
**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**

**August 29, 2016 (August 24, 2016)
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))
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Item 8.01. Other Events.

On August 24, 2016, Synchrony Financial (the “Company”) entered into an underwriting agreement (the “Underwriting Agreement”) with J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, as representatives of the several underwriters listed on Schedule I to the Underwriting Agreement (collectively, the “Underwriters”), to issue and sell \$200,000,000 aggregate principal amount of Floating Rate Senior Notes due 2017 (the “Notes”) in a public offering pursuant to the Company’s Registration Statement on Form S-3 (File No. 333-200374) (the “Registration Statement”) and a related prospectus, including the related prospectus supplement, filed with the Securities and Exchange Commission. The Notes constitute an additional issuance of, and will be fungible and form a single series with, the outstanding Floating Rate Senior Notes due 2017 that the Company first issued on May 4, 2016.

The Notes will be governed by an Indenture, dated as of August 11, 2014 (the “Base Indenture”), between the Company and The Bank of New York Mellon, as trustee (the “Trustee”), as supplemented to August 29, 2016, including by a Fifth Supplemental Indenture, dated as of May 9, 2016 (the “Fifth Supplemental Indenture”), between the Company and the Trustee (as so supplemented, the “Indenture”).

The foregoing summary of the Underwriting Agreement does not purport to be complete and is qualified in its entirety by reference to the text of the Underwriting Agreement, which is filed as Exhibit 1.1 hereto and incorporated by reference into this Item 8.01 and into the Registration Statement. The foregoing summary of the Indenture does not purport to be complete and is qualified in its entirety by reference to (i) the Fifth Supplemental Indenture, which was filed as Exhibit 4.1 to the Company’s Current Report on Form 8-K filed on May 9, 2016, (ii) the form of the Notes filed as Exhibit 4.1 hereto, which is incorporated by reference into this Item 8.01 and into the Registration Statement, and (iii) the Base Indenture, which was filed as Exhibit 4.1 to the Company’s Current Report on Form 8-K filed on August 13, 2014.

A copy of the opinion of Sidley Austin LLP, relating to the validity of the Notes, is incorporated by reference into the Registration Statement and is filed as Exhibit 5.1 hereto.

Item 9.01. Financial Statements and Exhibits.*(d) Exhibits*

<u>Number</u>	<u>Description</u>
1.1	Underwriting Agreement, dated August 24, 2016, among Synchrony Financial and J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC, as representatives of the several underwriters listed on Schedule I thereto.
4.1	Form of Floating Rate Senior Notes due 2017.
5.1	Opinion of Sidley Austin LLP.
23.1	Consent of Sidley Austin LLP (included in Exhibit 5.1 hereto).

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.

Date: August 29, 2016

SYNCHRONY FINANCIAL

By: /s/ Jonathan S. Mothner

Name: Jonathan S. Mothner

Title: Executive Vice President, General Counsel and Secretary

EXHIBIT INDEX

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\$200,000,000

SYNCHRONY FINANCIAL

FLOATING RATE SENIOR NOTES DUE 2017

**To be consolidated and form a single series with the
\$500,000,000 Floating Rate Senior Notes Due 2017**

UNDERWRITING AGREEMENT

August 24, 2016

J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

As Representatives of the several
Underwriters listed in Schedule I hereto

Dear Sirs and Mesdames:

SYNCHRONY FINANCIAL, a Delaware corporation (the “**Company**”), proposes, subject to the terms and conditions stated herein, to issue and to sell to the several Underwriters listed in Schedule I hereto (the “**Underwriters**”), for whom you are acting as representatives (the “**Representatives**”), \$200,000,000 aggregate principal amount of the Company’s Floating Rate Senior Notes due 2017 (the “**Securities**”). The Securities will be issued pursuant to the Indenture (the “**Base Indenture**”), dated August 11, 2014, between the Company and The Bank of New York Mellon, as trustee (the “**Trustee**”), as supplemented to the date hereof, including by the Fifth Supplemental Indenture (the “**Fifth Supplemental Indenture**”), dated May 9, 2016, between the Company and the Trustee. The Base Indenture, as supplemented to the date hereof, is herein referred to as the “**Indenture**.”

This Agreement, the Base Indenture and the Fifth Supplemental Indenture are referred to herein to as the “**Transaction Documents**.”

The Company has previously issued \$500,000,000 in aggregate principal amount of Floating Rate Senior Notes due 2017 under the Indenture (the “**Existing Securities**”). The Securities offered hereby constitute “Additional Securities” (as such term is defined in the Indenture). The Securities offered hereby will be fungible and form a single series with the outstanding Existing Securities for all purposes under the Indenture.

The Company has filed with the U.S. Securities and Exchange Commission (the “**Commission**”) a registration statement, including a prospectus, on Form S-3 (File No. 333-200374) relating to debt securities (the “**Shelf Securities**”), including the Securities, to be issued from time to time by the Company. The registration statement as amended to the date of this Agreement,

including the information (if any) deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430B under the Securities Act of 1933, as amended (the “**Securities Act**”), is hereinafter referred to as the “**Registration Statement**,” and the related prospectus covering the Shelf Securities dated December 11, 2014 is hereinafter referred to as the “**Basic Prospectus**.” The Basic Prospectus, as supplemented by the prospectus supplement specifically relating to the Securities in the form first used to confirm sales of the Securities (or in the form first made available to the Underwriters by the Company to meet requests of purchasers pursuant to Rule 173 under the Securities Act) is hereinafter referred to as the “**Prospectus**,” and the term “**Preliminary Prospectus**” means any preliminary form of the Prospectus, in the form used in the offering of the Securities and any amendments thereto, or in the form filed pursuant to Rule 424(b) under the Securities Act prior to filing of the Prospectus.

For purposes of this Agreement, “**free writing prospectus**” has the meaning set forth in Rule 405 under the Securities Act, “**Time of Sale Prospectus**” means the documents set forth in Schedule II hereto (which shall not include any Electronic Road Show), and “**Electronic Road Show**” means a “road show” as defined in Rule 433(h) under the Securities Act. As used herein, the terms “Registration Statement,” “Basic Prospectus,” “Preliminary Prospectus,” “Time of Sale Prospectus” and “Prospectus” shall include the documents, if any, incorporated by reference therein on the date hereof. The terms “**supplement**,” “**amendment**,” and “**amend**” as used herein with respect to the Registration Statement, the Basic Prospectus, the Time of Sale Prospectus, the Preliminary Prospectus or the Prospectus shall include all documents subsequently filed by the Company with the Commission pursuant to the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), that are deemed to be incorporated by reference therein.

1. *Representations and Warranties.* The Company represents and warrants to and agrees with each of the Underwriters, as of the date hereof, that:

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose are pending before or, to the Company’s knowledge, threatened by the Commission.

(b)(i) Each document, if any, filed or to be filed pursuant to the Exchange Act and incorporated by reference in the Time of Sale Prospectus or the Prospectus complied or will comply when so filed in all material respects with the Exchange Act and the applicable rules and regulations of the Commission thereunder, (ii) each part of the Registration Statement, when such part became effective, did not contain, and each such part, as amended or supplemented, if applicable, will not

contain, any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (iii) the Registration Statement, the Preliminary Prospectus and the Prospectus comply and, as amended or supplemented, if applicable, will comply in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder, (iv) the Time of Sale Prospectus does not, and at the time of each sale of the Securities in connection with the offering at or prior to the Closing Date (as defined in Section 4 hereof), the Time of Sale Prospectus, as then amended or supplemented by the Company, if applicable, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, (v) any Electronic Road Show, when considered together with the Time of Sale Prospectus, does not, and at the time of each sale of the Securities in connection with the offering at or prior to the Closing Date, any such Electronic Road Show, when considered together with the Time of Sale Prospectus, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (vi) the Prospectus does not contain and, as of the Closing Date, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in the Registration Statement, the Time of Sale Prospectus, any Electronic Road Show or the Prospectus based upon the Underwriter Information (as defined in Section 9(b)).

