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 23, 2019
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 23, 2019, Synchrony Financial (the "Company") issued a press release setting forth the Company's fourth quarter 2018 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 23, 2019, issued by Synchrony Financial
99.2	Financial Data Supplement of the Company for the quarter ended December 31, 2018
99.3	Financial Results Presentation of the Company for the quarter ended December 31, 2018
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 23, 2019	By:	/s/ Jonathan Mothner
	Name:	Jonathan Mothner
	Title:	Executive Vice President, General Counsel and Secretary

EXHIBIT INDEX

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Investor Relations Media Relations
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(203) 585-6291 (203) 585-2802

For Immediate Release: January 23, 2019

Synchrony Financial Reports Fourth Quarter Net Earnings of $783 Million or $1.09 Per Diluted Share

STAMFORD, Conn. – Synchrony Financial (NYSE: SYF) today announced fourth quarter 2018 net earnings of $783 million, or $1.09 per diluted share. Highlights included:

- Net interest income increased 11% from the fourth quarter of 2017 to $4.3 billion
- Loan receivables grew $11 billion, or 14%, from the fourth quarter of 2017 to $93 billion
- Purchase volume increased 10% from the fourth quarter of 2017 to $40 billion
- Deposits grew $8 billion, or 13%, from the fourth quarter of 2017 to $64 billion
- Renewed and extended key Retail Card relationships: Sam's Club and Amazon
- Extended and expanded relationship with Qurate Retail Group and brands QVC, HSN and zulily
- Announced new Retail Card partnership with Harbor Freight
- Renewed and extended key Payment Solutions relationship with Mohawk
- Announced new Payment Solutions partnership with Fanatics
- Expanded CareCredit network: Walgreens will begin accepting the CareCredit Card
- In January, Synchrony reached agreement with Capital One on the sale of the Walmart loan portfolio
- In January, Walmart agreed to dismiss its lawsuit against Synchrony

"Synchrony ended the year with significant momentum heading into 2019—we generated strong results this quarter, renewed and extended a number of key relationships, added new programs, and expanded our network. Our business continues to deliver organic growth through innovative marketing, promotions and value propositions, in addition to leveraging the investments we have been making in data analytics, artificial intelligence, and digital capabilities. And we did this while maintaining a strong balance sheet and returning capital to shareholders through growth, portfolio acquisitions, and the execution of our capital plan," said Margaret Keane, President and Chief Executive Officer of Synchrony Financial. "We continue to be well positioned for the future and look forward to the opportunities ahead in 2019."

<u>Business and Financial Highlights for the Fourth Quarter of 2018</u>

All comparisons below are for the fourth quarter of 2018 compared to the fourth quarter of 2017, unless otherwise noted.

Earnings

- Net interest income increased $417 million, or 11%, to $4.3 billion, primarily driven by the PayPal Credit program acquisition and loan receivables growth. Net interest income after retailer share arrangements increased 11%.
- Provision for loan losses increased $98 million, or 7%, to $1.5 billion, driven by the PayPal Credit program reserve build partially offset by moderating credit trends.
- Other income was up $2 million to $64 million.
- Other expense increased $108 million, or 11%, to $1.1 billion, primarily driven by the PayPal Credit program acquisition and growth-related expenses.
- Provision for income taxes was down 53%, primarily due to tax reform.
- Net earnings totaled $783 million compared to $385 million last year.

Balance Sheet

- Period-end loan receivables growth was 14%, purchase volume growth was 10% and average active account growth was 8%, primarily driven by the PayPal Credit program acquisition and growth.
- Deposits grew to $64 billion, up $8 billion, or 13%, and comprised 73% of funding.
- The Company's balance sheet remained strong with total liquidity (liquid assets and undrawn credit facilities) of $19 billion, or 18% of total assets.
- The estimated fully phased-in Common Equity Tier 1 ratio under Basel III was 14.0%, compared to 15.8%, reflecting the impact of capital deployment through the PayPal Credit program acquisition and continued execution of our capital plan.

Key Financial Metrics

- Return on assets was 2.9% and return on equity was 21.5%.
- Net interest margin was 16.06%.
- Efficiency ratio was 30.4%.

Credit Quality

- Loans 30+ days past due as a percentage of total period-end loan receivables were 4.76% compared to 4.67% last year; excluding the PayPal Credit program, the rate decreased ~15 bps.
- Net charge-offs as a percentage of total average loan receivables were 5.54% compared to 5.78% last year; excluding the PayPal Credit program, the rate decreased ~10 bps.
- The allowance for loan losses as a percentage of total period-end loan receivables was 6.90% compared to 6.80% last year.

Sales Platforms

- Retail Card period-end loan receivables grew 16%, driven primarily by the PayPal Credit program acquisition. Interest and fees on loans increased 14%, purchase volume growth was 11% and average active accounts increased 9%, all largely driven by the PayPal Credit program acquisition.
- Payment Solutions period-end loan receivables grew 9%, led by home furnishings and luxury. Interest and fees on loans increased 9%, primarily driven by the loan receivables growth. Purchase volume growth was 8% and average active accounts increased 7%.
- CareCredit period-end loan receivables grew 7%, led by dental and veterinary. Interest and fees on loans increased 7%, primarily driven by the loan receivables growth. Purchase volume grew 7% and average active account growth was 4%.

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, 2017, as filed February 22, 2018, and the Company's forthcoming Annual Report on Form 10-K for the year ended December 31, 2018. 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 Wednesday, January 23, 2019, 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 42018#, and can be accessed beginning approximately two hours after the event through February 6, 2019.

About Synchrony Financial

Synchrony Financial (NYSE: SYF) is a premier consumer financial services company delivering customized financing programs across key industries including retail, health, auto, travel and home, along with award-winning consumer banking products. With more than $140 billion in sales financed and 80.3 million active accounts, Synchrony Financial brings deep industry expertise, actionable data insights, innovative solutions and differentiated digital experiences to improve the success of every business we serve and the quality of each life we touch. More information can be found at www.synchronyfinancial.com and through Twitter: @Synchrony.

