

**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**

**June 20, 2019**  
**Date of Report**  
**(Date of earliest event reported)**

**SYNCHRONY FINANCIAL**

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

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

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

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

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

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

**06902**  
**(Zip 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))

Securities Registered Pursuant to Section 12(b) of the Act:

**Title of each class**  
**Common stock, par value \$0.001 per share**

**Trading Symbol(s)**  
**SYF**

**Name of each exchange on which registered**  
**New York Stock Exchange**

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).

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.

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**Item 7.01 Regulation FD Disclosure.**

The information contained in this Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1, is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly stated by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

*(d) Exhibits*

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

<u>Number</u>	<u>Description</u>
99.1	Synchrony Financial - Investor Supplement With Sales Platform Presentations

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**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: June 20, 2019

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

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## EXHIBIT INDEX

**Number**

**Description**

[99.1](#) [Synchrony Financial - Investor Supplement With Sales Platform Presentations](#)

# Investor Supplement With Sales Platform Presentations



June 20, 2019

# Disclaimers

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## Cautionary Statement Regarding Forward-Looking Statements

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 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; 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, 2018, as filed on February 15, 2019. You should not consider any list of such factors to be an exhaustive statement of all of the risks, uncertainties, or potentially inaccurate assumptions that could cause our current expectations or beliefs to change. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as otherwise may be required by law.

## Non-GAAP Measures

The information provided herein includes a financial measure that is not prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). We refer to "managed-basis" as presenting certain loan performance measures as if loans sold by us to our securitization trusts were never sold and derecognized in our GAAP financial statements. We believe it is useful to consider these performance measures on a managed-basis for 2009 when comparing to similar GAAP measures in later years since we served the securitized and owned loans, and related accounts, in the same manner without regard to ownership of the loans. The reconciliation of the managed-basis loan performance measures in this presentation to the comparable GAAP measures for the twelve months ended December 31, 2009 is included at the end of this presentation in "Appendix-Non-GAAP Reconciliations."

# Synchrony Financial Overview

## Leading Consumer Finance Business

- A leading Private Label Credit Card (PLCC) provider in US
- A leader in financing for major consumer purchases and healthcare services
- Long-standing and diverse partner base

## Strong Value Proposition for Partners & Consumers

- Advanced data analytics and targeted marketing capabilities
- Dedicated team members support partners to help maximize program effectiveness
- Enhanced sales growth and additional economic benefits for partners
- Access to instant credit, promotional financing, and rewards for customers

## Robust Data and Technology Capabilities

- Deep partner integration enables customized loyalty products across channels
- Partner and cardholder focused mobile payments and e-commerce solutions
- Leveraging digital, loyalty, and analytics capabilities to augment growth

## Attractive Growth and Ample Opportunities

- Strong receivables growth
- Significant opportunity to leverage long-standing partnerships to increase penetration
- Opportunity to attract new partners
- Developing broad product suite to build a leading, full-scale online bank

## Strong Financial Profile and Operating Performance

- Solid fundamentals with attractive returns
- Strong capital and liquidity with diverse funding profile



## Partner-Centric Business with Leading Sales Platforms

	Retail Card	Payment Solutions	CareCredit
	<p>Leading provider of private label credit cards; also provides Dual Cards, general purpose co-branded credit cards and small- and medium-sized business credit products</p> 	<p>Leading provider of promotional financing for major consumer purchases, offering consumer choice for financing at the point of sale, including primarily private label credit cards, Dual Cards and installment loans</p> 	<p>Leading provider of promotional financing to consumers for health, veterinary and personal care procedures, services or products</p> 

Interest and Fees on Loans<sup>(a)</sup>

\$13,254

\$2,721

\$2,184

Loan Receivables<sup>(b)</sup>

\$51.5

\$19.4

\$9.5

(a) For the twelve months ended March 31, 2019. \$ in millions.

(b) \$ in billions, as of March 31, 2019.

Note: Beginning in 1Q 2019, our Oil and Gas retail credit programs are now included in our Payment Solutions sales platform. 2018 Interest and Fees on Loans have been recast to reflect this change.

# Customized Credit Products and Growing Online Bank

Retail Card			Payment Solutions	CareCredit	
Private Label	Dual Card™	Co-Brand	Private Label	Private Label	Dual Card™
					
Retailer only acceptance	Accepted at network locations	Accepted at network locations	Retailer and private network acceptance	Accepted at provider network locations	Accepted at network locations
Affinity to retailer, provides customized benefits & features			Big-ticket focus, offering promotional financing	Offering promotional financing, expanded card utility	

## Synchrony Bank

### Strong Direct Deposit Growth

\$ in billions



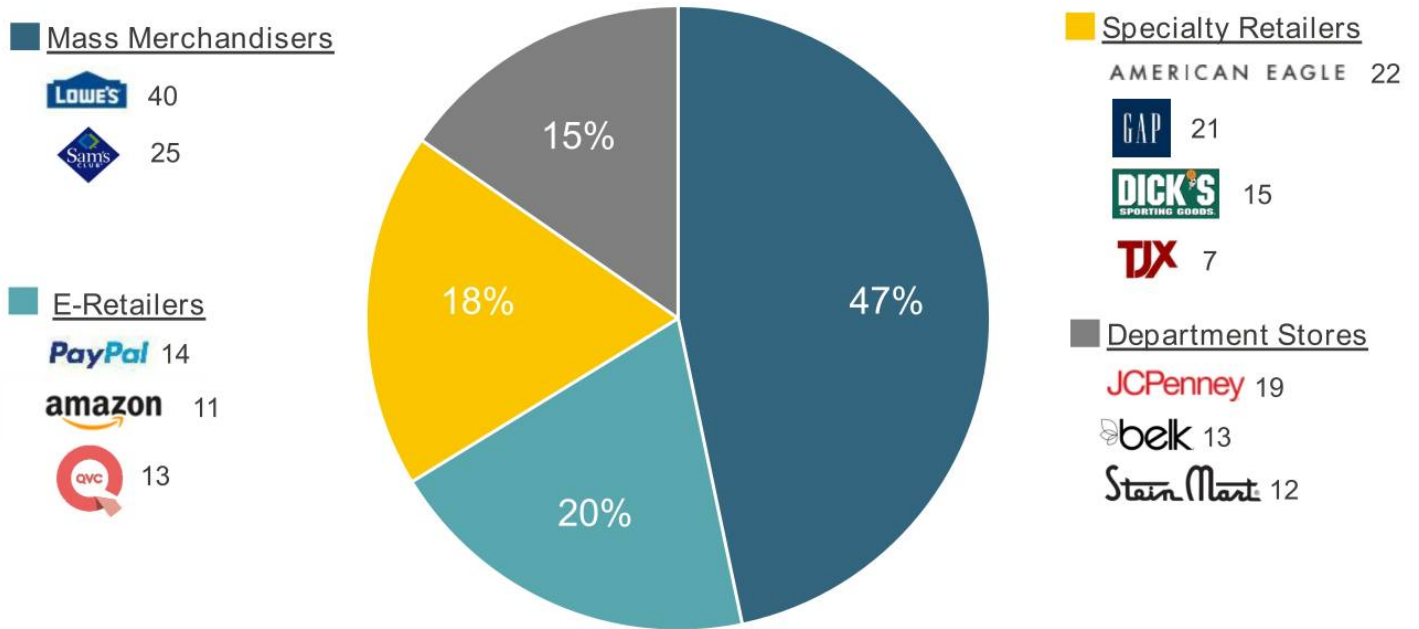
# Long-Standing and Diverse Partnerships

Average Relationship Length with Ongoing Retail Card Partners is 22 Years

## Diversified Retail Card Partners

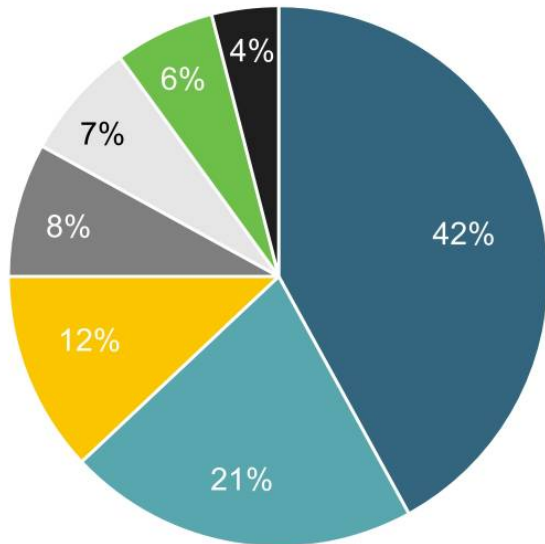
Retail Card Interest and Fees on Loans by Retail Market<sup>(a)</sup>

Legend includes a sample of partners, with length of relationship in years at March 31, 2019



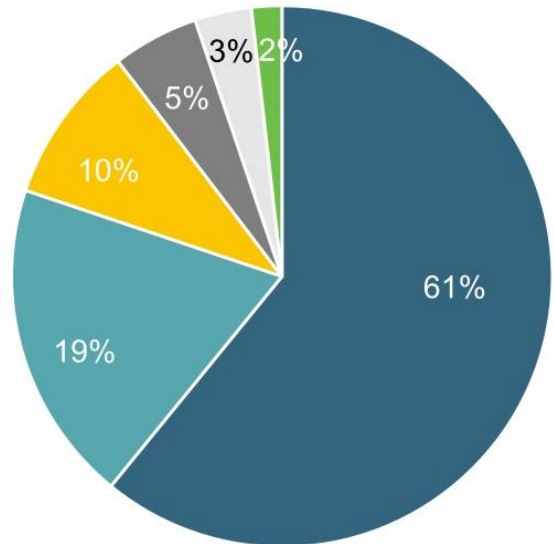
# Diversified Across Sales Platforms

**Payment Solutions Retail Markets**  
Interest and Fees on Loans<sup>(a)(b)</sup>



- Home Furnishings/Flooring
- Automotive
- Electronics/Appliances
- Home Specialty
- Power
- Other Retail
- Jewelry & Other Luxury

