UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

January 20, 2017
Date of Report
(Date of earliest event reported)

SYNCHRONY FINANCIAL
(Exact name of registrant as specified in its charter)

Delaware	001-36560	51-0483352
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

777 Long Ridge Road, Stamford, Connecticut	06902
(Address of principal executive offices)	(Zip Code)

(203) 585-2400
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

¨ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

¨ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

¨ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

¨ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On January 20, 2017, Synchrony Financial (the “Company”) issued a press release setting forth the Company’s fourth quarter 2016 earnings. A copy of the Company’s press release is being furnished as Exhibit 99.1 and hereby incorporated by reference. The information furnished pursuant to this Item 2.02, including Exhibits, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are being furnished as part of this report:

Number	Description
99.1	Press release, dated January 20, 2017, issued by Synchrony Financial
99.2	Financial Data Supplement of the Company for the quarter ended December 31, 2016
99.3	Financial Results Presentation of the Company for the quarter ended December 31, 2016
99.4	Explanation of Non-GAAP Measures

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SYNCHRONY FINANCIAL

Date: January 20, 2017	By:	/s/ Jonathan Mothner
	Name:	Jonathan Mothner
	Title:	Executive Vice President, General Counsel and Secretary

EXHIBIT INDEX

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Contacts:

Investor Relations   Media Relations
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For Immediate Release: January 20, 2017

Synchrony Financial Reports Fourth Quarter Net Earnings of $576 Million or $0.70 Per Diluted Share

STAMFORD, Conn. – Synchrony Financial (NYSE: SYF) today announced fourth quarter 2016 net earnings of $576 million, or $0.70 per diluted share.

- Net interest income increased 13% from the fourth quarter of 2015 to $3.6 billion
- Loan receivables grew $8 billion, or 12%, from the fourth quarter of 2015 to $76 billion
- Purchase volume increased 9% from the fourth quarter of 2015
- Strong deposit growth continued, up $9 billion, or 20%, over the fourth quarter of 2015
- Launched Fareportal program
- Announced a new multi-year agreement with Henry Schein Financial Services, LLC
- Quarterly common stock dividend payment of $0.13 per share and repurchased $238 million of Synchrony Financial common stock

"We are pleased with the significant progress we made in 2016. We generated strong organic growth across our sales platforms which resulted in significant revenue growth, substantial operating leverage, and attractive returns. We also signed and renewed several key relationships, expanded our network, continued to drive digital innovations and analytics capabilities, and supported our business with robust growth in our direct deposit platform. We did this while maintaining a strong balance sheet and returning capital to shareholders through growth and the execution of our initial capital plan which included dividends and share repurchases," said Margaret Keane, President and Chief Executive Officer of Synchrony Financial. "As we look to 2017, we believe our strategic focus and partner-centric business model position us well for future opportunities and continued growth."

Business and Financial Highlights for the Fourth Quarter of 2016

All comparisons below are for the fourth quarter of 2016 compared to the fourth quarter of 2015, unless otherwise noted.

Earnings

- Net interest income increased $420 million, or 13%, to $3.6 billion, primarily driven by strong loan receivables growth. Net interest income after retailer share arrangements increased 14%.
- Provision for loan losses increased $253 million to $1.076 billion due to higher loan loss reserve build and loan receivables growth.
- Other income decreased $2 million to $85 million primarily due to higher loyalty program expense, partially offset by higher interchange revenue.
- Other expense increased $48 million to $918 million, primarily driven by business growth.
- Net earnings totaled $576 million compared to $547 million in the fourth quarter of 2015.

Balance Sheet

- Period-end loan receivables growth remained strong at 12%, primarily driven by purchase volume growth of 9% and average active account growth of 6%.
- Deposits grew to $52 billion, up $9 billion, or 20%, and comprised 72% of funding compared to 64% last year.
- The Company's balance sheet remained strong with total liquidity (liquid assets and undrawn credit facilities) of $20 billion, or 23% of total assets.
- The estimated Common Equity Tier 1 ratio under Basel III subject to transition provisions was 17.2% and the estimated fully phased-in Common Equity Tier 1 ratio under Basel III was 17.0%.

Key Financial Metrics

- Return on assets was 2.6% and return on equity was 16.3%.
- Net interest margin increased 49 basis points to 16.22%.
- Efficiency ratio was 31.6%, compared to 34.0% in the fourth quarter of 2015, driven by positive operating leverage arising from strong revenue growth that exceeded expense growth.

Credit Quality

- Loans 30+ days past due as a percentage of total period-end loan receivables were 4.32% compared to 4.06% last year.
- Net charge-offs as a percentage of total average loan receivables were 4.62% compared to 4.23% last year.
- The allowance for loan losses as a percentage of total period-end loan receivables was 5.69% compared to 5.12% last year.

Sales Platforms

- Retail Card interest and fees on loans increased 12%, driven primarily by purchase volume growth of 8% and period-end loan receivables growth of 11%. Average active account growth was 5%. Loan receivables growth was broad-based across partner programs.
- Payment Solutions interest and fees on loans increased 13%, driven primarily by purchase volume growth of 13% and period-end loan receivables growth of 15%. Average active account growth was 12%. Loan receivables growth was led by the home furnishings, automotive, and power product categories.
- CareCredit interest and fees on loans increased 11%, driven primarily by purchase volume growth of 10% and period-end loan receivables growth of 10%. Average active account growth was 8%. Loan receivables growth was led by the dental and veterinary specialties.

Corresponding Financial Tables and Information

No representation is made that the information in this news release is complete. Investors are encouraged to review the foregoing summary and discussion of Synchrony Financial's earnings and financial condition in conjunction with the detailed financial tables and information that follow and in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as filed February 25, 2016, and the Company's forthcoming Annual Report on Form 10-K for the fiscal year ended December 31, 2016. The detailed financial tables and other information are also available on the Investor Relations page of the Company's website at www.investors.synchronyfinancial.com. This information is also furnished in a Current Report on Form 8-K filed with the SEC today.

Conference Call and Webcast Information

On Friday, January 20, 2017, at 8:30 a.m. Eastern Time, Margaret Keane, President and Chief Executive Officer, and Brian Doubles, Executive Vice President and Chief Financial Officer, will host a conference call to review the financial results and outlook for certain business drivers. The conference call can be accessed via an audio webcast through the Investor Relations page on the Synchrony Financial corporate website, www.investors.synchronyfinancial.com, under Events and Presentations. A replay will be available on the website or by dialing (888) 843-7419 (U.S. domestic) or (630) 652-3042 (international), passcode 42016#, and can be accessed beginning approximately two hours after the event through February 3, 2017.

About Synchrony Financial

Synchrony Financial (NYSE: SYF) is one of the nation's premier consumer financial services companies. Our roots in consumer finance trace back to 1932, and today we are the largest provider of private label credit cards in the United States based on purchase volume and receivables.* We provide a range of credit products through programs we have established with a diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations and healthcare service providers to help generate growth for our partners and offer financial flexibility to our customers. Through our partners' over 350,000 locations across the United States and Canada, and their websites and mobile applications, we offer our customers a variety of credit products to finance the purchase of goods and services. Synchrony Financial offers private label and co-branded Dual Card™ credit cards, promotional financing and installment lending, loyalty programs and FDIC-insured savings products through Synchrony Bank. More information can be found at www.synchronyfinancial.com, facebook.com/SynchronyFinancial,www.linkedin.com/company/synchrony-financial and twitter.com/SYFNews.

*Source: The Nilson Report (May 2016, Issue # 1087) - based on 2015 data.

Cautionary Statement Regarding Forward-Looking Statements

This news release contains certain forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the "safe harbor" created by those sections. Forward-looking statements may be identified by words such as “outlook,” “expects,” “intends,” “anticipates,” “plans,” “believes,” “seeks,” “targets,” “estimates,” “will,” “should,” “may” or words of similar meaning, but these words are not the exclusive means of identifying forward-looking statements. Forward-looking statements are based on management’s current expectations and assumptions, and are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, actual results could differ materially from those indicated in these forward-looking statements. Factors that could cause actual results to differ materially include global political, economic, business, competitive, market, regulatory and other factors and risks, such as: the impact of macroeconomic conditions and whether industry trends we have identified develop as anticipated; retaining existing partners and attracting new partners, concentration of our revenue in a small number of Retail Card partners, promotion and support of our products by our partners, and financial performance of our partners; higher borrowing costs and adverse financial market conditions impacting our funding and liquidity, and any reduction in our credit ratings; our ability to securitize our loans, occurrence of an early amortization of our securitization facilities, loss of the right to service or subservice our securitized loans, and lower payment rates on our securitized loans; our ability to grow our deposits in the future; changes in market interest rates and the impact of any margin compression; effectiveness of our risk management processes and procedures, reliance on models which may be inaccurate or misinterpreted, our ability to manage our credit risk, the sufficiency of our allowance for loan losses and the accuracy of the assumptions or estimates used in preparing our financial statements; our ability to offset increases in our costs in retailer share arrangements; competition in the consumer finance industry; our concentration in the U.S. consumer credit market; our ability to successfully develop and commercialize new or enhanced products and services; our ability to realize the value of strategic investments; reductions in interchange fees; fraudulent activity; cyber-attacks or other security breaches; failure of third parties to provide various services that are important to our operations; our transition to a replacement third-party vendor to manage the technology platform for our online retail deposits; disruptions in the operations of our computer systems and data centers; international risks and compliance and regulatory risks and costs associated with international operations; alleged infringement of intellectual property rights of others and our ability to protect our intellectual property; litigation and regulatory actions; damage to our reputation; our ability to attract, retain and motivate key officers and employees; tax legislation initiatives or challenges to our tax positions and state sales tax rules and regulations; a material indemnification obligation to GE under the tax sharing and separation agreement with GE if we cause the split-off from GE or certain preliminary transactions to fail to qualify for tax-free treatment or in the case of certain significant transfers of our stock following the split-off; obligations associated with being an independent public company; regulation, supervision, examination and enforcement of our business by governmental authorities, the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the impact of the Consumer Financial Protection Bureau’s regulation of our business; changes to our methods of offering our CareCredit products; impact of capital adequacy rules and liquidity requirements; restrictions that limit our ability to pay dividends and repurchase our common stock, and restrictions that limit Synchrony Bank’s ability to pay dividends to us; regulations relating to privacy, information security and data protection; use of third-party vendors and ongoing third-party business relationships; and failure to comply with anti-money laundering and anti-terrorism financing laws.

