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

April 21, 2020
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))

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.001 per share	SYF	New York Stock Exchange
Depositary Shares Each Representing a 1/40th Interest in a Share of 5.625% Fixed Rate Non-Cumulative Perpetual Preferred Stock, Series A	SYFPrA	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ¨

Item 2.02 Results of Operations and Financial Condition.

On April 21, 2020, Synchrony Financial (the “Company”) issued a press release setting forth the Company’s first quarter 2020 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 April 21, 2020, issued by Synchrony Financial
99.2	Financial Data Supplement of the Company for the quarter ended March 31, 2020
99.3	Financial Results Presentation of the Company for the quarter ended March 31, 2020
99.4	Explanation of Non-GAAP Measures
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL

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: April 21, 2020	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
Greg Ketron Sue Bishop
(203) 585-6291 (203) 585-2802

For Immediate Release: April 21, 2020

Synchrony Financial Reports First Quarter Net Earnings of $286 Million or $0.45 Per Diluted Share Increase in Provision for Credit Losses Includes CECL Impact of $101 Million or $0.13 Per Diluted Share

STAMFORD, Conn. – Synchrony Financial (NYSE: SYF) today announced first quarter 2020 earnings results amid the global Coronavirus (COVID-19) pandemic. As a company founded in 1932 to help people during the great depression, the company is committed to supporting its employees, partners, customers and communities during the uncertainty of today's health and economic crisis.

"I am encouraged and inspired by the resolve of our society to come together in moments of crisis. To all those working around the clock - especially our healthcare professionals and first responders on the front lines, and those behind the scenes, including our dedicated employees who are working to serve our customers and partners, thank you. Supporting our communities is paramount and Synchrony will continue to do all we can to support those who support us," said Margaret Keane, Chief Executive Officer of Synchrony Financial.

Synchrony reported first quarter 2020 net earnings of $286 million, or $0.45 per diluted share; this includes an increase in the provision for credit losses as a result of CECL implementation in January 2020 of $101 million, or $76 million after-tax, which equates to an EPS reduction of $0.13. Highlights included*:

- Loan receivables increased 3% to $82.5 billion; loan receivables grew 4% on a Core** basis
- Interest and fees on loans decreased 7% to $4.3 billion; interest and fees on loans increased 5% on a Core basis
- Purchase volume decreased 1% to $32.0 billion; purchase volume was up 6% on a Core basis
- Average active accounts decreased 7% to 72 million; average active accounts grew 4% on a Core basis
- Deposits grew $0.5 billion, or 1%, to $64.6 billion
- Significant actions taken in response to COVID-19: taking action to ensure the health and safety of employees and stabilize operations while mitigating the uncertainty and financial pressures faced by consumers and partners
- Extended and renewed several key relationships and continue to work with both Verizon and Venmo to prepare for launches later this year
- Paid quarterly common stock dividend of $0.22 per share and repurchased $1.0 billion of Synchrony Financial common stock; suspended remaining authorized share repurchase capacity of $366 million in response to COVID-19

"The underlying strength of our business and balance sheet, combined with our experience, heritage, culture and talented employees will enable us to navigate these uncertain times. Our focus is clear and we have prioritized to deliver on the most critical initiatives to ensure success: we will protect our employees while continuing to deliver for our cardholders, retailers, merchants and providers," said Margaret Keane, Chief Executive Officer of Synchrony Financial.

Business and Financial Highlights for the First Quarter of 2020*

Earnings

- Net interest income decreased $336 million, or 8%, to $3.9 billion, mainly due to the Walmart consumer portfolio sale.
- Retailer share arrangements decreased $28 million, or 3%, to $926 million, mainly driven by a higher credit loss reserve build related to COVID-19.
- Provision for credit losses increased $818 million, or 95%, to $1.7 billion, mainly driven by the Walmart credit loss reserve reduction last year that totaled $522 million and a higher reserve build related to COVID-19 and CECL in the first quarter, partially offset by lower net charge-offs.
- Other income increased $5 million, or 5%, to $97 million.
- Other expense decreased $41 million, or 4%, mainly due to the cost reductions from Walmart.
- Net earnings totaled $286 million compared to $1.1 billion last year.

Balance Sheet

- Period-end loan receivables increased 3%; on a Core basis, loan receivables increased 4%; purchase volume growth was 6% and average active accounts increased 4%.
- Deposits grew to $64.6 billion, up $0.5 billion, or 1%, and comprised 79% of funding.
- The Company's balance sheet remained strong with total liquidity (liquid assets and undrawn credit facilities) of $24.8 billion, or 25.3% of total assets.
- The Company has elected to defer the regulatory capital effects of CECL for two years; the estimated Common Equity Tier 1 ratio was 14.3%, compared to 14.5%, and the estimated Tier 1 Capital ratio was 15.2% compared to 14.5%, reflecting the Company's strong capital generation capabilities while deploying capital through organic growth, program acquisitions, and continued execution of our capital plans. The estimated Tier 1 Capital ratio also reflects the $750 million preferred stock issuance in November 2019.

Key Financial Metrics

- Return on assets was 1.1% and return on equity was 9.1%.
- Net interest margin was 15.15%.
- Efficiency ratio was 32.7%.

Credit Quality

- Loans 30+ days past due as a percentage of total period-end loan receivables were 4.24% compared to 4.92% last year; excluding the Walmart consumer portfolio, the rate was down approximately 15 basis points compared to last year.
- Net charge-offs as a percentage of total average loan receivables were 5.36% compared to 6.06% last year; excluding the Walmart consumer portfolio, the rate decreased approximately 15 basis points compared to last year.
- The allowance for credit losses as a percentage of total period-end loan receivables was 11.13%, which included a $3.0 billion increase in the allowance upon the adoption of CECL on January 1, 2020.

Sales Platforms

- Retail Card period-end loan receivables grew 2%; period-end loan receivables increased 3% on a Core basis primarily driven by digital partners. Interest and fees on loans decreased 12%, purchase volume decreased 3%, and average active accounts decreased 10%, primarily driven by the sale of the Walmart consumer portfolio.

- Payment Solutions period-end loan receivables grew 3%; period-end loan receivables increased 7% on a Core basis led by home furnishings and home specialty. Interest and fees on loans increased 3%, primarily driven by the loan receivables growth. Purchase volume growth was 2% and average active accounts increased 2%.
- CareCredit period-end loan receivables grew 7%, led by dental and veterinary. Interest and fees on loans increased 9%, primarily driven by the loan receivables growth. Purchase volume growth was 2% and average active accounts increased 5%.

** All comparisons are for the first quarter of 2020 compared to the first quarter of 2019, unless otherwise noted.*
*** Financial measures shown above on a Core basis are non-GAAP measures and exclude from both the prior year and the current year amounts related to the Walmart and Yamaha portfolios, sold in October 2019 and January 2020, respectively. See non-GAAP reconciliation in the financial tables.*

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, 2019, as filed February 13, 2020, and the Company's forthcoming Quarterly Report on Form 10-Q for the quarter ended March 31, 2020. 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 Tuesday, April 21, 2020, at 8:30 a.m. Eastern Time, Margaret Keane, Chief Executive Officer, Brian Doubles, President, and Brian Wenzel, 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 12020#, and can be accessed beginning approximately two hours after the event through May 5, 2020.

About Synchrony Financial

Synchrony (NYSE: SYF) is a premier consumer financial services company. We deliver a wide range of specialized financing programs, as well as innovative consumer banking products, across key industries including digital, retail, home, auto, travel, health and pet. Synchrony enables our partners to grow sales and loyalty with consumers. We are one of the largest issuers of private label credit cards in the United States; we also offer co-branded products, installment loans and consumer financing products for small- and medium-sized businesses, as well as healthcare providers.

Synchrony is changing what's possible through our digital capabilities, deep industry expertise, actionable data insights, frictionless customer experience and customized financing solutions.

