



SYNCHRONY FINANCIAL

Basel III Pillar 3 Regulatory Capital Disclosure Report

March 31, 2023

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Certain Defined Terms:

Except as the context may otherwise require in this report, references to:

- “we,” “us,” “our” and the “Company” are to SYNCHRONY FINANCIAL and its subsidiaries;
- “Synchrony” are to SYNCHRONY FINANCIAL only;
- the “Bank” are to Synchrony Bank (a subsidiary of Synchrony);
- the “Board of Directors” are to Synchrony’s board of directors;
- “CECL” are to the impairment model known as the Current Expected Credit Loss model, which is based on expected credit losses; and
- the “Federal Banking Agencies” are to the Board of Governors of the Federal Reserve System (“Federal Reserve Board”), the Office of the Comptroller of the Currency (“OCC”) and the Federal Deposit Insurance Corporation (“FDIC”), collectively.

Cautionary Note Regarding Forward-Looking Statements:

Various statements in this report may contain “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 (the “Exchange Act”), 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, including the future impacts of the novel coronavirus disease (“COVID-19”) outbreak and measures taken in response thereto for which future developments are highly uncertain and difficult to predict; retaining existing partners and attracting new partners, concentration of our revenue in a small number of partners, and promotion and support of our products by our partners; cyber-attacks or other security breaches; disruptions in the operations of our and our outsourced partners’ computer systems and data centers; the financial performance of our partners; the sufficiency of our allowance for credit losses and the accuracy of the assumptions or estimates used in preparing our financial statements, including those related to the CECL accounting guidance; 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; damage to our reputation; 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; 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; 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; 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; regulation, supervision, examination and enforcement of our business by governmental authorities, the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) and other legislative and regulatory developments and the impact of the Consumer Financial Protection Bureau’s (the “CFPB”) 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 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.

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For the reasons described above, we caution you against relying on any forward-looking statements in this report, and you should refer to our periodic and current reports filed with the Securities and Exchange Commission, or “SEC,” for further information or other factors, which could cause actual results to be significantly different from those expressed or implied by any forward-looking statements herein.

Introduction

We are a premier consumer financial services company delivering one of the industry's most complete, digitally-enabled product suites. Our experience, expertise and scale encompass a broad spectrum of industries including digital, health and wellness, retail, telecommunications, home, auto, outdoor, pet and more. We have an established and diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations and healthcare service providers, which we refer to as our “partners.” We connect our partners and consumers through our dynamic financial ecosystem and provide them with a diverse set of financing solutions and innovative digital capabilities to address their specific needs and deliver seamless, omnichannel experiences. We utilize a broad set of distribution channels, including mobile apps and websites, as well as online marketplaces and business management solutions like Point-of-Sale platforms. Our offerings include private label, dual, co-brand and general purpose credit cards, as well as short- and long-term installment loans and consumer banking products.

Basel III Regulatory Capital Framework

In July 2013, the Federal Banking Agencies finalized regulatory capital rules implementing standards originally issued by the Basel Committee on Banking Supervision in December 2010 (“Basel III capital rules”), which became effective for the Company in 2015, subject to phase-in periods through the end of 2018. These rules substantially revised the risk-based capital requirements applicable to insured depository institution holding companies and their insured depository institution subsidiaries as compared to the previous U.S. risk-based capital and leverage ratio rules, and implemented certain provisions of the Dodd-Frank Act.

Basel III has three components (Pillars) including minimum capital requirements, a supervisory review process and market discipline:

Pillar 1 – Minimum capital requirements: Establishes the rules by which regulatory capital can be calculated, including defining eligible capital instruments and calculating risk-weighted assets (“RWA”).

Pillar 2 – Supervisory review process: Addresses bank-wide governance and risk management, in addition to requiring banks to have an Internal Capital Adequacy Assessment Process.

Pillar 3 – Market discipline: Establishes regulatory disclosure requirements, which are designed to allow market participants to assess the risk and capital profiles of banks.

Basel III Reporting

This Basel III Pillar 3 Regulatory Capital Disclosure Report (the “Basel III Report”) provides Synchrony’s disclosures regarding its capital structure, capital adequacy, risk exposures and RWA as required by the Basel III Pillar 3 provisions. The required disclosures apply to Synchrony, with the exception that capital ratios for the Bank must also be disclosed.

The Basel III Report should be read in conjunction with Synchrony’s filings with the U.S. Securities and Exchange Commission (SEC) - Annual Report on Form 10-K for the year ended December 31, 2022 (“2022 Form 10-K”) and Quarterly Report on Form 10-Q for the period ended March 31, 2023 (“1Q 2023 Form 10-Q”). The Basel III Report has not been audited by Synchrony’s external auditors. The Basel III Disclosure Index (Appendix A) specifies where all required disclosures are made.

Basis of Consolidation

The basis of consolidation used for the Company's regulatory reporting is the same as that used under U.S. GAAP. There are no entities that are deconsolidated for regulatory capital purposes or the capital of which is deducted from our capital.

Restrictions on Transfer of Funds and Capital

Synchrony is limited in its ability to pay dividends or repurchase its stock by the Federal Reserve Board, including on the basis that doing so would be an unsafe or unsound banking practice. Where Synchrony intends to declare or pay a dividend or repurchase its stock, Synchrony is expected to inform and consult with the Federal Reserve Board in advance to ensure that such dividend or repurchase does not raise supervisory concerns. It is the policy of the Federal Reserve Board that a savings and loan holding company like Synchrony should generally pay dividends on common stock and preferred stock only out of earnings, and only if prospective earnings retention is consistent with the company's capital needs and overall current and prospective financial condition.

According to guidance from the Federal Reserve Board, Synchrony's dividend policies will be assessed against, among other things, its ability to satisfy applicable minimum capital ratio requirements under the Basel III capital rules. If Synchrony does not satisfy these requirements, Synchrony may not be able to pay dividends. Although Synchrony currently expects to meet applicable requirements of the Basel III capital rules, inclusive of any applicable capital conservation buffer, it cannot be sure that it will do so or even if it does, it will be able to pay dividends.

In evaluating the appropriateness of a proposed redemption or repurchase of stock, the Federal Reserve Board will consider, among other things, the potential loss that Synchrony may suffer from the prospective need to increase reserves and write down assets as a result of continued asset deterioration, and Synchrony's ability to raise additional common equity and other capital to replace the stock that will be redeemed or repurchased. The Federal Reserve Board also will consider the potential negative effects on Synchrony's capital structure of replacing common stock with any lower-tier form of regulatory capital issued.

