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

FORM 8-K

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

October 19, 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 October 19, 2018, Synchrony Financial (the "Company") issued a press release setting forth the Company's third 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 October 19, 2018, issued by Synchrony Financial
99.2	Financial Data Supplement of the Company for the quarter ended September 30, 2018
99.3	Financial Results Presentation of the Company for the quarter ended September 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: October 19, 2018

By:	/s/ Jonathan Mothner
Name:	Jonathan Mothner
Title:	Executive Vice President, General Counsel and Secretary

EXHIBIT INDEX

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

For Immediate Release: October 19, 2018

Synchrony Financial Reports Third Quarter Net Earnings of $671 Million or $0.91 Per Diluted Share

STAMFORD, Conn. – Synchrony Financial (NYSE: SYF) today announced third quarter 2018 net earnings of $671 million, or $0.91 per diluted share. Highlights included:

- Net interest income increased 9% from the third quarter of 2017 to $4.2 billion
- Loan receivables grew $11 billion, or 14%, from the third quarter of 2017 to $88 billion
- Purchase volume increased 11% from the third quarter of 2017 to $36 billion
- Deposits grew $8 billion, or 14%, from the third quarter of 2017 to $62 billion
- Completed the U.S. PayPal Credit financing program acquisition on July 2, 2018, acquiring $7.6 billion in receivables and making Synchrony the exclusive issuer of PayPal Credit in the U.S.
- Renewed relationships: Lowe's, JCPenney, Associated Materials, and Generac
- Added new partnerships: Fred Meyer Jewelers and Eargo
- Expanded CareCredit network and enhanced mobile app capabilities
- Paid quarterly common stock dividend of $0.21 per share and repurchased $966 million of Synchrony Financial common stock

"We generated strong results this quarter, adding a top new program with the completion of the acquisition of the U.S. PayPal Credit program, while also continuing to drive organic growth. In addition to renewing key partnerships, we won exciting new programs. We have also been expanding our valuable CareCredit network, entering more than 25 new markets over the last several quarters. We continue to invest in our digital capabilities and network, focusing on ease of card use across platforms, as well as card utility, enhancing our competitive position in the rapidly changing marketplace. We are also seeing other important elements of our business, such as credit quality, continue to perform in-line with our expectations," said Margaret Keane, President and Chief Executive Officer of Synchrony Financial.

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

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

Earnings

- Net interest income increased $330 million, or 9%, to $4.2 billion, primarily driven by the PayPal Credit program acquisition and loan receivables growth. Net interest income after retailer share arrangements increased 9%.
- Provision for loan losses increased $141 million, or 11%, to $1.5 billion, driven by the PayPal Credit reserve build partially offset by moderating credit trends.
- Other income was down $13 million to $63 million.
- Other expense increased $96 million, or 10%, to $1.1 billion, primarily driven by the PayPal Credit program acquisition and growth-related expenses.
- Provision for income taxes was down 31%, primarily due to tax reform.
- Net earnings totaled $671 million compared to $555 million last year.

Balance Sheet

- Period-end loan receivables growth was 14%, purchase volume growth was 11% and average active account growth was 9%, primarily driven by the PayPal Credit program acquisition and growth.
- Deposits grew to $62 billion, up $8 billion, or 14%, and comprised 72% of funding.
- The Company's balance sheet remained strong with total liquidity (liquid assets and undrawn credit facilities) of $23 billion, or 22% of total assets.
- The estimated fully phased-in Common Equity Tier 1 ratio under Basel III was 14.2%, compared to 17.2%, reflecting the impact of capital deployment through the PayPal Credit program acquisition, growth, and continued execution of our capital plan.

Key Financial Metrics

- Return on assets was 2.7% and return on equity was 18.5%.
- Net interest margin was 16.41%.
- Efficiency ratio was 31.0%.

Credit Quality

- Loans 30+ days past due as a percentage of total period-end loan receivables were 4.59% compared to 4.80% last year.
- Net charge-offs as a percentage of total average loan receivables were 4.97% compared to 4.95% last year.
- The allowance for loan losses as a percentage of total period-end loan receivables was 7.11% compared to 6.97% last year.

Sales Platforms

- Retail Card period-end loan receivables grew 16%, driven by the PayPal Credit program acquisition. Interest and fees on loans increased 12%, purchase volume growth was 11% and average active accounts increased 10%, all largely driven by the PayPal Credit program acquisition.
- Payment Solutions period-end loan receivables grew 9%, led by home furnishings and power equipment. Interest and fees on loans increased 8%, primarily driven by the loan receivables growth. Purchase volume growth was 10% and average active accounts increased 5%.
- 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 9% 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 September 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, October 19, 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 32018#, and can be accessed beginning approximately two hours after the event through November 2, 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.

SYNCHRONY FINANCIAL

FINANCIAL SUMMARY

(unaudited, in millions, except per share statistics)

