# 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**

**October 24, 2023**
**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 October 24, 2023, Synchrony Financial (the "Company") issued a press release setting forth the Company's third quarter 2023 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 October 24, 2023, issued by Synchrony Financial |
| 99.2 | Financial Data Supplement of the Company for the quarter ended September 30, 2023 |
| 99.3 | Financial Results Presentation of the Company for the quarter ended September 30, 2023 |
| 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: October 24, 2023 | By: | /s/ Jonathan Mothner |
| | Name: | Jonathan Mothner |
| | Title: | Executive Vice President, General Counsel and Secretary |

## EXHIBIT INDEX

| Number | Description |
|---|---|
| 99.1 | Press release, dated October 24, 2023, issued by Synchrony Financial |
| 99.2 | Financial Data Supplement of the Company for the quarter ended September 30, 2023 |
| 99.3 | Financial Results Presentation of the Company for the quarter ended September 30, 2023 |
| 99.4 | Explanation of Non-GAAP Measures |
| 104 | The cover page from this Current Report on Form 8-K, formatted in Inline XBRL |

Exhibit 99.1

For Immediate Release
Synchrony Financial (NYSE: SYF)
October 24, 2023

# THIRD QUARTER 2023 RESULTS AND KEY METRICS

| 2.3% | 12.4% | $254M |
|---|---|---|
| Return on Assets | CET1 Ratio | Capital Returned |

**$97.9B**

**Loan Receivables**

**Net Earnings of $628 Million or $1.48 per Diluted Share**

**Record Third Quarter Purchase Volume, and Continued Strong Receivables Growth**

**Returned $254 Million of Capital to Shareholders, including $150 Million of Share Repurchases**

STAMFORD, Conn. – Synchrony Financial (NYSE: SYF) today announced third quarter 2023 net earnings of $628 million, or $1.48 per diluted share, compared to $703 million, or $1.47 per diluted share in the third quarter 2022.

## KEY OPERATING & FINANCIAL METRICS*

### PERFORMANCE REFLECTS DIFFERENTIATED BUSINESS MODEL AND CONTINUED CONSUMER RESILIENCE

- Purchase volume increased 5% to $47.0 billion
- Loan receivables increased 14% to $97.9 billion
- Average active accounts increased 6% to 70.3 million
- New accounts decreased 2% to 5.7 million
- Net interest margin decreased 16 basis points to 15.36%
- Efficiency ratio decreased 330 basis points to 33.2%
- Return on assets decreased 50 basis points to 2.3%
- Return on equity decreased 3 percentage points to 18.1%; return on tangible common equity** decreased 3.7 percentage points to 22.9%

## CEO COMMENTARY

*"Synchrony's financial performance highlights the strength of our differentiated model and the continued resilience of our customers, who continue to gradually revert to historic spend and payment norms," said Brian Doubles, Synchrony's President and Chief Executive Officer.*

*"Our diversified product suite and advanced digital capabilities enabled Synchrony to continue to deliver consistently strong outcomes in an ever-evolving environment. We are increasingly at the center of customers' every day financing needs, and positioned as the partner of choice for retailers, merchants and providers alike, as they seek enhanced value, greater utility and best-in-class omnichannel experiences.*

*"Synchrony remains intently focused on optimizing the outcomes for our many stakeholders. As we continue to prioritize sustainable growth at appropriate risk-adjusted returns through changing market conditions and selectively invest to meet the increasingly digital demands of our customers in a safe and secure manner, we are confident in our ability to continue to deliver on our financial commitments and drive long-term value."*

# BUSINESS AND FINANCIAL RESULTS FOR THE THIRD QUARTER OF 2023*

## CFO COMMENTARY

*"Synchrony's third quarter results reflected the strength of our financial model, demonstrated through our consistent growth and strong risk-adjusted returns," said Brian Wenzel, Synchrony's Executive Vice President and Chief Financial Officer.*

*"Our diverse product suite and compelling value propositions continued to deeply resonate with customers, driving broad-based purchase volume and receivables growth.*

*"Synchrony's advanced underwriting capabilities and digital-first servicing strategy continued to support the gradual normalization of our credit performance and drive improvement in our operating efficiency. In addition, our Retailer Share Arrangements continued to functionally align our partners' interests as higher net interest income was partially offset by the impact of credit normalization.*

*"As Synchrony continues to leverage our core strengths – our advanced data analytics, our disciplined approach to underwriting and credit management, and our stable funding model – we are confident in our ability to execute on our key strategic priorities and drive market leading returns over the long-term."*

## BUSINESS HIGHLIGHTS

### CONTINUED TO EXPAND PORTFOLIO, ENHANCE PRODUCTS AND EXTEND REACH

- Added or renewed more than 9 programs, including Belk, Installation Made Easy, York and Park West Gallery
- Expanded digital wallet provisioning to include PayPal and Venmo
- Broadened access to pet care financing through partnerships with Virginia Tech, the University of Missouri and Oregon State University, making CareCredit available at more than 95% of veterinary university hospitals nationwide

## FINANCIAL HIGHLIGHTS

### EARNINGS DRIVEN BY CORE BUSINESS DRIVERS

- Interest and fees on loans increased 21% to $5.2 billion, driven primarily by growth in average loan receivables, higher benchmark rates and lower payment rate.
- Net interest income increased $434 million, or 11%, to $4.4 billion, driven by higher interest and fees on loans, partially offset by an increase in interest expense from higher benchmark rates and higher funding liabilities.
- Retailer share arrangements decreased $78 million, or 7%, to $979 million, reflecting higher net charge-offs partially offset by higher Net Interest Income.
- Provision for credit losses increased $559 million to $1.5 billion, driven by higher net charge-offs and a higher reserve build.
- Other expense increased $90 million, or 8%, to $1.2 billion, driven primarily by growth related items, as well as technology investments and operational losses, partially offset by additional marketing and growth reinvestment of Gain on Sale proceeds in the prior year.
- Net earnings decreased to $628 million, compared to $703 million.

## CREDIT QUALITY

### CREDIT CONTINUES TO NORMALIZE IN LINE WITH EXPECTATIONS

- Loans 30+ days past due as a percentage of total period-end loan receivables were 4.40% compared to 3.28% in the prior year, an increase of 112 basis points.
- Net charge-offs as a percentage of total average loan receivables were 4.60% compared to 3.00% in the prior year, an increase of 160 basis points, and continued to normalize within our expectations toward our underwriting target of 5.5-6.0%
- The allowance for credit losses as a percentage of total period-end loan receivables was 10.40%, compared to 10.34% in the second quarter 2023.

## SALES PLATFORM HIGHLIGHTS

### DIVERSITY ACROSS OUR PLATFORMS CONTINUES TO PROVIDE RESILIENCE

- Home & Auto purchase volume remained flat, as growth in commercial, Home Specialty and Auto Network was generally offset by lower retail traffic in Furniture and Electronics and the impact of lower gas and lumber prices. Period-end loan receivables increased 9%, reflecting lower payment rates. Interest and fees on loans were up 13%, primarily driven by loan receivables growth, higher benchmark rates and lower payment rate. Average active accounts increased 5%.
- Digital purchase volume increased 7%, reflecting growth in average active accounts. Period-end loan receivables increased 16%, driven by lower payment rates and continued purchase volume growth. Interest and fees on loans increased 28%, reflecting the impacts of loan receivables growth, lower payment rate, higher benchmark rates and maturation of newer programs. Average active accounts increased 7%.
- Diversified & Value purchase volume increased 7%, driven by higher out-of-partner spend and strong retailer performance. Period-end loan receivables increased 14%, reflecting purchase volume growth and lower payment rates. Interest and fees on loans increased 25%, driven by the impacts of loan receivables growth, lower payment rate and higher benchmark rates. Average active accounts increased 5%.
- Health & Wellness purchase volume increased 14%, reflecting broad-based growth in active accounts led by Dental, Pet and Cosmetic. Period-end loan receivables increased 21%, driven by continued higher promotional purchase volume and lower payment rates. Interest and fees on loans increased 20%, reflecting the impacts of growth in volume and loan receivables as well as lower payment rate. Average active accounts increased 13%.
- Lifestyle purchase volume increased 8%, reflecting stronger transaction values in Outdoor and Luxury. Period-end loan receivables increased 14%, driven by purchase volume growth and lower payment rates. Interest and fees on loans increased 20%, driven primarily by the impacts of loan receivables growth, lower payment rate and higher benchmark rates. Average active accounts increased 1%.

## BALANCE SHEET, LIQUIDITY & CAPITAL

### FUNDING, CAPITAL & LIQUIDITY REMAIN ROBUST

- Loan receivables of $97.9 billion increased 14%; purchase volume increased 5% and average active accounts increased 6%.
- Deposits increased $9.7 billion, or 14%, to $78.1 billion and comprised 84% of funding.
- Total liquidity, consisting of liquid assets and undrawn credit facilities, was $20.5 billion, or 18.2% of total assets.
- The company returned $254 million in capital to shareholders, including $150 million of share repurchases and $104 million of common stock dividends.
- As of September 30, 2023, the Company had a total remaining share repurchase authorization of $850 million.
- The estimated Common Equity Tier 1 ratio was 12.4% compared to 14.3%, and the estimated Tier 1 Capital ratio was 13.2% compared to 15.2%.

* *All comparisons are for the third quarter of 2023 compared to the third quarter of 2022, unless otherwise noted.*
** *Tangible common equity is a non-GAAP financial measure. 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, 2022, as filed February 9, 2023, and the Company's forthcoming Quarterly Report on Form 10-Q for the quarter ended September 30, 2023. 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

On Tuesday, October 24, 2023, at 8:00 a.m. Eastern Time, Brian Doubles, President and Chief Executive Officer, and Brian Wenzel Sr., 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 also be available on the website.

## ABOUT SYNCHRONY FINANCIAL

Synchrony (NYSE: SYF) is a premier consumer financial services company delivering one of the industry's most complete digitally-enabled product suites. Our experience, expertise and scale encompass a broad spectrum of industries including digital, health and wellness, retail, telecommunications, home, auto, outdoor, pet and more. We have an established and diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations and healthcare service providers, which we refer to as our "partners." We connect our partners and consumers through our dynamic financial ecosystem and provide them with a diverse set of financing solutions and innovative digital capabilities to address their specific needs and deliver seamless, omnichannel experiences. We offer the right financing products to the right customers in their channel of choice.