Further, limitations on the Bank's payments of dividends and other distributions and payments that Synchrony receives from the Bank could limit Synchrony's ability to pay dividends or repurchase its stock. The Bank must obtain the approval of the OCC or give the OCC prior notice before making a capital distribution in certain circumstances, including if the Bank proposes to make a capital distribution when it does not meet certain capital requirements (or will not do so as a result of the proposed capital distribution) or certain net income requirements. In addition, the Bank must file a prior written notice of a planned or declared dividend or other distribution with the Federal Reserve Board. The Federal Reserve Board or OCC may object to a capital distribution if, among other things, (i) the Bank is, or as a result of such distribution would be, undercapitalized, significantly undercapitalized, or critically undercapitalized, (ii) the regulators have safety and soundness concerns or (iii) the distribution violates a prohibition in a statute, regulation, agreement between the Bank and the OCC or between Synchrony and the Federal Reserve Board, or a condition imposed on the Bank or Synchrony in an application or notice approved by the OCC or the Federal Reserve Board, respectively.

For further information on restrictions on transfers of funds and capital, refer to "*Regulation—Regulation Relating to Our Business—Savings and Loan Holding Company Regulation—Dividends and Stock Repurchases*" in the 2022 Form 10-K.

Capital Structure

Capital Instruments and Regulatory Capital

Synchrony's regulatory capital instruments primarily consist of common stock and preferred stock. For additional information, refer to the Company's Condensed Consolidated Statement of Financial Position in the 1Q 2023 Form 10-Q.

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A reconciliation of regulatory capital elements as they relate to Synchrony's Condensed Consolidated Financial Statements presented in the 1Q 2023 Form 10-Q, in addition to information regarding the components of capital used in calculating common equity Tier 1 ("CET1") capital, Tier 1 capital, Tier 2 capital and Total regulatory capital under the Basel III Standardized Approach for Synchrony at March 31, 2023, are presented in the table below.

Reconciliation of Capital Elements

(\$ in millions)	March 31, 2023
Common stock	\$ 1
Capital surplus	9,705
Retained earnings	17,369
Accumulated other comprehensive income (AOCI)	(102)
Treasury stock	(14,514)
Total common shareholders' equity	12,459
Add: CECL regulatory capital transition adjustment	1,146
Less: AOCI (opt-out election)	(63)
Less: Deductions for goodwill and intangible assets, net of deferred tax liabilities	2,195
CET1 capital	11,457
Perpetual non-cumulative preferred stock	734
Tier 1 capital	12,207
Qualifying subordinated debt	740
Other Tier 2 capital adjustments	1,233
Total regulatory capital	\$ 14,180

Capital Adequacy

Capital Management

Synchrony's capital management objectives are to maintain adequate levels of capital generated through earnings and other sources to ensure viability and flexibility of Synchrony and its subsidiaries. The level, composition and utilization of capital are influenced by changes in the economic environment, strategic initiatives, and legislative and regulatory developments. Within these constraints, Synchrony is focused on deploying capital in a manner that will provide attractive returns to its shareholders.

The Company's Internal Capital Adequacy Assessment Process ("ICAAP") is designed to enhance the understanding of the Company's exposure to material risks and the capital resources available to absorb those risks. The Company uses both quantitative and qualitative methods to translate risk measures including proprietary econometric forecasting models coupled with management judgment to estimate exposure to material risks.

The Capital Management Committee is the primary committee overseeing capital management activities including, but not limited to, monitoring and reporting regulatory capital, executing the ICAAP, conducting internal stress testing, recommending shareholder dividends and other capital actions, and formulating recommended Capital Contingency Plans, as applicable. The Risk Committee of the Board of Directors is responsible for reviewing risk exposures and ensuring sufficient capital capacity to cover these risk exposures. The Risk Committee is responsible for holding management accountable for providing sufficient information on Synchrony's material risks and exposures to inform decisions on capital adequacy and actions, including capital distribution.

Regulatory Capital Requirements

As a savings and loan holding company and financial holding company, Synchrony is subject to regulation, supervision and examination by the Federal Reserve Board. The Bank is a federally chartered savings association. As such, the Bank is subject to regulation, supervision and examination by the OCC, which is its primary regulator, and by the CFPB with respect to consumer financial matters. In addition, the Bank, as an insured depository institution, is supervised by the Federal Deposit Insurance Corporation.

Synchrony is subject to the capital requirements as prescribed by Basel III capital rules and the requirements of the Dodd-Frank Act. To date, Synchrony has not been subject to the Comprehensive Capital Analysis and Review (“CCAR”) process or the Federal Reserve Board’s capital planning rule, though Synchrony submitted a capital plan to the Federal Reserve Board in 2023. While not required, Synchrony’s capital plan process does include certain internal stress testing.

Synchrony is not currently subject to most of the enhanced prudential standards under the Dodd-Frank Act, as implemented by tailoring rules of the Federal Banking Agencies (“Tailoring Rules”). However, at March 31, 2023, based on a four quarter average, our average total consolidated assets exceeded \$100 billion and we anticipate we will become subject to enhanced prudential standards following applicable transition periods.

Specifically, under the Tailoring Rules, most covered savings and loan holding companies with average total consolidated assets of \$100 billion or more, but less than \$250 billion, are subject to supervisory stress tests on a biennial basis, in even calendar years. Additionally, covered savings and loan holding companies with average total consolidated assets of \$100 billion or more are subject to formal capital plan submission requirements and to a stress capital buffer in lieu of the 2.5% capital conservation buffer. We anticipate Synchrony will become subject to biennial supervisory stress tests, formal capital plan submission requirements, and the stress capital buffer after applicable transition periods, and as a result, its capital requirements may increase and its ability to pay dividends, make other capital distributions, or redeem or repurchase its stock may be adversely impacted.

The Company elected to adopt the option provided by the interim final rule issued by joint federal bank regulatory agencies, which largely delayed the effects of CECL on our regulatory capital through December 31, 2021. Beginning in the first quarter of 2022, the effects are now being phased-in over a three-year transitional period through 2024 and effects fully phased-in beginning in the first quarter of 2025. Under the interim final rule, the amount of adjustments to regulatory capital deferred until the phase-in period included both the initial impact of our adoption of CECL at January 1, 2020 and 25% of subsequent changes in our allowance for credit losses during the two-year period ended December 31, 2021, collectively the “CECL regulatory capital transition adjustment”. Beginning in the first quarter of 2023, only 50% of the CECL regulatory capital transition adjustment has been deferred in our regulatory capital amounts and ratios.