For more information, visit www.synchrony.com and 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, including the future impacts of the novel coronavirus disease (“COVID-19”) outbreak and measures taken in response thereto for which future developments are highly uncertain and difficult to predict; retaining existing partners and attracting new partners, concentration of our revenue in a small number of Retail Card partners, and promotion and support of our products by our partners; cyber-attacks or other security breaches; disruptions in the operations of our computer systems and data centers; the financial performance of our partners; the sufficiency of our allowance for credit losses and the accuracy of the assumptions or estimates used in preparing our financial statements, including those related to the new CECL accounting guidance; 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; damage to our reputation; 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; 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; reductions in interchange fees; fraudulent activity; failure of third parties to provide various services that are important to our operations; 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; 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 other legislative and regulatory developments 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 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, 2019, as filed on February 13, 2020, and the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, as filed on April 21, 2020. 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 “Core” financial measures that have been adjusted to exclude amounts related to the Walmart and Yamaha portfolios, sold in October 2019 and January 2020, respectively, 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						
	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	1Q'20 vs. 1Q'19	
EARNINGS							
Net interest income	$ 3,890	$ 4,029	$ 4,389	$ 4,155	$ 4,226	$ (336)	(8.0)%
Retailer share arrangements	(926)	(1,029)	(1,016)	(859)	(954)	28	(2.9)%
Provision for credit losses	1,677	1,104	1,019	1,198	859	818	95.2 %
Net interest income, after retailer share arrangements and provision for credit losses	1,287	1,896	2,354	2,098	2,413	(1,126)	(46.7)%
Other income	97	104	85	90	92	5	5.4 %
Other expense	1,002	1,079	1,064	1,059	1,043	(41)	(3.9)%
Earnings before provision for income taxes	382	921	1,375	1,129	1,462	(1,080)	(73.9)%
Provision for income taxes	96	190	319	276	355	(259)	(73.0)%
Net earnings	$ 286	$ 731	$ 1,056	$ 853	$ 1,107	$ (821)	(74.2)%
Net earnings available to common stockholders	$ 275	$ 731	$ 1,056	$ 853	$ 1,107	$ (832)	(75.2)%
COMMON SHARE STATISTICS							
Basic EPS	$ 0.45	$ 1.15	$ 1.60	$ 1.25	$ 1.57	$ (1.12)	(71.3)%
Diluted EPS	$ 0.45	$ 1.15	$ 1.60	$ 1.24	$ 1.56	$ (1.11)	(71.2)%
Dividend declared per share	$ 0.22	$ 0.22	$ 0.22	$ 0.21	$ 0.21	$ 0.01	4.8 %
Common stock price	$ 16.09	$ 36.01	$ 34.09	$ 34.67	$ 31.90	$ (15.81)	(49.6)%
Book value per share	$ 19.27	$ 23.31	$ 23.13	$ 22.03	$ 21.35	$ (2.08)	(9.7)%
Tangible common equity per share(1)	$ 15.35	$ 19.50	$ 19.68	$ 18.60	$ 17.96	$ (2.61)	(14.5)%
Beginning common shares outstanding	615.9	653.7	668.9	688.8	718.8	(102.9)	(14.3)%
Issuance of common shares	—	—	—	—	—	—	— %
Stock-based compensation	0.9	0.6	0.4	1.2	0.9	—	— %
Shares repurchased	(33.6)	(38.4)	(15.6)	(21.1)	(30.9)	(2.7)	8.7 %
Ending common shares outstanding	583.2	615.9	653.7	668.9	688.8	(105.6)	(15.3)%
Weighted average common shares outstanding	604.9	633.7	658.3	683.6	706.3	(101.4)	(14.4)%
Weighted average common shares outstanding (fully diluted)	607.4	637.7	661.7	686.5	708.9	(101.5)	(14.3)%

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

SYNCHRONY FINANCIAL

SELECTED METRICS

(unaudited, $ in millions)

	Quarter Ended					
	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	1Q'20 vs. 1Q'19
PERFORMANCE METRICS						
Return on assets(1)	1.1%	2.7%	3.9%	3.3%	4.3%	(3.2)%
Return on equity(2)	9.1%	19.0%	28.3%	23.1%	30.4%	(21.3)%
Return on tangible common equity(3)	11.6%	23.0%	33.4%	27.4%	35.8%	(24.2)%
Net interest margin(4)	15.15%	15.01%	16.29%	15.75%	16.08%	(0.93)%
Efficiency ratio(5)	32.7%	34.8%	30.8%	31.3%	31.0%	1.7 %
Other expense as a % of average loan receivables, including held for sale	4.77%	5.01%	4.66%	4.78%	4.71%	0.06 %
Effective income tax rate	25.1%	20.6%	23.2%	24.4%	24.3%	0.8 %
CREDIT QUALITY METRICS						
Net charge-offs as a % of average loan receivables, including held for sale	5.36%	5.15%	5.35%	6.01%	6.06%	(0.70)%
30+ days past due as a % of period-end loan receivables(6)	4.24%	4.44%	4.47%	4.43%	4.92%	(0.68)%
90+ days past due as a % of period-end loan receivables(6)	2.10%	2.15%	2.07%	2.16%	2.51%	(0.41)%
Net charge-offs	$ 1,125	$ 1,109	$ 1,221	$ 1,331	$ 1,344	$ (219) (16.3)%
Loan receivables delinquent over 30 days(6)	$ 3,500	$ 3,874	$ 3,723	$ 3,625	$ 3,957	$ (457) (11.5)%
Loan receivables delinquent over 90 days(6)	$ 1,735	$ 1,877	$ 1,723	$ 1,768	$ 2,019	$ (284) (14.1)%
Allowance for credit losses (period-end)	$ 9,175	$ 5,602	$ 5,607	$ 5,809	$ 5,942	$ 3,233 54.4 %
Allowance coverage ratio(7)	11.13%	6.42%	6.74%	7.10%	7.39%	3.74 %
BUSINESS METRICS						
Purchase volume(8)(9)	$ 32,042	$ 40,212	$ 38,395	$ 38,291	$ 32,513	$ (471) (1.4)%
Period-end loan receivables	$ 82,469	$ 87,215	$ 83,207	$ 81,796	$ 80,405	$ 2,064 2.6 %
Credit cards	$ 79,832	$ 84,606	$ 79,788	$ 78,446	$ 77,251	$ 2,581 3.3 %
Consumer installment loans	$ 1,390	$ 1,347	$ 2,050	$ 1,983	$ 1,860	$ (470) (25.3)%
Commercial credit products	$ 1,203	$ 1,223	$ 1,317	$ 1,328	$ 1,256	$ (53) (4.2)%
Other	$ 44	$ 39	$ 52	$ 39	$ 38	$ 6 15.8 %
Average loan receivables, including held for sale	$ 84,428	$ 85,376	$ 90,556	$ 88,792	$ 89,903	$ (5,475) (6.1)%
Period-end active accounts (in thousands)(9)(10)	68,849	75,471	77,094	76,065	74,812	(5,963) (8.0)%
Average active accounts (in thousands)(9)(10)	72,078	73,734	76,695	75,525	77,132	(5,054) (6.6)%
LIQUIDITY						
Liquid assets						
Cash and equivalents	$ 13,704	$ 12,147	$ 11,461	$ 11,755	$ 12,963	$ 741 5.7 %
Total liquid assets	$ 19,225	$ 17,322	$ 15,201	$ 16,665	$ 17,360	$ 1,865 10.7 %
Undrawn credit facilities						
Undrawn credit facilities	$ 5,600	$ 6,050	$ 6,500	$ 7,050	$ 6,050	$ (450) (7.4)%
Total liquid assets and undrawn credit facilities	$ 24,825	$ 23,372	$ 21,701	$ 23,715	$ 23,410	$ 1,415 6.0 %
Liquid assets % of total assets	19.61%	16.52%	14.35%	15.66%	16.47%	3.14 %
Liquid assets including undrawn credit facilities % of total assets	25.32%	22.30%	20.48%	22.29%	22.21%	3.11 %

(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 available to common stockholders 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) Net interest margin represents net interest income divided by average interest-earning assets.

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

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

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

(8) 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.

(9) Includes activity and accounts associated with loan receivables held for sale.

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

SYNCHRONY FINANCIAL
STATEMENTS OF EARNINGS
(unaudited, $ in millions)

	Quarter Ended						
	Mar 31, 2020	**Dec 31, 2019**	**Sep 30, 2019**	**Jun 30, 2019**	**Mar 31, 2019**	**1Q'20 vs. 1Q'19**	
Interest income:							
Interest and fees on loans	$ 4,340	$ 4,492	$ 4,890	$ 4,636	$ 4,687	$ (347)	(7.4)%
Interest on cash and debt securities	67	93	91	102	99	(32)	(32.3)%
Total interest income	4,407	4,585	4,981	4,738	4,786	(379)	(7.9)%
Interest expense:							
Interest on deposits	356	383	411	397	375	(19)	(5.1)%
Interest on borrowings of consolidated securitization entities	73	80	88	90	100	(27)	(27.0)%
Interest on senior unsecured notes	88	93	93	96	85	3	3.5 %
Total interest expense	517	556	592	583	560	(43)	(7.7)%
Net interest income	3,890	4,029	4,389	4,155	4,226	(336)	(8.0)%
Retailer share arrangements	(926)	(1,029)	(1,016)	(859)	(954)	28	(2.9)%
Provision for credit losses	1,677	1,104	1,019	1,198	859	818	95.2 %
Net interest income, after retailer share arrangements and provision for credit losses	1,287	1,896	2,354	2,098	2,413	(1,126)	(46.7)%
Other income:							
Interchange revenue	161	192	197	194	165	(4)	(2.4)%
Debt cancellation fees	69	64	64	69	68	1	1.5 %
Loyalty programs	(158)	(181)	(203)	(192)	(167)	9	(5.4)%
Other	25	29	27	19	26	(1)	(3.8)%
Total other income	97	104	85	90	92	5	5.4 %
Other expense:							
Employee costs	324	385	359	358	353	(29)	(8.2)%
Professional fees	197	199	205	231	232	(35)	(15.1)%
Marketing and business development	111	152	139	135	123	(12)	(9.8)%
Information processing	123	122	127	123	113	10	8.8 %
Other	247	221	234	212	222	25	11.3 %
Total other expense	1,002	1,079	1,064	1,059	1,043	(41)	(3.9)%
Earnings before provision for income taxes	382	921	1,375	1,129	1,462	(1,080)	(73.9)%
Provision for income taxes	96	190	319	276	355	(259)	(73.0)%
Net earnings	$ 286	$ 731	$ 1,056	$ 853	$ 1,107	$ (821)	(74.2)%
Net earnings available to common stockholders	$ 275	$ 731	$ 1,056	$ 853	$ 1,107	$ (832)	(75.2)%

