For Immediate Release

Synchrony Financial (NYSE: SYF)

July 20, 2021

SECOND QUARTER 2021 RESULTS AND KEY METRICS

$78.4B	5.3%	17.8%	$521M
Loan Receivables	Return on Assets	CET1 Ratio	Capital Returned

Synchrony Reported Second Quarter Net Earnings of $1.2 Billion or $2.12 Per Diluted Share

Purchase Volume Growth Accelerated as Consumer Confidence Improved

Continued Strength in Credit Performance, Contributing to a 112% Decrease in Provision for Credit Losses

STAMFORD, Conn. – Synchrony Financial (NYSE: SYF) today announced second quarter 2021 net earnings of $1.2 billion, or $2.12 per diluted share, compared to $48 million, or $0.06 per diluted share in the second quarter 2020.

KEY OPERATING & FINANCIAL METRICS*

RECORD NET EARNINGS DRIVEN BY A STRONG CONSUMER, AS REFLECTED IN PURCHASE VOLUME GROWTH AND CREDIT QUALITY

- Purchase volume increased 35% to $42.1 billion
- Loan receivables increased $0.1 billion to $78.4 billion
- Average active accounts increased 2% to 65.8 million
- New accounts increased 58% to 6.3 million
- Net interest margin increased 25 basis points to 13.78%
- Efficiency ratio increased 330 basis points to 39.6%
- Net earnings of $1.2 billion, or $2.12 per diluted share, compared to $48 million, or $0.06 per diluted share
- Return on assets increased 5 percentage points to 5.3%
- Return on equity increased 35 percentage points to 36.5%

CEO COMMENTARY

Brian Doubles, Synchrony's President and Chief Executive Officer, said, "We continue to deliver strong financial results, reflecting the power of our technology-enabled model, the durability of our partner-centric value propositions, and the diversity in our portfolio.

"The hallmarks of our business — including exceptional digital capabilities, advanced data analytics, and our wide breadth of products and services — are key differentiators that enable us to deliver attractive financing solutions and seamless customer experiences, while also addressing our partners' evolving needs.

"Synchrony is very well positioned to continue to win and renew key partnerships and solidify ourselves as a leading provider of one of the industry's most complete, digitally-enabled consumer payments and financing product suites."

CFO COMMENTARY

Brian Wenzel, Synchrony's Executive Vice President and Chief Financial Officer, said, "Purchase volume increased significantly during the second quarter 2021, reflecting the impacts of stimulus, the lifting of remaining government restrictions and increased consumer confidence.

"Customer payment rates continue to remain elevated, however, due to the impact of government stimulus and industry-wide forbearance measures. While this hindered loan receivables growth and yield, it supported continued strength in credit performance and led to lower provision for credit losses.

"We remain focused on optimizing the key drivers of our business to drive sustainable growth, achieve strong returns, and generate and return considerable capital to our shareholders over the long-term."

BUSINESS AND FINANCIAL RESULTS FOR THE SECOND QUARTER OF 2021*

BUSINESS HIGHLIGHTS

CONTINUED TO WIN AND RENEW KEY PARTNERSHIPS

- Announced a multi-year renewal with TJX Companies, Inc., further extending our 10+ year partnership, and renewed 10 additional programs, including Shop HQ, Mitchell Gold Co., Daniels, and Sutherlands
- Added 4 new programs, including JCB and Ochsner Health

FINANCIAL HIGHLIGHTS

EARNINGS GROWTH DRIVEN BY STRONG CONSUMER AS CREDIT IMPROVEMENT OFFSETS LOWER YIELD

- Interest and fees on loans decreased 6% to $3.6 billion
- Net interest income decreased $84 million, or 2%, to $3.3 billion, mainly due to lower finance charges and late fees.
- Retailer share arrangements increased $233 million, or 30%, to $1.0 billion, reflecting the decrease in the provision for credit losses, including lower net charge-offs and program performance.
- Provision for credit losses decreased $1.9 billion, or 112%, to $(194) million, driven by an $878 million reserve reduction and lower net charge-offs.
- Other income decreased $6 million, or 6%, to $89 million, largely driven by higher program loyalty costs from higher purchase volume.
- Other expense decreased $38 million, or 4%, to $948 million, mainly driven by lower operational losses, partially offset by higher employee, marketing and business development, and information processing costs.
- Net earnings increased to $1.2 billion compared to $48 million.

CREDIT QUALITY

CREDIT PERFORMANCE CONTINUED TO BE DRIVEN BY A STRONG CONSUMER

- Loans 30+ days past due as a percentage of total period-end loan receivables were 2.11% compared to 3.13% last year.
- Net charge-offs as a percentage of total average loan receivables were 3.57% compared to 5.35% last year.
- The allowance for credit losses as a percentage of total period-end loan receivables was 11.51%.

SALES PLATFORM HIGHLIGHTS

DIVERSITY ACROSS OUR PLATFORMS CONTINUES TO PROVIDE RESILIENCE

- Home & Auto period-end loan receivables increased 1% as purchase volume increased 25%, reflecting continued strength in our home partners and merchants. Interest and fees on loans decreased 6%, driven primarily by lower finance charge yield as payment rates remain elevated, and average active accounts decreased 1%.
- Digital period-end loan receivables increased 2% and purchase volume increased 30%, reflecting strength in digital-based partners who have continued to be positively impacted by the effects of government restrictions on in-person retail experiences. Interest and fees on loans decreased 2%, driven primarily by lower finance charge yield as payment rates remain elevated, while average active accounts increased 5%.
- Diversified & Value period-end loan receivables decreased 5% reflecting the impact of store closures in 2020, as well as prior year government restrictions and elevated payment rates. Purchase volume increased 51%, reflecting the lifting of government restrictions on in-person retail experiences. Interest and fees on loans decreased 14%, driven primarily by lower loan receivables, and average active accounts increased 4%.
- Health & Wellness period-end loan receivables increased 3% and purchase volume increased 53% reflecting higher consumer confidence to undertake elective procedures, as well as the lifting of government restrictions on in-person experiences. Interest and fees on loans decreased 2%, driven primarily by lower finance charge yield as payment rates remain elevated, and average active accounts decreased 6%.
- Lifestyle period-end loan receivables and purchase volume both increased 9%, reflecting continued strength in power sports. Interest and fees on loans increased 6%, driven primarily by loan receivables growth, and average active accounts decreased 1%.