Failure to meet minimum capital requirements can initiate certain mandatory and, possibly, additional discretionary actions by regulators that, if undertaken, could limit our business activities and have a material adverse effect on our consolidated financial statements. Under capital adequacy guidelines, we must meet specific capital guidelines that involve quantitative measures of our assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. The capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

For Synchrony to be a well-capitalized savings and loan holding company, the Bank must be well-capitalized and Synchrony must not be subject to any written agreement, order, capital directive, or prompt corrective action directive issued by the Federal Reserve Board to meet and maintain a specific capital level for any capital measure.

At March 31, 2023, Synchrony met all applicable requirements to be deemed well-capitalized pursuant to Federal Reserve Board regulations.

At March 31, 2023, the Bank met all applicable requirements to be deemed “well-capitalized” pursuant to OCC regulations and for purposes of the Federal Deposit Insurance Act. The following table summarizes the Basel III minimum and well-capitalized regulatory capital ratio requirements at March 31, 2023.

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Minimum and Well-Capitalized Capital Ratio Requirements

Ratio^(a)	Minimum^(b)	Well-Capitalized^(c)
CET1 capital	4.5 %	6.5 %
Tier 1 risk-based capital	6.0 %	8.0 %
Total risk-based capital	8.0 %	10.0 %
Tier 1 leverage	4.0 %	5.0 %

- (a) Tier 1 leverage ratio represents Tier 1 capital as a percentage of total average assets, after certain adjustments. All other ratios presented above represent the applicable capital measure as a percentage of RWA.
- (b) At March 31, 2023 Synchrony also must maintain a capital conservation buffer of CET1 capital in excess of minimum risk-based capital ratios by at least 2.5 percentage points to avoid limits on capital distributions and certain discretionary bonus payments to executive officers and similar employees.
- (c) Applies to the Bank only. For Synchrony to be a well-capitalized savings and loan holding company, the Bank must be well-capitalized and Synchrony must not be subject to any written agreement, order, capital directive, or prompt corrective action directive issued by the Federal Reserve Board to meet and maintain a specific capital level for any capital measure.

Risk-Weighted Assets and Regulatory Capital Ratios

Basel III establishes two comprehensive methodologies for calculating RWA, a Standardized Approach and an Advanced Approach. Synchrony is subject to the Basel III Standardized Approach for determining RWA.

The following tables present information on the RWA components included within the regulatory capital ratios under the Standardized Approach for Synchrony and the regulatory capital ratios for Synchrony and the Bank at March 31, 2023.

Risk-Weighted Assets

(\$ in millions)	March 31, 2023	
On-Balance Sheet		
Exposures to sovereign entities	\$	—
Exposures to depository institutions, foreign banks and credit unions		350
Exposures to public sector entities		67
Corporate exposures		8
Loan exposure, including held for sale ^(a)		82,635
Past due loans		2,558
Other Assets		4,608
Securitization exposures		114
Equity exposures		1,266
Off-Balance Sheet and Market Risk		
Unused commitments:		
Original maturity of one year or less, excluding asset-backed commercial paper conduits		26
Original maturity greater than one year		43
Over-the-counter derivatives		—
All other off-balance sheet items		198
Total Risk-Weighted Assets	\$	91,873

- (a) Primarily includes credit card loan receivables, net of excess allowance for credit losses.

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Regulatory Capital Ratios	Basel III	
	Synchrony	Bank
March 31, 2023		
CET1 capital	12.5 %	13.9 %
Tier 1 risk-based capital	13.3 %	13.9 %
Total risk-based capital	15.4 %	15.2 %
Tier 1 leverage	11.6 %	12.2 %

Capital Conservation Buffer

Synchrony is subject to a capital conservation buffer. Under this requirement, Synchrony could be subject to limitations on its ability to make distributions of capital or make discretionary bonus payments unless it maintains a buffer of capital, composed solely of CET1 capital, sufficient to exceed each of the minimum risk-based capital ratios applicable to the institution plus an additional 2.5% of RWA.

A banking organization's eligible retained income is defined as the greater of the average of its previous four quarters of net income and net income for the four preceding calendar quarters, net of any distributions. At March 31, 2023, Synchrony's capital conservation buffer was 7.3%, which is above the 2.5% minimum and its eligible retained income was \$0.7 billion. Synchrony does not currently have a payout ratio limitation on distributions and discretionary bonus payments as Synchrony meets the capital conservation buffer requirements.

Covered savings and loan holding companies with average total consolidated assets of \$100 billion or more are subject to a stress capital buffer in lieu of the 2.5% capital conservation buffer. The stress capital buffer is calculated as the amount of loss of CET1 capital incurred by the company in the severely adverse scenario of the most recent supervisory stress test exercise, assuming certain continued payments on capital instruments, and is subject to a floor of 2.5% of risk-weighted assets. At March 31, 2023, based on a four quarter average, our average total consolidated assets exceeded \$100 billion and we anticipate we will become subject to the stress capital buffer following a transition period.

Credit Risk: General Disclosures

Enterprise Risk Management

Strong risk management is at the core of the Company's business strategy and we have developed processes to manage the major categories of risk, namely credit, market, liquidity, operational (including compliance), strategic and reputational risk (considered across all risk types). Historically, the risk for substantially all operations has been managed through the risk management function.

We manage enterprise risk using an integrated framework that includes board-level oversight, administration by a group of cross-functional management committees and day-to-day implementation by a dedicated risk management team led by the Chief Risk Officer. We also utilize the "Three Lines of Defense" risk management model to demonstrate and structure the roles, responsibilities and accountabilities in the organization for taking and managing risk. The Risk Committee of the Board of Directors has responsibility for the oversight of the risk management program, and three other board committees have other oversight roles with respect to risk management. Several management committees and subcommittees have important roles and responsibilities in administering the risk management program, including the Enterprise Risk Management Committee (the "ERMC"), the Management Committee (the "MC"), the Asset and Liability Committee and the Capital Management Committee. This committee-focused governance structure provides a forum through which risk expertise is applied cross-functionally to all major decisions, including development of policies, processes and controls used by the Chief Risk Officer and risk management team to execute the risk management philosophy.

The enterprise risk management philosophy is to ensure that all relevant risks are appropriately identified, measured, monitored and controlled. The approach in executing this philosophy focuses on leveraging risk expertise to drive enterprise risk management using a strong governance framework structure, a comprehensive enterprise risk assessment program and an effective risk appetite framework. The corporate culture and values, in

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conjunction with the risk management accountability incorporated into the integrated Risk Management Framework, which includes the governance structure and three distinct Lines of Defense, has facilitated, and will continue to facilitate, the evolution of an effective risk presence across the Company.

