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

July 27, 2018
Date of Report
(Date of earliest event reported)

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

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

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

(203) 585-2400
(Registrant's telephone number, including area code)
N/A
(Former name or former address, if changed since last report)

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

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

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

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

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

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

Emerging growth company o

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

Item 2.02 Results of Operations and Financial Condition.

On July 27, 2018, Synchrony Financial (the "Company") issued a press release setting forth the Company's second quarter 2018 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 July 27, 2018, issued by Synchrony Financial
99.2	Financial Data Supplement of the Company for the quarter ended June 30, 2018
99.3	Financial Results Presentation of the Company for the quarter ended June 30, 2018
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: July 27, 2018	By:	/s/ Jonathan Mothner
	Name:	Jonathan Mothner
	Title:	Executive Vice President, General Counsel and Secretary

EXHIBIT INDEX

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Exhibit 99.1

Investor Relations Media Relations
Greg Ketron Sue Bishop
(203) 585-6291 (203) 585-2802

For Immediate Release: July 27, 2018

Synchrony Financial Reports Second Quarter Net Earnings of $696 Million or $0.92 Per Diluted Share

STAMFORD, Conn. – Synchrony Financial (NYSE: SYF) today announced second quarter 2018 net earnings of $696 million, or $0.92 per diluted share. Highlights included:

- Net interest income increased 3% from the second quarter of 2017 to $3.7 billion
- Loan receivables grew $3 billion, or 5%, from the second quarter of 2017 to $79 billion
- Purchase volume increased 2% from the second quarter of 2017 to $34 billion
- Deposits grew $6 billion, or 12%, from the second quarter of 2017 to $59 billion
- Closed the PayPal transaction on July 2, 2018, acquiring $7.6 billion in receivables and making Synchrony the exclusive issuer of PayPal Credit in the U.S.
- Walmart program agreement will not be renewed and will expire July 31, 2019; expect strategic options will fully replace diluted earnings per share impact of program non-renewal [(1)]
- Added new partnerships: Furniture Row and The Good Feet Store
- Renewed relationships: Ashley HomeStore, Havertys, Sleep Number, LCA Vision, and Robbins Brothers
- Launched a new Dual Card with Belk
- Acquired Loop Commerce, a technology leader in digital and in-store gifting services
- Announced new capital plan increasing quarterly common stock dividend to $0.21 per share and share repurchases of up to $2.2 billion of Synchrony Financial common stock

[(1)] *Please refer to page 12 of the 2Q'18 Financial Results presentation included in Form 8-K filed July 27, 2018*

"We have continued to deliver solid results, driving organic growth while launching new programs and renewing key relationships. We are pleased to have closed the PayPal transaction, which is now a top 5 program. Our relationship with PayPal is exactly what we look for in a program – strong engagement, significant growth opportunities, and good economic alignment with the partner. Extending this relationship will enable us to leverage new opportunities to meaningfully expand this program and drive growth. And while the Walmart program will not be renewed as we were unable to reach terms that made economic sense for our company and our shareholders, we have strategic options that we expect will fully replace the EPS impact," said Margaret Keane, President and Chief Executive Officer of Synchrony Financial. "We remain focused on the risk-adjusted returns of our programs and returning capital to shareholders, as evidenced by our actions this quarter, which included significantly increasing the quarterly common stock dividend and share repurchase program."

<u>Business and Financial Highlights for the Second Quarter of 2018</u>

All comparisons below are for the second quarter of 2018 compared to the second quarter of 2017, unless otherwise noted.

Earnings

- Net interest income increased $100 million, or 3%, to $3.7 billion, primarily driven by loan receivables growth. Net interest income after retailer share arrangements increased 4%.
- Provision for loan losses decreased $46 million, or 3%, to $1.3 billion, primarily driven by lower reserve build.
- Other income was up $6 million to $63 million.
- Other expense increased $64 million, or 7%, to $975 million, primarily driven by growth and strategic investments.
- Provision for income taxes was down 33%, primarily due to tax reform.
- Net earnings totaled $696 million compared to $496 million in the second quarter of 2017.

Balance Sheet

- Period-end loan receivables growth was 5%, primarily driven by purchase volume growth of 2% and average active account growth of 1%.
- Deposits grew to $59 billion, up $6 billion, or 12%, and comprised 73% of funding compared to 72% last year.
- The Company's balance sheet remained strong with total liquidity (liquid assets and undrawn credit facilities) of $28 billion, or 28% of total assets, including pre-funding for PayPal acquisition.
- 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 19.4%.
- Net interest margin was 15.33%.
- Efficiency ratio was 31.0%.

Credit Quality

- Loans 30+ days past due as a percentage of total period-end loan receivables were 4.17% compared to 4.25% last year.
- Net charge-offs as a percentage of total average loan receivables were 5.97% compared to 5.42% last year.
- The allowance for loan losses as a percentage of total period-end loan receivables was 7.43% compared to 6.63% last year.

Sales Platforms

- Retail Card period-end loan receivables grew 3%, solid growth was partially offset by the impact of underwriting refinements. Interest and fees on loans increased 3%, primarily driven by the loan receivables growth. Purchase volume growth was 1% and average active accounts were flat.
- Payment Solutions period-end loan receivables grew 8%, led by home furnishing and automotive. Interest and fees on loans increased 6%, primarily driven by the loan receivables growth. Purchase volume growth was 9% and average active account growth was 4%.
- CareCredit period-end loan receivables grew 8%, led by dental and veterinary. Interest and fees on loans increased 6%, primarily driven by the loan receivables growth. Purchase volume grew 8% and average active account growth was 5%.

Corresponding Financial Tables and Information

No representation is made that the information in this news release is complete. Investors are encouraged to review the foregoing summary and discussion of Synchrony Financial's earnings and financial condition in conjunction with the detailed financial tables and information that follow and the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as filed February 22, 2018, and the Company’s forthcoming Quarterly Report on Form 10-Q for the quarter ended June 30, 2018. 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, July 27, 2018, at 8:30 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 on the Synchrony Financial corporate website, www.investors.synchronyfinancial.com, under Events and Presentations. A replay will be available on the website or by dialing (888) 843-7419 (U.S. domestic) or (630) 652-3042 (international), passcode 22018#, and can be accessed beginning approximately two hours after the event through August 10, 2018.

About Synchrony Financial

Synchrony Financial (NYSE: SYF) is a premier consumer financial services company delivering customized financing programs across key industries including retail, health, auto, travel and home, along with award-winning consumer banking products. With more than $130 billion in sales financed and 74.5 million active accounts, Synchrony Financial brings deep industry expertise, actionable data insights, innovative solutions and differentiated digital experiences to improve the success of every business we serve and the quality of each life we touch. More information can be found at www.synchronyfinancial.com and through Twitter: @Synchrony.

Cautionary Statement Regarding Forward-Looking Statements

This news release contains certain forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the "safe harbor" created by those sections. Forward-looking statements may be identified by words such as “expects,” “intends,” “anticipates,” “plans,” “believes,” “seeks,” “targets,” “outlook,” “estimates,” “will,” “should,” “may” or words of similar meaning, but these words are not the exclusive means of identifying forward-looking statements. Forward-looking statements are based on management’s current expectations and assumptions, and are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, actual results could differ materially from those indicated in these forward-looking statements. Factors that could cause actual results to differ materially include global political, economic, business, competitive, market, regulatory and other factors and risks, such as: the impact of macroeconomic conditions and whether industry trends we have identified develop as anticipated; retaining existing partners and attracting new partners, concentration of our revenue in a small number of Retail Card partners, promotion and support of our products by our partners, and financial performance of our partners; cyber-attacks or other security breaches; higher borrowing costs and adverse financial market conditions impacting our funding and liquidity, and any reduction in our credit ratings; our ability to grow our deposits in the future; our ability to securitize our loan receivables, occurrence of an early amortization of our securitization facilities, loss of the right to service or subservice our securitized loan receivables, and lower payment rates on our securitized loan receivables; changes in market interest rates and the impact of any margin compression; effectiveness of our risk management processes and procedures, reliance on models which may be inaccurate or misinterpreted, our ability to manage our credit risk, 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 acquisitions and strategic investments; our ability to realize the benefits of and expected capital available from strategic options; reductions in interchange fees; fraudulent activity; 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/or interpretations, and state sales tax rules and regulations; a material indemnification obligation to GE under the tax sharing and separation agreement with GE if we cause the split-off from GE or certain preliminary transactions to fail to qualify for tax-free treatment or in the case of certain significant transfers of our stock following the split-off; regulation, supervision, examination and enforcement of our business by governmental authorities, the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the impact of the Consumer Financial Protection Bureau’s regulation of our business; impact of capital adequacy rules and liquidity requirements; restrictions that limit our ability to pay dividends and repurchase our common stock, and restrictions that limit Synchrony Bank’s ability to pay dividends to us; regulations relating to privacy, information security and data protection; use of third-party vendors and ongoing third-party business relationships; and failure to comply with anti-money laundering and anti-terrorism financing laws.

