Investor Relations	Media Relations
Jennifer Church	Sue Bishop
(203) 585-6508	(203) 585-2802

For Immediate Release: April 27, 2021

Synchrony Reports First Quarter Net Earnings of $1.0 Billion or $1.73 Per Diluted Share

– *Growth Drivers Accelerating; Remain Impacted by Pandemic*

– *Credit Quality Continues to be Strong, Provision for Credit Losses Down 80%*

STAMFORD, Conn. – Synchrony Financial (NYSE: SYF) today announced first quarter 2021 earnings results amid the continuing Coronavirus (COVID-19) pandemic. Synchrony reported first quarter 2021 net earnings of $1.0 billion, or $1.73 per diluted share.

Key Highlights*:

- Loan receivables decreased 7% to $76.9 billion
- Interest and fees on loans decreased 14% to $3.7 billion
- Purchase volume increased 8% to $34.7 billion
- Average active accounts decreased 8% to 66.3 million
- Deposits decreased $1.9 billion, or 3%, to $62.7 billion
- Renewed 10 programs including American Eagle, Ashley HomeStores LTD, CITGO, and Phillips 66
- Added 10 new programs including Prime Healthcare, Mercyhealth, Emory Healthcare, and Southern Veterinary Partners in the CareCredit network
- Gap Inc. program agreement will not be renewed and will expire in April 2022; expect strategic options will be accretive to diluted earnings per share relative to renewal terms and if the portfolio is sold we expect to redeploy approximately $1 billion of capital
- Returned $328 million in capital through share repurchases of $200 million and common stock dividends

“As we begin to emerge from the pandemic, Synchrony is well positioned for a strong recovery and bright future. We’re driving growth for Synchrony and our partners by investing in enhanced digital and data capabilities, seamless customer experiences, new products and capabilities, and expanding our networks. As we navigated the challenges of the past year, we further strengthened our competitive position and accelerated initiatives to help our partners compete and win in this dynamic environment,” said Brian Doubles, President and Chief Executive Officer, Synchrony. “Though first quarter results continued to be impacted by the pandemic with slower loan growth, lower net interest income and resultant lower margins, credit continues to perform exceedingly well and we are driving operational efficiency. I am confident in our success as we accelerate our strategy and position the company for long-term growth.”

<u>Business and Financial Results for the First Quarter of 2021*</u>

Earnings

- Net interest income decreased $451 million, or 12%, to $3.4 billion, mainly due to lower finance charges and late fees.
- Retailer share arrangements increased $63 million, or 7%, to $1.0 billion, reflecting the improvement in net charge-offs.
- Provision for credit losses decreased $1.3 billion, or 80%, to $334 million, driven by lower reserves and net charge-offs.
- Other income increased $34 million, or 35%, to $131 million, largely driven by investment income.
- Other expense decreased $70 million, or 7%, to $932 million, mainly driven by lower operational losses and lower marketing and business development costs, partially offset by an increase in employee costs.
- Net earnings increased $739 million to $1.0 billion.

Balance Sheet

- Period-end loan receivables decreased 7%; purchase volume increased 8%; and average active accounts decreased 8%.
- Deposits decreased $1.9 billion, or 3%, to $62.7 billion and comprised 81% of funding.
- The Company's balance sheet remained strong with total liquidity (liquid assets and undrawn credit facilities) of $28.0 billion, or 29.2% of total assets.
- The Company has elected to defer the regulatory capital effects of CECL for two years; the estimated Common Equity Tier 1 ratio was 17.4% compared to 14.3%, and the estimated Tier 1 Capital ratio was 18.3% compared to 15.2%, reflecting the Company's strong capital generation capabilities.

Key Financial Metrics

- Return on assets was 4.3% and return on equity was 31.8%.
- Net interest margin was 13.98%.
- Efficiency ratio was 36.1%.