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 grow our deposits in the future; our ability to securitize our loan receivables, occurrence of an early amortization of our securitization facilities, loss of the right to service or subservice our securitized loan receivables, and lower payment rates on our securitized loan receivables; 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 acquisitions and strategic investments; our ability to realize the benefits of and expected capital available from strategic options; 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/or interpretations, 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, 2017, as filed on February 22, 2018. 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” and certain financial measures that have been adjusted to exclude certain 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, 2018	**Sep 30, 2018**	**Jun 30, 2018**	**Mar 31, 2018**	**Dec 31, 2017**	**4Q'18 vs. 4Q'17**		**Dec 31, 2018**	**Dec 31, 2017**	**YTD'18 vs. YTD'17**	
EARNINGS											
Net interest income	$ 4,333	$ 4,206	$ 3,737	$ 3,842	$ 3,916	$ 417	10.6 %	$ 16,118	$ 15,016	$ 1,102	7.3 %
Retailer share arrangements	(855)	(871)	(653)	(720)	(779)	(76)	9.8 %	(3,099)	(2,937)	(162)	5.5 %
Net interest income, after retailer share arrangements	3,478	3,335	3,084	3,122	3,137	341	10.9 %	13,019	12,079	940	7.8 %
Provision for loan losses	1,452	1,451	1,280	1,362	1,354	98	7.2 %	5,545	5,296	249	4.7 %
Net interest income, after retailer share arrangements and provision for loan losses	2,026	1,884	1,804	1,760	1,783	243	13.6 %	7,474	6,783	691	10.2 %
Other income	64	63	63	75	62	2	3.2 %	265	288	(23)	(8.0)%
Other expense	1,078	1,054	975	988	970	108	11.1 %	4,095	3,747	348	9.3 %
Earnings before provision for income taxes	1,012	893	892	847	875	137	15.7 %	3,644	3,324	320	9.6 %
Provision for income taxes	229	222	196	207	490	(261)	(53.3)%	854	1,389	(535)	(38.5)%
Net earnings	$ 783	$ 671	$ 696	$ 640	$ 385	$ 398	103.4 %	$ 2,790	$ 1,935	$ 855	44.2 %
Net earnings attributable to common stockholders	$ 783	$ 671	$ 696	$ 640	$ 385	$ 398	103.4 %	$ 2,790	$ 1,935	$ 855	44.2 %
Adjusted net earnings(1)	$ 783	$ 671	$ 696	$ 640	$ 545	$ 238	43.7 %	$ 2,790	$ 2,095	$ 695	33.2 %
COMMON SHARE STATISTICS											
Basic EPS	$ 1.09	$ 0.91	$ 0.93	$ 0.84	$ 0.49	$ 0.60	122.4 %	$ 3.76	$ 2.43	$ 1.33	54.7 %
Diluted EPS	$ 1.09	$ 0.91	$ 0.92	$ 0.83	$ 0.49	$ 0.60	122.4 %	$ 3.74	$ 2.42	$ 1.32	54.5 %
Adjusted diluted EPS(1)	$ 1.09	$ 0.91	$ 0.92	$ 0.83	$ 0.70	$ 0.39	55.7 %	$ 3.74	$ 2.62	$ 1.12	42.7 %
Dividend declared per share	$ 0.21	$ 0.21	$ 0.15	$ 0.15	$ 0.15	$ 0.06	40.0 %	$ 0.72	$ 0.56	$ 0.16	28.6 %
Common stock price	$ 23.46	$ 31.08	$ 33.38	$ 33.53	$ 38.61	$ (15.15)	(39.2)%	$ 23.46	$ 38.61	$ (15.15)	(39.2)%
Book value per share	$ 20.42	$ 19.47	$ 19.37	$ 18.88	$ 18.47	$ 1.95	10.6 %	$ 20.42	$ 18.47	$ 1.95	10.6 %
Tangible common equity per share(2)	$ 17.41	$ 16.51	$ 16.84	$ 16.55	$ 16.22	$ 1.19	7.3 %	$ 17.41	$ 16.22	$ 1.19	7.3 %
Beginning common shares outstanding	718.7	746.6	760.3	770.5	782.6	(63.9)	(8.2)%	770.5	817.4	(46.9)	(5.7)%
Issuance of common shares	—	—	—	—	—	—	— %	—	—	—	— %
Stock-based compensation	0.1	2.4	0.3	0.2	0.1	—	— %	3.0	0.4	2.6	NM
Shares repurchased	—	(30.3)	(14.0)	(10.4)	(12.2)	12.2	(100.0)%	(54.7)	(47.3)	(7.4)	15.6 %
Ending common shares outstanding	718.8	718.7	746.6	760.3	770.5	(51.7)	(6.7)%	718.8	770.5	(51.7)	(6.7)%
Weighted average common shares outstanding	718.7	734.9	752.2	763.7	778.7	(60.0)	(7.7)%	742.3	795.6	(53.3)	(6.7)%
Weighted average common shares outstanding (fully diluted)	720.9	738.8	758.3	770.3	784.0	(63.1)	(8.0)%	746.9	799.7	(52.8)	(6.6)%

