synchrony FINANCIAL

Contacts:

Investor Relations	Media Relations
Greg Ketron	Samuel Wang
(203) 585-6291	(203) 585-2933

For Immediate Release: April 28, 2017

Synchrony Financial Reports First Quarter Net Earnings of $499 Million or $0.61 Per Diluted Share

STAMFORD, Conn. – Synchrony Financial (NYSE: SYF) today announced first quarter 2017 net earnings of $499 million, or $0.61 per diluted share. Highlights for the quarter included:

- Net interest income increased 12% from the first quarter of 2016 to $3.6 billion
- Loan receivables grew $8 billion, or 11%, from the first quarter of 2016 to $73 billion
- Purchase volume increased 7% from the first quarter of 2016
- Strong deposit growth continued, up $7 billion, or 15%, over the first quarter of 2016
- Renewed key relationships: Belk, QVC, and Midas
- Launched Cathay Pacific program and Synchrony Car Care™ credit card
- Acquired Citi Health Card portfolio and GPShopper
- Quarterly common stock dividend payment of $0.13 per share and repurchased $238 million of Synchrony Financial common stock

“We continued to execute our business strategies which helped us generate strong organic growth in each of our sales platforms. We are augmenting organic growth with the launch of new programs and the expansion of our network, while remaining focused on the application and development of digital innovations and analytics capabilities. Furthermore, we continued strong growth in our direct deposit platform, which supports our operating objectives,” said Margaret Keane, President and Chief Executive Officer of Synchrony Financial. “We have maintained solid returns and a strong balance sheet as we continue to focus on growth and returning capital to shareholders.”

<u>Business and Financial Highlights for the First Quarter of 2017</u>

All comparisons below are for the first quarter of 2017 compared to the first quarter of 2016, unless otherwise noted.

Earnings

- Net interest income increased $378 million, or 12%, to $3.6 billion, primarily driven by strong loan receivables growth. Net interest income after retailer share arrangements increased 14%.
- Provision for loan losses increased $403 million to $1,306 million due primarily to higher loan loss reserve build and loan receivables growth.
- Other income was up $1 million to $93 million.
- Other expense increased $108 million to $908 million, primarily driven by business growth.
- Net earnings totaled $499 million compared to $582 million in the first quarter of 2016.

Balance Sheet

- Period-end loan receivables growth remained strong at 11%, primarily driven by purchase volume growth of 7% and average active account growth of 5%.
- Deposits grew to $52 billion, up $7 billion, or 15%, and comprised 72% of funding compared to 69% last year.
- The Company’s balance sheet remained strong with total liquidity (liquid assets and undrawn credit facilities) of $22 billion, or 24% of total assets.
- The estimated Common Equity Tier 1 ratio under Basel III subject to transition provisions was 18.0% and the estimated fully phased-in Common Equity Tier 1 ratio under Basel III was 17.7%.

Key Financial Metrics

- Return on assets was 2.3% and return on equity was 14.1%.
- Net interest margin increased 34 basis points to 16.18%.
- Efficiency ratio was 30.3%, compared to 30.4% in the first quarter of 2016, driven by positive operating leverage arising from strong revenue growth that exceeded expense growth.

Credit Quality

- Loans 30+ days past due as a percentage of total period-end loan receivables were 4.25% compared to 3.85% last year.
- Net charge-offs as a percentage of total average loan receivables were 5.33% compared to 4.74% last year.
- The allowance for loan losses as a percentage of total period-end loan receivables was 6.37% compared to 5.50% last year.

Sales Platforms

- Retail Card interest and fees on loans increased 10%, driven primarily by purchase volume growth of 7% and period-end loan receivables growth of 11%. Average active account growth was 4%. Loan receivables growth was broad-based across partner programs.
- Payment Solutions interest and fees on loans increased 13%, driven primarily by purchase volume growth of 9% and period-end loan receivables growth of 14%. Average active account growth was 12%. Loan receivables growth was led by the home furnishings and automotive.
- CareCredit interest and fees on loans increased 11%, driven primarily by purchase volume growth of 10% and period-end loan receivables growth of 11%. Average active account growth was 9%. Loan receivables growth was led by the dental and veterinary specialties.

