# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

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# FORM 8-K

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**CURRENT REPORT**
**PURSUANT TO SECTION 13 OR 15(d)**
**OF THE SECURITIES EXCHANGE ACT OF 1934**

**October 16, 2015**
**Date of Report**
**(Date of earliest event reported)**

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# SYNCHRONY FINANCIAL
**(Exact name of registrant as specified in its charter)**

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| Delaware | 001-36560 | 51-0483352 |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (I.R.S. Employer Identification No.) |

| 777 Long Ridge Road, Stamford, Connecticut | 06902 |
|---|---|
| (Address of principal executive offices) | (Zip Code) |

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

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

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02 Results of Operations and Financial Condition.**

On October 16, 2015, Synchrony Financial (the "Company") issued a press release setting forth the Company's third quarter 2015 earnings. A copy of the Company's press release is being furnished as Exhibit 99.1 and hereby incorporated by reference. The information furnished pursuant to this Item 2.02, including Exhibits, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Exchange Act.

**Item 9.01 Financial Statements and Exhibits.**

*(d) Exhibits*

The following exhibits are being furnished as part of this report:

| Number | Description |
|---|---|
| 99.1 | Press release, dated October 16, 2015, issued by Synchrony Financial |
| 99.2 | Financial Data Supplement of the Company for the quarter ended September 30, 2015 |
| 99.3 | Financial Results Presentation of the Company for the quarter ended September 30, 2015 |
| 99.4 | Explanation of Non-GAAP Measures |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**SYNCHRONY FINANCIAL**

| | | |
|---|---|---|
| Date: October 16, 2015 | By: | /s/ Jonathan Mothner |
| | Name: | Jonathan Mothner |
| | Title: | Executive Vice President, General Counsel and Secretary |

**EXHIBIT INDEX**

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Exhibit 99.1

Contact:

Investor Relations Media Relations
Greg Ketron Samuel Wang
(203) 585-6291 (203) 585-2933

For Immediate Release: October 16, 2015

**Synchrony Financial Reports Third Quarter Net Earnings of $574 Million or $0.69 Per Diluted Share**

STAMFORD, Conn. – Synchrony Financial (NYSE: SYF) today announced third quarter 2015 net earnings of $574 million, or $0.69 per diluted share. Highlights for the quarter included:

- Total platform revenue increased 9% from the third quarter of 2014 to $2.7 billion
- Loan receivables grew $7 billion, or 12%, from the third quarter of 2014 to $64 billion
- Purchase volume increased 12% from the third quarter of 2014
- Renewed PayPal, a top 10 partnership, and Sleepy's
- Signed new partners - Citgo and The Container Store
- Expanded our network - CareCredit cards will be accepted at all Rite Aid locations nationwide
- Launched new programs with Guitar Center and Athleta
- Launched Samsung Pay for Payment Solutions and CareCredit cardholders
- Continued strong deposit growth, up $8 billion, or 24%, over the third quarter of 2014
- Received approval from Federal Reserve Board to become a standalone savings and loan holding company following completion of GE's proposed exchange offer

"The approval we received from the Federal Reserve is a major milestone in our journey towards being a fully independent company. The third quarter marked another period of strong performance with the signing or renewal of several significant partnerships, continued advancement of our mobile wallet strategy, solid financial results, and ongoing deposit growth through our fast-growing online bank," said Margaret Keane, President and Chief Executive Officer of Synchrony Financial. "We are concurrently focused on completing the separation from GE and driving our business forward—staying at the forefront of consumer finance by developing innovative solutions for our partners, while continuing to drive incremental value for our customers."

**Business and Financial Highlights for the Third Quarter of 2015**

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

**Earnings**

- Net interest income increased $224 million, or 8%, to $3.1 billion, driven by strong loan receivables growth, partially offset by higher interest expense driven by growth, funding issued to increase liquidity, and funding mix. Net interest income after retailer share arrangements increased 9%.
- Total platform revenue increased $221 million, or 9%.
- Provision for loan losses increased $27 million to $702 million largely due to loan receivables growth, partially offset by asset quality improvement.
- Other income decreased $12 million to $84 million, driven by higher loyalty and rewards costs associated with program initiatives, partially offset by an increase in interchange revenue.
- Other expense increased $115 million to $843 million, primarily driven by investments in growth and infrastructure build in preparation for separation from the General Electric Company (GE), and included expenses for the completion of the EMV card rollout for active Dual Card accounts.
- Net earnings totaled $574 million for the quarter compared to $548 million in the third quarter of 2014.

**Balance Sheet**

- Period-end loan receivables growth remained strong at 12%, primarily driven by purchase volume growth of 12% and average active account growth of 4%, and included the acquisition of the BP portfolio during the second quarter of 2015.
- Deposits grew to $41 billion, up $8 billion, or 24%, from the third quarter of 2014, and comprised 63% of funding compared to 54% last year.
- The Company’s balance sheet remained strong with total liquidity (liquid assets and undrawn securitization capacity) at $22 billion, or 28% of total assets.
- The estimated Common Equity Tier 1 ratio under Basel III subject to transition provisions was 17.5% and the estimated fully phased-in Common Equity Tier 1 ratio under Basel III was 16.6%.

**Key Financial Metrics**

- Return on assets was 2.9% and return on equity was 19.2%.
- Net interest margin declined 114 basis points to 15.97% primarily due to the impact from the significant increase in liquidity.
- Efficiency ratio was 34.2%, and included expenses associated with the completion of the EMV card rollout for active Dual Card accounts.

**Credit Quality**

- Loans 30+ days past due as a percentage of period-end loan receivables improved 24 basis points to 4.02%.
- Net charge-offs as a percentage of total average loan receivables improved 3 basis points to 4.02%.
- The allowance for loan losses as a percentage of total period-end receivables was 5.31%.

**Sales Platforms**

- Retail Card platform revenue increased 10%, driven primarily by purchase volume growth of 12% and period-end loan receivables growth of 13%, which included the acquisition of the BP portfolio during the second quarter of 2015. Loan receivables growth was broad-based across partner programs.
- Payment Solutions platform revenue increased 8%, driven primarily by purchase volume growth of 13% and period-end loan receivables growth of 12%. Loan receivables growth was led by home furnishing and automotive products.
- CareCredit platform revenue increased 3%, driven primarily by purchase volume growth of 13% and period-end loan receivables growth of 5%, with growth led by dental and veterinary specialties.

**Corresponding Financial Tables and Information**

No representation is made that the information in this news release is complete. Investors are encouraged to review the foregoing summary and discussion of Synchrony Financial's earnings and financial condition in conjunction with the detailed financial tables and information that follow and in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as filed February 23, 2015, and in the Company's forthcoming Quarterly Report on Form 10-Q for the quarter ended September 30, 2015. The detailed financial tables and other information are also available on the Investor Relations page of the Company's website at www.investors.synchronyfinancial.com. This information is also furnished in a Current Report on Form 8-K filed with the SEC today.

**Conference Call and Webcast Information**

On Friday, October 16, 2015, at 10:30 a.m. Eastern Time, Margaret Keane, President and Chief Executive Officer, and Brian Doubles, Executive Vice President and Chief Financial Officer, will host a conference call to review the financial results and outlook for certain business drivers. The conference call can be accessed via an audio webcast through the Investor Relations page of our website, www.investors.synchronyfinancial.com, under Events and Presentations. A replay will be available on the website or by dialing (888) 843-7419 (U.S. domestic) or (630) 652-3042 (international), passcode 32015#, and can be accessed beginning approximately two hours after the event through October 30, 2015.

**About Synchrony Financial**

Synchrony Financial (NYSE:SYF) is one of the nation's premier consumer financial services companies. Our roots in consumer finance trace back to 1932, and today we are the largest provider of private label credit cards in the United States based on purchase volume and receivables*. We provide a range of credit products through programs we have established with a diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations, and healthcare service providers to help generate growth for our partners and offer financial flexibility to our customers. Through our partners' over 300,000 locations across the United States and Canada, and their websites and mobile applications, we offer our customers a variety of credit products to finance the purchase of goods and services. Our offerings include private label and co-branded Dual Card credit cards, promotional financing and installment lending, loyalty programs and FDIC-insured savings products through Synchrony Bank. More information can be found at www.synchronyfinancial.com and twitter.com/SYFNews.

*Source: The Nilson Report (April, 2015, Issue # 1062) - based on 2014 data.

**Cautionary Statement Regarding Forward-Looking Statements**

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

Act and the impact of the CFPB's regulation of our business; changes to our methods of offering our CareCredit products; impact of capital adequacy rules; restrictions that limit Synchrony Bank's ability to pay dividends; regulations relating to privacy, information security and data protection; use of third-party vendors and ongoing third-party business relationships; failure to comply with anti-money laundering and anti-terrorism financing laws; effect of General Electric Capital Corporation being subject to regulation by the Federal Reserve Board both as a savings and loan holding company and as a systemically important financial institution; GE not completing the separation from us as planned or at all, GE's inability to obtain savings and loan holding company deregistration (GE SLHC Deregistration) and GE continuing to have significant control over us; any conditions of the Federal Reserve Board approval required for us to continue to be a savings and loan holding company; our need to establish and significantly expand many aspects of our operations and infrastructure; loss of association with GE's strong brand and reputation; limited right to use the GE brand name and logo and need to establish a new brand; GE's significant control over us; terms of our arrangements with GE may be more favorable than what we will be able to obtain from unaffiliated third parties; obligations associated with being a public company; our incremental cost of operating as a standalone public company could be substantially more than anticipated; GE could engage in businesses that compete with us, and conflicts of interest may arise between us and GE; and failure caused by us of GE's distribution of our common stock to its stockholders in exchange for its common stock to qualify for tax-free treatment, which may result in significant tax liabilities to GE for which we may be required to indemnify GE.

For the reasons described above, we caution you against relying on any forward-looking statements, which should also be read in conjunction with the other cautionary statements that are included elsewhere in this news release and in our public filings, including under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as filed on February 23, 2015. You should not consider any list of such factors to be an exhaustive statement of all of the risks, uncertainties, or potentially inaccurate assumptions that could cause our current expectations or beliefs to change. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as otherwise may be required by law.