For more information, visit www.synchrony.com and Twitter: @Synchrony.

**Investor Relations**
Kathryn Miller
(203) 585-6291

**Media Relations**
Lisa Lanspery
(203) 585-6143

## 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 partners, and promotion and support of our products by our partners; cyber-attacks or other security breaches; disruptions in the operations of our and our outsourced partners' 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 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; 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 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.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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, 2022, as filed on February 9, 2023. 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 “CECL fully phased-in" capital measures, 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 | | | | | | | Nine Months Ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Sep 30, 2023 | Jun 30, 2023 | Mar 31, 2023 | Dec 31, 2022 | Sep 30, 2022 | 3Q'23 vs. 3Q'22 | | Sep 30, 2023 | Sep 30, 2022 | YTD'23 vs. YTD'22 | |
| **EARNINGS** | | | | | | | | | | | |
| **Net interest income** | $ 4,362 | $ 4,120 | $ 4,051 | $ 4,106 | $ 3,928 | $ 434 | 11.0 % | $ 12,533 | $ 11,519 | $ 1,014 | 8.8 % |
| Retailer share arrangements | (979) | (887) | (917) | (1,043) | (1,057) | 78 | (7.4)% | (2,783) | (3,288) | 505 | (15.4)% |
| Provision for credit losses | 1,488 | 1,383 | 1,290 | 1,201 | 929 | 559 | 60.2 % | 4,161 | 2,174 | 1,987 | 91.4 % |
| **Net interest income, after retailer share arrangements and provision for credit losses** | 1,895 | 1,850 | 1,844 | 1,862 | 1,942 | (47) | (2.4)% | 5,589 | 6,057 | (468) | (7.7)% |
| Other income | 92 | 61 | 65 | 30 | 44 | 48 | 109.1 % | 218 | 350 | (132) | (37.7)% |
| Other expense | 1,154 | 1,169 | 1,119 | 1,151 | 1,064 | 90 | 8.5 % | 3,442 | 3,186 | 256 | 8.0 % |
| **Earnings before provision for income taxes** | 833 | 742 | 790 | 741 | 922 | (89) | (9.7)% | 2,365 | 3,221 | (856) | (26.6)% |
| Provision for income taxes | 205 | 173 | 189 | 164 | 219 | (14) | (6.4)% | 567 | 782 | (215) | (27.5)% |
| **Net earnings** | $ 628 | $ 569 | $ 601 | $ 577 | $ 703 | $ (75) | (10.7)% | $ 1,798 | $ 2,439 | $ (641) | (26.3)% |
| **Net earnings available to common stockholders** | $ 618 | $ 559 | $ 590 | $ 567 | $ 692 | $ (74) | (10.7)% | $ 1,767 | $ 2,407 | $ (640) | (26.6)% |
| | | | | | | | | | | | |
| **COMMON SHARE STATISTICS** | | | | | | | | | | | |
| Basic EPS | $ 1.49 | $ 1.32 | $ 1.36 | $ 1.27 | $ 1.48 | $ 0.01 | 0.7 % | $ 4.16 | $ 4.89 | $ (0.73) | (14.9)% |
| Diluted EPS | $ 1.48 | $ 1.32 | $ 1.35 | $ 1.26 | $ 1.47 | $ 0.01 | 0.7 % | $ 4.14 | $ 4.86 | $ (0.72) | (14.8)% |
| Dividend declared per share | $ 0.25 | $ 0.23 | $ 0.23 | $ 0.23 | $ 0.23 | $ 0.02 | 8.7 % | $ 0.71 | $ 0.67 | $ 0.04 | 6.0 % |
| Common stock price | $ 30.57 | $ 33.92 | $ 29.08 | $ 32.86 | $ 28.19 | $ 2.38 | 8.4 % | $ 30.57 | $ 28.19 | $ 2.38 | 8.4 % |
| Book value per share | $ 31.50 | $ 30.25 | $ 29.08 | $ 27.70 | $ 26.76 | $ 4.74 | 17.7 % | $ 31.50 | $ 26.76 | $ 4.74 | 17.7 % |
| Tangible common equity per share(1) | $ 26.00 | $ 24.67 | $ 23.48 | $ 22.24 | $ 22.10 | $ 3.90 | 17.6 % | $ 26.00 | $ 22.10 | $ 3.90 | 17.6 % |
| | | | | | | | | | | | |
| Beginning common shares outstanding | 418.1 | 428.4 | 438.2 | 458.9 | 487.8 | (69.7) | (14.3)% | 438.2 | 526.8 | (88.6) | (16.8)% |
| Issuance of common shares | — | — | — | — | — | — | NM | — | — | — | — % |
| Stock-based compensation | 0.2 | 0.2 | 1.5 | 0.1 | 0.4 | (0.2) | (50.0)% | 1.9 | 2.0 | (0.1) | (5.0)% |
| Shares repurchased | (4.5) | (10.5) | (11.3) | (20.8) | (29.3) | 24.8 | (84.6)% | (26.3) | (69.9) | 43.6 | (62.4)% |
| Ending common shares outstanding | 413.8 | 418.1 | 428.4 | 438.2 | 458.9 | (45.1) | (9.8)% | 413.8 | 458.9 | (45.1) | (9.8)% |
| | | | | | | | | | | | |
| Weighted average common shares outstanding | 416.0 | 422.7 | 434.4 | 445.8 | 468.5 | (52.5) | (11.2)% | 424.3 | 492.1 | (67.8) | (13.8)% |
| Weighted average common shares outstanding (fully diluted) | 418.4 | 424.2 | 437.2 | 448.9 | 470.7 | (52.3) | (11.1)% | 426.5 | 495.0 | (68.5) | (13.8)% |

(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 | | | | | | | Nine Months Ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Sep 30, 2023** | **Jun 30, 2023** | **Mar 31, 2023** | **Dec 31, 2022** | **Sep 30, 2022** | **3Q'23 vs. 3Q'22** | | **Sep 30, 2023** | **Sep 30, 2022** | **YTD'23 vs. YTD'22** | |
| **PERFORMANCE METRICS** | | | | | | | | | | | |
| Return on assets(1) | 2.3 % | 2.1 % | 2.3 % | 2.2 % | 2.8 % | | (0.5)% | 2.2 % | 3.4 % | | (1.2)% |
| Return on equity(2) | 18.1 % | 17.0 % | 18.2 % | 17.5 % | 21.1 % | | (3.0)% | 17.8 % | 24.2 % | | (6.4)% |
| Return on tangible common equity(3) | 22.9 % | 21.7 % | 23.2 % | 22.1 % | 26.6 % | | (3.7)% | 22.6 % | 30.6 % | | (8.0)% |
| Net interest margin(4) | 15.36 % | 14.94 % | 15.22 % | 15.58 % | 15.52 % | | (0.16)% | 15.17 % | 15.64 % | | (0.47)% |
| Efficiency ratio(5) | 33.2 % | 35.5 % | 35.0 % | 37.2 % | 36.5 % | | (3.3)% | 34.5 % | 37.1 % | | (2.6)% |
| Other expense as a % of average loan receivables, including held for sale | 4.76 % | 5.07 % | 5.00 % | 5.16 % | 5.02 % | | (0.26)% | 4.94 % | 5.11 % | | (0.17)% |
| Effective income tax rate | 24.6 % | 23.3 % | 23.9 % | 22.1 % | 23.8 % | | 0.8 % | 24.0 % | 24.3 % | | (0.3)% |
| **CREDIT QUALITY METRICS** | | | | | | | | | | | |
| Net charge-offs as a % of average loan receivables, including held for sale | 4.60 % | 4.75 % | 4.49 % | 3.48 % | 3.00 % | | 1.60 % | 4.62 % | 2.82 % | | 1.80 % |
| 30+ days past due as a % of period-end loan receivables(6) | 4.40 % | 3.84 % | 3.81 % | 3.65 % | 3.28 % | | 1.12 % | 4.40 % | 3.28 % | | 1.12 % |
| 90+ days past due as a % of period-end loan receivables(6) | 2.06 % | 1.77 % | 1.87 % | 1.69 % | 1.43 % | | 0.63 % | 2.06 % | 1.43 % | | 0.63 % |
| Net charge-offs | $ 1,116 | $ 1,096 | $ 1,006 | $ 776 | $ 635 | $ 481 | 75.7 % | $ 3,218 | $ 1,760 | $ 1,458 | 82.8 % |
| Loan receivables delinquent over 30 days(6) | $ 4,304 | $ 3,641 | $ 3,474 | $ 3,377 | $ 2,818 | $ 1,486 | 52.7 % | $ 4,304 | $ 2,818 | $ 1,486 | 52.7 % |
| Loan receivables delinquent over 90 days(6) | $ 2,020 | $ 1,677 | $ 1,705 | $ 1,562 | $ 1,232 | $ 788 | 64.0 % | $ 2,020 | $ 1,232 | $ 788 | 64.0 % |
| Allowance for credit losses (period-end) | $ 10,176 | $ 9,804 | $ 9,517 | $ 9,527 | $ 9,102 | $ 1,074 | 11.8 % | $ 10,176 | $ 9,102 | $ 1,074 | 11.8 % |
| Allowance coverage ratio(7) | 10.40 % | 10.34 % | 10.44 % | 10.30 % | 10.58 % | | (0.18)% | 10.40 % | 10.58 % | | (0.18)% |
| **BUSINESS METRICS** | | | | | | | | | | | |
| Purchase volume(8)(9) | $ 47,006 | $ 47,276 | $ 41,557 | $ 47,923 | $ 44,557 | $ 2,449 | 5.5 % | $ 135,839 | $ 132,264 | $ 3,575 | 2.7 % |
| Period-end loan receivables | $ 97,873 | $ 94,801 | $ 91,129 | $ 92,470 | $ 86,012 | $ 11,861 | 13.8 % | $ 97,873 | $ 86,012 | $ 11,861 | 13.8 % |
| Credit cards | $ 92,078 | $ 89,299 | $ 86,113 | $ 87,630 | $ 81,254 | $ 10,824 | 13.3 % | $ 92,078 | $ 81,254 | $ 10,824 | 13.3 % |
| Consumer installment loans | $ 3,784 | $ 3,548 | $ 3,204 | $ 3,056 | $ 2,945 | $ 839 | 28.5 % | $ 3,784 | $ 2,945 | $ 839 | 28.5 % |
| Commercial credit products | $ 1,879 | $ 1,826 | $ 1,690 | $ 1,682 | $ 1,723 | $ 156 | 9.1 % | $ 1,879 | $ 1,723 | $ 156 | 9.1 % |
| Other | $ 132 | $ 128 | $ 122 | $ 102 | $ 90 | $ 42 | 46.7 % | $ 132 | $ 90 | $ 42 | 46.7 % |
| Average loan receivables, including held for sale | $ 96,230 | $ 92,489 | $ 90,815 | $ 88,436 | $ 84,038 | $ 12,192 | 14.5 % | $ 93,198 | $ 83,404 | $ 9,794 | 11.7 % |
| Period-end active accounts (in thousands)(10) | 70,137 | 70,269 | 68,589 | 70,763 | 66,503 | 3,634 | 5.5 % | 70,137 | 66,503 | 3,634 | 5.5 % |
| Average active accounts (in thousands)(9)(10) | 70,308 | 69,517 | 69,494 | 68,373 | 66,266 | 4,042 | 6.1 % | 69,842 | 68,517 | 1,325 | 1.9 % |
| **LIQUIDITY** | | | | | | | | | | | |
| **Liquid assets** | | | | | | | | | | | |
| Cash and equivalents | $ 15,643 | $ 12,706 | $ 15,303 | $ 10,294 | $ 11,962 | $ 3,681 | 30.8 % | $ 15,643 | $ 11,962 | $ 3,681 | 30.8 % |
| Total liquid assets | $ 17,598 | $ 16,448 | $ 18,778 | $ 14,201 | $ 16,566 | $ 1,032 | 6.2 % | $ 17,591 | $ 16,566 | $ 1,025 | 6.2 % |
| **Undrawn credit facilities** | | | | | | | | | | | |
| Undrawn credit facilities | $ 2,950 | $ 2,950 | $ 2,950 | $ 2,950 | $ 3,700 | $ (750) | (20.3)% | $ 2,950 | $ 3,700 | $ (750) | (20.3)% |
| **Total liquid assets and undrawn credit facilities** | $ 20,548 | $ 19,398 | $ 21,728 | $ 17,151 | $ 20,266 | $ 282 | 1.4 % | $ 20,541 | $ 20,266 | $ 275 | 1.4 % |
| Liquid assets % of total assets | 15.58 % | 15.13 % | 17.41 % | 13.58 % | 16.44 % | | (0.86)% | 15.58 % | 16.44 % | | (0.86)% |
| Liquid assets including undrawn credit facilities % of total assets | 18.19 % | 17.85 % | 20.15 % | 16.40 % | 20.11 % | | (1.92)% | 18.19 % | 20.11 % | | (1.92)% |

