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For Immediate Release: April 20, 2018

Synchrony Financial Reports First Quarter Net Earnings of $640 Million or $0.83 Per Diluted Share

STAMFORD, Conn. – Synchrony Financial (NYSE: SYF) today announced first quarter 2018 net earnings of $640 million, or $0.83 per diluted share. Highlights included:

- Net interest income increased 7% from the first quarter of 2017 to $3.8 billion
- Loan receivables grew $5 billion, or 6%, from the first quarter of 2017 to $78 billion
- Purchase volume increased 3% from the first quarter of 2017 to $30 billion
- Deposits grew $5 billion, or 10%, from the first quarter of 2017 to $57 billion
- Added new partnerships: Crate and Barrel, jtv, and Mahindra
- Renewed relationships: Nationwide Marketing Group, Briggs & Stratton, and American Signature Furniture
- Expanded CareCredit network: American Veterinary Medical Association, American Med Spa Association, and Spa Industry Association
- Quarterly common stock dividend payment of $0.15 per share and repurchased $410 million of Synchrony Financial common stock

“We started the year with solid results as we continued to drive organic growth, while also winning exciting new partnerships. Furthermore, we closed several key renewals during the quarter and made investments to help augment our capabilities. Innovative value propositions, compelling promotional offers, and robust data, analytics and digital capabilities, remain a hallmark of our business, and continue to drive value for our partners and cardholders,” said Margaret Keane, President and Chief Executive Officer of Synchrony Financial. “Returning capital to shareholders remains a key priority, and we are pleased to continue to return significant capital to shareholders through our dividend and share repurchase program, while also deploying capital through organic growth and program acquisitions.”

Business and Financial Highlights for the First Quarter of 2018

All comparisons below are for the first quarter of 2018 compared to the first quarter of 2017, unless otherwise noted.

Earnings

- Net interest income increased $255 million, or 7%, to $3.8 billion, primarily driven by strong loan receivables growth. Net interest income after retailer share arrangements increased 8%.
- Provision for loan losses increased $56 million, or 4% to $1.4 billion primarily driven by credit normalization and growth.
- Other income was down $18 million to $75 million, primarily due to higher loyalty program expense, partially offset by higher interchange revenue.
- Other expense increased $80 million, or 9% to $988 million, primarily driven by growth and marketing.
- Provision for income taxes was down 27%, primarily due to tax reform.
- Net earnings totaled $640 million compared to $499 million in the first quarter of 2017.

Balance Sheet

- Period-end loan receivables growth was 6%, primarily driven by purchase volume growth of 3% and average active account growth of 2%.
- Deposits grew to $57 billion, up $5 billion, or 10%, and comprised 73% of funding compared to 72% last year.
- The Company’s balance sheet remained strong with total liquidity (liquid assets and undrawn credit facilities) of $25 billion, or 26% of total assets.
- The estimated fully phased-in Common Equity Tier 1 ratio under Basel III was 16.8%.

Key Financial Metrics

- Return on assets was 2.7% and return on equity was 18.2%.
- Net interest margin was 16.05%.
- Efficiency ratio was 30.9%.

Credit Quality

- Loans 30+ days past due as a percentage of total period-end loan receivables were 4.52% compared to 4.25% last year.
- Net charge-offs as a percentage of total average loan receivables were 6.14% compared to 5.33% last year.
- The allowance for loan losses as a percentage of total period-end loan receivables was 7.37% compared to 6.37% last year.

Sales Platforms

- Retail Card period-end loan receivables grew 5% reflecting broad-based growth across partner programs. Interest and fees on loans increased 7%, primarily driven by the loan receivables growth. Purchase volume and average active account growth was 2%.
- Payment Solutions period-end loan receivables grew 8%, led by home furnishing and automotive. Interest and fees on loans increased 9%, primarily driven by the loan receivables growth. Purchase volume growth was 7%, adjusted to exclude the impact from the hhgregg bankruptcy, and average active account growth was 5%.
- CareCredit period-end loan receivables grew 8%, led by dental and veterinary. Interest and fees on loans increased 8%, primarily driven by the loan receivables growth. Purchase volume grew 8% and average active account growth was 7%.

Corresponding Financial Tables and Information

No representation is made that the information in this news release is complete. Investors are encouraged to review the foregoing summary and discussion of Synchrony Financial's earnings and financial condition in conjunction with the detailed financial tables and information that follow and the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as filed February 22, 2018, and the Company's forthcoming Quarterly Report on Form 10-Q for the quarter ended March 31, 2018. The detailed financial tables and other information are also available on the Investor Relations page of the Company's website at www.investors.synchronyfinancial.com. This information is also furnished in a Current Report on Form 8-K filed with the SEC today.