BALANCE SHEET, LIQUIDITY & CAPITAL

FUNDING, CAPITAL & LIQUIDITY REMAIN ROBUST

- Period-end loan receivables increased to $78.4 billion compared to $78.3 billion; purchase volume increased 35% and average active accounts increased 2%.
- Deposits decreased $4.3 billion, or 7%, to $59.8 billion and comprised 81% of funding.
- Total liquidity (liquid assets and undrawn credit facilities) of $21.2 billion, or 23.0% of total assets.
- Total capital returned of $521 million, reflecting $393 million of share repurchases and $128 million of common stock dividends.
- The Company has elected to defer the regulatory capital effects of CECL for two years; the estimated Common Equity Tier 1 ratio was 17.8% compared to 15.3%, and the estimated Tier 1 Capital ratio was 18.7% compared to 16.3%, reflecting our strong capital generation capabilities.

* *All comparisons are for the second quarter of 2021 compared to the second quarter of 2020, unless otherwise noted.*

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, 2020, as filed February 11, 2021, and the Company's forthcoming Quarterly Report on Form 10-Q for the quarter ended June 30, 2021. 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

On Tuesday, July 20, 2021, at 8:00 a.m. Eastern Time, Brian Doubles, President and Chief Executive Officer, and Brian Wenzel Sr., 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 also be available on the website.

ABOUT SYNCHRONY FINANCIAL

Synchrony (NYSE: SYF) is a premier consumer financial services company. We deliver a wide range of specialized financing programs, as well as innovative consumer banking products, across key industries including digital, retail, home, auto, travel, health and pet. Synchrony enables our partners to grow sales and loyalty with consumers. We are one of the largest issuers of private label credit cards in the United States; we also offer co-branded products, installment loans and consumer financing products for small- and medium-sized businesses, as well as healthcare providers.

Synchrony is changing what's possible through our digital capabilities, deep industry expertise, actionable data insights, frictionless customer experience and customized financing solutions.

For more information, visit www.synchrony.com and Twitter: @Synchrony.

synchrony

Investor Relations
Kathryn Miller
(203) 585-6291

Media Relations
Sue Bishop
(203) 585-2802

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, 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 and other legislative and regulatory developments 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.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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, 2020, as filed on February 11, 2021. 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 “CECL fully phased-in" capital 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 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							Six Months Ended			
	Jun 30, 2021	**Mar 31, 2021**	**Dec 31, 2020**	**Sep 30, 2020**	**Jun 30, 2020**	**2Q'21 vs. 2Q'20**		**Jun 30, 2021**	**Jun 30, 2020**	**YTD'21 vs. YTD'20**	
EARNINGS											
Net interest income	$ 3,312	$ 3,439	$ 3,659	$ 3,457	$ 3,396	$ (84)	(2.5)%	$ 6,751	$ 7,286	$ (535)	(7.3)%
Retailer share arrangements	(1,006)	(989)	(1,047)	(899)	(773)	(233)	30.1 %	(1,995)	(1,699)	(296)	17.4 %
Provision for credit losses	(194)	334	750	1,210	1,673	(1,867)	(111.6)%	140	3,350	(3,210)	(95.8)%
Net interest income, after retailer share arrangements and provision for credit losses	2,500	2,116	1,862	1,348	950	1,550	163.2 %	4,616	2,237	2,379	106.3 %
Other income	89	131	82	131	95	(6)	(6.3)%	220	192	28	14.6 %
Other expense	948	932	1,000	1,067	986	(38)	(3.9)%	1,880	1,988	(108)	(5.4)%
Earnings before provision for income taxes	1,641	1,315	944	412	59	1,582	NM	2,956	441	2,515	NM
Provision for income taxes	399	290	206	99	11	388	NM	689	107	582	NM
Net earnings	$ 1,242	$ 1,025	$ 738	$ 313	$ 48	$ 1,194	NM	$ 2,267	$ 334	$ 1,933	NM
Net earnings available to common stockholders	$ 1,232	$ 1,014	$ 728	$ 303	$ 37	$ 1,195	NM	$ 2,246	$ 312	$ 1,934	NM
COMMON SHARE STATISTICS											
Basic EPS	$ 2.13	$ 1.74	$ 1.25	$ 0.52	$ 0.06	$ 2.07	NM	$ 3.87	$ 0.52	$ 3.35	NM
Diluted EPS	$ 2.12	$ 1.73	$ 1.24	$ 0.52	$ 0.06	$ 2.06	NM	$ 3.84	$ 0.52	$ 3.32	NM
Dividend declared per share	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ —	— %	$ 0.44	$ 0.44	$ —	— %
Common stock price	$ 48.52	$ 40.66	$ 34.71	$ 26.17	$ 22.16	$ 26.36	119.0 %	$ 48.52	$ 22.16	$ 26.36	119.0 %
Book value per share	$ 23.48	$ 21.86	$ 20.49	$ 19.47	$ 19.13	$ 4.35	22.7 %	$ 23.48	$ 19.13	$ 4.35	22.7 %
Tangible common equity per share(1)	$ 19.64	$ 17.95	$ 16.72	$ 15.75	$ 15.28	$ 4.36	28.5 %	$ 19.64	$ 15.28	$ 4.36	28.5 %
Beginning common shares outstanding	581.1	584.0	583.8	583.7	583.2	(2.1)	(0.4)%	584.0	615.9	(31.9)	(5.2)%
Issuance of common shares	—	—	—	—	—	—	— %	—	—	—	— %
Stock-based compensation	1.0	2.2	0.2	0.1	0.5	0.5	100.0 %	3.2	1.4	1.8	128.6 %
Shares repurchased	(8.7)	(5.1)	—	—	—	(8.7)	NM	(13.8)	(33.6)	19.8	(58.9)%
Ending common shares outstanding	573.4	581.1	584.0	583.8	583.7	(10.3)	(1.8)%	573.4	583.7	(10.3)	(1.8)%
Weighted average common shares outstanding	577.2	583.3	583.9	583.8	583.7	(6.5)	(1.1)%	580.2	594.3	(14.1)	(2.4)%
Weighted average common shares outstanding (fully diluted)	581.7	587.5	586.6	584.8	584.4	(2.7)	(0.5)%	584.6	595.9	(11.3)	(1.9)%

