

**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 17, 2015
Date of Report
(Date of earliest event reported)

SYNCHRONY FINANCIAL

(Exact name of registrant as specified in its charter)

Delaware
**(State or other jurisdiction
of incorporation)**

001-36560
**(Commission
File Number)**

51-0483352
**(I.R.S. Employer
Identification No.)**

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

06902
(Zip Code)

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

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On April 17, 2015, Synchrony Financial (the "Company") issued a press release setting forth the Company's first quarter 2015 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:

| <u>Number</u> | <u>Description</u> |
|---------------|---|
| 99.1 | Press release, dated April 17, 2015, issued by Synchrony Financial. |
| 99.2 | Financial Data Supplement of the Company for the quarter ended March 31, 2015. |
| 99.3 | Financial Results Presentation of the Company for the quarter ended March 31, 2015. |
| 99.4 | Explanation of Non-GAAP Measures |

EXHIBIT INDEX

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Contact:

Investor Relations Media Relations

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For Immediate Release: April 17, 2015

Synchrony Financial Reports First Quarter Net Earnings of \$552 Million or \$0.66 Per Diluted Share

STAMFORD, Conn. – Synchrony Financial (NYSE: SYF) today announced first quarter 2015 net earnings of \$552 million, or \$0.66 per diluted share. Highlights for the quarter included:

- Total platform revenue increased 5% from the first quarter of 2014 to \$2.6 billion
- Loan receivables grew \$4 billion, or 7%, from the first quarter of 2014 to \$58 billion
- Purchase volume increased 10% from the first quarter of 2014
- Extended a top 10 partnership- Amazon
- Announced a new top 40 partnership-Guitar Center
- Launched exclusive endorsement agreement with VSP, nation's largest vision insurance provider
- Strong deposit growth continued, up \$8 billion, or 28%, over the first quarter of 2014
- Separation from General Electric Company on track

"The momentum we generated over the last several quarters continued in the first quarter. Our value propositions helped to drive strong receivables, deposit, and revenue growth," said Margaret Keane, President and Chief Executive Officer of Synchrony Financial. "We are pleased with our organic growth and business development results. We continued to extend major partnerships, signed several new programs across our platforms, and launched compelling promotions to help our partners drive sales growth."

"We are also capitalizing on new mobile and digital technologies, evidenced by the announcement that our Payment Solutions and CareCredit cards will be available in Samsung Pay when launched. This, coupled with our involvement in Apple Pay, demonstrates our commitment to being in leading edge mobile wallet applications. Our focus remains on finding ways to further enhance the value we deliver to partners and customers and delivering growth across our business platforms," stated Ms. Keane.

Business and Financial Highlights for the First Quarter of 2015

All comparisons below are for the first quarter of 2015 compared to the first quarter of 2014, unless otherwise noted.

Earnings

- Net interest income increased \$132 million, or 5%, to \$2.9 billion, driven by strong loan receivables growth, partially offset by higher interest expense from funding issued to increase liquidity in 2014.
- Total platform revenue increased \$132 million, or 5%.
- Provision for loan losses decreased \$77 million to \$687 million largely due to improved asset quality trends.
- Other income decreased \$14 million to \$101 million, driven by increased loyalty and rewards costs associated with program initiatives, partially offset by strong growth in interchange revenue.
- Other expense increased \$136 million to \$746 million. The increase included \$92 million attributable to infrastructure build in preparation for separation from General Electric Company (GE) and growth, as well as a \$44 million reduction in reserves for regulatory matters in the first quarter of 2014.
- Net earnings totaled \$552 million for the quarter compared to \$558 million in the first quarter of 2014.

Balance Sheet

- Period-end loan receivables growth remained strong at 7%, driven by purchase volume growth of 10% and average active account growth of 4%.
- The composition of loan receivables growth remained broad-based across all sales platforms.
- Deposits grew to \$35 billion, up \$8 billion, or 28%, from the first quarter of 2014, and now comprise 59% of funding compared to 55% last year.
- The Company's balance sheet remained strong with total liquidity (liquid assets and undrawn securitization capacity) at \$20 billion, or 28% of total assets.
- The estimated Tier 1 Common Equity ratio under Basel I was 16.9% and the estimated fully phased-in Common Equity Tier 1 ratio under Basel III was 16.4%.

Key Financial Metrics

- Return on assets was 3.0% and return on equity was 20.8%.
- Net interest margin declined 304 basis points to 15.79% primarily due to the impact from the significant increase in liquidity versus the prior year.
- Efficiency ratio increased to 32.2% mainly due to increased investments in growth and infrastructure build in preparation for separation from GE.

Credit Quality

- Loans 30+ days past due as a percentage of period-end loan receivables improved 30 basis points to 3.79%.
- Net charge-offs as a percentage of total average loan receivables improved 33 basis points to 4.53%.
- The allowance for loan losses as a percentage of total period-end receivables was 5.59%.

Sales Platforms

- Retail Card platform revenue increased 5%, driven primarily by purchase volume growth of 10% and period-end loan receivables growth of 7%, with broad-based growth across partner programs.
- Payment Solutions platform revenue increased 8%, driven primarily by purchase volume growth of 10% and period-end loan receivables growth of 11%, with solid growth across industry segments led by home furnishings, automotive products, and power equipment.
- CareCredit platform revenue increased 5%, driven primarily by purchase volume growth of 6% and period-end receivables growth of 4%, with growth led by dental and veterinary specialties.

Corresponding Financial Tables and Information

No representation is made that the information in this news release is complete. Investors are encouraged to review the foregoing summary and discussion of Synchrony Financial's earnings and financial condition in conjunction with the detailed financial tables and information that follow and in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as filed February 23, 2015. The detailed financial tables and other information are also available on the Investor Relations page of the Company's website at www.investors.synchronyfinancial.com. This information is also furnished in a Current Report on Form 8-K filed with the SEC today.

Conference Call and Webcast Information

On Friday, April 17, 2015, at 10:30 a.m. Eastern Time, Margaret Keane, President and Chief Executive Officer, and Brian Doubles, Executive Vice President and Chief Financial Officer, will host a conference call to review the financial results and outlook for certain business drivers. The conference call can be accessed via an audio webcast through the Investor Relations page of our 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 12015#, and can be accessed beginning approximately two hours after the event through May 1, 2015.

About Synchrony Financial

Synchrony Financial (NYSE: SYF), formerly GE Capital Retail Finance, is one of the premier consumer financial services companies in the United States. Our roots in consumer finance trace back to 1932, and today we are the largest provider of private label credit cards in the United States based on purchase volume and receivables. We provide a range of credit products through programs we have established with a diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations and healthcare service providers to help generate growth for our partners and offer financial flexibility to our customers. Through our partners' more than 300,000 locations across the United

States and Canada, and their websites and mobile applications, we offer our customers a variety of credit products to finance the purchase of goods and services. Our offerings include private label and co-branded Dual Card credit cards, promotional financing and installment lending, loyalty programs and Optimizer^{plus} branded FDIC-insured savings products through Synchrony Bank. More information can be found at www.synchronyfinancial.com and twitter.com/SYFNews.

Cautionary Statement Regarding Forward-Looking Statements

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

the Federal Reserve Board both as a savings and loan holding company and as a systemically important financial institution; GE not completing the separation from us as planned or at all, GE's inability to obtain savings and loan holding company deregistration (GE SLHC Deregistration) and GE continuing to have significant control over us; completion by the Federal Reserve Board of a review (with satisfactory results) of our preparedness to operate on a standalone basis, independently of GE, and Federal Reserve Board approval required for us to continue to be a savings and loan holding company, including the timing of the approval and the imposition of any significant additional capital or liquidity requirements; our need to establish and significantly expand many aspects of our operations and infrastructure; delays in receiving or failure to receive Federal Reserve Board agreement required for us to be treated as a financial holding company after the GE SLHC Deregistration; loss of association with GE's strong brand and reputation; limited right to use the GE brand name and logo and need to establish a new brand; GE's significant control over us; terms of our arrangements with GE may be more favorable than what we will be able to obtain from unaffiliated third parties; obligations associated with being a public company; our incremental cost of operating as a standalone public company could be substantially more than anticipated; GE could engage in businesses that compete with us, and conflicts of interest may arise between us and GE; and failure caused by us of GE's distribution of our common stock to its stockholders in exchange for its common stock to qualify for tax-free treatment, which may result in significant tax liabilities to GE for which we may be required to indemnify GE.

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, 2014, as filed on February 23, 2015. You should not consider any list of such factors to be an exhaustive statement of all of the risks, uncertainties, or potentially inaccurate assumptions that could cause our current expectations or beliefs to change. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as otherwise may be required by law.

