory plan or arrangement ^ Certain exhibits have been omitted pursuant to Item 601 (a) (5) of Regulation S- K. Bread Financial Holdings, Inc. hereby undertakes to furnish supplementally copies of any of the omitted exhibits upon request by the U. S. Securities and Exchange Commission. (b) WFN Credit Company, LLC (c) World Financial Network Credit Card Master Trust (d) World Financial Network Credit Card Master Note Trust Item 16. Form 10- K Summary. INDEX TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS BREAD FINANCIAL HOLDINGS, INC. PageBread Financial Holdings, Inc. and SubsidiariesReports of Independent Registered Public Accounting Firm (PCAOB ID: 34) F- 2Consolidated Statements of Income for the years ended December 31, 2024, 2023, and 2022-2022F and 2021F- 5Consolidated Statements of Comprehensive Income for the years ended December 31, 2024, 2023, and 2022-2022F and 2021F- 6Consolidated Balance Sheets as of December 31, 2024 and 2023-2023F and 2022F- 7Consolidated Statements of Stockholders' Equity for the years ended December 31, 2024, 2023, and 2022-2022F and 2021F- 8Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023, and 2022-2022F and 2021F- 9Notes to the audited Consolidated Financial StatementsF- 10 REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM To the Stockholders and the Board of Directors of Bread Financial Holdings, Inc. Opinion on the Financial Statements We have audited the accompanying Consolidated Balance Sheets of Bread Financial Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2024 and 2023 and 2022, the related Consolidated Statements of Income, Comprehensive income Income, Stockholders' equity Equity, and Cash flows Flows for each of the three years in the period ended December 31, 2023-2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023-2024, in conformity with accounting principles generally accepted in the United States of America. We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023-2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 20-14, 2024-2025, expressed an unqualified opinion on the Company's internal control over financial reporting. Basis for Opinion These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U. S. federal securities laws and the applicable rules and regulations of the Securities and

Exchange Commission and the PCAOB. We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter The critical audit matter communicated below is a matter arising from the current- period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance for Credit Losses for credit card loans — Refer to Notes 1 and 3 to the financial statements

Critical Audit Matter Description The Allowance for credit losses is an estimate of expected credit losses, measured over the estimated life of its credit card loans, that considers forecasts of future economic conditions in addition to information about past events and current conditions. The estimate under the credit reserving methodology referred to as the Current Expected Credit Loss (CECL) model is significantly influenced by the composition, characteristics and quality of the Company’ s credit card **loans portfolio**, as well as the prevailing economic conditions and forecasts utilized. The estimate of the Allowance for credit losses for credit card loans includes an estimate for uncollectible principal as well as unpaid interest and fees. Principal losses, net of recoveries are deducted from the Allowance for credit losses. Losses for unpaid interest and fees, as well as any adjustments to the Allowance for credit losses associated with unpaid interest and fees are recorded as a reduction to Interest and fees on loans. The Allowance for credit losses is maintained through an adjustment to the Provision for credit losses and is evaluated for appropriateness. In estimating its Allowance for credit losses for credit card loans, management **utilizes uses** modeling and estimation techniques based on historical loss experience, current conditions, reasonable and supportable forecasts and other relevant factors. **This modeling** **These models utilizes- utilize** historical data and applicable macroeconomic variables with statistical analysis and behavioral relationships, to determine expected credit performance. The Company’ s quantitative estimate of expected credit losses under CECL is impacted by certain forecasted economic factors. The Company considers the forecast used to be reasonable and supportable over the estimated life of the credit card loans, with no reversion period. In addition to the quantitative estimate of expected credit losses, the Company also incorporates qualitative adjustments for certain factors such as Company- specific risks, changes in current economic conditions that may not be captured in the quantitatively derived results, or other relevant factors to ensure the Allowance for credit losses reflects the Company’ s best estimate of current expected credit losses within the credit card loans balance. Given the significant judgments made by management in estimating its Allowance for credit losses related to credit card loans, performing audit procedures to evaluate the reasonableness of the estimated Allowance for credit losses, including procedures to evaluate the qualitative adjustments, required a high degree of auditor judgment and an increased extent of effort, including the need to involve our credit modeling specialists.

How the Critical Audit Matter Was Addressed in the Audit

- We tested the design and operating effectiveness of management’ s controls over the determination and review of model methodology, significant assumptions and qualitative adjustments.
- We evaluated whether the method (including the model), data, and significant assumptions are appropriate in the context of the applicable financial reporting framework.
- We tested the completeness and accuracy of the historical data used in management’ s **modeling models**.
- With assistance from credit modeling specialists, we evaluated whether the model is suitable for determining the estimate, which included understanding the model methodology and logic, whether the selected method for estimating credit losses is appropriate and whether the significant assumptions were reasonable.
- We evaluated the reasonableness of the selection of forecasted macroeconomic variables, considered alternative forecasted scenarios and evaluated any contradictory evidence.
- We evaluated whether judgments have been applied consistently to the model and that any qualitative adjustments to the output of the model are consistent with the measurement objective of the applicable financial reporting framework and are appropriate in the circumstances.
- We considered any contradictory evidence that arose while performing our procedures, and whether or not this evidence was indicative of management bias.

/ s / Deloitte & Touche LLP February **20-14, 2024-2025**

We have served as the Company’ s auditor since 1998.

F- 3 Opinion on Internal Control over Financial Reporting We have audited the internal control over financial reporting of Bread Financial Holdings, Inc. and subsidiaries (the “ Company ”) as of December 31, **2023-2024**, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, **2023-2024**, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO. We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Consolidated Financial Statements as of and for the year ended December 31, **2023-2024**, of the Company and our report dated February **20-14, 2024-2025**, expressed an unqualified opinion on those financial statements. The Company’ s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’ s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’ s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U. S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable

assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Definition and Limitations of Internal Control over Financial Reporting A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. BREAD FINANCIAL HOLDINGS, INC. CONSOLIDATED STATEMENTS OF INCOME Years Ended December 31, 2023 2022 2021 2024 2023 2022 (Millions, except per share amounts)

Interest income Interest and fees on loans \$ 4, 820 \$ 4, 961 \$ 4, 615 \$ 3, 861 Interest on cash and investment securities 184 securities 204 184 69 7 Total interest income 5, 024 5, 145 4, 684 3, 868 Interest expense Interest on deposits 541 deposits 608 541 243 167 Interest on borrowings 338 borrowings 352 338 260 216 Total interest expense 879 expense 960 879 503 383 Net interest income 4, 064 4, 266 4, 181 3, 485 Non- interest income Interchange revenue, net of retailer share arrangements (381) (335) (469) (369) Gain on portfolio sale 230 sale 11 230 — 10 Other 128 Other 144 128 114 146 Total non- interest income 23 — income (226) 23 (355) (213) Total net interest and non- interest income 4, 038 4, 289 3, 826 3, 272 Provision for credit losses 1, 397 1, 229 1, 594 544 Total net interest and non- interest income, after provision for credit losses 3 losses 2, 441 3 , 060 2, 232 2, 728 Non- interest expenses Employee compensation and benefits 867 benefits 897 867 779 671 Card and processing expenses 428 expenses 326 428 359 323 Information processing and communication 301 communication 300 301 274 216 Marketing expenses 161 expenses 147 161 180 160 Depreciation and amortization 116 amortization 90 116 113 92 Other 219 Other 300 219 227 222 Total non- interest expenses 2, 060 2, 092 1, 932 1, 684 Income from continuing operations before income taxes 968 taxes 381 968 300 1, 044 Provision for income taxes 231 — taxes 102 231 76 247 Income from continuing operations 737 operations 279 737 224 797 (Loss) income from discontinued operations, net of income taxes (1) (2) (19) (1) 4 Net income \$ 277 \$ 718 \$ 223 \$ 801 Basic income per share Income share (Note 21) Income from continuing operations \$ 5. 63 \$ 14. 79 \$ 4. 48 \$ 16. 02 (Loss) income from discontinued operations \$ (0. 05) \$ (0. 40) \$ (0. 01) \$ 0. 07 Net income per share \$ 5. 58 \$ 14. 39 \$ 4. 47 \$ 16. 09 Diluted income per share Income share (Note 21) Income from continuing operations \$ 5. 54 \$ 14. 74 \$ 4. 47 \$ 15. 95 (Loss) income from discontinued operations \$ (0. 05) \$ (0. 40) \$ (0. 01) \$ 0. 07 Net income per share \$ 5. 49 \$ 14. 34 \$ 4. 46 \$ 16. 02 Weighted average common shares outstanding Basic 49 — — — outstanding (Note 21) Basic 49. 649 . 849. 949. 7 Diluted 50 9 Diluted 50 . 450 . 050. 050. 0

(1) Includes amounts that related to the previously disclosed discontinued operations associated with the spinoff of our former LoyaltyOne segment in 2021 and the sale of our former Epsilon segment in 2019. For additional information refer to Note 1, "Description of Business, Basis of Presentation and Summary of Significant Accounting Policies" to the audited Consolidated Financial Statements. See Notes to the audited Consolidated Financial Statements. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME Years Ended December 31, 2023 2022 2021 2024 2023 2022 (Millions) Net income \$ 277 \$ 718 \$ 223 \$ 801 Other comprehensive income (loss) Unrealized income Unrealized (loss) gain (loss) on available-for-sale debt securities 2 (25) (24) Tax benefits — 6 2 Unrealized gain (loss) on available-for-sale debt securities, net of tax 2 (19 4) 2 (22 25) Tax benefit 1 — 6 Unrealized (loss) gain on available-for-sale debt securities cash flow hedges — 1 Tax benefits — Unrealized gain on cash flow hedges, net of tax — 1 Unrealized gain on net investment hedge — 20 Tax expense — (13 3) 2 Unrealized gain on net investment hedge, net of tax — 7 Foreign currency translation adjustments (19 inclusive of deconsolidation of \$ 54 million for the year ended December 31, 2021, related to the disposition of business) — 17 Other comprehensive (loss) income (loss), net of tax 2 — tax (3) 2 (19) 3 Total comprehensive income, net of tax \$ 274 \$ 720 \$ 204 \$ 804 CONSOLIDATED BALANCE SHEETS December 31, 2023 2022 2024 2023 (Millions, except per share amounts) ASSETS Cash and cash equivalents \$ 3, 590 679 \$ 3, 891 590 Credit card and other loans Total credit card and other loans (includes loans available to settle obligations of consolidated variable interest entities: 2023 2024, \$ 12, 408; 2023, \$ 12, 844 ; 2022, \$ 15, 383) 18, 896 19, 333 21, 365 Allowance for credit losses (2, 241) (2, 328) (2, 464) Credit card and other loans, net 17 net 16 , 655 17 , 005 18, 901 Investments (Fair value: 2024 and 2023, \$ 217 ; 2022, \$ 221) 266 253 21 Property and equipment (less accumulated depreciation and amortization: 2023, net 142 \$ 343; 2022, \$ 287) 167 195 Goodwill and intangible assets, net 762 — net 746 799 762 Other assets 1, 403 1, 364 1, 400 Total assets \$ 22, 891 \$ 23, 141 \$ 25, 407 LIABILITIES AND STOCKHOLDERS' EQUITY Deposits \$ 13, 620 082 \$ 13, 826 620 Debt issued by consolidated variable interest entities 3 entities 4 , 558 3 , 898 6, 115 Long- term and other debt 1 debt 999 1 , 394 1, 892 Other liabilities 1, 201 1, 311 1, 309 Total liabilities 20 liabilities 19 , 840 20 , 223 23, 142 Commitments and contingencies (Note 15 16) Stockholders' equity Common stock, \$ 0. 01 par value; authorized, 200. 0 million shares; issued: 2023 2024, 49. 3 1 million shares; 2022 2023, 49. 9 3 million shares 1 1 Additional paid- in capital 2, 073 2, 169 2, 192 Retained earnings 767 93 earnings 999 767 Accumulated other comprehensive loss (22) (19) (21) Total stockholders' equity 2 equity 3 , 051 2 , 918 2, 265 Total liabilities and stockholders' equity \$ 22, 891 \$ 23, 141 \$ 25, 407 CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY Common Stock Additional Paid- In Capital Treasury Stock Retained In Capital Retained Earnings (Accumulated Deficit) Accumulated Other Comprehensive Loss Total Stockholders' Equity Shares Amount (Millions) Balance as of December 31, 2020 117. 1 \$ 1 \$ 3, 427 \$ (6, 733) \$ 4, 832 \$ (5) \$ 1, 522 Net income — — — — 801 — 801 Other comprehensive income —

~~33~~ Stock-based compensation ~~29~~ ~~29~~ Dividends and dividend equivalent rights declared (\$ 0.84 per common share) ~~(42)~~ ~~(42)~~ Retirement of treasury stock ~~(67)~~ ~~(1,280)~~ ~~6,733~~ ~~(5,453)~~ Spinoff of Loyalty Ventures Inc. ~~(225)~~ ~~(225)~~ Issuance of shares to employees, net of shares withheld for employee taxes ~~0.1~~ ~~(2)~~ ~~(2)~~ Balance as of December 31, 2021 ~~149.8~~ ~~\$ 1 \$ 2,174~~ ~~\$ (87)~~ ~~(2)~~ ~~\$ 2,086~~ Net income ~~223~~ ~~223~~ Other comprehensive loss ~~(19)~~ ~~(19)~~ Stock-based compensation ~~33~~ ~~33~~ Repurchase of common stock ~~(0.2)~~ ~~(12)~~ ~~(12)~~ Dividends and dividend equivalent rights declared (\$ 0.84 per common share) ~~(43)~~ ~~(43)~~ Issuance of shares to employees, net of shares withheld for employee taxes ~~0.3~~ ~~(3)~~ ~~(3)~~ Balance as of December 31, 2022 ~~149.9~~ ~~\$ 1 \$ 2,192~~ ~~\$ 93~~ ~~(21)~~ ~~\$ 2,265~~ Net income ~~718~~ ~~718~~ Other comprehensive income ~~2~~ ~~2~~ Stock-based compensation ~~44~~ ~~44~~ Capped call transactions for convertible senior notes due 2028, net of tax ~~(30)~~ ~~(30)~~ Repurchase of common stock ~~(0.9)~~ ~~(35)~~ ~~(35)~~ Dividends and dividend equivalent rights declared (\$ 0.84 per common share) ~~(44)~~ ~~(44)~~ Issuance of shares to employees, net of shares withheld for employee taxes ~~0.3~~ ~~(2)~~ ~~(2)~~ Balance as of December 31, 2023 ~~149.3~~ ~~\$ 1 \$ 2,169~~ ~~\$ 767~~ ~~(19)~~ ~~\$ 2,918~~ **Cumulative effect of change in accounting principle (1)** ~~(1)~~ ~~(1)~~ **Net income** ~~277~~ ~~277~~ **Other comprehensive loss** ~~(3)~~ ~~(3)~~ **Stock-based compensation** ~~54~~ ~~54~~ **Repurchases of common stock (1.0)** ~~(55)~~ ~~(55)~~ **Repurchases of Convertible Notes** ~~(88)~~ ~~(88)~~ **Dividends and dividend equivalent rights declared (\$ 0.84 per common share)** ~~(44)~~ ~~(44)~~ **Issuance of shares to employees, net of shares withheld for employee taxes** ~~0.8~~ ~~(7)~~ ~~(7)~~ **Balance as of December 31, 2024** ~~149.1~~ ~~\$ 1 \$ 2,073~~ ~~\$ 999~~ ~~(22)~~ ~~\$ 3,051~~ ~~(1)~~ **Represents the cumulative effect, net of tax, of adopting the proportional amortization method of accounting for our tax credit investment. For additional information refer to Note 1, "Description of Business, Basis of Presentation and Significant Accounting Policies" to the audited Consolidated Financial Statements.** ~~918~~ ~~BREAD~~ ~~---~~ ~~BREAD~~ ~~FINANCIAL~~ ~~HOLDINGS, INC. CONSOLIDATED STATEMENTS OF CASH FLOWS~~ ~~Years Ended December 31, 2023~~ ~~2022~~ ~~2021~~ ~~2020~~ ~~2019~~ ~~(Millions)~~ **CASH FLOWS FROM OPERATING ACTIVITIES** **Net income** ~~\$ 277~~ ~~\$ 718~~ ~~\$ 223~~ ~~\$ 801~~ ~~\$ 801~~ Adjustments to reconcile net income to net cash provided by operating activities **Provision for credit losses** ~~1,397~~ ~~1,229~~ ~~1,594~~ ~~544~~ ~~544~~ **Depreciation and amortization** ~~116~~ ~~116~~ ~~113~~ ~~123~~ ~~123~~ **Deferred income taxes** ~~(85)~~ ~~(68)~~ ~~(245)~~ ~~(15)~~ ~~(15)~~ **Non-cash stock compensation** ~~44~~ ~~44~~ ~~33~~ ~~29~~ ~~29~~ **Amortization of deferred financing costs** ~~26~~ ~~26~~ ~~24~~ ~~31~~ ~~31~~ **Amortization of deferred origination costs** ~~92~~ ~~92~~ ~~86~~ ~~75~~ ~~75~~ **Gain on portfolio sale** ~~(11)~~ ~~(230)~~ ~~(10)~~ ~~(10)~~ **Loss on debt extinguishment and repurchased Convertible Notes** ~~117~~ ~~7~~ ~~7~~ ~~7~~ ~~7~~ **Change in other operating assets and liabilities** ~~Change in other assets~~ ~~28~~ ~~assets~~ ~~42~~ ~~28~~ ~~(134)~~ ~~(30)~~ ~~Change in other liabilities~~ ~~(109)~~ ~~(87)~~ ~~(11)~~ ~~Other~~ ~~32~~ ~~Other~~ ~~(26)~~ ~~25~~ ~~67~~ ~~6~~ **Net cash provided by operating activities** ~~1,859~~ ~~1,987~~ ~~1,848~~ ~~1,543~~ ~~1,543~~ **CASH FLOWS FROM INVESTING ACTIVITIES** **Change in credit card and other loans** ~~(840)~~ ~~(1,154)~~ ~~(3,222)~~ ~~(1,805)~~ ~~(1,805)~~ **Change in redemption settlement assets** ~~(113)~~ ~~(113)~~ **Payments for acquired businesses, net of cash and restricted cash** ~~(75)~~ ~~(75)~~ **Proceeds from sale of credit card loan portfolios** ~~2~~ ~~portfolios~~ ~~101~~ ~~2~~ ~~499~~ ~~512~~ **Purchases of credit card loan portfolios** ~~(377)~~ ~~(473)~~ ~~(1,804)~~ ~~(110)~~ ~~(110)~~ **Purchases of investments** ~~(31)~~ ~~(50)~~ ~~(43)~~ ~~(93)~~ ~~(93)~~ **Maturities of investments** ~~14~~ ~~14~~ ~~30~~ ~~73~~ ~~73~~ **Other, including capital expenditures** ~~(36)~~ ~~(48)~~ ~~(72)~~ ~~(80)~~ ~~(80)~~ **Net cash (used in) provided by (used in) investing activities** ~~788~~ ~~---~~ ~~activities~~ ~~(1,169)~~ ~~788~~ ~~(5,111)~~ ~~(1,691)~~ ~~(1,691)~~ **CASH FLOWS FROM FINANCING ACTIVITIES** **Unsecured borrowings under debt agreements** ~~1~~ ~~agreements~~ ~~300~~ ~~1~~ ~~401~~ ~~218~~ ~~38~~ **Repayments / maturities of unsecured borrowings under debt agreements** ~~(894)~~ ~~(1,882)~~ ~~(319)~~ ~~(864)~~ ~~(864)~~ **Debt issued by consolidated variable interest entities** ~~2,390~~ ~~2,592~~ ~~4,248~~ ~~4,278~~ **Repayments / maturities of debt issued by consolidated variable interest entities** ~~(1,727)~~ ~~(4,807)~~ ~~(3,587)~~ ~~(4,538)~~ **Net (decrease) increase in deposits** ~~(541)~~ ~~(209)~~ ~~2,778~~ ~~1,228~~ ~~1,228~~ **Debt proceeds from spinoff of Loyalty Ventures Inc.** ~~652~~ ~~652~~ **Transfers to Loyalty Ventures Inc. related to spinoff** ~~(127)~~ ~~(127)~~ **Payment of deferred financing costs** ~~(15)~~ ~~(63)~~ ~~(13)~~ ~~(13)~~ **Payment of capped call transactions** ~~(39)~~ ~~(39)~~ **Dividends paid** ~~(43)~~ ~~(42)~~ ~~(43)~~ ~~(42)~~ ~~(42)~~ **Repurchase of common stock** ~~(55)~~ ~~(35)~~ ~~(12)~~ ~~(7)~~ ~~(2)~~ ~~(3)~~ ~~(4)~~ **Net cash (used in) provided by financing activities** ~~(592)~~ ~~(3,086)~~ ~~3,267~~ ~~608~~ **Change in cash, cash equivalents and restricted cash** ~~cash~~ ~~cash~~ ~~98~~ ~~(311)~~ ~~4,460~~ ~~4,460~~ **Cash, cash equivalents and restricted cash at beginning of period** ~~3,616~~ ~~3,927~~ ~~3,923~~ ~~3,463~~ ~~3,463~~ **Cash, cash equivalents and restricted cash at end of period** ~~3,714~~ ~~\$ 3,616~~ ~~\$ 3,927~~ ~~\$ 3,923~~ ~~\$ 3,923~~ **SUPPLEMENTAL CASH FLOW INFORMATION** **Cash paid during the year for interest** ~~\$ 922~~ ~~\$ 861~~ ~~\$ 466~~ ~~\$ 357~~ ~~\$ 357~~ **Cash paid during the year for income taxes, net** ~~\$ 227~~ ~~\$ 292~~ ~~\$ 338~~ ~~\$ 325~~ ~~\$ 325~~ **Cash and cash equivalents reconciliation** **Cash and cash equivalents** ~~\$ 3,679~~ ~~\$ 3,590~~ ~~\$ 3,891~~ ~~\$ 3,046~~ ~~\$ 3,046~~ **Restricted cash included within Other Assets** ~~26~~ ~~Assets~~ ~~35~~ ~~26~~ ~~36~~ ~~77~~ ~~77~~ **Total cash, cash equivalents and restricted cash** ~~\$ 3,714~~ ~~\$ 3,616~~ ~~\$ 3,927~~ ~~\$ 3,923~~ ~~\$ 3,923~~ **The Consolidated Statements of Cash Flows are presented with the combined cash flows from continuing and discontinued operations.** **BREAD FINANCIAL HOLDINGS, INC. NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS** **1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** **DESCRIPTION OF THE BUSINESS** Our partner base consists of large consumer-based businesses, including well-known brands such as (alphabetically) AAA, Academy Sports Outdoors, Caesars, Dell Technologies, **Hard Rock International**, the NFL, **Saks Fifth Avenue**, Signet, Ulta and Victoria's Secret, as well as small- and medium-sized businesses (SMBs). Our partner base is well diversified across a broad range of industries **and retail verticals**, including travel and entertainment, health and beauty, jewelry, sporting goods, home goods, technology and electronics and the industry in which we first began, specialty apparel. We believe our comprehensive suite of payment, lending and saving solutions, along with our related marketing and data and analytics, allows us to offer products relevant across all customer segments (Gen Z, Millennial, Gen X and Baby Boomers). The breadth and quality of our product and service offerings, **coupled with our customer-centric approach**, have enabled us to establish and maintain long-standing partner relationships. We operate our business through a single reportable segment, with our primary source of revenue being from interest and fees on loans from our various credit card and other loan products, and to a lesser extent from contractual relationships with our brand partners. **Throughout this report, unless stated or the context implies otherwise, the terms "Bread Financial", "BFH", the "Company", "we", "our" or "us" refer to Bread Financial Holdings, Inc. and its subsidiaries on a consolidated basis. References to "Parent Company" refer to Bread Financial Holdings, Inc. on a**

parent-only standalone basis. In addition, in this report we may refer to the retailers and other companies with whom we do business as our “partners”, “brand partners”, or “clients”, provided that the use of the term “partner”, “partnering” or any similar term does not mean or imply a formal legal partnership, and is not meant in any way to alter the terms of Bread Financial’s relationship with any third parties. We offer our credit products through our insured depository institution subsidiaries, Comenity Bank and Comenity Capital Bank, which together are referred to herein as the “Banks”. In December 2020 we acquired Lon Inc., known at the time as Bread, which has been fully integrated into our ongoing business strategy and operations. Effective March 23, 2022, we changed our corporate name to Bread Financial Holdings, Inc. from Alliance Data Systems Corporation, and on April 4, 2022, we changed our ticker to “BFH” from “ADS” on the NYSE. Neither the name change nor the NYSE ticker change affected our legal entity structure, nor did either change have an impact on our audited Consolidated Financial Statements. The **These** audited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) ~~Beginning in the year ended December 31, 2021, as a result of the spinoff of our LoyaltyOne segment and its classification as discontinued operations, we adjusted the presentation of our audited Consolidated Financial Statements from our historical approach under Securities and Exchange Commission (SEC) Regulation S-X Article 5, which is broadly applicable to all “commercial and industrial companies”, to Article 9, which is applicable to “bank holding companies” (BHCs). While neither BFH nor any of our subsidiaries are considered a “bank” within the meaning of the Bank Holding Company Act, the changes from the historical presentation, to the BHC presentation, the most significant of which reflect a reclassification of Interest expense within Net interest income, are intended to reflect our operations going forward and better align us with peers for comparability purposes.~~ The audited Consolidated Financial Statements also include amounts that relate to the previously disclosed discontinued operations associated with the spinoff of our former LoyaltyOne segment in 2021 and the sale of our former Epsilon segment in 2019. Such amounts have been classified within Discontinued operations and primarily relate to the after-tax impact of contractual indemnification and tax-related matters. For additional information about ~~the adjusted presentation of our audited Consolidated Financial Statements and our previously disclosed discontinued operations please refer to Note Note BREAD FINANCIAL HOLDINGS, INC. NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED) 22, “Discontinued Operations and Bank Holding Company~~ **Financial Presentation” to the audited Consolidated Financial Statements included** in our Annual Report on Form 10-K for the year ended December 31, 2021, **BREAD FINANCIAL HOLDINGS, INC. NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)** We present our accounting policies within the Notes to the audited Consolidated Financial Statements to which they relate; the table below lists such accounting policies and the related Notes. The remaining significant accounting policies applied are included following the table. Significant Accounting Policy Note Number Note Title Credit Card and Other Loans Note 2 Credit Card and Other Loans Allowance for Credit Losses Note 3 Allowance for Credit Losses Transfers of Financial Assets Note 4 Securitizations Investments Note 5 Investments Goodwill Note 6 Goodwill and Intangible Assets, Net Intangible Assets, Net Note 6 Goodwill and Intangible Assets, Net Leases Note 8 Leases Stock **8 Leases Derivatives Note 12 Derivatives and Hedging Activities Stock** Compensation Expense Note 18 Stockholders **19 Stockholders** Equity Income Taxes Note 19 **Income 20 Income Taxes Earnings Per Share Note 20 Earnings 21 Earnings** Per Share **F-11 Principles of Consolidation** The accompanying audited Consolidated Financial Statements include the accounts of BFH and all subsidiaries in which we have a controlling financial interest. For voting interest entities, a controlling financial interest is determined when we are able to exercise control over the operating and financial decisions of the investee. For variable interest entities (VIEs), which are themselves determined based on the amount and characteristics of the equity in the entity, we have a controlling financial interest when we are determined to be the primary beneficiary. The primary beneficiary is the party having both the power to exercise control over the activities that most significantly impact the VIE’s financial performance, as well as the obligation to absorb the losses of, or the right to receive the benefits from, the VIE that could potentially be significant to that VIE. We are the primary beneficiary of our **master** securitization trusts (the **Trusts**) and therefore consolidate these **securitization Trusts trusts** within our audited Consolidated Financial Statements. In cases where we do not have a controlling financial interest, but we are able to exert significant influence over the operating and financial decisions of the entity, we account for such investments under the equity method. All intercompany transactions have been eliminated. **Segment Reporting We operate as a single reportable segment, where we manage our business and assess financial performance on a consolidated basis. Our single reportable segment’s primary source of revenue is from Interest and fees on loans from our various credit card and other loan products, and to a lesser extent from contractual relationships with our brand partners. Our primary expense is Provision for credit losses driven by Net principal losses from our various credit card and other loan products. Our key metrics include the growth in and yield on our credit card and other loan portfolios, Net interest margin, operating leverage and Efficiency ratio, our various capital ratios, and credit-related ratios such as our Delinquency rate, Net principal loss rate and Reserve rate. Our Chief Operating Decision Maker (CODM) regularly receives and reviews consolidated operating results and uses our key metrics to evaluate the performance of the Company, focusing primarily on Income from continuing operations before income taxes from the Consolidated Statements of Income, to make decisions regarding the allocation of resources and assessment of performance. The function of CODM is performed by our President and Chief Executive Officer. F- 11** Amounts Based on Estimates and Judgments The preparation of financial statements in conformity with GAAP requires management to make estimates and judgments about future events that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the audited Consolidated Financial Statements, as well as the reported amounts of income and expenses during the reporting periods. The most significant of those estimates and judgments relate to our Allowance for credit losses, Provision for income taxes and Goodwill; actual results could differ. Our primary source of revenue is from Interest and fees on loans from our various credit card and other loan products, and to a lesser extent from contractual relationships with our brand partners. The following describes our recognition policies

across the various sources of revenue we earn. Interest and fees on loans: Represents revenue earned on customer accounts owned by us, and is recognized in the period earned in accordance with the contractual provisions of the credit agreements. Interest and fees continue to accrue on all accounts, except in limited circumstances, until the account balance and all related interest and fees are paid or charged-off, which happens in the month during which an account becomes 180 days past due for credit card loans or 120 days past due for other loans, which consist primarily of our buy now, pay later (BNPL) over-time products such as, which include installment loans and our “split-pay” offerings. Charge-offs for unpaid interest and fees, as well as any adjustments to the Allowance for credit losses associated with unpaid interest and fees, are recorded as a reduction of Interest and fees on loans. Direct loan origination costs on Credit card and other loans are deferred and amortized on a straight-line basis over a one-year period for credit card loans, or for BNPL other loans, over the life of the loan; and are recorded as a reduction of Interest and fees on loans. As of December 31, 2024 and 2023 and 2022, the remaining unamortized deferred direct loan origination costs were \$ 45 million and \$ 60 million and \$ 46 million, respectively, and included in Total credit card and other loans. Interest on cash and investment securities: Represents revenue earned on cash and cash equivalents as well as investments in debt securities, and is recognized in the period earned. Interchange revenue, net of retailer share arrangements: Represents revenue earned from merchants, including our brand partners, and cardholders from processing and servicing accounts, and is recognized as such services are performed. Revenue earned from merchants, including our brand partners, primarily consists of merchant and interchange fees, which are transaction fees charged to the merchant for the processing of credit card transactions and are recognized at the time the cardholder transaction occurs. Costs of cardholder reward arrangements are recognized when the rewards are earned by the cardholders and are generally classified as a reduction of revenue with the related liability included in Other liabilities on the Consolidated Balance Sheets. Our credit card program agreements may also provide for royalty payments, or retailer share arrangements, to our brand partners based on purchased - purchase volume or if certain contractual incentives are met, such as if the economic performance of the program exceeds a contractually defined threshold, or for payments for new accounts acquired. These amounts are recorded as a reduction of revenue in the period incurred. F-12 Other non-interest income: Represents ancillary revenues earned from cardholders, consisting primarily of monthly fees from the purchase of certain payment protection products, which are recognized based on the average cardholder account balance over time and can be cancelled at any point by the cardholder, as well as gains or losses on the sales of loan portfolios, and losses from our equity method investment in Loyalty Ventures Inc. (LVI). Contract Costs costs: We recognize as an asset contract costs, such as up-front payments made pursuant to contractual agreements with brand partners. Such costs are deferred and recognized on a straight-line basis over the term of the related agreement. Depending on the nature of the contract costs, the amortization is recorded as a reduction to Non-interest income, or as a charge to Non-interest expenses, in the Consolidated Statements of Income. Amortization of contract costs recorded as a reduction of Interchange revenue, net of retailer share arrangements, was \$ 51 million, \$ 59 million, and \$ 72 million and \$ 64 million for the years ended December 31, 2024, 2023, and 2022 and 2021, respectively; amortization of contract costs recorded across various Non-interest expense categories totaled \$ 12 million in each of, \$ 12 million and \$ 11 million for those same years, respectively. As of December 31, 2024 and 2023 and 2022, the remaining unamortized contract costs were \$ 228 million and \$ 285 million and \$ 344 million, respectively, and are included in Other assets on the Consolidated Balance Sheets. We perform an impairment assessment when events or changes in circumstances indicate that the carrying amount of our contract costs may not be recoverable. Our No impairment assessment charges were recognized during either of the years ended F-12 December 31, 2024 or 2022. However, for certain of our deferred contract costs resulted in the year ended December 31, 2023 we recognized a \$ 7 million impairment charge which has been recognized in Other non-interest expenses in our Consolidated Statements of Income for certain the year ended December 31, 2023. No such impairment charges were recognized during either of the years ended December 31, 2022 or our 2021 deferred contract costs. Interest expense: Represents interest incurred primarily to fund Credit card and other loans, general corporate purposes and liquidity needs, and is recognized as incurred. Interest expense is divided between Interest on deposits, which relates to interest expense on Deposits taken from customers, and Interest on borrowings, which relates to interest expense on our Long-term and other debt. Card and processing expenses: Primarily represents costs incurred in relation to customer service activities, including embossing, and postage and mailing, as well as fraud and credit bureau inquiries. These costs are expensed as incurred. Information processing and communication expenses: Represents costs incurred in relation to data processing, and software license and maintenance charges. These costs are expensed as incurred. Marketing expenses: Represents costs incurred in campaign development and initial placement of advertising, which are expensed in the period in which the advertising first takes place. Other marketing expenses are expensed as incurred. Cash and cash equivalents: Includes cash and due from banks, interest-bearing cash balances such as those invested in money market funds, as well as other highly liquid short-term investments with an original maturity of three months or less, and along with restricted cash. As of December 31, 2024 and 2023 and 2022, respectively, cash and due from banks was \$ 330 million and \$ 410 million and \$ 288 million, interest-bearing cash balances were \$ 3.1 billion and \$ 2.9 billion and \$ 3.5 billion, and short-term investments were \$ 272 million and \$ 250 million and \$ 130 million. Restricted cash primarily represents includes cash restricted for principal and interest repayments of debt issued by our consolidated VIEs, and as well as other restricted amounts including cash pledged to collateralize our derivative contracts. Restricted cash is recorded in Other assets on the Consolidated Balance Sheets and Restricted cash totaled \$ 35 million and \$ 26 million and \$ 36 million as of December 31, 2024 and 2023 and 2022, respectively. Derivative financial instruments: From time to time, we use derivative financial instruments to manage our exposure to various financial risks; we do not trade or speculate in derivatives. Subject to the criteria set forth in GAAP, we will either designate our derivatives in hedging relationships, or as economic hedges should the criteria in GAAP not be met. Our derivative financial instruments were insignificant to the audited Consolidated Financial Statements for the periods presented. Property and equipment: Furniture, equipment, buildings and leasehold improvements are carried at cost less accumulated depreciation, and depreciation is recognized on a straight-line

basis. Costs incurred during construction are capitalized; depreciation begins once the asset is placed in service and is also recognized on a straight-line basis. Our furniture and equipment is depreciated over the estimated useful lives of the assets, which range from less than one year to ~~11~~ **10** years, while leasehold improvements are depreciated over the lesser of the remaining terms of the respective leases, or the ~~economic~~ **useful** lives of the improvements, and range from less than one year to ~~24~~ **20** years. Depreciation expense, including ~~F-13~~ purchased software, totaled **\$ 20 million**, \$ 19 million, and \$ 19 million and \$ 26 million for the years ended December 31, **2024**, 2023, and 2022 and 2021, respectively. Costs associated with the acquisition or development of internal-use software are also capitalized and recorded in Property and equipment. Once the internal-use software is ready for its intended use, the cost is amortized on a straight-line basis over the software's estimated useful life. As of December 31, ~~2023~~ **2024**, our internal-use software has estimated useful lives ranging from one year to 10 years. As of December 31, **2024 and 2023 and 2022**, the net amount of unamortized capitalized internal-use software costs included in Property and equipment on the Consolidated Balance Sheets was \$ **71 million and \$ 78 million and \$ 112 million**, respectively. Amortization expense on capitalized internal-use software costs totaled \$ **35 million**, \$ 60 million, and \$ 68 million and \$ 37 million for the years ended December 31, **2024**, 2023, and 2022 and 2021, respectively. We review long-lived assets and asset groups for impairment whenever events or circumstances indicate their carrying amounts may not be recoverable. An impairment is recognized if the carrying amount is not recoverable and exceeds the asset or asset group's fair value. No impairment was recognized during the years ended December 31, **2024**, 2023, and 2022 and 2021.

CONCENTRATIONS ~~In F- 13 Accounting Standards Recently Adopted~~ **Standard Guidance Timing and Financial Statement Impact** **Investments – Equity Method and Joint Ventures: Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method** **Issued March 2023** **Expands 2022**, the FASB issued new accounting and disclosure guidance for troubled debt restructurings effective January 1, 2023, with early adoption permitted. Specifically, the new guidance eliminates the previous recognition and measurement guidance for troubled debt restructurings while enhancing the disclosure requirements for certain loan modifications and write-offs. Effective January 1, 2023 we adopted the guidance, with no significant impact on our results of operations, financial position, regulatory risk-based capital, or on our operational processes, controls and governance in support of the new guidance. In March 2023, the FASB issued new accounting guidance expanding the election to apply the proportional amortization method of accounting to tax credit investments beyond low-income housing tax credit investments, when certain conditions are met. **Effective Adopted under the modified retrospective method on January 1, 2024**, we adopted the guidance; the accounting policy election from which **resulted in an insignificant decrease to retained earnings. Adoption** did not have a significant impact on our results of operations, financial position, regulatory risk-based capital, or on our operational processes, controls and governance in support of the new guidance. **In Segment Reporting: Improvements to Reportable Segment Disclosures** **Issued November 2023** **Requires 2023**, the FASB issued new segment reporting guidance that will be effective beginning with segment disclosures for our Annual Report on Form 10-K for the year ending December 31, 2024, and effective for interim reporting periods beginning in 2025. Early adoption is permitted; although, we do not plan to early adopt. The new guidance requires interim and annual disclosure of significant segment expense categories and amounts that are regularly provided to the **CODM** chief operating decision maker, as well as disclosure of the aggregate amount and description of other segment items beyond significant segment expenses. **The guidance will result in expanded Adopted effective with this report. Adoption did not significantly impact our** disclosures for our single reportable segment, our financial reporting, or our operational processes, controls, and governance in support of the new guidance. **Accounting Standards Recently Issued but Not Yet Adopted** **Standard Guidance Timing and Financial Statement Impact** **Income Taxes: Improvements to Income Tax Disclosures** **Issued December 2023** **Requires greater disaggregation of rate reconciliation and income taxes paid information, as well as other changes intended to enhance the transparency and decision-usefulness of income tax disclosures. Effective beginning with our Annual Report on Form 10-K for the year ending December 31, 2025. Early adoption is permitted, although we did not early adopt. Adoption will require enhancements to our income tax disclosures** but is not expected to have a significant impact on our financial reporting, or on our operational processes, controls and governance in support of the new guidance. **In December 2023, Debt – Debt with Conversion and the Other** **Financial Accounting Standards Board (FASB) issued new income tax disclosure Options: Induced Conversions of Convertible Debt Instruments** **Issued November 2024** **Improves the relevance and consistency in application of the induced conversion guidance – for (a) convertible debt instruments with cash conversion features** the biggest changes impacting disclosures provided on an **and annual basis, (b) debt instruments that will be are not currently convertible, effective Effective January 1** beginning with our income tax disclosures for our Annual Report on Form 10-K for the year ending December 31, **2025 2026**. Early adoption is permitted, ~~F-14~~ although we do not plan to early adopt. **Adoption** The new guidance requires greater disaggregation of rate reconciliation and income taxes paid information, as well as other changes intended to enhance the transparency and decision-usefulness of income tax disclosures. The new guidance will require enhancements to our income tax disclosures but is not expected to have a significant impact on our financial reporting **as the new guidance aligns with our recent accounting for the repurchases of certain of our Convertible Senior Notes due 2028. Additionally, adoption is not expected to have a significant impact on our operational processes, controls and governance in support of the new guidance. Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses** **Issued November 2024** **Requires disaggregated disclosure of certain income statement expenses on the face of the Consolidated Statements of Income, and further disaggregation of certain expense captions into specified categories in disclosures within the notes to the Consolidated Financial Statements. Effective beginning with our Annual Report on Form 10-K for the year ending December 31, 2027, and effective for interim reporting periods beginning in 2028. Early adoption is permitted, although we do not plan to early adopt. Adoption is not expected to have a significant impact on our financial reporting**, or on our operational processes, controls and governance in support

of the new guidance. 2. CREDIT CARD AND OTHER LOANS Our payment and lending solutions result in the origination of Credit card and other loans, which are recorded at the time a borrower enters into a point-of-sale transaction with a merchant. Credit card loans represent revolving lines of credit and **F- 14** have a range of terms that include credit limits, interest rates and fees, which can be revised over time based on new information about the cardholder, in accordance with applicable regulations and the governing terms and conditions. Cardholders choosing to make a payment of less than the full balance due, instead of paying in full, are subject to finance charges and are required to make monthly payments based on pre- established amounts. Other loans, which consist primarily of **BNPL-our pay- over- time** products **such as, which include** installment loans and our “split- pay” offerings, have a range of fixed terms such as interest rates, fees and repayment periods, and borrowers are required to make pre- established monthly payments over the term of the loan in accordance with the applicable terms and conditions. Credit card and other loans include principal and any related accrued interest and fees and are presented on the Consolidated Balance Sheets net of the Allowance for credit losses. We continue to accrue interest and fee income on all accounts, except in limited circumstances, until the related balance and all related interest and fees are paid or charged- off. We generally classify our Credit card and other loans as held for investment. We sell a majority of our **Credit credit** card loans originated by Comenity Bank (CB) and by Comenity Capital Bank (CCB), **which together are referred to herein as the “Banks”**, to certain of our master **securitization** trusts (the Trusts), which are consolidated VIEs, and therefore these loans are restricted for securitization investors. All new originations of Credit card and other loans are determined to be held for investment at origination because we have the intent and ability to hold them for the foreseeable future. In determining what constitutes the foreseeable future, we consider the average life and homogenous nature of our Credit card and other loans. In assessing whether our Credit card and other loans continue to be held for investment, we also consider capital levels and scheduled maturities of funding instruments used. The assertion regarding the intent and ability to hold Credit card and other loans for the foreseeable future can be made with a high degree of certainty given the maturity distribution of our direct- to- consumer (DTC or retail) deposits and other funding instruments; the demonstrated ability to replace maturing time- based deposits and other borrowings with new deposits or borrowings; and historic payment activity on Credit card and other loans. Due to the homogenous nature of our **Credit credit** card loans, amounts are classified as held for investment on a brand partner portfolio basis. From time to time certain **Credit credit** card loans are classified as held for sale, as determined on a brand partner portfolio basis. We carry held for sale **assets-loans** at the lower of aggregate cost or fair value and continue to recognize finance charges on an accrual basis. Cash flows associated with Credit card and other loans originated or purchased for investment are classified as Cash flows from investing activities, regardless of any subsequent change in intent and ability. The following table **presents provides** Credit card and other loans, as of December 31: **20232022-20242023** (Millions) Credit card loans \$ 18, **586 \$ 18,** 999 **\$ 21,065** **BNPL and other-Other loans334-loans310-300-334** Total credit card and other loans (1) (2) **18, 896** 19, 333 **21,365** Less: Allowance for credit losses (2, **241**) (2, **328**) (2, **464**) Credit card and other loans, net \$ **16, 655** \$ **17, 005** \$ **18, 901**

(1) Includes \$ 12. **4 billion and \$ 12. 8 billion and \$ 15. 4 billion** of Credit card and other loans available to settle obligations of consolidated VIEs as of December 31, **2024 and** 2023 **and December 31, 2022**, respectively. (2) Includes **\$ 378 million and \$ 371 million and \$ 307 million**, of accrued interest and fees that have not yet been billed to cardholders as of December 31, **2024 and** 2023 **and December 31, 2022**, respectively.

F- 15 Credit Card and Other Loans Aging The following table **presents provides** the delinquency trends of our Credit card and other loans portfolio, based on the amortized cost, **as of the dates presented**: Aging Analysis of Delinquent Amortized Cost Credit Card and Other Loans

(1) 31 to 60 days delinquent **61-Days Past Due61** to 90 days delinquent **91-Days Past Due91** or more days **Days delinquentTotal delinquentCurrentTotal-Past DueTotalTotalCurrentTotal** (Millions) **As of December 31, 2024 \$ 369 \$ 288 \$ 730 \$ 1, 387 \$ 17, 105 \$ 18, 492** December 31, 2023 \$ 422 \$ 323 \$ 809 \$ 1, 554 \$ 17, 373 \$ 18, 927 **(As of December 31, 2022 \$ 444 \$ 296 \$ 732 \$ 1, 472 \$ 19, 559 \$ 21, 031 (1)-BNPL and other-Other loan-loans**

delinquencies have been included with credit card loan delinquencies in the table above, as amounts were insignificant as of each period presented. As permitted by GAAP, the primary difference between the amortized cost basis included in the table above and the carrying value of our Credit card and other loans relates to the exclusion of unbilled finance charges and fees from the amortized cost basis. As of December 31, **2024 and** 2023 **and 2022**, accrued interest and fees that have not yet been billed to cardholders were \$ **378 million and \$ 371 million and \$ 307 million**, respectively, included in Credit card and other loans on the Consolidated Balance Sheets. From time to time we may re- age cardholders’ accounts, with the intent of assisting delinquent cardholders who have experienced financial difficulties but who demonstrate both an ability and willingness to repay the amounts due, this practice affects credit card loan delinquencies and principal losses. Accounts meeting specific defined criteria are re- aged when the cardholder makes one or more consecutive payments aggregating to a certain pre- defined amount of their account balance. Upon re- aging, the outstanding balance of a delinquent account is returned to current status. Our re- aged accounts as a percentage of Total credit card and other loans represented **4. 1 %, 2. 6 %, and 1. 4 % and 1. 7 %**, for the years ended December 31, **2024, 2023, and 2022**, **and 2021** respectively. Our re- aging practices comply with regulatory guidelines. Credit Quality Indicators for Our Credit Card and Other Loans The Delinquency rate is calculated by dividing outstanding principal balances that are contractually delinquent (i. e., **principal** balances greater than 30 days past due) as of the end of the period, by the outstanding principal amount of Credit **cards- card** and other loans as of the same period- end. As of December 31, **2024 and** 2023 **and December 31, 2022**, our Delinquency rates were **5. 9 % and 6. 5 % and 5. 5 %**, respectively.