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 in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, as filed February 23, 2017, and the Company's forthcoming Quarterly Report on Form 10-Q for the quarter ended March 31, 2017. 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, April 28, 2017, 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 12017#, and can be accessed beginning approximately two hours after the event through May 12, 2017.

About Synchrony Financial

Synchrony Financial (NYSE: SYF) is one of the nation's premier consumer financial services companies. Our roots in consumer finance trace back to 1932, and today we are the largest provider of private label credit cards in the United States based on purchase volume and receivables.* We provide a range of credit products through programs we have established with a diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations and healthcare service providers to help generate growth for our partners and offer financial flexibility to our customers. Through our partners' over 365,000 locations across the United States and Canada, and their websites and mobile applications, we offer our customers a variety of credit products to finance the purchase of goods and services. Synchrony Financial offers private label and co-branded Dual Card™ credit cards, promotional financing and installment lending, loyalty programs and FDIC-insured savings products through Synchrony Bank. More information can be found at www.synchronyfinancial.com, facebook.com/SynchronyFinancial,www.linkedin.com/company/synchrony-financial and twitter.com/SYFNews.

*Source: The Nilson Report (May 2016, Issue # 1087) - based on 2015 data.

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 securitize our loans, occurrence of an early amortization of our securitization facilities, loss of the right to service or subservice our securitized loans, and lower payment rates on our securitized loans; our ability to grow our deposits in the future; 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 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 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, 2016, as filed on February 23, 2017. 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 measures we refer to as “tangible common equity” and certain capital ratios, 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						
	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	1Q'17 vs. 1Q'16	
EARNINGS							
Net interest income	$ 3,587	$ 3,628	$ 3,481	$ 3,212	$ 3,209	$ 378	11.8 %
Retailer share arrangements	(684)	(811)	(757)	(664)	(670)	(14)	2.1 %
Net interest income, after retailer share arrangements	2,903	2,817	2,724	2,548	2,539	364	14.3 %
Provision for loan losses	1,306	1,076	986	1,021	903	403	44.6 %
Net interest income, after retailer share arrangements and provision for loan losses	1,597	1,741	1,738	1,527	1,636	(39)	(2.4)%
Other income	93	85	84	83	92	1	1.1 %
Other expense	908	918	859	839	800	108	13.5 %
Earnings before provision for income taxes	782	908	963	771	928	(146)	(15.7)%
Provision for income taxes	283	332	359	282	346	(63)	(18.2)%
Net earnings	$ 499	$ 576	$ 604	$ 489	$ 582	$ (83)	(14.3)%
Net earnings attributable to common stockholders	$ 499	$ 576	$ 604	$ 489	$ 582	$ (83)	(14.3)%
COMMON SHARE STATISTICS							
Basic EPS	$ 0.61	$ 0.70	$ 0.73	$ 0.59	$ 0.70	$ (0.09)	(12.9)%
Diluted EPS	$ 0.61	$ 0.70	$ 0.73	$ 0.58	$ 0.70	$ (0.09)	(12.9)%
Dividend declared per share	$ 0.13	$ 0.13	$ 0.13	$ —	$ —	$ 0.13	NM
Common stock price	$ 34.30	$ 36.27	$ 28.00	$ 25.28	$ 28.66	$ 5.64	19.7 %
Book value per share	$ 17.71	$ 17.37	$ 16.94	$ 16.45	$ 15.84	$ 1.87	11.8 %
Tangible common equity per share(1)	$ 15.47	$ 15.34	$ 14.90	$ 14.46	$ 13.86	$ 1.61	11.6 %
Beginning common shares outstanding	817.4	825.5	833.9	833.8	833.8	(16.4)	(2.0)%
Issuance of common shares	—	—	—	—	—	—	— %
Stock-based compensation	—	—	0.1	0.1	—	—	— %
Shares repurchased	(6.6)	(8.1)	(8.5)	—	—	(6.6)	NM
Ending common shares outstanding	810.8	817.4	825.5	833.9	833.8	(23.0)	(2.8)%
Weighted average common shares outstanding	813.1	820.5	828.4	833.9	833.8	(20.7)	(2.5)%
Weighted average common shares outstanding (fully diluted)	817.1	823.8	830.6	836.2	835.5	(18.4)	(2.2)%