(c) The Company is not an “ineligible issuer” in connection with the offering pursuant to Rules 164, 405 and 433 under the Securities Act. Any free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Any free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or on behalf of or used or referred to by the Company complies or will comply in all material respects with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Except for the free writing prospectuses, if any, identified in Schedule II hereto, and Electronic Road Shows, if any, furnished to the Representatives before first use, the Company has not

prepared, used or referred to, and will not, without the Representatives' prior consent, prepare, use or refer to, any free writing prospectus.

(d) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the State of Delaware, has the corporate power and authority to own its property and to conduct its business as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus and to enter into and perform its obligations under this Agreement, and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(e) Each subsidiary of the Company set forth in Schedule III hereto (each, a "**Designated Subsidiary**" and, collectively, the "**Designated Subsidiaries**") has been duly incorporated or formed, as the case may be, and is validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation; each Designated Subsidiary has the full power and authority to own its property and to conduct its business as currently conducted; each Designated Subsidiary is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole; all of the issued shares of capital stock or other ownership interests of each Designated Subsidiary are owned directly or indirectly by the Company, have been duly and validly authorized and issued, are fully paid and non-assessable, if applicable, and are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims, except as would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole; for purposes of this Agreement, Schedule III hereto includes each subsidiary of the Company that is a "significant subsidiary" (as such term is defined in Rule 1-02 of Regulation S-X promulgated by the Commission) and that is in existence on the date hereof; *provided* that, for the avoidance of doubt, none of Synchrony Credit Card Master Note Trust, Synchrony Receivables Trust or Synchrony Sales Finance Master Trust shall be considered a "subsidiary" under Rule 1-02 of Regulation S-X for purposes of this Section 1(e).

(f) This Agreement has been duly authorized, executed and delivered by the Company.

(g)(A) The execution and delivery by the Company of, and the performance by the Company of its obligations under, the Transaction Documents will not contravene (i) any provision of applicable law or the certificate of incorporation or by-laws of the Company, (ii) any agreement or other instrument binding upon the Company or any of its subsidiaries (except to the extent such contravention would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole), or (iii) any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary, and (B) no consent, approval, authorization or order of, or qualification with, any U.S. federal, state or local governmental body or agency is required for the performance by the Company of its obligations under the Transaction Documents, except such as has been obtained and as may be required to be obtained by the Company under the securities or Blue Sky laws of the various states in connection with the offer and sale of the Securities.

(h) The Securities have been duly authorized by the Company, and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Underwriters in accordance with this Agreement, will constitute valid and binding obligations of the Company, entitled to the benefits of the Indenture, and enforceable against the Company in accordance with their terms, subject, as to enforcement, to applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general applicability relating to, or affecting, creditors' rights and to general principles of equity, regardless of whether enforceability is considered in a proceeding at law or in equity (collectively, the "**Enforceability Exceptions**"). The Securities will conform in all material respects to the description thereof contained in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(i) The Base Indenture and the Fifth Supplemental Indenture have been duly authorized, executed and delivered by the Company. Assuming due authorization, execution and delivery of the Indenture by the Trustee, the Indenture constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject, as to enforcement, to the Enforceability Exceptions. The Indenture will conform in all material respects to the description thereof contained in each of the Time of Sale Prospectus and the Prospectus. The Base Indenture has been duly qualified under the Trust Indenture Act.

(j) None of the Company or any of the Designated Subsidiaries is in violation of its certificate of incorporation, by-laws or other constituent documents; none of the Company or any of its subsidiaries is in default in the performance or observance of any obligation, agreement, covenant or condition contained in any agreement or other instrument binding upon the Company or any of its subsidiaries, except to the extent such default would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(k) There has not occurred any material adverse change in the financial condition, or in the earnings, business, or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement).

(l) There are no legal or governmental proceedings pending or, to the knowledge of the Company, threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject that are required to be described in the Registration Statement, the Time of Sale Prospectus or the Prospectus and are not so described therein and there are no statutes, regulations, contracts or other documents that are required to be described in the Registration Statement, the Time of Sale Prospectus or the Prospectus or to be filed as exhibits to the Registration Statement that are not described or filed as required.

(m) Each Preliminary Prospectus complied when filed in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder.

(n) The Company is not, and after giving effect to the offering and sale of the Securities and the application of the net proceeds from such sale as described in the Time of Sale Prospectus and the Prospectus under the caption "Use of Proceeds" will not be, an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(o) Except as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company or to require the Company to include such securities with the Securities registered pursuant to the Registration Statement.

(p) Subsequent to the date as of which information is given in the Time of Sale Prospectus, (i) the Company and its subsidiaries, taken as a whole, have not incurred any material liability or obligation, direct or contingent, or entered into any material transaction not in the ordinary course of business; (ii) the Company has not purchased any of its outstanding capital stock, or declared, paid or otherwise made any dividend or distribution of any kind on its capital stock other than ordinary and customary dividends; and (iii) there has not been any material change in the capital stock, short-term debt or long-term debt of the Company and its subsidiaries, except in the case of each of clauses (i), (ii) and (iii) of this Section 1(p) as described or otherwise contemplated in the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(q) Each of the Company and the Designated Subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them, in each case free and clear of all liens, encumbrances and defects except such as are described in the Registration Statement, the Time of Sale Prospectus and the Prospectus or would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole; and any real property and buildings held under lease by the Company and the Designated Subsidiaries are held by them under valid, subsisting and enforceable leases except such as are described in the Registration Statement, the Time of Sale Prospectus and the Prospectus or would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(r) Each of the Company and the Designated Subsidiaries own or possess valid and enforceable rights to all patents, patent rights, licenses, software, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names and domain names currently employed by them in connection with the business now operated by them, except where the failure to so own or possess would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole, and except as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, neither the Company nor any of its subsidiaries has received any notice or claim of infringement or misappropriation of or conflict with asserted rights of others with respect to any of the foregoing which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, could reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken

as a whole, and the Company is not aware of any reasonable basis for any such notice or claim.

(s) The Company and its subsidiaries have at all times complied with all applicable laws and regulations, and with all rules, policies and procedures established by the Company or any of its subsidiaries, relating to privacy, data protection and the collection, use, transfer, storage, protection, disposal and disclosure of personal and user information, except such as would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole. With respect to all such information, the Company and its subsidiaries have at all times taken the steps reasonably necessary to protect such information against loss and against unauthorized access, use, modification, disclosure or other misuse, and except as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus or would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole, to the knowledge of the Company, there has been no material unauthorized access to or other misuse of such information.

(t) No labor dispute with the employees of the Company or any of its subsidiaries exists, except as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, or, to the knowledge of the Company, is imminent, except where such dispute would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(u) The Company and each of its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with United States generally accepted accounting principles ("GAAP") and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Since the end of the Company's most recent audited fiscal year, there has been (i) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (ii) no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(v) The interactive data in eXtensible Business Reporting Language incorporated by reference in the Registration Statement fairly presents the information called for in all material respects and has been prepared in accordance with the Commission's rules and guidelines applicable thereto.

(w) The Company and each of its subsidiaries have filed all federal, state, local and foreign tax returns required to be filed through the date of this Agreement or have requested extensions thereof (except where the failure to file would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole), all returns that have been filed have been true and complete in all material respects and the Company and each of its subsidiaries have paid all taxes required to be paid thereon (except for cases in which the failure to file or pay would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, or, except as currently being contested in good faith and for which reserves required by GAAP have been created in the financial statements of the Company). No tax deficiency has been determined adversely to the Company or any of its subsidiaries which has had (nor does the Company or any of its subsidiaries have any notice or knowledge of any tax deficiency which could reasonably be expected to be determined adversely to the Company or its subsidiaries and which could reasonably be expected to have) a material adverse effect on the Company and its subsidiaries, taken as a whole.