F- 16 interest and fees reduce **Interest and fees on loans, while third- party fraud losses are recorded in Card and processing expenses. Our Credit credit** card loans, including unpaid interest and fees, are generally charged- off in the month during which an account becomes 180 days past due. **BNPL loans such as our-Our pay- over- time products, which include** installment loans and our “split- pay” offerings, including unpaid interest, are generally charged- off when a loan becomes 120 days past due. However, in the case of a customer bankruptcy or death, Credit card and other loans, including unpaid interest and fees, as applicable, are charged- off 60 days after receipt of the notification of the bankruptcy or death, but in any case no later than 180 days past due for **Credit**

credit card loans and 120 days past due for BNPL installment loans and “split-pay” offerings. We record the actual losses for unpaid interest and fees as a reduction to Interest and fees on loans, which were \$ 1,027 million, \$ 954 million, and \$ 651 million and \$ 456 million for the years ended December 31, 2024, 2023, and 2022 and 2021, respectively. The net Net principal loss rate is calculated by dividing net principal losses for the period by the Average credit card and other loans for the same period. **Beginning in January 2024, we revised the calculation of Average credit card and other loans to more closely align with industry practice by incorporating an average daily balance. Prior to 2024,** Average credit card and other loans represent the average balance of the loans at the beginning and end of each month, averaged over the periods indicated. For the years ended December 31, 2024 and 2023 and 2022, our Net principal loss rates were 8.2 % and 7.5 % and 5.4 %, respectively. Overall Credit Quality: As part of our credit risk management activities for our credit card loans portfolio, we assess overall credit quality by reviewing information from credit bureaus and other sources relating to our cardholders’ broader credit performance. We utilize VantageScore (Vantage) credit scores to assist in our assessment of credit quality. Vantage credit scores are obtained at origination of the account and are refreshed monthly thereafter to assist in predicting customer behavior. We categorize these Vantage credit scores into the following three credit score categories: (i) 661 or higher, which are considered the strongest credits and therefore have the lowest credit risk; (ii) 601 to 660, considered to have moderate credit risk; and (iii) 600 or less, which are considered weaker credits and therefore have the highest credit risk. In certain limited circumstances there are customer accounts for which a Vantage score is not available and we use alternative sources to assess credit risk and predict behavior. The table below excludes less than 0.1 % and approximately 0.6 % of the total credit card loans balance as of both December 31, 2024 and 2023 and 2022, respectively, representing those customer accounts for which a Vantage credit score is not available. The following table reflects the distribution of credit card loans by Vantage score as of December 31: ~~Vantage 2023 2022 2021~~ **Vantage 2024 2023 2022**

Vantage Score	2024	2023	2022
601 or Higher	58 %	27 %	15 %
600 or Less	57 %	27 %	16 %
Credit card loans	57 %	26 %	12 %

As part of our credit risk management activities for our BNPL-Other loans portfolio, we also assess overall credit quality by reviewing information from credit bureaus. **We have historically** In this case we utilize ~~utilized~~ Fair Isaac Corporation (FICO) credit scores to assist in our assessment of the credit quality for our Other loans portfolio, but in early 2024 we completed a transition to Vantage scoring. The scoring scale produced by both FICO and Vantage is similar in that scores of 600 or less are considered weaker scores and as per our categorization method would have the highest credit risk. The amortized cost basis of BNPL-Other loans totaled \$ 298 million and \$ 317 million and \$ 299 million as of December 31, 2024 and 2023 and 2022, respectively. As of December 31, 2024, approximately 84 % of these loans were originated with customers with scores of 661 or above, and correspondingly approximately 16 % of these loans were originated with customers with scores below 661. Similarly, as of December 31, 2023, approximately 82 % and 18 % of these loans were originated with customers with FICO scores of 661 or above, and correspondingly approximately 18 % of these loans were originated with customers with FICO scores below 661. Similarly, as of December 31, 2022, approximately 86 % and 14 % of these loans were originated with customers with FICO scores of 661 or above, and below 661, respectively. **Forbearance-Consumer Relief** Programs As part of our collections strategy, we may offer temporary, and short term (six-months or less) forbearance programs in order to improve the likelihood of collections and meet the needs of our customers. **For example, as a result of hurricanes Helene and Milton in 2024 we froze delinquency progression for cardholders in Federal Emergency Management Agency identified impact zones for one billing cycle.** Our modifications, for customers who have requested assistance and meet certain qualifying requirements, come in the form of reduced or deferred payment requirements, interest rate reductions and late fee waivers. We do not offer programs involving the forgiveness of principal. These temporary loan modifications may assist in cases where we believe the customer will recover from the short-term hardship and resume scheduled payments. Under these ~~forbearance~~ **consumer relief** programs, those accounts receiving relief may not advance to the next delinquency cycle, including charge-off, in the same time frame that would have occurred had the relief not been granted. We evaluate our ~~forbearance~~ **consumer relief** programs to **F-17** determine if they represent a more than insignificant delay in payment granted to borrowers experiencing financial difficulty, in which case they would then be considered a Loan Modification. Loans in these short term programs that are determined to be Loan Modifications, will be included as such in the disclosure below. ~~F-17~~ **Credit Card Loans --** Modifications for Borrowers Experiencing Financial Difficulty (Loan Modifications) In instances where cardholders are experiencing financial difficulty, we may modify our credit card loans with the intention of minimizing losses and improving collectability, while providing cardholders with financial relief; such credit card loans are classified as Loan Modifications, exclusive of the temporary, short-term ~~forbearance~~ **consumer relief** programs described above. Loan Modifications include concessions consisting primarily of a reduced minimum payment, late fee waiver, and / or an interest rate reduction. The majority of concessions remain in place for a period no longer than ~~twelve~~ **12** months; however, for certain modifications the concessions remain in place through the payoff of the credit card loans if the cardholder complies with the terms of the program. Loan Modification concessions do not include the forgiveness of unpaid principal, but may involve the reversal of certain unpaid interest or fee assessments, and the cardholder’s ability to make future purchases is either limited, or suspended until the cardholder successfully exits from the modification program. In accordance with the terms of our workout programs, the credit agreement reverts back to its original contractual terms (including the contractual interest rate) when the customer exits the program, which is either when all payments have been made in accordance with the program, or when the customer defaults out of the program. Loan Modifications are collectively evaluated for impairment on a pooled basis in measuring the appropriate Allowance for credit losses. The following table provides information relating to credit card loans to borrowers experiencing financial difficulty that were granted a concession under a Loan Modification program during the ~~year- years~~ **year- years** ended December 31: ~~2023 Account~~ **2024 2023 Account**

Account Balances (1) % of Total Credit Card Loans	Weighted Average Interest Rate Reduction (% points)
Credit card loans	\$ 303 1.7 % 22.0 % \$ 269 1.4 % 19.2 %

(1) Represents the outstanding

balance balances as of December 31, 2024 and 2023, respectively, of all Loan Modifications undertaken in the past twelve months, for credit card loans that remain in modification programs on December 31, 2024 and 2023, respectively. The outstanding balance balances includes include principal, accrued interest and fees. Interest income on these impaired credit card loans is accounted for in the same manner as non-impaired credit card loans, and cash collections are allocated according to the same payment hierarchy methodology applied for credit card loans not in Loan Modification programs. The following table presents provides the performance of our credit card loans that were modified on or after January 1, 2023 within the 12 months prior to the dates presented and remain in a Loan Modification program as of the dates presented:

	2023	2024
Number of Modifications	14	15
Outstanding Balance (Millions)	\$ 29	\$ 14

Aging Analysis of Delinquent Amortized Cost Loan Modifications — Credit Card Loans

	31 to 60 Days Past Due	61 to 90 Days Past Due	91 or more Days Past Due	Total	Total Current
Total (Millions)	\$ 21	\$ 18	\$ 22	\$ 61	\$ 303
December 31, 2023	\$ 17	\$ 16	\$ 22	\$ 55	\$ 214
December 31, 2024	\$ 26	\$ 18	\$ 22	\$ 66	\$ 291

F-18 The following table provides additional information regarding credit card Loan Modifications that have subsequently defaulted within 12 months of their modification dates, for the year years ended December 31, 2023; the probability of default is factored into the Allowance for credit losses:

	2023	2024
Number of Modifications	14	15
Outstanding Balance (Millions, except for Number of modifications)	\$ 29	\$ 14

F-18 Troubled Debt Restructurings (TDRs) The following table provides information on credit card loans modified as troubled debt restructurings (TDRs) in accordance with the applicable accounting guidance in effect during the periods presented, which was effective prior to our adoption of the new guidance that eliminated TDRs effective January 1, 2023.

	2022	2023
Number of Restructurings	149	81
Pre-modification Outstanding Balance (Millions, except for Number of restructurings)	\$ 149,815	\$ 227
Post-modification Outstanding Balance (Millions, except for Number of restructurings)	\$ 227	\$ 227

F-18 Troubled debt restructurings 149, 815 \$ 227 \$ 227 TDRs are collectively evaluated for impairment on a pooled basis in measuring the appropriate Allowance for credit losses. Our impaired credit card loans represented 1% of total credit card loans as of December 31, 2022. As of the same date, our recorded investment in impaired credit card loans was \$ 257 million, with an associated Allowance for credit losses of \$ 70 million. The average recorded investment in impaired credit card loans was \$ 257 million for the year ended December 31, 2022. Interest income on these impaired credit card loans is accounted for in the same manner as non-impaired credit card loans, and cash collections are allocated according to the same payment hierarchy methodology applied for credit card loans not accounted for as TDRs. We recognized \$ 15 million in interest income associated with credit card loans accounted for as TDRs for the year ended December 31, 2022. The following table provides additional information regarding credit card loans modified as TDRs that have subsequently defaulted within 12 months of their modification dates, for the year ended December 31, 2022; the probability of default is factored into the Allowance for credit losses:

	2022
Number of Restructurings	63
Outstanding Balance (Millions, except for Number of restructurings)	\$ 726

F-18 Unfunded Lending Commitments We manage potential credit risk in unfunded lending commitments by reviewing each potential customer's credit application and evaluating the applicant's financial history and ability and perceived willingness to repay. Credit card loans are made primarily on an unsecured basis, and our Cardholders reside throughout the U. S. and are not significantly concentrated in any one geographic area. We manage our potential risk in credit commitments by limiting the total amount of credit, both by individual customer and across our credit card loan portfolio, by monitoring the size and maturity of our loan portfolio and applying consistent risk-based underwriting standards reflective of current and anticipated macroeconomic conditions. We have the unilateral ability to cancel or reduce unused credit card lines at any time. Unused credit card lines available to cardholders totaled approximately \$ 103 billion and \$ 113 billion and \$ 128 billion as of December 31, 2024 and 2023 and 2022, respectively. While this amount represented the total available unused credit card lines, we have not experienced and do not anticipate that all cardholders will access their entire available line at any given point in time. Portfolio Sales As of December 31, 2024 and 2023 and 2022, there were no credit card loans held for sale and no. In late April 2024 we sold a credit card loan portfolio for cash consideration of \$ 102 million. We recognized a gain on sales sale were made in April 2024 that was subsequently adjusted during the second half of year end December 31, 2022-2024 to recognize an incremental amount due to us under the purchase and sale agreement.

F-19 We previously announced the non-renewal of our contract with BJ's Wholesale Club (BJ's) and the sale of the BJ's portfolio, which closed in late February 2023, for a total purchase price of \$ 2.5 billion on a loan portfolio of \$ 2.3 billion, resulting in a \$ 230 million Gain on portfolio sale. Portfolio Acquisitions In October August 2023-2024, we acquired a credit card loan portfolio for cash consideration of \$ 388-378 million. In October 2022-2023, we acquired the AAA credit card portfolio for cash consideration of \$ 1.6 billion, which primarily consisted of \$ 1.5 billion of credit card loans, and also included \$ 118 million of intangible assets (primarily purchased credit card relationships) and reward liabilities. In April 2022, we acquired a credit card loan portfolio for cash consideration of \$ 249-388 million, which primarily consisted of credit card loans, and also included intangible assets (primarily purchased credit card relationships) and rewards liabilities. For audited Consolidated Financial Statement disclosure purposes, allocation of the purchase price to the credit card loans and intangible assets acquired is not significant.

3. ALLOWANCE FOR CREDIT LOSSES The Allowance for credit losses represents our estimate of expected credit losses over the estimated life of our Credit card and other loans, incorporating future macroeconomic forecasts in addition to information about past events and current conditions. Our estimate under the Current Expected Credit Loss (CECL) approach is significantly influenced by the composition, characteristics and quality of our portfolio of credit Credit card and other loans, as well as the prevailing economic conditions and forecasts utilized. The estimate of the Allowance for credit losses includes an estimate for uncollectible principal as well as unpaid interest and fees. Principal losses, net of recoveries are deducted from the Allowance for credit losses. Losses of unpaid interest and fees as well as any adjustments to the Allowance for credit losses associated with unpaid interest and fees are recorded as a reduction to Interest and fees on loans. The Allowance for credit losses is maintained through an adjustment to the Provision for credit losses and is evaluated for appropriateness on a quarterly basis. In estimating our Allowance for credit losses, for each identified segment of loans sharing similar risk characteristics, management uses modeling and estimation techniques based on historical loss experience, current

conditions, reasonable **F-19** and supportable forecasts and other relevant factors. This modeling uses historical data and applicable macroeconomic variables with statistical analysis and behavioral relationships, to determine expected credit performance. Our quantitative estimate of expected credit losses under CECL is impacted by certain forecasted macroeconomic variables. We consider the macroeconomic forecast used to be reasonable and supportable over the estimated life of the Credit card and other loans portfolio, with no reversion period. In addition to the quantitative estimate of expected credit losses, we also incorporate qualitative adjustments for certain factors such as Company- specific risks, changes in current macroeconomic conditions that may not be captured in the quantitatively derived results, or other relevant factors to ensure the Allowance for credit losses reflects our best estimate of current expected credit losses. We use a “ pooled ” approach to estimate expected credit losses for financial assets with similar risk characteristics. We have evaluated multiple risk characteristics across our credit card loans portfolio, and determined delinquency status and overall credit quality to be the most significant characteristics for estimating expected credit losses. To estimate our Allowance for credit losses, we segment our credit card loans on the basis of delinquency status, credit quality risk score and product. These risk characteristics are evaluated on at least an annual basis, or more frequently as facts and circumstances warrant. In determining the estimated life of our credit card loans, payments were applied to the measurement date balance with no payments allocated to future purchase activity. We use a combination of First In First Out and the Credit Card Accountability, Responsibility, and Disclosure Act of 2009 (CARD Act) methodologies to model balance paydown.

BNPL Loans We measure our Allowance for credit losses on **BNPL-Other** loans, **consisting primarily of our installment loans and “ split- pay ” offerings**, using a statistical model to estimate projected losses over the remaining terms of the loans, inclusive of an assumption for prepayments. The model is based on the historical statistical **F-20** relationship between loan loss performance and certain macroeconomic data pooled based on credit quality risk score, term of the underlying loans, vintage and geographic location. As of December 31, **2024 and 2023 and 2022**, the Allowance for credit losses on **BNPL-Other** loans was \$ **30 million and \$ 32 million and \$ 21 million**, respectively. Allowance for Credit Losses Rollforward The following table **presents provides** our Allowance for credit losses for our Credit card and other loans. The amount of the related Allowance for credit losses on **BNPL and other Other** loans is insignificant and therefore has been included in the table below. **The amounts for the periods** presented are for the years ended December 31: ~~2023 2022 2021~~ **2024 2023 2022** (Millions) Beginning balance \$ ~~2, 328 \$ 2, 464 \$ 1, 832~~ **\$ 2, 328 \$ 2, 464 \$ 1, 832** Provision for credit losses (1) ~~1, 397 1, 229 1, 594~~ **1, 397 1, 229 1, 594** Change in **the** estimate for uncollectible unpaid interest and fees ~~10 fees 5 10~~ **10 — 10** Net principal losses (2) ~~(1, 489) (1, 375) (972)~~ **(1, 489) (1, 375) (972)** Ending balance \$ ~~2, 241 \$ 2, 328 \$ 2, 464~~ **\$ 2, 241 \$ 2, 328 \$ 2, 464** ~~(\$ 1, 832) (1) Provision for credit losses includes a build / release for the Allowance for credit losses, as well as replenishment of Net principal losses. (2) Net principal losses are presented net of recoveries of \$ 367 million, \$ 332 million, and \$ 187 million and \$ 163 million for the years ended December 31, 2024, 2023, and 2022 and 2021, respectively. Net principal losses for the years ended December 31, 2023 and 2022 include an adjustment of \$ 10 million and \$ 5 million, respectively, related to the effects of the purchase of previously written- off accounts that were sold to a third- party debt collection agency; no such adjustment was made for in the current period. For the year ended December 31, 2021 2024. For the year ended December 31, 2023, the factors that influenced the decrease in the Allowance for credit losses are lower Credit Card card and other loans, as well as primarily driven by the sale of the BJ’s portfolio; partially offset by higher principal losses and a higher modest decrease in the reserve rate over due to the period. Overall compounding effect of persistent inflation relative to wage growth, the increased cost of consumer debt our reserve rate is nominally lower, the possibility 11.9 % as of higher unemployment levels and December 31, 2024 compared with 12.0 % as of December 31, 2023, reflecting conservative weightings on the economic scenarios in our credit reserve modeling given the wide range of potential 2025 F- 20 impacts from the resumption of federal student loan payments.~~

4. SECURITIZATIONS We account for transfers of financial assets as either sales or financings. Transfers of financial assets that are accounted for as a sale are removed from the Consolidated Balance Sheets with any realized gain or loss reflected in the Consolidated Statements of Income during the period in which the sale occurs. Transfers of financial assets that are not accounted for as a sale are treated as a financing. We regularly securitize the majority of our credit card loans through the transfer of those loans to one of our Trusts. We perform the decision making for the Trusts, as well as servicing the cardholder accounts that generate the credit card loans held by the Trusts. In our capacity as a servicer, we administer the loans, collect payments and charge- off uncollectible balances. Servicing fees are earned by a subsidiary, which are eliminated in consolidation. The Trusts are consolidated VIEs because they have insufficient equity at risk to finance their activities – the issuance of debt securities and notes, collateralized by the underlying credit card loans. Because we perform the decision making and servicing for the Trusts, we have the power to direct the activities that most significantly impact the Trusts’ economic performance (the collection of the underlying credit card loans). In addition, we hold all of the variable interests in the Trusts, with the exception of the liabilities held by third- parties. These variable interests provide us with the right to receive benefits and the obligation to absorb losses, which could be significant to the Trusts. As a result of these considerations, we are deemed to be the primary beneficiary of the Trusts and therefore consolidate the Trusts. The Trusts issue debt securities and notes, which are non- recourse to us. The collections on the securitized credit card loans held by the Trusts are available only for payment of those debt securities and notes, or other obligations arising in the securitization transactions. For our securitized credit card loans, during the initial phase of a securitization reinvestment **F-21** period, we generally retain principal collections in exchange for the transfer of additional credit card loans into the securitized pool of assets. During the amortization or accumulation period of a securitization, the investors’ share of principal collections (in certain cases, up to a maximum specified amount each month) is either distributed to the investors or held in an account until it accumulates to the total amount due, at which time it is paid to the investors in a lump sum. **We Under the Indentures of each Trust and their Indenture Supplements, we** are required to maintain minimum interests in our Trusts ranging from 4 % to 10 % of the securitized credit card loans. This requirement is met through a transferor’ s interest and is supplemented through excess funding deposits which represent cash amounts deposited with the trustee of the securitizations. Cash collateral, restricted deposits are generally released proportionately as investors are repaid.

Under the terms of the Trusts, the occurrence of certain triggering events associated with the performance of the securitized credit card loans in each Trust could result in certain required actions, including payment of Trust expenses, the establishment of reserve funds, or early amortization of the debt securities and / or notes, in a worst- case scenario. During the years ended December 31, ~~2024, 2023, and 2022 and 2021~~, no such triggering events occurred. The following tables provide the total securitized credit card loans, and related delinquencies ~~as of December 31~~, and net principal losses of securitized credit card loans for the ~~years ended~~ **periods presented:** December 31, ~~2023, 2022, 2024~~ **December 31, 2023** (Millions) Total credit card loans – available to settle obligations of consolidated VIEs \$ ~~12, 408~~ **\$ 12, 844** ~~\$ 15, 383~~ Of which: principal amount of credit card loans 91 days or more past due \$ ~~305~~ **\$ 323** ~~\$ 307~~ ~~2023, 2022, 2021~~ **Year Ended December 31, 2024** ~~Year Ended December 31, 2023~~ **Year Ended December 31, 2022** (Millions) Net principal losses of securitized credit card loans \$ ~~852~~ **\$ 801** ~~\$ 554~~ ~~\$ 453~~ ~~F- 21~~

5. INVESTMENTS Investments include investment securities and various other investments primarily held by the Banks for Community Reinvestment Act (CRA) purposes. Investment securities consist of available- for- sale (AFS) debt securities, which are mortgage- backed securities and municipal bonds, and equity securities, which are mutual funds. Investment securities are carried at fair value on the Consolidated Balance Sheets. We also have other investments, which primarily include a portfolio of investments in certain limited partnerships and limited liability companies accounted for under the equity method, and therefore are recorded at cost and adjusted each period for our share of the investee’s earnings or losses, less any impairment. **Other investments also include an insignificant tax credit investment where we elected to apply the proportional amortization method of accounting, for which the impacts of both the amortization of the investment and income tax benefits are fully recognized in the Provision for income taxes.** The following table provides a summary of our Investments as of December 31: ~~2023, 2022, 2024~~ **2024, 2023** (Millions) Investment ~~securities~~ **Available securities: Available-** for- sale debt securities \$ ~~170~~ **\$ 171** ~~\$ 152~~ Equity ~~securities~~ **securities** ~~47~~ ~~(1)~~ ~~46~~ ~~44~~ Total investment securities ~~217~~ **196** ~~217~~ Equity method and other ~~investments~~ **investments** ~~49~~ ~~(1)~~ ~~36~~ ~~25~~ Total Investments \$ ~~266~~ **(1)** ~~\$ 253~~ ~~\$ 221~~ ~~(1)~~ As of December 31, 2023, to increase transparency certain types of investments, including our equity method investments, are now separately disclosed within this table; there was no impact on our audited Consolidated Financial Statements as a result of this separate disclosure. Prior period amounts above conform with current period presentation. For AFS debt securities in an unrealized loss position, any estimated credit losses are recognized in the Consolidated Statements of Income by establishing or adjusting an existing Allowance for credit losses for such losses. We typically invest in highly- rated securities with low probabilities of default and; therefore, **we did not have an Allowance for credit losses as of either December 31, 2024 or 2023, and did not recognize** any credit losses for the periods ~~F- 22~~ presented. Any unrealized gains, or any portion of an AFS debt security’s non- credit- related unrealized losses are recorded in the Consolidated Statements of Comprehensive Income, net of tax. Realized gains and losses are recorded in Other non- interest expenses in the Consolidated Statements of Income upon disposition of the AFS debt security, using the specific identification method. Gains and losses on investments in equity securities and CRA- related equity method investments are recorded in Other non- interest expenses in the Consolidated Statements of Income. The table below reflects **provides** unrealized gains and losses on AFS debt securities as of December 31, ~~2023 and December 31, 2022:~~ ~~2023, 2022~~ ~~Amortized Cost Unrealized Gains Unrealized Losses Fair~~ ~~Value Amortized Cost Unrealized Gains Unrealized Losses Fair~~ ~~Value~~ ~~(Millions)~~ Available- for- sale debt securities \$ ~~195~~ ~~—~~ ~~\$ (25)~~ ~~\$ 170~~ ~~\$ 192~~ ~~—~~ ~~\$ (21)~~ ~~\$ 171~~ **Total** ~~\$ 175~~ ~~195~~ ~~\$ —~~ ~~(23~~ ~~25)~~ ~~\$ 170~~ ~~152~~ ~~Total~~ ~~\$ 192~~ ~~—~~ ~~\$ (21)~~ ~~\$ 171~~ ~~\$ 175~~ ~~—~~ ~~\$ (23)~~ ~~\$ 152~~ The following tables provide information about AFS debt securities in a gross unrealized loss position and the length of time that individual securities have been in a continuous unrealized loss position, as of December 31, ~~2023 and December 31, 2022:~~ ~~December 31, 2024~~ **Less than 12 months** **12 Months or Greater** **Total** **Fair Value Unrealized Losses** **Fair Value Unrealized Losses** **Fair Value Unrealized Losses** (Millions) Available- for- sale debt securities \$ ~~27~~ ~~—~~ ~~\$ 140~~ ~~(25)~~ ~~\$ 167~~ ~~(25)~~ **Total** ~~\$ 27~~ ~~—~~ ~~\$ 140~~ ~~(25)~~ ~~\$ 167~~ ~~(25)~~ ~~F- 22~~ ~~2023~~ ~~Less than 12 months~~ ~~12 Months or Greater~~ ~~Total~~ ~~Fair Value Unrealized Losses~~ ~~Fair Value Unrealized Losses~~ ~~Fair Value Unrealized Losses~~ (Millions) Available- for- sale debt securities \$ ~~23~~ ~~—~~ ~~\$ 141~~ ~~(21)~~ ~~\$ 164~~ ~~(21)~~ **Total** ~~\$ 23~~ ~~—~~ ~~\$ 141~~ ~~(21)~~ ~~\$ 164~~ ~~(21)~~ **As of** ~~December 31, 2022~~ ~~Less than 12 months~~ ~~12 Months or Greater~~ ~~Total~~ ~~Fair Value Unrealized Losses~~ ~~Fair Value Unrealized Losses~~ ~~Fair Value Unrealized Losses~~ (Millions) Available- for- sale debt securities \$ ~~95~~ ~~(9)~~ ~~\$ 57~~ ~~(14)~~ ~~\$ 152~~ ~~(23)~~ **Total** ~~\$ 95~~ ~~(9)~~ ~~\$ 57~~ ~~(14)~~ ~~\$ 152~~ ~~(23)~~ As of December 31, 2023, ~~2024~~, our AFS debt securities included mortgage- backed securities, which do not have a single maturity date, with an amortized cost and estimated fair value of \$ 167 million and \$ ~~148~~ **145** million, respectively, and municipal bonds, all of which have a maturity date greater than ten years, with an amortized cost and estimated fair value of \$ ~~28~~ **million and \$ 25** million and \$ ~~23~~ million, respectively. There were no realized gains or losses from the sale of any ~~investments~~ **investment securities** for the years ended December 31, ~~2024, 2023, and 2022 and 2021~~. 6. GOODWILL AND INTANGIBLE ASSETS, NET Goodwill is recognized for business acquisitions when the purchase price is higher than the fair value of acquired net assets. Goodwill is not amortized but is tested for impairment at least annually. ~~F- 23~~ We evaluate goodwill for impairment annually as of July 1, or more frequently if events or circumstances arise that would more likely than not reduce the fair value of our single reporting unit below its carrying value. We have the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of our reporting unit is less than its carrying value. Alternatively, we can perform a more detailed quantitative assessment of goodwill impairment. **Qualitative factors considered in evaluating goodwill impairment include macroeconomic conditions, industry and market considerations, our overall financial performance and other relevant entity- specific factors, and / or a sustained decrease in our share price. If, after assessing these qualitative factors we conclude that it is not more likely than not that the fair value of our reporting unit is less than its carrying amount, then the quantitative goodwill impairment test is not necessary. However, if the qualitative factors indicate it is more likely than not that the fair value of our reporting unit is less than its carrying amount, or we elect to skip the qualitative assessment, we would perform a quantitative impairment test.** The quantitative test compares the fair value of our reporting unit with its current carrying amount, including goodwill. When measuring the fair value we use widely accepted

valuation techniques, leveraging a combination of the income approach based on discounted cash flows and the market approach based on valuation multiples. The key assumptions used to determine the fair value are primarily unobservable inputs (i. e., Level 3 inputs **as defined under GAAP**) including internally developed forecasts to estimate future cash flows, growth rates and discount rates, as well as market valuation multiples (for the market approach). Estimated cash flows are based on internal forecasts grounded in historical performance and future expectations. To discount the estimated cash flows, we use the expected cost of equity taking into account a combination of industry and Company- specific factors we believe a third -party market participant would incorporate. We believe the discount rate applied appropriately reflects the risks and uncertainties in the financial markets generally and specifically in our internally developed forecasts. When using valuation multiples under the market approach, we apply comparable publicly traded companies' multiples (e. g., price to tangible book value or return on tangible equity) to our reporting unit' s operating results. For the ~~year~~ **years** ended December 31, **2024 and** 2023, we performed a quantitative assessment in connection with our annual goodwill impairment evaluation and concluded that the fair value of our reporting unit was in excess of its carrying value. For the year ended December 31, 2022, we performed a qualitative assessment and determined that it was more likely than not that the fair value of our reporting unit exceeded its carrying value. Goodwill was \$ 634 million as of December 31, **2024, 2023 ,and** 2022 ~~and 2021~~. No goodwill impairment was recognized during any of those years, and there were no accumulated goodwill impairment losses as of December 31, **2023-2024**. **F- 23** Intangible Assets, net Our identifiable intangible assets consist of both amortizable and non- amortizable intangible assets. Definite- lived intangible assets are subject to amortization and are amortized on a straight- line basis over their estimated useful lives; indefinite- lived intangible assets are not amortized. We review long- lived assets and asset groups, including intangible assets, for impairment whenever events and circumstances indicate their carrying amounts may not be recoverable; recognizing an impairment if the carrying amount is not recoverable and exceeds the fair value of the asset or asset group. Intangible assets consisted of the following as of December 31: **2024**

Gross Assets	Accumulated Amortization	Net Useful Life (Millions)	Definite- Lived Assets	Premium on purchased credit card loan portfolios	Non- compete agreements	Indefinite- Lived Assets	Tradename	Total intangible assets
\$ 221	\$(113)	\$ 108	3- 13 years	2 (2)	5 years	223 (115)	108	\$ 227
\$ 231	\$(108)	\$ 123	5- 13 years	2 (1)	5 years	233 (109)	124	\$ 237
\$ 230	\$(73)	\$ 157	4- 13 years	2 (1)	5 years	230 (73)	157	\$ 245
\$ 241	\$(80)	\$ 161	4- 13 years	2 (1)	5 years	241 (80)	161	\$ 245

Amortization expense related to intangible assets was approximately **\$ 35 million, \$ 37 million ,and** \$ 26 million ~~and \$ 29 million~~ for the years ended December 31, **2024, 2023 ,and** 2022 ~~and 2021~~, respectively. The estimated amortization expense related to intangible assets for the next five years and thereafter is as follows for the years ending December 31: (Millions)

2024	2025	2026	2027	2028	Thereafter
\$ 30	\$ 20	\$ 26	\$ 29	\$ 27	\$ 110

F- 24 7. OTHER ASSETS The following ~~is~~ **provides** a summary of Other assets as of December 31: **2023**

2023	2022	2024	2023
\$ 708	\$ 629	\$ 552	\$ 629
228	285	344	145
145	144	164	200
35	26	36	200
364	403	364	364

(1) See Note 1, " Description of Business, Basis of Presentation and **Summary of Significant Accounting Policies** " for discussion of impairment of certain deferred contract costs. (2) Primarily related to federal, state and foreign income tax receivables (including a tax- related receivable in the amount of approximately \$ 50 million, net, which we are entitled to receive through LVI), and amounts receivable from various brand partners. (3) **Restricted cash primarily includes cash restricted for** ~~The balance as of December 31, 2022 represents principal and interest accumulation for the repayment repayments of debt issued by our consolidated VIEs that matured in 2023 , as well as other restricted amounts including cash pledged to collateralize our derivative contracts~~. (4) Primarily comprised of prepaid expenses and non- income- based tax receivables. **F- 25** 8. LEASES We have various operating leases for facilities and equipment which are recorded as lease- related assets (i. e., right- of- use assets) and liabilities for those leases with terms greater than 12 months. We do not have any finance leases. We determine if an arrangement is a lease or contains a lease at inception, and we do not separate lease and non- lease components. Right- of- use assets are recognized as of the lease commencement date at amounts equal to the respective lease liabilities, adjusted for any prepaid lease payments, initial direct costs and lease incentives. Our lease liabilities are recognized as of the lease commencement date, or upon modification of the lease, at the present value of the contractual fixed lease payments, discounted using our incremental borrowing rate (as the rate implicit in the lease is typically not readily determinable). Operating lease expense is recognized on a straight- line basis over the lease term, while variable lease payments are expensed as incurred. As of December 31, **2024 and** 2023 ~~and 2022~~, the weighted average discount rate applied was **7. 0 % and** 6. 9 % ~~and 5. 8 %~~, respectively. As of December 31, **2023-2024**, our leases have remaining lease terms ranging from ~~less than~~ **one year, to up to 15- 14** years, some of which may include renewal options; the weighted average remaining lease term was **7. 5 years and** 8. 4 years ~~and 8. 8 years~~ as of December 31, **2024 and** 2023 ~~and 2022~~, respectively. Leases with an initial term of 12 months or less are not recognized on the Consolidated Balance Sheets; lease expense for these leases is recognized on a straight- line basis over the lease ~~term~~ **terms**. As with other long- lived assets, right- of- use assets are reviewed for impairment whenever events and circumstances indicate their carrying amounts may not be recoverable. Total lease expense for the years ended December 31, **2024, 2023 ,and** 2022 ~~and 2021~~ was **\$ 14 million, \$ 25 million, and** \$ 13 million, ~~and \$ 20~~ million, respectively, including variable lease costs and sublease income, which were insignificant. Supplemental lease- related cash flow information was as follows for the years ended December 31: **2023**

2024	2023	2022
\$ 29	\$ 27	\$ 23
\$ 25	\$ 25	\$ 25
\$ 9	\$ 37	\$ 5

F- 25 Future maturities

of our operating lease liabilities, by year, were as follows as of December 31, 2023-2024: (Millions) 2024 2025 \$ 24 202525 202624 202721-202722 202820 202919 Thereafter84- Thereafter61 Total undiscounted lease liabilities198- liabilities170 Less: Amount representing interest (50-42) Total present value of minimum lease payments \$ 128-148 F- 26-9. DEPOSITS Deposits were categorized as interest-bearing or non-interest-bearing as follows, as of December 31: 20232022-20242023 (Millions) Interest-bearing \$ 13, 594-055 \$ 13, 787-594 Non-interest-bearing (including cardholder credit balances) 27 26 39-Total deposits \$ 13, 620-082 \$ 13, 826-620 Deposits by deposit type were as follows as of December 31: 20232022-20242023 (Millions) Savings accountsDirect-to-consumer (retail) \$ 2-3 , 863-226 \$ 2, 782-863 Wholesale3, 601 3, 734 Certificates of depositDirect-to-consumer (retail) 4, 461 3, 591 Wholesale1, 767 954 Certificates of depositDirect-to-consumer (retail) 3, 591 2, 684 Wholesale3, 406 4, 367 Cardholder credit balances26- balances27 39-26 Total deposits \$ 13, 620-082 \$ 13, 826-620 The scheduled maturities of certificates of deposit were as follows as of December 31, 2023-2024: (Millions) 2024 2025 (1) \$ 4, 617-769 2025+ 2026581 2027660 , 142-2026429-2027635-2028174- 2028187 202931 Thereafter — Total certificates of deposit \$ 6, 997-228 (1) The 2023-2025 balance includes \$ 6-3 million in unamortized debt issuance costs, which are associated with the entire portfolio of certificates of deposit. F- 27-26 As of December 31, 2024 and 2023, deposits that exceeded applicable Federal Deposit Insurance Corporation (FDIC) insurance limits, which are generally \$ 250, 000 per depositor, per insured bank, per ownership category, were estimated to be \$ 574 million (4 % of Total deposits) and \$ 509 million (4 % of Total deposits), respectively. The measurement of estimated uninsured deposits aligns with regulatory guidelines. 10. BORROWINGS OF LONG-TERM AND OTHER DEBT Long-term and other debt consisted of the following as of December 31: Description20232022Contractual Description20242023Contractual MaturitiesInterest Rates (Millions, except percentages) Long-term and other debt: Revolving line of credit \$ — \$ — June-October 2026-2028 (1) 2017 term loans — 556 July 2024 (1) Senior notes due 2026100 500 January 20267. 00 % Convertible senior notes due 2028316- 202810 — 316 June 20284. 25 % Senior notes due 2024 — 850 December 20244. 75 % Senior notes due 2026500 500 January 20267. 00 % Senior notes due 2029600-2029900 — 600 March 2029. 75 % Subtotal1, 010 1, 416 1, 906 Less: Unamortized debt issuance costs22 14 costs11 22 Total long-term and other debt \$ 999 1, 394 \$ 1, 892-394 Debt issued by consolidated VIEs: Fixed rate asset-backed term note securities \$ 1, 350 \$ — 350 Various — May 20265- 2026 to Jul 02-20274. 62 % to 5. 47 % Conduit asset-backed securities3, 213 3, 550 6, 115 Various — Feb. 2025 to Oct. 2024 to Oct-2025 (2) Subtotal3 Subtotal4 , 563 3 , 900 6, 115 Less: Unamortized debt issuance costs2-costs5 — 2 Total debt issued by consolidated VIEs \$ 4, 558 \$ 3, 898 \$ 6, 115 Total borrowings of long-term and other debt \$ 5, 557 \$ 5, 292 \$ 8, 007 (1) The interest rate is based upon the Secured Overnight Financing Rate (SOFR) plus an applicable margin. (2) The interest rate is based upon SOFR, or the asset-backed commercial paper costs of each individual conduit provider plus an applicable margin. As of December 31, 2024, the interest rates ranged from 5. 48 % to 5. 60 % with a weighted average rate of 5. 54 %. As of December 31, 2023, the interest rates ranged from 6. 36 % to 6. 59 % with a weighted average rate of 6. 48 %. As of December 31, 2022, the interest rates ranged from 5. 08 % to 5. 93 % with a weighted average rate of 5. 38 %. Long-term and Other Debt Throughout 2023, we engaged in a number of financing transactions, including entering into a new credit agreement, repaying in full and terminating our prior credit agreement, repaying in full and cancelling an existing series of senior notes, repaying in full a term loan, and consummating certain debt capital markets transactions, including an offering of convertible senior notes, a tender offer to repurchase certain outstanding senior notes, an offering of senior notes and an offering of asset-backed term notes through one of our securitization trusts. In connection with these transactions, during 2023, we reduced our outstanding Parent Company debt by approximately \$ 500 million and refinanced our nearer-term debt maturities. Each of these transactions are described in more detail below. F- 28-27 Senior Notes Due 2024 and 2026 , 2028 and 2029 The Senior Notes set forth below are each governed by their respective indentures- indenture that include usual and customary negative covenants and events of default. These Senior Notes are unsecured and are guaranteed on a senior unsecured basis by certain of our existing and future domestic restricted subsidiaries that incur or in any other manner become liable for any debt under our domestic credit facilities, including the 2023 Revolving Credit Agreement Facility. Due December 15, 2024: In December 2019, we issued and sold \$ 850 million aggregate principal amount of 4. 750 % Senior Notes due December 15, 2024 (the Senior Notes due 2024). The Senior Notes due 2024 accrue interest on the outstanding principal amount at the rate of 4. 750 % per annum from December 20, 2019, payable semi-annually in arrears, on June 15 and December 15 of each year. Concurrently with the launch of the convertible notes offering (see further discussion below), we commenced a cash tender offer (the Tender Offer) for any and all of the \$ 850 million in aggregate principal amount of our 4. 750 % Senior Notes due 2024. The consideration offered for each \$ 1, 000 principal amount of the Senior Notes due 2024 was \$ 980, plus accrued and unpaid interest, for any and all notes validly tendered. In June 2023, we repurchased and cancelled \$ 565 million in aggregate principal amount of Senior Notes due 2024 that were validly tendered in the Tender Offer. In December 2023, we redeemed the remaining \$ 285 million of these notes with a portion of the net proceeds from our December 2023 offering of Senior Notes due 2029, and there were no Senior Notes due 2024 outstanding as of December 31, 2023. See “ — 9. 750 % Senior Notes due 2029 ” below. Due January 15, 2026: In September 2020, we issued and sold \$ 500 million aggregate principal amount of 7. 000 % Senior Notes due January 15, 2026 (the Senior Notes due 2026). The Senior Notes due 2026 accrue interest on the outstanding principal amount at the rate of 7. 000 % per annum from September 22, 2020, payable semi-annually in arrears, on March 15 and September 15 of each year, beginning on March 15, 2021. The Senior Notes due 2026 will mature on January 15, 2026, subject to earlier repurchase or redemption. In January 2024, we redeemed \$ 400 million in aggregate principal amount of the Senior Notes due 2026 with the net proceeds from the January 2024 offering of Senior Notes due 2029, together with \$ 100 million of cash on hand. See “ — 9. 750 % Senior Notes due 2029 ” below. In June Further, in January 2023-2025 , with cash on hand we issued and sold redeemed the remaining \$ 316-100 million in aggregate principal amount of our 4. 25 % Convertible Senior Notes due 2028-2026 (the Convertible Notes). The Convertible Notes bear interest are convertible, under certain conditions, until March 15, 2028, and on or after such date without condition, at an annual initial conversion rate of 4-26. 0247 shares of

our common stock per \$ 1,000 principal amount of Convertible Notes, subject to adjustment, which represents a 25 % ; payable semi-annually in arrears conversion premium based on the last reported sale price of our common stock of \$ 30.74 on June 8, 2023 and December 15 of each year, beginning on December 15, 2023. The prior to issuing the Convertible Notes mature. We used the net proceeds from the offering of the Convertible Notes to repay in full and terminate the 2017 Credit Agreement. The Convertible Notes are convertible, under certain conditions, until March 15, 2028, and on or after such date without condition, at an initial conversion rate of 26.0247 shares of our common stock per \$ 1,000 principal amount of Convertible Notes, subject to adjustment, which represents a 25 % conversion premium based on the last reported sale price of our common stock of \$ 30.74 on June 8, 2023 prior to issuing the Convertible Notes. Upon any such conversion, we will pay cash up to the aggregate principal amount of the Convertible Notes to be converted and pay or deliver, as the case may be, cash, shares of our common stock, or a combination of cash and shares of our common stock (at our election), in respect of the remainder, if any, of our conversion obligation in excess of the aggregate principal amount of the Convertible Notes being converted. At our option, we may redeem for cash, all or a portion of the Convertible Notes on or after June 21, 2026, and before the 51st scheduled trading day before the maturity date, but only if the closing price of our common stock reaches specified targets as defined in the indenture governing the Convertible Notes. The redemption price will equal 100 % of the principal amount of the redeemed Convertible Notes plus accrued interest, if any. If we experience a fundamental change, as defined in the indenture governing the Convertible Notes, the note holders may require us to purchase for cash all or a portion of their notes, subject to specified exceptions, at a price equal to 100 % of the principal amount of the Convertible Notes plus any accrued and unpaid interest. In connection with the issuance of the Convertible Notes, we entered into privately negotiated capped call (Capped Call) transactions with certain financial institution counterparties. These transactions are expected generally to reduce potential dilution to our common stock upon any conversion of Convertible Notes and / or offset any cash payments we are required to make in excess of the principal amount of the Convertible Notes, with such reduction and / or offset subject to a cap, based on the cap price. The base price of the Capped Call transactions is \$ 38.43, representing a premium of 25 % over the last on June 15, 2023, unless while the cap price is initially \$ 61.48, which represents a premium of 100 % over that same sale price on June 8, 2023. Within the share price range of \$ 38.43 to \$ 61.48 the Capped Call transactions provide economic value to us from the counterparties, upon maturity or earlier repurchased, redeemed conversion. The Capped Call transactions met the conditions under the related accounting guidance or for converted. We used equity classification and are not measured at fair value on a recurring basis; the price paid of \$ 39 million was recorded in Additional paid-in capital, net proceeds from the offering of tax, in the Consolidated Balance Sheet. F- 28 Prior to the repurchases of Convertible Notes described above, to repay in full and terminate the embedded conversion feature within the Convertible 2017 Credit Agreement. F- 29 9.750 % Senior Notes Due was both, considered indexed to the Company's own equity, and met the equity classification conditions; therefore it did not require accounting as a derivative under GAAP. Upon entering into the repurchase agreements that themselves required cash settlement of our conversion obligation in excess of the aggregate principal amount of the Convertible Notes, the embedded conversion feature for those particular Convertible Notes no longer met the equity classification conditions; therefore requiring bifurcation and derivative accounting. Of the total \$ 107 million recognized in Other non-interest expenses, \$ 53 million represented the mark-to-market on the embedded conversion features over the measurement period from the date the repurchase agreements were executed until settlement thereof. These fair value adjustments were determined using the daily volume-weighted average price per share of Parent Company's common stock over the measurement period. As all of the repurchases were negotiated and settled during the second half of 2023-2024. Subsequent to, there were no embedded conversion features requiring bifurcation and derivative accounting as of December 31, 2023-2024. Following the settlement of these repurchases, \$ 10 million of Convertible Notes remained outstanding as of December 31, 2024. For these Convertible Notes, the embedded conversion feature is both, considered indexed to the Company's own equity, and meets the equity classification conditions; therefore not requiring derivative accounting. We may, from time to time, seek to retire or repurchase our remaining outstanding Convertible Notes through cash purchases or exchanges for other securities, in open market purchases, tender offers, privately negotiated transactions or otherwise. In January 2024, we issued and sold an additional \$ 300 million aggregate principal amount of 9.750 % Senior Notes due 2029 (Senior Notes due 2029) at an issue price of 101.00 % of principal plus accrued interest from December 22, 2023. The Senior Notes due 2029 issued in January 2024 were issued as additional notes under the same indenture pursuant to which the initial \$ 600 million of Senior Notes due 2029 were issued in December 2023. The Senior Notes due 2029 that were issued in both December 2023 and January 2024 constitute a single series of notes and have the same terms, other than the issue date and issue price. The We sold the additional \$ 300 million of Senior Notes due 2029 accrue interest on the outstanding principal amount at the rate an issue price of 101.00 % per annum of principal plus accrued interest from December 22, 2023, payable semi-annually in arrears, on March 15 and September 15 of each year, beginning on March 15, 2024. The Senior Notes due 2029 will mature on March 15, 2029, unless subject to earlier repurchase or redemption. We used the proceeds of the January 2024 offering of Senior Notes due 2029, together with \$ 100 million of cash on hand, to fund the redemption of \$ 400 million in aggregate principal amount of our outstanding 7.000 % Senior Notes due 2026. Debt Issued by Consolidated VIEs An asset-backed security is a security whose value and income payments are derived from and collateralized by a specified pool of underlying assets – in our case, our credit card loans. The sale of the pool of underlying assets to general investors is accomplished through a securitization process. We regularly sell our credit card loans to our Trusts, which are consolidated. The liabilities of these consolidated VIEs include asset-backed securities for which creditors, or beneficial interest holders, do not have recourse to our general credit. F- 30 Fixed Rate Asset-Backed Term Notes We maintained committed syndicated bank Conduit Facilities to support the funding of our credit card loans for our Trusts. Borrowings outstanding under each private Conduit Facility bear interest at a margin above SOFR, or the asset-backed commercial paper costs of each individual conduit

provider. **Fixed Rate Asset- Backed Term Notes F- 30** The future principal payments for our Long- term and other debt are as follows, as of December 31, ~~2023~~ **2024**: YearLong- Term and Other DebtDebt Issued by Consolidated VIEsTotal (Millions)

2024	2025	\$ —	\$ 260	3, 213	\$ 260	3, 213	2026	100	350	450	2025	2027	—	3	1	290	3	000	1	290	2026	500	350	850	2027	000
2028	10	2029	900	—	900	Thereafter	—	—	2028	316	—	316	Thereafter	600	—	600	Total maturities	1, 416	3	010	4	900	563	5	316	573

Unamortized debt issuance costs (~~22~~ **11**) (~~2~~ **5**) (~~24~~ **16**) \$ ~~999~~ **1, 394** \$ ~~3~~ **4** , ~~898~~ **558** \$ ~~5~~ **557** ~~292~~ **F- 31** 11.

OTHER LIABILITIES The following ~~is provides~~ a summary of Other liabilities as of December 31: ~~2023~~ **2022** ~~2024~~ **2023** (Millions) Accounts payable and other brand partner liabilities \$ ~~326~~ **\$ 422** ~~\$ 398~~ **Accrued liabilities (1)** ~~295~~ **273** ~~306~~ **Long- term tax reserves** ~~286~~ **reserves** ~~250~~ **306** ~~286~~ **Operating lease liabilities** ~~148~~ **liabilities** ~~128~~ **126** ~~148~~ **Other (2)** ~~202~~ **182** ~~173~~ **Total other liabilities** \$ ~~1, 311~~ **201** \$ ~~1, 309~~ **311** (1) Primarily related to accrued payroll and benefits, marketing, taxes and professional services expenses. (2) Primarily comprised of **cardholder rewards liabilities and** long- term unearned revenue . **12**.

DERIVATIVES AND HEDGING ACTIVITIES From time to time, we use derivative financial instruments to manage our exposure to various financial risks; we do not trade or speculate in derivatives. Subject to the criteria set forth in GAAP, we will either designate our derivatives in qualifying hedging relationships, or as economic hedges should the criteria in GAAP not be met. All derivatives that we enter into are recognized at fair value in our Consolidated Balance Sheets, where our derivative receivables are included in Other assets and ~~cardholder~~ our derivative payables are included in Other liabilities. As permitted by GAAP, when a legally enforceable master netting agreement exists between us and the derivative counterparty, we present derivative receivables and derivative payables with the same counterparty on a net basis in the Consolidated Balance Sheets, including any related cash collateral receivables and payables.

Risk Management Objectives of Using Derivatives We enter into derivative transactions to support our overall risk management activities. Our primary risks stem from the impact on our earnings and economic value of equity due to changes in interest rates, and to a lesser extent, changes in foreign exchange rates. Beginning in October 2024, we manage our interest rate sensitivity in part by changing the duration F- 31 and re- pricing characteristics of a portion of our variable rate credit card loan portfolio by using interest rate swaps. We also use foreign currency forwards to limit our earnings and capital exposures to foreign exchange risk by hedging our limited exposures denominated in foreign currencies, in particular, Canadian dollars. We designate our interest rate swaps as qualifying accounting cash flow hedges, and account for our foreign currency forwards as economic hedges (as the criteria under GAAP for designation have not been met). See below for additional information on our use of derivatives and how we account for them:

- **Cash flow hedges:** We designate derivatives as cash flow hedges when they are used to manage our exposure to variability in cash flows attributable to changes in contractually specified interest rates on our variable- rate credit card loans. Changes in the fair value of derivatives designated as cash flow hedges are recorded as a component of Accumulated other comprehensive loss. Those amounts are reclassified into our Consolidated Statements of Income in the same period during which the hedged forecasted interest accruals impact earnings, and are presented in the same line item as the earnings effect of the hedged items (i. e., Interest and fees on loans). Specifically, we entered into receive- fixed, pay- floating interest rate swaps to modify the interest rate characteristics of designated credit card loans from a floating rate to a fixed rate in order to reduce the impact of changes in forecasted future cash flows due to fluctuations in market interest rates. As of December 31, 2024, we had outstanding interest rate swaps with a total notional amount of \$ 1. 5 billion and the maximum period over which forecasted interest accruals were hedged with these interest rate swaps was approximately 1. 8 years. The impacts of our cash flow hedges were insignificant to the Consolidated Financial Statements for the periods presented on both a gross basis and, where applicable, a net basis. Additionally, within the next 12 months, we expect to reclassify an insignificant loss recognized in Accumulated other comprehensive loss as of December 31, 2024 into our Consolidated Statements of Income. The actual amount reclassified into earnings may vary due to market conditions and adjustments made as part of our ongoing risk management strategy.
- **Economic hedges:** Our economic hedges use derivatives to hedge the risk of changes in foreign currency exchange rates. Changes in the fair value of derivatives used in economic hedges are recognized in Other non- interest expense in our Consolidated Statements of Income. As of December 31, 2024 and 2023, we had outstanding foreign currency forwards with a total notional amount of \$ 73 million and \$ 79 million, respectively. The impacts of our economic hedges were insignificant to the Consolidated Financial Statements for the periods presented. The notional amounts disclosed above are not exchanged on our derivatives. While these notional amounts provide an indication of the volume of our derivative activity, they significantly exceed, in our view, the possible losses that could arise from the associated transactions. **13** .

