For Immediate Release
Synchrony Financial (NYSE: SYF)
April 18, 2022

FIRST QUARTER 2022 RESULTS AND KEY METRICS

4.0%	15.0%	$1.1B
Return on Assets	CET1 Ratio	Capital Returned

$83.0B

Loans
includes Loan Receivables of $78.9B and loans HFS of $4.0B

Net Earnings of $932 Million or $1.77 Per Diluted Share

Consumer remains strong, leading to broad-based purchase volume and loan growth, and strong credit trends

Board approved an incremental $2.8 billion share repurchase authorization and, effective third quarter 2022, a planned 5% increase in regular common dividend

STAMFORD, Conn. – Synchrony Financial (NYSE: SYF) today announced first quarter 2022 net earnings of $932 million, or $1.77 per diluted share, compared to $1.0 billion, or $1.73 per diluted share in the first quarter 2021. First quarter 2022 net earnings included a $22 million post-tax benefit, or $0.04 per diluted share, due to reserve reductions related to held for sale portfolios.

KEY OPERATING & FINANCIAL METRICS*

PURCHASE VOLUME AND CREDIT TRENDS REFLECT CONSUMER STRENGTH, DRIVING CONTINUED STRONG PERFORMANCE

- Purchase volume increased 17% to $40.5 billion
- Loans of $83.0 billion, including $78.9 billion of loan receivables and $4.0 billion of loan receivables held for sale, increased 8%
- Average active accounts increased 6% to 70.1 million
- New accounts increased 10% to 5.5 million
- Net interest margin increased 182 basis points to 15.80%
- Efficiency ratio increased 110 basis points to 37.2%
- Return on assets decreased 30 basis points to 4.0%
- Return on equity decreased 430 basis points to 27.5%

CEO COMMENTARY

"Synchrony's first quarter results reflected both the core strengths of our business and the continued execution of our key strategic priorities," said Brian Doubles, Synchrony's President and Chief Executive Officer.

"We deeply understand the needs and expectations of our customers and partners, which enables us to deliver financing solutions and experiences that strongly resonate — building long-lasting relationships and greater value over time.

"Synchrony's differentiated business model consistently positions us as the partner of choice. Whether we are powering financing experiences for local merchants, healthcare providers or national brands, we are able to meet our customers where, when and however they want to be met. The scalability of our technology platform, the breadth of our product suite and the depth of our lending insights across many industries, positions us to consistently deliver sustainable and attractive outcomes for all our stakeholders."

BUSINESS AND FINANCIAL RESULTS FOR THE FIRST QUARTER OF 2022*

CFO COMMENTARY

"Synchrony's strong first quarter results demonstrated the value we provide to our customers and partners, alike," said Brian Wenzel, Synchrony's Executive Vice President and Chief Financial Officer.

"We achieved double-digit growth in purchase volume across four of our five sales platforms, and loan receivables growth accelerated across all five, thanks in part to some moderation in payment rate.

"Credit trends continued to reflect both the health of the consumer and the resilience that comes from our sophisticated underwriting capabilities.

"As loss levels gradually normalize toward our optimal underwriting target, interest income and receivables will continue to grow and RSA's will moderate — enabling our business to continue to generate financial results within a consistent, peer-leading range of returns."

BUSINESS HIGHLIGHTS

CONTINUED TO EXPAND PORTFOLIO AND EXTEND CUSTOMER REACH

- Added or renewed more than 15 programs, including Generac Power Systems, Mattress Warehouse, Guitar Center and NAPA Auto Care
- Broadened CareCredit network through multi-year strategic partnership with Mercyhealth to expand patient financing options
- Launched ability to pay for Electric Vehicle charging with Synchrony Car Care credit cards

FINANCIAL HIGHLIGHTS

EARNINGS GROWTH DRIVEN BY STRENGTH ACROSS KEY BUSINESS DRIVERS

- Interest and fees on loans increased 7% to $4 billion, primarily driven by growth in average loan receivables.
- Net interest income increased $350 million, or 10%, to $3.8 billion, mainly due to higher interest and fees on loans and decrease in interest expense.
- Retailer share arrangements increased $115 million, or 12%, to $1.1 billion, primarily driven by strong program performance.
- Provision for credit losses increased $187 million, or 56%, to $521 million, driven by a lower reserve release compared to prior year and partially offset by lower net charge-offs.
- Other income decreased $23 million, or 18%, to $108 million, primarily reflecting higher loyalty costs associated with higher purchase volume, and lower investment gains.
- Other expense increased $107 million, or 11%, to $1.0 billion, driven by higher employee, marketing and business development, and technology costs. Other expense also included the impact of $10 million related to certain employee and legal matters.
- Net earnings decreased to $932 million, including a $22 million post-tax benefit, or $0.04 per diluted share, due to reserve reductions related to the held for sale portfolios.

