3Q'19 Financial Results
October 18, 2019

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Disclaimers

Cautionary Statement Regarding Forward-Looking Statements

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

This presentation contains certain forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the "safe harbor" created by those sections. Forward-looking statements may be identified by words such as "expects," "intends," "anticipates," "plans," "believes," "seeks," "targets," "outlook," "estimates," "will," "should," "may" or words of similar meaning, but these words are not the exclusive means of identifying forward-looking statements. Forward-looking statements are based on management's current expectations and assumptions, and are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, actual results could differ materially from those indicated in these forward-looking statements. Factors that could cause actual results to differ materially include global political, economic, business, competitive, market, regulatory and other factors and risks, such as: the impact of macroeconomic conditions and whether industry trends we have identified develop as anticipated; retaining existing partners and attracting new partners, concentration of our revenue in a small number of Retail Card partners, promotion and support of our products by our partners, and financial performance of our partners; cyber-attacks or other security breaches; higher borrowing costs and adverse financial market conditions impacting our funding and liquidity, and any reduction in our credit ratings; our ability to 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 the Synchrony Bank's ability to pay dividends to us; regulations relating to privacy, information security and data protection; use of third-party vendors and ongoing third-party business relationships; and failure to comply with anti-money laundering and anti-terrorism financing laws.

For the reasons described above, we caution you against relying on any forward-looking statements, which should also be read in conjunction with the other cautionary statements that are included elsewhere in this presentation and in our public filings, including under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, as filed on February 15, 2019. You should not consider any list of such factors to be an exhaustive statement of all of the risks, uncertainties, or potentially inaccurate assumptions that could cause our current expectations or beliefs to change. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except as otherwise may be required by law. Differences between this presentation and the supplemental financials may occur due to rounding.

3Q'19 Highlights

Financial Highlights

- $1.056 billion Net earnings, $1.60 diluted EPS
  - Reduction in the reserve related to the Walmart consumer portfolio sale completed in October was $326 million, or $248 million after-tax; EPS benefit of $0.38
- Strong growth metrics
  - Loan receivables down 5%; up 6%[(a)] on a core basis
  - Net interest income up 4%
  - Purchase volume up 5%
  - Average active accounts up 2%
- Net charge-offs 5.35% compared to 4.97% in the prior year
- Provision for loan losses down 30% primarily driven by the reduction in reserves related to the Walmart portfolio
- Efficiency ratio 30.8% compared to 31.0% in the prior year
- Deposits up $3.7 billion compared to prior year
- Strong capital and liquidity
  - 14.5% CET1 & $15.2 billion liquid assets
  - Returned $695 million in capital through $550 million of share repurchases and $145 million in dividends

Business Highlights

- Expanded and extended key partnership

venmo PayPal

- Renewed and extended key relationships

GOLF GALAXY | EVERY SEASON STARTS AT DICK'S SPORTING GOODS | FIELD & STREAM

POLARIS

LA-Z-BOY | Conn's HomePlus

- Expanded our CareCredit network and partnerships

St Luke's UNIVERSITY HEALTH NETWORK | Loyale

(a) Loan receivables shown above on a Core basis is a non-GAAP measure and excludes from both the prior year and the current year amounts related to the Walmart portfolio. See non-GAAP reconciliation in the appendix

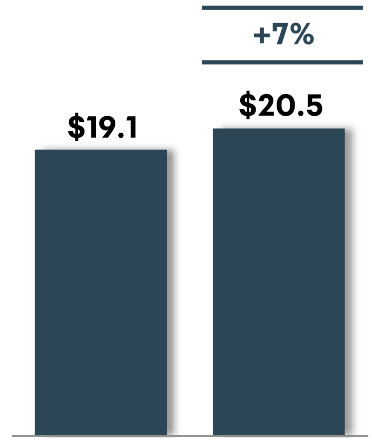
Platform Results[(a)]

Retail Card[(b)]