OTHER NON- INTEREST INCOME AND OTHER NON- INTEREST EXPENSES The following table provides the components of Other non- interest income for the years ended December 31: ~~2023~~ **2022** ~~2021~~ **2024** ~~2023~~ **2022** (Millions) Payment protection products \$ ~~120~~ **\$ 132** \$ 154 \$ ~~141~~ **(Loss)** income from equity method investment ~~—~~ **in LVI** (6) (44) **Other** ~~24~~ **2**

Other	2	4	3	Total other non- interest income	\$ 144	\$ 128	\$ 114	\$ 146 F- 32
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The following table provides the components of Other non- interest expenses for the years ended December 31: ~~2023~~ **2022** ~~2021~~ **2024** ~~2023~~ **2022** (Millions) Professional services and regulatory fees \$ ~~112~~ **\$ 128** \$ 142 \$ ~~136~~ **Repurchased Convertible Notes** ~~107~~ **—** ~~—~~ **Occupancy expense** ~~22~~ **22** ~~23~~ **26** Other (1) ~~59~~ **69** ~~62~~ **60** ~~Total other non- interest expense~~ **\$ 300** \$ 219 \$ 227 \$ ~~222~~ (1) Primarily related to costs associated with various other individually insignificant operating activities. ~~13~~ **14**.

FAIR VALUES OF FINANCIAL INSTRUMENTS Fair value is defined under GAAP as the price that would be required to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; with such a transaction based on the principal market, or in the absence of a principal market the most advantageous market for the specific instrument. GAAP provides for a three- level fair value hierarchy that classifies the inputs to valuation techniques used to measure fair value, defined as follows: Level 1: Inputs that are unadjusted quoted prices for identical assets or liabilities in active markets that the entity can access. Level 2: Inputs, other than those included within Level 1, that are observable for the asset or liability, either directly or indirectly, for substantially the full

term of the asset or liability, including quoted prices for similar assets or liabilities in F-32 active markets, quoted prices for identical or similar assets or liabilities in inactive markets, or inputs other than quoted prices that are observable for the asset or liability. Level 3: Inputs that are unobservable (e. g., internally derived assumptions) and reflect an entity's **assumptions own estimates** about estimates market participants would use in pricing the asset or liability based on the best information available under the circumstances. In particular, Level 3 inputs and valuation techniques involve judgment and as a result are not necessarily indicative of amounts we would realize in a current market exchange. The use of different assumptions or estimation techniques may have a material effect on the estimated fair value amounts. We monitor the market conditions and evaluate the fair value hierarchy levels at least quarterly. For the years ended December 31, **2024 and 2023 and 2022**, there were no transfers into or out of Level 3, and no transfers between Levels 1 and 2. The following table summarizes the carrying values and fair values of our financial assets and financial liabilities as of December 31:

	2023	2022	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(Millions)						
Financial assets						
Credit card and other loans, net	\$ 16,655	\$ 19,011	\$ 17,005	\$ 19,802	\$ 18,901	\$ 21,328
Investment securities	217	217	221	221	217	217
Financial liabilities						
Deposits	13,082	13,087	13,620	13,583	13,826	13,731
Debt issued by consolidated VIEs	3,999	1,085	1,394	1,457	1,892	1,759
Long-term and other debt	999	1,085	1,394	1,457	1,892	1,759
Total	\$ 21,747	\$ 23,194	\$ 22,819	\$ 25,697	\$ 24,574	\$ 27,635
Total assets measured at fair value	\$ 217	\$ 217	\$ 221	\$ 221	\$ 217	\$ 217
Total liabilities measured at fair value	\$ 13,082	\$ 13,087	\$ 13,620	\$ 13,583	\$ 13,826	\$ 13,731
Net	\$ 8,665	\$ 10,107	\$ 9,199	\$ 12,114	\$ 10,748	\$ 13,904

Valuation Techniques Used in the Fair Value Measurement of Financial Assets and Financial Liabilities

Credit card and other loans, net: Our Credit card and other loans are recorded at amortized cost, less the Allowance for credit losses, on the Consolidated Balance Sheets. In estimating the fair values, we use a discounted cash flow model (i. e., Level 3 inputs), primarily because a comparable whole loan sales market for similar loans does not exist, and therefore there is a lack of observable pricing inputs. We use various internally derived inputs, including projected income, discount rates and forecasted write-offs; **economic Economic** value attributable to future loans generated by the cardholder accounts is not included in the fair values. Investment securities: Investment securities consist of AFS debt securities, including both mortgage-backed securities and municipal bonds, as well as equity securities, which are mutual funds, and are recorded at fair value on the Consolidated Balance Sheets. Quoted prices of identical or similar investment securities in active markets are used to estimate the fair values (i. e., Level 1 or Level 2 inputs).

Derivative assets and liabilities: We use derivatives to manage our interest rate and foreign currency risk exposures. When quoted market prices are available and used to value our derivatives, we classify them as Level 1. However, the majority of our derivatives do not have readily available quoted market prices. Therefore, we value most of our derivatives using vendor-based models. We primarily rely on market observable inputs for these models, including, for example, interest rate yield curves and currency rates. These inputs can vary depending on the type of derivatives and nature of the underlying rate, price or index upon which the value of the derivative is based. We typically classify derivatives as Level 2 as significant inputs can be observed in a liquid market and the model itself does not require significant judgment. Our derivatives are included in Other assets or Other liabilities on the Consolidated Balance Sheets. The fair value impacts of our derivative assets and liabilities were insignificant to the Consolidated Financial Statements for the periods presented on both a gross basis and, where applicable, a net basis.

Deposits: Money market and other non-maturity deposits carrying values approximate their fair values because they are short-term in duration and have no defined maturity. GAAP requires that the fair values of deposit liabilities with no stated maturities equal their carrying values; and does not permit recognition of the inherent funding value of these -- **the** instruments. Certificates of deposit are recorded at their historical issuance cost on the Consolidated Balance Sheets, adjusted for unamortized fees, with the fair value being estimated based on the currently observable market rates available to us for similar deposits with similar remaining maturities (i. e., Level 2 inputs). Interest payable is included within Other liabilities on the Consolidated Balance Sheets. Debt issued by consolidated VIEs: We record ~~debt~~ **Debt** issued by our consolidated VIEs at amortized cost (including unamortized fees, issuance costs, premiums and discounts, where applicable) ~~on the Consolidated Balance Sheets.~~ **Interest payable is included within Other liabilities** on the Consolidated Balance Sheets. Fair value is estimated based on the currently observable market rates available to us for similar debt instruments with similar remaining maturities or quoted market prices for the same transaction (i. e., Level 2 inputs).

~~F-33 Long-term and other debt: We record long-term and other debt at amortized cost (including unamortized fees, issuance costs, premiums and discounts, where applicable) on the Consolidated Balance Sheets.~~ **Interest payable is included within Other liabilities on the Consolidated Balance Sheets. Long-term and other debt: We record Long-term and other debt at amortized cost (including unamortized fees, issuance costs, premiums and discounts, where applicable) on the Consolidated Balance Sheets.** The fair value is estimated based on the currently observable market rates available to us for similar debt instruments with similar remaining maturities, or quoted market prices for the same transaction (i. e., Level 2 inputs).

Interest payable is included within Other liabilities on the Consolidated Balance Sheets.

Financial Instruments Measured at Fair Value on a Recurring Basis The following tables summarize our financial instruments measured at fair value on a recurring basis, categorized by the fair value hierarchy described in the preceding paragraphs, as of December 31:

	2024	Total	Level 1	Level 2	Level 3	(Millions)
Investment securities	\$ 217	\$ 47	\$ 170	\$ —	\$ —	Total assets measured at fair value
F- 34	2023	Total	Level 1	Level 2	Level 3	(Millions)
Investment securities	\$ 217	\$ 46	\$ 171	\$ —	\$ —	Total assets measured at fair value
	\$ 217	\$ 46	\$ 171	\$ —	\$ —	
2022	Total	Level 1	Level 2	Level 3	(Millions)	Investment securities
	\$ 221	\$ 44	\$ 177	\$ —	\$ —	Total assets measured at fair value
	\$ 221	\$ 44	\$ 177	\$ —	\$ —	

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis Certain assets and liabilities are recognized or disclosed at fair value on a nonrecurring basis, including equity method investments, property and equipment, right-of-use assets, deferred contract costs, goodwill and intangible assets. These assets are not measured at fair value on a recurring basis but are subject to fair value adjustments in certain circumstances, such as upon impairment. **In particular, We did not have any impairments** for the year ended December 31, **2024. For the year ended December 31, 2022, we recognized a wrote off** \$ 44 million ~~write-down~~ of our equity method investment in LVI; as of December 31, with 2022, the **remaining** carrying amount of our investment was \$ 6 million **of our**

investment written off during and the fair value was \$ 11 million. For the year ended December 31, 2023 we wrote-off the remaining \$ 6 million of our equity method investment in LVI. As well, see Note 1, "Description of Business, Basis of Presentation and Summary of Significant Accounting Policies" for a discussion of the impairment of certain deferred contract costs. Financial Instruments Disclosed but Not Carried at Fair Value The fair values of following tables summarize our financial instruments assets and financial liabilities that are measured at amortized cost, and not required to be carried at fair value on a recurring basis, as of December 31, 2023 and 2022, respectively. The fair values of these financial instruments are estimates, and require management's judgment; therefore, these fair value estimates may not be indicative of future fair values, nor can our fair value be estimated by aggregating all of the amounts presented. F- The following tables summarize our financial assets and financial liabilities that are measured at amortized cost, and not required to be carried at fair value on a recurring basis, as of December 31: 2024 Fair Value Level 1 Level 2 Level 3 (Millions) Financial assets Credit card and other loans, net \$ 19, 011 \$ — \$ — \$ 19, 011 Total \$ 19, 011 \$ — \$ — \$ 19, 011 Financial liabilities Deposits \$ 13, 087 \$ — \$ 13, 087 \$ — Debt issued by consolidated VIEs 4, 572 — 4, 572 — Long - 34 term and other debt 1, 085 — 1, 085 — Total \$ 18, 744 \$ — \$ 18, 744 \$ — 2023 Fair Value Level 1 Level 2 Level 3 (Millions) Financial assets Credit card and other loans, net \$ 19, 802 \$ — \$ — \$ 19, 802 Total \$ 19, 802 \$ — \$ — \$ 19, 802 Financial liabilities Deposits \$ 13, 583 \$ — \$ 13, 583 \$ — Debt issued by consolidated VIEs 3, 900 — 3, 900 — Long- term and other debt 1, 457 — 1, 457 — Total \$ 18, 940 \$ — \$ 18, 940 \$ — F- 35 2022 Fair Value Level 1 Level 2 Level 3 (Millions) Financial assets: Credit card and other loans, net \$ 21, 328 \$ — \$ — \$ 21, 328 Total \$ 21, 328 \$ — \$ — \$ 21, 328 Financial liabilities: Deposits \$ 13, 731 \$ — \$ 13, 731 \$ — Debt issued by consolidated VIEs 6, 115 — 6, 115 — Long- term and other debt 1, 759 — 1, 759 — Total \$ 21, 605 \$ — \$ 21, 605 \$ — 14. REGULATORY MATTERS AND CAPITAL ADEQUACY CB is regulated, supervised and examined by the State of Delaware and the Federal Deposit Insurance Corporation (FDIC). Our industrial bank, CCB, is regulated, supervised and examined by the State of Utah and the FDIC. The Consumer Financial Protection Bureau (CFPB) promulgates regulations for the federal consumer financial protection laws and supervises and examines large banks (those with more than \$ 10 billion of total assets) with respect to those laws. Banks in a multi- bank organization, such as CB and CCB, are subject to supervision and examination by the CFPB with respect to the federal consumer financial protection laws if at least one bank reports total assets over \$ 10 billion for four consecutive quarters. While the Banks were subject to supervision and examination by the CFPB with respect to the federal consumer financial protection laws between 2016 and 2021, this reverted to the FDIC in 2022. However, CCB's total assets then exceeded \$ 10 billion for four consecutive quarters as of September 30, 2022, and both Banks are now again subject to supervision and examination by the CFPB with respect to federal consumer protection laws. F- 36 35 (3-2) The Total risk-based capital ratio represents total capital divided by total risk-weighted assets. (4) The Tier 1 leverage capital ratio represents tier 1 capital divided by total average assets, after certain adjustments. (5) Total risk- weighted assets. In the calculation are generally measured by allocating assets, and specified off- of tier 1 capital - balance sheet exposures, we follow to various risk categories as defined by the Basel III standardized Standardized approach Approach. We are also involved, from time to time, in reviews, investigations, subpoenas, supervisory actions and other proceedings (both formal and informal) therefore Total stockholders' equity has been reduced, primarily by governmental agencies regarding our business Goodwill and intangible assets, net. F- 37 On August 22, 2024, each Bank entered into an agreement with the FDIC to pay civil money penalties (CMPs) of \$ 1 million per Bank. The CMPs, which have been paid could subject us to significant fines, penalties, obligations to change our business practices, significant restrictions on our existing business or ability to develop new business, cease- and- desist orders, safety- and- soundness directives or other requirements resulting in full increased expenses, diminished income and damage to our reputation. On November 20, 2023, following the consent of the Board of Managers of Comenity Servicing LLC (the Servicer), the FDIC issued a consent order to the Servicer. The Servicer is not one of our Bank subsidiaries, but is our wholly- owned subsidiary that services substantially all of our loans. The consent order arose out of the June 2022 transition of our credit card processing services to strategic outsourcing partners and addresses certain shortcomings in were related to disruptions to the Servicer Banks' s information technology (IT) systems development customer reward programs and automatic payments following the transition. These issues were self- identified and remediated timely, project management and the Banks provided full cooperation with the regulators throughout their examination. The Banks' agreements to pay the CMPs did not require admission of wrongdoing, and there are no operational limitations on the Banks or our business associated with continuity management, cloud operations, and third- party oversight. The Servicer entered into the consent order for the purpose of resolving these - the CMPs matters without admitting or denying any violations of law or regulation set forth in the order. 16 The Servicer has taken significant steps to strengthen the organization's IT governance and address the other issues identified in the consent order, and we are committed to ensuring that all of the requirements of the consent order are met. The consent order does not contain any monetary penalties or fines. F- 36 15. COMMITMENTS AND CONTINGENCIES On July 1, 2019, we completed the sale of our Epsilon segment to Publicis Groupe S. A. (Publicis). Under the terms of the agreement governing that transaction, we agreed to indemnify Publicis and its affiliates from and against any losses arising out of or related to a U. S. Department of Justice (DOJ) investigation. The DOJ investigation related to third- party marketers who sent, or allegedly sent, deceptive mailings and the provision of data and services to those marketers by Epsilon's data practice. Epsilon actively cooperated with the DOJ in connection with the investigation. On January 19, 2021, Epsilon entered into a deferred prosecution agreement (DPA) with the DOJ to resolve the matters that were the subject of the investigation. Pursuant to the DPA, Epsilon agreed, among other things, to pay penalties and consumer compensation in the aggregate amount of \$ 150 million, to be paid in two equal installments, the first in January 2021 and the second in January 2022. A \$ 150 million loss contingency was recorded as of December 31, 2020. Pursuant to our contractual indemnification obligation, in January 2021 we paid \$ 75 million to Publicis, and in January 2022 we paid the remaining \$ 75 million installment to Publicis. Our indemnification obligation also covers certain ongoing legal, consulting and

claims administration fees and expenses incurred in connection with this matter. From time to time we are subject to various lawsuits, claims, disputes, or potential claims or disputes, and other proceedings, arising in the ordinary course of business that we believe, based on our current knowledge, will not have a material adverse effect on our business, consolidated financial condition or liquidity, including claims and lawsuits alleging breaches of our contractual obligations, arbitrations, class actions and other litigation, arising in connection with our business activities. ~~16~~ **However, in light of the uncertainties involved in such matters, including the fact that some pending legal proceedings are at preliminary stages or seek an indeterminate amount of damages, penalties or fines, it is possible that the outcome of legal proceedings could have a material impact on our results of operations. Certain legal proceedings involving us or our subsidiaries are described further below. On February 20, 2024, we and our general counsel were named as defendants in an adversary proceeding filed by the liquidating trustee in LVI's Chapter 11 bankruptcy case in the United States Bankruptcy Court for the Southern District of Texas, captioned Pirinate Consulting Group, LLC v. Bread Financial Holdings, Inc., Case No. 24- 03027 (Bankr. S. D. Tex.), alleging actual and constructive fraudulent transfers, among other claims, in connection with our spinoff of LVI. Also on February 20, 2024, the liquidating trustee filed an action in the United States District Court for the District of Delaware against us, each of the members of our Board of Directors at the time of the spinoff, and certain members of our management team, captioned Pirinate Consulting Group, LLC v. Bread Financial Holdings, Inc., Case No. 24- cv- 00226- RGA (D. Del.), alleging certain breaches of fiduciary duties (and aiding and abetting breaches of fiduciary duties) in connection with the spinoff. Subsequently, the liquidating trustee voluntarily dismissed without prejudice the complaint in the District of Delaware and commenced on March 20, 2024 a substantially similar action in Delaware Chancery Court, captioned Pirinate Consulting Group, LLC v. Bread Financial Holdings, Inc., Case No. 2024- 0277- MTZ (Del. Ch.), against the same parties and asserting the same claims. Among other things, in each of the Texas and Delaware actions, the liquidating trustee seeks damages in the amount of approximately \$ 750 million plus interest, fees and expenses. We and certain current and former members of our management team have also been named as defendants in other litigation matters relating to the LVI spinoff. LoyaltyOne, Co. (the LVI subsidiary that operated its Canadian AIR MILES business) filed suit against us and our general counsel in the Ontario Superior Court of Justice in Canada on October 18, 2023, in an action captioned LoyaltyOne, Co. v. Bread Financial Holdings, Inc. et al. The lawsuit asserts that our general counsel, in his capacity as a pre- spinoff director of LoyaltyOne, Co., breached various fiduciary duties owed to LoyaltyOne, Co. in connection with the LVI spinoff and certain other transactions, and that Bread Financial assisted in and benefited from those breaches. The lawsuit seeks damages in the amount of \$ 775 million. LoyaltyOne, Co. is also contesting our entitlement to certain potential tax refunds under the tax matters agreement, in proceedings pursuant to the Canadian Companies' Creditors Arrangement Act in the Commercial List of the Ontario Superior Court of Justice, captioned In re Matter of a Plan of Compromise or Arrangement of LoyaltyOne, Co., Case No. CV- 23- 00696017- 00CL (the Tax Matters Dispute). In July 2024, the judge presiding over the Tax Matters Dispute issued an order in our favor, and F- 38 LoyaltyOne, Co. has filed a motion for leave to appeal that order, which is pending with Court of Appeal for Ontario as of the date of this report. Finally, on April 27, 2023, we and certain current and former members of our management team were named as defendants in a putative federal securities class action filed in the United States District Court for the Southern District of Ohio, captioned Newtyn Partners, LP v. Alliance Data Systems n / k / a Bread Financial Holdings, Inc., Case No. 23- cv- 1451- EAS (S. D. Ohio), concerning disclosures made about LVI's business prior to the spinoff. The lead plaintiff in this matter filed an amended complaint on March 21, 2024 and is seeking, among other things, a class action designation and an award of damages in an amount to be proven at trial, plus fees and expenses. In all these actions related to the spinoff, we believe the allegations contained in the complaints are without merit and intend to defend the cases. We cannot predict at this point the length of time that these actions will be ongoing or the liability, if any, which may arise therefrom. Some matters pending against us specify the damages sought, others seek an unspecified amount of damages or are at very early stages of the legal process. In matters where the amount of damages claimed against us are stated, the claimed amount may be exaggerated and / or unsupported. While some matters have not yet progressed sufficiently through discovery or have had development of important factual information and legal issues to enable us to estimate an amount of loss or a range of possible loss, other matters may have progressed sufficiently to enable an estimate of an amount of loss, or a range of possible loss. We accrue for a loss contingency when it is both probable that a loss has occurred, and the amount of loss can be reasonably estimated; however, there may be instances in which an exposure to a loss contingency exceeds our accrual. On a quarterly basis we evaluate developments in the legal proceedings against us that could cause an increase or decrease in the amount of the accrual that has been previously recorded. 17**

EMPLOYEE BENEFIT PLANS In March 2015, our Board of Directors adopted the 2015 Employee Stock Purchase Plan (the 2015 ESPP), which was subsequently approved by our stockholders on June 3, 2015. The 2015 ESPP became effective July 1, 2015 with no definitive expiration date; however, our Board of Directors may at any time and for any reason terminate or amend the 2015 ESPP. No employee may purchase more than \$ 25, 000 worth of stock under the 2015 ESPP in any calendar year, and no employee may purchase stock under the 2015 ESPP if such purchase would cause the employee to own more than 5 % of the voting rights or value of our common stock. The 2015 ESPP provides for six- month offering periods, commencing on the first trading day of the first and third calendar quarter of each year and ending on the last trading day of each subsequent calendar quarter. The purchase price of the common stock upon exercise is 85 % of the fair market value of shares on the applicable purchase date as determined by averaging the high and low trading prices of the last trading day of each six- month period as defined above. An employee elects to participate and have contributions deducted through payroll deductions. The 2015 ESPP also provides for the issuance of any remaining shares available for issuance under our 2005 Employee Stock Purchase Plan, which were 441, 327 shares ~~at as of~~ June 30, 2015. The 2015 ESPP reserved an additional 1, 000, 000 shares of our common stock for issuance under the 2015 Plan, bringing the

maximum number of shares reserved for issuance under the 2015 ESPP to 1, 441, 327 shares, subject to adjustment as provided in the 2015 ESPP. During the year ended December 31, ~~2023~~ **2024**, we issued ~~140,107~~ **633,590** shares of common stock under the 2015 ESPP at a weighted- average issue price of \$ ~~27.43~~ **.69**. Since the 2015 ESPP became effective on July 1, 2015, ~~813,920~~ **409,999** shares of common stock have been issued, with ~~627,520~~ **918,328** shares therefore available for issuance. 401 (k) Retirement Savings Plan The Bread Financial 401 (k) Plan (the Plan), as amended, is a defined contribution plan that is qualified under Section 401 (k) of the Internal Revenue Code of 1986. The Plan is an IRS- approved safe harbor plan design that eliminates the need for most discrimination testing. Eligible employees can participate in the Plan immediately upon joining ~~BFH the Company~~ and begin receiving Company matching contributions and safe- harbor non- elective contributions. The Plan covers U. S. employees of ~~BFH Bread Financial Holdings, Inc.~~ who are at least 18 years old, employees of one of our wholly- owned subsidiaries and any other subsidiary or affiliated organization that adopts the Plan; employees of ~~BFH the Company~~ and all of its U. S. subsidiaries are currently covered. ~~F-37~~ The Plan permits eligible employees to make Roth elective deferrals, which are included in the employee' s taxable income at the time of contribution, but not when distributed. Regular, or Non- Roth elective deferrals made by employees, together with our contributions to the Plan, and income earned on these contributions, are not taxable until withdrawn from the Plan. ~~F- 39~~ In 2023, we expanded our contributions to the Plan with an automatic annual deposit for eligible employees. We now automatically deposit three percent of an employee' s eligible annual pay in their 401 (k) account on an annual basis, regardless of their contributions. In addition, we match an employee' s contribution fifty cents- per- dollar, up to six percent of the employee' s eligible annual compensation. For the years ended December 31, ~~2024~~ **2023**, ~~and 2022 and 2021~~, ~~Company our~~ matching contributions were \$ ~~29 million~~ **\$30 million**, ~~and \$17 million and \$15 million~~, respectively. Participants in the Plan can direct their contributions and our matching contribution to numerous investment options, including ~~our the Company' s~~ common stock. On July 20, 2001, we registered 1, 500, 000 shares of our common stock for issuance in accordance with the ~~RSP Plan~~ pursuant to a Registration Statement on Form S- 8, File No. 333- 65556. As of December 31, ~~2023~~ **2024**, ~~182,143~~ **927,633** of such shares remain available for issuance. Executive Deferred Compensation Plan We also maintain an Executive Deferred Compensation Plan (EDCP). The EDCP permits a defined group of management and highly compensated employees to defer on a pre- tax basis a portion of their base salary and incentive compensation (as defined in the EDCP) payable for services rendered. Deferrals under the EDCP are unfunded and subject to the claims of our creditors. Each participant in the EDCP is 100 % vested in their account, and account balances accrue interest at a rate established and adjusted periodically by the Compensation & Human Capital committee of our Board of Directors. As of December 31, ~~2024 and 2023 and 2022~~, ~~our the Company' s~~ outstanding liability related to the EDCP, which was included in Other liabilities on the Consolidated Balance Sheets, was \$ ~~25 million and \$24 million and \$20 million~~, respectively. ~~17-18~~. CHANGES IN ACCUMULATED OTHER COMPREHENSIVE LOSS The changes in each component of Accumulated other comprehensive loss, net of tax effects, are as follows ~~for the periods presented~~: Net Unrealized Gains----- **Unrealized Gains** (Losses) on on AFS-- **AFS Securities Foreign Currency Translation Losses Accumulated Securities Net Unrealized Losses on Cash Flow Hedges Net Unrealized Losses on Net Investment Hedge Foreign Currency Translation Losses** (1) Accumulated Other Comprehensive Loss (Millions) Balance as of December 31, 2020 \$ 23 \$ (1) \$ (7) \$ (20) \$ (5) Changes in other comprehensive (loss) income (~~21 Millions~~) 2 — (37) (56) Recognition resulting from the spinoff of LoyaltyOne' s foreign subsidiaries (1) (1) 7 54 59 Balance as of December 31, 2021 \$ 1 \$ — \$ (3) \$ (2) Changes in other comprehensive (loss) (19) — (19) Balance as of December 31, 2022 \$ (18) \$ — \$ (3) \$ (21) Changes in other comprehensive income 2 — — 2 Balance as of December 31, 2023 \$ (16) \$ **(3) \$ (19) Changes in other comprehensive loss (3) — (3) Balance as of December 31, 2024** \$ — **(19) \$ (3) \$ (22)** 19) (1) Primarily related to the impact of changes in the Canadian dollar and Euro foreign currency exchange rates from our former LoyaltyOne segment, which was spun off in November 2021. ~~F-38~~ With the spinoff of our former LoyaltyOne segment on November 5, 2021, the \$ 7 million net unrealized loss on our net investment hedge related to our net investment in BrandLoyalty was reclassified into net income. ~~18~~. STOCKHOLDERS' EQUITY ~~F- 40~~ Stock Compensation Plans We have adopted equity compensation plans to advance the interests of ~~BFH the Company~~ by rewarding certain employees for their contributions to the financial success of ~~BFH the Company~~ and thereby motivating them to continue to make such contributions in the future. The 2020 Omnibus Incentive Plan (the 2020 Plan) became effective July 1, 2020 and reserved 2, 400, 000 shares of common stock for grants of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock unit awards (RSUs), performance share awards, cash incentive awards, deferred stock units, and other stock- based and cash- based awards to selected officers, employees, non- employee directors and consultants performing services for us or our affiliates, with only employees being eligible to receive incentive stock options. The 2020 Plan expires on June 30, 2030; provided that, pursuant to the terms of the 2022 Omnibus Incentive Plan (as defined below), no new grants shall be permitted to be made under the 2020 Plan. ~~The~~ ~~In March 2022~~, ~~our Board of Directors adopted the 2022 Omnibus Incentive Plan (the 2022 Plan) became effective July 1, 2022 and reserved 3,075,000 shares of common stock for grants of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, RSUs, performance share awards, cash incentive awards, deferred stock units, and other stock- based and cash- based awards to selected officers, employees, non- employee directors and consultants performing services for us or our affiliates, with only employees being eligible to receive incentive stock options. The 2022 Plan expires on June 30, 2032; provided that, pursuant to the terms of the 2024 Omnibus Incentive Plan (as defined below), no new grants are permitted to be made under the 2022 Plan, and all of the shares that remained available for grant under the 2022 Plan (203, 687 shares) were rolled over into the 2024 Plan under the terms thereof, together with any shares that may be forfeited under the outstanding equity awards under the 2022 Plan, as discussed in more detail below. In April 2024, our Board of Directors adopted the 2024 Omnibus Incentive Plan (the 2024 Plan), which was subsequently approved by our stockholders on May 24-14, 2022-2024. The 2022-2024 Plan became effective July 1- May 14, 2022-2024 and expires on June 30- May 13, 2032-2034. The 2022-2024 Plan reserves 5,3,075-, 000, **000 new** shares of common stock for~~

judgments. A tax position is recognized only when it is more likely than not to be sustained, based purely on its technical merits after examination by the relevant taxing authority, and the amount recognized is the benefit we believe is more likely than not to be realized upon ultimate settlement. We evaluate our tax positions as new facts and circumstances become available, making adjustments to unrecognized tax benefits as appropriate. Uncertainties can mean the tax benefits ultimately realized differ from amounts previously recognized, with any differences recorded in Provision for income taxes, along with amounts for estimated interest and penalties related to uncertain tax positions. The components of our **Income from continuing operations before income taxes and** Provision for income taxes included in the Consolidated Statements of Income were as follows for the years ended December 31: ~~2023~~~~2022~~~~2021~~ **2024**~~2023~~~~2022~~ (Millions) **Current Federal Components of Income from continuing operations before income taxes Domestic** \$ ~~262~~~~375~~ \$ ~~280~~~~964~~ \$ ~~218~~~~State~~~~37~~~~297~~ **Foreign** ~~6~~ ~~4~~ ~~3~~ **Total Income from continuing operations before income taxes** \$ ~~381~~~~968~~ \$ ~~300~~ **Components of Provision for income taxes Current Federal** \$ ~~156~~~~261~~ \$ ~~279~~~~State~~~~29~~ ~~37~~ ~~41~~ ~~49~~ **Foreign** ~~2~~ ~~1~~ ~~1~~ Total current income tax expense ~~299~~ ~~expense~~ ~~187~~ ~~299~~ ~~321~~ ~~267~~ Deferred Federal (~~66~~~~73~~) (~~201~~~~65~~) (~~13~~~~200~~) State (~~10~~) (~~2~~) (~~44~~) **Foreign** (~~7~~~~2~~) (~~1~~) (~~1~~) Total deferred income tax benefit (~~85~~) (~~68~~) (~~245~~) (~~20~~) Total Provision for income taxes \$ ~~102~~ \$ ~~231~~ \$ ~~76~~ \$ ~~247~~ F- ~~41~~~~43~~ A reconciliation of our expected income tax expense computed by applying the federal statutory rate to Income from continuing operations before income taxes, to the recorded Provision for income taxes, is as follows for the years ended December 31: ~~2023~~~~2022~~~~2021~~ **2024**~~2023~~~~2022~~ (Millions) Expected expense at statutory rate \$ ~~80~~ \$ ~~203~~ \$ ~~63~~ \$ ~~219~~ Increase (decrease) in income taxes resulting from: State and local income taxes, net of federal benefit ~~27~~ **benefit** ~~15~~ ~~27~~ (~~2~~) **Non-deductible expenses** ~~29~~ ~~33~~ **Impact of 2017 Tax Reform** — (~~8~~) **Non-deductible expenses** ~~8~~ ~~6~~ ~~4~~ IRC Section 199, net of tax reserves — — ~~4~~ — Basis difference in unconsolidated subsidiaries — — (~~8~~) — Valuation allowance (~~1~~) (~~5~~) ~~16~~ **Audit Resolutions** (~~20~~) — — Other (~~1~~) (~~2~~) (~~3~~) (~~1~~) Total \$ ~~102~~ \$ ~~231~~ \$ ~~76~~ **For the year ended December 31, 2024, the increase in the non-deductible expenses from prior periods is primarily related to the non-deductible portion of our repurchased Convertible Notes transactions. We also utilized a portion of our capital loss, and therefore released the associated portion of valuation allowance against it. In addition, our tax expense decreased by approximately \$ 247-20 million as a result of favorable audit resolutions.** For the year ended December 31, 2023, we utilized a portion of our capital loss, and therefore released the associated portion of the valuation allowance against it. For the year ended December 31, 2022, we increased our reserve for Internal Revenue Code (IRC) Section 199 deductions by approximately \$ 4 million as a result of an unfavorable court ruling. In addition, we recorded an income tax benefit (deferred tax asset) of approximately \$ 8 million related to the initial recognition of the basis difference in an unconsolidated subsidiary, against which we recorded a \$ 16 million valuation allowance as of December 31, 2022. H. R. - 1, originally known as the Tax Cuts and Jobs Act of 2017 (the 2017 Tax Reform) was enacted on December 22, 2017 and permanently reduced the corporate tax rate to 21 % from 35 %, effective January 1, 2018. For the year ended December 31, 2021, we recorded an income tax benefit of approximately \$ 8 million related to the 2017 Tax Reform rate differential that was released from Other comprehensive income (loss) due to the divestiture of our former LoyaltyOne segment. On August 16, 2022, the Inflation Reduction Act (the Act) was signed into law in the U. S., which includes a new 15 % corporate minimum tax on certain large corporations and a one percent excise tax on stock repurchases made after December 31, 2022. Effective January 1, 2023 we adopted the applicable provisions under the Act, which did not have a significant impact on our financial position, results of operations or cash flows, nor did it result in significant changes to the supporting operational processes, controls or governance. F- ~~42~~~~44~~ The following table reflects **provides** the significant components of Deferred tax assets and liabilities as of December 31: ~~2023~~~~2022~~ **2024**~~2023~~ (Millions) Deferred tax assets Deferred revenue \$ ~~14~~~~12~~ \$ ~~14~~ Allowance for credit losses ~~554~~ ~~losses~~ ~~534~~ ~~598~~ ~~554~~ Net operating loss carryforwards and other carryforwards ~~51~~ ~~carryforwards~~ ~~48~~ ~~39~~ ~~51~~ Operating lease liabilities ~~34~~ ~~liabilities~~ ~~29~~ ~~30~~ Depreciation ~~24~~ — ~~34~~ **Research & development expenses** ~~53~~ ~~36~~ Accrued expenses and other ~~79~~ ~~other~~ ~~87~~ ~~88~~ ~~79~~ Total deferred tax assets ~~756~~ ~~assets~~ ~~763~~ ~~769~~ ~~768~~ Valuation allowance (~~19~~) (~~21~~) (~~26~~) Deferred tax assets, net of valuation allowance ~~735~~ ~~allowance~~ ~~744~~ ~~743~~ ~~747~~ Deferred tax liabilities Deferred income \$ ~~2~~ \$ ~~73~~ \$ ~~148~~ Depreciation — ~~7~~ ~~12~~ Right of use assets ~~22~~ ~~assets~~ ~~19~~ ~~20~~ ~~22~~ Intangible assets ~~11~~ ~~assets~~ ~~15~~ ~~16~~ ~~11~~ Total deferred tax liabilities ~~106~~ ~~liabilities~~ ~~36~~ ~~191~~ ~~118~~ Net deferred tax assets \$ ~~708~~ \$ ~~629~~ \$ ~~552~~ Amounts recognized on the Consolidated Balance Sheets: Other assets \$ ~~708~~ \$ ~~629~~ \$ ~~552~~ As of December 31, ~~2023~~ ~~2024~~, included in our U. S. tax returns are approximately \$ ~~118~~ ~~113~~ million of U. S. federal net operating loss carryovers (NOLs) , approximately \$ ~~34~~ million of foreign tax credits, and federal capital losses of approximately \$ ~~51~~ ~~48~~ million to offset capital gains. With the exception of NOLs generated after December 31, 2017, these attributes expire at various times through the year ~~2037~~ ~~2033~~ . As of December 31, ~~2023~~ ~~2024~~, we have state NOLs of approximately \$ ~~238~~ ~~233~~ million and state credits of approximately \$ 1 million, both available to offset future state taxable income, as well as state capital losses of approximately \$ ~~26~~ ~~15~~ million to offset capital gains. With the exception of some state NOLs generated after December 31, 2017, these NOLs, credits and capital losses will expire at various times through the year 2042. **As of December 31, 2024, we have tax credits in foreign jurisdictions of approximately \$ 4 million available to offset future tax liabilities. These credits expire at various times through the year 2039. As well, in 2024 we recorded a tax expense of approximately \$ 7 million in Additional paid-in capital related to the tax impact of the repurchased Convertible Notes, specifically, the write-off of the associated deferred tax asset. In addition, in 2023 we recorded a tax benefit of approximately \$ 9 million in Additional paid-in capital to establish the deferred tax asset associated with the Capped Call transactions, which continue to remain outstanding.** We use the portfolio approach relating to the release of stranded tax effects recorded in Accumulated other comprehensive loss. F- ~~43~~~~45~~ The following table presents changes in unrecognized tax benefits: (Millions) Balance as of December 31, ~~2020~~ ~~2021~~ \$ ~~247~~ Increases related to prior years' tax positions ~~8~~ Decreases related to prior years' tax positions (~~255~~ ~~25~~) Increases related to current year tax positions ~~14~~ Settlements during the period (~~2~~) Balance as of December 31, ~~2022~~ ~~2023~~ \$ ~~242~~ Increases related to prior years' tax positions ~~1~~ Decreases related to prior years' tax positions (~~13~~ ~~11~~) Increases related to current year tax positions ~~12~~ ~~positions~~ ~~13~~ Settlements during the period (~~8~~ ~~10~~) **Lapses of applicable statutes of limitations** (~~20~~) Balance as of December 31, ~~2021~~ ~~2023~~ \$ ~~247~~ Increases related to prior years' tax positions ~~8~~

Decreases related to prior years' tax positions (25-215) Increases related to current year tax positions 14 Settlements during the period (2) Balance as of December 31, 2022 \$ 242 Increases related to prior years' tax positions 1 Decreases related to prior years' tax positions (11-40) Increases related to current year tax positions 13 positions 9 Settlements during the period (10-21) Lapses of applicable statutes of limitations (20-10) Balance as of December 31, 2023-2024 \$ 215-154 We recognize potential accrued interest and penalties related to unrecognized tax benefits in Provision for income taxes. We have potential cumulative interest and penalties with respect to unrecognized tax benefits of approximately \$ 86 million, \$ 84 million, and \$ 74 million and \$ 76 million as of December 31, 2024, 2023, and 2022 and 2021, respectively; for, For those same years we recorded approximately a \$ 2 million expense, \$ 9 million expense, and \$ 1 million benefit and \$ 8 million expense, respectively, in Provision for income taxes for potential interest and penalties for unrecognized tax benefits. As of December 31, 2024, 2023, and 2022 and 2021, we had unrecognized tax benefits of approximately \$ 200 million, \$ 226 million, and \$ 238 million and \$ 241 million, respectively, that, if recognized, would impact the effective tax rate. We do not anticipate a significant change to the total amount of unrecognized tax benefits over the next twelve months. We file income tax returns in U. S. federal, state and foreign jurisdictions, as applicable. With some exceptions, the U. S. federal income tax returns filed by us are no longer subject to U. S. federal income tax, and state and local examinations - examination for the years before 2015, or foreign and with a few exceptions, state and local income tax returns are no longer subject to examinations - examination for years before 2015. Foreign income tax returns are no longer subject to examination for years before 2018. 20-21 . EARNINGS PER SHARE Basic earnings (losses) per share (EPS) is based only on the weighted average number of common shares outstanding, excluding any dilutive effects of unvested restricted stock awards or other dilutive securities. Diluted EPS is based on (i) the weighted average number of common and potentially dilutive common shares (unvested restricted stock awards and other dilutive securities outstanding during the year), pursuant to the Treasury Stock method, and (ii) the potential conversion of the Convertible Notes, pursuant to the If-converted method. F- 44-46 The following table sets forth the computation of basic and diluted EPS attributable to common stockholders for the years ended December 31: 2023 2022 2021 2024 2023 2022 (Millions, except per share amounts) Numerator Income from continuing operations \$ 279 \$ 737 \$ 224 \$ 797 (Loss) income from discontinued operations, net of income taxes (1) (2) (19) (1) 4-Net income \$ 277 \$ 718 \$ 223 Denominator Weighted \$ 801 Denominator Basic: Weighted average common stock 49-- stock outstanding - basic 49. 649 . 849. 949. 7 Weighted 9 Weighted average effect of dilutive securities Net securities Add : net effect of dilutive unvested restricted stock awards (2) 0. 70. 20. 1 Add: dilutive effect of Convertible Notes (3) (4) 0. 10. 3 Denominator for 00. 0 Weighted average common stock outstanding - diluted diluted 50 calculation 50. 050 450 . 050. 0 Basic EPS Income from continuing operations \$ 5. 63 \$ 14. 79 \$ 4. 48 \$ 16. 02 (Loss) income from discontinued operations \$ (0. 05) \$ (0. 40) \$ (0. 01) \$ 0. 07 Net income per share \$ 5. 58 \$ 14. 39 \$ 4. 47 \$ 16. 09 Diluted EPS Income from continuing operations \$ 5. 54 \$ 14. 74 \$ 4. 47 \$ 15. 95 (Loss) income from discontinued operations \$ (0. 05) \$ (0. 40) \$ (0. 01) \$ 0. 07 Net income per share \$ 5. 49 \$ 14. 34 \$ 4. 46 \$ 16. 02 (2) For As the effect would have been anti- dilutive, for the years ended December 31, 2024, 2023, and 2022 and 2021, approximately 0. 6 million, 1. 2 million, and 0. 9 million, respectively, and 0. 1 million restricted stock awards were excluded from each calculation of weighted average dilutive common shares. (3) Holders of the Convertible Notes may convert their notes under certain conditions until March 15, 2028, and on or after such date without condition. Upon any such conversion, we will repay the aggregate principal amount of the Convertible Notes in cash, and pay or deliver, as the case may be, cash, shares of our common stock or a combination of both (at our election), in respect of the remainder, if any, of our conversion obligation in excess of the aggregate principal amount of the Convertible Notes. At our option, we may redeem for cash, all or a portion of the Convertible Notes on or after June 21, 2026, and before the 51st scheduled trading day before the maturity date, but only if the closing price of our common stock reaches specified targets as defined in the indenture governing the Convertible Notes. We may also, from time to time, retire or purchase all or a portion of the outstanding Convertible Notes through cash purchases or exchanges for other securities, in open market purchases, tender offers, privately negotiated transactions or otherwise. The conversion feature of the Convertible Notes has a dilutive impact on EPS when the average market price of our common stock for the period exceeds the conversion price of \$ 38. 43 per share. With the three months ended June 30, 2024 being the first period in which the average market price of our common stock exceeded the conversion price, a weighted average of the quarterly results from the Dilutive effect of Convertible Notes is computed, and has been reflected in the table above for the year ended December 31, 2024. (4) In connection with the issuance of the Convertible Notes, we entered into privately negotiated Capped Calls with certain financial institution counterparties. These transactions are expected generally to reduce potential dilution to our common stock upon any conversion of Convertible Notes and / or offset certain cash payments we may be required to make in excess of the principal amount of the Convertible Notes upon conversion, redemption or repurchase thereof, with such reduction and / or offset subject to a cap of \$ 61. 48 per share. Diluted weighted average common stock does not include the impact of the Capped Calls we entered into F- 47 concurrently with the issuance of the Convertible Notes, as the effect would have been anti- dilutive. 21 If shares were delivered to us under the Capped Calls, those shares would offset, up to the cap, the dilutive effect of the shares that we would issue upon conversion of the Convertible Notes. 22 . PARENT COMPANY FINANCIAL STATEMENTS The following Parent Company financial statements are provided in accordance with the rules of the SEC, which require such disclosure when the restricted net assets of consolidated subsidiaries exceed 25 percent of consolidated net assets. F- 45 Certain of our subsidiaries may be restricted in distributing cash or other assets to the Parent Company, which could be utilized to service our indebtedness. The stand- alone parent- only financial statements are presented below. Parent Company - Condensed Balance Sheets December 31, 2023 2022 2024 2023 (Millions) Assets Cash and cash equivalents \$ 21 \$ 2 \$ 5 Investment in subsidiaries 3, 195 3, 615 4, 159 Intercompany receivables, net 773 612 net 612 Investment in LVI 6 Other assets 147 assets 123 119 147 Total assets \$ 4, 376 112 \$ 4, 289 376 Liabilities Long- term and other debt \$ 999 1, 394 \$ 1, 394 892 Intercompany liabilities, net 86 Other liabilities 64

liabilities 62 46 64 Total liabilities 1, 061 1, 458 2, 024 Stockholders' equity 2 equity 3, 051 2, 918 2, 265 Total liabilities and stockholders' equity \$ 4, 376 112 \$ 4, 289 376 Parent Company – Condensed Statements of Income Years Ended December 31, 2023 2022 2021 2024 2023 2022 (Millions) Total interest income \$ 11 \$ 12 \$ 11 \$ 12 Total interest expense 111 expense 116 111 107 103 Net interest expense (105) (99) (96) (91) Dividends from subsidiaries 1 subsidiaries 910 1, 063 382 535 Loss from equity method investment — (6) (44) — Total net interest and non- interest income 958 income 805 958 242 444 Total non- interest expenses 12 expenses 121 12 1 Income before income taxes and equity in undistributed net income of subsidiaries 946 subsidiaries 684 946 241 443 Benefit for income taxes 31 taxes 38 31 22 36 Income before equity in undistributed net income of subsidiaries 977 subsidiaries 722 977 263 479 Equity in undistributed net (loss) income of subsidiaries (445) (259) (40) 322 Net income \$ 277 \$ 718 \$ 223 \$ 801 F- 46 48 Parent Company – Condensed Statements of Comprehensive Income Years Ended December 31, 2023 2022 2021 2024 2023 2022 (Millions) Net income \$ 277 \$ 718 \$ 223 \$ 801 Other comprehensive income (loss), net of tax — (3) 7 Total comprehensive income, net of tax \$ 277 \$ 718 \$ 220 \$ 808 Parent Company – Condensed Statements of Cash Flows Years Ended December 31, 2023 2022 2021 2024 2023 2022 (Millions) Net cash used in operating activities \$ (182) \$ (422) \$ (219) \$ (398) Cash flows from investing activities: Dividends received 1 received 910 1, 063 383 533 Purchases of available- for- sale securities — (10) Net cash provided by investing activities 1 activities 910 1, 063 383 523 Cash flows from financing activities: Debt proceeds from spinoff of LVI — 750 Borrowings under debt agreements 1 agreements 300 1, 401 218 38 Repayments of borrowings under debt agreements (894) (1, 882) (319) (864) Payment of deferred financing costs (10) (45) — (4) Payment of capped call transactions — (39) — Dividends paid (43) (42) (43) (42) Repurchase of common stock (55) (35) (12) — Other (7) (2) (3) (3) Net cash used in financing activities (709) (644) (159) (125) Change in cash, cash equivalents and restricted cash cash 19 (3) 5 — Cash, cash equivalents and restricted cash at beginning of year 5 year 2 — 5 — Cash, cash equivalents and restricted cash at end of year \$ 21 \$ 2 \$ 5 \$ — Non- cash financing activities related to the Parent Company – Condensed Statements of Cash Flows for the year ended December 31, 2024 include the impact to Additional paid- in capital related to the debt issuance costs from the repurchased Convertible Notes. Non- cash investing activities related to the Parent Company – Condensed Statements of Cash Flows for the year ended December 31, 2023 include a \$ 318 million non- cash dividend in the form of an intercompany return of capital from Bread Financial Payments, Inc. to the Parent Company. Non- cash investing and financing activities related to the Parent Company – Condensed Statements of Cash Flows for the year ended December 31, 2022 included the dissolution of a subsidiary, ADS Foreign Holdings, Inc. Non- cash investing and financing activities related to the Parent Company – Condensed Statements of Cash Flows for the year ended December 31, 2021 included our equity method investment in LVI upon spinoff, on November 5, 2021, which totaled \$ 48 million. F- 47 49 SIGNATURES Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, Bread Financial Holdings, Inc. has duly caused this Annual Report on Form 10- K to be signed on its behalf by the undersigned, thereunto duly authorized. Bread Financial Holdings, Inc. By: / S / RALPH J. ANDRETTA Ralph J. Andretta President and Chief Executive Officer DATE: February 20 14, 2024 2025 Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Bread Financial Holdings, Inc. and in the capacities and on the dates indicated. Name Title Date / S / RALPH J. ANDRETTA President, Chief Executive Officer and Director February 20 14, 2024 Ralph 2025 Ralph J. Andretta / S / PERRY S. BEBERMAN Executive Vice President and Chief Financial Officer February 20 14, 2024 Perry 2025 Perry S. Beberman / S / J. BRYAN CAMPBELL Senior Vice President and Chief Accounting Officer February 20 14, 2024 J 2025 J. Bryan Campbell / S / ROGER H. BALLOU Chairman of the Board, Director February 20 14, 2024 Roger 2025 Roger H. Ballou / S / JOHN J. FAWCETT Director February 14, 2025 John J. Fawcett / S / JOHN C. GERSPACH, JR. Director February 20 14, 2024 John 2025 John C. Gerspach, Jr. / S / PRANITI LAKHWARAD Director February 14, 2025 Praniti Lakhwara / S / RAJESH NATARAJAN Director February 14, 2025 Rajesh Natarajan / S / JOYCE ST. CLAIR Director February 20 14, 2024 Joyce 2025 Joyce St. Clair / S / RAJESH NATARAJAN Director February 20, 2024 Rajesh Natarajan / S / TIMOTHY J. THERIAULT Director February 20 14, 2024 Timothy 2025 Timothy J. Theriault / S / LAURIE A. TUCKER Director February 20 14, 2024 Laurie 2025 Laurie A. Tucker / S / SHAREN J. TURNEY Director February 20 14, 2024 Sharen 2025 Sharen J. Turney Exhibit 10. 100 AMENDMENT NO. 2 TO RECEIVABLES PURCHASE AGREEMENT THIS AMENDMENT NO. 2 TO THE BREAD FINANCIAL EXECUTIVE DEFERRED COMPENSATION PLAN RECEIVABLES PURCHASE AGREEMENT, dated as of December 12, 2024, to be effective as of February 1, 2025 (this “ Amendment ”), is between Comenity Capital Bank, a Utah industrial bank, as seller (the “ RPA Seller ”), and World Financial Capital Credit Company, LLC, a Delaware limited liability company, as purchaser (the “ Purchaser ”). BACKGROUND WHEREAS, the RPA Seller and the Purchaser are parties to a receivables purchase agreement, dated as of September 29, 2008 (as amended by Amendment No. 1 to Receivables Purchase Agreement, dated as of June 4, 2010, the “ Receivables Purchase Agreement ”), between the RPA Seller and the Purchaser; WHEREAS, the parties hereto desire to amend the Receivables Purchase Agreement as set forth herein; and NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows: SECTION 1. Definitions. Capitalized terms defined in the Receivables Purchase Agreement and used but not otherwise defined herein have the meanings given to them in the Receivables Purchase Agreement. SECTION 2. Amendments. (a) Section 2. 1 (a) of the Receivables Purchase Agreement is hereby amended and restated in its entirety as follows: RPA Seller hereby transfers, assigns, sets over and otherwise conveys to Purchaser without recourse (except as expressly provided herein), and Purchaser purchases and / or accepts as a capital contribution, as applicable, from RPA Seller, all of RPA Seller' s right, title and interest in and to the Receivables existing as of the opening of business on the Initial Cut Off Date and thereafter arising from time to time in the Accounts and all Related Assets with respect thereto, including Interchange (if any) and Merchant Discount Fees (if any) allocated to the Accounts in accordance with Section 5. 1 (l) from time to time; provided, however, that Principal Receivables originated after the

occurrence of an Insolvency Event with respect to RPA Seller shall not be conveyed hereunder. Amendment No. 2 to Receivables Purchase Agreement (b) Section 5.1 of the Receivables Purchase Agreement is hereby amended by amending and restating in its entirety subsection (l) thereof as follows: (l) Interchange and Merchant Discount Fees. (i) On or prior to each Determination Date, RPA Seller shall notify the Servicer of the amounts of Interchange and Merchant Discount Fees attributable to the Accounts for the related Monthly Period, which amounts shall be equal to the product of: (A) The total amount of Interchange or Merchant Discount Fees, as applicable, paid to RPA Seller during the preceding Monthly Period; and (B) A fraction the numerator of which is the volume during the preceding Monthly Period of sales net of cash advances on the Accounts and the denominator of which is the amount of sales net of cash advances during such Monthly Period on all credit card accounts owned by RPA Seller that are Approved Portfolios; or such other amount as RPA Seller may reasonably calculate or estimate as Interchange and / or Merchant Discount Fees attributable to the Accounts; provided that the amounts of Interchange and Merchant Discount Fees determined pursuant to this clause (i) shall exclude Interchange and Merchant Discount Fees with respect to Receivables reassigned to the RPA Seller pursuant to Sections 6.1 or 6.2. (ii) On each Transfer Date, RPA Seller shall pay to the Servicer the amounts of Interchange and Merchant Discount Fees for the related Monthly Period determined pursuant to clause (i) above and such amounts shall be treated as Collections of Finance Charge Receivables for the related Monthly Period.