**CareCredit Specialties**  
Interest and Fees on Loans<sup>(a)</sup>



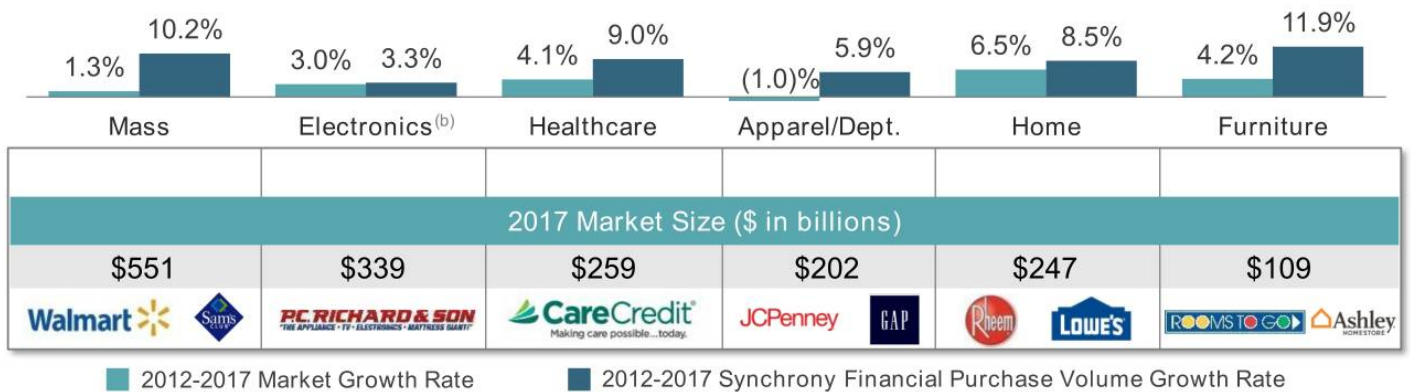
- Dental
- Veterinary
- Cosmetic & Dermatology
- Vision
- Other Markets
- Audiology



(a) Year ended December 31, 2018, dollars in millions.

(b) Beginning in 1Q 2019, our Oil and Gas retail credit programs are now included in our Payment Solutions sales platform in Automotive. 2018 Interest and Fees on Loans by Retail Market for Payment Solutions has been recast to reflect this change.

## Deep Integration Drives 2-3x Market Growth Rate<sup>(a)</sup>

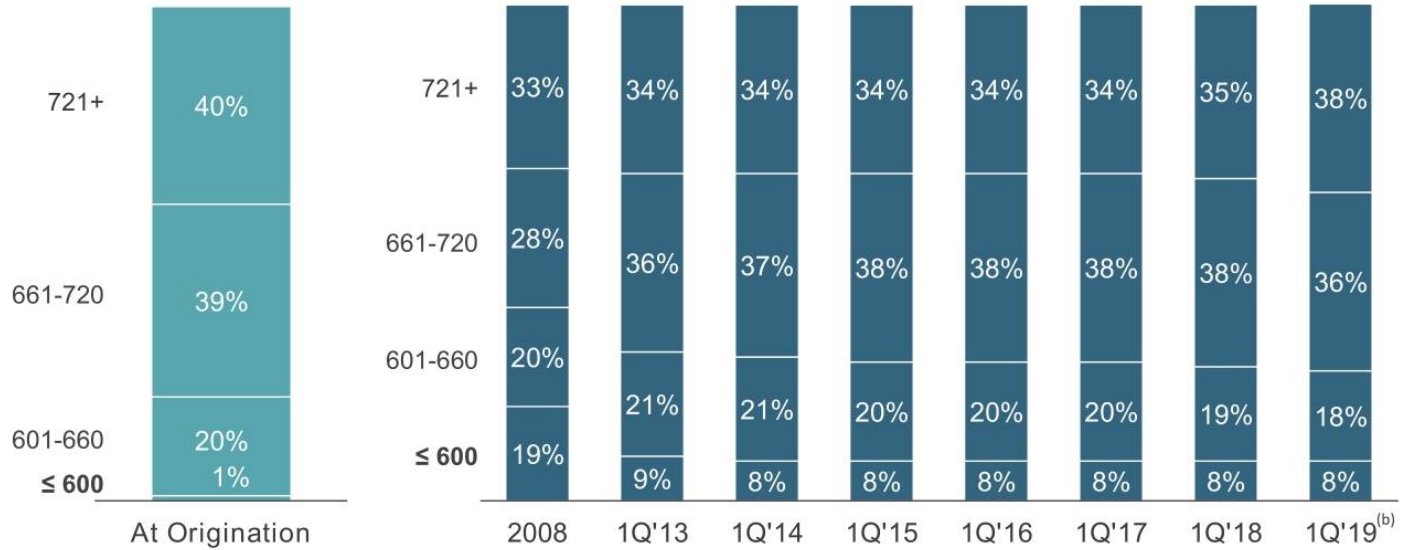


- Over 85 years of retail heritage
- Significant scale across platforms
- Robust data capture enables more customized offers
- Analytics and data insights help drive growth
- Joint executive management of programs—1,000+ SYF FTEs dedicated to drive partner sales
- Collaboration with partners ensures sales teams are aligned with program goals
- Economic benefits and incentives align goals and drive profitable program growth

# Focus on Higher Quality Asset Base

**Disciplined Underwriting**  
FICO, consumer accounts opened since beginning of 2010

**Stronger Portfolio**  
Consumer FICO<sup>(a)</sup>



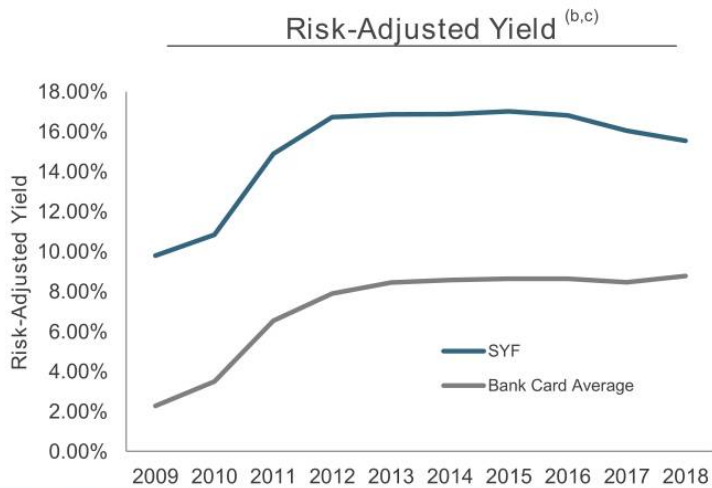
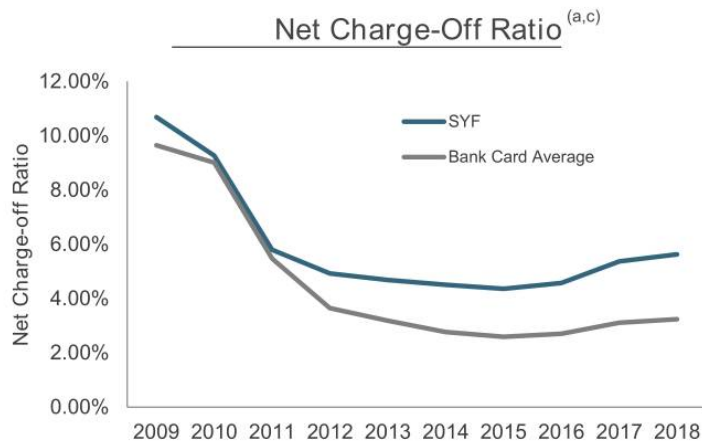
- Synchrony Financial controls underwriting and credit line decisions
- Focus on stronger underwriting has led to higher quality portfolio
  - 74% of loan receivables have FICO > 660



(a) Based on most recent FICO scores available for our customers in each period, weighted by balance, as a % of period-end receivables. If FICO score was not available credit bureau based scores were mapped to a FICO equivalent. If neither score was available, the account was excluded.  
 (b) 1Q'19 FICO percentages exclude Walmart portfolio loan receivables that were reclassified to held for sale.

# Historical Net Charge-Offs & Risk-Adjusted Yield

## Delivered Strong Risk-Adjusted Returns



- Net charge-off performance was generally consistent with general purpose card issuers during the financial crisis
- Risk-adjusted yield outperformed general purpose card issuers by >700 bps through the financial crisis
- Risk-adjusted yield outperformance has averaged >700 bps post-crisis

(a) Peers include: AXP U.S. Card Services prior to 2014 and AXP U.S. Consumer Services starting in 2014, BAC U.S. Credit Card, C Citi-Branded Cards North America, COF Domestic Card, DFS Credit Card, JPM Credit Card, and WFC Consumer Credit Card. SYF – total company level.