(x) The statements set forth in (i) the Time of Sale Prospectus and the Prospectus under the captions "Description of the Notes" and "Description of Debt Securities," insofar as they purport to constitute a summary of the terms of the Indenture and the Securities, and under the caption "Certain U.S. Federal Income Tax Considerations for Holders," insofar as they purport to describe the provisions of the laws (including United States federal tax laws) referred to therein, (ii) the Annual Report on Form 10-K filed by the Company with the Commission on February 25, 2016, which is incorporated by reference in the Time of Sale Prospectus and the Prospectus, under the captions "Item 1. Business—Regulation" and "Item 3. Legal Proceedings," as updated by the Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016 and June 30, 2016 filed by the Company with the Commission on April 28, 2016 and July 28, 2016, respectively, insofar as they purport to describe the provisions of the laws and documents referred to therein, (iii) the Proxy Statement on Schedule 14A filed by the Company with the Commission on April 4, 2016, specified sections of which are incorporated by reference in the Time of Sale Prospectus and the Prospectus, under the caption "Related Person Transactions," insofar as they purport to describe the

provisions of the laws and documents referred to therein and (iv) in the Registration Statement in Item 15 of Form S-3, insofar as they purport to describe the provisions of the laws and documents referred to therein, in each case fairly summarize in all material respects the matters described therein.

(y) KPMG LLP, whose report is incorporated by reference in the Prospectus, is an independent registered public accounting firm with respect to the Company and its combined subsidiaries within the meaning of the Securities Act and the rules and regulations adopted by the Commission thereunder. The financial statements of the Company and its combined subsidiaries (including the related notes) incorporated by reference in the Registration Statement, the Time of Sale Prospectus and the Prospectus present fairly in all material respects the financial condition, results of operations and cash flows of the entities purported to be shown thereby at the dates and for the periods indicated and have been prepared in accordance with GAAP applied on a consistent basis throughout the periods indicated and conform in all material respects with the rules and regulations adopted by the Commission under the Securities Act. Any pro forma financial information and any related notes thereto incorporated by reference in the Registration Statement, the Time of Sale Prospectus and the Prospectus has been prepared in accordance with the applicable requirements of the Securities Act and the Exchange Act, as applicable, and the assumptions underlying such pro forma financial information are reasonable.

(z) Neither the Company nor any of its subsidiaries, nor, to the Company's knowledge, any director, officer, affiliate, agent, employee or representative acting on behalf of the Company or any of its subsidiaries, is aware of or has taken any action, directly or indirectly, that has violated or would result in a violation by such persons of the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "**FCPA**"), and the rules and regulations thereunder, or any other applicable anti-bribery or anti-corruption laws (collectively, the "**Anti-Bribery Laws**"), including, without limitation, by making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization or approval of the payment or giving of any money, property, gift, promise to give, or authorization of the giving of anything else of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or party official or any candidate for foreign political office in contravention of the Anti-Bribery Laws; and the Company and its subsidiaries have conducted their businesses in compliance with the Anti-Bribery Laws and have instituted and maintain and enforce policies and procedures designed to promote and

ensure, and which are reasonably expected to continue to promote and ensure, continued compliance therewith.

(aa) The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements, including those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the applicable money laundering statutes of all jurisdictions where the Company or any of its subsidiaries conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental or regulatory agency having jurisdiction over the Company or any of its subsidiaries (collectively, the “**Anti-Money Laundering Laws**”), except as would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole; and no action, suit or proceeding by or before any court or governmental or regulatory agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(bb)(i) None of the Company, any of its subsidiaries, or, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries is currently subject to any sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (collectively, “**Sanctions**”); and the Company will not directly or indirectly use the proceeds of the offering of the Securities hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (A) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or the target of Sanctions, (B) to fund or facilitate any activities of or business in any country or territory that is the subject or the target of Sanctions, including, without limitation, Crimea, Cuba, Iran, North Korea, Sudan and Syria (each, a “**Sanctioned Country**”), or (C) in any other manner that will result in a violation by any person (including any person participating in the transaction) of Sanctions.

(ii) The Company and its subsidiaries are not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is the subject or the target of Sanctions or with any Sanctioned Country.

(cc) The Company and each of its subsidiaries are in compliance with all applicable laws administered by, and regulations of, the Board of Governors of the Federal Reserve System (the “**Federal**

Reserve Board”), the Federal Deposit Insurance Corporation (the “**FDIC**”), the Office of the Comptroller of the Currency (the “**OCC**”), the Consumer Financial Protection Bureau and any other federal or state bank regulatory authorities with jurisdiction over the Company or any of its subsidiaries (collectively, the “**Bank Regulatory Authorities**”), except where the failure to be in compliance with such laws and regulations would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole. Except as described in the Registration Statement, Time of Sale Prospectus or Prospectus, or as would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole, neither the Company nor any of its subsidiaries is a party to or otherwise subject to any consent decree, memorandum of understanding, cease and desist order, order of prohibition or suspension, written commitment, supervisory agreement, or written agreement or other written statement as described under 12 U.S.C. 1818(u) or under 12 U.S.C. 5563 and 12 U.S.C. 5565 (whether or not such Bank Regulatory Authority has determined that publication would be contrary to the public interest) with any of the Bank Regulatory Authorities (collectively, “**Regulatory Orders**”). None of the Company or any of its subsidiaries has been advised in writing by any Bank Regulatory Authority that such Bank Regulatory Authority is contemplating issuing or requesting any Regulatory Order, nor, to the Company’s knowledge, has the Company or any of its subsidiaries been advised other than in writing by any Bank Regulatory Authority that such Bank Regulatory Authority is contemplating issuing or requesting any Regulatory Order.

(dd) The Company is a duly registered savings and loan holding company under the Home Owners’ Loan Act (12 U.S.C. 1461 et seq.).

(ee) Synchrony Bank (the “**Bank**”) is a federally chartered savings association regulated by the OCC and its charter is in full force and effect. The Bank is, and has been since January 1, 2015, in compliance with the requirements of the qualified thrift lender test (the requirements of which are set forth at 12 U.S.C. 1467a(m)), including, but not limited to, the requirement to maintain at least 65% of the Bank’s portfolio assets in certain qualified thrift investments.

(ff) The deposit accounts of the Bank are insured up to applicable limits by the FDIC, all premiums and assessments required to be paid in connection therewith have been paid when due, and no proceedings for the termination or revocation of such insurance are pending or, to the knowledge of the Company or the Bank, threatened.

(gg) The Bank is “well-capitalized” (as that term is defined at 12 C.F.R. 6.4(b)(1)) and has not been informed in writing by any Bank Regulatory Authority that its status as “well-capitalized” will change within one year, nor, to the Company’s knowledge, has the Bank been informed other than in writing by any Bank Regulatory Authority that its status as “well-capitalized” will change within one year. If the Company were a federal savings association, it would qualify as “well-capitalized” (as that term is defined at 12 C.F.R. 6.4(b)(1)).

(hh) The Bank has received an overall Community Reinvestment Act (“CRA”) rating of at least “satisfactory” and has not been informed in writing by any Bank Regulatory Authority that it may receive a less than “satisfactory” rating for CRA purposes within one year, nor, to the Company’s knowledge, has the Bank been informed other than in writing by any Bank Regulatory Authority that it may receive a less than “satisfactory” rating for CRA purposes within one year.

2. *Agreements to Sell and Purchase.* The Company hereby agrees to sell to the several Underwriters, and each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees to purchase, severally and not jointly, from the Company, at a purchase price (the “**Purchase Price**”) of 100.234% of the principal amount of the Securities, plus accrued interest from August 9, 2016 to, but not including, the Closing Date, in the respective principal amount of the Securities set forth opposite the names of the Underwriters set forth in Schedule I hereto.

3. *Terms of Public Offering.* The Company is advised by the Representatives that the Underwriters propose to make a public offering of their respective portions of the Securities as soon after the Registration Statement and this Agreement have become effective as in the judgment of the Representatives is advisable. The Company is further advised by the Representatives that the Securities are to be offered (a) to the public initially at a price (the “**Public Offering Price**”) equal to 100.434% of the principal amount of the Securities, plus accrued interest from August 9, 2016 to, but not including, the Closing Date, and (b) to certain dealers selected by the Representatives at a price that represents a concession not in excess of 0.15% of the principal amount under the Public Offering Price of the Securities; that the Underwriters, and such dealers may allow a discount to certain other dealers with respect to the Securities not in excess of 0.10% of the principal amount of the Securities. After the initial public offering of the Securities to the public, the Underwriters may change the Public Offering Price with respect to the Securities and concessions and discount to dealers.