For the reasons described above, we caution you against relying on any forward-looking statements, which should also be read in conjunction with the other cautionary statements that are included elsewhere in this news release and in our public filings, including under the heading “Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as filed on February 22, 2018. You should not consider any list of such factors to be an exhaustive statement of all the risks, uncertainties, or potentially inaccurate assumptions that could cause our current expectations or beliefs to change. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as otherwise may be required by law.

Non-GAAP Measures

The information provided herein includes measures we refer to as “tangible common equity” and certain financial measures that have been adjusted to exclude the effects from the Tax Act, 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.

Exhibit 99.2

SYNCHRONY FINANCIAL

FINANCIAL SUMMARY

(unaudited, in millions, except per share statistics)

	Quarter Ended							Six Months Ended			
	Jun 30, 2018	**Mar 31, 2018**	**Dec 31, 2017**	**Sep 30, 2017**	**Jun 30, 2017**	**2Q'18 vs. 2Q'17**		**Jun 30, 2018**	**Jun 30, 2017**	**YTD'18 vs. YTD'17**	
EARNINGS											
Net interest income	$ 3,737	$ 3,842	$ 3,916	$ 3,876	$ 3,637	$ 100	2.7 %	$ 7,579	$ 7,224	$ 355	4.9 %
Retailer share arrangements	(653)	(720)	(779)	(805)	(669)	16	(2.4)%	(1,373)	(1,353)	(20)	1.5 %
Net interest income, after retailer share arrangements	3,084	3,122	3,137	3,071	2,968	116	3.9 %	6,206	5,871	335	5.7 %
Provision for loan losses	1,280	1,362	1,354	1,310	1,326	(46)	(3.5)%	2,642	2,632	10	0.4 %
Net interest income, after retailer share arrangements and provision for loan losses	1,804	1,760	1,783	1,761	1,642	162	9.9 %	3,564	3,239	325	10.0 %
Other income	63	75	62	76	57	6	10.5 %	138	150	(12)	(8.0)%
Other expense	975	988	970	958	911	64	7.0 %	1,963	1,819	144	7.9 %
Earnings before provision for income taxes	892	847	875	879	788	104	13.2 %	1,739	1,570	169	10.8 %
Provision for income taxes	196	207	490	324	292	(96)	(32.9)%	403	575	(172)	(29.9)%
Net earnings	$ 696	$ 640	$ 385	$ 555	$ 496	$ 200	40.3 %	$ 1,336	$ 995	$ 341	34.3 %
Net earnings attributable to common stockholders	$ 696	$ 640	$ 385	$ 555	$ 496	$ 200	40.3 %	$ 1,336	$ 995	$ 341	34.3 %
Adjusted net earnings(1)	$ 696	$ 640	$ 545	$ 555	$ 496	$ 200	40.3 %	$ 1,336	$ 995	$ 341	34.3 %
COMMON SHARE STATISTICS											
Basic EPS	$ 0.93	$ 0.84	$ 0.49	$ 0.70	$ 0.62	$ 0.31	50.0 %	$ 1.76	$ 1.23	$ 0.53	43.1 %
Diluted EPS	$ 0.92	$ 0.83	$ 0.49	$ 0.70	$ 0.61	$ 0.31	50.8 %	$ 1.75	$ 1.23	$ 0.52	42.3 %
Adjusted diluted EPS(1)	$ 0.92	$ 0.83	$ 0.70	$ 0.70	$ 0.61	$ 0.31	50.8 %	$ 1.75	$ 1.23	$ 0.52	42.3 %
Dividend declared per share	$ 0.15	$ 0.15	$ 0.15	$ 0.15	$ 0.13	$ 0.02	15.4 %	$ 0.30	$ 0.26	$ 0.04	15.4 %
Common stock price	$ 33.38	$ 33.53	$ 38.61	$ 31.05	$ 29.82	$ 3.56	11.9 %	$ 33.38	$ 29.82	$ 3.56	11.9 %
Book value per share	$ 19.37	$ 18.88	$ 18.47	$ 18.40	$ 18.02	$ 1.35	7.5 %	$ 19.37	$ 18.02	$ 1.35	7.5 %
Tangible common equity per share(2)	$ 16.84	$ 16.55	$ 16.22	$ 16.15	$ 15.79	$ 1.05	6.6 %	$ 16.84	$ 15.79	$ 1.05	6.6 %
Beginning common shares outstanding	760.3	770.5	782.6	795.3	810.8	(50.5)	(6.2)%	770.5	817.4	(46.9)	(5.7)%
Issuance of common shares	—	—	—	—	—	—	— %	—	—	—	— %
Stock-based compensation	0.3	0.2	0.1	0.1	0.2	0.1	50.0 %	0.5	0.2	0.3	150.0 %
Shares repurchased	(14.0)	(10.4)	(12.2)	(12.8)	(15.7)	1.7	(10.8)%	(24.4)	(22.3)	(2.1)	9.4 %
Ending common shares outstanding	746.6	760.3	770.5	782.6	795.3	(48.7)	(6.1)%	746.6	795.3	(48.7)	(6.1)%
Weighted average common shares outstanding	752.2	763.7	778.7	787.3	804.0	(51.8)	(6.4)%	757.9	808.5	(50.6)	(6.3)%
Weighted average common shares outstanding (fully diluted)	758.3	770.3	784.0	790.9	807.4	(49.1)	(6.1)%	764.3	812.2	(47.9)	(5.9)%

(1) Adjusted net earnings and Adjusted diluted EPS are non-GAAP measures. These measures represent the corresponding GAAP measure, adjusted to exclude the effects to Provision for income taxes in the quarter ended December 31, 2017, resulting from the Tax Cuts and Jobs Act of 2017 (the "Tax Act"). The effects primarily relate to additional tax expense arising from the remeasurement of our net deferred tax asset to reflect the reduction in the U.S. corporate tax rate from 35% to 21%. For a corresponding reconciliation to a GAAP financial measure, see Reconciliation of Non-GAAP Measures and Calculations of Regulatory Measures.