(1) 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)

	Quarter Ended					2Q'21 vs. 2Q'20		Six Months Ended		YTD'21 vs. YTD'20	
	Jun 30, 2021	**Mar 31, 2021**	**Dec 31, 2020**	**Sep 30, 2020**	**Jun 30, 2020**			**Jun 30, 2021**	**Jun 30, 2020**		
PERFORMANCE METRICS											
Return on assets[1]	5.3 %	4.3 %	3.1 %	1.3 %	0.2 %		5.1 %	4.8 %	0.7 %		4.1 %
Return on equity[2]	36.5 %	31.8 %	23.6 %	10.3 %	1.6 %		34.9 %	34.2 %	5.4 %		28.8 %
Return on tangible common equity[3]	46.3 %	40.8 %	30.4 %	13.1 %	1.6 %		44.7 %	43.6 %	6.7 %		36.9 %
Net interest margin[4]	13.78 %	13.98 %	14.64 %	13.80 %	13.53 %		0.25 %	13.88 %	14.35 %		(0.47)%
Efficiency ratio[5]	39.6 %	36.1 %	37.1 %	39.7 %	36.3 %		3.3 %	37.8 %	34.4 %		3.4 %
Other expense as a % of average loan receivables, including held for sale	4.95 %	4.82 %	5.01 %	5.44 %	5.04 %		(0.09)%	4.89 %	4.90 %		(0.01)%
Effective income tax rate	24.3 %	22.1 %	21.8 %	24.0 %	18.6 %		5.7 %	23.3 %	24.3 %		(1.0)%
CREDIT QUALITY METRICS											
Net charge-offs as a % of average loan receivables, including held for sale	3.57 %	3.62 %	3.16 %	4.42 %	5.35 %		(1.78)%	3.59 %	5.35 %		(1.76)%
30+ days past due as a % of period-end loan receivables[6]	2.11 %	2.83 %	3.07 %	2.67 %	3.13 %		(1.02)%	2.11 %	3.13 %		(1.02)%
90+ days past due as a % of period-end loan receivables[6]	1.00 %	1.52 %	1.40 %	1.24 %	1.77 %		(0.77)%	1.00 %	1.77 %		(0.77)%
Net charge-offs	$ 684	$ 699	$ 631	$ 866	$ 1,046	$ (362)	(34.6)%	$ 1,383	$ 2,171	$ (788)	(36.3)%
Loan receivables delinquent over 30 days[6]	$ 1,653	$ 2,175	$ 2,514	$ 2,100	$ 2,453	$ (800)	(32.6)%	$ 1,653	$ 2,453	$ (800)	(32.6)%
Loan receivables delinquent over 90 days[6]	$ 784	$ 1,170	$ 1,143	$ 973	$ 1,384	$ (600)	(43.4)%	$ 784	$ 1,384	$ (600)	(43.4)%
Allowance for credit losses (period-end)	$ 9,023	$ 9,901	$ 10,265	$ 10,146	$ 9,802	$ (779)	(7.9)%	$ 9,023	$ 9,802	$ (779)	(7.9)%
Allowance coverage ratio[7]	11.51 %	12.88 %	12.54 %	12.92 %	12.52 %		(1.01)%	11.51 %	12.52 %		(1.01)%
BUSINESS METRICS											
Purchase volume[8][9]	$ 42,121	$ 34,749	$ 39,874	$ 36,013	$ 31,155	$ 10,966	35.2 %	$ 76,870	$ 63,197	$ 13,673	21.6 %
Period-end loan receivables	$ 78,374	$ 76,858	$ 81,867	$ 78,521	$ 78,313	$ 61	0.1 %	$ 78,374	$ 78,313	$ 61	0.1 %
Credit cards	$ 74,429	$ 73,244	$ 78,455	$ 75,204	$ 75,353	$ (924)	(1.2)%	$ 74,429	$ 75,353	$ (924)	(1.2)%
Consumer installment loans	$ 2,507	$ 2,319	$ 2,125	$ 1,987	$ 1,779	$ 728	40.9 %	$ 2,507	$ 1,779	$ 728	40.9 %
Commercial credit products	$ 1,379	$ 1,248	$ 1,250	$ 1,270	$ 1,140	$ 239	21.0 %	$ 1,379	$ 1,140	$ 239	21.0 %
Other	$ 59	$ 47	$ 37	$ 60	$ 41	$ 18	43.9 %	$ 59	$ 41	$ 18	43.9 %
Average loan receivables, including held for sale	$ 76,821	$ 78,358	$ 79,452	$ 78,005	$ 78,697	$ (1,876)	(2.4)%	$ 77,585	$ 81,563	$ (3,978)	(4.9)%
Period-end active accounts (in thousands)[9][10]	66,892	65,219	68,540	64,800	63,430	3,462	5.5 %	66,892	63,430	3,462	5.5 %
Average active accounts (in thousands)[9][10]	65,810	66,280	66,261	64,270	64,836	974	1.5 %	66,163	68,401	(2,238)	(3.3)%
LIQUIDITY											
Liquid assets											
Cash and equivalents	$ 11,117	$ 16,620	$ 11,524	$ 13,552	$ 16,344	$ (5,227)	(32.0)%	$ 11,117	$ 16,344	$ (5,227)	(32.0)%
Total liquid assets	$ 16,297	$ 22,636	$ 18,321	$ 21,402	$ 22,352	$ (6,055)	(27.1)%	$ 16,297	$ 22,352	$ (6,055)	(27.1)%
Undrawn credit facilities											
Undrawn credit facilities	$ 4,900	$ 5,400	$ 5,400	$ 5,400	$ 5,650	$ (750)	(13.3)%	$ 4,900	$ 5,650	$ (750)	(13.3)%
Total liquid assets and undrawn credit facilities	$ 21,197	$ 28,036	$ 23,721	$ 26,802	$ 28,002	$ (6,805)	(24.3)%	$ 21,197	$ 28,002	$ (6,805)	(24.3)%
Liquid assets % of total assets	17.71 %	23.62 %	19.09 %	22.37 %	23.15 %		(5.44)%	17.71 %	23.15 %		(5.44)%
Liquid assets including undrawn credit facilities % of total assets	23.04 %	29.25 %	24.72 %	28.02 %	29.00 %		(5.96)%	23.04 %	29.00 %		(5.96)%

