1Q'17 Financial Results

April 28, 2017

synchrony FINANCIAL

Disclaimers

Cautionary Statement Regarding Forward-Looking Statements

The following slides are part of a presentation by Synchrony Financial in connection with reporting quarterly financial results. No representation is made that the information in these slides is complete. For additional information, see the earnings release and financial supplement included as exhibits to our Current Report on Form 8-K filed today and available on our website (www.synchronyfinancial.com) and the SEC's website (www.sec.gov). All references to net earnings and net income are intended to have the same meaning.

This presentation contains certain forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the “safe harbor” created by those sections. Forward-looking statements may be identified by words such as “expects,” “intends,” “anticipates,” “plans,” “believes,” “seeks,” “targets,” “outlook,” “estimates,” “will,” “should,” “may” or words of similar meaning, but these words are not the exclusive means of identifying forward-looking statements. Forward-looking statements are based on management's current expectations and assumptions, and are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, actual results could differ materially from those indicated in these forward-looking statements. Factors that could cause actual results to differ materially include global political, economic, business, competitive, market, regulatory and other factors and risks, such as: the impact of macroeconomic conditions and whether industry trends we have identified develop as anticipated; retaining existing partners and attracting new partners, concentration of our revenue in a small number of Retail Card partners, promotion and support of our products by our partners, and financial performance of our partners; cyber-attacks or other security breaches; higher borrowing costs and adverse financial market conditions impacting our funding and liquidity, and any reduction in our credit ratings; our ability to 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 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, 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. Differences between this presentation and the supplemental financials may occur due to rounding.

Non-GAAP Measures

The information provided herein includes certain capital ratios, which are not prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). The reconciliations of such measures to the most directly comparable GAAP measures are included in the appendix of this presentation.

1Q'17 Highlights

Financial Highlights

- $499 million Net Earnings, $0.61 diluted EPS
- Strong growth metrics
  - Loan Receivables up 11%
  - Net Interest Income up 12%
  - Purchase Volume up 7%
  - Average Active Accounts up 5%
- Net Charge-Offs of 5.33% compared to 4.74% in the prior year
- Provision for Loan Losses up 45%; reserve build driven by growth, credit normalization and softer recovery pricing
- Efficiency Ratio 30.3% compared to 30.4% in the prior year
- Deposits up $6.6 billion compared to prior year, comprising 72% of funding
- Strong capital and liquidity
  - 18.0% CET1[(a)] & $16.2 billion liquid assets
- Paid quarterly dividend of $0.13 per share and repurchased $238 million of common stock

Business Highlights

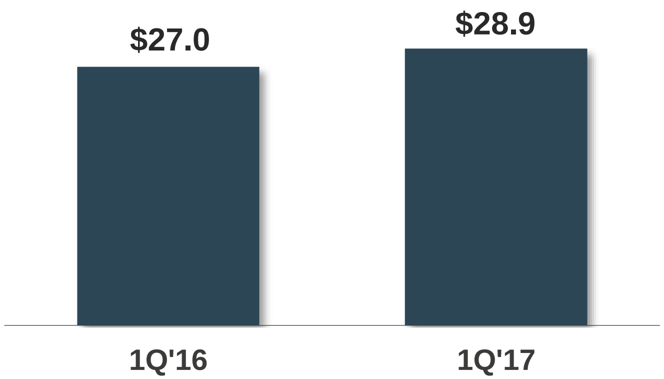
- Renewed key relationships
- Acquired Citi Health Card portfolio and GPShopper
- Launched new programs