	Quarter Ended							Nine Months Ended			
	Sep 30, 2018	**Jun 30, 2018**	**Mar 31, 2018**	**Dec 31, 2017**	**Sep 30, 2017**	**3Q'18 vs. 3Q'17**		**Sep 30, 2018**	**Sep 30, 2017**	**YTD'18 vs. YTD'17**	
EARNINGS											
Net interest income	$ 4,206	$ 3,737	$ 3,842	$ 3,916	$ 3,876	$ 330	8.5 %	$ 11,785	$ 11,100	$ 685	6.2 %
Retailer share arrangements	(871)	(653)	(720)	(779)	(805)	(66)	8.2 %	(2,244)	(2,158)	(86)	4.0 %
Net interest income, after retailer share arrangements	3,335	3,084	3,122	3,137	3,071	264	8.6 %	9,541	8,942	599	6.7 %
Provision for loan losses	1,451	1,280	1,362	1,354	1,310	141	10.8 %	4,093	3,942	151	3.8 %
Net interest income, after retailer share arrangements and provision for loan losses	1,884	1,804	1,760	1,783	1,761	123	7.0 %	5,448	5,000	448	9.0 %
Other income	63	63	75	62	76	(13)	(17.1)%	201	226	(25)	(11.1)%
Other expense	1,054	975	988	970	958	96	10.0 %	3,017	2,777	240	8.6 %
Earnings before provision for income taxes	893	892	847	875	879	14	1.6 %	2,632	2,449	183	7.5 %
Provision for income taxes	222	196	207	490	324	(102)	(31.5)%	625	899	(274)	(30.5)%
Net earnings	$ 671	$ 696	$ 640	$ 385	$ 555	$ 116	20.9 %	$ 2,007	$ 1,550	$ 457	29.5 %
Net earnings attributable to common stockholders	$ 671	$ 696	$ 640	$ 385	$ 555	$ 116	20.9 %	$ 2,007	$ 1,550	$ 457	29.5 %
Adjusted net earnings(1)	$ 671	$ 696	$ 640	$ 545	$ 555	$ 116	20.9 %	$ 2,007	$ 1,550	$ 457	29.5 %
COMMON SHARE STATISTICS											
Basic EPS	$ 0.91	$ 0.93	$ 0.84	$ 0.49	$ 0.70	$ 0.21	30.0 %	$ 2.68	$ 1.93	$ 0.75	38.9 %
Diluted EPS	$ 0.91	$ 0.92	$ 0.83	$ 0.49	$ 0.70	$ 0.21	30.0 %	$ 2.66	$ 1.93	$ 0.73	37.8 %
Adjusted diluted EPS(1)	$ 0.91	$ 0.92	$ 0.83	$ 0.70	$ 0.70	$ 0.21	30.0 %	$ 2.66	$ 1.93	$ 0.73	37.8 %
Dividend declared per share	$ 0.21	$ 0.15	$ 0.15	$ 0.15	$ 0.15	$ 0.06	40.0 %	$ 0.51	$ 0.41	$ 0.10	24.4 %
Common stock price	$ 31.08	$ 33.38	$ 33.53	$ 38.61	$ 31.05	$ 0.03	0.1 %	$ 31.08	$ 31.05	$ 0.03	0.1 %
Book value per share	$ 19.47	$ 19.37	$ 18.88	$ 18.47	$ 18.40	$ 1.07	5.8 %	$ 19.47	$ 18.40	$ 1.07	5.8 %
Tangible common equity per share(2)	$ 16.51	$ 16.84	$ 16.55	$ 16.22	$ 16.15	$ 0.36	2.2 %	$ 16.51	$ 16.15	$ 0.36	2.2 %
Beginning common shares outstanding	746.6	760.3	770.5	782.6	795.3	(48.7)	(6.1)%	770.5	817.4	(46.9)	(5.7)%
Issuance of common shares	—	—	—	—	—	—	— %	—	—	—	— %
Stock-based compensation	2.4	0.3	0.2	0.1	0.1	2.3	NM	2.9	0.3	2.6	NM
Shares repurchased	(30.3)	(14.0)	(10.4)	(12.2)	(12.8)	(17.5)	136.7 %	(54.7)	(35.1)	(19.6)	55.8 %
Ending common shares outstanding	718.7	746.6	760.3	770.5	782.6	(63.9)	(8.2)%	718.7	782.6	(63.9)	(8.2)%
Weighted average common shares outstanding	734.9	752.2	763.7	778.7	787.3	(52.4)	(6.7)%	750.2	801.3	(51.1)	(6.4)%
Weighted average common shares outstanding (fully diluted)	738.8	758.3	770.3	784.0	790.9	(52.1)	(6.6)%	755.7	805.0	(49.3)	(6.1)%

(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					3Q'18 vs. 3Q'17		Nine Months Ended		YTD'18 vs. YTD'17	
	Sep 30, 2018	**Jun 30, 2018**	**Mar 31, 2018**	**Dec 31, 2017**	**Sep 30, 2017**			**Sep 30, 2018**	**Sep 30, 2017**		
PERFORMANCE METRICS											
Return on assets(1)	2.7%	2.9%	2.7%	1.6%	2.4%		0.3 %	2.8%	2.3%		0.5 %
Return on equity(2)	18.5%	19.4%	18.2%	10.5%	15.3%		3.2 %	18.7%	14.4%		4.3 %
Return on tangible common equity(3)	21.5%	22.1%	20.7%	12.0%	17.4%		4.1 %	21.5%	16.4%		5.1 %
Adjusted return on assets(4)	2.7%	2.9%	2.7%	2.3%	2.4%		0.3 %	2.8%	2.3%		0.5 %
Adjusted return on equity(4)	18.5%	19.4%	18.2%	14.9%	15.3%		3.2 %	18.7%	14.4%		4.3 %
Adjusted return on tangible common equity(5)	21.5%	22.1%	20.7%	17.0%	17.4%		4.1 %	21.5%	16.4%		5.1 %
Net interest margin(6)	16.41%	15.33%	16.05%	16.24%	16.74%		(0.33)%	15.94%	16.38%		(0.44)%
Efficiency ratio(7)	31.0%	31.0%	30.9%	30.3%	30.4%		0.6 %	31.0%	30.3%		0.7 %
Other expense as a % of average loan receivables, including held for sale	4.82%	5.02%	5.07%	4.91%	4.99%		(0.17)%	4.96%	4.96%		— %
Effective income tax rate	24.9%	22.0%	24.4%	56.0%	36.9%		(12.0)%	23.7%	36.7%		(13.0)%
CREDIT QUALITY METRICS											
Net charge-offs as a % of average loan receivables, including held for sale	4.97%	5.97%	6.14%	5.78%	4.95%		0.02 %	5.67%	5.23%		0.44 %
30+ days past due as a % of period-end loan receivables(8)	4.59%	4.17%	4.52%	4.67%	4.80%		(0.21)%	4.59%	4.80%		(0.21)%
90+ days past due as a % of period-end loan receivables(8)	2.09%	1.98%	2.28%	2.28%	2.22%		(0.13)%	2.09%	2.22%		(0.13)%
Net charge-offs	$ 1,087	$ 1,159	$ 1,198	$ 1,141	$ 950	$ 137	14.4 %	$ 3,444	$ 2,925	$ 519	17.7 %
Loan receivables delinquent over 30 days(8)	$ 4,021	$ 3,293	$ 3,521	$ 3,831	$ 3,694	$ 327	8.9 %	$ 4,021	$ 3,694	$ 327	8.9 %
Loan receivables delinquent over 90 days(8)	$ 1,833	$ 1,561	$ 1,776	$ 1,869	$ 1,707	$ 126	7.4 %	$ 1,833	$ 1,707	$ 126	7.4 %
Allowance for loan losses (period-end)	$ 6,223	$ 5,859	$ 5,738	$ 5,574	$ 5,361	$ 862	16.1 %	$ 6,223	$ 5,361	$ 862	16.1 %
Allowance coverage ratio(9)	7.11%	7.43%	7.37%	6.80%	6.97%		0.14 %	7.11%	6.97%		0.14 %
BUSINESS METRICS											
Purchase volume(10)	$ 36,443	$ 34,268	$ 29,626	$ 36,565	$ 32,893	$ 3,550	10.8 %	$ 100,337	$ 95,249	$ 5,088	5.3 %
Period-end loan receivables	$ 87,521	$ 78,879	$ 77,853	$ 81,947	$ 76,928	$ 10,593	13.8 %	$ 87,521	$ 76,928	$ 10,593	13.8 %
Credit cards	$ 84,319	$ 75,753	$ 74,952	$ 79,026	$ 73,946	$ 10,373	14.0 %	$ 84,319	$ 73,946	$ 10,373	14.0 %
Consumer installment loans	$ 1,789	$ 1,708	$ 1,590	$ 1,578	$ 1,561	$ 228	14.6 %	$ 1,789	$ 1,561	$ 228	14.6 %
Commercial credit products	$ 1,353	$ 1,356	$ 1,275	$ 1,303	$ 1,384	$ (31)	(2.2)%	$ 1,353	$ 1,384	$ (31)	(2.2)%
Other	$ 60	$ 62	$ 36	$ 40	$ 37	$ 23	62.2 %	$ 60	$ 37	$ 23	62.2 %
Average loan receivables, including held for sale	$ 86,783	$ 77,853	$ 79,090	$ 78,369	$ 76,165	$ 10,618	13.9 %	$ 81,270	$ 74,803	$ 6,467	8.6 %
Period-end active accounts (in thousands)(11)	75,457	69,767	68,891	74,541	69,008	6,449	9.3 %	75,457	69,008	6,449	9.3 %
Average active accounts (in thousands)(11)	75,482	69,344	71,323	71,348	69,331	6,151	8.9 %	72,594	69,319	3,275	4.7 %
LIQUIDITY											
Liquid assets											
Cash and equivalents	$ 12,068	$ 15,675	$ 13,044	$ 11,602	$ 13,915	$ (1,847)	(13.3)%	$ 12,068	$ 13,915	$ (1,847)	(13.3)%
Total liquid assets	$ 18,214	$ 21,491	$ 18,557	$ 15,087	$ 16,391	$ 1,823	11.1 %	$ 18,214	$ 16,391	$ 1,823	11.1 %
Undrawn credit facilities											
Undrawn credit facilities	$ 5,125	$ 6,500	$ 6,000	$ 6,000	$ 5,650	$ (525)	(9.3)%	$ 5,125	$ 5,650	$ (525)	(9.3)%
Total liquid assets and undrawn credit facilities	$ 23,339	$ 27,991	$ 24,557	$ 21,087	$ 22,041	$ 1,298	5.9 %	$ 23,339	$ 22,041	$ 1,298	5.9 %
Liquid assets % of total assets	17.42%	21.68%	19.42%	15.75%	17.71%		(0.29)%	17.42%	17.71%		(0.29)%
Liquid assets including undrawn credit facilities % of total assets	22.32%	28.24%	25.70%	22.01%	23.82%		(1.50)%	22.32%	23.82%		(1.50)%