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 2.78% compared to 2.83% last year, reflecting a decrease of 5 basis points. Excluding the impact of the held for sale portfolios from both periods, the year over year decline was approximately 15 basis points.
- Net charge-offs as a percentage of total average loan receivables were 2.73% compared to 3.62% last year, reflecting a decrease of 89 basis points.
- The allowance for credit losses as a percentage of total period-end loan receivables was 10.96% compared to 10.76% in the fourth quarter 2021.

SALES PLATFORM HIGHLIGHTS

DIVERSITY ACROSS OUR PLATFORMS CONTINUES TO PROVIDE RESILIENCE

- Home & Auto purchase volume increased 10%, reflecting continued strength in Home and an improvement in Auto. Period-end loan receivables increased 6%, as strong customer spend was partially offset by elevated payment rates. Interest and fees on loans were up by 5% compared to the prior year. Average active accounts also increased 2%.
- Digital purchase volume increased 20%, generally reflecting higher cardholder engagement across our established programs as well as continued momentum in our recently launched programs. Period-end loan receivables increased 11%, reflecting the impact of strong purchase volume that was partially offset by high payment rates. Interest and fees on loans increased 13%, driven primarily by loan receivables growth. Average active accounts increased 10%, reflecting particular strength among our established programs.
- Diversified & Value purchase volume increased 25%, reflecting strong retailer performance and higher customer engagement. Period-end loan receivables increased 7% reflecting continued strength in purchase volume, partially offset by high payment rates. Interest and fees on loans increased 5%, driven by loan receivables growth, and average active accounts increased 10%.
- Health & Wellness purchase volume increased 17%, reflecting strength across the network, particularly in Dental, given the benefit of increases in patient volume compared to the prior year. Period-end loan receivables increased 12%, as strong purchase volume was partially offset by high payment rates throughout the prior year. Interest and fees on loans increased 10%, driven primarily by loan receivables growth, and average active accounts increased 6%.
- Lifestyle purchase volume increased 4%, reflecting strong retailer sales and growth in Music and Specialty, partially offset by the ongoing impact of inventory shortages in Power and particularly strong growth in the year ago period. Period-end loan receivables increased 8%, reflecting the impact of several quarters of strong purchase volume and the longer-term nature of the financing products. Interest and fees on loans increased 6%, driven primarily by loan receivables growth, and average active accounts were relatively flat.

BALANCE SHEET, LIQUIDITY & CAPITAL

FUNDING, CAPITAL & LIQUIDITY REMAIN ROBUST

- Loans of $83.0 billion, including $78.9 billion of loan receivables and $4.0 billion of loan receivables held for sale, increased 8%; purchase volume increased 17% and average active accounts increased 6%.
- Deposits increased $814 million, or 1%, to $63.6 billion and comprised 83% of funding.
- Total liquidity (liquid assets and undrawn credit facilities) of $17.8 billion, or 18.7% of total assets.
- The company returned $1.1 billion in capital to shareholders, including $967 million of share repurchases and $114 million of common stock dividends.
- The Company's Board approved an incremental share repurchase authorization of $2.8 billion for the period ending June 2023. Inclusive of the $251 million of remaining authorization at March 31, 2022, the Company has a total share repurchase authorization of $3.1 billion.
- The Company's Board approved a 5% increase of the common dividend to $0.23 per share effective in third quarter 2022.
- The estimated Common Equity Tier 1 ratio was 15.0% compared to 17.4%, and the estimated Tier 1 Capital ratio was 15.9% compared to 18.3%. The first year phase-in of the impact of CECL on our regulatory capital resulted in a reduction to our CET1 ratio of approximately 60 basis points.

* *All comparisons are for the first quarter of 2022 compared to the first quarter of 2021, 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, 2021, as filed February 10, 2022, and the Company's forthcoming Quarterly Report on Form 10-Q for the quarter ended March 31, 2022. 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 Monday, April 18, 2022, 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 delivering one of the industry's most complete digitally-enabled product suites. Our experience, expertise and scale encompass a broad spectrum of industries including digital, health and wellness, retail, telecommunications, home, auto, powersports, pet and more. We have an established and diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations and healthcare service providers, which we refer to as our "partners." We connect our partners and consumers through our dynamic financial ecosystem and provide them with a diverse set of financing solutions and innovative digital capabilities to address their specific needs and deliver seamless, omnichannel experiences. We offer the right financing products to the right customers in their channel of choice.