SYNCHRONY FINANCIAL

STATEMENTS OF FINANCIAL POSITION

(unaudited, $ in millions)

	Quarter Ended						
	Mar 31, 2020	**Dec 31, 2019**	**Sep 30, 2019**	**Jun 30, 2019**	**Mar 31, 2019**	**Mar 31, 2020 vs. Mar 31, 2019**	
Assets							
Cash and equivalents	$ 13,704	$ 12,147	$ 11,461	$ 11,755	$ 12,963	$ 741	5.7 %
Debt securities	6,146	5,911	4,584	6,147	5,506	640	11.6 %
Loan receivables:							
Unsecuritized loans held for investment	54,765	58,398	56,220	55,178	54,907	(142)	(0.3)%
Restricted loans of consolidated securitization entities	27,704	28,817	26,987	26,618	25,498	2,206	8.7 %
Total loan receivables	82,469	87,215	83,207	81,796	80,405	2,064	2.6 %
Less: Allowance for credit losses(1)	(9,175)	(5,602)	(5,607)	(5,809)	(5,942)	(3,233)	54.4 %
Loan receivables, net	73,294	81,613	77,600	75,987	74,463	(1,169)	(1.6)%
Loan receivables held for sale	5	725	8,182	8,096	8,052	(8,047)	(99.9)%
Goodwill	1,078	1,078	1,078	1,078	1,076	2	0.2 %
Intangible assets, net	1,208	1,265	1,177	1,215	1,259	(51)	(4.1)%
Other assets	2,603	2,087	1,861	2,110	2,065	538	26.1 %
Total assets	$ 98,038	$ 104,826	$ 105,943	$ 106,388	$ 105,384	$ (7,346)	(7.0)%
Liabilities and Equity							
Deposits:							
Interest-bearing deposit accounts	$ 64,302	$ 64,877	$ 65,677	$ 65,382	$ 63,787	$ 515	0.8 %
Non-interest-bearing deposit accounts	313	277	295	263	273	40	14.7 %
Total deposits	64,615	65,154	65,972	65,645	64,060	555	0.9 %
Borrowings:							
Borrowings of consolidated securitization entities	9,291	10,412	10,912	11,941	12,091	(2,800)	(23.2)%
Senior unsecured notes	7,957	9,454	9,451	9,303	9,800	(1,843)	(18.8)%
Total borrowings	17,248	19,866	20,363	21,244	21,891	(4,643)	(21.2)%
Accrued expenses and other liabilities	4,205	4,718	4,488	4,765	4,724	(519)	(11.0)%
Total liabilities	86,068	89,738	90,823	91,654	90,675	(4,607)	(5.1)%
Equity:							
Preferred stock	734	734	—	—	—	734	NM
Common stock	1	1	1	1	1	—	— %
Additional paid-in capital	9,523	9,537	9,520	9,500	9,489	34	0.4 %
Retained earnings	9,960	12,117	11,533	10,627	9,939	21	0.2 %
Accumulated other comprehensive income:	(49)	(58)	(44)	(43)	(56)	7	(12.5)%
Treasury stock	(8,199)	(7,243)	(5,890)	(5,351)	(4,664)	(3,535)	75.8 %
Total equity	11,970	15,088	15,120	14,734	14,709	(2,739)	(18.6)%
Total liabilities and equity	$ 98,038	$ 104,826	$ 105,943	$ 106,388	$ 105,384	$ (7,346)	(7.0)%

(1) Effective January 1, 2020, the Company adopted ASU 2016-13, Financial Instruments-Credit Losses ("CECL") that measures the allowance for credit losses based on management's best estimate of expected credit losses for the life of our loan receivables. Prior periods presented reflect measurement of the allowance based on management's estimate of probable incurred credit losses in accordance with the previous accounting guidance effective for those periods.

SYNCHRONY FINANCIAL

AVERAGE BALANCES, NET INTEREST INCOME AND NET INTEREST MARGIN

(unaudited, $ in millions)

	Quarter Ended														
	Mar 31, 2020			Dec 31, 2019			Sep 30, 2019			Jun 30, 2019			Mar 31, 2019		
	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	$ 12,902	$ 42	1.31%	$ 16,269	$ 68	1.66%	$ 10,947	$ 59	2.14%	$ 10,989	$ 66	2.41%	$ 11,033	$ 65	2.39%
Securities available for sale	5,954	25	1.69%	4,828	25	2.05%	5,389	32	2.36%	6,010	36	2.40%	5,640	34	2.44%
Loan receivables, including held for sale:															
Credit cards	81,716	4,272	21.03%	81,960	4,409	21.34%	87,156	4,807	21.88%	85,488	4,557	21.38%	86,768	4,611	21.55%
Consumer installment loans	1,432	35	9.83%	2,058	48	9.25%	2,022	48	9.42%	1,924	44	9.17%	1,844	42	9.24%
Commercial credit products	1,243	33	10.68%	1,311	34	10.29%	1,329	35	10.45%	1,330	34	10.25%	1,252	34	11.01%
Other	37	—	—%	47	1	NM	49	—	—%	50	1	NM	39	—	—%
Total loan receivables, including held for sale	84,428	4,340	20.67%	85,376	4,492	20.87%	90,556	4,890	21.42%	88,792	4,636	20.94%	89,903	4,687	21.14%
Total interest-earning assets	103,284	4,407	17.16%	106,473	4,585	17.08%	106,892	4,981	18.49%	105,791	4,738	17.96%	106,576	4,786	18.21%
Non-interest-earning assets:															
Cash and due from banks	1,450			1,326			1,374			1,271			1,335		
Allowance for credit losses	(8,708)			(5,593)			(5,773)			(5,911)			(6,341)		
Other assets	4,696			3,872			3,920			3,752			3,729		
Total non-interest-earning assets	(2,562)			(395)			(479)			(888)			(1,277)		
Total assets	$ 100,722			$ 106,078			$ 106,413			$ 104,903			$ 105,299		
Liabilities															
Interest-bearing liabilities:															
Interest-bearing deposit accounts	$ 64,366	$ 356	2.22%	$ 65,380	$ 383	2.32%	$ 65,615	$ 411	2.49%	$ 64,226	$ 397	2.48%	$ 63,776	$ 375	2.38%
Borrowings of consolidated securitization entities	9,986	73	2.94%	10,831	80	2.93%	11,770	88	2.97%	11,785	90	3.06%	13,407	100	3.02%
Senior unsecured notes	8,807	88	4.02%	9,452	93	3.90%	9,347	93	3.95%	9,543	96	4.03%	8,892	85	3.88%
Total interest-bearing liabilities	83,159	517	2.50%	85,663	556	2.58%	86,732	592	2.71%	85,554	583	2.73%	86,075	560	2.64%
Non-interest-bearing liabilities															
Non-interest-bearing deposit accounts	299			281			283			271			286		
Other liabilities	4,672			4,906			4,570			4,260			4,148		
Total non-interest-bearing liabilities	4,971			5,187			4,853			4,531			4,434		
Total liabilities	88,130			90,850			91,585			90,085			90,509		
Equity															
Total equity	12,592			15,228			14,828			14,818			14,790		
Total liabilities and equity	$ 100,722			$ 106,078			$ 106,413			$ 104,903			$ 105,299		
Net interest income		$ 3,890			$ 4,029			$ 4,389			$ 4,155			$ 4,226	
Interest rate spread(1)			14.66%			14.50%			15.78%			15.23%			15.57%
Net interest margin(2)			15.15%			15.01%			16.29%			15.75%			16.08%

(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					
	Mar 31, 2020	**Dec 31, 2019**	**Sep 30, 2019**	**Jun 30, 2019**	**Mar 31, 2019**	**Mar 31, 2020 vs. Mar 31, 2019**	
BALANCE SHEET STATISTICS							
Total common equity	$ 11,236	$ 14,354	$ 15,120	$ 14,734	$ 14,709	$ (3,473)	(23.6)%
Total common equity as a % of total assets	11.46%	13.69%	14.27%	13.85%	13.96%		(2.50)%
Tangible assets	$ 95,752	$ 102,483	$ 103,688	$ 104,095	$ 103,049	$ (7,297)	(7.1)%
Tangible common equity[1]	$ 8,950	$ 12,011	$ 12,865	$ 12,441	$ 12,374	$ (3,424)	(27.7)%
Tangible common equity as a % of tangible assets[1]	9.35%	11.72%	12.41%	11.95%	12.01%		(2.66)%
Tangible common equity per share[1]	$ 15.35	$ 19.50	$ 19.68	$ 18.60	$ 17.96	$ (2.61)	(14.5)%

REGULATORY CAPITAL RATIOS[2][3]	**Basel III - CECL Transition**	**Basel III**			
Total risk-based capital ratio[4]	16.5%	16.3%	15.8%	15.6%	15.8%
Tier 1 risk-based capital ratio[5]	15.2%	15.0%	14.5%	14.3%	14.5%
Tier 1 leverage ratio[6]	12.3%	12.6%	12.6%	12.4%	12.3%
Common equity Tier 1 capital ratio	14.3%	14.1%	14.5%	14.3%	14.5%

(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 ratios at March 31, 2020 are preliminary and therefore subject to change.

