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 19, 2018
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 19, 2018, Synchrony Financial (the “Company”) issued a press release setting forth the Company’s fourth quarter 2017 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 19, 2018, issued by Synchrony Financial
99.2	Financial Data Supplement of the Company for the quarter ended December 31, 2017
99.3	Financial Results Presentation of the Company for the quarter ended December 31, 2017
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 19, 2018	By:	/s/ Jonathan Mothner
	Name:	Jonathan Mothner
	Title:	Executive Vice President, General Counsel and Secretary

EXHIBIT INDEX

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Exhibit 99.1

Contacts:

Investor Relations Media Relations
Greg Ketron Sue Bishop
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For Immediate Release: January 19, 2018

Synchrony Financial Reports Fourth Quarter Net Earnings of $385 Million or $0.49 Per Diluted Share Including Impact from Tax Cuts and Jobs Act; $545 Million or $0.70 Excluding Impact

STAMFORD, Conn. – Synchrony Financial (NYSE: SYF) today announced fourth quarter 2017 net earnings of $385 million, or $0.49 per diluted share including the impact from the Tax Cuts and Jobs Act ("Tax Act") of 2017, and $545 million, or $0.70 per diluted share excluding $160 million of additional tax expense related to the impact from the Tax Act. Highlights for the quarter included:

- Net interest income increased 8% from the fourth quarter of 2016 to $3.9 billion
- Loan receivables grew $6 billion, or 7%, from the fourth quarter of 2016 to $82 billion
- Purchase volume increased 3% from the fourth quarter of 2016 to $37 billion
- Deposits grew over $4 billion, or 9%, from the fourth quarter of 2016 to $56 billion
- Announced agreement to significantly expand strategic consumer credit relationship with PayPal, acquiring PayPal's U.S. consumer credit receivables portfolio and becoming the exclusive issuer of the PayPal Credit online consumer financing program; expected to close in the third quarter of 2018
- Renewed relationships: Men's Wearhouse, Home Furnishings Association, Husqvarna Viking, Sweetwater, Bosley, and Sono Bello
- Quarterly common stock dividend payment of $0.15 per share and repurchased $430 million of Synchrony Financial common stock
- The Tax Act resulted in $160 million of additional tax expense primarily due to the Tax Act's reduction in the corporate tax rate that resulted in a remeasurement of our net deferred tax asset

"Substantial progress was made on our strategic priorities not only in the fourth quarter, but throughout 2017. Our business continues to deliver organic growth, leveraging innovative marketing, promotions, and value propositions. We are making investments in our robust data, analytics and digital capabilities, further enhancing the experience of our partners and cardholders. And we are supporting our business with continued growth in our direct deposit platform. We accomplished all of this while maintaining a strong balance sheet and returning capital to shareholders through growth and the execution of our capital plan," said Margaret Keane, President and Chief Executive Officer of Synchrony Financial. "Synchrony Financial continues to be well positioned for long-term growth and we look forward to driving further value for our partners, cardholders, and shareholders in 2018."

<u>Business and Financial Highlights for the Fourth Quarter of 2017</u>

All comparisons below are for the fourth quarter of 2017 compared to the fourth quarter of 2016, unless otherwise noted.

Earnings

- Net interest income increased $288 million, or 8%, to $3.9 billion, primarily driven by strong loan receivables growth. Net interest income after retailer share arrangements increased 11%.
- Provision for loan losses increased $278 million to $1.4 billion primarily driven by credit normalization.
- Other income was down $23 million to $62 million, primarily due to higher loyalty program expense, partially offset by higher interchange revenue.
- Other expense increased $52 million, or 6%, to $970 million, primarily driven by growth and marketing.
- Net earnings totaled $385 million including the impact from the Tax Act that resulted in $160 million of additional tax expense primarily due to the Tax Act's reduction in the corporate tax rate that resulted in a remeasurement of our net deferred tax asset; excluding this impact of the Tax Act, net earnings totaled $545 million compared to $576 million in the fourth quarter of 2016.

Balance Sheet

- Period-end loan receivables growth remained strong at 7%, primarily driven by purchase volume growth of 3% and average active account growth of 4%.
- Deposits grew to $56 billion, up $4 billion, or 9%, and comprised 73% of funding compared to 72% last year.
- The Company's balance sheet remained strong with total liquidity (liquid assets and undrawn credit facilities) of $21 billion, or 22% of total assets.
- The estimated Common Equity Tier 1 ratio under Basel III subject to transition provisions was 16.0% and the estimated fully phased-in Common Equity Tier 1 ratio under Basel III was 15.8%.

Key Financial Metrics

- Return on assets was 1.6% and return on equity was 10.5%, including the impact from the Tax Act; excluding the impact of the Tax Act, return on assets was 2.3% and return on equity was 14.9%.
- Net interest margin was 16.24% compared to 16.26% in the fourth quarter of 2016.
- Efficiency ratio was 30.3%, compared to 31.6% in the fourth quarter of 2016. The efficiency ratio for 2017 was 30.3%, compared to 31.1% in 2016. The improvement in both the fourth quarter and full-year efficiency ratio reflected the strong operating leverage generated by the business.

Credit Quality

- Loans 30+ days past due as a percentage of total period-end loan receivables were 4.67% compared to 4.32% last year.
- Net charge-offs as a percentage of total average loan receivables were 5.78% compared to 4.65% last year.
- The allowance for loan losses as a percentage of total period-end loan receivables was 6.80% compared to 5.69% last year.

Sales Platforms

- Retail Card interest and fees on loans increased 8%, driven primarily by period-end loan receivables growth of 7%. Purchase volume and average active account growth was 3%. Loan receivables growth was broad-based across partner programs.
- Payment Solutions interest and fees on loans increased 10%, driven primarily by period-end loan receivables growth of 8%. Purchase volume growth was 9%, adjusted to exclude the impact from the hhgregg bankruptcy, and average active account growth was 7%. Loan receivables growth was led by home furnishing and automotive.
- CareCredit interest and fees on loans increased 8%, driven primarily by period-end loan receivables growth of 10%. Purchase volume and average active account growth was 8%. Loan receivables growth was led by dental and veterinary.

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 the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, as filed February 23, 2017, and the Company's forthcoming Annual Report on Form 10-K for the year ended December 31, 2017. 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 19, 2018, 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 42017#, and can be accessed beginning approximately two hours after the event through February 2, 2018.