(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 | | | | | | | Nine Months Ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Sep 30, 2023** | **Jun 30, 2023** | **Mar 31, 2023** | **Dec 31, 2022** | **Sep 30, 2022** | **3Q'23 vs. 3Q'22** | | **Sep 30, 2023** | **Sep 30, 2022** | **YTD'23 vs. YTD'22** | |
| **Interest income:** | | | | | | | | | | | |
| Interest and fees on loans | $ 5,151 | $ 4,812 | $ 4,616 | $ 4,576 | $ 4,258 | $ 893 | 21.0 % | $ 14,579 | $ 12,305 | $ 2,274 | 18.5 % |
| Interest on cash and debt securities | 203 | 209 | 170 | 132 | 84 | 119 | 141.7 % | 582 | 133 | 449 | NM |
| Total interest income | 5,354 | 5,021 | 4,786 | 4,708 | 4,342 | 1,012 | 23.3 % | 15,161 | 12,438 | 2,723 | 21.9 % |
| **Interest expense:** | | | | | | | | | | | |
| Interest on deposits | 800 | 717 | 557 | 441 | 280 | 520 | 185.7 % | 2,074 | 567 | 1,507 | 265.8 % |
| Interest on borrowings of consolidated securitization entities | 86 | 78 | 77 | 69 | 54 | 32 | 59.3 % | 241 | 127 | 114 | 89.8 % |
| Interest on senior unsecured notes | 106 | 106 | 101 | 92 | 80 | 26 | 32.5 % | 313 | 225 | 88 | 39.1 % |
| Total interest expense | 992 | 901 | 735 | 602 | 414 | 578 | 139.6 % | 2,628 | 919 | 1,709 | 186.0 % |
| Net interest income | 4,362 | 4,120 | 4,051 | 4,106 | 3,928 | 434 | 11.0 % | 12,533 | 11,519 | 1,014 | 8.8 % |
| Retailer share arrangements | (979) | (887) | (917) | (1,043) | (1,057) | 78 | (7.4)% | (2,783) | (3,288) | 505 | (15.4)% |
| Provision for credit losses | 1,488 | 1,383 | 1,290 | 1,201 | 929 | 559 | 60.2 % | 4,161 | 2,174 | 1,987 | 91.4 % |
| Net interest income, after retailer share arrangements and provision for credit losses | 1,895 | 1,850 | 1,844 | 1,862 | 1,942 | (47) | (2.4)% | 5,589 | 6,057 | (468) | (7.7)% |
| **Other income:** | | | | | | | | | | | |
| Interchange revenue | 267 | 262 | 232 | 251 | 238 | 29 | 12.2 % | 761 | 731 | 30 | 4.1 % |
| Debt cancellation fees | 131 | 125 | 115 | 102 | 103 | 28 | 27.2 % | 371 | 285 | 86 | 30.2 % |
| Loyalty programs | (358) | (345) | (298) | (351) | (326) | (32) | 9.8 % | (1,001) | (906) | (95) | 10.5 % |
| Other | 52 | 19 | 16 | 28 | 29 | 23 | 79.3 % | 87 | 240 | (153) | (63.8)% |
| Total other income | 92 | 61 | 65 | 30 | 44 | 48 | 109.1 % | 218 | 350 | (132) | (37.7)% |
| **Other expense:** | | | | | | | | | | | |
| Employee costs | 444 | 451 | 451 | 459 | 416 | 28 | 6.7 % | 1,346 | 1,222 | 124 | 10.1 % |
| Professional fees | 219 | 209 | 186 | 233 | 204 | 15 | 7.4 % | 614 | 599 | 15 | 2.5 % |
| Marketing and business development | 125 | 133 | 131 | 121 | 115 | 10 | 8.7 % | 389 | 366 | 23 | 6.3 % |
| Information processing | 177 | 179 | 166 | 165 | 150 | 27 | 18.0 % | 522 | 458 | 64 | 14.0 % |
| Other | 189 | 197 | 185 | 173 | 179 | 10 | 5.6 % | 571 | 541 | 30 | 5.5 % |
| Total other expense | 1,154 | 1,169 | 1,119 | 1,151 | 1,064 | 90 | 8.5 % | 3,442 | 3,186 | 256 | 8.0 % |
| **Earnings before provision for income taxes** | 833 | 742 | 790 | 741 | 922 | (89) | (9.7)% | 2,365 | 3,221 | (856) | (26.6)% |
| Provision for income taxes | 205 | 173 | 189 | 164 | 219 | (14) | (6.4)% | 567 | 782 | (215) | (27.5)% |
| **Net earnings** | $ 628 | $ 569 | $ 601 | $ 577 | $ 703 | $ (75) | (10.7)% | $ 1,798 | $ 2,439 | $ (641) | (26.3)% |
| **Net earnings available to common stockholders** | $ 618 | $ 559 | $ 590 | $ 567 | $ 692 | $ (74) | (10.7)% | $ 1,767 | $ 2,407 | $ (640) | (26.6)% |