Conference Call and Webcast Information

On Friday, April 20, 2018, at 8:30 a.m. Eastern Time, Margaret Keane, President and Chief Executive Officer, and Brian Doubles, Executive Vice President and Chief Financial Officer, will host a conference call to review the financial results and outlook for certain business drivers. The conference call can be accessed via an audio webcast through the Investor Relations page on the Synchrony Financial corporate website, www.investors.synchronyfinancial.com, under Events and Presentations. A replay will be available on the website or by dialing (888) 843-7419 (U.S. domestic) or (630) 652-3042 (international), passcode 12018#, and can be accessed beginning approximately two hours after the event through May 4, 2018.

About Synchrony Financial

Synchrony Financial (NYSE: SYF) is a premier consumer financial services company delivering customized financing programs across key industries including retail, health, auto, travel and home, along with award-winning consumer banking products. With more than $130 billion in sales financed and 74.5 million active accounts, Synchrony Financial brings deep industry expertise, actionable data insights, innovative solutions and differentiated digital experiences to improve the success of every business we serve and the quality of each life we touch. More information can be found at www.synchronyfinancial.com and through Twitter: @Synchrony.

Cautionary Statement Regarding Forward-Looking Statements

This news release contains certain forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the "safe harbor" created by those sections. Forward-looking statements may be identified by words such as “expects,” “intends,” “anticipates,” “plans,” “believes,” “seeks,” “targets,” “outlook,” “estimates,” “will,” “should,” “may” or words of similar meaning, but these words are not the exclusive means of identifying forward-looking statements. Forward-looking statements are based on management’s current expectations and assumptions, and are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, actual results could differ materially from those indicated in these forward-looking statements. Factors that could cause actual results to differ materially include global political, economic, business, competitive, market, regulatory and other factors and risks, such as: the impact of macroeconomic conditions and whether industry trends we have identified develop as anticipated; retaining existing partners and attracting new partners, concentration of our revenue in a small number of Retail Card partners, promotion and support of our products by our partners, and financial performance of our partners; cyber-attacks or other security breaches; higher borrowing costs and adverse financial market conditions impacting our funding and liquidity, and any reduction in our credit ratings; our ability to grow our deposits in the future; 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, the sufficiency of our allowance for loan losses and the accuracy of the assumptions or estimates used in preparing our financial statements; our ability to offset increases in our costs in retailer share arrangements; competition in the consumer finance industry; our concentration in the U.S. consumer credit market; our ability to successfully develop and commercialize new or enhanced products and services; our ability to realize the value of acquisitions and strategic investments; reductions in interchange fees; fraudulent activity; failure of third parties to provide various services that are important to our operations; disruptions in the operations of our computer systems and data centers; international risks and compliance and regulatory risks and costs associated with international operations; alleged infringement of intellectual property rights of others and our ability to protect our intellectual property; litigation and regulatory actions; damage to our reputation; our ability to attract, retain and motivate key officers and employees; tax legislation initiatives or challenges to our tax positions and/or interpretations, and state sales tax rules and regulations; a material indemnification obligation to GE under the tax sharing and separation agreement with GE if we cause the split-off from GE or certain preliminary transactions to fail to qualify for tax-free treatment or in the case of certain significant transfers of our stock following the split-off; regulation, supervision, examination and enforcement of our business by governmental authorities, the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the impact of the Consumer Financial Protection Bureau’s regulation of our business; impact of capital adequacy rules and liquidity requirements; restrictions that limit our ability to pay dividends and repurchase our common stock, and restrictions that limit Synchrony Bank’s ability to pay dividends to us; regulations relating to privacy, information security and data protection; use of third-party vendors and ongoing third-party business relationships; and failure to comply with anti-money laundering and anti-terrorism financing laws.

For the reasons described above, we caution you against relying on any forward-looking statements, which should also be read in conjunction with the other cautionary statements that are included elsewhere in this news release and in our public filings, including under the heading “Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as filed on February 22, 2018. 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.

Non-GAAP Measures

The information provided herein includes measures we refer to as “tangible common equity” and certain financial measures that have been adjusted to exclude the effects from the Tax Act, which are not prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). For a reconciliation of these non-GAAP measures to the most directly comparable GAAP measures, please see the detailed financial tables and information that follow. For a statement regarding the usefulness of these measures to investors, please see the Company’s Current Report on Form 8-K filed with the SEC today.

SYNCHRONY FINANCIAL

FINANCIAL SUMMARY

(unaudited, in millions, except per share statistics)