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 365,000 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 credit cards, Dual Card™ and general purpose co-branded 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 (June 2017, Issue # 1112) - based on 2016 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 “expects,” “intends,” “anticipates,” “plans,” “believes,” “seeks,” “targets,” “outlook,” “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; cyber-attacks or other security breaches; 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; failure of third parties to provide various services that are important to our operations; 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; 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; 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, 2016, as filed on February 23, 2017. You should not consider any list of such factors to be an exhaustive statement of all 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", certain capital ratios, and certain financial measures that have been adjusted to exclude the effects from the Tax Act, 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, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	4Q'17 vs. 4Q'16		Dec 31, 2017	Dec 31, 2016	YTD'17 vs. YTD'16	
EARNINGS											
Net interest income	$ 3,916	$ 3,876	$ 3,637	$ 3,587	$ 3,628	$ 288	7.9 %	$ 15,016	$ 13,530	$ 1,486	11.0 %
Retailer share arrangements	(779)	(805)	(669)	(684)	(811)	32	(3.9)%	(2,937)	(2,902)	(35)	1.2 %
Net interest income, after retailer share arrangements	3,137	3,071	2,968	2,903	2,817	320	11.4 %	12,079	10,628	1,451	13.7 %
Provision for loan losses	1,354	1,310	1,326	1,306	1,076	278	25.8 %	5,296	3,986	1,310	32.9 %
Net interest income, after retailer share arrangements and provision for loan losses	1,783	1,761	1,642	1,597	1,741	42	2.4 %	6,783	6,642	141	2.1 %
Other income	62	76	57	93	85	(23)	(27.1)%	288	344	(56)	(16.3)%
Other expense	970	958	911	908	918	52	5.7 %	3,747	3,416	331	9.7 %
Earnings before provision for income taxes	875	879	788	782	908	(33)	(3.6)%	3,324	3,570	(246)	(6.9)%
Provision for income taxes	490	324	292	283	332	158	47.6 %	1,389	1,319	70	5.3 %
Net earnings	$ 385	$ 555	$ 496	$ 499	$ 576	$ (191)	(33.2)%	$ 1,935	$ 2,251	$ (316)	(14.0)%
Net earnings attributable to common stockholders	$ 385	$ 555	$ 496	$ 499	$ 576	$ (191)	(33.2)%	$ 1,935	$ 2,251	$ (316)	(14.0)%
Adjusted net earnings(1)	$ 545	$ 555	$ 496	$ 499	$ 576	$ (31)	(5.4)%	$ 2,095	$ 2,251	$ (156)	(6.9)%
COMMON SHARE STATISTICS											
Basic EPS	$ 0.49	$ 0.70	$ 0.62	$ 0.61	$ 0.70	$ (0.21)	(30.0)%	$ 2.43	$ 2.71	$ (0.28)	(10.3)%
Diluted EPS	$ 0.49	$ 0.70	$ 0.61	$ 0.61	$ 0.70	$ (0.21)	(30.0)%	$ 2.42	$ 2.71	$ (0.29)	(10.7)%
Adjusted diluted EPS(1)	$ 0.70	$ 0.70	$ 0.61	$ 0.61	$ 0.70	$ —	— %	$ 2.62	$ 2.71	$ (0.09)	(3.3)%
Dividend declared per share	$ 0.15	$ 0.15	$ 0.13	$ 0.13	$ 0.13	$ 0.02	15.4 %	$ 0.56	$ 0.26	$ 0.30	115.4 %
Common stock price	$ 38.61	$ 31.05	$ 29.82	$ 34.30	$ 36.27	$ 2.34	6.5 %	$ 38.61	$ 36.27	$ 2.34	6.5 %
Book value per share	$ 18.47	$ 18.40	$ 18.02	$ 17.71	$ 17.37	$ 1.10	6.3 %	$ 18.47	$ 17.37	$ 1.10	6.3 %
Tangible common equity per share(2)	$ 16.22	$ 16.15	$ 15.79	$ 15.47	$ 15.34	$ 0.88	5.7 %	$ 16.22	$ 15.34	$ 0.88	5.7 %
Beginning common shares outstanding	782.6	795.3	810.8	817.4	825.5	(42.9)	(5.2)%	817.4	833.8	(16.4)	(2.0)%
Issuance of common shares	—	—	—	—	—	—	— %	—	—	—	— %
Stock-based compensation	0.1	0.1	0.2	—	—	0.1	NM	0.4	0.2	0.2	100.0 %
Shares repurchased	(12.2)	(12.8)	(15.7)	(6.6)	(8.1)	(4.1)	50.6 %	(47.3)	(16.6)	(30.7)	184.9 %
Ending common shares outstanding	770.5	782.6	795.3	810.8	817.4	(46.9)	(5.7)%	770.5	817.4	(46.9)	(5.7)%
Weighted average common shares outstanding	778.7	787.3	804.0	813.1	820.5	(41.8)	(5.1)%	795.6	829.2	(33.6)	(4.1)%
Weighted average common shares outstanding (fully diluted)	784.0	790.9	807.4	817.1	823.8	(39.8)	(4.8)%	799.7	831.5	(31.8)	(3.8)%

(1) Adjusted net earnings and Adjusted diluted EPS are non-GAAP measures. These measures represent the corresponding GAAP measure, adjusted to exclude the effects to Provision for income taxes in the quarter ended December 31, 2017, resulting from the Tax Cuts and Jobs Act of 2017 (the "Tax Act"). The effects primarily relate to additional tax expense arising from the remeasurement of our net deferred tax asset to reflect the reduction in the U.S. corporate tax rate from 35% to 21%. For a corresponding reconciliation to a GAAP financial measure, see Reconciliation of Non-GAAP Measures and Calculations of Regulatory Measures.

(2) 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

(unaudited, $ in millions, except account data)

