



# Investor Presentation

February 2023



# Disclaimers

## Cautionary Statement Regarding Forward-Looking Statements

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, 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 antiterrorism 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 Relating to Our Business” and “Risk Factors Relating to Regulation” in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022, as filed on February 9, 2023. You should not consider any list of such factors to be an exhaustive statement of all 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.

## Statistical and Other Data

This presentation contains various statistical and other data relating to current and future market sizes and growth opportunities for Synchrony’s business and the industries in which Synchrony operates. These data were sourced from third parties and also Synchrony internal analysis and involve a number of assumptions and estimates. Although we believe the information sourced from third parties to be reliable, we have not independently verified such information and cannot guarantee its accuracy or completeness. In addition, all reference to cardholders and applications are for consumer only.

## Non-GAAP Measures

The information provided in this presentation includes measures 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 appendix that follows.

# Differentiated Business Model..

## DEEP CONSUMER LENDING EXPERTISE

**\$1.2T**

Purchase Volume since IPO

**\$92B**

Loan Receivables

**9K+**

Consumer Attributes  
Used for Underwriting  
and Cyber Security

## BROAD REACH

**460K+**

Partner Locations

**70M+**

Active Accounts

**100Ms**

Customer Visits  
across our CareCredit, Home,  
Car Care and MySynchrony  
Networks<sup>1</sup>

**235M+**

Transactions per Month<sup>2</sup>

## INNOVATION-DRIVEN EVOLUTION

**46**

U.S. Patents

**200+**

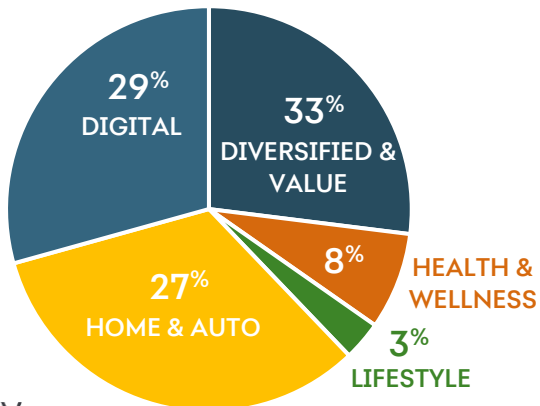
Agile Build Teams

**~60%**

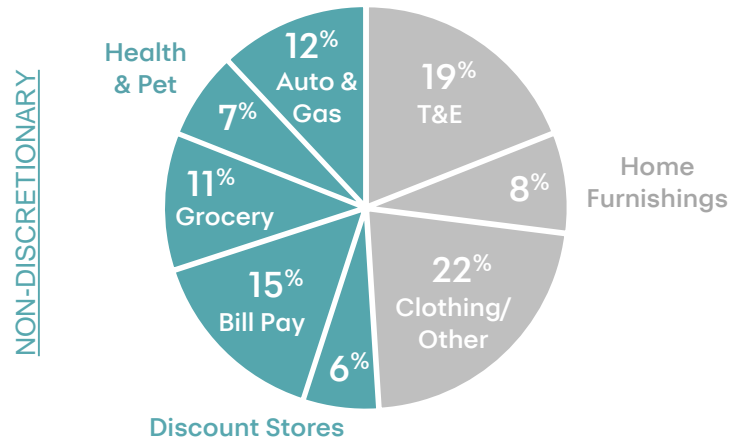
Digital Applications

## BALANCED PORTFOLIO

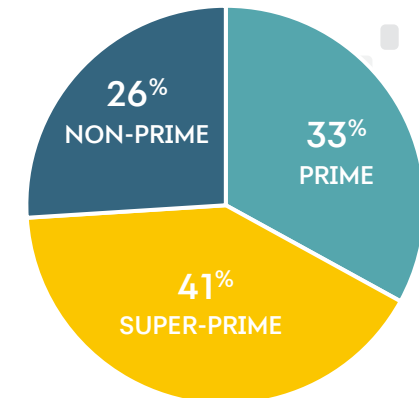
PURCHASE VOLUME BY PLATFORM



OUT OF PARTNER SPEND



YEAR-END RECEIVABLES



# ... Driving Strong Financial Results

## BALANCED GROWTH SINCE YEAR OF IPO<sup>1</sup> AT STRONG RISK-ADJUSTED RETURNS

**5%**

ANNUAL GROWTH IN  
LOAN RECEIVABLES

**4%**

ANNUAL GROWTH IN  
NET INTEREST INCOME

**10%**

AVERAGE  
RISK-ADJUSTED RETURN<sup>2</sup>

**10%**

ANNUAL GROWTH IN  
DILUTED EARNINGS PER SHARE

## ROBUST FUNDING, CAPITAL AND LIQUIDITY

**80%+**

DEPOSIT FUNDED

**12.8%**

CET1 RATIO  
(vs ~11% target)

**22%**

TIER 1 CAPITAL + CREDIT  
LOSS RESERVE RATIO<sup>\*</sup>

**\$22.24**

TANGIBLE BOOK VALUE  
PER SHARE (+46% vs 2Q20<sup>\*\*</sup>)

\* Reflects the sum of our “Tier 1 Capital” and “Allowance for Credit Losses,” divided by our “Total Risk-Weighted Assets”. Tier 1 Capital and Risk-Weighted Assets are adjusted to reflect the fully phased-in impact of CECL. These adjusted metrics are non-GAAP measures, see non-GAAP reconciliation in appendix.

\*\* Tangible book value (TBV) is a non-GAAP measure, also referred to as Tangible common equity (TCE); see non-GAAP reconciliation at the end of this presentation

# Diverse Suite of Digital Products and Experiences...

## Seamless Customer Journey

ENGAGE



APPLY



USE



SERVICE

## Multi-product Suite

### Revolving



PLCC  
DUAL CARD  
CO-BRAND  
SECURED  
NETWORK  
SYNCHRONY MC

### Installment



PAY-IN-4 OR MONTHLY /  
BNPL



SECURED

**Allegro Credit**

INSTALLMENTS & LEASING

### Commercial



BUSINESS  
REVOLVING CREDIT

INVOICE-BASED

### Growth Adjacencies



PET INSURANCE



HEALTH SYSTEMS



SYNCHRONY  
NETWORKS  
& MARKETPLACE



Digital  
Bank



HIGH YIELD SAVINGS

CD

IRA

MONEY MARKET



Experience  
& Trust



Customer  
Choice



Purchasing  
Power



Frictionless,  
Digital CX



Value Prop

# ... Addresses Broad Range of Consumers' Financing Needs

## ILLUSTRATIVE PRODUCT JOURNEY

INSTALLMENT

PLCC

DUAL CARD

TRANSACTIONAL

EXPANDED UTILITY

TOP OF WALLET

BUILDING CREDIT

ESTABLISHED CREDIT

STRONG CREDIT



- Pay-over-time flexibility
- Closed-end, one-time loan



- Revolving credit line
- Partner rewards
- Pay-over-time options
- Brand affinity



- Revolving credit line with broad utility
- Expanded rewards
- Pay-over-time options
- Brand loyalty

# Efficient Partner Model Builds Broad Cardholder Base ...

## BROAD, MASS-MARKET REACH



**#1** in total cardholders<sup>1</sup>



**1.7** cards per cardholder



**~\$220** average monthly spend<sup>2</sup>



**~\$1,200** average balance<sup>2</sup>



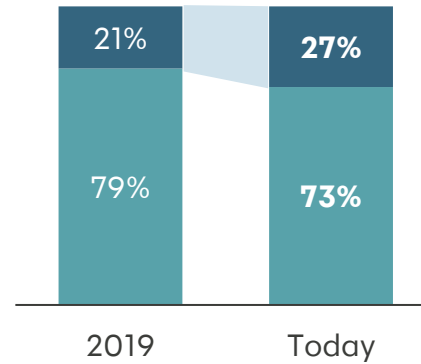
**~6.5** years average relationship

## PRODUCTS WITH WIDE APPEAL

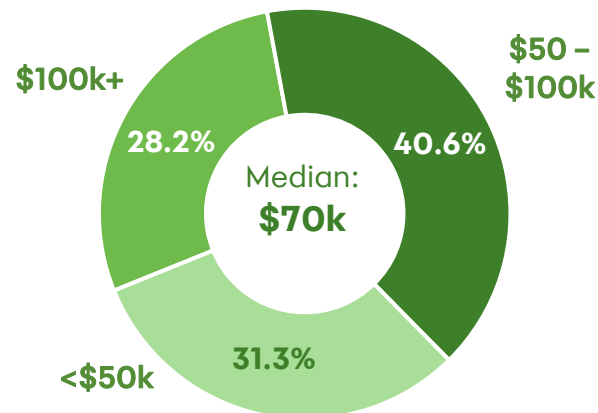
Loan Mix Shifting as Younger Borrowers Adopt Cards