(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							Nine Months Ended			
	Sep 30, 2018	**Jun 30, 2018**	**Mar 31, 2018**	**Dec 31, 2017**	**Sep 30, 2017**	**3Q'18 vs. 3Q'17**		**Sep 30, 2018**	**Sep 30, 2017**	**YTD'18 vs. YTD'17**	
Interest income:											
Interest and fees on loans	$ 4,617	$ 4,081	$ 4,172	$ 4,233	$ 4,182	$ 435	10.4 %	$ 12,870	$ 11,986	$ 884	7.4 %
Interest on investment securities	77	93	72	58	51	26	51.0 %	242	130	112	86.2 %
Total interest income	4,694	4,174	4,244	4,291	4,233	461	10.9 %	13,112	12,116	996	8.2 %
Interest expense:											
Interest on deposits	314	273	249	233	219	95	43.4 %	836	615	221	35.9 %
Interest on borrowings of consolidated securitization entities	86	80	74	70	65	21	32.3 %	240	193	47	24.4 %
Interest on third-party debt	88	84	79	72	73	15	20.5 %	251	208	43	20.7 %
Total interest expense	488	437	402	375	357	131	36.7 %	1,327	1,016	311	30.6 %
Net interest income	4,206	3,737	3,842	3,916	3,876	330	8.5 %	11,785	11,100	685	6.2 %
Retailer share arrangements	(871)	(653)	(720)	(779)	(805)	(66)	8.2 %	(2,244)	(2,158)	(86)	4.0 %
Net interest income, after retailer share arrangements	3,335	3,084	3,122	3,137	3,071	264	8.6 %	9,541	8,942	599	6.7 %
Provision for loan losses	1,451	1,280	1,362	1,354	1,310	141	10.8 %	4,093	3,942	151	3.8 %
Net interest income, after retailer share arrangements and provision for loan losses	1,884	1,804	1,760	1,783	1,761	123	7.0 %	5,448	5,000	448	9.0 %
Other income:											
Interchange revenue	182	177	158	179	164	18	11.0 %	517	474	43	9.1 %
Debt cancellation fees	65	66	66	69	67	(2)	(3.0)%	197	203	(6)	(3.0)%
Loyalty programs	(196)	(192)	(155)	(193)	(168)	(28)	16.7 %	(543)	(511)	(32)	6.3 %
Other	12	12	6	7	13	(1)	(7.7)%	30	60	(30)	(50.0)%
Total other income	63	63	75	62	76	(13)	(17.1)%	201	226	(25)	(11.1)%
Other expense:											
Employee costs[(1)]	365	351	358	330	333	32	9.6 %	1,074	974	100	10.3 %
Professional fees	232	177	166	159	161	71	44.1 %	575	470	105	22.3 %
Marketing and business development	131	110	121	156	124	7	5.6 %	362	342	20	5.8 %
Information processing	105	99	104	99	96	9	9.4 %	308	274	34	12.4 %
Other[(1)]	221	238	239	226	244	(23)	(9.4)%	698	717	(19)	(2.6)%
Total other expense	1,054	975	988	970	958	96	10.0 %	3,017	2,777	240	8.6 %
Earnings before provision for income taxes	893	892	847	875	879	14	1.6 %	2,632	2,449	183	7.5 %
Provision for income taxes	222	196	207	490	324	(102)	(31.5)%	625	899	(274)	(30.5)%
Net earnings attributable to common shareholders	$ 671	$ 696	$ 640	$ 385	$ 555	$ 116	20.9 %	$ 2,007	$ 1,550	$ 457	29.5 %