	Quarter Ended						
	Mar 31, 2018	**Dec 31, 2017**	**Sep 30, 2017**	**Jun 30, 2017**	**Mar 31, 2017**	**1Q'18 vs. 1Q'17**	
EARNINGS							
Net interest income	$ 3,842	$ 3,916	$ 3,876	$ 3,637	$ 3,587	$ 255	7.1 %
Retailer share arrangements	(720)	(779)	(805)	(669)	(684)	(36)	5.3 %
Net interest income, after retailer share arrangements	3,122	3,137	3,071	2,968	2,903	219	7.5 %
Provision for loan losses	1,362	1,354	1,310	1,326	1,306	56	4.3 %
Net interest income, after retailer share arrangements and provision for loan losses	1,760	1,783	1,761	1,642	1,597	163	10.2 %
Other income	75	62	76	57	93	(18)	(19.4)%
Other expense	988	970	958	911	908	80	8.8 %
Earnings before provision for income taxes	847	875	879	788	782	65	8.3 %
Provision for income taxes	207	490	324	292	283	(76)	(26.9)%
Net earnings	$ 640	$ 385	$ 555	$ 496	$ 499	$ 141	28.3 %
Net earnings attributable to common stockholders	$ 640	$ 385	$ 555	$ 496	$ 499	$ 141	28.3 %
Adjusted net earnings(1)	$ 640	$ 545	$ 555	$ 496	$ 499	$ 141	28.3 %
COMMON SHARE STATISTICS							
Basic EPS	$ 0.84	$ 0.49	$ 0.70	$ 0.62	$ 0.61	$ 0.23	37.7 %
Diluted EPS	$ 0.83	$ 0.49	$ 0.70	$ 0.61	$ 0.61	$ 0.22	36.1 %
Adjusted diluted EPS(1)	$ 0.83	$ 0.70	$ 0.70	$ 0.61	$ 0.61	$ 0.22	36.1 %
Dividend declared per share	$ 0.15	$ 0.15	$ 0.15	$ 0.13	$ 0.13	$ 0.02	15.4 %
Common stock price	$ 33.53	$ 38.61	$ 31.05	$ 29.82	$ 34.30	$ (0.77)	(2.2)%
Book value per share	$ 18.88	$ 18.47	$ 18.40	$ 18.02	$ 17.71	$ 1.17	6.6 %
Tangible common equity per share(1)	$ 16.55	$ 16.22	$ 16.15	$ 15.79	$ 15.47	$ 1.08	7.0 %
Beginning common shares outstanding	770.5	782.6	795.3	810.8	817.4	(46.9)	(5.7)%
Issuance of common shares	—	—	—	—	—	—	— %
Stock-based compensation	0.2	0.1	0.1	0.2	—	0.2	NM
Shares repurchased	(10.4)	(12.2)	(12.8)	(15.7)	(6.6)	(3.8)	57.6 %
Ending common shares outstanding	760.3	770.5	782.6	795.3	810.8	(50.5)	(6.2)%
Weighted average common shares outstanding	763.7	778.7	787.3	804.0	813.1	(49.4)	(6.1)%
Weighted average common shares outstanding (fully diluted)	770.3	784.0	790.9	807.4	817.1	(46.8)	(5.7)%

(1) Adjusted net earnings and Adjusted diluted EPS are non-GAAP measures. These measures represent the corresponding GAAP measure, adjusted to exclude the effects to Provision for income taxes in the quarter ended December 31, 2017, resulting from the Tax Cuts and Jobs Act of 2017 (the "Tax Act"). The effects primarily relate to additional tax expense arising from the remeasurement of our net deferred tax asset to reflect the reduction in the U.S. corporate tax rate from 35% to 21%. For a corresponding reconciliation to a GAAP financial measure, see Reconciliation of Non-GAAP Measures and Calculations of Regulatory Measures.

(2) Tangible Common Equity ("TCE") is a non-GAAP measure. For corresponding reconciliation of TCE to a GAAP financial measure, see Reconciliation of Non-GAAP Measures and Calculations of Regulatory Measures.

SYNCHRONY FINANCIAL

SELECTED METRICS

(unaudited, $ in millions, except account data)