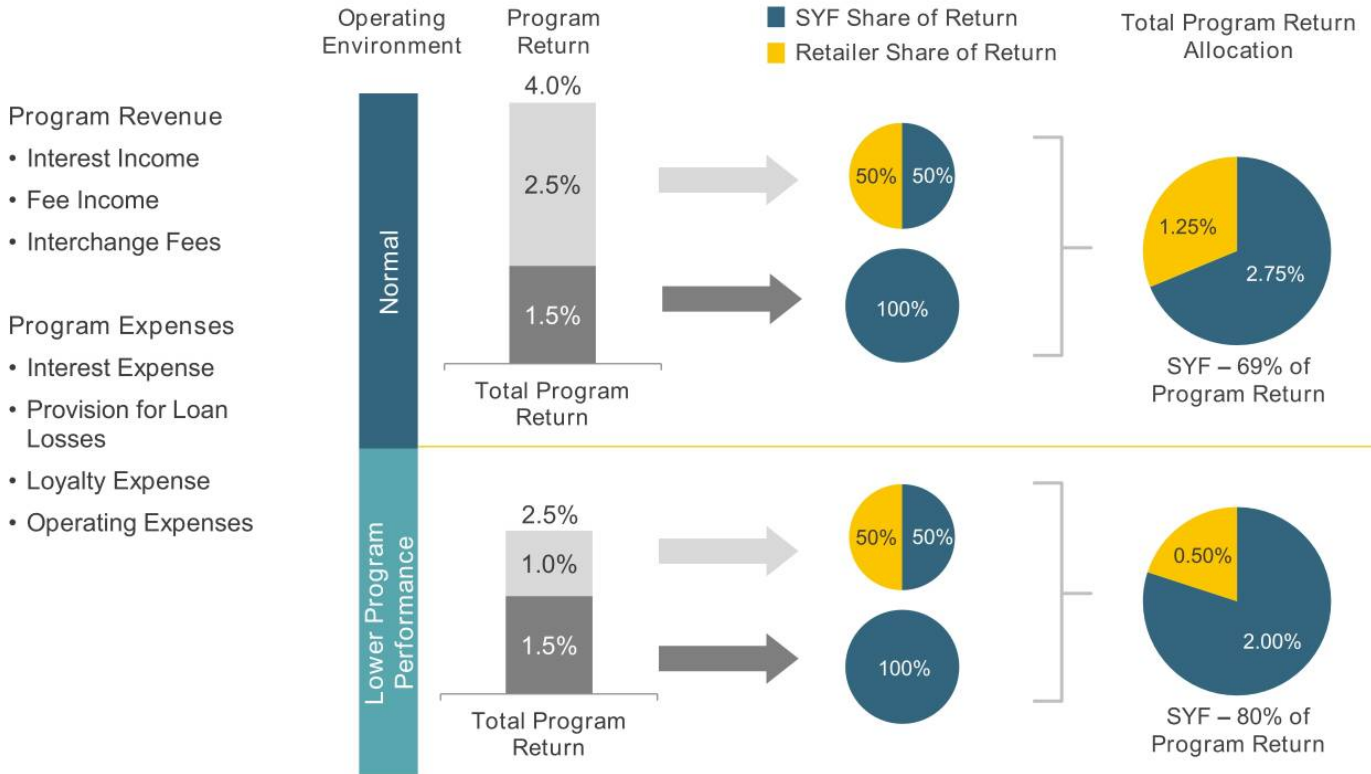
(b) Peers include: BAC U.S. Credit Card, C Citi-Branded Cards North America, COF Domestic Card, DFS Credit Card, and WFC Consumer Credit Card. SYF – total company level. SYF yield calculated as loan receivable yield less net charge-off rate. Peer information calculated as credit card yield less net charge-off rate on credit cards. Citi-Branded Card yield calculated as average quarterly yield less net charge-off rate on credit cards (average quarterly net charge-off rate).

(c) Data on a managed-basis for 2009. See non-GAAP reconciliation in appendix.

Sources: Company filings. Risk-adjusted yield involved calculations by SYF based upon company filings.

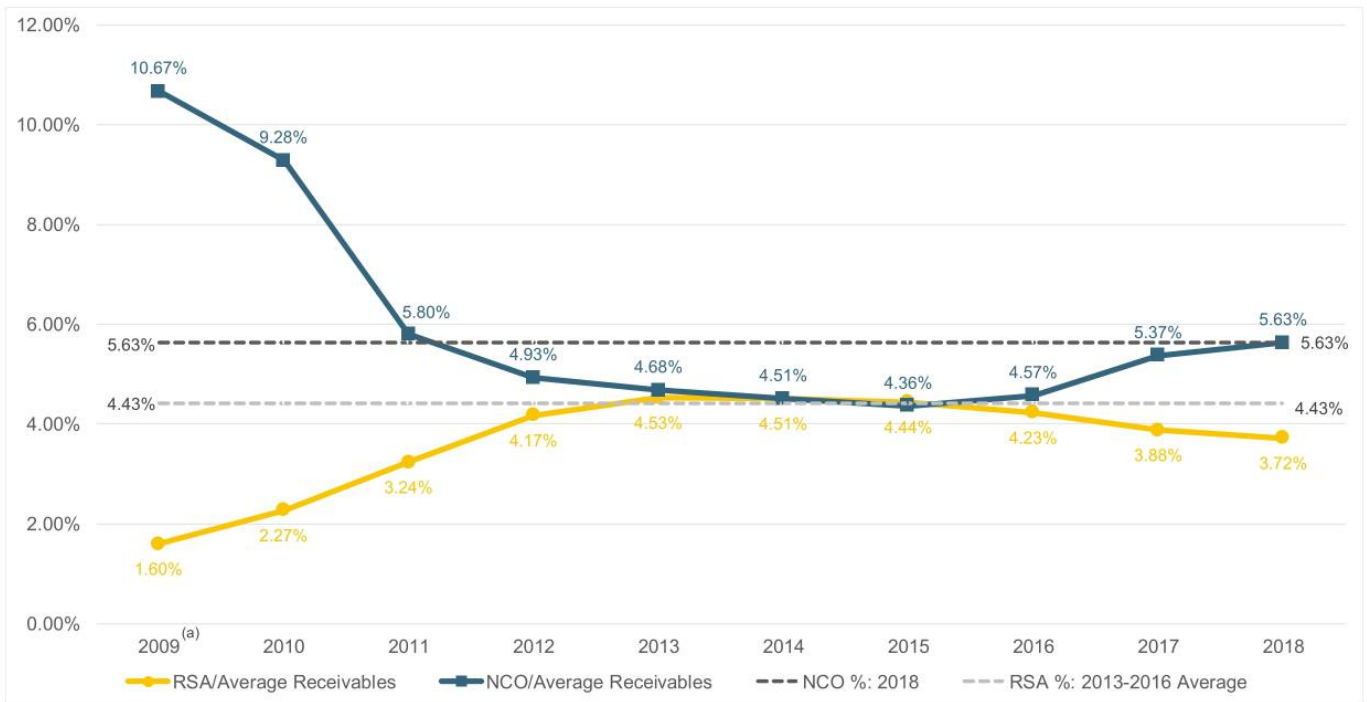
# Retailer Share Arrangements (RSA)

## Shared Components Illustrative Examples





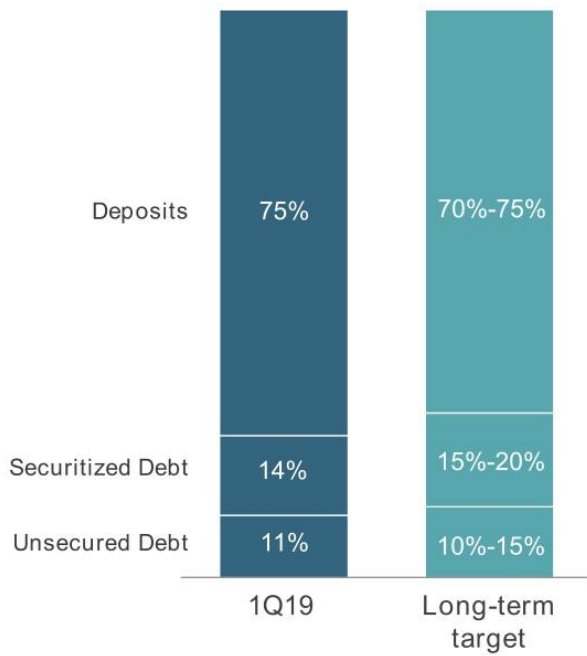
# RSA Provides a Countercyclical Buffer



- In 2009, compared to benchmark levels, the lower RSA % offset 56% of the higher NCO %
  - RSA % was 283 bps lower than average RSA % for 2013-2016; NCO % was 504 bps higher than the 2018 NCO %
- In 2018, compared to benchmark levels (2015 - low point prior to credit normalization), the lower RSA % offset 57% of the higher NCO %
  - RSA % was 72 bps lower than the 2015 RSA %; NCO % was 127 bps higher than the 2015 NCO %
- A driver of the countercyclical nature of the RSA is credit-related, other factors also impact the RSA (ex. program revenue, expenses, and mix)

# Diverse Funding Sources and Strong Liquidity

## Diverse Funding Sources



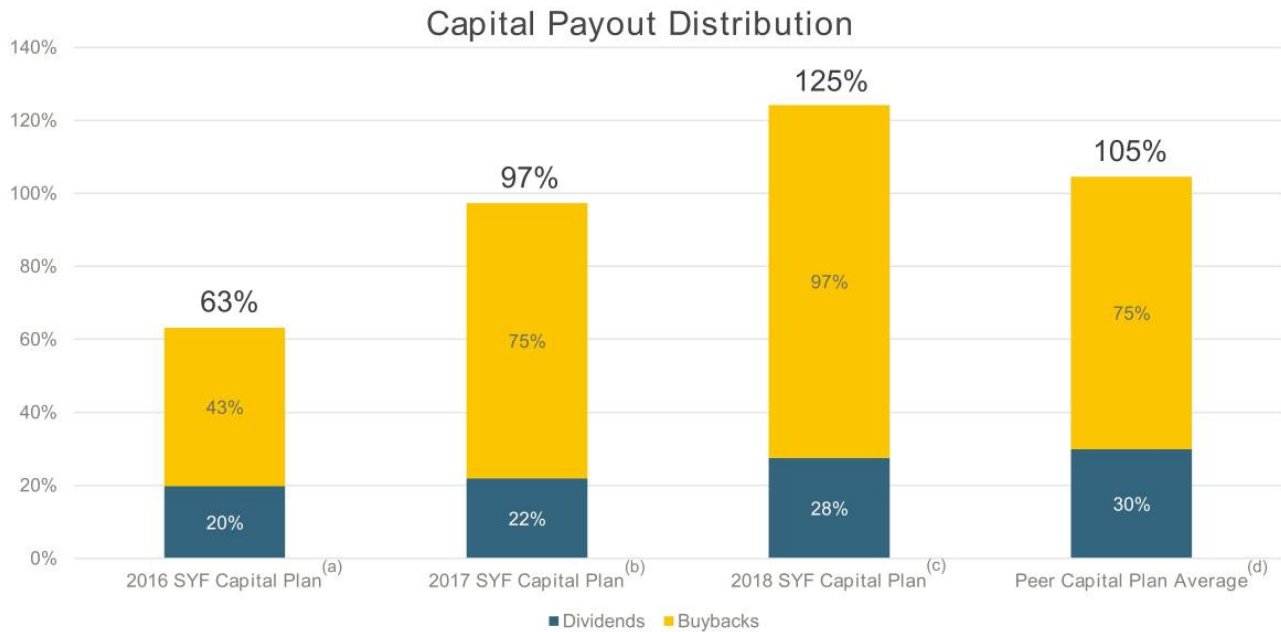
## Strong Liquidity Profile

\$ in billions



- Diverse and stable funding sources
- Fast-growing direct deposit platform to support growth
- Positioned slightly asset sensitive