The “First Line of Defense” is comprised of the business areas whose day-to-day activities involve decision-making and associated risk-taking for the Company. As the business owner, the first line is responsible for identifying, assessing, managing and controlling that risk, and for mitigating overall risk exposure. The first line formulates strategy and operates within the risk appetite and risk governance framework. The “Second Line of Defense,” also known as the independent risk management organization, provides oversight of first line risk taking and management. The second line assists in determining risk capacity, risk appetite and the strategies, policies and structure for managing risks. The second line owns the risk governance framework. The “Third Line of Defense” is comprised of Internal Audit. The third line provides independent and objective assurance to senior management and to the Board of Directors and Audit Committee that the first and second line risk management and internal control systems and its governance processes are well-designed and working as intended.

Responsibility and accountability for risk management flows to individuals and entities throughout the Company, including the Board of Directors, various board and management committees, senior management and members of each “Line of Defense”. For example:

- The **Chief Executive Officer** has ultimate responsibility for ensuring the management of the Company’s risk in accordance with the Company’s approved risk appetite statement, including through their role as chairperson of the MC. The Chief Executive Officer also provides leadership in communicating the risk appetite to internal and external stakeholders to help embed appropriate risk taking into the overall corporate culture of the Company.
- The **Chief Risk Officer** manages the risk management team and, as chairperson of the ERM, is responsible for establishing and implementing standards for the identification, management, measurement, monitoring and reporting of risk on an enterprise-wide basis. In collaboration with the Chief Executive Officer and the Chief Financial Officer, the Chief Risk Officer has responsibility for developing an appropriate risk appetite with corresponding limits that aligns with supervisory expectations, and this risk appetite statement has been approved by the Board of Directors. The Chief Risk Officer regularly reports to the Board of Directors and the Risk Committee on risk management matters.
- The **senior executive officers** who serve as leaders in the “First Line of Defense”, are responsible for ensuring that their respective functions operate within established risk limits, in accordance with the Company’s Risk Appetite Statement. As members of the ERM and the MC, they are also responsible for identifying risks, considering risk when developing strategic plans, budgets and new products and implementing appropriate risk controls when pursuing business strategies and objectives. In addition, senior executive officers are responsible for deploying sufficient financial resources and qualified personnel to manage the risks inherent in the Company’s business activities.
- The **risk management team**, including compliance, led by the Chief Risk Officer, provides oversight of the Company’s risk profile and is responsible for maintaining a compliance program that includes compliance risk assessment, policy development, testing and reporting activities. This team effectively serves in a “Second Line of Defense” role by overseeing the operating activities of the “First Line of Defense”.
- The **internal audit team** is responsible for performing periodic, independent reviews and testing of compliance with the Company’s and the Bank’s risk management policies and standards, as well as with regulatory guidance and industry best practices. The internal audit team also assesses the design of the Company’s and the Bank’s policies and standards and validates the effectiveness of risk management controls, and reports the results of such reviews to the Audit Committee. The internal audit team effectively serves as the “Third Line of Defense” for the Company.

The Company’s Enterprise Risk Management oversight tools, which are an integral component of the integrated Risk Management Framework that is used to help the Company manage risk within its approved risk appetite, are applied to the Company’s strategy setting process as well as its operational delivery mechanisms to identify potential events that may impact the Company. To achieve its risk appetite objective, the Company must identify, manage, monitor, control and report on current and emerging risks in a consistent, timely, and understandable

manner across the organization. Three examples of the oversight tools that help the Company identify its risks are the Risk Appetite Statement, the Enterprise Risk Assessment process and stress testing activities.

The Company operates in accordance with a Risk Appetite Statement setting forth its objectives, plans and limits, and expressing its preferences with respect to risk-taking activities in the context of overall business goals. The Risk Appetite Statement is approved annually by the Board of Directors, with delegated authority to the Chief Risk Officer for implementation throughout the Company. The Risk Appetite Statement serves as a tool to preclude activities that are inconsistent with the business and risk strategy. The Risk Appetite Statement is reviewed and approved at least annually as part of the business planning process and will be modified, as necessary, to include updated risk tolerances by risk category, enabling us to meet prescribed goals while continuing to operate within established risk boundaries.

The Enterprise Risk Assessment process (“ERA”) is a top-down process designed to identify, assess and quantify risk across the Company’s primary risk categories and serves as a basis to determine the Company’s risk profile. The ERA plays an important role in directing the risk management activities by helping prioritize initiatives and focus resources on the most appropriate risks. The ERA is performed annually and refreshed periodically, and is the basis of the Material Risk Inventory which is a key input in the strategic and capital planning processes.

Stress testing activities provide a forward-looking assessment of risks and losses. Stress Testing is integrated into the strategic, capital and liquidity planning processes, and the results are used to identify portfolio vulnerabilities and develop risk mitigation strategies or contingency plans across a range of stressed conditions. See “*Risks—Risk Management*” in the 2022 Form 10-K for more information regarding the Company’s risk management processes.

Credit Risk Management

Credit risk is the risk of loss that arises when an obligor fails to meet the terms of a contract and/or the underlying collateral is insufficient to satisfy the obligation. Credit risk includes exposure to consumer credit risk from customer loans as well as institutional credit risk, principally from our partners. Consumer credit risk is one of the most significant risks. As a result, credit risk management is a critical component of our management and growth strategy. Our credit risk arising from credit products is generally highly diversified across approximately 123 million open accounts at March 31, 2023, without significant individual exposures. We manage credit risk primarily according to customer segments and product types.

The credit risk management philosophy is to establish an appropriate framework that effectively aligns with and embodies the limits contained in the Risk Appetite Statement, and this framework is approved annually by the Risk Committee. Under the auspices of the Risk Appetite Statement, credit decision guidelines have been developed for our partners’ programs that address each of the critical points along the account lifecycle including new customer account acquisition, on-going customer account management, fraud prevention, delinquent account collections and recovery on charged-off accounts.