(2) 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							Six Months Ended			
	Jun 30, 2018	**Mar 31, 2018**	**Dec 31, 2017**	**Sep 30, 2017**	**Jun 30, 2017**	**2Q'18 vs. 2Q'17**		**Jun 30, 2018**	**Jun 30, 2017**	**YTD'18 vs. YTD'17**	
PERFORMANCE METRICS											
Return on assets(1)	2.9%	2.7%	1.6%	2.4%	2.2%		0.7 %	2.8%	2.2%		0.6 %
Return on equity(2)	19.4%	18.2%	10.5%	15.3%	13.8%		5.6 %	18.8%	14.0%		4.8 %
Return on tangible common equity(3)	22.1%	20.7%	12.0%	17.4%	15.7%		6.4 %	21.5%	15.9%		5.6 %
Adjusted return on assets(4)	2.9%	2.7%	2.3%	2.4%	2.2%		0.7 %	2.8%	2.2%		0.6 %
Adjusted return on equity(4)	19.4%	18.2%	14.9%	15.3%	13.8%		5.6 %	18.8%	14.0%		4.8 %
Adjusted return on tangible common equity(5)	22.1%	20.7%	17.0%	17.4%	15.7%		6.4 %	21.5%	15.9%		5.6 %
Net interest margin(6)	15.33%	16.05%	16.24%	16.74%	16.20%		(0.87)%	15.69%	16.19%		(0.50)%
Efficiency ratio(7)	31.0%	30.9%	30.3%	30.4%	30.1%		0.9 %	30.9%	30.2%		0.7 %
Other expense as a % of average loan receivables, including held for sale	5.02%	5.07%	4.91%	4.99%	4.93%		0.09 %	5.04%	4.95%		0.09 %
Effective income tax rate	22.0%	24.4%	56.0%	36.9%	37.1%		(15.1)%	23.2%	36.6%		(13.4)%
CREDIT QUALITY METRICS											
Net charge-offs as a % of average loan receivables, including held for sale	5.97%	6.14%	5.78%	4.95%	5.42%		0.55 %	6.06%	5.37%		0.69 %
30+ days past due as a % of period-end loan receivables(8)	4.17%	4.52%	4.67%	4.80%	4.25%		(0.08)%	4.17%	4.25%		(0.08)%
90+ days past due as a % of period-end loan receivables(8)	1.98%	2.28%	2.28%	2.22%	1.90%		0.08 %	1.98%	1.90%		0.08 %
Net charge-offs	$ 1,159	$ 1,198	$ 1,141	$ 950	$ 1,001	$ 158	15.8 %	$ 2,357	$ 1,975	$ 382	19.3 %
Loan receivables delinquent over 30 days(8)	$ 3,293	$ 3,521	$ 3,831	$ 3,694	$ 3,208	$ 85	2.6 %	$ 3,293	$ 3,208	$ 85	2.6 %
Loan receivables delinquent over 90 days(8)	$ 1,561	$ 1,776	$ 1,869	$ 1,707	$ 1,435	$ 126	8.8 %	$ 1,561	$ 1,435	$ 126	8.8 %
Allowance for loan losses (period-end)	$ 5,859	$ 5,738	$ 5,574	$ 5,361	$ 5,001	$ 858	17.2 %	$ 5,859	$ 5,001	$ 858	17.2 %
Allowance coverage ratio(9)	7.43%	7.37%	6.80%	6.97%	6.63%		0.80 %	7.43%	6.63%		0.80 %
BUSINESS METRICS											
Purchase volume(10)	$ 34,268	$ 29,626	$ 36,565	$ 32,893	$ 33,476	$ 792	2.4 %	$ 63,894	$ 62,356	$ 1,538	2.5 %
Period-end loan receivables	$ 78,879	$ 77,853	$ 81,947	$ 76,928	$ 75,458	$ 3,421	4.5 %	$ 78,879	$ 75,458	$ 3,421	4.5 %
Credit cards	$ 75,753	$ 74,952	$ 79,026	$ 73,946	$ 72,492	$ 3,261	4.5 %	$ 75,753	$ 72,492	$ 3,261	4.5 %
Consumer installment loans	$ 1,708	$ 1,590	$ 1,578	$ 1,561	$ 1,514	$ 194	12.8 %	$ 1,708	$ 1,514	$ 194	12.8 %
Commercial credit products	$ 1,356	$ 1,275	$ 1,303	$ 1,384	$ 1,386	$ (30)	(2.2)%	$ 1,356	$ 1,386	$ (30)	(2.2)%
Other	$ 62	$ 36	$ 40	$ 37	$ 66	$ (4)	(6.1)%	$ 62	$ 66	$ (4)	(6.1)%
Average loan receivables, including held for sale	$ 77,853	$ 79,090	$ 78,369	$ 76,165	$ 74,090	$ 3,763	5.1 %	$ 78,468	$ 74,111	$ 4,357	5.9 %
Period-end active accounts (in thousands)(11)	69,767	68,891	74,541	69,008	69,277	490	0.7 %	69,767	69,277	490	0.7 %
Average active accounts (in thousands)(11)	69,344	71,323	71,348	69,331	68,635	709	1.0 %	70,540	69,307	1,233	1.8 %
LIQUIDITY											
Liquid assets											
Cash and equivalents	$ 15,675	$ 13,044	$ 11,602	$ 13,915	$ 12,020	$ 3,655	30.4 %	$ 15,675	$ 12,020	$ 3,655	30.4 %
Total liquid assets	$ 21,491	$ 18,557	$ 15,087	$ 16,391	$ 15,274	$ 6,217	40.7 %	$ 21,491	$ 15,274	$ 6,217	40.7 %
Undrawn credit facilities											
Undrawn credit facilities	$ 6,500	$ 6,000	$ 6,000	$ 5,650	$ 6,650	$ (150)	(2.3)%	$ 6,500	$ 6,650	$ (150)	(2.3)%
Total liquid assets and undrawn credit facilities	$ 27,991	$ 24,557	$ 21,087	$ 22,041	$ 21,924	$ 6,067	27.7 %	$ 27,991	$ 21,924	$ 6,067	27.7 %
Liquid assets % of total assets	21.68%	19.42%	15.75%	17.71%	16.76%		4.92 %	21.68%	16.76%		4.92 %
Liquid assets including undrawn credit facilities % of total assets	28.24%	25.70%	22.01%	23.82%	24.06%		4.18 %	28.24%	24.06%		4.18 %

(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) Adjusted return on assets represents Adjusted net earnings as a percentage of average total assets. Adjusted return on equity represents Adjusted net earnings as a percentage of average total equity. Adjusted net earnings is a non-GAAP measure. For a corresponding reconciliation of Adjusted net earnings to a GAAP financial measure, see Reconciliation of Non-GAAP Measures and Calculations of Regulatory Measures.

(5) Adjusted return on tangible common equity represents Adjusted net earnings as a percentage of average tangible common equity. Both Adjusted net earnings and tangible common equity are non-GAAP measures. For corresponding reconciliations to a GAAP financial measure, see Reconciliation of Non-GAAP Measures and Calculations of Regulatory Measures.

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

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

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

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

(10) 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.

(11) 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							Six Months Ended			
	Jun 30, 2018	**Mar 31, 2018**	**Dec 31, 2017**	**Sep 30, 2017**	**Jun 30, 2017**	**2Q'18 vs. 2Q'17**		**Jun 30, 2018**	**Jun 30, 2017**	**YTD'18 vs. YTD'17**	
Interest income:											
Interest and fees on loans	$ 4,081	$ 4,172	$ 4,233	$ 4,182	$ 3,927	$ 154	3.9 %	$ 8,253	$ 7,804	$ 449	5.8 %
Interest on investment securities	93	72	58	51	43	50	116.3 %	165	79	86	108.9 %
Total interest income	4,174	4,244	4,291	4,233	3,970	204	5.1 %	8,418	7,883	535	6.8 %
Interest expense:											
Interest on deposits	273	249	233	219	202	71	35.1 %	522	396	126	31.8 %
Interest on borrowings of consolidated securitization entities	80	74	70	65	63	17	27.0 %	154	128	26	20.3 %
Interest on third-party debt	84	79	72	73	68	16	23.5 %	163	135	28	20.7 %
Total interest expense	437	402	375	357	333	104	31.2 %	839	659	180	27.3 %
Net interest income	3,737	3,842	3,916	3,876	3,637	100	2.7 %	7,579	7,224	355	4.9 %
Retailer share arrangements	(653)	(720)	(779)	(805)	(669)	16	(2.4)%	(1,373)	(1,353)	(20)	1.5 %
Net interest income, after retailer share arrangements	3,084	3,122	3,137	3,071	2,968	116	3.9 %	6,206	5,871	335	5.7 %
Provision for loan losses	1,280	1,362	1,354	1,310	1,326	(46)	(3.5)%	2,642	2,632	10	0.4 %
Net interest income, after retailer share arrangements and provision for loan losses	1,804	1,760	1,783	1,761	1,642	162	9.9 %	3,564	3,239	325	10.0 %
Other income:											
Interchange revenue	177	158	179	164	165	12	7.3 %	335	310	25	8.1 %
Debt cancellation fees	66	66	69	67	68	(2)	(2.9)%	132	136	(4)	(2.9)%
Loyalty programs	(192)	(155)	(193)	(168)	(206)	14	(6.8)%	(347)	(343)	(4)	1.2 %
Other	12	6	7	13	30	(18)	(60.0)%	18	47	(29)	(61.7)%
Total other income	63	75	62	76	57	6	10.5 %	138	150	(12)	(8.0)%
Other expense:											
Employee costs(1)	351	358	330	333	318	33	10.4 %	709	641	68	10.6 %
Professional fees	177	166	159	161	158	19	12.0 %	343	309	34	11.0 %
Marketing and business development	110	121	156	124	124	(14)	(11.3)%	231	218	13	6.0 %
Information processing	99	104	99	96	88	11	12.5 %	203	178	25	14.0 %
Other(1)	238	239	226	244	223	15	6.7 %	477	473	4	0.8 %
Total other expense	975	988	970	958	911	64	7.0 %	1,963	1,819	144	7.9 %
Earnings before provision for income taxes	892	847	875	879	788	104	13.2 %	1,739	1,570	169	10.8 %
Provision for income taxes	196	207	490	324	292	(96)	(32.9)%	403	575	(172)	(29.9)%
Net earnings attributable to common shareholders	$ 696	$ 640	$ 385	$ 555	$ 496	$ 200	40.3 %	$ 1,336	$ 995	$ 341	34.3 %

(1) We have reclassified certain amounts within Employee costs to Other for all periods in 2017 to conform to the current period classifications.