(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						
	Sep 30, 2018	**Jun 30, 2018**	**Mar 31, 2018**	**Dec 31, 2017**	**Sep 30, 2017**	**Sep 30, 2018 vs. Sep 30, 2017**	
Assets							
Cash and equivalents	$ 12,068	$ 15,675	$ 13,044	$ 11,602	$ 13,915	$ (1,847)	(13.3)%
Debt securities	7,281	6,779	6,259	4,473	3,302	3,979	120.5 %
Loan receivables:							
Unsecuritized loans held for investment	59,868	50,884	52,469	55,526	53,997	5,871	10.9 %
Restricted loans of consolidated securitization entities	27,653	27,995	25,384	26,421	22,931	4,722	20.6 %
Total loan receivables	87,521	78,879	77,853	81,947	76,928	10,593	13.8 %
Less: Allowance for loan losses	(6,223)	(5,859)	(5,738)	(5,574)	(5,361)	(862)	16.1 %
Loan receivables, net	81,298	73,020	72,115	76,373	71,567	9,731	13.6 %
Goodwill	1,024	1,024	991	991	991	33	3.3 %
Intangible assets, net	1,105	863	780	749	772	333	43.1 %
Other assets	1,769	1,761	2,370	1,620	2,001	(232)	(11.6)%
Total assets	$ 104,545	$ 99,122	$ 95,559	$ 95,808	$ 92,548	$ 11,997	13.0 %
Liabilities and Equity							
Deposits:							
Interest-bearing deposit accounts	$ 62,030	$ 58,734	$ 56,285	$ 56,276	$ 54,232	$ 7,798	14.4 %
Non-interest-bearing deposit accounts	287	277	285	212	222	65	29.3 %
Total deposits	62,317	59,011	56,570	56,488	54,454	7,863	14.4 %
Borrowings:							
Borrowings of consolidated securitization entities	14,187	12,170	12,214	12,497	11,891	2,296	19.3 %
Senior unsecured notes	9,554	9,551	8,801	8,302	8,008	1,546	19.3 %
Total borrowings	23,741	21,721	21,015	20,799	19,899	3,842	19.3 %
Accrued expenses and other liabilities	4,491	3,932	3,618	4,287	3,793	698	18.4 %
Total liabilities	90,549	84,664	81,203	81,574	78,146	12,403	15.9 %
Equity:							
Common stock	1	1	1	1	1	—	— %
Additional paid-in capital	9,470	9,486	9,470	9,445	9,429	41	0.4 %
Retained earnings	8,355	7,906	7,334	6,809	6,543	1,812	27.7 %
Accumulated other comprehensive income:	(99)	(93)	(86)	(64)	(40)	(59)	147.5 %
Treasury Stock	(3,731)	(2,842)	(2,363)	(1,957)	(1,531)	(2,200)	143.7 %
Total equity	13,996	14,458	14,356	14,234	14,402	(406)	(2.8)%
Total liabilities and equity	$ 104,545	$ 99,122	$ 95,559	$ 95,808	$ 92,548	$ 11,997	13.0 %

SYNCHRONY FINANCIAL

AVERAGE BALANCES, NET INTEREST INCOME AND NET INTEREST MARGIN

(unaudited, $ in millions)

	Quarter Ended														
	Sep 30, 2018			**Jun 30, 2018**			**Mar 31, 2018**			**Dec 31, 2017**			**Sep 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	$ 7,901	$ 39	1.96%	$ 13,097	$ 59	1.81%	$ 12,434	$ 47	1.53%	$ 13,591	$ 43	1.26%	$ 11,895	$ 37	1.23%
Securities available for sale	7,022	38	2.15%	6,803	34	2.00%	5,584	25	1.82%	3,725	15	1.60%	3,792	14	1.46%
Loan receivables:															
Credit cards, including held for sale	83,609	4,538	21.53%	74,809	4,010	21.50%	76,181	4,099	21.82%	75,389	4,161	21.90%	73,172	4,111	22.29%
Consumer installment loans	1,753	41	9.28%	1,648	37	9.01%	1,572	36	9.29%	1,568	36	9.11%	1,543	35	9.00%
Commercial credit products	1,355	37	10.83%	1,346	34	10.13%	1,286	36	11.35%	1,375	35	10.10%	1,392	36	10.26%
Other	66	1	NM	50	—	—%	51	1	NM	37	1	NM	58	—	—%
Total loan receivables, including held for sale	86,783	4,617	21.11%	77,853	4,081	21.03%	79,090	4,172	21.39%	78,369	4,233	21.43%	76,165	4,182	21.78%
Total interest-earning assets	101,706	4,694	18.31%	97,753	4,174	17.13%	97,108	4,244	17.72%	95,685	4,291	17.79%	91,852	4,233	18.28%
Non-interest-earning assets:															
Cash and due from banks	1,217			1,161			1,197			1,037			877		
Allowance for loan losses	(5,956)			(5,768)			(5,608)			(5,443)			(5,125)		
Other assets	3,482			3,068			3,010			3,219			3,517		
Total non-interest-earning assets	(1,257)			(1,539)			(1,401)			(1,187)			(731)		
Total assets	$ 100,449			$ 96,214			$ 95,707			$ 94,498			$ 91,121		
Liabilities															
Interest-bearing liabilities:															
Interest-bearing deposit accounts	$ 60,123	$ 314	2.07%	$ 57,303	$ 273	1.91%	$ 56,356	$ 249	1.79%	$ 55,690	$ 233	1.66%	$ 53,294	$ 219	1.63%
Borrowings of consolidated securitization entities	12,306	86	2.77%	11,821	80	2.71%	12,410	74	2.42%	12,425	70	2.24%	11,759	65	2.19%
Senior unsecured notes	9,552	88	3.66%	9,114	84	3.70%	8,795	79	3.64%	7,940	72	3.60%	8,251	73	3.51%
Total interest-bearing liabilities	81,981	488	2.36%	78,238	437	2.24%	77,561	402	2.10%	76,055	375	1.96%	73,304	357	1.93%
Non-interest-bearing liabilities															
Non-interest-bearing deposit accounts	275			270			300			218			232		
Other liabilities	3,772			3,299			3,570			3,716			3,154		
Total non-interest-bearing liabilities	4,047			3,569			3,870			3,934			3,386		
Total liabilities	86,028			81,807			81,431			79,989			76,690		
Equity															
Total equity	14,421			14,407			14,276			14,509			14,431		
Total liabilities and equity	$ 100,449			$ 96,214			$ 95,707			$ 94,498			$ 91,121		
Net interest income		$ 4,206			$ 3,737			$ 3,842			$ 3,916			$ 3,876	
Interest rate spread(1)			15.95%			14.89%			15.62%			15.83%			16.35%
Net interest margin(2)			16.41%			15.33%			16.05%			16.24%			16.74%

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

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

SYNCHRONY FINANCIAL

AVERAGE BALANCES, NET INTEREST INCOME AND NET INTEREST MARGIN

(unaudited, $ in millions)

	Nine Months Ended Sep 30, 2018			Nine Months Ended Sep 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	$ 11,128	$ 145	1.74%	$ 11,073	$ 86	1.04%
Securities available for sale	6,475	97	2.00%	4,732	44	1.24%
Loan receivables:						
Credit cards, including held for sale	78,227	12,647	21.62%	71,920	11,780	21.90%
Consumer installment loans	1,658	114	9.19%	1,465	101	9.22%
Commercial credit products	1,329	107	10.76%	1,363	104	10.20%
Other	56	2	4.77%	55	1	2.43%
Total loan receivables, including held for sale	81,270	12,870	21.17%	74,803	11,986	21.42%
Total interest-earning assets	98,873	13,112	17.73%	90,608	12,116	17.88%
Non-interest-earning assets:						
Cash and due from banks	1,192			836		
Allowance for loan losses	(5,779)			(4,774)		
Other assets	3,188			3,334		
Total non-interest-earning assets	(1,399)			(604)		
Total assets	$ 97,474			$ 90,004		
Liabilities						
Interest-bearing liabilities:						
Interest-bearing deposit accounts	$ 57,941	$ 836	1.93%	$ 52,325	$ 615	1.57%
Borrowings of consolidated securitization entities	12,178	240	2.63%	12,096	193	2.13%
Senior unsecured notes	9,156	251	3.67%	7,983	208	3.48%
Total interest-bearing liabilities	79,275	1,327	2.24%	72,404	1,016	1.88%
Non-interest-bearing liabilities						
Non-interest-bearing deposit accounts	282			230		
Other liabilities	3,548			2,971		
Total non-interest-bearing liabilities	3,830			3,201		
Total liabilities	83,105			75,605		
Equity						
Total equity	14,369			14,399		
Total liabilities and equity	$ 97,474			$ 90,004		
Net interest income		$ 11,785			$ 11,100	
Interest rate spread(1)			15.49%			16.00%
Net interest margin(2)			15.94%			16.38%