# Capital Deployment



- Improved capital payout distribution, with stronger buyback weighting
  - With loan receivables growth of 5%, an additional ~30% of capital consumed<sup>(e)</sup>
- Opportunity to enhance components of capital return

(a) 2016 SYF Capital Plan is for illustrative purposes only. It incorporates the 7/7/16 capital plan announcement of \$0.13/share quarterly dividend and \$952 million buyback over the prior four quarters of net earnings ending 2Q16.  
 (b) 2017 SYF Capital Plan is for illustrative purposes only. It incorporates the 5/18/17 capital plan announcement of \$0.15/share quarterly dividend and \$1.64 billion buyback over the prior four quarters of net earnings ending 2Q17.  
 (c) 2018 SYF Capital Plan is for illustrative purposes only. It incorporates the 5/17/18 capital plan announcement of \$0.21/share quarterly dividend and \$2.2 billion buyback over the prior four quarters of net earnings ending 2Q18.  
 (d) Data captures announced capital plans over the prior four quarters of earnings ending 2Q18. Peers include AXP, COF, and DFS.  
 (e) Allocation for growth is estimated by applying 2Q18 CET1 Ratio to the 2Q18 period-end loan receivables growth rate of 5% over the prior four quarters of net earnings ending 2Q18.  
 Sources: Company filings and SNL.

# Strategic Priorities

## Grow our business through our three sales platforms

- Grow existing partner penetration
- Continue to innovate and provide robust cardholder value propositions
- Add new partners and programs with attractive risk and return profiles

## Invest in 'Next Generation' data analytics, AI, and digital capabilities

- Continue expansion of advanced analytics leveraging SKU level data & consumer behaviors driving sales and customer loyalty
- Further develop frictionless customer experiences and digitized environment through the use of customer journey insights
- Leverage alternative data and machine learning to further drive innovation, advanced underwriting and authentication

## Position the business for long-term growth

- Explore opportunities to expand and diversify the business (e.g., healthcare finance, small business and proprietary networks)
- Continue to grow our Bank — launch new products and capabilities to increase loyalty, diversify funding and drive profitability
- Investment in core infrastructure to drive scale, efficiency and agility

## Operate with a strong balance sheet and financial profile

- Maintain strong capital and liquidity
- Deliver earnings growth at attractive returns

## Leverage strong capital position

- Drive organic growth, program acquisitions, and start-up opportunities
- Continue capital plan execution through dividends and share repurchase program, subject to Board and regulatory approvals
- Invest in capability-enhancing technologies and businesses

# Appendix



## Non-GAAP Reconciliation

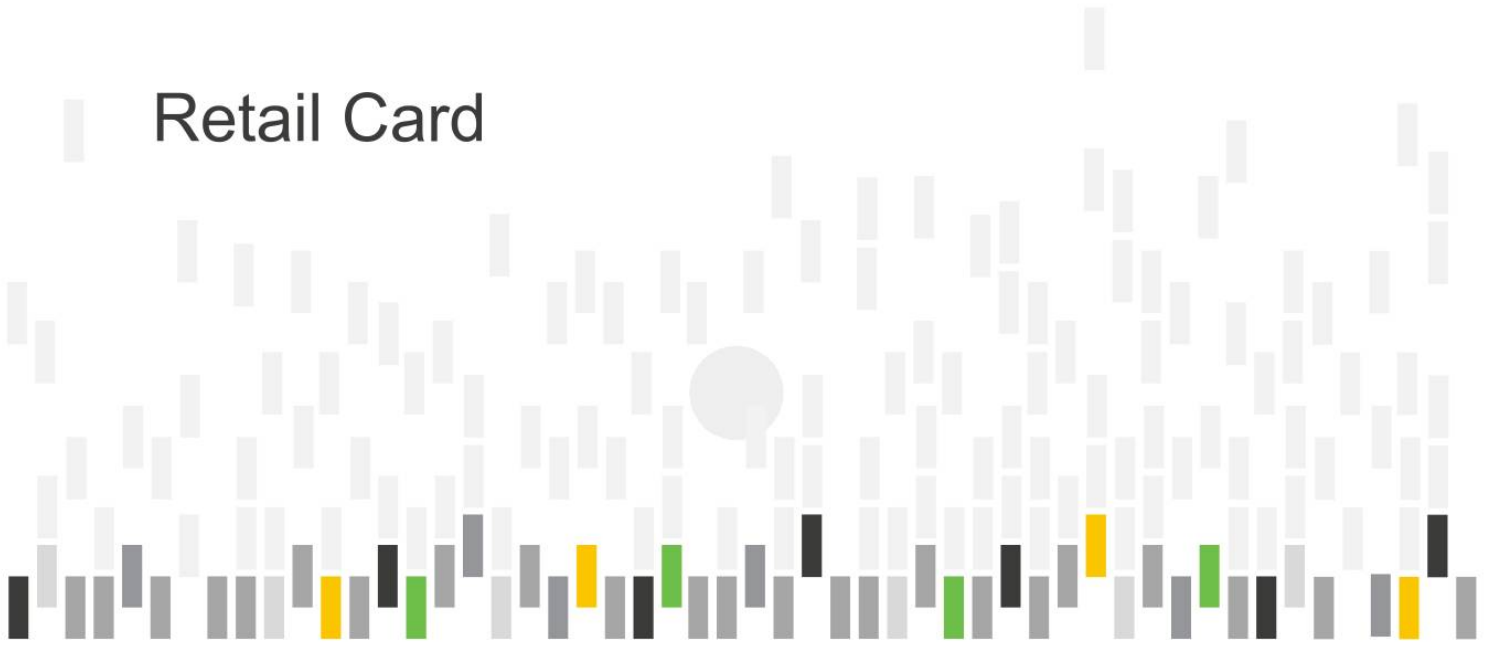
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The following table sets forth a reconciliation between GAAP results and non-GAAP managed-basis results for 2009.

	Twelve months ended December 31, 2009
<u>Net charge-offs as a % of average loan receivables, including held for sale:</u>	
GAAP	11.26%
Securitization adjustments	<u>(0.59)%</u>
Managed-basis	10.67%
<u>Interest and fees on loans as a % of average loan receivables, including held for sale:</u>	
GAAP	19.74%
Securitization adjustments	<u>0.75%</u>
Managed-basis	20.49%
<u>Retailer share arrangements as a % of average loan receivables, including held for sale:</u>	
GAAP	3.40%
Securitization adjustments	<u>(1.80)%</u>
Managed-basis	1.60%
<u>Risk-adjusted yield<sup>(a)</sup>:</u>	
GAAP	8.48%
Securitization adjustments	<u>1.34%</u>
Managed-basis	9.82%

(a) Risk-adjusted yield is equal to interest and fees on loans as a % of average loan receivables less net charge-offs as a % of average loan receivables.

# Retail Card



# Retail Card

## Product Offerings



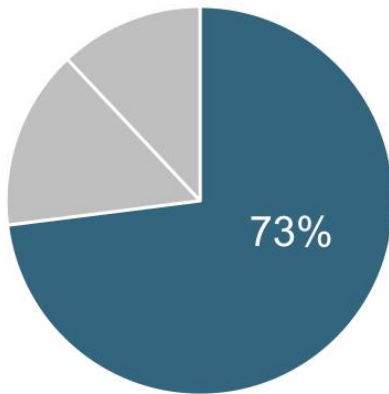
- Private Label Credit Cards
- Dual Cards™
- General Purpose Co-Branded Credit Cards
- Small- and Medium-Sized Business Credit Products
- Substantially All Credit on Standard Terms

## Partners

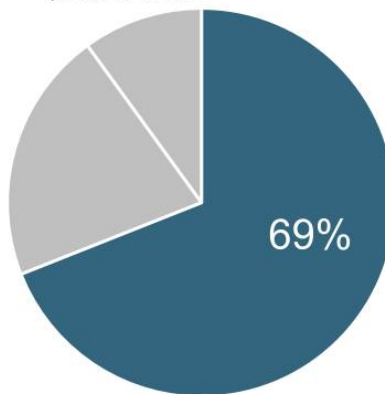


- 24 National and Regional Retailers<sup>3</sup>
- Average Length of Partnership = 22 Years<sup>3</sup>
- RSA Provides Program Alignment

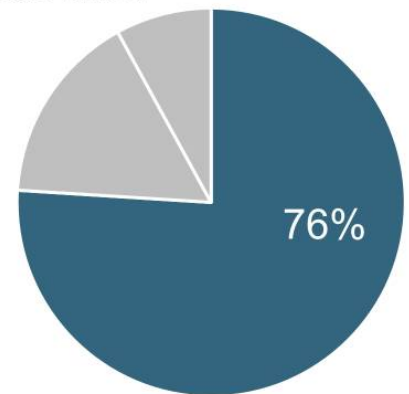
Interest and Fees on Loans<sup>1</sup>  
\$12.8 billion



Loan Receivables<sup>2</sup>  
\$63.8 billion



Average Active Accounts<sup>1</sup>  
55.8 million



1. For the twelve months ended December 31, 2018.  
2. As of December 31, 2018.

3. As of March 31, 2019, for ongoing Retail Card partners.

Note: Percentages shown represent proportion of applicable metric for total company. Beginning in 1Q 2019, our Oil and Gas retail credit programs are now included in our Payment Solutions sales platform in Automotive. All 2018 reported metrics within this presentation have been recast to reflect this change.