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

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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, 2021, as filed on February 10, 2022. 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						
	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	1Q'22 vs. 1Q'21	
EARNINGS							
Net interest income	$ 3,789	$ 3,830	$ 3,658	$ 3,312	$ 3,439	$ 350	10.2 %
Retailer share arrangements	(1,104)	(1,267)	(1,266)	(1,006)	(989)	(115)	11.6 %
Provision for credit losses	521	561	25	(194)	334	187	56.0 %
Net interest income, after retailer share arrangements and provision for credit losses	2,164	2,002	2,367	2,500	2,116	48	2.3 %
Other income	108	167	94	89	131	(23)	(17.6)%
Other expense	1,039	1,122	961	948	932	107	11.5 %
Earnings before provision for income taxes	1,233	1,047	1,500	1,641	1,315	(82)	(6.2)%
Provision for income taxes	301	234	359	399	290	11	3.8 %
Net earnings	$ 932	$ 813	$ 1,141	$ 1,242	$ 1,025	$ (93)	(9.1)%
Net earnings available to common stockholders	$ 922	$ 803	$ 1,130	$ 1,232	$ 1,014	$ (92)	(9.1)%
COMMON SHARE STATISTICS							
Basic EPS	$ 1.79	$ 1.49	$ 2.02	$ 2.13	$ 1.74	$ 0.05	2.9 %
Diluted EPS	$ 1.77	$ 1.48	$ 2.00	$ 2.12	$ 1.73	$ 0.04	2.3 %
Dividend declared per share	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ —	— %
Common stock price	$ 34.82	$ 46.39	$ 48.88	$ 48.52	$ 40.66	$ (5.84)	(14.4)%
Book value per share	$ 25.06	$ 24.53	$ 24.13	$ 23.48	$ 21.86	$ 3.20	14.6 %
Tangible common equity per share(1)	$ 20.60	$ 20.21	$ 20.12	$ 19.64	$ 17.95	$ 2.65	14.8 %
Beginning common shares outstanding	526.8	547.2	573.4	581.1	584.0	(57.2)	(9.8)%
Issuance of common shares	—	—	—	—	—	—	— %
Stock-based compensation	1.4	0.1	0.5	1.0	2.2	(0.8)	(36.4)%
Shares repurchased	(22.0)	(20.5)	(26.7)	(8.7)	(5.1)	(16.9)	NM
Ending common shares outstanding	506.2	526.8	547.2	573.4	581.1	(74.9)	(12.9)%
Weighted average common shares outstanding	515.3	537.8	560.6	577.2	583.3	(68.0)	(11.7)%
Weighted average common shares outstanding (fully diluted)	519.5	543.0	565.6	581.7	587.5	(68.0)	(11.6)%