	Quarter Ended					
	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	1Q'18 vs. 1Q'17
PERFORMANCE METRICS						
Return on assets[(1)]	2.7%	1.6%	2.4%	2.2%	2.3%	0.4 %
Return on equity[(2)]	18.2%	10.5%	15.3%	13.8%	14.1%	4.1 %
Return on tangible common equity[(3)]	20.7%	12.0%	17.4%	15.7%	16.1%	4.6 %
Adjusted return on assets[(4)]	2.7%	2.3%	2.4%	2.2%	2.3%	0.4 %
Adjusted return on equity[(4)]	18.2%	14.9%	15.3%	13.8%	14.1%	4.1 %
Adjusted return on tangible common equity[(5)]	20.7%	17.0%	17.4%	15.7%	16.1%	4.6 %
Net interest margin[(6)]	16.05%	16.24%	16.74%	16.20%	16.18%	(0.13)%
Efficiency ratio[(7)]	30.9%	30.3%	30.4%	30.1%	30.3%	0.6 %
Other expense as a % of average loan receivables, including held for sale	5.07%	4.91%	4.99%	4.93%	4.97%	0.10 %
Effective income tax rate	24.4%	56.0%	36.9%	37.1%	36.2%	(11.8)%
CREDIT QUALITY METRICS						
Net charge-offs as a % of average loan receivables, including held for sale	6.14%	5.78%	4.95%	5.42%	5.33%	0.81 %
30+ days past due as a % of period-end loan receivables[(8)]	4.52%	4.67%	4.80%	4.25%	4.25%	0.27 %
90+ days past due as a % of period-end loan receivables[(8)]	2.28%	2.28%	2.22%	1.90%	2.06%	0.22 %
Net charge-offs	$ 1,198	$ 1,141	$ 950	$ 1,001	$ 974	$ 224 23.0 %
Loan receivables delinquent over 30 days[(8)]	$ 3,521	$ 3,831	$ 3,694	$ 3,208	$ 3,120	$ 401 12.9 %
Loan receivables delinquent over 90 days[(8)]	$ 1,776	$ 1,869	$ 1,707	$ 1,435	$ 1,508	$ 268 17.8 %
Allowance for loan losses (period-end)	$ 5,738	$ 5,574	$ 5,361	$ 5,001	$ 4,676	$ 1,062 22.7 %
Allowance coverage ratio[(9)]	7.37%	6.80%	6.97%	6.63%	6.37%	1.00 %
BUSINESS METRICS						
Purchase volume[(10)]	$ 29,626	$ 36,565	$ 32,893	$ 33,476	$ 28,880	$ 746 2.6 %
Period-end loan receivables	$ 77,853	$ 81,947	$ 76,928	$ 75,458	$ 73,350	$ 4,503 6.1 %
Credit cards	$ 74,952	$ 79,026	$ 73,946	$ 72,492	$ 70,587	$ 4,365 6.2 %
Consumer installment loans	$ 1,590	$ 1,578	$ 1,561	$ 1,514	$ 1,411	$ 179 12.7 %
Commercial credit products	$ 1,275	$ 1,303	$ 1,384	$ 1,386	$ 1,311	$ (36) (2.7)%
Other	$ 36	$ 40	$ 37	$ 66	$ 41	$ (5) (12.2)%
Average loan receivables, including held for sale	$ 79,090	$ 78,369	$ 76,165	$ 74,090	$ 74,132	$ 4,958 6.7 %
Period-end active accounts (in thousands)[(11)]	68,891	74,541	69,008	69,277	67,905	986 1.5 %
Average active accounts (in thousands)[(11)]	71,323	71,348	69,331	68,635	69,629	1,694 2.4 %
LIQUIDITY						
Liquid assets						
Cash and equivalents	$ 13,044	$ 11,602	$ 13,915	$ 12,020	$ 11,392	$ 1,652 14.5 %
Total liquid assets	$ 18,557	$ 15,087	$ 16,391	$ 15,274	$ 16,158	$ 2,399 14.8 %
Undrawn credit facilities						
Undrawn credit facilities	$ 6,000	$ 6,000	$ 5,650	$ 6,650	$ 5,600	$ 400 7.1 %
Total liquid assets and undrawn credit facilities	$ 24,557	$ 21,087	$ 22,041	$ 21,924	$ 21,758	$ 2,799 12.9 %
Liquid assets % of total assets	19.42%	15.75%	17.71%	16.76%	18.14%	1.28 %
Liquid assets including undrawn credit facilities % of total assets	25.70%	22.01%	23.82%	24.06%	24.43%	1.27 %

(1) Return on assets represents net earnings as a percentage of average total assets.

(2) Return on equity represents net earnings as a percentage of average total equity.

(3) Return on tangible common equity represents net earnings as a percentage of average tangible common equity. Tangible common equity ("TCE") is a non-GAAP measure. For corresponding reconciliation of TCE to a GAAP financial measure, see Reconciliation of Non-GAAP Measures and Calculations of Regulatory Measures.

(4) Adjusted return on assets represents Adjusted net earnings as a percentage of average total assets. Adjusted return on equity represents Adjusted net earnings as a percentage of average total equity. Adjusted net earnings is a non-GAAP measure. For a corresponding reconciliation of Adjusted net earnings to a GAAP financial measure, see Reconciliation of Non-GAAP Measures and Calculations of Regulatory Measures.

(5) Adjusted return on tangible common equity represents Adjusted net earnings as a percentage of average tangible common equity. Both Adjusted net earnings and tangible common equity are non-GAAP measures. For corresponding reconciliations to a GAAP financial measure, see Reconciliation of Non-GAAP Measures and Calculations of Regulatory Measures.

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

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

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

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

(10) Purchase volume, or net credit sales, represents the aggregate amount of charges incurred on credit cards or other credit product accounts less returns during the period.

(11) Active accounts represent credit card or installment loan accounts on which there has been a purchase, payment or outstanding balance in the current month.