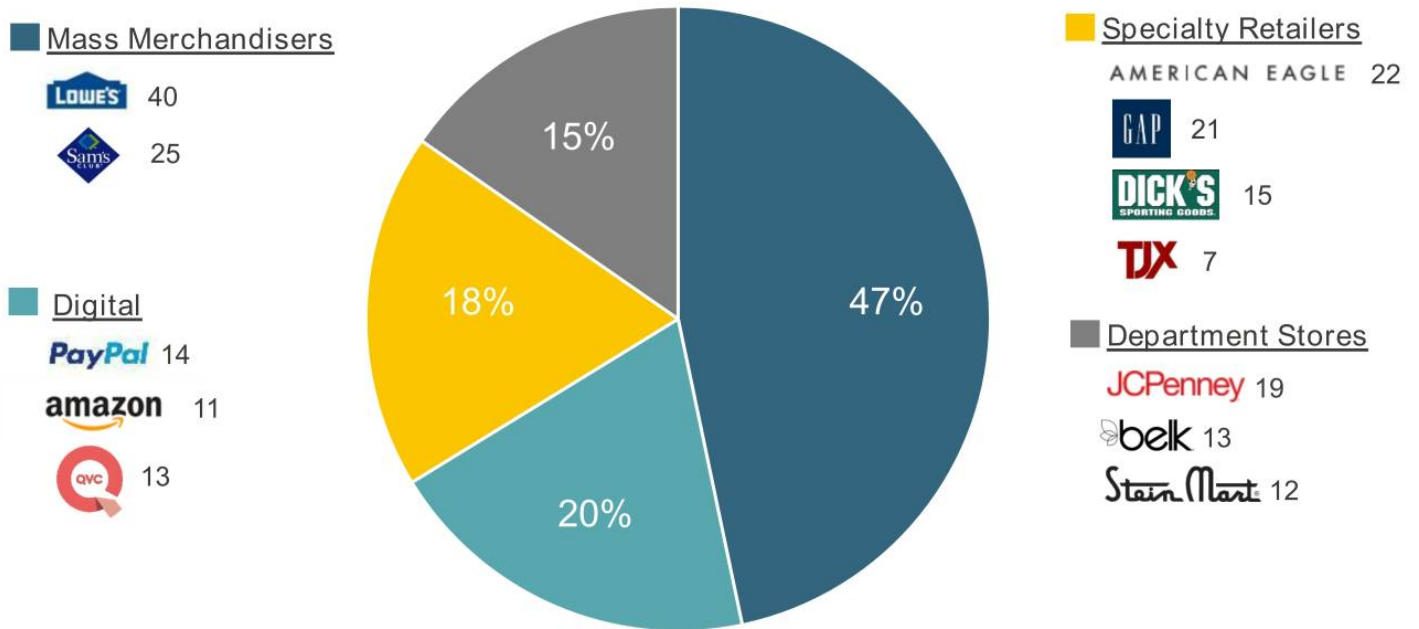
# Long-Standing and Diverse Partnerships

97% of Retail Card Ongoing Partner Interest and Fees on Loans Under Contract Until 2022 and Beyond<sup>1</sup>

## Diversified Retail Card Partners

Retail Card Interest and Fees on Loans by Retail Market<sup>2</sup>

Legend includes a sample of partners, with length of relationship in years at March 31, 2019



# Retail Card Strategic Advantages

## Partner-centric business model

- ✓ Co-location with partners drives deeply embedded relationships ... allows us to implement targeted marketing and loyalty campaigns in real time
- ✓ Fully integrated into our partners in-store, online and mobile channels allows us to be aligned with their growth strategy
- ✓ Broad product suite tailored to our retail partners' customer base
- ✓ Significant investment in field sales team delivering strong in-store execution across our partner base
- ✓ Significant economic benefits ... retailer share arrangement payments and interchange savings associated with our closed loop network

## Investments in digital, mobile & analytics

- ✓ Significant investments in digital/mobile assets ... customers can apply, buy, service, and make payments seamlessly
- ✓ Continued investments in analytical capabilities that provide value-added enhancements for our partners which drive our targeted marketing and loyalty campaigns

## Deep domain experience in retail marketing & loyalty

- ✓ Strong experience in retail-based marketing programs to drive retail traffic and increase sales penetration
- ✓ Expansion into multi-tender loyalty to provide a seamless integrated program using a robust and highly flexible platform

# Our Relationship Structure

## MANAGEMENT COMMITTEE

Sets strategic direction, operational oversight, program changes and decisions.

## PROGRAM MANAGEMENT

Overall program and relationship management through monthly cross-functional meetings.

## MARKETING SUPPORT

Develops and directs marketing efforts supporting the program through weekly marketing meetings.

## FIELD SALES SUPPORT

Helps to guide the interaction between stores and the customers.

## SENIOR EXECUTIVE GUIDANCE

### CLIENT TEAM

General Manager

Marketing Leader

Marketing Managers

IT Leader



### SUPPORT RESOURCES



250+ Person Analytics Hub



Digital Marketing Strategists



Mobile Engagement Experts



Product and Innovation Teams

# Customer Centric Product Strategy

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Synchrony has a full suite of products that can be configured for our customers.



## PLCC

- Cross-shop expansion
- Credit promotions
- Secured card upgrade



## GiftNow® G-COMMERCE

- Incremental sales
- Risk-free gifting
- Instant gifting
- No shipping deadlines



## DUAL CARD/CO-BRAND

- Everyday engagement
- World spend accelerators
- Cross-shop promotions



## myFICO™ CREDIT AND FINANCIAL EDUCATION

- Access to online personalized credit score, updated monthly
- 12-month historical score trending graph
- Details of factors impacting score
- Access to credit score educational content

Delivering a full suite of products that offer benefits for all customers.

# Expanding Our Digital and Strategic Capabilities

## Delivering an Optimal Customer Experience



## Innovation



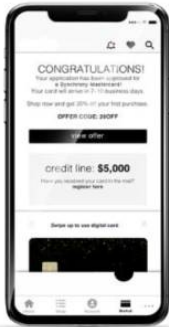
## Investment Strategy Helping to Drive Partner Growth

Strategic Investments

# Digital Expertise

## DIGITAL APPLY

- Branded and configurable to retailer
- Adaptive/responsive user experience
- Dynamic/intelligent prefill to minimize fields
- Integrated prequalification of known customers
- Synchrony hosting ensures accessibility and regulatory compliance
- Integrated first purchase offers, coupons and incentives
- Ability to add authorized users
- Instant provisioning of digital card to retailer native app



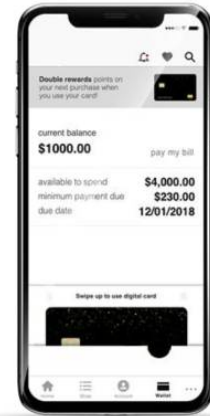
## DIGITAL SERVICING

- Retailer-branded servicing web-based portal hosted by Synchrony and optimized for device type
- Provides quick-and-easy mobile/online access to key account servicing functionality optimized for mobile browser
- Virtual assistant servicing capabilities in Amazon Alexa and Google Home
  - Check balance
  - Make a payment
  - Additional roadmap features



## SYNCHRONY PLUG-IN

- Fully secure and easy to configure framework that is integrated into the retailer mobile app providing seamless user experience
- Customer can apply for credit, service the account, check for rewards earned and redeem rewards earned within the native app



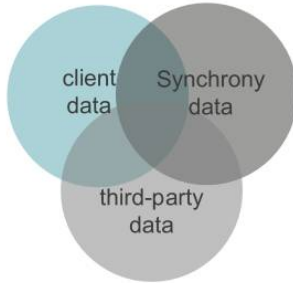
# Synchrony Enterprise Analytics – More data, better organized and activated, and centered around the customer experience

Create a single view of the customer

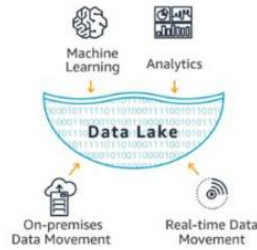
Organize and activate through Synchrony's Enterprise Data Lake

With the customer journey at the heart of every decision

Enterprise Analytics Capabilities



- Data integration (transactions, SKU, operations, etc.)
- Entity resolution
- Third-party data access/usage



- Governance/controls
- Machine Learning techniques to uncover relationships in data
- Real Time activation to execution platforms



- Journeys as framework for uncovering \$\$ opportunities
- Quantifying benefits of activities through test/read/rollout

Analytics Culture at Synchrony



- Report focused
- Post-hoc reporting and insights
- Valued only for technical insights

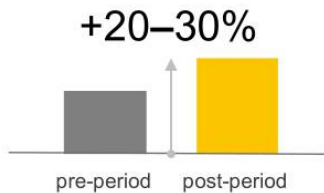


- Tools focus
- Predict business trends
- Deep knowledge of Synchrony and client P&L

# Value of Data Integration

## CREDIT LINE OPTIMIZATION

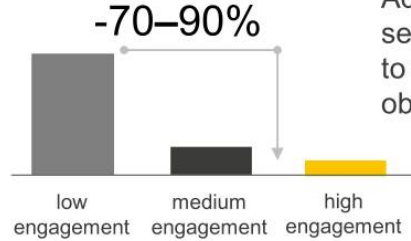
Average CL Assignment  
High Engagement Customers



Improved credit line assignments for our partners' best customers...

## FRAUD REDUCTION

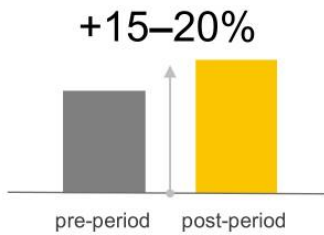
Average 6 Month Fraud Rate by  
Level of Customer Engagement



Advanced customer segmentation leads to a reduction of observed fraud rates...

## SPEND INCREASE

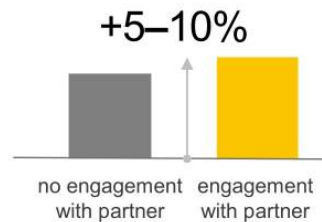
Average Month 1 Sales  
Per New Account



Increase in initial customer spending...