(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					1Q'22 vs. 1Q'21	
	Mar 31, 2022	**Dec 31, 2021**	**Sep 30, 2021**	**Jun 30, 2021**	**Mar 31, 2021**		
PERFORMANCE METRICS							
Return on assets[1]	4.0 %	3.4 %	4.9 %	5.3 %	4.3 %		(0.3)%
Return on equity[2]	27.5 %	23.0 %	32.1 %	36.5 %	31.8 %		(4.3)%
Return on tangible common equity[3]	34.9 %	28.7 %	40.1 %	46.3 %	40.8 %		(5.9)%
Net interest margin[4]	15.80 %	15.77 %	15.45 %	13.78 %	13.98 %		1.82 %
Efficiency ratio[5]	37.2 %	41.1 %	38.7 %	39.6 %	36.1 %		1.1 %
Other expense as a % of average loan receivables, including held for sale	5.09 %	5.44 %	4.84 %	4.95 %	4.82 %		0.27 %
Effective income tax rate	24.4 %	22.3 %	23.9 %	24.3 %	22.1 %		2.3 %
CREDIT QUALITY METRICS							
Net charge-offs as a % of average loan receivables, including held for sale	2.73 %	2.37 %	2.18 %	3.57 %	3.62 %		(0.89)%
30+ days past due as a % of period-end loan receivables[6]	2.78 %	2.62 %	2.42 %	2.11 %	2.83 %		(0.05)%
90+ days past due as a % of period-end loan receivables[6]	1.30 %	1.17 %	1.05 %	1.00 %	1.52 %		(0.22)%
Net charge-offs	$ 558	$ 489	$ 432	$ 684	$ 699	$ (141)	(20.2)%
Loan receivables delinquent over 30 days[6]	$ 2,194	$ 2,114	$ 1,850	$ 1,653	$ 2,175	$ 19	0.9 %
Loan receivables delinquent over 90 days[6]	$ 1,026	$ 942	$ 804	$ 784	$ 1,170	$ (144)	(12.3)%
Allowance for credit losses (period-end)	$ 8,651	$ 8,688	$ 8,616	$ 9,023	$ 9,901	$ (1,250)	(12.6)%
Allowance coverage ratio[7]	10.96 %	10.76 %	11.28 %	11.51 %	12.88 %		(1.92)%
BUSINESS METRICS							
Purchase volume[8][9]	$ 40,490	$ 47,072	$ 41,912	$ 42,121	$ 34,749	$ 5,741	16.5 %
Period-end loan receivables	$ 78,916	$ 80,740	$ 76,388	$ 78,374	$ 76,858	$ 2,058	2.7 %
Credit cards	$ 74,596	$ 76,628	$ 72,289	$ 74,429	$ 73,244	$ 1,352	1.8 %
Consumer installment loans	$ 2,719	$ 2,675	$ 2,614	$ 2,507	$ 2,319	$ 400	17.2 %
Commercial credit products	$ 1,530	$ 1,372	$ 1,401	$ 1,379	$ 1,248	$ 282	22.6 %
Other	$ 71	$ 65	$ 84	$ 59	$ 47	$ 24	51.1 %
Average loan receivables, including held for sale	$ 82,747	$ 81,784	$ 78,714	$ 76,821	$ 78,358	$ 4,389	5.6 %
Period-end active accounts (in thousands)[9][10]	69,122	72,420	67,245	66,892	65,219	3,903	6.0 %
Average active accounts (in thousands)[9][10]	70,127	69,397	67,189	65,810	66,280	3,847	5.8 %
LIQUIDITY							
Liquid assets							
Cash and equivalents	$ 10,541	$ 8,337	$ 9,806	$ 11,117	$ 16,620	$ (6,079)	(36.6)%
Total liquid assets	$ 14,687	$ 12,989	$ 14,664	$ 16,297	$ 22,636	$ (7,949)	(35.1)%
Undrawn credit facilities							
Undrawn credit facilities	$ 3,100	$ 2,700	$ 3,700	$ 4,900	$ 5,400	$ (2,300)	(42.6)%
Total liquid assets and undrawn credit facilities	$ 17,787	$ 15,689	$ 18,364	$ 21,197	$ 28,036	$ (10,249)	(36.6)%
Liquid assets % of total assets	15.42 %	13.57 %	15.95 %	17.71 %	23.62 %		(8.20)%
Liquid assets including undrawn credit facilities % of total assets	18.67 %	16.39 %	19.97 %	23.04 %	29.25 %		(10.58)%

(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						
	Mar 31, 2022	**Dec 31, 2021**	**Sep 30, 2021**	**Jun 30, 2021**	**Mar 31, 2021**	**1Q'22 vs. 1Q'21**	
Interest income:							
Interest and fees on loans	$ 4,008	$ 4,042	$ 3,887	$ 3,567	$ 3,732	$ 276	7.4 %
Interest on cash and debt securities	14	11	11	11	10	4	40.0 %
Total interest income	4,022	4,053	3,898	3,578	3,742	280	7.5 %
Interest expense:							
Interest on deposits	127	119	131	146	170	(43)	(25.3)%
Interest on borrowings of consolidated securitization entities	33	33	41	44	51	(18)	(35.3)%
Interest on senior unsecured notes	73	71	68	76	82	(9)	(11.0)%
Total interest expense	233	223	240	266	303	(70)	(23.1)%
Net interest income	3,789	3,830	3,658	3,312	3,439	350	10.2 %
Retailer share arrangements	(1,104)	(1,267)	(1,266)	(1,006)	(989)	(115)	11.6 %
Provision for credit losses	521	561	25	(194)	334	187	56.0 %
Net interest income, after retailer share arrangements and provision for credit losses	2,164	2,002	2,367	2,500	2,116	48	2.3 %
Other income:							
Interchange revenue	230	254	232	223	171	59	34.5 %
Debt cancellation fees	89	79	70	66	69	20	29.0 %
Loyalty programs	(258)	(310)	(256)	(247)	(179)	(79)	44.1 %
Other	47	144	48	47	70	(23)	(32.9)%
Total other income	108	167	94	89	131	(23)	(17.6)%
Other expense:							
Employee costs	402	409	369	359	364	38	10.4 %
Professional fees	210	207	196	189	190	20	10.5 %
Marketing and business development	116	167	110	114	95	21	22.1 %
Information processing	145	143	139	137	131	14	10.7 %
Other	166	196	147	149	152	14	9.2 %
Total other expense	1,039	1,122	961	948	932	107	11.5 %
Earnings before provision for income taxes	1,233	1,047	1,500	1,641	1,315	(82)	(6.2)%
Provision for income taxes	301	234	359	399	290	11	3.8 %
Net earnings	$ 932	$ 813	$ 1,141	$ 1,242	$ 1,025	$ (93)	(9.1)%
Net earnings available to common stockholders	$ 922	$ 803	$ 1,130	$ 1,232	$ 1,014	$ (92)	(9.1)%