SECTION 3. Representations and Warranties. In order to induce the parties hereto to enter into this Amendment, each of the parties hereto represents and warrants unto the other parties hereto as set forth in this Section 3: (a) Due Authorization, Non Contravention, etc. The execution, delivery and performance by such party of the Amendment are within its powers, have been duly authorized by all necessary action, and do not (i) contravene its organizational documents; or (ii) contravene any contractual restriction, law or governmental regulation or court decree or order binding on or affecting it; and (b) Validity, etc. This Amendment constitutes the Bread Financial Executive Deferred Compensation Plan legal, valid and binding obligation of such party enforceable against such party in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and general equitable principles.

2Amendment No. 2 to Receivables Purchase Agreement SECTION 4. Binding Effect; Ratification. (a) This Amendment shall become effective as of the later of (the "Plan Effective Date") (i) February 1, 2025 and (ii) the date on which counterparts hereof shall have been executed and delivered by the parties hereto, and thereafter shall be binding on the parties hereto and their Plan respective successors and assigns. (b) The Receivables Purchase Agreement, amended as follows amended hereby, remains in full force and effect. Any reference to the Receivables Purchase Agreement from and after the effective Effective January 1 Date shall be deemed to refer to the Receivables Purchase Agreement as amended hereby, 2024 unless otherwise expressly stated. 1. The definition of "Base Salary" (c) Except as expressly amended hereby, the Receivables Purchase Agreement shall remain in full force and effect and is hereby deleted, ratified and confirmed replaced in its entirety with the following: "Base Salary" means the annual rate of base pay paid by the Employer to or parties hereto.

SECTION 5. Miscellaneous. (a) **THIS AMENDMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL IN SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW), AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.** (b) Headings used herein are for convenience the benefit of reference only and shall not affect the Participant meaning of this Amendment for or services rendered, excluding any and all incentive compensation or other bonuses that provision hereof. (c) This Amendment may be paid executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Amendment by signing any such counterpart. Delivery by facsimile or electronic transmission of an executed signature page of this Amendment shall be effective as delivery of an executed counterpart hereof. Each party agrees that this Amendment may be electronically signed, and that any electronic signatures appearing on this Amendment are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility. [SIGNATURE PAGE FOLLOWS]

3Amendment No. 2 - Article 3, Section 3.1 is hereby deleted and replaced in its entirety with the following: " 3.1 Eligibility. Any Associate (a) whose Base Salary is greater than or equal to Receivables Purchase Agreement IN WITNESS WHEREOF that of a "Highly Compensated Employee," the parties hereto have caused this Amendment to be duly executed as such term is defined in Section 414 (q) of the date and year Internal Revenue Code, adjusted annually as applicable, on the first above written day of the Enrollment Period for the Plan Year, and (b) who the Committee determines to be part of a select group of management or highly compensated employees of an Employer, is eligible to be designated by the Committee to be a Participant. COMENITY CAPITAL BANK " 3. In all other respects, the Plan will remain unchanged and in full force and effect. By: / s / Cara M. Tutton Tom McGuire Name: Tom McGuire Title: VP-Chief Financial Officer WORLD FINANCIAL CAPITAL CREDIT COMPANY, Total Rewards LLC, as Purchaser By: / s / Wai Chung Name: Wai Chung Title: Treasurer S-1 Amendment No. 2 to Receivables Purchase Agreement Exhibit 10, 103 TRANSFER AND SERVICING 9-TIME-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT UNDER THE BREAD FINANCIAL 2022 OMNIBUS INCENTIVE PLAN THIS RESTRICTED STOCK UNIT AWARD AMENDMENT NO. 2 TO TRANSFER AND SERVICING AGREEMENT, dated as of December 12, 2024, to be effective as of February 1, 2025 (the this " Amendment "), is among World Financial Capital Credit Company, LLC, as transferor (the " Transferor "), Comenity Capital Bank, as servicer (the " Servicer ") and World Financial Capital Master Note Trust, as issuer (the " Issuer "). WHEREAS, the Transferor, the Servicer and the Issuer are parties to a transfer and servicing agreement, dated as of September 29, 2008 (as amended by Amendment No. 1 to Transfer and Servicing Agreement, dated as of June 4, 2010, the " Transfer and Servicing Agreement "), made

among the parties thereto; WHEREAS, the parties hereto desire to amend the Transfer and Servicing Agreement as of [GRANT DATE] (set forth herein; and SECTION 1. Definitions. Capitalized terms defined in the Transfer and Servicing Agreement and used but not otherwise defined herein have the meanings given to them in "Grant Date") by and between Bread Financial Holdings, Inc. (the "Company") and Servicing Agreement. [PARTICIPANT NAME] (a the "Participant") who Section 2. 1 (e) of the Transfer Agreement is hereby amended and restated in its entirety. The Participant, an employee of the Company or one of its Affiliates, evidences the grant by the Company of an award of restricted stock units (the "Award") to the Participant and the Participant's acceptance of the Award in accordance with the provisions of the Bread Financial 2022 Omnibus Incentive Plan (the "Plan"). The Company and the Participant agree as follows: On or prior to each Determination Date, Transferor shall cause the Seller to notify Servicer of the amounts of Interchange and Merchant Discount Fees to be included as Collections of Finance Charge Receivables allocable to the Accounts with respect to the related Monthly Period. On each Transfer Date, the Transferor shall pay Servicer, or cause RPA Seller to pay to Servicer, such amounts of Interchange and Merchant Discount Fees for the related Monthly Period and Servicer shall treat such amounts as Collections of Finance Charge Receivables and deposit such amounts into the Collection Account to the extent required by Section 5. 1 (l) of the Receivables Purchase Agreement. Basis (b) Section 2. 4 (e) of the Transfer Agreement is hereby amended by amending and restating the last paragraph thereof in its entirety as follows: Amendment No. 2 to Transfer and Servicing Agreement Upon the deposit, if any, required to be made to the Collection Account as provided in this Section 2. 4 (e), Issuer shall automatically and without further action be deemed to transfer, assign, set over and otherwise convey to Transferor for or Award its designee, without recourse, representation or warranty, all the right, title and interest of Issuer in and to the applicable Receivables, all moneys due or to become due and all amounts received with respect thereto and all proceeds thereof and the amounts of Interchange (if any) and Merchant Discount Fees (if any) allocable to the related Accounts. Issuer shall execute such documents and instruments of transfer or assignment and take such other actions as shall reasonably be requested by Transferor to effect the conveyance of such Receivables pursuant to this Section. The Award is obligation of Transferor to accept reassignment of any Receivables, and to make the deposits, if any, required to be made under the Plan pursuant to the Collection Account as provided in this Section 6, shall constitute the sole remedy respecting the event giving rise to such obligation available to Issuer, Owner Trustee, the Holders (e or Indenture Trustee on behalf of the Noteholders) thereof. 2. Award. (a b) The Company Transfer and Servicing Agreement, as amended hereby awards to the Participant, remains in full force and effect. Any reference to the aggregate, [SHARES GRANTED] Restricted Stock Units which Transfer and Servicing Agreement from and after the Effective Date shall be subject deemed to refer to the Transfer conditions set forth in the Plan and this Servicing Agreement as amended hereby. (b) Restricted Stock Units shall be evidenced by an account established and maintained for the Participant, unless otherwise expressly stated which shall be credited for the number of Restricted Stock Units granted to the Participant. By accepting this Award, the Participant acknowledges that the Company does not have an adequate remedy in damages for the breach by the Participant of the conditions and covenants set forth in this Agreement and agrees that the Company is entitled to and may obtain an order or a decree of specific performance against the Participant issued by any court having jurisdiction. (c) Except as provided in expressly amended hereby, the Plan or this Transfer and Servicing Agreement, shall remain in full force and effect and is hereby ratified and confirmed by the event of parties hereto. 2 Amendment No. 2 to Transfer and Servicing Agreement (a Participant's termination of Service (as provided in Section 4 of this Agreement) prior to vesting (as provided in Section 3 of this Agreement) THIS AMENDMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, the Restricted Stock Units will be forfeited WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTION 5- 1401 OF THE GENERAL OBLIGATIONS LAW) AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS. (d) It is expressly understood and agreed by the parties Participant and all of the Participant's rights to Stock or cash underlying the Award shall immediately terminate without any payment or consideration by the Company. (d) Dividend Equivalent Rights. If the Company pays any cash dividend on its outstanding Stock for which the record date occurs after the Grant Date, the Committee will credit the Participant's account as of the dividend payment date in an amount equal to the cash dividend paid on one share of Stock multiplied by the number of Restricted Stock Units under this Agreement that have not been settled as of that record date (a "Dividend Equivalents"). Such Dividend Equivalents will be subject to the vesting requirements of Section 3 of this Agreement below, has been executed and delivered by BNY Mellon Trust of Delaware, no not Dividend Equivalents will vest or be paid to in its individual capacity, but solely in its capacity as Owner Trustee of the Participant unless and until Trust, (b) each of the representations, undertakings corresponding Restricted Stock Unit vests and agreements herein made on the part of the Trust is made and intended not settled. (e) Rights as personal representations Stockholder. The Participant shall have no rights as a stockholder with respect to any Restricted Stock Unit until he or she shall have become the holder of record of such Stock, undertakings and except as otherwise provided in this Agreement agreements or the Plan by BNY Mellon Trust of Delaware, but is no adjustment shall be made and intended for dividends or distributions or other the purpose rights for which the record date is prior to the date upon which the Participant shall become the holder of binding only record thereof. 3. Vesting; Settlement. Subject to Sections 2 and 4 of this Agreement, the Trust, Award will vest with respect to (a) 33 % upon the day of the first anniversary of the Grant Date; (b) an additional 33 % upon the day of the second anniversary of the Grant Date; and (c) nothing herein the final 34 % upon the day of the third anniversary of the Grant Date (each, a "Vesting Date"), subject to the Participant's continuous Service through the applicable Vesting Date. "Service," for purposes of this Agreement, shall mean service by the Participant as an employee or director of, or consultant to, the Company or any of its Affiliates. Subject to Section 19 of this Agreement, within 30 days following the applicable Vesting Date (or

vesting event pursuant to Sections 6 (b) or 6 (e)) and consistent with Section 409A of the Code, payment shall be made in Stock and cash in the amount of any Dividend Equivalents credited to the Participant's account with respect to such shares of Stock. The Committee shall cause the Stock to be electronically delivered to the Participant's electronic account with respect to such Stock free of all restrictions. Pursuant to Section 11 of this Agreement, the cash and / or the number of shares delivered shall be net of the amount of cash and / or the number of shares withheld for satisfaction of Tax-Related Items (as defined below), if applicable.

4. Termination of Employment. (a) Forfeiture Upon Termination. Unless otherwise determined by the Committee (to the extent the Award does not constitute Deferred Compensation (as defined in Section 19 (b) of Agreement), as determined by the Committee in its sole discretion) or except as otherwise provided in the Plan or in Section 4 (b) below, if the Participant's Service terminates for any reason, whether or not such termination is later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed, any unvested portion of the Award held by a Participant on the date of termination of Service shall be forfeited. The Participant's date of termination of Service shall mean the date upon which the Participant's active Service terminates, regardless of any notice period or period in lieu of notice of termination of employment or similar period mandated under employment laws in the jurisdiction where the Participant is employed or the terms of a written employment or service agreement, if any. The Committee shall have the exclusive discretion to determine when the Participant's active Service terminates for purposes of this Award (i. e., when the Participant has ceased active performance of services for purposes of vesting in this Award), including whether a leave of absence constitutes a termination of Service for purposes of this Award. (b) Termination Due to Retirement. If the Participant's Service terminates by reason of Retirement after the date that is 12 months following the Grant Date, the Participant shall continue to vest in the unvested portion of the Award eligible to vest on any Vesting Date following the date of termination (in accordance with the schedule set forth in Section 3 hereof) without regard to the requirement that the Participant continue in Service through the applicable Vesting Date. For purposes of this Agreement, "Retirement" means a termination of Service by the Participant on or after the date that the Participant has either: (i) attained the age of sixty (60) years and completed a period of 5 years or more of Service; or (ii) attained the age of sixty-five (65) years as of the date of termination. For purposes of the Award, a "Retirement" shall not include: (i) a termination by the Company for Cause; (ii) a termination of Service or resignation by the Participant after receiving notice that the Company has elected to terminate Participant's Service for Cause; (iii) a termination or resignation by the Participant during the pendency of an investigation with respect to the Participant or while the Participant is on a performance improvement plan; or (iv) any other circumstance upon which the Company determines in good faith the Participant is not in good standing at the time of such termination at the sole discretion of the Company.

5. Participant. Whenever the word "Participant" is used in any provision of this Agreement under circumstances where the provision should logically be construed to apply to the beneficiaries, the executors, the administrators, or the person or persons to whom the Restricted Stock Units and Dividend Equivalents may be transferred by will or by the laws of descent and distribution, the word "Participant" shall be deemed to include such person or persons.

6. Adjustments; Change in Control. (a) In the event that the Committee determines that any dividend or other distribution (whether in the form of cash, Stock or other property), recapitalization, forward or reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase or exchange of Stock or other securities, liquidation, dissolution, or other similar corporate transaction or event, affects the Stock such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of Participants under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of the number and kind of shares that may be issued in respect of Restricted Stock Units. In addition, the Committee is authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, events described in the preceding sentence) affecting the Company or any Affiliate or the financial statements of the Company or any Affiliate or in response to changes in applicable laws, regulations, or accounting principles. (b) In connection with a Change in Control, the Committee may, in its sole discretion, accelerate the vesting and / or the lapse of restrictions with respect to the Award, provided however, that if the Award constitutes Deferred Compensation (as defined in Section 19 (b) below), any acceleration of vesting and / or lapse of restrictions with respect to the Award contemplated in the foregoing shall not be given effect to the extent it would result in the payment of the Award in a manner that would fail to comply with the requirements of Section 409A of the Code. If the Award is not assumed, substituted for an award of equal value, or otherwise continued **contained** after a Change in Control, the Award shall automatically vest prior to the Change in Control at a time designated by the Committee. Timing of any payment or delivery of shares of Stock under this provision shall be subject to Section 409A of the Code. (c) All outstanding Restricted Stock Units and Dividend Equivalents (if any) that are assumed, substituted for an award of an equal value, or otherwise continued after a Change in Control shall immediately vest upon a termination of Service by the Company or an Affiliate without Cause, within twelve months after a Change in Control.

7. Clawback. (a) Notwithstanding anything in the Plan, in this Agreement or any other agreement to the contrary, as an additional condition of receiving this Award, the Participant agrees that (i) in the event that the Participant breaches any nonsolicitation, noncompetition or confidentiality agreement entered into with, or while acting on behalf of, the Company or any Affiliate, the Committee may (A) cancel the Award, in whole or in part, whether or not vested, and / or (B) require such Participant or former Participant to repay to the Company any gain realized or payment or shares received upon the exercise or payment of, or lapse of restrictions with respect to, such Award (with such gain, payment or shares valued as of the date of exercise, payment or lapse of restrictions), and (ii) if any of the Company's financial statements are required to be restated due to errors, omissions, fraud, or misconduct, the Committee may, in its sole discretion but acting in good faith, direct the Company to recover all or a portion of any Award or any past or future compensation from any Participant or former Participant with respect to any fiscal year of the Company for which the financial results are negatively affected by such restatement, including through cancellation of an Award or repayment of any gain realized (with such gain valued as of the date of exercise, payment or lapse of restrictions). Any cancellation or repayment obligation contemplated under this Section 7 (a) shall be effective as of the date specified by the

Committee. Any repayment obligation may be satisfied in shares of Stock or cash or a combination thereof (with the amount of the repayment obligation determined based upon the Fair Market Value of the shares of Stock on the applicable settlement date, but the number of shares of Stock used to satisfy the repayment obligations determined based on the Fair Market Value of the shares of Stock on the date of repayment), and the Committee may provide for an offset to any future payments owed by the Company or any Affiliate to the Participant if necessary to satisfy the repayment obligation; provided, however, that if any such offset is prohibited under applicable law, the Committee shall not permit any offsets and may require immediate repayment by the Participant. (b) Notwithstanding anything in the Plan, in this Agreement or any other agreement to the contrary, as an additional condition of receiving this Award, the Participant agrees that the Award and any shares of Stock or any benefits or proceeds therefrom will be subject to forfeiture and / or repayment to the Company pursuant to (i) any recovery, recoupment, clawback or similar policy that is in effect as of the Grant Date, as may be amended from time to time, and (ii) any other similar policy adopted after the Grant Date, as may be amended from time to time, to the extent the Committee deems necessary or desirable in order to facilitate compliance with any requirements imposed under applicable law, including the requirements of Section 10D of the U. S. Securities Exchange Act of 1934, Rule 10D-1 thereunder and Section 303A.14 of the New York Stock Exchange Listed Company Manual, or the listing rules of any other such securities exchange on which the Stock is listed or traded. (c) The Participant expressly and explicitly authorizes the Company to issue instructions, on behalf of the Participant, to any brokerage firm and / or third party administrator engaged by the Company to hold any shares of Stock and other amounts acquired pursuant to the Award to re-convey, transfer or otherwise return such shares and / or other amounts to the Company upon the Company's enforcement of Sections 7 (a) and 7 (b) above. 8. Compliance with Law. Notwithstanding any of the provisions in this Agreement or in the Plan, the Company will not be obligated to issue or deliver any Stock to the Participant hereunder, if the exercise thereof or the issuance or delivery of such Stock shall constitute a violation by the Participant or the Company of any provisions of any law or regulation of any governmental authority. Any determination in this connection by the Committee shall be final, binding and conclusive. The Company shall in no event be obliged to register any securities pursuant to the U. S. Securities Act of 1933 (as now in effect or as hereafter amended) or to take any other affirmative action in order to cause the issuance or delivery of Stock pursuant thereto to comply with any law or regulation of any governmental authority. 9. No Right to Continued Service. Nothing in this Agreement or in the Plan shall be construed as **creating** giving the Participant, any employee liability on BNY Mellon Trust of Delaware, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by other-- the parties hereto and by any person claiming by, through the right to continue in Service of the Company or under the parties hereto, (d) BNY Mellon Trust of Delaware has made no investigation as to the accuracy or completeness of any Affiliate, nor shall it interfere in any way with the right of the Company or any Affiliate to terminate the Participant's continued Service, or any employee's or other person's Service at any time. The Participant acknowledges and agrees that the continued vesting of the Restricted Stock Units granted hereunder is premised upon attainment of the conditions set forth herein and vesting of such Restricted Stock Units shall not accelerate upon Participant's termination of Service, unless specifically provided for herein. 10. Representations **representations** and Warranties **warranties made by** of Participant. The Participant represents and warrants to the **Trust in** Company that: (a) Agrees to Terms of the Plan. The Participant has received a copy of the Plan and has read and understands the terms of the Plan and this Agreement, and agrees to (e) in no event shall BNY Mellon Trust of Delaware in its individual capacity have any liability for the payment of any indebtedness or expenses of the Trust or be bound by liable in respect of the representations, warranties, or obligations of the Trust hereunder or under any their- other document, as to all terms and conditions. In the event of a conflict which recourse shall be had solely to the assets of the Trust, and or for all purposes inconsistency between the terms and provisions of the Plan and the provisions of this Agreement, and each the other Plan document, the Owner Trustee (as such or in its individual capacity) shall govern be subject to, and control. All capitalized entitled to the benefits of, the terms and provisions of the Trust Agreement. 3Amendment No. 2 to Transfer and Servicing Agreement as Servicer LLC, as Transferor WORLD FINANCIAL CAPITAL MASTER NOTE TRUST, as Issuer By: BNY Mellon Trust of Delaware, not in its Individual capacity but solely as Owner Trustee on behalf of Issuer By: / s / Dawn Plows Name: Dawn Plows Title: Associate S- 1Amendment No. 2 to Transfer and Servicing Agreement Exhibit 10. 105 SUPPLEMENTAL INDENTURE NO. 4 TO MASTER INDENTURE This SUPPLEMENTAL INDENTURE NO. 4 TO MASTER INDENTURE, dated as of December 12, 2024 (this "Supplemental Indenture") is made between the World Financial Capital Master Note Trust, as Issuer (the "Issuer"), and U. S. Bank National Association, successor in interest to Deutsche Bank Trust Company Americas, as Indenture Trustee (the "Indenture Trustee"), to the Master Indenture, dated as of September 29, 2008, between the Issuer and the Indenture Trustee (as amended by Supplemental Indenture No. 1, dated as of August 17, 2012, Supplemental Indenture No. 2, dated as of January 4, 2013 and Supplemental Indenture No. 3, dated as of September 1, 2017, the "Master Indenture"). Capitalized terms used and not otherwise defined herein shall have the meaning ascribed to in this Supplemental Indenture are used as defined in them- the Master Indenture. WHEREAS, the Issuer and the Indenture Trustee desire to amend the Master Indenture in certain respects as set forth below; NOW in the Plan. (b) Cooperation. The Participant agrees to sign such additional documentation as may reasonably be required from time to time by the Company. (c) No Advice Regarding Grant. The Company is not providing any tax, **THEREFORE** legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in **consideration** the Plan, or the Participant's acquisition or sale of the **premises** underlying Stock. The Participant should consult with the Participant's own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan or this Award. 11. Responsibility for Taxes. The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Affiliate that employs the Participant (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other **good** tax-related items related to the Participant's participation in the Plan and

valuable consideration legally applicable to the Participant (“Tax-Related Items”) is and remains the Participant’s responsibility and may exceed the amount actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and / or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the grant, vesting or settlement of the Award, the subsequent sale of shares of Stock acquired pursuant to the Award and the receipt of any Dividend Equivalents; and **sufficiency of which** (b) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the Award to reduce or eliminate the Participant’s liability for Tax-Related Items or achieve any particular tax result. Furthermore, if the Participant has become subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and / or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. In connection with any relevant taxable or tax withholding event, as applicable, the Participant will pay or make adequate arrangements satisfactory to the Company and / or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and / or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to all Tax-Related Items by: (i) requiring a cash payment from the Participant; (ii) withholding from the Participant’s wages or other cash compensation paid to the Participant by the Company and / or the Employer, (iii) withholding from the proceeds of the sale of Stock acquired pursuant to the Award, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant’s behalf pursuant to this authorization without further consent); and / or (iv) withholding from the shares of Stock subject to the Restricted Stock Units, provided, however, that if the Participant is a Section 16 officer of the Company under the Securities Exchange Act of 1934, as amended (“Exchange Act”), then the Participant may elect the form of withholding from the alternatives above in advance of any tax withholding event, and in the absence of the Participant’s timely election, the Company will withhold in shares of Stock (other than U. S. Federal Insurance Contribution Act taxes or other Tax-Related Items that become payable in a year prior to the year in which shares of Stock are issued upon settlement of the Restricted Stock Units), or the Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) may determine that a particular method be used to satisfy any withholding obligations for Tax-Related Items. The Company may withhold or account for Tax-Related Items by considering statutory or other applicable withholding rates, including maximum applicable rates, in which case the Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent in Stock. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, the Participant is deemed, for tax purposes, to have been issued the full number of shares of Stock subject to the vested Restricted Stock Units, notwithstanding that a number of the shares of Stock are held back solely for the purpose of paying the Tax-Related Items. The Company may refuse to issue or deliver the Stock, the proceeds of the sale of Stock or cash in the amount of any Dividend Equivalents if the Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

12. Notice. Every notice or other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; provided, that, unless and until some other address be so designated, all notices or communications by the Participant to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to the Participant may be given to the Participant personally or may be mailed to Participant’s address as recorded in the records of the Company.

13. Governing Law; Choice of Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware without regard to its conflict of law principles. For purposes of litigating any dispute that arises under this grant or the Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Texas, agree that such litigation shall be conducted in the courts of Collin County, Texas, or the federal courts for the United States for the Eastern District of Texas, where this grant is made and / or to be performed.

14. Electronic Transmission and Participation. The Company reserves the right to deliver any notice or Award by email in accordance with its policy or practice for electronic transmission and any written Award or notice referred to herein or under the Plan may be given in accordance with such electronic transmission policy or practice. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or any third party designated by the Company.

15. Country-Specific Provisions. The Award shall be subject to any special terms and conditions set forth in the appendix to this Agreement for the Participant’s country (the “Appendix”). Moreover, if the Participant relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

16. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant’s participation in the Plan, or the Award, or on the Restricted Stock Units and on any Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

17. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

18. Waiver. The Participant acknowledges **acknowledged** that a waiver by the Company of breach of any provision of the Agreement shall not operate or be construed as a waiver of any other provision of the Agreement, or of any subsequent breach by the Participant or any other Participant.

19. Section 409A. Notwithstanding any other provision of the Plan or this Agreement, the following provision shall apply if the Participant is subject to taxation under the laws of the United States. (a) It is intended that the Restricted Stock Units shall qualify for exemption from the application of, or comply with, Section 409A of the Code, and any ambiguities herein will be interpreted with this intention. The Committee reserves the right (but shall not be obligated), to the extent the Committee deems necessary or advisable in its sole discretion, to unilaterally amend or modify this Agreement as may be necessary to ensure that

the Restricted Stock Units qualify for exemption from, or comply with Section 409A of the Code or to mitigate any additional taxes, interest, penalties or other adverse tax consequences that may apply under Section 409A of the Code if compliance is not practical; provided, however, that the compensation payable under this Agreement will be exempt from or compliant with Section 409A of the Code and does not guarantee that the compensation payable hereunder will not be subject to any taxes, interest, penalties or other adverse tax consequences under Section 409A of the Code. Nothing in this Agreement shall provide a basis for any person to take any action against the Company or any Affiliate based on matters covered by Section 409A of the Code, including the tax treatment of any amounts paid under this Agreement. (b) Additional Payment Requirements Applicable to Award. Restricted Stock Units that constitute non-qualified deferred compensation subject to Section 409A of the Code (“Deferred Compensation”) and are payable either (i) upon a Change in Control or (ii) termination of Service following a Change in Control, in each case, where the Change in Control does not constitute a “change in control event” within the meaning of Section 409A of the Code and U. S. Treasury Regulations, shall instead be payable on the Vesting Dates set forth in Section 3. Further, Restricted Stock Units that constitute Deferred Compensation and are payable on, or that is by reference to, the date of the Participant’s termination of Service shall not be paid on such date unless the termination of Service constitutes a “separation from service” within the meaning of Section 409A of the Code, and if the Participant is a “specified employee” within the meaning of Section 409A of the Code on the date the Participant experiences a separation from service, then the Restricted Stock Units shall instead be paid on the first business day of the seventh month following the Participant’s separation from service, or, if earlier, on the date of the Participant’s death, to the extent such delayed payment is required in order to avoid a prohibited distribution under Section 409A of the Code. IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written. BREAD FINANCIAL Holdings, INC. By: _____
Joseph L. Motes, III Executive VP, Chief Administrative Officer, General Counsel and Secretary Exhibit 10. 10

PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT 1. Basis for Award. The Award is made under the Plan pursuant to Sections 6 (e) and 6 (f) thereof. (e) Except as provided in the Plan or this Agreement, in the event of a Participant’s termination of Service (as provided in Section 4 of this Agreement) prior to vesting (as provided in Section 3 of this Agreement), the Restricted Stock Units will be forfeited by the Participant and all of the Participant’s rights to Stock underlying the Award shall immediately terminate without any payment or consideration by the Company. 3. Vesting; Settlement. Subject to Sections 2 and 4 of this Agreement, the restrictions on the Award will lapse upon determination by the Company’s Board or the Compensation Committee of the Company’s Board that the performance metrics set forth in Schedule 1 attached to this Agreement have been met and 100 % of the Award will vest upon the day of the third anniversary of the Grant Date (the “Vesting Date”) following any such determination, subject to the Participant’s continuous Service with the Company or an Affiliate through the Vesting Date. “Service,” for purposes of this Agreement, shall mean service by the Participant as an employee or director of, or consultant to, the Company or any of its Affiliates. Subject to Section 19 of this Agreement, within 30 days following the Vesting Date (or vesting event pursuant to Sections 6 (b) or 6 (e)) and consistent with Section 409A of the Code, payment shall be made in Stock and cash in the amount of any Dividend Equivalents credited to the Participant’s account with respect to such shares of Stock. The Committee shall cause the Stock to be electronically delivered to the Participant’s electronic account with respect to such Stock free of all restrictions. Pursuant to Section 11 of this Agreement, the cash and/or the number of shares delivered shall be net of the amount of cash and/or the number of shares withheld for satisfaction of Tax-Related Items (as defined below), if any. (b) Termination Due to Retirement. If the Participant’s Service terminates by reason of Retirement after the date that is 12 months following the Grant Date, the Participant shall continue to be eligible to vest in the Award on the Vesting Date following the date of termination of Service (based on the attainment level of the performance metrics set forth in Schedule 1) without regard to the requirement that the Participant continue in Service through the Vesting Date. For purposes of this Agreement, “Retirement” means a termination of Service by the Participant on or after the date that the Participant has either: (i) attained the age of sixty (60) years and completed a period of 5 years or more of Service; or (ii) attained the age of sixty-five (65) years as of the date of termination of Service. For purposes of the Award, a “Retirement” shall not include: (i) a termination of Service by the Company for Cause; (ii) a termination of Service or resignation by the Participant after receiving notice that the Company has elected to terminate Participant’s Service for Cause; (iii) a termination of Service or resignation by the Participant during the pendency of an investigation with respect to the Participant or while the Participant is on a performance improvement plan; or (iv) any other circumstance upon which the Company determines in good faith the Participant is not in good standing at the time of such termination of Service at the sole discretion of the Company. 5. Participant. Whenever the word “Participant” is used in any provision of this Agreement under circumstances where the provision should logically be construed to apply to the beneficiaries, the executors, the administrators, or the person or persons to whom the Restricted Stock Units and Dividend Equivalents may be transferred by will or by the laws of descent and distribution, the word “Participant” shall be deemed to include such person or persons. (a) In the event that the Committee determines that any dividend or other distribution (whether in the form of cash, Stock or other property), recapitalization, forward or reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase or exchange of Stock or other securities, liquidation, dissolution, or other similar corporate transaction or event, affects the Stock such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of Participants under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of the number and kind of shares that may be issued in respect of Restricted Stock Units. In addition, the Committee is authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, events described in the preceding sentence) affecting the Company or any Affiliate or the financial statements of the Company or any Affiliate or in response to changes in applicable laws, regulations, or accounting principles. (e) All outstanding Restricted Stock Units and Dividend Equivalents (if any) that are assumed, substituted for an award of equal value, or otherwise continued after a Change of in Control shall immediately vest upon a termination of Service by the Company or an Affiliate without Cause, within twelve

months after a Change in Control. (a) Notwithstanding anything in the Plan, in this Agreement or any other agreement to the contrary, as an additional condition of receiving this Award, the Participant agrees that (i) in the event that the Participant breaches any nonsolicitation, noncompetition or confidentiality agreement entered into with, or while acting on behalf of, the Company or any Affiliate, the Committee may (A) cancel the Award, in whole or in part, whether or not vested, and / or (B) require such Participant or former Participant to repay to the Company any gain realized or payment or shares received upon the exercise or payment of, or lapse of restrictions with respect to, such Award (with such gain, payment or shares valued as of the date of exercise, payment or lapse of restrictions), and (ii) if any of the Company's financial statements are required to be restated due to errors, omissions, fraud, or misconduct, the Committee may, in its sole discretion but acting in good faith, direct the Company to recover all or a portion of any Award or any past or future compensation from any Participant or former Participant with respect to any fiscal year of the Company for which the financial results are negatively affected by such restatement, including through cancellation of an Award or repayment of any gain realized (with such gain valued as of the date of exercise, payment or lapse of restrictions). Any cancellation or repayment obligation contemplated under this Section 7 (a) shall be effective as of the date specified by the Committee. Any repayment obligation may be satisfied in shares of Stock or cash or a combination thereof (with the amount of the repayment obligation determined based upon the Fair Market Value of the shares of Stock on the settlement date, but the number of shares of Stock used to satisfy the repayment obligations determined based on the Fair Market Value of the shares of Stock on the date of repayment), and the Committee may provide for an offset to any future payments owed by the Company or any Affiliate to the Participant if necessary to satisfy the repayment obligation; provided, however, that if any such offset is prohibited under applicable law, the Committee shall not permit any offsets and may require immediate repayment by the Participant. (c) The Participant expressly and explicitly authorizes the Company to issue instructions, on behalf of the Participant, to any brokerage firm and / or third party administrator engaged by the Company to hold any shares of Stock and other amounts acquired pursuant to the Award to re-convey, transfer or otherwise return such shares and / or other amounts to the Company upon the Company's enforcement of Sections 7 (a) and 7 (b) above.

8. Compliance with Law. Notwithstanding any of the provisions in this Agreement or the Plan, the Company will not be obligated to issue or deliver any Stock to the Participant hereunder, if the exercise thereof or the issuance or delivery of such Stock shall constitute a violation by the Participant or the Company of any provisions of any law or regulation of any governmental authority. Any determination in this connection by the Committee shall be final, binding and conclusive. The Company shall in no event be obliged to register any securities pursuant to the U. S. Securities Act of 1933 (as now in effect or as hereafter amended) or to take any other affirmative action in order to cause the issuance or delivery of Stock pursuant thereto to comply with any law or regulation of any governmental authority.

9. No Right to Continued Service. Nothing in this Agreement or in the Plan shall be construed as giving the Participant, employee or other person the right to continue in service of the Company or any Affiliate, nor shall it interfere in any way with the right of the Company or any Affiliate to terminate the Participant's continued Service, or any employee's or other person's Service at any time. The Participant acknowledges and agrees that the continued vesting of the Restricted Stock Units granted hereunder is premised upon attainment of the performance goals set forth herein and vesting of such Restricted Stock Units shall not accelerate upon Participant's termination of Service, unless specifically provided for herein.

(a) Agrees to Terms of the Plan. The Participant has received a copy of the Plan and has read and understands the terms of the Plan and this Agreement and agrees to be bound by their terms and conditions. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Agreement, the Plan shall govern and control. All capitalized terms not defined herein shall have the meaning ascribed to them as set forth in the Plan. In connection with any relevant taxable or tax withholding event, as applicable, the Participant will pay or make adequate arrangements satisfactory to the Company and / or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and / or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to all Tax-Related Items by: (i) requiring a cash payment from the Participant; (ii) withholding from the Participant's wages or other cash compensation paid to the Participant by the Company and / or the Employer, (iii) withholding from the proceeds of the sale of Stock acquired pursuant to the Award, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent); and / or (iv) withholding from the shares of Stock subject to the Restricted Stock Units, provided, however, that if the Participant is a Section 16 officer of the Company under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), then the Participant may elect the form of withholding from the alternatives above in advance of any tax withholding event, and in the absence of the Participant's timely election, the Company will withhold in shares of Stock (other than U. S. Federal Insurance Contribution Act taxes or other Tax-Related Items that become payable in a year prior to the year in which shares of Stock are issued upon settlement of the Restricted Stock Units), or the Committee (as constituted in accordance with The Company may withhold or account for Tax-Related Items by considering statutory or other applicable withholding rates, including maximum applicable rates, in which case the Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent in Stock. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, the Participant is deemed, for tax purposes, to have been issued the full number of shares of Stock subject to the vested Restricted Stock Units, notwithstanding that a number of the shares of Stock are held back solely for the purpose of paying the Tax-Related Items.

13. Governing Law; Choice of Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware without regard to its conflict of law principles.

16. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan or the Award, or on the Restricted Stock Units and on any Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the

18. Waiver. The Participant acknowledges that a waiver by the Company of breach of any provision of the Agreement shall not operate or be construed as a waiver of any other provision of the Agreement, or of any subsequent breach by the Participant or any other Participant.

(b) Additional Payment Requirements

Applicable to Award. Restricted Stock Units that constitute non-qualified deferred compensation subject to Section 409A of the Code (“Deferred Compensation”) and are payable either (i) upon a Change in Control or (ii) termination of Service following a Change in Control, in each case, where the Change in Control does not constitute a “change in control event” within the meaning of Section 409A of the Code and U. S. Treasury Regulations, shall instead be payable on the Vesting Date set forth in Section 3. Further, Restricted Stock Units that are Deferred Compensation and are payable on, or that is by reference to, the date of the Participant’s termination of Service shall not be paid on such date unless the termination of Service constitutes a “separation from service” within the meaning of Section 409A of the Code, and if the Participant is a “specified employee” within the meaning of Section 409A of the Code on the date the Participant experiences a separation from service, then the Restricted Stock Units shall instead be paid on the first business day of the seventh month following the Participant’s separation from service, or, if earlier, on the date of the Participant’s death, to the extent such delayed payment is required in order to avoid a prohibited distribution under Section 409A of the Code. Exhibit 10.14 NON-EMPLOYEE DIRECTOR RESTRICTED STOCK UNIT AWARD AGREEMENT UNDER THE BREAD FINANCIAL HOLDINGS, INC. THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (the “Agreement”), made as of [GRANT DATE] (the “Grant Date”) by and between Bread Financial Holdings, Inc. (the “Company”) and [Name] (the “Participant”) who is a non-employee director of the Company. WHEREAS, pursuant to the Company’s 2022 Omnibus Incentive Plan (the “Plan”), the Company desires to afford the Participant the opportunity to acquire, or enlarge his or her ownership of, the Company’s common stock, \$ 0.01 par value per share (“Stock”), so that the Participant may have a direct proprietary interest in the Company’s success. WHEREAS, the Company desires to have the Participant continue to serve on the Company’s Board of Directors (“Board”) and to provide the Participant with an incentive. NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the parties hereto agree as follows: **SECTION 1. Basis Amendments to the Master Indenture. (a) The definition of “Account Interchange Amount” set forth in Annex A to the Master Indenture is hereby deleted. (b) The definition of “Collections” set forth in Annex A to the Master Indenture is hereby amended and restated in its entirety the last sentence thereof as follows: “Collections” means all payments (including Recoveries of Principal Receivables or Finance Charge Receivables and Insurance Proceeds, whether or not treated as Recoveries) received by Servicer with respect to the Receivables, including In-Store Payments, in the form of cash, checks (to the extent collected), wire transfers or other form of payment. If so specified in any Indenture Supplement, Collections shall also include any payments received by Servicer with respect to Participation Interests. Collections with respect to any Monthly Period include (i) Recoveries for Award such Monthly Period and (ii) the amounts of Interchange (if any) and Merchant Discount Fees (if any) for such Monthly Period determined in accordance with Section 5.1 (I) of the Receivables Purchase Agreement. (c) Clause (a) of the definition of “Eligible Account” set forth in Annex A to the Master Indenture is hereby amended and restated in its entirety as follows: Supplemental Indenture No. 4 to Master Indenture (a) is in existence and is serviced by the Account Originator or any Affiliate of the Account Originator and is not a commercial account; (d) The Award definition of “Eligible Institution” set forth in Annex A to the Master Indenture is hereby amended and restated in its entirety as follows: “Eligible Institution” means (a) a depository institution (which may be the Owner Trustee or the Indenture Trustee or an affiliate thereof) organized under the Plan pursuant to Section 6 laws of the United States or any one of the states (including the District of Columbia) or territories thereof or any domestic branch of a foreign bank (i) that, so long as any outstanding Series is rated by S & P, has either (A) a long-term unsecured debt rating of at least “A” by S & P or (B) a short-term issuer rating of at least “A-1” by S & P, (ii) that, so long as any outstanding Series is rated by Fitch, has either (A) a long-term unsecured debt rating of at least “A” by Fitch or (B) a short-term issuer rating of at least “F1” by Fitch, and (iii) that, so long as any outstanding Series is rated by DBRS, has either (A) a long-term unsecured debt rating of at least “BBB (high)” by DBRS or (B) a short-term issuer rating of at least “R-1 (low)” by DBRS, or (b) any other institution that satisfies the publicly published, controlling and applicable ratings criteria established by each Rating Agency. (e) Clause (b) in the definition of “Eligible Investments” set forth in Annex A to the Master Indenture is hereby amended and restated in its entirety as follows: (b) demand deposits, time deposits or certificates of deposit (having original maturities of no more than the lesser of 60 days or the number of days until the next Transfer Date) of depository institutions or trust companies incorporated under the laws of the United States of America or any state thereof, (b) or domestic branches of foreign banks) Restricted Stock Units and subject to supervision and examination by federal or state banking or depository institution authorities; provided that at the time of the Trust’s investment or contractual commitment to invest therein, such depository institution or trust company shall have a short-term issuer rating from Moody’s and S & P of P-1 and A-1, respectively, and, if rated by Fitch, such depository institution or trust company shall have a short-term issuer rating from Fitch of F1; (f) The definition of “Finance Charge Receivables” set forth in Annex A to the Master Indenture is hereby amended by inserting immediately following the last sentence thereof the following: “Except as otherwise specified in any Indenture Supplement as to the related Series, Recoveries shall be evidenced by treated as Collections of Finance Charge Receivables. The amounts of Interchange (if any) account established and maintained for the Participant, which Merchant Discount Fees (if any) allocable to any Series with respect to any Monthly Period shall be credited treated as Collections of Finance Charge Receivables with respect to such Series for such Monthly Period the number of Restricted Stock Units granted to the Participant.”** **2 Supplemental Indenture No. 4 to Master Indenture (g) The definition** By accepting this Award, the Participant acknowledges that the Company does not have an adequate remedy in damages for the breach by the Participant of “Merchant” the conditions and covenants set forth in Annex A to the Master Indenture is hereby amended and restated in its entirety as follows: “Merchant” means each merchant associated with an Approved Portfolio included on the list of Approved Portfolios delivered to the Trustee from time to time in accordance with Section 2.6 (e) of the Transfer and Servicing Agreement and any other merchant reflected in an

Assignment or associated with an Approved Portfolio. (h) The following new definitions shall be inserted in Annex A to the Master Indenture in appropriate alphabetical order: " Merchant Discount Fee " means the amount realized by RPA Seller on account of merchant fees and discounts relating to credit sales with respect to the Accounts. SECTION 2. Conditions to Effectiveness. This Supplemental Indenture shall become effective as of the latest of (the " Effective Date "), (i) February 1, 2025, (ii) receipt by each of the parties hereto of counterparts duly executed and delivered by each of the parties hereto and (iii) satisfaction of each of the conditions precedent described in Section 10. 2 of the Master Indenture, and thereafter shall be binding on the parties hereto and their respective successors and assigns. SECTION 3. Effect of Amendment; Ratification. (a) On and after the Effective Date, this Supplemental Indenture shall be a part of the Master Indenture and each reference in the Master Indenture to " this Agreement after the execution and delivery hereof, this Amendment shall be a part of the Indenture Supplement and each reference in the Indenture Supplement to " this Indenture Supplement " or " hereof ", " hereunder " or words of like import, and each reference in any other Transaction Document to the Master Indenture Supplement shall mean and be a reference to the Master Indenture Supplement as amended hereby. (b) Except as expressly amended hereby, the Master Indenture shall remain in full force and effect and is hereby ratified and confirmed by the parties hereto. SECTION 4. Miscellaneous Governing Law . (a) THIS AMENDMENT SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW LAWS PROVISIONS (OTHER THAN SECTION 5- 1401 OF THE GENERAL OBLIGATIONS LAW), AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS. SECTION 5 EACH OF THE PARTIES TO THIS AMENDMENT HEREBY AGREES TO THE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND ANY APPELLATE COURT HAVING JURISDICTION TO REVIEW THE JUDGMENTS THEREOF. (e) Section Headings. Headings used herein are for convenience of reference only and shall not affect the meaning of this Supplemental Indenture. 3 Supplemental Indenture No. 4 to Master Indenture SECTION 6. Counterparts. This Amendment Supplemental Indenture may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Amendment Supplemental Indenture by signing any such counterpart. Delivery by facsimile or electronic transmission of an executed and - an executed signature page of this Supplemental Indenture shall be effective as delivery of an executed counterpart hereof. Each party agrees that this Supplemental Indenture may be electronically signed, and that any electronic signatures appearing on this Supplemental Indenture are the Company same as handwritten signatures for the purposes of validity, enforceability, and admissibility. SECTION 7. Limitation of Liability. It is expressly understood entitled to and may obtain an and agreed order or a decree of specific performance against the Participant issued by any court having jurisdiction. (e) Except as provided in the parties Plan or this Agreement, in the event of a Participant's termination of service (as provided in Section 5 of this Agreement) prior to vesting (as provided in Section 3 of this Agreement), the Restricted Stock Units will be forfeited by the Participant and all of the Participant's rights to Stock or cash underlying the Award shall immediately terminate without any payment or consideration by the Company. (d) Dividend Equivalent Rights. If the Company pays any cash dividend on its outstanding Stock for which the record date occurs after the Grant Date, the Committee will credit the Participant's account as of the dividend payment date in an amount equal to the cash dividend paid on one share of Stock multiplied by the number of Restricted Stock Units under this Agreement that (a) this Agreement has been executed and delivered by Citicorp BNY Mellon Trust of Delaware, National Association, not in its individually - individual capacity or personally, but solely in its capacity as Owner Trustee, in the exercise of the powers and authority conferred and vested in it, pursuant to the Trust Agreement, (b) each of the representations, undertakings and agreements herein made on the part of the Issuer Trust is made and intended not as personal representations, undertakings and agreements by Citicorp BNY Mellon Trust of Delaware, National Association but is made and intended for the purpose for of binding only the Issuer Trust, (c) nothing herein contained shall be construed as creating any liability on Citicorp BNY Mellon Trust of Delaware, National Association, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any person claiming by, through or under the parties hereto, (d) Citicorp BNY Mellon Trust of Delaware, National Association has made no investigation as to the accuracy or completeness of any representations and warranties made by the Trust Issuer or any other party in this Amendment Agreement, and (e) under in no event shall BNY Mellon Trust of Delaware in its individual capacity have not been settled any liability for the payment of any indebtedness or expenses of the Trust or be liable in respect of the representations, warranties, or obligations of the Trust hereunder or under any other document, as to all of that record date which recourse shall be had solely to the assets of the Trust, and for all purposes of this Agreement and each other document, the Owner Trustee (as " Dividend Equivalents "). Such such Dividend Equivalents will or in its individual capacity) shall be subject to, and entitled to the benefits vesting requirements of Section 3, the terms and provisions of this the Trust Agreement below, and no Dividend Equivalents will vest or be paid to the Participant unless and until the corresponding Restricted Stock Unit vests and is settled. (e) SECTION 8. Rights as Stockholder of the Indenture Trustee . The Participant Indenture Trustee shall have no herein the same rights, protections, indemnities and immunities as specified in the Master Indenture, and shall not be responsible for the validity or sufficiency of this Supplemental Indenture, nor for the recitals contained herein. [Signature Page Follows] 4 Supplemental Indenture No. 4 to Master Indenture IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be executed by their respective officers thereunto duly authorized, as of the date first above written. U. S. BANK NATIONAL ASSOCIATION, as Indenture By: / s / Mark Esposito Name: Mark Esposito Title: Vice President S- 1 Supplemental Indenture No. 4 to Master Indenture Exhibit 10. 107 AMENDMENT NO. 1 TO THIS AMENDMENT NO. 1 TO RECEIVABLES PURCHASE AGREEMENT, dated as of December 20, 2024 (this "