## HIGHER SHARE OF BALANCES

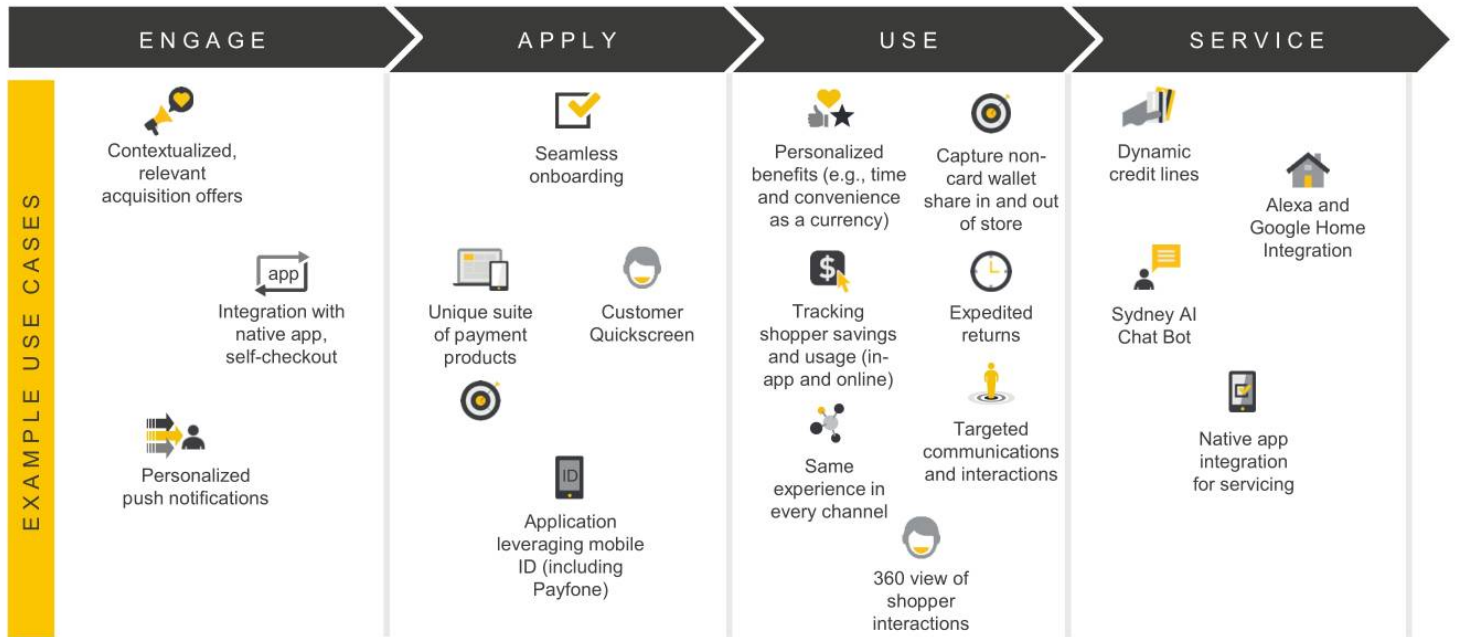
Balance at End of Year 1  
Per New Account



...and ultimately higher share of customer's balances



# Activating Customers Throughout Their Journey





Engage with us.



# Payment Solutions



# Payment Solutions

## Product Offerings



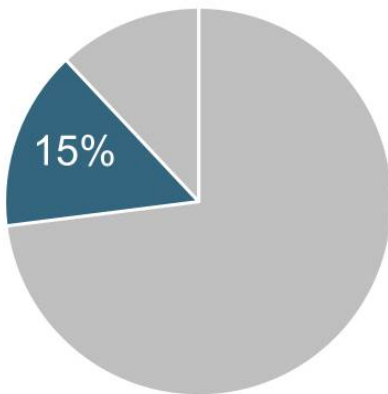
- Private Label Credit Cards
- Dual Cards™
- Installment Loans
- Network Cards for Home and Auto
- Substantially All Credit is Promotional Financing (excluding Oil & Gas)

## Partners

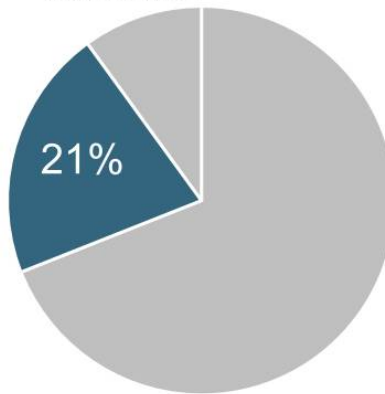


- National and Regional Retailers
- Local Merchants
- Manufacturers
- Buying Groups
- Industry Associations
- ~70,000 partners with nearly 160,000 locations<sup>3</sup>

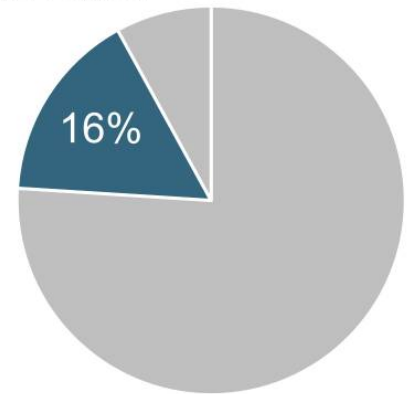
Interest and Fees on Loans<sup>1</sup>  
\$2.7 billion



Loan Receivables<sup>2</sup>  
\$19.8 billion



Average Active Accounts<sup>1</sup>  
12.1 million



1. For the twelve months ended December 31, 2018.  
2. As of December 31, 2018.  
3. As of March 31, 2019.

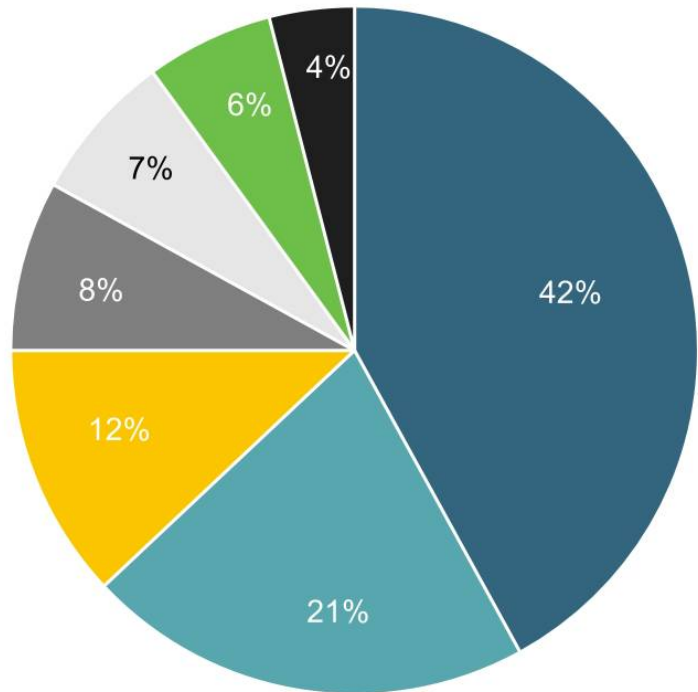
Note: Percentages shown represent proportion of applicable metric for total company. Beginning in 1Q 2019, our Oil and Gas retail credit programs are now included in our Payment Solutions sales platform in Automotive. All 2018 reported metrics within this presentation have been recast to reflect this change.

# Diversified Partnerships

Average Relationship Length of Top 10 Partners is 12 Years<sup>1</sup>

Payment Solutions Retail Markets  
Interest and Fees on Loans<sup>2</sup>

- Home Furnishings/Flooring
- Automotive
- Electronics/Appliances
- Home Specialty
- Power
- Other Retail
- Jewelry & Other Luxury



# Payment Solutions Strategic Advantages

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## Broad & deep partner network

- Significant presence across big-ticket retailers in multiple industries
- Built over decades through commitment, dedication and consistent investment
- Dedicated sales and merchant management teams organized to optimize small to mid-sized partners

## Robust & Adaptable Customer Integration Capabilities

- Technology integrated across partner locations and digital channels, including our proprietary web-based POS portal, Business Center
- Omni channel integration capabilities unique to Synchrony

## “Large Retailer” marketing & product expertise deliverable to mid-market

- Large database of partner and consumer data on promotional credit ... analytic framework enables tailored, cost effective, trigger-based marketing offers based on customer behavior
- Multi-channel marketing capability leverages retailer value proposition throughout consumer lifecycle
- Merchant/Retailer sales and product training offered to ~70,000 partners and their store associates across ~160,000 locations

# Partner Management

## Relationship Management & Sales

A consultative General Manager and Relationship Manager with extensive experience

## Marketing





Develops and directs omnichannel marketing, an extension of your team driving new and repeat business

## Operations

A customer-centric culture empowered to drive customer care excellence through multiple communication channels

## Information Technology

Dedicated launch team to ensure a smooth transition and ongoing technology development

SUPPORT TEAM		
Synchrony		Support Resources
Client Development		
<ul style="list-style-type: none"> <li>General Manager</li> <li>Relationship Manager</li> <li>Client Services Manager</li> </ul>	 	250+ Person Analytics Center of Excellence  Marketing & Advertising Strategists
Marketing & IT		
<ul style="list-style-type: none"> <li>Senior Marketing Leader</li> <li>New Client Integration Leader</li> <li>IT Program Manager</li> </ul>	   	Mobile Engagement Experts  Loyalty Experts  Merchant & Consumer Operations  Fraud Experts

# Synchrony Car Care

## Synchrony Car Care Locations

32,000+ locations including:



Service Repair & Parts



Tire & Wheel



Dealerships

## Additional Auto-Related Retailers

200,000+ including:



500,000+ including:



Over 730,000 auto-related locations nationwide accept Synchrony Car Care



6.7 million cardholders



6 months Special Financing for all purchases of \$199 or more.\*



Accepted at gas stations nationwide



# Synchrony HOME



Launched January 2019:  
 ~ 5 million cardholders.  
 Cardholders may use card at 1 million+ locations.  
 18,000+ Synchrony HOME locations originate cards for the program.