4. *Payment and Delivery.* Payment for the Securities shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Securities for the respective accounts of the several Underwriters at 10:00 a.m. (New York City time) on August 29, 2016, or at such other time on the same or such other date, not later than seven full business days thereafter as the Representatives and the Company determine, such time and date being referred to as the “**Closing Date**.”

The Securities shall be registered in such names and in such denominations as the Representatives shall request in writing not later than one full business day prior to the Closing Date. The Securities shall be delivered to the Representatives on the Closing Date for the respective accounts of the several Underwriters, against payment of the Purchase Price therefor.

5. *Conditions to the Underwriters' Obligations.* The several obligations of the Underwriters are subject to the following conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date:

(i) there shall not have occurred any downgrading of the Company by any “nationally recognized statistical rating organization,” as such term is defined in Section 3(a)(62) of the Exchange Act (“**NRSRO**”), nor shall any public announcement have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any of the securities of the Company by any such NRSRO; and

(ii) there shall not have occurred any material adverse change in the financial condition, earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement).

(b) The Underwriters shall have received on the Closing Date a certificate, dated the Closing Date and signed by an executive officer of the Company, to the effect set forth in Section 5(a)(i) above and to the effect that the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Date and that the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date.

The officer signing and delivering such certificate may rely upon the best of his or her knowledge as to proceedings threatened.

(c) The Underwriters shall have received on the Closing Date an opinion letter (including certain negative assurances) of Sidley Austin LLP, outside U.S. counsel for the Company, each dated the Closing Date, substantially in the form set forth in Exhibit A.

(d) The Underwriters shall have received on the Closing Date an opinion of Covington & Burling LLP, special U.S. regulatory counsel for the Company, dated the Closing Date, substantially in the form set forth in Exhibit B.

The opinions of Sidley Austin LLP and Covington & Burling LLP described in Sections 5(c) and 5(d) above shall be rendered to the Underwriters at the request of the Company and shall so state therein.

(e) The Underwriters shall have received on the Closing Date an opinion and letter of Weil, Gotshal & Manges LLP, counsel for the Underwriters, each dated the Closing Date, with respect to such matters as the Underwriters shall reasonably request.

(f) The Underwriters shall have received executed copies of the Base Indenture and the Fifth Supplemental Indenture.

(g) The Underwriters shall have received, on each of the date hereof and the Closing Date, a letter dated the date hereof or the Closing Date, as the case may be, in form and substance satisfactory to the Underwriters, from KPMG LLP, an independent registered public accounting firm, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus; *provided* that the letter delivered on the Closing Date shall use a "cut-off date" not earlier than the date hereof.

6. *Covenants of the Company.* In further consideration of the agreements of the Underwriters herein contained, the Company covenants with each Underwriter as follows:

(a) To furnish to the Representatives in New York City, without charge, prior to 10:00 a.m. (New York City time) on the business day next succeeding the date of this Agreement or as promptly as practicable thereafter and during the period mentioned in Section 6(e) or 6(f) below, as many copies of the Time of Sale Prospectus, the Prospectus

and any supplements and amendments thereto or to the Registration Statement as the Representatives may reasonably request.

(b) At any time on or prior to the Closing Date, before amending or supplementing the Registration Statement, the Time of Sale Prospectus or the Prospectus, to furnish to the Representatives a copy of each such proposed amendment or supplement and not to file any such proposed amendment or supplement to which the Representatives reasonably object, and to file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(c) To furnish to the Representatives a copy of each proposed free writing prospectus relating to the Securities prepared by or on behalf of, used by, or referred to by the Company and not to use or refer to any such proposed free writing prospectus to which the Representatives reasonably object.

(d) Not to take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of the Underwriter that the Underwriter otherwise would not have been required to file thereunder.

(e) If the Time of Sale Prospectus is being used to solicit offers to buy the Securities at a time when the Prospectus is not yet available to prospective purchasers and any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Time of Sale Prospectus in order to make the statements therein, in the light of the circumstances, not misleading, or if any event shall occur or condition exist as a result of which the Time of Sale Prospectus conflicts with the information contained in the Registration Statement then on file, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Time of Sale Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, either amendments or supplements to the Time of Sale Prospectus so that the statements in the Time of Sale Prospectus as so amended or supplemented will not, in the light of the circumstances when the Time of Sale Prospectus is delivered to a prospective purchaser, be misleading or so that the Time of Sale Prospectus, as amended or supplemented, will no longer conflict with the Registration Statement, or so that the Time of Sale Prospectus, as amended or supplemented, will comply with applicable law.

(f) If, during such period after the first date of the public offering of the Securities as in the opinion of counsel for the Underwriters the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) under the Securities Act) is required by law to be delivered in connection with sales by an Underwriter or dealer, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) under the Securities Act) is delivered to a purchaser, not misleading, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to the dealers (whose names and addresses the Representatives will furnish to the Company) to which Securities may have been sold by the Representatives on behalf of the Underwriters and to any other dealers upon request, either amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) under the Securities Act) is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply with applicable law.

(g) To endeavor to qualify the Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representatives shall reasonably request.

(h) To make generally available to the Company's security holders and to the Representatives, as soon as practicable, an earnings statement covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the date of this Agreement, which shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder, *provided* that the Company will be deemed to have furnished such statement to its security holders and the Representatives to the extent it is filed on the Commission's Electronic Data Gathering, Analysis and Retrieval system.

(i) During the period beginning on the date hereof and continuing to and including the Closing Date, not to offer, sell, contract to sell or otherwise dispose of any debt securities of the Company or warrants to purchase or otherwise acquire debt securities of the Company substantially similar to the Securities (other than the Securities).

(j) To prepare a final term sheet relating to the offering of the Securities, containing only information that describes the final terms of the Securities or the offering in a form consented to by the Representatives, and to file such final term sheet within the period required by Rule 433(d)(5)(ii) under the Securities Act following the date the final terms have been established for the offering of the Securities.

7. *Expenses.* Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, the Company agrees to pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Company's counsel and the Company's accountants in connection with the registration and delivery of the Securities under the Securities Act and all other fees or expenses in connection with the preparation and filing of the Registration Statement, any Preliminary Prospectus, the Time of Sale Prospectus, the Prospectus, any free writing prospectus prepared by or on behalf of, used by, or referred to by the Company and amendments and supplements to any of the foregoing, all printing costs associated therewith, and the mailing and delivering of copies thereof to the Underwriters and dealers, in the quantities hereinabove specified, (ii) all costs and expenses related to the issuance and delivery of the Securities to the Underwriters, (iii) the cost of printing or the reasonable fees of counsel in producing any Blue Sky or Legal Investment memorandum in connection with the offer and sale of the Securities under state securities laws and all expenses in connection with the qualification of the Securities for offer and sale under state securities laws as provided in Section 6(g) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky or Legal Investment memorandum, (iv) all filing fees and the reasonable fees and disbursements of counsel to the Underwriters incurred in connection with the review and qualification of the offering of the Securities by the Financial Industry Regulatory Authority, Inc., (v) all fees charged by the rating agencies for ratings of the Securities, (vi) the cost of printing certificates representing the Securities, (vii) the costs and charges of any trustee, transfer agent, registrar or depositary, (viii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Securities, including, without limitation, expenses associated with the production of any Electronic Road Show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives and officers of the Company and any such consultants, and the Company's pro rata share (based on the number of seats occupied by representatives and officers of the Company and any such consultants, on the one hand, and by representatives and officers of the Underwriters, on the other hand) of the cost of any aircraft chartered in

connection with the road show with the prior approval of the Company (with the remainder of the cost of such aircraft to be paid by the Underwriters), and (ix) all other costs and expenses incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section. It is understood, however, that except as provided in this Section, Section 9 entitled "Indemnity and Contribution" and the last paragraph of Section 11 below, the Underwriters will pay all of their costs and expenses, including fees and disbursements of their counsel, transfer taxes payable on resale of any of the Securities by them and any advertising expenses connected with any offers they may make.