SYNCHRONY FINANCIAL

STATEMENTS OF FINANCIAL POSITION

(unaudited, $ in millions)

	Quarter Ended						
	Jun 30, 2018	**Mar 31, 2018**	**Dec 31, 2017**	**Sep 30, 2017**	**Jun 30, 2017**	**Jun 30, 2018 vs. Jun 30, 2017**	
Assets							
Cash and equivalents	$ 15,675	$ 13,044	$ 11,602	$ 13,915	$ 12,020	$ 3,655	30.4 %
Debt securities	6,779	6,259	4,473	3,302	3,982	2,797	70.2 %
Loan receivables:							
Unsecuritized loans held for investment	50,884	52,469	55,526	53,997	52,550	(1,666)	(3.2)%
Restricted loans of consolidated securitization entities	27,995	25,384	26,421	22,931	22,908	5,087	22.2 %
Total loan receivables	78,879	77,853	81,947	76,928	75,458	3,421	4.5 %
Less: Allowance for loan losses	(5,859)	(5,738)	(5,574)	(5,361)	(5,001)	(858)	17.2 %
Loan receivables, net	73,020	72,115	76,373	71,567	70,457	2,563	3.6 %
Goodwill	1,024	991	991	991	991	33	3.3 %
Intangible assets, net	863	780	749	772	787	76	9.7 %
Other assets	1,761	2,370	1,620	2,001	2,903	(1,142)	(39.3)%
Total assets	$ 99,122	$ 95,559	$ 95,808	$ 92,548	$ 91,140	$ 7,982	8.8 %
Liabilities and Equity							
Deposits:							
Interest-bearing deposit accounts	$ 58,734	$ 56,285	$ 56,276	$ 54,232	$ 52,659	$ 6,075	11.5 %
Non-interest-bearing deposit accounts	277	285	212	222	226	51	22.6 %
Total deposits	59,011	56,570	56,488	54,454	52,885	6,126	11.6 %
Borrowings:							
Borrowings of consolidated securitization entities	12,170	12,214	12,497	11,891	12,204	(34)	(0.3)%
Senior unsecured notes	9,551	8,801	8,302	8,008	8,505	1,046	12.3 %
Total borrowings	21,721	21,015	20,799	19,899	20,709	1,012	4.9 %
Accrued expenses and other liabilities	3,932	3,618	4,287	3,793	3,214	718	22.3 %
Total liabilities	84,664	81,203	81,574	78,146	76,808	7,856	10.2 %
Equity:							
Common stock	1	1	1	1	1	—	— %
Additional paid-in capital	9,486	9,470	9,445	9,429	9,415	71	0.8 %
Retained earnings	7,906	7,334	6,809	6,543	6,109	1,797	29.4 %
Accumulated other comprehensive income:	(93)	(86)	(64)	(40)	(49)	(44)	89.8 %
Treasury Stock	(2,842)	(2,363)	(1,957)	(1,531)	(1,144)	(1,698)	148.4 %
Total equity	14,458	14,356	14,234	14,402	14,332	126	0.9 %
Total liabilities and equity	$ 99,122	$ 95,559	$ 95,808	$ 92,548	$ 91,140	$ 7,982	8.8 %

SYNCHRONY FINANCIAL

AVERAGE BALANCES, NET INTEREST INCOME AND NET INTEREST MARGIN

(unaudited, $ in millions)

	Quarter Ended														
	Jun 30, 2018			Mar 31, 2018			Dec 31, 2017			Sep 30, 2017			Jun 30, 2017		
	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	$ 13,097	$ 59	1.81%	$ 12,434	$ 47	1.53%	$ 13,591	$ 43	1.26%	$ 11,895	$ 37	1.23%	$ 10,758	$ 28	1.04%
Securities available for sale	6,803	34	2.00%	5,584	25	1.82%	3,725	15	1.60%	3,792	14	1.46%	5,195	15	1.16%
Loan receivables:															
Credit cards, including held for sale	74,809	4,010	21.50%	76,181	4,099	21.82%	75,389	4,161	21.90%	73,172	4,111	22.29%	71,206	3,858	21.73%
Consumer installment loans	1,648	37	9.01%	1,572	36	9.29%	1,568	36	9.11%	1,543	35	9.00%	1,461	34	9.33%
Commercial credit products	1,346	34	10.13%	1,286	36	11.35%	1,375	35	10.10%	1,392	36	10.26%	1,378	34	9.90%
Other	50	—	—%	51	1	NM	37	1	NM	58	—	—%	45	1	NM
Total loan receivables, including held for sale	77,853	4,081	21.03%	79,090	4,172	21.39%	78,369	4,233	21.43%	76,165	4,182	21.78%	74,090	3,927	21.26%
Total interest-earning assets	97,753	4,174	17.13%	97,108	4,244	17.72%	95,685	4,291	17.79%	91,852	4,233	18.28%	90,043	3,970	17.68%
Non-interest-earning assets:															
Cash and due from banks	1,161			1,197			1,037			877			829		
Allowance for loan losses	(5,768)			(5,608)			(5,443)			(5,125)			(4,781)		
Other assets	3,068			3,010			3,219			3,517			3,303		
Total non-interest-earning assets	(1,539)			(1,401)			(1,187)			(731)			(649)		
Total assets	$ 96,214			$ 95,707			$ 94,498			$ 91,121			$ 89,394		
Liabilities															
Interest-bearing liabilities:															
Interest-bearing deposit accounts	$ 57,303	$ 273	1.91%	$ 56,356	$ 249	1.79%	$ 55,690	$ 233	1.66%	$ 53,294	$ 219	1.63%	$ 51,836	$ 202	1.56%
Borrowings of consolidated securitization entities	11,821	80	2.71%	12,410	74	2.42%	12,425	70	2.24%	11,759	65	2.19%	12,213	63	2.07%
Senior unsecured notes	9,114	84	3.70%	8,795	79	3.64%	7,940	72	3.60%	8,251	73	3.51%	7,933	68	3.44%
Total interest-bearing liabilities	78,238	437	2.24%	77,561	402	2.10%	76,055	375	1.96%	73,304	357	1.93%	71,982	333	1.86%
Non-interest-bearing liabilities															
Non-interest-bearing deposit accounts	270			300			218			232			218		
Other liabilities	3,299			3,570			3,716			3,154			2,752		
Total non-interest-bearing liabilities	3,569			3,870			3,934			3,386			2,970		
Total liabilities	81,807			81,431			79,989			76,690			74,952		
Equity															
Total equity	14,407			14,276			14,509			14,431			14,442		
Total liabilities and equity	$ 96,214			$ 95,707			$ 94,498			$ 91,121			$ 89,394		
Net interest income		$ 3,737			$ 3,842			$ 3,916			$ 3,876			$ 3,637	
Interest rate spread(1)			14.89%			15.62%			15.83%			16.35%			15.82%
Net interest margin(2)			15.33%			16.05%			16.24%			16.74%			16.20%