(3) Capital ratios at March 31, 2020 reflect election to delay for two years an estimate of CECL's effect on regulatory capital in accordance with the interim final rule issued by U.S. banking agencies in March 2020.

(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						
	Mar 31, 2020	**Dec 31, 2019**	**Sep 30, 2019**	**Jun 30, 2019**	**Mar 31, 2019**	**1Q'20 vs. 1Q'19**	
RETAIL CARD							
Purchase volume[1][2]	$ 24,008	$ 30,968	$ 29,282	$ 29,530	$ 24,660	$ (652)	(2.6)%
Period-end loan receivables	$ 52,390	$ 56,387	$ 52,697	$ 52,307	$ 51,572	$ 818	1.6 %
Average loan receivables, including held for sale	$ 53,820	$ 54,505	$ 60,660	$ 59,861	$ 60,964	$ (7,144)	(11.7)%
Average active accounts (in thousands)[2][3]	53,018	54,662	58,082	57,212	58,632	(5,614)	(9.6)%
Interest and fees on loans	$ 3,037	$ 3,143	$ 3,570	$ 3,390	$ 3,454	$ (417)	(12.1)%
Other income	$ 59	$ 77	$ 65	$ 59	$ 76	$ (17)	(22.4)%
Retailer share arrangements	$ (904)	$ (988)	$ (998)	$ (836)	$ (940)	$ 36	(3.8)%
PAYMENT SOLUTIONS							
Purchase volume[1][2]	$ 5,375	$ 6,402	$ 6,281	$ 5,948	$ 5,249	$ 126	2.4 %
Period-end loan receivables	$ 19,973	$ 20,528	$ 20,478	$ 19,766	$ 19,379	$ 594	3.1 %
Average loan receivables, including held for sale	$ 20,344	$ 20,701	$ 20,051	$ 19,409	$ 19,497	$ 847	4.3 %
Average active accounts (in thousands)[2][3]	12,681	12,713	12,384	12,227	12,406	275	2.2 %
Interest and fees on loans	$ 706	$ 737	$ 721	$ 685	$ 686	$ 20	2.9 %
Other income	$ 13	$ 4	$ (1)	$ 11	$ 1	$ 12	NM
Retailer share arrangements	$ (18)	$ (37)	$ (15)	$ (21)	$ (12)	$ (6)	50.0 %
CARECREDIT							
Purchase volume[1]	$ 2,659	$ 2,842	$ 2,832	$ 2,813	$ 2,604	$ 55	2.1 %
Period-end loan receivables	$ 10,106	$ 10,300	$ 10,032	$ 9,723	$ 9,454	$ 652	6.9 %
Average loan receivables, including held for sale	$ 10,264	$ 10,170	$ 9,845	$ 9,522	$ 9,442	$ 822	8.7 %
Average active accounts (in thousands)[3]	6,379	6,359	6,229	6,086	6,094	285	4.7 %
Interest and fees on loans	$ 597	$ 612	$ 599	$ 561	$ 547	$ 50	9.1 %
Other income	$ 25	$ 23	$ 21	$ 20	$ 15	$ 10	66.7 %
Retailer share arrangements	$ (4)	$ (4)	$ (3)	$ (2)	$ (2)	$ (2)	100.0 %
TOTAL SYF							
Purchase volume[1][2]	$ 32,042	$ 40,212	$ 38,395	$ 38,291	$ 32,513	$ (471)	(1.4)%
Period-end loan receivables	$ 82,469	$ 87,215	$ 83,207	$ 81,796	$ 80,405	$ 2,064	2.6 %
Average loan receivables, including held for sale	$ 84,428	$ 85,376	$ 90,556	$ 88,792	$ 89,903	$ (5,475)	(6.1)%
Average active accounts (in thousands)[2][3]	72,078	73,734	76,695	75,525	77,132	(5,054)	(6.6)%
Interest and fees on loans	$ 4,340	$ 4,492	$ 4,890	$ 4,636	$ 4,687	$ (347)	(7.4)%
Other income	$ 97	$ 104	$ 85	$ 90	$ 92	$ 5	5.4 %
Retailer share arrangements	$ (926)	$ (1,029)	$ (1,016)	$ (859)	$ (954)	$ 28	(2.9)%

(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				
	Mar 31, 2020	**Dec 31, 2019**	**Sep 30, 2019**	**Jun 30, 2019**	**Mar 31, 2019**
COMMON EQUITY AND REGULATORY CAPITAL MEASURES[2]					
GAAP Total equity	$ 11,970	$ 15,088	$ 15,120	$ 14,734	$ 14,709
Less: Preferred stock	(734)	(734)	—	—	—
Less: Goodwill	(1,078)	(1,078)	(1,078)	(1,078)	(1,076)
Less: Intangible assets, net	(1,208)	(1,265)	(1,177)	(1,215)	(1,259)
Tangible common equity	$ 8,950	$ 12,011	$ 12,865	$ 12,441	$ 12,374
Add: CECL transition amount	2,417	—	—	—	—
Adjustments for certain deferred tax liabilities and certain items in accumulated comprehensive income (loss)	304	319	290	283	287
Common equity Tier 1	$ 11,671	$ 12,330	$ 13,155	$ 12,724	$ 12,661
Preferred stock	734	734	—	—	—
Tier 1 capital	$ 12,405	$ 13,064	$ 13,155	$ 12,724	$ 12,661
Add: Allowance for credit losses includible in risk-based capital	1,082	1,147	1,190	1,169	1,152
Total Risk-based capital	$ 13,487	$ 14,211	$ 14,345	$ 13,893	$ 13,813
ASSET MEASURES[2]					
Total average assets	$ 100,722	$ 106,078	$ 106,413	$ 104,903	$ 105,299
Adjustments for:					
Add: CECL transition amount	2,417	—	—	—	—
Disallowed goodwill and other disallowed intangible assets (net of related deferred tax liabilities) and other	(2,010)	(2,059)	(1,975)	(2,003)	(2,039)
Total assets for leverage purposes	$ 101,129	$ 104,019	$ 104,438	$ 102,900	$ 103,260
Risk-weighted assets	$ 81,639	$ 87,302	$ 90,772	$ 88,890	$ 87,331
CECL FULLY PHASED-IN CAPITAL MEASURES					
Tier 1 capital	$ 12,405	$ 13,064	$ 13,155	$ 12,724	$ 12,661
Less: CECL transition adjustment	(2,417)	—	—	—	—
Tier 1 capital (CECL fully phased-in)	$ 9,988	$ 13,064	$ 13,155	$ 12,724	$ 12,661
Add: Allowance for credit losses	9,175	5,602	5,607	5,809	5,942
Tier 1 capital (CECL fully phased-in) + Reserves for credit losses	$ 19,163	$ 18,666	$ 18,762	$ 18,533	$ 18,603
Risk-weighted assets	$ 81,639	$ 87,302	$ 90,772	$ 88,890	$ 87,331
Less: CECL transition adjustment	(2,204)	—	—	—	—
Risk-weighted assets (CECL fully phased-in)	$ 79,435	$ 87,302	$ 90,772	$ 88,890	$ 87,331
TANGIBLE COMMON EQUITY PER SHARE					
GAAP book value per share	$ 19.27	$ 23.31	$ 23.13	$ 22.03	$ 21.35
Less: Goodwill	(1.85)	(1.75)	(1.65)	(1.61)	(1.56)
Less: Intangible assets, net	(2.07)	(2.06)	(1.80)	(1.82)	(1.83)
Tangible common equity per share	$ 15.35	$ 19.50	$ 19.68	$ 18.60	$ 17.96

(1) Regulatory measures at March 31, 2020 are presented on an estimated basis.

(2) Capital ratios at March 31, 2020 reflect election to delay for two years an estimate of CECL's effect on regulatory capital in accordance with the interim final rule issued by U.S. banking agencies in March 2020.