**Non-GAAP Measures**

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

**SYNCHRONY FINANCIAL**

**FINANCIAL SUMMARY**

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

| | Quarter Ended | | | | | | | Nine Months Ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Sep 30, 2015 | Jun 30, 2015 | Mar 31, 2015 | Dec 31, 2014 | Sep 30, 2014 | 3Q'15 vs. 3Q'14 | | Sep 30, 2015 | Sep 30, 2014 | YTD'15 vs. YTD'14 | |
| **EARNINGS** | | | | | | | | | | | |
| **Net interest income** | $ 3,103 | $ 2,907 | $ 2,875 | $ 2,978 | $ 2,879 | $ 224 | 7.8 % | $ 8,885 | $ 8,342 | $ 543 | 6.5 % |
| Retailer share arrangements | (723) | (621) | (660) | (698) | (693) | (30) | 4.3 % | (2,004) | (1,877) | (127) | 6.8 % |
| **Net interest income, after retailer share arrangements** | 2,380 | 2,286 | 2,215 | 2,280 | 2,186 | 194 | 8.9 % | 6,881 | 6,465 | 416 | 6.4 % |
| Provision for loan losses | 702 | 740 | 687 | 797 | 675 | 27 | 4.0 % | 2,129 | 2,120 | 9 | 0.4 % |
| **Net interest income, after retailer share arrangements and provision for loan losses** | 1,678 | 1,546 | 1,528 | 1,483 | 1,511 | 167 | 11.1 % | 4,752 | 4,345 | 407 | 9.4 % |
| Other income | 84 | 120 | 101 | 162 | 96 | (12) | (12.5)% | 305 | 323 | (18) | (5.6)% |
| Other expense | 843 | 805 | 746 | 792 | 728 | 115 | 15.8 % | 2,394 | 2,135 | 259 | 12.1 % |
| **Earnings before provision for income taxes** | 919 | 861 | 883 | 853 | 879 | 40 | 4.6 % | 2,663 | 2,533 | 130 | 5.1 % |
| Provision for income taxes | 345 | 320 | 331 | 322 | 331 | 14 | 4.2 % | 996 | 955 | 41 | 4.3 % |
| **Net earnings** | $ 574 | $ 541 | $ 552 | $ 531 | $ 548 | $ 26 | 4.7 % | $ 1,667 | $ 1,578 | $ 89 | 5.6 % |
| **Net earnings attributable to common stockholders** | $ 574 | $ 541 | $ 552 | $ 531 | $ 548 | $ 26 | 4.7 % | $ 1,667 | $ 1,578 | $ 89 | 5.6 % |
| **COMMON SHARE STATISTICS** | | | | | | | | | | | |
| Basic EPS | $ 0.69 | $ 0.65 | $ 0.66 | $ 0.64 | $ 0.70 | $ (0.01) | (1.4)% | $ 2.00 | $ 2.16 | $ (0.16) | (7.4)% |
| Diluted EPS | $ 0.69 | $ 0.65 | $ 0.66 | $ 0.64 | $ 0.70 | $ (0.01) | (1.4)% | $ 2.00 | $ 2.16 | $ (0.16) | (7.4)% |
| Common stock price | $ 31.30 | $ 32.93 | $ 30.35 | $ 29.75 | $ 24.55 | $ 6.75 | 27.5 % | $ 31.30 | $ 24.55 | $ 6.75 | 27.5 % |
| Book value per share | $ 14.58 | $ 13.89 | $ 13.24 | $ 12.57 | $ 11.92 | $ 2.66 | 22.3 % | $ 14.58 | $ 11.92 | $ 2.66 | 22.3 % |
| Tangible book value per share[1] | $ 12.67 | $ 12.06 | $ 11.43 | $ 10.81 | $ 10.25 | $ 2.42 | 23.6 % | $ 12.67 | $ 10.25 | $ 2.42 | 23.6 % |
| Beginning common shares outstanding | 833.8 | 833.8 | 833.8 | 833.8 | 705.3 | 128.5 | 18.2 % | 833.8 | 705.3 | 128.5 | 18.2 % |
| Issuance of common shares through initial public offering | — | — | — | — | 128.5 | (128.5) | (100.0)% | — | 128.5 | (128.5) | (100.0)% |
| Shares repurchased | — | — | — | — | — | — | — % | — | — | — | — % |
| Ending common shares outstanding | 833.8 | 833.8 | 833.8 | 833.8 | 833.8 | — | — % | 833.8 | 833.8 | — | — % |
| Weighted average common shares outstanding | 833.8 | 833.8 | 833.8 | 833.8 | 781.8 | 52.0 | 6.7 % | 833.8 | 731.0 | 102.8 | 14.1 % |
| Weighted average common shares outstanding (fully diluted) | 835.8 | 835.4 | 835.0 | 834.3 | 781.9 | 53.9 | 6.9 % | 835.4 | 731.0 | 104.4 | 14.3 % |

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

**SYNCHRONY FINANCIAL**

**SELECTED METRICS**

**(unaudited, $ in millions, except account data)**

| | Quarter Ended | | | | | | | Nine Months Ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Sep 30, 2015** | **Jun 30, 2015** | **Mar 31, 2015** | **Dec 31, 2014** | **Sep 30, 2014** | **3Q'15 vs. 3Q'14** | | **Sep 30, 2015** | **Sep 30, 2014** | **YTD'15 vs. YTD'14** | |
| **PERFORMANCE METRICS** | | | | | | | | | | | |
| Return on assets[(1)] | 2.9% | 2.9% | 3.0% | 2.7% | 3.2% | | (0.3)% | 3.0% | 3.4% | | (0.4)% |
| Return on equity[(2)] | 19.2% | 19.2% | 20.8% | 20.2% | 26.8% | | (7.6)% | 19.7% | 29.7% | | (10.0)% |
| Return on tangible common equity[(3)] | 22.0% | 22.2% | 24.1% | 23.4% | 32.4% | | (10.4)% | 22.7% | 36.7% | | (14.0)% |
| Net interest margin[(4)] | 15.97% | 15.77% | 15.79% | 15.60% | 17.11% | | (1.14)% | 15.81% | 17.80% | | (1.99)% |
| Efficiency ratio[(5)] | 34.2% | 33.5% | 32.2% | 32.4% | 31.9% | | 2.3 % | 33.3% | 31.5% | | 1.8 % |
| Other expense as a % of average loan receivables, including held for sale | 5.35% | 5.37% | 5.06% | 5.16% | 5.09% | | 0.26 % | 5.25% | 5.11% | | 0.14 % |
| Effective income tax rate | 37.5% | 37.2% | 37.5% | 37.7% | 37.7% | | (0.2)% | 37.4% | 37.7% | | (0.3)% |
| **CREDIT QUALITY METRICS** | | | | | | | | | | | |
| Net charge-offs as a % of average loan receivables, including held for sale | 4.02% | 4.63% | 4.53% | 4.32% | 4.05% | | (0.03)% | 4.37% | 4.57% | | (0.20)% |
| 30+ days past due as a % of period-end loan receivables | 4.02% | 3.53% | 3.79% | 4.14% | 4.26% | | (0.24)% | 4.02% | 4.26% | | (0.24)% |
| 90+ days past due as a % of period-end loan receivables | 1.73% | 1.52% | 1.81% | 1.90% | 1.85% | | (0.12)% | 1.73% | 1.85% | | (0.12)% |
| Net charge-offs | $ 633 | $ 693 | $ 668 | $ 663 | $ 579 | $ 54 | 9.3 % | $ 1,994 | $ 1,910 | $ 84 | 4.4 % |
| Loan receivables delinquent over 30 days | $ 2,553 | $ 2,171 | $ 2,209 | $ 2,536 | $ 2,416 | $ 137 | 5.7 % | $ 2,553 | $ 2,416 | $ 137 | 5.7 % |
| Loan receivables delinquent over 90 days | $ 1,102 | $ 933 | $ 1,056 | $ 1,162 | $ 1,051 | $ 51 | 4.9 % | $ 1,102 | $ 1,051 | $ 51 | 4.9 % |
| Allowance for loan losses (period-end) | $ 3,371 | $ 3,302 | $ 3,255 | $ 3,236 | $ 3,102 | $ 269 | 8.7 % | $ 3,371 | $ 3,102 | $ 269 | 8.7 % |
| Allowance coverage ratio[(6)] | 5.31% | 5.38% | 5.59% | 5.28% | 5.46% | | (0.15)% | 5.31% | 5.46% | | (0.15)% |
| **BUSINESS METRICS** | | | | | | | | | | | |
| Purchase volume[(7)] | $ 29,206 | $ 28,810 | $ 23,139 | $ 30,081 | $ 26,004 | $ 3,202 | 12.3 % | $ 81,155 | $ 73,068 | $ 8,087 | 11.1 % |
| Period-end loan receivables | $ 63,520 | $ 61,431 | $ 58,248 | $ 61,286 | $ 56,767 | $ 6,753 | 11.9 % | $ 63,520 | $ 56,767 | $ 6,753 | 11.9 % |
| Credit cards | $ 60,920 | $ 58,827 | $ 55,866 | $ 58,880 | $ 54,263 | $ 6,657 | 12.3 % | $ 60,920 | $ 54,263 | $ 6,657 | 12.3 % |
| Consumer installment loans | $ 1,171 | $ 1,138 | $ 1,062 | $ 1,063 | $ 1,081 | $ 90 | 8.3 % | $ 1,171 | $ 1,081 | $ 90 | 8.3 % |
| Commercial credit products | $ 1,380 | $ 1,410 | $ 1,295 | $ 1,320 | $ 1,404 | $ (24) | (1.7)% | $ 1,380 | $ 1,404 | $ (24) | (1.7)% |
| Other | $ 49 | $ 56 | $ 25 | $ 23 | $ 19 | $ 30 | 157.9 % | $ 49 | $ 19 | $ 30 | 157.9 % |
| Average loan receivables, including held for sale | $ 62,504 | $ 60,094 | $ 59,775 | $ 59,547 | $ 57,391 | $ 5,113 | 8.9 % | $ 60,946 | $ 56,238 | $ 4,708 | 8.4 % |
| Period-end active accounts (in thousands)[(8)] | 62,831 | 61,718 | 59,761 | 64,286 | 60,489 | 2,342 | 3.9 % | 62,831 | 60,489 | 2,342 | 3.9 % |
| Average active accounts (in thousands)[(8)] | 62,247 | 60,923 | 61,604 | 61,667 | 59,907 | 2,340 | 3.9 % | 61,762 | 59,394 | 2,368 | 4.0 % |
| **LIQUIDITY** | | | | | | | | | | | |
| **Liquid assets** | | | | | | | | | | | |
| Cash and equivalents | $ 12,271 | $ 10,621 | $ 11,218 | $ 11,828 | $ 14,808 | $ (2,537) | (17.1)% | $ 12,271 | $ 14,808 | $ (2,537) | (17.1)% |
| Total liquid assets | $ 15,305 | $ 13,660 | $ 13,813 | $ 12,942 | $ 14,077 | $ 1,228 | 8.7 % | $ 15,305 | $ 14,077 | $ 1,228 | 8.7 % |
| **Undrawn credit facilities** | | | | | | | | | | | |
| Undrawn committed securitization financings | $ 6,550 | $ 6,125 | $ 6,600 | $ 6,100 | $ 5,650 | $ 900 | 15.9 % | $ 6,550 | $ 5,650 | $ 900 | 15.9 % |
| **Total liquid assets and undrawn credit facilities** | $ 21,855 | $ 19,785 | $ 20,413 | $ 19,042 | $ 19,727 | $ 2,128 | 10.8 % | $ 21,855 | $ 19,727 | $ 2,128 | 10.8 % |
| Liquid assets % of total assets | 19.27% | 18.03% | 18.99% | 17.09% | 19.16% | | 0.11 % | 19.27% | 19.16% | | 0.11 % |
| Liquid assets including undrawn committed securitization financings % of total assets | 27.51% | 26.12% | 28.07% | 25.15% | 26.85% | | 0.66 % | 27.51% | 26.85% | | 0.66 % |