(1) 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					
	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	1Q'17 vs. 1Q'16	
PERFORMANCE METRICS							
Return on assets[1]	2.3 %	2.6 %	2.8 %	2.4 %	2.8 %		(0.5)%
Return on equity[2]	14.1 %	16.2 %	17.3 %	14.5 %	18.1 %		(4.0)%
Return on tangible common equity[3]	16.1 %	18.4 %	19.6 %	16.5 %	20.7 %		(4.6)%
Net interest margin[4]	16.18 %	16.26 %	16.34 %	15.94 %	15.84 %		0.34 %
Efficiency ratio[5]	30.3 %	31.6 %	30.6 %	31.9 %	30.4 %		(0.1)%
Other expense as a % of average loan receivables, including held for sale	4.97 %	5.04 %	4.93 %	5.07 %	4.86 %		0.11 %
Effective income tax rate	36.2 %	36.6 %	37.3 %	36.6 %	37.3 %		(1.1)%
CREDIT QUALITY METRICS							
Net charge-offs as a % of average loan receivables, including held for sale	5.33 %	4.65 %	4.39 %	4.51 %	4.74 %		0.59 %
30+ days past due as a % of period-end loan receivables[6]	4.25 %	4.32 %	4.26 %	3.79 %	3.85 %		0.40 %
90+ days past due as a % of period-end loan receivables[6]	2.06 %	2.03 %	1.89 %	1.67 %	1.84 %		0.22 %
Net charge-offs	$ 974	$ 847	$ 765	$ 747	$ 780	$ 194	24.9 %
Loan receivables delinquent over 30 days[6]	$ 3,120	$ 3,295	$ 3,008	$ 2,585	$ 2,538	$ 582	22.9 %
Loan receivables delinquent over 90 days[6]	$ 1,508	$ 1,546	$ 1,334	$ 1,143	$ 1,212	$ 296	24.4 %
Allowance for loan losses (period-end)	$ 4,676	$ 4,344	$ 4,115	$ 3,894	$ 3,620	$ 1,056	29.2 %
Allowance coverage ratio[7]	6.37 %	5.69 %	5.82 %	5.70 %	5.50 %		0.87 %
BUSINESS METRICS							
Purchase volume[8]	$ 28,880	$ 35,369	$ 31,615	$ 31,507	$ 26,977	$ 1,903	7.1 %
Period-end loan receivables	$ 73,350	$ 76,337	$ 70,644	$ 68,282	$ 65,849	$ 7,501	11.4 %
Credit cards	$ 70,587	$ 73,580	$ 67,858	$ 65,511	$ 63,309	$ 7,278	11.5 %
Consumer installment loans	$ 1,411	$ 1,384	$ 1,361	$ 1,293	$ 1,184	$ 227	19.2 %
Commercial credit products	$ 1,311	$ 1,333	$ 1,385	$ 1,389	$ 1,318	$ (7)	(0.5)%
Other	$ 41	$ 40	$ 40	$ 89	$ 38	$ 3	7.9 %
Average loan receivables, including held for sale	$ 74,132	$ 72,476	$ 69,316	$ 66,561	$ 66,194	$ 7,938	12.0 %
Period-end active accounts (in thousands)[9]	67,905	71,890	66,781	66,491	64,689	3,216	5.0 %
Average active accounts (in thousands)[9]	69,629	68,701	66,639	65,531	66,134	3,495	5.3 %
LIQUIDITY							
Liquid assets							
Cash and equivalents	$ 11,392	$ 9,321	$ 13,588	$ 11,787	$ 12,500	$ (1,108)	(8.9)%
Total liquid assets	$ 16,158	$ 13,612	$ 16,362	$ 13,956	$ 14,915	$ 1,243	8.3 %
Undrawn credit facilities							
Undrawn credit facilities	$ 5,600	$ 6,700	$ 7,150	$ 7,025	$ 7,325	$ (1,725)	(23.5)%
Total liquid assets and undrawn credit facilities	$ 21,758	$ 20,312	$ 23,512	$ 20,981	$ 22,240	$ (482)	(2.2)%
Liquid assets % of total assets	18.14 %	15.09 %	18.77 %	16.94 %	18.27 %		(0.13)%
Liquid assets including undrawn credit facilities % of total assets	24.43 %	22.52 %	26.98 %	25.47 %	27.24 %		(2.81)%