SYNCHRONY FINANCIAL

RECONCILIATION OF NON-GAAP MEASURES (Continued)

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

	Quarter Ended				
	Mar 31, 2020	**Dec 31, 2019**	**Sep 30, 2019**	**Jun 30, 2019**	**Mar 31, 2019**
ALLOWANCE FOR LOAN LOSSES (1)					
Allowance for credit losses	$ 9,175	N/A	N/A	N/A	N/A
Less: Impact from CECL(2)	(3,122)	—	—	—	—
Allowance for loan losses(1)	$ 6,053	$ 5,602	$ 5,607	$ 5,809	$ 5,942
ALLOWANCE FOR LOAN LOSSES AS A % OF PERIOD-END LOAN RECEIVABLES					
Allowance for credit losses as a % of period-end loan receivables	11.13 %	N/A	N/A	N/A	N/A
Less: Impact from CECL(2)	(3.79)%	—%	—%	—%	—%
Allowance for loan losses as a % of period-end loan receivables	7.34 %	6.42%	6.74%	7.10%	7.39%
CORE PURCHASE VOLUME					
Purchase Volume	$ 32,042	$ 40,212	$ 38,395	$ 38,291	$ 32,513
Less: Walmart and Yamaha Purchase volume	—	(267)	(2,381)	(2,512)	(2,151)
Core Purchase volume	$ 32,042	$ 39,945	$ 36,014	$ 35,779	$ 30,362
CORE LOAN RECEIVABLES					
Loan receivables	$ 82,469	$ 87,215	$ 83,207	$ 81,796	$ 80,405
Less: Walmart and Yamaha Loan receivables	—	(3)	(872)	(1,188)	(1,420)
Core Loan receivables	$ 82,469	$ 87,212	$ 82,335	$ 80,608	$ 78,985
Retail Card Loan receivables	$ 52,390	$ 56,387	$ 52,697	$ 52,307	$ 51,572
Less: Walmart Loan receivables	—	—	(112)	(431)	(692)
Core Loan receivables	$ 52,390	$ 56,387	$ 52,585	$ 51,876	$ 50,880
Payment Solutions Loan receivables	$ 19,973	$ 20,528	$ 20,478	$ 19,766	$ 19,379
Less: Yamaha Loan receivables	—	(3)	(760)	(757)	(728)
Core Loan receivables	$ 19,973	$ 20,525	$ 19,718	$ 19,009	$ 18,651
CORE AVERAGE ACTIVE ACCOUNTS (in thousands)					
Average active accounts (in thousands)	72,078	73,734	76,695	75,525	77,132
Less: Walmart and Yamaha average Active accounts (in thousands)	—	(1,777)	(7,001)	(7,215)	(7,618)
Core Average active accounts (in thousands)	72,078	71,957	69,694	68,310	69,514
CORE INTEREST AND FEES ON LOANS					
Interest and fees on loans	$ 4,340	$ 4,492	$ 4,890	$ 4,636	$ 4,687
Less: Walmart and Yamaha Interest and fees on loans	—	(69)	(531)	(520)	(549)
Core Interest and fees on loans	$ 4,340	$ 4,423	$ 4,359	$ 4,116	$ 4,138

(1) Beginning in 1Q'20, allowance for loan losses is calculated based upon accounting standards no longer effective, and as such is a Non-GAAP measure.

(2) Impact from CECL reflects the additional allowance for credit losses recorded in accordance with ASC 2016-13, as compared to the allowance for credit losses required had the prior accounting guidance been applied.

Exhibit 99.3

1Q'20 Financial Results
April 21, 2020

synchrony FINANCIAL

Disclaimers

Cautionary Statement Regarding Forward-Looking Statements

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

This presentation contains certain forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the "safe harbor" created by those sections. Forward-looking statements may be identified by words such as "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, including the future impacts of the novel coronavirus disease ("COVID-19") outbreak and measures taken in response thereto for which future developments are highly uncertain and difficult to predict; retaining existing partners and attracting new partners, concentration of our revenue in a small number of Retail Card partners, and promotion and support of our products by our partners; cyber-attacks or other security breaches; disruptions in the operations of our computer systems and data centers; the financial performance of our partners; the sufficiency of our allowance for credit losses and the accuracy of the assumptions or estimates used in preparing our financial statements, including those related to the new CECL accounting guidance; 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; damage to our reputation; 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; 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; reductions in interchange fees; fraudulent activity; failure of third parties to provide various services that are important to our operations; 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; 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 other legislative and regulatory developments 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, 2019, as filed on February 13, 2020, and the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, as filed on April 21, 2020. 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.

1Q'20 Highlights

Financial Highlights

- $286 million Net earnings, $0.45 diluted EPS
  – Increase in provision for credit losses for the quarter included impact from CECL implementation of $101 million, or $76 million after-tax, which equates to an EPS reduction of $0.13
- Solid Core Growth metrics[a] in 1Q'20
  – Loan receivables up 3%; up 4% on a Core basis
  – Interest and fees on loans down 7%; up 5% on a Core basis
  – Purchase volume down 1%; up 6% on a Core basis
  – Average active accounts down 7%; up 4% on a Core basis
- Net charge-offs 5.36% compared to 6.06% in the prior year
- Provision for credit losses up 95% primarily driven by prior year reserve reduction related to Walmart and reserve increase for projected impact of COVID-19 related losses
- Efficiency ratio 32.7% compared to 31.0% in the prior year
- Deposits up $0.5 billion compared to prior year
- Strong capital and liquidity
  – 14.3% CET1 & $19.2 billion liquid assets
  – Returned $1.1 billion in capital through $1.0 billion of share repurchases and $135 million in common stock dividends

COVID-19 Response

We have taken action to ensure the health and safety of our employees, and stabilized our operations while mitigating the uncertainty and financial pressures faced by consumers and our partners

Supporting our Associates:

– Implementing 100% work from home for all employees including our contact centers
– Enhanced benefits including virtual doctor visits (no cost) and expanded childcare & healthcare coverage
– Providing financial planning and employee assistance & wellness programs

Serving our Consumers:

– Supporting those who may be experiencing financial hardship, which may include waiving minimum payments, fees & charges
– Extending promotional financing periods

Serving our Partners:

– Leveraging digital capabilities to help our partners continue to serve their customers
– Providing education resources, launched charitable giving campaign and are waiving certain fees

Caring for our Communities:

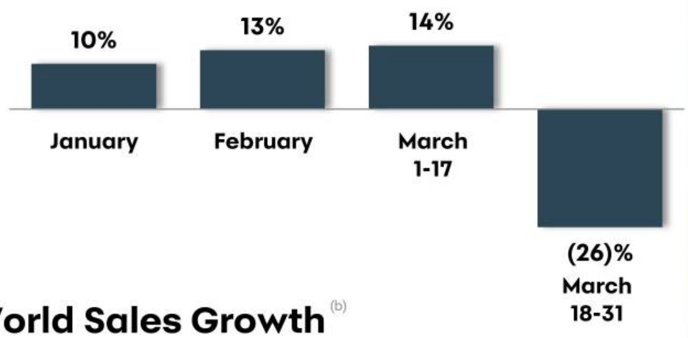
– Committed $5 million to help local and national organizations to assist those areas most affected by Coronavirus (focusing on food and PPE)
– Launched Synchrony #GearUp leveraging our employee, partner and cardholder networks to make & distribute PPE including 3D printing of masks

(a) Growth Metrics shown above on a Core basis are non-GAAP measures and excludes from the prior year amounts related to the Walmart and Yamaha portfolios, sold in October 2019 and January 2020, respectively. See non-GAAP reconciliation in the appendix.

COVID-19 Impact on Sales

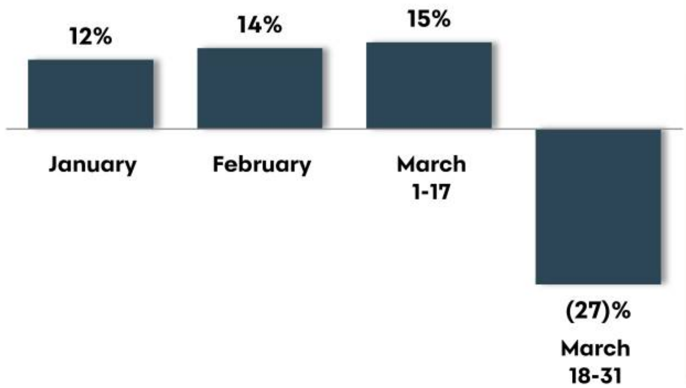
Purchase Volume Growth[a]

% in YoY Growth Rates



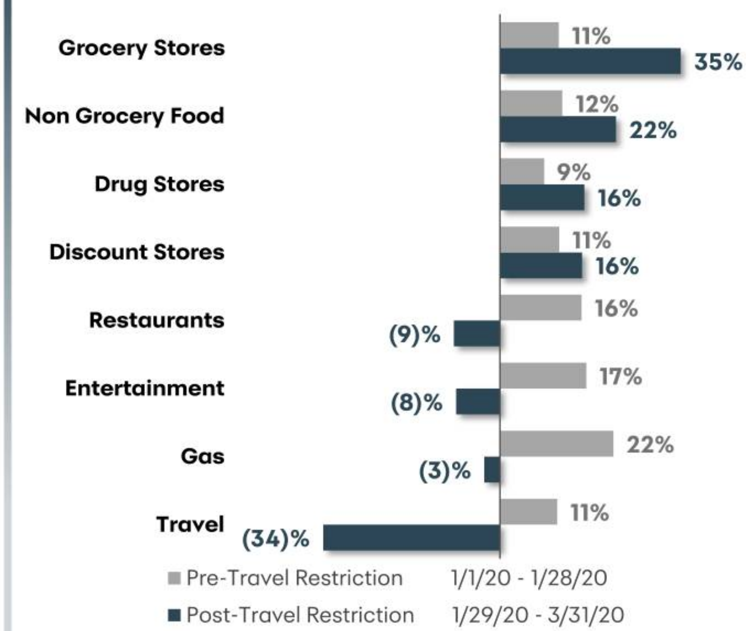
World Sales Growth[b]