(a) CET1 % calculated under the Basel III transitional guidelines

Growth Metrics

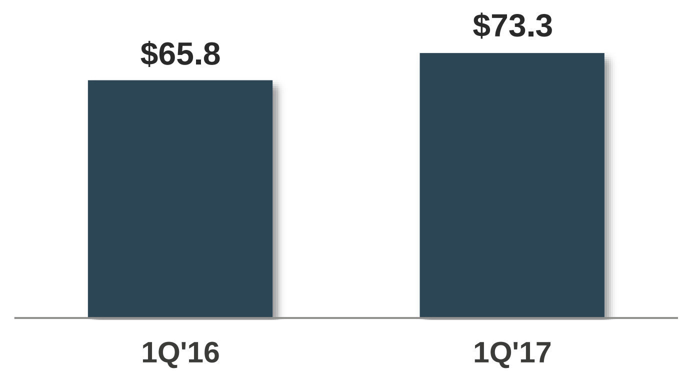
Purchase Volume
$ in billions

+7%



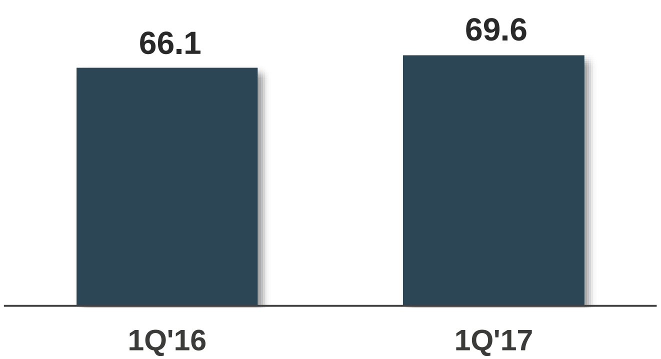
Loan Receivables
$ in billions

+11%



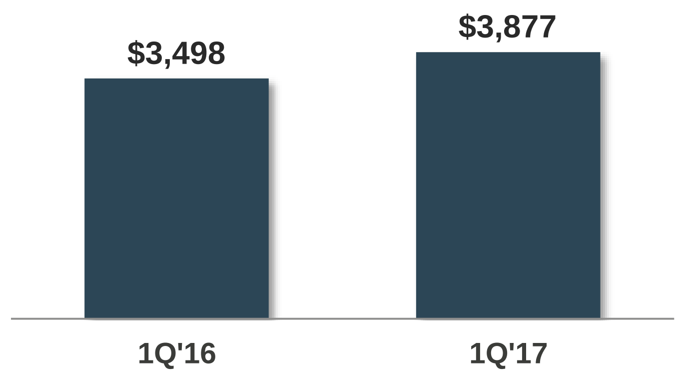
Average Active Accounts
in millions

+5%



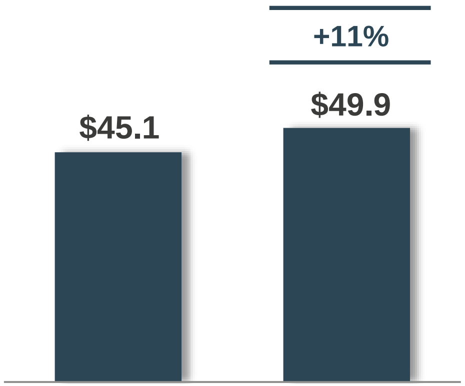
Interest and Fees on Loans
$ in millions

+11%

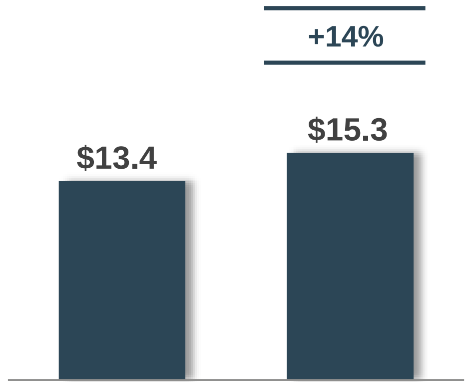


Platform Results (a)

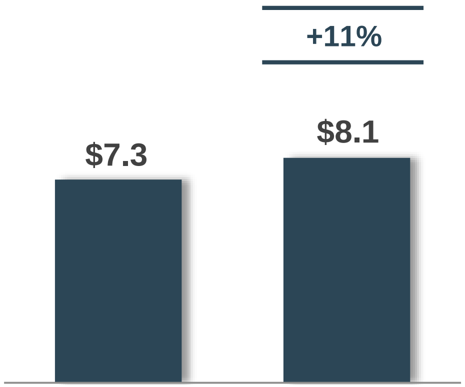
Retail Card
Loan Receivables, $ in billions