For the reasons described above, we caution you against relying on any forward-looking statements, which should also be read in conjunction with the other cautionary statements that are included elsewhere in this news release and in our public filings, including under the heading “Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as filed on February 25, 2016. You should not consider any list of such factors to be an exhaustive statement of all of the risks, uncertainties, or potentially inaccurate assumptions that could cause our current expectations or beliefs to change. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as otherwise may be required by law.

Non-GAAP Measures

The information provided herein includes measures we refer to as “tangible common equity” and certain capital ratios, which are not prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). For a reconciliation of these non-GAAP measures to the most directly comparable GAAP measures, please see the detailed financial tables and information that follow. For a statement regarding the usefulness of these measures to investors, please see the Company’s Current Report on Form 8-K filed with the SEC today.

SYNCHRONY FINANCIAL

FINANCIAL SUMMARY

(unaudited, in millions, except per share statistics)

	Quarter Ended							Twelve Months Ended			
	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	4Q'16 vs. 4Q'15		Dec 31, 2016	Dec 31, 2015	YTD'16 vs. YTD'15	
EARNINGS											
Net interest income	$ 3,628	$ 3,481	$ 3,212	$ 3,209	$ 3,208	$ 420	13.1 %	$ 13,530	$ 12,093	$ 1,437	11.9 %
Retailer share arrangements	(811)	(757)	(664)	(670)	(734)	(77)	10.5 %	(2,902)	(2,738)	(164)	6.0 %
Net interest income, after retailer share arrangements	2,817	2,724	2,548	2,539	2,474	343	13.9 %	10,628	9,355	1,273	13.6 %
Provision for loan losses	1,076	986	1,021	903	823	253	30.7 %	3,986	2,952	1,034	35.0 %
Net interest income, after retailer share arrangements and provision for loan losses	1,741	1,738	1,527	1,636	1,651	90	5.5 %	6,642	6,403	239	3.7 %
Other income	85	84	83	92	87	(2)	(2.3)%	344	392	(48)	(12.2)%
Other expense	918	859	839	800	870	48	5.5 %	3,416	3,264	152	4.7 %
Earnings before provision for income taxes	908	963	771	928	868	40	4.6 %	3,570	3,531	39	1.1 %
Provision for income taxes	332	359	282	346	321	11	3.4 %	1,319	1,317	2	0.2 %
Net earnings	$ 576	$ 604	$ 489	$ 582	$ 547	$ 29	5.3 %	$ 2,251	$ 2,214	$ 37	1.7 %
Net earnings attributable to common stockholders	$ 576	$ 604	$ 489	$ 582	$ 547	$ 29	5.3 %	$ 2,251	$ 2,214	$ 37	1.7 %
COMMON SHARE STATISTICS											
Basic EPS	$ 0.70	$ 0.73	$ 0.59	$ 0.70	$ 0.66	$ 0.04	6.1 %	$ 2.71	$ 2.66	$ 0.05	1.9 %
Diluted EPS	$ 0.70	$ 0.73	$ 0.58	$ 0.70	$ 0.65	$ 0.05	7.7 %	$ 2.71	$ 2.65	$ 0.06	2.3 %
Dividend declared per share	$ 0.13	$ 0.13	$ —	$ —	$ —	$ 0.13	NM	$ 0.26	$ —	$ 0.26	NM
Common stock price	$ 36.27	$ 28.00	$ 25.28	$ 28.66	$ 30.41	$ 5.86	19.3 %	$ 36.27	$ 30.41	$ 5.86	19.3 %
Book value per share	$ 17.37	$ 16.94	$ 16.45	$ 15.84	$ 15.12	$ 2.25	14.9 %	$ 17.37	$ 15.12	$ 2.25	14.9 %
Tangible common equity per share(1)	$ 15.34	$ 14.90	$ 14.46	$ 13.86	$ 13.14	$ 2.20	16.7 %	$ 15.34	$ 13.14	$ 2.20	16.7 %
Beginning common shares outstanding	825.5	833.9	833.8	833.8	833.8	(8.3)	(1.0)%	833.8	833.8	—	— %
Issuance of common shares	—	—	—	—	—	—	— %	—	—	—	— %
Stock-based compensation	—	0.1	0.1	—	—	—	—	0.2	—	0.2	NM
Shares repurchased	(8.1)	(8.5)	—	—	—	(8.1)	NM	(16.6)	—	(16.6)	NM
Ending common shares outstanding	817.4	825.5	833.9	833.8	833.8	(16.4)	(2.0)%	817.4	833.8	(16.4)	(2.0)%
Weighted average common shares outstanding	820.5	828.4	833.9	833.8	833.8	(13.3)	(1.6)%	829.2	833.8	(4.6)	(0.6)%
Weighted average common shares outstanding (fully diluted)	823.8	830.6	836.2	835.5	835.8	(12.0)	(1.4)%	831.5	835.5	(4.0)	(0.5)%

(1) Tangible Common Equity ("TCE") is a non-GAAP measure. For corresponding reconciliation of TCE to a GAAP financial measure, see Reconciliation of Non-GAAP Measures and Calculations of Regulatory Measures.

SYNCHRONY FINANCIAL

SELECTED METRICS(1)

(unaudited, $ in millions, except account data)

	Quarter Ended					4Q'16 vs. 4Q'15		Twelve Months Ended		YTD'16 vs. YTD'15	
	Dec 31, 2016	**Sep 30, 2016**	**Jun 30, 2016**	**Mar 31, 2016**	**Dec 31, 2015**			**Dec 31, 2016**	**Dec 31, 2015**		
PERFORMANCE METRICS											
Return on assets(2)	2.6%	2.8%	2.4%	2.8%	2.7%		(0.1)%	2.7%	2.9%		(0.2)%
Return on equity(3)	16.3%	17.4%	14.6%	18.1%	17.5%		(1.2)%	16.6%	19.1%		(2.5)%
Return on tangible common equity(4)	18.5%	19.8%	16.6%	20.8%	20.1%		(1.6)%	18.9%	22.0%		(3.1)%
Net interest margin(5)	16.22%	16.27%	15.86%	15.76%	15.73%		0.49 %	16.01%	15.77%		0.24 %
Efficiency ratio(6)	31.6%	30.6%	31.9%	30.4%	34.0%		(2.4)%	31.1%	33.5%		(2.4)%
Other expense as a % of average loan receivables, including held for sale	5.00%	4.92%	5.04%	4.82%	5.28%		(0.28)%	4.93%	5.25%		(0.32)%
Effective income tax rate	36.6%	37.3%	36.6%	37.3%	37.0%		(0.4)%	36.9%	37.3%		(0.4)%
CREDIT QUALITY METRICS											
Net charge-offs as a % of average loan receivables, including held for sale	4.62%	4.38%	4.49%	4.70%	4.23%		0.39 %	4.53%	4.33%		0.20 %
30+ days past due as a % of period-end loan receivables(7)	4.32%	4.26%	3.79%	3.85%	4.06%		0.26 %	4.32%	4.06%		0.26 %
90+ days past due as a % of period-end loan receivables(7)	2.03%	1.89%	1.67%	1.84%	1.86%		0.17 %	2.03%	1.86%		0.17 %
Net charge-offs	$ 847	$ 765	$ 747	$ 780	$ 697	$ 150	21.5 %	$ 3,139	$ 2,691	$ 448	16.6 %
Loan receivables delinquent over 30 days(7)	$ 3,295	$ 3,008	$ 2,585	$ 2,538	$ 2,772	$ 523	18.9 %	$ 3,295	$ 2,772	$ 523	18.9 %
Loan receivables delinquent over 90 days(7)	$ 1,546	$ 1,334	$ 1,143	$ 1,212	$ 1,273	$ 273	21.4 %	$ 1,546	$ 1,273	$ 273	21.4 %
Allowance for loan losses (period-end)	$ 4,344	$ 4,115	$ 3,894	$ 3,620	$ 3,497	$ 847	24.2 %	$ 4,344	$ 3,497	$ 847	24.2 %
Allowance coverage ratio(8)	5.69%	5.82%	5.70%	5.50%	5.12%		0.57 %	5.69%	5.12%		0.57 %
BUSINESS METRICS											
Purchase volume(9)	$ 35,369	$ 31,615	$ 31,507	$ 26,977	$ 32,460	$ 2,909	9.0 %	$ 125,468	$ 113,615	$ 11,853	10.4 %
Period-end loan receivables	$ 76,337	$ 70,644	$ 68,282	$ 65,849	$ 68,290	$ 8,047	11.8 %	$ 76,337	$ 68,290	$ 8,047	11.8 %
Credit cards	$ 73,580	$ 67,858	$ 65,511	$ 63,309	$ 65,773	$ 7,807	11.9 %	$ 73,580	$ 65,773	$ 7,807	11.9 %
Consumer installment loans	$ 1,384	$ 1,361	$ 1,293	$ 1,184	$ 1,154	$ 230	19.9 %	$ 1,384	$ 1,154	$ 230	19.9 %
Commercial credit products	$ 1,333	$ 1,385	$ 1,389	$ 1,318	$ 1,323	$ 10	0.8 %	$ 1,333	$ 1,323	$ 10	0.8 %
Other	$ 40	$ 40	$ 89	$ 38	$ 40	$ —	— %	$ 40	$ 40	$ —	— %
Average loan receivables, including held for sale	$ 72,987	$ 69,525	$ 66,943	$ 66,705	$ 65,406	$ 7,581	11.6 %	$ 69,220	$ 62,120	$ 7,100	11.4 %
Period-end active accounts (in thousands)(10)	71,890	66,781	66,491	64,689	68,314	3,576	5.2 %	71,890	68,314	3,576	5.2 %
Average active accounts (in thousands)(10)	68,701	66,639	65,531	66,134	64,892	3,809	5.9 %	66,928	62,643	4,285	6.8 %
LIQUIDITY											
Liquid assets											
Cash and equivalents	$ 9,321	$ 13,588	$ 11,787	$ 12,500	$ 12,325	$ (3,004)	(24.4)%	$ 9,321	$ 12,325	$ (3,004)	(24.4)%
Total liquid assets	$ 13,612	$ 16,362	$ 13,956	$ 14,915	$ 14,836	$ (1,224)	(8.3)%	$ 13,612	$ 14,836	$ (1,224)	(8.3)%
Undrawn credit facilities											
Undrawn credit facilities	$ 6,700	$ 7,150	$ 7,025	$ 7,325	$ 6,075	$ 625	10.3 %	$ 6,700	$ 6,075	$ 625	10.3 %
Total liquid assets and undrawn credit facilities	$ 20,312	$ 23,512	$ 20,981	$ 22,240	$ 20,911	$ (599)	(2.9)%	$ 20,312	$ 20,911	$ (599)	(2.9)%
Liquid assets % of total assets	15.09%	18.77%	16.94%	18.27%	17.66%		(2.57)%	15.09%	17.66%		(2.57)%
Liquid assets including undrawn credit facilities % of total assets	22.52%	26.98%	25.47%	27.24%	24.90%		(2.38)%	22.52%	24.90%		(2.38)%