Amendment”), is between Comenity Capital Bank, a Utah industrial bank, as seller (the “RPA Seller”), and Comenity Capital Credit Company, LLC, a Delaware limited liability company, as purchaser (the “Purchaser”). WHEREAS, the RPA Seller and the Purchaser are parties to a receivables purchase agreement, dated as of June 17, 2022 (the “Receivables Purchase Agreement”), between the RPA Seller and the Purchaser; RPA Seller hereby transfers, assigns, sets over and otherwise conveys to Purchaser without recourse (except as expressly provided herein), and Purchaser purchases and / or accepts as a stockholder capital contribution, as applicable, from RPA Seller, all of RPA Seller’s right, title and interest in and to the Receivables existing as of the close of business on the Addition Cut Off Date, with respect to Supplemental Accounts, or the Addition Date, with respect to Automatic Additional Accounts, as applicable, and thereafter arising from time to time in the Accounts and all Related Assets with respect thereto, including Interchange (if any Restricted Stock Unit until) and Merchant Discount Fees (if any) allocated to the Accounts in accordance with Section 5.1 (l) from time to time; provided, however, that Principal Receivables originated after the occurrence of an Insolvency Event with respect to RPA Seller shall not be conveyed hereunder. Amendment No. 1 to Receivables Purchase Agreement (i) On or prior to each Determination Date, RPA Seller shall notify the Servicer of the amounts of Interchange and Merchant Discount Fees attributable to the Accounts or for the related Monthly Period, which amounts shall be equal to the product of: (A) The total amount of Interchange or Merchant Discount Fees, as applicable, paid to RPA Seller during the preceding Monthly Period; and (B) A fraction the numerator of which is the volume during the preceding Monthly Period of sales net of cash advances with respect to all Accounts and the denominator of which is the amount of sales net of cash advances during such Monthly Period with respect to all such accounts owned by RPA Seller in Approved Portfolios; (ii) On each Transfer Date, RPA Seller shall pay to the Servicer the amounts of Interchange and Merchant Discount Fees for the related Monthly Period determined pursuant to clause (i) above and such amounts shall be treated as Collections of Finance Charge Receivables for the related Monthly Period. 2 Amendment No. 1 to Receivables Purchase Agreement (a) This Amendment shall become effective, as of the date first set forth above (the “Effective Date”), when counterparts hereof shall have been executed become the holder of record of such Stock, and delivered by except as otherwise provided in this Agreement or the Plan parties hereto, no adjustment and thereafter shall be made for dividends or distributions or binding on the parties hereto and other- their rights for which the record-respective successors and assigns. 3 Amendment No. 1 to Receivables Purchase Agreement COMENITY CAPITAL CREDIT COMPANY, LLC, S-1 Amendment No. 1 to Receivables Purchase Agreement Exhibit 10. 109 TRANSFER AGREEMENT THIS AMENDMENT NO. 1 TO TRANSFER AGREEMENT, date dated as of December 20, 2024 (this “Amendment”), is prior to between Comenity Capital Credit Company, LLC, as transferor (the “Transferor”), and Comenity Capital Asset Securitization Trust, as issuer (the “Issuer”). WHEREAS, the Transferor and the Issuer are parties to a transfer agreement, date dated as upon which the Participant shall become the holder of June 17 record thereof. 3. Vesting. Subject to Sections 2, 5 and 7 of this 2022 (the “Transfer Agreement”); WHEREAS, the parties hereto desire to amend the Transfer Agreement as set forth herein; and SECTION 1. Definitions. Capitalized terms defined in the Transfer Agreement and used but not otherwise defined herein have the meanings given to the them in restrictions thereon will lapse and Award will vest upon the first anniversary of Transfer Agreement. Amendment No. 1 to Transfer Agreement (b) The Transfer Agreement, as amended hereby, remains in full force and effect. Any reference to the Grant-Transfer Agreement from and after the Effective Date, subject to the Participant’s continued service through such date. 4. Settlement. Except as otherwise provided pursuant to an election made by the Participant to defer settlement of the Restricted Stock Units and Dividend Equivalents that vest pursuant to this Award, as soon as practicable after the Award vests and consistent with Section 409A of the Code, payment shall be made in Stock and cash in the amount of any Dividend Equivalents credited to the Participant’s account with respect to such shares of Stock. The Committee shall cause the Stock to be electronically delivered to the Participant’s electronic account with respect to such Stock free of all restrictions. Pursuant to Section 10, any cash and / or the number of shares of Stock delivered shall be net of cash and / or the number of shares of Stock withheld for satisfaction of Tax-Related Items (as defined below), if applicable. 5. Forfeiture for Early Termination of Service. If the Participant terminates his or her service for any reason prior to the first anniversary of the Grant Date, the Award will be forfeited upon such termination. 6. Participant. Whenever the word “Participant” is used in any provision of this Agreement under circumstances where the provision should logically be construed to apply to the beneficiaries, the executors, the administrators, or the person or persons to whom the Restricted Stock Units and Dividend Equivalents may be transferred by will or by the laws of descent and distribution, the word “Participant” shall be deemed to refer to the Transfer Agreement as amended hereby, unless otherwise expressly stated. (c) Except as expressly amended hereby, the Transfer Agreement shall remain in full force and effect and is hereby ratified and confirmed by the parties hereto. 2 Amendment No. 1 to Transfer Agreement (d) It is expressly understood and agreed by the parties that (a) this Amendment is executed and delivered by BNY Mellon Trust of Delaware, not individually or personally, but solely as Owner Trustee of the Issuer, in the exercise of the powers and authority conferred and vested in it pursuant to the Trust Agreement, (b) each of the representations, warranties, covenants, undertakings and agreements herein made on the part of the Issuer is made and intended not as personal representations, warranties, covenants undertakings and agreements by BNY Mellon Trust of Delaware, but is made and intended for the purpose of binding only the Issuer, as the case may be, (c) nothing herein contained shall be construed as creating any liability on BNY Mellon Trust of Delaware, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any person claiming by, through or under the parties hereto, (d) BNY Mellon Trust of Delaware has made no investigation as to the accuracy or completeness of any representations or warranties made by the Owner Trustee or the Issuer in this Amendment and (e) under no circumstances shall BNY Mellon Trust of Delaware, be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of

any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Amendment or under the Notes or any of the other Transaction Documents or in any of the certificates, notices or agreements delivered pursuant thereto, as to all of which recourse shall be had solely to the assets of the Issuer, and for all purposes of this Amendment and each other document, the Owner Trustee (as such or in its individual capacity) shall be subject to, and entitled to the benefits of, the terms and provisions of the Trust Agreement. 3Amendment No. 1 to Transfer Agreement COMENITY CAPITAL ASSET SECURITIZATION S- 1Amendment No. 1 to Transfer Agreement Exhibit 10. 112 SUPPLEMENTAL INDENTURE NO. 1 TO MASTER INDENTURE This SUPPLEMENTAL INDENTURE NO. 1 TO MASTER INDENTURE, dated as of December 20, 2024 (this "Supplemental Indenture") is made between the Comenity Capital Asset Securitization Trust, as Issuer (the "Issuer"), and U. S. Bank Trust Company, National Association, as Indenture Trustee (the "Indenture Trustee"), to the Master Indenture, dated as of June 17, 2022 (the "Master Indenture"). Capitalized terms used and not otherwise defined in this Supplemental Indenture are used as defined in the Master Indenture. "Collections with respect to any Monthly Period shall include the amounts of Interchange (if any) and Merchant Discount Fees (if any) for such person or persons Monthly Period determined in accordance with Section 5. 7-1 (l) of the Receivables Purchase Agreement. Adjustments;" (c) The definition of "Eligible Institution" set forth in Annex A to the Master Indenture is hereby amended and restated in its entirety as follows: Supplemental Indenture No. 1 to Master Indenture (d) Clause (b) in the definition of "Eligible Investments" set forth in Annex A to the Master Indenture is hereby amended and restated in its entirety as follows: (e) The definition of "Finance Charge Charge Receivables" set forth in Control. Annex A to the Master Indenture is hereby amended and restated in its entirety as follows: "Finance Charge Receivables" means, with respect to any Monthly Period, the sum of (a) ~~In all amounts billed to the~~ Obligor on event that the Committee determines that any dividend or Account in respect of Periodic Finance Charges, (b) Discount Option Receivables and (c) Late Fees, cash advance fees, foreign transaction fees, return check fees and any other fees distribution (whether in the form of cash, Stock or other property), recapitalization, forward or reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase or exchange of Stock or other securities, liquidation, dissolution, or other similar corporate transaction or event, affects the Stock such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of Participants under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of the number and kind of shares that may be charged issued in respect of Restricted Stock Units. In addition, the Committee is authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, events described in the preceding sentence) affecting the Company or any Affiliate or the financial statements of the Company or any Affiliate or in response to changes in applicable laws, regulations, or accounting principles. (b) In connection with a Change in Control, the Committee may, in its sole discretion, accelerate the vesting and /or the lapse of restrictions with respect to any Account, to the Award. If extent that Servicer designates such fees to be treated as Finance Charge Receivables in an Officer's Certificate delivered to the Award Indenture Trustee. The amounts of Interchange (if any) and Merchant Discount Fees (if any) allocable to any Series with respect to any Monthly Period shall be treated as Collections of Finance Charge Receivables with respect to such Series for such Monthly Period. (f) The definition of "Merchant" set forth in Annex A to the Master Indenture is hereby amended and restated in its entirety as follows: "Merchant" means each merchant associated with an Approved Portfolio designated in accordance with Section 2. 6 (e) of the Transfer Agreement and any other merchant reflected in an Assignment or associated with an Approved Portfolio. 2Supplemental Indenture No. 1 to Master Indenture (g) The following new definitions shall be inserted in Annex A to the Master Indenture in appropriate alphabetical order: "Late Fees" means the fees specified in the Account Agreement applicable to each Account for late fees with respect to such Account. SECTION 2. Conditions to Effectiveness. This Supplemental Indenture shall become effective, as of the date hereof (the "Effective Date"), upon (i) receipt by each of the parties hereto of counterparts duly executed and delivered by each of the parties hereto and (ii) satisfaction of each of the conditions precedent described in Section 10. 2 of the Master Indenture, and thereafter shall be binding on the parties hereto and their respective successors and assigns. SECTION 5. Section Headings. Headings used herein are for convenience of reference only and shall not assumed affect the meaning of this Supplemental Indenture. SECTION 6. Counterparts. This Supplemental Indenture may be executed in any number of counterparts, substituted all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Amendment Supplemental Indenture by signing any such counterpart. Delivery by facsimile or electronic transmission of an executed signature page of this Amendment Supplemental Indenture shall be effective as delivery of an executed counterpart hereof. Each party agrees that this Amendment Supplemental Indenture may be electronically signed, and that any electronic signatures 3Supplemental Indenture No appearing on this Amendment are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility. 5-1 to Master Indenture SECTION 7. Limitation on of Liability. It is expressly understood and agreed by the parties that (a) this document Supplemental Indenture is executed and delivered by Citicorp BNY Mellon Trust of Delaware National Association, not individually or personally, but solely as Owner Trustee of the Issuer, in the exercise of the powers and authority conferred and vested in it, pursuant to the Trust Agreement, (b) each of the representations, warranties, covenants, undertakings and agreements herein made on the part of the Issuer is made and intended not as personal representations, warranties, covenants undertakings and agreements by Citicorp BNY Mellon Trust of Delaware, National Association but is made and intended for an award the purpose of equal value binding only the Issuer, or otherwise as the case may be, (c) nothing herein continued contained after a Change in Control, the Award shall automatically vest prior be construed as creating any liability on BNY Mellon Trust of Delaware, individually or personally, to the Change in Control at a time designated perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the Committee. Timing of parties hereto and by any person claiming by, through or under the parties hereto,

(d) BNY Mellon Trust of Delaware has made no investigation as to the accuracy or completeness of any representations or warranties made by the Owner Trustee or the Issuer in this Supplemental Indenture and (e) under no circumstances shall BNY Mellon Trust of Delaware, be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable or for delivery the breach or failure of shares of Stock any obligation, representation, warranty or covenant made or undertaken by the Issuer under this provision Supplemental Indenture or under the Notes or any of the other Transaction Documents or in any of the certificates, notices or agreements delivered pursuant thereto, as to all of which recourse shall be had solely to the assets of the Issuer, and for all purposes of this Supplemental Indenture and each other document, the Owner Trustee (as such or in its individual capacity) shall be subject to Section 409A of, and entitled to the benefits Code. 8. Compliance with Law. Notwithstanding any of, the terms and provisions in this of the Trust Agreement or in the Plan, the Company will not be obligated to issue or deliver any Stock to the Participant hereunder, if the exercise thereof or the issuance or delivery of such Stock shall constitute a violation by the Participant or the Company of any provisions of any law or regulation of any governmental authority. 4 Supplemental Indenture No Any determination in this connection by the Committee shall be final, binding and conclusive. 1 The Company shall in no event be obliged to Master Indenture register any securities pursuant to the U. S. Securities Act of 1933 (BANK TRUST COMPANY, NATIONAL ASSOCIATION, as now in effect or Indenture Trustee Name: Mark Esposito Title: Vice President SECURITIZATION TRUST, as Issuer hereafter amended) or to take any other affirmative action in order to cause the issuance or delivery of Stock pursuant thereto to comply with any law or regulation of any governmental authority. 9. Representations and Warranties of Participant. The Participant represents and warrants to the Company that: (a) Agrees to Terms of the Plan. The Participant has received a copy of the Plan and has read and understands the terms of the Plan and this Agreement, and agrees to be bound by their terms and conditions. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Agreement, the Plan shall govern and control. All capitalized terms not defined herein shall have the meaning ascribed to them as set forth in the Plan. (b) Cooperation. The Participant agrees to sign such additional documentation as may reasonably be required from time to time by the Company. (c) No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Stock. The Participant should consult with the Participant's own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan or this Award. 10. Responsibility for Taxes. The Participant acknowledges that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items") is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company. The Participant further acknowledges that the Company (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the grant, vesting or settlement of the Award, the subsequent sale of shares of Stock acquired pursuant to the Award and the receipt of any Dividend Equivalents; and (b) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the Award to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Furthermore, if the Participant has become subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction. In connection with any relevant taxable or tax withholding event, as applicable, the Participant will pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company or its respective agents, at their discretion, to satisfy their withholding obligations with regard to all Tax-Related Items by: (i) requiring a cash payment from the Participant; (ii) withholding from the Participant's wages or other cash compensation paid to the Participant by the Company, (iii) withholding from the proceeds of the sale of Stock acquired pursuant to the Award, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent); and / or (iv) withholding from the shares of Stock subject to the Restricted Stock Units, provided, however, that if the Participant is a Section 16 officer of the Company under the Securities Exchange Act of 1934, as amended ("Exchange Act"), then the Participant may elect the form of withholding from the alternatives above in advance of any tax withholding event, and in the absence of the Participant's timely election, the Company will withhold in shares of Stock, or the Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) may determine that a particular method be used to satisfy any withholding obligations for Tax-Related Items. The Company may withhold or account for Tax-Related Items by considering statutory or other applicable withholding rates, including maximum applicable rates, in which case the Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent in Stock. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, the Participant is deemed, for tax purposes, to have been issued the full number of shares of Stock subject to the vested Restricted Stock Units, notwithstanding that a number of the shares of Stock are held back solely for the purpose of paying the Tax-Related Items. 11. Notice. Every notice or other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; provided, that, unless and until some other address be so designated, all notices or communications by the Participant to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to the Participant may be given to the Participant personally or may be mailed to Participant's address as recorded in the records of the Company. 12. Governing Law; Choice of Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware without regard to its conflict of law principles. For purposes of litigating any dispute that arises under this grant or the Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Texas, agree that such litigation shall be conducted in the courts of Collin County, 13. Electronic Transmission and

Participation. The Company reserves the right to deliver any notice or Award by email in accordance with its policy or practice for electronic transmission and any written Award or notice referred to herein or under the Plan may be given in accordance with such electronic transmission policy or practice. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or any third party designated by the Company. 14. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan, or the Award, or on the Restricted Stock Units and on any Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. 15. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable. 16. Waiver. The Participant acknowledges that a waiver by the Company of breach of any provision of the Agreement shall not operate or be construed as a waiver of any other provision of the Agreement, or of any subsequent breach by the Participant or any other Participant. 17. Section 409A. Notwithstanding any other provision of the Plan or this Agreement, this Section 17 shall apply if the Participant is subject to taxation under the laws of the United States. It is intended that the Restricted Stock Units shall qualify for exemption from the application of, or comply with, Section 409A of the Code, and any ambiguities herein will be interpreted with this intention. The Committee reserves the right (but shall not be obligated), to the extent the Committee deems necessary or advisable in its sole discretion, to unilaterally amend or modify this Agreement as may be necessary to ensure that the Restricted Stock Units qualify for exemption from, or comply with Section 409A of the Code or to mitigate any additional taxes, interest, penalties or other adverse tax consequences that may apply under Section 409A of the Code if compliance is not practical; provided, however, that the compensation payable under this Agreement will be exempt from or compliant with Section 409A of the Code and does not guarantee that the compensation payable hereunder will not be subject to any taxes, interest, penalties or other adverse tax consequences under Section 409A of the Code. Nothing in this Agreement shall provide a basis for any person to take any action against the Company or any Affiliate based on matters covered by Section 409A of the Code, including the tax treatment of any amounts paid under this Agreement. By:

BNY Mellon Trust of Delaware, not in its individual capacity, but solely as Owner Trustee By: / s /
Dawn Plows Name: Dawn Plows Title: Associate S- 1 Supplemental Indenture No. 1 to Master Indenture Exhibit 10. 127
~~NINTH-124 ELEVENTH~~ AMENDMENT TO FOURTH AMENDED AND RESTATED SERIES 2009- VFN INDENTURE SUPPLEMENT This ~~NINTH-124 ELEVENTH~~ AMENDMENT TO FOURTH AMENDED AND RESTATED SERIES 2009- VFN INDENTURE SUPPLEMENT, dated as of ~~February 1~~ **April 26, 2023-2024** (this " Amendment "), is made between World Financial Network Credit Card Master Note Trust, as Issuer (the " Issuer "), and U. S. Bank National Association, as successor in interest to MUFG Union Bank, N. A and other predecessor parties, as Indenture Trustee (in such capacity, the " Indenture Trustee ") under the Master Indenture, dated as of August 1, 2001 (as further amended from time to time prior to the date hereof, the " Master Indenture "), between the Issuer and the Indenture Trustee, to the Fourth Amended and Restated Series 2009- VFN Indenture Supplement, dated as of February 28, 2014 (as further amended from time to time prior to the date hereof, the " Indenture Supplement " and together with the Master Indenture, the " Indenture "), between the Issuer and the Indenture Trustee, and acknowledged and accepted by all of the Class A Noteholders and WFN Credit Company, LLC, as Transferor and as sole Class M Noteholder, Class B Noteholder and Class C Noteholder. Capitalized terms used and not otherwise defined in this Amendment are used as defined in the Indenture. Background A. The Issuer and the Indenture Trustee have previously entered into the Indenture Supplement to create and designate a Series of Notes. B. The Issuer and the Indenture Trustee wish to amend such Indenture Supplement, as set out in this Amendment. **C. Pursuant to Section 10. 2 of the Master Indenture, all of the Series 2009- VFN Noteholders have consented to this Amendment.** 1. Amendments to the Indenture Supplement. (a) Section 2. 1 (a) of the Indenture Supplement is hereby amended as follows: (i) the following definition is inserted in appropriate alphabetical order: " Fitch " means Fitch Ratings, Inc. or any successor that is a nationally recognized statistical rating organization; (ii) the definition of " Rating Agency " is amended and restated in its entirety as follows: " Rating Agency " means each of Fitch and DBRS. (iii) the definition of " Rating Agency Condition " is amended and restated in its entirety as follows: " Rating Agency Condition " means, notwithstanding anything to the contrary in the Indenture, at any time and with respect to Series 2009- VFN and any action subject to such condition, (i) with respect to any Class of Series 2009- VFN Notes that is then rated by DBRS, DBRS shall have notified the Issuer in writing that such action will not result in a reduction or withdrawal of its rating of such Class and (ii) with respect to any Class of Series 2009- VFN Notes that is then rated by one or more other Rating Agencies, ten (10) days' prior written notice (or, if ten (10) days' advance notice is impracticable, as much advance notice as is practicable) shall have been given to each such Rating Agency, electronically or otherwise, in the manner set forth in Section 9. 3 and no such Rating Agency shall have issued written notice that such action will itself cause such Rating Agency to downgrade, qualify or withdraw its rating assigned to such Class of Notes. (b) Section 9. 3 of the Indenture Supplement is hereby amended by inserting the following **definitions therein in appropriate alphabetical order: " Investor Merchant Fee Allocation Percentage " means, with respect to any Monthly Period, the Allocation Percentage for such Monthly Period with respect to Finance Charge Receivables (or, if a Reset Date occurs during such Monthly Period, the average such Allocation Percentage for such Monthly Period determined as elause the quotient of the summation of the Allocation Percentages with respect to Finance Charge Receivables for all days during such Monthly Period, divided by the number of days in such Monthly Period). " Investor Merchant Fee Amount " means, with respect to any Monthly Period, an amount equal to the product of (a) the amount of Merchant Discount Fees attributed to the Accounts for such Monthly Period pursuant to Section 5. 1 (l) of the Receivables Purchase Agreement and (b) and renumbering existing clauses the Investor Merchant Fee Allocation Percentage for such Monthly Period. (b) and (e) Section 5. 1 of the Indenture Supplement is hereby amended by inserting** as elauses a new subsection **(e f) the following and (d): "**

Allocations of Merchant Discount Fees. Notwithstanding anything to the contrary in Section 5.1 (b) of this Indenture Supplement or in the Indenture, Merchant Discount Fees for each Monthly Period equal to Fitch the Investor Merchant Fee Amount shall be allocated to the Series 2009- VFN Noteholders, and shall be deposited into the Finance Charge Account not later 12 : Fitch Ratings, Inc., 300- 00 noon West 57th Street, New York City time, New York 10019 and notifications on the Transfer Date following the related Monthly Period. ” (c) Section 7.1 (h) of the Indenture Supplement is hereby amended and restated in its entirety abs- as @ fitchratings follows: “ as of any Determination Date, the Quarterly Payment Rate Percentage is less than 10 %; ” (d) Subsection (k) of Section 7.1 of the Indenture Supplement is hereby amended by replacing the period at the end of such subsection with a semicolon. (e) The portion of the first paragraph of Section 7.1 of the Indenture Supplement that immediately follows subsection (k) of such Section is hereby amended and restated in its entirety as follows: “ then, in the case of any event described in subsections 7.1 (a), (b), (e), (i) or (j) of this Indenture Supplement, after the applicable grace period set forth in such Sections, either (i) Indenture Trustee or (ii) the Majority Noteholders by notice then given in writing to Transferor and Servicer (and to the Indenture Trustee if given by the Holders) may declare that an early amortization event (a “ Early Amortization Event ”) has occurred as of the date of such notice, and in the case of any event described in subsections 7.1 (c), (d), (f), (g), (h) or (k) of this Indenture Supplement, an Early Amortization Event shall occur without any notice or other action on the part of Indenture Trustee or the Series 2009- VFN Noteholders immediately upon the occurrence of such event. ” 2 .

Consent. By its execution hereof, the Transferor, as sole Class M Noteholder, Class B Noteholder and Class C Noteholder, hereby consents to this Amendment. 3 . Conditions to Effectiveness; Binding Effect; Ratification. (a) This Amendment shall become effective ~~when~~ **upon the later of (the “ Effective Date ”) (i) May 1, 2024 and (ii) (A)** counterparts hereof shall have been executed and delivered by the parties hereto and ~~(ii) (B)~~ each of the conditions precedent described in Section 10.2, Section 10.3 and Section 12.1 of the Master Indenture has been satisfied, and thereafter shall be binding on the parties hereto and their respective successors and assigns. (b) On and after the **Effective Date** execution and delivery hereof, this Amendment shall be a part of the Indenture Supplement and each reference in the Indenture Supplement to “ this Indenture Supplement ” or “ hereof ”, “ hereunder ” or words of like import, and each reference in any other Transaction Document to the Indenture Supplement shall mean and be a reference to the Indenture Supplement as amended hereby. (c) Except as expressly amended hereby, the Indenture Supplement shall remain full force and effect and is hereby ratified and confirmed by the parties hereto. 3-4.

4. Miscellaneous. (a) THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTION 5- 1401 OF THE GENERAL OBLIGATIONS LAW), AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS. EACH OF THE PARTIES TO THIS AMENDMENT HEREBY AGREES TO THE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND ANY APPELLATE COURT HAVING JURISDICTION TO REVIEW THE JUDGMENTS THEREOF. EACH OF THE PARTIES HEREBY WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER IN ANY OF THE AFOREMENTIONED COURTS AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. (b) Headings used herein are for convenience of reference only and shall not affect the meaning of this Amendment. (c) This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Amendment by signing any such counterpart. Delivery by facsimile or electronic transmission of an executed signature page of this Amendment shall be effective as delivery of an executed counterpart hereof. Each party agrees that this Amendment may be electronically signed, and that any electronic signatures appearing on this Amendment are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility. (d) The Indenture Trustee shall not be responsible for the validity or sufficiency of this Amendment nor for the recitals herein. (e) Indenture Trustee and Issuer acknowledge that, with reference to Section 10.2 of the Master Indenture, the Issuer will have provided or caused to be provided to the Noteholders executed copies of this Amendment on or prior to the date hereof. 4-5.

5. Limitation on Liability. It is expressly understood and agreed by the parties that (a) this document is executed and delivered by Citicorp Trust Delaware, National Association, not individually or personally, but solely as Owner Trustee, in the exercise of the powers and authority conferred and vested in it, pursuant to the Trust Agreement, (b) each of the representations, undertakings and agreements herein made on the part of the Issuer is made and intended not as personal representations, undertakings and agreements by Citicorp Trust Delaware, National Association but is made and intended for the purpose for binding only the Issuer, (c) nothing herein contained shall be construed as creating any liability on Citicorp Trust Delaware, National Association, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any person claiming by, through or under the parties hereto, (d) Citicorp Trust Delaware, National Association has made no investigation as to the accuracy or completeness of any representations and warranties made by the Issuer or any other party in this Amendment and (e) under no circumstances shall Citicorp Trust Delaware, National Association be personally liable for the payment of any indebtedness or expenses of the Issuer or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Amendment or any other related documents. ~~[REMAINDER OF PAGE INTENTIONALLY BLANK.]~~ IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written. WORLD FINANCIAL NETWORK CREDIT CARD MASTER NOTE TRUST, as Issuer By: Citicorp Trust Delaware, National Association, not in its individual capacity, but solely as Owner **Trustee** By: / s / **Dale Murphy** ~~David A. Brown~~ Name: **Dale Murphy** ~~David A. Brown~~ Title: **Senior VP and Trust Officer** ~~U. S. Bank National Association, as Indenture Trustee~~ By: / s / Mark Esposito Name: Mark Esposito Title: Vice President

Acknowledged and Accepted: COMENITY BANK, as Servicer-By: / s / Tom McGuire Name: Tom McGuire Title: Chief Financial Officer WFN CREDIT COMPANY, LLC as Transferor, sole Class M Noteholder, Class B..... s / Tom McGuire as Transferor, as sole Class M Noteholder, By: / s / Wai Chung Name: Wai Chung Title: Treasurer S- 11th-11th Amendment to the 2009- VFN Indenture Supplement Exhibit 10. 137 THRD-130 WORLD FINANCIAL CAPITAL MASTER NOTE TRUST SIXTH AMENDMENT- AMENDED TO FIFTH AND RESTATED Dated as of December 12, 2024 SIXTH AMENDED AND RESTATED SERIES 2009- VFN INDENTURE SUPPLEMENT This THIRD AMENDMENT TO FIFTH AMENDED AND RESTATED SERIES 2009- VFN INDENTURE SUPPLEMENT, dated as of April 25 December 12, 2023-2024 (the “ Indenture Supplement ”), between COMENITY WORLD FINANCIAL CAPITAL ASSET SECURITIZATION MASTER NOTE TRUST, a trust organized and existing under the laws of the State of Delaware (herein, the “ Issuer ” or the “ Trust ”), and U.S.BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, not in its individual capacity, but solely as indenture trustee (herein, together with its successors in the trusts thereunder as provided in the Indenture referred to below, the “ Indenture Trustee ”) under the Master Indenture, dated as of June 17 September 29, 2022-2008 (the “ Indenture ”), between the Issuer and the Indenture Trustee (the Indenture, together with this Indenture Supplement, the “ Amendment Agreement ”). WHEREAS, the parties hereto are party to the Fifth Amended and Restated Series 2009- VFN Indenture Supplement, dated as of November 1, 2016 (as amended to date, the “ Existing Indenture Supplement ”). NOW, THEREFORE, in consideration of the mutual agreements contained herein, the Existing Indenture Supplement is made between hereby amended and restated in its entirety as follows and each party agrees as follows for the benefit of the other party and the Series 2009- VFN Noteholders: The Principal Terms of this Series, issued pursuant to Section 2. 11 of the Indenture, are set forth in this Indenture Supplement to the Indenture. ARTICLE I. Creation of the Series 2009- VFN Notes Section 1. 1 Designation. (a) Pursuant to the Indenture and the Existing Indenture Supplement a Series of Notes was issued known as “ World Financial Capital Master Note Trust, a Delaware statutory trust, as issuer..... by that certain Fifth Amended and Restated Series 2009- VFN ” Indenture Supplement, dated as of November 1, 2016, between the Issuer and the Indenture Trustee (as amended, restated or otherwise modified from time to time, the “ Indenture Supplement ”). A. The parties hereto have entered into the Master Indenture and the Indenture Supplement. B. The parties hereto wish to amend the Indenture Supplement as set forth in this Amendment. C. In accordance with Section 10. 2 of the Master Indenture, all Holders of the outstanding Notes issued under the Indenture Supplement have consented to this Amendment. 1. Amendment of the Indenture Supplement. (a) Section 2. 1 of the Indenture Supplement is hereby amended by modifying the definition of “ Allocation Percentage ” by (i) deleting the phrase “ and Default Amounts ” where it appears in clause (a) (i) thereof and (ii) replacing the phrase “ Finance Charge Collections, Principal Collections or Default Amounts ” where it appears in clause (b) thereof with the phrase “ Finance Charge Collections or Principal Collections ”. (b) Section 2. 1 of the Indenture Supplement is hereby amended by amending and restating the definition of “ Investor Default Amount ” in its entirety to read as follows: “ Investor Default Amount ” means, with respect to any Defaulted Account, an amount equal to the product of (a) the Default Amount and (b) the Investor Default Allocation Percentage for the Monthly Period in which such Account became a Defaulted Account. Amendment to Series 2009 VFN Indenture Supplement (c) Section 2. 1 of the Indenture Supplement is hereby amended by inserting the following definitions in appropriate alphabetical order: “ Investor Default Allocation Percentage ” means, with respect to any Monthly Period, the percentage equivalent of a fraction: (i) the numerator of which shall be equal to the Weighted Average Collateral Amount for such Monthly Period; and (ii) the denominator of which shall be equal to the Weighted Average Allocation Percentage Denominator for such Monthly Period. “ Weighted Average Allocation Percentage Denominator ” means, for any Monthly Period, the quotient of (a) the summation of the amount determined in accordance with paragraph (b) of the definition of “ Allocation Percentage ” set forth in this Section 2. 1 (including the proviso thereto) as of each day in that Monthly Period, divided by (b) the number of days in that Monthly Period. (d) Section 2. 1 of the Indenture Supplement is hereby amended as follows: (i) the definition of “ Designated LIBOR Page ” is deleted in its entirety; (ii) the definition of “ Designated Maturity ” is deleted in its entirety; (iii) the definition of “ LIBOR ” is deleted in its entirety; (iv) the definition of “ LIBOR Determination Date ” is deleted in its entirety; (v) the definition of “ London Business Day ” is deleted in its entirety; and (vi) the definition of “ Reference Banks ” is deleted in its entirety. (e) The first sentence of Section 5. 2 (e) of the Indenture Supplement is hereby amended by replacing the word “ LIBOR ” with “ the Benchmark (as defined in the Class A Note Purchase Agreement) ”. (f) Section 5. 12 of the Indenture Supplement is hereby deleted in its entirety. (g) The following clause (h) shall be added to the end of Section 9. 8 of the Indenture Supplement: “ (h) Notwithstanding anything to the contrary set forth in this Indenture Supplement or in any other Transaction Document, if the Indenture Trustee is acting as successor Servicer pursuant to Section 5. 5 of the Transfer and Servicing Agreement, it shall have no duty as successor Servicer or as Indenture Trustee to (i) monitor or determine whether a substitute index should or could be selected with respect to any Receivable, (ii) determine any substitute index with respect to any 2 Amendment to Series 2009 - VFN Indenture Supplement Receivable, or (iii)..... or the “ Series 2023- VFN1 Notes. ” The Series 2023-2009 - VFN1- VFN Notes were shall be issued in one four Class Classes, known as the “ Class A Series 2023-2009 - VFN1- VFN Floating Rate Asset Backed Notes -, ” the “ Class M Series 2009- VFN Asset Backed Notes, ” the “ Class B Series 2009- VFN Asset Backed Notes ” and the “ Class C Series 2009- VFN Asset Backed Notes ” (together with the Class M Series 2009- VFN Asset Backed Notes and the Class B Series 2009- VFN Asset Backed Notes, the “ Subordinated Series 2009- VFN Asset Backed Notes ”). As of the Sixth Amendment and Restatement Effective Date, (x) the Subordinated Series 2009- VFN Asset Backed Notes shall be cancelled in accordance with the terms of the Indenture and shall no longer be deemed outstanding in exchange for the increase in the Initial Excess Collateral Amount, and (y) the Class A Series 2009- VFN Floating Rate Asset Backed Notes shall be the sole Class of Series 2009- VFN Notes. The Series 2023-2009 - VFN1- VFN Notes shall be Variable Interests. (b) The Class A Notes may from time to time be divided into separate ownership tranches (each a “ Class A Ownership Tranche ”) which shall be identical in all respects, except for their respective Class A Maximum

Principal Balances, Class A ~~Note~~-Principal Balances and certain matters relating to the rate and payment of interest. The initial allocation of Class A Notes among Class A Ownership Tranches shall be made, and reallocations among such Class A Ownership Tranches or new Class A Ownership Tranches may be made, as provided in Section 4. 1 of this Indenture Supplement and the Class A Note Purchase Agreement. (c) Series ~~2023-2009 - VFNI- VFN~~ shall be included in Group One and shall be a Principal Sharing Series. Series ~~2023-2009 - VFNI- VFN~~ shall be an Excess Allocation Series with respect to Group One only. Series ~~2023-2009 - VFNI- VFN~~ shall not be subordinated to any other Series. ARTICLE II. ~~Definitions~~ Section 2. 1 Definitions. (a) Whenever used in this Indenture Supplement, the following words and phrases shall have the following meanings, and the definitions of such terms are applicable to the singular as well as the plural forms of such terms and the masculine as well as the feminine and neuter genders of such terms. “ Additional Enhancement Amount ” is defined in ~~Section-subsection~~ 4. 1 (d). “ Aggregate Investor Default Amount ” means, as to any Monthly Period, the sum of the Investor Default Amounts in respect of such Monthly Period. “ Allocation Percentage ” means, with respect to any Monthly Period, the percentage equivalent of a fraction: (a) the numerator of which shall be equal to: (i) for Principal Collections during the Revolving Period and for Finance Charge Collections ~~and Default Amounts~~ at any time, the Collateral Amount at the end of the last day of the prior Monthly Period, less any reductions to be made to the Collateral Amount on account of principal payments to be made on the Distribution Date falling in the Monthly Period for which the Allocation Percentage is being calculated; provided, however, that with respect to any Monthly Period in which a Reset Date occurs as a result of a Class A Incremental Funding or the issuance of a new Series, the numerator determined pursuant to this clause (i) shall be (A) the Collateral Amount as of the close of business on the later of the last day of the prior Monthly Period or the preceding Reset Date, in each case less any reductions to be made to the Collateral Amount on account of principal payments to be made on the Distribution Date falling in the Monthly Period for which the Allocation Percentage is being calculated (to the extent not already subtracted in determining the Collateral Amount), for the period from and including the first day of the current Monthly Period or the preceding Reset Date, as applicable, to but excluding such Reset Date and (B) the Collateral Amount as of the close of business on such Reset Date, less any reductions to be made to the Collateral Amount on account of principal payments to be made on the Distribution Date falling in the Monthly Period for which the Allocation Percentage is being calculated (to the extent not already subtracted in determining the Collateral Amount), for the period from and including such Reset Date to the earlier of the last day of such Monthly Period (in which case such period shall include such day) or the next succeeding Reset Date (in which case such period shall not include such succeeding Reset Date); or (ii) for Principal Collections during the Early Amortization Period and the Controlled Amortization Period, the Collateral Amount at the end of the last day of the Revolving Period, provided, however, that the Transferor may, by written notice to the Indenture Trustee, the Servicer and the Rating Agencies, reduce the numerator used for purposes of allocating Principal Collections to Series ~~2023-2009 - VFNI- VFN~~ at any time if (x) the Rating Agency Condition shall have been satisfied with respect to such reduction and (y) the Transferor shall have delivered to the Indenture Trustee an Officer’s Certificate to the effect, based on the facts known to such officer at that time, in the reasonable belief of the Transferor, such designation will not cause a Series ~~2023-2009 - VFNI- VFN~~ Early Amortization Event or an event that, after the giving of notice or the lapse of time, would cause a Series ~~2023-2009 - VFNI- VFN~~ Early Amortization Event to occur with respect to Series ~~2023-2009 - VFNI- VFN~~; and (b) the denominator of which shall be the greater of (x) the Aggregate Principal Receivables determined as of the close of business on the last day of the prior Monthly Period and (y) the sum of the numerators used to calculate the allocation percentages for allocations with respect to Finance Charge Collections ~~or~~ Principal Collections ~~or Default Amounts~~, as applicable, for all outstanding Series on such date of determination provided, that if one or more Reset Dates occur in a Monthly Period, the Allocation Percentage for the portion of the Monthly Period falling on and after such Reset Date and prior to any subsequent Reset Date will be recalculated for such period as of the close of business on the subject Reset Date. “ Available **Cash Collateral Amount** ” means with respect to any **Transfer Date, an amount equal to the lesser of (a) the amount on deposit in the Cash Collateral Account (before giving effect to any deposit to, or withdrawal from, the Cash Collateral Account made or to be made with respect to such date) and (b) the Required Cash Collateral Amount for such Transfer Date.** “ Available Finance Charge Collections ” means, for any Monthly Period, an amount equal to the sum of (a) the Investor Finance Charge Collections for such Monthly Period, plus (b) the Excess Finance Charge Collections allocated to Series ~~2023-2009 - VFNI- VFN~~ for such Monthly Period, plus (c) interest and earnings on funds on deposit in the ~~Reserve~~ **Cash Collateral** Account which will be deposited into the Finance Charge Account on the related Transfer Date to be treated as Available Finance Charge Collections pursuant to ~~Section subsection 5. 9-10 (b d) (ii), plus (d) amounts, if any, to be withdrawn from the Reserve Account which will be deposited into the Finance Charge Account on the related Transfer Date to be treated as Available Finance Charge Collections pursuant to Section 5. 9 (d) (iii).~~ “ Available Principal Collections ” means, for any Monthly Period, an amount equal to the sum of (a) the Investor Principal Collections for such Monthly Period, minus (b) the amount of Reallocated Principal Collections with respect to such Monthly Period which pursuant to Section 5. 6 are required to be applied on the related Distribution Date, plus (c) any Shared Principal Collections with respect to other Principal Sharing Series (including any amounts on deposit in the Excess Funding Account that are allocated to Series ~~2023-2009 - VFNI- VFN~~ for application as Shared Principal Collections), plus (d) the aggregate amount to be treated as Available Principal Collections pursuant to clauses 5. 4 (a) (~~iv-viii~~) and (~~v-ix~~) for the related Distribution Date. “ **Bankrupt Merchant Available Reserve Account Amount** ” means **any Merchant which fails generally to, or admits in writing its inability to, pay its debts as they become due; or any Merchant for which a proceeding shall have been instituted in a court having jurisdiction in the premises seeking a decree or order for relief in respect of such Merchant in an involuntary case under any Debtor Relief Law, or for the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator, conservator or other similar official for any substantial part** ~~Transfer Date, the lesser of (its property, or for the winding-up or liquidation of its affairs, and such proceedings shall continue undismissed or unstayed and in effect for a)-period of 60 consecutive days or any of the actions sought amount~~

on deposit in such proceeding shall occur; or any Merchant that commences a voluntary case under any Debtor Relief Law, or such Merchant's consent to the Reserve Account (after entry of an order for relief in an involuntary case under any Debtor Relief Law, or consent to the appointment of a taking into account possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator, conservator or other similar official for any interest and earnings retained in substantial part of its property, or any general assignment for the benefit of creditors; or any Merchant or any Affiliate of Reserve Account pursuant to Section 5.9 (d) (ii) on such Merchant shall have taken any corporate action in furtherance of any of the foregoing actions with respect to such Merchant; provided, however, that a Merchant for which a Chapter 11 Plan is confirmed under a Debtor Relief Law shall no longer be a Bankrupt Merchant upon the occurrence of the effective date of such Chapter 11 Plan. , but before giving effect to any deposit made or For purposes of this definition, to be made pursuant to subsection 5.4 (a) (vi) to Chapter 11 Plan shall exclude a Chapter 11 Plan under which the Reserve Account on such date) Bankrupt Merchant liquidates all of its assets and discontinues operations (b) the Required Reserve Account Amount. "Base Rate" means, as to any Monthly Period, the annualized percentage equivalent of a fraction, the numerator of which is equal to the sum of the Class A Monthly Interest, any Class A Non- Use Fees payable pursuant to clause 5.4 (a) (ii) and any Class A Additional Amounts payable pursuant to clauses 5.4 (a) (i) through (iii) (vii) each for the related Distribution Period and the Noteholder Servicing Fee with respect to such Monthly Period, and the denominator of which is the Weighted Average Collateral Amount during such Monthly Period. "Benchmark Cash Collateral Account" is defined in the Class A Note Purchase Agreement subsection 5.10 (a). "Change in Control" means the failure of Holding to own, directly or indirectly, 100 % of the outstanding shares of common stock (excluding directors' qualifying shares) of Comenity Capital Bank . "Chapter 11 Plan" means a plan proposed by a Bankrupt Merchant under and in conformance with the provisions of Chapter 11 of Title 11 of the United States Code for restructuring or reorganizing the business of the Bankrupt Merchant . "Class A Additional Amounts" means Additional Amounts (as defined in the Class A Note Purchase Agreement) payable to the Class A Noteholders pursuant to the Class A Note Purchase Agreement. "Class A Administrative Agents" means the "Administrative Agents" as defined in the Class A Note Purchase Agreement. "Class A Breakage Payment" is defined in subsection 5.2 (b). "Class A Funding Tranche" is defined in subsection 5.2 (a). "Class A Incremental Funding" means any increase in the Class A Note Principal Balance during the Revolving Period made pursuant to the Class A Note Purchase Agreement and Section subsection 4.1 (a) hereof. "Class A Incremental Principal Balance" means the amount of the increase in the Class A Note Principal Balance occurring as a result of any Class A Incremental Funding, which amount shall equal the aggregate amount of the purchase prices paid by the Class A Noteholders pursuant to the Class A Note Purchase Agreement with respect to such Class A Incremental Funding. "Class A Maximum Principal Balance" means the "Maximum Class A Note Principal Balance" (as defined in the Class A Note Purchase Agreement), as such amount may be increased or decreased from time to time pursuant to the Class A Note Purchase Agreement. As applied to any particular Class A Note, the "Class A Maximum Principal Balance" means the portion of the overall Class A Maximum Principal Balance represented by that Class A Note. "Class A Monthly Interest" is defined in subsection 5.2 (a). "Class A Monthly Principal" is defined in subsection 5.3 (a). "Class A Non- Use Fee" means the Class A Non- Use Fee defined in the Class A Note Purchase Agreement. "Class A Note Principal Balance" means, on any..... Purchase Agreement. "Class A Note Purchase Agreement" means the Ninth Amended and Restated Note Purchase Agreement, dated as of September-June 29, 2023-2021 , among Transferor, the Issuer, the Servicer and the initial-Class A Noteholders party thereto , as supplemented by the various Fee Letter Letters referred to (and defined) therein, and as the same may be amended , amended and restated or otherwise modified from time to time. The Class A Note Purchase Agreement is hereby designated a "Transaction Document" for all purposes of the Agreement and this Indenture Supplement. "Class A Noteholder" means the Person in whose name a Class A Note is registered in the Note Register. "Class A Notes" means any one of the Notes executed by the Issuer and authenticated by or on behalf of the Indenture Trustee, substantially in the form of Exhibit A. "Class A Ownership Group" means the "Ownership Group" defined in the Class A Note Purchase Agreement. "Class A Ownership Group Percentage" means the "Ownership Group Percentage" defined in the Class A Note Purchase Agreement. "Class A Ownership Tranche" is defined in subsection 1.1 (b). "Class A Principal Balance" means, as defined in the Existing Indenture Supplement on any the close of business-Business on the day prior-Day, an amount equal to the Sixth Amendment and Restatement Effective Date result of (a) the Initial Class A Note Principal Balance , plus (b) the aggregate amount of all Class A Incremental Principal Balances for all Class A Incremental Fundings occurring after the Closing Sixth Amendment and Restatement Effective Date and on or prior to that Business Day, minus (c) the aggregate amount of principal payments made to Class A Noteholders after the Closing Sixth Amendment and Restatement Effective Date and on or prior to such Business Day. As applied to any particular Class A Note, the "Class A Note Principal Balance" means the portion of the overall Class A Note Principal Balance represented by that Class A Note. The Class A Note Principal Balance shall be allocated among the Class A Ownership Tranches as provided in the Class A Note Purchase Agreement. "Class A Note Purchase Limit" means the "Purchase Limit" defined in the Class A Note Purchase Agreement. "Class A Required Amount" means, for any Distribution Date, an amount equal to the excess of (a) the amounts described in clauses 5.4 (a) (i), (ii) and (iii) , over (b) the sum of (i) Available Finance Charge Collections applied to pay such amount pursuant to subsection 5.4 (a) and (ii) any amount withdrawn from the Cash Collateral Account and applied to pay such amount pursuant to subsection 5.10 (c) . "Class A Scheduled Final Payment Date" means the Distribution Date falling in the twelfth month following the month in which the Controlled Amortization Period begins. "Class A Tranche Rate" means, for any Distribution Period, the Note Rate (as defined in the Class A Note Purchase Agreement) for each Class A Ownership Tranche (or any related Class A Funding Tranche). "Class B Note Purchase Agreement" means the Second Amended and Restated Note Purchase Agreement, dated as of May 24, 2013, entered into among Comenity Capital Bank, the Transferor and each party that purchases notes referred to therein as "Class B Notes" from the Transferor. "Class C Note Purchase Agreement" means the Second Amended and Restated Note Purchase Agreement,

dated as of May 24, 2013, entered into among Comenity Capital Bank, the Transferor and each party that purchases notes referred to therein as “ Class C Notes ” from the Transferor. “ Class M Note Purchase Agreement ” means the Note Purchase Agreement, dated as of December 1, 2015 entered into among Comenity Capital Bank, the Transferor and each party that purchases notes referred to therein as “ Class M Notes ” from the Transferor. “ Closing Date ” means September 29-28, 2023-2009. “ Collateral Amount ” means, as of any date of determination, an amount equal to the excess of (a-i) the sum of (i-x) the Initial-Class A Note-Principal Balance as ; (ii) the aggregate amount of Class A Incremental Fundings occurring after the Closing Date and on or prior to such date plus of determination and (iii-y) the Initial Excess Collateral Amount plus (z) the aggregate Additional Enhancement Amounts determined in accordance with Section 4. 1 (d) after the Sixth Amendment and Restatement Effective Date and on for- or prior to such date of determination over (b-ii) the sum of (i-x) the aggregate Enhancement Reduction amount Amounts of principal previously paid to determined in accordance with Section 4. 1 (d) after the Series 2023-VFN1 Noteholders Sixth Amendment and Restatement Effective Date and on or prior to such date ; (ii) the aggregate of determination plus all reductions in the Collateral Amount pursuant to Section 5. 4 (y e) and (iii) the excess, if any, of the aggregate amount of Investor Charge- Offs and Reallocated Principal Collections over the reimbursement of such amounts pursuant to clause 5. 4 (a) (v-ix) prior to such date. “ Comenity Capital Bank ” means Comenity Capital Bank, a Utah industrial bank , formerly known as World Financial Capital Bank . “ Controlled Amortization Amount ” means for any Transfer Date with respect to the Controlled Amortization Period prior to the payment in full of the Class A-Note Principal Balance, an amount equal to (a) the Class A-Note Principal Balance as of the close of business on the last day of the Revolving Period , divided by (b) twelve. “ Controlled Amortization Date ” means the first day of the first Monthly Period that occurs on or after the Purchase Expiration Date under the Class A Note Purchase Agreement. “ Controlled Amortization Period ” means, unless a Series 2023-2009 - VFN1- VFN Early Amortization Event or a Trust Early Amortization Event shall have occurred prior thereto, the period commencing at the opening of business on the first Controlled Amortization Date to occur (without being extended as provided in the Class A Note Purchase Agreement) and ending on the earlier to occur of (a) the commencement of the Early Amortization Period, and (b) the Series Termination Date, provided that Transferor may, by 2 Business Days’ prior written notice to the Indenture Trustee and each Series 2023-2009 - VFN1- VFN Noteholder (and so long as the Early Amortization Period has not begun), cause the Controlled Amortization Period to begin on any date earlier than the one otherwise specified above. “ Controlled Amortization Shortfall ” initially means zero and thereafter means, with respect to any Monthly Period during the Controlled Amortization Period, the excess, if any, of (a) the Controlled Payment Amount for the previous Monthly Period , over the sum of (b) the amount distributed pursuant to subsection 6. 2 (a) with respect to the Class A Notes for the previous Monthly Period. “ Controlled Payment Amount ” means, with respect to any Transfer Date, the sum of (a) the Controlled Amortization Amount for such Transfer Date and (b) any existing Controlled Amortization Shortfall. “ Day Count Fraction ” means, as to any Class A Ownership Tranche (or Class A Funding Tranche) for any Distribution Period , a fraction (a) the numerator of which is the number of days in that Distribution Period (or, if less, the number of days during that Distribution Period during which that Class A Ownership Tranche (or Class A Funding Tranche) was outstanding, including the first, but excluding the last, such day) and (b) the denominator of which is the actual number of days in the related calendar year (or, if so specified in the Class A Note Purchase Agreement, 360). “ Default Amount ” means, as to any Defaulted Account, the amount of Principal Receivables (other than Ineligible Receivables, unless there is an Insolvency Event with respect to Comenity Capital Bank or the Transferor) in such Defaulted Account on the day it became a Defaulted Account. “ Defaulted Account ” means an Account in which there are Defaulted Receivables. “ Dilution ” means any downward adjustment made by Servicer in the amount of any Receivable (a) because of a rebate, refund or billing error to an accountholder, (b) because such Receivable was created in respect of merchandise which was refused or returned by an accountholder or (c) for any other reason other than receiving Collections therefor or charging off such amount as uncollectible. “ Distribution Account ” is defined in subsection 5. 9 (a). “ Distribution Date ” means November 16, 2009 and the 15th day of each calendar month thereafter , or if such 15th day is not a Business Day, the next succeeding Business Day , commencing on November 15, 2023-. “ Distribution Period ” means, for any Distribution Date, the period from and including the Distribution Date immediately preceding such Distribution Date (or, in the case of the first Distribution Date, from and including the Closing Date) to but excluding such Distribution Date. “ Early Amortization Period ” means the period commencing on the date on which a Trust Early Amortization Event or a Series 2023-2009 - VFN1- VFN Early Amortization Event is deemed to occur and ending on the Series Termination Date. “ Eligible Investments ” is defined in Annex A to the Indenture; provided that in no event shall any Eligible Investment be an equity security or cause the Trust to have any voting rights in respect of such Eligible Investment. “ Enhancement Reduction Amount ” is defined in Section-subsection 4. 1 (d). “ Excess Collateral Amount ” means, for any date of determination, the excess of (a) the Collateral Amount as of such date of determination, over (b) the Class A-Note Principal Balance as of such date of determination. “ Excess Spread Percentage ” means, for any Monthly Period, a percentage equal to the Portfolio Yield for such Monthly Period, minus the Base Rate for such Monthly Period. “ Finance Charge Account ” is defined in Section-subsection 5. 9 (a). “ Finance Charge Collections ” means Collections , for any Monthly Period, an amount equal to the aggregate amount of Finance Charge Receivables retained or deposited in the Finance Charge Account for Series 2023-VFN1 pursuant to Section 5. 1 (b) (i) for such Monthly Period and any net Recoveries for such Monthly Period, which shall be treated as Finance Charge Collections for all purposes under the Transaction Documents. “ Finance Charge Shortfall ” is defined in Section 5. 7. “ Fixed Allocation Period ” means either a Controlled Amortization Period or an Early Amortization Period. “ Group One ” means Series 2023-2009 - VFN1- VFN and each other Series specified in the related Indenture Supplement to be included in Group One . “ Initial Class A Note Principal Balance ” means \$ 0. “ Initial Excess Collateral Amount ” means shall equal the sum of the “ Class M Note Principal Balance , ” the “ Class B Note Principal Balance , ” and the “ Class C Note Principal Balance ” (in each case as defined in the Existing Indenture Supplement) as of the close of business on any date of determination, an amount equal to (a) \$ 0, plus (b) the day aggregate