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

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

SYNCHRONY FINANCIAL

AVERAGE BALANCES, NET INTEREST INCOME AND NET INTEREST MARGIN

(unaudited, $ in millions)

	Six Months Ended Jun 30, 2018			Six Months Ended Jun 30, 2017		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
Assets						
Interest-earning assets:						
Interest-earning cash and equivalents	$ 12,768	$ 106	1.67%	$ 10,656	$ 49	0.93%
Securities available for sale	6,197	59	1.92%	5,204	30	1.16%
Loan receivables:						
Credit cards, including held for sale	75,492	8,109	21.66%	71,285	7,669	21.69%
Consumer installment loans	1,610	73	9.14%	1,425	66	9.34%
Commercial credit products	1,316	70	10.73%	1,348	68	10.17%
Other	50	1	4.03%	53	1	3.80%
Total loan receivables, including held for sale	78,468	8,253	21.21%	74,111	7,804	21.23%
Total interest-earning assets	97,433	8,418	17.42%	89,971	7,883	17.67%
Non-interest-earning assets:						
Cash and due from banks	1,179			816		
Allowance for loan losses	(5,689)			(4,595)		
Other assets	3,039			3,239		
Total non-interest-earning assets	(1,471)			(540)		
Total assets	$ 95,962			$ 89,431		
Liabilities						
Interest-bearing liabilities:						
Interest-bearing deposit accounts	$ 56,832	$ 522	1.85%	$ 51,833	$ 396	1.54%
Borrowings of consolidated securitization entities	12,114	154	2.56%	12,267	128	2.10%
Senior unsecured notes	8,955	163	3.67%	7,847	135	3.47%
Total interest-bearing liabilities	77,901	839	2.17%	71,947	659	1.85%
Non-interest-bearing liabilities						
Non-interest-bearing deposit accounts	285			229		
Other liabilities	3,434			2,872		
Total non-interest-bearing liabilities	3,719			3,101		
Total liabilities	81,620			75,048		
Equity						
Total equity	14,342			14,383		
Total liabilities and equity	$ 95,962			$ 89,431		
Net interest income		$ 7,579			$ 7,224	
Interest rate spread(1)			15.25%			15.82%
Net interest margin(2)			15.69%			16.19%

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

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

SYNCHRONY FINANCIAL

BALANCE SHEET STATISTICS

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

	Quarter Ended					
	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Jun 30, 2018 vs. Jun 30, 2017	
BALANCE SHEET STATISTICS							
Total common equity	$ 14,458	$ 14,356	$ 14,234	$ 14,402	$ 14,332	$ 126	0.9 %
Total common equity as a % of total assets	14.59%	15.02%	14.86%	15.56%	15.73%		(1.14)%
Tangible assets	$ 97,235	$ 93,788	$ 94,068	$ 90,785	$ 89,362	$ 7,873	8.8 %
Tangible common equity[1]	$ 12,571	$ 12,585	$ 12,494	$ 12,639	$ 12,554	$ 17	0.1 %
Tangible common equity as a % of tangible assets[1]	12.93%	13.42%	13.28%	13.92%	14.05%		(1.12)%
Tangible common equity per share[1]	$ 16.84	$ 16.55	$ 16.22	$ 16.15	$ 15.79	$ 1.05	6.6 %
REGULATORY CAPITAL RATIOS[2]							
	Basel III Fully Phased-in[3]		Basel III Transition				
Total risk-based capital ratio[4]	18.0%	18.1%	17.3%	18.7%	18.7%		
Tier 1 risk-based capital ratio[5]	16.6%	16.8%	16.0%	17.3%	17.4%		
Tier 1 leverage ratio[6]	13.6%	13.7%	13.8%	14.6%	14.8%		
Common equity Tier 1 capital ratio	16.6%	16.8%	16.0%	17.3%	17.4%		
	Basel III Fully Phased-in						
Common equity Tier 1 capital ratio	16.6%	16.8%	15.8%	17.2%	17.2%		

(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 June 30, 2018 are preliminary and therefore subject to change.

(3) Amounts presented do not reflect certain modifications to the regulatory capital rules proposed by the federal banking agencies in September 2017, which among other things, may increase the risk weighting of certain deferred tax assets from 100% to 250% if the proposed rule becomes effective.

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

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

(6) Tier 1 leverage ratio is the ratio of Tier 1 capital divided by total average assets, after certain adjustments.

SYNCHRONY FINANCIAL

PLATFORM RESULTS

(unaudited, $ in millions)

	Quarter Ended							Six Months Ended			
	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	2Q'18 vs. 2Q'17		Jun 30, 2018	Jun 30, 2017	YTD'18 vs. YTD'17	
RETAIL CARD											
Purchase volume(1)(2)	$ 27,340	$ 23,382	$ 29,839	$ 26,347	$ 27,101	$ 239	0.9 %	$ 50,722	$ 50,053	$ 669	1.3 %
Period-end loan receivables	$ 52,918	$ 52,531	$ 56,230	$ 52,119	$ 51,437	$ 1,481	2.9 %	$ 52,918	$ 51,437	$ 1,481	2.9 %
Average loan receivables, including held for sale	$ 52,427	$ 53,673	$ 53,256	$ 51,817	$ 50,533	$ 1,894	3.7 %	$ 53,047	$ 50,588	$ 2,459	4.9 %
Average active accounts (in thousands)(2)(3)	54,092	55,927	56,113	54,471	54,058	34	0.1 %	55,211	54,729	482	0.9 %
Interest and fees on loans(2)	$ 2,993	$ 3,096	$ 3,133	$ 3,102	$ 2,900	$ 93	3.2 %	$ 6,089	$ 5,788	$ 301	5.2 %
Other income(2)	$ 48	$ 65	$ 49	$ 61	$ 25	$ 23	92.0 %	$ 113	$ 102	$ 11	10.8 %
Retailer share arrangements(2)	$ (644)	$ (714)	$ (771)	$ (795)	$ (657)	$ 13	(2.0)%	$ (1,358)	$ (1,338)	$ (20)	1.5 %
PAYMENT SOLUTIONS											
Purchase volume(1)	$ 4,288	$ 3,823	$ 4,366	$ 4,178	$ 3,930	$ 358	9.1 %	$ 8,111	$ 7,616	$ 495	6.5 %
Period-end loan receivables	$ 16,875	$ 16,513	$ 16,857	$ 16,153	$ 15,595	$ 1,280	8.2 %	$ 16,875	$ 15,595	$ 1,280	8.2 %
Average loan receivables	$ 16,562	$ 16,629	$ 16,386	$ 15,848	$ 15,338	$ 1,224	8.0 %	$ 16,595	$ 15,381	$ 1,214	7.9 %
Average active accounts (in thousands)(3)	9,433	9,545	9,421	9,183	9,031	402	4.5 %	9,492	9,061	431	4.8 %
Interest and fees on loans	$ 566	$ 562	$ 574	$ 559	$ 533	$ 33	6.2 %	$ 1,128	$ 1,048	$ 80	7.6 %
Other income	$ 4	$ 2	$ 2	$ 2	$ 6	$ (2)	(33.3)%	$ 6	$ 10	$ (4)	(40.0)%
Retailer share arrangements	$ (7)	$ (4)	$ (5)	$ (9)	$ (9)	$ 2	(22.2)%	$ (11)	$ (10)	$ (1)	10.0 %
CARECREDIT											
Purchase volume(1)	$ 2,640	$ 2,421	$ 2,360	$ 2,368	$ 2,445	$ 195	8.0 %	$ 5,061	$ 4,687	$ 374	8.0 %
Period-end loan receivables	$ 9,086	$ 8,809	$ 8,860	$ 8,656	$ 8,426	$ 660	7.8 %	$ 9,086	$ 8,426	$ 660	7.8 %
Average loan receivables	$ 8,864	$ 8,788	$ 8,727	$ 8,500	$ 8,219	$ 645	7.8 %	$ 8,826	$ 8,142	$ 684	8.4 %
Average active accounts (in thousands)(3)	5,819	5,851	5,814	5,677	5,546	273	4.9 %	5,837	5,517	320	5.8 %
Interest and fees on loans	$ 522	$ 514	$ 526	$ 521	$ 494	$ 28	5.7 %	$ 1,036	$ 968	$ 68	7.0 %
Other income	$ 11	$ 8	$ 11	$ 13	$ 26	$ (15)	(57.7)%	$ 19	$ 38	$ (19)	(50.0)%
Retailer share arrangements	$ (2)	$ (2)	$ (3)	$ (1)	$ (3)	$ 1	(33.3)%	$ (4)	$ (5)	$ 1	(20.0)%
TOTAL SYF											
Purchase volume(1)(2)	$ 34,268	$ 29,626	$ 36,565	$ 32,893	$ 33,476	$ 792	2.4 %	$ 63,894	$ 62,356	$ 1,538	2.5 %
Period-end loan receivables	$ 78,879	$ 77,853	$ 81,947	$ 76,928	$ 75,458	$ 3,421	4.5 %	$ 78,879	$ 75,458	$ 3,421	4.5 %
Average loan receivables, including held for sale	$ 77,853	$ 79,090	$ 78,369	$ 76,165	$ 74,090	$ 3,763	5.1 %	$ 78,468	$ 74,111	$ 4,357	5.9 %
Average active accounts (in thousands)(2)(3)	69,344	71,323	71,348	69,331	68,635	709	1.0 %	70,540	69,307	1,233	1.8 %
Interest and fees on loans(2)	$ 4,081	$ 4,172	$ 4,233	$ 4,182	$ 3,927	$ 154	3.9 %	$ 8,253	$ 7,804	$ 449	5.8 %
Other income(2)	$ 63	$ 75	$ 62	$ 76	$ 57	$ 6	10.5 %	$ 138	$ 150	$ (12)	(8.0)%
Retailer share arrangements(2)	$ (653)	$ (720)	$ (779)	$ (805)	$ (669)	$ 16	(2.4)%	$ (1,373)	$ (1,353)	$ (20)	1.5 %