(1) Certain balance sheet amounts and related metrics have been updated to reflect the adoption of ASU 2015-03. More detail on this update is in footnote (1) on the Statements of Financial Position.

(2) Return on assets represents net earnings as a percentage of average total assets.

(3) Return on equity represents net earnings as a percentage of average total equity.

(4) Return on tangible common equity represents net earnings as a percentage of average tangible common equity. Tangible Common Equity ("TCE") is a non-GAAP measure. For corresponding reconciliation of TCE to a GAAP financial measure, see Reconciliation of Non-GAAP Measures and Calculations of Regulatory Measures.

(5) Net interest margin represents net interest income divided by average interest-earning assets.

(6) Efficiency ratio represents (i) other expense, divided by (ii) net interest income, after retailer share arrangements, plus other income.

(7) Based on customer statement-end balances extrapolated to the respective period-end date.

(8) Allowance coverage ratio represents allowance for loan losses divided by total period-end loan receivables.

(9) Purchase volume, or net credit sales, represents the aggregate amount of charges incurred on credit cards or other credit product accounts less returns during the period.

(10) Active accounts represent credit card or installment loan accounts on which there has been a purchase, payment or outstanding balance in the current month.

SYNCHRONY FINANCIAL

STATEMENTS OF EARNINGS

(unaudited, $ in millions)

	Quarter Ended							Twelve Months Ended			
	Dec 31, 2016	**Sep 30, 2016**	**Jun 30, 2016**	**Mar 31, 2016**	**Dec 31, 2015**	**4Q'16 vs. 4Q'15**		**Dec 31, 2016**	**Dec 31, 2015**	**YTD'16 vs. YTD'15**	
Interest income:											
Interest and fees on loans	$ 3,919	$ 3,771	$ 3,494	$ 3,498	$ 3,494	$ 425	12.2 %	$ 14,682	$ 13,179	$ 1,503	11.4 %
Interest on investment securities	28	25	21	22	15	13	86.7 %	96	49	47	95.9 %
Total interest income	3,947	3,796	3,515	3,520	3,509	438	12.5 %	14,778	13,228	1,550	11.7 %
Interest expense:											
Interest on deposits	188	188	179	172	165	23	13.9 %	727	607	120	19.8 %
Interest on borrowings of consolidated securitization entities	64	63	59	58	56	8	14.3 %	244	215	29	13.5 %
Interest on third-party debt	67	64	65	81	80	(13)	(16.3)%	277	309	(32)	(10.4)%
Interest on related party debt	—	—	—	—	—	—	— %	—	4	(4)	(100.0)%
Total interest expense	319	315	303	311	301	18	6.0 %	1,248	1,135	113	10.0 %
Net interest income	3,628	3,481	3,212	3,209	3,208	420	13.1 %	13,530	12,093	1,437	11.9 %
Retailer share arrangements	(811)	(757)	(664)	(670)	(734)	(77)	10.5 %	(2,902)	(2,738)	(164)	6.0 %
Net interest income, after retailer share arrangements	2,817	2,724	2,548	2,539	2,474	343	13.9 %	10,628	9,355	1,273	13.6 %
Provision for loan losses	1,076	986	1,021	903	823	253	30.7 %	3,986	2,952	1,034	35.0 %
Net interest income, after retailer share arrangements and provision for loan losses	1,741	1,738	1,527	1,636	1,651	90	5.5 %	6,642	6,403	239	3.7 %
Other income:											
Interchange revenue	167	154	151	130	147	20	13.6 %	602	505	97	19.2 %
Debt cancellation fees	68	67	63	64	62	6	9.7 %	262	249	13	5.2 %
Loyalty programs	(157)	(145)	(135)	(110)	(125)	(32)	25.6 %	(547)	(419)	(128)	30.5 %
Other	7	8	4	8	3	4	133.3 %	27	57	(30)	(52.6)%
Total other income	85	84	83	92	87	(2)	(2.3)%	344	392	(48)	(12.2)%
Other expense:											
Employee costs	315	311	301	280	285	30	10.5 %	1,207	1,042	165	15.8 %
Professional fees	164	174	154	146	165	(1)	(0.6)%	638	645	(7)	(1.1)%
Marketing and business development	130	92	107	94	128	2	1.6 %	423	433	(10)	(2.3)%
Information processing	88	87	81	82	83	5	6.0 %	338	297	41	13.8 %
Other	221	195	196	198	209	12	5.7 %	810	847	(37)	(4.4)%
Total other expense	918	859	839	800	870	48	5.5 %	3,416	3,264	152	4.7 %
Earnings before provision for income taxes	908	963	771	928	868	40	4.6 %	3,570	3,531	39	1.1 %
Provision for income taxes	332	359	282	346	321	11	3.4 %	1,319	1,317	2	0.2 %
Net earnings attributable to common stockholders	$ 576	$ 604	$ 489	$ 582	$ 547	$ 29	5.3 %	$ 2,251	$ 2,214	$ 37	1.7 %

SYNCHRONY FINANCIAL

STATEMENTS OF FINANCIAL POSITION[(1)]

(unaudited, $ in millions)

	Quarter Ended						
	Dec 31, 2016	**Sep 30, 2016**	**Jun 30, 2016**	**Mar 31, 2016**	**Dec 31, 2015**	**Dec 31, 2016 vs. Dec 31, 2015**	
Assets							
Cash and equivalents	$ 9,321	$ 13,588	$ 11,787	$ 12,500	$ 12,325	$ (3,004)	(24.4)%
Investment securities	5,110	3,356	2,723	2,949	3,142	1,968	62.6 %
Loan receivables:							
Unsecuritized loans held for investment	52,332	47,517	44,854	41,730	42,826	9,506	22.2 %
Restricted loans of consolidated securitization entities	24,005	23,127	23,428	24,119	25,464	(1,459)	(5.7)%
Total loan receivables	76,337	70,644	68,282	65,849	68,290	8,047	11.8 %
Less: Allowance for loan losses	(4,344)	(4,115)	(3,894)	(3,620)	(3,497)	(847)	24.2 %
Loan receivables, net	71,993	66,529	64,388	62,229	64,793	7,200	11.1 %
Goodwill	949	949	949	949	949	—	— %
Intangible assets, net	712	733	704	702	701	11	1.6 %
Other assets	2,122	2,004	1,833	2,327	2,080	42	2.0 %
Total assets	$ 90,207	$ 87,159	$ 82,384	$ 81,656	$ 83,990	$ 6,217	7.4 %
Liabilities and Equity							
Deposits:							
Interest-bearing deposit accounts	$ 51,896	$ 49,611	$ 46,220	$ 44,721	$ 43,215	$ 8,681	20.1 %
Non-interest-bearing deposit accounts	159	204	207	256	152	7	4.6 %
Total deposits	52,055	49,815	46,427	44,977	43,367	8,688	20.0 %
Borrowings:							
Borrowings of consolidated securitization entities	12,388	12,411	12,236	12,423	13,589	(1,201)	(8.8)%
Bank term loan	—	—	—	1,494	4,133	(4,133)	(100.0)%
Senior unsecured notes	7,759	7,756	7,059	6,559	6,557	1,202	18.3 %
Related party debt	—	—	—	—	—	—	— %
Total borrowings	20,147	20,167	19,295	20,476	24,279	(4,132)	(17.0)%
Accrued expenses and other liabilities	3,809	3,196	2,947	2,999	3,740	69	1.8 %
Total liabilities	76,011	73,178	68,669	68,452	71,386	4,625	6.5 %
Equity:							
Common stock	1	1	1	1	1	—	— %
Additional paid-in capital	9,393	9,381	9,370	9,359	9,351	42	0.4 %
Retained earnings	5,330	4,861	4,364	3,875	3,293	2,037	61.9 %
Accumulated other comprehensive income:	(53)	(24)	(20)	(31)	(41)	(12)	29.3 %
Treasury Stock	(475)	(238)	—	—	—	(475)	NM
Total equity	14,196	13,981	13,715	13,204	12,604	1,592	12.6 %
Total liabilities and equity	$ 90,207	$ 87,159	$ 82,384	$ 81,656	$ 83,990	$ 6,217	7.4 %