Credit Quality

- Loans 30+ days past due as a percentage of total period-end loan receivables were 2.83% compared to 4.24% last year.
- Net charge-offs as a percentage of total average loan receivables were 3.62% compared to 5.36% last year.
- The allowance for credit losses as a percentage of total period-end loan receivables was 12.88%.

Sales Platforms

- Impacts from 2020 shutdowns and higher payment rates affecting platforms' receivables growth to varying degrees in the first quarter.
- Retail Card period-end loan receivables decreased 9%. Interest and fees on loans decreased 16%, driven primarily by the decline in loan receivables and lower yield. Purchase volume increased 11% and average active accounts decreased 7%.
- Payment Solutions period-end loan receivables decreased 1%, with continued strength in Power Sports and Home Specialty. Interest and fees on loans decreased 11%, driven primarily by lower late fees,

finance charges, and merchant discount. Purchase volume increased 3% and average active accounts decreased 9%.

- CareCredit period-end loan receivables decreased 8%. Interest and fees on loans decreased 7%, driven primarily by lower late fees and merchant discount. Purchase volume was flat and average active accounts decreased 11%.

** All comparisons are for the first quarter of 2021 compared to the first 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 March 31, 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 Information

On Tuesday, April 27, 2021, at 8:30 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.

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 Retail Card 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.

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						
	Mar 31, 2021	**Dec 31, 2020**	**Sep 30, 2020**	**Jun 30, 2020**	**Mar 31, 2020**	**1Q'21 vs. 1Q'20**	
EARNINGS							
Net interest income	$ 3,439	$ 3,659	$ 3,457	$ 3,396	$ 3,890	$ (451)	(11.6)%
Retailer share arrangements	(989)	(1,047)	(899)	(773)	(926)	(63)	6.8 %
Provision for credit losses	334	750	1,210	1,673	1,677	(1,343)	(80.1)%
Net interest income, after retailer share arrangements and provision for credit losses	2,116	1,862	1,348	950	1,287	829	64.4 %
Other income	131	82	131	95	97	34	35.1 %
Other expense	932	1,000	1,067	986	1,002	(70)	(7.0)%
Earnings before provision for income taxes	1,315	944	412	59	382	933	244.2 %
Provision for income taxes	290	206	99	11	96	194	202.1 %
Net earnings	$ 1,025	$ 738	$ 313	$ 48	$ 286	$ 739	258.4 %
Net earnings available to common stockholders	$ 1,014	$ 728	$ 303	$ 37	$ 275	$ 739	268.7 %
COMMON SHARE STATISTICS							
Basic EPS	$ 1.74	$ 1.25	$ 0.52	$ 0.06	$ 0.45	$ 1.29	286.7 %
Diluted EPS	$ 1.73	$ 1.24	$ 0.52	$ 0.06	$ 0.45	$ 1.28	284.4 %
Dividend declared per share	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ —	— %
Common stock price	$ 40.66	$ 34.71	$ 26.17	$ 22.16	$ 16.09	$ 24.57	152.7 %
Book value per share	$ 21.86	$ 20.49	$ 19.47	$ 19.13	$ 19.27	$ 2.59	13.4 %
Tangible common equity per share[(1)]	$ 17.95	$ 16.72	$ 15.75	$ 15.28	$ 15.35	$ 2.60	16.9 %
Beginning common shares outstanding	584.0	583.8	583.7	583.2	615.9	(31.9)	(5.2)%
Issuance of common shares	—	—	—	—	—	—	— %
Stock-based compensation	2.2	0.2	0.1	0.5	0.9	1.3	144.4 %
Shares repurchased	(5.1)	—	—	—	(33.6)	28.5	(84.8)%
Ending common shares outstanding	581.1	584.0	583.8	583.7	583.2	(2.1)	(0.4)%
Weighted average common shares outstanding	583.3	583.9	583.8	583.7	604.9	(21.6)	(3.6)%
Weighted average common shares outstanding (fully diluted)	587.5	586.6	584.8	584.4	607.4	(19.9)	(3.3)%