Loan receivables, $ in billions

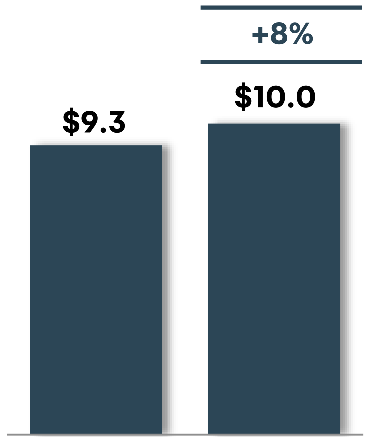
Payment Solutions[(b)]

Loan receivables, $ in billions



CareCredit

Loan receivables, $ in billions



	Retail Card 3Q'18	Retail Card 3Q'19	Retail Card V%	Payment Solutions 3Q'18	Payment Solutions 3Q'19	Payment Solutions V%	CareCredit 3Q'18	CareCredit 3Q'19	CareCredit V%
Purchase volume	$27.8	$29.3	+5%	$6.0	$6.3	+5%	$2.6	$2.8	+10%
Accounts	57.4	58.1	+1%	12.1	12.4	+3%	6.0	6.2	+4%
Interest and fees on loans	$3,383	$3,570	+6%	$683	$721	+6%	$551	$599	+9%

Retail Card:
- Decline due to Walmart portfolio; solid Core receivable growth driven by digital partners
- Interest and Fees on Loans up 6% driven by receivable growth

Payment Solutions:
- Strong growth led by home furnishings and power
- Interest and Fees on Loans up 6% driven by receivable growth

CareCredit:
- Strong growth led by dental and veterinary
- Interest and Fees on Loans up 9% driven by receivable growth

(a) Accounts represent average active accounts in millions, which are credit card or installment loan accounts on which there has been a purchase, payment or outstanding balance in the current month. Purchase volume $ in billions and Interest and fees on loans $ in millions
(b) Beginning in 1Q 2019, our Oil and Gas retail partners are now included in our Payment Solutions sales platform. Prior period financial and operating metrics for Retail Card and Payment Solutions have been recast to reflect the current period presentation
(c) Loan receivables shown above on a Core basis is a non-GAAP measure and excludes from both the prior year and the current year amounts related to the Walmart portfolio. See non-GAAP reconciliation in the appendix

Growing the Direct to Consumer Channel

Objective

Become a leading digital bank with competitive products and capabilities that drive deeper customer relationships and address SYF's funding needs, while launching innovative lending products

	Deposits	Lending
CURRENT	• Continuing to support Synchrony's funding needs through traditional products • Focus on reducing rate sensitivity and acquisition costs	• Successful conversion of Toys R Us accounts to Synchrony Mastercard® • Leveraging customer insights and data to test GPCC value proposition & features with consumers
FUTURE	• Investing in additional capabilities for future growth • Enhanced features and customer service • Differentiated rewards and loyalty programs	• Disciplined approach to future product offerings, value propositions and features • Targeted customer segments with focus on attractive returns

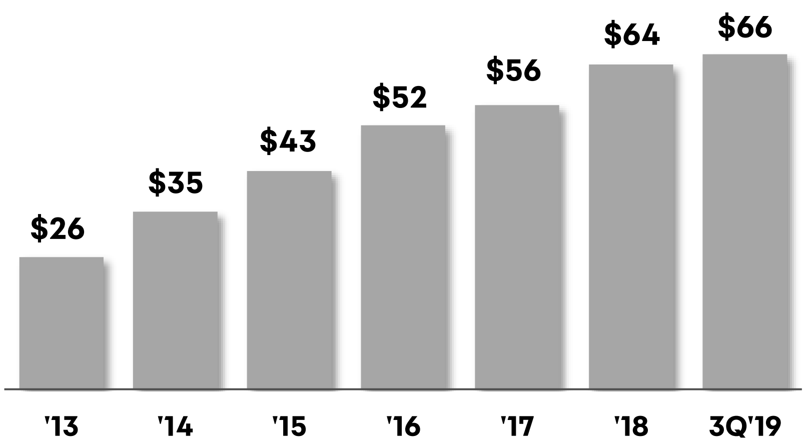
Synchrony Deposit Products

Deposit Balances

$ in billions

+20%

CAGR vs. 5% for industry[a]