(1) In January 2016, we adopted ASU 2015-03, Interest–Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs, which requires the presentation of deferred issuance costs related to a recognized debt liability as a direct deduction from the carrying amount of the debt liability. Accordingly, we have reclassified issuance costs associated with our borrowings and certain brokered deposits, from other assets, and reflected as a reduction of borrowings and interest-bearing deposit accounts, as applicable, for each period presented to conform to the current period presentation. Related selected financial metrics included within this Financial Data Supplement have also been updated where applicable to reflect this reclassification.

SYNCHRONY FINANCIAL

AVERAGE BALANCES, NET INTEREST INCOME AND NET INTEREST MARGIN[(1)]

(unaudited, $ in millions)

	Quarter Ended														
	Dec 31, 2016			Sep 30, 2016			Jun 30, 2016			Mar 31, 2016			Dec 31, 2015		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
Assets															
Interest-earning assets:															
Interest-earning cash and equivalents	$ 11,723	$ 17	0.58%	$ 12,574	$ 16	0.51%	$ 11,692	$ 14	0.48%	$ 12,185	$ 16	0.53%	$ 12,070	$ 9	0.30%
Securities available for sale	4,253	11	1.03%	3,018	9	1.19%	2,805	7	1.00%	2,995	6	0.81%	3,445	6	0.69%
Loan receivables:															
Credit cards, including held for sale	70,195	3,851	21.83%	66,746	3,705	22.08%	64,269	3,432	21.48%	64,194	3,436	21.53%	62,834	3,432	21.67%
Consumer installment loans	1,374	31	8.98%	1,331	31	9.27%	1,235	28	9.12%	1,159	27	9.37%	1,163	26	8.87%
Commercial credit products	1,367	36	10.48%	1,390	35	10.02%	1,373	33	9.67%	1,313	35	10.72%	1,361	36	10.49%
Other	51	1	NM	58	—	—%	66	1	NM	39	—	—%	48	—	—%
Total loan receivables, including held for sale	72,987	3,919	21.36%	69,525	3,771	21.58%	66,943	3,494	20.99%	66,705	3,498	21.09%	65,406	3,494	21.19%
Total interest-earning assets	88,963	3,947	17.65%	85,117	3,796	17.74%	81,440	3,515	17.36%	81,885	3,520	17.29%	80,921	3,509	17.20%
Non-interest-earning assets:															
Cash and due from banks	691			641			774			1,277			1,268		
Allowance for loan losses	(4,226)			(3,977)			(3,729)			(3,583)			(3,440)		
Other assets	3,394			3,240			3,209			3,256			3,133		
Total non-interest-earning assets	(141)			(96)			254			950			961		
Total assets	$ 88,822			$ 85,021			$ 81,694			$ 82,835			$ 81,882		
Liabilities															
Interest-bearing liabilities:															
Interest-bearing deposit accounts	$ 50,901	$ 188	1.47%	$ 47,926	$ 188	1.56%	$ 45,490	$ 179	1.58%	$ 44,101	$ 172	1.57%	$ 42,079	$ 165	1.56%
Borrowings of consolidated securitization entities	12,387	64	2.06%	12,369	63	2.03%	12,291	59	1.93%	12,950	58	1.80%	13,550	56	1.64%
Bank term loan[(2)]	—	—	—%	—	—	—%	374	7	7.53%	2,565	24	3.76%	4,507	28	2.46%
Senior unsecured notes	7,758	67	3.44%	7,408	64	3.44%	6,809	58	3.43%	6,558	57	3.50%	5,810	52	3.55%
Related party debt	—	—	—%	—	—	—%	—	—	—%	—	—	—%	—	—	—%
Total interest-bearing liabilities	71,046	319	1.79%	67,703	315	1.85%	64,964	303	1.88%	66,174	311	1.89%	65,946	301	1.81%
Non-interest-bearing liabilities															
Non-interest-bearing deposit accounts	180			203			217			226			147		
Other liabilities	3,563			3,314			3,046			3,534			3,396		
Total non-interest-bearing liabilities	3,743			3,517			3,263			3,760			3,543		
Total liabilities	74,789			71,220			68,227			69,934			69,489		
Equity															
Total equity	14,033			13,801			13,467			12,901			12,393		
Total liabilities and equity	$ 88,822			$ 85,021			$ 81,694			$ 82,835			$ 81,882		
Net interest income		$ 3,628			$ 3,481			$ 3,212			$ 3,209			$ 3,208	
Interest rate spread[(3)]			15.86%			15.89%			15.48%			15.40%			15.39%
Net interest margin[(4)]			16.22%			16.27%			15.86%			15.76%			15.73%

(1) Certain balance sheet amounts and related metrics have been updated to reflect the adoption of ASU 2015-03. More detail on this update is in footnote (1) on the Statements of Financial Position.

(2) Average interest rate on liabilities calculated above utilizes monthly average balances. The effective interest rates for the Bank term loan for the quarters ended June 30, 2016, March 31, 2016, and December 31, 2015 were 2.51%, 2.47%, and 2.26% respectively. The Bank term loan effective rate excludes the impact of charges incurred in connection with prepayments of the loan.

(3) Interest rate spread represents the difference between the yield on total interest-earning assets and the rate on total interest-bearing liabilities.

(4) Net interest margin represents net interest income divided by average interest-earning assets.

SYNCHRONY FINANCIAL

AVERAGE BALANCES, NET INTEREST INCOME AND NET INTEREST MARGIN(1)

(unaudited, $ in millions)

	Twelve Months Ended Dec 31, 2016			Twelve Months Ended Dec 31, 2015		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
Assets						
Interest-earning assets:						
Interest-earning cash and equivalents	$ 11,943	$ 63	0.53%	$ 11,406	$ 28	0.25%
Securities available for sale	3,327	33	0.99%	3,142	21	0.67%
Loan receivables:						
Credit cards, including held for sale	66,533	14,424	21.68%	59,603	12,932	21.70%
Consumer installment loans	1,274	117	9.18%	1,119	104	9.29%
Commercial credit products	1,360	139	10.22%	1,359	142	10.45%
Other	53	2	3.77%	39	1	2.56%
Total loan receivables, including held for sale	69,220	14,682	21.21%	62,120	13,179	21.22%
Total interest-earning assets	84,490	14,778	17.49%	76,668	13,228	17.25%
Non-interest-earning assets:						
Cash and due from banks	890			904		
Allowance for loan losses	(3,879)			(3,340)		
Other assets	3,290			2,857		
Total non-interest-earning assets	301			421		
Total assets	$ 84,791			$ 77,089		
Liabilities						
Interest-bearing liabilities:						
Interest-bearing deposit accounts	$ 47,163	$ 727	1.54%	$ 38,060	$ 607	1.59%
Borrowings of consolidated securitization entities	12,532	244	1.95%	13,853	215	1.55%
Bank term loan(2)	789	31	3.93%	5,357	136	2.54%
Senior unsecured notes	7,135	246	3.45%	4,949	173	3.50%
Related party debt	—	—	—%	125	4	3.20%
Total interest-bearing liabilities	67,619	1,248	1.85%	62,344	1,135	1.82%
Non-interest-bearing liabilities						
Non-interest-bearing deposit accounts	203			152		
Other liabilities	3,437			3,015		
Total non-interest-bearing liabilities	3,640			3,167		
Total liabilities	71,259			65,511		
Equity						
Total equity	13,532			11,578		
Total liabilities and equity	$ 84,791			$ 77,089		
Net interest income		$ 13,530			$ 12,093	
Interest rate spread(3)			15.64%			15.43%
Net interest margin(4)			16.01%			15.77%

(1) Certain balance sheet amounts and related metrics have been updated to reflect the adoption of ASU 2015-03. More detail on this update is in footnote (1) on the Statements of Financial Position.

(2) Average interest rate on liabilities calculated above utilizes monthly average balances. The effective interest rates for the Bank term loan for the 12 months ended December 31, 2016 and December 31, 2015 were 2.48% and 2.23%, respectively. The Bank term loan effective rate excludes the impact of charges incurred in connection with prepayments of the loan.