Non-GAAP Measures

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

SYNCHRONY FINANCIAL

FINANCIAL SUMMARY

(unaudited, in millions, except per share statistics)

| | Quarter Ended | | | | | 1Q'15 vs. 1Q'14 | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------|
| | Mar 31, 2015 | Dec 31, 2014 | Sep 30, 2014 | Jun 30, 2014 | Mar 31, 2014 | | |
| EARNINGS | | | | | | | |
| Net interest income | \$ 2,875 | \$ 2,978 | \$ 2,879 | \$ 2,720 | \$ 2,743 | \$ 132 | 4.8 % |
| Retailer share arrangements | (660) | (698) | (693) | (590) | (594) | (66) | 11.1 % |
| Net interest income, after retailer share arrangements | 2,215 | 2,280 | 2,186 | 2,130 | 2,149 | 66 | 3.1 % |
| Provision for loan losses | 687 | 797 | 675 | 681 | 764 | (77) | (10.1)% |
| Net interest income, after retailer share arrangements and provision for loan losses | 1,528 | 1,483 | 1,511 | 1,449 | 1,385 | 143 | 10.3 % |
| Other income | 101 | 162 | 96 | 112 | 115 | (14) | (12.2)% |
| Other expense | 746 | 792 | 728 | 797 | 610 | 136 | 22.3 % |
| Earnings before provision for income taxes | 883 | 853 | 879 | 764 | 890 | (7) | (0.8)% |
| Provision for income taxes | 331 | 322 | 331 | 292 | 332 | (1) | (0.3)% |
| Net earnings | \$ 552 | \$ 531 | \$ 548 | \$ 472 | \$ 558 | \$ (6) | (1.1)% |
| Net earnings attributable to common stockholders | \$ 552 | \$ 531 | \$ 548 | \$ 472 | \$ 558 | \$ (6) | (1.1)% |
| COMMON SHARE STATISTICS | | | | | | | |
| Basic EPS | \$ 0.66 | \$ 0.64 | \$ 0.70 | \$ 0.67 | \$ 0.79 | \$ (0.13) | (16.5)% |
| Diluted EPS | \$ 0.66 | \$ 0.64 | \$ 0.70 | \$ 0.67 | \$ 0.79 | \$ (0.13) | (16.5)% |
| Common stock price | \$ 30.35 | \$ 29.75 | \$ 24.55 | n/a | n/a | \$ 30.35 | n/a |
| Book value per share | \$ 13.24 | \$ 12.57 | \$ 11.92 | \$ 9.06 | \$ 8.57 | \$ 4.67 | 54.5 % |
| Tangible book value per share ⁽¹⁾ | \$ 11.43 | \$ 10.81 | \$ 10.25 | \$ 7.06 | \$ 6.56 | \$ 4.87 | 74.2 % |
| Beginning common shares outstanding | 833.8 | 833.8 | 705.3 | 705.3 | 705.3 | 128.5 | 18.2 % |
| Issuance of common shares through initial public offering | — | — | 128.5 | — | — | — | NM |
| Shares repurchased | — | — | — | — | — | — | NM |
| Ending common shares outstanding | 833.8 | 833.8 | 833.8 | 705.3 | 705.3 | 128.5 | 18.2 % |
| Weighted average common shares outstanding | 833.8 | 833.8 | 781.8 | 705.3 | 705.3 | 128.5 | 18.2 % |
| Weighted average common shares outstanding (fully diluted) | 835.0 | 834.3 | 781.9 | 705.3 | 705.3 | 129.7 | 18.4 % |

(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, except account data)

| | Quarter Ended | | | | | 1Q'15 vs. 1Q'14 | |
|---|------------------|------------------|------------------|------------------|-----------------|------------------|-----------|
| | Mar 31, 2015 | Dec 31, 2014 | Sep 30, 2014 | Jun 30, 2014 | Mar 31, 2014 | | |
| PERFORMANCE METRICS | | | | | | | |
| Return on assets ⁽¹⁾ | 3.0% | 2.7% | 3.2% | 3.1% | 3.9% | (0.9)% | |
| Return on equity ⁽²⁾ | 20.8% | 20.2% | 26.8% | 29.9% | 35.3% | (14.5)% | |
| Return on tangible common equity ⁽³⁾ | 24.1% | 23.4% | 32.4% | 38.5% | 44.2% | (20.1)% | |
| Net interest margin ⁽⁴⁾ | 15.79% | 15.60% | 17.11% | 17.84% | 18.83% | (3.04)% | |
| Efficiency ratio ⁽⁵⁾ | 32.2% | 32.4% | 31.9% | 35.5% | 26.9% | 5.3% | |
| Other expense as a % of average loan receivables, including held for sale | 5.06% | 5.16% | 5.09% | 5.77% | 4.51% | 0.55% | |
| Effective income tax rate | 37.5% | 37.7% | 37.7% | 38.2% | 37.3% | 0.2% | |
| CREDIT QUALITY METRICS | | | | | | | |
| Net charge-offs as a % of average loan receivables, including held for sale | 4.53% | 4.32% | 4.05% | 4.88% | 4.86% | (0.33)% | |
| 30+ days past due as a % of period-end loan receivables | 3.79% | 4.14% | 4.26% | 3.82% | 4.09% | (0.30)% | |
| 90+ days past due as a % of period-end loan receivables | 1.81% | 1.90% | 1.85% | 1.65% | 1.93% | (0.12)% | |
| Net charge-offs | \$ 668 | \$ 663 | \$ 579 | \$ 673 | \$ 658 | \$ 10 | 1.5% |
| Loan receivables delinquent over 30 days | \$ 2,209 | \$ 2,536 | \$ 2,416 | \$ 2,097 | \$ 2,220 | \$ (11) | (0.5)% |
| Loan receivables delinquent over 90 days | \$ 1,056 | \$ 1,162 | \$ 1,051 | \$ 908 | \$ 1,046 | \$ 10 | 1.0% |
| Allowance for loan losses (period-end) | \$ 3,255 | \$ 3,236 | \$ 3,102 | \$ 3,006 | \$ 2,998 | \$ 257 | 8.6% |
| Allowance coverage ratio ⁽⁶⁾ | 5.59% | 5.28% | 5.46% | 5.48% | 5.52% | | 0.07% |
| BUSINESS METRICS | | | | | | | |
| Purchase volume ⁽⁷⁾ | \$ 23,139 | \$ 30,081 | \$ 26,004 | \$ 25,978 | \$ 21,086 | \$ 2,053 | 9.7% |
| Period-end loan receivables | \$ 58,248 | \$ 61,286 | \$ 56,767 | \$ 54,873 | \$ 54,285 | \$ 3,963 | 7.3% |
| Credit cards | \$ 55,866 | \$ 58,880 | \$ 54,263 | \$ 52,406 | \$ 52,008 | \$ 3,858 | 7.4% |
| Consumer installment loans | \$ 1,062 | \$ 1,063 | \$ 1,081 | \$ 1,047 | \$ 963 | \$ 99 | 10.3% |
| Commercial credit products | \$ 1,295 | \$ 1,320 | \$ 1,404 | \$ 1,405 | \$ 1,299 | \$ (4) | (0.3)% |
| Other | \$ 25 | \$ 23 | \$ 19 | \$ 15 | \$ 15 | \$ 10 | 66.7% |
| Average loan receivables, including held for sale | \$ 59,775 | \$ 59,547 | \$ 57,391 | \$ 55,363 | \$ 55,495 | \$ 4,280 | 7.7% |
| Period-end active accounts (in thousands) ⁽⁸⁾ | 59,761 | 64,286 | 60,489 | 59,248 | 57,349 | 2,412 | 4.2% |
| Average active accounts (in thousands) ⁽⁸⁾ | 61,604 | 61,667 | 59,907 | 58,386 | 59,342 | 2,262 | 3.8% |
| LIQUIDITY | | | | | | | |
| Liquid assets | | | | | | | |
| Cash and equivalents | \$ 11,218 | \$ 11,828 | \$ 14,808 | \$ 6,782 | \$ 5,331 | \$ 5,887 | 110.4% |
| Total liquid assets | \$ 13,813 | \$ 12,942 | \$ 14,077 | \$ 6,119 | \$ 4,806 | \$ 9,007 | 187.4% |
| Undrawn credit facilities | | | | | | | |
| Undrawn committed securitization financings | \$ 6,600 | \$ 6,100 | \$ 5,650 | \$ 5,650 | \$ 450 | \$ 6,150 | NM |
| Total liquid assets and undrawn credit facilities | \$ 20,413 | \$ 19,042 | \$ 19,727 | \$ 11,769 | \$ 5,256 | \$ 15,157 | NM |
| Liquid assets % of total assets | 18.99% | 17.09% | 19.16% | 9.69% | 8.11% | | 10.88% |
| Liquid assets including undrawn committed securitization financings % of total assets | 28.07% | 25.15% | 26.85% | 18.63% | 8.87% | | 19.20% |

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

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

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

(4) 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, after retailer share arrangements, plus other income.

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

(7) 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.