(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					
	Mar 31, 2021	**Dec 31, 2020**	**Sep 30, 2020**	**Jun 30, 2020**	**Mar 31, 2020**	**1Q'21 vs. 1Q'20**
PERFORMANCE METRICS						
Return on assets[1]	4.3 %	3.1 %	1.3 %	0.2 %	1.1 %	3.2 %
Return on equity[2]	31.8 %	23.6 %	10.3 %	1.6 %	9.1 %	22.7 %
Return on tangible common equity[3]	40.8 %	30.4 %	13.1 %	1.6 %	11.6 %	29.2 %
Net interest margin[4]	13.98 %	14.64 %	13.80 %	13.53 %	15.15 %	(1.17)%
Efficiency ratio[5]	36.1 %	37.1 %	39.7 %	36.3 %	32.7 %	3.4 %
Other expense as a % of average loan receivables, including held for sale	4.82 %	5.01 %	5.44 %	5.04 %	4.77 %	0.05 %
Effective income tax rate	22.1 %	21.8 %	24.0 %	18.6 %	25.1 %	(3.0)%
CREDIT QUALITY METRICS						
Net charge-offs as a % of average loan receivables, including held for sale	3.62 %	3.16 %	4.42 %	5.35 %	5.36 %	(1.74)%
30+ days past due as a % of period-end loan receivables[6]	2.83 %	3.07 %	2.67 %	3.13 %	4.24 %	(1.41)%
90+ days past due as a % of period-end loan receivables[6]	1.52 %	1.40 %	1.24 %	1.77 %	2.10 %	(0.58)%
Net charge-offs	$ 699	$ 631	$ 866	$ 1,046	$ 1,125	$ (426) (37.9)%
Loan receivables delinquent over 30 days[6]	$ 2,175	$ 2,514	$ 2,100	$ 2,453	$ 3,500	$ (1,325) (37.9)%
Loan receivables delinquent over 90 days[6]	$ 1,170	$ 1,143	$ 973	$ 1,384	$ 1,735	$ (565) (32.6)%
Allowance for credit losses (period-end)	$ 9,901	$ 10,265	$ 10,146	$ 9,802	$ 9,175	$ 726 7.9 %
Allowance coverage ratio[7]	12.88 %	12.54 %	12.92 %	12.52 %	11.13 %	1.75 %
BUSINESS METRICS						
Purchase volume[8][9]	$ 34,749	$ 39,874	$ 36,013	$ 31,155	$ 32,042	$ 2,707 8.4 %
Period-end loan receivables	$ 76,858	$ 81,867	$ 78,521	$ 78,313	$ 82,469	$ (5,611) (6.8)%
Credit cards	$ 73,244	$ 78,455	$ 75,204	$ 75,353	$ 79,832	$ (6,588) (8.3)%
Consumer installment loans	$ 2,319	$ 2,125	$ 1,987	$ 1,779	$ 1,390	$ 929 66.8 %
Commercial credit products	$ 1,248	$ 1,250	$ 1,270	$ 1,140	$ 1,203	$ 45 3.7 %
Other	$ 47	$ 37	$ 60	$ 41	$ 44	$ 3 6.8 %
Average loan receivables, including held for sale	$ 78,358	$ 79,452	$ 78,005	$ 78,697	$ 84,428	$ (6,070) (7.2)%
Period-end active accounts (in thousands)[9][10]	65,219	68,540	64,800	63,430	68,849	(3,630) (5.3)%
Average active accounts (in thousands)[9][10]	66,280	66,261	64,270	64,836	72,078	(5,798) (8.0)%
LIQUIDITY						
Liquid assets						
Cash and equivalents	$ 16,620	$ 11,524	$ 13,552	$ 16,344	$ 13,704	$ 2,916 21.3 %
Total liquid assets	$ 22,636	$ 18,321	$ 21,402	$ 22,352	$ 19,225	$ 3,411 17.7 %
Undrawn credit facilities						
Undrawn credit facilities	$ 5,400	$ 5,400	$ 5,400	$ 5,650	$ 5,600	$ (200) (3.6)%
Total liquid assets and undrawn credit facilities	$ 28,036	$ 23,721	$ 26,802	$ 28,002	$ 24,825	$ 3,211 12.9 %
Liquid assets % of total assets	23.62 %	19.09 %	22.37 %	23.15 %	19.61 %	4.01 %
Liquid assets including undrawn credit facilities % of total assets	29.25 %	24.72 %	28.02 %	29.00 %	25.32 %	3.93 %