Millennials and Gen Z

Baby Boomers and Gen X

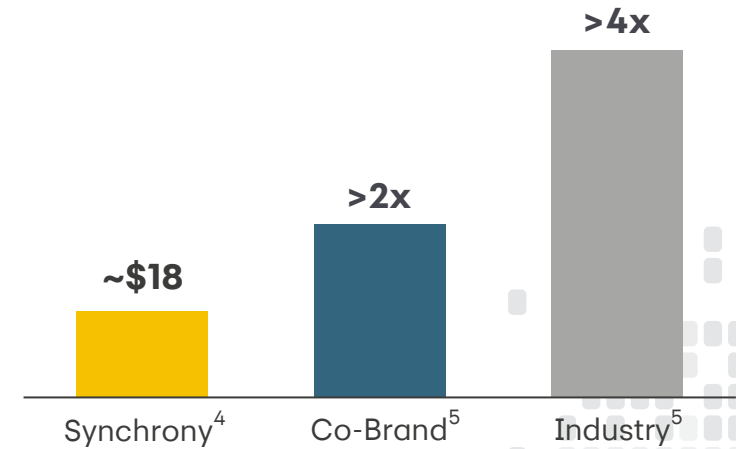


Accounts Across Broad Spectrum of Income Levels<sup>3</sup>



## LOW COST, HIGH VALUE
























Partner Model Drives Efficient Cost to Acquire



**~\$18**  
cost to acquire an account

**~\$350+**  
lifetime value of an account<sup>6</sup>

# ... Across Deep and Diversified Industry Platforms

DIGITAL	HEALTH & WELLNESS	HOME & AUTO	DIVERSIFIED & VALUE	LIFESTYLE
				
				
				
				
				