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

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

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

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

(8) 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.

(9) 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						
	Mar 31, 2017	**Dec 31, 2016**	**Sep 30, 2016**	**Jun 30, 2016**	**Mar 31, 2016**	**1Q'17 vs. 1Q'16**	
Interest income:							
Interest and fees on loans	$ 3,877	$ 3,919	$ 3,771	$ 3,494	$ 3,498	$ 379	10.8 %
Interest on investment securities	36	28	25	21	22	14	63.6 %
Total interest income	3,913	3,947	3,796	3,515	3,520	393	11.2 %
Interest expense:							
Interest on deposits	194	188	188	179	172	22	12.8 %
Interest on borrowings of consolidated securitization entities	65	64	63	59	58	7	12.1 %
Interest on third-party debt	67	67	64	65	81	(14)	(17.3)%
Total interest expense	326	319	315	303	311	15	4.8 %
Net interest income	3,587	3,628	3,481	3,212	3,209	378	11.8 %
Retailer share arrangements	(684)	(811)	(757)	(664)	(670)	(14)	2.1 %
Net interest income, after retailer share arrangements	2,903	2,817	2,724	2,548	2,539	364	14.3 %
Provision for loan losses	1,306	1,076	986	1,021	903	403	44.6 %
Net interest income, after retailer share arrangements and provision for loan losses	1,597	1,741	1,738	1,527	1,636	(39)	(2.4)%
Other income:							
Interchange revenue	145	167	154	151	130	15	11.5 %
Debt cancellation fees	68	68	67	63	64	4	6.3 %
Loyalty programs	(137)	(157)	(145)	(135)	(110)	(27)	24.5 %
Other	17	7	8	4	8	9	112.5 %
Total other income	93	85	84	83	92	1	1.1 %
Other expense:							
Employee costs	325	315	311	301	280	45	16.1 %
Professional fees	151	164	174	154	146	5	3.4 %
Marketing and business development	94	130	92	107	94	—	— %
Information processing	90	88	87	81	82	8	9.8 %
Other	248	221	195	196	198	50	25.3 %
Total other expense	908	918	859	839	800	108	13.5 %
Earnings before provision for income taxes	782	908	963	771	928	(146)	(15.7)%
Provision for income taxes	283	332	359	282	346	(63)	(18.2)%
Net earnings attributable to common shareholders	$ 499	$ 576	$ 604	$ 489	$ 582	$ (83)	(14.3)%

SYNCHRONY FINANCIAL
STATEMENTS OF FINANCIAL POSITION
(unaudited, $ in millions)