(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 available to common stockholders 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) Net interest margin represents net interest income divided by average interest-earning assets.
(5) Efficiency ratio represents (i) other expense, divided by (ii) net interest income, plus other income, less retailer share arrangements.
(6) Based on customer statement-end balances extrapolated to the respective period-end date.
(7) Allowance coverage ratio represents allowance for credit losses divided by total period-end loan receivables.
(8) 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.
(9) Includes activity and accounts associated with loan receivables held for sale.
(10) 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							Six Months Ended			
	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	2Q'21 vs. 2Q'20		Jun 30, 2021	Jun 30, 2020	YTD'21 vs. YTD'20	
Interest income:											
Interest and fees on loans	$ 3,567	$ 3,732	$ 3,981	$ 3,821	$ 3,808	$ (241)	(6.3)%	$ 7,299	$ 8,148	$ (849)	(10.4)%
Interest on cash and debt securities	11	10	12	16	22	(11)	(50.0)%	21	89	(68)	(76.4)%
Total interest income	3,578	3,742	3,993	3,837	3,830	(252)	(6.6)%	7,320	8,237	(917)	(11.1)%
Interest expense:											
Interest on deposits	146	170	200	245	293	(147)	(50.2)%	316	649	(333)	(51.3)%
Interest on borrowings of consolidated securitization entities	44	51	52	53	59	(15)	(25.4)%	95	132	(37)	(28.0)%
Interest on senior unsecured notes	76	82	82	82	82	(6)	(7.3)%	158	170	(12)	(7.1)%
Total interest expense	266	303	334	380	434	(168)	(38.7)%	569	951	(382)	(40.2)%
Net interest income	3,312	3,439	3,659	3,457	3,396	(84)	(2.5)%	6,751	7,286	(535)	(7.3)%
Retailer share arrangements	(1,006)	(989)	(1,047)	(899)	(773)	(233)	30.1 %	(1,995)	(1,699)	(296)	17.4 %
Provision for credit losses	(194)	334	750	1,210	1,673	(1,867)	(111.6)%	140	3,350	(3,210)	(95.8)%
Net interest income, after retailer share arrangements and provision for credit losses	2,500	2,116	1,862	1,348	950	1,550	163.2 %	4,616	2,237	2,379	106.3 %
Other income:											
Interchange revenue	223	171	185	172	134	89	66.4 %	394	295	99	33.6 %
Debt cancellation fees	66	69	72	68	69	(3)	(4.3)%	135	138	(3)	(2.2)%
Loyalty programs	(247)	(179)	(202)	(155)	(134)	(113)	84.3 %	(426)	(292)	(134)	45.9 %
Other	47	70	27	46	26	21	80.8 %	117	51	66	129.4 %
Total other income	89	131	82	131	95	(6)	(6.3)%	220	192	28	14.6 %
Other expense:											
Employee costs	359	364	347	382	327	32	9.8 %	723	651	72	11.1 %
Professional fees	189	190	186	187	189	—	— %	379	386	(7)	(1.8)%
Marketing and business development	114	95	139	107	91	23	25.3 %	209	202	7	3.5 %
Information processing	137	131	128	125	116	21	18.1 %	268	239	29	12.1 %
Other	149	152	200	266	263	(114)	(43.3)%	301	510	(209)	(41.0)%
Total other expense	948	932	1,000	1,067	986	(38)	(3.9)%	1,880	1,988	(108)	(5.4)%
Earnings before provision for income taxes	1,641	1,315	944	412	59	1,582	NM	2,956	441	2,515	NM
Provision for income taxes	399	290	206	99	11	388	NM	689	107	582	NM
Net earnings	$ 1,242	$ 1,025	$ 738	$ 313	$ 48	$ 1,194	NM	$ 2,267	$ 334	$ 1,933	NM
Net earnings available to common stockholders	$ 1,232	$ 1,014	$ 728	$ 303	$ 37	$ 1,195	NM	$ 2,246	$ 312	$ 1,934	NM