% in YoY Growth Rates



World Sales by Category[b,c]

% in YoY Growth Rates

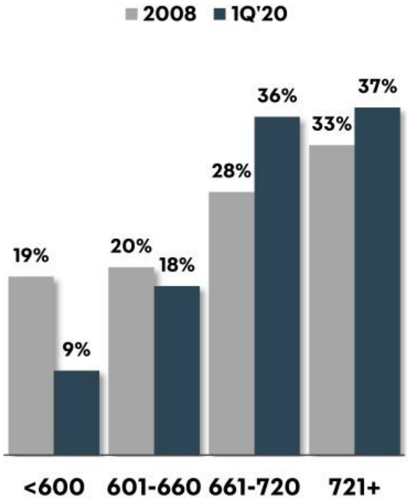


Restaurants, Entertainment, Gas, and Travel = 27% of 2019 Retail Card consumer world sales

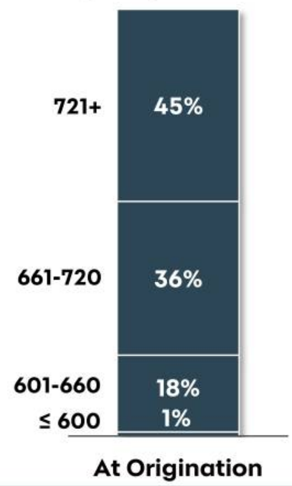
(a) Purchase volume growth rates excludes from both the prior year and the current year amounts related to the Walmart and Yamaha portfolios, sold in October 2019 and January 2020, respectively.
(b) World sales that occur on a Dual Card or Co-Brand card anywhere other than where the card was originated and excludes from the prior year amounts related to the Walmart portfolio sold in October 2019
(c) World sales are for consumer sales from our Retail Card platform (excluding from the prior year amounts related to the Walmart portfolio sold in October 2019) for the four categories with the largest positive, and the four categories with the largest negative change in growth rate pre- and post-travel restriction

Focus on Higher Quality Asset Base

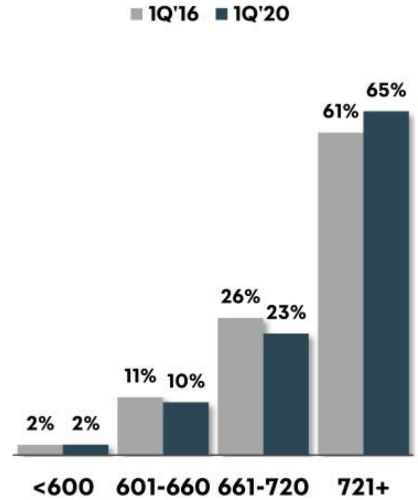
Stronger Portfolio
Consumer FICO[(a)]



Disciplined Underwriting
FICO, consumer accounts opened since beginning of 2010



Improving Purchase Volume Mix
Consumer FICO[(a)]



Advanced Underwriting

Acquisition:

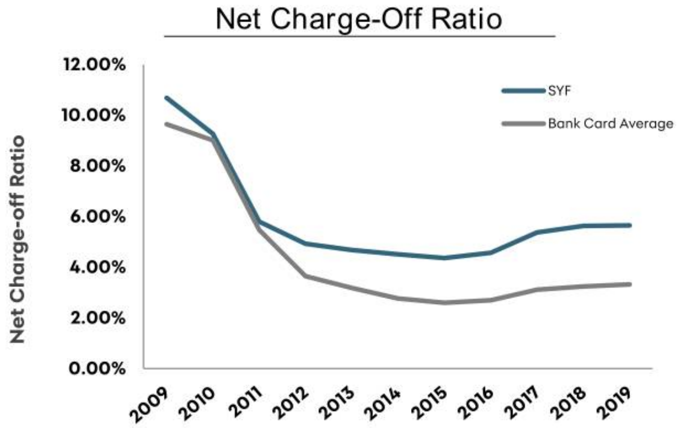
- Utilizing up to 16 different data sources and more than 4,000 attributes to evaluate credit worthiness and authenticate customer identity
- Employing a multi-algorithmic approach to target specific outcomes – credit, fraud, synthetic id's, and other malicious behavior
- Leveraging client specific data to use customer engagement with our partners to assign credit lines

Account Management:

- Utilizing internal and credit bureau triggers to dynamically reevaluate a customer's credit worthiness to manage credit exposure
- Leveraging the latest technology to passively authenticate customers and more selectively target high risk behavior

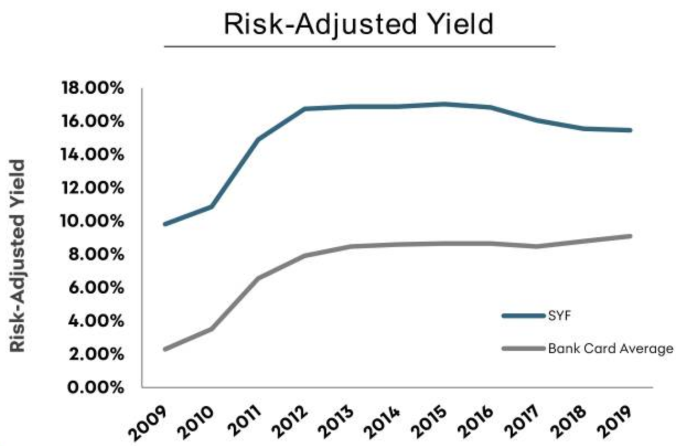
(a) Based on most recent FICO scores available for our customers in each period, weighted by balance, as a % of period-end receivables. If FICO score was not available, credit bureau based scores were mapped to a FICO equivalent. If neither score was available, the account was excluded.

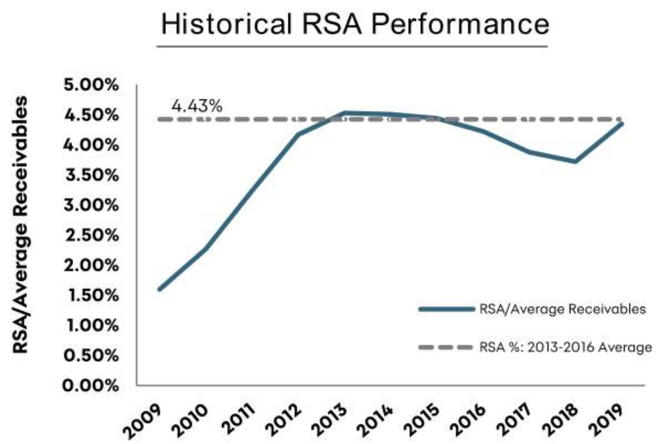
Historical Net Charge-Offs, Risk-Adjusted Yield, and RSAs[a]



Delivered Strong Risk-Adjusted Returns; RSAs Act as Countercyclical Buffer

- **Net charge-off performance was generally consistent with general purpose card issuers during the financial crisis**
- **Risk-adjusted yield outperformed general purpose card issuers by >700 bps through the financial crisis**
- **Risk-adjusted yield outperformance has remained >600 bps post-crisis**
- **RSAs as a % of average receivables declined to 1.60% in 2009 vs. the average of 4.43% from 2013-2016**





(a) Data on a managed-basis for 2009. See non-GAAP reconciliation in appendix. Sources: Company filings. See calculation descriptions of bank card averages in appendix.

Financial Results

Summary earnings statement

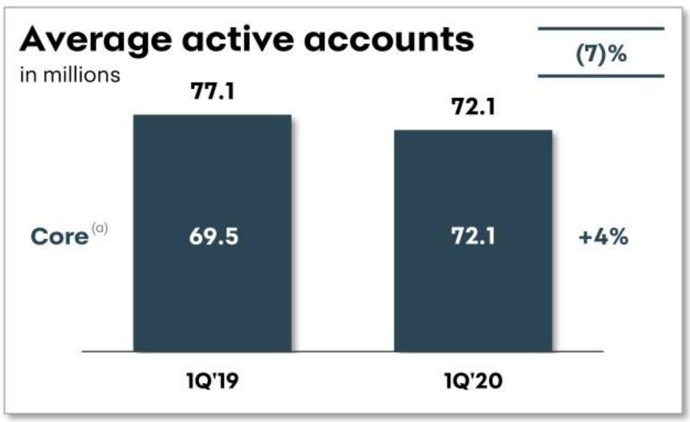
$ in millions, except per share statistics

	1Q'20	1Q'19	B/(W) $	B/(W) %
Total interest income	$4,407	$4,786	$(379)	(8)%
Total interest expense	517	560	43	8%
Net interest income (NII)	**3,890**	**4,226**	**(336)**	**(8)%**
Retailer share arrangements (RSA)	(926)	(954)	28	3%
Provision for credit losses	1,677	859	(818)	(95)%
Other income	97	92	5	5%
Other expense	1,002	1,043	41	4%
Pre-Tax earnings	**382**	**1,462**	**(1,080)**	**(74)%**
Provision for income taxes	96	355	259	73%
Net earnings	**286**	**1,107**	**(821)**	**(74)%**
Preferred dividends	11	0	(11)	NM
Net earnings available to common stockholders	**$275**	**$1,107**	**$(832)**	**(75)%**
Diluted earnings per share	**$0.45**	**$1.56**	**$(1.11)**	

1Q'20 Highlights

- **$286 million Net earnings, $0.45 diluted EPS**
- **Net interest income down 8% driven by the Walmart sale**
  - Interest and fees on loans down 7% driven by the Walmart sale
  - Interest expense decrease driven primarily by lower benchmark rates
- **Retailer share arrangements down 3%**
- **Provision for credit losses up 95%**
  - Increase is primarily driven by prior year reserve reduction related to Walmart and reserve increase for projected impact of COVID-19 related losses
  - Net charge-offs of 5.36% compared to 6.06% in the prior year primarily driven by the Walmart sale
- **Other expense down 4%**

Growth Metrics



a) Financial measures shown above on a Core basis are non-GAAP measures. See non-GAAP reconciliation in the appendix.
b) Dual Card / Co-Brand Purchase volume and Loan receivables shown above are consumer only and excludes from the prior year amounts related to the Walmart portfolio.