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

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

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

SYNCHRONY FINANCIAL

RECONCILIATION OF NON-GAAP MEASURES AND CALCULATIONS OF REGULATORY MEASURES(1)

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

	Quarter Ended				
	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017
COMMON EQUITY MEASURES					
GAAP Total common equity	$ 14,458	$ 14,356	$ 14,234	$ 14,402	$ 14,332
Less: Goodwill	(1,024)	(991)	(991)	(991)	(991)
Less: Intangible assets, net	(863)	(780)	(749)	(772)	(787)
Tangible common equity	$ 12,571	$ 12,585	$ 12,494	$ 12,639	$ 12,554
Adjustments for certain deferred tax liabilities and certain items in accumulated comprehensive income (loss)	287	278	254	344	337
Basel III - Common equity Tier 1 (fully phased-in)	$ 12,858	$ 12,863	$ 12,748	$ 12,983	$ 12,891
Adjustment related to capital components during transition			142	142	146
Basel III - Common equity Tier 1 (transition)			$ 12,890	$ 13,125	$ 13,037
RISK-BASED CAPITAL					
Common equity Tier 1	$ 12,858	$ 12,863	$ 12,890	$ 13,125	$ 13,037
Add: Allowance for loan losses includible in risk-based capital	1,027	1,015	1,064	1,001	985
Risk-based capital	$ 13,885	$ 13,878	$ 13,954	$ 14,126	$ 14,022
ASSET MEASURES					
Total average assets	$ 96,214	$ 95,707	$ 94,498	$ 91,121	$ 89,394
Adjustments for:					
Disallowed goodwill and other disallowed intangible assets (net of related deferred tax liabilities) and other	(1,670)	(1,560)	(1,392)	(1,304)	(1,325)
Total assets for leverage purposes	$ 94,544	$ 94,147	$ 93,106	$ 89,817	$ 88,069
Risk-weighted assets - Basel III (fully phased-in)	$ 77,322	$ 76,509	$ 80,526	$ 75,614	$ 74,748
Risk-weighted assets - Basel III (transition)			$ 80,669	$ 75,729	$ 74,792
TANGIBLE COMMON EQUITY PER SHARE					
GAAP book value per share	$ 19.37	$ 18.88	$ 18.47	$ 18.40	$ 18.02
Less: Goodwill	(1.37)	(1.30)	(1.29)	(1.27)	(1.25)
Less: Intangible assets, net	(1.16)	(1.03)	(0.96)	(0.98)	(0.98)
Tangible common equity per share	$ 16.84	$ 16.55	$ 16.22	$ 16.15	$ 15.79
ADJUSTED NET EARNINGS					
GAAP net earnings	$ 696	$ 640	$ 385	$ 555	$ 496
Adjustment for tax law change(2)	—	—	160	—	—
Adjusted net earnings	$ 696	$ 640	$ 545	$ 555	$ 496
ADJUSTED DILUTED EPS					
GAAP diluted EPS	$ 0.92	$ 0.83	$ 0.49	$ 0.70	$ 0.61
Adjustment for tax law change(2)	—	—	0.21	—	—
Adjusted diluted EPS	$ 0.92	$ 0.83	$ 0.70	$ 0.70	$ 0.61

(1) Regulatory measures at June 30, 2018 are presented on an estimated basis.

(2) Adjustment to exclude the effects to Provision for income taxes in the quarter ended December 31, 2017, resulting from the Tax Act.

Exhibit 99.3

2Q'18 Financial Results
July 27, 2018

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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 "expects," "intends," "anticipates," "plans," "believes," "seeks," "targets," "outlook," "estimates," "will," "should," "may" or words of similar meaning, but these words are not the exclusive means of identifying forward-looking statements. Forward-looking statements are based on management's current expectations and assumptions, and are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, actual results could differ materially from those indicated in these forward-looking statements. Factors that could cause actual results to differ materially include global political, economic, business, competitive, market, regulatory and other factors and risks, such as: the impact of macroeconomic conditions and whether industry trends we have identified develop as anticipated; retaining existing partners and attracting new partners, concentration of our revenue in a small number of Retail Card partners, promotion and support of our products by our partners, and financial performance of our partners; cyber-attacks or other security breaches; higher borrowing costs and adverse financial market conditions impacting our funding and liquidity, and any reduction in our credit ratings; our ability to grow our deposits in the future; our ability to securitize our loan receivables, occurrence of an early amortization of our securitization facilities, loss of the right to service or subservice our securitized loan receivables, and lower payment rates on our securitized loan receivables; changes in market interest rates and the impact of any margin compression; effectiveness of our risk management processes and procedures, reliance on models which may be inaccurate or misinterpreted, our ability to manage our credit risk, 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 acquisitions and strategic investments; our ability to realize the benefits of and expected capital available from strategic options; reductions in interchange fees; fraudulent activity; 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/or interpretations, and state sales tax rules and regulations; a material indemnification obligation to GE under the Tax Sharing and Separation Agreement with GE if we cause the split-off from GE or certain preliminary transactions to fail to qualify for tax-free treatment or in the case of certain significant transfers of our stock following the split-off; regulation, supervision, examination and enforcement of our business by governmental authorities, the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the impact of the Consumer Financial Protection Bureau's regulation of our business; impact of capital adequacy rules and liquidity requirements; restrictions that limit our ability to pay dividends and repurchase our common stock, and restrictions that limit the Synchrony Bank's ability to pay dividends to us; regulations relating to privacy, information security and data protection; use of third-party vendors and ongoing third-party business relationships; and failure to comply with anti-money laundering and anti-terrorism financing laws.

For the reasons described above, we caution you against relying on any forward-looking statements, which should also be read in conjunction with the other cautionary statements that are included elsewhere in this presentation and in our public filings, including under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as filed on February 22, 2018. 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.

2Q'18 Highlights

Financial Highlights

- $696 million Net Earnings, $0.92 diluted EPS
- Continued growth across the business
  - Loan Receivables up 5%
  - Net Interest Income up 3%
  - Purchase Volume up 2%
  - Average Active Accounts up 1%
- Net Charge-Offs 5.97% compared to 5.42% in the prior year
- Provision for Loan Losses down 3%, lower reserve build driven by improving credit trends
- Efficiency Ratio 31.0% compared to 30.1% in the prior year
- Deposits up $6.1 billion compared to prior year, comprising 73% of funding
- Strong Capital and Liquidity
  - 16.6% CET1 & $21.5 billion Liquid Assets
- Announced new capital plan increasing quarterly dividend to $0.21 and $2.2 billion of share repurchases

Business Highlights

Completed acquisition of the U.S. PayPal Credit financing program in July

PayPal

Added new partnerships…

FURNITURE ROW. Real Furniture. Real Value.