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

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

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

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

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

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

(7) Purchase volume, or net credit sales, represents the aggregate amount of charges incurred on credit cards or other credit product accounts less returns during the period.

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

**SYNCHRONY FINANCIAL**

**STATEMENTS OF EARNINGS**

**(unaudited, $ in millions)**

| | Quarter Ended | | | | | | | Nine Months Ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Sep 30, 2015** | **Jun 30, 2015** | **Mar 31, 2015** | **Dec 31, 2014** | **Sep 30, 2014** | **3Q'15 vs. 3Q'14** | | **Sep 30, 2015** | **Sep 30, 2014** | **YTD'15 vs. YTD'14** | |
| **Interest income:** | | | | | | | | | | | |
| Interest and fees on loans | $ 3,379 | $ 3,166 | $ 3,140 | $ 3,252 | $ 3,116 | $ 263 | 8.4 % | $ 9,685 | $ 8,964 | $ 721 | 8.0 % |
| Interest on investment securities | 13 | 11 | 10 | 8 | 7 | 6 | 85.7 % | 34 | 18 | 16 | 88.9 % |
| Total interest income | 3,392 | 3,177 | 3,150 | 3,260 | 3,123 | 269 | 8.6 % | 9,719 | 8,982 | 737 | 8.2 % |
| **Interest expense:** | | | | | | | | | | | |
| Interest on deposits | 159 | 146 | 137 | 139 | 126 | 33 | 26.2 % | 442 | 331 | 111 | 33.5 % |
| Interest on borrowings of consolidated securitization entities | 54 | 53 | 52 | 57 | 57 | (3) | (5.3)% | 159 | 158 | 1 | 0.6 % |
| Interest on third-party debt | 76 | 71 | 82 | 78 | 46 | 30 | 65.2 % | 229 | 46 | 183 | NM |
| Interest on related party debt | — | — | 4 | 8 | 15 | (15) | (100.0)% | 4 | 105 | (101) | (96.2)% |
| Total interest expense | 289 | 270 | 275 | 282 | 244 | 45 | 18.4 % | 834 | 640 | 194 | 30.3 % |
| Net interest income | 3,103 | 2,907 | 2,875 | 2,978 | 2,879 | 224 | 7.8 % | 8,885 | 8,342 | 543 | 6.5 % |
| Retailer share arrangements | (723) | (621) | (660) | (698) | (693) | (30) | 4.3 % | (2,004) | (1,877) | (127) | 6.8 % |
| Net interest income, after retailer share arrangements | 2,380 | 2,286 | 2,215 | 2,280 | 2,186 | 194 | 8.9 % | 6,881 | 6,465 | 416 | 6.4 % |
| Provision for loan losses | 702 | 740 | 687 | 797 | 675 | 27 | 4.0 % | 2,129 | 2,120 | 9 | 0.4 % |
| Net interest income, after retailer share arrangements and provision for loan losses | 1,678 | 1,546 | 1,528 | 1,483 | 1,511 | 167 | 11.1 % | 4,752 | 4,345 | 407 | 9.4 % |
| **Other income:** | | | | | | | | | | | |
| Interchange revenue | 135 | 123 | 100 | 120 | 101 | 34 | 33.7 % | 358 | 269 | 89 | 33.1 % |
| Debt cancellation fees | 61 | 61 | 65 | 67 | 68 | (7) | (10.3)% | 187 | 208 | (21) | (10.1)% |
| Loyalty programs | (122) | (94) | (78) | (91) | (84) | (38) | 45.2 % | (294) | (190) | (104) | 54.7 % |
| Other | 10 | 30 | 14 | 66 | 11 | (1) | (9.1)% | 54 | 36 | 18 | 50.0 % |
| Total other income | 84 | 120 | 101 | 162 | 96 | (12) | (12.5)% | 305 | 323 | (18) | (5.6)% |
| **Other expense:** | | | | | | | | | | | |
| Employee costs | 268 | 250 | 239 | 227 | 239 | 29 | 12.1 % | 757 | 639 | 118 | 18.5 % |
| Professional fees(1) | 162 | 156 | 162 | 139 | 149 | 13 | 8.7 % | 480 | 424 | 56 | 13.2 % |
| Marketing and business development | 115 | 108 | 82 | 165 | 115 | — | — % | 305 | 295 | 10 | 3.4 % |
| Information processing | 77 | 74 | 63 | 60 | 47 | 30 | 63.8 % | 214 | 152 | 62 | 40.8 % |
| Other(1) | 221 | 217 | 200 | 201 | 178 | 43 | 24.2 % | 638 | 625 | 13 | 2.1 % |
| Total other expense | 843 | 805 | 746 | 792 | 728 | 115 | 15.8 % | 2,394 | 2,135 | 259 | 12.1 % |
| **Earnings before provision for income taxes** | 919 | 861 | 883 | 853 | 879 | 40 | 4.6 % | 2,663 | 2,533 | 130 | 5.1 % |
| Provision for income taxes | 345 | 320 | 331 | 322 | 331 | 14 | 4.2 % | 996 | 955 | 41 | 4.3 % |
| **Net earnings attributable to common shareholders** | $ 574 | $ 541 | $ 552 | $ 531 | $ 548 | $ 26 | 4.7 % | $ 1,667 | $ 1,578 | $ 89 | 5.6 % |

(1) We have reclassified certain amounts within Professional fees to Other for all periods in 2014 to conform to the current period classifications.

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

| | Quarter Ended | | | | | | |
|---|---|---|---|---|---|---|---|
| | Sep 30, 2015 | Jun 30, 2015 | Mar 31, 2015 | Dec 31, 2014 | Sep 30, 2014 | Sep 30, 2015 vs. Sep 30, 2014 | |
| **Assets** | | | | | | | |
| Cash and equivalents | $ 12,271 | $ 10,621 | $ 11,218 | $ 11,828 | $ 14,808 | $ (2,537) | (17.1)% |
| Investment securities | 3,596 | 3,682 | 3,121 | 1,598 | 325 | 3,271 | NM |
| Loan receivables: | | | | | | | |
| Unsecuritized loans held for investment | 38,325 | 36,019 | 33,424 | 34,335 | 30,474 | 7,851 | 25.8 % |
| Restricted loans of consolidated securitization entities | 25,195 | 25,412 | 24,824 | 26,951 | 26,293 | (1,098) | (4.2)% |
| Total loan receivables | 63,520 | 61,431 | 58,248 | 61,286 | 56,767 | 6,753 | 11.9 % |
| Less: Allowance for loan losses | (3,371) | (3,302) | (3,255) | (3,236) | (3,102) | (269) | 8.7 % |
| Loan receivables, net | 60,149 | 58,129 | 54,993 | 58,050 | 53,665 | 6,484 | 12.1 % |
| Loan receivables held for sale | — | — | 359 | 332 | 1,493 | (1,493) | (100.0)% |
| Goodwill | 949 | 949 | 949 | 949 | 949 | — | — % |
| Intangible assets, net | 646 | 575 | 557 | 519 | 449 | 197 | 43.9 % |
| Other assets | 1,831 | 1,794 | 1,524 | 2,431 | 1,780 | 51 | 2.9 % |
| Total assets | $ 79,442 | $ 75,750 | $ 72,721 | $ 75,707 | $ 73,469 | $ 5,973 | 8.1 % |
| **Liabilities and Equity** | | | | | | | |
| Deposits: | | | | | | | |
| Interest-bearing deposit accounts | $ 40,408 | $ 37,629 | $ 34,788 | $ 34,847 | $ 32,480 | $ 7,928 | 24.4 % |
| Non-interest-bearing deposit accounts | 140 | 143 | 162 | 108 | 209 | (69) | (33.0)% |
| Total deposits | 40,548 | 37,772 | 34,950 | 34,955 | 32,689 | 7,859 | 24.0 % |
| Borrowings: | | | | | | | |
| Borrowings of consolidated securitization entities | 13,640 | 13,948 | 13,817 | 14,967 | 15,091 | (1,451) | (9.6)% |
| Bank term loan | 4,651 | 5,151 | 5,651 | 8,245 | 7,495 | (2,844) | (37.9)% |
| Senior unsecured notes | 5,590 | 4,593 | 4,592 | 3,593 | 3,593 | 1,997 | 55.6 % |
| Related party debt | — | — | — | 655 | 1,405 | (1,405) | (100.0)% |
| Total borrowings | 23,881 | 23,692 | 24,060 | 27,460 | 27,584 | (3,703) | (13.4)% |
| Accrued expenses and other liabilities | 2,855 | 2,708 | 2,675 | 2,814 | 3,255 | (400) | (12.3)% |
| Total liabilities | 67,284 | 64,172 | 61,685 | 65,229 | 63,528 | 3,756 | 5.9 % |
| Equity: | | | | | | | |
| Parent’s net investment | — | — | — | — | — | — | — % |
| Common stock | 1 | 1 | 1 | 1 | 1 | — | — % |
| Additional paid-in capital | 9,431 | 9,422 | 9,418 | 9,408 | 9,401 | 30 | 0.3 % |
| Retained earnings | 2,746 | 2,172 | 1,631 | 1,079 | 548 | 2,198 | NM |
| Accumulated other comprehensive income: | (20) | (17) | (14) | (10) | (9) | (11) | 122.2 % |
| Total equity | 12,158 | 11,578 | 11,036 | 10,478 | 9,941 | 2,217 | 22.3 % |
| Total liabilities and equity | $ 79,442 | $ 75,750 | $ 72,721 | $ 75,707 | $ 73,469 | $ 5,973 | 8.1 % |