(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, 2021	**Dec 31, 2020**	**Sep 30, 2020**	**Jun 30, 2020**	**Mar 31, 2020**	**1Q'21 vs. 1Q'20**	
Interest income:							
Interest and fees on loans	$ 3,732	$ 3,981	$ 3,821	$ 3,808	$ 4,340	$ (608)	(14.0)%
Interest on cash and debt securities	10	12	16	22	67	(57)	(85.1)%
Total interest income	3,742	3,993	3,837	3,830	4,407	(665)	(15.1)%
Interest expense:							
Interest on deposits	170	200	245	293	356	(186)	(52.2)%
Interest on borrowings of consolidated securitization entities	51	52	53	59	73	(22)	(30.1)%
Interest on senior unsecured notes	82	82	82	82	88	(6)	(6.8)%
Total interest expense	303	334	380	434	517	(214)	(41.4)%
Net interest income	3,439	3,659	3,457	3,396	3,890	(451)	(11.6)%
Retailer share arrangements	(989)	(1,047)	(899)	(773)	(926)	(63)	6.8 %
Provision for credit losses	334	750	1,210	1,673	1,677	(1,343)	(80.1)%
Net interest income, after retailer share arrangements and provision for credit losses	2,116	1,862	1,348	950	1,287	829	64.4 %
Other income:							
Interchange revenue	171	185	172	134	161	10	6.2 %
Debt cancellation fees	69	72	68	69	69	—	— %
Loyalty programs	(179)	(202)	(155)	(134)	(158)	(21)	13.3 %
Other	70	27	46	26	25	45	180.0 %
Total other income	131	82	131	95	97	34	35.1 %
Other expense:							
Employee costs	364	347	382	327	324	40	12.3 %
Professional fees	190	186	187	189	197	(7)	(3.6)%
Marketing and business development	95	139	107	91	111	(16)	(14.4)%
Information processing	131	128	125	116	123	8	6.5 %
Other	152	200	266	263	247	(95)	(38.5)%
Total other expense	932	1,000	1,067	986	1,002	(70)	(7.0)%
Earnings before provision for income taxes	1,315	944	412	59	382	933	244.2 %
Provision for income taxes	290	206	99	11	96	194	202.1 %
Net earnings	$ 1,025	$ 738	$ 313	$ 48	$ 286	$ 739	258.4 %
Net earnings available to common stockholders	$ 1,014	$ 728	$ 303	$ 37	$ 275	$ 739	268.7 %