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

	Quarter Ended						
	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Mar 31, 2022 vs. Mar 31, 2021	
Assets							
Cash and equivalents	$ 10,541	$ 8,337	$ 9,806	$ 11,117	$ 16,620	$ (6,079)	(36.6)%
Debt securities	4,677	5,283	5,444	5,728	6,550	(1,873)	(28.6)%
Loan receivables:							
Unsecuritized loans held for investment	59,643	60,211	56,745	55,994	53,823	5,820	10.8 %
Restricted loans of consolidated securitization entities	19,273	20,529	19,643	22,380	23,035	(3,762)	(16.3)%
Total loan receivables	78,916	80,740	76,388	78,374	76,858	2,058	2.7 %
Less: Allowance for credit losses	(8,651)	(8,688)	(8,616)	(9,023)	(9,901)	1,250	(12.6)%
Loan receivables, net	70,265	72,052	67,772	69,351	66,957	3,308	4.9 %
Loan receivables held for sale	4,046	4,361	3,450	—	23	4,023	NM
Goodwill	1,105	1,105	1,105	1,105	1,104	1	0.1 %
Intangible assets, net	1,149	1,168	1,090	1,098	1,169	(20)	(1.7)%
Other assets	3,484	3,442	3,270	3,618	3,431	53	1.5 %
Total assets	$ 95,267	$ 95,748	$ 91,937	$ 92,017	$ 95,854	$ (587)	(0.6)%
Liabilities and Equity							
Deposits:							
Interest-bearing deposit accounts	$ 63,180	$ 61,911	$ 59,998	$ 59,500	$ 62,419	$ 761	1.2 %
Non-interest-bearing deposit accounts	395	359	355	341	342	53	15.5 %
Total deposits	63,575	62,270	60,353	59,841	62,761	814	1.3 %
Borrowings:							
Borrowings of consolidated securitization entities	6,139	7,288	6,288	6,987	7,193	(1,054)	(14.7)%
Senior unsecured notes	7,221	7,219	6,472	6,470	7,967	(746)	(9.4)%
Total borrowings	13,360	14,507	12,760	13,457	15,160	(1,800)	(11.9)%
Accrued expenses and other liabilities	4,914	5,316	4,888	4,522	4,494	420	9.3 %
Total liabilities	81,849	82,093	78,001	77,820	82,415	(566)	(0.7)%
Equity:							
Preferred stock	734	734	734	734	734	—	— %
Common stock	1	1	1	1	1	—	— %
Additional paid-in capital	9,643	9,669	9,649	9,620	9,592	51	0.5 %
Retained earnings	15,003	14,245	13,562	12,560	11,470	3,533	30.8 %
Accumulated other comprehensive income (loss)	(121)	(69)	(64)	(56)	(56)	(65)	116.1 %
Treasury stock	(11,842)	(10,925)	(9,946)	(8,662)	(8,302)	(3,540)	42.6 %
Total equity	13,418	13,655	13,936	14,197	13,439	(21)	(0.2)%
Total liabilities and equity	$ 95,267	$ 95,748	$ 91,937	$ 92,017	$ 95,854	$ (587)	(0.6)%