(8) 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 | | | | | 1Q'15 vs. 1Q'14 | |
|--|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|
| | Mar 31, 2015 | Dec 31, 2014 | Sep 30, 2014 | Jun 30, 2014 | Mar 31, 2014 | | |
| Interest income: | | | | | | | |
| Interest and fees on loans | \$ 3,140 | \$ 3,252 | \$ 3,116 | \$ 2,920 | \$ 2,928 | \$ 212 | 7.2 % |
| Interest on investment securities | 10 | 8 | 7 | 6 | 5 | 5 | 100.0 % |
| Total interest income | 3,150 | 3,260 | 3,123 | 2,926 | 2,933 | 217 | 7.4 % |
| Interest expense: | | | | | | | |
| Interest on deposits | 137 | 139 | 126 | 109 | 96 | 41 | 42.7 % |
| Interest on borrowings of consolidated securitization entities | 52 | 57 | 57 | 54 | 47 | 5 | 10.6 % |
| Interest on third-party debt | 82 | 78 | 46 | — | — | 82 | NM |
| Interest on related party debt | 4 | 8 | 15 | 43 | 47 | (43) | (91.5)% |
| Total interest expense | 275 | 282 | 244 | 206 | 190 | 85 | 44.7 % |
| Net interest income | 2,875 | 2,978 | 2,879 | 2,720 | 2,743 | 132 | 4.8 % |
| Retailer share arrangements | (660) | (698) | (693) | (590) | (594) | (66) | 11.1 % |
| Net interest income, after retailer share arrangements | 2,215 | 2,280 | 2,186 | 2,130 | 2,149 | 66 | 3.1 % |
| Provision for loan losses | 687 | 797 | 675 | 681 | 764 | (77) | (10.1)% |
| Net interest income, after retailer share arrangements and provision for loan losses | 1,528 | 1,483 | 1,511 | 1,449 | 1,385 | 143 | 10.3 % |
| Other income: | | | | | | | |
| Interchange revenue | 100 | 120 | 101 | 92 | 76 | 24 | 31.6 % |
| Debt cancellation fees | 65 | 67 | 68 | 70 | 70 | (5) | (7.1)% |
| Loyalty programs | (78) | (91) | (84) | (63) | (43) | (35) | 81.4 % |
| Other | 14 | 66 | 11 | 13 | 12 | 2 | 16.7 % |
| Total other income | 101 | 162 | 96 | 112 | 115 | (14) | (12.2)% |
| Other expense: | | | | | | | |
| Employee costs | 239 | 227 | 239 | 207 | 193 | 46 | 23.8 % |
| Professional fees ⁽¹⁾ | 162 | 139 | 149 | 145 | 130 | 32 | 24.6 % |
| Marketing and business development | 82 | 165 | 115 | 97 | 83 | (1) | (1.2)% |
| Information processing | 63 | 60 | 47 | 53 | 52 | 11 | 21.2 % |
| Other ⁽¹⁾ | 200 | 201 | 178 | 295 | 152 | 48 | 31.6 % |
| Total other expense | 746 | 792 | 728 | 797 | 610 | 136 | 22.3 % |
| Earnings before provision for income taxes | 883 | 853 | 879 | 764 | 890 | (7) | (0.8)% |
| Provision for income taxes | 331 | 322 | 331 | 292 | 332 | (1) | (0.3)% |
| Net earnings attributable to common shareholders | \$ 552 | \$ 531 | \$ 548 | \$ 472 | \$ 558 | \$ (6) | (1.1)% |

(1) We have reclassified certain amounts within Professional fees to Other for all periods presented to conform to the current period classifications.

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

| | Quarter Ended | | | | | Mar 31, 2015 vs. Mar 31, 2014 | |
|--|------------------|------------------|------------------|------------------|------------------|----------------------------------|---------------|
| | Mar 31, 2015 | Dec 31, 2014 | Sep 30, 2014 | Jun 30, 2014 | Mar 31, 2014 | | |
| Assets | | | | | | | |
| Cash and equivalents | \$ 11,218 | \$ 11,828 | \$ 14,808 | \$ 6,782 | \$ 5,331 | \$ 5,887 | 110.4 % |
| Investment securities | 3,121 | 1,598 | 325 | 298 | 265 | 2,856 | NM |
| Loan receivables: | | | | | | | |
| Unsecuritized loans held for investment | 33,424 | 34,335 | 30,474 | 28,280 | 29,101 | 4,323 | 14.9 % |
| Restricted loans of consolidated securitization entities | 24,824 | 26,951 | 26,293 | 26,593 | 25,184 | (360) | (1.4)% |
| Total loan receivables | 58,248 | 61,286 | 56,767 | 54,873 | 54,285 | 3,963 | 7.3 % |
| Less: Allowance for loan losses | (3,255) | (3,236) | (3,102) | (3,006) | (2,998) | (257) | 8.6 % |
| Loan receivables, net | 54,993 | 58,050 | 53,665 | 51,867 | 51,287 | 3,706 | 7.2 % |
| Loan receivables held for sale | 359 | 332 | 1,493 | 1,458 | — | 359 | NM |
| Goodwill | 949 | 949 | 949 | 949 | 949 | — | — % |
| Intangible assets, net | 557 | 519 | 449 | 463 | 464 | 93 | 20.0 % |
| Other assets | 1,524 | 2,431 | 1,780 | 1,358 | 949 | 575 | 60.6 % |
| Total assets | <u>\$ 72,721</u> | <u>\$ 75,707</u> | <u>\$ 73,469</u> | <u>\$ 63,175</u> | <u>\$ 59,245</u> | <u>\$ 13,476</u> | <u>22.7 %</u> |
| Liabilities and Equity | | | | | | | |
| Deposits: | | | | | | | |
| Interest-bearing deposit accounts | \$ 34,788 | \$ 34,847 | \$ 32,480 | \$ 30,258 | \$ 27,123 | \$ 7,665 | 28.3 % |
| Non-interest-bearing deposit accounts | 162 | 108 | 209 | 204 | 235 | (73) | (31.1)% |
| Total deposits | 34,950 | 34,955 | 32,689 | 30,462 | 27,358 | 7,592 | 27.8 % |
| Borrowings: | | | | | | | |
| Borrowings of consolidated securitization entities | 13,817 | 14,967 | 15,091 | 15,114 | 14,642 | (825) | (5.6)% |
| Bank term loan | 5,651 | 8,245 | 7,495 | — | — | 5,651 | NM |
| Senior unsecured notes | 4,592 | 3,593 | 3,593 | — | — | 4,592 | NM |
| Related party debt | — | 655 | 1,405 | 7,859 | 8,062 | (8,062) | (100.0)% |
| Total borrowings | 24,060 | 27,460 | 27,584 | 22,973 | 22,704 | 1,356 | 6.0 % |
| Accrued expenses and other liabilities | 2,675 | 2,814 | 3,255 | 3,347 | 3,141 | (466) | (14.8)% |
| Total liabilities | 61,685 | 65,229 | 63,528 | 56,782 | 53,203 | 8,482 | 15.9 % |
| Equity: | | | | | | | |
| Parent's net investment | — | — | — | — | 6,052 | (6,052) | (100.0)% |
| Common stock | 1 | 1 | 1 | 1 | — | 1 | NM |
| Additional paid-in capital | 9,418 | 9,408 | 9,401 | 6,399 | — | 9,418 | NM |
| Retained earnings | 1,631 | 1,079 | 548 | — | — | 1,631 | NM |
| Accumulated other comprehensive income: | (14) | (10) | (9) | (7) | (10) | (4) | 40.0 % |
| Total equity | 11,036 | 10,478 | 9,941 | 6,393 | 6,042 | 4,994 | 82.7 % |
| Total liabilities and equity | <u>\$ 72,721</u> | <u>\$ 75,707</u> | <u>\$ 73,469</u> | <u>\$ 63,175</u> | <u>\$ 59,245</u> | <u>\$ 13,476</u> | <u>22.7 %</u> |

SYNCHRONY FINANCIAL

AVERAGE BALANCES, NET INTEREST INCOME AND NET INTEREST MARGIN

(unaudited, \$ in millions)