(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, 2018	**Sep 30, 2018**	**Jun 30, 2018**	**Mar 31, 2018**	**Dec 31, 2017**	**4Q'18 vs. 4Q'17**		**Dec 31, 2018**	**Dec 31, 2017**	**YTD'18 vs. YTD'17**	
PERFORMANCE METRICS											
Return on assets(1)	2.9%	2.7%	2.9%	2.7%	1.6%		1.3 %	2.8%	2.1%		0.7 %
Return on equity(2)	21.5%	18.5%	19.4%	18.2%	10.5%		11.0 %	19.4%	13.4%		6.0 %
Return on tangible common equity(3)	25.2%	21.5%	22.1%	20.7%	12.0%		13.2 %	22.4%	15.3%		7.1 %
Adjusted return on assets(4)	2.9%	2.7%	2.9%	2.7%	2.3%		0.6 %	2.8%	2.3%		0.5 %
Adjusted return on equity(4)	21.5%	18.5%	19.4%	18.2%	14.9%		6.6 %	19.4%	14.5%		4.9 %
Adjusted return on tangible common equity(5)	25.2%	21.5%	22.1%	20.7%	17.0%		8.2 %	22.4%	16.6%		5.8 %
Net interest margin(6)	16.06%	16.41%	15.33%	16.05%	16.24%		(0.18)%	15.97%	16.35%		(0.38)%
Efficiency ratio(7)	30.4%	31.0%	31.0%	30.9%	30.3%		0.1 %	30.8%	30.3%		0.5 %
Other expense as a % of average loan receivables, including held for sale	4.79%	4.82%	5.02%	5.07%	4.91%		(0.12)%	4.92%	4.95%		(0.03)%
Effective income tax rate	22.6%	24.9%	22.0%	24.4%	56.0%		(33.4)%	23.4%	41.8%		(18.4)%
CREDIT QUALITY METRICS											
Net charge-offs as a % of average loan receivables, including held for sale	5.54%	4.97%	5.97%	6.14%	5.78%		(0.24)%	5.63%	5.37%		0.26 %
30+ days past due as a % of period-end loan receivables(8)	4.76%	4.59%	4.17%	4.52%	4.67%		0.09 %	4.76%	4.67%		0.09 %
90+ days past due as a % of period-end loan receivables(8)	2.29%	2.09%	1.98%	2.28%	2.28%		0.01 %	2.29%	2.28%		0.01 %
Net charge-offs	$ 1,248	$ 1,087	$ 1,159	$ 1,198	$ 1,141	$ 107	9.4 %	$ 4,692	$ 4,066	$ 626	15.4 %
Loan receivables delinquent over 30 days(8)	$ 4,430	$ 4,021	$ 3,293	$ 3,521	$ 3,831	$ 599	15.6 %	$ 4,430	$ 3,831	$ 599	15.6 %
Loan receivables delinquent over 90 days(8)	$ 2,135	$ 1,833	$ 1,561	$ 1,776	$ 1,869	$ 266	14.2 %	$ 2,135	$ 1,869	$ 266	14.2 %
Allowance for loan losses (period-end)	$ 6,427	$ 6,223	$ 5,859	$ 5,738	$ 5,574	$ 853	15.3 %	$ 6,427	$ 5,574	$ 853	15.3 %
Allowance coverage ratio(9)	6.90%	7.11%	7.43%	7.37%	6.80%		0.10 %	6.90%	6.80%		0.10 %
BUSINESS METRICS											
Purchase volume(10)	$ 40,320	$ 36,443	$ 34,268	$ 29,626	$ 36,565	$ 3,755	10.3 %	$ 140,657	$ 131,814	$ 8,843	6.7 %
Period-end loan receivables	$ 93,139	$ 87,521	$ 78,879	$ 77,853	$ 81,947	$ 11,192	13.7 %	$ 93,139	$ 81,947	$ 11,192	13.7 %
Credit cards	$ 89,994	$ 84,319	$ 75,753	$ 74,952	$ 79,026	$ 10,968	13.9 %	$ 89,994	$ 79,026	$ 10,968	13.9 %
Consumer installment loans	$ 1,845	$ 1,789	$ 1,708	$ 1,590	$ 1,578	$ 267	16.9 %	$ 1,845	$ 1,578	$ 267	16.9 %
Commercial credit products	$ 1,260	$ 1,353	$ 1,356	$ 1,275	$ 1,303	$ (43)	(3.3)%	$ 1,260	$ 1,303	$ (43)	(3.3)%
Other	$ 40	$ 60	$ 62	$ 36	$ 40	$ —	— %	$ 40	$ 40	$ —	— %
Average loan receivables, including held for sale	$ 89,340	$ 86,783	$ 77,853	$ 79,090	$ 78,369	$ 10,971	14.0 %	$ 83,304	$ 75,702	$ 7,602	10.0 %
Period-end active accounts (in thousands)(11)	80,339	75,457	69,767	68,891	74,541	5,798	7.8 %	80,339	74,541	5,798	7.8 %
Average active accounts (in thousands)(11)	77,382	75,482	69,344	71,323	71,348	6,034	8.5 %	73,847	69,968	3,879	5.5 %
LIQUIDITY											
Liquid assets											
Cash and equivalents	$ 9,396	$ 12,068	$ 15,675	$ 13,044	$ 11,602	$ (2,206)	(19.0)%	$ 9,396	$ 11,602	$ (2,206)	(19.0)%
Total liquid assets	$ 14,822	$ 18,214	$ 21,491	$ 18,557	$ 15,087	$ (265)	(1.8)%	$ 14,822	$ 15,087	$ (265)	(1.8)%
Undrawn credit facilities											
Undrawn credit facilities	$ 4,375	$ 5,125	$ 6,500	$ 6,000	$ 6,000	$ (1,625)	(27.1)%	$ 4,375	$ 6,000	$ (1,625)	(27.1)%
Total liquid assets and undrawn credit facilities	$ 19,197	$ 23,339	$ 27,991	$ 24,557	$ 21,087	$ (1,890)	(9.0)%	$ 19,197	$ 21,087	$ (1,890)	(9.0)%
Liquid assets % of total assets	13.88%	17.42%	21.68%	19.42%	15.75%		(1.87)%	13.88%	15.75%		(1.87)%
Liquid assets including undrawn credit facilities % of total assets	17.98%	22.32%	28.24%	25.70%	22.01%		(4.03)%	17.98%	22.01%		(4.03)%

(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, 2018	**Sep 30, 2018**	**Jun 30, 2018**	**Mar 31, 2018**	**Dec 31, 2017**	**4Q'18 vs. 4Q'17**		**Dec 31, 2018**	**Dec 31, 2017**	**YTD'18 vs. YTD'17**	
Interest income:											
Interest and fees on loans	$ 4,774	$ 4,617	$ 4,081	$ 4,172	$ 4,233	$ 541	12.8 %	$ 17,644	$ 16,219	$ 1,425	8.8 %
Interest on investment securities	102	77	93	72	58	44	75.9 %	344	188	156	83.0 %
Total interest income	4,876	4,694	4,174	4,244	4,291	585	13.6 %	17,988	16,407	1,581	9.6 %
Interest expense:											
Interest on deposits	350	314	273	249	233	117	50.2 %	1,186	848	338	39.9 %
Interest on borrowings of consolidated securitization entities	104	86	80	74	70	34	48.6 %	344	263	81	30.8 %
Interest on third-party debt	89	88	84	79	72	17	23.6 %	340	280	60	21.4 %
Total interest expense	543	488	437	402	375	168	44.8 %	1,870	1,391	479	34.4 %
Net interest income	4,333	4,206	3,737	3,842	3,916	417	10.6 %	16,118	15,016	1,102	7.3 %
Retailer share arrangements	(855)	(871)	(653)	(720)	(779)	(76)	9.8 %	(3,099)	(2,937)	(162)	5.5 %
Net interest income, after retailer share arrangements	3,478	3,335	3,084	3,122	3,137	341	10.9 %	13,019	12,079	940	7.8 %
Provision for loan losses	1,452	1,451	1,280	1,362	1,354	98	7.2 %	5,545	5,296	249	4.7 %
Net interest income, after retailer share arrangements and provision for loan losses	2,026	1,884	1,804	1,760	1,783	243	13.6 %	7,474	6,783	691	10.2 %
Other income:											
Interchange revenue	193	182	177	158	179	14	7.8 %	710	653	57	8.7 %
Debt cancellation fees	70	65	66	66	69	1	1.4 %	267	272	(5)	(1.8)%
Loyalty programs	(208)	(196)	(192)	(155)	(193)	(15)	7.8 %	(751)	(704)	(47)	6.7 %
Other	9	12	12	6	7	2	28.6 %	39	67	(28)	(41.8)%
Total other income	64	63	63	75	62	2	3.2 %	265	288	(23)	(8.0)%
Other expense:											
Employee costs(1)	353	365	351	358	330	23	7.0 %	1,427	1,304	123	9.4 %
Professional fees	231	232	177	166	159	72	45.3 %	806	629	177	28.1 %
Marketing and business development	166	131	110	121	156	10	6.4 %	528	498	30	6.0 %
Information processing	118	105	99	104	99	19	19.2 %	426	373	53	14.2 %
Other(1)	210	221	238	239	226	(16)	(7.1)%	908	943	(35)	(3.7)%
Total other expense	1,078	1,054	975	988	970	108	11.1 %	4,095	3,747	348	9.3 %
Earnings before provision for income taxes	1,012	893	892	847	875	137	15.7 %	3,644	3,324	320	9.6 %
Provision for income taxes	229	222	196	207	490	(261)	(53.3)%	854	1,389	(535)	(38.5)%
Net earnings attributable to common stockholders	$ 783	$ 671	$ 696	$ 640	$ 385	$ 398	103.4 %	$ 2,790	$ 1,935	$ 855	44.2 %

(1) We have reclassified certain amounts within Employee costs to Other for all periods in 2017 to conform to the current period classifications.