# Drive Value by Deepening Customer Relationships

## PRODUCT UPGRADES

Moving Customer from PLCC to Dual Card

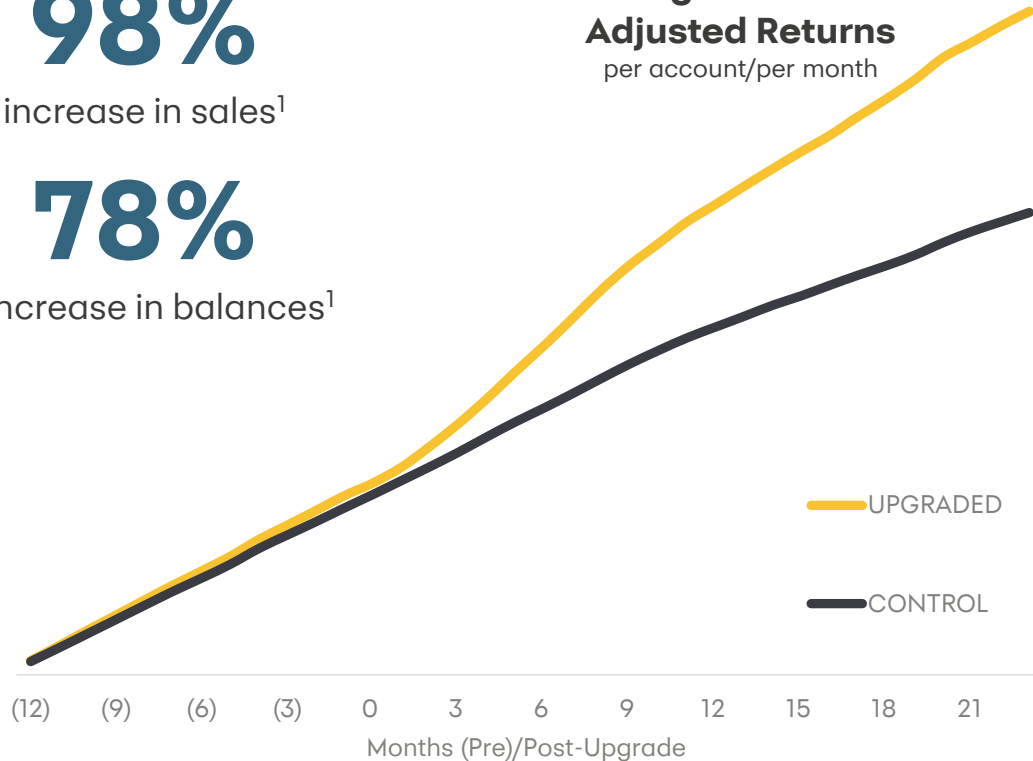
**98%**

increase in sales<sup>1</sup>

**78%**

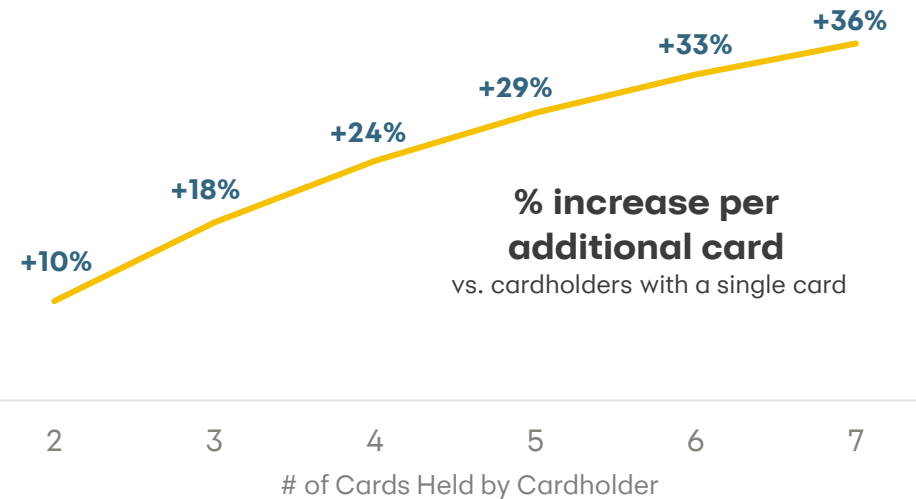
increase in balances<sup>1</sup>

**Higher Risk-Adjusted Returns**  
per account/per month



## ADDITIONAL PRODUCTS<sup>2</sup>

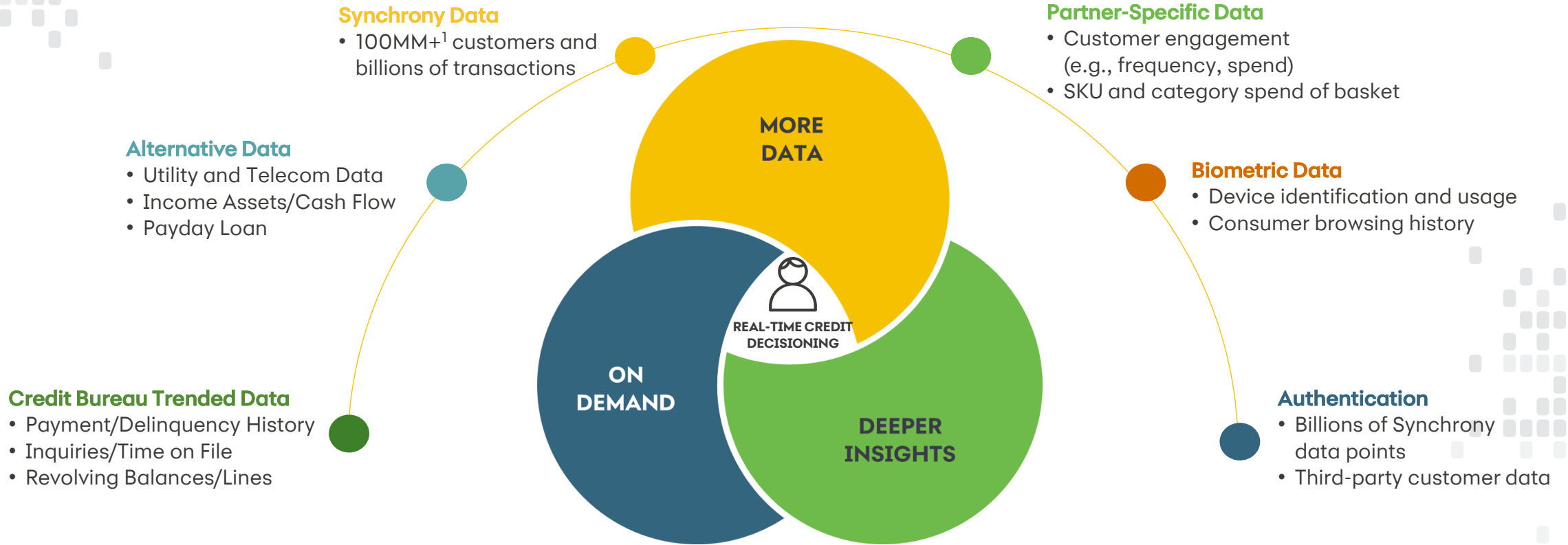
Per-Card Revenue<sup>3</sup> Growth as Cardholders Add Additional Cards



- Revenue per card increases as cardholders add additional cards
- Customers with multiple products generate **>2.5x revenue** per year
- Average of **1.7 cards per cardholder**

# Proprietary Data and Multidimensional Underwriting

## Enable Greater Predictive Precision for a Similar Level of Risk



Knowing who the customer is and why they are shopping enables us to make better credit and fraud decisions

# Constantly Innovating To Make Better Decisions and Enhance the Customer Experience

(Illustrative Example)

Synchrony develops a new proprietary acquisition model that outperforms a previous third-party solution, separating risk better. Synchrony has three options to deploy the new model:

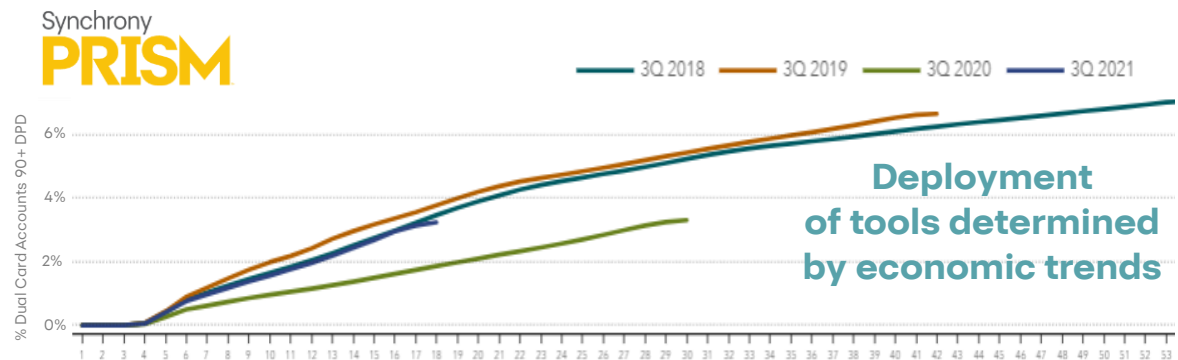
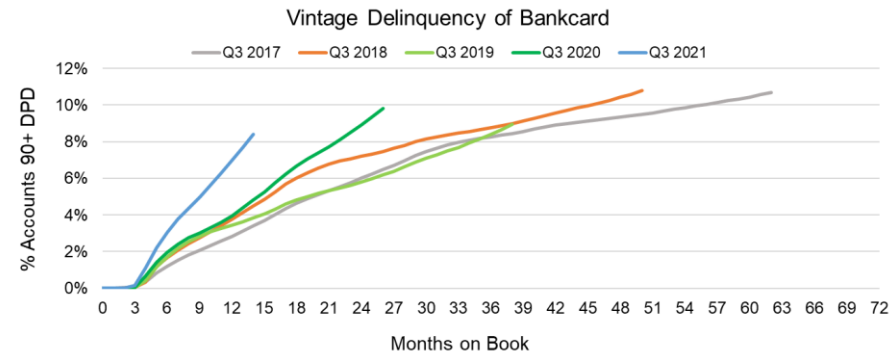
- 1 Increase approval rate 75bps and hold losses flat
- 2 Hold approval flat and reduce losses by 40bps
- 3 Some combination of driving approval rate and loss benefit

The decision is not a singular event; at any point we can move between the options above to optimize the outcome.

## Synchrony Vintage Performance Outperforming the Industry

### INDUSTRY DATA<sup>1</sup>

Bankcard's quarterly vintage performance for all risk tiers has deteriorated, with 2021 and 2020 originations above prior years



# Utilize Many Levers to Manage Risk and Optimize Outcomes

Synchrony  
**PRISM**

Credit Levers Available to Manage Exposure

## PORTFOLIO COMPOSITION



### Acquisitions

- Proactive acquisition offers (prescreen and quick-screen)
- PLCC marginal cutoffs
- Line assignment



### Product Offerings

- Product mix between Dual Card, PLCC, Secured Card, Synchrony Installments, and Pay in 4 to modify exposure and utility

## PORTFOLIO MANAGEMENT



### Account Management

- Proactive account upgrades
- Delinquent and overlimit authorizations
- Credit line increases
- Credit line decreases
- Account closures