The customer account acquisition process occurs through a variety of channels (e.g., in-store, mail, internet, mobile, telephone and pre-approved solicitations). However, regardless of the channel, in making the initial credit approval decision to open a credit card or other account or otherwise grant credit, we follow a series of credit risk and underwriting procedures. In most cases, when applications are made in-store or by internet or mobile, the process is fully automated and applicants are notified of our credit decision immediately. We obtain certain information provided by the applicant, leverage historical performance on other Synchrony accounts as well as partner data on the consumer, and obtain a credit bureau report from one of the major credit bureaus. The credit report information we obtain is electronically transmitted into industry scoring models and our proprietary scoring models developed to assess credit worthiness. The credit and underwriting team determines in advance the qualifying credit worthiness and initial credit line assignments for each portfolio and product type. Periodic analysis of performance trends on accounts originated at different score levels is conducted as compared to projected performance and adjustments to the minimum creditworthiness or the opening credit limit to manage credit risk are made as necessary.

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The Company regularly assesses the credit risk exposure of customer accounts. This ongoing assessment includes information relating to the customer's performance with respect to their account with us, as well as information from credit bureaus relating to the customer's broader credit performance. To monitor and control the quality of our loan portfolio (including the portion of the portfolio originated by third parties), we use behavioral scoring models that we have developed to score each active account on its monthly cycle date. Depending on the duration of the customer's account, risk profile and other performance metrics, the account may be subject to a range of account actions, including limits on transaction authorization and increases or decreases in purchase and cash credit limits. See "Our Business—Credit Risk Management" in the 2022 Form 10-K for more information regarding credit risk.

Responsibility and accountability for credit risk management primarily resides with the Chief Credit Officer and is overseen by the Chief Credit and Financial Risk Officer, the Chief Risk Officer and governance committees. For example:

- The **Chief Credit Officer**, as a member of the "First Line of Defense", manages the credit and fraud strategy and implementation as well as the reserves and loss forecasting teams. The Chief Credit Officer is responsible for delivering credit management and loss reserve strategies that drive portfolio performance outcomes that align with the Risk Appetite Statement as well as the Strategic Plan.
- The **Chief Credit and Financial Risk Officer**, as a member of the "Second Line of Defense", is responsible for overseeing the activities of the "First Line of Defense" team under the leadership of the Chief Credit Officer in order to confirm that they are consistently complying with the Risk Appetite Statement and all applicable credit risk related policies.

For further information related to credit risk management and practices, accounting policies and current exposures as reported under U.S. GAAP refer to the 2022 Form 10-K. See Appendix A for specific references.

The following table summarizes remaining maturities by credit exposure for loans and leases and unused commitments. The contractual amounts of commitments to extend credit represent the Company's maximum exposure to credit loss, in the event of default by the borrower if the borrower were to fully draw against the commitment. The Company manages this credit risk by using the same credit policies it applies to loans.

Credit Exposure by Type and Contractual Maturity

March 31, 2023 (\$ in millions)	Loans ^(a)		Unused Commitments		Total
	Less than 1 Year	Greater Than 1 Year ^(b)	Less than 1 Year ^(c)	Greater Than 1 Year	
Credit cards	\$ 84,608	\$ 1,505	\$ 408,178	\$ —	\$ 494,291
Consumer installment loans	43	3,161	—	—	3,204
Commercial credit products	1,664	26	13,380	—	15,070
Other	52	70	147	71	340
Total	\$ 86,367	\$ 4,762	\$ 421,705	\$ 71	\$ 512,905

(a) Excludes loan receivables held for sale.

(b) Credit card and commercial credit products due after one year relate to remaining contractual maturity of Troubled Debt Restructuring assets.

(c) Includes \$422 billion of unconditionally cancelable commitments which are not subject to risk-weighting per the regulatory capital rules.

Credit Exposure of Loan Receivables Portfolio by Geography

March 31, 2023 (\$ in millions)	Total Exposure ^(a)	Percent of Total
Texas	\$ 9,957	10.9 %
California	9,476	10.4 %
Florida	8,482	9.3 %
New York	4,495	4.9 %
North Carolina	3,754	4.1 %
Other ^(b)	54,965	60.4 %
Total	\$ 91,129	100.0 %

(a) Excludes loan receivables held for sale.

(b) The Company's loan portfolio has a national distribution profile, further breakdown of the other category results in a widespread distribution across a large number of additional states.

For additional quantitative information on allowance for credit losses, charge-offs, loans past due and impaired loans, see Note 4. *Loan Receivables* to our Condensed Consolidated Financial Statements in the 1Q 2023 Form 10-Q.

Credit Risk Mitigation

As part of its risk management activities, the Company uses various risk mitigants to manage portions of the credit risk in its portfolios. Credit risk mitigation is important to the Company in the effective management of its credit risk exposures. A majority of the Company's assets are comprised of credit card receivables, with unfunded commitments that are unconditionally cancelable. At March 31, 2023, the Company had no asset category that benefited from financial collateral as defined in the Basel III capital rules, and the Company did not utilize credit derivatives as a risk mitigation tool.

We hold investments in residential mortgage-backed securities. Certain of these investments in residential mortgage-backed securities are held to comply with the Community Reinvestment Act and are issued by government-sponsored entities, and are pledged by the Bank as collateral to the Federal Reserve to secure Federal Reserve Discount Window advances. Exposures related to our investments in residential mortgage-backed securities are covered by guarantees and are set forth below with associated risk-weighted amounts:

Exposure Type		
March 31, 2023 (\$ in millions)	Exposure Amount	RWA Amount
GNMA mortgage-backed securities	\$ 148	\$ —
FNMA & FHLMC mortgage-backed securities	299	60
Total	\$ 447	\$ 60

Securitizations

The Company engages in credit card securitization activities, primarily as originator and sponsor. The Company's securitizations are accounted for as secured borrowings and the trusts are treated as consolidated subsidiaries of the Company. The assets of the Company's variable interest entities are restricted from being sold or pledged as collateral for other borrowings and the cash flows from these restricted assets may be used only to pay obligations of the trusts. The related debt issued by all securitization trusts is reported in long-term borrowings. The Company issues asset-backed securities in both public transactions and private transactions through the Synchrony Credit Card Master Note Trust ("SYNCT") and the Synchrony Card Issuance Trust ("SYNIT") and issues asset-backed securities in private transactions through the Synchrony Sales Finance Master Trust ("SFT"). SYNCT, SYNIT and SFT are Delaware statutory trusts that acquire credit card receivables originated by Synchrony Bank through bankruptcy remote special purpose entities referred to as RFS Holding, L.L.C., Synchrony Sales Finance Holding, LLC and Synchrony Card Funding, LLC, respectively.

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See Note 5. *Variable Interest Entities* to our Condensed Consolidated Financial Statements in the 1Q 2023 Form 10-Q for more information on the Company's credit card securitization activities.