The Good Feet Store

Renewed key relationships

Ashley HOMESTORE

ROBBINS BROTHERS the engagement ring store

sleep number

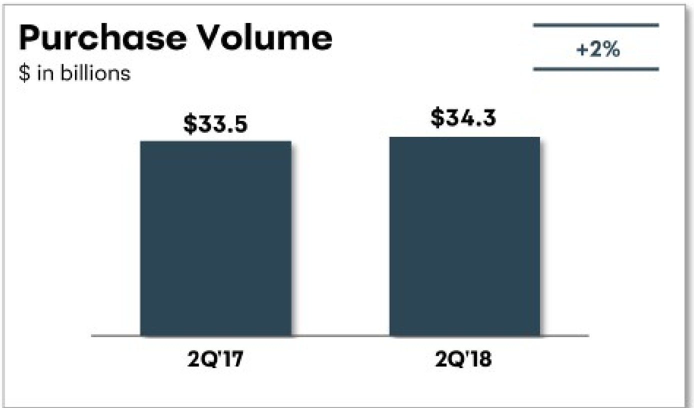
HAVERTYS LIFE LOOKS GOOD

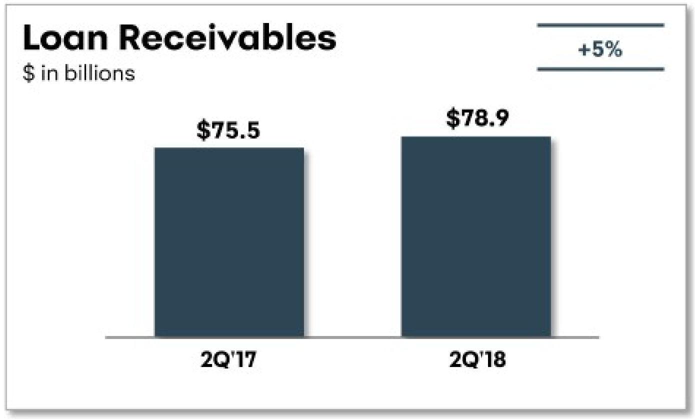
LasikPlus

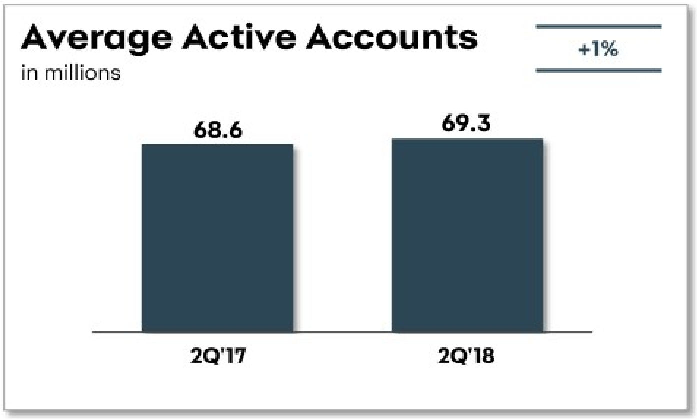
Acquired e-gifting platform

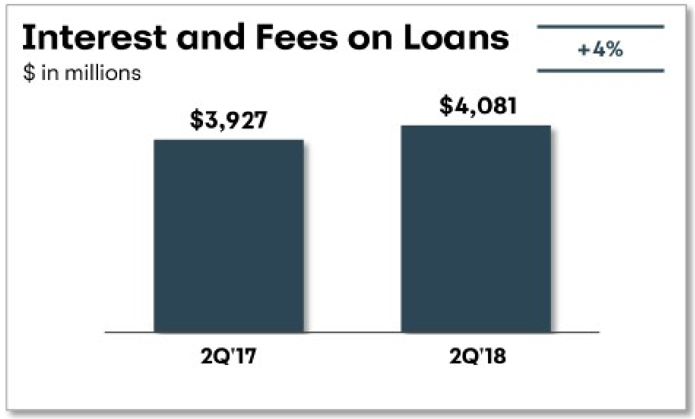
LOOP COMMERCE

Growth Metrics





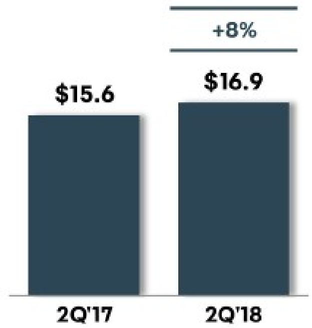




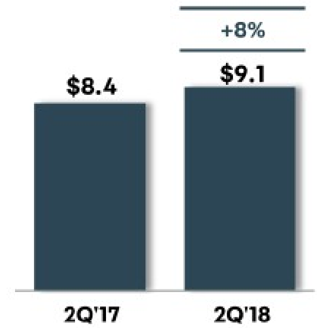
Platform Results[a]

Retail Card
Loan Receivables, $ in billions

Payment Solutions
Loan Receivables, $ in billions



CareCredit
Loan Receivables, $ in billions



	Retail Card 2Q'17	Retail Card 2Q'18	V%	Payment Solutions 2Q'17	Payment Solutions 2Q'18	V%	CareCredit 2Q'17	CareCredit 2Q'18	V%
Purchase Volume	$27.2	$27.4	+1%	$3.9	$4.3	+9%	$2.4	$2.6	+8%
Accounts	54.1	54.1	+0%	9.0	9.4	+4%	5.5	5.8	+5%
Interest and Fees on Loans	$2,900	$2,993	+3%	$533	$566	+6%	$494	$522	+6%

Retail Card:
- Solid growth partially offset by impact of underwriting refinements
- Interest and Fees on Loans up 3% driven by receivable growth

Payment Solutions:
- Strong Loan Receivable growth led by home furnishing and auto
- Interest and Fees on Loans up 6% driven by receivable growth

CareCredit:
- Loan Receivable growth led by dental and veterinary
- Interest and Fees on Loans up 6% driven by receivable growth

a) Accounts represent Average Active Accounts in millions, which are credit card or installment loan accounts on which there has been a purchase, payment or outstanding balance in the current month. Purchase Volume $ in billions and Interest and Fees on Loans $ in millions

Financial Results

Summary Earnings Statement

$ in millions, except ratios

	2Q'18	2Q'17	B/(W) $	B/(W) %
Total Interest Income	$4,174	$3,970	$204	5%
Total Interest Expense	437	333	(104)	(31)%
Net Interest Income (NII)	**3,737**	**3,637**	**100**	**3%**
Retailer Share Arrangements (RSA)	(653)	(669)	16	2%
NII, after RSA	**3,084**	**2,968**	**116**	**4%**
Provision for Loan Losses	1,280	1,326	46	3%
Other Income	63	57	6	11%
Other Expense	975	911	(64)	(7)%
Pre-Tax Earnings	**892**	**788**	**104**	**13%**
Provision for Income Taxes	196	292	96	33%
Net Earnings	**$696**	**$496**	**$200**	**40%**
Diluted Earnings Per Share	**$0.92**	**$0.61**	**$0.31**	

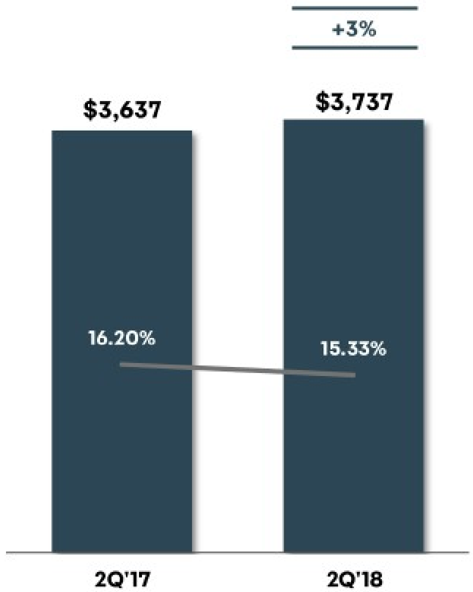
2Q'18 Highlights

- **$696 million Net Earnings, $0.92 diluted EPS**
- **Net Interest Income up 3% primarily driven by growth in Loan Receivables**
  - Interest and Fees on Loans up 4% driven by average Loan Receivables growth
  - Interest Expense increase driven by benchmark movement, growth and pre-funding for the PayPal credit portfolio
- **Retailer Share Arrangements down 2%**
  - Decrease driven primarily by Toys "R" Us
- **Provision for Loan Losses down 3% driven by lower reserve build**
  - Net Charge-Offs of 5.97% compared to 5.42% in the prior year
- **Other Expense up 7%**
  - Driven primarily by growth and strategic investments