The provisions of this section shall not supersede or otherwise affect any agreement that the Company and its parent companies may otherwise have for the allocation of such expenses among themselves.

8. *Covenants of the Underwriters.* Each Underwriter severally covenants with the Company not to take any action that would result in the Company being required to file with the Commission under Rule 433(d) a free writing prospectus prepared by or on behalf of such Underwriter that otherwise would not be required to be filed by the Company thereunder, but for the action of the Underwriter (other than, for the avoidance of doubt, the final term sheet prepared by the Company and filed with the Commission pursuant to Section 6(j)). Each Underwriter severally acknowledges and agrees that, except as may be set forth in Schedule II hereto, the Company has not authorized or approved any "issuer information" (as defined in Rule 433(h) under the Securities Act) for use in any free writing prospectus prepared by or on behalf of the Underwriters.

9. *Indemnity and Contribution.* (a) The Company agrees to indemnify and hold harmless each Underwriter, its directors, officers, employees and agents and each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, and each affiliate of any Underwriter within the meaning of Rule 405 under the Securities Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any Preliminary Prospectus, the Time of Sale Prospectus or any amendment or supplement thereto, any free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act, any Electronic Road Show or the Prospectus (if used within the period set forth in Section 6(f) hereof and as amended or supplemented if the Company shall furnish any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the

statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein.

(b) Each Underwriter agrees, severally but not jointly, to indemnify and hold harmless the Company, its directors, its officers who sign the Registration Statement and each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Underwriter, but only with reference to information relating to such Underwriter furnished to the Company in writing by the Representatives on behalf of such Underwriter expressly for use in the Registration Statement, any Preliminary Prospectus, the Time of Sale Prospectus, any free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act, any Electronic Road Show or the Prospectus or, in each case, any amendment or supplement thereto (the “**Underwriter Information**”).

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 9(a) or 9(b), such person (the “**indemnified party**”) shall promptly notify the person against whom such indemnity may be sought (the “**indemnifying party**”) in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the reasonable fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for (i) the fees and expenses of more than one separate firm (in addition to any local counsel) for all Underwriters and all persons, if any, who control any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20

of the Exchange Act or who are affiliates of any Underwriter within the meaning of Rule 405 under the Securities Act, and (ii) the fees and expenses of more than one separate firm (in addition to any local counsel) for the Company, its directors, its officers who sign the Registration Statement and each person, if any, who controls the Company within the meaning of either such Section, and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Underwriters and such control persons and affiliates of any Underwriters, such firm shall be designated in writing by the Representatives. In the case of any such separate firm for the Company and such directors, officers and control persons of the Company, such firm shall be designated in writing by the Company. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) To the extent the indemnification provided for in Section 9(a) or 9(b) is unavailable to an indemnified party in respect of any losses, claims, damages or liabilities referred to under such paragraph, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) if the indemnifying party is the Company, in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party on the one hand and the indemnified party or parties on the other hand from the offering of the Securities, (ii) if the indemnifying party is an Underwriter, in such proportion as is appropriate to reflect the relative fault of such Underwriter on the one hand and the indemnified party or parties on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities or (iii) if the allocation provided by clause (i) or (ii) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above or the relative fault referred to in clause (ii) above but also the relative fault (in cases covered by clause (i) above) or the relative benefits (in cases covered by clause (ii) above) of the indemnifying party or parties on the one hand and of the indemnified party or parties on the other hand in connection with the statements or omissions that resulted in such losses,

claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other hand in connection with the offering of the Securities shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Securities (before deducting expenses) received by the Company and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate Public Offering Price of the Securities. The relative fault of the Company on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Underwriters' respective obligations to contribute pursuant to this Section 9 are several in proportion to the respective aggregate principal amount of Securities they have purchased hereunder, and not joint.

(e) The Company and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 9 were determined by *pro rata* allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 9(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in Section 9(d) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 9, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 9 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(f) The indemnity and contribution provisions contained in this Section 9 and the representations, warranties and other statements of the Company contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter, any person controlling any Underwriter

or any affiliate of any Underwriter or by or on behalf of the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Securities.

10. *Termination.* The Underwriters may terminate this Agreement by notice given by the Representatives to the Company, if after the execution and delivery of this Agreement and prior to the Closing Date (i) trading in securities generally on or by the New York Stock Exchange (the “NYSE”) shall have been suspended or materially limited, (ii) trading of any securities of the Company shall have been suspended on the NYSE, (iii) a general moratorium on commercial banking activities in the State of New York or the United States shall have been declared by federal or New York State authorities, or (iv) there shall have occurred any material outbreak, or material escalation, of hostilities or other national or international calamity or crisis, which in each case of (i) through (iv) above is of such magnitude and severity in its effect on the financial markets of the United States, in the reasonable judgment of the Representatives, as to prevent or materially impair the delivery, or enforcement of contracts for sale, of the Securities.

11. *Effectiveness; Defaulting Underwriters.* This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date, any one or more of the Underwriters shall fail or refuse to purchase Securities that it has or they have agreed to purchase hereunder on such date, and the aggregate principal amount of Securities which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate principal amount of Securities to be purchased on such date, the other Underwriters shall be obligated severally in the proportions that the principal amount of Securities set forth opposite their respective names in Schedule I bears to the aggregate principal amount of Securities set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as the Representatives may specify, to purchase the Securities which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; *provided* that in no event shall the principal amount of Securities that any Underwriter has agreed to purchase on such date pursuant to this Agreement be increased pursuant to this Section 11 by an amount in excess of one-ninth of such principal amount of Securities without the written consent of such Underwriter. If, on the Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Securities and the aggregate principal amount of Securities with respect to which such default occurs is more than one-tenth of the aggregate principal amount of Securities to be purchased on such date, and arrangements satisfactory to the Representatives and the Company for the purchase of such Securities are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting

Underwriter or the Company. In any such case either the Representatives or the Company shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement, in the Time of Sale Prospectus, in the Prospectus or in any other documents or arrangements may be effected. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

If this Agreement shall be terminated by the Underwriters, or any one of them, because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company shall be unable to perform its obligations under this Agreement, the Company will reimburse the Underwriters or such Underwriters as have so terminated this Agreement with respect to themselves, severally, for all out-of-pocket expenses (including the fees and disbursements of their counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering contemplated hereunder.

12. *USA Patriot Act.* In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

13. *Counterparts.* This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

14. *Applicable Law.* THIS AGREEMENT, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING WITHOUT LIMITATION SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

15. *Headings.* The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

16. *Nature of Relationship.* The Company and the Underwriters acknowledge and agree that, in connection with all aspects of each transaction contemplated by this Agreement, the Company and the Underwriters have an arms-length business relationship that creates no fiduciary duty on the part of either party and each expressly disclaims any fiduciary relationship. In addition,

the Company acknowledges and agrees that the Underwriters may have interests that differ from those of the Company.

17. *Entire Agreement.* This Agreement, together with any contemporaneous written agreements and any prior written agreements (to the extent not superseded by this Agreement) that relate to the offering of the Securities, represents the entire agreement between the Company and the Underwriters with respect to the preparation of any Preliminary Prospectus, the Time of Sale Prospectus, the Prospectus, the conduct of the offering, and the purchase and sale of the Securities.

18. *Notices.* All communications hereunder shall be in writing and effective only upon receipt and if to the Underwriters shall be delivered, mailed or sent to the Representatives at (a) Morgan Stanley & Co. LLC, 1585 Broadway, 29th Floor, New York, New York 10036, Attention: Investment Banking Division, Fax: (212) 507-8999 and (b) J.P. Morgan Securities LLC, 383 Madison Avenue, New York, New York 10179, Attention: Investment Grade Syndicate Desk, Fax: (212) 834-6081; and if to the Company shall be delivered, mailed or sent to SYNCHRONY FINANCIAL, 777 Long Ridge Road, Stamford, Connecticut 06902, Attention: Jonathan S. Mothner, Esq.