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

	Quarter Ended						
	Mar 31, 2018	**Dec 31, 2017**	**Sep 30, 2017**	**Jun 30, 2017**	**Mar 31, 2017**	**1Q'18 vs. 1Q'17**	
Interest income:							
Interest and fees on loans	$ 4,172	$ 4,233	$ 4,182	$ 3,927	$ 3,877	$ 295	7.6 %
Interest on investment securities	72	58	51	43	36	36	100.0 %
Total interest income	4,244	4,291	4,233	3,970	3,913	331	8.5 %
Interest expense:							
Interest on deposits	249	233	219	202	194	55	28.4 %
Interest on borrowings of consolidated securitization entities	74	70	65	63	65	9	13.8 %
Interest on third-party debt	79	72	73	68	67	12	17.9 %
Total interest expense	402	375	357	333	326	76	23.3 %
Net interest income	3,842	3,916	3,876	3,637	3,587	255	7.1 %
Retailer share arrangements	(720)	(779)	(805)	(669)	(684)	(36)	5.3 %
Net interest income, after retailer share arrangements	3,122	3,137	3,071	2,968	2,903	219	7.5 %
Provision for loan losses	1,362	1,354	1,310	1,326	1,306	56	4.3 %
Net interest income, after retailer share arrangements and provision for loan losses	1,760	1,783	1,761	1,642	1,597	163	10.2 %
Other income:							
Interchange revenue	158	179	164	165	145	13	9.0 %
Debt cancellation fees	66	69	67	68	68	(2)	(2.9)%
Loyalty programs	(155)	(193)	(168)	(206)	(137)	(18)	13.1 %
Other	6	7	13	30	17	(11)	(64.7)%
Total other income	75	62	76	57	93	(18)	(19.4)%
Other expense:							
Employee costs[(1)]	358	330	333	318	323	35	10.8 %
Professional fees	166	159	161	158	151	15	9.9 %
Marketing and business development	121	156	124	124	94	27	28.7 %
Information processing	104	99	96	88	90	14	15.6 %
Other[(1)]	239	226	244	223	250	(11)	(4.4)%
Total other expense	988	970	958	911	908	80	8.8 %
Earnings before provision for income taxes	847	875	879	788	782	65	8.3 %
Provision for income taxes	207	490	324	292	283	(76)	(26.9)%
Net earnings attributable to common shareholders	$ 640	$ 385	$ 555	$ 496	$ 499	$ 141	28.3 %

(1) We have reclassified certain amounts within Employee costs to Other for all periods in 2017 to conform to the current period classifications.

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

	Quarter Ended						
	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Mar 31, 2018 vs. Mar 31, 2017	
Assets							
Cash and equivalents	$ 13,044	$ 11,602	$ 13,915	$ 12,020	$ 11,392	$ 1,652	14.5 %
Debt securities	6,259	4,473	3,302	3,982	5,313	946	17.8 %
Loan receivables:							
Unsecuritized loans held for investment	52,469	55,526	53,997	52,550	50,398	2,071	4.1 %
Restricted loans of consolidated securitization entities	25,384	26,421	22,931	22,908	22,952	2,432	10.6 %
Total loan receivables	77,853	81,947	76,928	75,458	73,350	4,503	6.1 %
Less: Allowance for loan losses	(5,738)	(5,574)	(5,361)	(5,001)	(4,676)	(1,062)	22.7 %
Loan receivables, net	72,115	76,373	71,567	70,457	68,674	3,441	5.0 %
Goodwill	991	991	991	991	992	(1)	(0.1)%
Intangible assets, net	780	749	772	787	826	(46)	(5.6)%
Other assets	2,370	1,620	2,001	2,903	1,853	517	27.9 %
Total assets	$ 95,559	$ 95,808	$ 92,548	$ 91,140	$ 89,050	$ 6,509	7.3 %
Liabilities and Equity							
Deposits:							
Interest-bearing deposit accounts	$ 56,285	$ 56,276	$ 54,232	$ 52,659	$ 51,359	$ 4,926	9.6 %
Non-interest-bearing deposit accounts	285	212	222	226	246	39	15.9 %
Total deposits	56,570	56,488	54,454	52,885	51,605	4,965	9.6 %
Borrowings:							
Borrowings of consolidated securitization entities	12,214	12,497	11,891	12,204	12,433	(219)	(1.8)%
Senior unsecured notes	8,801	8,302	8,008	8,505	7,761	1,040	13.4 %
Total borrowings	21,015	20,799	19,899	20,709	20,194	821	4.1 %
Accrued expenses and other liabilities	3,618	4,287	3,793	3,214	2,888	730	25.3 %
Total liabilities	81,203	81,574	78,146	76,808	74,687	6,516	8.7 %
Equity:							
Common stock	1	1	1	1	1	—	— %
Additional paid-in capital	9,470	9,445	9,429	9,415	9,405	65	0.7 %
Retained earnings	7,334	6,809	6,543	6,109	5,724	1,610	28.1 %
Accumulated other comprehensive income:	(86)	(64)	(40)	(49)	(55)	(31)	56.4 %
Treasury Stock	(2,363)	(1,957)	(1,531)	(1,144)	(712)	(1,651)	NM
Total equity	14,356	14,234	14,402	14,332	14,363	(7)	(0.0)%
Total liabilities and equity	$ 95,559	$ 95,808	$ 92,548	$ 91,140	$ 89,050	$ 6,509	7.3 %