| | Quarter Ended | | | | | | | | | | | | | | |
|--|------------------|-------------------------|--------------------|------------------|-------------------------|--------------------|------------------|-------------------------|--------------------|------------------|-------------------------|--------------------|------------------|-------------------------|--------------------|
| | Mar 31, 2015 | | | Dec 31, 2014 | | | Sep 30, 2014 | | | Jun 30, 2014 | | | Mar 31, 2014 | | |
| | Average Balance | Interest Income/Expense | Average Yield/Rate | Average Balance | Interest Income/Expense | Average Yield/Rate | Average Balance | Interest Income/Expense | Average Yield/Rate | Average Balance | Interest Income/Expense | Average Yield/Rate | Average Balance | Interest Income/Expense | Average Yield/Rate |
| Assets | | | | | | | | | | | | | | | |
| Interest-earning assets: | | | | | | | | | | | | | | | |
| Interest-earning cash and equivalents | \$ 11,331 | \$ 6 | 0.21% | \$ 13,631 | \$ 7 | 0.20% | \$ 9,793 | \$ 4 | 0.16% | \$ 5,489 | \$ 3 | 0.22% | \$ 4,001 | \$ 2 | 0.21% |
| Securities available for sale | 2,725 | 4 | 0.60% | 962 | 1 | 0.40% | 309 | 3 | 3.89% | 285 | 3 | 4.22% | 250 | 3 | 4.92% |
| Loan receivables: | | | | | | | | | | | | | | | |
| Credit cards, including held for sale | 57,390 | 3,079 | 21.76% | 57,075 | 3,186 | 21.68% | 54,891 | 3,054 | 22.32% | 52,957 | 2,860 | 21.66% | 53,211 | 2,867 | 22.10% |
| Consumer installment loans | 1,057 | 25 | 9.59% | 1,072 | 27 | 9.78% | 1,070 | 25 | 9.37% | 1,004 | 24 | 9.59% | 959 | 23 | 9.84% |
| Commercial credit products | 1,305 | 36 | 11.19% | 1,379 | 38 | 10.70% | 1,412 | 37 | 10.51% | 1,387 | 36 | 10.41% | 1,311 | 38 | 11.89% |
| Other | 23 | — | —% | 21 | 1 | NM | 18 | — | —% | 15 | — | —% | 14 | — | —% |
| Total loan receivables, including held for sale | 59,775 | 3,140 | 21.30% | 59,547 | 3,252 | 21.21% | 57,391 | 3,116 | 21.78% | 55,363 | 2,920 | 21.16% | 55,495 | 2,928 | 21.64% |
| Total interest-earning assets | 73,831 | 3,150 | 17.30% | 74,140 | 3,260 | 17.07% | 67,493 | 3,123 | 18.56% | 61,137 | 2,926 | 19.20% | 59,746 | 2,933 | 20.13% |
| Non-interest-earning assets: | | | | | | | | | | | | | | | |
| Cash and due from banks | 497 | | | 1,220 | | | 1,260 | | | 637 | | | 561 | | |
| Allowance for loans losses | (3,272) | | | (3,160) | | | (3,058) | | | (3,005) | | | (2,931) | | |
| Other assets | 2,802 | | | 2,831 | | | 2,605 | | | 2,446 | | | 2,045 | | |
| Total non-interest-earning assets | 27 | | | 891 | | | 807 | | | 78 | | | (325) | | |
| Total assets | \$ 73,858 | | | \$ 75,031 | | | \$ 68,300 | | | \$ 61,215 | | | \$ 59,421 | | |
| Liabilities | | | | | | | | | | | | | | | |
| Interest-bearing liabilities: | | | | | | | | | | | | | | | |
| Interest-bearing deposit accounts | \$ 34,981 | \$ 137 | 1.59% | \$ 33,980 | \$ 139 | 1.59% | \$ 31,459 | \$ 126 | 1.61% | \$ 28,568 | \$ 109 | 1.53% | \$ 26,317 | \$ 96 | 1.50% |
| Borrowings of consolidated securitization entities | 14,101 | 52 | 1.50% | 14,766 | 57 | 1.50% | 15,102 | 57 | 1.51% | 14,727 | 54 | 1.47% | 14,830 | 47 | 1.30% |
| Bank term loan ⁽¹⁾ | 6,531 | 47 | 2.92% | 8,057 | 46 | 2.22% | 3,747 | 28 | 3.00% | — | — | —% | — | — | —% |
| Senior unsecured notes ⁽¹⁾ | 4,093 | 35 | 3.47% | 3,593 | 32 | 3.46% | 1,797 | 18 | 4.02% | — | — | —% | — | — | —% |
| Related party debt ⁽¹⁾ | 407 | 4 | 3.99% | 843 | 8 | 3.68% | 4,582 | 15 | 1.31% | 7,959 | 43 | 2.17% | 8,286 | 47 | 2.33% |
| Total interest-bearing liabilities | 60,113 | 275 | 1.86% | 61,239 | 282 | 1.79% | 56,687 | 244 | 1.73% | 51,254 | 206 | 1.61% | 49,433 | 190 | 1.58% |
| Non-interest-bearing liabilities | | | | | | | | | | | | | | | |
| Non-interest-bearing deposit accounts | 142 | | | 182 | | | 206 | | | 221 | | | 331 | | |
| Other liabilities | 2,854 | | | 3,382 | | | 3,208 | | | 3,412 | | | 3,182 | | |
| Total non-interest-bearing liabilities | 2,996 | | | 3,564 | | | 3,414 | | | 3,633 | | | 3,513 | | |
| Total liabilities | 63,109 | | | 64,803 | | | 60,101 | | | 54,887 | | | 52,946 | | |
| Equity | | | | | | | | | | | | | | | |
| Total equity | 10,749 | | | 10,228 | | | 8,199 | | | 6,328 | | | 6,475 | | |
| Total liabilities and equity | \$ 73,858 | | | \$ 75,031 | | | \$ 68,300 | | | \$ 61,215 | | | \$ 59,421 | | |
| Net interest income | | \$ 2,875 | | | \$ 2,978 | | | \$ 2,879 | | | \$ 2,720 | | | \$ 2,743 | |
| Interest rate spread⁽²⁾ | | | 15.44% | | | 15.28% | | | 16.83% | | | 17.59% | | | 18.55% |
| Net interest margin⁽³⁾ | | | 15.79% | | | 15.60% | | | 17.11% | | | 17.84% | | | 18.83% |

(1) Interest on liabilities calculated above utilizes monthly average balances. The effective interest rates for the quarters ended March 31, 2015, December 31, 2014 and September 30, 2014, were as follows: GECC loan 4.23%, 4.21% and 4.21%; Bank term loan 2.21%, 2.19% and 2.21%; Senior unsecured notes 3.41%, 3.52% and 3.62% respectively. The Bank term loan effective rate for the quarters ended March 31, 2015 and September 30, 2014 excludes the impact of charges incurred in connection with prepayments of the loan.

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

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

SYNCHRONY FINANCIAL

BALANCE SHEET STATISTICS

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

| | Quarter Ended | | | | | Mar 31, 2015 vs. Mar 31, 2014 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|----------------------------------|
| | Mar 31, 2015 | Dec 31, 2014 | Sep 30, 2014 | Jun 30, 2014 | Mar 31, 2014 | |
| BALANCE SHEET STATISTICS | | | | | | |
| Total common equity | \$ 11,036 | \$ 10,478 | \$ 9,941 | \$ 6,393 | \$ 6,042 | \$ 4,994 82.7% |
| Total common equity as a % of total assets | 15.18% | 13.84% | 13.53% | 10.12% | 10.20% | 4.98% |
| Tangible assets | \$ 71,215 | \$ 74,239 | \$ 72,071 | \$ 61,763 | \$ 57,832 | \$ 13,383 23.1% |
| Tangible common equity ⁽¹⁾ | \$ 9,530 | \$ 9,010 | \$ 8,543 | \$ 4,981 | \$ 4,629 | \$ 4,901 105.9% |
| Tangible common equity as a % of tangible assets ⁽¹⁾ | 13.38% | 12.14% | 11.85% | 8.06% | 8.00% | 5.38% |
| Tangible common equity per share ⁽¹⁾ | \$ 11.43 | \$ 10.81 | \$ 10.24 | \$ 7.07 | \$ 6.57 | \$ 4.86 74.0% |

REGULATORY CAPITAL RATIOS⁽²⁾

Basel I

| | | | |
|--|-------|-------|-------|
| Total risk-based capital ratio ⁽³⁾ | 18.2% | 16.2% | 16.4% |
| Tier 1 risk-based capital ratio ⁽⁴⁾ | 16.9% | 14.9% | 15.1% |
| Tier 1 common ratio ⁽⁵⁾ | 16.9% | 14.9% | 15.1% |
| Tier 1 leverage ratio ⁽⁶⁾ | 13.7% | 12.5% | 12.2% |

Basel III

| | | | |
|------------------------------------|-------|-------|-------|
| Tier 1 common ratio ⁽⁷⁾ | 16.4% | 14.5% | 14.6% |
|------------------------------------|-------|-------|-------|

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

(2) Regulatory capital metrics as of the end of 3Q 2014 are preliminary and therefore subject to change. As a new savings and loan holding company, the Company historically has not been required by regulators to disclose capital ratios, and therefore these ratios are non-GAAP measures. See Reconciliation of Non-GAAP Measures and Calculation of Regulatory Measures for components of capital ratio calculations.

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

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

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

(6) Tier 1 leverage ratio is calculated based on Tier 1 capital divided by total assets, after certain adjustments.