(1) Interest rate spread represents the difference between the yield on total interest-earning assets and the rate on total interest-bearing liabilities.
(2) Net interest margin represents net interest income divided by average interest-earning assets.

SYNCHRONY FINANCIAL

BALANCE SHEET STATISTICS

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

	Quarter Ended						
	Sep 30, 2018	**Jun 30, 2018**	**Mar 31, 2018**	**Dec 31, 2017**	**Sep 30, 2017**	**Sep 30, 2018 vs. Sep 30, 2017**	
BALANCE SHEET STATISTICS							
Total common equity	$ 13,996	$ 14,458	$ 14,356	$ 14,234	$ 14,402	$ (406)	(2.8)%
Total common equity as a % of total assets	13.39%	14.59%	15.02%	14.86%	15.56%		(2.17)%
Tangible assets	$ 102,416	$ 97,235	$ 93,788	$ 94,068	$ 90,785	$ 11,631	12.8 %
Tangible common equity[1]	$ 11,867	$ 12,571	$ 12,585	$ 12,494	$ 12,639	$ (772)	(6.1)%
Tangible common equity as a % of tangible assets[1]	11.59%	12.93%	13.42%	13.28%	13.92%		(2.33)%
Tangible common equity per share[1]	$ 16.51	$ 16.84	$ 16.55	$ 16.22	$ 16.15	$ 0.36	2.2 %
REGULATORY CAPITAL RATIOS[2]							
	Basel III Fully Phased-in[3]			**Basel III Transition**			
Total risk-based capital ratio[4]	15.5%	18.0%	18.1%	17.3%	18.7%		
Tier 1 risk-based capital ratio[5]	14.2%	16.6%	16.8%	16.0%	17.3%		
Tier 1 leverage ratio[6]	12.3%	13.6%	13.7%	13.8%	14.6%		
Common equity Tier 1 capital ratio	14.2%	16.6%	16.8%	16.0%	17.3%		
	Basel III Fully Phased-in						
Common equity Tier 1 capital ratio	14.2%	16.6%	16.8%	15.8%	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 September 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. Tier 1 leverage ratios are based upon the use of daily averages for all periods presented.

SYNCHRONY FINANCIAL

PLATFORM RESULTS

(unaudited, $ in millions)

	Quarter Ended					3Q'18 vs. 3Q'17		Nine Months Ended		YTD'18 vs. YTD'17	
	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017			Sep 30, 2018	Sep 30, 2017		
RETAIL CARD											
Purchase volume[1][2]	$ 29,264	$ 27,340	$ 23,382	$ 29,839	$ 26,347	$ 2,917	11.1 %	$ 79,986	$ 76,400	$ 3,586	4.7 %
Period-end loan receivables	$ 60,564	$ 52,918	$ 52,531	$ 56,230	$ 52,119	$ 8,445	16.2 %	$ 60,564	$ 52,119	$ 8,445	16.2 %
Average loan receivables, including held for sale	$ 60,389	$ 52,427	$ 53,673	$ 53,256	$ 51,817	$ 8,572	16.5 %	$ 55,522	$ 51,002	$ 4,520	8.9 %
Average active accounts (in thousands)[2][3]	59,846	54,092	55,927	56,113	54,471	5,375	9.9 %	57,140	54,639	2,501	4.6 %
Interest and fees on loans[2]	$ 3,465	$ 2,993	$ 3,096	$ 3,133	$ 3,102	$ 363	11.7 %	$ 9,554	$ 8,890	$ 664	7.5 %
Other income[2]	$ 51	$ 48	$ 65	$ 49	$ 61	$ (10)	(16.4)%	$ 164	$ 163	$ 1	0.6 %
Retailer share arrangements[2]	$ (851)	$ (644)	$ (714)	$ (771)	$ (795)	$ (56)	7.0 %	$ (2,209)	$ (2,133)	$ (76)	3.6 %
PAYMENT SOLUTIONS											
Purchase volume[1]	$ 4,606	$ 4,288	$ 3,823	$ 4,366	$ 4,178	$ 428	10.2 %	$ 12,717	$ 11,794	$ 923	7.8 %
Period-end loan receivables	$ 17,639	$ 16,875	$ 16,513	$ 16,857	$ 16,153	$ 1,486	9.2 %	$ 17,639	$ 16,153	$ 1,486	9.2 %
Average loan receivables	$ 17,234	$ 16,562	$ 16,629	$ 16,386	$ 15,848	$ 1,386	8.7 %	$ 16,810	$ 15,538	$ 1,272	8.2 %
Average active accounts (in thousands)[3]	9,675	9,433	9,545	9,421	9,183	492	5.4 %	9,569	9,108	461	5.1 %
Interest and fees on loans	$ 601	$ 566	$ 562	$ 574	$ 559	$ 42	7.5 %	$ 1,729	$ 1,607	$ 122	7.6 %
Other income	$ 4	$ 4	$ 2	$ 2	$ 2	$ 2	100.0 %	$ 10	$ 12	$ (2)	(16.7)%
Retailer share arrangements	$ (17)	$ (7)	$ (4)	$ (5)	$ (9)	$ (8)	88.9 %	$ (28)	$ (19)	$ (9)	47.4 %
CARECREDIT											
Purchase volume[1]	$ 2,573	$ 2,640	$ 2,421	$ 2,360	$ 2,368	$ 205	8.7 %	$ 7,634	$ 7,055	$ 579	8.2 %
Period-end loan receivables	$ 9,318	$ 9,086	$ 8,809	$ 8,860	$ 8,656	$ 662	7.6 %	$ 9,318	$ 8,656	$ 662	7.6 %
Average loan receivables	$ 9,160	$ 8,864	$ 8,788	$ 8,727	$ 8,500	$ 660	7.8 %	$ 8,938	$ 8,263	$ 675	8.2 %
Average active accounts (in thousands)[3]	5,961	5,819	5,851	5,814	5,677	284	5.0 %	5,885	5,572	313	5.6 %
Interest and fees on loans	$ 551	$ 522	$ 514	$ 526	$ 521	$ 30	5.8 %	$ 1,587	$ 1,489	$ 98	6.6 %
Other income	$ 8	$ 11	$ 8	$ 11	$ 13	$ (5)	(38.5)%	$ 27	$ 51	$ (24)	(47.1)%
Retailer share arrangements	$ (3)	$ (2)	$ (2)	$ (3)	$ (1)	$ (2)	NM	$ (7)	$ (6)	$ (1)	16.7 %
TOTAL SYF											
Purchase volume[1][2]	$ 36,443	$ 34,268	$ 29,626	$ 36,565	$ 32,893	$ 3,550	10.8 %	$ 100,337	$ 95,249	$ 5,088	5.3 %
Period-end loan receivables	$ 87,521	$ 78,879	$ 77,853	$ 81,947	$ 76,928	$ 10,593	13.8 %	$ 87,521	$ 76,928	$ 10,593	13.8 %
Average loan receivables, including held for sale	$ 86,783	$ 77,853	$ 79,090	$ 78,369	$ 76,165	$ 10,618	13.9 %	$ 81,270	$ 74,803	$ 6,467	8.6 %
Average active accounts (in thousands)[2][3]	75,482	69,344	71,323	71,348	69,331	6,151	8.9 %	72,594	69,319	3,275	4.7 %
Interest and fees on loans[2]	$ 4,617	$ 4,081	$ 4,172	$ 4,233	$ 4,182	$ 435	10.4 %	$ 12,870	$ 11,986	$ 884	7.4 %
Other income[2]	$ 63	$ 63	$ 75	$ 62	$ 76	$ (13)	(17.1)%	$ 201	$ 226	$ (25)	(11.1)%
Retailer share arrangements[2]	$ (871)	$ (653)	$ (720)	$ (779)	$ (805)	$ (66)	8.2 %	$ (2,244)	$ (2,158)	$ (86)	4.0 %