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

	Quarter Ended														
	Mar 31, 2018			**Dec 31, 2017**			**Sep 30, 2017**			**Jun 30, 2017**			**Mar 31, 2017**		
	Average Balance	**Interest Income/ Expense**	**Average Yield/ Rate**	**Average Balance**	**Interest Income/ Expense**	**Average Yield/ Rate**	**Average Balance**	**Interest Income/ Expense**	**Average Yield/ Rate**	**Average Balance**	**Interest Income/ Expense**	**Average Yield/ Rate**	**Average Balance**	**Interest Income/ Expense**	**Average Yield/ Rate**
Assets															
Interest-earning assets:															
Interest-earning cash and equivalents	$ 12,434	$ 47	1.53 %	$ 13,591	$ 43	1.26 %	$ 11,895	$ 37	1.23 %	$ 10,758	$ 28	1.04 %	$ 10,552	$ 21	0.81 %
Securities available for sale	5,584	25	1.82 %	3,725	15	1.60 %	3,792	14	1.46 %	5,195	15	1.16 %	5,213	15	1.17 %
Loan receivables:															
Credit cards, including held for sale	76,181	4,099	21.82 %	75,389	4,161	21.90 %	73,172	4,111	22.29 %	71,206	3,858	21.73 %	71,365	3,811	21.66 %
Consumer installment loans	1,572	36	9.29 %	1,568	36	9.11 %	1,543	35	9.00 %	1,461	34	9.33 %	1,389	32	9.34 %
Commercial credit products	1,286	36	11.35 %	1,375	35	10.10 %	1,392	36	10.26 %	1,378	34	9.90 %	1,317	34	10.47 %
Other	51	1	NM	37	1	NM	58	—	— %	45	1	NM	61	—	— %
Total loan receivables, including held for sale	79,090	4,172	21.39 %	78,369	4,233	21.43 %	76,165	4,182	21.78 %	74,090	3,927	21.26 %	74,132	3,877	21.21 %
Total interest-earning assets	97,108	4,244	17.72 %	95,685	4,291	17.79 %	91,852	4,233	18.28 %	90,043	3,970	17.68 %	89,897	3,913	17.65 %
Non-interest-earning assets:															
Cash and due from banks	1,197			1,037			877			829			802		
Allowance for loan losses	(5,608)			(5,443)			(5,125)			(4,781)			(4,408)		
Other assets	3,010			3,219			3,517			3,303			3,177		
Total non-interest-earning assets	(1,401)			(1,187)			(731)			(649)			(429)		
Total assets	$ 95,707			$ 94,498			$ 91,121			$ 89,394			$ 89,468		
Liabilities															
Interest-bearing liabilities:															
Interest-bearing deposit accounts	$ 56,356	$ 249	1.79 %	$ 55,690	$ 233	1.66 %	$ 53,294	$ 219	1.63 %	$ 51,836	$ 202	1.56 %	$ 51,829	$ 194	1.52 %
Borrowings of consolidated securitization entities	12,410	74	2.42 %	12,425	70	2.24 %	11,759	65	2.19 %	12,213	63	2.07 %	12,321	65	2.14 %
Senior unsecured notes	8,795	79	3.64 %	7,940	72	3.60 %	8,251	73	3.51 %	7,933	68	3.44 %	7,760	67	3.50 %
Total interest-bearing liabilities	77,561	402	2.10 %	76,055	375	1.96 %	73,304	357	1.93 %	71,982	333	1.86 %	71,910	326	1.84 %
Non-interest-bearing liabilities															
Non-interest-bearing deposit accounts	300			218			232			218			240		
Other liabilities	3,570			3,716			3,154			2,752			2,995		
Total non-interest-bearing liabilities	3,870			3,934			3,386			2,970			3,235		
Total liabilities	81,431			79,989			76,690			74,952			75,145		
Equity															
Total equity	14,276			14,509			14,431			14,442			14,323		
Total liabilities and equity	$ 95,707			$ 94,498			$ 91,121			$ 89,394			$ 89,468		
Net interest income		$ 3,842			$ 3,916			$ 3,876			$ 3,637			$ 3,587	
Interest rate spread(1)			15.62 %			15.83 %			16.35 %			15.82 %			15.81 %
Net interest margin(2)			16.05 %			16.24 %			16.74 %			16.20 %			16.18 %

(1) Interest rate spread represents the difference between the yield on total interest-earning assets and the rate on total interest-bearing liabilities.
(2) Net interest margin represents net interest income divided by average interest-earning assets.