	Quarter Ended						
	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Mar 31, 2017 vs. Mar 31, 2016	
Assets							
Cash and equivalents	$ 11,392	$ 9,321	$ 13,588	$ 11,787	$ 12,500	$ (1,108)	(8.9)%
Investment securities	5,328	5,110	3,356	2,723	2,949	2,379	80.7 %
Loan receivables:							
Unsecuritized loans held for investment	50,398	52,332	47,517	44,854	41,730	8,668	20.8 %
Restricted loans of consolidated securitization entities	22,952	24,005	23,127	23,428	24,119	(1,167)	(4.8)%
Total loan receivables	73,350	76,337	70,644	68,282	65,849	7,501	11.4 %
Less: Allowance for loan losses	(4,676)	(4,344)	(4,115)	(3,894)	(3,620)	(1,056)	29.2 %
Loan receivables, net	68,674	71,993	66,529	64,388	62,229	6,445	10.4 %
Goodwill	992	949	949	949	949	43	4.5 %
Intangible assets, net	826	712	733	704	702	124	17.7 %
Other assets	1,838	2,122	2,004	1,833	2,327	(489)	(21.0)%
Total assets	$ 89,050	$ 90,207	$ 87,159	$ 82,384	$ 81,656	$ 7,394	9.1 %
Liabilities and Equity							
Deposits:							
Interest-bearing deposit accounts	$ 51,359	$ 51,896	$ 49,611	$ 46,220	$ 44,721	$ 6,638	14.8 %
Non-interest-bearing deposit accounts	246	159	204	207	256	(10)	(3.9)%
Total deposits	51,605	52,055	49,815	46,427	44,977	6,628	14.7 %
Borrowings:							
Borrowings of consolidated securitization entities	12,433	12,388	12,411	12,236	12,423	10	0.1 %
Bank term loan	—	—	—	—	1,494	(1,494)	NM
Senior unsecured notes	7,761	7,759	7,756	7,059	6,559	1,202	18.3 %
Total borrowings	20,194	20,147	20,167	19,295	20,476	(282)	(1.4)%
Accrued expenses and other liabilities	2,888	3,809	3,196	2,947	2,999	(111)	(3.7)%
Total liabilities	74,687	76,011	73,178	68,669	68,452	6,235	9.1 %
Equity:							
Common stock	1	1	1	1	1	—	— %
Additional paid-in capital	9,405	9,393	9,381	9,370	9,359	46	0.5 %
Retained earnings	5,724	5,330	4,861	4,364	3,875	1,849	47.7 %
Accumulated other comprehensive income:	(55)	(53)	(24)	(20)	(31)	(24)	77.4 %
Treasury Stock	(712)	(475)	(238)	—	—	(712)	NM
Total equity	14,363	14,196	13,981	13,715	13,204	1,159	8.8 %
Total liabilities and equity	$ 89,050	$ 90,207	$ 87,159	$ 82,384	$ 81,656	$ 7,394	9.1 %

SYNCHRONY FINANCIAL
AVERAGE BALANCES, NET INTEREST INCOME AND NET INTEREST MARGIN
(unaudited, $ in millions)