(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				
	Sep 30, 2018	**Jun 30, 2018**	**Mar 31, 2018**	**Dec 31, 2017**	**Sep 30, 2017**
COMMON EQUITY MEASURES					
GAAP Total common equity	$ 13,996	$ 14,458	$ 14,356	$ 14,234	$ 14,402
Less: Goodwill	(1,024)	(1,024)	(991)	(991)	(991)
Less: Intangible assets, net	(1,105)	(863)	(780)	(749)	(772)
Tangible common equity	$ 11,867	$ 12,571	$ 12,585	$ 12,494	$ 12,639
Adjustments for certain deferred tax liabilities and certain items in accumulated comprehensive income (loss)	311	287	278	254	344
Basel III - Common equity Tier 1 (fully phased-in)	$ 12,178	$ 12,858	$ 12,863	$ 12,748	$ 12,983
Adjustment related to capital components during transition				142	142
Basel III - Common equity Tier 1 (transition)				$ 12,890	$ 13,125
RISK-BASED CAPITAL					
Common equity Tier 1	$ 12,178	$ 12,858	$ 12,863	$ 12,890	$ 13,125
Add: Allowance for loan losses includible in risk-based capital	1,137	1,027	1,015	1,064	1,001
Risk-based capital	$ 13,315	$ 13,885	$ 13,878	$ 13,954	$ 14,126
ASSET MEASURES					
Total average assets	$ 100,449	$ 96,214	$ 95,707	$ 94,498	$ 91,121
Adjustments for:					
Disallowed goodwill and other disallowed intangible assets (net of related deferred tax liabilities) and other	(1,836)	(1,670)	(1,560)	(1,392)	(1,304)
Total assets for leverage purposes	$ 98,613	$ 94,544	$ 94,147	$ 93,106	$ 89,817
Risk-weighted assets - Basel III (fully phased-in)	$ 85,941	$ 77,322	$ 76,509	$ 80,526	$ 75,614
Risk-weighted assets - Basel III (transition)				$ 80,669	$ 75,729
TANGIBLE COMMON EQUITY PER SHARE					
GAAP book value per share	$ 19.47	$ 19.37	$ 18.88	$ 18.47	$ 18.40
Less: Goodwill	(1.42)	(1.37)	(1.30)	(1.29)	(1.27)
Less: Intangible assets, net	(1.54)	(1.16)	(1.03)	(0.96)	(0.98)
Tangible common equity per share	$ 16.51	$ 16.84	$ 16.55	$ 16.22	$ 16.15
ADJUSTED NET EARNINGS					
GAAP net earnings	$ 671	$ 696	$ 640	$ 385	$ 555
Adjustment for tax law change[(2)]	—	—	—	160	—
Adjusted net earnings	$ 671	$ 696	$ 640	$ 545	$ 555
ADJUSTED DILUTED EPS					
GAAP diluted EPS	$ 0.91	$ 0.92	$ 0.83	$ 0.49	$ 0.70
Adjustment for tax law change[(2)]	—	—	—	0.21	—
Adjusted diluted EPS	$ 0.91	$ 0.92	$ 0.83	$ 0.70	$ 0.70

(1) Regulatory measures at September 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

3Q'18 Financial Results
October 19, 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.

3Q’18 Highlights

Financial Highlights

- $671 million Net Earnings, $0.91 diluted EPS
- Completed acquisition of the U.S. PayPal Credit financing program in July
- Strong growth metrics
  - Loan Receivables up 14%
  - Net Interest Income up 9%
  - Purchase Volume up 11%
  - Average Active Accounts up 9%
- Net Charge-Offs 4.97% compared to 4.95% in the prior year
- Provision for Loan Losses up 11% driven by PayPal Credit reserve build partially offset by moderating credit trends
- Efficiency Ratio 31.0% compared to 30.4% in the prior year
- Deposits up $7.8 billion compared to prior year, comprising 72% of funding
- Strong Capital and Liquidity
  - 14.2% CET1 & $18.2 billion Liquid Assets

Business Highlights

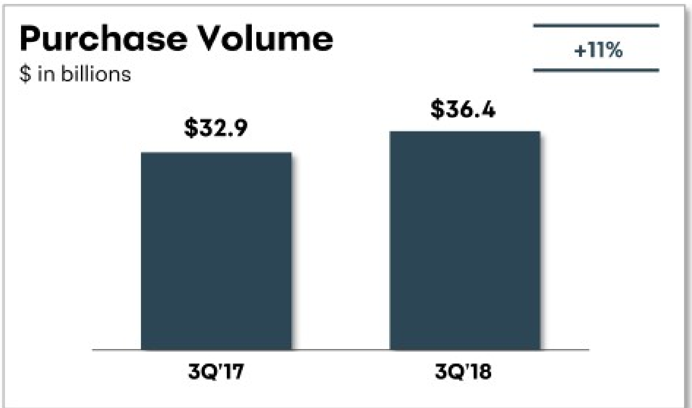
Renewed and extended key relationships

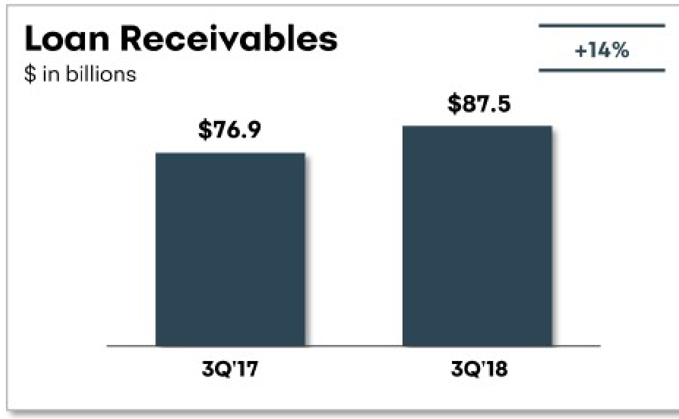
Lowe's, JCPenney, Associated Materials Incorporated, Generac