Platform Results[a]

Retail Card

Loan receivables, $ in billions

	1Q'19	1Q'20	V%
Purchase volume	$24.7	$23.9	(3)%
Accounts	58.6	53.0	(10)%
Interest and fees on loans	$3,454	$3,037	(12)%

- Core receivable growth primarily driven by digital partners
- Interest and Fees on Loans down 12% driven primarily by the Walmart sale

Payment Solutions

Loan receivables, $ in billions

	1Q'19	1Q'20	V%
Purchase volume	$5.2	$5.4	+2%
Accounts	12.4	12.7	+2%
Interest and fees on loans	$686	$706	+3%

- Strong growth led by home furnishings and home specialty
- Interest and Fees on Loans up 3% driven by receivable growth

CareCredit

Loan receivables, $ in billions

	1Q'19	1Q'20	V%
Purchase volume	$2.6	$2.7	+2%
Accounts	6.1	6.4	+5%
Interest and fees on loans	$547	$597	+9%

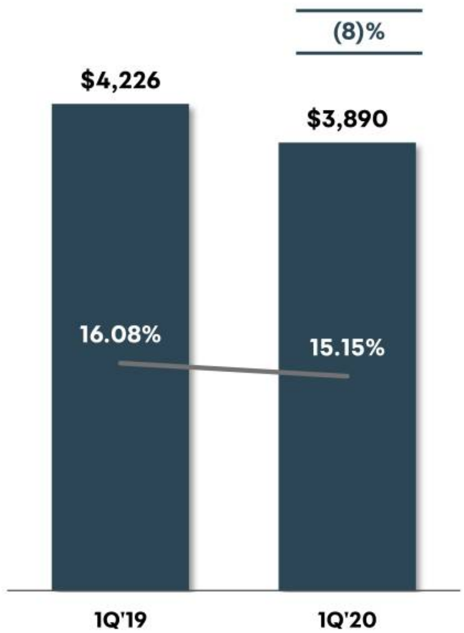
- Strong growth led by dental and veterinary
- Interest and Fees on Loans up 9% driven by receivable growth

(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.
(b) Loan receivables shown above on a Core basis is a non-GAAP measure. See non-GAAP reconciliation in the appendix.

Net Interest Income

Net interest income

$ in millions, % of average interest-earning assets



1Q'20 Highlights

- **Net interest income decreased 8% compared to prior year driven by the Walmart sale**
  - Interest and fees on loans decreased 7% compared to prior year driven by the Walmart sale
- **Net interest margin down 93bps.**
  - Loan receivables mix as a percent of total Earning Assets decreased from 84.4% to 81.7% driven by the proceeds of the Walmart sale
  - Loan receivables yield 20.67%, down 47bps. versus prior year primarily driven by the Walmart sale
  - Total interest-bearing liabilities cost decreased 14bps. to 2.50%, due primarily to lower benchmark rates

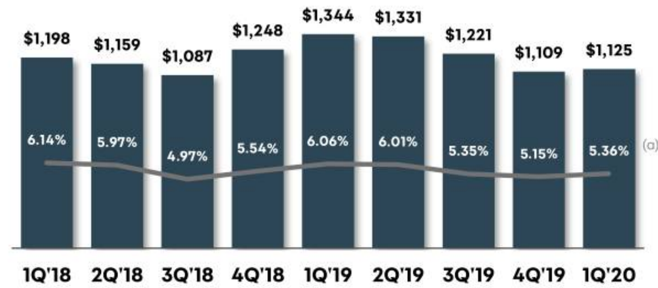
Asset Quality Metrics

30+ days past due

$ in millions, % of period-end loan receivables

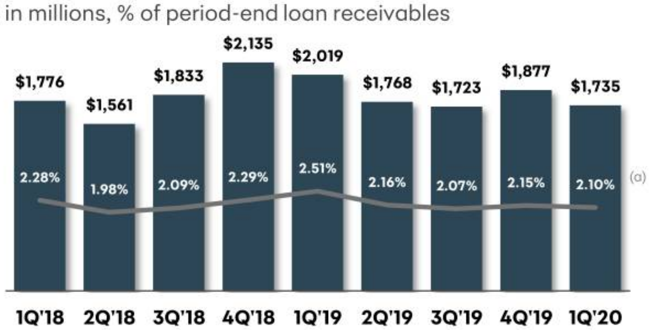
Net charge-offs

$ in millions, % of average loan receivables including held for sale



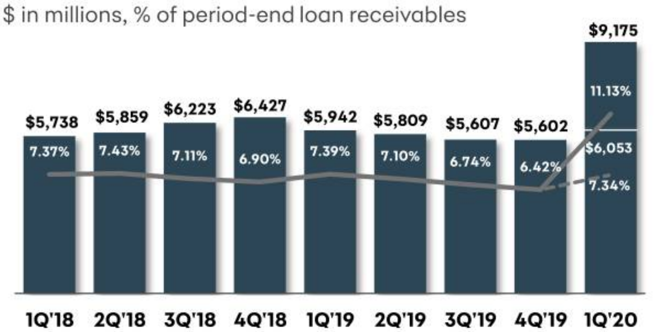
90+ days past due

$ in millions, % of period-end loan receivables



Allowance for credit losses[b]

$ in millions, % of period-end loan receivables



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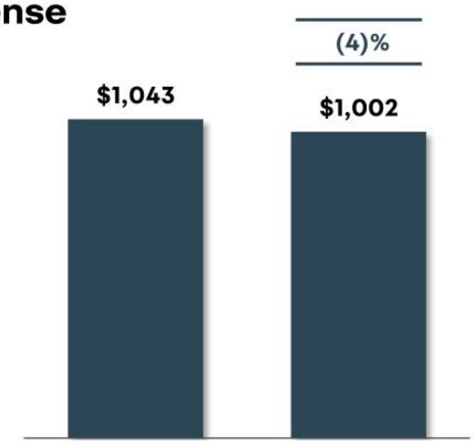
(a) Excluding the Walmart Portfolio, 1Q'20 30+ rate was down ~15ps versus 1Q'19; 1Q'20 net charge-off rate was down ~15bps versus 1Q'19; 1Q'20 90+ rate was down ~5bps versus 1Q'19
(b) Allowance for credit losses reflects adoption of CECL on January 1, 2020, which included a $3.0 billion increase in reserves upon adoption. For comparability purposes, allowance for loan losses at 1Q'20 is also presented. This measure reflects the prior accounting guidance and is a non-GAAP measure at 1Q'20. See non-GAAP reconciliation in appendix.

Other Expense

Other expense

$ in millions



	1Q'19	1Q'20	V$	V%
Employee costs	$353	$324	$(29)	(8)%
Professional fees	232	197	(35)	(15)%
Marketing/BD	123	111	(12)	(10)%
Information processing	113	123	10	9%
Other	222	247	25	11%
Other expense	$1,043	$1,002	$(41)	(4)%
Efficiency [(a)]	**31.0%**	**32.7%**		**1.7 pts.**

(a) "Other expense" divided by sum of "NII" plus "Other income" less "Retailer share arrangements (RSA)"

1Q'20 Highlights

- **Other expense down 4%**
- **Efficiency ratio increased 1.7pts to 32.7%**
  - Other expense was negatively impacted by operational losses and certain expenditures related to our response to COVID-19
  - Excluding these impacts, efficiency ratio was flat compared to the prior year

Funding, Capital and Liquidity

Funding sources

$ in billions

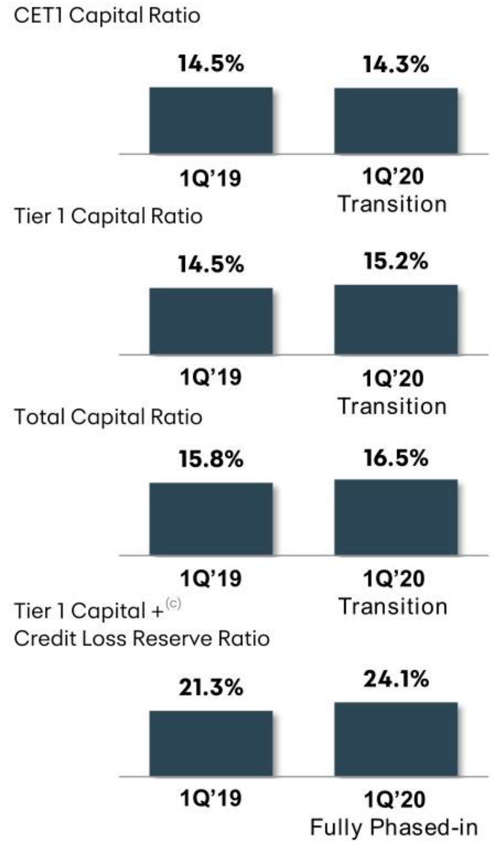
	1Q'19	1Q'20	Variance
Deposits	75%	79%	+4 pts.
Securitization	14%	11%	(3) pts.
Unsecured	11%	10%	(1) pts.

