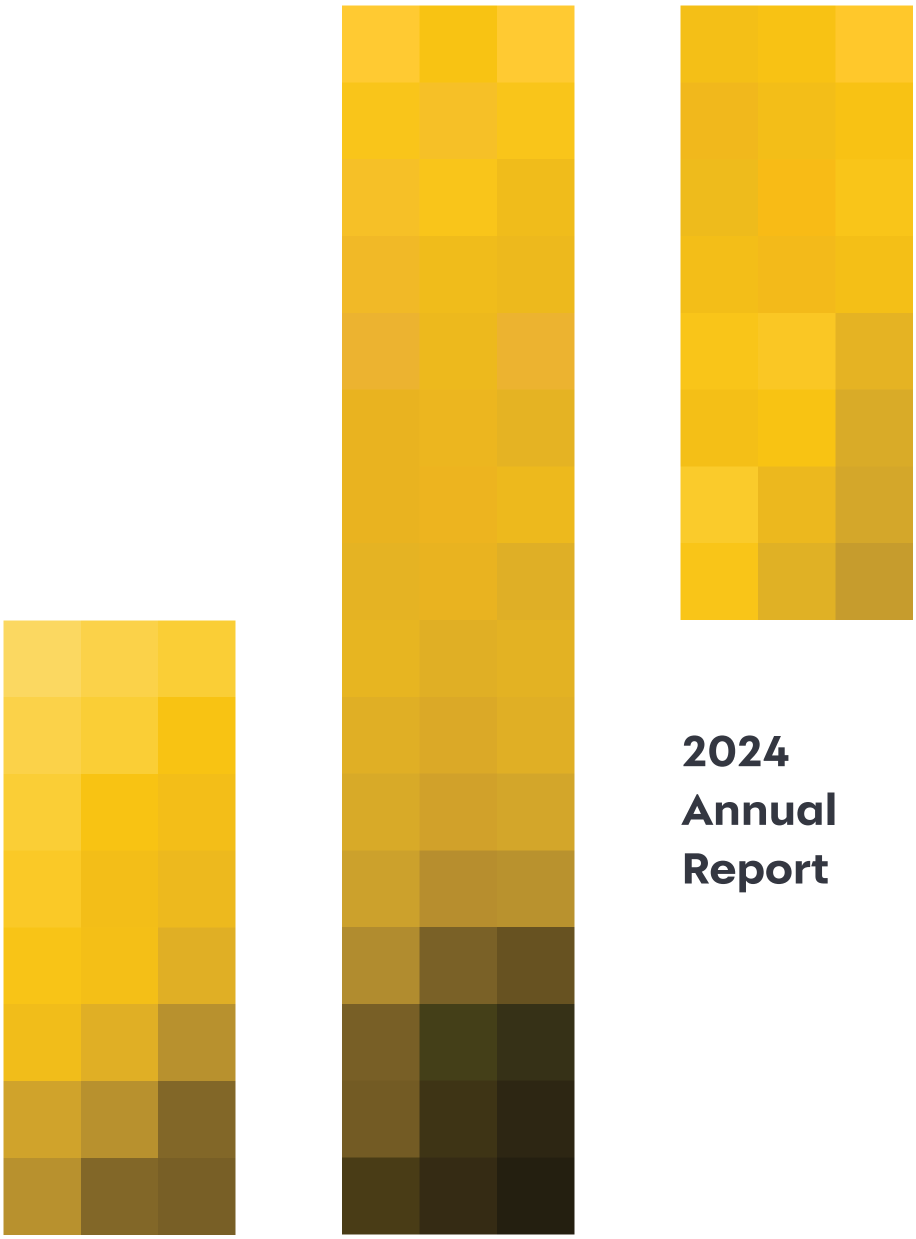
synchrony



2024 Annual Report

Dear Synchrony Stakeholders,

In 2024, Synchrony deepened our role within the heart of American commerce and opportunity by providing access to credit for tens of millions of Americans to help them pay for the things that matter. We also partnered with some of the country's biggest and most respected brands — and hundreds of thousands of small and midsize businesses that are the heartbeat of local economies.

We help people finance everyday purchases in health and wellness, retail, telecommunications, home, auto, outdoor, pet and more — everything from clothes, tires and furniture to wellness for your family and your pets. In the process of financing these purchases, many consumers build stronger credit, enabling them to access even more opportunity for a healthier financial future.

