

**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**

November 15, 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).

Emerging growth company

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 7.01 Regulation FD Disclosure.

Synchrony Financial (the "Company") hereby furnishes the information in Exhibit 99.1 hereto, Monthly Charge-Off and Delinquency Statistics as of and for each of the thirteen months ended October 31, 2019.

The Company intends to continue to furnish these statistics on a monthly basis, noting that for the last month of each calendar quarter, the statistics will be furnished contemporaneously with the Company's announcement of its financial results for such quarter.

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 | Monthly Charge-off and Delinquency Statistics as of and for each of the thirteen months ended October 31, 2019 |
| 104 | The cover page from this Current Report on Form 8-K, formatted in Inline XBRL |

EXHIBIT INDEX

| <u>Number</u> | <u>Description</u> |
|----------------------|--|
| 99.1 | Monthly Charge-off and Delinquency Statistics as of and for each of the thirteen months ended October 31, 2019 |
| 104 | The cover page from this Current Report on Form 8-K, formatted in Inline XBRL |

SYNCHRONY FINANCIAL

MONTHLY CHARGE-OFF AND DELINQUENCY STATISTICS

AS OF AND FOR EACH OF THE THIRTEEN MONTHS ENDED

(unaudited, \$ in billions)

The following table provides monthly charge-off and delinquency statistics as of and for each of the thirteen months ended October 31, 2019.

The decrease in the over-30 day loan delinquencies as a percentage of period-end loan receivables (the "30+ delinquency rate") at October 31, 2019 compared to the same period in the prior year is primarily due to the sale of the Walmart consumer portfolio in October 2019.

The decrease in net charge-offs for the month ended October 31, 2019 compared to the same period in the prior year, is primarily due to the sale of the Walmart consumer portfolio in October 2019 and an increase in recoveries, partially offset by the purchase accounting benefit in the prior year associated with the PayPal Credit program which was acquired in July 2018.

| | Oct 31, 2019 | Sep 30, 2019 | Aug 31, 2019 | Jul 31, 2019 | Jun 30, 2019 | May 31, 2019 | Apr 30, 2019 | Mar 31, 2019 | Feb 28, 2019 | Jan 31, 2019 | Dec 31, 2018 | Nov 30, 2018 | Oct 31, 2018 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Period-end loan receivables | \$ 83.6 | \$ 83.2 | \$ 83.1 | \$ 82.6 | \$ 81.8 | \$ 81.5 | \$ 80.7 | \$ 80.4 | \$ 80.9 | \$ 82.6 | \$ 93.1 | \$ 90.5 | \$ 88.2 |
| Average loan receivables, including held for sale | \$ 85.5 | \$ 91.1 | \$ 90.6 | \$ 89.9 | \$ 89.5 | \$ 88.7 | \$ 88.2 | \$ 88.2 | \$ 90.0 | \$ 91.5 | \$ 92.0 | \$ 88.6 | \$ 87.3 |
| 30+ days past due as a % of period-end loan receivables | 4.5% | 4.5% | 4.4% | 4.4% | 4.4% | 4.5% | 4.6% | 4.9% | 5.2% | 5.2% | 4.8% | 4.9% | 4.8% |
| Adjustment to exclude Walmart portfolio ⁽¹⁾ | —% | (0.1)% | (0.2)% | (0.3)% | (0.4)% | (0.5)% | (0.5)% | (0.5)% | (0.5)% | (0.6)% | (0.3)% | (0.3)% | (0.3)% |
| Core 30+ delinquency rate ⁽¹⁾ | 4.5% | 4.4% | 4.2% | 4.1% | 4.0% | 4.0% | 4.1% | 4.4% | 4.7% | 4.6% | 4.5% | 4.6% | 4.5% |
| Net charge-offs (annualized) as a % of average loan receivables, including held for sale ⁽²⁾ | 4.9% | 5.3% | 5.4% | 5.4% | 5.4% | 6.1% | 6.5% | 6.4% | 6.1% | 5.7% | 5.8% | 5.5% | 5.3% |
| Recovery adjustment ⁽³⁾ | 0.2% | —% | (0.1)% | —% | 0.1% | —% | —% | (0.3)% | 0.3% | —% | (0.1)% | 0.1% | —% |
| Adjusted net charge-offs as a % of average loan receivables, including held for sale ⁽⁴⁾ | 5.1% | 5.3% | 5.3% | 5.4% | 5.5% | 6.1% | 6.5% | 6.1% | 6.4% | 5.7% | 5.7% | 5.6% | 5.3% |

(1) Core 30+ delinquency rate is a non-GAAP financial measure. This measure represents the Company's 30+ days past due loan receivables as a percentage of period-end loan receivables, adjusted to exclude the delinquent accounts related to the Walmart portfolio and the effects of the reclassification of loan receivables related to the Walmart portfolio to loan receivables held for sale. The loan receivables held for sale did not include certain loan receivables we expected to charge-off prior to the sale date, leading to a temporary increase in our delinquency metrics. We believe the presentation of this measure is useful to investors as it represents the measure more indicative of the performance of our ongoing credit programs for the periods presented.

(2) Charge-offs are executed on charge-off cycle dates which occur on various days during each calendar month. The number of different charge-off cycle dates in each month varies based on such factors as the calendar and the timing of billing cycles. As a result, the amount of charged-off loan receivables can vary between monthly periods with no corresponding change in the performance of the portfolio. The following table sets forth the number of different charge-off cycle dates for our consumer credit card loan receivables, which represent greater than 95% of total period-end loan receivables at October 31, 2019, for the calendar months indicated.

| | 2018 | 2019 |
|-----------|------|------|
| January | 29 | 28 |
| February | 28 | 28 |
| March | 25 | 28 |
| April | 30 | 28 |
| May | 28 | 28 |
| June | 26 | 28 |
| July | 30 | 29 |
| August | 28 | 27 |
| September | 28 | 28 |
| October | 29 | 28 |
| November | 27 | 26 |
| December | 28 | 30 |

(3) Represents adjustment to allocate recoveries, including debt sales, evenly across the three calendar months of each respective quarterly reporting period. The adjustments for periods other than for the last month of each calendar quarter incorporate estimated recoveries for the applicable full quarterly reporting period. Such estimates are subject to change within each applicable quarter and may differ from actual quarterly results.

(4) Adjusted net charge-offs represent a non-GAAP financial measure. Adjusted net charge-offs as a % of average loan receivables, including held for sale, represent the Company's net charge-off rate for each month including the 'recovery adjustment' defined above. We believe the presentation of this measure is useful to investors as it represents a monthly measure which is more indicative of both our quarterly and annual net charge-off rates.