(3) Interest rate spread represents the difference between the yield on total interest-earning assets and the rate on total interest-bearing liabilities.

(4) Net interest margin represents net interest income divided by average interest-earning assets.

SYNCHRONY FINANCIAL

BALANCE SHEET STATISTICS[(1)]

(unaudited, $ in millions, except per share statistics)

	Quarter Ended						
	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Dec 31, 2016 vs. Dec 31, 2015	
BALANCE SHEET STATISTICS							
Total common equity	$ 14,196	$ 13,981	$ 13,715	$ 13,204	$ 12,604	$ 1,592	12.6%
Total common equity as a % of total assets	15.74%	16.04%	16.65%	16.17%	15.01%		0.73%
Tangible assets	$ 88,546	$ 85,477	$ 80,731	$ 80,005	$ 82,340	$ 6,206	7.5%
Tangible common equity[(2)]	$ 12,535	$ 12,299	$ 12,062	$ 11,553	$ 10,954	$ 1,581	14.4%
Tangible common equity as a % of tangible assets[(2)]	14.16%	14.39%	14.94%	14.44%	13.30%		0.86%
Tangible common equity per share[(2)]	$ 15.34	$ 14.90	$ 14.46	$ 13.86	$ 13.14	$ 2.20	16.7%
REGULATORY CAPITAL RATIOS[(3)]							
	Basel III Transition						
Total risk-based capital ratio[(4)]	18.5%	19.5%	19.8%	19.4%	18.1%		
Tier 1 risk-based capital ratio[(5)]	17.2%	18.2%	18.5%	18.1%	16.8%		
Tier 1 leverage ratio[(6)]	15.0%	15.3%	15.6%	14.8%	14.4%		
Common equity Tier 1 capital ratio[(7)]	17.2%	18.2%	18.5%	18.1%	16.8%		
	Basel III Fully Phased-in						
Common equity Tier 1 capital ratio[(7)]	17.0%	17.9%	18.0%	17.5%	15.9%		

(1) Certain balance sheet amounts and related metrics have been updated to reflect the adoption of ASU 2015-03. More detail on this update is in footnote (1) on the Statements of Financial Position.

(2) Tangible common equity ("TCE") is a non-GAAP measure. We believe TCE is a more meaningful measure of the net asset value of the Company to investors. For corresponding reconciliation of TCE to a GAAP financial measure, see Reconciliation of Non-GAAP Measures and Calculations of Regulatory Measures.

(3) Regulatory capital metrics at December 31, 2016 are preliminary and therefore subject to change.

(4) Total risk-based capital ratio is the ratio of total risk-based capital divided by risk-weighted assets.

(5) Tier 1 risk-based capital ratio is the ratio of Tier 1 capital divided by risk-weighted assets.

(6) Tier 1 leverage ratio is the ratio of Tier 1 capital divided by total average assets, after certain adjustments.

(7) Common equity Tier 1 capital ratio is the ratio of common equity Tier 1 capital to total risk-weighted assets, each as calculated under Basel III rules. Common equity Tier 1 capital ratio (fully phased-in) is a preliminary estimate reflecting management’s interpretation of the final Basel III rules adopted in July 2013 by the Federal Reserve Board, which have not been fully implemented, and our estimate and interpretations are subject to, among other things, ongoing regulatory review and implementation guidance.

SYNCHRONY FINANCIAL

PLATFORM RESULTS

(unaudited, $ in millions)

	Quarter Ended							Twelve Months Ended			
	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	4Q'16 vs. 4Q'15		Dec 31, 2016	Dec 31, 2015	YTD'16 vs. YTD'15	
RETAIL CARD											
Purchase volume[1][2]	$ 28,996	$ 25,285	$ 25,411	$ 21,550	$ 26,768	$ 2,228	8.3 %	$ 101,242	$ 92,190	$ 9,052	9.8 %
Period-end loan receivables	$ 52,701	$ 48,010	$ 46,705	$ 45,113	$ 47,412	$ 5,289	11.2 %	$ 52,701	$ 47,412	$ 5,289	11.2 %
Average loan receivables, including held for sale	$ 49,897	$ 47,420	$ 45,861	$ 45,900	$ 44,958	$ 4,939	11.0 %	$ 47,421	$ 42,687	$ 4,734	11.1 %
Average active accounts (in thousands)[2][3]	54,489	52,959	52,314	52,969	52,038	2,451	4.7 %	53,344	50,358	2,986	5.9 %
Interest and fees on loans[2]	$ 2,909	$ 2,790	$ 2,585	$ 2,614	$ 2,594	$ 315	12.1 %	$ 10,898	$ 9,774	$ 1,124	11.5 %
Other income[2]	$ 70	$ 70	$ 69	$ 79	$ 76	$ (6)	(7.9)%	$ 288	$ 339	$ (51)	(15.0)%
Retailer share arrangements[2]	$ (801)	$ (752)	$ (656)	$ (661)	$ (723)	$ (78)	10.8 %	$ (2,870)	$ (2,688)	$ (182)	6.8 %
PAYMENT SOLUTIONS											
Purchase volume[1]	$ 4,194	$ 4,152	$ 3,903	$ 3,392	$ 3,714	$ 480	12.9 %	$ 15,641	$ 13,668	$ 1,973	14.4 %
Period-end loan receivables	$ 15,567	$ 14,798	$ 13,997	$ 13,420	$ 13,543	$ 2,024	14.9 %	$ 15,567	$ 13,543	$ 2,024	14.9 %
Average loan receivables	$ 15,146	$ 14,391	$ 13,644	$ 13,482	$ 13,192	$ 1,954	14.8 %	$ 14,188	$ 12,436	$ 1,752	14.1 %
Average active accounts (in thousands)[3]	8,844	8,461	8,153	8,134	7,896	948	12.0 %	8,410	7,478	932	12.5 %
Interest and fees on loans	$ 523	$ 505	$ 467	$ 457	$ 462	$ 61	13.2 %	$ 1,952	$ 1,719	$ 233	13.6 %
Other income	$ 3	$ 3	$ 3	$ 4	$ 3	$ —	— %	$ 13	$ 17	$ (4)	(23.5)%
Retailer share arrangements	$ (9)	$ (3)	$ (7)	$ (7)	$ (10)	$ 1	(10.0)%	$ (26)	$ (45)	$ 19	(42.2)%
CARECREDIT											
Purchase volume[1]	$ 2,179	$ 2,178	$ 2,193	$ 2,035	$ 1,978	$ 201	10.2 %	$ 8,585	$ 7,757	$ 828	10.7 %
Period-end loan receivables	$ 8,069	$ 7,836	$ 7,580	$ 7,316	$ 7,335	$ 734	10.0 %	$ 8,069	$ 7,335	$ 734	10.0 %
Average loan receivables	$ 7,944	$ 7,714	$ 7,438	$ 7,323	$ 7,256	$ 688	9.5 %	$ 7,611	$ 6,997	$ 614	8.8 %
Average active accounts (in thousands)[3]	5,368	5,219	5,064	5,031	4,958	410	8.3 %	5,174	4,807	367	7.6 %
Interest and fees on loans	$ 487	$ 476	$ 442	$ 427	$ 438	$ 49	11.2 %	$ 1,832	$ 1,686	$ 146	8.7 %
Other income	$ 12	$ 11	$ 11	$ 9	$ 8	$ 4	50.0 %	$ 43	$ 36	$ 7	19.4 %
Retailer share arrangements	$ (1)	$ (2)	$ (1)	$ (2)	$ (1)	$ —	— %	$ (6)	$ (5)	$ (1)	20.0 %
TOTAL SYF											
Purchase volume[1][2]	$ 35,369	$ 31,615	$ 31,507	$ 26,977	$ 32,460	$ 2,909	9.0 %	$ 125,468	$ 113,615	$ 11,853	10.4 %
Period-end loan receivables	$ 76,337	$ 70,644	$ 68,282	$ 65,849	$ 68,290	$ 8,047	11.8 %	$ 76,337	$ 68,290	$ 8,047	11.8 %
Average loan receivables, including held for sale	$ 72,987	$ 69,525	$ 66,943	$ 66,705	$ 65,406	$ 7,581	11.6 %	$ 69,220	$ 62,120	$ 7,100	11.4 %
Average active accounts (in thousands)[2][3]	68,701	66,639	65,531	66,134	64,892	3,809	5.9 %	66,928	62,643	4,285	6.8 %
Interest and fees on loans[2]	$ 3,919	$ 3,771	$ 3,494	$ 3,498	$ 3,494	$ 425	12.2 %	$ 14,682	$ 13,179	$ 1,503	11.4 %
Other income[2]	$ 85	$ 84	$ 83	$ 92	$ 87	$ (2)	(2.3)%	$ 344	$ 392	$ (48)	(12.2)%
Retailer share arrangements[2]	$ (811)	$ (757)	$ (664)	$ (670)	$ (734)	$ (77)	10.5 %	$ (2,902)	$ (2,738)	$ (164)	6.0 %

(1) Purchase volume, or net credit sales, represents the aggregate amount of charges incurred on credit cards or other credit product accounts less returns during the period.

(2) Includes activity and balances associated with loan receivables held for sale.

(3) Active accounts represent credit card or installment loan accounts on which there has been a purchase, payment or outstanding balance in the current month.