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

	Quarter Ended						
	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Mar 31, 2021 vs. Mar 31, 2020	
Assets							
Cash and equivalents	$ 16,620	$ 11,524	$ 13,552	$ 16,344	$ 13,704	$ 2,916	21.3 %
Debt securities	6,550	7,469	8,432	6,623	6,146	404	6.6 %
Loan receivables:							
Unsecuritized loans held for investment	53,823	56,472	52,613	52,629	54,765	(942)	(1.7)%
Restricted loans of consolidated securitization entities	23,035	25,395	25,908	25,684	27,704	(4,669)	(16.9)%
Total loan receivables	76,858	81,867	78,521	78,313	82,469	(5,611)	(6.8)%
Less: Allowance for credit losses	(9,901)	(10,265)	(10,146)	(9,802)	(9,175)	(726)	7.9 %
Loan receivables, net	66,957	71,602	68,375	68,511	73,294	(6,337)	(8.6)%
Loan receivables held for sale	23	5	4	4	5	18	NM
Goodwill	1,104	1,078	1,078	1,078	1,078	26	2.4 %
Intangible assets, net	1,169	1,125	1,091	1,166	1,208	(39)	(3.2)%
Other assets	3,431	3,145	3,126	2,818	2,603	828	31.8 %
Total assets	$ 95,854	$ 95,948	$ 95,658	$ 96,544	$ 98,038	$ (2,184)	(2.2)%
Liabilities and Equity							
Deposits:							
Interest-bearing deposit accounts	$ 62,419	$ 62,469	$ 63,195	$ 63,857	$ 64,302	$ (1,883)	(2.9)%
Non-interest-bearing deposit accounts	342	313	298	291	313	29	9.3 %
Total deposits	62,761	62,782	63,493	64,148	64,615	(1,854)	(2.9)%
Borrowings:							
Borrowings of consolidated securitization entities	7,193	7,810	7,809	8,109	9,291	(2,098)	(22.6)%
Senior unsecured notes	7,967	7,965	7,962	7,960	7,957	10	0.1 %
Total borrowings	15,160	15,775	15,771	16,069	17,248	(2,088)	(12.1)%
Accrued expenses and other liabilities	4,494	4,690	4,295	4,428	4,205	289	6.9 %
Total liabilities	82,415	83,247	83,559	84,645	86,068	(3,653)	(4.2)%
Equity:							
Preferred stock	734	734	734	734	734	—	—
Common stock	1	1	1	1	1	—	— %
Additional paid-in capital	9,592	9,570	9,552	9,532	9,523	69	0.7 %
Retained earnings	11,470	10,621	10,024	9,852	9,960	1,510	15.2 %
Accumulated other comprehensive income (loss)	(56)	(51)	(31)	(37)	(49)	(7)	14.3 %
Treasury stock	(8,302)	(8,174)	(8,181)	(8,183)	(8,199)	(103)	1.3 %
Total equity	13,439	12,701	12,099	11,899	11,970	1,469	12.3 %
Total liabilities and equity	$ 95,854	$ 95,948	$ 95,658	$ 96,544	$ 98,038	$ (2,184)	(2.2)%