**SYNCHRONY FINANCIAL**
**STATEMENTS OF FINANCIAL POSITION**
**(unaudited, $ in millions)**

| | Quarter Ended | | | | | | |
|---|---|---|---|---|---|---|---|
| | Sep 30, 2023 | Jun 30, 2023 | Mar 31, 2023 | Dec 31, 2022 | Sep 30, 2022 | Sep 30, 2023 vs. Sep 30, 2022 | |
| **Assets** | | | | | | | |
| Cash and equivalents | $ 15,643 | $ 12,706 | $ 15,303 | $ 10,294 | $ 11,962 | $ 3,681 | 30.8 % |
| Debt securities | 2,882 | 4,294 | 4,008 | 4,879 | 5,082 | (2,200) | (43.3)% |
| Loan receivables: | | | | | | | |
| Unsecuritized loans held for investment | 78,470 | 75,532 | 72,079 | 72,638 | 67,651 | 10,819 | 16.0 % |
| Restricted loans of consolidated securitization entities | 19,403 | 19,269 | 19,050 | 19,832 | 18,361 | 1,042 | 5.7 % |
| Total loan receivables | 97,873 | 94,801 | 91,129 | 92,470 | 86,012 | 11,861 | 13.8 % |
| Less: Allowance for credit losses | (10,176) | (9,804) | (9,517) | (9,527) | (9,102) | (1,074) | 11.8 % |
| Loan receivables, net | 87,697 | 84,997 | 81,612 | 82,943 | 76,910 | 10,787 | 14.0 % |
| Goodwill | 1,105 | 1,105 | 1,105 | 1,105 | 1,105 | — | — % |
| Intangible assets, net | 1,169 | 1,226 | 1,297 | 1,287 | 1,033 | 136 | 13.2 % |
| Other assets | 4,443 | 4,369 | 4,528 | 4,056 | 4,674 | (231) | (4.9)% |
| Total assets | $ 112,939 | $ 108,697 | $ 107,853 | $ 104,564 | $ 100,766 | $ 12,173 | 12.1 % |
| **Liabilities and Equity** | | | | | | | |
| Deposits: | | | | | | | |
| Interest-bearing deposit accounts | $ 77,669 | $ 75,344 | $ 74,008 | $ 71,336 | $ 68,032 | $ 9,637 | 14.2 % |
| Non-interest-bearing deposit accounts | 397 | 421 | 417 | 399 | 372 | 25 | 6.7 % |
| Total deposits | 78,066 | 75,765 | 74,425 | 71,735 | 68,404 | 9,662 | 14.1 % |
| Borrowings: | | | | | | | |
| Borrowings of consolidated securitization entities | 6,519 | 5,522 | 6,228 | 6,227 | 6,360 | 159 | 2.5 % |
| Senior and Subordinated unsecured notes | 8,712 | 8,709 | 8,706 | 7,964 | 7,961 | 751 | 9.4 % |
| Total borrowings | 15,231 | 14,231 | 14,934 | 14,191 | 14,321 | 910 | 6.4 % |
| Accrued expenses and other liabilities | 5,875 | 5,321 | 5,301 | 5,765 | 5,029 | 846 | 16.8 % |
| Total liabilities | 99,172 | 95,317 | 94,660 | 91,691 | 87,754 | 11,418 | 13.0 % |
| Equity: | | | | | | | |
| Preferred stock | 734 | 734 | 734 | 734 | 734 | — | — % |
| Common stock | 1 | 1 | 1 | 1 | 1 | — | — % |
| Additional paid-in capital | 9,750 | 9,727 | 9,705 | 9,718 | 9,685 | 65 | 0.7 % |
| Retained earnings | 18,338 | 17,828 | 17,369 | 16,716 | 16,252 | 2,086 | 12.8 % |
| Accumulated other comprehensive income (loss) | (96) | (96) | (102) | (125) | (187) | 91 | (48.7)% |
| Treasury stock | (14,960) | (14,814) | (14,514) | (14,171) | (13,473) | (1,487) | 11.0 % |
| Total equity | 13,767 | 13,380 | 13,193 | 12,873 | 13,012 | 755 | 5.8 % |
| Total liabilities and equity | $ 112,939 | $ 108,697 | $ 107,853 | $ 104,564 | $ 100,766 | $ 12,173 | 12.1 % |

**SYNCHRONY FINANCIAL**
**AVERAGE BALANCES, NET INTEREST INCOME AND NET INTEREST MARGIN**
**(unaudited, $ in millions)**

| | Quarter Ended | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Sep 30, 2023 | | | Jun 30, 2023 | | | Mar 31, 2023 | | | Dec 31, 2022 | | | Sep 30, 2022 | | |
| | 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 | $ 12,753 | $ 172 | 5.35 % | $ 14,198 | $ 178 | 5.03 % | $ 12,365 | $ 140 | 4.59 % | $ 11,092 | $ 104 | 3.72 % | $ 11,506 | $ 65 | 2.24 % |
| Securities available for sale | 3,706 | 31 | 3.32 % | 3,948 | 31 | 3.15 % | 4,772 | 30 | 2.55 % | 5,002 | 28 | 2.22 % | 4,861 | 19 | 1.55 % |
| **Loan receivables, including held for sale:** | | | | | | | | | | | | | | | |
| Credit cards | 90,587 | 5,003 | 21.91 % | 87,199 | 4,679 | 21.52 % | 85,904 | 4,497 | 21.23 % | 83,597 | 4,462 | 21.18 % | 79,354 | 4,153 | 20.76 % |
| Consumer installment loans | 3,656 | 108 | 11.72 % | 3,359 | 94 | 11.22 % | 3,103 | 83 | 10.85 % | 2,991 | 78 | 10.35 % | 2,884 | 74 | 10.18 % |
| Commercial credit products | 1,861 | 38 | 8.10 % | 1,808 | 36 | 7.99 % | 1,697 | 34 | 8.13 % | 1,757 | 34 | 7.68 % | 1,720 | 30 | 6.92 % |
| Other | 126 | 2 | 6.30 % | 123 | 3 | 9.78 % | 111 | 2 | 7.31 % | 91 | 2 | 8.72 % | 80 | 1 | 4.96 % |
| **Total loan receivables, including held for sale** | 96,230 | 5,151 | 21.24 % | 92,489 | 4,812 | 20.87 % | 90,815 | 4,616 | 20.61 % | 88,436 | 4,576 | 20.53 % | 84,038 | 4,258 | 20.10 % |
| **Total interest-earning assets** | 112,689 | 5,354 | 18.85 % | 110,635 | 5,021 | 18.20 % | 107,952 | 4,786 | 17.98 % | 104,530 | 4,708 | 17.87 % | 100,405 | 4,342 | 17.16 % |
| **Non-interest-earning assets:** | | | | | | | | | | | | | | | |
| Cash and due from banks | 964 | | | 976 | | | 1,024 | | | 1,071 | | | 1,580 | | |
| Allowance for credit losses | (9,847) | | | (9,540) | | | (9,262) | | | (9,167) | | | (8,878) | | |
| Other assets | 6,529 | | | 6,330 | | | 6,128 | | | 5,772 | | | 5,587 | | |
| **Total non-interest-earning assets** | (2,354) | | | (2,234) | | | (2,110) | | | (2,324) | | | (1,711) | | |
| **Total assets** | $ 110,335 | | | $ 108,401 | | | $ 105,842 | | | $ 102,206 | | | $ 98,694 | | |
| **Liabilities** | | | | | | | | | | | | | | | |
| **Interest-bearing liabilities:** | | | | | | | | | | | | | | | |
| Interest-bearing deposit accounts | $ 75,952 | $ 800 | 4.18 % | $ 74,812 | $ 717 | 3.84 % | $ 72,216 | $ 557 | 3.13 % | $ 69,343 | $ 441 | 2.52 % | $ 66,787 | $ 280 | 1.66 % |
| Borrowings of consolidated securitization entities | 6,096 | 86 | 5.60 % | 5,863 | 78 | 5.34 % | 6,229 | 77 | 5.01 % | 6,231 | 69 | 4.39 % | 6,258 | 54 | 3.42 % |
| Senior and Subordinated unsecured notes | 8,710 | 106 | 4.83 % | 8,707 | 106 | 4.88 % | 8,442 | 101 | 4.85 % | 7,962 | 92 | 4.58 % | 7,102 | 80 | 4.47 % |
| **Total interest-bearing liabilities** | 90,758 | 992 | 4.34 % | 89,382 | 901 | 4.04 % | 86,887 | 735 | 3.43 % | 83,536 | 602 | 2.86 % | 80,147 | 414 | 2.05 % |
| **Non-interest-bearing liabilities** | | | | | | | | | | | | | | | |
| Non-interest-bearing deposit accounts | 401 | | | 420 | | | 411 | | | 388 | | | 371 | | |
| Other liabilities | 5,418 | | | 5,164 | | | 5,130 | | | 5,217 | | | 4,938 | | |
| **Total non-interest-bearing liabilities** | 5,819 | | | 5,584 | | | 5,541 | | | 5,605 | | | 5,309 | | |
| **Total liabilities** | 96,577 | | | 94,966 | | | 92,428 | | | 89,141 | | | 85,456 | | |
| **Equity** | | | | | | | | | | | | | | | |
| **Total equity** | 13,758 | | | 13,435 | | | 13,414 | | | 13,065 | | | 13,238 | | |
| **Total liabilities and equity** | $ 110,335 | | | $ 108,401 | | | $ 105,842 | | | $ 102,206 | | | $ 98,694 | | |
| **Net interest income** | | $ 4,362 | | | $ 4,120 | | | $ 4,051 | | | $ 4,106 | | | $ 3,928 | |
| **Interest rate spread[(1)]** | | | 14.51 % | | | 14.16 % | | | 14.55 % | | | 15.01 % | | | 15.11 % |
| **Net interest margin[(2)]** | | | 15.36 % | | | 14.94 % | | | 15.22 % | | | 15.58 % | | | 15.52 % |

(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)**

| | Nine Months Ended Sep 30, 2023 | | | Nine Months Ended Sep 30, 2022 | | |
|---|---|---|---|---|---|---|
| | Average Balance | Interest Income/ Expense | Average Yield/ Rate | Average Balance | Interest Income/ Expense | Average Yield/ Rate |
| **Assets** | | | | | | |
| **Interest-earning assets:** | | | | | | |
| Interest-earning cash and equivalents | $ 13,107 | $ 490 | 5.00 % | $ 9,920 | $ 90 | 1.21 % |
| Securities available for sale | 4,138 | 92 | 2.97 % | 5,143 | 43 | 1.12 % |
| **Loan receivables, including held for sale:** | | | | | | |
| Credit cards | 87,914 | 14,179 | 21.56 % | 78,946 | 12,009 | 20.34 % |
| Consumer installment loans | 3,375 | 285 | 11.29 % | 2,781 | 209 | 10.05 % |
| Commercial credit products | 1,789 | 108 | 8.07 % | 1,604 | 83 | 6.92 % |
| Other | 120 | 7 | 7.80 % | 73 | 4 | 7.33 % |
| **Total loan receivables, including held for sale** | 93,198 | 14,579 | 20.91 % | 83,404 | 12,305 | 19.73 % |
| **Total interest-earning assets** | 110,443 | 15,161 | 18.35 % | 98,467 | 12,438 | 16.89 % |
| **Non-interest-earning assets:** | | | | | | |
| Cash and due from banks | 987 | | | 1,607 | | |
| Allowance for credit losses | (9,552) | | | (8,735) | | |
| Other assets | 6,331 | | | 5,447 | | |
| **Total non-interest-earning assets** | (2,234) | | | (1,681) | | |
| **Total assets** | $ 108,209 | | | $ 96,786 | | |
| **Liabilities** | | | | | | |
| **Interest-bearing liabilities:** | | | | | | |
| Interest-bearing deposit accounts | $ 74,340 | $ 2,074 | 3.73 % | $ 64,371 | $ 567 | 1.18 % |
| Borrowings of consolidated securitization entities | 6,062 | 241 | 5.32 % | 6,547 | 127 | 2.59 % |
| Senior and subordinated unsecured notes | 8,621 | 313 | 4.85 % | 7,098 | 225 | 4.24 % |
| **Total interest-bearing liabilities** | 89,023 | 2,628 | 3.95 % | 78,016 | 919 | 1.57 % |
| **Non-interest-bearing liabilities** | | | | | | |
| Non-interest-bearing deposit accounts | 410 | | | 380 | | |
| Other liabilities | 5,239 | | | 4,915 | | |
| **Total non-interest-bearing liabilities** | 5,649 | | | 5,295 | | |
| **Total liabilities** | 94,672 | | | 83,311 | | |
| **Equity** | | | | | | |
| **Total equity** | 13,537 | | | 13,475 | | |
| **Total liabilities and equity** | $ 108,209 | | | $ 96,786 | | |
| **Net interest income** | | $ 12,533 | | | $ 11,519 | |
| **Interest rate spread**(1) | | | 14.41 % | | | 15.32 % |
| **Net interest margin**(2) | | | 15.17 % | | | 15.64 % |