ENJOY **EVERYDAY BENEFITS, EVERYWHERE THE CARD IS ACCEPTED.**

<p><b>2%</b> CASH BACK on purchases under \$299 paid as a statement credit.<sup>2</sup> Now through December 31, 2019.</p>	<p><b>6</b> MONTHS Promotional Financing on purchases of \$299 or more.<sup>1</sup></p>	<p><b>PLUS</b> <b>12-60</b> MONTHS Promotional Financing on qualifying purchases at thousands of participating Synchrony HOME retailer locations.<sup>3</sup></p>
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# Expanding Our Digital and Strategic Capabilities

## Delivering an Optimal Customer Experience



## Innovation



## Investment Strategy Helping to Drive Partner Growth

**GPSHOPPER**  
a Synchrony solution

The most trusted mobile app platform for the world's leading retailers

**LOOP COMMERCE**  
a Synchrony solution

The ultimate gifting platform - unlocking transactions that were previously impossible

Strategic Investments

- PAYFONE
- TrustStamp
- LISNR
- FUNDBOX
- flexReceipts
- SOCURE
- R
- Charge After

## Big Ticket Path to Purchase



### Insights that drive growth

- Track attitudes and behaviors to identify key moments of truth in the path to purchase for our partner brands and product categories
- Develop customized insights into uncovered opportunities
- Identify insights that fuel customer engagement and partner growth
- Create card value propositions that align with the market needs and trends

# Payment Solutions Strategy



Expand Network – Launched Synchrony HOME brand, converted & reissued ~5MM accounts, added adjacencies and increased direct to consumer focus. Accepted at over a million locations nationwide.



Enhanced POS Technologies – Accelerate simplification of the digital UX, scale online credit conversion solution and simpler partner integrations.



Increasing Customer Choice – Continue to diversify with unsecured product online and instore with SetPay. More personalized choices will be the future of success.



Merchant Experience – Align around merchant journeys, leverage digital to reduce friction, shared merchant level data for personalization.



Commercialization – Accelerate product solutions, communicate strengths via enhanced sales tool-kits and targeted deployments.



Engage with us.



CareCredit



 synchrony  
FINANCIAL

# CareCredit

## Product Offerings



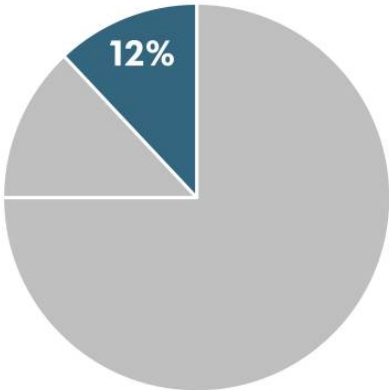
- CareCredit Private Label Credit Card
- CareCredit Dual Card™
- Promotional Financing: Health, Veterinary and Personal Care Procedures, Services or Products
- Pet Insurance

## Partners

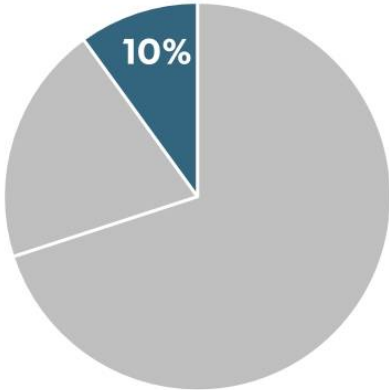


- CareCredit Network
  - Individual or Small Groups of Independent Healthcare Providers
  - National Retail Locations
- Professional Organization Endorsements

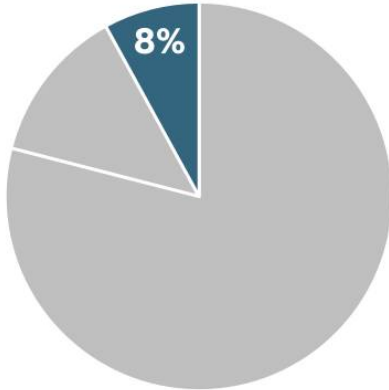
Interest and Fees on Loans<sup>1</sup>  
\$2.2 billion



Loan Receivables<sup>2</sup>  
\$9.5 billion



Average Active Accounts<sup>1</sup>  
5.9 million

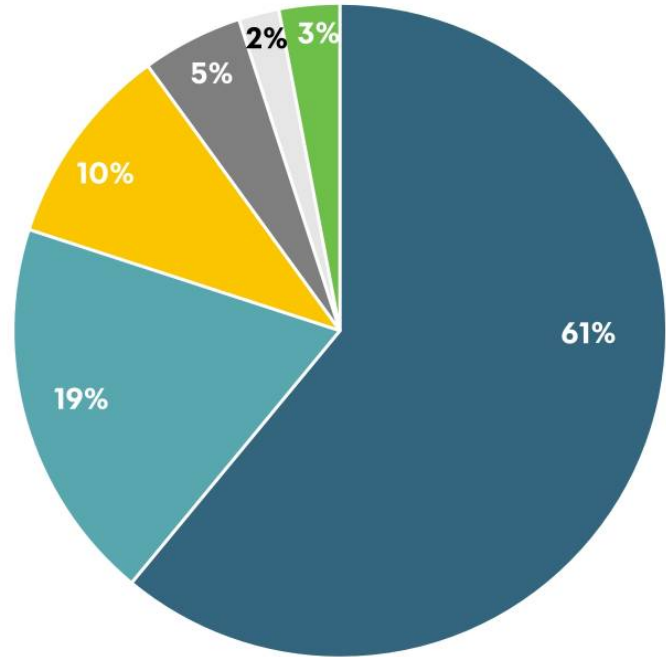


1. For the twelve months ended December 31, 2018.  
 2. As of December 31, 2018.  
 Note: Percentages shown represent proportion of applicable metric for total company.

# Expansive Network

CareCredit Specialties  
Interest and Fees on Loans<sup>1</sup>

- Dental
- Veterinary
- Cosmetic & Dermatology
- Vision
- Audiology
- Other Markets





# Nation's Leading Healthcare Financing Partner



**6M**

average active accounts<sup>1</sup>



**220K+**

locations in the acceptance network<sup>2</sup>



**\$10B+**

Purchase Volume<sup>1</sup>



Of CareCredit cardholders say they are highly satisfied<sup>\*</sup>

Net Promoter Score nearly double the industry average for financial services<sup>\*</sup>

<sup>\*</sup> CareCredit, "Cardholder Engagement Study," Q2 2018

**75  
NPS**

## Primary Care

- Family Practice
- General Practice
- Internal Medicine
- OB-GYN
- Pediatrics
- Urgent Care

## Diagnostic

- Imaging and Radiology
- Lab
- Sleep Medicine

## Facilities / Ancillary Care

- ASC
- Cord Blood
- Durable Medical Equipment (DME)
- Orthotics and Prosthetics
- Pharmacy

## Specialty Care

- Allergy
- Anesthesiology
- Audiology
- Chiropractic
- Cosmetic
- Dermatology
- Gastroenterology
- Orthopedics & Podiatry
- Physical Therapy
- Urology
- Vascular Surgery
- Vision
- Weight



1. For the twelve months ended December 31, 2018.  
2. As of 1Q 2019.

# The CareCredit Solution

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## A Win-Win for Providers and Patients

- Guaranteed payment in two business days
- Non-recourse for providers
- Save time on billing and collections
- Patients/pet parents can pay over time and not delay care or treatment
- Promotional financing for patients



Private Label



Dual Card



# How CareCredit Works

## 4 Simple Steps



Providers enroll and become a part of CareCredit card acceptance network



Patients apply at provider locations, on their mobile device, online, and over the phone\*



When patients pay an amount of \$200 or more<sup>†</sup>, promotional financing options are available



Providers are paid in two business days. Non-recourse for losses

\* Must be 18 to apply. Must be 21 to apply by phone.

<sup>†</sup> Subject to credit approval. Minimum monthly payments required. See CareCredit.com for details.

## Standard Account Terms

< \$200

Standard Account Terms

## Promotional Financing Options

≥ \$200

No Interest If Paid In Full Within 6, 12, 18 or 24 months

≥ \$1,000

Reduced APR and Fixed Monthly Payments Required if Paid In Full Within 24, 36 or 48 months