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

	Quarter Ended														
	Mar 31, 2021			Dec 31, 2020			Sep 30, 2020			Jun 30, 2020			Mar 31, 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	$ 14,610	$ 4	0.11 %	$ 11,244	$ 4	0.14 %	$ 13,664	$ 4	0.12 %	$ 15,413	$ 3	0.08 %	$ 12,902	$ 42	1.31 %
Securities available for sale	6,772	6	0.36 %	8,706	8	0.37 %	7,984	12	0.60 %	6,804	19	1.12 %	5,954	25	1.69 %
Loan receivables, including held for sale:															
Credit cards	74,865	3,657	19.81 %	76,039	3,908	20.45 %	74,798	3,752	19.96 %	75,942	3,740	19.81 %	81,716	4,272	21.03 %
Consumer installment loans	2,219	53	9.69 %	2,057	50	9.67 %	1,892	46	9.67 %	1,546	37	9.63 %	1,432	35	9.83 %
Commercial credit products	1,231	21	6.92 %	1,293	23	7.08 %	1,238	22	7.07 %	1,150	30	10.49 %	1,243	33	10.68 %
Other	43	1	NM	63	—	—	77	1	NM	59	1	NM	37	—	— %
Total loan receivables, including held for sale	78,358	3,732	19.32 %	79,452	3,981	19.93 %	78,005	3,821	19.49 %	78,697	3,808	19.46 %	84,428	4,340	20.67 %
Total interest-earning assets	99,740	3,742	15.22 %	99,402	3,993	15.98 %	99,653	3,837	15.32 %	100,914	3,830	15.26 %	103,284	4,407	17.16 %
Non-interest-earning assets:															
Cash and due from banks	1,635			1,525			1,489			1,486			1,450		
Allowance for credit losses	(10,225)			(10,190)			(9,823)			(9,221)			(8,708)		
Other assets	5,305			5,228			5,021			4,779			4,696		
Total non-interest-earning assets	(3,285)			(3,437)			(3,313)			(2,956)			(2,562)		
Total assets	$ 96,455			$ 95,965			$ 96,340			$ 97,958			$ 100,722		
Liabilities															
Interest-bearing liabilities:															
Interest-bearing deposit accounts	$ 62,724	$ 170	1.10 %	$ 62,800	$ 200	1.27 %	$ 63,569	$ 245	1.53 %	$ 64,298	$ 293	1.83 %	$ 64,366	$ 356	2.22 %
Borrowings of consolidated securitization entities	7,694	51	2.69 %	7,809	52	2.65 %	8,057	53	2.62 %	8,863	59	2.68 %	9,986	73	2.94 %
Senior unsecured notes	7,965	82	4.18 %	7,963	82	4.10 %	7,960	82	4.10 %	7,958	82	4.14 %	8,807	88	4.02 %
Total interest-bearing liabilities	78,383	303	1.57 %	78,572	334	1.69 %	79,586	380	1.90 %	81,119	434	2.15 %	83,159	517	2.50 %
Non-interest-bearing liabilities															
Non-interest-bearing deposit accounts	346			308			307			309			299		
Other liabilities	4,655			4,663			4,308			4,349			4,672		
Total non-interest-bearing liabilities	5,001			4,971			4,615			4,658			4,971		
Total liabilities	83,384			83,543			84,201			85,777			88,130		
Equity															
Total equity	13,071			12,422			12,139			12,181			12,592		
Total liabilities and equity	$ 96,455			$ 95,965			$ 96,340			$ 97,958			$ 100,722		
Net interest income		$ 3,439			$ 3,659			$ 3,457			$ 3,396			$ 3,890	
Interest rate spread(1)			13.65 %			14.29 %			13.42 %			13.11 %			14.66 %
Net interest margin(2)			13.98 %			14.64 %			13.80 %			13.53 %			15.15 %

(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, 2021		Dec 31, 2020		Sep 30, 2020		Jun 30, 2020		Mar 31, 2020		Mar 31, 2021 vs. Mar 31, 2020	
BALANCE SHEET STATISTICS												
Total common equity	$	12,705	$	11,967	$	11,365	$	11,165	$	11,236	$ 1,469	13.1 %
Total common equity as a % of total assets		13.25 %		12.47 %		11.88 %		11.56 %		11.46 %		1.79 %
Tangible assets	$	93,581	$	93,745	$	93,489	$	94,300	$	95,752	$ (2,171)	(2.3)%
Tangible common equity[1]	$	10,432	$	9,764	$	9,196	$	8,921	$	8,950	$ 1,482	16.6 %
Tangible common equity as a % of tangible assets[1]		11.15 %		10.42 %		9.84 %		9.46 %		9.35 %		1.80 %
Tangible common equity per share[1]	$	17.95	$	16.72	$	15.75	$	15.28	$	15.35	$ 2.60	16.9 %
REGULATORY CAPITAL RATIOS[2][3]												
	Basel III - CECL Transition											
Total risk-based capital ratio[4]		19.7 %		18.1 %		18.1 %		17.6 %		16.5 %		
Tier 1 risk-based capital ratio[5]		18.3 %		16.8 %		16.7 %		16.3 %		15.2 %		
Tier 1 leverage ratio[6]		14.5 %		14.0 %		13.3 %		12.7 %		12.3 %		
Common equity Tier 1 capital ratio		17.4 %		15.9 %		15.8 %		15.3 %		14.3 %		