SYNCHRONY FINANCIAL
BALANCE SHEET STATISTICS
(unaudited, $ in millions, except per share statistics)

	Quarter Ended						
	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Mar 31, 2018 vs. Mar 31, 2017	
BALANCE SHEET STATISTICS							
Total common equity	$ 14,356	$ 14,234	$ 14,402	$ 14,332	$ 14,363	$ (7)	(0.0)%
Total common equity as a % of total assets	15.02%	14.86%	15.56%	15.73%	16.13%		(1.11)%
Tangible assets	$ 93,788	$ 94,068	$ 90,785	$ 89,362	$ 87,232	$ 6,556	7.5 %
Tangible common equity(1)	$ 12,585	$ 12,494	$ 12,639	$ 12,554	$ 12,545	$ 40	0.3 %
Tangible common equity as a % of tangible assets(1)	13.42%	13.28%	13.92%	14.05%	14.38%		(0.96)%
Tangible common equity per share(1)	$ 16.55	$ 16.22	$ 16.15	$ 15.79	$ 15.47	$ 1.08	7.0 %
REGULATORY CAPITAL RATIOS(2)							
	Basel III Fully Phased-in(3)	Basel III Transition					
Total risk-based capital ratio(4)	18.1%	17.3%	18.7%	18.7%	19.3%		
Tier 1 risk-based capital ratio(5)	16.8%	16.0%	17.3%	17.4%	18.0%		
Tier 1 leverage ratio(6)	13.7%	13.8%	14.6%	14.8%	14.8%		
Common equity Tier 1 capital ratio	16.8%	16.0%	17.3%	17.4%	18.0%		
		Basel III Fully Phased-in					
Common equity Tier 1 capital ratio	16.8%	15.8%	17.2%	17.2%	17.7%		

(1) Tangible common equity ("TCE") is a non-GAAP measure. We believe TCE is a more meaningful measure of the net asset value of the Company to investors. For corresponding reconciliation of TCE to a GAAP financial measure, see Reconciliation of Non-GAAP Measures and Calculations of Regulatory Measures.

(2) Regulatory capital metrics at March 31, 2018 are preliminary and therefore subject to change.

(3) Amounts presented do not reflect certain modifications to the regulatory capital rules proposed by the federal banking agencies in September 2017, which among other things, may increase the risk weighting of certain deferred tax assets from 100% to 250% if the proposed rule becomes effective.

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

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

(6) Tier 1 leverage ratio is the ratio of Tier 1 capital divided by total average assets, after certain adjustments. Tier 1 leverage ratios are based upon the use of daily averages for all periods presented.

SYNCHRONY FINANCIAL
PLATFORM RESULTS
(unaudited, $ in millions)

	Quarter Ended						
	Mar 31, 2018	**Dec 31, 2017**	**Sep 30, 2017**	**Jun 30, 2017**	**Mar 31, 2017**	**1Q'18 vs. 1Q'17**	
RETAIL CARD							
Purchase volume(1)(2)	$ 23,382	$ 29,839	$ 26,347	$ 27,101	$ 22,952	$ 430	1.9 %
Period-end loan receivables	$ 52,531	$ 56,230	$ 52,119	$ 51,437	$ 49,905	$ 2,626	5.3 %
Average loan receivables, including held for sale	$ 53,673	$ 53,256	$ 51,817	$ 50,533	$ 50,644	$ 3,029	6.0 %
Average active accounts (in thousands)(2)(3)	55,927	56,113	54,471	54,058	55,049	878	1.6 %
Interest and fees on loans(2)	$ 3,096	$ 3,133	$ 3,102	$ 2,900	$ 2,888	$ 208	7.2 %
Other income(2)	$ 65	$ 49	$ 61	$ 25	$ 77	$ (12)	(15.6)%
Retailer share arrangements(2)	$ (714)	$ (771)	$ (795)	$ (657)	$ (681)	$ (33)	4.8 %
PAYMENT SOLUTIONS							
Purchase volume(1)	$ 3,823	$ 4,366	$ 4,178	$ 3,930	$ 3,686	$ 137	3.7 %
Period-end loan receivables	$ 16,513	$ 16,857	$ 16,153	$ 15,595	$ 15,320	$ 1,193	7.8 %
Average loan receivables	$ 16,629	$ 16,386	$ 15,848	$ 15,338	$ 15,424	$ 1,205	7.8 %
Average active accounts (in thousands)(3)	9,545	9,421	9,183	9,031	9,090	455	5.0 %
Interest and fees on loans	$ 562	$ 574	$ 559	$ 533	$ 515	$ 47	9.1 %
Other income	$ 2	$ 2	$ 2	$ 6	$ 4	$ (2)	(50.0)%
Retailer share arrangements	$ (4)	$ (5)	$ (9)	$ (9)	$ (1)	$ (3)	NM
CARECREDIT							
Purchase volume(1)	$ 2,421	$ 2,360	$ 2,368	$ 2,445	$ 2,242	$ 179	8.0 %
Period-end loan receivables	$ 8,809	$ 8,860	$ 8,656	$ 8,426	$ 8,125	$ 684	8.4 %
Average loan receivables	$ 8,788	$ 8,727	$ 8,500	$ 8,219	$ 8,064	$ 724	9.0 %
Average active accounts (in thousands)(3)	5,851	5,814	5,677	5,546	5,490	361	6.6 %
Interest and fees on loans	$ 514	$ 526	$ 521	$ 494	$ 474	$ 40	8.4 %
Other income	$ 8	$ 11	$ 13	$ 26	$ 12	$ (4)	(33.3)%
Retailer share arrangements	$ (2)	$ (3)	$ (1)	$ (3)	$ (2)	$ —	— %
TOTAL SYF							
Purchase volume(1)(2)	$ 29,626	$ 36,565	$ 32,893	$ 33,476	$ 28,880	$ 746	2.6 %
Period-end loan receivables	$ 77,853	$ 81,947	$ 76,928	$ 75,458	$ 73,350	$ 4,503	6.1 %
Average loan receivables, including held for sale	$ 79,090	$ 78,369	$ 76,165	$ 74,090	$ 74,132	$ 4,958	6.7 %
Average active accounts (in thousands)(2)(3)	71,323	71,348	69,331	68,635	69,629	1,694	2.4 %
Interest and fees on loans(2)	$ 4,172	$ 4,233	$ 4,182	$ 3,927	$ 3,877	$ 295	7.6 %
Other income(2)	$ 75	$ 62	$ 76	$ 57	$ 93	$ (18)	(19.4)%
Retailer share arrangements(2)	$ (720)	$ (779)	$ (805)	$ (669)	$ (684)	$ (36)	5.3 %