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

	Quarter Ended														
	Mar 31, 2022			Dec 31, 2021			Sep 30, 2021			Jun 30, 2021			Mar 31, 2021		
	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	$ 8,976	$ 5	0.23 %	$ 9,024	$ 4	0.18 %	$ 9,559	$ 3	0.12 %	$ 13,584	$ 4	0.12 %	$ 14,610	$ 4	0.11 %
Securities available for sale	5,513	9	0.66 %	5,517	7	0.50 %	5,638	8	0.56 %	5,988	7	0.47 %	6,772	6	0.36 %
Loan receivables, including held for sale:															
Credit cards	78,564	3,913	20.20 %	77,642	3,946	20.16 %	74,686	3,793	20.15 %	72,989	3,484	19.15 %	74,865	3,657	19.81 %
Consumer installment loans	2,682	66	9.98 %	2,641	65	9.76 %	2,555	64	9.94 %	2,417	59	9.79 %	2,219	53	9.69 %
Commercial credit products	1,434	28	7.92 %	1,434	30	8.30 %	1,407	29	8.18 %	1,363	23	6.77 %	1,231	21	6.92 %
Other	67	1	NM	67	1	NM	66	1	NM	52	1	NM	43	1	NM
Total loan receivables, including held for sale	82,747	4,008	19.64 %	81,784	4,042	19.61 %	78,714	3,887	19.59 %	76,821	3,567	18.62 %	78,358	3,732	19.32 %
Total interest-earning assets	97,236	4,022	16.78 %	96,325	4,053	16.69 %	93,911	3,898	16.47 %	96,393	3,578	14.89 %	99,740	3,742	15.22 %
Non-interest-earning assets:															
Cash and due from banks	1,626			1,606			1,588			1,559			1,635		
Allowance for credit losses	(8,675)			(8,648)			(8,956)			(9,801)			(10,225)		
Other assets	5,369			5,424			5,405			5,238			5,305		
Total non-interest-earning assets	(1,680)			(1,618)			(1,963)			(3,004)			(3,285)		
Total assets	$ 95,556			$ 94,707			$ 91,948			$ 93,389			$ 96,455		
Liabilities															
Interest-bearing liabilities:															
Interest-bearing deposit accounts	$ 62,314	$ 127	0.83 %	$ 61,090	$ 119	0.77 %	$ 59,275	$ 131	0.88 %	$ 60,761	$ 146	0.96 %	$ 62,724	$ 170	1.10 %
Borrowings of consolidated securitization entities	6,827	33	1.96 %	7,105	33	1.84 %	7,051	41	2.31 %	7,149	44	2.47 %	7,694	51	2.69 %
Senior unsecured notes	7,219	73	4.10 %	6,999	71	4.02 %	6,471	68	4.17 %	7,276	76	4.19 %	7,965	82	4.18 %
Total interest-bearing liabilities	76,360	233	1.24 %	75,194	223	1.18 %	72,797	240	1.31 %	75,186	266	1.42 %	78,383	303	1.57 %
Non-interest-bearing liabilities															
Non-interest-bearing deposit accounts	374			343			358			349			346		
Other liabilities	5,091			5,137			4,676			4,199			4,655		
Total non-interest-bearing liabilities	5,465			5,480			5,034			4,548			5,001		
Total liabilities	81,825			80,674			77,831			79,734			83,384		
Equity															
Total equity	13,731			14,033			14,117			13,655			13,071		
Total liabilities and equity	$ 95,556			$ 94,707			$ 91,948			$ 93,389			$ 96,455		
Net interest income		$ 3,789			$ 3,830			$ 3,658			$ 3,312			$ 3,439	
Interest rate spread(1)			15.54 %			15.51 %			15.16 %			13.47 %			13.65 %
Net interest margin(2)			15.80 %			15.77 %			15.45 %			13.78 %			13.98 %

(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, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Mar 31, 2022 vs. Mar 31, 2021	
BALANCE SHEET STATISTICS							
Total common equity	$ 12,684	$ 12,921	$ 13,202	$ 13,463	$ 12,705	$ (21)	(0.2)%
Total common equity as a % of total assets	13.31 %	13.49 %	14.36 %	14.63 %	13.25 %		0.06 %
Tangible assets	$ 93,013	$ 93,475	$ 89,742	$ 89,814	$ 93,581	$ (568)	(0.6)%
Tangible common equity[1]	$ 10,430	$ 10,648	$ 11,007	$ 11,260	$ 10,432	$ (2)	— %
Tangible common equity as a % of tangible assets[1]	11.21 %	11.39 %	12.27 %	12.54 %	11.15 %		0.06 %
Tangible common equity per share[1]	$ 20.60	$ 20.21	$ 20.12	$ 19.64	$ 17.95	$ 2.65	14.8 %

REGULATORY CAPITAL RATIOS[2][3]

	Basel III - CECL Transition				
Total risk-based capital ratio[4]	17.2 %	17.8 %	19.3 %	20.1 %	19.7 %
Tier 1 risk-based capital ratio[5]	15.9 %	16.5 %	18.0 %	18.7 %	18.3 %
Tier 1 leverage ratio[6]	13.9 %	14.7 %	15.5 %	15.6 %	14.5 %
Common equity Tier 1 capital ratio	15.0 %	15.6 %	17.1 %	17.8 %	17.4 %

(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 March 31, 2022 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, unrounded, $ in millions)