(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 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Sep 30, 2023 | | Jun 30, 2023 | | Mar 31, 2023 | | Dec 31, 2022 | | Sep 30, 2022 | | Sep 30, 2023 vs. Sep 30, 2022 | |
| **BALANCE SHEET STATISTICS** | | | | | | | | | | | | |
| Total common equity | $ | 13,033 | $ | 12,646 | $ | 12,459 | $ | 12,139 | $ | 12,278 | $ 755 | 6.1 % |
| Total common equity as a % of total assets | | 11.54 % | | 11.63 % | | 11.55 % | | 11.61 % | | 12.18 % | | (0.64)% |
| Tangible assets | $ | 110,665 | $ | 106,366 | $ | 105,451 | $ | 102,172 | $ | 98,628 | $ 12,037 | 12.2 % |
| Tangible common equity[1] | $ | 10,759 | $ | 10,315 | $ | 10,057 | $ | 9,747 | $ | 10,140 | $ 619 | 6.1 % |
| Tangible common equity as a % of tangible assets[1] | | 9.72 % | | 9.70 % | | 9.54 % | | 9.54 % | | 10.28 % | | (0.56)% |
| Tangible common equity per share[1] | $ | 26.00 | $ | 24.67 | $ | 23.48 | $ | 22.24 | $ | 22.10 | $ 3.90 | 17.6 % |
| **REGULATORY CAPITAL RATIOS[2][3]** | | | | | | | | | | | | |
| | Basel III - CECL Transition | | | | | | | | | | | |
| Total risk-based capital ratio[4] | | 15.3 % | | 15.2 % | | 15.4 % | | 15.0 % | | 16.5 % | | |
| Tier 1 risk-based capital ratio[5] | | 13.2 % | | 13.1 % | | 13.3 % | | 13.6 % | | 15.2 % | | |
| Tier 1 leverage ratio[6] | | 11.8 % | | 11.6 % | | 11.6 % | | 12.3 % | | 13.2 % | | |
| Common equity Tier 1 capital ratio | | 12.4 % | | 12.3 % | | 12.5 % | | 12.8 % | | 14.3 % | | |

(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 September 30, 2023 are preliminary and therefore subject to change.

(3) Capital ratios reflect the phase-in of an estimate of CECL's effect on regulatory capital over a three-year transitional period beginning in the first quarter of 2022 through 2024. Capital ratios for 2023 and 2022 reflect 50% and 25%, respectively, of the phase-in of CECL effects.

(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.

**SYNCHRONY FINANCIAL**
**PLATFORM RESULTS**
**(unaudited, $ in millions)**

| | Quarter Ended | | | | | | | Nine Months Ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Sep 30, 2023 | Jun 30, 2023 | Mar 31, 2023 | Dec 31, 2022 | Sep 30, 2022 | 3Q'23 vs. 3Q'22 | | Sep 30, 2023 | Sep 30, 2022 | YTD'23 vs. YTD'22 | |
| **HOME & AUTO** | | | | | | | | | | | |
| Purchase volume[1] | $ 12,273 | $ 12,853 | $ 10,863 | $ 11,860 | $ 12,273 | $ — | — % | $ 35,989 | $ 35,428 | $ 561 | 1.6 % |
| Period-end loan receivables | $ 31,648 | $ 30,926 | $ 29,733 | $ 29,978 | $ 29,017 | $ 2,631 | 9.1 % | $ 31,648 | $ 29,017 | $ 2,631 | 9.1 % |
| Average loan receivables, including held for sale | $ 31,239 | $ 30,210 | $ 29,690 | $ 29,402 | $ 28,387 | $ 2,852 | 10.0 % | $ 30,386 | $ 27,307 | $ 3,079 | 11.3 % |
| Average active accounts (in thousands)[3] | 19,223 | 18,935 | 18,521 | 18,539 | 18,350 | 873 | 4.8 % | 18,894 | 17,923 | 971 | 5.4 % |
| Interest and fees on loans | $ 1,367 | $ 1,275 | $ 1,225 | $ 1,264 | $ 1,210 | $ 157 | 13.0 % | $ 3,867 | $ 3,406 | $ 461 | 13.5 % |
| Other income | $ 28 | $ 27 | $ 25 | $ 23 | $ 20 | $ 8 | 40.0 % | $ 80 | $ 64 | $ 16 | 25.0 % |
| **DIGITAL** | | | | | | | | | | | |
| Purchase volume[1] | $ 13,808 | $ 13,472 | $ 12,261 | $ 14,794 | $ 12,941 | $ 867 | 6.7 % | $ 39,541 | $ 36,600 | $ 2,941 | 8.0 % |
| Period-end loan receivables | $ 26,685 | $ 25,758 | $ 24,944 | $ 25,522 | $ 22,925 | $ 3,760 | 16.4 % | $ 26,685 | $ 22,925 | $ 3,760 | 16.4 % |
| Average loan receivables, including held for sale | $ 26,266 | $ 25,189 | $ 24,982 | $ 23,931 | $ 22,361 | $ 3,905 | 17.5 % | $ 25,484 | $ 21,596 | $ 3,888 | 18.0 % |
| Average active accounts (in thousands)[3] | 20,768 | 20,559 | 20,564 | 20,073 | 19,418 | 1,350 | 7.0 % | 20,641 | 19,176 | 1,465 | 7.6 % |
| Interest and fees on loans | $ 1,530 | $ 1,422 | $ 1,363 | $ 1,322 | $ 1,197 | $ 333 | 27.8 % | $ 4,315 | $ 3,277 | $ 1,038 | 31.7 % |
| Other income | $ (6) | $ (2) | $ 1 | $ (14) | $ (22) | $ 16 | (72.7)% | $ (7) | $ (47) | $ 40 | (85.1)% |
| **DIVERSIFIED & VALUE** | | | | | | | | | | | |
| Purchase volume[1] | $ 15,445 | $ 15,356 | $ 13,439 | $ 16,266 | $ 14,454 | $ 991 | 6.9 % | $ 44,240 | $ 40,400 | $ 3,840 | 9.5 % |
| Period-end loan receivables | $ 18,865 | $ 18,329 | $ 17,702 | $ 18,617 | $ 16,566 | $ 2,299 | 13.9 % | $ 18,865 | $ 16,566 | $ 2,299 | 13.9 % |
| Average loan receivables, including held for sale | $ 18,565 | $ 17,935 | $ 17,713 | $ 17,274 | $ 16,243 | $ 2,322 | 14.3 % | $ 18,074 | $ 15,627 | $ 2,447 | 15.7 % |
| Average active accounts (in thousands)[3] | 20,410 | 20,346 | 20,807 | 20,386 | 19,411 | 999 | 5.1 % | 20,571 | 19,258 | 1,313 | 6.8 % |
| Interest and fees on loans | $ 1,168 | $ 1,091 | $ 1,070 | $ 1,023 | $ 935 | $ 233 | 24.9 % | $ 3,329 | $ 2,587 | $ 742 | 28.7 % |
| Other income | $ (28) | $ (21) | $ (14) | $ (42) | $ (19) | $ (9) | 47.4 % | $ (63) | $ (63) | $ — | — % |
| **HEALTH & WELLNESS** | | | | | | | | | | | |
| Purchase volume[1] | $ 3,990 | $ 4,015 | $ 3,690 | $ 3,505 | $ 3,514 | $ 476 | 13.5 % | $ 11,695 | $ 10,064 | $ 1,631 | 16.2 % |
| Period-end loan receivables | $ 14,019 | $ 13,327 | $ 12,581 | $ 12,179 | $ 11,590 | $ 2,429 | 21.0 % | $ 14,019 | $ 11,590 | $ 2,429 | 21.0 % |
| Average loan receivables, including held for sale | $ 13,600 | $ 12,859 | $ 12,309 | $ 11,846 | $ 11,187 | $ 2,413 | 21.6 % | $ 12,927 | $ 10,681 | $ 2,246 | 21.0 % |
| Average active accounts (in thousands)[3] | 7,276 | 7,063 | 6,887 | 6,673 | 6,411 | 865 | 13.5 % | 7,076 | 6,207 | 869 | 14.0 % |
| Interest and fees on loans | $ 844 | $ 786 | $ 735 | $ 744 | $ 706 | $ 138 | 19.5 % | $ 2,365 | $ 1,966 | $ 399 | 20.3 % |
| Other income | $ 74 | $ 54 | $ 61 | $ 60 | $ 55 | $ 19 | 34.5 % | $ 189 | $ 157 | $ 32 | 20.4 % |
| **LIFESTYLE** | | | | | | | | | | | |
| Purchase volume[1] | $ 1,490 | $ 1,580 | $ 1,302 | $ 1,498 | $ 1,374 | $ 116 | 8.4 % | $ 4,372 | $ 4,000 | $ 372 | 9.3 % |
| Period-end loan receivables | $ 6,483 | $ 6,280 | $ 5,971 | $ 5,970 | $ 5,686 | $ 797 | 14.0 % | $ 6,483 | $ 5,686 | $ 797 | 14.0 % |
| Average loan receivables, including held for sale | $ 6,383 | $ 6,106 | $ 5,919 | $ 5,772 | $ 5,610 | $ 773 | 13.8 % | $ 6,137 | $ 5,478 | $ 659 | 12.0 % |
| Average active accounts (in thousands)[3] | 2,556 | 2,529 | 2,611 | 2,585 | 2,524 | 32 | 1.3 % | 2,572 | 2,546 | 26 | 1.0 % |
| Interest and fees on loans | $ 249 | $ 232 | $ 223 | $ 221 | $ 208 | $ 41 | 19.7 % | $ 704 | $ 593 | $ 111 | 18.7 % |
| Other income | $ 8 | $ 7 | $ 7 | $ 7 | $ 8 | $ — | — % | $ 22 | $ 21 | $ 1 | 4.8 % |
| **CORP, OTHER(4)** | | | | | | | | | | | |
| Purchase volume[1][2] | $ — | $ — | $ 2 | $ — | $ 1 | $ (1) | (100.0)% | $ 2 | $ 5,772 | $ (5,770) | (100.0)% |
| Period-end loan receivables | $ 173 | $ 181 | $ 198 | $ 204 | $ 228 | $ (55) | (24.1)% | $ 173 | $ 228 | $ (55) | (24.1)% |
| Average loan receivables, including held for sale | $ 177 | $ 190 | $ 202 | $ 211 | $ 250 | $ (73) | (29.2)% | $ 190 | $ 2,715 | $ (2,525) | (93.0)% |
| Average active accounts (in thousands)[2][3] | 75 | 85 | 104 | 117 | 152 | (77) | (50.7)% | 88 | 3,407 | (3,319) | (97.4)% |
| Interest and fees on loans | $ (7) | $ 6 | $ — | $ 2 | $ 2 | $ (9) | NM | $ (1) | $ 476 | $ (477) | (100.2)% |
| Other income | $ 16 | $ (4) | $ (15) | $ (4) | $ 2 | $ 14 | NM | $ (3) | $ 218 | $ (221) | (101.4)% |
| **TOTAL SYF** | | | | | | | | | | | |
| Purchase volume[1][2] | $ 47,006 | $ 47,276 | $ 41,557 | $ 47,923 | $ 44,557 | $ 2,449 | 5.5 % | $ 135,839 | $ 132,264 | $ 3,575 | 2.7 % |
| Period-end loan receivables | $ 97,873 | $ 94,801 | $ 91,129 | $ 92,470 | $ 86,012 | $ 11,861 | 13.8 % | $ 97,873 | $ 86,012 | $ 11,861 | 13.8 % |
| Average loan receivables, including held for sale | $ 96,230 | $ 92,489 | $ 90,815 | $ 88,436 | $ 84,038 | $ 12,192 | 14.5 % | $ 93,198 | $ 83,404 | $ 9,794 | 11.7 % |
| Average active accounts (in thousands)[2][3] | 70,308 | 69,517 | 69,494 | 68,373 | 66,266 | 4,042 | 6.1 % | 69,842 | 68,517 | 1,325 | 1.9 % |
| Interest and fees on loans | $ 5,151 | $ 4,812 | $ 4,616 | $ 4,576 | $ 4,258 | $ 893 | 21.0 % | $ 14,579 | $ 12,305 | $ 2,274 | 18.5 % |
| Other income | $ 92 | $ 61 | $ 65 | $ 30 | $ 44 | $ 48 | 109.1 % | $ 218 | $ 350 | $ (132) | (37.7)% |