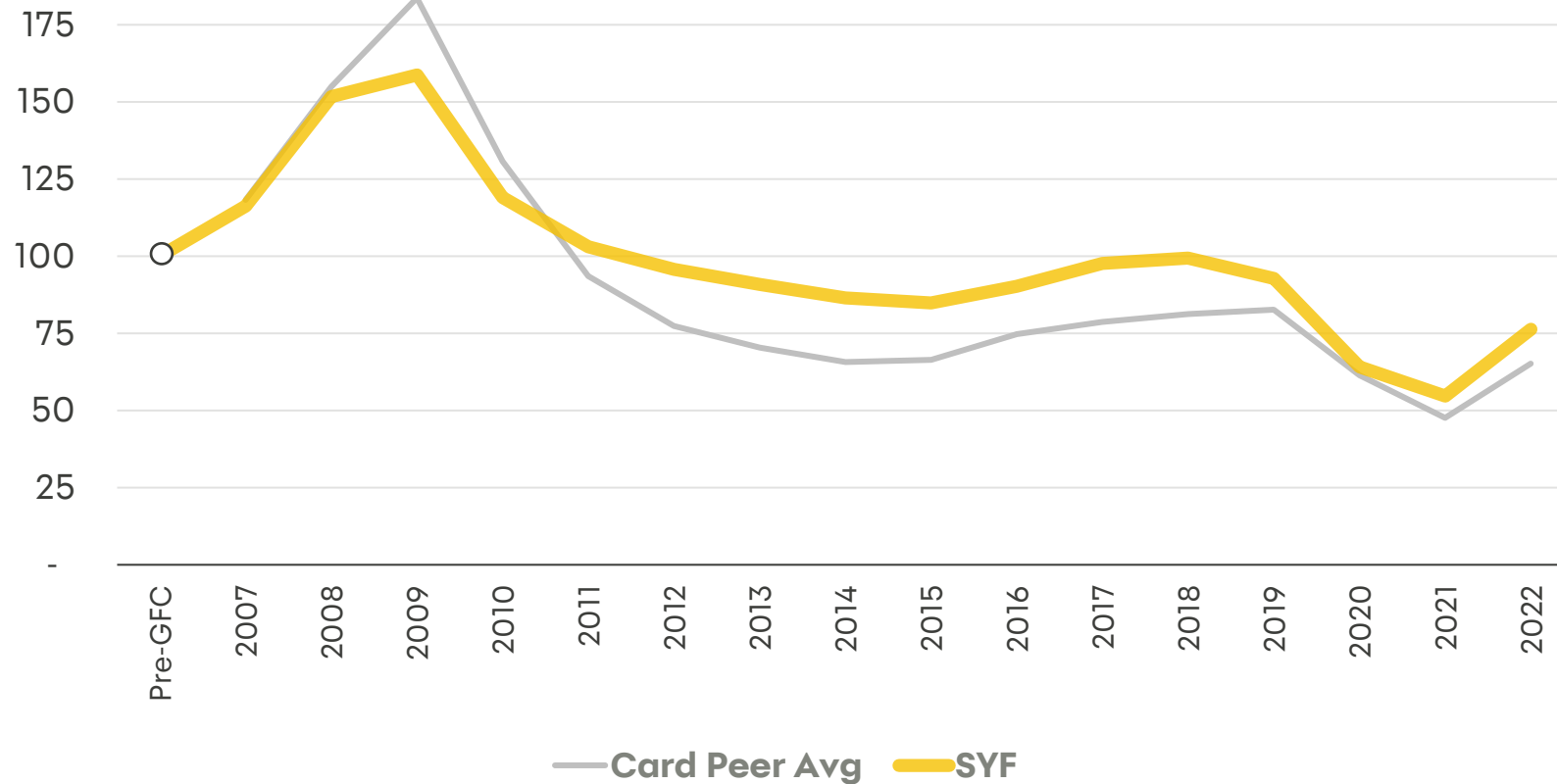


### Collections and Recovery

- Collection segmentation
- Contact and collection strategies
- Settlement offers
- Charge-off placement strategies
- Debt sales vs. liquidation strategies

# Deliver Consistent Loss Performance Over Time

**+30% Delinquency**  
Indexed: Pre-GFC (1Q 2007)=100<sup>1</sup>



- ✓ **Less volatility through cycles**
- ✓ PRISM tools enable approval of more borrowers for similar level of risk
- ✓ Underwrite to Risk-Adjusted Margins at a partnership level
- ✓ Aggregated portfolio delivers a 5.5%–6.0% net loss rate in a steady environment