We do all this by continuing to invest in a broad range of flexible financing solutions and expertise, a differentiated approach to underwriting, compelling value propositions, and digital and in-store customer experiences. Together, these capabilities allow us to offer the right financing at the right time to benefit people and businesses. We also continue to leverage our scale, data analytics, lending expertise and advanced digital capabilities to remain nimble and responsive in a rapidly changing environment.

Synchrony's offerings continue to resonate with partners and customers, resulting in another year of strong performance. Led by our team of more than 20,000, I am proud of the culture we have built together at Synchrony — one based on trust, accountability and a commitment to delivering outcomes that matter for all stakeholders. It is that culture and our great team that led us to being recognized as one of the nation's best places to work for the eighth year in a row.

In short, we delivered excellent results in 2024. Every step of the way, we were guided by our fundamental purpose: to be essential to consumers and their families as well as to businesses and providers, and to be trusted by — and responsible to — all stakeholders.

Our 2024 Results

Synchrony delivered net earnings of $3.5 billion, or $8.55 per diluted share and a return on average assets of 2.9%. We acquired almost 20 million new accounts and financed our second-highest level of purchase volume at more than $182 billion. Deposits in Synchrony Bank increased to $82.1 billion and comprised 84% of Synchrony's funding.

These results demonstrate the lasting appeal of our diverse and flexible financing solutions as well as our compelling value propositions. They highlight the important role that credit plays as a catalyst for opportunity in people's everyday lives while helping them build a healthier financial future.

In 2024, we further diversified the industries, products and services for which Synchrony provides financing solutions, while extending our customer reach. For example, we added more than 45 new partners to serve the needs and wants of Americans by partnering with iconic brands like Virgin Red, guitar brand Gibson and powersports provider BRP. We also continued to add new technology-oriented relationships, including practice management platform Adit and cloud-based software company ServiceTitan, which extend our reach into new markets and distribution channels by putting more Synchrony financing options at the point of sale to better serve customers and partners.

Synchrony expanded existing partnerships as well, renewing more than 45 programs, including Dick's Sporting Goods, Generac, Verizon and more recently, two of our top five long-term partners: Sam's Club (a 30-year relationship) and JCPenney (a 25-year relationship).

Just as Synchrony evolved and expanded the ways in which we deliver value through our partner programs in 2024, we also diversified the programs and markets we serve by expanding the breadth and utility of our products:

+ We completed the acquisition of the Ally Lending business, including 2,500 merchant locations and more than 450,000 active borrowers in both home improvement services and health-and-wellness specialties, including roofing, HVAC and windows, cosmetics, audiology and dentistry.

+ We finalized the sale of our Pets Best pet insurance business to Independence Pet Holdings (IPH). In addition to recognizing an $802 million after-tax gain on the sale, we extended our reach in the rapidly growing pet industry through an equity interest in IPH. This includes opportunities to extend the reach of CareCredit to IPH's other pet insurance brands.

+ We launched "Better Together" with CareCredit and Pets Best — a patent-pending, easy-to-use innovation that connects the two solutions. Now, insurance claims from Pets Best customers can be reimbursed directly onto the CareCredit health-and-wellness card. This simplified payment method promises a cohesive experience for pet owners and supports our growth in the pet care financing sector.

+ We launched CareCredit into additional wellness markets to help people finance fertility, nutrition, and diet-related products and services, which supported almost 15% growth in wellness-related purchase volume during 2024.

In addition, Synchrony enhanced the utility of several of our private label credit cards by broadening their acceptance and expanding their distribution channels:

+ The Amazon Store Card can now be used to pay via mobile QR code for Amazon One Medical memberships and for groceries and more at all Whole Foods locations. The results have exceeded expectations and build upon a strong foundation of acceptance, including at Amazon.com, Amazon Pay and Audible.

+ CareCredit cardholders can now pay for select health-and-wellness products and services across a growing list of approximately 18,000 retail acceptance locations, including Albertsons, Sam's Club, Walgreens and Walmart.

+ In keeping with our strategy of broadening product utility, we continued to roll out our CareCredit Dual Card — which can be used everywhere CareCredit is accepted for health and wellness or for general purchases wherever Mastercard is accepted. During the past year, we grew open accounts by 16%.

Thanks to its strong value proposition and utility, about 60% of this product's out-of-partner spend in 2024 was outside traditional health-and-wellness categories.