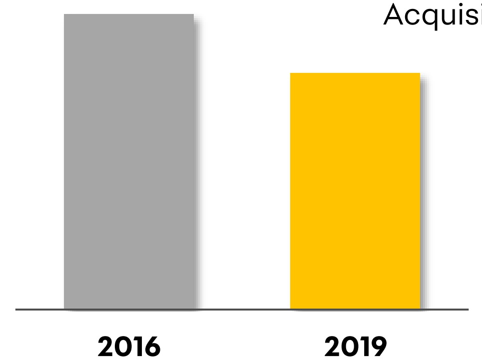
Rate Rank [b] **#1** → **#19**

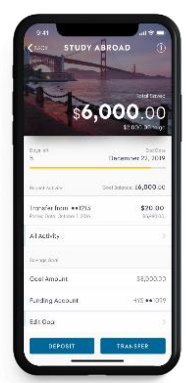
Strong deposit growth while reducing our reliance on rate

Acquisition Costs

~(20)%

Reduction in Acquisition Cost



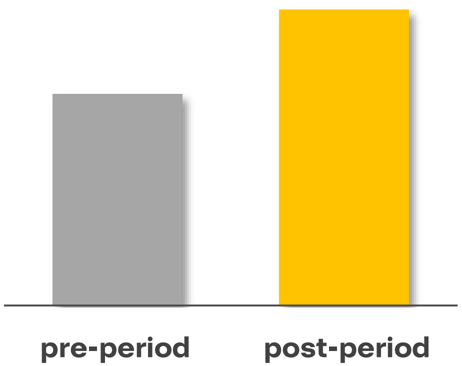


- ✓ Investments in digital marketing reducing our acquisition costs
- ✓ New Native App with personalized content
- ✓ Strong foundation for future products and features

(a) Compound Annual Growth Rate "CAGR" 2013-2018. Industry based on savings balance CAGR 2013–2Q'18 per Novantas Review Fall 2018
(b) Rankings based on Savings product in June '16 & October '19 per Bank Rate (excludes MMA)

Synchrony Mastercard®

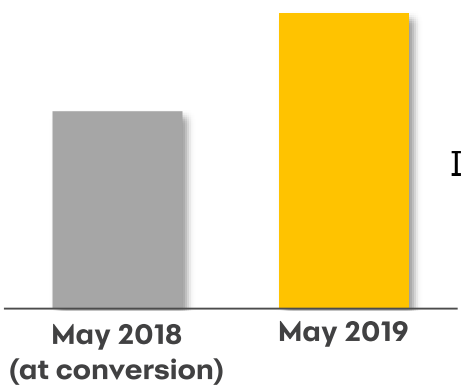
Sales / Active Account



~40%[(a)]

Increase in Sales / Active Account

Balance / Active Account



~50%

Increase in Balance / Active Account

Highlights

- ✓ Attractive 2% Cash Back value proposition plus spend incentives at launch
- ✓ Strong activation and repeat usage … good balance growth since conversion
- ✓ Testing optimal combination of promotional offers, go to APRs, and credit line assignment

(a) Toys R Us portfolio converted to the Synchrony branded Mastercard in May 2018 . The pre-period is June '17 to May '18 and post-period is June '18 to May '19.