	Quarter Ended														
	March 31, 2017			**December 31, 2016**			**September 30, 2016**			**June 30, 2016**			**March 31, 2016**		
	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	$ 10,552	$ 21	0.81%	$ 12,210	$ 17	0.55%	$ 12,480	$ 16	0.51%	$ 11,623	$ 14	0.48%	$ 12,291	$ 16	0.52%
Securities available for sale	5,213	15	1.17%	4,076	11	1.07%	2,960	9	1.21%	2,858	7	0.99%	2,977	6	0.81%
Loan receivables:															
Credit cards, including held for sale	71,365	3,811	21.66%	69,660	3,851	21.99%	66,519	3,705	22.16%	63,876	3,432	21.61%	63,688	3,436	21.70%
Consumer installment loans	1,389	32	9.34%	1,373	31	8.98%	1,333	31	9.25%	1,233	28	9.13%	1,154	27	9.41%
Commercial credit products	1,317	34	10.47%	1,386	36	10.33%	1,401	35	9.94%	1,388	33	9.56%	1,313	35	10.72%
Other	61	—	—%	57	1	NM	63	—	—%	64	1	NM	39	—	—%
Total loan receivables, including held for sale	74,132	3,877	21.21%	72,476	3,919	21.51%	69,316	3,771	21.64%	66,561	3,494	21.11%	66,194	3,498	21.25%
Total interest-earning assets	89,897	3,913	17.65%	88,762	3,947	17.69%	84,756	3,796	17.82%	81,042	3,515	17.44%	81,462	3,520	17.38%
Non-interest-earning assets:															
Cash and due from banks	802			739			862			895			1,367		
Allowance for loan losses	(4,408)			(4,228)			(3,933)			(3,732)			(3,590)		
Other assets	3,177			3,479			3,189			3,208			3,271		
Total non-interest-earning assets	(429)			(10)			118			371			1,048		
Total assets	$ 89,468			$ 88,752			$ 84,874			$ 81,413			$ 82,510		
Liabilities															
Interest-bearing liabilities:															
Interest-bearing deposit accounts	$ 51,829	$ 194	1.52%	$ 51,006	$ 188	1.47%	$ 47,895	$ 188	1.56%	$ 45,523	$ 179	1.58%	$ 44,304	$ 172	1.56%
Borrowings of consolidated securitization entities	12,321	65	2.14%	12,389	64	2.06%	12,254	63	2.05%	12,211	59	1.94%	12,860	58	1.81%
Bank term loan[1]	—	—	—%	—	—	—%	—	—	—%	65	7	NM	2,170	24	4.45%
Senior unsecured notes	7,760	67	3.50%	7,757	67	3.44%	7,448	64	3.42%	6,861	58	3.40%	6,557	57	3.50%
Total interest-bearing liabilities	71,910	326	1.84%	71,152	319	1.78%	67,597	315	1.85%	64,660	303	1.88%	65,891	311	1.90%
Non-interest-bearing liabilities															
Non-interest-bearing deposit accounts	240			176			204			208			235		
Other liabilities	2,995			3,321			3,175			3,002			3,455		
Total non-interest-bearing liabilities	3,235			3,497			3,379			3,210			3,690		
Total liabilities	75,145			74,649			70,976			67,870			69,581		
Equity															
Total equity	14,323			14,103			13,898			13,543			12,929		
Total liabilities and equity	$ 89,468			$ 88,752			$ 84,874			$ 81,413			$ 82,510		
Net interest income		$ 3,587			$ 3,628			$ 3,481			$ 3,212			$ 3,209	
Interest rate spread[2]			15.81%			15.91%			15.97%			15.56%			15.48%
Net interest margin[3]			16.18%			16.26%			16.34%			15.94%			15.84%

(1) The effective interest rates for the Bank term loan for the quarters ended June 30, 2016, March 31, 2016 were 2.51% and 2.47% respectively. The Bank term loan effective rate excludes the impact of charges incurred in connection with prepayments of the loan.

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

(3) 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						
	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Mar 31, 2017 vs. Mar 31, 2016	
BALANCE SHEET STATISTICS							
Total common equity	$ 14,363	$ 14,196	$ 13,981	$ 13,715	$ 13,204	$ 1,159	8.8 %
Total common equity as a % of total assets	16.13%	15.74%	16.04%	16.65%	16.17%		(0.04)%
Tangible assets	$ 87,232	$ 88,546	$ 85,477	$ 80,731	$ 80,005	$ 7,227	9.0 %
Tangible common equity(1)	$ 12,545	$ 12,535	$ 12,299	$ 12,062	$ 11,553	$ 992	8.6 %
Tangible common equity as a % of tangible assets(1)	14.38%	14.16%	14.39%	14.94%	14.44%		(0.06)%
Tangible common equity per share(1)	$ 15.47	$ 15.34	$ 14.90	$ 14.46	$ 13.86	$ 1.61	11.6 %
REGULATORY CAPITAL RATIOS(2)							
	Basel III Transition						
Total risk-based capital ratio(3)	19.3%	18.5%	19.5%	19.8%	19.4%		
Tier 1 risk-based capital ratio(4)	18.0%	17.2%	18.2%	18.5%	18.1%		
Tier 1 leverage ratio(5)	14.8%	15.0%	15.4%	15.7%	14.9%		
Common equity Tier 1 capital ratio(6)	18.0%	17.2%	18.2%	18.5%	18.1%		
	Basel III Fully Phased-in						
Common equity Tier 1 capital ratio(6)	17.7%	17.0%	17.9%	18.0%	17.5%		

(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 March 31, 2017 are preliminary and therefore subject to change.