Additional Enhancement Amounts for all Class A Incremental Fundings occurring on or prior to such date of determination, minus (e) the **Sixth Amendment and Restatement Effective** aggregate Enhancement Reduction Amounts for all amortizations pursuant to Section 4.1 (b) or Refinancing Dates- **Date** occurring on or prior to such date of determination. “Investor Charge-Offs” is defined in Section 5.5. “Investor Default Allocation Percentage” means, with respect to any Monthly Period, the percentage equivalent of a fraction: (a) the numerator of which shall be equal to the Weighted Average Collateral Amount for such Monthly Period; and (b) the denominator of which shall be equal to the Weighted Average Allocation Percentage Denominator for such Monthly Period. “Investor Default Amount” means, with respect to any Defaulted Account, an amount equal to the product of (a) the Default Amount and (b) the **Investor Default** Allocation Percentage ~~on~~ **for** the ~~day~~ **Monthly Period in which** such Account became a Defaulted Account. “Investor Finance Charge Collections” means, for any Monthly Period, an amount equal to the aggregate amount of Finance Charge Collections (including Net Recoveries treated as Finance Charge Collections) retained or deposited in the Finance Charge Account for Series ~~2023-2009 - VFN1 - VFN~~ pursuant to clause 5.1 (b) (i) **for such Monthly Period.** “Investor Interchange Allocation Percentage” means, with respect to any Monthly Period, the Allocation Percentage for such Monthly Period with respect to Finance Charge Receivables (or, if a Reset Date occurs during such Monthly Period, the average such Allocation Percentage for such Monthly Period determined as the quotient of the summation of the Allocation Percentages with respect to Finance Charge Receivables for all days during such Monthly Period, divided by the number of days in such Monthly Period). “Investor Interchange Amount” means, with respect to any Monthly Period, an amount equal to the product of (a) the amount of Interchange attributed to the Accounts for such Monthly Period pursuant to subsection 5.1 (l) of the Receivables Purchase Agreement and (b) the Investor Interchange Allocation Percentage for such Monthly Period. “Investor Merchant Fee Amount” means, with respect to any Monthly Period, an amount equal to the product of (a) the amount of Merchant Discount Fees attributed to the Accounts for such Monthly Period pursuant to subsection 5.1 (l) of the Receivables Purchase Agreement and (b) the Investor Merchant Fee Allocation Percentage for such Monthly Period. “Investor Principal Collections” means, for any Monthly Period, an amount equal to the aggregate amount of Principal Collections retained or deposited in the Principal Account for Series ~~2023-2009 - VFN1 - VFN~~ pursuant to clause 5.1 (b) (ii) for such Monthly Period. “Investor Uncovered Dilution Amount” means an amount equal to the product of (x) the Series Allocation Percentage for the related Monthly Period (determined on a weighted average basis, if one or more Reset Dates occur during that Monthly Period), times (y) the aggregate Dilutions occurring during ~~any that~~ **Monthly Period as to which any deposit is required to be made to the Excess Funding Account pursuant to subsection 3.8 (a) of the Transfer and Servicing Agreement but has not been made, provided that, to the extent the Transferor Amount is greater than zero at the time the deposit referred to in clause (y) is required to be made, the Investor Uncovered Dilution Amount for such amount to be deposited shall be deemed to be zero.** “Mandatory Limited Amortization Amount” means, for any Transfer Date with respect to the Mandatory Limited Amortization Period (beginning with the Transfer Date in the Monthly Period following the Monthly Period in which the Mandatory Limited Amortization Period begins) and the Transfer Date in the Monthly Period in which the Controlled Amortization Period commences (unless the Non-Renewing Purchaser Class A Principal Balance shall have been reduced to zero prior to such date), the lesser of (a) the Non-Renewing Purchaser Class A Principal Balance as of the Mandatory Limited Amortization Date, divided by 12 (with the quotient rounded up to the nearest dollar) and (b) the excess of (i) the Non-Renewing Purchaser Class A Principal Balance, over (ii) the Mandatory Limited Amortization Target. “Mandatory Limited Amortization Date” means, the Purchase Expiration Date (without giving effect to a requested extension) but only if all of the following have occurred: (x) the Transferor has requested an extension of such Purchase Expiration Date, (y) there are one or more Non-Renewing Ownership Groups and (z) the Issuer has not repaid the outstanding Non-Renewing Purchaser Class A Principal Balance on or prior to the related Purchase Expiration Date (without giving effect to the requested extension). “Mandatory Limited Amortization Period” means the period commencing on the first day of the first Monthly Period that commences on or after the Mandatory Limited Amortization Date and ending the earliest to occur of (x) the payment in full of the Non-Renewing Purchaser Class A Principal Balance, (y) the commencement of the Controlled Amortization Period or the Early Amortization Period and (z) the Series Termination Date. “Mandatory Limited Amortization Shortfall” means, with respect to any Payment Date, the excess, if any, of (a) the Mandatory Limited Payment Amount for the preceding Payment Date, over (b) the amounts paid pursuant to subsection 5.4 (b) with respect to Class A Monthly Principal. “Mandatory Limited Amortization Target” means, with respect to any Transfer Date, (a) the Non-Renewing Purchaser Class A Principal Balance as of the Mandatory Limited Amortization Date less (b) the product (rounded up to the nearest dollar) of (i) a fraction, the numerator of which is the number of full Monthly Periods that have elapsed during the Mandatory Limited Amortization Period as of such Transfer Date (which, for the avoidance of doubt, shall exclude the Monthly Period in which such Transfer Date falls), ~~an and Asset Deficiency exists~~ the denominator of which is 12 and (ii) the Non-Renewing Purchaser Class A Principal Balance as of the Mandatory Limited Amortization Date. “Mandatory Limited Payment Amount” means, with respect to any Transfer Date with respect to the Mandatory Limited Amortization Period, beginning with the Payment Date in the Monthly Period immediately following the Monthly Period in which the Mandatory Limited Amortization Period begins, and the Transfer Date in the Monthly Period in which the Controlled Amortization Period commences (unless the Non-Renewing Purchaser Class A Principal Balance shall have been reduced to zero prior to such date), the sum of (a) the Mandatory Limited Amortization Amount for such Payment Date, plus (b) any existing Mandatory Limited Amortization Shortfall. “Monthly Interest” means, for any Distribution Date, the Class A Monthly Interest for such Distribution Date. “Monthly Period” means the period from and including the first day of the calendar month preceding a related Distribution Date to and including the last day of such calendar month; provided that the Monthly Period related to the ~~initial~~ **November 2009** Distribution Date shall mean the period from and

including the Closing Date to and including the last day of **October 2009** the calendar month immediately preceding such ~~Distribution Date~~. “Monthly Principal” means, on any Distribution Date, the Class A Monthly Principal **with respect to such date**. “Monthly Principal Reallocation Amount” means, for any Monthly Period, an amount equal to the lesser of (i) the Class A Required Amount and (ii) **the greater of (A) the Excess Collateral Amount minus the sum of (I) the amount of unreimbursed Investor Charge- Offs (after giving effect to Investor Charge- Offs for the related Monthly Period) and (II) unreimbursed Reallocated Principal Collections (as of the previous Distribution Date) and (B) zero**. “Non-Renewing Ownership Group” means, commencing on the related Mandatory Limited Amortization Date, any Class A Ownership Group that has not consented to the extension of the Purchase Expiration Date when requested as described in the Class A Note Purchase Agreement. “Non-Renewing Purchaser Class A Principal Balance” means the outstanding principal balance of the Class A Notes allocated to Non-Renewing Ownership Groups. “Non-Renewing Purchaser Scheduled Distribution Date” means the Distribution Date falling in the twelfth month following the month in which the Mandatory Limited Amortization Period begins. “Note Principal Balance” means, as of any Business Day, **the Class A Principal Balance**. “Noteholder Servicing Fee” is defined in Section 3.1. “Optional Amortization Amount” is defined in subsection 4.1 (b). “Optional Amortization Date” is defined in subsection 4.1 (b). “Optional Amortization Notice” is defined in subsection 4.1 (b). “Percentage Allocation” is defined in ~~subsection 5.1 (b) (ii) (y)~~ **subsection-subclause 5.1 (b) (ii) (y)**. “Portfolio Yield” means, for any Monthly Period, the annualized percentage equivalent of a fraction, (a) the numerator of which is equal to (i) the Available Finance Charge Collections (excluding any Excess Finance Charge Collections), minus (ii) the Aggregate Investor Default Amount and the Investor Uncovered Dilution Amount for such Monthly Period and (b) the denominator of which is the Weighted Average Collateral Amount during such Monthly Period. “Principal Account” is defined in subsection 5.9 (a). **“Principal Collections” means Collections of Principal Receivables**. “Principal Shortfall” is defined in Section 5.8. “Purchase Expiration Date” has the meaning specified in the Class A Note Purchase Agreement. “Purchaser” means a “Purchaser” as defined in the Class A Note Purchase Agreement. “Quarterly Excess Spread Percentage” means, with respect to each Distribution ~~Date starting on the third Distribution Date after the Closing Date~~, the percentage equivalent of a fraction the numerator of which is the sum of the Excess Spread Percentages determined with respect to such Distribution Date and the immediately preceding two Distribution Dates and the denominator of which is three. “Quarterly Payment Rate Percentage” means, with respect to any Distribution Date, the percentage equivalent of a fraction, the numerator of which is the sum of the Payment Rate Percentages determined with respect to such Distribution Date and the immediately preceding two Distribution Dates, and the denominator of which is three. For purposes of the foregoing calculation, the “Payment Rate Percentage” for any Distribution Date shall equal the percentage equivalent of a fraction, the numerator which is the aggregate Collections received during the immediately preceding Monthly Period, and the denominator of which is the total Principal Receivables held by the Trust as of the opening of business on the first day of such immediately preceding Monthly Period. “Rating Agency” means **Fitch** any nationally recognized statistical rating organization hired by the Issuer to rate the Series 2023-VFNI Notes. “Rating Agency Condition” means, with respect to Series 2023-2009 - VFNI- ~~VFN~~ **VFN** and any action subject to such condition, (i) if ~~the any Class of Series 2023-2009 - VFNI- VFN Notes is are~~ **rated by a Rating Agency designated other than Fitch, the notification in writing by each Rating Agency (other than Fitch) to Servicer that such action will not result in the Rating Agency reducing or withdrawing its then existing rating of the Series 2009- VFN Notes, (ii) if Fitch is a Rating Agency for such Class the Series 2009- VFN Notes**, 10 days’ prior written notice (or, if 10 days’ advance notice is impracticable, as much advance notice as is practicable) to ~~Fitch such Rating Agency~~, delivered electronically **to notifications. abs @ fitchratings.com** and ~~(ii) (iii) if there are no Rating Agencies designated for the any Class of Series 2023-2009 - VFNI- VFN Notes, the consent of the holders of Series 2023-2009 - VFNI- VFN Notes holding 66 2 / 3 % of the Class A Note Principal Balance of the Series 2023-VFNI Notes which are not rated by a Rating Agency~~. “Reallocated Principal Collections” means, for any Transfer Date, Investor Principal Collections applied in accordance with Section 5.6 in an amount not to exceed the Monthly Principal Reallocation Amount for the related Monthly Period. “Reassignment Amount” means, for any Transfer Date, after giving effect to any deposits and distributions otherwise to be made on the related Distribution Date, the sum of (i) the ~~Class A Note Principal Balance on the related Distribution Date, plus (ii) Class A Monthly Interest for the related Distribution Date and any Class A Monthly Interest previously due but not distributed to the Series 2023-2009 - VFNI- VFN Noteholders, plus (iii) the amount of Class A Non- Use Fees, if any, for the related Distribution Date and any Class A Non- Use Fees previously due but not distributed to the Series 2023-2009 - VFNI- VFN Noteholders on a prior Distribution Date, plus (iv) the amount of Class A Additional Amounts, if any, for the related Distribution Date and any Class A Additional Amounts previously due but not distributed to the Series 2023-2009 - VFNI- VFN Noteholders on a prior Distribution Date~~. “Record Date” means, for purposes of Series 2023-2009 - VFNI- ~~VFN~~ **VFN** with respect to any Distribution Date or Optional Amortization Date, the date falling five Business Days prior to such date. “Refinancing Date” is defined in subsection 4.1 (c). **“Regulation RR” means Regulation RR (Credit Risk Retention) promulgated by the Commission to implement the credit risk retention requirements of Section 15G of the Securities Exchange Act.** “Required Cash Collateral Amount” means, as of any Determination Date, an amount equal to the excess of (i) the total Principal Receivables outstanding relating to Bankrupt Merchants as of the end of the related Monthly Period over (ii) the product of (A) 20.0 % and (B) the total Principal Receivables as of the end of the related Monthly Period. **“Required Cash Collateral Amount Trigger Date” means the date on which the Required Cash Collateral Amount shall first become an amount greater than zero.** **“Required Draw Amount” is defined in subsection 5.10 (c).** “Required Excess Collateral Amount” means, at any time, the product of (i) ~~15-26 .00 %~~ times (ii) the quotient of (x) the Class A Note Principal Balance divided by (y) ~~85-74 .00 %~~; provided, that: (a) **except as provided in clause (c)**, the Required Excess Collateral Amount shall never be less than ~~15-26 .00 %~~ of the Collateral Amount as of the last day of the Revolving Period; and (b) **except as provided in clause (c)**, the Required Excess Collateral Amount shall not decrease during a ~~Controlled Amortization Period occurring after the Purchase Expiration~~

Date or an Early Amortization Period; **and (c) the Required Reserve Account Excess Collateral Amount shall never be greater than** means, for any Transfer Date on which the Class A Note Principal Balance is greater than zero, an amount.... 50 %, 3.00 % . “ Required Retained Transferor Percentage ” means, for purposes of Series 2023-2009 - VFNI- VFN, 9-8, 00 0 % . “ **Required Seller’s Interest Reserve Account** ” is defined in Section 5.9. “ Reserve Account Surplus ” means, as of any Transfer Date date of determination, the product of (i) 5 % and (ii) the aggregate of the principal balances of all outstanding Notes the other than Risk Retention Retained Notes amount, if any, by which the amount on deposit in the Reserve Account exceeds the Required Reserve Account Amount. “ Reserve Draw Amount ” means, as of such any Transfer Date date, an amount to be withdrawn from the Reserve Account equal to the excess, if any, of determination (x) the sum of the amounts described in clauses 5.4 (a) (i), (ii) and (iii) over (y) the sum of the amounts described in clauses (a), (b) and (c) in the definition of Available Finance Charge Collections. “ Reset Date ” means: (a) each Addition Date relating to Supplemental Accounts; (b) each Removal Date on which, if any Series of Notes has been paid in full, Principal Receivables equal to the initial Collateral Amount or initial principal balance for that Series are removed from the Issuer; (c) each date on which there is an increase in the outstanding balance of any Variable Interest; and (d) each date on which a new Series or Class of Notes is issued. “ Revolving Period ” means the period from and including the Closing Date to, but not including, the earlier of (a) the day the Controlled Amortization Period commences and (b) the day the Early Amortization Period commences. **For the avoidance of doubt, the Revolving Period shall not terminate upon the commencement of a Mandatory Limited Amortization Period; provided that for purposes of Section 8.5 of the Indenture, the Mandatory Limited Amortization Period shall be deemed to be an Amortization Period.** “ Risk Retention Retained Note ” means any Note that is retained by Comenity Capital Bank, as “ sponsor ” (as defined under Regulation RR), or a Wholly- owned Affiliate thereof upon initial issuance thereof and at all times thereafter; provided that no Note shall be a Risk Retention Retained Note unless such Note has been designated as a Risk Retention Retained Note pursuant to the related Indenture Supplement. “ RR Measurement Date ” is defined in subsection 9.8 (d). “ Securities Exchange Act ” means the provisions of the Securities Exchange Act of 1934 15 U. S. C. Sections 78a et seq., and any regulations promulgated thereunder. “ **Seller’s Interest** ” means, as of any date of determination, the result of (a) the aggregate amount of Principal Receivables as of such date of determination, plus (b) the aggregate amount of Principal Collections on deposit in the Collection Account as of such date of determination, minus (c) the aggregate of the principal balances of all outstanding Notes as of such date of determination. “ Series 2023-2009 - VFNI- VFN ” means the Series of Notes the terms of which are specified in this Indenture Supplement. “ Series 2023-2009 - VFNI- VFN Early Amortization Event ” is defined in Section 7.1 (k). “ Series 2023-2009 - VFNI- VFN Note ” means a Class A Note. “ Series 2023-2009 - VFNI- VFN Noteholder ” means a Class A Noteholder. “ Series Account ” means, (a) with respect to Series 2023-2009 - VFNI- VFN, the Finance Charge Account, the Principal Account, the Distribution Account and the Reserve-Cash Collateral Account, and (b) with respect to any other Series, the “ Series Accounts ” for such Series as specified in the Indenture and the applicable Indenture Supplement for such Series. “ Series Allocation Percentage ” means, with respect to any Monthly Period, the percentage equivalent of a fraction, the numerator of which is the Allocation Percentage for Finance Charge Collections for that Monthly Period and the denominator of which is the sum of the Allocation Percentage for Finance Charge Receivables for all outstanding Series on such date of determination; provided that if one or more Reset Dates occur in a Monthly Period, the Series Allocation Percentages for the portion of the Monthly Period falling on and after each such Reset Date and prior to any subsequent Reset Date will be determined using a denominator which is equal to the sum of the numerators used in determining the Allocation Percentage for Finance Charge Receivables for all outstanding Series as of the close of business on the subject Reset Date. “ Series Servicing Fee Percentage ” means 2.0 % per annum. “ Series Termination Date ” means the earliest to occur of (a) the Distribution Date falling in a Fixed Allocation Period on which the Collateral Amount is paid in full, (b) the termination of the Trust pursuant to the Trust Agreement, (c) the Distribution Date on or closest to the date falling 46 months after the commencement of the Early Amortization Period and (d) the Distribution Date on or closest to the date falling 58 months after the commencement of the Controlled Amortization Period. **“ Sixth Amendment and Restatement Effective Date ” is defined in subsection 9.12.** “ Specified Transferor Amount ” means, as of any date of determination, the Minimum Transferor Amount as of such date of determination. “ Surplus Collateral Amount ” means, with respect to any Distribution Date, the excess, if any, of (a) the Excess Collateral Amount, over (b) the Required Excess Collateral Amount, in each case calculated after giving effect to any payments of principal on such Distribution Date, but before giving effect to any reduction in the Collateral Amount on such Distribution Date pursuant to Section-subsection 5.4 (e). “ Target Amount ” is defined in Section-clause 5.1 (b) (i). “ Transfer ” means any sale, transfer, assignment, exchange, participation, pledge, hypothecation, rehypothecation, or other grant of a security interest in or disposition of, a Note. **“ Weighted Average Allocation Percentage Denominator ” means, for any Monthly Period, the quotient of (a) the summation of the amount determined in accordance with paragraph (b) of the definition of “ Allocation Percentage ” set forth in this Section 2.1 (including the proviso thereto) as of each day in that Monthly Period, divided by (b) the number of days in that Monthly Period.** “ **Weighted Average** Class A Note-Principal Balance ” means, as to any Class A Ownership Tranche (or Class A Funding Tranche) for any Distribution Period, the quotient of (a) the summation of the portion of the Class A Note-Principal Balance allocated to that Class A Ownership Tranche (or Class A Funding Tranche) determined as of each day in that Distribution Period, divided by (b) the number of days in that Distribution Period (or, if less, the number of days during that Distribution Period during which that Class A Ownership Tranche or Class A Funding Tranche was outstanding). “ **Weighted Average Collateral Amount** ” means, for any Monthly Period, the quotient of (a) the summation of the Collateral Amount determined as of each day in that Monthly Period, divided by (b) the number of days in that Monthly Period. **“ Wholly- owned Affiliate ” has the meaning specified in Rule 2 of Regulation RR.** (b) Each capitalized term defined herein shall relate to the Series 2023-2009 - VFNI- VFN Notes and no other Series of Notes issued by the Trust, unless the context otherwise requires. All capitalized terms used herein and not otherwise defined herein have the

meanings ascribed to them in Annex A to the Indenture, or, if not defined therein, in the Class A Note Purchase Agreement. (c) The interpretive rules specified in Section 1.2 of the Indenture also apply to this Indenture Supplement. If any term or provision contained herein shall conflict with or be inconsistent with any term or provision contained in the Indenture, the terms and provisions of this Indenture Supplement shall be controlling. ARTICLE III. ~~Noteholder Servicing Fee~~ Section 3.1 Servicing Compensation. The share of the Servicing Fee allocable to Series ~~2023-2009 - VFNI - VFN~~ for any Transfer Date (the “~~Noteholder Servicing Fee~~”) shall be equal to one-twelfth of the product of (a) the ~~average~~-Series Servicing Fee Percentage ~~for the preceding Monthly Period~~ and (b) the Weighted Average Collateral Amount for the preceding Monthly Period; ~~provided, however, that with respect to the first Transfer Date, the Noteholder Servicing Fee shall instead equal a fraction of such product, the numerator of which is the number of days from and including the Closing Date to and including the last day of the Monthly Period preceding such Transfer Date, the denominator of which is 360.~~ The remainder of the Servicing Fee shall be paid by the holders of the Transferor Interest or the noteholders of other Series (as provided in the related Indenture Supplements), and in no event shall the Trust, the Indenture Trustee or the Series ~~2023-2009 - VFNI - VFN~~ Noteholders be liable for the share of the Servicing Fee to be paid by the holders of the Transferor Interest or the noteholders of any other Series. ARTICLE IV. Variable Funding Mechanics Section 4.1 Variable Funding Mechanics (a) Class A Incremental Fundings. From time to time during the Revolving Period and prior to the Purchase Expiration Date, Transferor and Servicer may notify one or more Class A Administrative Agents that a Class A Incremental Funding will occur, subject to the conditions of the Class A Note Purchase Agreement, with respect to the related Class A Ownership Group (s) **on the next or any subsequent Business Day** by delivering a Notice of Incremental Funding (as defined in the Class A Note Purchase Agreement) executed by Transferor and Servicer to the Class A Administrative Agent for each such Class A Ownership Group ~~at least two (2) Business Days prior to such Class A Incremental Funding~~, specifying the amount of such Class A Incremental Funding and the Business Day upon which such Class A Incremental Funding is to occur, **provided that a Class A Incremental Funding shall not be requested from a Class A Administrative Agent for an Ownership Group that is a Non-Renewing Ownership Group if the Class A Incremental Funding would occur on or after the Purchase Expiration Date (without giving effect to any requested extension of the Purchase Expiration Date to which the related Non-Renewing Ownership Group did not consent)**. The amount of Class A Incremental Funding allocated to each Class A Ownership Group shall be a minimum amount of \$ 1,000,000 or a higher integral multiple thereof for each Class A Ownership Group, except that a Class A Incremental Funding may be requested in the entire remaining Class A Purchase Limit of the related Class A Ownership Group. Upon any Class A Incremental Funding, the ~~Class A Note Principal Balance, the~~ Collateral Amount, the ~~Class A~~ Note Principal Balance and the Allocation Percentage shall increase as provided herein. For each Class A Incremental Funding, the Class A ~~Note~~ Principal Balance shall increase in an amount equal to the Class A Incremental Principal Balance. The increase in the Class A ~~Note~~ Principal Balance shall be allocated to the Class A Notes held by the Class A Noteholders from which purchase prices were received in connection with the Class A Incremental Funding in proportion to the amount of such purchase prices received. (b) Optional Amortization. On any Business Day in the Revolving Period or the Controlled Amortization Period, Transferor may cause Servicer to provide notice to the Indenture Trustee and the Class A Administrative Agents for affected Class A Ownership Groups (an “Optional Amortization Notice”) at least two Business Days prior to any Business Day (the “Optional Amortization Date”) stating its intention to cause a full or partial amortization of the Class A Notes with Available Principal Collections on the Optional Amortization Date, in full or in part, in an amount (the “Optional Amortization Amount”) ~~which shall be allocated to the Class A Notes.~~ The portion of the Optional Amortization Amount allocated to any Class A Ownership Group shall be in an aggregate amount not less than \$ 1,000,000 or a higher integral multiple thereof, except that the Optional Amortization Amount allocated to any Class A Ownership Group may equal the entire Principal Balance of the related Class A Note for such Class A Ownership Group. The Optional Amortization Notice shall state the Optional Amortization Date, the Optional Amortization Amount and the allocation of such Optional Amortization Amount among the various Classes and Class A Ownership Groups. The Optional Amortization Amount shall be paid from Shared Principal Collections pursuant to Section 8.5 of the Indenture and Section 5.8. Accrued interest and any Class A Additional Amounts, payable to each affected Class A Ownership Group shall be payable on the first Distribution Date on or after the related Optional Amortization Date. On the Business Day prior to each Optional Amortization Date, Servicer shall instruct the Indenture Trustee in writing (which writing shall be substantially in the form of Exhibit B) to withdraw from the Collection Account and deposit in the Distribution Account, to the extent of the available funds held therein as Shared Principal Collections pursuant to Section 5.8, an amount sufficient to pay the Optional Amortization Amount on that Optional Amortization Date, and the Indenture Trustee, acting in accordance with such instructions, shall on such Business Day make such withdrawal and deposit. (c) Refinanced Optional Amortization. On any Business Day in the Revolving Period or the Controlled Amortization Period, Transferor may, with the consent of each affected Series ~~2023-2009 - VFNI - VFN~~ Noteholder, cause Servicer to provide notice to the Indenture Trustee and all of the Series ~~2023-2009 - VFNI - VFN~~ Noteholders at least five Business Days prior to any Business Day (the “Refinancing Date”) stating its intention to cause the Series ~~2023-2009 - VFNI - VFN~~ Notes to be prepaid in full or in part on the Refinancing Date by causing all or a portion of the Collateral Amount to be conveyed to one or more Persons (who may be the Noteholders of a new Series issued substantially contemporaneously with such prepayment) for a cash purchase price in an amount equal to the sum of (i) the Collateral Amount (or the portion thereof that is being conveyed), plus (ii) accrued and unpaid interest on the Collateral Amount (or the portion thereof that is being conveyed) through the Refinancing Date, plus (iii) any accrued and unpaid Class A Non-Use Fees and Class A Additional Amounts in respect of the Collateral Amount (or portion thereof that is being conveyed) through the Refinancing Date. In the case of any such conveyance, the purchase price shall be deposited in the Collection Account and shall be distributed to the Class A Notes ~~based on the Class A Ownership Group Percentage for each Class A Ownership Group~~, on the Refinancing Date in accordance with the terms of **this Indenture Supplement and the Indenture Agreement**. (d) Adjustment to Collateral Amount. ~~Automatically upon~~ **Upon** the making of any

Class A Incremental Funding, the Collateral Amount shall increase by the aggregate amount of the Class A Incremental Fundings, plus such additional amount (an “Additional Enhancement Amount”) as may with respect to such Class A Incremental Funding shall be the amount necessary so that, after giving effect to each such Class A Incremental Funding, the Excess Collateral Amount would not be less than the Required Excess Collateral Amount. ~~Automatically upon~~ Upon the payment of any Optional Amortization Amount or the distribution of a purchase price pursuant to Section ~~subsection~~ 4.1 (c) on any Refinancing Date, the Collateral “Enhancement Reduction Amount” with respect to such payment or distribution shall ~~be decrease by an amount equal to the sum of (i) the related Optional Amortization Amount or purchase price, as applicable, distributed to the Series 2023-2009 - VFNI Noteholders and (ii) an additional amount specified in the Optional Amortization Notice or notice delivered in connection with a Refinancing Date (an “Enhancement Reduction Amount”)~~ so long as, after giving effect to such reduction, the Excess Collateral Amount would not be less than the Required Excess Collateral Amount. ARTICLE V. Rights of Series 2023-2009 - VFNI - VFN Noteholders and Allocation and Application of Collections Section 5.1 Collections and Allocations. (a) Allocations. Finance Charge Collections, Principal Collections and Defaulted Receivables allocated to Series 2023-2009 - VFNI - VFN pursuant to Article VIII of the Indenture shall be allocated and distributed as set forth in this Article. (b) Allocations to the Series 2023-2009 - VFNI - VFN Noteholders. The Servicer shall on the Date of Processing, allocate to the Series 2023-2009 - VFNI - VFN Noteholders the following amounts as set forth below: (i) Allocations of Finance Charge Collections. The Servicer shall allocate to the Series 2023-2009 - VFNI - VFN Noteholders an amount equal to the product of (A) the Allocation Percentage and (B) the aggregate Finance Charge Collections processed on such Date of Processing and shall deposit such amount into the Finance Charge Account, provided that, with respect to each Monthly Period falling in the Revolving Period (and with respect to that portion of each Monthly Period in the Controlled Amortization Period falling on or after the day on which Collections of Principal Receivables equal to the Controlled Amortization Amount have been allocated pursuant to clause 5.1 (b) (ii)), **so long as the Available Cash Collateral Amount is not less than the Required Cash Collateral Amount on such Date of Processing**, Collections of Finance Charge Receivables shall be transferred into the Finance Charge Account only until such time as the aggregate amount so deposited equals the product of (x) 1.5 and (y) the sum (the “Target Amount”) of (A) the ~~Class A~~ Monthly Interest for the related Distribution Date, (B) the Class A Non- Use Fee, if any, (C) the Class A Additional Amounts, if any, (D) if Comenity Capital Bank is not the Servicer, the Noteholder Servicing Fee (and if Comenity Capital Bank is the Servicer, then amounts that otherwise would have been transferred into the Finance Charge Account pursuant to this clause (D) shall instead by returned to Comenity Capital Bank as payment of the Noteholder Servicing Fee), (E) any amount required to be deposited in the ~~Reserve~~ **Cash Collateral** Account on the related Transfer Date and (F) the sum of the Investor Default Amounts for the prior Monthly Period and any Investor Uncovered Dilution Amount for the prior Monthly Period; provided further, that, notwithstanding the preceding proviso, if on any Business Day the Servicer determines that the Target Amount for a Monthly Period exceeds the Target Amount for that Monthly Period as previously calculated by Servicer, then (x) Servicer shall (on the same Business Day) inform Transferor of such determination, and (y) within two Business Days of receiving such notice Transferor shall deposit into the Finance Charge Account funds in an amount equal to the amount of Collections of Finance Charge Receivables allocated to the Noteholders for that Monthly Period but not deposited into the Finance Charge Account due to the operation of the preceding proviso (but not in excess of the amount required so that the aggregate amount deposited for the subject Monthly Period equals the Target Amount); and provided, further, if on any Transfer Date the Transferor Amount is less than zero after giving effect to all transfers and deposits on that Transfer Date, Transferor shall, on that Transfer Date, deposit into the Principal Account funds in an amount equal to the amounts of Available Finance Charge Collections that are required to be treated as Available Principal Collections pursuant to clause 5.4 (a) (~~iv-viii~~) and (~~v-ix~~) but are not available from funds in the Finance Charge Account as a result of the operation of second preceding proviso. With respect to any Monthly Period when deposits of Collections of Finance Charge Receivables into the Finance Charge Account are limited to deposits up to 1.5 times the Target Amount in accordance with clause (i) above, notwithstanding such limitation and notwithstanding the provisions of ~~Section subsection~~ 8.4 (a) of the Indenture: (1) Reallocated Principal Collections for the related Transfer Date shall be calculated as if the full amount of Finance Charge Collections allocated to the Noteholders during that Monthly Period had been deposited in the Finance Charge Account and applied on such Transfer Date in accordance with subsection 5.4 (a); and (2) Collections of Finance Charge Receivables released to Transferor pursuant to such ~~Section clause~~ 5.1 (b) (i) shall be deemed, for purposes of all calculations under this Indenture Supplement, to have been retained in the Finance Charge Account and applied to the items specified in ~~subsections-~~ **subsection** 5.4 (a) to which such amounts would have been applied (and in the priority in which they would have been applied) had such amounts been available in the Finance Charge Account on such Transfer Date. To avoid doubt, the calculations referred to in the preceding clause (2) include the calculations required by clause (~~b)(iii-ii)~~ (**z**) of the definition of Collateral Amount **and by the definition of Portfolio Yield**. (ii) Allocations of Principal Collections. The Servicer shall allocate to the Series 2023-2009 - VFNI - VFN Noteholders the following amounts as set forth below: (x) Allocations During the Revolving Period. (1) During the Revolving Period an amount equal to the product of the Allocation Percentage and the aggregate amount of Principal Collections processed on such Date of Processing, shall be allocated to the Series 2023-2009 - VFNI - VFN Noteholders and first, **retained in the Principal Account to the extent necessary, to pay the Mandatory Limited Payment Amount on the related Distribution Date, second**, if any other Principal Sharing Series is outstanding and in its accumulation period or amortization period, retained in the Principal Account for application, to the extent necessary, as Shared Principal Collections for other Principal Sharing Series on the related Distribution Date, ~~second~~ **third**, retained in the Principal Account, to the extent necessary, to pay any Optional Amortization Amount on the related Optional Amortization Date, ~~third~~ **fourth**, deposited in the Excess Funding Account to the extent necessary so that the Transferor Amount is not less than the Minimum Transferor Amount and ~~fourth~~ **fifth**, paid to the holders of the Transferor Interest. (2) With respect to each Monthly Period falling in the Revolving Period, to the extent that Collections of Principal Receivables allocated to the Series 2023-2009 - VFNI

- ~~VFNI~~ Noteholders pursuant to this clause 5. 1 (b) (ii) are paid to Transferor, Transferor shall make an amount equal to the Reallocated Principal Collections for the related Transfer Date available on that Transfer Date for application in accordance with Section 5. 6. (y) Allocations During the Controlled Amortization Period. During the Controlled Amortization Period an amount equal to the product of the Allocation Percentage and the aggregate amount of Principal Collections processed on such Date of Processing (the product for any such date is hereinafter referred to as a “ Percentage Allocation ”) shall be allocated to the Series ~~2023-2009 - VFNI~~ ~~VFNI~~ Noteholders and transferred to the Principal Account until applied as provided herein; provided, however, that if the sum of such Percentage Allocation and all preceding Percentage Allocations with respect to the same Monthly Period exceeds the Controlled Payment Amount during the Controlled Amortization Period for the related Distribution Date, then such excess shall not be treated as a Percentage Allocation and shall be first, if any other Principal Sharing Series is outstanding and in its accumulation period or amortization period, retained in the Principal Account for application, to the extent necessary, as Shared Principal Collections to other Principal Sharing Series on the related Distribution Date, second, retained in the Principal Account to pay any Optional Amortization Amount on the related Optional Amortization Date, third, deposited in the Excess Funding Account to the extent necessary so that the Transferor Amount is not less than the Minimum Transferor Amount and fourth, paid to the holders of the Transferor Interest. (z) Allocations During the Early Amortization Period. During the Early Amortization Period, an amount equal to the product of the Allocation Percentage and the aggregate amount of Principal Collections processed on such Date of Processing shall be allocated to the ~~2023-2009 - VFNI~~ ~~VFNI~~ Noteholders and transferred to the Principal Account until applied as provided herein; provided, however, that after the date on which an amount of such Principal Collections equal to the ~~Class A~~ Note Principal Balance has been deposited into the Principal Account such amount shall be first, if any other Principal Sharing Series is outstanding and in its accumulation period or amortization period, retained in the Principal Account for application, to the extent necessary, as Shared Principal Collections to other Principal Sharing Series on the related Distribution Date, second deposited in the Excess Funding Account to the extent necessary so that the Transferor Amount is not less than the Minimum Transferor Amount and third paid to the holders of the Transferor Interest.

(c) During any period when Servicer is permitted by Section 8. 4 of the Indenture to make a single monthly deposit to the Collection Account, amounts allocated to the Noteholders pursuant to subsections 5. 1 (a) and (b) with respect to any Monthly Period need not be deposited into the Collection Account or any Series Account prior to the related Transfer Date, and, when so deposited, (x) may be deposited net of any amounts required to be distributed to Transferor and, if Comenity Capital Bank is Servicer, to Servicer, and (y) shall be deposited into the Finance Charge Account (in the case of Collections of Finance Charge Receivables) and the Principal Account (in the case of Collections of Principal Receivables (not including any Shared Principal Collections allocated to Series 2009- VFNI pursuant to Section 8. 5 of the Indenture)).

(d) On any date, Servicer may direct the Indenture Trustee to withdraw from the Collection Account or any Series Account any amounts inadvertently deposited in such account that should have not been so deposited. (e) Allocations of Interchange. Notwithstanding anything to the contrary in subsection 5. 1 (b) of this Indenture Supplement or in the Indenture, Interchange for each Monthly Period equal to the Investor Interchange Amount shall be allocated to the Series 2009- VFNI Noteholders, and shall be deposited into the Finance Charge Account not later than 12: 00 noon, New York City time, on the Transfer Date following the related Monthly Period. (f) Allocations of Merchant Discount Fees. Notwithstanding anything to the contrary in subsection 5. 1 (b) of this Indenture Supplement or in the Indenture, Merchant Discount Fees for each Monthly Period equal to the Investor Merchant Fee Amount shall be allocated to the Series 2009- VFNI Noteholders, and shall be deposited into the Finance Charge Account not later than 12: 00 noon, New York City time, on the Transfer Date following the related Monthly Period.

Section 5. 2 Determination of ~~Class A~~ Monthly Interest. (a) Pursuant to the Class A Note Purchase Agreement, certain Class A Ownership Tranches may from time to time be divided into one or more subdivisions (each, as further specified in the Class A Note Purchase Agreement, a “ Class A Funding Tranche ”) which will accrue interest on different bases. The amount of monthly interest (“ Class A Monthly Interest ”) distributable from the Distribution Account with respect to the Class A Notes on any Distribution Date shall be an amount equal to the aggregate amount of interest that accrued over that Distribution Period on each Class A Funding Tranche (plus the aggregate amount of interest that accrued over any prior Distribution Period on any Class A Funding Tranche and has not yet been paid, plus additional interest (to the extent permitted by law) on such overdue amounts at the weighted average interest rate applicable to the related Class A Ownership Tranche during that Distribution Period, and minus any overpayment of interest on the prior Distribution Date as a result of the estimation referred to below), all as determined by Servicer on the related Determination Date. For purposes of such determination, Servicer shall rely upon information provided by the various Class A Administrative Agents pursuant to the Class A Note Purchase Agreement including estimates of the interest to accrue on any Class A Funding Tranche through the related Distribution Date. The interest accrued on any Class A Ownership Tranche (or related Class A Funding Tranche) for any Distribution Period shall be determined using the applicable Class A Tranche Rate and shall equal the product of (x) the Weighted Average Class A ~~Note~~ Principal Balance for that Class A Ownership Tranche (or Class A Funding Tranche), (y) the applicable Class A Tranche Rate and (z) the applicable Day Count Fraction. (b) If any distribution of principal is made with respect to any Class A Funding Tranche funded through the issuance of commercial paper notes or accruing interest based on the ~~applicable~~ Benchmark **(as defined in the Class A Note Purchase Agreement)** other than on (i) the day on which the related funding source, to the extent subject to a contracted maturity date, matures or (ii) a Distribution Date, or if the Class A ~~Note~~ Principal Balance of any Class A Ownership Tranche is reduced by an Optional Amortization Amount in an amount greater than the amount (if any) specified in the Class A Note Purchase Agreement with respect to that Class A Ownership Tranche without the applicable number (as specified in the Class A Note Purchase Agreement) of Business Days’ prior notice to the affected Series ~~2023-2009 - VFNI~~ ~~VFNI~~ Noteholder, and in either case (i) the interest paid by the Class A Noteholder holding that Class A Funding Tranche to providers of funds to it to fund that Class A Funding Tranche exceeds (ii) returns earned by that Class A Noteholder through the related Distribution Date (or, if earlier, the

maturity date for the related funding source) by redeployment of such funds in highly rated short-term money market instruments, then, upon written notice (which notice shall be signed by an officer of that Class A Noteholder with knowledge of and responsibility for such matters and shall set forth in reasonable detail the basis for requesting the amounts) from such Class A Noteholder to Servicer, such Class A Noteholder shall be entitled to receive additional amounts in the amount of such excess (each, a "Class A Breakage Payment") on the Distribution Date on or after the date such distribution of principal is made with respect to that Class A Funding Tranche, so long as such written notice is received not later than noon, New York City time, on the Transfer Date related to such Distribution Date. For purposes of calculations under this paragraph, any payment received by a Class A Noteholder later than noon, New York City time, on any day shall be deemed to have been received on the next day.

Section 5.3 Determination of Class A Monthly Principal. (a) The amount of monthly principal (the "Class A Monthly Principal") to be transferred from the Principal Account with respect to the Class A Notes (i) on each Transfer Date, beginning with the Transfer Date in the Monthly Period following the Monthly Period in which the Controlled Amortization Period begins (unless an Early Amortization Period shall have commenced prior to the end of the Monthly Period immediately preceding such Transfer Date), shall be equal to the least of (w) the Available Principal Collections on deposit in the Principal Account with respect to such Transfer Date, (x) the Controlled Payment Amount for such Transfer Date, (y) the Collateral Amount (after taking into account any adjustments to be made on such Transfer Date and the related Distribution Date pursuant to Sections 5.5 and 5.6), and (z) the Class A Note-Principal Balance ~~and~~, (ii) on each Transfer Date, beginning with the Transfer Date in the Monthly Period following the Monthly Period in which the Early Amortization Period begins, shall be equal to the least of (x) the Available Principal Collections on deposit in the Principal Account with respect to such Transfer Date, (y) the Collateral Amount (after taking into account any adjustments to be made on such Transfer Date and the related Distribution Date pursuant to Sections 5.5 and 5.6), and (z) the Class A Note-Principal Balance ~~and~~ **(iii) on each Transfer Date, beginning with the Transfer Date in the Monthly Period following the Monthly Period in which the Mandatory Limited Amortization Period begins and ending on the Transfer Date in the Monthly Period in which the Controlled Amortization Period begins (unless an Early Amortization Period shall have commenced prior to the end of the Monthly Period immediately preceding such Transfer Date), shall be equal to the least of (x) the Available Principal Collections on deposit in the Principal Account with respect to such Transfer Date, (y) prior to the Non-Renewing Purchaser Scheduled Distribution Date, the Mandatory Limited Payment Amount for such Transfer Date, and (z) the Non-Renewing Purchaser Class A Principal Balance.** (b) [Reserved.] (c) [Reserved.] (d) [Reserved.]