19. *Jury Trial Waiver.* The parties hereto waive all right to trial by jury in any action, suit or proceeding brought to resolve any dispute, whether sounding in contract, tort or otherwise, arising out of, connected with, related to, or incidental to the relationship established among them in connection with this Agreement or the transactions contemplated hereby.

[Signature Page Follows]

Very truly yours,

SYNCHRONY FINANCIAL

By: /s/ Christopher J. Coffey

Name: Christopher J. Coffey

Title: Authorized Signatory

[Signature Page to Underwriting Agreement]

Accepted as of the date hereof.

J.P. Morgan Securities LLC
Morgan Stanley & Co. LLC

Acting severally on behalf of itself and the several Underwriters
named in Schedule I hereto

By: J.P. Morgan Securities LLC

By: /s/ Som Bhattacharyya

Name: Som Bhattacharyya
Title: Vice President

By: Morgan Stanley & Co. LLC

By: /s/ Andrew Ertman

Name: Andrew Ertman
Title: Managing Director

[Signature Page to Underwriting Agreement]

SCHEDULE I

<u>Underwriter</u>	<u>Principal Amount of Securities To Be Purchased</u>
J.P. Morgan Securities LLC	\$ 100,000,000
Morgan Stanley & Co. LLC	\$ 100,000,000
Total:	\$ 200,000,000

TIME OF SALE PROSPECTUS

1. Prospectus dated December 11, 2014 relating to the Shelf Securities
2. Preliminary Prospectus Supplement dated August 24, 2016 relating to the Securities
3. Pricing Term Sheet dated August 24, 2016 relating to the Securities (attached as Exhibit C hereto)

LIST OF DESIGNATED SUBSIDIARIES

Designated Subsidiaries

Synchrony Bank
Synchrony Lending Inc.
RFS Holding, Inc.
RFS Holding, L.L.C.

Jurisdiction of Organization

United States
Delaware
Delaware
Delaware

FORM OF U.S. COMPANY COUNSEL OPINION

FORM OF SPECIAL U.S. REGULATORY COUNSEL OPINION

1. The Company is a duly registered savings and loan holding company under the Home Owners' Loan Act (12 U.S.C. 1461 et seq.).
2. The Bank is a duly chartered federal savings association under the laws of the United States. The charter of the Bank is in full force and effect.
3. The deposit accounts of the Bank are insured up to the applicable limits by the Deposit Insurance Fund of the FDIC to the fullest extent permitted by law and the rules and regulations of the FDIC, and, to our knowledge, no proceeding for the revocation or termination of such insurance is pending or threatened.
4. No consent, approval, authorization or other action by or filing with the Bank Regulatory Authorities is required on the part of the Company or the Bank for the offer and sale of the Securities, except those that, if not made or obtained, would not reasonably be expected to, singly or in the aggregate, have a material adverse effect on the Company and the Bank, taken as a whole.
5. The statements included in the Company's Annual Report on Form 10-K, filed with the Commission on February 25, 2016, and, in each case, incorporated by reference in the Time of Sale Prospectus and the Prospectus under the captions (a) "Item 1. Business—Formation and Regulation of Synchrony" (excluding the first paragraph under such caption), (b) "Item 1. Business—Regulation," (c) "Item 1A. Risk Factors—Risks Relating to Our Businesses—Our inability to grow our deposits in the future could materially adversely affect our liquidity and ability to grow our business" (excluding the first three paragraphs under such caption), and (d) "Item 1A. Risk Factors—Risks Relating to Regulation," in each case insofar as such statements constitute summaries of the laws, regulations, legal matters, agreements or other legal documents referred to therein, are accurate in all material respects and fairly summarize the matters referred to therein.

PRICING TERM SHEET

C-1



\$200,000,000 Floating Rate Senior Notes due 2017 (Reopening)

The information in this pricing term sheet relates to the offering (the "Offering") of Floating Rate Senior Notes due 2017 (the "Additional Notes") of SYNCHRONY FINANCIAL (the "Issuer"), and should be read together with the preliminary prospectus supplement dated August 24, 2016 relating to the Offering, and the accompanying prospectus dated December 11, 2014 included in the Issuer's Registration Statement on Form S-3 (File No. 333-200374) (as supplemented by such preliminary prospectus supplement, the "Preliminary Prospectus").

The information in this pricing term sheet supersedes the information in the Preliminary Prospectus to the extent inconsistent with the information in the Preliminary Prospectus. Terms used but not defined herein have the meanings given in the Preliminary Prospectus.

Issuer:	SYNCHRONY FINANCIAL
Title of Securities:	Floating Rate Senior Notes due 2017
Ranking:	Senior Unsecured
Maturity Date:	November 9, 2017
Principal Amount:	\$200,000,000. Upon settlement, the Additional Notes will form a single series with the Issuer's outstanding \$500,000,000 Floating Rate Senior Notes due 2017 issued on May 9, 2016, for all purposes (the "Original Notes" and, together with the Additional Notes, the "Notes") and the aggregate principal amount of the Notes will be \$700,000,000.
Price to Public:	100.434%, plus accrued interest of \$243,594.44 from and including August 9, 2016 to, but not including, August 29, 2016
Net Proceeds to Issuer (before estimated offering expenses):	\$200,468,000, excluding accrued interest of \$243,594.44 from and including August 9, 2016 to, but not including, August 29, 2016
Interest Rate:	Interest on the Notes accrues at a rate of three-month LIBOR, reset on a quarterly basis, plus 1.400% per year.
Day Count Convention:	Actual/360
Business Day Convention:	New York and London
Interest Payment Dates:	Interest on the Notes is payable quarterly in arrears on February 9, May 9, August 9 and November 9 of each year, beginning with respect to the Additional Notes on November 9, 2016.

Interest Reset Dates:	Interest on the Notes is reset quarterly on February 9, May 9, August 9 and November 9 of each year, beginning on August 9, 2016.
Interest Rate Periods:	Each interest reset period will be the period from, and including, an interest reset date to, but excluding, the immediately succeeding interest reset date; provided that the final interest reset period will be the period from, and including, the interest reset date immediately preceding the maturity date of the Notes to, but excluding, the maturity date.
Interest Determination Dates:	The interest determination date is the second London business day immediately preceding the applicable interest reset date.
Optional Redemption:	The Notes are not redeemable prior to maturity.
CUSIP / ISIN:	87165B AK9 / US87165BAK98
Format:	SEC Registered
Denominations:	Minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof
Method of Settlement:	DTC
Trade Date:	August 24, 2016
Settlement Date:	August 29, 2016 (T+3)
Joint Book-Running Managers:	J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC

SYNCHRONY FINANCIAL (the “Issuer”) has filed a registration statement (including a prospectus) and a preliminary prospectus supplement dated August 24, 2016 with the Securities and Exchange Commission (the “SEC”) for the offering to which this communication relates. Before you invest, you should read the preliminary prospectus supplement and the accompanying prospectus in that registration statement and other documents the Issuer has filed with the SEC for more complete information about the Issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, copies of the preliminary prospectus supplement related to the offering and the accompanying prospectus may be obtained from: J.P. Morgan Securities LLC, telephone: (212) 834-4533 (collect) and Morgan Stanley & Co. LLC, 180 Varick Street, New York, New York 10014, telephone: (866) 718-1649, email: prospectus@morganstanley.com.

ANY DISCLAIMER OR OTHER NOTICE THAT MAY APPEAR BELOW IS NOT APPLICABLE TO THIS COMMUNICATION AND SHOULD BE DISREGARDED. SUCH DISCLAIMER OR NOTICE WAS AUTOMATICALLY GENERATED AS A RESULT OF THIS COMMUNICATION BEING SENT BY BLOOMBERG OR ANOTHER EMAIL SYSTEM.