Financial Results

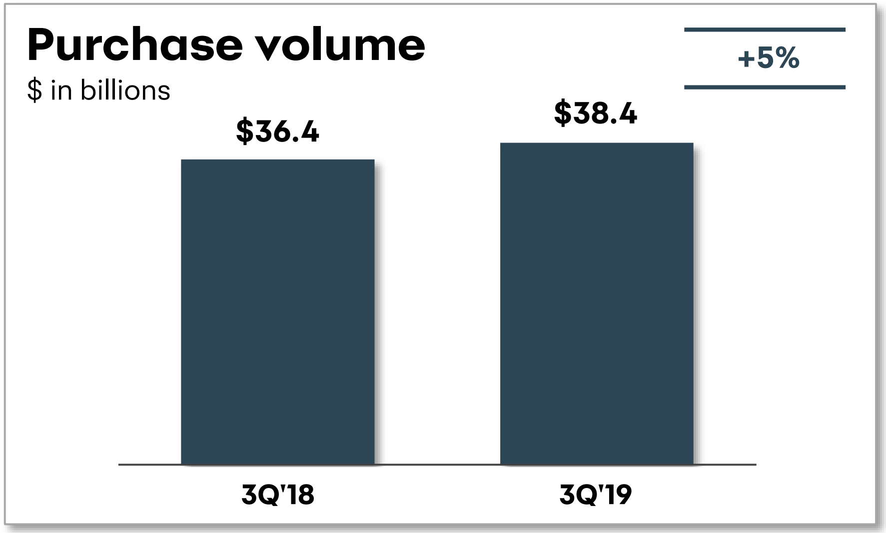
Summary earnings statement

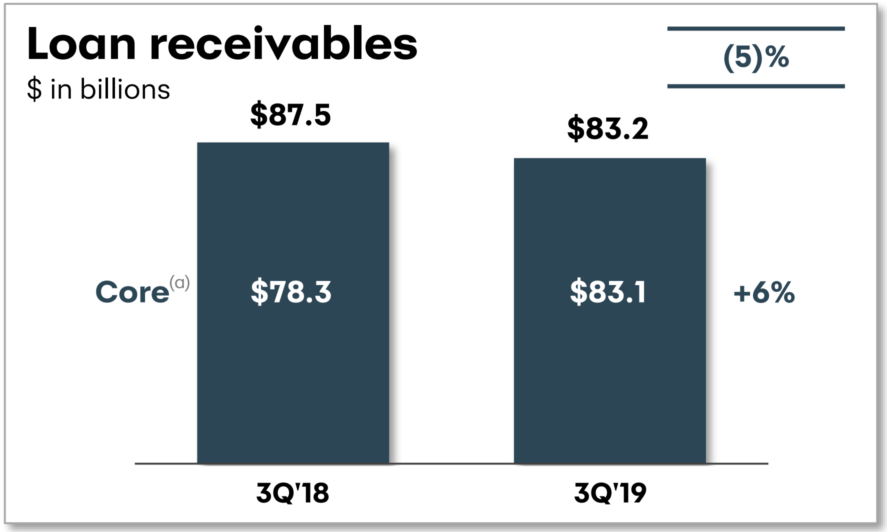
$ in millions, except per share statistics	3Q'19	3Q'18	B/(W) $	B/(W) %
Total interest income	$4,981	$4,694	$287	6%
Total interest expense	592	488	(104)	(21)%
Net interest income (NII)	**4,389**	**4,206**	**183**	**4%**
Retailer share arrangements (RSA)	(1,016)	(871)	(145)	(17)%
Provision for loan losses	1,019	1,451	432	30%
Other income	85	63	22	35%
Other expense	1,064	1,054	(10)	(1)%
Pre-Tax earnings	**1,375**	**893**	**482**	**54%**
Provision for income taxes	319	222	(97)	(44)%
Net earnings	**$1,056**	**$671**	**$385**	**57%**
Diluted earnings per share	**$1.60**	**$0.91**	**$0.69**	