SYNCHRONY FINANCIAL

RECONCILIATION OF NON-GAAP MEASURES AND CALCULATIONS OF REGULATORY MEASURES(1)(2)

(unaudited, $ in millions, except per share statistics)

	Quarter Ended				
	Dec 31, 2016	**Sep 30, 2016**	**Jun 30, 2016**	**Mar 31, 2016**	**Dec 31, 2015**
COMMON EQUITY MEASURES					
GAAP Total common equity	$ 14,196	$ 13,981	$ 13,715	$ 13,204	$ 12,604
Less: Goodwill	(949)	(949)	(949)	(949)	(949)
Less: Intangible assets, net	(712)	(733)	(704)	(702)	(701)
Tangible common equity	$ 12,535	$ 12,299	$ 12,062	$ 11,553	$ 10,954
Adjustments for certain deferred tax liabilities and certain items in accumulated comprehensive income (loss)	337	299	282	281	280
Basel III - Common equity Tier 1 (fully phased-in)	$ 12,872	$ 12,598	$ 12,344	$ 11,834	$ 11,234
Adjustment related to capital components during transition	263	273	266	265	399
Basel III - Common equity Tier 1 (transition)	$ 13,135	$ 12,871	$ 12,610	$ 12,099	$ 11,633
RISK-BASED CAPITAL					
Common equity Tier 1	$ 13,135	$ 12,871	$ 12,610	$ 12,099	$ 11,633
Add: Allowance for loan losses includible in risk-based capital	994	923	890	869	898
Risk-based capital	$ 14,129	$ 13,794	$ 13,500	$ 12,968	$ 12,531
ASSET MEASURES					
Total average assets	$ 88,822	$ 85,021	$ 81,694	$ 82,835	$ 81,882
Adjustments for:					
Disallowed goodwill and other disallowed intangible assets (net of related deferred tax liabilities) and other	(1,059)	(1,117)	(1,113)	(1,117)	(991)
Total assets for leverage purposes	$ 87,763	$ 83,904	$ 80,581	$ 81,718	$ 80,891
Risk-weighted assets - Basel III (fully phased-in)(3)	$ 75,941	$ 70,448	$ 68,462	$ 67,697	$ 70,493
Risk-weighted assets - Basel III (transition)(3)	$ 76,179	$ 70,660	$ 68,188	$ 66,689	$ 69,224
TANGIBLE COMMON EQUITY PER SHARE					
GAAP book value per share	$ 17.37	$ 16.94	$ 16.45	$ 15.84	$ 15.12
Less: Goodwill	(1.16)	(1.14)	(1.14)	(1.14)	(1.14)
Less: Intangible assets, net	(0.87)	(0.90)	(0.85)	(0.84)	(0.84)
Tangible common equity per share	$ 15.34	$ 14.90	$ 14.46	$ 13.86	$ 13.14

(1) Certain balance sheet amounts and related metrics have been updated to reflect the adoption of ASU 2015-03. More detail on this update is in footnote (1) on the Statements of Financial Position.

(2) Regulatory measures at December 31, 2016 are presented on an estimated basis.

(3) Key differences between Basel III transitional rules and fully phased-in Basel III rules in the calculation of risk-weighted assets include, but not limited to, risk weighting of deferred tax assets and adjustments for certain intangible assets.

Exhibit 99.3

4Q'16 Financial Results
January 20, 2017

synchrony FINANCIAL

Disclaimers

Cautionary Statement Regarding Forward-Looking Statements

The following slides are part of a presentation by Synchrony Financial in connection with reporting quarterly financial results. No representation is made that the information in these slides is complete. For additional information, see the earnings release and financial supplement included as exhibits to our Current Report on Form 8-K filed today and available on our website (www.synchronyfinancial.com) and the SEC's website (www.sec.gov). All references to net earnings and net income are intended to have the same meaning.

This presentation contains certain forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the "safe harbor" created by those sections. Forward-looking statements may be identified by words such as "outlook," "expects," "intends," "anticipates," "plans," "believes," "seeks," "targets," "estimates," "will," "should," "may" or words of similar meaning, but these words are not the exclusive means of identifying forward-looking statements. Forward-looking statements are based on management's current expectations and assumptions, and are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, actual results could differ materially from those indicated in these forward-looking statements. Factors that could cause actual results to differ materially include global political, economic, business, competitive, market, regulatory and other factors and risks, such as: the impact of macroeconomic conditions and whether industry trends we have identified develop as anticipated; retaining existing partners and attracting new partners, concentration of our revenue in a small number of Retail Card partners, promotion and support of our products by our partners, and financial performance of our partners; higher borrowing costs and adverse financial market conditions impacting our funding and liquidity, and any reduction in our credit ratings; our ability to securitize our loans, occurrence of an early amortization of our securitization facilities, loss of the right to service or subservice our securitized loans, and lower payment rates on our securitized loans; our ability to grow our deposits in the future; changes in market interest rates and the impact of any margin compression; effectiveness of our risk management processes and procedures, reliance on models which may be inaccurate or misinterpreted, our ability to manage our credit risk, the sufficiency of our allowance for loan losses and the accuracy of the assumptions or estimates used in preparing our financial statements; our ability to offset increases in our costs in retailer share arrangements; competition in the consumer finance industry; our concentration in the U.S. consumer credit market; our ability to successfully develop and commercialize new or enhanced products and services; our ability to realize the value of strategic investments; reductions in interchange fees; fraudulent activity; cyber-attacks or other security breaches; failure of third parties to provide various services that are important to our operations; our transition to a replacement third-party vendor to manage the technology platform for our online retail deposits; disruptions in the operations of our computer systems and data centers; international risks and compliance and regulatory risks and costs associated with international operations; alleged infringement of intellectual property rights of others and our ability to protect our intellectual property; litigation and regulatory actions; damage to our reputation; our ability to attract, retain and motivate key officers and employees; tax legislation initiatives or challenges to our tax positions and state sales tax rules and regulations; a material indemnification obligation to GE under the tax sharing and separation agreement with GE if we cause the split-off from GE or certain preliminary transactions to fail to qualify for tax-free treatment or in the case of certain significant transfers of our stock following the split-off; obligations associated with being an independent public company; regulation, supervision, examination and enforcement of our business by governmental authorities, the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the impact of the Consumer Financial Protection Bureau's regulation of our business; changes to our methods of offering our CareCredit products; impact of capital adequacy rules and liquidity requirements; restrictions that limit our ability to pay dividends and repurchase our common stock, and restrictions that limit Synchrony Bank's ability to pay dividends to us; regulations relating to privacy, information security and data protection; use of third-party vendors and ongoing third-party business relationships; and failure to comply with anti-money laundering and anti-terrorism financing laws.

For the reasons described above, we caution you against relying on any forward-looking statements, which should also be read in conjunction with the other cautionary statements that are included elsewhere in this presentation and in our public filings, including under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as filed on February 25, 2016. You should not consider any list of such factors to be an exhaustive statement of all of the risks, uncertainties, or potentially inaccurate assumptions that could cause our current expectations or beliefs to change. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as otherwise may be required by law. Differences between this presentation and the supplemental financials may occur due to rounding.

Non-GAAP Measures

The information provided herein includes certain capital ratios, which are not prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The reconciliations of such measures to the most directly comparable GAAP measures are included in the appendix of this presentation.

4Q'16 Highlights

Financial highlights

- $576 million Net earnings, $0.70 diluted EPS
- Purchase volume +9%, Loan receivables +12%, Net interest income +13%
- Net charge-offs at 4.62% compared to 4.23% in the prior year
  - ✓ 30+ delinquency at 4.32% compared to 4.06% in the prior year
- Expenses +6% ... Efficiency ratio 31.6% compared to 34.0% in the prior year
- Deposits up $8.7 billion compared to prior year, comprise 72% of funding
- Strong capital and liquidity
  - ✓ 17.2% CET1[a] & $13.6 billion liquid assets

Business highlights

- ✓ Launched new program

Fareportal

- ✓ Announced new partnership

Henry Schein®

- ✓ Introduced SyPI and launched CareCredit Pay My Provider to expand digital capabilities

GPShopper®

CareCredit℠

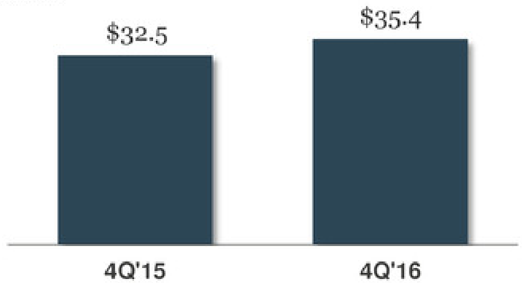
- ✓ Completed quarterly capital return
  - ✓ $0.13 quarterly dividend
  - ✓ $238 million share repurchase