Net Interest Income

Net Interest Income

$ in millions, % of average Interest-Earning Assets



2Q'18 Highlights

- **Net Interest Income increased 3% compared to prior year driven primarily by growth in Loan Receivables**
  - Interest and Fees on Loans increased 4% compared to prior year driven by average Loan Receivables growth
- **Net Interest Margin down 87bps.**
  - Loan Receivables mix as a percent of total Earning Assets decreased from 82.3% to 79.6% driven primarily by pre-funding the PayPal credit portfolio
  - Loan Receivables yield 21.03%, down 23bps. versus prior year
  - Total Interest-Bearing Liabilities cost increased 38bps. to 2.24% driven by benchmark movement and pre-funding for the PayPal Credit portfolio

Asset Quality Metrics

30+ Days Past Due

$ in millions, % of period-end Loan Receivables

Net Charge-Offs

$ in millions, % of average Loan Receivables including held for sale

90+ Days Past Due

$ in millions, % of period-end Loan Receivables

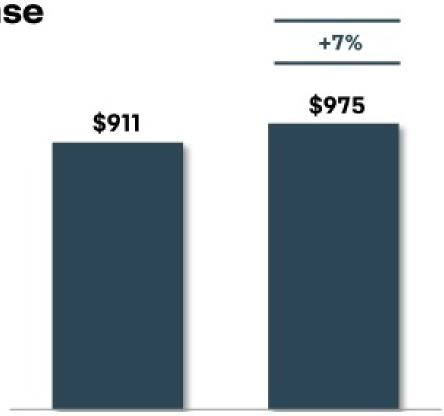
Allowance For Loan Losses

$ in millions, % of period-end Loan Receivables

Other Expense

Other Expense

$ in millions



	2Q'17	2Q'18	V$	V%
Employee Costs	$318	$351	$33	10%
Professional Fees	158	177	19	12%
Marketing/BD	124	110	(14)	(11)%
Information Processing	88	99	11	13%
Other	223	238	15	7%
Other Expense	$911	$975	$64	7%
Efficiency [(a)]	**30.1%**	**31.0%**		**0.9pts.**

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

2Q'18 Highlights

- **Other Expense up 7%**
  - Other Expense increase driven primarily by growth and strategic investments
- **Efficiency Ratio 31.0% vs. 30.1% prior year**

Funding, Capital and Liquidity

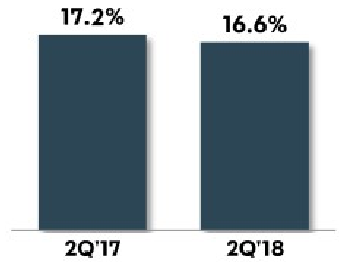
Funding Sources

$ in billions

	2Q'17	2Q'18	Variance
Deposits	72%	73%	+1pts.
Securitization	17%	15%	(2)pts.
Unsecured	11%	12%	+1pts.

Capital Ratios

Common equity Tier 1 % - Basel III fully phased-in



Liquidity[a]

$ in billions

	2Q'17	2Q'18
Liquid Assets	$15.3	$21.5
Undrawn Credit Facilities	6.6	6.5
Total Liquidity	**$21.9**	**$28.0**
% of Total Assets	**24.1%**	**28.2%**

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

PayPal Impact on Outlook

Receivables Purchased: $7.6 Billion
Closing Date: July 2, 2018

2018 Outlook With PayPal Credit Portfolio		
	Previous	Current
Loan Receivables Growth[a]	13% - 15%	13% - 15%
Net Interest Margin	15.75% - 16.00%	15.75% - 16.00%
RSAs/Average Receivables	4.2% - 4.4%	~4.0%
Net Charge-off Rate	5.5% - 5.8%	5.5% - 5.8%
Efficiency Ratio	~ 31.0%	~ 31.0%
ROA	~ 2.5%	~ 2.5%

3Q'18 Reserve Build	
Core	~$125-150MM
PayPal	~$300-325MM
Total	~$425-475MM

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(a) Period-end 12/31/18 versus 12/31/17

Strategic Options for Walmart Portfolio

Portfolio Sale

Overview

- Decision to sell portfolio and estimated gain on sale determined by 1Q'19
- Portfolio would transfer to new issuer upon contract expiration on July 31, 2019

Strategic and Financial Implications

- ~$2.5 billion of capital freed up to deploy on capital actions and higher returning alternatives:
  - Portfolio size: ~$10B
  - Capital supporting portfolio: ~ $1.5B
  - Release reserve associated with the portfolio
  - Portfolio sale expected to generate a gain
- $300-350MM of ongoing cost savings identified
- Improves/maintains certain operating metrics:
  - 60-70bp reduction in Net Charge-Offs
  - Neutral to return profile
- Expect to use the majority of ~$2.5 billion to repurchase shares by end of 2019 subject to Board and regulatory approval
- Combination of share repurchase and cost savings expected to fully replace EPS generated by current program
  - Accretive to EPS relative to renewal terms

Retain Portfolio + Convert to GPCC

Overview

- Expect to convert qualifying accounts to GPCC beginning in 1Q'19
- Cards not converted to GPCC will remain Walmart cards that can be used in-brand for 3 years

Strategic and Financial Implications

- Improved economic profile and risk-adjusted returns
  - Elimination of RSAs and interchange fees earned on GPCC/Dual Card will fund enhanced value props, branding and promotions
  - Royalties earned on Walmart purchases for three years post contract expiration
  - Opportunity to optimize portfolio performance: improve credit metrics, cost structure and return profile going forward
- Improves diversification of overall portfolio, reduces partner concentration
- Builds on direct to consumer strategy, ability to realize synergies with direct bank
- Retaining portfolio and conversion to GPCC expected to fully replace EPS generated by current program
  - Accretive to EPS relative to renewal terms

2Q'18 Wrap Up

- Net earnings of $696 million … $0.92 diluted earnings per share
- Broad based growth … Purchase volume +2%, Loan receivables +5%, Net interest income +3%
- Completed acquisition of the U.S. PayPal Credit financing program in July
- Added new partnerships … Furniture Row and The Good Feet Store
- Renewed key partners … Robbins Brothers, Ashley HomeStore, LCA Vision, Sleep Number and Havertys
- Acquired e-gifting platform Loop Commerce
- Fast-growing deposit platform … deposits at $59 billion comprising 73% of funding
- Strong balance sheet, $21.5 billion of liquid assets and 16.6% CET1
- Completed quarterly common stock dividend of $0.15 per share and repurchased $491 million of shares in the quarter
- Announced new capital plan increasing quarterly dividend to $0.21 and $2.2 billion of share repurchases

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Engage with us.

Exhibit 99.4

Explanation of Non-GAAP Measures

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

We present certain financial measures that have been adjusted to exclude the effects from the Tax Cuts and Jobs Act of 2017 (the “Tax Act”). We have adjusted net earnings and earnings per share to show these measures excluding additional tax expense incurred in the quarterly period ended December 31, 2017 related to the impact from the Tax Act. The additional tax expense was primarily due to the Tax Act’s reduction in the corporate tax rate that resulted in a remeasurement of our net deferred tax asset. We also present return on assets and return on equity, adjusted to include Adjusted net earnings as the numerator for these ratios. We believe these measures help investors understand the impact of this recent law change on our reported results. The reconciliation of Adjusted net earnings and Adjusted diluted earnings per share to the comparable GAAP component 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.