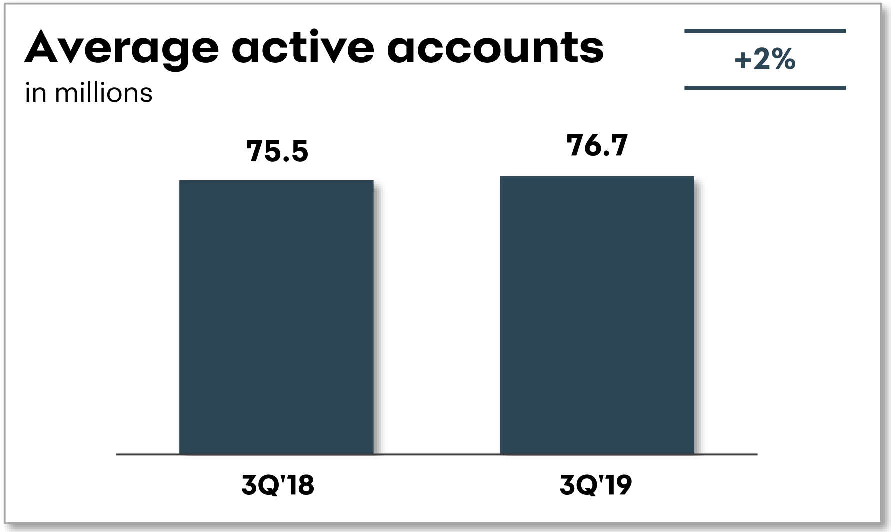
3Q'19 Highlights

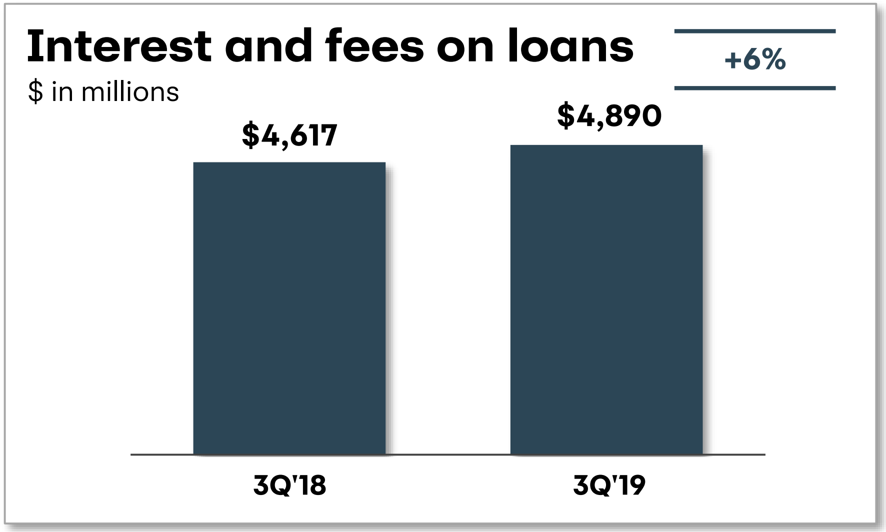
- **$1.056 billion Net earnings, $1.60 diluted EPS**
- **Net interest income up 4% driven by growth in Loan receivables**
  - Interest and fees on loans up 6% driven by average loan receivables growth
  - Interest expense increase driven primarily by increased benchmark rates and growth
- **Retailer share arrangements up 17%**
  - Increase driven by improved performance and growth
- **Provision for loan losses down 30% primarily driven by the reduction in reserves related to the Walmart portfolio**
  - Net charge-offs of 5.35% compared to 4.97% in the prior year
- **Other expense is up 1% driven by growth**

Growth Metrics





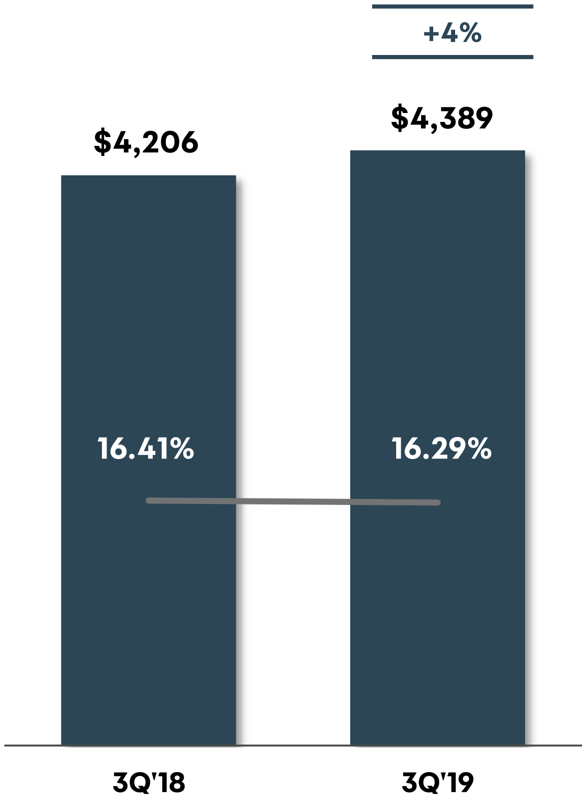




(a) Loan receivables shown above on a Core basis is a non-GAAP measure and excludes from both the prior year and the current year amounts related to the Walmart portfolio. See non-GAAP reconciliation in the appendix