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

	Quarter Ended						
	Jun 30, 2021	**Mar 31, 2021**	**Dec 31, 2020**	**Sep 30, 2020**	**Jun 30, 2020**	**Jun 30, 2021 vs. Jun 30, 2020**	
Assets							
Cash and equivalents	$ 11,117	$ 16,620	$ 11,524	$ 13,552	$ 16,344	$ (5,227)	(32.0)%
Debt securities	5,728	6,550	7,469	8,432	6,623	(895)	(13.5)%
Loan receivables:							
Unsecuritized loans held for investment	55,994	53,823	56,472	52,613	52,629	3,365	6.4 %
Restricted loans of consolidated securitization entities	22,380	23,035	25,395	25,908	25,684	(3,304)	(12.9)%
Total loan receivables	78,374	76,858	81,867	78,521	78,313	61	0.1 %
Less: Allowance for credit losses	(9,023)	(9,901)	(10,265)	(10,146)	(9,802)	779	(7.9)%
Loan receivables, net	69,351	66,957	71,602	68,375	68,511	840	1.2 %
Loan receivables held for sale	—	23	5	4	4	(4)	(100.0)%
Goodwill	1,105	1,104	1,078	1,078	1,078	27	2.5 %
Intangible assets, net	1,098	1,169	1,125	1,091	1,166	(68)	(5.8)%
Other assets	3,618	3,431	3,145	3,126	2,818	800	28.4 %
Total assets	$ 92,017	$ 95,854	$ 95,948	$ 95,658	$ 96,544	$ (4,527)	(4.7)%
Liabilities and Equity							
Deposits:							
Interest-bearing deposit accounts	$ 59,500	$ 62,419	$ 62,469	$ 63,195	$ 63,857	$ (4,357)	(6.8)%
Non-interest-bearing deposit accounts	341	342	313	298	291	50	17.2 %
Total deposits	59,841	62,761	62,782	63,493	64,148	(4,307)	(6.7)%
Borrowings:							
Borrowings of consolidated securitization entities	6,987	7,193	7,810	7,809	8,109	(1,122)	(13.8)%
Senior unsecured notes	6,470	7,967	7,965	7,962	7,960	(1,490)	(18.7)%
Total borrowings	13,457	15,160	15,775	15,771	16,069	(2,612)	(16.3)%
Accrued expenses and other liabilities	4,522	4,494	4,690	4,295	4,428	94	2.1 %
Total liabilities	77,820	82,415	83,247	83,559	84,645	(6,825)	(8.1)%
Equity:							
Preferred stock	734	734	734	734	734	—	— %
Common stock	1	1	1	1	1	—	— %
Additional paid-in capital	9,620	9,592	9,570	9,552	9,532	88	0.9 %
Retained earnings	12,560	11,470	10,621	10,024	9,852	2,708	27.5 %
Accumulated other comprehensive income (loss)	(56)	(56)	(51)	(31)	(37)	(19)	51.4 %
Treasury stock	(8,662)	(8,302)	(8,174)	(8,181)	(8,183)	(479)	5.9 %
Total equity	14,197	13,439	12,701	12,099	11,899	2,298	19.3 %
Total liabilities and equity	$ 92,017	$ 95,854	$ 95,948	$ 95,658	$ 96,544	$ (4,527)	(4.7)%

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

	Quarter Ended														
	Jun 30, 2021			Mar 31, 2021			Dec 31, 2020			Sep 30, 2020			Jun 30, 2020		
	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	$ 13,584	$ 4	0.12 %	$ 14,610	$ 4	0.11 %	$ 11,244	$ 4	0.14 %	$ 13,664	$ 4	0.12 %	$ 15,413	$ 3	0.08 %
Securities available for sale	5,988	7	0.47 %	6,772	6	0.36 %	8,706	8	0.37 %	7,984	12	0.60 %	6,804	19	1.12 %
Loan receivables, including held for sale:															
Credit cards	72,989	3,484	19.15 %	74,865	3,657	19.81 %	76,039	3,908	20.45 %	74,798	3,752	19.96 %	75,942	3,740	19.81 %
Consumer installment loans	2,417	59	9.79 %	2,219	53	9.69 %	2,057	50	9.67 %	1,892	46	9.67 %	1,546	37	9.63 %
Commercial credit products	1,363	23	6.77 %	1,231	21	6.92 %	1,293	23	7.08 %	1,238	22	7.07 %	1,150	30	10.49 %
Other	52	1	NM	43	1	NM	63	—	— %	77	1	NM	59	1	NM
Total loan receivables, including held for sale	76,821	3,567	18.62 %	78,358	3,732	19.32 %	79,452	3,981	19.93 %	78,005	3,821	19.49 %	78,697	3,808	19.46 %
Total interest-earning assets	96,393	3,578	14.89 %	99,740	3,742	15.22 %	99,402	3,993	15.98 %	99,653	3,837	15.32 %	100,914	3,830	15.26 %
Non-interest-earning assets:															
Cash and due from banks	1,559			1,635			1,525			1,489			1,486		
Allowance for credit losses	(9,801)			(10,225)			(10,190)			(9,823)			(9,221)		
Other assets	5,238			5,305			5,228			5,021			4,779		
Total non-interest-earning assets	(3,004)			(3,285)			(3,437)			(3,313)			(2,956)		
Total assets	$ 93,389			$ 96,455			$ 95,965			$ 96,340			$ 97,958		
Liabilities															
Interest-bearing liabilities:															
Interest-bearing deposit accounts	$ 60,761	$ 146	0.96 %	$ 62,724	$ 170	1.10 %	$ 62,800	$ 200	1.27 %	$ 63,569	$ 245	1.53 %	$ 64,298	$ 293	1.83 %
Borrowings of consolidated securitization entities	7,149	44	2.47 %	7,694	51	2.69 %	7,809	52	2.65 %	8,057	53	2.62 %	8,863	59	2.68 %
Senior unsecured notes	7,276	76	4.19 %	7,965	82	4.18 %	7,963	82	4.10 %	7,960	82	4.10 %	7,958	82	4.14 %
Total interest-bearing liabilities	75,186	266	1.42 %	78,383	303	1.57 %	78,572	334	1.69 %	79,586	380	1.90 %	81,119	434	2.15 %
Non-interest-bearing liabilities															
Non-interest-bearing deposit accounts	349			346			308			307			309		
Other liabilities	4,199			4,655			4,663			4,308			4,349		
Total non-interest-bearing liabilities	4,548			5,001			4,971			4,615			4,658		
Total liabilities	79,734			83,384			83,543			84,201			85,777		
Equity															
Total equity	13,655			13,071			12,422			12,139			12,181		
Total liabilities and equity	$ 93,389			$ 96,455			$ 95,965			$ 96,340			$ 97,958		
Net interest income		$ 3,312			$ 3,439			$ 3,659			$ 3,457			$ 3,396	
Interest rate spread(1)			13.47 %			13.65 %			14.29 %			13.42 %			13.11 %
Net interest margin(2)			13.78 %			13.98 %			14.64 %			13.80 %			13.53 %