SYNCHRONY FINANCIAL

STATEMENTS OF FINANCIAL POSITION

(unaudited, $ in millions)

	Quarter Ended						
	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Dec 31, 2018 vs. Dec 31, 2017	
Assets							
Cash and equivalents	$ 9,396	$ 12,068	$ 15,675	$ 13,044	$ 11,602	$ (2,206)	(19.0)%
Debt securities	6,062	7,281	6,779	6,259	4,473	1,589	35.5 %
Loan receivables:							
Unsecuritized loans held for investment	64,969	59,868	50,884	52,469	55,526	9,443	17.0 %
Restricted loans of consolidated securitization entities	28,170	27,653	27,995	25,384	26,421	1,749	6.6 %
Total loan receivables	93,139	87,521	78,879	77,853	81,947	11,192	13.7 %
Less: Allowance for loan losses	(6,427)	(6,223)	(5,859)	(5,738)	(5,574)	(853)	15.3 %
Loan receivables, net	86,712	81,298	73,020	72,115	76,373	10,339	13.5 %
Goodwill	1,024	1,024	1,024	991	991	33	3.3 %
Intangible assets, net	1,137	1,105	863	780	749	388	51.8 %
Other assets	2,461	1,769	1,761	2,370	1,620	841	51.9 %
Total assets	$ 106,792	$ 104,545	$ 99,122	$ 95,559	$ 95,808	$ 10,984	11.5 %
Liabilities and Equity							
Deposits:							
Interest-bearing deposit accounts	$ 63,738	$ 62,030	$ 58,734	$ 56,285	$ 56,276	$ 7,462	13.3 %
Non-interest-bearing deposit accounts	281	287	277	285	212	69	32.5 %
Total deposits	64,019	62,317	59,011	56,570	56,488	7,531	13.3 %
Borrowings:							
Borrowings of consolidated securitization entities	14,439	14,187	12,170	12,214	12,497	1,942	15.5 %
Senior unsecured notes	9,557	9,554	9,551	8,801	8,302	1,255	15.1 %
Total borrowings	23,996	23,741	21,721	21,015	20,799	3,197	15.4 %
Accrued expenses and other liabilities	4,099	4,491	3,932	3,618	4,287	(188)	(4.4)%
Total liabilities	92,114	90,549	84,664	81,203	81,574	10,540	12.9 %
Equity:							
Common stock	1	1	1	1	1	—	— %
Additional paid-in capital	9,482	9,470	9,486	9,470	9,445	37	0.4 %
Retained earnings	8,986	8,355	7,906	7,334	6,809	2,177	32.0 %
Accumulated other comprehensive income	(62)	(99)	(93)	(86)	(64)	2	(3.1)%
Treasury Stock	(3,729)	(3,731)	(2,842)	(2,363)	(1,957)	(1,772)	90.5 %
Total equity	14,678	13,996	14,458	14,356	14,234	444	3.1 %
Total liabilities and equity	$ 106,792	$ 104,545	$ 99,122	$ 95,559	$ 95,808	$ 10,984	11.5 %

SYNCHRONY FINANCIAL

AVERAGE BALANCES, NET INTEREST INCOME AND NET INTEREST MARGIN

(unaudited, $ in millions)

	Quarter Ended														
	Dec 31, 2018			**Sep 30, 2018**			**Jun 30, 2018**			**Mar 31, 2018**			**Dec 31, 2017**		
	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	$ 10,856	$ 62	2.27%	$ 7,901	$ 39	1.96%	$ 13,097	$ 59	1.81%	$ 12,434	$ 47	1.53%	$ 13,591	$ 43	1.26%
Securities available for sale	6,837	40	2.32%	7,022	38	2.15%	6,803	34	2.00%	5,584	25	1.82%	3,725	15	1.60%
Loan receivables:															
Credit cards, including held for sale	86,131	4,695	21.63%	83,609	4,538	21.53%	74,809	4,010	21.50%	76,181	4,099	21.82%	75,389	4,161	21.90%
Consumer installment loans	1,815	42	9.18%	1,753	41	9.28%	1,648	37	9.01%	1,572	36	9.29%	1,568	36	9.11%
Commercial credit products	1,344	37	10.92%	1,355	37	10.83%	1,346	34	10.13%	1,286	36	11.35%	1,375	35	10.10%
Other	50	—	—%	66	1	NM	50	—	—%	51	1	NM	37	1	NM
Total loan receivables, including held for sale	89,340	4,774	21.20%	86,783	4,617	21.11%	77,853	4,081	21.03%	79,090	4,172	21.39%	78,369	4,233	21.43%
Total interest-earning assets	107,033	4,876	18.07%	101,706	4,694	18.31%	97,753	4,174	17.13%	97,108	4,244	17.72%	95,685	4,291	17.79%
Non-interest-earning assets:															
Cash and due from banks	1,320			1,217			1,161			1,197			1,037		
Allowance for loan losses	(6,259)			(5,956)			(5,768)			(5,608)			(5,443)		
Other assets	3,688			3,482			3,068			3,010			3,219		
Total non-interest-earning assets	(1,251)			(1,257)			(1,539)			(1,401)			(1,187)		
Total assets	$ 105,782			$ 100,449			$ 96,214			$ 95,707			$ 94,498		
Liabilities															
Interest-bearing liabilities:															
Interest-bearing deposit accounts	$ 62,999	$ 350	2.20%	$ 60,123	$ 314	2.07%	$ 57,303	$ 273	1.91%	$ 56,356	$ 249	1.79%	$ 55,690	$ 233	1.66%
Borrowings of consolidated securitization entities	14,223	104	2.90%	12,306	86	2.77%	11,821	80	2.71%	12,410	74	2.42%	12,425	70	2.24%
Senior unsecured notes	9,554	89	3.70%	9,552	88	3.66%	9,114	84	3.70%	8,795	79	3.64%	7,940	72	3.60%
Total interest-bearing liabilities	86,776	543	2.48%	81,981	488	2.36%	78,238	437	2.24%	77,561	402	2.10%	76,055	375	1.96%
Non-interest-bearing liabilities															
Non-interest-bearing deposit accounts	284			275			270			300			218		
Other liabilities	4,283			3,772			3,299			3,570			3,716		
Total non-interest-bearing liabilities	4,567			4,047			3,569			3,870			3,934		
Total liabilities	91,343			86,028			81,807			81,431			79,989		
Equity															
Total equity	14,439			14,421			14,407			14,276			14,509		
Total liabilities and equity	$ 105,782			$ 100,449			$ 96,214			$ 95,707			$ 94,498		
Net interest income		$ 4,333			$ 4,206			$ 3,737			$ 3,842			$ 3,916	
Interest rate spread(1)			15.59%			15.95%			14.89%			15.62%			15.83%
Net interest margin(2)			16.06%			16.41%			15.33%			16.05%			16.24%