(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.
(4) YTD 2022 includes activity and balances associated with Gap Inc. and BP portfolios which were both sold in 2Q 2022.

**SYNCHRONY FINANCIAL**

**RECONCILIATION OF NON-GAAP MEASURES AND CALCULATIONS OF REGULATORY MEASURES[1]**

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

| | Quarter Ended | | | | |
|---|---|---|---|---|---|
| | **Sep 30, 2023** | **Jun 30, 2023** | **Mar 31, 2023** | **Dec 31, 2022** | **Sep 30, 2022** |
| **COMMON EQUITY AND REGULATORY CAPITAL MEASURES[2]** | | | | | |
| GAAP Total equity | $ 13,767 | $ 13,380 | $ 13,193 | $ 12,873 | $ 13,012 |
| Less: Preferred stock | (734) | (734) | (734) | (734) | (734) |
| Less: Goodwill | (1,105) | (1,105) | (1,105) | (1,105) | (1,105) |
| Less: Intangible assets, net | (1,169) | (1,226) | (1,297) | (1,287) | (1,033) |
| **Tangible common equity** | $ 10,759 | $ 10,315 | $ 10,057 | $ 9,747 | $ 10,140 |
| Add: CECL transition amount | 1,146 | 1,146 | 1,146 | 1,719 | 1,719 |
| Adjustments for certain deferred tax liabilities and certain items in accumulated comprehensive income (loss) | 267 | 267 | 270 | 293 | 419 |
| **Common equity Tier 1** | $ 12,172 | $ 11,728 | $ 11,473 | $ 11,759 | $ 12,278 |
| Preferred stock | 734 | 734 | 734 | 734 | 734 |
| **Tier 1 capital** | $ 12,906 | $ 12,462 | $ 12,207 | $ 12,493 | $ 13,012 |
| Add: Subordinated debt | 741 | 741 | 740 | — | — |
| Add: Allowance for credit losses includible in risk-based capital | 1,317 | 1,276 | 1,233 | 1,220 | 1,142 |
| **Total Risk-based capital** | $ 14,964 | $ 14,479 | $ 14,180 | $ 13,713 | $ 14,154 |
| | | | | | |
| **ASSET MEASURES[2]** | | | | | |
| Total average assets | $ 110,335 | $ 108,401 | $ 105,842 | $ 102,206 | $ 98,694 |
| Adjustments for: | | | | | |
| Add: CECL transition amount | 1,146 | 1,146 | 1,146 | 1,719 | 1,719 |
| Less: Disallowed goodwill and other disallowed intangible assets (net of related deferred tax liabilities) and other | (1,984) | (2,035) | (2,081) | (2,046) | (1,776) |
| **Total assets for leverage purposes** | $ 109,497 | $ 107,512 | $ 104,907 | $ 101,879 | $ 98,637 |
| | | | | | |
| **Risk-weighted assets** | $ 97,987 | $ 95,060 | $ 91,873 | $ 91,596 | $ 85,664 |
| | | | | | |
| **CECL FULLY PHASED-IN CAPITAL MEASURES** | | | | | |
| **Tier 1 capital** | $ 12,906 | $ 12,462 | $ 12,207 | $ 12,493 | $ 13,012 |
| Less: CECL transition adjustment | (1,146) | (1,146) | (1,146) | (1,719) | (1,719) |
| **Tier 1 capital (CECL fully phased-in)** | $ 11,760 | $ 11,316 | $ 11,061 | $ 10,774 | $ 11,293 |
| Add: Allowance for credit losses | 10,176 | 9,804 | 9,517 | 9,527 | 9,102 |
| **Tier 1 capital (CECL fully phased-in) + Reserves for credit losses** | $ 21,936 | $ 21,120 | $ 20,578 | $ 20,301 | $ 20,395 |
| | | | | | |
| **Risk-weighted assets** | $ 97,987 | $ 95,060 | $ 91,873 | $ 91,596 | $ 85,664 |
| Less: CECL transition adjustment | (580) | (580) | (580) | (870) | (870) |
| **Risk-weighted assets (CECL fully phased-in)** | $ 97,407 | $ 94,480 | $ 91,293 | $ 90,726 | $ 84,794 |
| | | | | | |
| **TANGIBLE COMMON EQUITY PER SHARE** | | | | | |
| GAAP book value per share | $ 31.50 | $ 30.25 | $ 29.08 | $ 27.70 | $ 26.76 |
| Less: Goodwill | (2.67) | (2.65) | (2.58) | (2.52) | (2.41) |
| Less: Intangible assets, net | (2.83) | (2.93) | (3.02) | (2.94) | (2.25) |
| Tangible common equity per share | $ 26.00 | $ 24.67 | $ 23.48 | $ 22.24 | $ 22.10 |

(1) Regulatory measures at September 30, 2023 are presented on an estimated basis.

(2) Capital ratios reflect the phase-in of an estimate of CECL's effect on regulatory capital over a three-year transitional period beginning in the first quarter of 2022 through 2024. Capital ratios for 2023 and 2022 reflect 50% and 25%, respectively, of the phase-in of CECL effects.

Exhibit 99.3

# 3Q'23
# FINANCIAL RESULTS

October 24, 2023

# 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. All comparisons are for the third quarter of 2023 compared to the third quarter of 2022, unless otherwise noted.

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 partners, and promotion and support of our products by our partners; cyber-attacks or other security breaches; disruptions in the operations of our and our outsourced partners' 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 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 sub-service 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; regulation, supervision, examination and enforcement of our business by governmental authorities, the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and other legislative and regulatory developments and the impact of the Consumer Financial Protection Bureau's (the "CFPB") 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 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 Relating to Our Business" and "Risk Factors Relating to Regulation" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022, as filed on February 9, 2023. 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.

## 3Q'23 Financial Highlights

**SUMMARY**

**$1.48**
DILUTED EPS
*compared to $1.47*

**$97.9 billion**
LOAN RECEIVABLES
*compared to $86.0 billion*

**70.3 million**
AVERAGE ACTIVE ACCOUNTS
*compared to 66.3 million*

**FINANCIAL METRICS**

**15.36%**
NET INTEREST MARGIN
*compared to 15.52%*

**4.60%**
NET CHARGE-OFFS
*compared to 3.00%*

**33.2%**
EFFICIENCY RATIO
*compared to 36.5%*

**CAPITAL**

**12.4%**
CET1
*liquid assets of $17.6 billion, 15.6% of total assets*

**$78.1 billion**
DEPOSITS
*84% of current funding*

**$254 million**
CAPITAL RETURNED
*$150 million share repurchases*

# 3Q'23 Business Highlights

## BUSINESS EXPANSION

belk

Installation Made Easy.

YORK®

PARK WEST GALLERY

sonova HEAR THE WORLD | Audiological Care U.S.