**SYNCHRONY FINANCIAL**

**AVERAGE BALANCES, NET INTEREST INCOME AND NET INTEREST MARGIN**

**(unaudited, $ in millions)**

| | Quarter Ended | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | September 30, 2015 | | | June 30, 2015 | | | March 31, 2015 | | | December 31, 2014 | | | September 30, 2014 | | |
| | Average Balance | Interest Income/ Expense | Average Yield/ Rate | Average Balance | Interest Income/ Expense | Average Yield/ Rate | Average Balance | Interest Income/ Expense | Average Yield/ Rate | Average Balance | Interest Income/ Expense | Average Yield/ Rate | Average Balance | Interest Income/ Expense | Average Yield/ Rate |
| **Assets** | | | | | | | | | | | | | | | |
| **Interest-earning assets:** | | | | | | | | | | | | | | | |
| Interest-earning cash and equivalents | $ 11,059 | $ 7 | 0.25% | $ 10,728 | $ 6 | 0.22% | $ 11,331 | $ 6 | 0.21% | $ 13,631 | $ 7 | 0.20% | $ 9,793 | $ 4 | 0.16% |
| Securities available for sale | 3,534 | 6 | 0.67% | 3,107 | 5 | 0.65% | 2,725 | 4 | 0.60% | 962 | 1 | 0.40% | 309 | 3 | 3.89% |
| **Loan receivables:** | | | | | | | | | | | | | | | |
| Credit cards, including held for sale | 59,890 | 3,315 | 21.96% | 57,588 | 3,106 | 21.63% | 57,390 | 3,079 | 21.76% | 57,075 | 3,186 | 21.68% | 54,891 | 3,054 | 22.32% |
| Consumer installment loans | 1,160 | 27 | 9.23% | 1,101 | 26 | 9.47% | 1,057 | 25 | 9.59% | 1,072 | 27 | 9.78% | 1,070 | 25 | 9.37% |
| Commercial credit products | 1,400 | 36 | 10.20% | 1,372 | 34 | 9.94% | 1,305 | 36 | 11.19% | 1,379 | 38 | 10.70% | 1,412 | 37 | 10.51% |
| Other | 54 | 1 | NM | 33 | — | —% | 23 | — | —% | 21 | 1 | NM | 18 | — | —% |
| **Total loan receivables, including held for sale** | 62,504 | 3,379 | 21.45% | 60,094 | 3,166 | 21.13% | 59,775 | 3,140 | 21.30% | 59,547 | 3,252 | 21.21% | 57,391 | 3,116 | 21.78% |
| **Total interest-earning assets** | 77,097 | 3,392 | 17.46% | 73,929 | 3,177 | 17.24% | 73,831 | 3,150 | 17.30% | 74,140 | 3,260 | 17.07% | 67,493 | 3,123 | 18.56% |
| **Non-interest-earning assets:** | | | | | | | | | | | | | | | |
| Cash and due from banks | 1,216 | | | 583 | | | 497 | | | 1,220 | | | 1,260 | | |
| Allowance for loan losses | (3,341) | | | (3,285) | | | (3,272) | | | (3,160) | | | (3,058) | | |
| Other assets | 3,023 | | | 2,916 | | | 2,802 | | | 2,831 | | | 2,605 | | |
| **Total non-interest-earning assets** | 898 | | | 214 | | | 27 | | | 891 | | | 807 | | |
| **Total assets** | $ 77,995 | | | $ 74,143 | | | $ 73,858 | | | $ 75,031 | | | $ 68,300 | | |
| **Liabilities** | | | | | | | | | | | | | | | |
| **Interest-bearing liabilities:** | | | | | | | | | | | | | | | |
| Interest-bearing deposit accounts | $ 39,136 | $ 159 | 1.61% | $ 35,908 | $ 146 | 1.63% | $ 34,981 | $ 137 | 1.59% | $ 33,980 | $ 139 | 1.59% | $ 31,459 | $ 126 | 1.61% |
| Borrowings of consolidated securitization entities | 13,730 | 54 | 1.56% | 14,026 | 53 | 1.52% | 14,101 | 52 | 1.50% | 14,766 | 57 | 1.50% | 15,102 | 57 | 1.51% |
| Bank term loan[(1)] | 4,901 | 29 | 2.35% | 5,401 | 32 | 2.38% | 6,531 | 47 | 2.92% | 8,057 | 46 | 2.22% | 3,747 | 28 | 3.00% |
| Senior unsecured notes[(1)] | 5,340 | 47 | 3.49% | 4,592 | 39 | 3.41% | 4,093 | 35 | 3.47% | 3,593 | 32 | 3.46% | 1,797 | 18 | 4.02% |
| Related party debt[(1)] | — | — | —% | — | — | —% | 407 | 4 | 3.99% | 843 | 8 | 3.68% | 4,582 | 15 | 1.31% |
| **Total interest-bearing liabilities** | 63,107 | 289 | 1.82% | 59,927 | 270 | 1.81% | 60,113 | 275 | 1.86% | 61,239 | 282 | 1.79% | 56,687 | 244 | 1.73% |
| **Non-interest-bearing liabilities** | | | | | | | | | | | | | | | |
| Non-interest-bearing deposit accounts | 149 | | | 166 | | | 142 | | | 182 | | | 206 | | |
| Other liabilities | 2,859 | | | 2,750 | | | 2,854 | | | 3,382 | | | 3,208 | | |
| **Total non-interest-bearing liabilities** | 3,008 | | | 2,916 | | | 2,996 | | | 3,564 | | | 3,414 | | |
| **Total liabilities** | 66,115 | | | 62,843 | | | 63,109 | | | 64,803 | | | 60,101 | | |
| **Equity** | | | | | | | | | | | | | | | |
| **Total equity** | 11,880 | | | 11,300 | | | 10,749 | | | 10,228 | | | 8,199 | | |
| **Total liabilities and equity** | $ 77,995 | | | $ 74,143 | | | $ 73,858 | | | $ 75,031 | | | $ 68,300 | | |
| **Net interest income** | | $ 3,103 | | | $ 2,907 | | | $ 2,875 | | | $ 2,978 | | | $ 2,879 | |
| **Interest rate spread[(2)]** | | | 15.64% | | | 15.43% | | | 15.44% | | | 15.28% | | | 16.83% |
| **Net interest margin[(3)]** | | | 15.97% | | | 15.77% | | | 15.79% | | | 15.60% | | | 17.11% |

(1) Interest on liabilities calculated above utilizes monthly average balances. The effective interest rates for the Bank term loan for the quarters ended September 30, 2015, June 30, 2015, March 31, 2015, December 31, 2014 and September 30, 2014, were 2.23%, 2.21%, 2.21%, 2.19% and 2.21%, respectively. The Bank term loan effective rate excludes the impact of charges incurred in connection with prepayments of the loan.