(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, 2018			Twelve Months Ended Dec 31, 2017		
	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	$ 11,059	$ 207	1.87%	$ 11,707	$ 129	1.10%
Securities available for sale	6,566	137	2.09%	4,449	59	1.33%
Loan receivables:						
Credit cards, including held for sale	80,219	17,342	21.62%	72,795	15,941	21.90%
Consumer installment loans	1,698	156	9.19%	1,491	137	9.19%
Commercial credit products	1,333	144	10.80%	1,366	139	10.18%
Other	54	2	3.70%	50	2	4.00%
Total loan receivables, including held for sale	83,304	17,644	21.18%	75,702	16,219	21.42%
Total interest-earning assets	100,929	17,988	17.82%	91,858	16,407	17.86%
Non-interest-earning assets:						
Cash and due from banks	1,224			887		
Allowance for loan losses	(5,900)			(4,942)		
Other assets	3,315			3,304		
Total non-interest-earning assets	(1,361)			(751)		
Total assets	$ 99,568			$ 91,107		
Liabilities						
Interest-bearing liabilities:						
Interest-bearing deposit accounts	$ 59,216	$ 1,186	2.00%	$ 53,173	$ 848	1.59%
Borrowings of consolidated securitization entities	12,694	344	2.71%	12,179	263	2.16%
Senior unsecured notes	9,257	340	3.67%	7,972	280	3.51%
Total interest-bearing liabilities	81,167	1,870	2.30%	73,324	1,391	1.90%
Non-interest-bearing liabilities						
Non-interest-bearing deposit accounts	282			227		
Other liabilities	3,733			3,129		
Total non-interest-bearing liabilities	4,015			3,356		
Total liabilities	85,182			76,680		
Equity						
Total equity	14,386			14,427		
Total liabilities and equity	$ 99,568			$ 91,107		
Net interest income		$ 16,118			$ 15,016	
Interest rate spread[(1)]			15.52%			15.96%
Net interest margin[(2)]			15.97%			16.35%

(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

BALANCE SHEET STATISTICS

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

	Quarter Ended						
	Dec 31, 2018	**Sep 30, 2018**	**Jun 30, 2018**	**Mar 31, 2018**	**Dec 31, 2017**	**Dec 31, 2018 vs. Dec 31, 2017**	
BALANCE SHEET STATISTICS							
Total common equity	$ 14,678	$ 13,996	$ 14,458	$ 14,356	$ 14,234	$ 444	3.1 %
Total common equity as a % of total assets	13.74%	13.39%	14.59%	15.02%	14.86%		(1.12)%
Tangible assets	$ 104,631	$ 102,416	$ 97,235	$ 93,788	$ 94,068	$ 10,563	11.2 %
Tangible common equity[1]	$ 12,517	$ 11,867	$ 12,571	$ 12,585	$ 12,494	$ 23	0.2 %
Tangible common equity as a % of tangible assets[1]	11.96%	11.59%	12.93%	13.42%	13.28%		(1.32)%
Tangible common equity per share[1]	$ 17.41	$ 16.51	$ 16.84	$ 16.55	$ 16.22	$ 1.19	7.3 %

REGULATORY CAPITAL RATIOS[2]

	Basel III Transition[3]				Basel III Transition
Total risk-based capital ratio[4]	15.3%	15.5%	18.0%	18.1%	17.3%
Tier 1 risk-based capital ratio[5]	14.0%	14.2%	16.6%	16.8%	16.0%
Tier 1 leverage ratio[6]	12.3%	12.3%	13.6%	13.7%	13.8%
Common equity Tier 1 capital ratio	14.0%	14.2%	16.6%	16.8%	16.0%
	Basel III Fully Phased-in				
Common equity Tier 1 capital ratio	14.0%	14.2%	16.6%	16.8%	15.8%

(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, 2018 are preliminary and therefore subject to change.

(3) Amounts presented do not reflect certain modifications to the regulatory capital rules proposed by the federal banking agencies in September 2017, which among other things, may increase the risk weighting of certain deferred tax assets from 100% to 250% if the proposed rule becomes effective.

(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. Tier 1 leverage ratios are based upon the use of daily averages for all periods presented.

SYNCHRONY FINANCIAL

PLATFORM RESULTS

(unaudited, $ in millions)

	Quarter Ended							Twelve Months Ended			
	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	4Q'18 vs. 4Q'17		Dec 31, 2018	Dec 31, 2017	YTD'18 vs. YTD'17	
RETAIL CARD											
Purchase volume(1)(2)	$ 33,080	$ 29,264	$ 27,340	$ 23,382	$ 29,839	$ 3,241	10.9 %	$ 113,066	$ 106,239	$ 6,827	6.4 %
Period-end loan receivables	$ 65,224	$ 60,564	$ 52,918	$ 52,531	$ 56,230	$ 8,994	16.0 %	$ 65,224	$ 56,230	$ 8,994	16.0 %
Average loan receivables, including held for sale	$ 62,006	$ 60,389	$ 52,427	$ 53,673	$ 53,256	$ 8,750	16.4 %	$ 57,155	$ 51,570	$ 5,585	10.8 %
Average active accounts (in thousands)(2)(3)	61,275	59,846	54,092	55,927	56,113	5,162	9.2 %	58,223	55,142	3,081	5.6 %
Interest and fees on loans(2)	$ 3,583	$ 3,465	$ 2,993	$ 3,096	$ 3,133	$ 450	14.4 %	$ 13,137	$ 12,023	$ 1,114	9.3 %
Other income(2)	$ 55	$ 51	$ 48	$ 65	$ 49	$ 6	12.2 %	$ 219	$ 212	$ 7	3.3 %
Retailer share arrangements(2)	$ (835)	$ (851)	$ (644)	$ (714)	$ (771)	$ (64)	8.3 %	$ (3,044)	$ (2,904)	$ (140)	4.8 %
PAYMENT SOLUTIONS											
Purchase volume(1)	$ 4,710	$ 4,606	$ 4,288	$ 3,823	$ 4,366	$ 344	7.9 %	$ 17,427	$ 16,160	$ 1,267	7.8 %
Period-end loan receivables	$ 18,418	$ 17,639	$ 16,875	$ 16,513	$ 16,857	$ 1,561	9.3 %	$ 18,418	$ 16,857	$ 1,561	9.3 %
Average loan receivables	$ 17,931	$ 17,234	$ 16,562	$ 16,629	$ 16,386	$ 1,545	9.4 %	$ 17,093	$ 15,752	$ 1,341	8.5 %
Average active accounts (in thousands)(3)	10,037	9,675	9,433	9,545	9,421	616	6.5 %	9,692	9,192	500	5.4 %
Interest and fees on loans	$ 627	$ 601	$ 566	$ 562	$ 574	$ 53	9.2 %	$ 2,356	$ 2,181	$ 175	8.0 %
Other income	$ 2	$ 4	$ 4	$ 2	$ 2	$ —	— %	$ 12	$ 14	$ (2)	(14.3)%
Retailer share arrangements	$ (15)	$ (17)	$ (7)	$ (4)	$ (5)	$ (10)	NM	$ (43)	$ (24)	$ (19)	79.2 %
CARECREDIT											
Purchase volume(1)	$ 2,530	$ 2,573	$ 2,640	$ 2,421	$ 2,360	$ 170	7.2 %	$ 10,164	$ 9,415	$ 749	8.0 %
Period-end loan receivables	$ 9,497	$ 9,318	$ 9,086	$ 8,809	$ 8,860	$ 637	7.2 %	$ 9,497	$ 8,860	$ 637	7.2 %
Average loan receivables	$ 9,403	$ 9,160	$ 8,864	$ 8,788	$ 8,727	$ 676	7.7 %	$ 9,056	$ 8,380	$ 676	8.1 %
Average active accounts (in thousands)(3)	6,070	5,961	5,819	5,851	5,814	256	4.4 %	5,932	5,634	298	5.3 %
Interest and fees on loans	$ 564	$ 551	$ 522	$ 514	$ 526	$ 38	7.2 %	$ 2,151	$ 2,015	$ 136	6.7 %
Other income	$ 7	$ 8	$ 11	$ 8	$ 11	$ (4)	(36.4)%	$ 34	$ 62	$ (28)	(45.2)%
Retailer share arrangements	$ (5)	$ (3)	$ (2)	$ (2)	$ (3)	$ (2)	66.7 %	$ (12)	$ (9)	$ (3)	33.3 %
TOTAL SYF											
Purchase volume(1)(2)	$ 40,320	$ 36,443	$ 34,268	$ 29,626	$ 36,565	$ 3,755	10.3 %	$ 140,657	$ 131,814	$ 8,843	6.7 %
Period-end loan receivables	$ 93,139	$ 87,521	$ 78,879	$ 77,853	$ 81,947	$ 11,192	13.7 %	$ 93,139	$ 81,947	$ 11,192	13.7 %
Average loan receivables, including held for sale	$ 89,340	$ 86,783	$ 77,853	$ 79,090	$ 78,369	$ 10,971	14.0 %	$ 83,304	$ 75,702	$ 7,602	10.0 %
Average active accounts (in thousands)(2)(3)	77,382	75,482	69,344	71,323	71,348	6,034	8.5 %	73,847	69,968	3,879	5.5 %
Interest and fees on loans(2)	$ 4,774	$ 4,617	$ 4,081	$ 4,172	$ 4,233	$ 541	12.8 %	$ 17,644	$ 16,219	$ 1,425	8.8 %
Other income(2)	$ 64	$ 63	$ 63	$ 75	$ 62	$ 2	3.2 %	$ 265	$ 288	$ (23)	(8.0)%
Retailer share arrangements(2)	$ (855)	$ (871)	$ (653)	$ (720)	$ (779)	$ (76)	9.8 %	$ (3,099)	$ (2,937)	$ (162)	5.5 %