Payment Solutions
Loan Receivables, $ in billions



CareCredit
Loan Receivables, $ in billions



	Retail Card 1Q'16	Retail Card 1Q'17	V%	Payment Solutions 1Q'16	Payment Solutions 1Q'17	V%	CareCredit 1Q'16	CareCredit 1Q'17	V%
Purchase Volume	$21.6	$23.0	+7%	$3.4	$3.7	+9%	$2.0	$2.2	+10%
Accounts	53.0	55.0	+4%	8.1	9.1	+12%	5.0	5.5	+9%
Interest and Fees on Loans	$2,614	$2,888	+10%	$457	$515	+13%	$427	$474	+11%

Retail Card
- Strong Loan Receivables growth across partner programs
- Interest and Fees on Loans up 10% driven by Loan Receivables growth

Payment Solutions
- Broad-based Loan Receivables growth led by home furnishings and auto
- Interest and Fees on Loans up 13% driven by Loan Receivables growth

CareCredit
- Loan Receivables growth led by dental and veterinary
- Interest and Fees on Loans up 11% driven by Loan Receivables growth

(a) Accounts represent Average Active Accounts in millions, which are credit card or installment loan accounts on which there has been a purchase, payment or outstanding balance in the current month. Purchase Volume $ in billions and Interest and Fees on Loans $ in millions

Financial Results

Summary Earnings Statement

$ in millions, except ratios

	1Q'17	1Q'16	B/(W) $	B/(W) %
Total Interest Income	$3,913	$3,520	$393	11%
Total Interest Expense	326	311	(15)	(5)%
Net Interest Income (NII)	**3,587**	**3,209**	**378**	**12%**
Retailer Share Arrangements (RSA)	(684)	(670)	(14)	(2)%
NII, after RSA	**2,903**	**2,539**	**364**	**14%**
Provision for Loan Losses	1,306	903	(403)	(45)%
Other Income	93	92	1	1%
Other Expense	908	800	(108)	(14)%
Pre-Tax Earnings	**782**	**928**	**(146)**	**(16)%**
Provision for Income Taxes	283	346	63	18%
Net Earnings	**$499**	**$582**	**$(83)**	**(14)%**
Return on Assets	2.3%	2.8%		(0.5)pts.

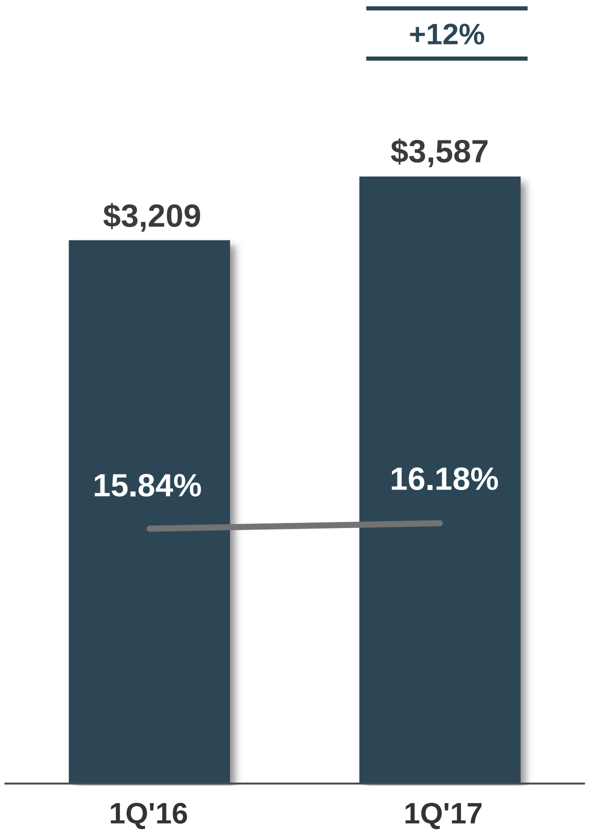
1Q'17 Highlights

- **$499 million Net Earnings**
- **2.3% Return on Assets**
- **Net Interest Income up 12% driven by growth in Loan Receivables**
  - Interest and Fees on Loans up 11% driven by average Loan Receivables growth
  - Interest Expense increase driven by growth
- **Provision for Loan Losses up 45%; reserve build driven by growth, credit normalization and softer recovery pricing**
  - Net Charge-Offs of 5.33% compared to 4.74% in the prior year
- **Other Expense up 14%**
  - Other Expense increase driven primarily by growth