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

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

**SYNCHRONY FINANCIAL**

**AVERAGE BALANCES, NET INTEREST INCOME AND NET INTEREST MARGIN**

**(unaudited, $ in millions)**

| | Nine Months Ended Sep 30, 2015 | | | Nine Months Ended Sep 30, 2014 | | |
|---|---|---|---|---|---|---|
| | Average Balance | Interest Income/ Expense | Average Yield/ Rate | Average Balance | Interest Income/ Expense | Average Yield/ Rate |
| **Assets** | | | | | | |
| **Interest-earning assets:** | | | | | | |
| Interest-earning cash and equivalents | $ 11,144 | $ 19 | 0.23% | $ 6,587 | $ 9 | 0.18% |
| Securities available for sale | 3,066 | 15 | 0.65% | 281 | 9 | 4.31% |
| **Loan receivables:** | | | | | | |
| Credit cards, including held for sale | 58,442 | 9,500 | 21.73% | 53,836 | 8,781 | 21.97% |
| Consumer installment loans | 1,107 | 78 | 9.42% | 1,012 | 72 | 9.58% |
| Commercial credit products | 1,361 | 106 | 10.41% | 1,374 | 111 | 10.88% |
| Other | 36 | 1 | NM | 16 | — | —% |
| **Total loan receivables, including held for sale** | 60,946 | 9,685 | 21.25% | 56,238 | 8,964 | 21.47% |
| **Total interest-earning assets** | 75,156 | 9,719 | 17.29% | 63,106 | 8,982 | 19.17% |
| **Non-interest-earning assets:** | | | | | | |
| Cash and due from banks | 782 | | | 863 | | |
| Allowance for loan losses | (3,304) | | | (2,997) | | |
| Other assets | 2,917 | | | 2,360 | | |
| **Total non-interest-earning assets** | 395 | | | 226 | | |
| **Total assets** | $ 75,551 | | | $ 63,332 | | |
| **Liabilities** | | | | | | |
| **Interest-bearing liabilities:** | | | | | | |
| Interest-bearing deposit accounts | $ 36,768 | $ 442 | 1.61% | $ 28,799 | $ 331 | 1.55% |
| Borrowings of consolidated securitization entities | 13,966 | 159 | 1.52% | 14,888 | 158 | 1.43% |
| Bank term loan[1] | 5,653 | 108 | 2.55% | 1,499 | 28 | 2.52% |
| Senior unsecured notes[1] | 4,692 | 121 | 3.45% | 719 | 18 | 3.37% |
| Related party debt[1] | 163 | 4 | 3.28% | 6,739 | 105 | 2.10% |
| **Total interest-bearing liabilities** | 61,242 | 834 | 1.82% | 52,644 | 640 | 1.64% |
| **Non-interest-bearing liabilities** | | | | | | |
| Non-interest-bearing deposit accounts | 153 | | | 259 | | |
| Other liabilities | 2,846 | | | 3,272 | | |
| **Total non-interest-bearing liabilities** | 2,999 | | | 3,531 | | |
| **Total liabilities** | 64,241 | | | 56,175 | | |
| **Equity** | | | | | | |
| **Total equity** | 11,310 | | | 7,157 | | |
| **Total liabilities and equity** | $ 75,551 | | | $ 63,332 | | |
| **Net interest income** | | $ 8,885 | | | $ 8,342 | |
| **Interest rate spread**[2] | | | 15.47% | | | 17.53% |
| **Net interest margin**[3] | | | 15.81% | | | 17.80% |

(1) Interest on liabilities calculated above utilizes monthly average balances. The effective interest rate for the Bank term loan for the 9 months ended September 30, 2015 and September 30, 2014 were 2.22% and 2.21% respectively. The Bank term loan effective rate excludes the impact of charges incurred in connection with the prepayments of the loan. The effective interest rate for the Senior unsecured notes for the 9 months ended September 30, 2014 was 3.62%.

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

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

**SYNCHRONY FINANCIAL**

**BALANCE SHEET STATISTICS**

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

| | Quarter Ended | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Sep 30, 2015 | | Jun 30, 2015 | | Mar 31, 2015 | | Dec 31, 2014 | | Sep 30, 2014 | | Sep 30, 2015 vs. Sep 30, 2014 | |
| **BALANCE SHEET STATISTICS** | | | | | | | | | | | | |
| Total common equity | $ | 12,158 | $ | 11,578 | $ | 11,036 | $ | 10,478 | $ | 9,941 | $ 2,217 | 22.3% |
| Total common equity as a % of total assets | | 15.30% | | 15.28% | | 15.18% | | 13.84% | | 13.53% | | 1.77% |
| Tangible assets | $ | 77,847 | $ | 74,226 | $ | 71,215 | $ | 74,239 | $ | 72,071 | $ 5,776 | 8.0% |
| Tangible common equity[(1)] | $ | 10,563 | $ | 10,054 | $ | 9,530 | $ | 9,010 | $ | 8,543 | $ 2,020 | 23.6% |
| Tangible common equity as a % of tangible assets[(1)] | | 13.57% | | 13.55% | | 13.38% | | 12.14% | | 11.85% | | 1.72% |
| Tangible common equity per share[(1)] | $ | 12.67 | $ | 12.06 | $ | 11.43 | $ | 10.81 | $ | 10.25 | $ 2.42 | 23.6% |

**REGULATORY CAPITAL RATIOS**[(2)]

| | Basel III Transition | | Basel I | | |
|---|---|---|---|---|---|
| Total risk-based capital ratio[(3)(8)] | 18.8% | 18.5% | 18.2% | 16.2% | 16.4% |
| Tier 1 risk-based capital ratio[(4)(8)] | 17.5% | 17.2% | 16.9% | 14.9% | 15.1% |
| Tier 1 common ratio[(5)(8)] | n/a | n/a | 16.9% | 14.9% | 15.1% |
| Tier 1 leverage ratio[(6)(8)] | 14.6% | 14.6% | 13.7% | 12.5% | 12.2% |
| Common equity Tier 1 capital ratio[(7)(8)] | 17.5% | 17.2% | n/a | n/a | n/a |
| | **Basel III Fully Phased-in** | | | | |
| Common equity Tier 1 capital ratio[(7)] | 16.6% | 16.4% | 16.4% | 14.5% | 14.6% |

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

(2) Regulatory capital metrics at September 30, 2015 are preliminary and therefore subject to change. As a new savings and loan holding company, the Company historically has not been required by regulators to
disclose capital ratios, and therefore these ratios are non-GAAP measures. See Reconciliation of Non-GAAP Measures and Calculation of Regulatory Measures for components of capital ratio calculations.

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

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

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

(6) Tier 1 leverage ratio reported under Basel III transition rules is calculated based on Tier 1 capital divided by total average assets, after certain adjustments. Total assets, after certain adjustments is used as the
denominator for prior periods calculated under Basel I rules.

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

(8) Beginning June 30, 2015, regulatory capital ratios are calculated under Basel III rules subject to transition provisions. The Company reported under Basel I rules for periods prior to June 30, 2015.

**SYNCHRONY FINANCIAL**

**PLATFORM RESULTS AND RECONCILIATION OF NON-GAAP MEASURES**

**(unaudited, $ in millions)**

| | Quarter Ended | | | | | | | Nine Months Ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Sep 30, 2015** | **Jun 30, 2015** | **Mar 31, 2015** | **Dec 31, 2014** | **Sep 30, 2014** | **3Q'15 vs. 3Q'14** | | **Sep 30, 2015** | **Sep 30, 2014** | **YTD'15 vs. YTD'14** | |
| **RETAIL CARD** | | | | | | | | | | | |
| Purchase volume[(1),(2)] | $ 23,560 | $ 23,452 | $ 18,410 | $ 24,855 | $ 20,991 | $ 2,569 | 12.2 % | $ 65,422 | $ 58,736 | $ 6,686 | 11.4 % |
| Period-end loan receivables | $ 43,432 | $ 42,315 | $ 39,685 | $ 42,308 | $ 38,466 | $ 4,966 | 12.9 % | $ 43,432 | $ 38,466 | $ 4,966 | 12.9 % |
| Average loan receivables, including held for sale | $ 42,933 | $ 41,303 | $ 40,986 | $ 40,929 | $ 39,411 | $ 3,522 | 8.9 % | $ 41,853 | $ 38,685 | $ 3,168 | 8.2 % |
| Average active accounts (in thousands)[(2),(3)] | 49,953 | 48,981 | 49,617 | 49,871 | 48,433 | 1,520 | 3.1 % | 49,671 | 48,116 | 1,555 | 3.2 % |
| Interest and fees on loans[(2)] | $ 2,508 | $ 2,335 | $ 2,337 | $ 2,405 | $ 2,299 | $ 209 | 9.1 % | $ 7,180 | $ 6,635 | $ 545 | 8.2 % |
| Other income[(2)] | 70 | 107 | 86 | 141 | 78 | (8) | (10.3)% | 263 | 266 | (3) | (1.1)% |
| **Platform revenue, excluding retailer share arrangements[(2)]** | 2,578 | 2,442 | 2,423 | 2,546 | 2,377 | 201 | 8.5 % | 7,443 | 6,901 | 542 | 7.9 % |
| Retailer share arrangements[(2)] | (708) | (606) | (651) | (686) | (683) | (25) | 3.7 % | (1,965) | (1,844) | (121) | 6.6 % |
| **Platform revenue[(2)]** | $ 1,870 | $ 1,836 | $ 1,772 | $ 1,860 | $ 1,694 | $ 176 | 10.4 % | $ 5,478 | $ 5,057 | $ 421 | 8.3 % |
| **PAYMENT SOLUTIONS** | | | | | | | | | | | |
| Purchase volume[(1)] | $ 3,635 | $ 3,371 | $ 2,948 | $ 3,419 | $ 3,226 | $ 409 | 12.7 % | $ 9,954 | $ 9,028 | $ 926 | 10.3 % |
| Period-end loan receivables | $ 12,933 | $ 12,194 | $ 11,833 | $ 12,095 | $ 11,514 | $ 1,419 | 12.3 % | $ 12,933 | $ 11,514 | $ 1,419 | 12.3 % |
| Average loan receivables | $ 12,523 | $ 11,971 | $ 11,970 | $ 11,772 | $ 11,267 | $ 1,256 | 11.1 % | $ 12,183 | $ 10,965 | $ 1,218 | 11.1 % |
| Average active accounts (in thousands)[(3)] | 7,468 | 7,231 | 7,271 | 7,113 | 6,892 | 576 | 8.4 % | 7,335 | 6,784 | 551 | 8.1 % |
| Interest and fees on loans | $ 442 | $ 412 | $ 403 | $ 426 | $ 405 | $ 37 | 9.1 % | $ 1,257 | $ 1,156 | $ 101 | 8.7 % |
| Other income | 5 | 4 | 5 | 9 | 7 | (2) | (28.6)% | 14 | 23 | (9) | (39.1)% |
| **Platform revenue, excluding retailer share arrangements** | 447 | 416 | 408 | 435 | 412 | 35 | 8.5 % | 1,271 | 1,179 | 92 | 7.8 % |
| Retailer share arrangements | (13) | (14) | (8) | (11) | (9) | (4) | 44.4 % | (35) | (30) | (5) | 16.7 % |
| **Platform revenue** | $ 434 | $ 402 | $ 400 | $ 424 | $ 403 | $ 31 | 7.7 % | $ 1,236 | $ 1,149 | $ 87 | 7.6 % |
| **CARECREDIT** | | | | | | | | | | | |
| Purchase volume[(1)] | $ 2,011 | $ 1,987 | $ 1,781 | $ 1,807 | $ 1,787 | $ 224 | 12.5 % | $ 5,779 | $ 5,304 | $ 475 | 9.0 % |
| Period-end loan receivables | $ 7,155 | $ 6,922 | $ 6,730 | $ 6,883 | $ 6,787 | $ 368 | 5.4 % | $ 7,155 | $ 6,787 | $ 368 | 5.4 % |
| Average loan receivables | $ 7,048 | $ 6,820 | $ 6,819 | $ 6,846 | $ 6,713 | $ 335 | 5.0 % | $ 6,910 | $ 6,588 | $ 322 | 4.9 % |
| Average active accounts (in thousands)[(3)] | 4,826 | 4,711 | 4,716 | 4,683 | 4,582 | 244 | 5.3 % | 4,756 | 4,494 | 262 | 5.8 % |
| Interest and fees on loans | $ 429 | $ 419 | $ 400 | $ 421 | $ 412 | $ 17 | 4.1 % | $ 1,248 | $ 1,173 | $ 75 | 6.4 % |
| Other income | 9 | 9 | 10 | 12 | 11 | (2) | (18.2)% | 28 | 34 | (6) | (17.6)% |
| **Platform revenue, excluding retailer share arrangements** | 438 | 428 | 410 | 433 | 423 | 15 | 3.5 % | 1,276 | 1,207 | 69 | 5.7 % |
| Retailer share arrangements | (2) | (1) | (1) | (1) | (1) | (1) | 100.0 % | (4) | (3) | (1) | 33.3 % |
| **Platform revenue** | $ 436 | $ 427 | $ 409 | $ 432 | $ 422 | $ 14 | 3.3 % | $ 1,272 | $ 1,204 | $ 68 | 5.6 % |
| **TOTAL SYF** | | | | | | | | | | | |
| Purchase volume[(1),(2)] | $ 29,206 | $ 28,810 | $ 23,139 | $ 30,081 | $ 26,004 | $ 3,202 | 12.3 % | $ 81,155 | $ 73,068 | $ 8,087 | 11.1 % |
| Period-end loan receivables | $ 63,520 | $ 61,431 | $ 58,248 | $ 61,286 | $ 56,767 | $ 6,753 | 11.9 % | $ 63,520 | $ 56,767 | $ 6,753 | 11.9 % |
| Average loan receivables, including held for sale | $ 62,504 | $ 60,094 | $ 59,775 | $ 59,547 | $ 57,391 | $ 5,113 | 8.9 % | $ 60,946 | $ 56,238 | $ 4,708 | 8.4 % |
| Average active accounts (in thousands)[(2),(3)] | 62,247 | 60,923 | 61,604 | 61,667 | 59,907 | 2,340 | 3.9 % | 61,762 | 59,394 | 2,368 | 4.0 % |
| Interest and fees on loans[(2)] | $ 3,379 | $ 3,166 | $ 3,140 | $ 3,252 | $ 3,116 | $ 263 | 8.4 % | $ 9,685 | $ 8,964 | $ 721 | 8.0 % |
| Other income[(2)] | 84 | 120 | 101 | 162 | 96 | (12) | (12.5)% | 305 | 323 | (18) | (5.6)% |
| **Platform revenue, excluding retailer share arrangements[(2)]** | 3,463 | 3,286 | 3,241 | 3,414 | 3,212 | 251 | 7.8 % | 9,990 | 9,287 | 703 | 7.6 % |
| Retailer share arrangements[(2)] | (723) | (621) | (660) | (698) | (693) | (30) | 4.3 % | (2,004) | (1,877) | (127) | 6.8 % |
| **Platform revenue[(2)]** | $ 2,740 | $ 2,665 | $ 2,581 | $ 2,716 | $ 2,519 | $ 221 | 8.8 % | $ 7,986 | $ 7,410 | $ 576 | 7.8 % |