(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, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Dec 31, 2017
COMMON EQUITY MEASURES						
GAAP Total common equity	$ 14,678	$ 13,996	$ 14,458	$ 14,356	$ 14,234	
Less: Goodwill	(1,024)	(1,024)	(1,024)	(991)	(991)	
Less: Intangible assets, net	(1,137)	(1,105)	(863)	(780)	(749)	
Tangible common equity	$ 12,517	$ 11,867	$ 12,571	$ 12,585	$ 12,494	
Adjustments for certain deferred tax liabilities and certain items in accumulated comprehensive income (loss)	284	311	287	278	254	
Basel III - Common equity Tier 1 (fully phased-in)	$ 12,801	$ 12,178	$ 12,858	$ 12,863	$ 12,748	
Adjustment related to capital components during transition					142	
Basel III - Common equity Tier 1 (transition)					$ 12,890	
RISK-BASED CAPITAL						
Common equity Tier 1	$ 12,801	$ 12,178	$ 12,858	$ 12,863	$ 12,890	
Add: Allowance for loan losses includible in risk-based capital	1,211	1,137	1,027	1,015	1,064	
Risk-based capital	$ 14,012	$ 13,315	$ 13,885	$ 13,878	$ 13,954	
ASSET MEASURES						
Total average assets	$ 105,782	$ 100,449	$ 96,214	$ 95,707	$ 94,498	
Adjustments for:						
Disallowed goodwill and other disallowed intangible assets (net of related deferred tax liabilities) and other	(1,845)	(1,836)	(1,670)	(1,560)	(1,392)	
Total assets for leverage purposes	$ 103,937	$ 98,613	$ 94,544	$ 94,147	$ 93,106	
Risk-weighted assets - Basel III (fully phased-in)	$ 91,725	$ 85,941	$ 77,322	$ 76,509	$ 80,526	
Risk-weighted assets - Basel III (transition)					$ 80,669	
TANGIBLE COMMON EQUITY PER SHARE						
GAAP book value per share	$ 20.42	$ 19.47	$ 19.37	$ 18.88	$ 18.47	
Less: Goodwill	(1.42)	(1.42)	(1.37)	(1.30)	(1.29)	
Less: Intangible assets, net	(1.59)	(1.54)	(1.16)	(1.03)	(0.96)	
Tangible common equity per share	$ 17.41	$ 16.51	$ 16.84	$ 16.55	$ 16.22	
ADJUSTED NET EARNINGS						
GAAP net earnings	$ 783	$ 671	$ 696	$ 640	$ 385	$ 1,935
Adjustment for tax law change(2)	—	—	—	—	160	160
Adjusted net earnings	$ 783	$ 671	$ 696	$ 640	$ 545	$ 2,095
ADJUSTED DILUTED EPS						
GAAP diluted EPS	$ 1.09	$ 0.91	$ 0.92	$ 0.83	$ 0.49	$ 2.42
Adjustment for tax law change(2)	—	—	—	—	0.21	0.20
Adjusted diluted EPS	$ 1.09	$ 0.91	$ 0.92	$ 0.83	$ 0.70	$ 2.62

(1) Regulatory measures at December 31, 2018 are presented on an estimated basis.

(2) 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'18 Financial Results
January 23, 2019

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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 grow our deposits in the future; our ability to securitize our loan receivables, occurrence of an early amortization of our securitization facilities, loss of the right to service or subservice our securitized loan receivables, and lower payment rates on our securitized loan receivables; 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 acquisitions and strategic investments; our ability to realize the benefits of and expected capital available from strategic options; 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/or interpretations, 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 the 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, 2017, as filed on February 22, 2018. 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.