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

	Six Months Ended Jun 30, 2021			Six Months Ended Jun 30, 2020		
	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	$ 14,094	$ 8	0.11 %	$ 14,158	$ 45	0.64 %
Securities available for sale	6,378	13	0.41 %	6,379	44	1.39 %
Loan receivables, including held for sale:						
Credit cards	73,921	7,141	19.48 %	78,830	8,012	20.44 %
Consumer installment loans	2,319	112	9.74 %	1,489	72	9.72 %
Commercial credit products	1,297	44	6.84 %	1,196	63	10.59 %
Other	48	2	8.40 %	48	1	4.19 %
Total loan receivables, including held for sale	77,585	7,299	18.97 %	81,563	8,148	20.09 %
Total interest-earning assets	98,057	7,320	15.05 %	102,100	8,237	16.22 %
Non-interest-earning assets:						
Cash and due from banks	1,597			1,468		
Allowance for loan losses	(10,012)			(8,965)		
Other assets	5,272			4,737		
Total non-interest-earning assets	(3,143)			(2,760)		
Total assets	$ 94,914			$ 99,340		
Liabilities						
Interest-bearing liabilities:						
Interest-bearing deposit accounts	$ 61,737	$ 316	1.03 %	$ 64,332	$ 649	2.03 %
Borrowings of consolidated securitization entities	7,420	95	2.58 %	9,425	132	2.82 %
Senior unsecured notes	7,619	158	4.18 %	8,382	170	4.08 %
Total interest-bearing liabilities	76,776	569	1.49 %	82,139	951	2.33 %
Non-interest-bearing liabilities						
Non-interest-bearing deposit accounts	348			304		
Other liabilities	4,425			4,511		
Total non-interest-bearing liabilities	4,773			4,815		
Total liabilities	81,549			86,954		
Equity						
Total equity	13,365			12,386		
Total liabilities and equity	$ 94,914			$ 99,340		
Net interest income		$ 6,751			$ 7,286	
Interest rate spread(1)			13.56 %			13.89 %
Net interest margin(2)			13.88 %			14.35 %

(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						
	Jun 30, 2021	**Mar 31, 2021**	**Dec 31, 2020**	**Sep 30, 2020**	**Jun 30, 2020**	**Jun 30, 2021 vs. Jun 30, 2020**	
BALANCE SHEET STATISTICS							
Total common equity	$ 13,463	$ 12,705	$ 11,967	$ 11,365	$ 11,165	$ 2,298	20.6 %
Total common equity as a % of total assets	14.63 %	13.25 %	12.47 %	11.88 %	11.56 %		3.07 %
Tangible assets	$ 89,814	$ 93,581	$ 93,745	$ 93,489	$ 94,300	$ (4,486)	(4.8)%
Tangible common equity[1]	$ 11,260	$ 10,432	$ 9,764	$ 9,196	$ 8,921	$ 2,339	26.2 %
Tangible common equity as a % of tangible assets[1]	12.54 %	11.15 %	10.42 %	9.84 %	9.46 %		3.08 %
Tangible common equity per share[1]	$ 19.64	$ 17.95	$ 16.72	$ 15.75	$ 15.28	$ 4.36	28.5 %

REGULATORY CAPITAL RATIOS[2][3]

	Basel III - CECL Transition				
Total risk-based capital ratio[4]	20.1 %	19.7 %	18.1 %	18.1 %	17.6 %
Tier 1 risk-based capital ratio[5]	18.7 %	18.3 %	16.8 %	16.7 %	16.3 %
Tier 1 leverage ratio[6]	15.6 %	14.5 %	14.0 %	13.3 %	12.7 %
Common equity Tier 1 capital ratio	17.8 %	17.4 %	15.9 %	15.8 %	15.3 %

(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 ratios at June 30, 2021 are preliminary and therefore subject to change.

(3) Capital ratios starting March 31, 2020 reflect election to delay for two years an estimate of CECL's effect on regulatory capital in accordance with the interim final rule issued by U.S. banking agencies in March 2020.