(1) Purchase volume, or net credit sales, represents the aggregate amount of charges incurred on credit cards or other credit product accounts less returns during the period.

(2) Includes activity and balances associated with loan receivables held for sale.

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

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**RECONCILIATION OF NON-GAAP MEASURES AND CALCULATIONS OF REGULATORY MEASURES**

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

| | Quarter Ended | | | | |
|---|---|---|---|---|---|
| | **Sep 30, 2015** | **Jun 30, 2015** | **Mar 31, 2015** | **Dec 31, 2014** | **Sep 30, 2014** |
| **COMMON EQUITY MEASURES** | | | | | |
| GAAP Total common equity | $ 12,158 | $ 11,578 | $ 11,036 | $ 10,478 | $ 9,941 |
| Less: Goodwill | (949) | (949) | (949) | (949) | (949) |
| Less: Intangible assets, net | (646) | (575) | (557) | (519) | (449) |
| **Tangible common equity** | $ 10,563 | $ 10,054 | $ 9,530 | $ 9,010 | $ 8,543 |
| Adjustments for certain other intangible assets, deferred tax liabilities and certain items in accumulated comprehensive income (loss) | | | 293 | 287 | 292 |
| **Basel I - Tier 1 capital and Tier 1 common equity** | | | $ 9,823 | $ 9,297 | $ 8,835 |
| Adjustments for certain other intangible assets and deferred tax liabilities | | | (12) | (20) | (24) |
| Adjustments for certain deferred tax liabilities and certain items in accumulated comprehensive income (loss) | 291 | 293 | | | |
| **Basel III - Common equity Tier 1 (fully phased-in)** | $ 10,854 | $ 10,347 | $ 9,811 | $ 9,277 | $ 8,811 |
| Adjustment related to capital components during transition | 375 | 331 | | | |
| **Basel III - Common equity Tier I (transition)** | $ 11,229 | $ 10,678 | | | |
| **RISK-BASED CAPITAL** | | | | | |
| Tier 1 capital and Tier 1 common equity(1) | $ 11,229 | $ 10,678 | $ 9,823 | $ 9,297 | $ 8,835 |
| Add: Allowance for loan losses includible in risk-based capital | 835 | 806 | 759 | 809 | 760 |
| **Risk-based capital(1)** | $ 12,064 | $ 11,484 | $ 10,582 | $ 10,106 | $ 9,595 |
| **ASSET MEASURES** | | | | | |
| Total assets(2) | $ 77,995 | $ 74,143 | $ 72,721 | $ 75,707 | $ 73,469 |
| Adjustments for: | | | | | |
| Disallowed goodwill and other disallowed intangible assets, net of related deferred tax liabilities | (931) | (903) | (1,213) | (1,181) | (1,110) |
| Other | 104 | 60 | 136 | 79 | 4 |
| **Total assets for leverage purposes(1)** | $ 77,168 | $ 73,300 | $ 71,644 | $ 74,605 | $ 72,363 |
| **Risk-weighted assets - Basel I** | n/a | n/a | $ 58,184 | $ 62,270 | $ 58,457 |
| **Risk-weighted assets - Basel III (fully phased-in) (3)** | $ 65,278 | $ 62,970 | $ 59,926 | $ 64,162 | $ 60,300 |
| **Risk-weighted assets - Basel III (transition) (3)** | $ 64,244 | $ 61,985 | n/a | n/a | n/a |
| **TANGIBLE COMMON EQUITY PER SHARE** | | | | | |
| GAAP book value per share | $ 14.58 | $ 13.89 | $ 13.24 | $ 12.57 | $ 11.92 |
| Less: Goodwill | (1.14) | (1.14) | (1.14) | (1.14) | (1.14) |
| Less: Intangible assets, net | (0.77) | (0.69) | (0.67) | (0.62) | (0.53) |
| Tangible common equity per share | $ 12.67 | $ 12.06 | $ 11.43 | $ 10.81 | $ 10.25 |

(1) Beginning June 30, 2015, regulatory capital amounts are calculated under Basel III rules subject to transition provisions. The company reported under Basel I rules for periods prior to June 30, 2015.

(2) Represents total average assets beginning June 30, 2015 and total assets for all periods prior to June 30, 2015.

(3) Key differences between Basel III transitional rules and fully phased-in Basel III rules in the calculation of risk-weighted assets include, but not limited to, risk weighting of deferred tax assets and adjustments for certain intangible assets.

Exhibit 99.3

# 3Q'15 Financial Results
## October 16, 2015

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# Disclaimers

**Cautionary Statement Regarding Forward-Looking Statements**

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

This presentation contains certain forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the "safe harbor" created by those sections. Forward-looking statements may be identified by words such as "outlook," "expects," "intends," "anticipates," "plans," "believes," "seeks," "targets," "estimates," "will," "should," "may" or words of similar meaning, but these words are not the exclusive means of identifying forward-looking statements. Forward-looking statements are based on management's current expectations and assumptions, and are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, actual results could differ materially from those indicated in these forward-looking statements. Factors that could cause actual results to differ materially include global political, economic, business, competitive, market, regulatory and other factors and risks, such as: the impact of macroeconomic conditions and whether industry trends we have identified develop as anticipated; retaining existing partners and attracting new partners, concentration of our platform revenue in a small number of Retail Card partners, promotion and support of our products by our partners, and financial performance of our partners; our need for additional financing, higher borrowing costs and adverse financial market conditions impacting our funding and liquidity, and any reduction in our credit ratings; our ability to securitize our loans, occurrence of an early amortization of our securitization facilities, loss of the right to service or subservice our securitized loans, and lower payment rates on our securitized loans; our reliance on dividends, distributions and other payments from Synchrony Bank; our ability to grow our deposits in the future; changes in market interest rates and the impact of any margin compression; effectiveness of our risk management processes and procedures, reliance on models which may be inaccurate or misinterpreted, our ability to manage our credit risk, the sufficiency of our allowance for loan losses and the accuracy of the assumptions or estimates used in preparing our financial statements; our ability to offset increases in our costs in retailer share arrangements; competition in the consumer finance industry; our concentration in the U.S. consumer credit market; our ability to successfully develop and commercialize new or enhanced products and services; our ability to realize the value of strategic investments; reductions in interchange fees; fraudulent activity; cyber-attacks or other security breaches; failure of third parties to provide various services that are important to our operations; disruptions in the operations of our computer systems and data centers; international risks and compliance and regulatory risks and costs associated with international operations; alleged infringement of intellectual property rights of others and our ability to protect our intellectual property; litigation and regulatory actions; damage to our reputation; our ability to attract, retain and motivate key officers and employees; tax legislation initiatives or challenges to our tax positions and state sales tax rules and regulations; significant and extensive regulation, supervision, examination and enforcement of our business by governmental authorities, the impact of the Dodd-Frank Act and the impact of the CFPB's regulation of our business; changes to our methods of offering our CareCredit products; impact of capital adequacy rules; restrictions that limit Synchrony Bank's ability to pay dividends; regulations relating to privacy, information security and data protection; use of third-party vendors and ongoing third-party business relationships; failure to comply with anti-money laundering and anti-terrorism financing laws; effect of General Electric Capital Corporation being subject to regulation by the Federal Reserve Board both as a savings and loan holding company and as a systemically important financial institution; General Electric Company (GE) not completing the separation from us as planned or at all, GE's inability to obtain savings and loan holding company deregistration (GE SLHC Deregistration) and GE continuing to have significant control over us; any conditions of the Federal Reserve Board approval required for us to continue to be a savings and loan holding company; our need to establish and significantly expand many aspects of our operations and infrastructure; loss of association with GE's strong brand and reputation; limited right to use the GE brand name and logo and need to establish a new brand; GE has significant control over us; terms of our arrangements with GE may be more favorable than what we will be able to obtain from unaffiliated third parties; obligations associated with being a public company; our incremental cost of operating as a standalone public company could be substantially more than anticipated; GE could engage in businesses that compete with us, and conflicts of interest may arise between us and GE; and failure caused by us of GE's distribution of our common stock to its stockholders in exchange for its common stock to qualify for tax-free treatment, which may result in significant tax liabilities to GE for which we may be required to indemnify GE.