	Quarter Ended							Twelve Months Ended			
	Dec 31, 2017	**Sep 30, 2017**	**Jun 30, 2017**	**Mar 31, 2017**	**Dec 31, 2016**	**4Q'17 vs. 4Q'16**		**Dec 31, 2017**	**Dec 31, 2016**	**YTD'17 vs. YTD'16**	
PERFORMANCE METRICS											
Return on assets(1)	1.6%	2.4%	2.2%	2.3%	2.6%		(1.0)%	2.1%	2.7%		(0.6)%
Return on equity(2)	10.5%	15.3%	13.8%	14.1%	16.2%		(5.7)%	13.4%	16.5%		(3.1)%
Return on tangible common equity(3)	12.0%	17.4%	15.7%	16.1%	18.4%		(6.4)%	15.3%	18.8%		(3.5)%
Adjusted return on assets(4)	2.3%	2.4%	2.2%	2.3%	2.6%		(0.3)%	2.3%	2.7%		(0.4)%
Adjusted return on equity(4)	14.9%	15.3%	13.8%	14.1%	16.2%		(1.3)%	14.5%	16.5%		(2.0)%
Adjusted return on tangible common equity(5)	17.0%	17.4%	15.7%	16.1%	18.4%		(1.4)%	16.6%	18.8%		(2.2)%
Net interest margin(6)	16.24%	16.74%	16.20%	16.18%	16.26%		(0.02)%	16.35%	16.10%		0.25 %
Efficiency ratio(7)	30.3%	30.4%	30.1%	30.3%	31.6%		(1.3)%	30.3%	31.1%		(0.8)%
Other expense as a % of average loan receivables, including held for sale	4.91%	4.99%	4.93%	4.97%	5.04%		(0.13)%	4.95%	4.98%		(0.03)%
Effective income tax rate	56.0%	36.9%	37.1%	36.2%	36.6%		19.4 %	41.8%	36.9%		4.9 %
CREDIT QUALITY METRICS											
Net charge-offs as a % of average loan receivables, including held for sale	5.78%	4.95%	5.42%	5.33%	4.65%		1.13 %	5.37%	4.57%		0.80 %
30+ days past due as a % of period-end loan receivables(8)	4.67%	4.80%	4.25%	4.25%	4.32%		0.35 %	4.67%	4.32%		0.35 %
90+ days past due as a % of period-end loan receivables(8)	2.28%	2.22%	1.90%	2.06%	2.03%		0.25 %	2.28%	2.03%		0.25 %
Net charge-offs	$ 1,141	$ 950	$ 1,001	$ 974	$ 847	$ 294	34.7 %	$ 4,066	$ 3,139	$ 927	29.5 %
Loan receivables delinquent over 30 days(8)	$ 3,831	$ 3,694	$ 3,208	$ 3,120	$ 3,295	$ 536	16.3 %	$ 3,831	$ 3,295	$ 536	16.3 %
Loan receivables delinquent over 90 days(8)	$ 1,869	$ 1,707	$ 1,435	$ 1,508	$ 1,546	$ 323	20.9 %	$ 1,869	$ 1,546	$ 323	20.9 %
Allowance for loan losses (period-end)	$ 5,574	$ 5,361	$ 5,001	$ 4,676	$ 4,344	$ 1,230	28.3 %	$ 5,574	$ 4,344	$ 1,230	28.3 %
Allowance coverage ratio(9)	6.80%	6.97%	6.63%	6.37%	5.69%		1.11 %	6.80%	5.69%		1.11 %
BUSINESS METRICS											
Purchase volume(10)	$ 36,565	$ 32,893	$ 33,476	$ 28,880	$ 35,369	$ 1,196	3.4 %	$ 131,814	$ 125,468	$ 6,346	5.1 %
Period-end loan receivables	$ 81,947	$ 76,928	$ 75,458	$ 73,350	$ 76,337	$ 5,610	7.3 %	$ 81,947	$ 76,337	$ 5,610	7.3 %
Credit cards	$ 79,026	$ 73,946	$ 72,492	$ 70,587	$ 73,580	$ 5,446	7.4 %	$ 79,026	$ 73,580	$ 5,446	7.4 %
Consumer installment loans	$ 1,578	$ 1,561	$ 1,514	$ 1,411	$ 1,384	$ 194	14.0 %	$ 1,578	$ 1,384	$ 194	14.0 %
Commercial credit products	$ 1,303	$ 1,384	$ 1,386	$ 1,311	$ 1,333	$ (30)	(2.3)%	$ 1,303	$ 1,333	$ (30)	(2.3)%
Other	$ 40	$ 37	$ 66	$ 41	$ 40	$ —	— %	$ 40	$ 40	$ —	— %
Average loan receivables, including held for sale	$ 78,369	$ 76,165	$ 74,090	$ 74,132	$ 72,476	$ 5,893	8.1 %	$ 75,702	$ 68,649	$ 7,053	10.3 %
Period-end active accounts (in thousands)(11)	74,541	69,008	69,277	67,905	71,890	2,651	3.7 %	74,541	71,890	2,651	3.7 %
Average active accounts (in thousands)(11)	71,348	69,331	68,635	69,629	68,701	2,647	3.9 %	69,968	66,928	3,040	4.5 %
LIQUIDITY											
Liquid assets											
Cash and equivalents	$ 11,602	$ 13,915	$ 12,020	$ 11,392	$ 9,321	$ 2,281	24.5 %	$ 11,602	$ 9,321	$ 2,281	24.5 %
Total liquid assets	$ 15,087	$ 16,391	$ 15,274	$ 16,158	$ 13,612	$ 1,475	10.8 %	$ 15,087	$ 13,612	$ 1,475	10.8 %
Undrawn credit facilities											
Undrawn credit facilities	$ 6,000	$ 5,650	$ 6,650	$ 5,600	$ 6,700	$ (700)	(10.4)%	$ 6,000	$ 6,700	$ (700)	(10.4)%
Total liquid assets and undrawn credit facilities	$ 21,087	$ 22,041	$ 21,924	$ 21,758	$ 20,312	$ 775	3.8 %	$ 21,087	$ 20,312	$ 775	3.8 %
Liquid assets % of total assets	15.75%	17.71%	16.76%	18.14%	15.09%		0.66 %	15.75%	15.09%		0.66 %
Liquid assets including undrawn credit facilities % of total assets	22.01%	23.82%	24.06%	24.43%	22.52%		(0.51)%	22.01%	22.52%		(0.51)%

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

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

(3) 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.

(4) Adjusted return on assets represents Adjusted net earnings as a percentage of average total assets. Adjusted return on equity represents Adjusted net earnings as a percentage of average total equity. Adjusted net earnings is a non-GAAP measure. For a corresponding reconciliation of Adjusted net earnings to a GAAP financial measure, see Reconciliation of Non-GAAP Measures and Calculations of Regulatory Measures.

(5) Adjusted return on tangible common equity represents Adjusted net earnings as a percentage of average tangible common equity. Both Adjusted net earnings and tangible common equity are non-GAAP measures. For corresponding reconciliations to a GAAP financial measure, see Reconciliation of Non-GAAP Measures and Calculations of Regulatory Measures.

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

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

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

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

(10) 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.

(11) 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, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	4Q'17 vs. 4Q'16		Dec 31, 2017	Dec 31, 2016	YTD'17 vs. YTD'16	
Interest income:											
Interest and fees on loans	$ 4,233	$ 4,182	$ 3,927	$ 3,877	$ 3,919	$ 314	8.0 %	$ 16,219	$ 14,682	$ 1,537	10.5 %
Interest on investment securities	58	51	43	36	28	30	107.1 %	188	96	92	95.8 %
Total interest income	4,291	4,233	3,970	3,913	3,947	344	8.7 %	16,407	14,778	1,629	11.0 %
Interest expense:											
Interest on deposits	233	219	202	194	188	45	23.9 %	848	727	121	16.6 %
Interest on borrowings of consolidated securitization entities	70	65	63	65	64	6	9.4 %	263	244	19	7.8 %
Interest on third-party debt	72	73	68	67	67	5	7.5 %	280	277	3	1.1 %
Total interest expense	375	357	333	326	319	56	17.6 %	1,391	1,248	143	11.5 %
Net interest income	3,916	3,876	3,637	3,587	3,628	288	7.9 %	15,016	13,530	1,486	11.0 %
Retailer share arrangements	(779)	(805)	(669)	(684)	(811)	32	(3.9)%	(2,937)	(2,902)	(35)	1.2 %
Net interest income, after retailer share arrangements	3,137	3,071	2,968	2,903	2,817	320	11.4 %	12,079	10,628	1,451	13.7 %
Provision for loan losses	1,354	1,310	1,326	1,306	1,076	278	25.8 %	5,296	3,986	1,310	32.9 %
Net interest income, after retailer share arrangements and provision for loan losses	1,783	1,761	1,642	1,597	1,741	42	2.4 %	6,783	6,642	141	2.1 %
Other income:											
Interchange revenue	179	164	165	145	167	12	7.2 %	653	602	51	8.5 %
Debt cancellation fees	69	67	68	68	68	1	1.5 %	272	262	10	3.8 %
Loyalty programs	(193)	(168)	(206)	(137)	(157)	(36)	22.9 %	(704)	(547)	(157)	28.7 %
Other	7	13	30	17	7	—	— %	67	27	40	148.1 %
Total other income	62	76	57	93	85	(23)	(27.1)%	288	344	(56)	(16.3)%
Other expense:											
Employee costs	333	335	321	325	315	18	5.7 %	1,314	1,207	107	8.9 %
Professional fees	159	161	158	151	164	(5)	(3.0)%	629	638	(9)	(1.4)%
Marketing and business development	156	124	124	94	130	26	20.0 %	498	423	75	17.7 %
Information processing	99	96	88	90	88	11	12.5 %	373	338	35	10.4 %
Other	223	242	220	248	221	2	0.9 %	933	810	123	15.2 %
Total other expense	970	958	911	908	918	52	5.7 %	3,747	3,416	331	9.7 %
Earnings before provision for income taxes	875	879	788	782	908	(33)	(3.6)%	3,324	3,570	(246)	(6.9)%
Provision for income taxes	490	324	292	283	332	158	47.6 %	1,389	1,319	70	5.3 %
Net earnings attributable to common stockholders	$ 385	$ 555	$ 496	$ 499	$ 576	$ (191)	(33.2)%	$ 1,935	$ 2,251	$ (316)	(14.0)%

SYNCHRONY FINANCIAL

STATEMENTS OF FINANCIAL POSITION

(unaudited, $ in millions)