Section 5.4 Application of Available Finance Charge Collections and Available Principal Collections. On or before each Transfer Date, the Servicer shall instruct the Indenture Trustee in writing (which writing shall be substantially in the form of Exhibit B) to withdraw and the Indenture Trustee, acting in accordance with such instructions, shall withdraw on such Transfer Date or related Distribution Date, as applicable, to the extent of available funds, the amount required to be withdrawn from the Finance Charge Account, the Principal Account, the **Principal Funding Account and the** Distribution Account and the Reserve Account as follows: (a) On each Transfer Date, an amount equal to the Available Finance Charge Collections with respect to the related Distribution Date will be distributed or deposited in the following priority: (i) an amount equal to the unpaid Class A Monthly Interest for such Distribution Date shall be deposited by Servicer or the Indenture Trustee into the Distribution Account for distribution to the Class A Noteholders in accordance with Section 6.2; (ii) an amount equal to the unpaid Class A Non-Use Fee, if any, not paid by the Transferor pursuant to the Class A Note Purchase Agreement for the related Distribution Period, plus any Class A Non-Use Fee due but not paid to the Class A Noteholders on any prior Distribution Date and an amount equal to the Class A Additional Amounts, if any, for the related Distribution Period, plus any Class A Additional Amounts due but not paid to the Class A Noteholders on any prior Distribution Date shall be deposited by Servicer or the Indenture Trustee into the Distribution Account for distribution to the Class A Noteholders in accordance with Section 6.2; **provided, that the amounts distributed pursuant to this clause 5.4 (a) (ii) shall not exceed 0.50% of the Weighted Average Collateral Amount over the Distribution Period;** (iii) an amount equal to the Noteholder Servicing Fee for such Transfer Date, plus the amount of any Noteholder Servicing Fee previously due but not distributed to the Servicer on a prior Transfer Date, shall be distributed to the Servicer; (iv) [Reserved]; (v) [Reserved]; (vi) [Reserved]; (vii) [Reserved]; (viii) an amount equal to the Aggregate Investor Default Amount and any Investor Uncovered Dilution Amount for such Distribution Date shall be treated as a portion of Available Principal Collections for such Distribution Date and, during the Controlled Amortization Period or the Early Amortization Period, deposited into the Principal Account on the related Transfer Date to the extent needed to pay Monthly Principal on the related Distribution Date; ~~(vix)~~ an amount equal to the sum of the aggregate amount of Investor Charge-Offs and the amount of Reallocated Principal Collections which have not been previously reimbursed pursuant to this clause ~~(vix)~~ shall be treated as a portion of Available Principal Collections for such Distribution Date and, during the Controlled Amortization Period or the Early Amortization Period, deposited into the Principal Account on the related Transfer Date to the extent needed to pay Monthly Principal on the related Distribution Date; ~~(vix)~~ **on each Transfer Date, an amount equal to the excess, if any, of the Required Reserve Account Cash Collateral Amount, over the Available Reserve Account Cash Collateral Amount shall be deposited into the Reserve Cash Collateral Account as provided in Section 5.9-4 (d-a) (i-ii) because of the proviso in such clause shall be withdrawn from the Finance Charge Account and deposited into the Distribution Account for distribution to the Class A Noteholders;** and ~~(vix-xii)~~ the balance, if any, will constitute a portion of Excess Finance Charge Collections for such Distribution Date. (b) During the Revolving Period, an amount equal to the Available Principal Collections for the related Monthly Period will be treated as Shared Principal Collections and applied in accordance with Section 8.5 of the Indenture; **provided, however, during any Mandatory Limited Amortization Period and on the Non-Renewing Purchaser Scheduled Distribution Date, an amount equal to the Available Principal Collections for the related Monthly Period shall be distributed or deposited in the following order of priority: (i) an amount equal to the Class A Monthly Principal shall be deposited into the Distribution Account on such Transfer Date for payment to the**

Class A Noteholders in each Class A Ownership Group that is a Non-Renewing Ownership Group, on a pro rata basis, until the Non-Renewing Purchaser Class A Principal Balance has been reduced to zero; and (ii) the balance shall be treated as Shared Principal Collections and applied in accordance with Section 8.5 of the Indenture. (c) On each Transfer Date following any Monthly Period during the Controlled Amortization Period or the Early Amortization Period, an amount equal to the Available Principal Collections for the related Monthly Period shall be distributed or deposited in the following order of priority: (i) an amount equal to the Class A Monthly Principal for such Transfer Date shall be deposited into the Distribution Account on such Transfer Date and on each subsequent Transfer Date for payment to the Class A Noteholders on the related Distribution Date until the Class A ~~Note~~-Principal Balance has been paid in full; and (ii) the balance shall be treated as Shared Principal Collections and applied in accordance with Section 8.5 of the Indenture. (d) On each Distribution Date, the Indenture Trustee shall pay in accordance with Section 6.2 to the Class A Noteholders from the Distribution Account, the amount deposited into the Distribution Account pursuant to clauses 5.4 (a) (i) ~~and~~, (ii) ~~and~~ (xi) on the preceding Transfer Date. (e) As of any Distribution Date during the Controlled Amortization Period or Early Amortization Period, the Collateral Amount shall be reduced by the Surplus Collateral Amount. Section 5.5 Investor Charge-Offs. On each Determination Date, the Servicer shall calculate the Aggregate Investor Default Amount and any Investor Uncovered Dilution Amount for the related Distribution Date. If, on any Distribution Date, the sum of the Aggregate Investor Default Amount and any Investor Uncovered Dilution Amount for such Distribution Date exceeds the sum of the amount of Available Finance Charge Collections **and the amount withdrawn from the Cash Collateral Account allocated with respect thereto pursuant to 5.10 (c) with respect to such Distribution Date**, the Collateral Amount will be reduced (but not below zero) by the amount of such excess (such reduction, an “Investor Charge-Off”). Section 5.6 Reallocated Principal Collections. On each Transfer Date, the Servicer shall apply, or shall instruct the Indenture Trustee in writing to apply, Investor Principal Collections with respect to that Transfer Date, to fund any deficiency pursuant to and in the priority set forth in clauses 5.4 (a) (i) through (iii) ~~vi~~ **after giving effect to any withdrawal from the Cash Collateral Account to cover such payments**. On each Transfer Date, the Collateral Amount shall be reduced by the amount of Reallocated Principal Collections for such Transfer Date. Section 5.7 Excess Finance Charge Collections. Series ~~2023-2009 - VFN1- VFN~~ shall be an Excess Allocation Series with respect to Group One only. Subject to Section 8.6 of the Indenture, Excess Finance Charge Collections with respect to the Excess Allocation Series in Group One for any Transfer Date will be allocated to Series ~~2023-2009 - VFN1- VFN~~ in an amount equal to the product of (x) the aggregate amount of Excess Finance Charge Collections with respect to all the Excess Allocation Series in Group One for such Distribution Date and (y) a fraction, the numerator of which is the Finance Charge Shortfall for Series ~~2023-2009 - VFN1- VFN~~ for such Distribution Date and the denominator of which is the aggregate amount of Finance Charge Shortfalls for all the Excess Allocation Series in Group One for such Distribution Date. The “Finance Charge Shortfall” for Series ~~2023-2009 - VFN1- VFN~~ for any Distribution Date will be equal to the excess, if any, of (a) the full amount required to be paid, without duplication, pursuant to clauses 5.4 (a) (i) through (vi) ~~xi~~ on such Distribution Date, ~~over~~ (b) the Available Finance Charge Collections with respect to such Distribution Date (excluding any portion thereof attributable to Excess Finance Charge Collections). Section 5.8 Shared Principal Collections. Subject to Section 8.5 of the Indenture, Shared Principal Collections allocable to Series ~~2023-2009 - VFN1- VFN~~ on any Transfer Date shall equal the product of (i) the aggregate amount of Shared Principal Collections with respect to all Principal Sharing Series for such Transfer Date and (ii) a fraction, the numerator of which is the Principal Shortfall for Series ~~2023-2009 - VFN1- VFN~~ for such Transfer Date and the denominator of which is the aggregate amount of Principal Shortfalls for all the Series which are Principal Sharing Series for such Transfer Date. The “Principal Shortfall” for Series ~~2023-2009 - VFN1- VFN~~ for any Transfer Date shall equal, the excess, if any, of (a) the sum, without duplication, of any **Mandatory Limited Payment Amount**, Optional Amortization Amounts and Class A Monthly Principal with respect to such Transfer Date, ~~over~~ (b) the amount of Available Principal Collections for such Transfer Date (excluding any portion thereof attributable to Shared Principal Collections). Section 5.9 Certain Series Accounts. (a) The Indenture Trustee shall establish and maintain in the name of the Trust, on behalf of the Trust, for the benefit of the Noteholders, ~~four~~ **three** Eligible Deposit Accounts (the “Finance Charge Account”, the “Principal Account”, ~~and~~ the “Distribution Account” ~~and~~ the “Reserve”). **Each such Eligible Deposit Account shall bear** ~~”, bearing~~ a designation clearly indicating that the funds deposited therein are held for the benefit of the Series ~~2023-2009 - VFN1- VFN~~ Noteholders. The Indenture Trustee shall possess all right, title and interest in all funds on deposit from time to time in the Finance Charge Account, the Principal Account, ~~and~~ the Distribution Account ~~and~~ the Reserve Account and in all proceeds thereof. The Finance Charge Account, the Principal Account, ~~and~~ the Distribution Account ~~and~~ the Reserve Account shall be under the sole dominion and control of the Indenture Trustee for the benefit of the Series ~~2023-2009 - VFN1- VFN~~ Noteholders. If at any time the Finance Charge Account, the Principal Account, ~~or~~ the Distribution Account ~~or~~ the Reserve Account ceases to be an Eligible Deposit Account, the Transferor shall notify the Indenture Trustee in writing, and the Indenture Trustee upon being notified (or the Servicer on its behalf) shall, within ten (10) Business Days (or such longer period as to which the Rating Agency Condition is satisfied), ~~establish a new Eligible Deposit Finance Charge Account, a new Principal Account or a new Distribution Account, as applicable,~~ **establish a new Eligible Deposit Finance Charge Account, a new Principal Account or a new Distribution Account, as applicable,** meeting the conditions specified above, and shall transfer any cash or any investments to such new ~~Eligible Deposit Finance Charge Account, new Principal Account or new Distribution Account~~. The Indenture Trustee, at the written direction of the Servicer, shall make withdrawals from the Finance Charge Account, the Principal Account, ~~and~~ the Distribution Account ~~and~~ the Reserve Account from time to time, in the amounts and for the purposes set forth in this Indenture Supplement. Indenture Trustee at all times shall maintain accurate records reflecting each transaction in the Finance Charge Account, the Principal Account, ~~and~~ the Distribution Account ~~and~~ the Reserve Account. (b) Funds on deposit in the Finance Charge Account, the Principal Account and the Distribution Account, from time to time shall be invested and reinvested ~~in accordance with Section 5.10~~ at the direction of the Servicer by the Indenture Trustee in Eligible Investments that will mature so that such funds will be available for withdrawal on or prior to the following Transfer Date. The

Servicer shall give a written standing instruction for such investments, and amounts in such accounts will not be invested if the Servicer fails to give such instructions to the Indenture Trustee. (b-c) **Section 6.14 of the Indenture shall apply to the Series Accounts.** Section 5.10 **Cash Collateral Account.** (a) **The** of the Indenture Supplement is hereby amended and restated in its entirety as follows: “On or prior to the Closing Date, the Indenture Trustee shall establish and maintain, in the name of the Trust, on behalf of the Trust, for the benefit of the **Class B-Series 2009- VFN** Noteholders and the Transferor, an Eligible Deposit Account (the “**Spread-Cash Collateral Account**”), bearing a designation clearly indicating that the funds deposited therein are held for the benefit of the **Class B-Series 2009- VFN** Noteholders and the Transferor. **The** Except as otherwise provided in this Section 5.10, the Indenture Trustee shall possess all right, title and interest in all funds on deposit from time to time in the **Spread-Cash Collateral Account** and in all proceeds thereof. The **Spread-Cash Collateral Account** shall be under the sole dominion and control of the Indenture Trustee for the benefit of the **Class B-Series 2009- VFN** Noteholders and the holder of the Transferor Interest. If at any time the **Spread-Cash Collateral Account** ceases to be an Eligible Deposit Account, the Servicer-**Transferor** shall notify the Indenture Trustee in writing, and the Indenture Trustee upon being notified (or the Servicer on its behalf) shall, within ten (10) Business Days, (or such longer period as to which the Rating Agency Condition is satisfied) establish a new **Eligible Deposit-Cash Collateral Account** meeting the conditions specified above, and shall transfer any cash or any investments to such new **Eligible-Cash Collateral Account.**(b) **Funds on Deposit** deposit in the **Cash Collateral Account shall be invested.** The Indenture Trustee, at the written direction of the Servicer, by the Indenture Trustee in **Eligible Investments.** The Servicer shall (i) **make** give a written standing instruction for such investments, and amounts in such account will not be invested if the Servicer fails to give such instructions to the Indenture Trustee. **Funds on deposit in the Cash Collateral Account on any Transfer Date, after giving effect to any** withdrawals from the **Cash Collateral Spread Account** from time to time in an amount up to the Available Spread Account Amount **Account** at such time, for the purposes set forth in this Indenture Supplement, and (ii) on each such Transfer Date, shall be invested in such investments that will mature so that such funds will be available for withdrawal on or prior to termination of the following Transfer Date. **Spread Account, make a deposit into the Spread Account in the amount specified in, and otherwise in accordance with,** On each Transfer Date, **the all interest and earnings (net of losses and investment expenses) earnings, if any, accrued since the preceding Transfer Date on funds on deposit in the Cash Collateral Series Accounts (other than the Reserve Account) shall be paid to retained in the holders of Cash Collateral Account (to the extent that the Available Cash Collateral Account Amount is less than the Required Cash Collateral Account Amount) and the balance, if any, shall be deposited into the Finance Charge Account and included in Available Finance Charge Collections for such Transferor-- Transfer Interest Date.** For purposes of determining the availability of funds or the balance in any Series the **Cash Collateral Account** for any reason under this Indenture Supplement, **all investment earnings shall be deemed not..... any reason under this Indenture Supplement, except as otherwise provided in the preceding sentence, investment interest and earnings on such funds shall be deemed not to be available or on deposit.** (iii-c) On or before each Transfer **Determination Date, the Servicer shall calculate the Reserve amount (the “ Required Draw Amount ; provided, however, that such”) by which the sum of the amount amounts will required to be reduced distributed pursuant to clauses** the extent that funds otherwise would be available for deposit in the Reserve Account under subsection 5.4 (a) (vi-i) through (viii) with respect to such the related Transfer Date exceeds the amount of Available Finance Charge Collections with respect to the related Monthly Period. If, the **Required Draw Amount** for any Transfer Date, the Reserve Draw Amount is greater than zero, **Servicer shall give written notice to the Reserve Indenture Trustee of such positive Required Draw Amount, up to the Available Reserve Account Amount, shall be withdrawn from the Reserve Account on such the related Determination Date. On the related Transfer Date by, the Required Draw Amount, if any, up to the Available Cash Collateral Amount, the Servicer shall direct the Indenture Trustee (acting in accordance writing to withdraw from the Cash Collateral Account and distributed to fund any deficiency pursuant to clauses 5.4 (a) (i) through (viii) (in the order of priority set forth in subsection 5.4 (a)). (d) If, after giving effect to all deposits to and withdrawals from the Cash Collateral Account with respect to the written instructions of the Servicer) and deposited into the Finance Charge Account for application as Available Finance Charge Collections for such Transfer Date. (iv) If the Reserve Account Surplus on any Transfer Date, the amount on after giving effect to all deposits deposit in to and withdrawals from the Reserve **Cash Collateral Account exceeds the Required Cash Collateral Amount** with respect to such Transfer Date, is greater than zero, the Indenture Trustee, acting in accordance with the written instructions of the Servicer, shall withdraw from the Reserve Account an amount equal to such **Reserve excess from the Cash Collateral Account Surplus** and distribute any such amounts **remaining after application pursuant to the holders of subsection 5.10 (c) to** the Transferor Interest. Section 5.10-11 **Investment Instructions.** Any investment instructions required to be given to the Indenture Trustee pursuant to the terms hereof must be given in the form of a written standing instruction to the Indenture Trustee no later than 11:00 a. m., New York City time, on the date such investment is to be made. In the event the Indenture Trustee receives such investment instruction later than such time, the Indenture Trustee may, but shall have no obligation to, make such investment. In the event the Indenture Trustee is unable to make an investment required in an investment instruction received by the Indenture Trustee after 11:00 a. m., New York City time, on such day, such investment shall be made by the Indenture Trustee on the next succeeding Business Day. In no event shall the Indenture Trustee be liable for any investment not made pursuant to investment instructions received after 11:00 a. m., New York City time, on the day such investment is requested to be made. If investment instructions are not given with respect to funds in any Accounts, such funds shall remain uninvested until instructions are delivered to the Indenture Trustee in accordance with the terms hereof. Section 5.11 **Distributions After Repudiation..... 5.11 (c).** ARTICLE VI. Delivery of Series **2023-2009 - VFN- VFN** Notes; Distributions; Reports to Series **2023-2009 - VFN- VFN** Noteholders Section 6.1 Delivery and Payment for the Series **2023-2009 - VFN- VFN** Notes. The Issuer shall execute and issue, and the Indenture Trustee shall authenticate, the Series **2023-2009 - VFN- VFN** Notes in accordance with Section 2.3 of the Indenture. The Indenture Trustee shall deliver the Series **2023-****

2009 - VFNI - VFN Notes to or upon the written order of the **Issuer-Trust** when so authenticated. Section 6. 2 Distributions. (a) On each Distribution Date, the Indenture Trustee shall ~~in accordance with the written direction of the Servicer (which direction shall be in substantially the form of Exhibit B)~~ distribute to each Class A Noteholder of record on the related Record Date (other than as provided in Section 11. 2 of the Indenture) such Class A Noteholder's portion (determined in accordance with Article V) of the amounts on deposit in the Distribution Account that are allocated and available on such Distribution Date and as are payable to the Class A Noteholders pursuant to this Indenture Supplement. (b) On each Distribution Date, if a shortfall in the amount of Available Finance Charge Collections available for distribution in accordance with any payment priority in clauses 5. 4 (a) (i) ~~and~~, (ii) ~~and~~ (xi) exists, the Available Finance Charge Collections for such payment priority shall be allocated (a) ratably to each Class A Ownership Group based on its respective Class A Ownership Group Percentage and (b) any Available Finance Charge Collections allocated pursuant to clause (a) to any Class A Ownership Group in excess of the amount owed to such Class A Ownership Group for the related payment priority shall be reallocated to each Class A Ownership Group that has a remaining shortfall in the Available Finance Charge Collections allocated to it pursuant to clause (a) in order to cover the amount owed to such Class A Ownership Group for the related payment priority, which reallocation shall be made ratably in accordance with the portion of the ~~Class A~~ Note Principal Balances of all remaining Class A Ownership Groups represented by the ~~Class A~~ Note Principal Balance of each such remaining Class A Ownership Group. (c) The distributions to be made pursuant to this Section 6. 2 are subject to the provisions of Sections 2. 6, ~~6 and 4. 1~~ **and 7. 1** of the **Transfer and Servicing** Agreement, Section 11. 2 of the Indenture and Section 7. 1 of this Indenture Supplement. (d) All payments set forth herein shall be made by wire transfer of immediately available funds, provided that the Paying Agent, not less than five Business Days prior to the Record Date relating to the first distribution to such Series **2023-2009 - VFNI - VFN** Noteholder, has been furnished with appropriate wiring instructions in writing. Section 6. 3 Reports, Statements and Opinions to Series **2023-2009 - VFNI - VFN** Noteholders. (a) On each Distribution Date, the Indenture Trustee shall make available to each Series **2023-2009 - VFNI - VFN** Noteholder via its website (~~www.https://pivot.usbank.com~~) a statement substantially in the form of Exhibit C prepared by the Servicer. (b) Not later than the second Business Day preceding each Distribution Date, the Servicer shall deliver to the Owner Trustee and the Indenture Trustee (i) a statement substantially in the form of Exhibit B prepared by the Servicer and (ii) a certificate of an Authorized Officer substantially in the form of Exhibit D; provided that the Servicer may amend the form of Exhibit B from time to time, with the prior written consent of the Indenture Trustee. (c) A copy of each statement or certificate provided pursuant to paragraph (a) or (b) may be obtained by any Series **2023-2009 - VFNI - VFN** Noteholder by a request in writing to the Servicer. (d) On or before January 31 of each calendar year ~~beginning with January 31, 2024~~, the Indenture Trustee shall furnish or cause to be furnished to each Person who at any time during the preceding calendar year was a Series **2023-2009 - VFNI - VFN** Noteholder, a statement prepared by the Servicer containing the information which is required to be contained in the statement to Series **2023-2009 - VFNI - VFN** Noteholders, as set forth in paragraph (a) above, aggregated for such calendar year or the applicable portion thereof during which such Person was a Series **2023-2009 - VFNI - VFN** Noteholder, together with other information as is required to be provided by an issuer of indebtedness under the Code. (e) On or before March 31 in each calendar year, ~~beginning in 2024~~, the Issuer shall furnish to the Indenture Trustee and each Class A Administrative Agent an Opinion of Counsel either stating that, in the opinion of such counsel, such action has been taken to perfect the lien and security interest of the Indenture, including with respect to the recording, filing, re- recording and refiling of the Indenture, any indentures supplemental thereto and any other requisite documents and with respect to the execution and filing of any financing statements and continuation statements as is so necessary and reciting the details of such action or stating that in the opinion of such counsel no such action is necessary to maintain the perfection of such lien and security interest. Such Opinion of Counsel shall also describe the recording, filing, re- recording and refiling of the Indenture, any indentures supplemental thereto and any other requisite documents and the execution and filing of any financing statements and continuation statements that will, in the opinion of such counsel, be required to maintain the perfection of the lien and security interest of this Indenture until March 31 in the following calendar year. ARTICLE VII. Series **2023-2009 - VFNI - VFN** Early Amortization Events Section 7. 1 Series **2023-2009 - VFNI - VFN** Early Amortization Events. If any one of the following events shall occur with respect to the Series **2023-2009 - VFNI - VFN** Notes: (a) failure on the part of Transferor or the Issuer (i) to make any payment or deposit required to be made by it by the terms of the **Transfer and Servicing** Agreement, the Class A Note Purchase Agreement, the Indenture or this Indenture Supplement on or before the date occurring five (5) Business Days after the date such payment or deposit is required to be made therein or herein or (ii) duly to observe or perform in any material respect any other of its covenants or agreements set forth in the **Transfer and Servicing** Agreement, the Class A Note Purchase Agreement, the Indenture or this Indenture Supplement, which failure has a material adverse effect on the Series **2023-2009 - VFNI - VFN** Noteholders and which continues unremedied for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Transferor by the Indenture Trustee, or to the Transferor and the Indenture Trustee by any Holder of the Series **2023-2009 - VFNI - VFN** Notes; (b) any representation or warranty made by Transferor or the Issuer, in the **Transfer and Servicing** Agreement, the Class A Note Purchase Agreement, the Indenture or the Indenture Supplement or any information contained in a computer file or microfiche list required to be delivered by it pursuant to Section 2. 1 ~~or subsection 2. 6~~ (c) of the **Transfer and Servicing** Agreement shall prove to have been incorrect in any material respect when made or when delivered, which continues to be incorrect in any material respect for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Transferor by the Indenture Trustee, or to the Transferor and the Indenture Trustee by any Holder of the Series **2023-2009 - VFNI - VFN** Notes and as a result of which the interests of the Series **2023-2009 - VFNI - VFN** Noteholders are materially and adversely affected for such period; provided, however, that a Series **2023-2009 - VFNI - VFN** Early Amortization Event pursuant to this subsection 7. 1 (b) shall not be deemed to have occurred hereunder if the Transferor has accepted reassignment of the related Receivable, or all of such Receivables, if applicable, during such period in accordance with

the provisions of the Transfer **and Servicing** Agreement; (c) as of any date of determination, the Quarterly Excess Spread Percentage is less than ~~0.2~~%; (d) a failure by Transferor to convey Receivables in Additional Accounts or Participations to the Receivables Trust within five (5) Business Days after the day on which it is required to convey such Receivables pursuant to subsection 2.6 (b) of the Transfer **and Servicing** Agreement, provided that such failure shall not give rise to an Early Amortization Event if, prior to the date on which such conveyance was required to be completed, Transferor causes a reduction in the principal balance of any Variable Interest to occur, so that, after giving effect to that reduction **(i) the Transferor Amount is no not Asset Deficiency shall have occurred less than the Minimum Transferor Amount and (ii) the sum of the aggregate amount of Principal Receivables plus amounts on deposit in the Excess Funding Account is not less than the Required Principal Balance**; (e) any Servicer Default shall occur which would have a material adverse effect on the Series ~~2023-2009~~ - ~~VFN1~~ - ~~VFN~~ Holders **and (which determination shall be made without reference to whether any funds are available under Eligible Servicer has not become the Cash Collateral Account) Successor Servicer within 60 days thereof**; (f) the Class A Note Principal Balance shall not be paid in full on the Class A Scheduled Final Payment Date **or the Non-Renewing Purchaser Class A Principal Balance shall not be paid in full on the Non-Renewing Purchaser Scheduled Distribution Date**; (g) [Reserved]; (h) **at any time that the Required Cash Collateral Amount has been greater than zero for three or more consecutive Monthly Periods immediately following the Monthly Period in which a Required Cash Collateral Amount Trigger Date occurs, the Available Cash Collateral Amount shall be less than the Required Cash Collateral Amount**; (i) as of any date of determination, the Quarterly Payment Rate Percentage shall be less than ~~12.8~~.0%; ~~(h-j)~~ a Change in Control has occurred; ~~(i-k)~~ **as on any Determination Date, the percentage equivalent of a fraction (A) the numerator of which is the sum of (1) the aggregate Principal Receivables outstanding that have remained unpaid more than 60 days after their contractual due date as of the end of the related Monthly Period, plus (2) the aggregate of the Default Amounts for all Accounts that became Defaulted Accounts during the related Monthly Period and (B) the denominator of which is the total Principal Receivables as of the end of the related Monthly Period is greater than 8.0 %**; ~~(l)~~ the Pension Benefit Guaranty Corporation shall file notice of a lien pursuant to Section 4068 of the Employee Retirement Income Security Act of 1974, with regard to any of the assets of Comenity Capital Bank, which lien shall secure a liability in excess of \$ 10,000,000 and shall not have been released within 40 days; **or (j-m)** a default shall have occurred and be continuing under any instrument or agreement evidencing or securing indebtedness for borrowed money of Comenity Capital Bank in excess of \$ 10,000,000 which default (i) is a default in payment of any principal or interest on such indebtedness when due or within any applicable grace period or (ii) shall have resulted in acceleration of the maturity of such indebtedness; or ~~(k-n)~~ without limiting the foregoing, the occurrence of an Event of Default with respect to Series ~~2023-2009~~ - ~~VFN1~~ - ~~VFN~~ and acceleration of the maturity of the Series ~~2023-2009~~ - ~~VFN1~~ - ~~VFN~~ Notes pursuant to Section 5.3 of the Indenture; then, in the case of any event described in subsections 7.1 (a), (b), (e), ~~(i-k)~~ **or (j-l) or (m)** of this Indenture Supplement, after the applicable grace period set forth in such ~~Sections~~ **subsections**, two or more Holders of Outstanding Series ~~2023-2009~~ - ~~VFN1~~ - ~~VFN~~ Notes evidencing undivided interests aggregating more than 50 % of the Class A Purchase Limit of this Series ~~2023-2009~~ - ~~VFN1~~ - ~~VFN~~ by notice then given in writing to Transferor and Servicer (and to the Indenture Trustee if given by the Holders) may, and the Indenture Trustee at the direction of such Holders shall, declare that an early amortization event (a "Series ~~2023-2009~~ - ~~VFN1~~ - ~~VFN~~ Early Amortization Event") has occurred as of the date of such notice, and in the case of any event described in subsections 7.1 (c), (d), (f), ~~(g)~~ ~~(h)~~ **or (k-i), (j) or (n)** of this Indenture Supplement, a Series ~~2023-2009~~ - ~~VFN1~~ - ~~VFN~~ Early Amortization Event shall occur without any notice or other action on the part of Indenture Trustee or the Series ~~2023-2009~~ - ~~VFN1~~ - ~~VFN~~ Noteholders immediately upon the occurrence of such event. In addition to the other consequences of a Series ~~2023-2009~~ - ~~VFN1~~ - ~~VFN~~ Early Amortization Event specified herein or a Trust Early Amortization Event, from and after the occurrence of any Series ~~2023-2009~~ - ~~VFN1~~ - ~~VFN~~ Early Amortization Event or a Trust Early Amortization Event (until the same shall have been waived by all of the Series ~~2023-2009~~ - ~~VFN1~~ - ~~VFN~~ Noteholders), with respect to any Account included in the Approved Portfolios, Transferor shall no longer permit or require Merchant Adjustment Payments or In-Store Payments to be netted against amounts owed to Transferor by the applicable Merchant but shall instead exercise its rights to require each Merchant to transfer to Servicer, not later than the third Business Day following receipt by such Merchant of any In-Store Payments or the occurrence of any event giving rise to Merchant Adjustment Payments, an amount equal to the sum of such In-Store Payments and Merchant Adjustment Payments. In addition, if any bankruptcy or other insolvency proceeding has been commenced against a Merchant, Servicer shall require that Merchant to (i) stop accepting In-Store Payments and (ii) inform Obligors who wish to make In-Store Payments that payment should instead be sent to Servicer, provided that Servicer shall not be required to take such action if (x) Servicer or Trustee has been provided a letter of credit, surety bond or other similar instrument covering collection risk with respect to In-Store Payments and (y) each of the Series ~~2023-2009~~ - ~~VFN1~~ - ~~VFN~~ Noteholders consents to such arrangement. ARTICLE VIII. Redemption of Series ~~2023-2009~~ - ~~VFN1~~ - ~~VFN~~ Notes; Series Termination Section 8.1 Optional Redemption of Series ~~2023-2009~~ - ~~VFN1~~ - ~~VFN~~ Notes; Final Distributions. (a) On any Business Day occurring on or after the date on which the outstanding principal balance of the Series ~~2023-2009~~ - ~~VFN1~~ - ~~VFN~~ Notes is reduced to 10 % or less of the greatest ever ~~Class A~~ Note Principal Balance, the Servicer shall have the option to redeem the Series ~~2023-2009~~ - ~~VFN1~~ - ~~VFN~~ Notes, at a purchase price equal to (i) if such day is a Distribution Date, the Reassignment Amount for such Distribution Date or (ii) if such day is not a Distribution Date, the Reassignment Amount for the Distribution Date following such day. (b) Servicer shall give the Indenture Trustee at least thirty (30) days prior written notice of the date on which Servicer intends to exercise such optional redemption. Not later than 12:00 noon, New York City time, on such day Servicer shall deposit into the Collection Account in immediately available funds the excess of **(i) the Reassignment Amount over (ii) the amount, if any, on deposit in the Principal Account**. Such redemption option is subject to payment in full of the Reassignment Amount. Following such deposit into the Collection Account in accordance with the foregoing, the Collateral Amount for Series ~~2023-2009~~ - ~~VFN1~~ - ~~VFN~~ shall be reduced to zero, and the Series ~~2023-2009~~ - ~~VFN1~~ - ~~VFN~~ Noteholders

shall have no further security interest in the Receivables. The Reassignment Amount shall be distributed as set forth in subsection 8.1(d). (c) **(i)** The amount to be paid by the Transferor with respect to Series ~~2023-2009 - VFNI- VFN~~ in connection with a reassignment of Receivables to the Transferor pursuant to subsection 2.4(e) of the Transfer **and Servicing Agreement** shall equal the Reassignment Amount for the first Distribution Date following the Monthly Period in which the reassignment obligation arises under the Transfer **and Servicing Agreement**. **(ii) The amount to be paid by the Transferor with respect to Series 2009- VFN in connection with a repurchase of the Notes pursuant to Section 7.1 of the Transfer and Servicing Agreement shall equal the Reassignment Amount for the Distribution Date of such repurchase.** (d) With respect to (a) the Reassignment Amount deposited into the Distribution Account pursuant to Section 8.1 or (b) the proceeds of any sale of Receivables pursuant to clause 5.5(a)(iii) of the Indenture with respect to Series ~~2023-2009 - VFNI- VFN~~, the Indenture Trustee shall, in accordance with the written direction of the Servicer, not later than 12:00 noon, New York City time, on the related Distribution Date, make distributions of the following amounts (in the priority set forth below and, in each case, after giving effect to any deposits and distributions otherwise to be made on such date) in immediately available funds: (i) (x) the Class A ~~Note~~-Principal Balance on such Distribution Date will be distributed to the Class A Noteholders and (y) an amount equal to the sum of (A) Class A Monthly Interest for such Distribution Date, (B) any Class A Monthly Interest previously due but not distributed to the Class A Noteholders on any prior Distribution Date, will be distributed to the Class A Noteholders, (C) Class A Non-Use Fees, if any, due and payable to the Class A Noteholders on such Distribution Date or any prior Distribution Date and (D) Class A Additional Amounts, if any, due and payable on such Distribution Date or any prior Distribution Date will be distributed to the Class A Noteholders, and (ii) any excess shall be released to the Issuer. Section 8.2 Series Termination. The right of the Series ~~2023-2009 - VFNI- VFN~~ Noteholders to receive payments from the Trust will terminate on the first Business Day following the Series Termination Date. ARTICLE IX. Miscellaneous Provisions Section 9.1 Ratification of Indenture; Amendments. As supplemented by this Indenture Supplement, the Indenture is in all respects ratified and confirmed and the Indenture as so supplemented by this Indenture Supplement shall be read, taken and construed as one and the same instrument. This Indenture Supplement may be amended only by a Supplemental Indenture entered in accordance with the terms of Section 10.1 or 10.2 of the Indenture. For purposes of the application of Section 10.2 of the Indenture to any amendment of this Indenture Supplement, the Series ~~2023-2009 - VFNI- VFN~~ Noteholders shall be the only Noteholders whose vote shall be required. Section 9.2 Counterparts. This Indenture Supplement may be executed in two or more counterparts, and by different parties on separate counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument. Counterparts may be delivered electronically. Each party agrees that this Indenture Supplement and any other documents to be delivered in connection herewith may be electronically signed, and that any electronic signatures appearing on this Indenture Supplement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility. Section 9.3 Notices. Any required notice shall be made to the addresses specified in the Class A Note Purchase Agreement with respect to the Series ~~2023-2009 - VFNI- VFN~~ Noteholders. Section 9.4 Form of Delivery of the Series ~~2023-2009 - VFNI- VFN~~ Notes. The Class A Notes shall be Definitive Notes and initially shall be registered in the Note Register in the name of the initial purchasers of such Notes identified in the Class A Note Purchase ~~Agreements- Agreement~~. Section 9.5 GOVERNING LAW; Waiver of Jury Trial. (a) THIS INDENTURE SUPPLEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW), AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS. (b) Each of the parties hereto hereby irrevocably and unconditionally, to the extent permitted by applicable law, ~~irrevocably~~ waives all right of trial by jury in any action, proceeding, or counterclaim based on, or arising out of, under or in connection with this Indenture Supplement, any other Transaction Document, or any matter arising hereunder or thereunder. Section 9.6 Limitation of Liability. It is expressly understood and agreed by the parties **to the Agreement** that (a) this ~~document is Agreement has been~~ executed and delivered by BNY Mellon Trust of Delaware, not ~~in its individual capacity or personally~~, but solely **in its capacity** as Owner Trustee of the ~~Issuer, in the exercise of the powers and authority conferred and vested in it pursuant to the Trust Agreement~~, (b) each of the representations, ~~warranties, covenants~~, undertakings and agreements herein made on the part of the ~~Issuer Trust~~ is made and intended not as personal representations, ~~warranties, covenants~~ undertakings and agreements by BNY Mellon Trust of Delaware, but is made and intended for the purpose of binding only the **Trust Issuer, as the case may be**, (c) nothing herein contained shall be construed as creating any liability on BNY Mellon Trust of Delaware, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any person claiming by, through or under the parties hereto, (d) BNY Mellon Trust of Delaware has made no investigation as to the accuracy or completeness of any representations ~~or and~~ warranties made by the ~~Owner Trustee- Trust~~ or the Issuer in this Indenture Supplement **Agreement**, and (e) ~~under in no circumstances event~~ shall BNY Mellon Trust of Delaware, ~~be personally liable in its individual capacity have any liability~~ for the payment of any indebtedness or expenses of the ~~Issuer Trust~~ or be liable **in respect of the representations, warranties, for- or obligations the breach or failure of the Trust hereunder or under** any obligation, representation, warranty or covenant made or undertaken by the Issuer under this Indenture Supplement or under the Notes or any of the other Transaction Documents ~~document or in any of the certificates, notices or agreements delivered pursuant thereto~~, as to all of which recourse shall be had solely to the assets of the ~~Issuer Trust~~, **and for all purposes of this Agreement and each other document, the Owner Trustee (as such or in its individual capacity) shall be subject to, and entitled to the benefits of, the terms and provisions of the Trust Agreement**. Section 9.7 Rights of the Indenture Trustee. The Indenture Trustee shall have herein the same rights, protections, indemnities and immunities as specified in the Indenture. ~~Neither Section 9.8 Additional Provisions. Notwithstanding anything to the contrary in any Transaction Document, until the Series Termination Date:~~ (a) the Indenture Trustee shall

not agree to any extension of the 60 day periods referred to in Section 2. 4 ~~nor~~ or 3. 3 of the Transfer and Servicing Agreement; (b) if the percentage equivalent of a fraction (A) the numerator of which is the total Principal Receivables relating to any one Merchant as of the end of any related Monthly Period and (B) the denominator of which is the aggregate total Principal Receivables as of the end of such related Monthly Period exceeds 25 %, the Transferor shall suspend the addition of the Automatic Additional Accounts relating to such Merchant program until such time as such percentage is less than or equal to 25 %; provided, however, that the co- branded portfolio for Ulta Salon, Cosmetics & Fragrance, Inc. and any related Merchant shall not be subject to the foregoing limitation; (c) without the consent of each Class A Noteholder (which consent shall not be unreasonably withheld or delayed), Transferor shall not (i) engage in any transaction described in Section 4. 2 of the Transfer and Servicing Agreement, (ii) designate additional or substitute Transferors or Credit Card Originators as permitted by Section 2. 9 or 2. 10 of the Transfer and Servicing Agreement or (iii) increase the percentage of Principal Receivables referred to in the proviso to clause (f) of the definition of “ Eligible Account ”. (d) To the extent that the sum of (i) the Seller’s Interest and (ii) amounts on deposit in the Excess Funding Account (excluding any investment earnings on deposit therein) is less than the Required Seller’s Interest as of the last day of any Monthly Period (each, an “ RR Measurement Date ”), the Transferor shall cause the Seller’s Interest to be increased to an amount such that the sum of (i) the Seller’s Interest and (ii) amounts on deposit in the Excess Funding Account (excluding any investment earnings on deposit therein) will be equal to or greater than the Required Seller’s Interest on or before the following RR Measurement Date; provided, that this subsection 9. 8 (d) shall not be applicable if Regulation RR shall no longer be in effect; and provided, further, that failure to satisfy the foregoing covenant shall not constitute a breach of the Agreement if at the time of such failure, the transaction contemplated by the Transaction Documents shall otherwise be in compliance with the requirements of Regulation RR. (e) For the avoidance of doubt, in no event shall the Indenture Trustee or the Owner Trustee have any responsibility to monitor or enforce compliance with, or be charged with knowledge of Regulation RR or any rules or regulations promulgated in connection therewith, nor shall either be under liable to any investor obligation (i) to monitor, Noteholder determine or verify the unavailability or cessation of any Benchmark), Note Owner or whether or when there has occurred, or to give notice to any other transaction party whatsoever of the occurrence of, any Benchmark..... the Owner Trustee shall have any liability for any inability, failure violation of Regulation RR or delay on its part to perform any rules of its duties set forth in this Indenture Supplement or regulations promulgated in connection therewith or any similar provisions in effect or the breach of any related term of the Agreement, any other Transaction Document as a result of the unavailability of any Benchmark and absence of a designated replacement Benchmark, including as a result of any inability, delay, error or inaccuracy on the part of any other document made transaction party in providing any direction, instruction, notice or information required delivered pursuant hereto or contemplated by thereto. (f) The Servicer will include the terms amount of the Seller’s Interest as of the most recent RR Measurement Date on each statement delivered pursuant to subsection 3. 4 (b) of the Transfer and Servicing Agreement. (g) Notwithstanding anything to the contrary set forth in this Indenture Supplement or in any other Transaction Document, if the Indenture Trustee is acting as successor Servicer pursuant to Section 5. 5 of the Transfer and reasonably required Servicing Agreement, it shall have no duty as successor Servicer for or as Indenture Trustee to (i) monitor or determine whether a substitute index should or could be selected with respect to any Receivable, (ii) determine any substitute index with respect to any Receivable, or (iii) exercise any right related to the foregoing on behalf of the Trust, the Noteholders or any the other Person performance of such duties. Section 9. 8-9 No Petition. The Issuer and the Indenture Trustee, by entering into this Indenture Supplement, and each Series 2023-2009 - VFN1- VFN Noteholder, by accepting a Series 2023-2009 - VFN1- VFN Note, hereby covenant and agree that they will not at any time institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy proceedings under any United States federal or state bankruptcy or similar law in connection with any obligations relating to the Series 2023-2009 - VFN1- VFN Noteholders, the Indenture or this Indenture Supplement; provided, however, that nothing herein shall prohibit the Indenture Trustee or the Owner Trustee from filing proofs of claim or otherwise participating in such proceedings instituted by any other person. The provisions of this Section 9. 8-9 shall survive the termination of this Indenture Supplement of the occurrence of, any Benchmark Transition Event or Benchmark Replacement Date (each as defined in the Class A Note Purchase Agreement), (ii) to select, determine or designate any Benchmark Replacement (as defined in the Class A Note Purchase Agreement), or other successor or replacement benchmark index, or whether any conditions to the designation of such a rate have been satisfied, or (iii) to select, determine or designate any Benchmark Replacement Adjustment (as defined in the Class A Note Purchase Agreement) or other modifier to any replacement or successor index, or (iv) to determine whether or what conforming changes are necessary or advisable, if any, in connection with any of the foregoing. Each of Neither the Indenture Trustee nor the Owner Trustee and the Indenture Trustee shall not have any liability. [SIGNATURE PAGE FOLLOWS] IN WITNESS WHEREOF, the undersigned have caused this Indenture Supplement to be duly executed and delivered by their respective duly authorized officers on the day and year first above written. SECURITIZATION TRUST, as Issuer AMENDMENT AND CONSENT TO SERIES 2023- VFN1- VFN INDENTURE SUPPLEMENT This FIRST AMENDMENT AND CONSENT TO SERIES 2023- VFN1- VFN INDENTURE SUPPLEMENT, dated as of February 21, 2024 (this “ Amendment ”), is made between Comenity Capital Asset Securitization Trust, a Delaware statutory trust, as issuer (the “ Issuer ”), and U.S. Bank National Association (successor to Deutsche Bank Trust Company Americas), National Association, not in its individual capacity but solely as indenture trustee (the “ Indenture Trustee ”) under the Master Indenture, dated as of June September 29, 2008, as supplemented by Supplemental Indenture No.1 to Master Indenture, dated as of August 17, 2022- 2012, Supplemental Indenture No.2 to Master Indenture, dated as January 4, 2013, and Supplemental Indenture No.3 to Master Indenture, dated as of September 1, 2017, each between the Issuer and the Indenture Trustee, and as further amended, restated or otherwise modified from time to time (the “ Master Indenture ”). Capitalized terms used and not otherwise defined in this Amendment are used as defined in the Master Indenture, as

supplemented by that certain **Fifth Amended Series 2023- VFN1 Indenture Supplement**, dated as of September 29, 2023, between the Issuer and **Restated the Indenture**-Name: Dawn Plows Title: Agent ASSOCIATION, **not in its individual capacity, but solely** as Indenture Trustee By: / s / Mark Esposito-Name: Mark Esposito Title: Vice President **COMENITY CAPITAL BANK Agreed and acknowledged by: TD SECURITIES INC.**, as Service- **an Administrative Agent and Lead Agent** By: / s / y) 85.00 %; provided, that: (a) the Required Excess Collateral Amount shall never be less than 15.00 % of the Collateral Amount as of the last day of the Revolving Period; and (b) the Required Excess Collateral Amount shall not decrease during a Controlled Amortization Period occurring after the Purchase Expiration Date or an Early Amortization Period. "Required Reserve Account Amount" means, for any Transfer Date on which the Class A Note Principal Balance is greater than zero, an amount equal to the product of (i) the Class A Note Principal Balance as of such Transfer Date and (ii) (a) if the Quarterly Excess Spread Percentage for the immediately preceding Monthly Period is greater than 5.00 %, 0 %, (b) if the Quarterly Excess Spread Percentage for the immediately preceding Monthly Period is less than or equal to 5.00 % and greater than 4.00 %, 1.00 %, (c) if the Quarterly Excess Spread Percentage for the immediately preceding Monthly Period is less than or equal to 4.00 % and greater than 3.50 %, 1.50 %, (d) if the Quarterly Excess Spread Percentage for the immediately preceding **"Series Monthly Period is less than or equal to 3.50 % and greater than 2.50 %, 2.00 %,** (e) if the Quarterly Excess Spread Percentage for the immediately preceding Monthly Period is less than or equal to 2.50 % and greater than 1.50 %, 2.50 % and (f) if the Quarterly Excess Spread Percentage for the immediately preceding Monthly Period is less than or equal to 1.50 %, 3.00 % ~~From To~~ **McGuire** of the occurrence of, any Benchmark Transition Event or Benchmark Replacement Date (each as defined in the Class A Note Purchase Agreement), (ii) to select, determine or designate any Benchmark Replacement (as defined in the Class A Note Purchase Agreement), or other successor or replacement benchmark index, or whether any conditions to the designation of such a rate have been satisfied, or (iii) to select, determine or designate any Benchmark Replacement Adjustment (as defined in the Class A Note Purchase Agreement) or other modifier to any replacement or successor index, or (iv) to determine whether or what conforming changes are necessary or advisable, if any, in connection with any of the foregoing. Neither the Indenture Trustee nor the Owner Trustee shall have any liability Name: Tom McGuire Title: Chief Financial Officer **Name: Wai Chung Title: Treasurer S- 1 Indenture Supplement Series 2024- VFN1 FORM OF CLASS A SERIES 2024- VFN1 FLOATING RATE ASSET BACKED NOTE THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE " SECURITIES ACT ")**, IN RELIANCE UPON EXEMPTIONS PROVIDED BY THE SECURITIES ACT. NO RESALE OR OTHER TRANSFER OF THIS NOTE MAY BE MADE EXCEPT IN COMPLIANCE WITH THE REGISTRATION PROVISIONS OF THE SECURITIES ACT AND ANY APPLICABLE PROVISIONS UNDER STATE BLUE SKY OR SECURITIES LAWS OR PURSUANT TO AN AVAILABLE EXEMPTION FROM SUCH PROVISIONS. THE TRANSFER OF THIS NOTE IS SUBJECT TO CERTAIN CONDITIONS SET FORTH IN THE CLASS A NOTE PURCHASE AGREEMENT RELATING HERETO AND THE INDENTURE AND THE INDENTURE SUPPLEMENT REFERRED TO HEREIN. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER OF THIS CLASS A NOTE: (1) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT IN A PRIVATE TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT AND IN ACCORDANCE WITH THE TERMS OF THE INDENTURE AND AGREES (UNLESS SUCH REQUIREMENT SHALL HAVE BEEN WAIVED IN WRITING BY THE TRUST WITH RESPECT TO ANY TRANSFER) TO FURNISH THE TRUST A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE TRANSFER OF THIS NOTE (THE FORM OF WHICH CAN BE OBTAINED FROM THE TRUST) AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGGREGATE PRINCIPAL AMOUNT OF NOTES LESS THAN \$ 250, 000, AGREES TO FURNISH AN OPINION OF COUNSEL ACCEPTABLE TO THE TRUST THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT AND, AGREES THAT IN ALL CASES IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND IF REQUESTED BY THE INDENTURE TRUSTEE, AGREES TO FURNISH A TAXPAYER IDENTIFICATION CERTIFICATION ON FORM W- 9 OR W- 8, AS APPLICABLE, FOR THE PROPOSED TRANSFEREE; (2) REPRESENTS THAT (A) IT IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT (A " QUALIFIED INSTITUTIONAL BUYER ") WHO IS EITHER PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A PRINCIPAL AMOUNT OF NOT LESS THAN \$ 1, 000 AND IN GREATER WHOLE NUMBER DENOMINATIONS OF \$ 1, 000 IN EXCESS THEREOF, FOR THE PURCHASER AND FOR EACH SUCH ACCOUNT, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS SPECIFIED IN THE INDENTURE AND THE INDENTURE SUPPLEMENT AND (B) IT IS NOT ACQUIRING OR HOLDING THE NOTE WITH THE ASSETS OF, OR ON BEHALF OF, AN " EMPLOYEE BENEFIT PLAN " AS DEFINED IN SECTION 3 (3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (" ERISA "), WHICH IS SUBJECT TO TITLE I OF ERISA, A " PLAN " AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE " CODE "), ANY PLAN SUBJECT TO A LAW THAT IS SIMILAR TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE OR AN ENTITY DEEMED TO HOLD THE PLAN ASSETS OF ANY OF THE FOREGOING; AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. TRUST SERIES 2024- VFN1 Comenity Capital Asset Securitization Trust (herein referred to as the " Issuer " or the " Trust "), a Delaware statutory

trust governed by an Amended and Restated Trust Agreement dated as of June 17, 2022, for value received, hereby promises to pay to [_____], or registered assigns, subject to the following provisions, the principal sum of \$ [_____], or such greater or lesser amount as determined in accordance with the Indenture, in the manner set forth in the Indenture. The Issuer will pay interest on the unpaid principal amount of this Note on each Distribution Date until the principal amount of this Note is paid in full. Interest on this Note will accrue for each Distribution Date from and including the most recent Distribution Date on which interest has been paid to but excluding such Distribution Date. Interest will be computed as described in the Indenture Supplement referred to on the reverse hereof. Principal of this Note shall be paid in the manner specified in the Indenture Supplement referred to on the reverse hereof. By: BNY Mellon Trust of Delaware, not in its individual capacity but solely as Owner Trustee under the Trust Agreement By: _____ TRUST SERIES 2024- VFN1 This Class A Note is one of a duly authorized issue of Notes of the Issuer, designated as Comenity Capital Asset Securitization Trust, Series 2024- VFN1 (the " Series 2024- VFN1 Notes "), issued under a Master Indenture dated as of June 17, 2022 (as may be amended from time to time, the " Master Indenture "), between the Issuer and U. S. Bank Trust Company, National Association, as indenture trustee (the " Indenture Trustee "), as supplemented by the Series 2024- VFN1 Indenture Supplement dated as of February 21, 2024 (as may be amended from time to time, the " Indenture Supplement "), and representing the right to receive certain payments from the Issuer. The term " Indenture, " unless the context otherwise requires, refers to the Master Indenture as supplemented by the Indenture Supplement. The Notes are subject to all of the terms of the Indenture. All terms used in this Note that are defined in the Indenture shall have the meanings assigned to them in or pursuant to the Indenture. In the event of any conflict or inconsistency between the Indenture and this Note, the Indenture shall control. THIS CLASS A NOTE DOES NOT REPRESENT AN OBLIGATION OF, OR AN INTEREST IN, COMENITY CAPITAL BANK, COMENITY CAPITAL CREDIT COMPANY, LLC , OR ANY OF THEIR AFFILIATES, AND IS NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY OR INSTRUMENTALITY. THIS CLASS A NOTE SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS SUMMARY WIRE TRANSFER INSTRUCTIONS TO TRUSTEE- 2024- VFN1 THE TRUSTEE SHOULD COMPLETE THE FOLLOWING TRANSACTIONS ON THE TRANSFER DATE: Withdraw from Excess Funding Account [] and deposit into Finance Account []; Withdraw from the Finance Charge Account []; and deposit in the Distribution Account the total amount of: Transfer to the Servicer THE TRUSTEE SHOULD COMPLETE THE FOLLOWING TRANSACTIONS ON THE DISTRIBUTION DATE: Withdraw the balance from the Distribution Account and distribute amounts to the Noteholders as applicable: (Invoice) [Barclays Lender] – Class A Noteholder IN WITNESS WHEREOF, the undersigned has duly executed this certificate this _____ day of _____, 20____. SERIES 2024- VFN1 NOTE HOLDER' S STATEMENT Days in Monthly Period [] Interest Days: [] I. TOTAL RECEIVABLES A. Beginning of the Month Principal Receivables (equal to preceding Monthly Period' s End of Month): B. Collection of Principal Receivables processed during the Monthly Period: C. Collection of Finance Charge Receivables processed during the Monthly Period: D. Total Collections processed during the Monthly Period [B C]; E. Defaulted Receivables processed during the Monthly Period (principal charge- offs): F. Dilution (Principal net of Debit Adjustments): G. Sales (principal receivables generated): H. Finance Charges Accrued: I. Net (Removal) / Addition of Principal Receivables: J. Total Principal Receivables in the Trust at the end of the Monthly Period [A- B- E- F G I]; K. Recoveries of previously Charged- Off Receivables: _____ L. Interchange Amount: _____ II. PORTFOLIO STATISTICS A. Portfolio Aging 1. Current (CA0) 2. 1- 30 Days Delinquent (CA1) 3. 31- 60 Days Delinquent (CA2) 4. 61- 90 Days Delinquent (CA3) 5. 91- 120 Days Delinquent (CA4) 6. 121- 150 Days Delinquent (CA5) 7. 151 Days Delinquent (CA6) 8. Principal Receivables (equal to J in Section I) B. Other Portfolio Information 1. Aggregate Receivables greater than 60 days past due [CA3 and greater] 2. Annualized Gross Charge- off Rate [(I. E / I. J) * 12] 3. Annualized Net Charge- off Rate [((I. E- I. K) / I. J) * 12] III. CUMULATIVE ALLOCATIONS (SUMMATION OF RELATED ITEMS FROM DAILY REPORTS RELATING TO DATES OF PROCESSING IN THE SUBJECT MONTHLY PERIOD) A. Finance Charge Collections 1. To Series 2023- VFN1 2. To Series 2024- VFN1 3. To Comenity Capital Bank B. Allocation of Default Amounts 1. To Series 2023- VFN1 2. To Series 2024- VFN1 3. To Comenity Capital Bank C. Allocation of Principal Receivable Collections 1. To Series 2023- VFN1 2. To Series 2024- VFN1 3. To Comenity Capital Bank IV. TRUST ACCOUNT BALANCES- 2024- VFN1 A. Master Trust Accounts 1. Collection Account 2. Excess Funding Account B. Series 2024- VFN1 Account Balances 1. Principal Account 2. Finance Charge Account 3. Distribution Account 4. Reserve Account C. Investment Earnings from Trust Bank Accounts _____ V. SERIES 2024- VFN1 NOTE PRINCIPAL BALANCES A. Class A Note Principal Balance B. Required Excess Collateral Amount C. Total Collateral Balance at the end of the Monthly Period D. Weighted Average Collateral Amount for the Monthly Period VI. SERVICING FEE- 2024- VFN1 A. Servicing Fee Rate B. Monthly Servicing Fee VFN1; Class A Notes VII. OTHER CALCULATIONS- 2024- VFN1 A. Class A Monthly Interest (as of Transfer Date) B. Class A Non- Use Fee C. Charge- Offs D. Class A Additional Amounts E. Class A Monthly Principal F. Class A Required Amount VIII. APPLICATIONS OF FUNDS- 2024- VFN1 A. Application of Finance Charge Collections 1. Available Finance Charge Collections 2. Class A Monthly Interest 3. Class A Non- Use Fee 4. Class A Additional Amounts 5. Noteholder Servicing Fee 6. Aggregate Investor Default Amount and Investor Uncovered Dilution Amount 7. Investor Charge- offs and Unreimbursed Reallocated Principal Collections 8. Other Payments Required to be made 9. Amount to be treated as Excess Fin Charge Coll' s B. Any Application of Available Principal Collections per 5. 4 (b) or (c) of Supplement _____ C. Any Application of Reallocated Principal Collections per 5. 6 of Supplement _____ IX. CALCULATION OF EARLY AMORTIZATION EVENTS 1. 3-