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

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

(5) 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.

(6) Common equity Tier 1 capital ratio is the ratio of common equity Tier 1 capital to total risk-weighted assets, each as calculated under Basel III rules. Common equity Tier 1 capital ratio (fully phased-in) is a preliminary estimate reflecting management's interpretation of the final Basel III rules adopted in July 2013 by the Federal Reserve Board, which have not been fully implemented, and our estimate and interpretations are subject to, among other things, ongoing regulatory review and implementation guidance.

SYNCHRONY FINANCIAL
PLATFORM RESULTS
(unaudited, $ in millions)

	Quarter Ended						
	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	1Q'17 vs. 1Q'16	
RETAIL CARD							
Purchase volume(1)(2)	$ 22,952	$ 28,996	$ 25,285	$ 25,411	$ 21,550	$ 1,402	6.5 %
Period-end loan receivables	$ 49,905	$ 52,701	$ 48,010	$ 46,705	$ 45,113	$ 4,792	10.6 %
Average loan receivables, including held for sale	$ 50,644	$ 49,476	$ 47,274	$ 45,593	$ 45,479	$ 5,165	11.4 %
Average active accounts (in thousands)(2)(3)	55,049	54,489	52,959	52,314	52,969	2,080	3.9 %
Interest and fees on loans(2)	$ 2,888	$ 2,909	$ 2,790	$ 2,585	$ 2,614	$ 274	10.5 %
Other income(2)	$ 77	$ 70	$ 70	$ 69	$ 79	$ (2)	(2.5)%
Retailer share arrangements(2)	$ (681)	$ (801)	$ (752)	$ (656)	$ (661)	$ (20)	3.0 %
PAYMENT SOLUTIONS							
Purchase volume(1)	$ 3,686	$ 4,194	$ 4,152	$ 3,903	$ 3,392	$ 294	8.7 %
Period-end loan receivables	$ 15,320	$ 15,567	$ 14,798	$ 13,997	$ 13,420	$ 1,900	14.2 %
Average loan receivables	$ 15,424	$ 15,076	$ 14,367	$ 13,554	$ 13,430	$ 1,994	14.8 %
Average active accounts (in thousands)(3)	9,090	8,844	8,461	8,153	8,134	956	11.8 %
Interest and fees on loans	$ 515	$ 523	$ 505	$ 467	$ 457	$ 58	12.7 %
Other income	$ 4	$ 3	$ 3	$ 3	$ 4	$ —	— %
Retailer share arrangements	$ (1)	$ (9)	$ (3)	$ (7)	$ (7)	$ 6	(85.7)%
CARECREDIT							
Purchase volume(1)	$ 2,242	$ 2,179	$ 2,178	$ 2,193	$ 2,035	$ 207	10.2 %
Period-end loan receivables	$ 8,125	$ 8,069	$ 7,836	$ 7,580	$ 7,316	$ 809	11.1 %
Average loan receivables	$ 8,064	$ 7,924	$ 7,675	$ 7,414	$ 7,285	$ 779	10.7 %
Average active accounts (in thousands)(3)	5,490	5,368	5,219	5,064	5,031	459	9.1 %
Interest and fees on loans	$ 474	$ 487	$ 476	$ 442	$ 427	$ 47	11.0 %
Other income	$ 12	$ 12	$ 11	$ 11	$ 9	$ 3	33.3 %
Retailer share arrangements	$ (2)	$ (1)	$ (2)	$ (1)	$ (2)	$ —	— %
TOTAL SYF							
Purchase volume(1)(2)	$ 28,880	$ 35,369	$ 31,615	$ 31,507	$ 26,977	$ 1,903	7.1 %
Period-end loan receivables	$ 73,350	$ 76,337	$ 70,644	$ 68,282	$ 65,849	$ 7,501	11.4 %
Average loan receivables, including held for sale	$ 74,132	$ 72,476	$ 69,316	$ 66,561	$ 66,194	$ 7,938	12.0 %
Average active accounts (in thousands)(2)(3)	69,629	68,701	66,639	65,531	66,134	3,495	5.3 %
Interest and fees on loans(2)	$ 3,877	$ 3,919	$ 3,771	$ 3,494	$ 3,498	$ 379	10.8 %
Other income(2)	$ 93	$ 85	$ 84	$ 83	$ 92	$ 1	1.1 %
Retailer share arrangements(2)	$ (684)	$ (811)	$ (757)	$ (664)	$ (670)	$ (14)	2.1 %