Net interest income

$ in millions, % of average interest-earning assets



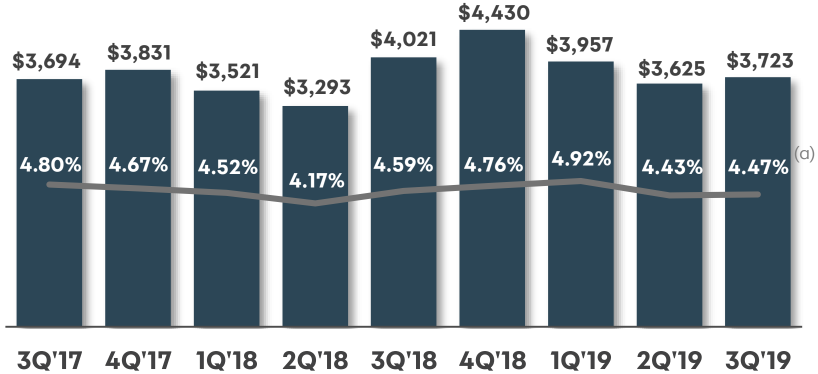
3Q'19 Highlights

- **Net interest income increased 4% compared to prior year driven by growth in Loan receivables**
  - Interest and fees on loans increased 6% compared to prior year driven by average loan receivables growth
- **Net interest margin down 12bps.**
  - Loan receivables mix as a percent of total Earning Assets decreased slightly from 85.3% to 84.7%
  - Loan receivables yield 21.42%, up 31bps. versus prior year which included purchase accounting impact from PayPal Credit program
  - Total interest-bearing liabilities cost increased 35bps. to 2.71%, due primarily to increased benchmark rates