Liquidity[a]

$ in billions

	1Q'19	1Q'20
Liquid assets	$17.4	$19.2
Undrawn credit facilities	6.0	5.6
Total liquidity	**$23.4**	**$24.8**
% of Total assets	**22.2%**	**25.3%**

Capital ratios[b]



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(a) Does not include unencumbered assets in the Bank that could be pledged
(b) Capital ratios reflect election to delay for two years an estimate of CECL's effect on regulatory capital in accordance with the interim final rule issued by U.S. banking agencies in March 2020
(c) The "Tier 1 Capital + Reserves Ratio" is the sum of our "Tier 1 Capital" and "Allowance for Credit Losses," divided by our "Total Risk-Weighted Assets". For 1Q'20, both Tier 1 Capital and Risk-Weighted Assets are adjusted to reflect the fully phased-in impact of CECL. These adjusted metrics are non-GAAP measures, see non-GAAP reconciliation in appendix.

1Q’20 Wrap Up

- Net earnings of $286 million … $0.45 diluted earnings per share
    - Increase in provision for credit losses for the quarter included impact from CECL implementation of $101 million, or $76 million after-tax, which equates to an EPS reduction of $0.13
- Significant actions taken in response to COVID-19
    - Full work at home plan for all Synchrony employees including expanded health benefits
    - Consumer relief actions for impacted cardholders
    - Enablement of sales and support of merchant / provider sales & digital efforts
- Given the implications stemming from COVID-19, previously provided guidance should no longer be relied upon
- Solid Core Growth metrics[a] … Purchase volume +6%, Loan receivables +4%, Average Active Accounts +4%, Interest and fees on loans +5%
- Extended and renewed several key relationships and continue to work with both Verizon and Venmo to prepare for launches later this year
- Strong deposit platform … deposits at $64.6 billion comprising 79% of funding
- Returned $1.1 billion in capital through $1.0 billion of share repurchases and $135 million in dividends
- Strong balance sheet, 14.3% CET1 and $19.2 billion of liquid assets

(a) Growth Metrics shown above on a Core basis are non-GAAP measures and excludes from both the prior year and the current year amounts related to the Walmart and Yamaha portfolios, sold in October 2019 and January 2020, respectively. See non-GAAP reconciliation in the appendix.

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Appendix

a) Net Charge-Off Ratio bank card average peers include: AXP U.S. Card Services prior to 2014 and AXP U.S. Consumer Services starting in 2014, BAC U.S. Credit Card, C Citi-Branded Cards North America, COF Domestic Card, DFS Credit Card, JPM Credit Card, and WFC Consumer Credit Card. SYF – total company level. Risk Adjusted Yield bank card average peers include: BAC U.S. Credit Card, C Citi-Branded Cards North America, COF Domestic Card, DFS Credit Card, and WFC Consumer Credit Card. SYF – total company level. SYF yield calculated as loan receivable yield less net charge-off rate. Peer information calculated as credit card yield less net charge-off rate on credit cards. Citi-Branded Card yield calculated as average quarterly yield less net charge-off rate on credit cards (average quarterly net charge-off rate).

Non-GAAP Reconciliation[(a)]

The following table sets forth the components of our Growth Metrics and impact from CECL for the periods indicated below.

	At March 31,					
	Total		Retail Card		Payment Solutions	
	2019	2020	2019	2020	2019	2020
Loan receivables	$80.4	$82.5	$51.5	$52.4	$19.4	$20.0
Less: Walmart and Yamaha Loan receivables	(1.4)	-	(0.7)	-	(0.7)	-
Core Loan receivables	**$79.0**	**$82.5**	**$50.8**	**$52.4**	**$18.7**	**$20.0**
Allowance for credit losses	$5,942	$9,175				
Less: 1Q'20 impact from CECL	-	(3,122)				
Allowance for loan losses	**$5,942**	**$6,053**				
Allowance for credit losses as a % of period-end loan receivables	7.39%	11.13%				
Less: 1Q'20 impact from CECL	-	(3.79)%				
Allowance for loan losses as a % of period-end loan receivables	**7.39%**	**7.34%**				

	For the quarter ended March 31,	
	Total	
	2019	2020
Purchase volume	$32.5	$32.0
Less: Walmart and Yamaha Purchase volume	(2.1)	-
Core Purchase volume	**$30.4**	**$32.0**
Average active accounts	77.1	72.1
Less: Walmart and Yamaha Average active accounts	(7.6)	-
Core Average active accounts	**69.5**	**72.1**
Interest and fees on loans	$4,687	$4,340
Less: Walmart and Yamaha Interest and fees on loans	(549)	-
Core Interest and fees on loans	**$4,138**	**$4,340**

(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. Loan receivables and Purchase volume $ in billions. Interest and fees on loans, Allowance for credit losses, and Allowance for loan losses $ in millions.

Non-GAAP Reconciliation (continued)

The following table sets forth a reconciliation between GAAP results and non-GAAP managed-basis results for 2009.

	Twelve months ended December 31, 2009
Net charge-offs as a % of average loan receivables, including held for sale:	
GAAP	11.26%
Securitization adjustments	(0.59)%
Managed-basis	**10.67%**
Interest and fees on loans as a % of average loan receivables, including held for sale:	
GAAP	19.74%
Securitization adjustments	0.75%
Managed-basis	**20.49%**
Retailer share arrangements as a % of average loan receivables, including held for sale:	
GAAP	3.40%
Securitization adjustments	(1.80)%
Managed-basis	**1.60%**
Risk-adjusted yield[a]:	
GAAP	8.48%
Securitization adjustments	1.34%
Managed-basis	**9.82%**

(a) Risk-adjusted yield is equal to interest and fees on loans as a % of average loan receivables less net charge-offs as a % of average loan receivables.

Non-GAAP Reconciliation (continued)[(a)]

The following table sets forth the components of our Tier 1 Capital + Reserves ratio for the periods indicated below.

	At March 31,	
	Total	
	2019	**2020**
Tier 1 capital	$12,661	$12,405
Less: CECL transition adjustment	-	(2,417)
Tier 1 capital (CECL fully phased-in)	**$12,661**	**$9,988**
Add: Allowance for credit losses	5,942	9,175
Tier 1 capital (CECL fully phased-in) plus Reserves for credit losses.	**$18,603**	**$19,163**
Risk-weighted assets	**$87,331**	**$81,639**
Less: CECL transition adjustment	-	(2,204)
Risk-weighted assets (CECL fully phased-in)	**$87,331**	**$79,435**

(a) Estimated at March 31, 2020, $ in millions

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 amounts related to the Walmart and Yamaha portfolios from the prior year periods presented, which we refer to as "Core" financial measures, in this Form 8-K and exhibits. These Core financial measures are not measures presented in accordance with GAAP. Given the sale of the Walmart and Yamaha portfolios which were completed in October 2019 and January 2020, respectively, we believe the presentation of certain Core financial measures is a more meaningful measure to investors of the Company's ongoing credit programs.

On January 1, 2020, the Company adopted ASU 2016-13, Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments (“CECL”). For the initial year of adoption of the new accounting standard, we present what both our allowance for credit losses and allowance for credit losses as a percentage of our period-end loan receivables (“allowance coverage ratio”) would have been if the prior accounting guidance was still in effect. These measures are non-GAAP measures. We believe the presentation of these measures is meaningful to investors in providing comparability with the corresponding GAAP measures we report in prior year periods when the prior accounting guidance was effective.

In addition, we also present certain capital measures in this Form 8-K and exhibits. Our “fully-phased Tier 1 Capital and Credit Loss Reserve Ratio” is not required by regulators to be disclosed, and therefore is considered a non-GAAP measure. We believe this ratio is a useful measure to investors as it provides a meaningful measure of what the Company’s total loss absorption capacity would be if the transitional rules currently in effect, which permit the temporary deferral of the regulatory capital effects of CECL, were no longer available for us to apply.

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 reconciliations of the above non-GAAP measures to the applicable comparable GAAP financial measure are included in the detailed financial tables included in Exhibit 99.2.

Within Exhibit 99.3 we present certain historical financial information for 2009 on a "managed" basis. These metrics presented on a managed basis are non-GAAP measures. A reconciliation of the corresponding GAAP financial metrics to the financial information presented on a managed basis is included in the appendix of Exhibit 99.3.