# Digital Bank Serves as Funding Foundation

## STRONG RELATIONSHIPS



**>\$50b** digital, direct US bank



**~\$60k** average balance per account



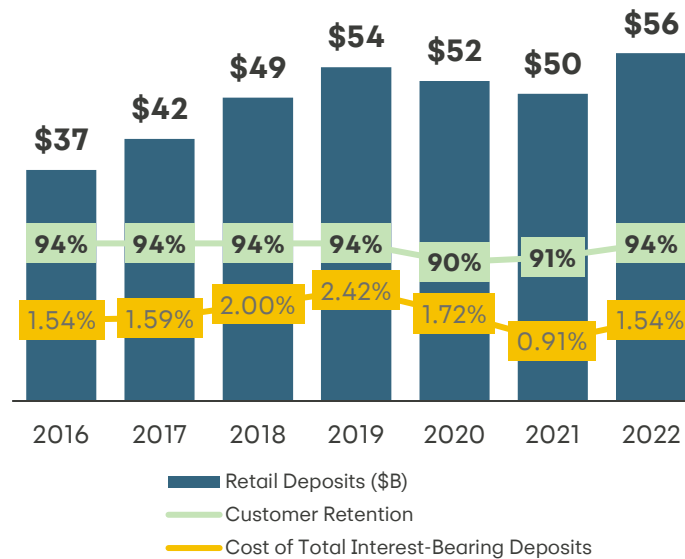
**5+ years** average relationship



**~40%** have a SYF credit product

## STABLE FUNDING OVER TIME

Optimized Deposit Base through Cycles



### Stable Deposit Vintages

80%+ balances > 3 years

### Customer Satisfaction

Industry-leading customer satisfaction scores<sup>1</sup>

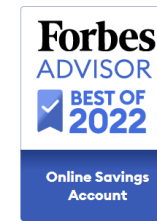
### Frictionless

Digital banking customer experience

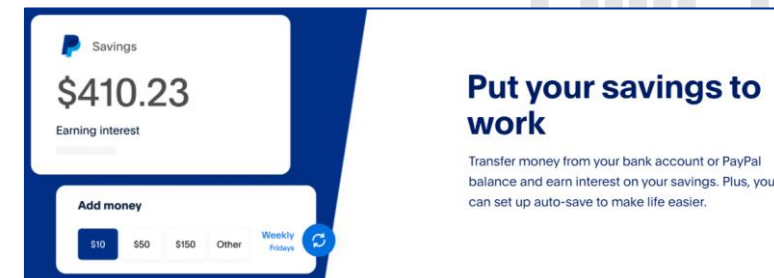
## OPPORTUNITY FOR GROWTH



Award-winning online franchise

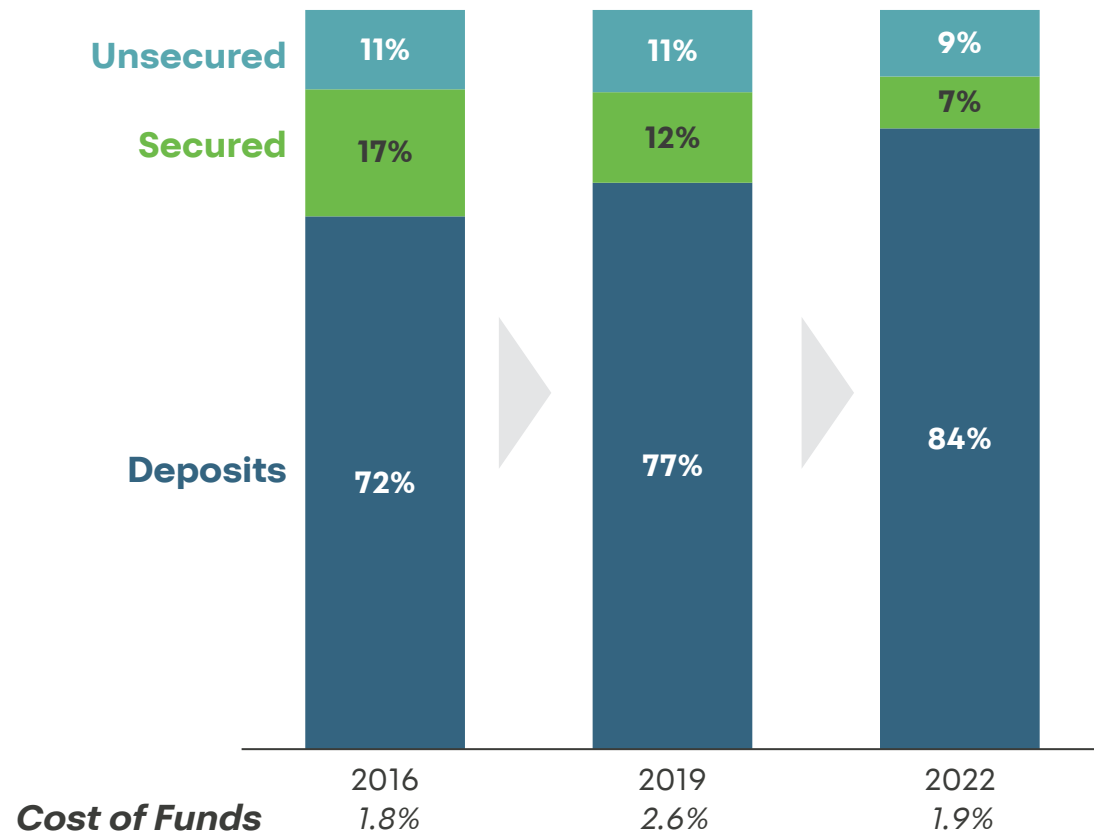


Diversifying with younger, mass-market depositors through partnerships

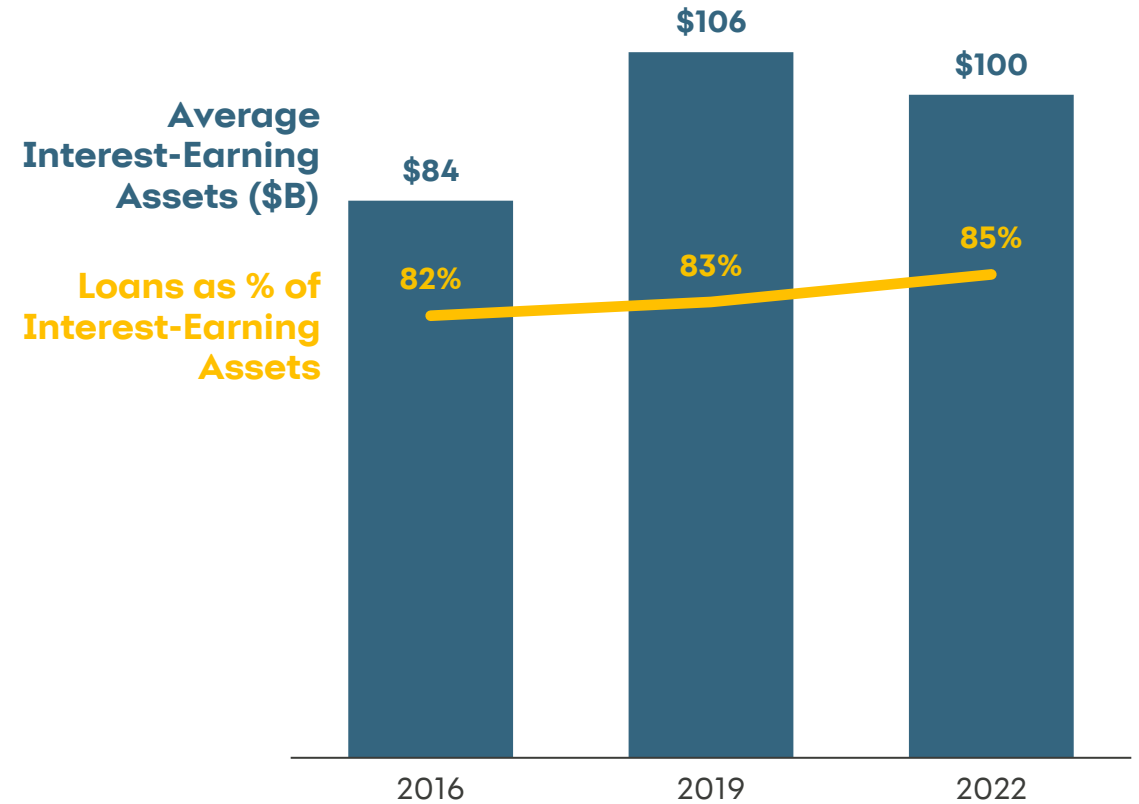


# Optimize Balance Sheet for Resilient Funding through Cycles

## BALANCED FUNDING PROFILE

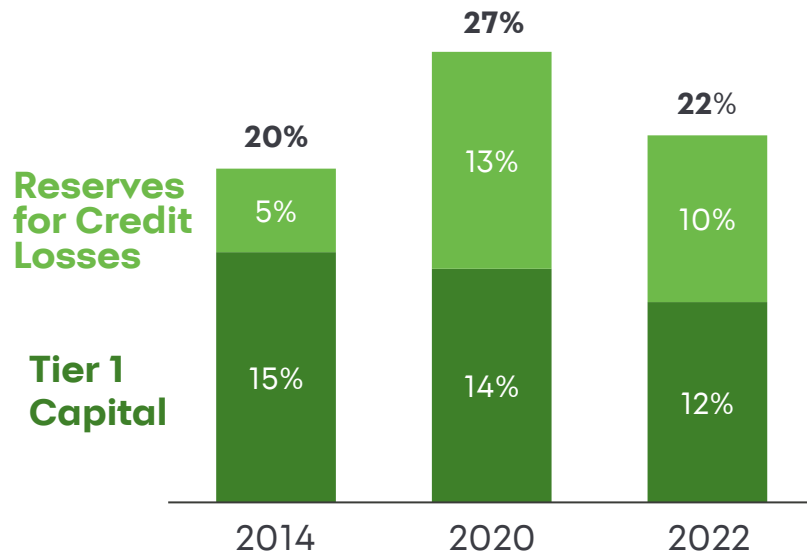