Asset Quality Metrics

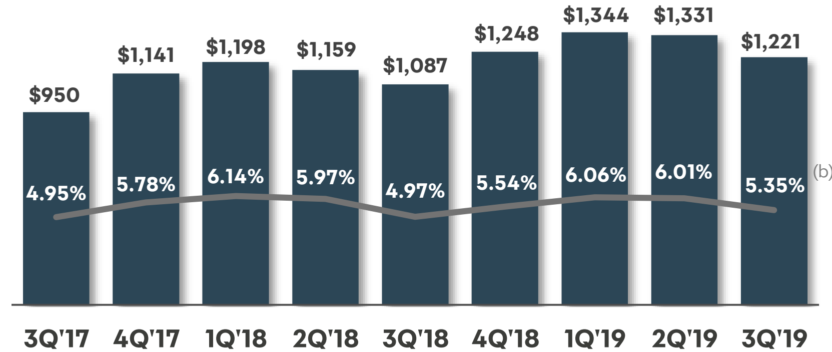
30+ days past due

$ in millions, % of period-end loan receivables



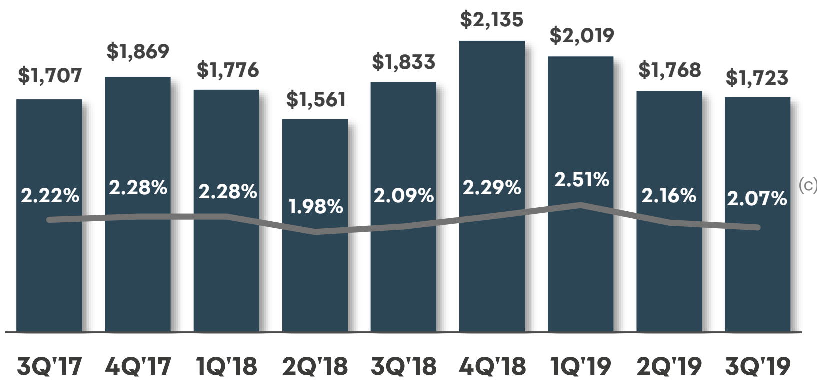
Net charge-offs

$ in millions, % of average loan receivables including held for sale



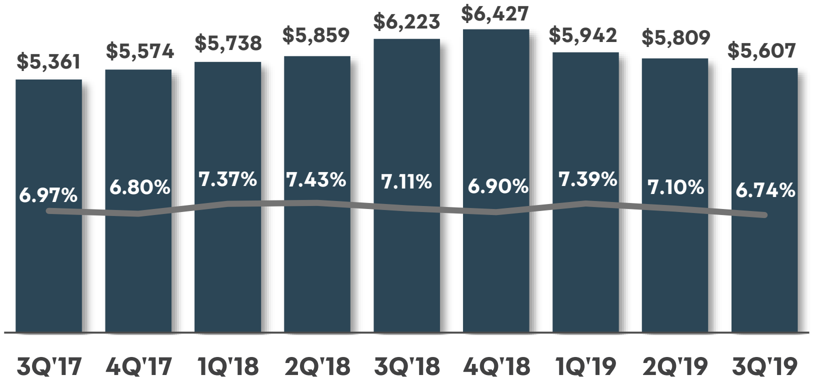
90+ days past due

$ in millions, % of period-end loan receivables



Allowance for loan losses

$ in millions, % of period-end loan receivables

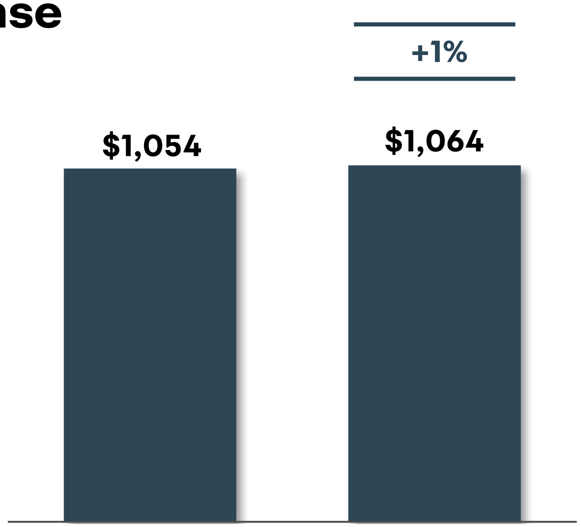


(a) Excluding the PayPal Credit program and Walmart Portfolio, 3Q'19 30+ rate was flat versus 3Q'18
(b) Excluding the PayPal Credit program and Walmart Portfolio, 3Q'19 net charge-off rate was down ~20bps. versus 3Q'18
(c) Excluding the PayPal Credit program and Walmart Portfolio, 3Q'19 90+ rate was down ~5bps versus 3Q'18

Other Expense

Other expense

$ in millions



	3Q'18	3Q'19	V$	V%
Employee costs	$365	$359	$(6)	(2)%
Professional fees	232	205	(27)	(12)%
Marketing/BD	131	139	8	6%
Information processing	105	127	22	21%
Other	221	234	13	6%
Other expense	$1,054	$1,064	$10	1%
Efficiency[a]	**31.0%**	**30.8%**	**(0.2) pts.**	