(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 March 31, 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						
	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	1Q'21 vs. 1Q'20	
RETAIL CARD							
Purchase volume[1][2]	$ 26,540	$ 31,256	$ 27,374	$ 24,380	$ 24,008	$ 2,532	10.5 %
Period-end loan receivables	$ 47,855	$ 52,130	$ 49,595	$ 49,967	$ 52,390	$ (4,535)	(8.7)%
Average loan receivables, including held for sale	$ 49,044	$ 50,235	$ 49,503	$ 50,238	$ 53,820	$ (4,776)	(8.9)%
Average active accounts (in thousands)[2][3]	49,078	49,001	47,065	46,970	53,018	(3,940)	(7.4)%
Interest and fees on loans	$ 2,547	$ 2,719	$ 2,619	$ 2,640	$ 3,037	$ (490)	(16.1)%
Other income	$ 66	$ 50	$ 84	$ 56	$ 59	$ 7	11.9 %
Retailer share arrangements	$ (970)	$ (1,026)	$ (877)	$ (752)	$ (904)	$ (66)	7.3 %
PAYMENT SOLUTIONS							
Purchase volume[1][2]	$ 5,561	$ 5,942	$ 5,901	$ 4,823	$ 5,375	$ 186	3.5 %
Period-end loan receivables	$ 19,682	$ 20,153	$ 19,550	$ 19,119	$ 19,973	$ (291)	(1.5)%
Average loan receivables, including held for sale	$ 19,867	$ 19,734	$ 19,247	$ 19,065	$ 20,344	$ (477)	(2.3)%
Average active accounts (in thousands)[2][3]	11,496	11,536	11,497	11,900	12,681	(1,185)	(9.3)%
Interest and fees on loans	$ 627	$ 673	$ 650	$ 632	$ 706	$ (79)	(11.2)%
Other income	$ 19	$ 4	$ 13	$ 14	$ 13	$ 6	46.2
Retailer share arrangements	$ (15)	$ (17)	$ (20)	$ (18)	$ (18)	$ 3	(16.7)%
CARECREDIT							
Purchase volume[1]	$ 2,648	$ 2,676	$ 2,738	$ 1,952	$ 2,659	$ (11)	(0.4)%
Period-end loan receivables	$ 9,321	$ 9,584	$ 9,376	$ 9,227	$ 10,106	$ (785)	(7.8)%
Average loan receivables, including held for sale	$ 9,447	$ 9,483	$ 9,255	$ 9,394	$ 10,264	$ (817)	(8.0)%
Average active accounts (in thousands)[3]	5,706	5,724	5,708	5,966	6,379	(673)	(10.6)%
Interest and fees on loans	$ 558	$ 589	$ 552	$ 536	$ 597	$ (39)	(6.5)%
Other income	$ 46	$ 28	$ 34	$ 25	$ 25	$ 21	84.0 %
Retailer share arrangements	$ (4)	$ (4)	$ (2)	$ (3)	$ (4)	$ —	— %
TOTAL SYF							
Purchase volume[1][2]	$ 34,749	$ 39,874	$ 36,013	$ 31,155	$ 32,042	$ 2,707	8.4 %
Period-end loan receivables	$ 76,858	$ 81,867	$ 78,521	$ 78,313	$ 82,469	$ (5,611)	(6.8)%
Average loan receivables, including held for sale	$ 78,358	$ 79,452	$ 78,005	$ 78,697	$ 84,428	$ (6,070)	(7.2)%
Average active accounts (in thousands)[2][3]	66,280	66,261	64,270	64,836	72,078	(5,798)	(8.0)%
Interest and fees on loans	$ 3,732	$ 3,981	$ 3,821	$ 3,808	$ 4,340	$ (608)	(14.0)%
Other income	$ 131	$ 82	$ 131	$ 95	$ 97	$ 34	35.1 %
Retailer share arrangements	$ (989)	$ (1,047)	$ (899)	$ (773)	$ (926)	$ (63)	6.8 %

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

(2) Includes activity and balances associated with loan receivables held for sale.