Net Interest Income

Net Interest Income

$ in millions, % of average Interest-Earning Assets

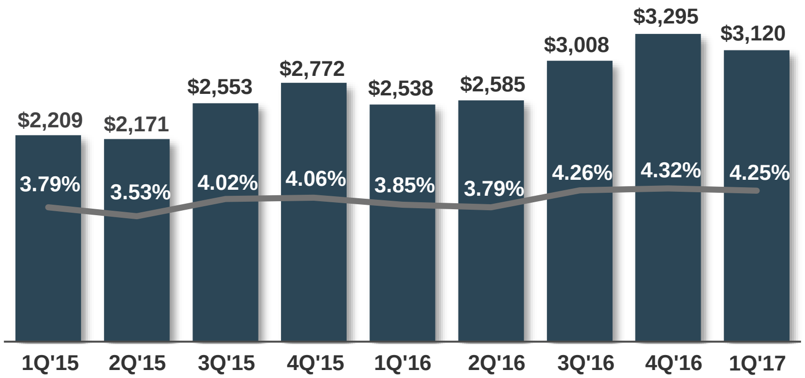


1Q'17 Highlights

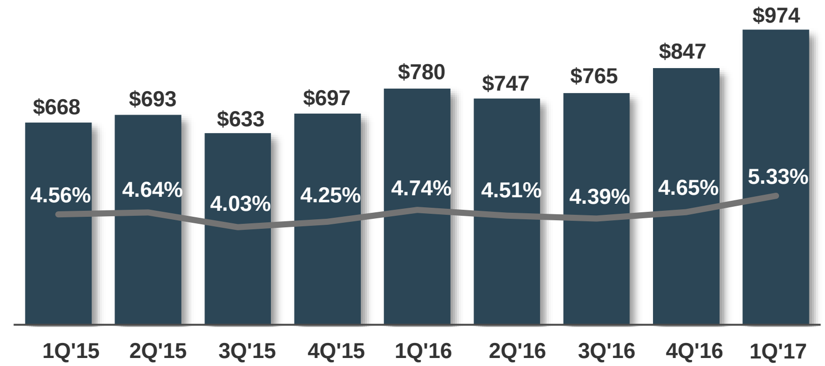
- **Net Interest Income increased 12% compared to prior year driven by growth in Loan Receivables**
  - Interest and Fees on Loans increased 11% compared to prior year driven by average Loan Receivables growth
- **Net Interest Margin up 34bps.**
  - Loan Receivables mix as a percent of total Earning Assets increased from 81.3% to 82.5%
  - Loan Receivables yield 21.21%, down 4bps. versus prior year
  - Total Interest-Bearing Liabilities cost decreased 6bps. to 1.84%, due to more favorable funding mix

Asset Quality Metrics

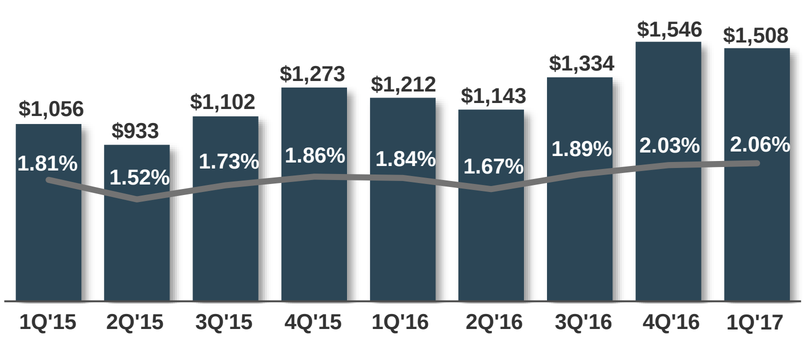
30+ Days Past Due
$ in millions, % of period-end Loan Receivables