3Q'19 Highlights

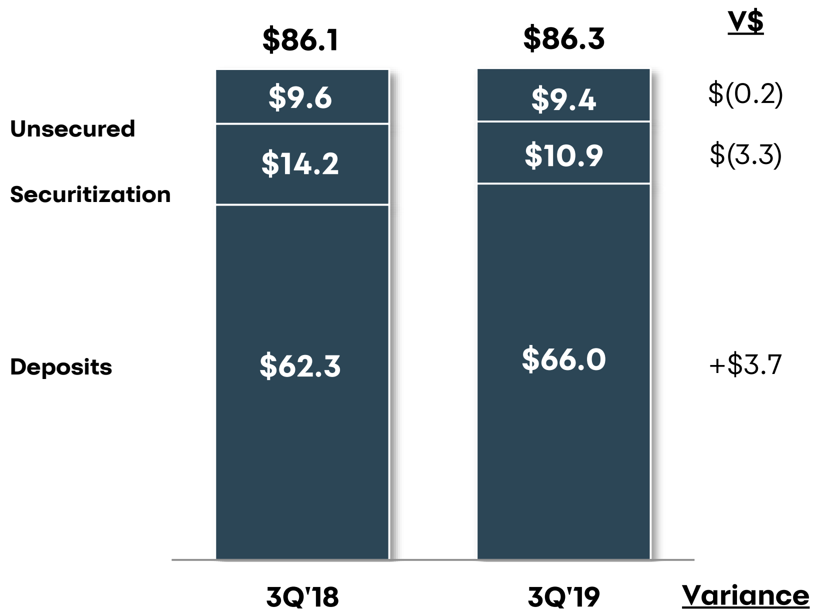
- **Other expense is up 1% driven by growth**
- **Efficiency ratio 30.8% vs. 31.0% prior year**

(a) "Other expense" divided by sum of "NII" plus "Other income" less "Retailer share arrangements (RSA)"

Funding, Capital and Liquidity

Funding sources

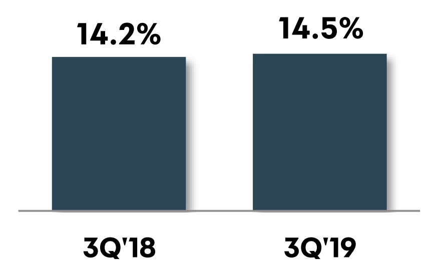
$ in billions



	3Q'18	3Q'19	Variance
Deposits	72%	76%	+4 pts.
Securitization	17%	13%	(4) pts.
Unsecured	11%	11%	- pts.

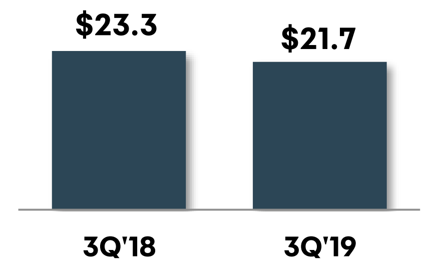
Capital ratios

Common equity Tier 1 % - Basel III fully phased-in



Liquidity[a]

$ in billions



	3Q'18	3Q'19
Liquid assets	$18.2	$15.2
Undrawn credit facilities	5.1	6.5
Total liquidity	**$23.3**	**$21.7**
% of Total assets	**22.3%**	**20.5%**

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

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3Q'19 Wrap Up

- Net earnings of $1.056 billion … $1.60 diluted earnings per share
  - Reduction in the reserve related to the Walmart consumer portfolio sale was $326 million, or $248 million after-tax; EPS benefit of $0.38
- Broad based growth … Purchase volume +5%, Core Loan receivables +6%,[a] Net interest income +4%
- Extended key partnership with PayPal and expanded the overall PayPal relationship with Venmo
- Renewed and extended key partnerships with Dick's Sporting Goods, Polaris, La-Z-Boy, and Conn's
- Expanded CareCredit network and partnerships with St. Luke's University Health Network and Loyale
- Fast-growing deposit platform … deposits at $66.0 billion comprising 76% of funding
- Returned $695 million in capital through $550 million of share repurchases and $145 million in dividends
- Strong balance sheet, 14.5% CET1 and $15.2 billion of liquid assets

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(a) Loan receivables shown above on a Core basis is a non-GAAP measure and excludes from both the prior year and the current year amounts related to the Walmart portfolio. See non-GAAP reconciliation in the appendix

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Engage with us.

Appendix

Non-GAAP Reconciliation

The following table sets forth the components of our Loan receivables for the periods indicated below.

$ in billions	At September 30,			
	Total		Retail Card	
	2018	2019	2018	2019
Loan receivables	$87.5	$83.2	$59.1	$52.7
Less: Walmart Loan receivables	(9.2)	(0.1)	(9.2)	(0.1)
Core Loan receivables	**$78.3**	**$83.1**	**$49.9**	**$52.6**