	Quarter Ended						
	Dec 31, 2017	**Sep 30, 2017**	**Jun 30, 2017**	**Mar 31, 2017**	**Dec 31, 2016**	**Dec 31, 2017 vs. Dec 31, 2016**	
Assets							
Cash and equivalents	$ 11,602	$ 13,915	$ 12,020	$ 11,392	$ 9,321	$ 2,281	24.5 %
Investment securities	4,488	3,317	3,997	5,328	5,110	(622)	(12.2)%
Loan receivables:							
Unsecuritized loans held for investment	55,526	53,997	52,550	50,398	52,332	3,194	6.1 %
Restricted loans of consolidated securitization entities	26,421	22,931	22,908	22,952	24,005	2,416	10.1 %
Total loan receivables	81,947	76,928	75,458	73,350	76,337	5,610	7.3 %
Less: Allowance for loan losses	(5,574)	(5,361)	(5,001)	(4,676)	(4,344)	(1,230)	28.3 %
Loan receivables, net	76,373	71,567	70,457	68,674	71,993	4,380	6.1 %
Goodwill	991	991	991	992	949	42	4.4 %
Intangible assets, net	749	772	787	826	712	37	5.2 %
Other assets	1,605	1,986	2,888	1,838	2,122	(517)	(24.4)%
Total assets	$ 95,808	$ 92,548	$ 91,140	$ 89,050	$ 90,207	$ 5,601	6.2 %
Liabilities and Equity							
Deposits:							
Interest-bearing deposit accounts	$ 56,276	$ 54,232	$ 52,659	$ 51,359	$ 51,896	$ 4,380	8.4 %
Non-interest-bearing deposit accounts	212	222	226	246	159	53	33.3 %
Total deposits	56,488	54,454	52,885	51,605	52,055	4,433	8.5 %
Borrowings:							
Borrowings of consolidated securitization entities	12,497	11,891	12,204	12,433	12,388	109	0.9 %
Bank term loan	—	—	—	—	—	—	— %
Senior unsecured notes	8,302	8,008	8,505	7,761	7,759	543	7.0 %
Total borrowings	20,799	19,899	20,709	20,194	20,147	652	3.2 %
Accrued expenses and other liabilities	4,287	3,793	3,214	2,888	3,809	478	12.5 %
Total liabilities	81,574	78,146	76,808	74,687	76,011	5,563	7.3 %
Equity:							
Common stock	1	1	1	1	1	—	— %
Additional paid-in capital	9,445	9,429	9,415	9,405	9,393	52	0.6 %
Retained earnings	6,809	6,543	6,109	5,724	5,330	1,479	27.7 %
Accumulated other comprehensive income	(64)	(40)	(49)	(55)	(53)	(11)	20.8 %
Treasury Stock	(1,957)	(1,531)	(1,144)	(712)	(475)	(1,482)	NM
Total equity	14,234	14,402	14,332	14,363	14,196	38	0.3 %
Total liabilities and equity	$ 95,808	$ 92,548	$ 91,140	$ 89,050	$ 90,207	$ 5,601	6.2 %

SYNCHRONY FINANCIAL

AVERAGE BALANCES, NET INTEREST INCOME AND NET INTEREST MARGIN

(unaudited, $ in millions)

	Quarter Ended														
	Dec 31, 2017			**Sep 30, 2017**			**Jun 30, 2017**			**Mar 31, 2017**			**Dec 31, 2016**		
	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	$ 13,591	$ 43	1.26%	$ 11,895	$ 37	1.23%	$ 10,758	$ 28	1.04%	$ 10,552	$ 21	0.81%	$ 12,210	$ 17	0.55%
Securities available for sale	3,725	15	1.60%	3,792	14	1.46%	5,195	15	1.16%	5,213	15	1.17%	4,076	11	1.07%
Loan receivables:															
Credit cards, including held for sale	75,389	4,161	21.90%	73,172	4,111	22.29%	71,206	3,858	21.73%	71,365	3,811	21.66%	69,660	3,851	21.99%
Consumer installment loans	1,568	36	9.11%	1,543	35	9.00%	1,461	34	9.33%	1,389	32	9.34%	1,373	31	8.98%
Commercial credit products	1,375	35	10.10%	1,392	36	10.26%	1,378	34	9.90%	1,317	34	10.47%	1,386	36	10.33%
Other	37	1	NM	58	—	—%	45	1	NM	61	—	—%	57	1	NM
Total loan receivables, including held for sale	78,369	4,233	21.43%	76,165	4,182	21.78%	74,090	3,927	21.26%	74,132	3,877	21.21%	72,476	3,919	21.51%
Total interest-earning assets	95,685	4,291	17.79%	91,852	4,233	18.28%	90,043	3,970	17.68%	89,897	3,913	17.65%	88,762	3,947	17.69%
Non-interest-earning assets:															
Cash and due from banks	1,037			877			829			802			739		
Allowance for loan losses	(5,443)			(5,125)			(4,781)			(4,408)			(4,228)		
Other assets	3,219			3,517			3,303			3,177			3,479		
Total non-interest-earning assets	(1,187)			(731)			(649)			(429)			(10)		
Total assets	$ 94,498			$ 91,121			$ 89,394			$ 89,468			$ 88,752		
Liabilities															
Interest-bearing liabilities:															
Interest-bearing deposit accounts	$ 55,690	$ 233	1.66%	$ 53,294	$ 219	1.63%	$ 51,836	$ 202	1.56%	$ 51,829	$ 194	1.52%	$ 51,006	$ 188	1.47%
Borrowings of consolidated securitization entities	12,425	70	2.24%	11,759	65	2.19%	12,213	63	2.07%	12,321	65	2.14%	12,389	64	2.06%
Bank term loan	—	—	—%	—	—	—%	—	—	—%	—	—	—%	—	—	—%
Senior unsecured notes	7,940	72	3.60%	8,251	73	3.51%	7,933	68	3.44%	7,760	67	3.50%	7,757	67	3.44%
Total interest-bearing liabilities	76,055	375	1.96%	73,304	357	1.93%	71,982	333	1.86%	71,910	326	1.84%	71,152	319	1.78%
Non-interest-bearing liabilities															
Non-interest-bearing deposit accounts	218			232			218			240			176		
Other liabilities	3,716			3,154			2,752			2,995			3,321		
Total non-interest-bearing liabilities	3,934			3,386			2,970			3,235			3,497		
Total liabilities	79,989			76,690			74,952			75,145			74,649		
Equity															
Total equity	14,509			14,431			14,442			14,323			14,103		
Total liabilities and equity	$ 94,498			$ 91,121			$ 89,394			$ 89,468			$ 88,752		
Net interest income		$ 3,916			$ 3,876			$ 3,637			$ 3,587			$ 3,628	
Interest rate spread(1)			15.83%			16.35%			15.82%			15.81%			15.91%
Net interest margin(2)			16.24%			16.74%			16.20%			16.18%			16.26%

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

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

SYNCHRONY FINANCIAL

AVERAGE BALANCES, NET INTEREST INCOME AND NET INTEREST MARGIN

(unaudited, $ in millions)