	Quarter Ended						
	Mar 31, 2022	**Dec 31, 2021**	**Sep 30, 2021**	**Jun 30, 2021**	**Mar 31, 2021**	**1Q'22 vs. 1Q'21**	
HOME & AUTO[6]							
Purchase volume[1]	$ 10,260	$ 10,919	$ 11,069	$ 11,523	$ 9,337	$ 923	9.9 %
Period-end loan receivables	$ 26,532	$ 26,781	$ 26,210	$ 25,588	$ 24,942	$ 1,590	6.4 %
Average loan receivables, including held for sale	$ 26,406	$ 26,455	$ 25,800	$ 25,111	$ 25,273	$ 1,133	4.5 %
Average active accounts (in thousands)[3]	17,473	17,655	17,516	17,307	17,149	324	1.9 %
Interest and fees on loans	$ 1,088	$ 1,126	$ 1,092	$ 993	$ 1,036	$ 52	5.0 %
Other income	$ 21	$ 18	$ 18	$ 16	$ 17	$ 4	23.5 %
DIGITAL							
Purchase volume[1]	$ 11,196	$ 13,451	$ 10,980	$ 10,930	$ 9,340	$ 1,856	19.9 %
Period-end loan receivables	$ 21,075	$ 21,751	$ 19,636	$ 19,233	$ 18,907	$ 2,168	11.5 %
Average loan receivables, including held for sale	$ 21,160	$ 20,388	$ 19,286	$ 18,783	$ 19,437	$ 1,723	8.9 %
Average active accounts (in thousands)[3]	19,000	18,375	17,655	17,258	17,318	1,682	9.7 %
Interest and fees on loans	$ 1,022	$ 1,025	$ 973	$ 891	$ 903	$ 119	13.2 %
Other income	$ (12)	$ (28)	$ (19)	$ (28)	$ (12)	$ —	— %
DIVERSIFIED & VALUE							
Purchase volume[1]	$ 11,558	$ 14,154	$ 12,006	$ 11,618	$ 9,220	$ 2,338	25.4 %
Period-end loan receivables	$ 15,166	$ 16,075	$ 14,415	$ 14,357	$ 14,217	$ 949	6.7 %
Average loan receivables, including held for sale	$ 15,128	$ 14,999	$ 14,328	$ 14,101	$ 14,574	$ 554	3.8 %
Average active accounts (in thousands)[3]	19,201	18,829	17,903	17,301	17,457	1,744	10.0 %
Interest and fees on loans	$ 826	$ 817	$ 780	$ 729	$ 789	$ 37	4.7 %
Other income	$ (9)	$ (23)	$ (8)	$ (2)	$ 5	$ (14)	(280.0)%
HEALTH & WELLNESS							
Purchase volume[1]	$ 3,107	$ 3,055	$ 3,024	$ 2,988	$ 2,648	$ 459	17.3 %
Period-end loan receivables	$ 10,407	$ 10,244	$ 9,879	$ 9,515	$ 9,317	$ 1,090	11.7 %
Average loan receivables, including held for sale	$ 10,251	$ 10,057	$ 9,654	$ 9,334	$ 9,442	$ 809	8.6 %
Average active accounts (in thousands)[3]	6,027	5,922	5,707	5,585	5,706	321	5.6 %
Interest and fees on loans	$ 616	$ 603	$ 587	$ 523	$ 558	$ 58	10.4 %
Other income	$ 53	$ 42	$ 41	$ 36	$ 40	$ 13	32.5 %
LIFESTYLE							
Purchase volume[1]	$ 1,195	$ 1,462	$ 1,298	$ 1,405	$ 1,154	$ 41	3.6 %
Period-end loan receivables	$ 5,381	$ 5,479	$ 5,234	$ 5,158	$ 4,988	$ 393	7.9 %
Average loan receivables, including held for sale	$ 5,379	$ 5,297	$ 5,185	$ 5,050	$ 5,003	$ 376	7.5 %
Average active accounts (in thousands)[3]	2,582	2,548	2,465	2,442	2,573	9	0.3 %
Interest and fees on loans	$ 191	$ 194	$ 187	$ 182	$ 181	$ 10	5.5 %
Other income	$ 6	$ 6	$ 6	$ 6	$ 5	$ 1	20.0 %
CORP, OTHER[4][6]							
Purchase volume[1][2]	$ 3,174	$ 4,031	$ 3,535	$ 3,657	$ 3,050	$ 124	4.1 %
Period-end loan receivables[5]	$ 355	$ 410	$ 1,014	$ 4,523	$ 4,487	$ (4,132)	(92.1)%
Average loan receivables, including held for sale	$ 4,423	$ 4,588	$ 4,461	$ 4,442	$ 4,629	$ (206)	(4.5)%
Average active accounts (in thousands)[2][3]	5,844	6,068	5,943	5,917	6,077	(233)	(3.8)%
Interest and fees on loans	$ 265	$ 277	$ 268	$ 249	$ 265	$ —	— %
Other income	$ 49	$ 152	$ 56	$ 61	$ 76	$ (27)	(35.5)%
TOTAL SYF							
Purchase volume[1][2]	$ 40,490	$ 47,072	$ 41,912	$ 42,121	$ 34,749	$ 5,741	16.5 %
Period-end loan receivables[5]	$ 78,916	$ 80,740	$ 76,388	$ 78,374	$ 76,858	$ 2,058	2.7 %
Average loan receivables, including held for sale	$ 82,747	$ 81,784	$ 78,714	$ 76,821	$ 78,358	$ 4,389	5.6 %
Average active accounts (in thousands)[2][3]	70,127	69,397	67,189	65,810	66,280	3,847	5.8 %
Interest and fees on loans	$ 4,008	$ 4,042	$ 3,887	$ 3,567	$ 3,732	$ 276	7.4 %
Other income	$ 108	$ 167	$ 94	$ 89	$ 131	$ (23)	(17.6)%

(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. and BP except where noted, which are both scheduled to expire in 2Q 2022.