None of the assets securitized by the Company meet the operational criteria for securitizations as defined in the Basel III capital rules. The underlying assets are consolidated on the balance sheet and accordingly risk-weighted based on their balance sheet classification for Basel III purposes.

See Note 2. *Basis of Presentation and Summary of Significant Accounting Policies* to our Consolidated and Combined Financial Statements in the 2022 Form 10-K for information on the Company's accounting policies relevant to its securitization activities.

In addition to its activities as an originator and sponsor, the Company also is an investor in securities created by third parties that meet the definition of a securitization exposure. These securities consist of asset-backed securities secured by credit card receivables and auto loans. The Company calculates the regulatory capital requirement for securitization exposures in accordance with the hierarchy of approaches outlined under the Standardized Approach framework. The Company utilizes the Simplified Supervisory Formula Approach ("SSFA") to determine RWA for all of its securitization exposures.

At March 31, 2023 the Company had on-balance sheet securitization exposure related to these asset-backed securities of \$541 million and a RWA amount of \$114 million, or 21%, calculated using the SSFA. The Company does not have any synthetic securitization exposures nor any resecuritizations under Basel III.

Additionally, the Company invests in residential mortgage-backed securities issued by government agencies and government-sponsored entities and are collateralized by U.S. mortgages. At March 31, 2023, \$99 million is pledged by the Bank as collateral to the Federal Reserve to secure Federal Reserve Discount Window advances. These residential mortgage-backed securities are not considered "securitizations" under regulatory guidance.

Equities Not Subject To Market Risk Rule

Equity investments held by the Company include equity securities and fund exposures, and non-publicly traded equity investments classified within other assets. Equity securities are carried at fair value with changes in fair value recognized in the Consolidated Statements of Earnings. Other equity investments primarily include Low Income Housing Tax Credit investments, which are recorded at historical cost.

The Company uses both the Full Look Through Approach ("FLTA") and the Simple Risk-Weight Approach ("SRWA") to measure equity exposures for regulatory purposes. The FLTA is used to determine RWA for exposure to investment funds. Under the FLTA, the Company calculates the aggregate RWA amounts of the carrying value of the exposures held by the fund as if they were held directly by the Company multiplied by the Company's proportional ownership share of the fund. The minimum RWA using the FLTA is 20%. The company uses the SRWA to determine RWA for direct equity exposures and community development exposures. Under the SRWA, the RWA for each equity exposure is calculated by multiplying the adjusted carrying value of the equity exposure by the applicable prescribed regulatory risk-weight. Under the SRWA, the aggregate carrying value of equity exposures that are less than 10% of total regulatory capital is risk-weighted at 100% as non-significant equity exposures. At March 31, 2023, the Company did not have aggregate equity exposures that exceeded the 10% threshold.

Equity Exposure By Type

March 31, 2023 (\$ in millions)	Exposure / Carrying Value ^(a)	RWA	Capital Requirement
Using FLTA			
Publicly traded available-for-sale fund exposures	\$ 533	\$ 107	\$ 11
Using SRWA			
Publicly traded available-for-sale equity securities	14	14	1
Non-publicly traded community development exposures	880	880	88
Non-publicly traded other miscellaneous equity investments	265	265	27
Total	\$ 1,692	\$ 1,266	\$ 127

(a) The carrying value of our equity exposures approximates fair value at March 31, 2023.

Capital Requirements for Equity Securities not subject to Market Risk Rule

March 31, 2023 (\$ in millions)	Exposure	RWA	Capital Requirement
100%	\$ 1,159	\$ 1,159	\$ 116
FLTA	533	107	11
Total	\$ 1,692	\$ 1,266	\$ 127

We had no net realized gains or losses arising from sales and liquidations of equity investments for the quarter ended March 31, 2023.

Interest Rate Risk for Non-Trading Activities

We borrow money from a variety of depositors and institutions in order to provide loans to our customers. Changes in market interest rates cause our net interest income to increase or decrease, as some of our assets and liabilities carry interest rates that fluctuate with market benchmarks. The interest rate benchmark for our floating rate assets is generally the prime rate, and the interest rate benchmark for our floating rate liabilities is generally either the Secured Overnight Financing Rate ("SOFR"), the London Interbank Offered Rate ("LIBOR"), U.S. Treasury bills, or the federal funds rate. The prime rate and the SOFR, LIBOR, U.S. Treasury bills or federal funds rate could reset at different times or could diverge, leading to mismatches in the interest rates on our floating rate assets and floating rate liabilities. We are in the process of amending existing asset and liability contracts that reference LIBOR to reference a new benchmark rate. The new benchmark rates include, but are not limited to, SOFR, federal funds and U.S. Treasury bills. We expect the transition from the LIBOR benchmark to be completed in 2023 and do not expect it to have a material impact to our company.

Management continually reviews the Company's balance sheet composition and earnings flows and models the interest rate risk, and possible actions to reduce this risk, given numerous possible future interest rate scenarios. We assess our interest rate risk by estimating the effect of various interest rate scenarios on our net interest income.

For further information on interest rate risk, including a net interest income sensitivity analysis, and our transition from the LIBOR benchmark rate, refer to "Item 3, Quantitative and Qualitative Disclosures About Market Risk" in the 1Q 2023 Form 10-Q and "Management's Discussion and Analysis of Financial Condition and Results of Operations —Quantitative and Qualitative Disclosures About Market Risk" in the 2022 Form 10-K.