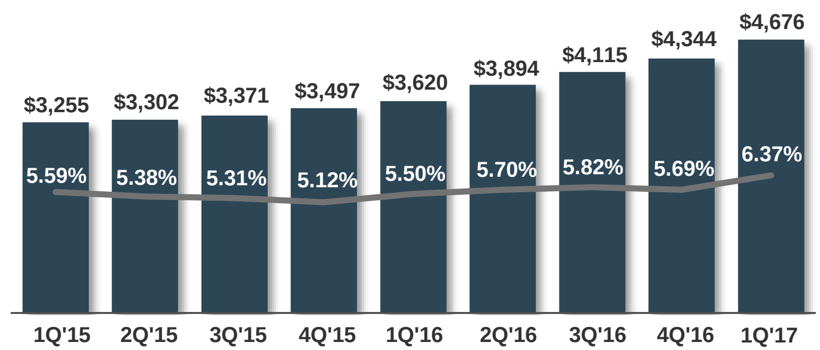
Net Charge-Offs
$ in millions, % of average Loan Receivables including held for sale



90+ Days Past Due
$ in millions, % of period-end Loan Receivables

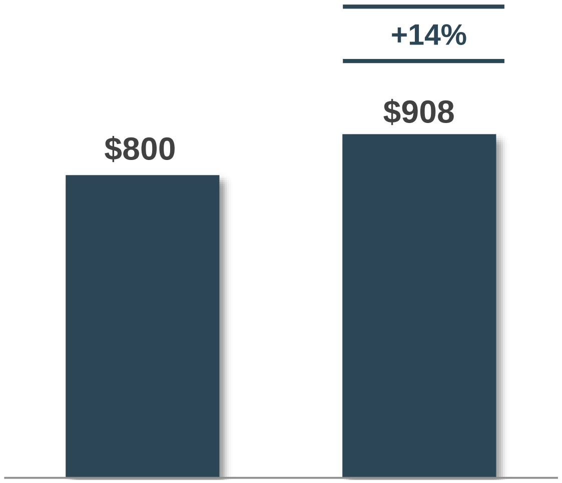


Allowance for Loan Losses
$ in millions, % of period-end Loan Receivables



Other Expense

Other Expense
$ in millions



	1Q'16	1Q'17	V$	V%
Employee Costs	$280	$325	$45	16%
Professional Fees	146	151	5	3%
Marketing/BD	94	94	-	-%
Information Processing	82	90	8	10%
Other	198	248	50	25%
Other Expense	$800	$908	$108	14%
Efficiency [(a)]	**30.4%**	**30.3%**		**(0.1)pts.**

1Q'17 Highlights

- **Efficiency Ratio 30.3% vs. 30.4% prior year**
- **Other Expense increased 14% vs. prior year**
- **Employee Costs up $45 million**
  - Driven primarily by employees added for growth
- **Information Processing up $8 million**
  - Driven by continued IT investment and purchase volume growth
- **Other up $50 million**
  - Driven by operational losses and growth

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

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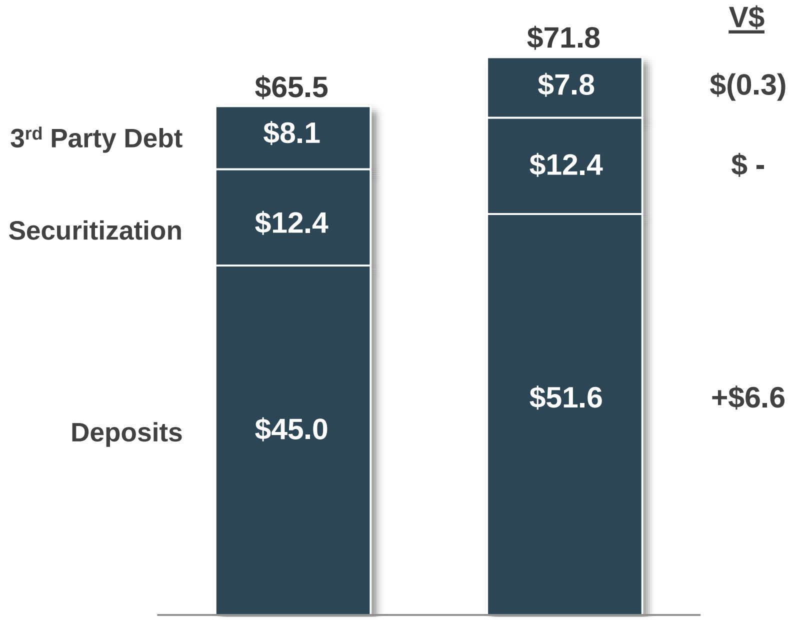
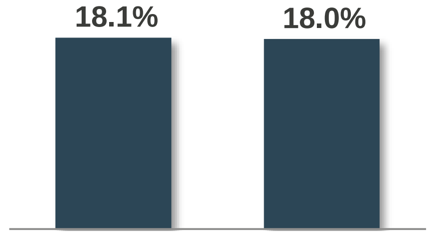
Funding, Capital and Liquidity