THIS NOTE IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), OR A NOMINEE OF DTC. THIS NOTE IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN DTC OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE AND MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY DTC TO A NOMINEE OF DTC, OR BY A NOMINEE OF DTC TO DTC OR ANOTHER NOMINEE OF DTC.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

SYNCHRONY FINANCIAL

Floating Rate Senior Note due 2017

CUSIP: 87165B AK9
ISIN: US87165BAK98

No. 2017 – FLT – 2

\$200,000,000

SYNCHRONY FINANCIAL, a corporation organized and existing under the laws of Delaware (hereinafter called the “**Company**,” which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO., or registered assigns, the principal sum as set forth in the Schedule of Increases or Decreases In Note attached hereto on November 9, 2017 (such date is hereinafter referred to as the “**Maturity Date**”), and to pay interest thereon from August 9, 2016 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, quarterly in arrears on February 9, May 9, August 9 and November 9 of each year (each, an “**Interest Payment Date**”), commencing November 9, 2016, until the principal hereof is paid or duly provided for or made available for payment.

The interest rate on the Notes of this series shall be reset quarterly on February 9, May 9, August 9 and November 9 of each year, commencing August 9, 2016 (each, an “**Interest Reset Date**”). The interest rate for the period from, and including, the original issue date of the Notes of this series to, but excluding, the initial Interest Reset Date (the

“**Initial Interest Reset Period**”), shall be an annual rate equal to Three-Month LIBOR (as computed below), determined as of the Interest Determination Date prior to such original issue date, plus 1.40% per year. Thereafter, the interest rate for each period from, and including, an Interest Reset Date to, but excluding, the immediately succeeding Interest Reset Date (each an “**Interest Reset Period**”), shall be an annual rate equal to Three-Month LIBOR (as computed below), determined as of the applicable Interest Determination Date for such Interest Reset Period, plus 1.40% per year. The interest rate for the final Interest Reset Period from, and including, the Interest Reset Date immediately preceding the Maturity Date to, but excluding, such Maturity Date, shall be an annual rate equal to Three-Month LIBOR (as computed below), determined as of the applicable Interest Determination Date for such Interest Reset Period, plus 1.40% per year. If any Interest Reset Date for the Notes of this series falls on a day that is not a Business Day, such Interest Reset Date shall be postponed to the next succeeding day that is a Business Day, except that if such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Business Day. The term “**Business Day**” means any calendar day that is not a Saturday, Sunday or a day on which commercial banking institutions are not required to be open for business in The City of New York, New York, and that is also a calendar day on which commercial banks are open for dealings in deposits in U.S. Dollars in the London interbank market (a “**London Business Day**”); and the term “**Interest Determination Date**” means, with respect to an Interest Reset Period, the second London Business Day immediately preceding either (a) the original issue date of the Notes of this series, in the case of the Initial Interest Reset Period, or (b) the applicable Interest Reset Date, in the case of any other Interest Reset Period.

The amount of interest payable for any full or partial Interest Period for the Notes of this series shall be computed on the basis of the actual number of days in the period divided by 360. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name the relevant Notes, or any predecessor Notes, are registered at the close of business on the Record Date for such Interest Payment Date; *provided* that the interest due on the Maturity Date of a Note of this series will be paid to the Person to whom principal of such Note is payable. In the event that any scheduled Interest Payment Date (other than the Maturity Date) falls on a day that is not a Business Day, such Interest Payment Date shall be postponed to the next succeeding day that is a Business Day and interest on the Notes of this series shall continue to accrue on the payment so deferred, except that if such Business Day is in the next succeeding calendar month, such Interest Payment Date shall be the immediately preceding Business Day. If the Maturity Date for the Notes of this series falls on a date that is not a Business Day, the related payments of principal and interest will be made on the next succeeding Business Day, and no additional interest will accrue on the amount payable for the period from and after the Maturity Date.

The Bank of New York Mellon, or its successor appointed by the Company, will act as calculation agent (the “**Calculation Agent**”). Three-Month LIBOR as of the applicable Interest Determination Date (“**Three-Month LIBOR**”) shall be determined by the Calculation Agent in accordance with the following provisions:

Three-Month LIBOR for any Interest Determination Date shall be the rate for deposits in U.S. dollars having a maturity of three months, commencing on the original issue date of the Notes of this series or the related Interest Reset Date, as applicable, immediately following such Interest Determination Date, which appears on the Reuters LIBOR01 Page as of approximately 11:00 a.m., London time, on such Interest Determination Date. “**Reuters LIBOR01 Page**” shall mean the display designated as page “LIBOR01” on the Reuters Monitor Money Rates Service (or such other page as may replace the LIBOR01 page on that service, any successor service or such other service as may be nominated as the information vendor for the purpose of displaying rates or prices comparable to the London Interbank Offered Rate for U.S. Dollar deposits). If no rate appears on the Reuters LIBOR01 Page as of approximately 11:00 a.m., London time, on an Interest Determination Date, then Three-Month LIBOR for such Interest Determination Date shall be determined in accordance with the provisions of paragraph (ii) below.

With respect to an Interest Determination Date on which no rate appears on the Reuters LIBOR01 Page as of approximately 11:00 a.m., London time, on such Interest Determination Date, the Calculation Agent shall request the principal London offices of each of four major reference banks (which may include affiliates of the underwriters of the Notes of this series) in the London interbank market selected and identified by the Company to provide the Calculation Agent with a quotation of the rate at which deposits of U.S. Dollars having a three-month maturity, commencing on the original issue date of the Notes of this series or the related Interest Reset Date, as applicable, immediately following such Interest Determination Date, are offered by it to prime banks in the London interbank market as of approximately 11:00 a.m., London time, on such Interest Determination Date in a principal amount equal to an amount of not less than U.S. \$1,000,000 that is representative for a single transaction in such market at such time. If at least two such quotations are provided, Three-Month LIBOR for such Interest Determination Date shall be the arithmetic mean of such quotations as calculated by the Calculation Agent. If fewer than two quotations are provided, Three-Month LIBOR for such Interest Determination Date shall be the arithmetic mean of the rates quoted as of approximately 11:00 a.m., New York City time, on such Interest Determination Date by three major banks (which may include affiliates of the underwriters of the Notes of this series) selected and identified by the Company for loans in U.S. Dollars to leading European banks having a three-month maturity commencing on the original issue date of the Notes of this series or the related Interest Reset Date, as applicable, immediately following such Interest Determination Date and in a principal amount equal to an amount of not less than U.S. \$1,000,000 that is representative for a single transaction in such market at such time; *provided, however*, that if the banks selected by the Company are not quoting such rates as set forth in this paragraph (ii), Three-Month LIBOR for such Interest Determination Date shall be Three-Month LIBOR determined with respect to the immediately preceding Interest Determination Date.

All percentages resulting from any calculation of any interest rate for the Notes of this series will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one-millionths of a percentage point rounded upward and all dollar amounts will be rounded to the nearest cent, with one-half cent being rounded upward.

Promptly upon such determination, the Calculation Agent shall notify the Company and the Trustee (if the Calculation Agent is not the Trustee) of the interest rate for the new Interest Reset Period. Upon request of a holder of the Notes of this series, the Calculation Agent shall provide to such holder the interest rate in effect on the date of such request and, if determined, the interest rate for the next Interest Reset Period.

All calculations made by the Calculation Agent for the purposes of calculating interest on the Notes of this series shall be conclusive and binding on the holders, the Trustee and the Company, absent manifest error.

Payment of the principal of and interest on this Note will be made at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, which shall initially be the Principal Office of the Trustee located therein, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; *provided, however*, that payment of interest may be made at the option of the Company by check mailed to the Person entitled thereto at such address as shall appear in the Security Register or by wire transfer to an account appropriately designated by the Person entitled to payment, *provided* that the paying agent shall have received written notice of such account designation at least five Business Days prior to the date of such payment (subject to surrender of the relevant Note in the case of a payment of interest on the Maturity Date).

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

SYNCHRONY FINANCIAL

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein described in the within-mentioned Indenture.