Appendix A - Disclosure Index

Table		Disclosure Requirement	Page References		
			Basel III Report	Form 10-K for December 31, 2022	Form 10-Q for March 31, 2023
Table 1 - Scope of Application					
Qualitative:					
(a)	The name of the top corporate entity in the group to which subpart D of this part applies.	4			
(b)	A brief description of the differences in the basis for consolidating entities for accounting and regulatory purposes, with a description of those entities: (1) That are fully consolidated; (2) That are deconsolidated and deducted from total capital; (3) For which the total capital requirement is deducted; and (4) That are neither consolidated nor deducted (for example, where the investment in the entity is assigned a risk weight in accordance with this subpart).	N/A: The Company has no differences in the basis for consolidating entities			
(c)	Any restrictions, or other major impediments, on transfer of funds or total capital within the group.	5			
Quantitative:					
(d)	The aggregate amount of surplus capital of insurance subsidiaries included in the total capital of the consolidated group.	N/A: The Company has no insurance subsidiaries			
(e)	The aggregate amount by which actual total capital is less than the minimum total capital requirement in all subsidiaries, with total capital requirements and the name(s) of the subsidiaries with such deficiencies.	N/A			
Table 2 - Capital Structure					
Qualitative:					
(a)	Summary information on the terms and conditions of the main features of all regulatory capital instruments.	5	107, 132-133	31, 50-51	
Quantitative:					
(b)	The amount of CET1 capital, with separate disclosure of: (1) Common stock and related surplus; (2) Retained earnings; (3) Common equity minority interest; (4) AOCI and (5) Regulatory adjustments and deductions made to CET1 capital.	6			
(c)	The amount of tier 1 capital, with separate disclosure of: (1) Additional tier 1 capital elements, including additional tier 1 capital instruments and tier 1 minority interest not included in CET1 capital; and (2) Regulatory adjustments and deductions made to tier 1 capital.	6			
(d)	The amount of total capital, with separate disclosure of: (1) Tier 2 capital elements, including tier 2 capital instruments and total capital minority interest not included in tier 1 capital; and (2) Regulatory adjustments and deductions made to total capital.	6			
Table 3 - Capital Adequacy					
Qualitative:					
(a)	A summary discussion of the savings and loan holding company's approach to assessing the adequacy of its capital to support current and future activities.	6-9	55-57, 132-133	26-27, 50-51	

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		Page References		
Table	Disclosure Requirement	Basel III Report	Form 10-K for December 31, 2022	Form 10-Q for March 31, 2023
Quantitative:				
(b)	Risk-weighted assets for credit risk from: (1) Exposures to sovereign entities; (2) Exposures to certain supranational entities and MDBs; (3) Exposures to depository institutions, foreign banks, and credit unions; (4) Exposures to PSEs; (5) Corporate exposures; (6) Residential mortgage exposures; (7) Statutory multifamily mortgages and pre-sold construction loans; (8) HVCRE exposures; (9) Past due loans; (10) Other assets; (11) Cleared transactions; (12) Default fund contributions; (13) Unsettled transactions; (14) Securitization exposures; and (15) Equity exposures.	8		
(c)	Standardized market risk-weighted assets as calculated under subpart F of this part.	N/A		
(d)	CET1, tier 1 and total risk-based capital ratios: (1) For the top consolidated group; and (2) For each depository institution subsidiary.	9	132-133	50-51
(e)	Total standardized risk-weighted assets.	8	56	26
Table 4 - Capital Conservation Buffer				
Quantitative:				
(a)	At least quarterly, the savings and loan holding company must calculate and publicly disclose the capital conservation buffer as described under §217.11.	9	133	
(b)	At least quarterly, the savings and loan holding company must calculate and publicly disclose the eligible retained income of the savings and loan holding company, as described under §217.11.	9		
(c)	At least quarterly, the savings and loan holding company must calculate and publicly disclose any limitations it has on distributions and discretionary bonus payments resulting from the capital conservation buffer framework described under §217.11, including the maximum payout amount for the quarter.	9		
Table 5 - Credit Risk: General Disclosures				
Qualitative:				
(a)	The general qualitative disclosure requirement with respect to credit risk (excluding counterparty credit risk disclosed in accordance with Table 6), including the: (1) Policy for determining past due or delinquency status; (2) Policy for placing loans on nonaccrual; (3) Policy for returning loans to accrual status; (4) Definition of and policy for identifying impaired loans (for financial accounting purposes). (5) Description of the methodology that the savings and loan holding company uses to estimate its allowance for credit losses, including statistical methods used where applicable; (6) Policy for charging-off uncollectible amounts; and (7) Discussion of the savings and loan holding company's credit risk management policy	9-13	20-22; 80-85 110-119	

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Table		Page References		
		Basel III Report	Form 10-K for December 31, 2022	Form 10-Q for March 31, 2023
Quantitative:				
(b)	Total credit risk exposures and average credit risk exposures, after accounting offsets in accordance with GAAP, without taking into account the effects of credit risk mitigation techniques (for example, collateral and netting not permitted under GAAP), over the period categorized by major types of credit exposure. For example, savings and loan holding companies could use categories similar to that used for financial statement purposes. Such categories might include, for instance: (1) Loans, off-balance sheet commitments, and other non-derivative off-balance sheet exposures; (2) Debt securities; and (3) OTC derivatives.	12	121-125	37-42
(c)	Geographic distribution of exposures, categorized in significant areas by major types of credit exposure.	12	46	19
(d)	Industry or counterparty type distribution of exposures, categorized by major types of credit exposure.	12	121	37
(e)	By major industry or counterparty type: (1) Amount of impaired loans for which there was a related allowance under GAAP; (2) Amount of impaired loans for which there was no related allowance under GAAP; (3) Amount of loans past due 90 days and on nonaccrual; (4) Amount of loans past due 90 days and still accruing; (5) The balance in the allowance for credit losses at the end of each period, disaggregated on the basis of the entity's impairment methodology. To disaggregate the information required on the basis of impairment methodology, an entity shall separately disclose the amounts based on the requirements in GAAP; and (6) Charge-offs during the period.		121-125	37-42
(f)	Amount of impaired loans and, if available, the amount of past due loans categorized by significant geographic areas including, if practical, the amounts of allowances related to each geographical area, further categorized as required by GAAP.	Information by geography is not practical or meaningful to disclose. Management does not use this information to allocate general or specific allowance components		
(g)	Reconciliation of changes in allowance for credit losses.		121-122	37
(h)	Remaining contractual maturity delineation (for example, one year or less) of the whole portfolio, categorized by credit exposure.	12	46	
Table 6 - General Disclosure for Counterparty Credit Risk-Related Exposures				
Qualitative:				
(a)	The general qualitative disclosure requirement with respect to OTC derivatives, eligible margin loans and repo-style transactions, including: (1) The methodology used to assign credit limits for counterparty credit exposures; (2) Policies for securing collateral, valuing and managing collateral, and establishing credit reserves; (3) The primary types of collateral taken; and (4) The impact of the amount of collateral the savings and loan holding company would have to provide given a deterioration in the savings and loan holding company's own creditworthiness.	N/A: The Company has no OTC derivatives, eligible margin loans, or repo-style transaction exposures		