## STABLE ASSET MIX

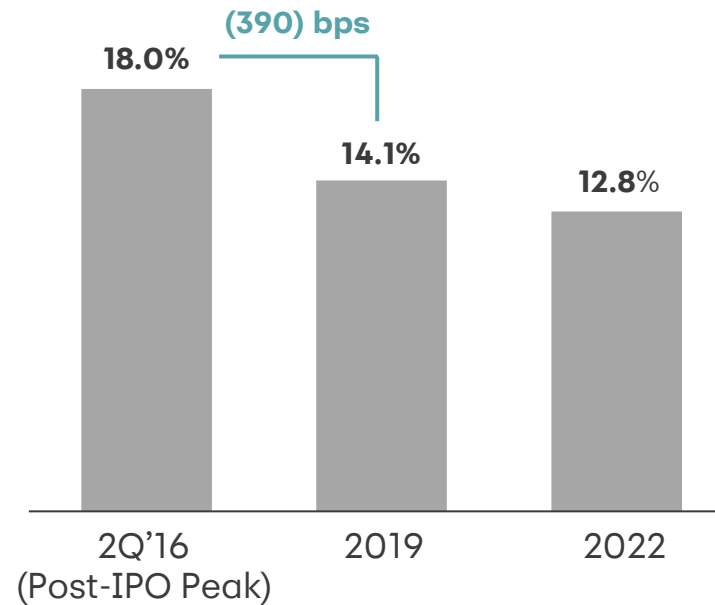


# Maintain Prudent Capital Position While Driving Value for Shareholders

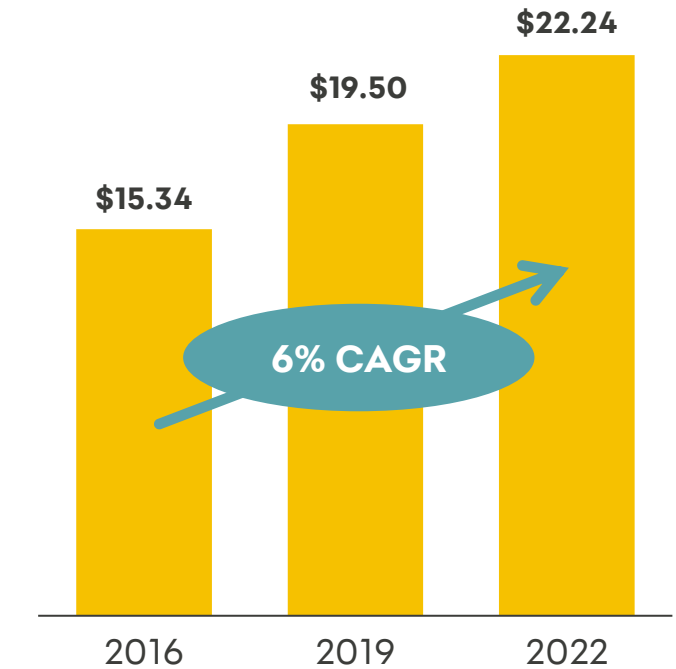
## HIGH LOSS ABSORPTION CAPACITY\*



## CET1 CAPITAL JOURNEY



## GROWING TBV\*\* PER SHARE



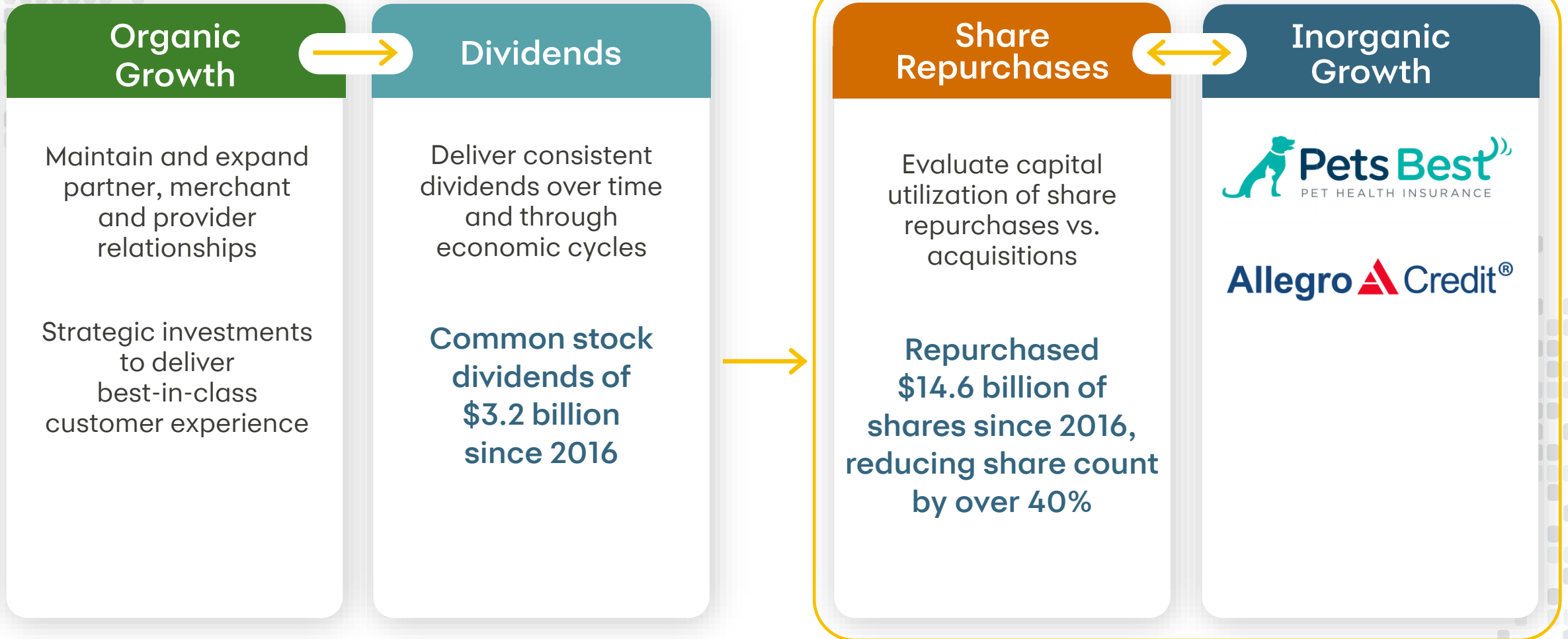
Returned ~\$17.9B of capital to shareholders since 2016

\* Reflects the sum of our "Tier 1 Capital" and "Allowance for Credit Losses," divided by our "Total Risk-Weighted Assets". Tier 1 Capital and Risk-Weighted Assets are adjusted to reflect the fully phased-in impact of CECL. These adjusted metrics are non-GAAP measures, see non-GAAP reconciliation in appendix.

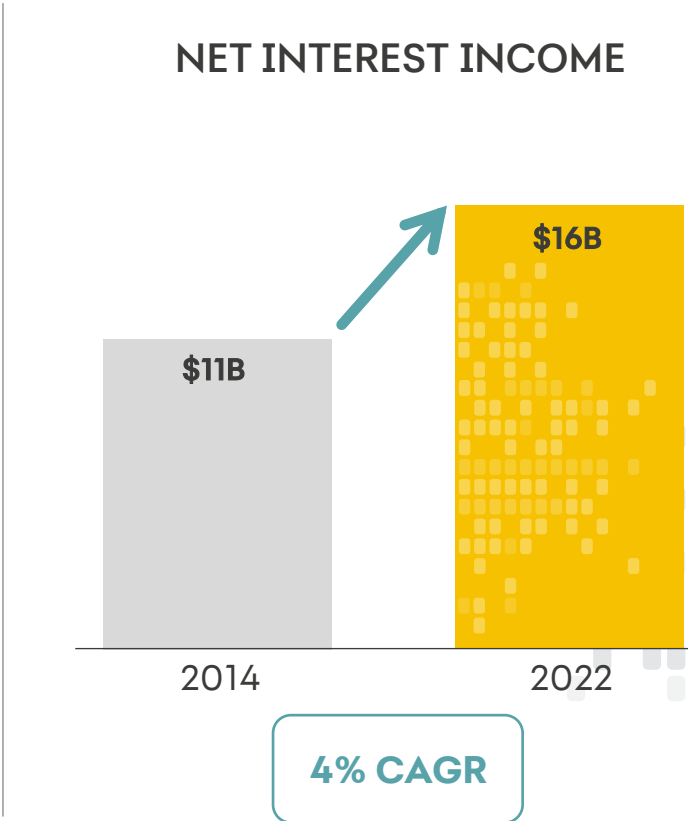
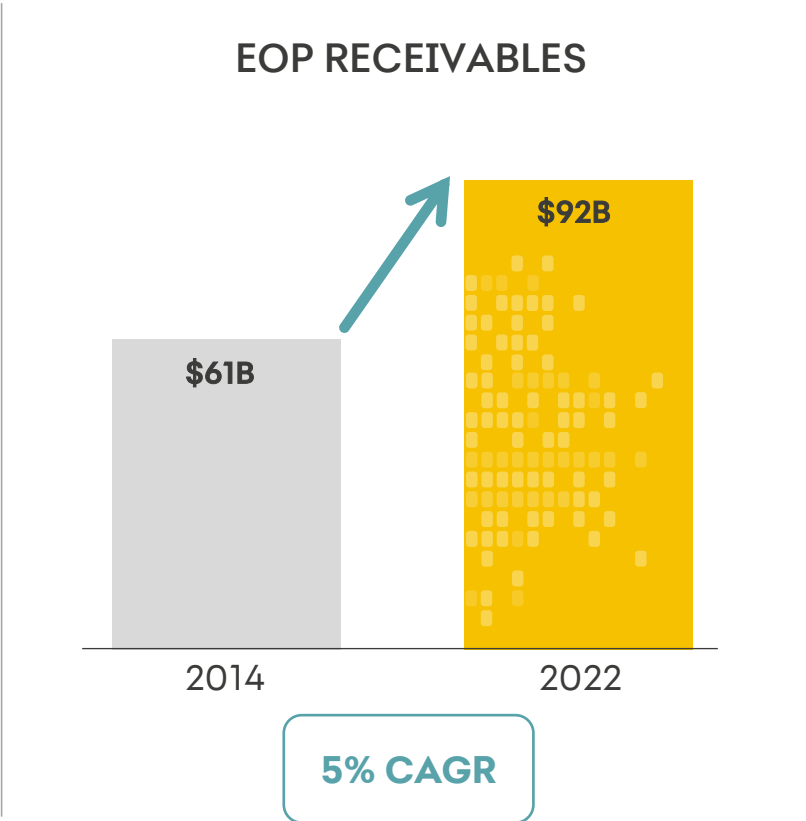
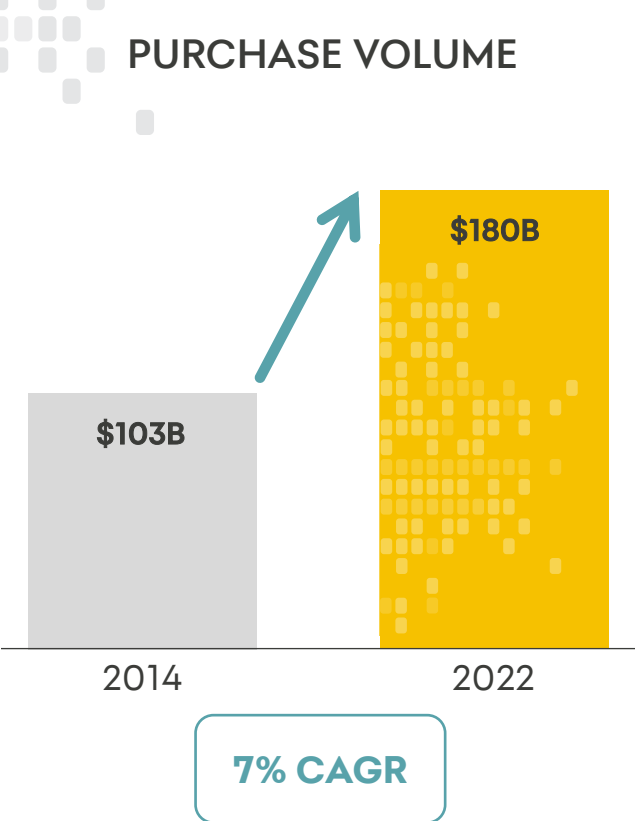
\*\* Tangible book value (TBV) is a non-GAAP measure, also referred to as Tangible common equity (TCE); see non-GAAP reconciliation at the end of this presentation