SPECIALTY 1 Partners

AIMM® The Alliance of Independent Music Merchants

Handi Quilter® Designed by a Quilter, for Quilters®

## GROWTH METRICS

**Purchase volume**
*$ billions*


| | 3Q'22 | 3Q'23 | |
|---|---|---|---|
| **Dual Card / Co-Brand** | $17.5 | $19.8 | 13% |

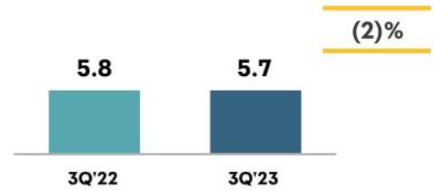
**Loan receivables**
*$ billions*


| | 3Q'22 | 3Q'23 | |
|---|---|---|---|
| **Dual Card / Co-Brand** | $19.8 | $25.1 | 27% |

**Average active accounts**
*in millions*

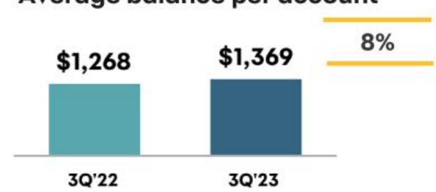

## CONSUMER PERFORMANCE

**New accounts**[a]




**Purchase volume per account**[b]


**Average balance per account**[c]



# Financial Results

## Summary earnings statement

| *$ in millions, except per share statistics* | 3Q'23 | 3Q'22 | B/(W) $ | B/(W) % |
|---|---|---|---|---|
| Total interest income | $5,354 | $4,342 | *$1,012* | *23 %* |
| Total interest expense | 992 | 414 | *(578)* | *(140) %* |
| **Net interest income (NII)** | **4,362** | **3,928** | ***434*** | ***11 %*** |
| Retailer share arrangements (RSA) | (979) | (1,057) | *78* | *7 %* |
| Provision for credit losses | 1,488 | 929 | *(559)* | *(60) %* |
| Other income | 92 | 44 | *48* | *109 %* |
| Other expense | 1,154 | 1,064 | *(90)* | *(8) %* |
| **Pre-tax earnings** | **833** | **922** | ***(89)*** | ***(10) %*** |
| Provision for income taxes | 205 | 219 | *14* | *6 %* |
| **Net earnings** | **628** | **703** | ***(75)*** | ***(11) %*** |
| Preferred dividends | 10 | 11 | *1* | *NM* |
| **Net earnings available to common stockholders** | **$618** | **$692** | ***$(74)*** | ***(11) %*** |
| **Diluted earnings per share** | **$1.48** | **$1.47** | ***$0.01*** | ***1 %*** |

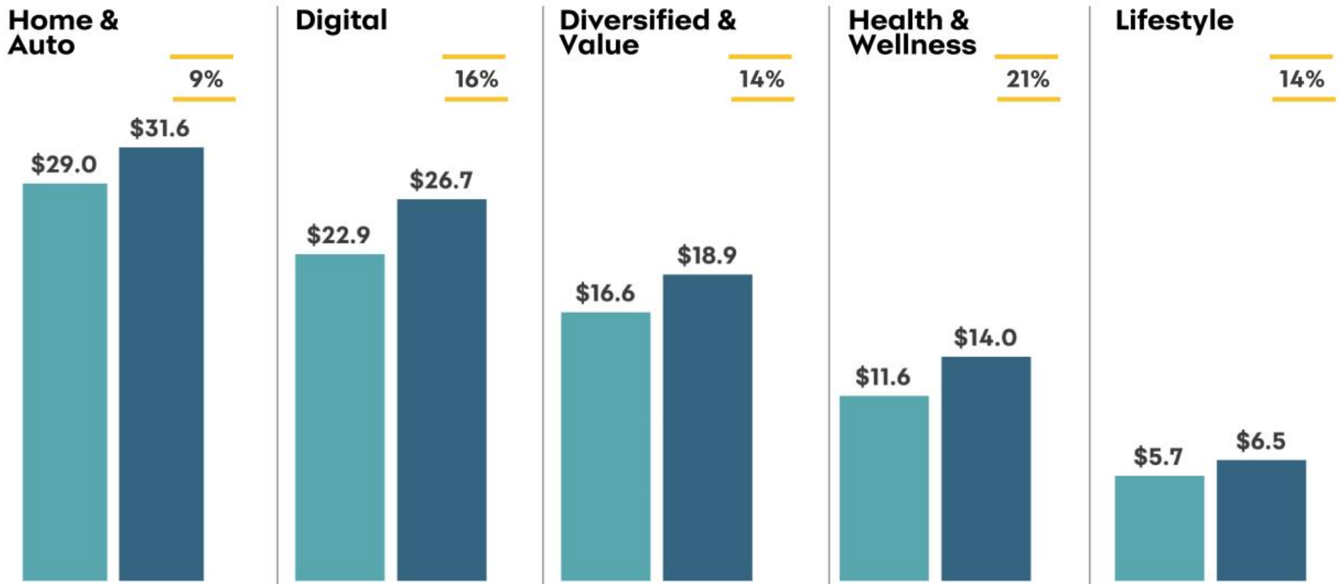
## 3Q'23 Highlights

**$628 million Net earnings, $1.48 diluted EPS**

- **Net interest income up 11%**
  - Interest and fees on loans up 21% driven primarily by growth in average loan receivables, higher benchmark rates, and lower payment rate
  - Interest expense increase attributed to higher benchmark rates and higher funding liabilities
- **Retailer share arrangements decreased (7)%**
  - Decrease driven by higher net charge-offs partially offset by higher net interest income
- **Provision for credit losses up 60%**
  - Higher provision driven by higher net charge-offs and a higher reserve build
- **Total Other expense up 8%**
  - Increase primarily driven by growth related items as well as technology investments and operational losses
  - Increases were partially offset by additional marketing and growth reinvestment of Gain on Sale proceeds in prior year

# 3Q'23 Platform Results[a]

*Loan receivables $ in billions*



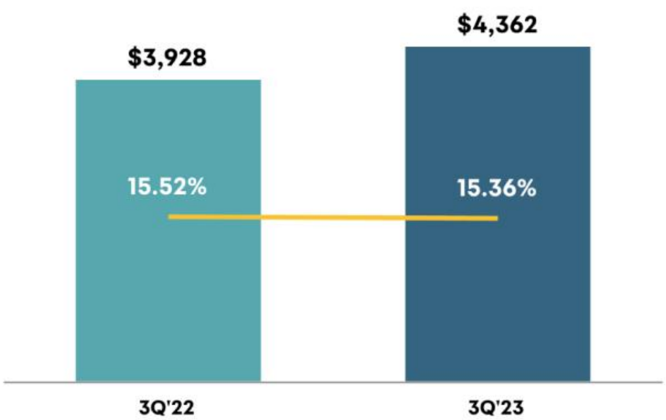

| | Home & Auto 3Q'22 | Home & Auto 3Q'23 | Home & Auto V% | Digital 3Q'22 | Digital 3Q'23 | Digital V% | Diversified & Value 3Q'22 | Diversified & Value 3Q'23 | Diversified & Value V% | Health & Wellness 3Q'22 | Health & Wellness 3Q'23 | Health & Wellness V% | Lifestyle 3Q'22 | Lifestyle 3Q'23 | Lifestyle V% |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Purchase volume** | $12.3 | $12.3 | *—%* | $12.9 | $13.8 | *7%* | $14.5 | $15.4 | *7%* | $3.5 | $4.0 | *14%* | $1.4 | $1.5 | *8%* |
| **Accounts** | 18.4 | 19.2 | *5%* | 19.4 | 20.8 | *7%* | 19.4 | 20.4 | *5%* | 6.4 | 7.3 | *13%* | 2.5 | 2.6 | *1%* |
| **Interest & fees on loans** | $1,210 | $1,367 | *13%* | $1,197 | $1,530 | *28%* | $935 | $1,168 | *25%* | $706 | $844 | *20%* | $208 | $249 | *20%* |

# Net Interest Income

## Net Interest Income

*$ in millions*
*% of average interest-earning assets*

11%




## Payment Rate Trends[a]


synchrony

## 3Q'23 Highlights

- **Net interest income increased 11%**
  - Interest and fees on loans up 21% driven primarily by growth in average loan receivables, higher benchmark rates, and lower payment rate
  - Interest expense increase attributed to higher benchmark rates and higher funding liabilities
- **Net interest margin (NIM) decreased 16 bps**
  - Interest-bearing liabilities cost: (185) bps
    - Total cost increased 229 bps to 4.34%
  - Loan receivables yield: 95 bps
    - Loan receivables yield of 21.24%, up 114 bps
  - Liquidity portfolio yield: 46 bps
  - Mix of Interest-earnings assets: 28 bps
    - Loan receivable mix as a percent of total earning assets increased from 83.7% to 85.4%

**3Q'23 payment rate ~130 bps higher than 5-year historical average ('15-'19)[b]**

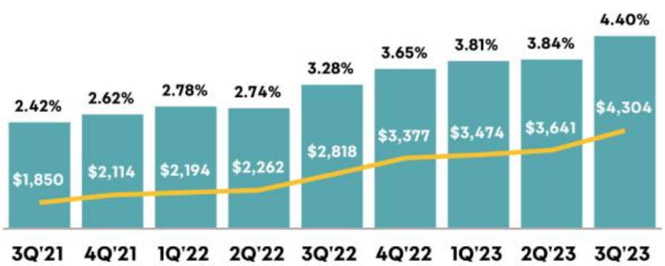
### NIM Walk

| | |
|---|---|
| **3Q'22 NIM** | **15.52%** |
| Interest-bearing liabilities cost | (1.85)% |
| Loan receivables yield | 0.95% |
| Liquidity portfolio yield | 0.46% |
| Mix of Interest-earning assets | 0.28% |
| **3Q'23 NIM** | **15.36%** |