(5) Reflects the reclassification of $3.5 billion and $0.5 billion to loan receivables held for sale in 3Q 2021 and 4Q 2021, respectively.

(6) In December 2021, we entered into an agreement to sell $0.5 billion of loan receivables associated with our program agreement with BP. In connection with this agreement, revenue activities for the BP portfolio are no longer managed within our Home & Auto sales platform. All metrics for the BP portfolio previously reported within our Home & Auto sales platform, are now reported within our Corp, Other information. We have recast all prior-period reported metrics for our Home & Auto sales platform and Corp, Other to conform to the current-period presentation.

SYNCHRONY FINANCIAL

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

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

	Quarter Ended				
	Mar 31, 2022	**Dec 31, 2021**	**Sep 30, 2021**	**Jun 30, 2021**	**Mar 31, 2021**
COMMON EQUITY AND REGULATORY CAPITAL MEASURES[(2)]					
GAAP Total equity	$ 13,418	$ 13,655	$ 13,936	$ 14,197	$ 13,439
Less: Preferred stock	(734)	(734)	(734)	(734)	(734)
Less: Goodwill	(1,105)	(1,105)	(1,105)	(1,105)	(1,104)
Less: Intangible assets, net	(1,149)	(1,168)	(1,090)	(1,098)	(1,169)
Tangible common equity	$ 10,430	$ 10,648	$ 11,007	$ 11,260	$ 10,432
Add: CECL transition amount	1,719	2,292	2,274	2,376	2,595
Adjustments for certain deferred tax liabilities and certain items in accumulated comprehensive income (loss)	371	329	299	301	354
Common equity Tier 1	$ 12,520	$ 13,269	$ 13,580	$ 13,937	$ 13,381
Preferred stock	734	734	734	734	734
Tier 1 capital	$ 13,254	$ 14,003	$ 14,314	$ 14,671	$ 14,115
Add: Allowance for credit losses includible in risk-based capital	1,106	1,119	1,052	1,039	1,031
Total Risk-based capital	$ 14,360	$ 15,122	$ 15,366	$ 15,710	$ 15,146
ASSET MEASURES[(2)]					
Total average assets	$ 95,556	$ 94,707	$ 91,948	$ 93,389	$ 96,455
Adjustments for:					
Add: CECL transition amount	1,719	2,292	2,274	2,376	2,595
Disallowed goodwill and other disallowed intangible assets (net of related deferred tax liabilities) and other	(1,964)	(1,999)	(1,960)	(1,965)	(1,987)
Total assets for leverage purposes	$ 95,311	$ 95,000	$ 92,262	$ 93,800	$ 97,063
Risk-weighted assets	$ 83,251	$ 84,950	$ 79,597	$ 78,281	$ 76,965
CECL FULLY PHASED-IN CAPITAL MEASURES					
Tier 1 capital	$ 13,254	$ 14,003	$ 14,314	$ 14,671	$ 14,115
Less: CECL transition adjustment	(1,719)	(2,292)	(2,274)	(2,376)	(2,595)
Tier 1 capital (CECL fully phased-in)	$ 11,535	$ 11,711	$ 12,040	$ 12,295	$ 11,520
Add: Allowance for credit losses	8,651	8,688	8,616	9,023	9,901
Tier 1 capital (CECL fully phased-in) + Reserves for credit losses	$ 20,186	$ 20,399	$ 20,656	$ 21,318	$ 21,421
Risk-weighted assets	$ 83,251	$ 84,950	$ 79,597	$ 78,281	$ 76,965
Less: CECL transition adjustment	(870)	(1,353)	(2,065)	(2,166)	(2,386)
Risk-weighted assets (CECL fully phased-in)	$ 82,381	$ 83,597	$ 77,532	$ 76,115	$ 74,579
TANGIBLE COMMON EQUITY PER SHARE					
GAAP book value per share	$ 25.06	$ 24.53	$ 24.13	$ 23.48	$ 21.86
Less: Goodwill	(2.18)	(2.10)	(2.02)	(1.93)	(1.90)
Less: Intangible assets, net	(2.28)	(2.22)	(1.99)	(1.91)	(2.01)
Tangible common equity per share	$ 20.60	$ 20.21	$ 20.12	$ 19.64	$ 17.95

(1) Regulatory measures at March 31, 2022 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.