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

SYNCHRONY FINANCIAL

PLATFORM RESULTS AND RECONCILIATION OF NON-GAAP MEASURES

(unaudited, \$ in millions)

| | Quarter Ended | | | | | IQ'15 vs. IQ'14 | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|
| | Mar 31, 2015 | Dec 31, 2014 | Sep 30, 2014 | Jun 30, 2014 | Mar 31, 2014 | | |
| RETAIL CARD | | | | | | | |
| Purchase volume ^{(1),(2)} | \$ 18,410 | \$ 24,855 | \$ 20,991 | \$ 21,032 | \$ 16,713 | \$ 1,697 | 10.2 % |
| Period-end loan receivables | \$ 39,685 | \$ 42,308 | \$ 38,466 | \$ 37,238 | \$ 37,175 | \$ 2,510 | 6.8 % |
| Average loan receivables, including held for sale | \$ 40,986 | \$ 40,929 | \$ 39,411 | \$ 38,047 | \$ 38,223 | \$ 2,763 | 7.2 % |
| Average active accounts (in thousands) ^{(2),(3)} | 49,617 | 49,871 | 48,433 | 47,248 | 48,168 | 1,449 | 3.0 % |
| Interest and fees on loans ⁽²⁾ | \$ 2,337 | \$ 2,405 | \$ 2,299 | \$ 2,158 | \$ 2,178 | \$ 159 | 7.3 % |
| Other income ⁽²⁾ | 86 | 141 | 78 | 92 | 96 | (10) | (10.4)% |
| Platform revenue, excluding retailer share arrangements⁽²⁾ | 2,423 | 2,546 | 2,377 | 2,250 | 2,274 | 149 | 6.6 % |
| Retailer share arrangements ⁽²⁾ | (651) | (686) | (683) | (577) | (584) | (67) | 11.5 % |
| Platform revenue⁽²⁾ | \$ 1,772 | \$ 1,860 | \$ 1,694 | \$ 1,673 | \$ 1,690 | \$ 82 | 4.9 % |
| PAYMENT SOLUTIONS | | | | | | | |
| Purchase volume ⁽¹⁾ | \$ 2,948 | \$ 3,419 | \$ 3,226 | \$ 3,115 | \$ 2,687 | \$ 261 | 9.7 % |
| Period-end loan receivables | \$ 11,833 | \$ 12,095 | \$ 11,514 | \$ 11,014 | \$ 10,647 | \$ 1,186 | 11.1 % |
| Average loan receivables | \$ 11,970 | \$ 11,772 | \$ 11,267 | \$ 10,785 | \$ 10,775 | \$ 1,195 | 11.1 % |
| Average active accounts (in thousands) ⁽³⁾ | 7,271 | 7,113 | 6,892 | 6,692 | 6,737 | 534 | 7.9 % |
| Interest and fees on loans | \$ 403 | \$ 426 | \$ 405 | \$ 379 | \$ 372 | \$ 31 | 8.3 % |
| Other income | 5 | 9 | 7 | 8 | 8 | (3) | (37.5)% |
| Platform revenue, excluding retailer share arrangements | 408 | 435 | 412 | 387 | 380 | 28 | 7.4 % |
| Retailer share arrangements | (8) | (11) | (9) | (12) | (9) | 1 | (11.1)% |
| Platform revenue | \$ 400 | \$ 424 | \$ 403 | \$ 375 | \$ 371 | \$ 29 | 7.8 % |
| CARECREDIT | | | | | | | |
| Purchase volume ⁽¹⁾ | \$ 1,781 | \$ 1,807 | \$ 1,787 | \$ 1,831 | \$ 1,686 | \$ 95 | 5.6 % |
| Period-end loan receivables | \$ 6,730 | \$ 6,883 | \$ 6,787 | \$ 6,621 | \$ 6,463 | \$ 267 | 4.1 % |
| Average loan receivables | \$ 6,819 | \$ 6,846 | \$ 6,713 | \$ 6,531 | \$ 6,497 | \$ 322 | 5.0 % |
| Average active accounts (in thousands) ⁽³⁾ | 4,716 | 4,683 | 4,582 | 4,446 | 4,437 | 279 | 6.3 % |
| Interest and fees on loans | \$ 400 | \$ 421 | \$ 412 | \$ 383 | \$ 378 | \$ 22 | 5.8 % |
| Other income | 10 | 12 | 11 | 12 | 11 | (1) | (9.1)% |
| Platform revenue, excluding retailer share arrangements | 410 | 433 | 423 | 395 | 389 | 21 | 5.4 % |
| Retailer share arrangements | (1) | (1) | (1) | (1) | (1) | — | — % |
| Platform revenue | \$ 409 | \$ 432 | \$ 422 | \$ 394 | \$ 388 | \$ 21 | 5.4 % |
| TOTAL SYF | | | | | | | |
| Purchase volume ^{(1),(2)} | \$ 23,139 | \$ 30,081 | \$ 26,004 | \$ 25,978 | \$ 21,086 | \$ 2,053 | 9.7 % |
| Period-end loan receivables | \$ 58,248 | \$ 61,286 | \$ 56,767 | \$ 54,873 | \$ 54,285 | \$ 3,963 | 7.3 % |
| Average loan receivables, including held for sale | \$ 59,775 | \$ 59,547 | \$ 57,391 | \$ 55,363 | \$ 55,495 | \$ 4,280 | 7.7 % |
| Average active accounts (in thousands) ^{(2),(3)} | 61,604 | 61,667 | 59,907 | 58,386 | 59,342 | 2,262 | 3.8 % |
| Interest and fees on loans ⁽²⁾ | \$ 3,140 | \$ 3,252 | \$ 3,116 | \$ 2,920 | \$ 2,928 | \$ 212 | 7.2 % |
| Other income ⁽²⁾ | 101 | 162 | 96 | 112 | 115 | (14) | (12.2)% |
| Platform revenue, excluding retailer share arrangements⁽²⁾ | 3,241 | 3,414 | 3,212 | 3,032 | 3,043 | 198 | 6.5 % |
| Retailer share arrangements ⁽²⁾ | (660) | (698) | (693) | (590) | (594) | (66) | 11.1 % |
| Platform revenue⁽²⁾ | \$ 2,581 | \$ 2,716 | \$ 2,519 | \$ 2,442 | \$ 2,449 | \$ 132 | 5.4 % |

(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

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

| | Quarter Ended | | | | |
|--|------------------|------------------|------------------|-----------------|-----------------|
| | Mar 31, 2015 | Dec 31, 2014 | Sep 30, 2014 | Jun 30, 2014 | Mar 31, 2014 |
| COMMON EQUITY MEASURES | | | | | |
| GAAP Total common equity | \$ 11,036 | \$ 10,478 | \$ 9,941 | \$ 6,393 | \$ 6,042 |
| Less: Goodwill | (949) | (949) | (949) | (949) | (949) |
| Less: Intangible assets, net | (557) | (519) | (449) | (463) | (464) |
| Tangible common equity | \$ 9,530 | \$ 9,010 | \$ 8,543 | \$ 4,981 | \$ 4,629 |
| Adjustments for certain other intangible assets, deferred tax liabilities and certain items in accumulated comprehensive income (loss) | 293 | 287 | 292 | | |
| Basel I - Tier 1 capital and Tier 1 common equity | \$ 9,823 | \$ 9,297 | \$ 8,835 | | |
| Adjustments for certain other intangible assets and deferred tax liabilities | (12) | (20) | (24) | | |
| Basel III - Tier I common equity | \$ 9,811 | \$ 9,277 | \$ 8,811 | | |
| RISK-BASED CAPITAL | | | | | |
| Basel I - Tier 1 capital and Tier 1 common equity | \$ 9,823 | \$ 9,297 | \$ 8,835 | | |
| Add: Allowance for loan losses includible in risk-based capital | 759 | 809 | 760 | | |
| Basel I - Risk-based capital | \$ 10,582 | \$ 10,106 | \$ 9,595 | | |
| ASSET MEASURES | | | | | |
| Total assets | \$ 72,721 | \$ 75,707 | \$ 73,469 | | |
| Adjustments for: | | | | | |
| Disallowed goodwill and other disallowed intangible assets, net of related deferred tax liabilities | (1,213) | (1,181) | (1,110) | | |
| Other | 136 | 79 | 4 | | |
| Total assets for leverage purposes - Basel I | \$ 71,644 | \$ 74,605 | \$ 72,363 | | |
| Risk-weighted assets - Basel I | \$ 58,184 | \$ 62,270 | \$ 58,457 | | |
| Additional risk weighting adjustments related to: | | | | | |
| Deferred taxes | 1,224 | 1,321 | 1,319 | | |
| Loan receivables delinquent over 90 days | 528 | 581 | 526 | | |
| Other | (10) | (10) | (2) | | |
| Risk-weighted assets - Basel III (fully phased-in) | \$ 59,926 | \$ 64,162 | \$ 60,300 | | |
| TANGIBLE COMMON EQUITY PER SHARE | | | | | |
| GAAP book value per share | \$ 13.24 | \$ 12.57 | \$ 11.92 | \$ 9.06 | \$ 8.57 |
| Less: Goodwill | (1.14) | (1.14) | (1.14) | (1.34) | (1.34) |
| Less: Intangible assets, net | (0.67) | (0.62) | (0.53) | (0.66) | (0.67) |
| Tangible common equity per share | \$ 11.43 | \$ 10.81 | \$ 10.25 | \$ 7.06 | \$ 6.56 |