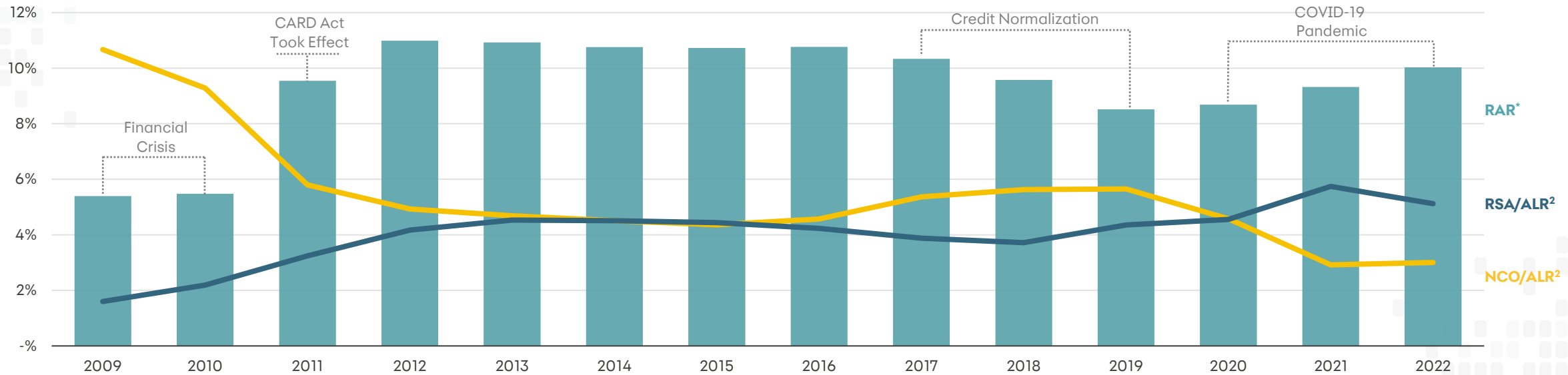
# Execute a Disciplined Capital Allocation Strategy



# Well Positioned to Deliver Sustainable Growth ...



# ... and Resilient Risk-Adjusted Returns through Evolving Environments



Prime and Super Prime/EOP <sup>1,2</sup>	63%	72%	72%	74%	74%	72%	78%	74%
RSA/Purchase Volume <sup>2</sup>	1.09%	1.83%	2.53%	2.41%	2.23%	2.58%	2.73%	2.40%

LONG-TERM TARGETS: **~2.5+% ROA**  
**~28+% ROTCE**

# Long-Term Financial Framework Should Deliver Double-Digit EPS Growth in a Normalized Operating Environment

Sustainable  
Receivable Growth

**7-10%**

Resilient Risk-  
Adjusted Margin

**NIM ~16%**  
**NCO ~5.5-6.0%**

Retailer Share  
Agreements

**~4.0-4.5%**

Operate  
Efficiently

**~32-33%**

Capital Targets

**~11.0% CET1**

Return Profile

**~2.5+ % ROA**  
**~28+ % ROTCE**

... Powered by Our  
Differentiated  
Business Model

# APPENDIX



# Home & Auto

WELL-POSITIONED WITH AMPLE MARKET PENETRATION OPPORTUNITY

## Market Overview

~\$2.3T

Home & Auto

~\$0.8T

Home

~\$1.5T

Auto

## DEEP DOMAIN ENTERPRISE DRIVES VALUE



~120,000

LOCATIONS  
across broad  
merchant base



~57%

OF STORE LOCATIONS  
of top 100  
furniture retailers<sup>1</sup>



~60%

REPEAT SALES  
reflecting strong value  
and customer loyalty



30+ year

RELATIONSHIPS  
average length of relationship  
with top 20 partners



~47%

OF STORE LOCATIONS  
of top 100 tire retailers<sup>2</sup>



~2M

NETWORK LOCATIONS  
participating locations for  
home and car care networks

# Health & Wellness

LEADING HEALTHCARE AND PET CARE FINANCING PROVIDER WITH SCALE AND EXPERTISE

## Market Overview

**~\$430B**

Health OOP Expenditures

**~\$100B**

Pet Expenditures

**~\$200B**

Wellness Expenditures

## CORE DIFFERENTIATORS ARE HARD TO REPLICATE



**~260,000**

**PROVIDER LOCATIONS**

~75% penetration in the  
Dentistry, Vet and  
Ophthalmology markets



**>50**

**SPECIALTIES**

expanded into 33 new  
specialties since 2014



**~60%**

**REPEAT SALES**

compared to  
~47% in 2Q'14



**>670,000**

**PETS IN FORCE**

up over 400% since  
acquisition of Pets Best



**1 IN 10**

**AMERICANS**

have or have had a  
CareCredit card<sup>1</sup>



**75**

**NET PROMOTER SCORE**

CareCredit earns the  
leading NPS score within  
credit card industry<sup>2</sup>

# Diversified & Value

DELIVER OMNICHANNEL EXPERIENCES AND EVERYDAY VALUE ACROSS SCALED RETAIL PARTNERS

## Market Overview

**>\$900B**  
D&V Market

**~\$125B**  
Current Partner Sales<sup>1</sup>

## POWER COMPELLING OUTCOMES FOR OUR PARTNERS AND CUSTOMERS



**20+ year**  
RELATIONSHIPS  
average length of relationship



**9+ year**  
CARDHOLDER TENURE  
on average across  
Diversified & Value



**~50%**  
D&V CUSTOMERS<sup>2</sup>  
have 2+  
Synchrony products



**~65 million**  
TRANSACTIONS  
per month, +16% in 2022



**>50%**  
WORLD SALES  
+500bps over last  
three years



**>20%**  
DIGITAL SALES  
as a percent of total  
D&V purchase volume



# Lifestyle

STRONG FOUNDATION, POSITIONED FOR GROWTH

## Market Overview

~\$400B

Lifestyle Verticals  
Consumer Spending

## BROAD PARTNER SPECTRUM ACROSS A DIVERSE SET OF INDUSTRIES



5+

MAJOR CATEGORIES  
from apparel to powersports



~\$15K / 65MO

AVERAGE ORIGINATION  
for secured installment loans



30

MINUTES<sup>1</sup>  
seamless dealer onboarding  
process and best-in-class  
merchant service and solutions



~20,000

PARTNER/DEALER  
LOCATIONS<sup>2</sup>  
>2k added annually<sup>3</sup>



~70%

LIFESTYLE  
CUSTOMERS<sup>4</sup>  
have 2+ Synchrony products

# Digital

HIGHLY ENGAGED CUSTOMERS, DEEPLY INTEGRATED PRODUCTS AND PARTNERSHIPS

## Market Overview

> \$700B

Total Partner Opportunity

~21%

E-Comm CAGR  
2017-2021<sup>1</sup>

## DRIVING SEAMLESS ENGAGEMENT WITH DIGITAL-FIRST BRANDS

DIVERSE DIGITAL  
COMMERCE BRANDS

amazon



Fanatics



verizon

90+

MILLION USERS

at each of top four programs<sup>2</sup>

PRODUCTS & VAL PROPS  
SEAMLESSLY INTEGRATED  
ON PARTNER PLATFORMS

>2

PRODUCTS  
PER  
CUSTOMER



Virtual and  
Physical  
Wallets &  
Cards



Extended  
Promotions &  
Partner-Based  
Rewards

STRONG ENGAGEMENT

58

PURCHASES

per active account per year

~5

YEARS AVERAGE  
TENURE

among digital customers<sup>3</sup>

~5

YEARS YOUNGER

than average Synchrony consumer

# Footnotes

All metrics are as of and for the period ending December 31, 2022 except where noted.