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

SYNCHRONY FINANCIAL

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

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

	Quarter Ended				
	Mar 31, 2021	**Dec 31, 2020**	**Sep 30, 2020**	**Jun 30, 2020**	**Mar 31, 2020**
COMMON EQUITY AND REGULATORY CAPITAL MEASURES[2]					
GAAP Total equity	$ 13,439	$ 12,701	$ 12,099	$ 11,899	$ 11,970
Less: Preferred stock	(734)	(734)	(734)	(734)	(734)
Less: Goodwill	(1,104)	(1,078)	(1,078)	(1,078)	(1,078)
Less: Intangible assets, net	(1,169)	(1,125)	(1,091)	(1,166)	(1,208)
Tangible common equity	$ 10,432	$ 9,764	$ 9,196	$ 8,921	$ 8,950
Add: CECL transition amount	2,595	2,686	2,656	2,570	2,417
Adjustments for certain deferred tax liabilities and certain items in accumulated comprehensive income (loss)	354	341	305	302	304
Common equity Tier 1	$ 13,381	$ 12,791	$ 12,157	$ 11,793	$ 11,671
Preferred stock	734	734	734	734	734
Tier 1 capital	$ 14,115	$ 13,525	$ 12,891	$ 12,527	$ 12,405
Add: Allowance for credit losses includible in risk-based capital	1,031	1,079	1,034	1,031	1,082
Total Risk-based capital	$ 15,146	$ 14,604	$ 13,925	$ 13,558	$ 13,487
ASSET MEASURES[2]					
Total average assets	$ 96,455	$ 95,965	$ 96,340	$ 97,958	$ 100,722
Adjustments for:					
Add: CECL transition amount	2,595	2,686	2,656	2,570	2,417
Disallowed goodwill and other disallowed intangible assets (net of related deferred tax liabilities) and other	(1,987)	(1,924)	(1,906)	(1,980)	(2,010)
Total assets for leverage purposes	$ 97,063	$ 96,727	$ 97,090	$ 98,548	$ 101,129
Risk-weighted assets	$ 76,965	$ 80,561	$ 76,990	$ 77,048	$ 81,639
CECL FULLY PHASED-IN CAPITAL MEASURES					
Tier 1 capital	$ 14,115	$ 13,525	$ 12,891	$ 12,527	$ 12,405
Less: CECL transition adjustment	(2,595)	(2,686)	(2,656)	(2,570)	(2,417)
Tier 1 capital (CECL fully phased-in)	$ 11,520	$ 10,839	$ 10,235	$ 9,957	$ 9,988
Add: Allowance for credit losses	9,901	10,265	10,146	9,802	9,175
Tier 1 capital (CECL fully phased-in) + Reserves for credit losses	$ 21,421	$ 21,104	$ 20,381	$ 19,759	$ 19,163
Risk-weighted assets	$ 76,965	$ 80,561	$ 76,990	$ 77,048	$ 81,639
Less: CECL transition adjustment	(2,386)	(2,477)	(2,447)	(2,361)	(2,204)
Risk-weighted assets (CECL fully phased-in)	$ 74,579	$ 78,084	$ 74,543	$ 74,687	$ 79,435
TANGIBLE COMMON EQUITY PER SHARE					
GAAP book value per share	$ 21.86	$ 20.49	$ 19.47	$ 19.13	$ 19.27
Less: Goodwill	(1.90)	(1.85)	(1.85)	(1.85)	(1.85)
Less: Intangible assets, net	(2.01)	(1.92)	(1.87)	(2.00)	(2.07)
Tangible common equity per share	$ 17.95	$ 16.72	$ 15.75	$ 15.28	$ 15.35

(1) Regulatory measures at March 31, 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