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Table		Page References		
		Basel III Report	Form 10-K for December 31, 2022	Form 10-Q for March 31, 2023
Disclosure Requirement				
Quantitative:				
(b)	Gross positive fair value of contracts, collateral held (including type, for example, cash, government securities) and net unsecured credit exposure. A savings and loan holding company also must disclose the notional value of credit derivative hedges purchased for counterparty credit risk protection and the distribution of current credit exposure by exposure type.	N/A		
(c)	Notional amount of purchased and sold credit derivatives, segregated between use for the savings and loan holding company's own credit portfolio and for its intermediation activities, including the distribution of the credit derivative products used, categorized further by protection bought and sold within each product group.	N/A		
Table 7 - Credit Risk Mitigation				
Qualitative:				
(a)	The general qualitative disclosure requirement with respect to credit risk mitigation, including: (1) Policies and processes for collateral valuation and management; (2) A description of the main types of collateral taken by the savings and loan holding company; (3) The main types of guarantors/credit derivative counterparties and their creditworthiness; and (4) Information about (market or credit) risk concentrations with respect to credit risk mitigation.	13		
Quantitative:				
(b)	For each separately disclosed credit risk portfolio, the total exposure that is covered by eligible financial collateral, and after the application of haircuts.	N/A		
(c)	For each separately disclosed portfolio, the total exposure that is covered by guarantees/credit derivatives and the risk-weighted asset amount associated with that exposure.	13		
Table 8 - Securitization				
Qualitative:				
(a)	The general qualitative disclosure requirement with respect to securitization (including synthetic securitizations), including a discussion of: (1) The savings and loan holding company's objectives for securitizing assets, including the extent to which these activities transfer credit risk of the underlying exposures away from the savings and loan holding company to other entities and including the type of risks assumed and retained with resecuritization activity; (2) The nature of the risks (e.g. liquidity risk) inherent in the securitized assets; (3) The roles played by the savings and loan holding company in the securitization process and an indication of the extent of the savings and loan holding company's involvement in each of them; (4) The processes in place to monitor changes in the credit and market risk of securitization exposures including how those processes differ for resecuritization exposures; (5) The savings and loan holding company's policy for mitigating the credit risk retained through securitization and resecuritization exposures; and (6) The risk-based capital approaches that the savings and loan holding company follows for its securitization exposures including the type of securitization exposure to which each approach applies.	13	125-127	

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Table	Disclosure Requirement	Page References		
		Basel III Report	Form 10-K for December 31, 2022	Form 10-Q for March 31, 2023
(b)	A list of: (1) The type of securitization SPEs that the savings and loan holding company, as sponsor, uses to securitize third-party exposures. The savings and loan holding company must indicate whether it has exposure to these SPEs, either on- or off- balance sheet; and (2) Affiliated entities: (i) That the savings and loan holding company manages or advises; and (ii) That invest either in the securitization exposures that the savings and loan holding company has securitized or in securitization SPEs that the savings and loan holding company sponsors	13	125-127	
(c)	Summary of the savings and loan holding company's accounting policies for securitization activities, including: (1) Whether the transactions are treated as sales or financings; (2) Recognition of gain-on-sale; (3) Methods and key assumptions and inputs applied in valuing retained or purchased interests; (4) Changes in methods and key assumptions from the previous period for valuing retained interests and impact of the changes; (5) Treatment of synthetic securitizations; (6) How exposures intended to be securitized are valued and whether they are recorded under subpart D of this part; and (7) Policies for recognizing liabilities on the balance sheet for arrangements that could require the savings and loan holding company to provide financial support for securitized assets.		125-127	
(d)	An explanation of significant changes to any quantitative information since the last reporting period.	N/A		
Quantitative:				
(e)	The total outstanding exposures securitized by the savings and loan holding company in securitizations that meet the operational criteria in §217.41 (categorized into traditional and synthetic securitizations), by exposure type, separately for securitizations of third-party exposures for which the bank acts only as sponsor.	N/A		
(f)	For exposures securitized by the savings and loan holding company in securitizations that meet the operational criteria in §217.41: (1) Amount of securitized assets that are impaired/past due categorized by exposure type; and (2) Losses recognized by the savings and loan holding company during the current period categorized by exposure type	N/A		
(g)	The total amount of outstanding exposures intended to be securitized categorized by exposure type.	N/A		
(h)	Aggregate amount of: (1) On-balance sheet securitization exposures retained or purchased categorized by exposure type; and (2) Off-balance sheet securitization exposures categorized by exposure type.	13-14	126	44
(i)	(1) Aggregate amount of securitization exposures retained or purchased and the associated capital requirements for these exposures, categorized between securitization and resecuritization exposures, further categorized into a meaningful number of risk weight bands and by risk-based capital approach (e.g. SSFA); and (2) Aggregate amount disclosed separately by type of underlying exposure in the pool of any; (i) After-tax gain-on-sale on a securitization that has been deducted from common equity tier 1 capital; and (ii) Credit-enhancing interest-only strip that is assigned a 1.250 percent risk weight.	14		
(j)	Summary of current year's securitization activity, including the amount of exposures securitized (by exposure type), and recognized gain or loss on sale by exposure type.	N/A		

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Table		Page References		
		Basel III Report	Form 10-K for December 31, 2022	Form 10-Q for March 31, 2023
(k)	Aggregate amount of securitization exposures retained or purchased categorized according to: (1) Exposures to which credit risk mitigation is applied and those not applied; and (2) Exposures to guarantors categorized according to guarantor creditworthiness categories or guarantor name.	N/A		
Table 9 - Equities Not Subject to Subpart F Of This Part (Market Risk Rule)				
<i>Qualitative:</i>				
(a)	The general qualitative disclosure requirement with respect to the equity risk for equities not subject to subpart F of this part, including: (1) Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and (2) Discussion of important policies covering the valuation of and accounting for equity holdings not subject to subpart F of this part. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	14		
<i>Quantitative:</i>				
(b)	Value disclosed on the balance sheet of investments, as well as the fair value of those investments; for securities that are publicly traded, a comparison to publicly-quoted share values where the share price is materially different than fair value.	14		
(c)	The types and nature of investments, including the amount that is: (1) Publicly traded; and (2) Non-publicly traded.	14		
(d)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	N/A		
(e)	(1) Total unrealized gains (losses). (2) Total latent revaluation gains (losses) (3) Any amounts of the above included in tier 1 and/or tier 2 capital.	14		
(f)	Capital requirements categorized by appropriate equity groupings, consistent with the savings and loan holding company's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition regarding regulatory capital requirements.	14		
Table 10 - Interest Rate Risk For Non-Trading Activities				
<i>Qualitative:</i>				
(a)	The general qualitative disclosure requirement, including the nature of interest rate risk for non-trading activities and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of measurement of interest rate risk for non-trading activities.	15	52-54	
<i>Quantitative:</i>				
(b)	The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk for non-trading activities, categorized by currency (as appropriate).	15	54	55