(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				
	Mar 31, 2017	**Dec 31, 2016**	**Sep 30, 2016**	**Jun 30, 2016**	**Mar 31, 2016**
COMMON EQUITY MEASURES					
GAAP Total common equity	$ 14,363	$ 14,196	$ 13,981	$ 13,715	$ 13,204
Less: Goodwill	(992)	(949)	(949)	(949)	(949)
Less: Intangible assets, net	(826)	(712)	(733)	(704)	(702)
Tangible common equity	$ 12,545	$ 12,535	$ 12,299	$ 12,062	$ 11,553
Adjustments for certain deferred tax liabilities and certain items in accumulated comprehensive income (loss)	340	337	299	282	281
Basel III - Common equity Tier 1 (fully phased-in)	$ 12,885	$ 12,872	$ 12,598	$ 12,344	$ 11,834
Adjustment related to capital components during transition	154	263	273	266	265
Basel III - Common equity Tier I (transition)	$ 13,039	$ 13,135	$ 12,871	$ 12,610	$ 12,099
RISK-BASED CAPITAL					
Common equity Tier 1	$ 13,039	$ 13,135	$ 12,871	$ 12,610	$ 12,099
Add: Allowance for loan losses includible in risk-based capital	954	994	923	890	869
Risk-based capital	$ 13,993	$ 14,129	$ 13,794	$ 13,500	$ 12,968
ASSET MEASURES					
Total average assets(2)	$ 89,468	$ 88,752	$ 84,874	$ 81,413	$ 82,510
Adjustments for:					
Disallowed goodwill, other disallowed intangible assets (net of related deferred tax liabilities) and other	(1,358)	(1,059)	(1,117)	(1,113)	(1,117)
Total assets for leverage purposes	$ 88,110	$ 87,693	$ 83,757	$ 80,300	$ 81,393
Risk-weighted assets - Basel III (fully phased-in)(3)	$ 72,596	$ 75,941	$ 70,448	$ 68,462	$ 67,697
Risk-weighted assets - Basel III (transition)(3)	$ 72,627	$ 76,179	$ 70,660	$ 68,188	$ 66,689
TANGIBLE COMMON EQUITY PER SHARE					
GAAP book value per share	$ 17.71	$ 17.37	$ 16.94	$ 16.45	$ 15.84
Less: Goodwill	(1.22)	(1.16)	(1.14)	(1.14)	(1.14)
Less: Intangible assets, net	(1.02)	(0.87)	(0.90)	(0.85)	(0.84)
Tangible common equity per share	$ 15.47	$ 15.34	$ 14.90	$ 14.46	$ 13.86

(1) Regulatory measures at March 31, 2017 are presented on an estimated basis.

(2) Total average assets are presented based upon the use of daily averages.

(3) Key differences between Basel III transitional rules and fully phased-in Basel III rules in the calculation of risk-weighted assets include, but not limited to, risk weighting of deferred tax assets and adjustments for certain intangible assets.