	Twelve Months Ended Dec 31, 2017			Twelve Months Ended Dec 31, 2016		
	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	$ 11,707	$ 129	1.10%	$ 12,152	$ 63	0.52%
Securities available for sale	4,449	59	1.33%	3,220	33	1.02%
Loan receivables:						
Credit cards, including held for sale	72,795	15,941	21.90%	65,947	14,424	21.87%
Consumer installment loans	1,491	137	9.19%	1,274	117	9.18%
Commercial credit products	1,366	139	10.18%	1,372	139	10.13%
Other	50	2	4.00%	56	2	3.57%
Total loan receivables, including held for sale	75,702	16,219	21.42%	68,649	14,682	21.39%
Total interest-earning assets	91,858	16,407	17.86%	84,021	14,778	17.59%
Non-interest-earning assets:						
Cash and due from banks	887			965		
Allowance for loan losses	(4,942)			(3,872)		
Other assets	3,304			3,286		
Total non-interest-earning assets	(751)			379		
Total assets	$ 91,107			$ 84,400		
Liabilities						
Interest-bearing liabilities:						
Interest-bearing deposit accounts	$ 53,173	$ 848	1.59%	$ 47,194	$ 727	1.54%
Borrowings of consolidated securitization entities	12,179	263	2.16%	12,428	244	1.96%
Bank term loan(1)	—	—	—%	556	31	5.58%
Senior unsecured notes	7,972	280	3.51%	7,158	246	3.44%
Total interest-bearing liabilities	73,324	1,391	1.90%	67,336	1,248	1.85%
Non-interest-bearing liabilities						
Non-interest-bearing deposit accounts	227			205		
Other liabilities	3,129			3,239		
Total non-interest-bearing liabilities	3,356			3,444		
Total liabilities	76,680			70,780		
Equity						
Total equity	14,427			13,620		
Total liabilities and equity	$ 91,107			$ 84,400		
Net interest income		$ 15,016			$ 13,530	
Interest rate spread(2)			15.96%			15.74%
Net interest margin(3)			16.35%			16.10%

(1) The effective interest rate for the Bank term loan for the 12 months ended December 31, 2016 was 2.48%. The Bank term loan effective rate excludes the impact of charges incurred in connection with prepayments of the loan.

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

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

SYNCHRONY FINANCIAL

BALANCE SHEET STATISTICS

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

	Quarter Ended						
	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Dec 31, 2017 vs. Dec 31, 2016	
BALANCE SHEET STATISTICS							
Total common equity	$ 14,234	$ 14,402	$ 14,332	$ 14,363	$ 14,196	$ 38	0.3 %
Total common equity as a % of total assets	14.86%	15.56%	15.73%	16.13%	15.74%		(0.88)%
Tangible assets	$ 94,068	$ 90,785	$ 89,362	$ 87,232	$ 88,546	$ 5,522	6.2 %
Tangible common equity(1)	$ 12,494	$ 12,639	$ 12,554	$ 12,545	$ 12,535	$ (41)	(0.3)%
Tangible common equity as a % of tangible assets(1)	13.28%	13.92%	14.05%	14.38%	14.16%		(0.88)%
Tangible common equity per share(1)	$ 16.22	$ 16.15	$ 15.79	$ 15.47	$ 15.34	$ 0.88	5.7 %
REGULATORY CAPITAL RATIOS(2)							
	Basel III Transition						
Total risk-based capital ratio(3)	17.3%	18.7%	18.7%	19.3%	18.5%		
Tier 1 risk-based capital ratio(4)	16.0%	17.3%	17.4%	18.0%	17.2%		
Tier 1 leverage ratio(5)	13.8%	14.6%	14.8%	14.8%	15.0%		
Common equity Tier 1 capital ratio(6)	16.0%	17.3%	17.4%	18.0%	17.2%		
	Basel III Fully Phased-in						
Common equity Tier 1 capital ratio(6)	15.8%	17.2%	17.2%	17.7%	17.0%		

(1) 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.

(2) Regulatory capital metrics at December 31, 2017 are preliminary and therefore subject to change.

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

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

(5) Tier 1 leverage ratio is the ratio of Tier 1 capital divided by total average assets, after certain adjustments. Tier 1 leverage ratios are based upon the use of daily averages for all periods presented.

(6) 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 an 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, 2017	**Sep 30, 2017**	**Jun 30, 2017**	**Mar 31, 2017**	**Dec 31, 2016**	**4Q'17 vs. 4Q'16**		**Dec 31, 2017**	**Dec 31, 2016**	**YTD'17 vs. YTD'16**	
RETAIL CARD											
Purchase volume[1][2]	$ 29,839	$ 26,347	$ 27,101	$ 22,952	$ 28,996	$ 843	2.9 %	$ 106,239	$ 101,242	$ 4,997	4.9 %
Period-end loan receivables	$ 56,230	$ 52,119	$ 51,437	$ 49,905	$ 52,701	$ 3,529	6.7 %	$ 56,230	$ 52,701	$ 3,529	6.7 %
Average loan receivables, including held for sale	$ 53,256	$ 51,817	$ 50,533	$ 50,644	$ 49,476	$ 3,780	7.6 %	$ 51,570	$ 46,963	$ 4,607	9.8 %
Average active accounts (in thousands)[2][3]	56,113	54,471	54,058	55,049	54,489	1,624	3.0 %	55,142	53,344	1,798	3.4 %
Interest and fees on loans[2]	$ 3,133	$ 3,102	$ 2,900	$ 2,888	$ 2,909	$ 224	7.7 %	$ 12,023	$ 10,898	$ 1,125	10.3 %
Other income[2]	$ 49	$ 61	$ 25	$ 77	$ 70	$ (21)	(30.0)%	$ 212	$ 288	$ (76)	(26.4)%
Retailer share arrangements[2]	$ (771)	$ (795)	$ (657)	$ (681)	$ (801)	$ 30	(3.7)%	$ (2,904)	$ (2,870)	$ (34)	1.2 %
PAYMENT SOLUTIONS											
Purchase volume[1]	$ 4,366	$ 4,178	$ 3,930	$ 3,686	$ 4,194	$ 172	4.1 %	$ 16,160	$ 15,641	$ 519	3.3 %
Period-end loan receivables	$ 16,857	$ 16,153	$ 15,595	$ 15,320	$ 15,567	$ 1,290	8.3 %	$ 16,857	$ 15,567	$ 1,290	8.3 %
Average loan receivables	$ 16,386	$ 15,848	$ 15,338	$ 15,424	$ 15,076	$ 1,310	8.7 %	$ 15,752	$ 14,110	$ 1,642	11.6 %
Average active accounts (in thousands)[3]	9,421	9,183	9,031	9,090	8,844	577	6.5 %	9,192	8,410	782	9.3 %
Interest and fees on loans	$ 574	$ 559	$ 533	$ 515	$ 523	$ 51	9.8 %	$ 2,181	$ 1,952	$ 229	11.7 %
Other income	$ 2	$ 2	$ 6	$ 4	$ 3	$ (1)	(33.3)%	$ 14	$ 13	$ 1	7.7 %
Retailer share arrangements	$ (5)	$ (9)	$ (9)	$ (1)	$ (9)	$ 4	(44.4)%	$ (24)	$ (26)	$ 2	(7.7)%
CARECREDIT											
Purchase volume[1]	$ 2,360	$ 2,368	$ 2,445	$ 2,242	$ 2,179	$ 181	8.3 %	$ 9,415	$ 8,585	$ 830	9.7 %
Period-end loan receivables	$ 8,860	$ 8,656	$ 8,426	$ 8,125	$ 8,069	$ 791	9.8 %	$ 8,860	$ 8,069	$ 791	9.8 %
Average loan receivables	$ 8,727	$ 8,500	$ 8,219	$ 8,064	$ 7,924	$ 803	10.1 %	$ 8,380	$ 7,576	$ 804	10.6 %
Average active accounts (in thousands)[3]	5,814	5,677	5,546	5,490	5,368	446	8.3 %	5,634	5,174	460	8.9 %
Interest and fees on loans	$ 526	$ 521	$ 494	$ 474	$ 487	$ 39	8.0 %	$ 2,015	$ 1,832	$ 183	10.0 %
Other income	$ 11	$ 13	$ 26	$ 12	$ 12	$ (1)	(8.3)%	$ 62	$ 43	$ 19	44.2 %
Retailer share arrangements	$ (3)	$ (1)	$ (3)	$ (2)	$ (1)	$ (2)	NM	$ (9)	$ (6)	$ (3)	50.0 %
TOTAL SYF											
Purchase volume[1][2]	$ 36,565	$ 32,893	$ 33,476	$ 28,880	$ 35,369	$ 1,196	3.4 %	$ 131,814	$ 125,468	$ 6,346	5.1 %
Period-end loan receivables	$ 81,947	$ 76,928	$ 75,458	$ 73,350	$ 76,337	$ 5,610	7.3 %	$ 81,947	$ 76,337	$ 5,610	7.3 %
Average loan receivables, including held for sale	$ 78,369	$ 76,165	$ 74,090	$ 74,132	$ 72,476	$ 5,893	8.1 %	$ 75,702	$ 68,649	$ 7,053	10.3 %
Average active accounts (in thousands)[2][3]	71,348	69,331	68,635	69,629	68,701	2,647	3.9 %	69,968	66,928	3,040	4.5 %
Interest and fees on loans[2]	$ 4,233	$ 4,182	$ 3,927	$ 3,877	$ 3,919	$ 314	8.0 %	$ 16,219	$ 14,682	$ 1,537	10.5 %
Other income[2]	$ 62	$ 76	$ 57	$ 93	$ 85	$ (23)	(27.1)%	$ 288	$ 344	$ (56)	(16.3)%
Retailer share arrangements[2]	$ (779)	$ (805)	$ (669)	$ (684)	$ (811)	$ 32	(3.9)%	$ (2,937)	$ (2,902)	$ (35)	1.2 %