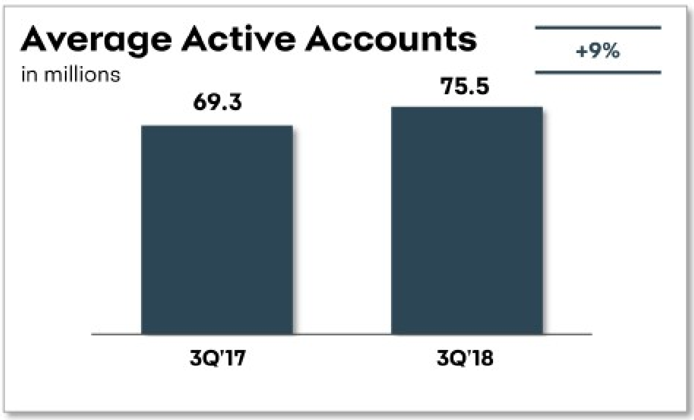
Added new partnerships

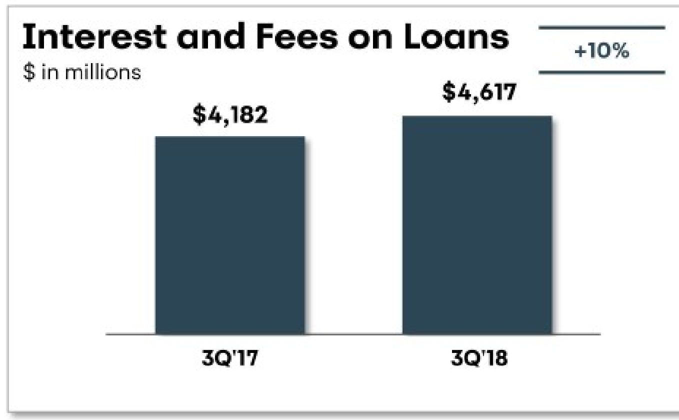
Fred Meyer Jewelers, Eargo

Growth Metrics









Platform Results[a]

Retail Card
Loan Receivables, $ in billions

Payment Solutions
Loan Receivables, $ in billions

CareCredit
Loan Receivables, $ in billions

	Retail Card 3Q'17	Retail Card 3Q'18	V%	Payment Solutions 3Q'17	Payment Solutions 3Q'18	V%	CareCredit 3Q'17	CareCredit 3Q'18	V%
Purchase Volume	$26.3	$29.2	+11%	$4.2	$4.6	+10%	$2.4	$2.6	+9%
Accounts	54.4	59.8	+10%	9.2	9.7	+5%	5.7	6.0	+5%
Interest and Fees on Loans	$3,102	$3,465	+12%	$559	$601	+8%	$521	$551	+6%

Retail Card
- Strong growth driven by PayPal Credit program acquisition
- Interest and Fees on Loans up 12% driven by PayPal Credit program acquisition

Payment Solutions
- Strong growth led by home furnishings and power
- Interest and Fees on Loans up 8% driven by receivable growth

CareCredit
- Strong 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	3Q'18	3Q'17	B/(W) $	B/(W) %
Total Interest Income	$4,694	$4,233	$461	11%
Total Interest Expense	488	357	(131)	(37)%
Net Interest Income (NII)	**4,206**	**3,876**	**330**	**9%**
Retailer Share Arrangements (RSA)	(871)	(805)	(66)	(8)%
NII, after RSA	**3,335**	**3,071**	**264**	**9%**
Provision for Loan Losses	1,451	1,310	(141)	(11)%
Other Income	63	76	(13)	(17)%
Other Expense	1,054	958	(96)	(10)%
Pre-Tax Earnings	**893**	**879**	**14**	**2%**
Provision for Income Taxes	222	324	102	31%
Net Earnings	**$671**	**$555**	**$116**	**21%**
Diluted Earnings Per Share	**$0.91**	**$0.70**	**$0.21**	

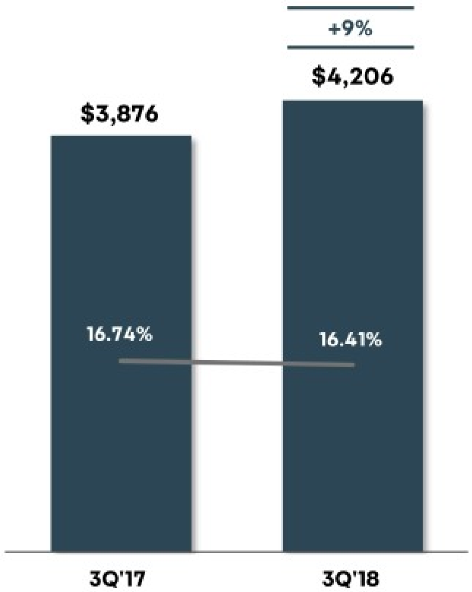
3Q'18 Highlights

- **$671 million Net Earnings, $0.91 diluted EPS**
- **Net Interest Income up 9% driven by growth in Loan Receivables**
  - Interest and Fees on Loans up 10% driven by average Loan Receivables growth
  - Interest Expense increase driven by increased benchmark rates and growth
- **Retailer Share Arrangements up 8%**
  - Increase driven by growth
- **Provision for Loan Losses up 11% driven by the PayPal Credit reserve build partially offset by moderating credit trends**
  - Net Charge-Offs of 4.97% compared to 4.95% in the prior year
- **Other Expense up 10%**
  - Driven primarily by PayPal Credit program acquisition and growth
- **Provision for Income Taxes down 31%**