(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					2Q'21 vs. 2Q'20		Six Months Ended		YTD'21 vs. YTD'20	
	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020			Jun 30, 2021	Jun 30, 2020		
HOME & AUTO											
Purchase volume[1]	$ 12,209	$ 9,915	$ 10,327	$ 10,653	$ 9,729	$ 2,480	25.5 %	$ 22,124	$ 18,833	$ 3,291	17.5 %
Period-end loan receivables	$ 26,111	$ 25,456	$ 26,494	$ 26,202	$ 25,875	$ 236	0.9 %	$ 26,111	$ 25,875	$ 236	0.9 %
Average loan receivables, including held for sale	$ 25,624	$ 25,785	$ 26,214	$ 25,908	$ 25,792	$ (168)	(0.7)%	$ 25,704	$ 26,396	$ (692)	(2.6)%
Average active accounts (in thousands)[3]	17,958	17,808	18,119	18,127	18,213	(255)	(1.4)%	17,906	18,465	(559)	(3.0)%
Interest and fees on loans	$ 1,014	$ 1,059	$ 1,147	$ 1,114	$ 1,079	$ (65)	(6.0)%	$ 2,073	$ 2,250	$ (177)	(7.9)%
Other income	$ 15	$ 15	$ 12	$ 14	$ 20	$ (5)	(25.0)%	$ 30	$ 32	$ (2)	(6.3)%
DIGITAL											
Purchase volume[1]	$ 10,930	$ 9,340	$ 11,005	$ 9,038	$ 8,439	$ 2,491	29.5 %	$ 20,270	$ 15,833	$ 4,437	28.0 %
Period-end loan receivables	$ 19,233	$ 18,907	$ 20,427	$ 18,922	$ 18,945	$ 288	1.5 %	$ 19,233	$ 18,945	$ 288	1.5 %
Average loan receivables, including held for sale	$ 18,783	$ 19,437	$ 19,392	$ 18,807	$ 19,062	$ (279)	(1.5)%	$ 19,108	$ 19,408	$ (300)	(1.5)%
Average active accounts (in thousands)[3]	17,258	17,318	16,898	16,440	16,414	844	5.1 %	17,298	16,462	836	5.1 %
Interest and fees on loans	$ 891	$ 903	$ 976	$ 915	$ 913	$ (22)	(2.4)%	$ 1,794	$ 1,910	$ (116)	(6.1)%
Other income	$ (28)	$ (12)	$ (26)	$ (16)	$ (8)	$ (20)	250.0 %	$ (40)	$ (12)	$ (28)	233.3 %
DIVERSIFIED & VALUE											
Purchase volume[1]	$ 11,618	$ 9,220	$ 11,267	$ 9,634	$ 7,683	$ 3,935	51.2 %	$ 20,838	$ 17,084	$ 3,754	22.0 %
Period-end loan receivables	$ 14,357	$ 14,217	$ 15,761	$ 14,825	$ 15,177	$ (820)	(5.4)%	$ 14,357	$ 15,177	$ (820)	(5.4)%
Average loan receivables, including held for sale	$ 14,101	$ 14,574	$ 15,024	$ 14,919	$ 15,425	$ (1,324)	(8.6)%	$ 14,336	$ 16,485	$ (2,149)	(13.0)%
Average active accounts (in thousands)[3]	17,301	17,457	17,324	16,307	16,626	675	4.1 %	17,446	18,806	(1,360)	(7.2)%
Interest and fees on loans	$ 729	$ 789	$ 822	$ 809	$ 849	$ (120)	(14.1)%	$ 1,518	$ 1,897	$ (379)	(20.0)%
Other income	$ (2)	$ 5	$ 20	$ 38	$ 17	$ (19)	(111.8)%	$ 3	$ 32	$ (29)	(90.6)%
HEALTH & WELLNESS											
Purchase volume[1]	$ 2,988	$ 2,648	$ 2,676	$ 2,738	$ 1,952	$ 1,036	53.1 %	$ 5,636	$ 4,611	$ 1,025	22.2 %
Period-end loan receivables	$ 9,515	$ 9,317	$ 9,580	$ 9,368	$ 9,222	$ 293	3.2 %	$ 9,515	$ 9,222	$ 293	3.2 %
Average loan receivables, including held for sale	$ 9,334	$ 9,442	$ 9,476	$ 9,245	$ 9,387	$ (53)	(0.6)%	$ 9,387	$ 9,823	$ (436)	(4.4)%
Average active accounts (in thousands)[3]	5,585	5,706	5,724	5,708	5,966	(381)	(6.4)%	5,642	6,153	(511)	(8.3)%
Interest and fees on loans	$ 523	$ 558	$ 589	$ 552	$ 535	$ (12)	(2.2)%	$ 1,081	$ 1,132	$ (51)	(4.5)%
Other income	$ 36	$ 40	$ 27	$ 32	$ 23	$ 13	56.5 %	$ 76	$ 48	$ 28	58.3 %
LIFESTYLE											
Purchase volume[1]	$ 1,405	$ 1,154	$ 1,383	$ 1,267	$ 1,286	$ 119	9.3 %	$ 2,559	$ 2,283	$ 276	12.1 %
Period-end loan receivables	$ 5,158	$ 4,988	$ 5,098	$ 4,842	$ 4,718	$ 440	9.3 %	$ 5,158	$ 4,718	$ 440	9.3 %
Average loan receivables, including held for sale	$ 5,050	$ 5,003	$ 4,920	$ 4,771	$ 4,551	$ 499	11.0 %	$ 5,027	$ 4,607	$ 420	9.1 %
Average active accounts (in thousands)[3]	2,442	2,573	2,536	2,404	2,462	(20)	(0.8)%	2,510	2,634	(124)	(4.7)%
Interest and fees on loans	$ 182	$ 181	$ 187	$ 180	$ 172	$ 10	5.8 %	$ 363	$ 367	$ (4)	(1.1)%
Other income	$ 6	$ 5	$ 6	$ 5	$ 4	$ 2	50.0 %	$ 11	$ 9	$ 2	22.2 %
CORP, OTHER[4]											
Purchase volume[1][2]	$ 2,971	$ 2,472	$ 3,216	$ 2,683	$ 2,066	$ 905	43.8 %	$ 5,443	$ 4,553	$ 890	19.5 %
Period-end loan receivables	$ 4,000	$ 3,973	$ 4,507	$ 4,362	$ 4,376	$ (376)	(8.6)%	$ 4,000	$ 4,376	$ (376)	(8.6)%
Average loan receivables, including held for sale	$ 3,929	$ 4,117	$ 4,426	$ 4,355	$ 4,480	$ (551)	(12.3)%	$ 4,023	$ 4,844	$ (821)	(16.9)%
Average active accounts (in thousands)[2][3]	5,266	5,418	5,660	5,284	5,155	111	2.2 %	5,361	5,881	(520)	(8.8)%
Interest and fees on loans	$ 228	$ 242	$ 260	$ 251	$ 260	$ (32)	(12.3)%	$ 470	$ 592	$ (122)	(20.6)%
Other income	$ 62	$ 78	$ 43	$ 58	$ 39	$ 23	59.0 %	$ 140	$ 83	$ 57	68.7 %
TOTAL SYF											
Purchase volume[1][2]	$ 42,121	$ 34,749	$ 39,874	$ 36,013	$ 31,155	$ 10,966	35.2 %	$ 76,870	$ 63,197	$ 13,673	21.6 %
Period-end loan receivables	$ 78,374	$ 76,858	$ 81,867	$ 78,521	$ 78,313	$ 61	0.1 %	$ 78,374	$ 78,313	$ 61	0.1 %
Average loan receivables, including held for sale	$ 76,821	$ 78,358	$ 79,452	$ 78,005	$ 78,697	$ (1,876)	(2.4)%	$ 77,585	$ 81,563	$ (3,978)	(4.9)%
Average active accounts (in thousands)[2][3]	65,810	66,280	66,261	64,270	64,836	974	1.5 %	66,163	68,401	(2,238)	(3.3)%
Interest and fees on loans	$ 3,567	$ 3,732	$ 3,981	$ 3,821	$ 3,808	$ (241)	(6.3)%	$ 7,299	$ 8,148	$ (849)	(10.4)%
Other income	$ 89	$ 131	$ 82	$ 131	$ 95	$ (6)	(6.3)%	$ 220	$ 192	$ 28	14.6 %