(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]

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

	Quarter Ended					Twelve Months Ended
	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Dec 31, 2017
COMMON EQUITY MEASURES						
GAAP Total common equity	$ 14,234	$ 14,402	$ 14,332	$ 14,363	$ 14,196	
Less: Goodwill	(991)	(991)	(991)	(992)	(949)	
Less: Intangible assets, net	(749)	(772)	(787)	(826)	(712)	
Tangible common equity	$ 12,494	$ 12,639	$ 12,554	$ 12,545	$ 12,535	
Adjustments for certain deferred tax liabilities and certain items in accumulated comprehensive income (loss)	254	344	337	340	337	
Basel III - Common equity Tier 1 (fully phased-in)	$ 12,748	$ 12,983	$ 12,891	$ 12,885	$ 12,872	
Adjustment related to capital components during transition	142	142	146	154	263	
Basel III - Common equity Tier 1 (transition)	$ 12,890	$ 13,125	$ 13,037	$ 13,039	$ 13,135	
RISK-BASED CAPITAL						
Common equity Tier 1	$ 12,890	$ 13,125	$ 13,037	$ 13,039	$ 13,135	
Add: Allowance for loan losses includible in risk-based capital	1,064	1,001	985	954	994	
Risk-based capital	$ 13,954	$ 14,126	$ 14,022	$ 13,993	$ 14,129	
ASSET MEASURES						
Total average assets[2]	$ 94,498	$ 91,121	$ 89,394	$ 89,468	$ 88,752	
Adjustments for:						
Disallowed goodwill and other disallowed intangible assets (net of related deferred tax liabilities) and other	(1,392)	(1,304)	(1,325)	(1,358)	(1,059)	
Total assets for leverage purposes	$ 93,106	$ 89,817	$ 88,069	$ 88,110	$ 87,693	
Risk-weighted assets - Basel III (fully phased-in)[3]	$ 80,526	$ 75,614	$ 74,748	$ 72,596	$ 75,941	
Risk-weighted assets - Basel III (transition)[3]	$ 80,669	$ 75,729	$ 74,792	$ 72,627	$ 76,179	
TANGIBLE COMMON EQUITY PER SHARE						
GAAP book value per share	$ 18.47	$ 18.40	$ 18.02	$ 17.71	$ 17.37	
Less: Goodwill	(1.29)	(1.27)	(1.25)	(1.22)	(1.16)	
Less: Intangible assets, net	(0.96)	(0.98)	(0.98)	(1.02)	(0.87)	
Tangible common equity per share	$ 16.22	$ 16.15	$ 15.79	$ 15.47	$ 15.34	
ADJUSTED NET EARNINGS						
GAAP net earnings	$ 385	$ 555	$ 496	$ 499	$ 576	$ 1,935
Adjustment for tax law change[4]	160	—	—	—	—	160
Adjusted net earnings	$ 545	$ 555	$ 496	$ 499	$ 576	$ 2,095
ADJUSTED DILUTED EPS						
GAAP diluted EPS	$ 0.49	$ 0.70	$ 0.61	$ 0.61	$ 0.70	$ 2.42
Adjustment for tax law change[4]	0.21	—	—	—	—	0.20
Adjusted diluted EPS	$ 0.70	$ 0.70	$ 0.61	$ 0.61	$ 0.70	$ 2.62

(1) Regulatory measures at December 31, 2017 are presented on an estimated basis.

(2) Total average assets are presented based upon the use of daily averages.

(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.

(4) Adjustment to exclude the effects to Provision for income taxes in the quarter ended December 31, 2017, resulting from the Tax Act.

Exhibit 99.3

4Q'17 Financial Results
January 19, 2018

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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 "expects," "intends," "anticipates," "plans," "believes," "seeks," "targets," "outlook," "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; cyber-attacks or other security breaches; 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; failure of third parties to provide various services that are important to our operations; 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; 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; 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, 2016, as filed on February 23, 2017. 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, as well as certain financial measures that have been adjusted to exclude the effects from the Tax Cuts and Jobs Act of 2017 (the "Tax Act"), 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'17 Highlights

Financial Highlights

- $385 million Net Earnings, $0.49 diluted EPS … $545 million Adjusted Net Earnings & $0.70 Adjusted diluted EPS[a]
- Strong growth metrics
  - Loan Receivables up 7%
  - Net Interest Income up 8%
  - Purchase Volume up 3%
  - Average Active Accounts up 4%
- Net Charge-Offs 5.78% compared to 4.65% in the prior year
- Provision for Loan Losses up 26% primarily driven by credit normalization
- Efficiency Ratio 30.3% compared to 31.6% in the prior year
- Deposits up $4.5 billion compared to prior year, comprising 73% of funding
- Strong Capital and Liquidity
  - 16.0% CET1[b] & $15.1 billion Liquid Assets
- Paid quarterly dividend of $0.15 per share and repurchased $430 million of common stock

Business Highlights

- Significantly expanded our strategic credit relationship to become the exclusive issuer of the U.S. PayPal Credit financing program

PayPal

- Renewed key relationships

MEN'S WEARHOUSE

Husqvarna VIKING

sonobello

HOME FURNISHINGS ASSOCIATION

Sweetwater

BOSLEY

(a) Adjusted net earnings and Adjusted diluted EPS are non-GAAP measures. These measures represent the corresponding GAAP measure, adjusted to exclude the effects to Provision for income taxes in the quarter ended December 31, 2017, resulting from the Tax Act

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

Growth Metrics

Purchase Volume
$ in billions

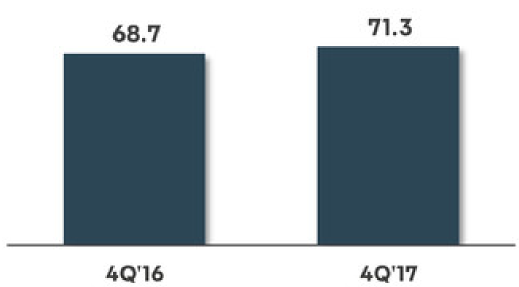
+3%

Loan Receivables
$ in billions

+7%

Average Active Accounts
in millions

+4%



Interest and Fees on Loans
$ in millions

+8%

Platform Results[a]