Lastly, through strong execution and prudent capital management, we returned $1.4 billion to shareholders in 2024. This continued our long history of capital returns, including buying back more than 50% of our common stock and returning nearly $17 billion to shareholders through repurchases since 2016. We are confident in our strategy to continue to grow sustainably and deliver resilient risk-adjusted returns while also providing value to our shareholders, both in the short and long term.

Transforming the Customer Experience Drives Growth

One of the reasons partners choose and stay with Synchrony is because of our customer experience and broad range of innovative financing products and services. From private label and co-brand credit cards to promotional financing and "buy now, pay later" offerings, our products are designed to responsibly address each customer's needs whenever and however they look to make a purchase, while driving growth and loyalty for our partners.

These products are powered by technology that we believe is unmatched in the industry. A prime example is our advanced credit decisioning platform, PRISM, which uses data and analytics to provide a comprehensive view of a consumer's creditworthiness beyond a traditional credit score. By identifying those who deserve more — or less — credit than a credit report would suggest, PRISM helps people responsibly finance what they want while protecting them from becoming overextended. It also protects against fraud and is an engine that helps companies grow while better serving their customers.

As purchases increasingly occur digitally — through wallet apps and digital payments on a mobile device or at the physical point of sale — Synchrony is bringing our customer experience to life across our digital footprint. From our native apps to partner apps like Apple Pay, to our Synchrony Marketplace and Synchrony.com, we are deepening the role that Synchrony plays within our customer and partner relationships.

Through our efforts to expand Synchrony's digital presence, we've enhanced our cross-marketing capabilities and strengthened partner and product awareness with our customers. We are already seeing customers engage with Synchrony more extensively — visiting our sites more often and engaging longer on our properties, contributing to incremental new accounts and sales, as well as lower acquisition costs.

We've more than doubled the number of new Synchrony Bank accounts acquired through Synchrony.com with almost no associated cost. Synchrony Marketplace — which connects people with our partners through offers and deals — is a growing part of our financial ecosystem. During the last year, it hosted almost 228 million customer visits and drove more than 17% growth in newly submitted applications within Marketplace.

Synchrony's digital wallet strategy also made great strides in 2024, driving stronger engagement, utility and purchasing power for our customers. In fact, unique active users of Synchrony's wallet grew 85% compared with 2023, and contributed to more than double the digital wallet sales in 2024. We are excited about the opportunities to further drive our digital penetration, including through our recent announcement that eligible Synchrony Mastercard holders checking out with Apple Pay can now choose to pay with their credit card or use a promotional offer that includes fixed monthly payments.

Building the Industry's Best Culture

These results and innovations are driven by the company we have become and the great people who are a part of it. Over the past four years, we've diversified the markets we serve and transformed our products, digital capabilities and customer experience. We've also transformed and strengthened our culture.

We did this by inviting our people into the process of co-creating the employee experience, including the benefits we develop to support them, how we work and innovate, the spaces we design to collaborate and the processes we use to get things done.

For example, we've expanded flexibility and choice in where we work, transformed outdated offices into dynamic innovation and collaboration spaces, added wellness and financial coaches to support employees in achieving their personal and professional goals, made backup childcare more accessible by covering costs for any provider (even family and friends), and enhanced our parental leave policy, which was already among the best in the industry.

In 2024, we added new benefits based on employee feedback, including an innovative program where Synchrony will treat qualified monthly student loan payments as if they were employee 401(k) plan contributions, and provide a company match that goes into their 401(k) account so that they can still receive the company match while paying off their loans. We also expanded our wellness reimbursement with nontraditional options beyond gym memberships to include marathons; race or tournament fees; team and league registration fees; and individual classes like martial arts, virtual fitness apps and intramural sports leagues.

It is my belief that by listening to our employees and co-creating these programs with them, we are building a work environment that is supportive of their needs and enables them to deliver great work, too. It is why our attrition rates are at all-time lows and why we continue to deliver consistently strong business results for all stakeholders.

I am proud to see that our employees believe that too, as we once again were recognized as a Top 5 Best Company to Work For® in the U.S. by *Fortune* magazine and Great Place to Work®. We have risen on the list every year since 2019, from No. 51 then to No. 2 today. The fact that this ranking is based on employee feedback gives us confidence in our approach and makes the ranking even more special.

Building a great culture also means doing meaningful things in our communities. Our employees devote their time and energy to giving back, including volunteering more than 125,000 hours and giving more than $25 million in employee matched contributions to nonprofits around the globe since we became Synchrony in 2014.