For the reasons described above, we caution you against relying on any forward-looking statements, which should also be read in conjunction with the other cautionary statements that are included elsewhere in this presentation and in our public filings, including under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as filed on February 23, 2015. You should not consider any list of such factors to be an exhaustive statement of all of the risks, uncertainties, or potentially inaccurate assumptions that could cause our current expectations or beliefs to change. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as otherwise may be required by law. Differences between this presentation and the supplemental financials may occur due to rounding.

**Non-GAAP Measures**

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

# 3Q'15 Highlights

## Financial highlights

- $574 million Net earnings, $0.69 EPS
- Strong growth across the business
  - ✓ Purchase volume +12%, Loan receivables +12%, Platform revenue +9%
- Asset quality continues to improve
  - ✓ Net charge-offs improved from 4.05% to 4.02% compared to prior year
  - ✓ 30+ delinquency improved from 4.26% to 4.02% compared to prior year
- Expenses in-line with expectations … increase driven by growth, infrastructure build and EMV rollout
- Delivering on our funding plan, deposits +$7.8 billion compared to prior year
- Strong capital and liquidity
  - ✓ 17.5% CET1 (BIIIT)[a]
  - ✓ $15.3 billion total liquid assets

## Business highlights

- ✓ Received approval from Federal Reserve to become a standalone SLHC
- ✓ Renewed two partnerships, including a top 10 partner in PayPal
- ✓ Signed two new partners
- ✓ Expanded our CareCredit network
- ✓ Launched new programs
- ✓ Launched Samsung Pay for use with up to 12+ million active accounts

(a) CET1 % calculated under the Basel III transition guidelines

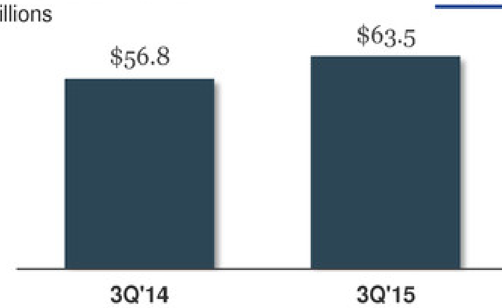
# Growth Metrics

### Purchase volume
$ in billions

+12%

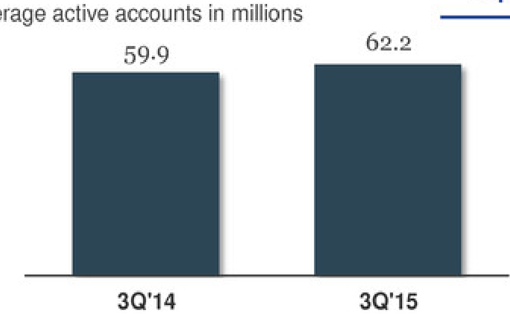

### Loan receivables
$ in billions

+12%




### Active accounts
Average active accounts in millions

+4%




### Platform revenue
$ in millions

+9%

# Platform Results[a]

## Retail Card

Loan receivables, $ in billions


| | 3Q'14 | 3Q'15 | V% |
|---|---|---|---|
| Purchase volume | $21.0 | $23.6 | +12% |
| Accounts | 48.4 | 49.9 | +3% |
| Platform revenue | $1,694 | $1,870 | +10% |

- ✓ Strong receivable growth across partner programs
- ✓ Platform revenue up 10% driven by receivable growth

## Payment Solutions

Loan receivables, $ in billions


| | 3Q'14 | 3Q'15 | V% |
|---|---|---|---|
| Purchase volume | $3.2 | $3.6 | +13% |
| Accounts | 6.9 | 7.5 | +8% |
| Platform revenue | $403 | $434 | +8% |

- ✓ Broad receivable growth led by home furnishings and auto
- ✓ Platform revenue up 8% driven by receivable growth

## CareCredit

Loan receivables, $ in billions


| | 3Q'14 | 3Q'15 | V% |
|---|---|---|---|
| Purchase volume | $1.8 | $2.0 | +13% |
| Accounts | 4.6 | 4.8 | +5% |
| Platform revenue | $422 | $436 | +3% |

- ✓ Receivable growth led by dental and veterinary
- ✓ Platform revenue up 3% driven by receivable growth

a) Accounts represent average active accounts in millions, which are credit card or installment loan accounts on which there has been a purchase, payment or outstanding balance in the current month. Purchase volume $ in billions and Platform revenue $ in millions

# Financial Results

## Summary earnings statement

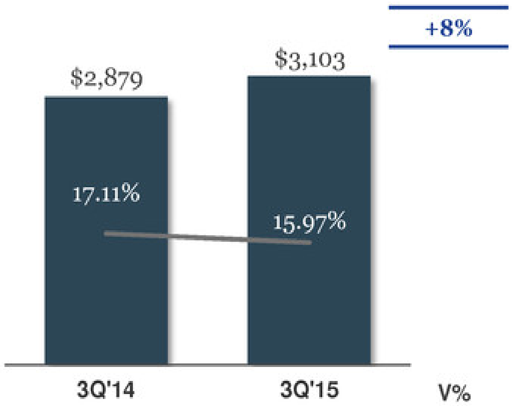
| $ in millions, except ratios | 3Q'15 | 3Q'14 | B/(W) $ | B/(W) % |
|---|---|---|---|---|
| Total interest income | $3,392 | $3,123 | $269 | 9% |
| Total interest expense | 289 | 244 | (45) | (18)% |
| **Net interest income (NII)** | **3,103** | **2,879** | **224** | **8%** |
| Retailer share arrangements (RSA) | (723) | (693) | (30) | (4)% |
| **NII, after RSA** | **2,380** | **2,186** | **194** | **9%** |
| Provision for loan losses | 702 | 675 | (27) | (4)% |
| Other income | 84 | 96 | (12) | (13)% |
| Other expense | 843 | 728 | (115) | (16)% |
| **Pre-Tax earnings** | **919** | **879** | **40** | **5%** |
| Provision for income taxes | 345 | 331 | (14) | (4)% |
| **Net earnings** | **$574** | **$548** | **$26** | **5%** |
| Return on assets | 2.9% | 3.2% | | (0.3)pts. |

## Third quarter 2015 highlights

- **$574 million Net earnings, 2.9% ROA**
- **Net interest income up 8% driven by growth in loan receivables**
  - ✓ Interest and fees on loan receivables up 8% in-line with average receivable growth
  - ✓ Interest expense increase driven by growth, liquidity and funding mix
- **Provision for loan losses driven by receivable growth, partially offset with improved asset quality**
  - ✓ Asset quality improved … 30+ delinquencies down 24bps. and NCO rate down 3bps. vs. prior year
- **Other income down 13%**
  - ✓ Increased loyalty costs partially offset by increased interchange due to program growth
- **Other expense in-line with expectations**
  - ✓ Other expense increase primarily driven by growth, infrastructure build and EMV rollout

# Net Interest Income

## Net interest income
$ in millions, % of average interest-earning assets




| | 3Q'14 | 3Q'15 | V% |
|---|---|---|---|
| Receivable yield | 21.78% | 21.45% | (33)bps. |

## Net interest margin walk
% of average interest-earning assets

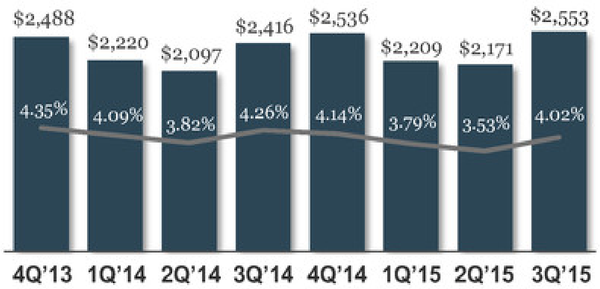
| | |
|---|---|
| **3Q'14 Net interest margin** | **17.11%** |
| Liquidity | (0.77) |
| Receivable yield | (0.33) |
| Interest expense | (0.04) |
| **3Q'15 Net interest margin** | **15.97%** |

## Third quarter 2015 highlights

- **Net interest income up 8% driven by growth in receivables, partially offset by higher funding costs**
  - ✓ Interest and fees on loans up 8% driven by loan receivable growth
- **Net interest margin decline driven primarily by increase in liquidity**
  - ✓ Liquid assets increased to $15.3 billion, conservatively invested in cash and short-term U.S. Treasuries
  - ✓ Receivable yield 21.45%, down 33bps. reflecting higher payment rate and growth in promotional balances
  - ✓ Interest expense increased slightly to 1.82%, impacting Net interest margin by 4bps.