(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.

(4) Includes activity and balances associated with our program agreement with GAP Inc. which is scheduled to expire in April 2022.

SYNCHRONY FINANCIAL

RECONCILIATION OF NON-GAAP MEASURES AND CALCULATIONS OF REGULATORY MEASURES[1]

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

	Quarter Ended				
	Jun 30, 2021	**Mar 31, 2021**	**Dec 31, 2020**	**Sep 30, 2020**	**Jun 30, 2020**
COMMON EQUITY AND REGULATORY CAPITAL MEASURES[2]					
GAAP Total equity	$ 14,197	$ 13,439	$ 12,701	$ 12,099	$ 11,899
Less: Preferred stock	(734)	(734)	(734)	(734)	(734)
Less: Goodwill	(1,105)	(1,104)	(1,078)	(1,078)	(1,078)
Less: Intangible assets, net	(1,098)	(1,169)	(1,125)	(1,091)	(1,166)
Tangible common equity	$ 11,260	$ 10,432	$ 9,764	$ 9,196	$ 8,921
Add: CECL transition amount	2,376	2,595	2,686	2,656	2,570
Adjustments for certain deferred tax liabilities and certain items in accumulated comprehensive income (loss)	301	354	341	305	302
Common equity Tier 1	$ 13,937	$ 13,381	$ 12,791	$ 12,157	$ 11,793
Preferred stock	734	734	734	734	734
Tier 1 capital	$ 14,671	$ 14,115	$ 13,525	$ 12,891	$ 12,527
Add: Allowance for credit losses includible in risk-based capital	1,039	1,031	1,079	1,034	1,031
Total Risk-based capital	$ 15,710	$ 15,146	$ 14,604	$ 13,925	$ 13,558
ASSET MEASURES[2]					
Total average assets	$ 93,389	$ 96,455	$ 95,965	$ 96,340	$ 97,958
Adjustments for:					
Add: CECL transition amount	2,376	2,595	2,686	2,656	2,570
Disallowed goodwill and other disallowed intangible assets (net of related deferred tax liabilities) and other	(1,965)	(1,987)	(1,924)	(1,906)	(1,980)
Total assets for leverage purposes	$ 93,800	$ 97,063	$ 96,727	$ 97,090	$ 98,548
Risk-weighted assets	$ 78,281	$ 76,965	$ 80,561	$ 76,990	$ 77,048
CECL FULLY PHASED-IN CAPITAL MEASURES					
Tier 1 capital	$ 14,671	$ 14,115	$ 13,525	$ 12,891	$ 12,527
Less: CECL transition adjustment	(2,376)	(2,595)	(2,686)	(2,656)	(2,570)
Tier 1 capital (CECL fully phased-in)	$ 12,295	$ 11,520	$ 10,839	$ 10,235	$ 9,957
Add: Allowance for credit losses	9,023	9,901	10,265	10,146	9,802
Tier 1 capital (CECL fully phased-in) + Reserves for credit losses	$ 21,318	$ 21,421	$ 21,104	$ 20,381	$ 19,759
Risk-weighted assets	$ 78,281	$ 76,965	$ 80,561	$ 76,990	$ 77,048
Less: CECL transition adjustment	(2,166)	(2,386)	(2,477)	(2,447)	(2,361)
Risk-weighted assets (CECL fully phased-in)	$ 76,115	$ 74,579	$ 78,084	$ 74,543	$ 74,687
TANGIBLE COMMON EQUITY PER SHARE					
GAAP book value per share	$ 23.48	$ 21.86	$ 20.49	$ 19.47	$ 19.13
Less: Goodwill	(1.93)	(1.90)	(1.85)	(1.85)	(1.85)
Less: Intangible assets, net	(1.91)	(2.01)	(1.92)	(1.87)	(2.00)
Tangible common equity per share	$ 19.64	$ 17.95	$ 16.72	$ 15.75	$ 15.28

(1) Regulatory measures at June 30, 2021 are presented on an estimated basis.

(2) Capital ratios starting March 31, 2020 reflect election to delay for two years an estimate of CECL's effect on regulatory capital in accordance with the interim final rule issued by U.S. banking agencies in March 2020.