Dated: _____

THE BANK OF NEW YORK MELLON, as Trustee

By: _____
Authorized Signatory

REVERSE OF NOTE

This Note is one of a duly authorized issue of securities of the Company (herein called the “Notes”), issued and to be issued in one or more series under an Indenture (the “Base Indenture”), dated as of August 11, 2014, between the Company and The Bank of New York Mellon, as Trustee (herein called the “Trustee,” which term includes any successor trustee), as amended and supplemented by the First Supplemental Indenture, dated as of August 11, 2014, between the Company and the Trustee (the “First Supplemental Indenture”), the Second Supplemental Indenture, dated as of February 2, 2015, between the Company and the Trustee (the “Second Supplemental Indenture”), the Third Supplemental Indenture, dated as of July 23, 2015, between the Company and the Trustee (the “Third Supplemental Indenture”), the Fourth Supplemental Indenture, dated as of December 4, 2015, between the Company and the Trustee (the “Fourth Supplemental Indenture”) and the Fifth Supplemental Indenture, dated as of May 9, 2016, between the Company and the Trustee (the “Fifth Supplemental Indenture,” and the Base Indenture, as supplemented by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture and the Fifth Supplemental Indenture, the “Indenture”), to which Indenture reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered. This Note is one of the series designated on the face hereof, limited in aggregate principal amount to \$700,000,000 as of the date hereof. This Note forms a single series with the Floating Rate Senior Note due 2017 first issued by the Company on May 9, 2016.

All terms used but not defined in this Note that are defined in the Indenture shall have the meaning assigned to them in the Indenture.

The Notes of this series are not redeemable prior to the Maturity Date. The Notes are not entitled to the benefit of any sinking fund.

The Indenture contains provisions for defeasance of the obligations of the Company at any time upon compliance by the Company with certain conditions set forth therein, which provisions apply to the Notes of this series.

If an Event of Default with respect to Notes of this series shall occur and be continuing, the principal of the Notes of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the holders of the Notes at any time by the Company and the Trustee, with the consent of the holders of a majority in the aggregate principal amount of the Notes of all series affected thereby at the time Outstanding, voting as a single class. The Indenture also contains provisions permitting the holders of specified percentages in principal amount of the Notes of a series at the time Outstanding, on behalf of the holders

of all Notes of such series, to waive certain past defaults under the Indenture and their consequences. Any such consent or waiver by the holder of this Note shall be conclusive and binding upon such holder and upon all future holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note is registrable in the Security Register, upon surrender of this Note for registration of transfer at the office or agency of the Company in any place where the principal of and interest on this Note are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by the holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes of this series, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Notes of this series are issuable only in registered form without coupons in minimum denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof, except as provided for in Section 2.04 of the Fifth Supplemental Indenture. As provided in the Indenture and subject to certain limitations therein set forth, Notes of this series are exchangeable for a like aggregate principal amount of Notes of this series of a different authorized denomination, as requested by the holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Except as provided in Section 8.03 of the Base Indenture, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note is overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

THIS NOTE, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS NOTE, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

The Company will furnish a copy of the Indenture to any holder upon written request and without charge.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers this Note to:

(Insert assignee's social security or tax identification number)

(Insert address and zip code of assignee) and irrevocably appoints

agent to transfer this Note on the books of the Company. The agent may substitute another to act for him or her.

Date: _____

Signature:

Signature Guarantee: _____

(Sign exactly as your name appears on the other side of this Note)

SIGNATURE GUARANTEE

Signatures must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program (“**STAMP**”) or such other “signature guarantee program” as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SCHEDULE OF INCREASES OR DECREASES IN NOTE

The initial principal amount of this Note is \$200,000,000. The following increases or decreases in the principal amount of this Note have been made:

<u>Date</u>	<u>Amount of decrease in principal amount of this Note</u>	<u>Amount of increase in principal amount of this Note</u>	<u>Principal amount of this Note following such decrease or increase</u>	<u>Signature of authorized signatory of Trustee</u>
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BEIJING	HONG KONG	SAN FRANCISCO
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BRUSSELS	LONDON	SINGAPORE
CENTURY CITY	LOS ANGELES	SYDNEY
CHICAGO	MUNICH	TOKYO
DALLAS	NEW YORK	WASHINGTON, D. C.
GENEVA	PALO ALTO	

FOUNDED 1866

August 29, 2016

SYNCHRONY FINANCIAL
777 Long Ridge Road
Stamford, Connecticut 06902

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

We refer to the Registration Statement on Form S-3, File No. 333-200374 (the "Registration Statement"), filed by SYNCHRONY FINANCIAL, a Delaware corporation (the "Company"), with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), which Registration Statement was declared effective by the Securities and Exchange Commission on December 11, 2014. Pursuant to the Registration Statement, the Company is issuing \$200,000,000 aggregate principal amount of the Company's Floating Rate Senior Notes due 2017 (the "Securities"). The Securities will constitute an additional issuance of, and form a single series of debt securities with, the \$500,000,000 aggregate principal amount of the Company's outstanding Floating Rate Senior Notes due 2017 previously issued on May 9, 2016 pursuant to an Indenture dated as of August 11, 2014 (the "Base Indenture"), as amended and supplemented, including by a Fifth Supplemental Indenture dated as of May 9, 2016 (the "Supplemental Indenture;" the Base Indenture, as amended and supplemented, including by the Supplemental Indenture, is hereinafter called the "Indenture"), each between the Company and The Bank of New York Mellon, as trustee (the "Trustee"). The Securities are to be sold by the Company pursuant to an underwriting agreement dated August 24, 2016 (the "Underwriting Agreement") among the Company and the Underwriters named therein.

This opinion letter is being delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act.

We have examined the Registration Statement, the Indenture, the Underwriting Agreement, the Securities in global form and the resolutions adopted by the board of directors of the Company relating to the Registration Statement, the Indenture, the Underwriting Agreement and the issuance of the Securities by the Company. We have also examined originals, or copies of originals certified to our satisfaction, of such agreements, documents, certificates and statements of the Company and other corporate documents and instruments, and have examined

Sidley Austin (NY) LLP is a Delaware limited liability partnership doing business as Sidley Austin LLP and practicing in affiliation with other Sidley Austin partnerships.

such questions of law, as we have considered relevant and necessary as a basis for this opinion letter. We have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures, the legal capacity of all persons and the conformity with the original documents of any copies thereof submitted to us for examination. As to facts relevant to the opinions expressed herein, we have relied without independent investigation or verification upon, and assumed the accuracy and completeness of, certificates, letters and oral and written statements and representations of public officials and officers and other representatives of the Company.

Based on and subject to the foregoing and the other limitations, qualifications and assumptions set forth herein, we are of the opinion that the Securities will constitute valid and binding obligations of the Company when the Securities are duly executed by duly authorized officers of the Company and duly authenticated by the Trustee, all in accordance with the provisions of the Indenture, and delivered to the purchasers thereof against payment of the agreed consideration therefor in accordance with the Underwriting Agreement.

Our opinion is subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, fraudulent transfer and other similar laws relating to or affecting creditors' rights generally, including, to the extent applicable, the rights or remedies of creditors of a "financial company" (as defined in Section 201 of the Dodd-Frank Wall Street Reform and Consumer Protection Act) or the affiliates thereof, and to general equitable principles (regardless of whether considered in a proceeding in equity or at law), including concepts of commercial reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief. Our opinion is also subject to (i) provisions of law which may require that a judgment for money damages rendered by a court in the United States of America be expressed only in United States dollars, (ii) requirements that a claim with respect to any debt securities or other obligations that are denominated or payable other than in United States dollars (or a judgment denominated or payable other than in United States dollars in respect of such claim) be converted into United States dollars at a rate of exchange prevailing on a date determined pursuant to applicable law and (iii) governmental authority to limit, delay or prohibit the making of payments outside of the United States of America or in a foreign currency.

This opinion letter is limited to the General Corporation Law of the State of Delaware and the laws of the State of New York (excluding the securities laws of the State of New York). We express no opinion as to the laws, rules or regulations of any other jurisdiction, including, without limitation, the federal laws of the United States of America or any state securities or blue sky laws.

We hereby consent to the filing of this opinion letter as an Exhibit to the Registration Statement and to all references to our Firm included in or made a part of the Registration

Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act.

Very truly yours,

/s/ Sidley Austin LLP