# Asset Quality Metrics

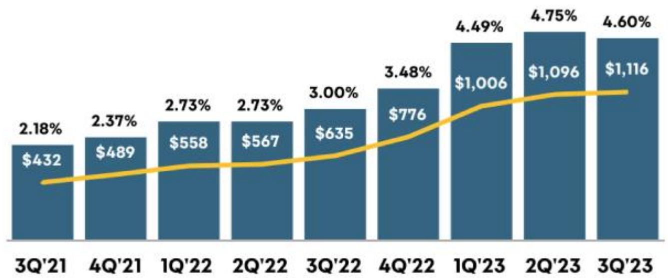
## 30+ days past due

*$ in millions, % of period-end loan receivables*



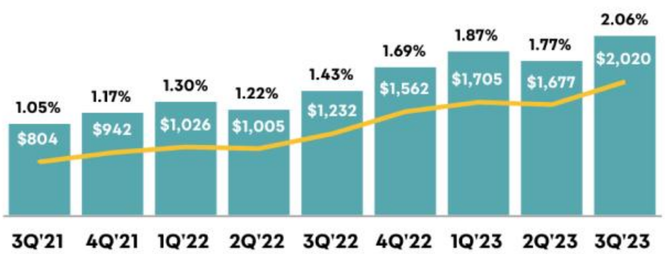

## Net charge-offs

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




## 90+ days past due

*$ in millions, % of period-end loan receivables*



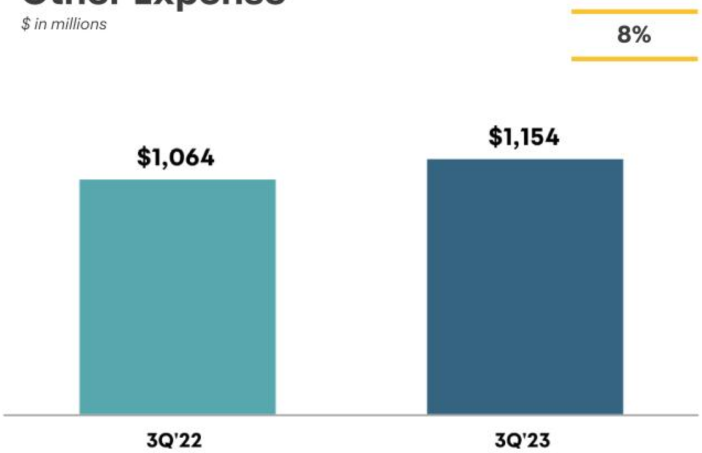

## Allowance for credit losses[(a)]

*$ in millions, % of period-end loan receivables*

# Other Expense

## Other Expense

*$ in millions*




| | 3Q'22 | 3Q'23 | B/(W) V$ | B/(W) V% |
|---|---|---|---|---|
| **Employee costs** | $416 | $444 | *$(28)* | *(7)%* |
| **Professional fees** | $204 | $219 | *$(15)* | *(7)%* |
| **Marketing/BD** | $115 | $125 | *$(10)* | *(9)%* |
| **Information processing** | $150 | $177 | *$(27)* | *(18)%* |
| **Other** | $179 | $189 | *$(10)* | *(6)%* |
| **Other expense** | **$1,064** | **$1,154** | ***$(90)*** | ***(8)%*** |
| **Efficiency[a]** | **36.5%** | **33.2%** | | ***(3.3) pts.*** |

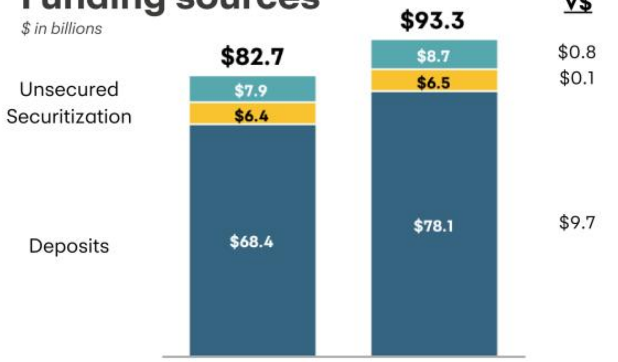
## 3Q'23 Highlights

- **Total other expense up 8%**
  - Increase primarily driven by growth related items as well as technology investments and operational losses
    - Increases were partially offset by additional marketing and growth reinvestment of Gain on Sale proceeds in prior year
  - Employee cost increase primarily attributable to an increase in headcount driven by growth
  - Increased technology investments drove higher professional fees and information processing expenses
- **Efficiency ratio 33.2% vs. 36.5% prior year**
  - Decrease in ratio driven by higher revenue partially offset by higher expenses

# Funding, Capital and Liquidity

## Funding sources

*$ in billions*




| | 3Q'22 | 3Q'23 | V% |
|---|---|---|---|
| **Deposits** | 82% | 84% | *2 pts.* |
| **Securitization** | 8% | 7% | *(1) pts.* |
| **Unsecured** | 10% | 9% | *(1) pts.* |

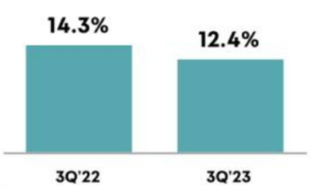
## Liquidity[a]

*$ in billions*


| | 3Q'22 | 3Q'23 |
|---|---|---|
| Liquid assets | $16.6 | $17.6 |
| Undrawn credit facilities | $3.7 | $2.9 |
| **Total liquidity** | **$20.3** | **$20.5** |
| **% of Total assets** | **20.1%** | **18.2%** |

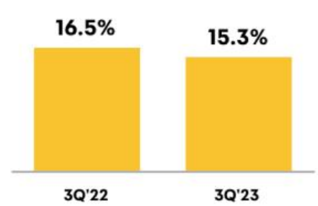
## Capital ratios[b]

**CET1 Capital Ratio**

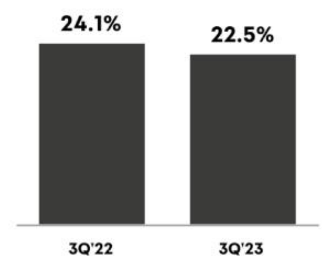



**Tier 1 Capital Ratio**


**Total Capital Ratio**




**Tier 1 Capital + Credit Loss Reserve Ratio***




synchrony

** The "Tier 1 Capital + Credit Loss Reserve Ratio" is the sum of our "Tier 1 Capital" and "Allowance for Credit Losses," divided by our "Total Risk-Weighted Assets". 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.*

# 2023 Outlook

| | Full Year 2023 | | |
|---|---|---|---|
| **Key Driver** | **Original** | **Current** | **Trends / Update** |
| **Loan receivables growth** | 8 – 10% | ~11% | • 3Q driven by payment rate moderation and purchase volume growth<br>• Expect purchase volume growth rate to slow and payment rate moderation to continue, but remain above pre-pandemic levels through year-end |
| **Net interest margin** | 15.00 – 15.25% | ~15.15% | • 3Q NIM influenced by:<br>– Higher interest and fees on loans growth, driven by higher average receivables growth and payment rate moderation<br>– Better than expected deposit betas<br>• Expect 4Q NIM to be driven by potential variables:<br>– Higher average liquidity to pre-fund seasonal growth<br>– Higher deposit betas driven by competition and benchmark rate increases<br>– Interest and fees on loans growth, partly offset by rising reversals |
| **Net charge-offs** | 4.75 – 5.00% | ~4.85% | • Credit performance remains in line with expectations<br>– Delinquencies expected to follow seasonal trends moving forward<br>– NCO dollars to continue rising through year; NCO rate not expected to reach pre-pandemic levels on an annual basis until 2024 |
| **RSA / Average loan receivables** | 4.00 – 4.25% | ~3.95% | • Improvement in RSA driven by continued credit normalization, lower net interest margin, and the mix of loan receivables growth, partially offset by higher purchase volume |
| **Operating expenses** | ~$1,125MM per qtr | ~$1,150MM per qtr | • Expense increase driven by growth, technology investments and operational losses<br>• Managing expenses to deliver positive operating leverage (expense growth lower than NII growth) for the full year |

*(comments and trends in comparison to 2022, except where noted)*

# Footnotes

**All amounts and metrics included in this presentation are as of, or for the three months ended, September 30, 2023, unless otherwise stated.**

**3Q'23 Business Highlights**

a. New accounts represent accounts that were approved in the respective period, in millions.
b. Purchase volume per account is calculated as total Purchase volume divided by Average active accounts, in $.
c. Average balance per account is calculated as the Average loan receivables divided by Average active accounts, in $.

**Platform Results**

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.

**Net Interest Income:**

a. Payment rate is calculated as customer payments divided by beginning of period loan receivables.
b. Historical payment rate excludes portfolios sold in 2019 and 2022.

**Asset Quality:**

a. Allowance for credit losses reflects the adoption of ASU 2022-22, "Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures" on January 1, 2023, which included a $294 million reduction to the allowance for credit losses upon adoption.

**Other Expense**

a. Other expense divided by sum of Net interest income plus Other income less Retailer share arrangements (RSA).

**Funding, Capital and Liquidity**

a. Does not include unencumbered assets in the Bank that could be pledged.
b. Capital ratios reflect the phase-in of an estimate of CECL's effect on regulatory capital over a three-year transitional period beginning in the first quarter of 2022 through 2024. CET1, Tier 1, and Total Capital Ratio are presented on a Transition basis and capital ratios for 2023 and 2022 reflect 50% and 25%, respectively, of the phase-in of CECL effects.

synchrony

CHANGING WHAT'S POSSIBLE

# Non-GAAP Reconciliation*

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

*$ in millions*

| | At September 30 | |
|---|---|---|
| | Total | |
| | 2022 | 2023 |
| Tier 1 Capital | $ 13,012 | $ 12,906 |
| Less: CECL transition adjustment | (1,719) | (1,146) |
| **Tier 1 capital (CECL fully phased-in)** | **$ 11,293** | **$ 11,760** |
| Add: Allowance for credit losses | 9,102 | 10,176 |
| **Tier 1 capital (CECL fully phased-in) plus Reserves for credit losses** | **$ 20,395** | **$ 21,936** |
| | | |
| **Risk-weighted assets** | **$ 85,664** | **$ 97,987** |
| Less: CECL transition adjustment | (870) | (580) |
| **Risk-weighted assets (CECL fully phased-in)** | **$ 84,794** | **$ 97,407** |



** Estimated at September 30, 2023*

**Explanation of Non-GAAP Measures**

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

We present certain capital 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 these capital and equity related non-GAAP measures to the applicable comparable GAAP financial measures are included in the detailed financial tables included in Exhibit 99.2.