Retail Card
Loan Receivables, $ in billions

Payment Solutions
Loan Receivables, $ in billions

CareCredit
Loan Receivables, $ in billions

	Retail Card 4Q'16	Retail Card 4Q'17	Retail Card V%	Payment Solutions 4Q'16	Payment Solutions 4Q'17	Payment Solutions V%	CareCredit 4Q'16	CareCredit 4Q'17	CareCredit V%
Purchase Volume	$29.0	$29.8	+3%	$4.0	$4.4	+9%[b]	$2.2	$2.4	+8%
Accounts	54.5	56.1	+3%	8.8	9.4	+7%	5.4	5.8	+8%
Interest and Fees on Loans	$2,909	$3,133	+8%	$523	$574	+10%	$487	$526	+8%

Retail Card

- Strong Loan Receivables growth across partner programs
- Interest and Fees on Loans up 8% driven by Loan Receivables growth

Payment Solutions

- Broad Loan Receivables growth led by home furnishing and auto
- Interest and Fees on Loans up 10% driven by Loan Receivables growth

CareCredit

- Loan Receivables growth led by dental and veterinary
- Interest and Fees on Loans up 8% driven by Loan Receivables 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

(b) Purchase volume for Payment Solutions for 4Q'16 shown above has been adjusted to exclude purchase volume of $0.2 billion related to hhgregg. Without adjusting for this activity, Payment Solutions purchase volume increased 4% compared to prior year

Financial Results

Summary Earnings Statement

$ in millions, except ratios

	4Q'17	4Q'16	B/(W) $	B/(W) %
Total Interest Income	$4,291	$3,947	$344	9%
Total Interest Expense	375	319	(56)	(18)%
Net Interest Income (NII)	**3,916**	**3,628**	**288**	**8%**
Retailer Share Arrangements (RSA)	(779)	(811)	32	4%
NII, after RSA	**3,137**	**2,817**	**320**	**11%**
Provision for Loan Losses	1,354	1,076	(278)	(26)%
Other Income	62	85	(23)	(27)%
Other Expense	970	918	(52)	(6)%
Pre-Tax Earnings	**875**	**908**	**(33)**	**(4)%**
Provision for Income Taxes	490	332	(158)	(48)%
Net Earnings	**$385**	**$576**	**$(191)**	**(33)%**
Adjusted Net Earnings (a)	**$545**	**$576**	**$(31)**	**(5)%**
Diluted Earnings Per Share	**$0.49**	**$0.70**	**$(0.21)**	
Adjusted Diluted Earnings Per Share (a)	**$0.70**	**$0.70**	**$ -**	

(a) Adjusted net earnings and Adjusted diluted EPS are non-GAAP measures. These measures represent the corresponding GAAP measure, adjusted to exclude the effects to Provision for income taxes in the quarter ended December 31, 2017, resulting from the Tax Act

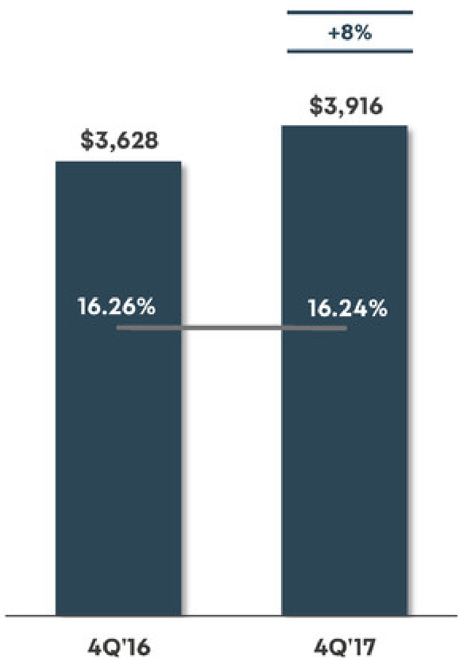
4Q'17 Highlights

- **$385 million Net Earnings; $545 million Adjusted Net Earnings**
- **Net Interest Income up 8% driven by growth in Loan Receivables**
  - Interest and Fees on Loans up 8% driven by average Loan Receivables growth
  - Interest Expense increase driven by higher benchmark rates and growth
- **Retailer Share Arrangements down 4%**
  - Driven by increase in Provision for Loan Losses
- **Provision for Loan Losses up 26% primarily driven by credit normalization**
  - Net Charge-Offs of 5.78% compared to 4.65% in the prior year
- **Other Expense up 6%**
  - Driven primarily by growth and marketing

Net Interest Income

Net Interest Income

$ in millions, % of average Interest-Earning Assets



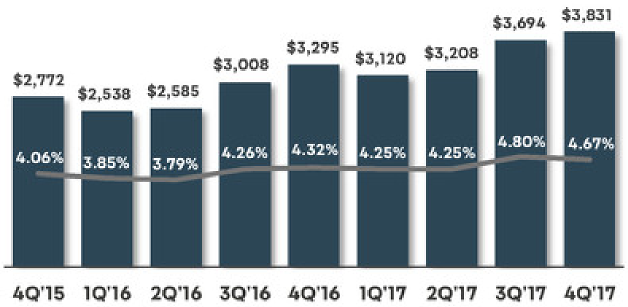
4Q'17 Highlights

- **Net Interest Income increased 8% compared to prior year driven by growth in Loan Receivables**
  - Interest and Fees on Loans increased 8% compared to prior year driven by average Loan Receivables growth
- **Net Interest Margin down 2bps.**
  - Loan Receivables mix as a percent of total Earning Assets increased from 81.7% to 81.9%
  - Loan Receivables yield 21.43%, down 8bps. vs. prior year
  - Total Interest-Bearing Liabilities cost 1.96%, up 18bps. vs. prior year

Asset Quality Metrics

30+ Days Past Due

$ in millions, % of period-end Loan Receivables

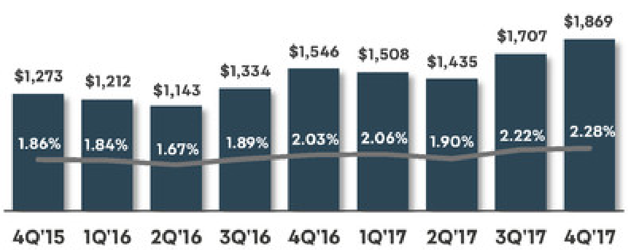


Net Charge-Offs

$ in millions, % of average Loan Receivables including held for sale

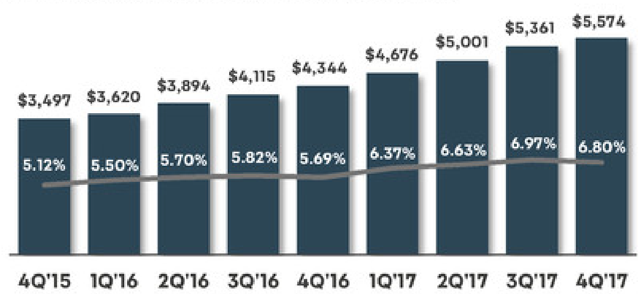
90+ Days Past Due

$ in millions, % of period-end Loan Receivables



Allowance For Loan Losses

$ in millions, % of period-end Loan Receivables



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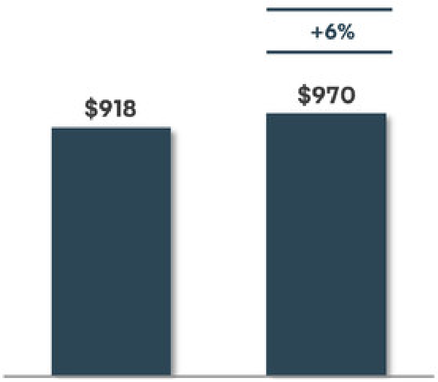
Other Expense