Funding Sources
$ in billions



	1Q'16	1Q'17	Variance
Deposits	69%	72%	+3pts.
Securitization	19%	17%	(2)pts.
3rd Party Debt	12%	11%	(1)pts.

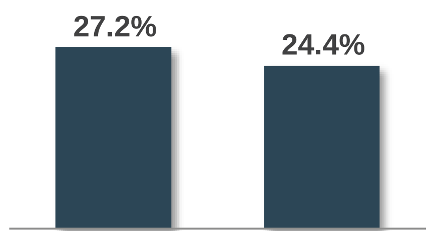
Capital Ratios [a]
Common Equity Tier 1 % - Basel III transitional [b]



	1Q'16	1Q'17
Basel III (fully phased-in)	17.5%	17.7%

(a) Estimated percentages and amounts
(b) Calculated under the Basel III transition guidelines

Liquidity [c]
% of Total Assets, $ in billions



	1Q'16	1Q'17
Liquid Assets	$14.9	$16.2
Undrawn Credit Facilities	7.3	5.6
Total Liquidity	**$22.2**	**$21.8**

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

1Q'17 Wrap Up

- Net Earnings of $499 million or $0.61 Earnings Per Diluted Share
- Strong growth metrics
  - Loan Receivables up 11%
  - Net Interest Income up 12%
  - Purchase Volume up 7%
  - Average Active Accounts up 5%
- Renewed key partners: Belk, QVC and Midas
- Acquired Citi Health Card portfolio and GPShopper
- Launched new programs with Synchrony Car Care and Cathay Pacific
- Fast-growing deposit platform—Deposits at $52 billion comprising 72% of funding
- Strong balance sheet, $16.2 billion of Liquid Assets and 18.0% CET1[(a)]
- Paid quarterly common stock dividend of $0.13 per share and repurchased $238 million of common stock

(a) CET1 % calculated under the Basel III transition guidelines

Engage with us.

Appendix

Non-GAAP Reconciliation

We present certain capital ratios. Our Basel III Tier 1 common ratio, calculated on a fully phased-in basis, is a preliminary estimate reflecting management's interpretation of the final Basel III capital 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. This ratio is not currently required by regulators to be disclosed, and therefore is considered a non-GAAP measure. We believe this capital ratio is a useful measure to investors because it is widely used by analysts and regulators to assess the capital position of financial services companies, although this ratio may not be comparable to similarly titled measures reported by other companies.

Non-GAAP Reconciliation

The following table sets forth a reconciliation of each component of our capital ratios to the comparable GAAP component at March 31, 2017.

COMMON EQUITY MEASURES	$ in millions at March 31, 2017
GAAP Total common equity	$14,363
Less: Goodwill	(992)
Less: Intangible assets, net	(826)
Tangible common equity	**$12,545**
Adjustments for certain deferred tax liabilities and certain items in accumulated comprehensive income (loss)	340
Basel III – Common equity Tier 1 (fully phased-in)	**$12,885**
Adjustments related to capital components during transition	154
Basel III – Common equity Tier 1 (transition)	**$13,039**
Risk-weighted assets – Basel III (fully phased-in)	**$72,596**
Risk-weighted assets – Basel III (transition)	**$72,627**