1Q'15 Financial Results

April 17, 2015



Disclaimers

Cautionary Statement Regarding Forward-Looking Statements

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

This presentation contains certain forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the "safe harbor" created by those sections. Forward-looking statements may be identified by words such as "outlook," "expects," "intends," "anticipates," "plans," "believes," "seeks," "targets," "estimates," "will," "should," "may" or words of similar meaning, but these words are not the exclusive means of identifying forward-looking statements. Forward-looking statements are based on management's current expectations and assumptions, and are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, actual results could differ materially from those indicated in these forward-looking statements. Factors that could cause actual results to differ materially include global political, economic, business, competitive, market, regulatory and other factors and risks, such as: the impact of macroeconomic conditions and whether industry trends we have identified develop as anticipated; retaining existing partners and attracting new partners, concentration of our platform revenue in a small number of Retail Card partners, promotion and support of our products by our partners, and financial performance of our partners; our need for additional financing, higher borrowing costs and adverse financial market conditions impacting our funding and liquidity, and any reduction in our credit ratings; our ability to securitize our loans, occurrence of an early amortization of our securitization facilities, loss of the right to service or subservice our securitized loans, and lower payment rates on our securitized loans; our reliance on dividends, distributions and other payments from Synchrony Bank; our ability to grow our deposits in the future; changes in market interest rates and the impact of any margin compression; effectiveness of our risk management processes and procedures, reliance on models which may be inaccurate or misinterpreted, our ability to manage our credit risk, the sufficiency of our allowance for loan losses and the accuracy of the assumptions or estimates used in preparing our financial statements; our ability to offset increases in our costs in retailer share arrangements; competition in the consumer finance industry; our concentration in the U.S. consumer credit market; our ability to successfully develop and commercialize new or enhanced products and services; our ability to realize the value of strategic investments; reductions in interchange fees; fraudulent activity; cyber-attacks or other security breaches; failure of third parties to provide various services that are important to our operations; disruptions in the operations of our computer systems and data centers; international risks and compliance and regulatory risks and costs associated with international operations; alleged infringement of intellectual property rights of others and our ability to protect our intellectual property; litigation and regulatory actions; damage to our reputation; our ability to attract, retain and motivate key officers and employees; tax legislation initiatives or challenges to our tax positions and state sales tax rules and regulations; significant and extensive regulation, supervision, examination and enforcement of our business by governmental authorities, the impact of the Dodd-Frank Act and the impact of the CFPB's regulation of our business; changes to our methods of offering our CareCredit products; impact of capital adequacy rules; restrictions that limit Synchrony Bank's ability to pay dividends; regulations relating to privacy, information security and data protection; use of third-party vendors and ongoing third-party business relationships; failure to comply with anti-money laundering and anti-terrorism financing laws; effect of General Electric Capital Corporation being subject to regulation by the Federal Reserve Board both as a savings and loan holding company and as a systemically important financial institution; General Electric Company (GE) not completing the separation from us as planned or at all, GE's inability to obtain savings and loan holding company deregistration (GE SLHC Deregistration) and GE continuing to have significant control over us; completion by the Federal Reserve Board of a review (with satisfactory results) of our preparedness to operate on a standalone basis, independently of GE, and Federal Reserve Board approval required for us to continue to be a savings and loan holding company, including the timing of the approval and the imposition of any significant additional capital or liquidity requirements; our need to establish and significantly expand many aspects of our operations and infrastructure; delays in receiving or failure to receive Federal Reserve Board agreement required for us to be treated as a financial holding company after the GE SLHC Deregistration; loss of association with GE's strong brand and reputation; limited right to use the GE brand name and logo and need to establish a new brand; GE has significant control over us; terms of our arrangements with GE may be more favorable than what we will be able to obtain from unaffiliated third parties; obligations associated with being a public company; our incremental cost of operating as a standalone public company could be substantially more than anticipated; GE could engage in businesses that compete with us, and conflicts of interest may arise between us and GE; and failure caused by us of GE's distribution of our common stock to its stockholders in exchange for its common stock to qualify for tax-free treatment, which may result in significant tax liabilities to GE for which we may be required to indemnify GE. 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, 2014, as filed on February 23, 2015. You should not consider any list of such factors to be an exhaustive statement of all of the risks, uncertainties, or potentially inaccurate assumptions that could cause our current expectations or beliefs to change. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as otherwise may be required by law. Differences between this presentation and the supplemental financials may occur due to rounding.

Non-GAAP Measures

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

1Q'15 Highlights

Financial highlights

- \$552 million Net earnings, \$0.66 EPS
- Strong growth across the business
 - ✓ Purchase volume +10%, Loan receivables +7%, Platform revenue +5%
- Asset quality continues to improve
 - ✓ Net charge-offs improved from 4.86% to 4.53% compared to prior year
 - ✓ 30+ delinquency improved 30bps. compared to prior year
- Expenses in-line with expectations
- Delivering on our funding plan, deposits +\$7.6 billion compared to prior year
- Strong capital and liquidity
 - ✓ 16.9% T1C (B1)
 - ✓ \$13.8 billion high quality liquid assets

Business highlights

- ✓ Extended Amazon to a long-term renewal



- ✓ Added a new top 40 partnership



- ✓ Added a new CareCredit endorsement



- ✓ Separation progress on track

Digital, Loyalty and Analytics Capabilities

Proprietary Closed-Loop Network

- Enables valuable data capture

- No interchange fees

ONLINE

- Partnered with retailers growing online





- CareCredit
Provider Locator

- 31% of apps through digital channels in 2014^(a)

- 2014 digital purchase volume up 18% vs. 2013

MOBILE

- Digital wallets:
Apple Pay
Samsung Pay
CurrentC

- Mobile services:
 - ✓ Application
 - ✓ Servicing
 - ✓ Rewards
 - ✓ Payment

- Digital cards

- GPSshopper investment

LOYALTY

- Integrated multi-tender loyalty solution
- Ability to deliver targeted offers across channels
- Seamlessly migrate non-credit customers to credit products

ANALYTICS

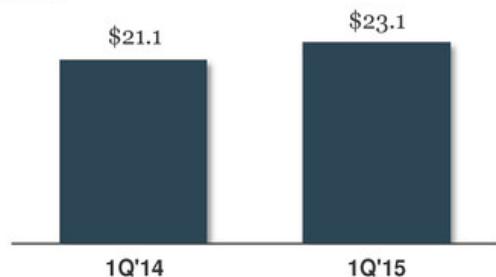
- Receive SKU/category level data on over 50% of SYF's network transactions
- Actionable retail analytics, market research and creative services
- Dedicated analytic centers and Synchrony Connect advisory team to drive growth

(a) Includes online and mobile

Growth Metrics

Purchase volume

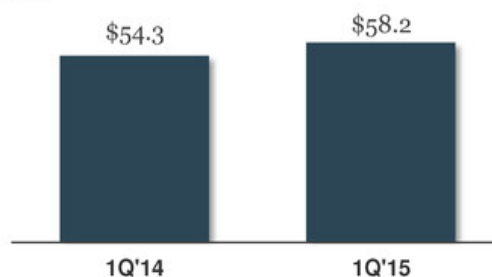
\$ in billions



+10%

Loan receivables

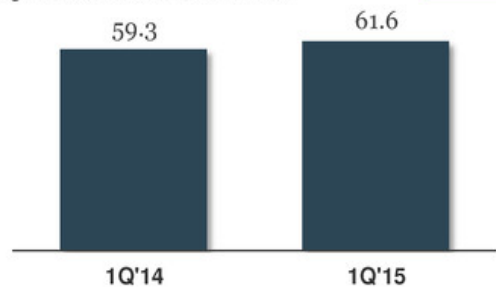
\$ in billions



+7%

Active accounts

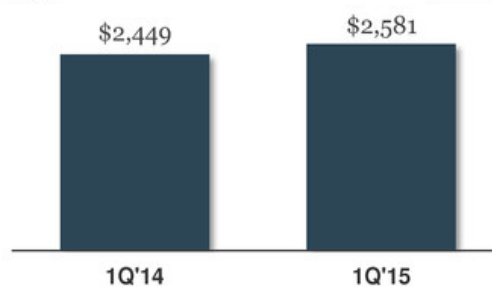
Average active accounts in millions



+4%

Platform revenue

\$ in millions

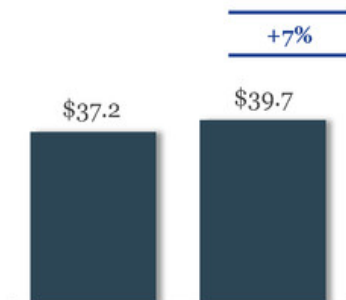


+5%

Platform Results^(a)

Retail Card

Loan receivables, \$ in billions

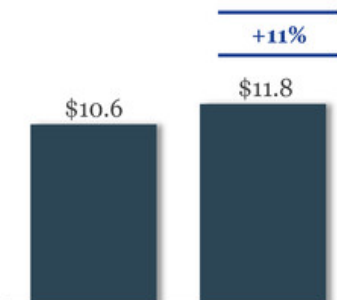


| | 1Q'14 | 1Q'15 | V% |
|------------------|---------|---------|------|
| Purchase volume | \$16.7 | \$18.4 | +10% |
| Accounts | 48.2 | 49.6 | +3% |
| Platform revenue | \$1,690 | \$1,772 | +5% |

- ✓ Strong receivable growth across partner programs
- ✓ Platform revenue up 5% driven by receivable growth

Payment Solutions

Loan receivables, \$ in billions



| | 1Q'14 | 1Q'15 | V% |
|------------------|-------|-------|------|
| Purchase volume | \$2.7 | \$2.9 | +10% |
| Accounts | 6.7 | 7.3 | +8% |
| Platform revenue | \$371 | \$400 | +8% |

- ✓ Broad receivable growth led by home furnishing, auto and power equipment
- ✓ Platform revenue up 8% driven by receivable growth