Other Expense

$ in millions



	4Q'16	4Q'17	V$	V%
Employee Costs	$315	$333	$18	6%
Professional Fees	164	159	(5)	(3)%
Marketing/BD	130	156	26	20%
Information Processing	88	99	11	13%
Other	221	223	2	1%
Other Expense	$918	$970	$52	6%
Efficiency [(a)]	**31.6%**	**30.3%**		**(1.3)pts.**

4Q'17 Highlights

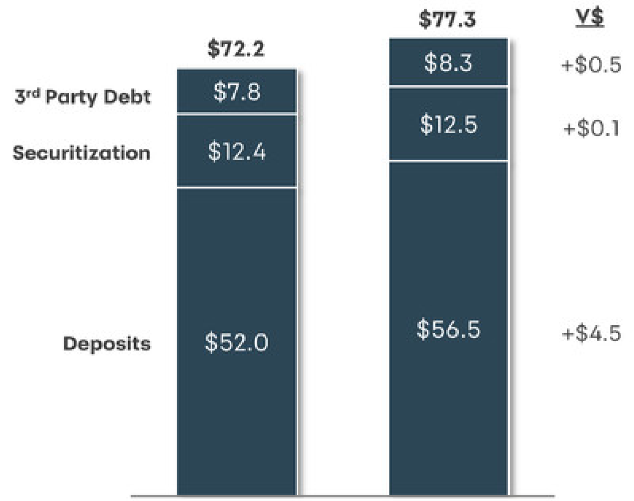
- **Other Expense up 6%**
  - Other Expense increase driven primarily by growth and marketing investments
- **Efficiency Ratio 30.3% vs. 31.6% prior year**
  - Positive operating leverage while funding strategic investments in digital and analytics

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

Funding, Capital and Liquidity

Funding Sources

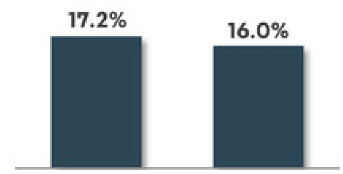
$ in billions



	4Q'16	4Q'17	Variance
Deposits	72%	73%	+1pts.
Securitization	17%	16%	(1)pts.
3rd Party Debt	11%	11%	- pts.

Capital Ratios [a]

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



	4Q'16	4Q'17
Basel III (fully phased-in)	17.0%	15.8%

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

Liquidity [c]

$ in billions

	4Q'16	4Q'17
Liquid Assets	$13.6	$15.1
Undrawn Credit Facilities	6.7	6.0
Total Liquidity	**$20.3**	**$21.1**
% of Total Assets	**22.5%**	**22.0%**

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

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2017 Performance

	2017 Outlook	2017 Actual	Drivers
Loan Receivables Growth	7% - 9%	7%	Strong organic growth driven by value propositions and strategic investments; underwriting refinements moderately tempered strong growth
Net Interest Margin	15.75% - 16.00%	16.35%	Higher receivable yield, favorable earning asset mix, lower deposit betas
RSAs/Average Receivables	4.4% - 4.5%	3.9%	Sharing of higher provision expense, partially offset by program performance
Net Charge-Off Rate	Low 5% Range [a]	5.37%	Driven by credit normalization
Efficiency Ratio	~ 32.0%	30.3%	Driven by higher margins, revenue growth and increased productivity
ROA	2.5%+	2.3% [b]	Higher margin and operating leverage offset by higher provision expense

(a) 2017 outlook updated July 21, 2017 and included in Company's Form 8K filing for Monthly Charge-Off and Delinquency Statistics filed on November 15, 2017
(b) 2017 ROA excluding the tax law change; represents Adjusted net earnings as a percentage of average total assets, refer to Non-GAAP reconciliation page in appendix

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2018 Outlook

	2018 Outlook Excluding PayPal Credit Portfolio	2018 Outlook With PayPal Credit Portfolio [a]	Drivers
Loan Receivables Growth (Period-End 12/31/18 versus 12/31/17)	5% - 7%	13% - 15%	PayPal Credit portfolio added 3Q18
Net Interest Margin	~ 16.25%	15.75% - 16.00%	Dilution from pre-funding
RSAs/Average Receivables	4.2% - 4.4%	4.2% - 4.4%	Portfolio/expansion of program will not impact range
Net Charge-Off Rate	5.5% - 5.8%	5.5% - 5.8%	Normalization and timing of portfolio acquisition
Efficiency Ratio	~ 31.0%	~ 31.0%	Portfolio/expansion of program will not impact outlook
ROA	2.5% +	~ 2.5%	Dilution from reserve build on portfolio and pre-funding

(a) Assumes a 7/1/2018 closing date; announced on November 16, 2017 dilution of ~ $0.05 in 1H18 and ~ $0.20 in 2H18

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

Invest in 'Next Generation' data, analytics and digital capabilities

- Continue to expand the use of advanced analytics to leverage SKU level data to drive sales and customer loyalty
- Further develop a frictionless mobile & digitized environment through the use of customer journey insights
- Leverage unstructured data and machine learning to drive an even higher level of customer engagement

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
- Investment in core infrastructure to drive scale, efficiency and agility

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

Appendix

Non-GAAP Reconciliation

The following table sets forth a reconciliation of non-GAAP measures included in this presentation to the comparable GAAP component at, and for the periods ended, December 31, 2017.

	$ in millions Quarter Ended December 31, 2017	$ in millions Twelve Months Ended December 31, 2017
COMMON EQUITY MEASURES		
GAAP Total common equity	$14,234	
Less: Goodwill	(991)	
Less: Intangible assets, net	(749)	
Tangible common equity	**$12,494**	
Adjustments for certain deferred tax liabilities and certain items in accumulated comprehensive income (loss)	254	
Basel III – Common equity Tier 1 (fully phased-in)	**$12,748**	
Adjustments related to capital components during transition	142	
Basel III – Common equity Tier 1 (transition)	**$12,890**	
Risk-weighted assets – Basel III (fully phased-in)	**$80,526**	
Risk-weighted assets – Basel III (transition)	**$80,669**	
ADJUSTED NET EARNINGS		
GAAP net earnings	$385	$1,935
Adjustment for tax law change	160	160
Adjusted net earnings	**$545**	**$2,095**
ADJUSTED DILUTED EPS		
GAAP diluted EPS	$0.49	$2.42
Adjustment for tax law change	0.21	0.20
Adjusted diluted EPS	**$0.70**	**$2.62**

Engage with us.

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 an 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 required by regulators to be disclosed at December 31, 2017, 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 certain financial measures that have been adjusted to exclude the effects from the Tax Cuts and Jobs Act of 2017 (the "Tax Act"). We have adjusted net earnings and earnings per share to show these measures excluding additional tax expense incurred in the quarterly period ended December 31, 2017 related to the impact from the Tax Act. The additional tax expense was primarily due to the Tax Act's reduction in the corporate tax rate that resulted in a remeasurement of our net deferred tax asset. We also present return on assets and return on equity, adjusted to include Adjusted net earnings as the numerator for these ratios. We believe these measures help investors understand the impact of this recent law change on our reported results. The reconciliation of Adjusted net earnings and Adjusted diluted earnings per share 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.