(a) CET1 % calculated under the Basel III transitional guidelines

Growth Metrics

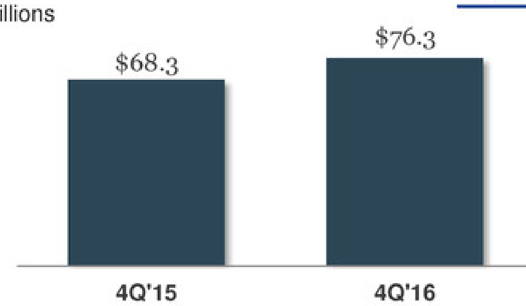
Purchase volume
$ in billions

+9%



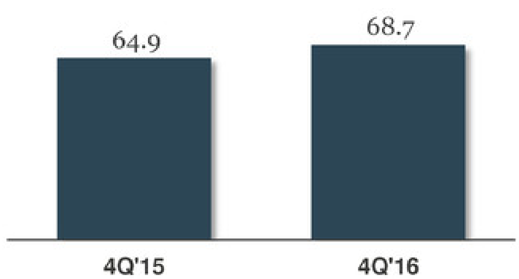
Loan receivables
$ in billions

+12%



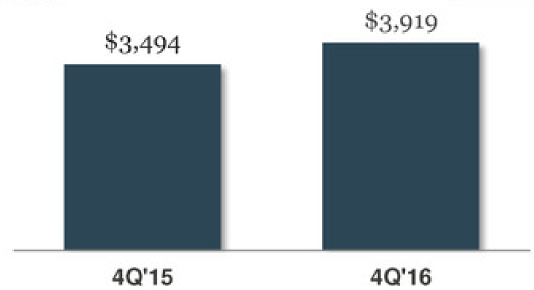
Average active accounts
in millions

+6%



Interest and fees on loans
$ in millions

+12%



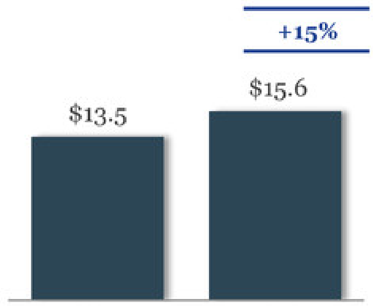
Platform Results[a]

Retail Card
Loan receivables, $ in billions

	4Q'15	4Q'16	V%
Purchase volume	$26.8	$29.0	+8%
Accounts	52.0	54.5	+5%
Interest and fees on loans	$2,594	$2,909	+12%

- ✓ Strong receivable growth across partner programs
- ✓ Interest and fees on loans up 12% driven by receivable growth

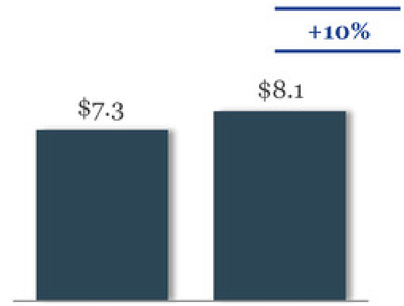
Payment Solutions
Loan receivables, $ in billions



	4Q'15	4Q'16	V%
Purchase volume	$3.7	$4.2	+13%
Accounts	7.9	8.8	+12%
Interest and fees on loans	$462	$523	+13%

- ✓ Broad receivable growth led by home furnishings, auto and power
- ✓ Interest and fees on loans up 13% driven by receivable growth

CareCredit
Loan receivables, $ in billions



	4Q'15	4Q'16	V%
Purchase volume	$2.0	$2.2	+10%
Accounts	5.0	5.4	+8%
Interest and fees on loans	$438	$487	+11%

- ✓ Receivable growth led by dental and veterinary
- ✓ Interest and fees on loans up 11% driven by receivable growth

(a) Accounts represent average active accounts in millions, which are credit card or installment loan accounts on which there has been a purchase, payment or outstanding balance in the current month. Purchase volume $ in billions and interest and fees on loans $ in millions

Financial Results

Summary earnings statement

$ in millions, except ratios	4Q'16	4Q'15	B/(W) $	B/(W) %
Total interest income	$3,947	$3,509	$438	12%
Total interest expense	319	301	(18)	(6)%
Net interest income (NII)	**3,628**	**3,208**	**420**	**13%**
Retailer share arrangements (RSA)	(811)	(734)	(77)	(10)%
NII, after RSA	**2,817**	**2,474**	**343**	**14%**
Provision for loan losses	1,076	823	(253)	(31)%
Other income	85	87	(2)	(2)%
Other expense	918	870	(48)	(6)%
Pre-Tax earnings	**908**	**868**	**40**	**5%**
Provision for income taxes	332	321	(11)	(3)%
Net earnings	**$576**	**$547**	**$29**	**5%**
Return on assets	2.6%	2.7%		(0.1)pts.

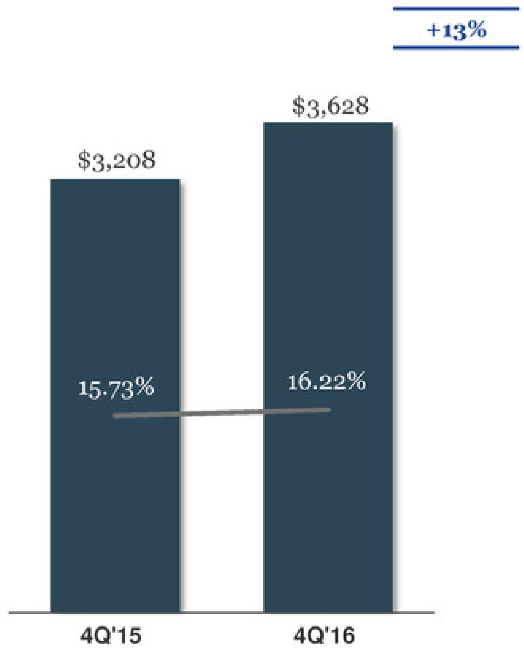
Fourth quarter 2016 highlights

- **$576 million Net earnings, 2.6% ROA**
- **Net interest income up 13% driven by growth in loan receivables**
  - ✓ Interest and fees on loans up 12% driven by receivable growth
  - ✓ Interest expense increase driven by growth
- **Provision for loan losses driven by higher reserve build and growth**
  - ✓ 30+ delinquency 4.32% compared to 4.06% in the prior year
  - ✓ NCO's 4.62% compared to 4.23% in the prior year
- **Other expense up 6%**
  - ✓ Other expense increase driven primarily by growth

Net Interest Income

Net interest income

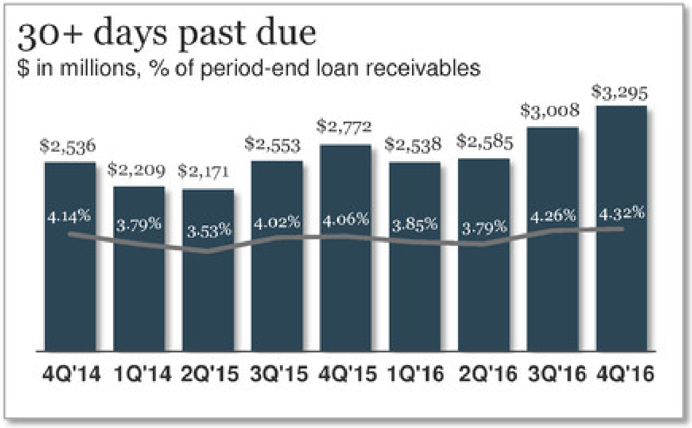
$ in millions, % of average interest-earning assets

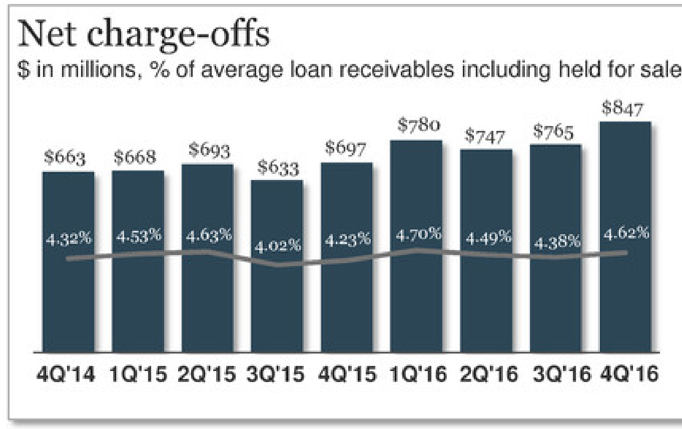


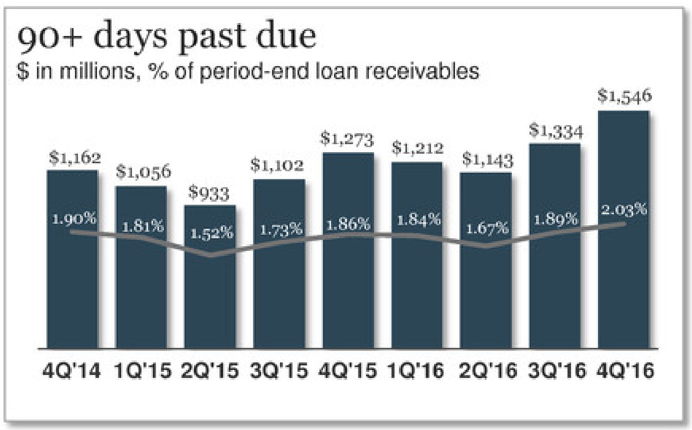
Fourth quarter 2016 highlights

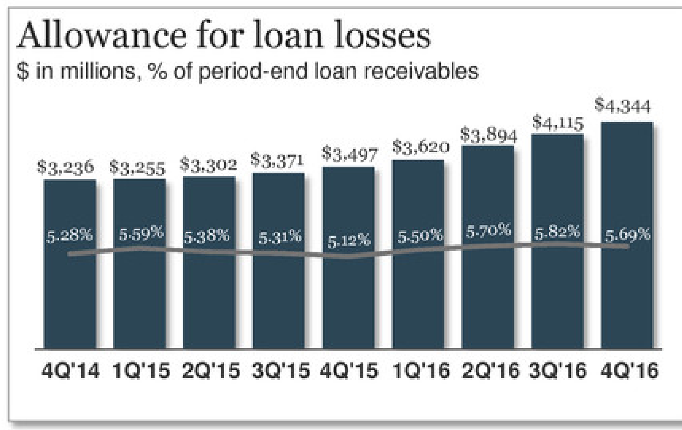
- **Net interest income increased 13% compared to prior year driven by growth in receivables**
  - ✓ Interest and fees on loans increased 12% compared to prior year driven by average loan receivable growth
- **Net interest margin up 49bps.**
  - ✓ Loan receivables mix as a percent of total earning assets increased from 80.8% to 82.0%
  - ✓ Receivable yield 21.36%, up 17bps. versus prior year
  - ✓ Total interest-bearing liabilities cost decreased 2bps. to 1.79%, due to more favorable funding mix