4Q'18 Highlights

Financial Highlights

- $783 million Net Earnings, $1.09 diluted EPS
- Strong growth metrics
  - Loan Receivables up 14%
  - Net Interest Income up 11%
  - Purchase Volume up 10%
  - Average Active Accounts up 8%
- Provision for Loan Losses up 7% driven by the PayPal Credit reserve build partially offset by moderating credit trends
- Efficiency Ratio 30.4% compared to 30.3% in the prior year
- Deposits up $7.5 billion compared to prior year, comprising 73% of funding
- Strong Capital and Liquidity
  - 14.0% CET1 & $14.8 billion Liquid Assets

Business Highlights

- Renewed/extended key relationships

Sam's Club, amazon, MOHAWK

- Added new partnerships

Fanatics, HARBOR FREIGHT

- Expanded our CareCredit network

Walgreens

- Extended and expanded relationship

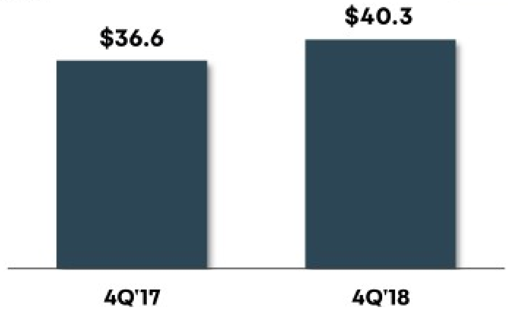
QVC, zulily, HSN

- Reached agreement to sell Walmart portfolio
- Walmart agrees to dismiss lawsuit

Growth Metrics

Purchase Volume
$ in billions

+10%

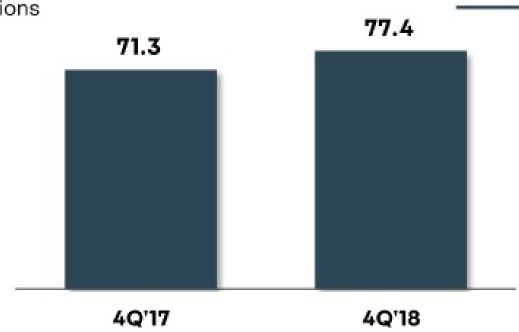


Loan Receivables
$ in billions

+14%

Average Active Accounts
in millions

+8%

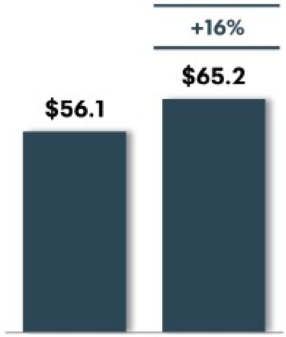


Interest and Fees on Loans
$ in millions

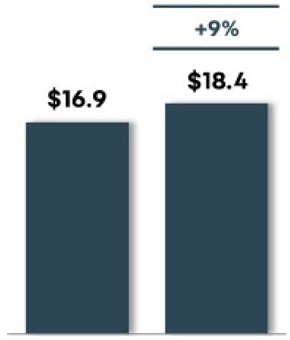
+13%

Platform Results[a]

Retail Card
Loan Receivables, $ in billions



Payment Solutions
Loan Receivables, $ in billions



CareCredit
Loan Receivables, $ in billions

	Retail Card 4Q'17	Retail Card 4Q'18	V%	Payment Solutions 4Q'17	Payment Solutions 4Q'18	V%	CareCredit 4Q'17	CareCredit 4Q'18	V%
Purchase Volume	$29.8	$33.1	+11%	$4.4	$4.7	+8%	$2.4	$2.5	+7%
Accounts	56.1	61.3	+9%	9.4	10.0	+7%	5.8	6.1	+4%
Interest and Fees on Loans	$3,133	$3,583	+14%	$574	$627	+9%	$526	$564	+7%

Retail Card
- Loan Receivable growth driven primarily by PayPal Credit program acquisition
- Interest and Fees on Loans up 14% driven by receivable growth

Payment Solutions
- Broad Loan Receivable growth led by home furnishings and luxury
- Interest and Fees on Loans up 9% driven by receivable growth

CareCredit
- Loan Receivable growth led by dental and veterinary
- Interest and Fees on Loans up 7% 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'18	4Q'17	B/(W) $	B/(W) %
Total Interest Income	$4,876	$4,291	$585	14%
Total Interest Expense	543	375	(168)	(45)%
Net Interest Income (NII)	**4,333**	**3,916**	**417**	**11%**
Retailer Share Arrangements (RSA)	(855)	(779)	(76)	(10)%
NII, after RSA	**3,478**	**3,137**	**341**	**11%**
Provision for Loan Losses	1,452	1,354	(98)	(7)%
Other Income	64	62	2	3%
Other Expense	1,078	970	(108)	(11)%
Pre-Tax Earnings	**1,012**	**875**	**137**	**16%**
Provision for Income Taxes	229	490	261	53%
Net Earnings	**$783**	**$385**	**$398**	**103%**
Adjusted Net Earnings [a]	**$783**	**$545**	**$238**	**44%**
Diluted Earnings Per Share	**$1.09**	**$0.49**	**$0.60**	
Adjusted Diluted Earnings Per Share [a]	**$1.09**	**$0.70**	**$0.39**	

4Q'18 Highlights

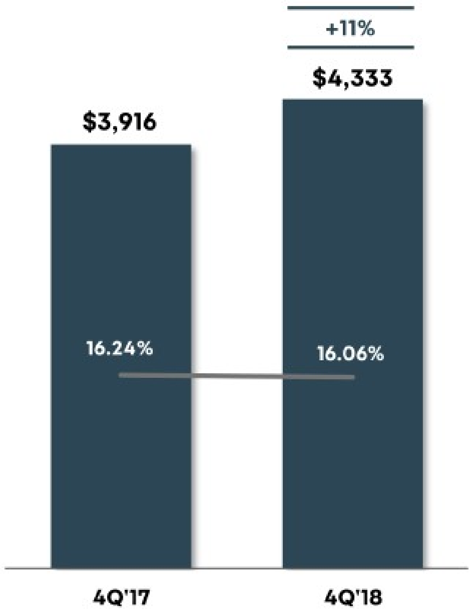
- **$783 million Net Earnings, $1.09 diluted EPS**
- **Net Interest Income up 11% driven by growth in Loan Receivables**
  - Interest and Fees on Loans up 13% driven by average Loan Receivables growth
  - Interest Expense increase driven by benchmark movement and growth
- **Retailer Share Arrangements up 10%**
  - Increase in line with receivable growth
- **Provision for Loan Losses up 7% driven by the PayPal Credit reserve build partially offset by moderating credit trends**
  - Net Charge-Offs of 5.54% compared to 5.78% in the prior year
- **Other Expense up 11%**
  - Driven primarily by growth

(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

Net Interest Income

Net Interest Income

$ in millions, % of average Interest-Earning Assets



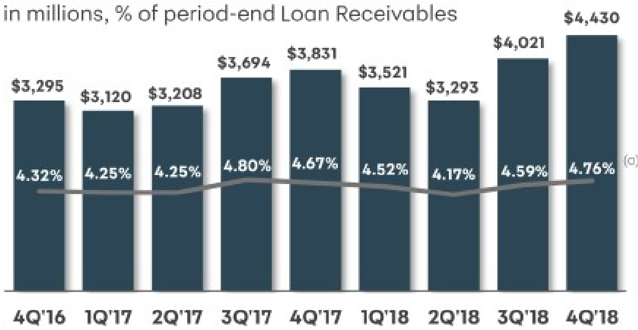
4Q'18 Highlights

- **Net Interest Income increased 11% compared to prior year driven by growth in Loan Receivables**
  - Interest and Fees on Loans increased 13% compared to prior year driven by average Loan Receivables growth
- **Net Interest Margin down 18bps.**
  - Loan Receivables mix as a percent of total Earning Assets increased from 81.9% to 83.5% driven primarily by the PayPal Credit program acquisition
  - Loan Receivables yield 21.20%, down 23bps. versus prior year primarily driven by the impact of the PayPal Credit program
  - Total Interest-Bearing Liabilities cost increased 52bps. to 2.48%, due to increased benchmark rates