Last year, in honor of our 10-year anniversary and through the support of the Synchrony Foundation, we launched Give10, where 100 employees were selected from thousands of nominations to direct a $10,000 grant to the nonprofit organization of their choice — a $1 million commitment to charities our employees care about around the globe.

We also have several programs aimed at supporting people through Synchrony's Education as an Equalizer program, a $50 million initiative to expand access to higher education, skills training in high-growth fields, and financial literacy for underserved communities and our own workforce.

Proud to Help People Build Healthier Financial Lives

Our commitment is personal. Synchrony employees are motivated to help others improve their lives through credit. I recently heard a story about a young store associate employed by one of our retail partners. She was just starting out in the world and learned she needed to build a credit history to lease an apartment and buy a car. She didn't know where to start. She applied for a Synchrony store card, was approved and soon built the credit history she needed to get the things she wanted — including a home. Today, years later, she attributes that moment to how she started building a happy, successful and financially secure life.

There are countless stories like this one. Whether assisting an individual consumer, finding new ways to responsibly extend credit to more people or helping businesses of all sizes grow, our employees are proud of the role they play in people's lives.

Thank you for Choosing Synchrony

In short, everything we do — transforming the customer experience, building a differented and meaningful employee culture, driving growth and loyalty for our partners, supporting our communities, and all the rest — is a facet of the same overarching purpose: to be essential to people and businesses.

And we've been at it for a while. 2024 marked our 10-year anniversary as Synchrony and nearly 100 years of playing a central role in driving economic growth and prosperity through responsible credit and financing programs.

As we strive to build on the successes of 2024 and the past 10 years, I want to thank our Synchrony stakeholders: our people, our customers, our partners and our communities. I also want to thank you, our shareholders, for your confidence in our company and your commitment to our future success.

As we look to 2025 and beyond, Synchrony is operating from a position of strength. We are executing across our key strategic priorities and delivering strong results. Through the hard work of our people, we are priming our business for profitable growth for years to come. And we are laser-focused on driving considerable long-term value for our shareholders.

It's been a great 10 years — built on a foundation of nearly 100 — but I am even more excited about what's ahead. I look forward to continued partnership and collaboration as we strengthen our contributions to the economy, to the lives of millions of American consumers, the vitality of hundreds of thousands of business owners, and the prosperity and strength of the communities where we live, work and operate.

That is Synchrony, and we are proud to be at the heart of American commerce and opportunity.

Brian Doubles
President and CEO

Financial Highlights

For the years ended, and at, December 31, 2024
(in millions unless otherwise stated except for per share data and ratios)

Financial Highlights		2024		2023		2022
Net interest income	$	18,011	$	16,999	$	15,625
Interest and fees on loans	$	21,596	$	19,902	$	16,881
Net earnings	$	3,499	$	2,238	$	3,016
Diluted earnings per share	$	8.55	$	5.19	$	6.15
Shares outstanding[1]		400.6		423.5		483.4

Period End						
Total assets	$	119,463	$	117,479	$	104,564
Loan receivables	$	104,721	$	102,988	$	92,470
Deposits	$	82,062	$	81,153	$	71,735
Common equity Tier 1 capital ratio		13.3%		12.2%		13.3%

Performance Metrics						
Purchase volume (in billions)[2]	$	182.2	$	185.2	$	180.2
Period-end active accounts (in thousands)[3]	$	71,532	$	73,484	$	70,763
Average active accounts (in thousands)[3]	$	70,904	$	70,337	$	68,627
Net interest margin[4]		14.76%		15.15%		15.63%
Net charge-off rate[5]		6.31%		4.87%		3.00%
30+ delinquency rate[6]		4.70%		4.74%		3.65%
Efficiency ratio[7]		30.0%		34.9%		37.2%
Return on assets[8]		2.9%		2.0%		3.1%

1 Diluted weighted average common shares outstanding.

2 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. Purchase volume includes activity related to our portfolios classified as 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. Includes activity and accounts associated with loan receivables held for sale.

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

5 Net charge-off rate represents net charge-offs as a percentage of average loan receivables, including those held for sale.

6 Based on customer statement-end balances extrapolated to the respective period-end date.

7 Efficiency ratio is calculated as Total Other expense divided by sum of Net interest income plus Other income less Retailer share arrangements (RSA).

8 Return on assets represents net earnings as a percentage of average total assets.

SYNCHRONY

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