# Asset Quality Metrics

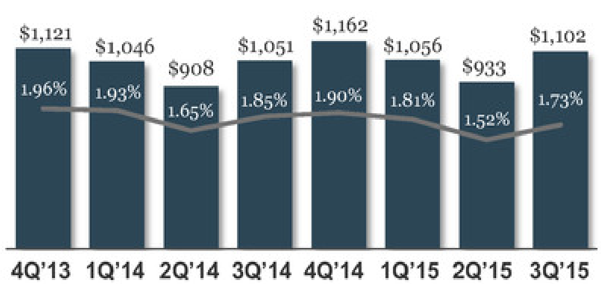
## 30+ days past due
$ in millions, % of period-end loan receivables



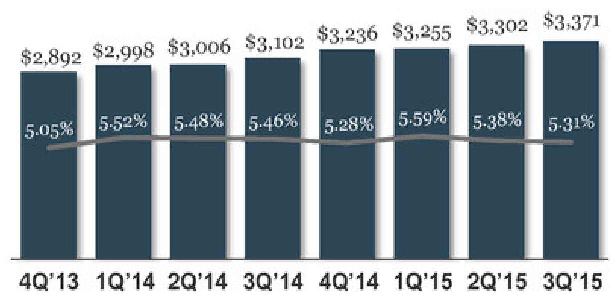

## Net charge-offs
$ in millions, % of average loan receivables including held for sale


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

## 90+ days past due
$ in millions, % of period-end loan receivables



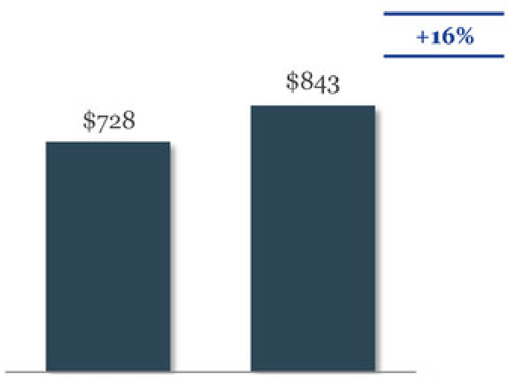

## Allowance for loan losses
$ in millions, % of period-end loan receivables



# Other Expense

## Other expense

$ in millions




| | 3Q'14 | 3Q'15 | V$ | V% |
|---|---|---|---|---|
| Employee costs | $239 | $268 | $29 | 12% |
| Professional fees | 149 | 162 | $13 | 9% |
| Marketing/BD | 115 | 115 | $- | -% |
| Information processing | 47 | 77 | $30 | 64% |
| Other | 178 | 221 | $43 | 24% |
| Other expense | $728 | $843 | $115 | 16% |
| **Efficiency** [(a)] | **31.9%** | **34.2%** | | **+2.3pts.** |

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

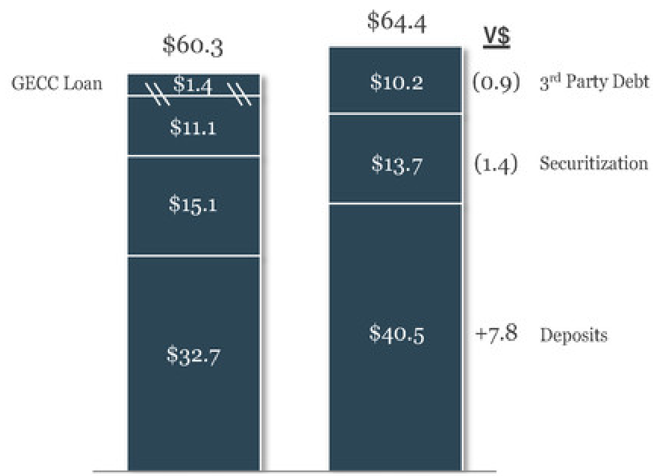
## Third quarter 2015 highlights

- **Expense increase primarily driven by investments in growth, infrastructure build and EMV costs**
- **Employee costs up $29 million**
  - ✓ Driven by employees added for separation and growth
- **Professional fees up $13 million**
  - ✓ Driven primarily by growth
- **Marketing/BD costs flat**
  - ✓ Driven by an increase in portfolio marketing investments offset with lower brand advertising
- **Information processing up $30 million**
  - ✓ Driven by IT investments and purchase volume growth
- **Other increased $43 million**
  - ✓ Driven primarily by infrastructure build and growth
- **33.3% Efficiency ratio year-to-date**

# Funding, Capital and Liquidity

## Funding sources

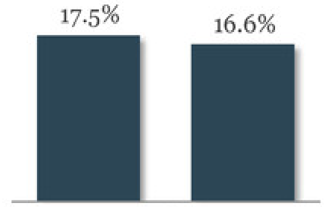
$ in billions




| | 3Q'14 | 3Q'15 | Variance |
|---|---|---|---|
| Deposits | 54% | 63% | +9pts. |
| Securitization | 25% | 21% | (4)pts. |
| GE Capital loan | 2% | - | (2)pts. |
| 3rd Party Debt | 19% | 16% | (3)pts. |

## Capital ratios[a]

3Q'15, $ in billions




| | BIII CET1 T%[b] | BIII CET1 %[c] |
|---|---|---|
| Tier 1 common equity | $11.2 | $10.9 |
| Risk-weighted assets | $64.2 | $65.3 |

(a) Estimated percentages and amounts
(b) Calculated under the Basel III transition guidelines
(c) Calculated under the fully phased-in Basel III guidelines

## Liquidity [d]

$ in billions


| | 3Q'14 | 3Q'15 |
|---|---|---|
| Liquid assets | $14.1 | $15.3 |
| Undrawn securitization capacity | 5.6 | 6.6 |
| **Total liquidity** | **$19.7** | **$21.9** |
| **% of total assets** | **26.9%** | **27.5%** |

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

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# 3Q'15 Wrap Up

- Net earnings of $574 million … $0.69 earnings per share
- Broad based growth … Purchase volume +12%, Loan receivables +12%, Platform revenue +9%
- Renewed a top 10 partnership in PayPal, as well as Sleepy's
- Signed two new partnerships with Citgo and The Container Store
- Expanded CareCredit's network with our new Rite Aid partnership
- Launched new programs … Guitar Center and Athleta
- Launched Samsung Pay for use with up to 12 million active accounts
- Fast-growing deposit platform … deposits at $40.5 billion, now 63% of funding
- Strong balance sheet, $15.3 billion of liquid assets and 17.5% CET1 (BIIIT) [a]
- Received approval from Federal Reserve to become a standalone SLHC

(a) CET1 % calculated under the Basel III transition guidelines

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# Appendix

# Non-GAAP Reconciliations

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

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

# Non-GAAP Reconciliation

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

| ($ in millions) | For the Three Months Ended Sep 30, | |
|---|---|---|
| | 2015 | 2014 |
| **Platform Revenue** | | |
| Total: | | |
| Interest and fees on loans | $3,379 | $3,116 |
| Other income | $84 | $96 |
| Retailer share arrangements | $(723) | $(693) |
| Platform revenue | $2,740 | $2,519 |
| Retail Card: | | |
| Interest and fees on loans | $2,508 | $2,299 |
| Other income | $70 | $78 |
| Retailer share arrangements | $(708) | $(683) |
| Platform revenue | $1,870 | $1,694 |
| Payment Solutions: | | |
| Interest and fees on loans | $442 | $405 |
| Other income | $5 | $7 |
| Retailer share arrangements | $(13) | $(9) |
| Platform revenue | $434 | $403 |
| CareCredit: | | |
| Interest and fees on loans | $429 | $412 |
| Other income | $9 | $11 |
| Retailer share arrangements | $(2) | $(1) |
| Platform revenue | $436 | $422 |

# Non-GAAP Reconciliation

The following table sets forth a reconciliation of each component of our capital ratios to the comparable GAAP component at September 30, 2015.

| COMMON EQUITY MEASURES | $ in millions at September 30, 2015 |
|---|---|
| GAAP Total common equity | $12,158 |
| Less: Goodwill | (949) |
| Less: Intangible assets, net | (646) |
| **Tangible common equity** | **$10,563** |
| Adjustments for certain deferred tax liabilities and certain items in accumulated comprehensive income (loss) | 291 |
| **Basel III –Common equity Tier 1 (fully phased-in)** | **$10,854** |
| Adjustments related to capital components during transition | 375 |
| **Basel III – Common equity Tier 1 (transition)** | **$11,229** |
| | |
| **Risk-weighted assets – Basel III (fully phased-in)** | **$65,278** |
| **Risk-weighted assets – Basel III (transition)** | **$64,244** |

**Explanation of Non-GAAP Measures**

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

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

We present certain capital ratios in this Form 8-K and exhibits. As a new savings and loan holding company, the Company historically has not been required by regulators to disclose capital ratios, and therefore these capital ratios are non-GAAP measures. We believe these capital ratios are useful measures to investors because they are widely used by analysts and regulators to assess the capital position of financial services companies, although our Basel I Tier 1 common ratio is not a Basel I defined regulatory capital ratio, and our Basel I and Basel III Tier 1 common ratios may not be comparable to similarly titled measures reported by other companies. Our Basel I Tier 1 common ratio is the ratio of Tier 1 common equity to total risk-weighted assets, each as calculated in accordance with the U.S. Basel I capital rules. Our Basel III Tier 1 common ratio is the ratio of common equity Tier 1 capital to total risk-weighted assets, each as calculated in accordance with the U.S. Basel III capital rules. Our Basel III Tier 1 common ratio (on a fully phased-in basis) is a preliminary estimate reflecting management’s interpretation of the final Basel III capital rules adopted in July 2013 by the Federal Reserve Board, which have not been fully implemented, and our estimate and interpretations are subject to, among other things, ongoing regulatory review and implementation guidance. The reconciliation of each component of our capital ratios included in this Form 8-K and exhibits to the comparable GAAP component at September 30, 2015 is included in the detailed financial tables included in Exhibit 99.2.

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