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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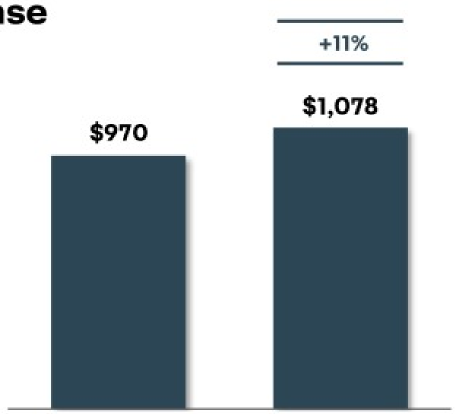
(a) Excluding the PayPal Credit program, 4Q'18 30+ Rate was down ~15bps. versus 4Q'17
(b) Excluding the PayPal Credit program, 4Q'18 Net Charge-Off rate was down ~10bps. versus 4Q'17
(c) Excluding the PayPal Credit program, 4Q'18 90+ Rate was down ~5bps. versus 4Q'17

Other Expense

Other Expense

$ in millions



	4Q'17	4Q'18	V$	V%
Employee Costs	$330	$353	$23	7%
Professional Fees	159	231	72	45%
Marketing/BD	156	166	10	6%
Information Processing	99	118	19	19%
Other	226	210	(16)	(7)%
Other Expense	$970	$1,078	$108	11%
Efficiency[a]	**30.3%**	**30.4%**		**0.1pts.**

4Q'18 Highlights

- **Other Expense up 11%**
  - Other Expense increase driven primarily by growth
- **Efficiency Ratio 30.4% vs. 30.3% prior year**

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

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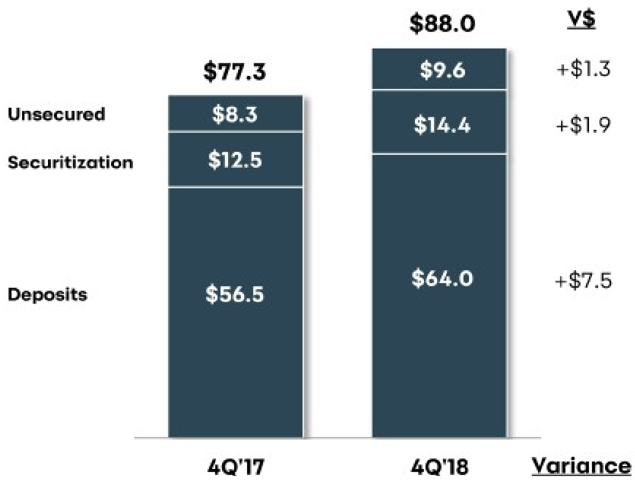
Funding, Capital and Liquidity

Funding Sources

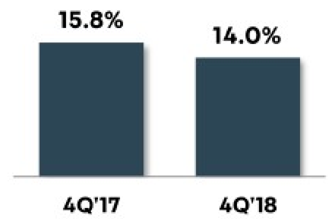
$ in billions



Deposits	73%	73%	- pts.
Securitization	16%	16%	- pts.
Unsecured	11%	11%	- pts.

Capital Ratios

Common equity Tier 1 % - Basel III fully phased-in



Liquidity[(a)]

$ in billions

	4Q'17	4Q'18
Liquid Assets	$15.1	$14.8
Undrawn Credit Facilities	6.0	4.4
Total Liquidity	**$21.1**	**$19.2**
% of Total Assets	**22.0%**	**18.0%**

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

2018 Performance

	2018 Outlook	2018 Actual	Drivers
Loan Receivables Growth	13% - 15%	14%	PayPal Credit program acquisition and solid organic growth driven by value propositions and strategic investments; underwriting refinements tempered growth
Net Interest Margin	15.75% - 16.00%	15.97%	Impacted by pre-funding PayPal Credit program acquisition, offset by favorable earning asset mix, lower deposit betas
RSAs/Average Receivables	4.2% - 4.4%[a]	3.7%	Driven by modest yield reduction from improving DQ trends, elimination of payments to Toys R Us and portfolio mix
Net Charge-Off Rate	5.5% - 5.8%	5.63%	Driven by moderating credit normalization trends
Efficiency Ratio	~ 31.0%	30.8%	Disciplined expense management partially offset by PayPal launch costs
ROA	~ 2.5%	2.8%	Lower than expected reserve build and more efficient balance sheet

(a) 2018 outlook updated from 4.2%-4.4% to ~4.0% on July 27, 2018 in the Company's Financial Results Presentation for the quarter ended June 30, 2018

2019 Outlook

	2019 Outlook Including Impact of Walmart Portfolio Conveyance [a]	Drivers
Core Loan Receivables Growth (Period-End 12/31/19 versus 12/31/18 excluding Walmart)	5% to 7%	Strong organic growth driven by value propositions and strategic investments
Net Interest Margin	15.75% - 16.00%	Consistent with 2018 Net Interest Margin level; Walmart portfolio conveyance may impact specific quarters
RSAs/Average Receivables	4.0% - 4.2%	Sale of Walmart portfolio largest driver; continued strong program performance, trending back closer to historical run rate
Net Charge-Off Rate	5.7% - 5.9%	Excluding PayPal Credit program and Walmart portfolio impact, the Net Charge-Off Rate expected to be flat to 2018
Efficiency Ratio	~ 31.0%	Cost actions related to Walmart portfolio to offset revenue impact
ROA	2.5% +	Consistent with historical return profile

(a) Assumes Walmart portfolio conveyance occurs in late 3Q'19 or early 4Q'19

Strategic Priorities

Grow our business through our three sales platforms

- Grow existing partner 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, AI, and digital capabilities

- Continue expansion of advanced analytics leveraging SKU level data & consumer behaviors driving sales and customer loyalty
- Further develop frictionless customer experiences and digitized environment through the use of customer journey insights
- Leverage alternative data and machine learning to further drive innovation, advanced underwriting and authentication

Position the business for long-term growth

- Explore opportunities to expand and diversify the business (e.g., healthcare finance, small business and proprietary networks)
- Continue to grow our Bank — launch new products and capabilities 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

- Drive 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 for the period ended December 31, 2017.

$ in millions, except per share statistics	Quarter Ended December 31, 2017
ADJUSTED NET EARNINGS	
GAAP net earnings	$385
Adjustment for tax law change	160
Adjusted net earnings	$545
ADJUSTED DILUTED EPS	
GAAP diluted EPS	$0.49
Adjustment for tax law change	0.21
Adjusted diluted EPS	$0.70

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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 financial measures that have been adjusted to exclude certain 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 certain impacts 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 the 2017 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.