Month Average Payment Rate [I. D / I. A] (min = [12] %) _____ a. Payment Rate _____ b. Last Month' s
Payment Rate _____ c. Two Month' s Prior Payment Rate _____ 2. 3- Month Average Excess Spread
Percentage (min = 0 %) _____ a. Excess Spread Percentage _____ b. Last Month' s Excess Spread
Percentage _____ c. Two Month' s Prior Excess Spread Percentage _____ Required Reserve Account Amount
(required if excess spread \leq 5 %) _____ X. RISK RETENTION A. U. S. Risk Retention1. Required Seller' s
Interest2. Seller' s InterestB. Transferor' s Interest1. Total Principal Trust Receivables2. Total Collateral Amount3.
Excess Funding, Collections and / or Principal Account Balances4. Transferor' s Interest [X. B. 1 – X. B. 2 X. B. 3] 5.
Transferor' s Interest Percentage [X. B. 4 / X. B. 1] 6. Minimum Transferor' s Interest PercentageC. UK Risk
Retention1. Compliance with Section 9. 01 (i) of the NPA 1 Yes / No2. Compliance with Section 9. 01 (iv) of the NPA Yes
/ No _____ 1 The Class A Note Purchase Agreement dated as of February 21, 2024, by and among
Comenity Capital Credit Company, LLC, as transferor, Comenity Capital Bank as servicer, Comenity Capital Asset
Securitization Trust, as issuer, Barclays Bank PLC, as Lead Agent, the Conduit Purchasers party thereto from time to
time, the Committed Purchasers party thereto from time to time, and the Administrative Agents party thereto from time
to time. XI. SUMMARY WIRE TRANSFER INSTRUCTIONS TO TRUSTEE- 2024- VFN1THE TRUSTEE SHOULD
COMPLETE THE FOLLOWING TRANSACTIONS ON THE TRANSFER DATE: Withdraw from Excess Funding
Account [] and deposit into Finance Account []: Withdraw from the Finance Charge Account []: Withdraw from the
Reserve Account []: and deposit in the Distribution Account the total amount of: Transfer to the Servicer (distribution
date) THE TRUSTEE SHOULD COMPLETE THE FOLLOWING TRANSACTIONS ON THE DISTRIBUTION
DATE: Withdraw the balance from the Distribution Account and distribute amounts to the Noteholders as applicable:
(Invoice) [Barclays Lender]- Class A Noteholder Exhibit C (Page 6) COMENITY CAPITAL ASSET
SECURITIZATION TRUST SERIES 2024- VFN1 The undersigned, a duly authorized representative of Comenity
Capital Bank (" CCB "), as Servicer pursuant to the Servicing Agreement, dated as of June 17, 2022 (as may be amended
from time to time, the " Servicing Agreement "), among Comenity Capital Credit Company, LLC, as Transferor Name,
CCB, as Servicer and Comenity Capital Asset Securitization Trust (the " Trust "), as Issuer, does hereby certify as
follows : Michael Blackham Title 20 ____By _____Exhibit 10.135 FIRST
AMENDMENT TO THIS FIRST AMENDMENT TO SERIES 2024- VFN1 INDENTURE SUPPLEMENT, dated as of
December 20, 2024 (this " Amendment "), is made between Comenity Capital Asset Securitization Trust, a Delaware statutory
trust, as issuer (the " Issuer "), and U.S. Bank National Association (successor to Deutsche Bank Trust Company Americas)
National Association, not in its individual capacity but solely as indenture trustee (the " Indenture Trustee ") under the Master
Indenture, dated as of June September 29, 2008, as supplemented by Supplemental Indenture No.1 to Master
Indenture, dated as of August 17, 2022– 2012 , Supplemental Indenture No.2 to Master Indenture, dated as January
4, 2013, and Supplemental Indenture No.3 to Master Indenture, dated as of September 1, 2017, each between the Issuer and
the Indenture Trustee, and as further amended, restated or otherwise modified from time to time (the " Master Indenture
"). Capitalized terms used and not otherwise defined in this Amendment are used as defined in the Master Indenture, as
supplemented by that certain Fifth Amended Series 2024- VFN1 Indenture Supplement, dated as of February 21, 2024 between
the Issuer and Restated the Indenture Trustee (: Treasurer S– 00 noon, New York City time, on the Transfer Date following
the related Monthly Period. (e) Allocations of Merchant Discount Fees. Notwithstanding anything to the contrary in
Section 5. 1 (b) of this Indenture– Indenture Supplement or in the Indenture, Merchant Discount Fees for each Monthly
Period equal to the Investor Merchant Fee Amount shall be allocated to the Series 2024- VFN1 Noteholders, and shall be
deposited into the Finance Charge Account not later 12: 00 noon, New York City time, on the Transfer Date following
the related Monthly Period. 2Amendment to Series 2024- VFN1 Indenture Supplement Series 2024- VFN1 Noteholders.
The Indenture Trustee shall possess all right, title and interest in all funds on deposit from time to time in the Finance
Charge Account, the Principal Account, the Distribution Account, and the Reserve Account and in all proceeds thereof.
The Finance Charge Account, the Principal Account, the Distribution Account, and the Reserve Account shall be under
the sole dominion and control of the Indenture Trustee for the benefit of the Series 2024- VFN1 Noteholders. If at any
time the Finance Charge Account, the Principal Account, the Distribution Account, or the Reserve Account ceases to be
an Eligible Deposit Account, the Transferor shall notify the Indenture Trustee in writing, and the Indenture Trustee
upon being notified (or the Servicer on its behalf) shall, within ten (10) Business Days (or such longer period as to which
the Rating Agency Condition is satisfied), establish a new Finance Charge Account, a new Principal Account, a new
Distribution Account, or a new Reserve Account, as applicable, meeting the conditions specified above, and shall transfer
any cash or any investments to such new Finance Charge Account, new Principal Account, new Distribution Account, or
new Reserve Account. The Indenture Trustee, at the written direction of the Servicer, shall make withdrawals from the
Finance Charge Account, the Principal Account, the Distribution Account, and the Reserve Account from time to time,
in the amounts and for the purposes set forth in this Indenture Supplement. Indenture Trustee at all times shall maintain
accurate records reflecting each transaction in the Finance Charge Account, the Principal Account, the Distribution
Account, and the Reserve Account. 3Amendment to Series 2024- VFN1 Indenture Supplement 4Amendment to Series
2024- VFN1 Indenture Supplement By: / s / Dawn Plows U. S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, not in its individual capacity, but Exhibit 19 Insider Trading Policy 1. 0 Policy Overview 3 1. 1 Purpose
3 1. 2 Scope 3 1. 3 Objectives 3 2. 0 Certain Defined Terms 3 3. 0 Policy Elements 4 3. 1 Restrictions Applicable to all
Insiders 4 3. 2 Additional Restrictions Applicable to Covered Persons 6 3. 3 Restrictions Applicable to the Company 6 3.
4 Transactions Covered by This Policy 7 3. 5 Unauthorized Disclosure of Material Non- Public Information 7 3. 6
Consequences of Violating Insider Trading Laws or This Policy 7 3. 7 Transactions Under Company Plans and Rule
10b5- 1 Trading Plans 8 3. 8 Post- Termination Transactions 8 4. 0 Policy Maintenance 8 4. 1 Policy Owner 8 4. 2 Policy

Approver 9 4. 3 Accountability / Sign- Off 9 4. 4 Administration of this Policy 9 5. 0 Related Documents 9 6. 0 Appendix A – Rule 10b5- 1 Trading Plan Guidelines 10 7. 0 Appendix B – Executive Leadership Team- Preclearance 13 1. 0 Policy Overview 1. 1 Purpose This Insider Trading Policy (the “ Policy ”) sets forth the standards of Bread Financial Holdings, Inc. (“ Bread Financial ”) and its subsidiaries (together with Bread Financial, the “ Company ”) with respect to transactions in Bread Financial securities or securities of certain other publicly traded companies while in possession of material non- public information. This Policy applies to (i) associates and officers of the Company, (ii) directors of Bread Financial, Comenity Bank and Comenity Capital Bank, (iii) Family Members (as defined below) of persons identified in (i) and (ii) above, and (iv) other persons, such as contractors or consultants, who the Company may determine should be subject to this Policy based on their access to material non- public information concerning the Company (collectively, “ Insiders ”). Federal and state securities laws generally prohibit any person who is aware of material non- public information about a company from trading in securities of that company. These laws also prohibit such person from disclosing material non- public information to other persons who may trade on the basis of that information. Bread Financial’ s Board of Directors has adopted this Policy to promote compliance with these laws and to protect the Company and its Insiders from serious liabilities and penalties that can result from violations of these laws. • “ Covered Persons. ” Covered Persons include (i) each director of Bread Financial, Comenity Bank and Comenity Capital Bank, (ii) each officer of Bread Financial who has been designated by Bread Financial’ s Board of Directors as an “ executive officer ” for purposes of Section 16 of the Securities Exchange Act of 1934, as amended (the “ Exchange Act ”) and (iii) any additional persons that the Company may from time to time designate as a Covered Person based on their position or relationship with the Company and access to material non- public information in the normal performance of their duties. • “ Family Members. ” Family Members of a person include family members who reside with such person, anyone else who lives with such person, any family members who do not live with such person but whose transactions in Bread Financial securities are directed by such person or subject to such person’ s influence or control (e. g., parents or children who consult with such person before they trade in Bread Financial securities). • “ Material Information. ” Material Information is any information where there is a substantial likelihood that a reasonable stockholder or investor would consider it important in making a decision to buy, sell or hold securities, or if the disclosure of the information would be expected to significantly alter the total mix of information in the marketplace about the company. In simple terms, material information is any type of information that could reasonably be expected to affect the market price of a company’ s securities. Both positive and negative information may be material. There is no bright- line standard for assessing materiality; rather, materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by enforcement authorities with the benefit of hindsight. Although it is not possible to list all types of material information, the following are examples of the types of information that are particularly sensitive and should be treated as material: • earnings estimates (including changes to previously announced estimates) • financial performance, especially quarterly and year- end earnings or significant changes in financial performance or liquidity • a significant change in operations, projections, prospects or strategic plans • a significant write- down in assets or increases in reserves • an actual or suspected cybersecurity event, including a data breach • a potential merger or acquisition • a potential sale of significant assets or subsidiaries • the gain or loss of a major contract, customer or supplier • the development or release of, or a significant change in, a product or service • a significant pricing change in products or services • declaration of a stock split, stock or bond repurchase program, a public or private securities offering or a change in dividend or repurchase policies or amounts • a change in senior management • developments regarding significant litigation or government agency investigations • a significant action by regulatory bodies with respect to a company • “ Non- Public Information. ” Non- public information is information that has not been disclosed generally to the investing public in a manner that complies with applicable securities laws (e. g., by a press release or in a report filed with the U. S. Securities and Exchange Commission (“ SEC ”)). If you are aware of material non- public information, you may not trade until the information has been widely disclosed to the public and the market has had sufficient time to absorb the information. For purposes of this Policy, information will generally be considered public after the close of market two full trading days following the Company’ s public release of the information. For example, if we publicly disclose the information before market open on a Monday, you may trade in Bread Financial securities after market close on Tuesday, because two full trading days (Monday and Tuesday) would have elapsed. If the announcement is made on Monday after market open, you may not trade in Bread Financial securities until after market close on Wednesday. When in doubt about whether particular information is material or non- public, exercise caution and consult Bread Financial’ s General Counsel’ s office before disclosing the information or trading in securities to which the information relates. 3. 0 Policy Elements a. General Prohibition on Insider Trading. i. If an Insider has material non- public information regarding the Company, they must not trade in Bread Financial securities until that information has been publicly disclosed or is no longer material. ii. If an Insider has material non- public information regarding any other company that they obtained as a result of their employment or relationship with the Company, they must not trade in the securities of that other company until that information has been publicly disclosed or is no longer material. b. Prohibition on Tipping Information to Others. Insiders may not disclose any material non- public information concerning the Company (or concerning any other company if that information was obtained as a result of your employment or relationship with the Company) or make any recommendations or express opinions on the basis of material non- public information as to trading in Bread Financial or such other company securities to any other persons or entities (including family members, friends, social acquaintances, investors, financial analysts and consulting firms), unless such disclosure is made in accordance with Bread Financial’ s Disclosure Policy. This prohibition applies whether or not the Insider receives any benefit from the use of that information by the other person or entity. c. Transactions by

Family Members. As set forth above, this Policy applies to Family Members. Associates, officers and directors are responsible for the transactions of their Family Members and therefore, should make Family Members aware of the need to confer with them before they engage in any transactions in Bread Financial securities and should treat such transactions by Family Members as if the transactions were for such associate, officer or directors own account. d. Other Prohibited Transactions. The Company considers it inappropriate for Insiders to engage in speculative transactions in Bread Financial securities or in certain other transactions in Bread Financial securities that may lead to inadvertent violations of insider trading laws or that create a conflict of interest with the Insider. Therefore, Insiders may not engage in the following transactions with respect to Bread Financial securities: i. Hedging transactions. Hedging transactions are often accomplished through the use of financial instruments, including prepaid variable forward contracts, equity swaps, collars and exchange funds. These transactions are designed to hedge or offset any decrease in market value of a person's stock holdings and may permit you to own Bread Financial securities without the full risk and reward of stock ownership and therefore your objectives may not be in alignment with other Bread Financial stockholders. ii. Trading in puts or calls or engaging in short sales. Trading in "puts" or "calls" (e. g., publicly traded options to sell or buy securities) and engaging in short sales (e. g., selling a security you do not own, often because of an expectation that the securities will decline in value), are often perceived as involving insider trading and may focus your attention on the Company's short- term performance rather than its long- term objectives. In addition, Section 16 (c) of the Exchange Act prohibits officers and directors from engaging in short sales. iii. Holding Bread Financial securities in a margin account. Because a broker is permitted to sell securities in a margin account if the customer fails to meet a margin call, the securities may be sold at a time when the customer is aware of material non- public information about the Company. iv. Pledging Bread Financial securities as collateral for a loan. Securities pledged as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan, which may occur at a time when the borrower is aware of material non- public information about the Company. a. Trading Windows i. Covered Persons may only trade in Bread Financial securities during an open trading window (a " Trading Window ") or pursuant to a Rule 10b5- 1 Trading Plan that complies with the guidelines set forth on Appendix A. For purposes of this Policy, Trading Windows will generally commence after the close of market two full trading days following Bread Financial's public release of quarterly or annual financial results and will extend through market close on the last business day of the second month of each fiscal quarter. ii. Special blackout period. From time to time, an event may occur that is material to the Company and is known by only a few Insiders. If the event remains material and non- public, the Company may impose a special blackout period during which certain Covered Persons are prohibited from trading in Bread Financial securities, even during a trading window. In addition, our financial results may be sufficiently material in a particular fiscal quarter that certain Covered Persons may be asked to refrain from trading in Bread Financial securities. If the Company imposes a special blackout period, it will notify the relevant Covered Persons. If made aware of a special blackout period, you must keep it confidential and not disclose to any other person that a special blackout period has been designated. b. Mandatory Preclearance of Transactions by Covered Persons. i. Covered Persons must receive preclearance / approval prior to executing any transactions in Bread Financial securities (including gifts) from both (1) the appropriate member of the Company's executive leadership team (as designated on Appendix B) or their successor or designee as determined by Bread Financial's General Counsel and (2) a representative of Bread Financial's General Counsel's office, and, certify in writing that they are not in possession of material non- public information concerning the Company. Covered Persons must not engage in the transaction unless and until they receive the required approvals in writing. ii. The General Counsel's office shall record the date and time each request is approved or disapproved. Unless revoked, an approval will generally remain valid until the close of trading on the third business day for which permission was granted. iii. The existence of these preclearance procedures does not in any way guarantee approval of any proposed transaction. Further, if the requestor becomes aware of material non- public information concerning the Company before the trade is executed, the preclearance / approval shall be void and the trade must not be completed. c. Pension Plan Blackout Period. Executive officers and directors of Bread Financial may not trade or transfer during any pension fund blackout period any Bread Financial securities (including derivative securities) that they acquired in connection with their service as an executive officer or director, except to the extent such trade or transfer is permitted by SEC rules. The Company will notify plan participants, directors, executive officers and the SEC in advance of any pension plan blackout period. The Company will not engage in transactions of Bread Financial securities in violation of insider trading laws. This Policy applies to all trading or other transactions, including gifts, involving any securities issued by or related to Bread Financial, including common stock, options to purchase common stock or any other type of securities that Bread Financial may issue, such as preferred stock, convertible notes and warrants, as well as derivative securities that are not issued by Bread Financial, such as exchange- traded put or call options or swaps relating to Bread Financial securities (collectively, " Bread Financial securities "). This Policy also applies to trading or other transactions involving securities of other companies with respect to which an Insider has material non- public information that they obtained as a result of their employment or relationship with the Company. Notwithstanding this general rule, this Policy contains exceptions for certain transactions under Company plans (i. e., stock option exercises, restricted stock awards, routine purchases under the Company's 401 (k) plan and employee stock purchase plan) and Rule 10b5- 1 Plans, which are discussed in more detail below in Section 3. 7. 3. 5 Unauthorized Disclosure of Material Non- Public Information Insiders are required to maintain the confidentiality of material non- public information about the Company until such information has been broadly disseminated to the public or until the information is no longer material. Such Insiders are also responsible for ensuring their Family Members maintain the confidentiality of such information and do not trade on the basis of such information. The Company is subject to laws that govern the timing of its disclosures of material

information to the public and others. Bread Financial's Disclosure Policy provides that only certain designated associates (i. e., Company Spokespersons) may communicate on behalf of the Company with the news media, securities analysts and investors. All inquiries from security holders, institutional investors, broker / dealers, securities analysts, other members of the investment community and media must be referred to the appropriate authorized Company Spokesperson as set forth in the Disclosure Policy. The consequences of violating the securities laws or this Policy can be severe and include the following: Civil and criminal penalties. If you violate insider trading or tipping laws, you may be required to: • pay civil penalties up to three times the profit made or loss avoided • pay a criminal penalty of up to \$ 5 million • serve a jail term of up to 20 years. In addition, the Company and / or the supervisors of a person who violates these laws may be subject to civil or criminal penalties if they did not take appropriate steps to prevent illegal trading. Company Discipline. If you violate this Policy or insider trading or tipping laws, you may be subject to corrective action by the Company, up to and including termination. A violation of this Policy is not necessarily the same as a violation of law and we may determine that specific conduct violates the Policy, whether or not the conduct also violates the law. We are not required to await the filing or conclusion of a civil or criminal action against an alleged violator before taking disciplinary action. Reporting Of Violations. Any person who violates this Policy or any federal or state laws governing insider trading or tipping, or knows of any such violation by any other associate, officer, director or others, must report the violation immediately to Bread Financial's General Counsel, the Ethics Office or the Ethics Helpline (online: www.breadfinancial.ethicspoint.com or phone: 877- 217- 6218). This Policy does not apply in the case of the following transactions, except as specifically noted: Stock Option Exercises. This Policy does not apply to the exercise of an employee stock option acquired pursuant to a Company plan, or to the exercise of a tax withholding right pursuant to which you elect to have Bread Financial withhold shares subject to an option to satisfy tax withholding requirements. This Policy does, however, apply to any broker- assisted cashless exercise of an option or any other market sale for the purpose of generating cash needed to pay the exercise price of an option or satisfy tax withholding obligations, as well as any market sales of shares received upon exercise of an option. Restricted Stock Awards. This Policy does not apply to the vesting of restricted stock units, or the exercise of a tax withholding right pursuant to which you elect to have Bread Financial withhold shares of its stock to satisfy tax withholding obligations upon the vesting of any restricted stock units. This Policy does, however, apply to any market sale of shares received upon vesting. 401 (k) Plan. This Policy does not apply to purchases of Bread Financial stock in our 401 (k) plan resulting from your periodic contribution of money to the plan through a payroll deduction election. This Policy does, however, apply to certain elections you may make under our 401 (k) plan, including (a) an initial election to participate in the Bread Financial stock fund, (b) an election to increase or decrease the percentage of your periodic contributions that will be allocated to the Bread Financial stock fund, (c) an election to make an intra- plan transfer of an existing account balance into or out of the Bread Financial stock fund, (d) an election to borrow money against your 401 (k) plan account if the loan will result in a liquidation of some or all of your Bread Financial stock fund balance, and (e) your election to prepay a plan loan if the prepayment will result in allocation of loan proceeds to the Bread Financial stock fund. Employee Stock Purchase Plan. This Policy does not apply to purchases of Bread Financial stock in our employee stock purchase plan pursuant to the election you made at the time of your enrollment in the plan. The Policy does, however, apply to (a) your election to participate in the plan for any enrollment period, (b) any changes to such election and (c) the sale of Bread Financial stock purchased pursuant to the plan. Rule 10b5- 1 Trading Plans. This Policy does not apply to trading in Bread Financial securities if the trades occur pursuant to a prearranged trading plan that complies with Rule 10b5- 1 under the Securities Exchange Act of 1934, as amended, and the Rule 10b5- 1 Trading Plan Guidelines set forth on Appendix A. Rule 10b5- 1 provides an affirmative defense from insider trading liability for trades that occur pursuant to a prearranged trading plan that meets certain specified conditions. This Policy will continue to apply to Insiders after their employment or service has terminated with the Company until such time as any material non- public information possessed when such employment or service terminated has become public or is no longer material. 4. 0 Policy Maintenance Bread Financial's General Counsel owns and maintains this Policy. This Policy will be reviewed and approved by the Enterprise Compliance Council (or successor thereof) and Bread Financial's Board of Directors on an annual basis, or more frequently as necessary. Certain associates (based on job function) are required to complete training on insider trading and acknowledge and certify that they have read, understand and agree to comply with this Policy and any applicable procedures. Bread Financial's General Counsel's office is the administrator of this Policy. If you have a question about this Policy or whether it applies to a particular transaction, contact Bread Financial's General Counsel's office for additional guidance. Remember, however, Insiders are ultimately responsible for compliance with the securities laws and this Policy and avoiding improper transactions. Specific exceptions to Section 3. 2 of this Policy may be made when the person requesting approval does not possess material non- public information, the particular circumstances warrant the exception and the exception would not otherwise contravene the law or the purposes of this Policy. Any request for an exception should be directed to Bread Financial's General Counsel's office. Please refer to the following documents for additional information related to this Policy: • Code of Ethics • Disclosure Policy The Company's Insider Trading Policy provides an exception for trades that occur pursuant to a prearranged trading plan that complies with Rule 10b5- 1 under the Securities Exchange Act of 1934, as amended, and the Rule 10b5- 1 trading plan guidelines set forth below. Rule 10b5- 1 allows Insiders to establish plans to sell or purchase Bread Financial securities without restrictions imposed by " trading windows "- even when in possession of material non- public information concerning the Company. Rule 10b5- 1 provides an " affirmative defense " from insider trading liability for trades that occur pursuant to a prearranged trading plan that meets the conditions specified in Rule 10b5- 1. Note: Due to concerns that insiders were abusing Rule 10b5- 1 Trading Plans, the Securities and Exchange Commission adopted amendments to Rule 10b5- 1 that impose new

restrictions and requirements on Rule 10b5- 1 Trading Plans. These amendments apply to Rule 10b5- 1 Trading Plans entered into on or after February 27, 2023 . Bread Financial’ s General Counsel may update these guidelines from time to time as appropriate to ensure compliance with SEC guidance and best practices. Updated Effective: February 27, 2023

REQUIREMENTS FOR RULE 10b5- 1 TRADING PLANS

Minimum Plan Requirements.

Your Rule 10b5- 1 Trading Plan must:

1. Be entered into in good faith and during an open “ trading window ” (as defined in the Policy) at a time when you do not possess material non- public information concerning the Company. Such a plan must not be entered into as part of a plan or scheme to otherwise trade on the basis of material non- public information concerning the Company. For the Board of Directors and Section 16 executive officers of Bread Financial Holdings, Inc. (“ Directors and Officers ”), the Rule 10b5- 1 Trading Plan must include representations certifying that (1) they are not aware of material non- public information concerning the Company or its securities; and (2) they are adopting the Rule 10b5- 1 Trading Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b- 5.
2. Be in writing and preapproved by Bread Financial’ s General Counsel’ s office and the Compensation Department. Any action on the part of the Company, the General Counsel’ s office or the Compensation Department pursuant to these guidelines does not in any way constitute legal advice or insulate you from liability under applicable securities laws. Compliance with Rule 10b5- 1 and applicable securities laws is solely your responsibility.
3. Include appropriate trading instructions. You may either specify the price, number of shares and date of trades ahead of time or provide a formula or other instructions by which your broker can determine the price, amount and date of trades. You may also authorize your broker to make purchase and sale decisions on your behalf without any control or influence by you.
4. Prohibit you from exercising, after entering into the plan, any subsequent influence over the amount of securities to be traded, the price at which securities are to be traded or the date of the trade. You may delegate discretionary authority to your broker, but you are not allowed to exercise any subsequent influence or discretion over the trades.
5. Include the required cooling off period between the date you adopt your Rule 10b5- 1 Trading Plan and when the first trade occurs under the plan. A cooling off period helps minimize the risk that a claim will be made that you were aware of material non- public information when you entered into the plan. Rule 10b5- 1 requires the following cooling off periods:
 - For Directors and Officers, the cooling off period is the later of (1) 90 days after adopting or modifying the Rule 10b5- 1 Trading Plan or (2) two business days following the filing of the Form 10- Q or Form 10- K for the fiscal quarter in which the plan was adopted or modified. In any event, the required cooling off period is not to exceed 120 days after adopting the plan.
 - For all other persons, the cooling off period is 30 days after adopting the Rule 10b5- 1 Trading Plan. Note that any modification to the amount, price or timing of the purchase or sale of securities in the Rule 10b5- 1 Trading Plan is considered a termination of such plan and the adoption of a new plan. Therefore, the new ‘ modified’ plan would also be subject to the cooling off periods above.
6. Include an expiration date that is at least six months but not more than 24 months from the effective date of your Rule 10b5- 1 Trading Plan. Shorter trading plans may be viewed as an attempt to take advantage of short- term trades, and longer trading plans are more likely to be amended or terminated, which actions are discouraged and scrutinized.

Good Faith Requirement.

In addition to entering into the plan in good faith (as discussed above), you must also act in good faith with respect to the Rule 10b5- 1 Plan, and not take actions after adopting the plan to benefit from material non- public information that you may acquire after entering into the plan (e. g., influencing the timing of Company disclosures so the trades under a plan are more profitable).

Disclosures Regarding Rule 10b5- 1 Trading Plans.

Bread Financial is required to provide quarterly disclosure in its Forms 10- Q and 10- K regarding the adoption, modification or termination of Rule 10b5- 1 Trading Plans by Directors and Officers. Such disclosure includes the name and title of the Director or Officer, the date of the Rule 10b5- 1 Trading Plan, the plan’ s duration and the total number of securities to be purchased or sold under the plan. In addition, Forms 4 and 5 include a checkbox for Directors and Officers to identify transactions made pursuant to a Rule 10b5- 1 Plan.

Multiple Overlapping Rule 10b5- 1 Trading Plans Are Not Allowed.

Except in limited circumstances, you are not allowed to have multiple Rule 10b5- 1 Trading Plans that overlap during the same time period.

Only One Single- Trade Plan is Allowed During any 12- Month Period.

Except in limited circumstances, you are limited to only one “ single- trade ” Rule 10b5- 1 Trading Plan in any 12- month period. A single- trade plan is a plan designed to effect the purchase or sale of the total amount of securities subject to the plan in one single trade.

Modifications and Terminations of Rule 10b5- 1 Trading Plans.

Any modification to the amount, price or timing of the purchase or sale of securities in a Rule 10b5- 1 Trading Plan is considered a termination of the plan and the adoption of a new Rule 10b5- 1 Trading Plan, which will be subject to the cooling off periods set forth above. Any modifications or terminations of Rule 10b5- 1 Trading Plans must be made during a “ trading window ” when you do not possess material non- public information concerning Bread Financial and must be preapproved by Bread Financial’ s General Counsel’ s office, which will inquire into the change in circumstances that has occurred since the inception of the plan. The Company has the right at any time to impose additional and / or different requirements in connection with the modification or termination of a Rule 10b5- 1 Trading Plan in order to protect you and the Company from potential liability.

Trading Outside Your Rule 10b5- 1 Trading Plan.

Any purchase or sale of Bread Financial securities outside of your Rule 10b5- 1 Trading Plan must be in accordance with the Company’ s insider trading policies. In addition, you may not purchase or sell Bread Financial securities in an effort to use a hedging strategy to offset your plan trades while a plan is in effect. Any trading outside of your Rule 10b5- 1 Trading Plan will be subject to heightened scrutiny for potential hedging strategies and / or good faith concerns. Depending on the circumstances, it may be advisable not to engage in any trading outside the plan.

Appendix B – Executive Leadership Team- Preclearance

The following list sets forth the executive leadership team for purposes of Section 3. 2 (b) of the Policy, which requires Covered Persons to receive approval from both (1) the appropriate member of the Company’ s executive leadership team (as set forth below) and (2) a representative of Bread Financial’ s General

Counsel's office. Bread Financial's General Counsel may update this Appendix from time to time as appropriate. Last Updated: November 2024 • CEO & President All direct reports of the CEO • EVP & CFO All Covered Persons within the CFO organization • EVP, Operations & Credit Risk All Covered Persons within the Operations & Credit Risk organization • EVP, Chief Commercial Officer All Covered Persons within the Chief Commercial Officer's organization • EVP, Chief Technology Officer All Covered Persons within the Chief Technology Officer's organization • EVP, CAO, General Counsel and Secretary CEO; All members of the Bread Financial, Comenity Bank and Comenity Capital Bank boards of directors; all Covered Persons within the General Counsel and Chief Administrative Officer's organization; and any Covered Persons not otherwise captured under any of the other executive leaders listed above

Exhibit 21 A Delaware Corporation (as of December 31, 2023-2024) SubsidiaryJurisdiction of OrganizationOther Business NamesADS Card Services Foreign Holdings B. V. NetherlandsNoneBread Financial Canada Co. Nova Scotia, CanadaNoneBread Financial Global Solutions India LLPIndiaNoneBread Financial Payments, Inc. DelawareNoneBread Reinsurance Ltd. BermudaNoneComenity BankDelawareNoneComenity Canada L. P. Ontario, CanadaComenity CanadaComenity Capital BankUtahNoneComenity Capital Credit Company, LLCDelawareNoneComenity Servicing LLCTexasNoneLon-LLCTexasNoneWFC Administration LLCDelawareNoneLon Holdings LLCDelawareNoneLon Inc. DelawareBreadLon Operations LLCDelawareBreadBread OperationsWFC-Card Services Holdings Inc. Ontario, CanadaNoneWFC Credit Company, LLCDelawareNoneWorld Financial Capital Credit Company, LLCDelawareNone Exhibit 23. 1 CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM We consent to the incorporation by reference in Registration Statement No. 333- 251165 on Form S- 3 and Registration Statement Nos. 333- 204759, 333- 204758, 333- 167525, 333- 65556, 333- 239040, and 333- 265771 on Form S- 8 of our reports dated February 20-14, 2024-2025, relating to the financial statements of Bread Financial Holdings, Inc. and subsidiaries and the effectiveness of Bread Financial Holdings, Inc. and subsidiaries' internal control over financial reporting appearing in this Annual Report on Form 10- K for the year ended December 31, 2022. Exhibit 31. 1 CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER I, Ralph J. Andretta, certify that: 1. I have reviewed this annual report on Form 10- K of Bread Financial Holdings, Inc.; 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; 4. The registrant' s other certifying officer (s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a- 15 (e) and 15d- 15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a- 15 (f) and 15d- 15 (f)) for the registrant and have: (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; (c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and (d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter (the registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and 5. The registrant' s other certifying officer (s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions): (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize and report financial information; and (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting. Date: February 20-14, 2024-2025 / S / RALPH J. ANDRETTARalph J. AndrettaChief Executive Officer Exhibit 31. 2 CHIEF FINANCIAL OFFICER I, Perry S. Beberman, certify that: (c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and / S / PERRY S. BEBERMANPerry S. BebermanChief Financial Officer Exhibit 32. 1 CERTIFICATION PURSUANT TO 18 U. S. C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES- OXLEY ACT OF 2002 In connection with the Annual Report on Form 10- K of Bread Financial Holdings, Inc. (the Company) for the annual period ended December 31, 2023-2024, as filed with the Securities and Exchange Commission on the date hereof (the Report), Ralph J. Andretta, as Chief Executive Officer of the Company, hereby certifies pursuant to 18 U. S. C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002 that: (i) the Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. / s / RALPH J. ANDRETTARalph J. AndrettaChief Executive Officer A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. Exhibit 32. 2 In connection with the Annual Report on Form 10- K of Bread Financial Holdings, Inc. (the Company) for the annual period ended December 31, 2023-2024, as filed with the Securities and Exchange Commission on the date hereof (the Report), Perry S. Beberman, as Chief Financial Officer of the

Company, hereby certifies pursuant to 18 U. S. C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002 that: / s / PERRY S. BEBERMAN Perry S. Beberman Chief Financial Officer Exhibit 97 ~~1~~ **2. 0 Policy Overview**

Elements 3 2. 1 Definitions 3 2. 2 Recoupment of Erroneously Awarded Compensation 5 2. 3 Administration 6 2. 4 Amendment / Termination 6 2. 5 Interpretation 7 2. 6 Other Compensation Clawback / Recoupment Rights 7 2. 7 Exempt Compensation 7 2. 8 Miscellaneous 7 3. 0 Policy Maintenance 8 3. 1 Purpose-Policy Owner 8 3. 2 Policy Approver 8

This Bread Financial Holdings, Inc. Compensation Recoupment Policy (the “ Policy ”) has been adopted by the Board of Directors (the “ Board ”) of Bread Financial Holdings, Inc. (the “ Company ”) to ~~be effective as of the Effective Date (as defined below).~~ **provide** for the recoupment of certain executive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under U. S. federal securities laws in accordance with the terms and conditions set forth herein. This Policy is intended to comply with the requirements of Section 10D of the Exchange Act (as defined below) and Section 303A. 14 of the NYSE Listed Company Manual (the “ Listing Rule ”). ~~1. 2 Scope~~ This Policy applies to Covered Executives (as defined below) of the Company. 2. 0 Policy Elements ~~2. 1 Definitions~~

For the purposes of this Policy, the following terms shall have the meanings set forth below. ● “ Committee ” means the Compensation & Human Capital Committee of the Board or any successor committee thereof. If there is no Compensation & Human Capital Committee of the Board, references herein to the Committee shall refer to the Company’ s committee of independent directors that is responsible for executive compensation decisions, or in the absence of such a ~~Compensation & Human Capital Committee~~ **committee**, the independent members of the Board. ● “ Covered Compensation ” means any Incentive- based Compensation “ received ” by a Covered Executive during the applicable Recoupment Period; provided that: (i) such Incentive- based Compensation was received by such Covered Executive (A) on or after the Effective Date, (B) after he or she commenced service as an Executive Officer and (C) while the Company had a class of securities publicly listed on a United States national securities exchange; and (ii) such Covered Executive served as an Executive Officer at any time during the performance period applicable to such Incentive- based Compensation. For purposes of this Policy, Incentive- based Compensation is “ received ” by a Covered Executive during the fiscal period in which the Financial Reporting Measure applicable to such Incentive- based Compensation (or portion thereof) is attained, even if the payment or grant of such Incentive- based Compensation is made thereafter. ● “ Covered Executive ” means any current or former Executive Officer. ● “ Effective Date ” means the date on which the Listing Rule becomes effective (i. e., October 2, 2023). ● “ Exchange Act ” means the U. S. Securities Exchange Act of 1934, as amended. ● “ Executive Officer ” means, with respect to the Company, (i) its president, (ii) its principal financial officer, (iii) its principal accounting officer (or if there is no such accounting officer, its controller), (iv) any vice- president in charge of a principal business unit, division or function (such as sales, administration or finance), (v) any other officer who performs a policy- making function for the Company (including any officer of the Company’ s parent (s) or subsidiaries if they perform policy- making functions for the Company) and (vi) any other person who performs similar policy- making functions for the Company. Policy- making function is not intended to include policy- making functions that are not significant. The determination as to an individual’ s status as an Executive Officer shall be made by the Board and such determination shall be final, conclusive and binding on such individual and all other interested persons. ● “ Financial Reporting Measure ” means any (i) measure that is determined and presented in accordance with the accounting principles used in preparing the Company’ s financial statements, (ii) stock price measure or (iii) total shareholder return measure (and any measures that are derived wholly or in part from any measure referenced in clause (i), (ii) or (iii) above). For the avoidance of doubt, any such measure does not need to be presented within the Company’ s financial statements or included in a filing with the U. S. Securities and Exchange Commission to constitute a Financial Reporting Measure. ● “ Financial Restatement ” means a restatement of the Company’ s financial statements due to the Company’ s material noncompliance with any financial reporting requirement under U. S. federal securities laws that is required in order to correct: (i) an error in previously issued financial statements that is material to the previously issued financial statements; or (ii) an error that would result in a material misstatement if the error was (A) corrected in the current period or (B) left uncorrected in the current period. For purposes of this Policy, a Financial Restatement shall not be deemed to occur in the event of a revision of the Company’ s financial statements due to an out- of- period adjustment (i. e., when the error is immaterial to the previously issued financial statements and the correction of the error is also immaterial to the current period) or a retrospective (1) application of a change in accounting principles; (2) revision to reportable segment information due to a change in the structure of the Company’ s internal organization; (3) reclassification due to a discontinued operation; (4) application of a change in reporting entity, such as from a reorganization of entities under common control; or (5) revision for stock splits, reverse stock splits, stock dividends or other changes in capital structure. ● “ Incentive- based Compensation ” means any compensation (including, for the avoidance of doubt, any cash or equity or equity- based compensation, whether deferred or current) that is granted, earned and / or vested based wholly or in part upon the achievement of a Financial Reporting Measure. For purposes of this Policy, “ Incentive- based Compensation ” shall also be deemed to include any amounts that were determined based on (or were otherwise calculated by reference to) Incentive- based Compensation (including, without limitation, any amounts under any long- term disability, life insurance or supplemental retirement or severance plan or agreement or any notional account that is based on Incentive- based Compensation, as well as any earnings accrued thereon). ● “ NYSE ” means the New York Stock Exchange, or any successor thereof. ● “ Recoupment Period ” means the three fiscal years completed immediately preceding the date of any applicable Recoupment Trigger Date. Notwithstanding the foregoing, the Recoupment Period additionally includes any transition period (that results from a change in the Company’ s fiscal year) within or immediately following those three completed fiscal years, provided that a transition period between the last day of the Company’ s previous fiscal year end and the first day of its new fiscal year that comprises a period of nine (9) to twelve (12) months would be deemed a completed fiscal year. ● “ Recoupment Trigger Date ” means the earlier of (i) the date that the Board (or a committee thereof or the officer (s) of the Company authorized to take such action if Board action is not required) concludes, or reasonably should have concluded, that the

Company is required to prepare a Financial Restatement, and (ii) the date on which a court, regulator or other legally authorized body directs the Company to prepare a Financial Restatement. ~~2.2 Recoupment of Erroneously Awarded Compensation~~ (a) In the event of a Financial Restatement, if the amount of any Covered Compensation received by a Covered Executive (the “Awarded Compensation”) exceeds the amount of such Covered Compensation that would have otherwise been received by such Covered Executive if calculated based on the Financial Restatement (the “Adjusted Compensation”), the Company shall reasonably promptly recover from such Covered Executive an amount equal to the excess of the Awarded Compensation over the Adjusted Compensation, each calculated on a pre- tax basis (such excess amount, the “Erroneously Awarded Compensation”). (b) If (i) the Financial Reporting Measure applicable to the relevant Covered Compensation is stock price or total shareholder return (or any measure derived wholly or in part from either of such measures) and (ii) the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the Financial Restatement, then the amount of Erroneously Awarded Compensation shall be determined (on a pre- tax basis) based on the Company’s reasonable estimate of the effect of the Financial Restatement on the Company’s stock price or total shareholder return (or the derivative measure thereof) upon which such Covered Compensation was received. (c) For the avoidance of doubt, the Company’s obligation to recover Erroneously Awarded Compensation is not dependent on (i) if or when the restated financial statements are filed or (ii) any fault of any Covered Executive for the accounting errors or other actions leading to a Financial Restatement. (d) Notwithstanding anything to the contrary in Sections 2 (a) through (c) hereof, the Company shall not be required to recover any Erroneously Awarded Compensation if both (x) the conditions set forth in either of the following clauses (i) or (ii) are satisfied and (y) the Committee (or a majority of the independent directors serving on the Board) has determined that recovery of the Erroneously Awarded Compensation would be impracticable: (i) the direct expense paid to a third party to assist in enforcing the recovery of the Erroneously Awarded Compensation under this Policy would exceed the amount of such Erroneously Awarded Compensation to be recovered; provided that, before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation pursuant to this Section 2 (d), the Company shall have first made a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt (s) to make such recovery and provide that documentation to the NYSE; or (ii) recovery of the Erroneously Awarded Compensation would likely cause an otherwise tax- qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Sections 401 (a) (13) or 411 (a) of the U. S. Internal Revenue Code of 1986, as amended (the “Code”). (e) The Company shall not indemnify any Covered Executive, directly or indirectly, for any losses that such Covered Executive may incur in connection with the recovery of Erroneously Awarded Compensation pursuant to this Policy, including through the payment of insurance premiums or gross- up payments. (f) The Committee shall determine, in its sole discretion, the manner and timing in which any Erroneously Awarded Compensation shall be recovered from a Covered Executive in accordance with applicable law, including, without limitation, by (i) requiring reimbursement of Covered Compensation previously paid in cash; (ii) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer or other disposition of any equity or equity- based awards; (iii) offsetting the Erroneously Awarded Compensation amount from any compensation otherwise owed by the Company or any of its affiliates to the Covered Executive; (iv) cancelling outstanding vested or unvested equity or equity- based awards; and / or (v) taking any other remedial and recovery action permitted by applicable law. For the avoidance of doubt, except as set forth in Section 2 (d), in no event may the Company accept an amount that is less than the amount of Erroneously Awarded Compensation; provided that, to the extent necessary to avoid any adverse tax consequences to the Covered Executive pursuant to Section 409A of the Code, any offsets against amounts under any nonqualified deferred compensation plans (as defined under Section 409A of the Code) shall be made in compliance with Section 409A of the Code. ~~2.3 Administration~~ This Policy shall be administered by the Committee. All decisions of the Committee shall be final, conclusive and binding upon the Company and the Covered Executives, their beneficiaries, executors, administrators and any other legal representative. The Committee shall have full power and authority to (i) administer and interpret this Policy; (ii) correct any defect, supply any omission and reconcile any inconsistency in this Policy; and (iii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of this Policy and to comply with applicable law (including Section 10D of the Exchange Act) and applicable stock market or exchange rules and regulations. Notwithstanding anything to the contrary contained herein, to the extent permitted by Section 10D of the Exchange Act and the Listing Rule, the Board may, in its sole discretion, at any time and from time to time, administer this Policy in the same manner as the Committee. ~~2.4 Amendment / Termination~~ Subject to Section 10D of the Exchange Act and the Listing Rule, this Policy may be amended or terminated by the ~~Committee~~ **Board** at any time. To the extent that any applicable law, or stock market or exchange rules or regulations require recovery of Erroneously Awarded Compensation in circumstances in addition to those specified herein, nothing in this Policy shall be deemed to limit or restrict the right or obligation of the Company to recover Erroneously Awarded Compensation to the fullest extent required by such applicable law, stock market or exchange rules and regulations. Unless otherwise required by applicable law, this Policy shall no longer be effective from and after the date that the Company no longer has a class of securities publicly listed on a United States national securities exchange. ~~2.5 Interpretation~~ Notwithstanding anything to the contrary herein, this Policy is intended to comply with the requirements of Section 10D of the Exchange Act and the Listing Rule (and any applicable regulations, administrative interpretations or stock market or exchange rules and regulations adopted in connection therewith). The provisions of this Policy shall be interpreted in a manner that satisfies such requirements and this Policy shall be operated accordingly. If any provision of this Policy would otherwise frustrate or conflict with this intent, the provision shall be interpreted and deemed amended so as to avoid such conflict. ~~2.6 Other Compensation Clawback / Recoupment Rights~~ Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies, rights or requirements with respect to the clawback or recoupment of any compensation that may be available to the Company pursuant to the terms of any other recoupment or clawback policy of the Company (or any of its affiliates) that may be in effect from time to time, any provisions in any employment agreement, offer

letter, equity plan, equity award agreement or similar plan or agreement, and any other legal remedies available to the Company, as well as applicable law, stock market or exchange rules, listing standards or regulations; provided, however, that any amounts recouped or clawed back under any other policy that would be recoupable under this Policy shall count toward any required clawback or recoupment under this Policy and vice versa. ~~2.7 Exempt Compensation~~ Notwithstanding anything to the contrary herein, the Company has no obligation under this Policy to seek recoupment of amounts paid to a Covered Executive that are granted, vested or earned based solely upon the occurrence or non- occurrence of nonfinancial events. Such exempt compensation includes, without limitation, base salary, time- vesting awards, compensation awarded on the basis of the achievement of metrics that are not Financial Reporting Measures or compensation awarded solely at the discretion of the Committee or the Board, provided that such amounts are in no way contingent on, and were not in any way granted on the basis of, the achievement of any Financial Reporting Measure performance goal. ~~2.8 Miscellaneous~~ (a) Any applicable award agreement or other document setting forth the terms and conditions of any compensation covered by this Policy shall be deemed to include the restrictions imposed herein and incorporate this Policy by reference and, in the event of any inconsistency, the terms of this Policy will govern. For the avoidance of doubt, this Policy applies to all compensation that is received on or after the Effective Date, regardless of the date on which the award agreement or other document setting forth the terms and conditions of the Covered Executive' s compensation became effective, including, without limitation, compensation received under the 2022 Omnibus Incentive Plan, the 2020 Omnibus Incentive Plan, and any successor plan to each of the foregoing. (b) This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives. (c) This ~~Agreement~~ **Policy** shall be construed and interpreted in accordance with the laws of the State of Delaware without regard to its conflict of law principles. For purposes of litigating any dispute that arises under this **Policy** ~~grant or the Agreement~~, ~~the parties hereby submit to and consent to the~~ jurisdiction of **shall be** the State of Texas ~~and~~, ~~agree that~~ such litigation shall be conducted in the courts of Collin County, Texas, or the federal courts for the United States for the Eastern District of Texas, ~~where this grant is made and / or to be performed~~. (d) If any provision of this Policy is determined to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law. 3. 0 Policy Maintenance ~~3.1 Policy Owner Bread Financial' s General Counsel owns and maintains this Policy.~~ ~~3.2 Policy Approver~~ This Policy will be reviewed and approved by the Enterprise Compliance Council **(or successor thereof)** and **submitted to the Compensation & Human Capital Committee to review and recommend to** Bread Financial' s Board of Directors **for approval** on an annual basis, or more frequently as necessary.