(1) Purchase volume, or net credit sales, represents the aggregate amount of charges incurred on credit cards or other credit product accounts less returns during the period.
(2) Includes activity and balances associated with loan receivables held for sale.
(3) Active accounts represent credit card or installment loan accounts on which there has been a purchase, payment or outstanding balance in the current month.

SYNCHRONY FINANCIAL

RECONCILIATION OF NON-GAAP MEASURES AND CALCULATIONS OF REGULATORY MEASURES(1)

(unaudited, $ in millions, except per share statistics)

	Quarter Ended				
	Mar 31, 2018	**Dec 31, 2017**	**Sep 30, 2017**	**Jun 30, 2017**	**Mar 31, 2017**
COMMON EQUITY MEASURES					
GAAP Total common equity	$ 14,356	$ 14,234	$ 14,402	$ 14,332	$ 14,363
Less: Goodwill	(991)	(991)	(991)	(991)	(992)
Less: Intangible assets, net	(780)	(749)	(772)	(787)	(826)
Tangible common equity	$ 12,585	$ 12,494	$ 12,639	$ 12,554	$ 12,545
Adjustments for certain deferred tax liabilities and certain items in accumulated comprehensive income (loss)	278	254	344	337	340
Basel III - Common equity Tier 1 (fully phased-in)	$ 12,863	$ 12,748	$ 12,983	$ 12,891	$ 12,885
Adjustment related to capital components during transition		142	142	146	154
Basel III - Common equity Tier 1 (transition)		$ 12,890	$ 13,125	$ 13,037	$ 13,039
RISK-BASED CAPITAL					
Common equity Tier 1	$ 12,863	$ 12,890	$ 13,125	$ 13,037	$ 13,039
Add: Allowance for loan losses includible in risk-based capital	1,015	1,064	1,001	985	954
Risk-based capital	$ 13,878	$ 13,954	$ 14,126	$ 14,022	$ 13,993
ASSET MEASURES					
Total average assets	$ 95,707	$ 94,498	$ 91,121	$ 89,394	$ 89,468
Adjustments for:					
Disallowed goodwill and other disallowed intangible assets (net of related deferred tax liabilities) and other	(1,560)	(1,392)	(1,304)	(1,325)	(1,358)
Total assets for leverage purposes	$ 94,147	$ 93,106	$ 89,817	$ 88,069	$ 88,110
Risk-weighted assets - Basel III (fully phased-in)	$ 76,509	$ 80,526	$ 75,614	$ 74,748	$ 72,596
Risk-weighted assets - Basel III (transition)		$ 80,669	$ 75,729	$ 74,792	$ 72,627
TANGIBLE COMMON EQUITY PER SHARE					
GAAP book value per share	$ 18.88	$ 18.47	$ 18.40	$ 18.02	$ 17.71
Less: Goodwill	(1.30)	(1.29)	(1.27)	(1.25)	(1.22)
Less: Intangible assets, net	(1.03)	(0.96)	(0.98)	(0.98)	(1.02)
Tangible common equity per share	$ 16.55	$ 16.22	$ 16.15	$ 15.79	$ 15.47
ADJUSTED NET EARNINGS					
GAAP net earnings	$ 640	$ 385	$ 555	$ 496	$ 499
Adjustment for tax law change(2)	—	160	—	—	—
Adjusted net earnings	$ 640	$ 545	$ 555	$ 496	$ 499
ADJUSTED DILUTED EPS					
GAAP diluted EPS	$ 0.83	$ 0.49	$ 0.70	$ 0.61	$ 0.61
Adjustment for tax law change(2)	—	0.21	—	—	—
Adjusted diluted EPS	$ 0.83	$ 0.70	$ 0.70	$ 0.61	$ 0.61

(1) Regulatory measures at March 31, 2018 are presented on an estimated basis.

(2) Adjustment to exclude the effects to Provision for income taxes in the quarter ended December 31, 2017, resulting from the Tax Act.