Asset Quality Metrics





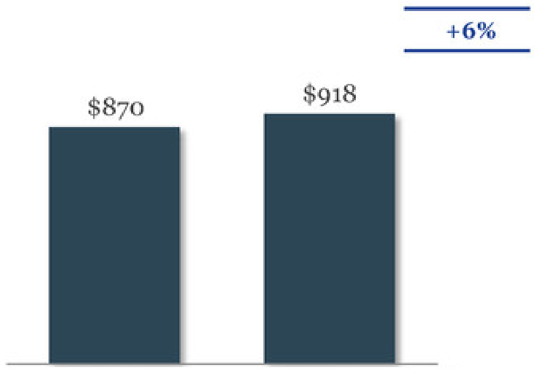




Other Expense

Other expense

$ in millions



	4Q'15	4Q'16	V$	V%
Employee costs	$285	$315	$30	11%
Professional fees	165	164	(1)	(1)%
Marketing/BD	128	130	2	2%
Information processing	83	88	5	6%
Other	209	221	12	6%
Other expense	$870	$918	$48	6%
Efficiency [(a)]	**34.0%**	**31.6%**		**(2.4)pts.**

Fourth quarter 2016 highlights

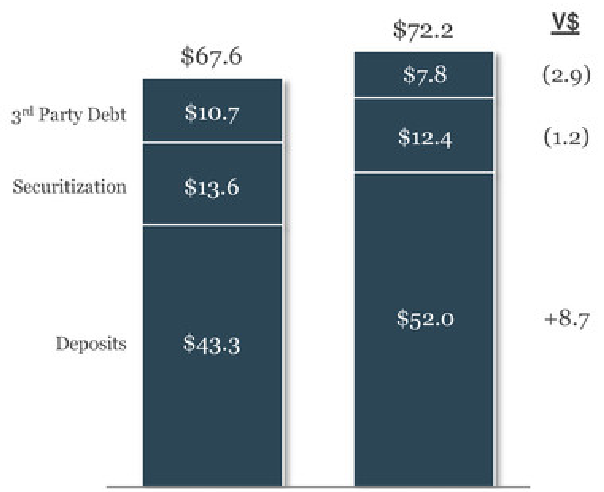
- **Expense increased 6% vs. prior year**
- **Employee costs up $30 million**
  - ✓ Driven by employees added for growth and bringing certain 3rd party services in-house
- **Professional fees down $1 million**
  - ✓ Driven by reduction of separation and 3rd party costs partially offset by growth
- **Marketing/BD costs up $2 million**
  - ✓ Driven by growth and strategic investments
- **Information processing up $5 million**
  - ✓ Driven by continued IT investment and purchase volume growth
- **Other up $12 million**
  - ✓ Increase primarily driven by growth partially offset with reduction in separation costs
- **Efficiency ratio of 31.6% improved 2.4pts. compared to prior year**

(a) "Other Expense" divided by sum of "NII, after RSA" plus "Other income"

Funding, Capital and Liquidity

Funding sources

$ in billions



	4Q'15	4Q'16	Variance
Deposits	64%	72%	+8pts.
Securitization	20%	17%	(3)pts.
3rd Party Debt	16%	11%	(5)pts.

Capital ratios[a]

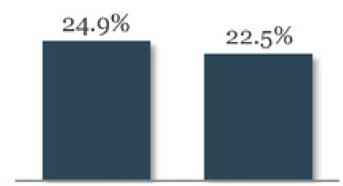
Common equity Tier 1 % - Basel III transitional[b]

	4Q'15	4Q'16
Basel III (fully phased-in)	15.9%	17.0%

(a) Estimated percentages and amounts
(b) Calculated under the Basel III transition guidelines

Liquidity[c]

% of total assets, $ in billions



	4Q'15	4Q'16
Liquid assets	$14.8	$13.6
Undrawn credit facilities	6.1	6.7
Total liquidity	**$20.9**	**$20.3**

(c) Does not include unencumbered assets in the Bank that could be pledged

2016 Performance

	2016 Outlook[(a)]	2016 Actual	Drivers
Loan Receivables Growth	7% - 9%	12%	Strong organic growth driven by value propositions and strategic investments
Net Interest Margin	~ 15.5%	16.0%	Higher receivable yield and favorable earning asset mix
Net Charge-off Rate	4.3% - 4.5%	4.5%	Normalization off recent lows
Efficiency Ratio	< 34.0%	31.1%	Driven by higher margins and increased productivity
ROA	2.5% - 3.0%	2.7%	Better margin and lower expense partially offset with higher provision expense

(a) 2016 outlook provided during January 22, 2016 earnings conference call. Synchrony Financial does not affirm guidance during the year

2017 Outlook

	2017 Outlook
Loan Receivables Growth	7% - 9%
Net Interest Margin	15.75% - 16.00%
Net Charge-off Rate	4.75% - 5.00%
Efficiency Ratio	~ 32.0%
ROA	2.5% +

Strategic Priorities

Grow our business through our three sales platforms

- Grow existing retailer penetration
- Continue to innovate and provide robust cardholder value propositions
- Add new partners and programs with attractive risk and return profiles

Expand robust data, analytics and digital capabilities

- Accelerate capabilities: marketing, analytics and loyalty
- Continue to leverage SKU level data and invest in CRM to differentiate marketing capabilities
- Deliver leading capabilities across digital and mobile technologies

Position business for long-term growth

- Explore opportunities to expand the core business (e.g., small business and proprietary networks)
- Continue to grow Synchrony Bank — enhance offerings to increase loyalty, diversify funding and drive profitability

Operate with a strong balance sheet and financial profile

- Maintain strong capital and liquidity
- Deliver earnings growth at attractive returns

Leverage strong capital position

- Organic growth, program acquisitions, and start-up opportunities
- Continue capital plan execution through dividends and share repurchase program, subject to Board and regulatory approvals
- Invest in capability-enhancing technologies and businesses

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Engage with us.

Appendix

Non-GAAP Reconciliation

We present certain capital ratios. Our Basel III Tier 1 common ratio, calculated on a fully phased-in basis, is a preliminary estimate reflecting management's interpretation of the final Basel III capital rules adopted in July 2013 by the Federal Reserve Board, which have not been fully implemented, and our estimate and interpretations are subject to, among other things, ongoing regulatory review and implementation guidance. This ratio is not currently required by regulators to be disclosed, and therefore is considered a non-GAAP measure. We believe this capital ratio is a useful measure to investors because it is widely used by analysts and regulators to assess the capital position of financial services companies, although this ratio may not be comparable to similarly titled measures reported by other companies.

Non-GAAP Reconciliation

The following table sets forth a reconciliation of each component of our capital ratios to the comparable GAAP component at December 31, 2016.

COMMON EQUITY MEASURES	**$ in millions at December 31, 2016**
GAAP Total common equity	$14,196
Less: Goodwill	(949)
Less: Intangible assets, net	(712)
Tangible common equity	**$12,535**
Adjustments for certain deferred tax liabilities and certain items in accumulated comprehensive income (loss)	337
Basel III – Common equity Tier 1 (fully phased-in)	**$12,872**
Adjustments related to capital components during transition	263
Basel III – Common equity Tier 1 (transition)	**$13,135**
Risk-weighted assets – Basel III (fully phased-in)	**$75,941**
Risk-weighted assets – Basel III (transition)	**$76,179**

Explanation of Non-GAAP Measures

The information provided in this Form 8-K and exhibits includes measures which are not prepared in accordance with U.S. generally accepted accounting principles ("GAAP").

We present certain capital ratios in this Form 8-K and exhibits. Our Basel III Tier 1 common ratio, calculated on a fully phased-in basis, is a preliminary estimate reflecting management's interpretation of the final Basel III capital rules adopted in July 2013 by the Federal Reserve Board, which have not been fully implemented, and our estimate and interpretations are subject to, among other things, ongoing regulatory review and implementation guidance. This ratio is not currently required by regulators to be disclosed, and therefore is considered a non-GAAP measure. We believe this capital ratio is a useful measure to investors because it is widely used by analysts and regulators to assess the capital position of financial services companies, although this ratio may not be comparable to similarly titled measures reported by other companies. The reconciliation of our Basel III Tier 1 common ratio, calculated on a fully phased-in basis, to the comparable GAAP component is included in the detailed financial tables included in Exhibit 99.2.

We also present a measure we refer to as "tangible common equity" in this Form 8-K and exhibits. Tangible common equity itself is not a measure presented in accordance with GAAP. We believe tangible common equity is a more meaningful measure to investors of the net asset value of the Company. The reconciliation of tangible common equity, to total equity reported in accordance with GAAP is included in the detailed financial tables included in Exhibit 99.2.