≥ \$2,500

Reduced APR and Fixed Monthly Payments Required if Paid In Full Within 60 months



# CareCredit Digital Solutions

## CareCredit Consumer Digital



carecredit.com for prospects and cardholders



CareCredit Direct in-practice applications



Quick and easy payment via Pay My Provider



On-the-go mobile app

## Business Accelerators



## Provider Digital Solutions



Provider Center for in-office apply & transact



Batch Quickscreen for pre-approval & applications



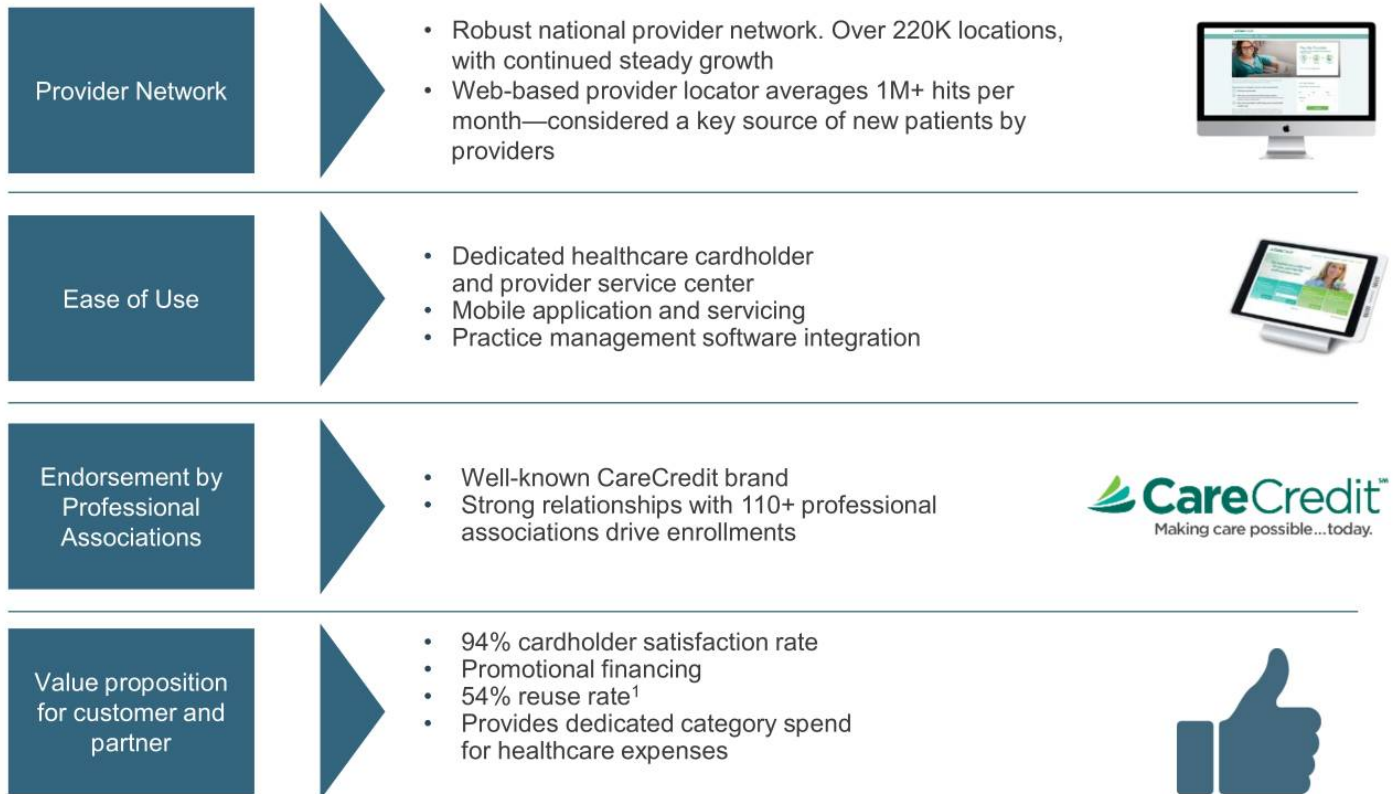
dBuy for e-commerce apply & buy payments



Hosted Integration for strategic tech partners

# CareCredit: Strategic Advantages

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# The Challenge for Healthcare Consumers

**Patients** are paying more out-of-pocket



**\$350B**

2016 out-of-pocket healthcare spending<sup>1</sup>



**\$400**

40% of Americans couldn't afford an unplanned expense of \$400<sup>2</sup>



**\$1,573**

average deductible for individual, employer-sponsored coverage—up more than 114% since 2008<sup>3</sup>



**27%**

declined medical care in 2017 due to cost<sup>2</sup>



Need for retail payment solutions, affordable payment options, and effective POS solutions

# The Challenge for Healthcare Providers

Providers are working harder to collect



64%

of providers say their top concern is the time it takes to collect payment<sup>1</sup>



73%

report it takes more than one month to collect<sup>2</sup>



26%

don't know how much in patient collections they write off each year<sup>2</sup>



Demand for diverse tech-enabled Revenue Cycle Management (RCM) solutions addressing patient payment responsibility

# Total Addressable Market



## Total Addressable Market

- Over \$3.3 trillion in payments flows through the U.S. healthcare system<sup>1</sup>
- 2017 Total Addressable 'Core' medical market is \$115 billion out-of-pocket spend; \$40 billion of which is currently being financed



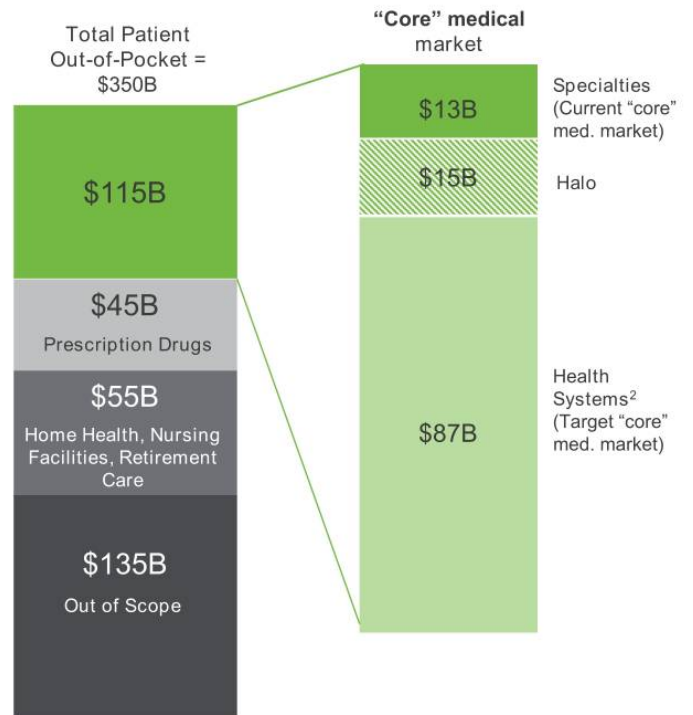
## Why "core" medical services?

- 8% CAGR for out-of-pocket spend
- Healthcare consumerism (ease, transparency, flexible payment options)
- CareCredit has an existing foothold (network expansion, specialty, etc.)



## Why Health Systems?

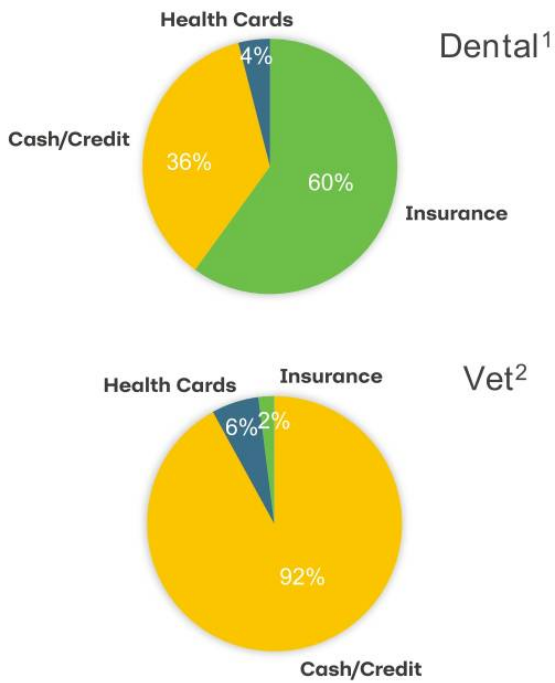
- Industry Consolidation
- Growth through 'halo' providers
- Shift to pre-service payments





# CareCredit: Competitive Landscape

## Payment Distribution



3rd party credit is a small component of healthcare payments—conversion of direct billing & cash to CareCredit is largest opportunity

- Centers for Medicare and Medicaid Services (CMS).
- North America Pet Health Insurance Association.



## Healthcare Credit Competitive Landscape

Significant scale<sup>1</sup>

\$9.5B



Significant penetration rates across specialties<sup>2</sup>

Dental	Vet	Cosmetic	Audiology	Vision
76%	92%	36%	49%	40%

Clear market leader with significant scale and breadth of market coverage

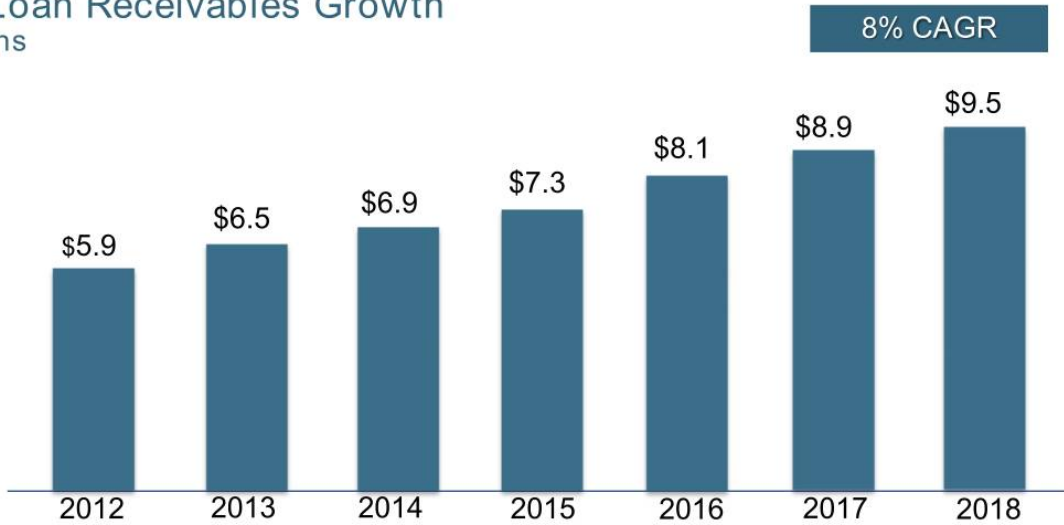
- Based on loan receivables as of March 31, 2019.
- As of 2017, based on provider locations and CareCredit industry research.

# CareCredit

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## Strong Loan Receivables Growth

\$s in billions



## 2018 Purchase Volume = \$10.2B

Growth Drivers:

1. Network expansion – adding new healthcare specialties and more providers to our network
2. Utility expansion – adding world sales capabilities through Dual Card
3. Product expansion – adding new products to our offerings

# Building for Future Growth

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## 2019 Strategic Pillars

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### 1. Organic & New Business

- Core and Healthcare Specialty markets expansion
- Continuous upgrades to Dual Card, build “HealthPlus”
- Introduce new value props to address customer need



### 2. Health Systems

- Become a comprehensive healthcare solution
- Engage partners in the health system ecosystem
- Partner with key influencers in healthcare and medical



### 3. Pet Expansion

- Build on strong relationships in Vet market
- Evolve business from vet to pet; explore adjacent pet products, services and retail
- Integrate Pets Best & create a new experience in the pet market





Engage with us.