Net Interest Income

Net Interest Income

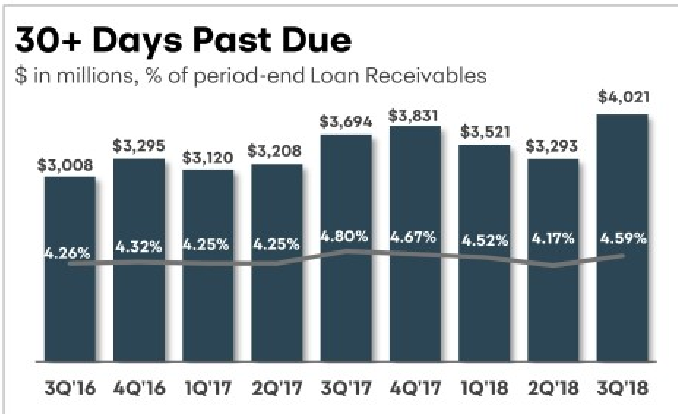
$ in millions, % of average Interest-Earning Assets

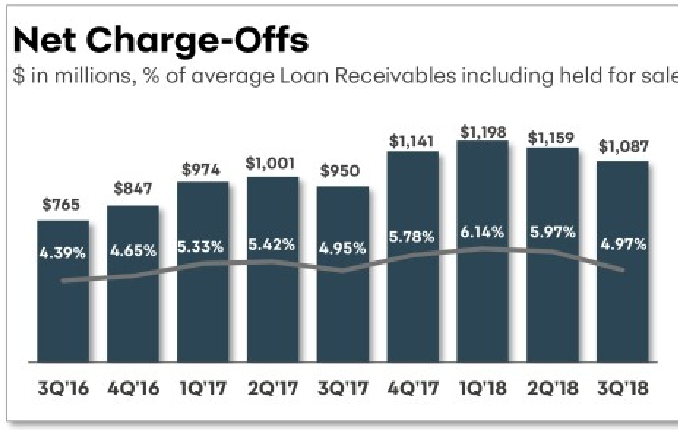


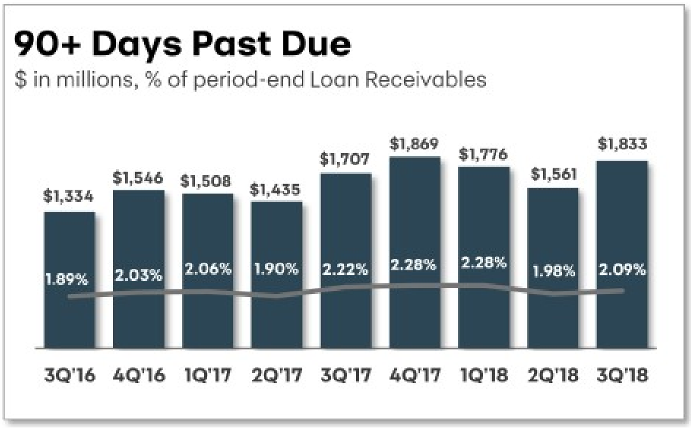
3Q'18 Highlights

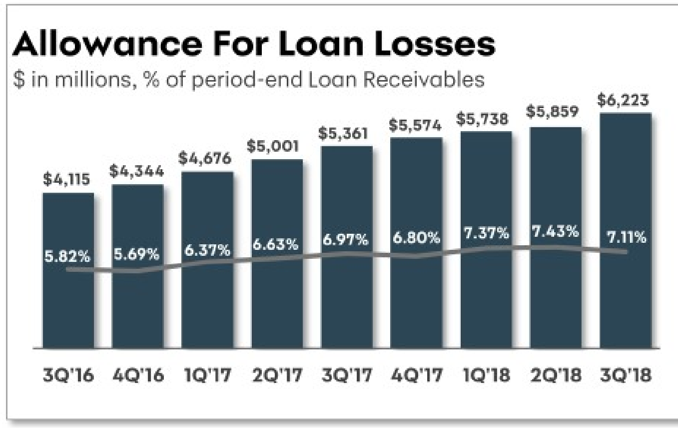
- **Net Interest Income increased 9% compared to prior year driven by growth in Loan Receivables**
  - Interest and Fees on Loans increased 10% compared to prior year driven by average Loan Receivables growth
- **Net Interest Margin down 33bps.**
  - Loan Receivables mix as a percent of total Earning Assets increased from 82.9% to 85.3% driven primarily by the PayPal Credit program acquisition
  - Loan Receivables yield 21.11%, down 67bps. versus prior year
  - Total Interest-Bearing Liabilities cost increased 43bps. to 2.36%, due to increased benchmark rates

Asset Quality Metrics





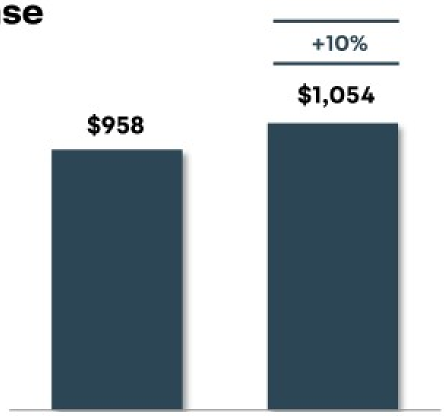




Other Expense

Other Expense

$ in millions



	3Q'17	3Q'18	V$	V%
Employee Costs	$333	$365	$32	10%
Professional Fees	161	232	71	44%
Marketing/BD	124	131	7	6%
Information Processing	96	105	9	9%
Other	244	221	(23)	(9)%
Other Expense	$958	$1,054	$96	10%
Efficiency [a]	**30.4%**	**31.0%**		**0.6pts.**

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

3Q'18 Highlights

- **Other Expense up 10%**
  - Other Expense increase driven primarily by PayPal Credit program acquisition and growth
- **Efficiency Ratio 31.0% vs. 30.4% prior year**

Funding, Capital and Liquidity

Funding Sources

$ in billions

	3Q'17	3Q'18	Variance
Deposits	73%	72%	(1)pts.
Securitization	16%	17%	+1pts.
Unsecured	11%	11%	- pts.

Capital Ratios

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

(a) Estimated percentage

Liquidity[b]

$ in billions

	3Q'17	3Q'18
Liquid Assets	$16.4	$18.2
Undrawn Credit Facilities	5.6	5.1
Total Liquidity	**$22.0**	**$23.3**
% of Total Assets	**23.8%**	**22.3%**

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

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3Q'18 Wrap Up

- Net earnings of $671 million … $0.91 diluted earnings per share
- Broad based growth … Purchase volume +11%, Loan receivables +14%, Net interest income +9%
- Renewed key partners … Lowe's, JCPenney, Associated Materials and Generac
- Signed new partnerships with Fred Meyer Jewelers and Eargo
- Completed the acquisition of the PayPal Credit program
- Continued investment in digital capabilities highlighted by enhanced features in our CareCredit mobile app such as Pay My Provider and CareCredit Direct functionality
- Fast-growing deposit platform … deposits at $62 billion comprising 72% of funding
- Returned $1.1 billion in capital through $966 million of share repurchases and $156 million in dividends
- Strong balance sheet, $18.2 billion of liquid assets and 14.2% CET1

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Engage with us.

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.