CareCredit

Loan receivables, \$ in billions



| | 1Q'14 | 1Q'15 | V% |
|------------------|-------|-------|-----|
| Purchase volume | \$1.7 | \$1.8 | +6% |
| Accounts | 4.4 | 4.7 | +6% |
| Platform revenue | \$388 | \$409 | +5% |

- ✓ Receivable growth led by dental and veterinary
- ✓ Platform revenue up 5% 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. Platform revenue \$ in millions

Financial Results

Summary earnings statement

| \$ in millions, except ratios | 1Q'15 | 1Q'14 | B/(W) | |
|-----------------------------------|--------------|--------------|--------------|-------------|
| | | | \$ | % |
| Total interest income | \$3,150 | \$2,933 | \$217 | 7% |
| Total interest expense | 275 | 190 | (85) | (45)% |
| Net interest income (NII) | 2,875 | 2,743 | 132 | 5% |
| Retailer share arrangements (RSA) | (660) | (594) | (66) | (11)% |
| NII, after RSA | 2,215 | 2,149 | 66 | 3% |
| Provision for loan losses | 687 | 764 | 77 | 10% |
| Other income | 101 | 115 | (14) | (12)% |
| Other expense | 746 | 610 | (136) | (22)% |
| Pre-Tax earnings | 883 | 890 | (7) | (1)% |
| Provision for income taxes | 331 | 332 | 1 | 0% |
| Net earnings | \$552 | \$558 | \$(6) | (1)% |
| Return on assets | 3.0% | 3.9% | (0.9)pts. | |

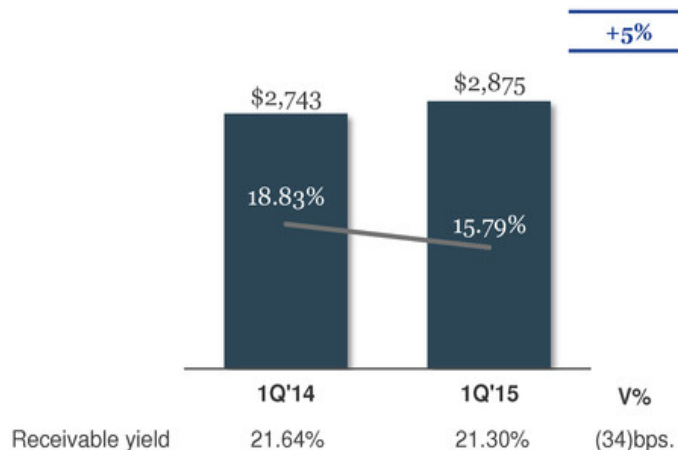
First quarter 2015 highlights

- **\$552 million Net earnings, 3.0% ROA**
- **Net interest income up 5% driven by growth in loan receivables**
 - ✓ Interest and fees on loan receivables up 7% in-line with receivable growth
 - ✓ Interest expense increase driven by liquidity, funding mix and growth
- **Provision for loan losses declined 10%**
 - ✓ Asset quality improved ... 30+ delinquencies down 30bps. and NCO rate down 33bps. vs. prior year
- **Other income declined 12%**
 - ✓ Increased loyalty partially offset with interchange due to program growth
- **Other expense in-line with expectations**
 - ✓ Other expense increase primarily driven by infrastructure build and growth

Net Interest Income

Net interest income

\$ in millions, % of average interest-earning assets



Net interest margin walk

% of average interest-earning assets

| | |
|----------------------------------|---------------|
| 1Q'14 Net interest margin | 18.83% |
| Liquidity | (2.49) |
| Receivable yield | (0.34) |
| Interest expense | <u>(0.21)</u> |
| 1Q'15 Net interest margin | 15.79% |

First quarter 2015 highlights

- **Net interest income up 5% driven by growth in receivables partially offset by higher funding costs**
 - ✓ Interest and fees on loans up 7% in-line with loan receivable growth
- **Net interest margin decline driven primarily by increase in liquidity**
 - ✓ Liquid assets increased to \$13.8 billion, conservatively invested in cash and short-term U.S. Treasuries
 - ✓ Receivable yield 21.30%, down 34bps. reflecting slightly higher payment rate and growth in promotional balances
 - ✓ Interest expense increased in-line with expectations to 1.86%, impacting Net interest margin by 21bps.

Asset Quality Metrics

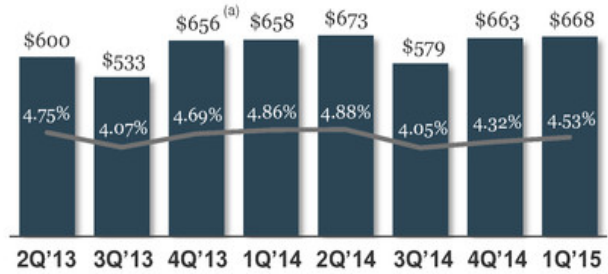
30+ days past due

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



Net charge-offs

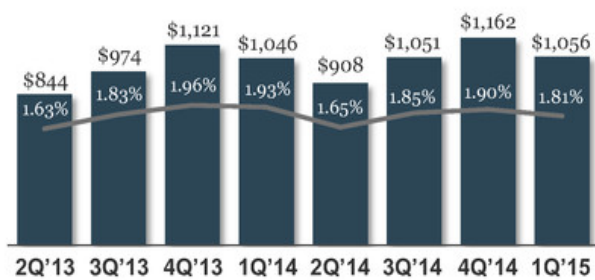
\$ in millions, % of average loan receivables including held for sale



(a) Excludes \$62 million net charge-off related to disposition of non-core receivables

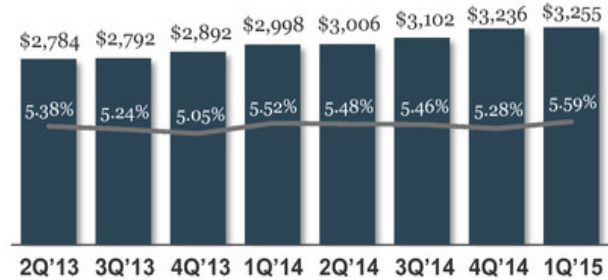
90+ days past due

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



Allowance for loan losses

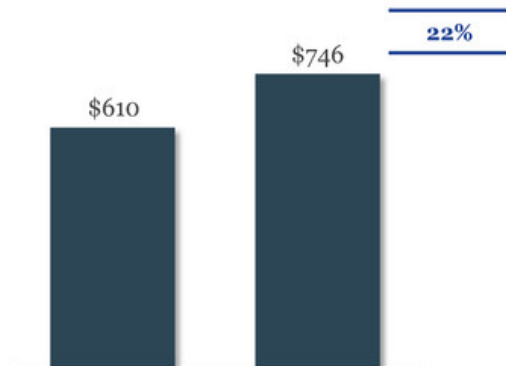
\$ in millions, % of period-end loan receivables



Other Expense

Other expense

\$ in millions



| | 1Q'14 | 1Q'15 | V\$ | V% |
|----------------------------------|--------------|--------------|--------------|----------------|
| Employee cost | \$193 | \$239 | \$46 | 24% |
| Professional fees | 130 | 162 | 32 | 25% |
| Marketing/BD | 83 | 82 | (1) | (1)% |
| Information processing | 52 | 63 | 11 | 21% |
| Other | 152 | 200 | 48 | 32% |
| Other expense | \$610 | \$746 | \$136 | 22% |
| Efficiency ^(a) | 26.9% | 32.2% | | 5.3pts. |

First quarter 2015 highlights

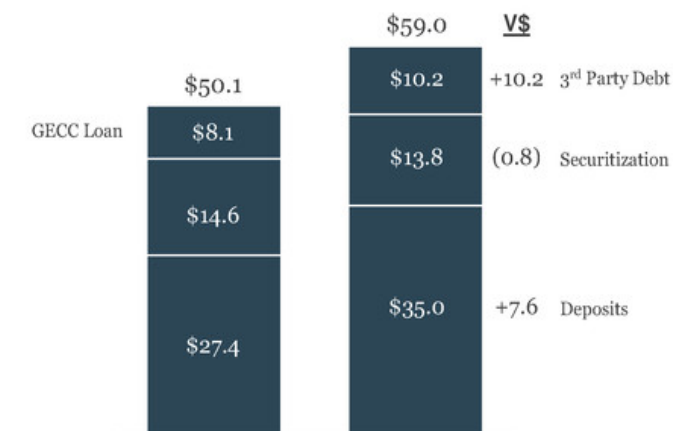
- **Expense increase primarily driven by infrastructure build and growth investments**
- **Employee costs up \$46 million**
 - ✓ Driven by employees added for separation and growth
- **Professional fees up \$32 million**
 - ✓ Driven by infrastructure build and growth
- **Marketing/BD costs down \$1 million**
 - ✓ Driven primarily by lower retail deposit marketing spend
- **Information processing up \$11 million**
 - ✓ Driven by IT investments and purchase volume growth
- **Other up \$48 million driven primarily by a 1Q'14 reduction in reserves for regulatory matters**

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

Funding, Capital and Liquidity

Funding sources

\$ in billions



| | 1Q'14 | 1Q'15 | Variance |
|-----------------|-------|-------|----------|
| Deposits | 55% | 59% | +4pts. |
| Securitization | 29% | 24% | (5)pts. |
| GE Capital loan | 16% | - | (16)pts. |
| 3rd Party Debt | - | 17% | +17pts. |