## **Differentiated Business Model**

1. As of December 2020.
2. As of June 2021.

## **Driving Strong Financial Results**

1. Reflects compound annual growth rates from 2014 to 2022; average risk-adjusted return reflects simple average of full-year results from 2014 to 2022.
2. Risk-adjusted return (RAR) defined as net interest income minus retailer share agreements (RSA) and net charge offs (NCOs), divided by average loan receivables (ALR).

## **Efficient Partner Model Builds Broad Cardholder Base**

1. Among top U.S. consumer credit card issuers as of November 2022. Source: Argus, internal analysis.
2. Among active accounts.
3. Self-reported income, August 2021 to July 2022.
4. Source: Internal analysis, 2021. Based on representative large retail partner. Cost to acquire excludes offer/reward costs.
5. Source: Argus, 2020.
6. Lifetime value representative of large retail partner account and is based on a vintage 10-year estimate of net finance charges + net late fees + interchange - loyalty costs - net losses. Source: Internal analysis, 2021.

## **Drive Value by Deepening Customer Relationships**

1. Estimated value based upon performance tracking from upgrade targeting campaigns utilizing Synchrony-built proprietary models. Source: Internal analysis, 2021.
2. Source: Internal analysis.
3. Per-card revenue reflects annual net finance charges and late fees.

## **Proprietary Data and Multidimensional Underwriting**

1. Includes active and inactive accounts as of June 30, 2021.

## **Constantly Innovating to Make Better Decisions & Enhance the Customer Experience**

1. Source: TransUnion, 90+ day delinquency rate by month.

## **Deliver Consistent Loss Performance Over Time**

1. "Card Peer Average" reflects average 30+ day delinquency rates at the following business units: Capital One Financial Corporation – Credit Card Business, Domestic Card; Discover Financial Services – Credit Card; Citigroup – Personal Banking & Wealth Management, U.S. Personal Banking, Branded Cards and Retail Services; JPMorgan Chase & Co – Consumer & Community Banking, Credit Card. Source: Company filings.

# Footnotes

### Digital Bank Serves as Funding Foundation

1. Source: Internal analysis, October 2022.

### And Resilient Risk-Adjusted Returns through Cycles

1. Classification of Prime & Super Prime refers to VantageScore credit scores of 651 or higher for 2019-2022, and FICO scores of 661 or higher for periods prior to 2019.
2. RSA/ALR refers to Retail Share Arrangements as a percentage of Average Loan Receivables; NCO/ALR refers to Net Charge-Offs as a percentage of Average Loan Receivables; Prime & Super Prime /EOP refers to Prime & Super Prime loan receivables as a percentage of total Period-end Loan Receivables; RSA/Purchase Volume refers to Retailer Share Arrangements as a percentage of Purchase Volume.

### Appendix

The “average length of our relationship” with respect to a specified group of partners or programs is measured on a weighted average basis by interest and fees on loans for the year ended December 31, 2022, for those partners or for all partners participating in a program, based on the date each partner relationship or program, as applicable, started.

### Home and Auto

1. Source: Furniture Today 2021 Top 100 (Released 5/23/2022).
2. Source: Modern Tire Dealer 100 Dealers (July 2022 Digital Edition).

### Health and Wellness

1. Source: Internal analysis, utilizing 2021 U.S. Census.
2. Source: Satmetrix 2021 Net Promoter Benchmark Study of U.S. Consumers, conducted January to March 2021.

### Diversified and Value

1. Source: Internal analysis, based on 2021 retail partner filings.
2. Consumer only.

### Lifestyle

1. Reflects time between dealer accepting terms and being approved.
2. Total partner/dealer locations as of June 2021.
3. Average dealer locations/storefronts added since January 2019, per year through June 30, 2021.
4. Consumer only.

### Digital

1. Source: U.S. Census.
2. Source: Partner public filings, 2021.
3. Consumer only.

# Non-GAAP Reconciliation

The following table sets forth the components of our Tangible common equity and tangible common equity per share

*\$ in millions, except per share statistics*

	At December 31, Total		
	2016	2019	2022
<b>GAAP total equity</b>	<b>\$14,196</b>	<b>\$15,088</b>	<b>\$12,873</b>
Less: Preferred Stock	-	(734)	(734)
Less: Goodwill	(949)	(1,078)	(1,105)
Less: Intangible assets, net	(712)	(1,265)	(1,287)
<b>Tangible common equity</b>	<b>\$12,535</b>	<b>\$12,011</b>	<b>\$9,747</b>
 <b>GAAP book value per share</b>	 \$17.37	 \$23.31	 \$27.70
Less: Goodwill	(1.16)	(1.75)	(2.52)
Less: Intangible assets, net	(0.87)	(2.06)	(2.94)
<b>Tangible common equity per share</b>	<b>\$15.34</b>	<b>\$19.50</b>	<b>\$22.24</b>

# Non-GAAP Reconciliation Continued

The following table sets forth the components of our Tier 1 Capital + Reserves ratio for the periods indicated below.

*\$ in millions*

	At December 31, Total		
	2014	2020	2022
Tier 1 Capital	\$9,277	\$ 13,525	\$ 12,493
Less: CECL transition adjustment	-	(2,686)	(1,719)
<b>Tier 1 capital (CECL fully phased-in)</b>	<b>\$9,277</b>	<b>\$ 10,839</b>	<b>\$ 10,774</b>
Add: Allowance for credit losses	3,236	10,265	9,527
<b>Tier 1 capital (CECL fully phased-in) plus Reserves for credit losses</b>	<b>\$12,513</b>	<b>\$ 21,104</b>	<b>\$ 20,301</b>
<b>Risk-weighted assets</b>	<b>\$64,162</b>	<b>\$ 80,561</b>	<b>\$ 91,596</b>
Less: CECL transition adjustment	-	(2,477)	(870)
<b>Risk-weighted assets (CECL fully phased-in)</b>	<b>\$64,162</b>	<b>\$ 78,084</b>	<b>\$ 90,726</b>

# Non-GAAP Reconciliation Continued

The following table sets forth a reconciliation between GAAP results and non-GAAP managed-basis results for 2009

*\$ in millions*

	Year ended December 31, 2009
<b>Net charge-offs as a % of average loan receivables, including held for sale:</b>	
GAAP	11.26 %
Securitization adjustments	(0.59) %
Managed basis	<u>10.67 %</u>
<b>Net interest income as a % of average loan receivables, including held for sale:</b>	
GAAP	16.21 %
Securitization adjustments	1.44 %
Managed basis	<u>17.65 %</u>
<b>Retailer share arrangements as a % of average loan receivables, including held for</b>	
GAAP	3.40 %
Securitization adjustments	(1.80) %
Managed basis	<u>1.60 %</u>
<b>Average loan receivables</b>	
GAAP	\$23,485
Securitization adjustments	23,181
Managed basis	<u>\$46,666</u>
<b>End of period loans</b>	
GAAP	\$22,912
Securitization adjustments	23,964
Managed basis	<u>\$46,876</u>