Capital ratios^(a)

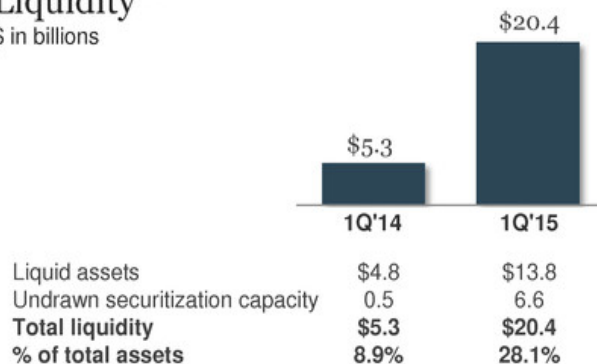
1Q'15, \$ in billions



(a) Estimated percentages and amounts
(b) Calculated on a fully phased-in Basel III basis

Liquidity^(c)

\$ in billions



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

1Q'15 Wrap Up

- Net earnings of \$552 million ... \$0.66 earnings per share
- Broad based growth ... Purchase volume +10%, Loan receivables +7%, Platform revenue +5%
- Continuing to expand our digital, loyalty and analytic capabilities to drive our partners' sales and our growth
- Renewed Amazon under long-term extension ... over 85% of Retail Card receivables under contract to 2019 and beyond
- Signed a new top 40 partnership, expect to close Guitar Center in 2H'15
- Launched a new, significant CareCredit endorsement with VSP, the nation's largest vision insurance provider
- Fast growing deposit platform ... deposits \$35.0 billion, now 59% of funding
- Strong balance sheet, \$13.8 billion of liquid assets and 16.9% T1C (B1)



Engage with us.



Appendix

Non GAAP Reconciliations

In order to assess and internally report the revenue performance of our three sales platforms, we use measures we refer to as “platform revenue” and “platform revenue excluding retailer share arrangements.” Platform revenue is the sum of three line items in our Condensed Consolidated and Combined Statements of Earnings prepared in accordance with GAAP: “interest and fees on loans,” plus “other income,” less “retailer share arrangements.” Platform revenue and platform revenue excluding retailer share arrangements are not measures presented in accordance with GAAP. To calculate platform revenue we deduct retailer share arrangements but do not deduct other line item expenses, such as interest expense, provision for loan losses and other expense, because those items are managed for the business as a whole. We believe that platform revenue is a useful measure to investors because it represents management’s view of the net revenue contribution of each of our platforms. Platform revenue excluding retailer share arrangements represents management’s view of the gross revenue contribution of each of our platforms. These measures should not be considered a substitute for interest and fees on loans or other measures of performance we have reported in accordance with GAAP.

We present certain capital ratios. As a new savings and loan holding company, we historically have not been required by regulators to disclose capital ratios, and therefore these capital ratios are non-GAAP measures. We believe these capital ratios are useful measures to investors because they are widely used by analysts and regulators to assess the capital position of financial services companies, although our Basel I Tier 1 common ratio is not a Basel I defined regulatory capital ratio, and our Basel I and Basel III Tier 1 common ratios may not be comparable to similarly titled measures reported by other companies. Our Basel I Tier 1 common ratio is the ratio of Tier 1 common equity (as calculated below) to total risk-weighted assets as calculated in accordance with the U.S. Basel I capital rules. Our Basel III Tier 1 common ratio is the ratio of common equity Tier 1 capital to total risk-weighted assets, each as calculated in accordance with the U.S. Basel III capital rules (on a fully phased-in basis). Our Basel III Tier 1 common ratio is a preliminary estimate reflecting management’s interpretation of the final Basel III capital rules adopted in July 2013 by the Federal Reserve Board, which have not been fully implemented, and our estimate and interpretations are subject to, among other things, ongoing regulatory review and implementation guidance.

Non-GAAP Reconciliation

The following table sets forth each component of our platform revenue for periods indicated below.

| (\$ in millions) | For the Three Months Ended March 31, | |
|-----------------------------------|--|----------------|
| | <u>2015</u> | <u>2014</u> |
| Platform Revenue | | |
| Total: | | |
| Interest and fees on loans | \$3,140 | \$2,928 |
| Other income | \$101 | \$115 |
| Retailer share arrangements | <u>\$(660)</u> | <u>\$(594)</u> |
| Platform revenue | \$2,581 | \$2,449 |
| Retail Card: | | |
| Interest and fees on loans | \$2,337 | \$2,178 |
| Other income | \$86 | \$96 |
| Retailer share arrangements | <u>\$(651)</u> | <u>\$(584)</u> |
| Platform revenue | \$1,772 | \$1,690 |
| Payment Solutions: | | |
| Interest and fees on loans | \$403 | \$372 |
| Other income | \$5 | \$8 |
| Retailer share arrangements | <u>\$(8)</u> | <u>\$(9)</u> |
| Platform revenue | \$400 | \$371 |
| CareCredit: | | |
| Interest and fees on loans | \$400 | \$378 |
| Other income | \$10 | \$11 |
| Retailer share arrangements | <u>\$(1)</u> | <u>\$(1)</u> |
| Platform revenue | \$409 | \$388 |

Non-GAAP Reconciliation

The following table sets forth a reconciliation of each component of our capital ratios to the comparable GAAP component at March 31, 2015.

| | <u>\$ in millions at March 31, 2015</u> |
|--|---|
| <u>COMMON EQUITY MEASURES</u> | |
| GAAP Total common equity..... | \$11,036 |
| Less: Goodwill..... | (949) |
| Less: Intangible assets, net..... | (557) |
| Tangible common equity..... | \$9,530 |
| Adjustments for certain other intangible assets, deferred tax liabilities and certain items in accumulated comprehensive income (loss)..... | 293 |
| Basel I – Tier 1 capital and Tier 1 common equity..... | \$9,823 |
| Adjustments for certain other intangible assets and deferred tax liabilities... | (12) |
| Basel III – Tier 1 common equity..... | \$9,811 |
| <u>ASSET MEASURES</u> | |
| Total assets..... | \$72,721 |
| Adjustments for: | |
| Disallowed goodwill and other disallowed intangible assets, net of related deferred tax liabilities..... | (1,213) |
| Other..... | 136 |
| Total assets for leverage purposes – Basel I..... | \$71,644 |
| Risk-weighted assets – Basel I..... | \$58,184 |
| Additional risk weighting adjustments related to: | |
| Deferred taxes..... | 1,224 |
| Loan receivables delinquent over 90 days..... | 528 |
| Other..... | (10) |
| Risk-weighted assets – Basel III (fully phased in)..... | \$59,926 |

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").

In order to assess and internally report the revenue performance of our three sales platforms, we use measures we refer to as "platform revenue" and "platform revenue excluding retailer share arrangements." Platform revenue is the sum of three line items in our Condensed Consolidated and Combined Statements of Earnings prepared in accordance with GAAP: "interest and fees on loans," plus "other income," less "retailer share arrangements." Platform revenue and platform revenue excluding retailer share arrangements are not measures presented in accordance with GAAP. To calculate platform revenue, we deduct retailer share arrangements but do not deduct other line item expenses, such as interest expense, provision for loan losses and other expense, because those items are managed for the business as a whole. We believe that platform revenue is a useful measure to investors because it represents management's view of the net revenue contribution of each of our platforms. Platform revenue excluding retailer share arrangements represents management's view of the gross revenue contribution of each of our platforms. These measures should not be considered a substitute for interest and fees on loans or other measures of performance we have reported in accordance with GAAP. The reconciliation of platform revenue, and platform revenue excluding retailer share arrangements, to interest and fees on loans for each platform is included in the detailed financial tables included in Exhibit 99.2.

We present certain capital ratios in this Form 8-K and exhibits. As a new savings and loan holding company, the Company historically has not been required by regulators to disclose capital ratios, and therefore these capital ratios are non-GAAP measures. We believe these capital ratios are useful measures to investors because they are widely used by analysts and regulators to assess the capital position of financial services companies, although our Basel I Tier 1 common ratio is not a Basel I defined regulatory capital ratio, and our Basel I and Basel III Tier 1 common ratios may not be comparable to similarly titled measures reported by other companies. Our Basel I Tier 1 common ratio is the ratio of Tier 1 common equity (as calculated below) to total risk-weighted assets as calculated in accordance with the U.S. Basel I capital rules. Our Basel III Tier 1 common ratio is the ratio of common equity Tier 1 capital to total risk-weighted assets, each as calculated in accordance with the U.S. Basel III capital rules (on a fully phased-in basis). Our Basel III Tier 1 common ratio is a preliminary estimate reflecting management's interpretation of the final Basel III capital rules adopted in July 2013 by the Federal Reserve Board, which have not been fully implemented, and our estimate and interpretations are subject to, among other things, ongoing regulatory review and implementation guidance. The reconciliation of each component of our capital ratios included in this Form 8-K and exhibits to the comparable GAAP component at March 31, 2015 is included in the detailed financial tables included in Exhibit 99.2.

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